

Performance of business integrity and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.

Items of Evaluation	Implementation Status			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons Thereof
	Yes	NO	Summaries	
<p>I. Establish Ethical Operation Policies and Programs</p> <p>(I) Whether the Company adopts the ethical management policy approved by the Board of Directors, and expressly states the ethical corporate management policy and rules, and its fulfillment by the Board of Directors and senior management in its Articles of Incorporation and public documents?</p>	✓		<p>(I) The Company has adopted the “Ethical Corporate Management Best-Practice Principles,” “Codes of Insider Ethical Conduct,” and “Business Integrity Procedures and Behavioral Guidelines.” All of the above policies have been established and amended by the Corporate Governance and Sustainability Committee with the approval of the Board of Directors, and submitted for acknowledgment in a shareholders’ meeting before being published on the Market Observation Post System and disclosed on the Company’s website. These policies outline the integrity principles that directors, senior managers, managers, employees, agents and all parties possessing material control are bound to comply with, and prohibit them from being involved in dishonest conduct. These policies are fulfilled not only by the Board of Directors and the management, but are adopted in all aspects of internal management and external commercial activities as well.</p>	None.
<p>(II) Whether the Company establishes an assessment mechanism for unethical conduct to analyze and assess operating activities with a higher risk of unethical conduct in the scope of business, and adopts an unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX-Listed Companies”?</p>	✓		<p>(II) All departments of the Company have identified risks (including risks of dishonest conduct) based on their respective business activities, risk characteristics, data loss, and operating procedures, and developed key risk indicators and systematic practices for assessing implementation of operational risk controls. Implementation of controls is being self-assessed regularly whereas key risk indicators are constantly monitored. By assessing and monitoring business activities of high integrity risks, the Company is able to identify existing or potential dishonest conducts through quantitative measurements, and take improvement measures in a timely manner.</p>	None.

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			<p>According to the assessments conducted in 2022, no unethical conduct was detected.</p> <p>The Company follows the principles and adopts internal control measures, as described below, for business activities that involve a higher risk of dishonesty:</p> <ol style="list-style-type: none"> <li>1. The Company has stated in its “Business Integrity Procedures and Behavioral Guidelines” a number of preventive solutions and measures against misconduct, such as offering (acceptance) of bribes, inappropriate gains, illegal political donations, inappropriate donations or sponsorships, infringement of business secrets and intellectual property, unfair competition, and offering of products/services that go against customer or stakeholder interests.</li> <li>2. The “Work Rules” outline employees’ duty of integrity, prohibiting them from competing for business using means such as bribery and kickbacks. Employees are also prohibited from exploiting their authority and asking vendors for special treatment or gifts, or accepting commissions, rewards or any other inappropriate gains.</li> <li>3. The Company has implemented the “Fubon Financial Holding Co., Ltd. and Subsidiaries Donation Management Policy” that requires all donations to related parties or substantial donations to non-related parties to be approved by the Board of Directors and disclosed in the form of a major announcement. Before the end of the first quarter each year, the Company also reports the amount of donations made in the previous year to the Board of Directors and discloses such information in the annual report. Additionally, to ensure that each sum of fund donated by the Company and its subsidiaries are properly managed, the “Fubon Financial Holding Co., Ltd. and Subsidiaries Donation Management Policy” was adopted and enforced in</li> </ol>	

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			<p>January 2019, which introduced a well-defined system for checking donation procedures and tracking the purpose of donation.</p> <p>4.The Company has specifically requested all of its contractors to refrain from carrying out service activities in the Company’s name, subject to the nature of the individual contract. Instead, contractors are required to present themselves as independent contractors commissioned by the Company for a specific purpose. Contractors are prohibited from displaying the Company’s name at their place of business so as to avoid causing any third party to mistake them for a Company subsidiary. For transactions that involve business secrets, trademarks, patents, copyrights or any other intellectual property rights, the Company would require guarantee from the transaction counterparty that there will be no infringement against the trademarks, patents, copyrights, business secrets or any other intellectual property rights when fulfilling contractual obligations.</p> <p>5.Subsidiaries have adopted the following preventive measures in regard to products, services, and consumers’ rights:</p> <p>(1) To protect consumer interests, Fubon Life provides a variety of communication channels for customers to change their personal information and express their opinions. As for complaints, customers can use a 24-hour service hotline, portal, online services, email, grievance hotline and other convenient ways the Company has made available to have their product/service/consumption-related disputes resolved. The Company also has “Fair Customer Treatment Principles” in place, which requires employees to comply with relevant laws and treat customers fairly and reasonably when offering products and services.</p>	

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			<p>(2) Taipei Fubon Bank has clear customer complaint handling procedures and complaint channels in place to protect consumers’ interests and ensure that every complaint case is handled with the utmost discretion. The Bank values customers’ voices as a means to improve satisfaction. Through continuous opinion surveys, the Bank constantly strives to improve its policies and procedures to provide customers with better quality financial services that meet their needs.</p> <p>(3) Fubon Insurance has assembled a Product Review Panel and a Product Management Panel in accordance with its articles of association. Apart from assessing the appropriateness and legitimacy of products offered, the two panels are responsible for identifying product descriptions that could be construed as misstatement, fraudulent, or misleading to consumers. Existing insurance products are continually reviewed to ensure their compliance with laws, protection of consumer rights, and price rationality. Personal information protection measures have been implemented to ensure the security of consumers’ personal information. Communication channels &amp; a timely feedback mechanism and customer complaint handling procedures have been established. Various units are assigned to resolve problems in a legal, reasonable, timely and pro-active manner. Furthermore, in order to ensure that persons with disabilities are given access to fair and convenient insurance service, the Company has adopted disabled- friendly service measures, and provided measures per the individual needs of the mentally and physically disabled. Efforts have been made to ensure that the Company’s environment, communication, products, services and information are</p>	

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(III) Whether the Company expressly states the SOP, guidelines and reward and disciplinary & complaint	✓		<p>free of discrimination, and thereby create a friendly banking environment.</p> <p>(4) Fubon Securities has implemented an 0800 toll-free customer service hotline and an opinion feedback system to protect consumers’ interests and address customers’ needs. Dedicated customer service personnel have been assigned to take customers’ calls, queries, and complaints and address them in a manner that complies with laws and maximizes customers’ interests. The subsidiary strictly enforces confidentiality over customers’ data and makes transparent disclosure of information for total improvement in customer service quality. The subsidiary has also implemented “Consumer Dispute Resolution Guidelines,” “Customer Complaint Management Guidelines,” “Fair Customer Treatment Principles Policy,” and “Notes on Fair Customer Treatment” in accordance with the Financial Consumer Protection Act and rules of the financial service industry, so that employees can resolve customer complaints or financial consumption disputes in a timely and compliant manner while ensuring fair and reasonable treatment of customers. Furthermore, in order to give persons with disabilities the basic right to fair and convenient insurance, the Company has introduced accessibility measures that aim to address their needs. Extensive efforts have been made to ensure that the Company’s environment, communication, products, services, and information are accessible and contribute to the creation of a friendly banking environment.</p> <p>(III) The Company has adopted the “Business Integrity Procedures and Behavioral Guidelines” and employees’ “Work Rules.” Meanwhile, the Company will amend the</p>	None.

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systems in the unethical conduct prevention program, implements the same precisely, and reviews amendments to said program periodically?			same per the request from the competent authority and internal policy/work needs periodically, which expressly provides the requirements about reward and discipline and grievances. Those who violate business integrity will be subject to disciplinary action depending on the severity of the violation; details of their conduct and disciplinary actions are posted on the intranet.	
<p>II. Enforcing ethical management</p> <p>(I) Does the Company evaluate the integrity of its business relationships? Are there any integrity clauses in the agreements that are mandatory?</p>	✓		<p>(I) The Company only deals with suppliers that are neither sanctioned under the “Counter-Terrorism Financing Act” of the R.O.C. nor identified by foreign government institutions or international organizations as terrorist or terrorist organization. Suppliers have to undergo rigorous checks and must be legally registered and exhibit sound business performance, proper tax servicing records, good credit history, and no concern for default. Only after signing a “Supplier Standard of Conduct Pledge” and a “Sustainability Risk Self-assessment Checklist for New Suppliers” will the Company accept them as qualified suppliers.</p> <p>All contracts signed between the Company and suppliers contain an “integrity clause,” which requires that suppliers abide by the laws and regulations that the financial institution abides by, and shall not directly or indirectly, actively or upon request, agree to pay commissions, rebates or any other benefits for any reason. If there is a violation, the Company may terminate or cancel the contract with the supplier. For construction agreements, the Company requires contractors to produce letters of commitment on work safety, health, and environmental management. Meanwhile, the Company purchases construction insurance to protect itself against risks.</p>	None.

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(II) Whether the Company establishes a unit dedicated to promoting ethical corporate management under supervision by the Board of Directors, which shall be responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, reporting the status thereof to the Board of Directors periodically (at least once per year)?	✓		(II) The Company has established a “Corporate Governance and Sustainability Committee” directly under the Board of Directors to supervise business integrity. Integrity-related tasks are executed by the corporate governance and ethical management team of the Committee’s ESG Task Force. Execution progress is reported to the Board of Directors every six months.	None.
(III) Does the Company have any policy that prevents conflicts of interest, and channels that facilitate the reporting of such?	✓		(III) Avoidance of conflicts of interest has been explicitly regulated in the Company’s “Ethical Corporate Management Best-Practice Principles” and “Business Integrity Procedures and Behavioral Guidelines.” These policies outline the procedures that directors, managers and any stakeholders present at board meetings must follow with respect to an agenda discussed in board meetings that presents conflicts with themselves or entities they represent. In addition, there are procedures to guide employees in situations where they may accrue inappropriate gains for themselves, their spouse, parent, child or any related party that go against the Company’s interests. The “Codes of Insider Ethical Conduct” specifically prohibits directors and managers from exploiting their authority for personal gain (or for relatives). In addition, directors and managers must explain conflicts of interest if the Company or its subsidiaries are involved in transactions such as lending, guarantee, asset transfer, purchase or sale with any enterprises affiliated with the same directors or managers.	None.
(IV) Whether the Company fulfills the ethical management by establishing an effective accounting system and internal control system, and has an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct	✓		(IV) The Company has implemented an accounting system in compliance with laws to more appropriately present its performance and financial position, and thereby facilitate analyses and comparisons for decision/policy making. All accounting-related affairs are bound to comply with the system.	None.

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<p>audits on the compliance by the unethical conduct prevention program, or appoints a CPA to conduct audits?</p> <p>(V) Does the Company organize internal or external training on a regular basis to maintain business integrity?</p>	✓		<p>The system is constantly reviewed to ensure that it remains effective.</p> <p>The Company has implemented effective internal control and makes timely reviews and adjustments to conform with the latest laws and requirements.</p> <p>The Audit Division will conduct audits in conformity with the above mentioned and the audit plan. The audit findings will be reported to the Board of directors regularly.</p> <p>(V) All new recruits are required to undergo corporate discipline and compliance training upon reporting for duty; all employees must complete courses on cybersecurity, personal data protection, and anti-money laundering each year, whereas managers are required to undergo regular training on internal control and management for enhanced internal control and compliance awareness. Furthermore, Fubon constantly reminds employees of its integrity and values, and organizes regular events to develop employees’ understanding and commitment towards “Integrity Behavior Guidelines,” so that they can incorporate integrity values into their daily work activities.</p>	None.
<p>III. Reporting of misconducts</p> <p>(I) Does the Company provide incentives and means for employees to report misconduct? Does the Company assign dedicated personnel to investigate the reported misconduct?</p>	✓		<p>(I) According to the Company’s “Whistleblowing Policy,” anyone who discovers a crime, fraud or regulatory violation involving any person-in-charge or employee of the Company, subsidiary or local/foreign branch may report their suspicions to the designated handling unit through reporting channels provided on the Company’s website.</p> <p>The Compliance Department of the Company’s Compliance and Legal Affairs Division has been designated as the handling unit for reported misconduct.</p> <p>If the reports are proven to be true and material, the Company may reward the whistleblower.</p>	None.

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(II) Whether the Company defines the standard operating procedure, follow-up measures to be taken upon completion of investigation, and nondisclosure mechanism toward the investigation of complaints as accepted?	✓		<p>All of the Company’s existing whistleblowing channels are functioning properly.</p> <p>The Company has implemented “Fubon Financial Holding Co., Ltd. and Subsidiaries Guidelines for Handling Employee Grievance” and created a grievance mailbox along with an employee grievance section on the intranet, thereby allowing employees to speak out using a variety of channels such as the grievance hotline, fax, and email. The human resources unit would then assign dedicated personnel to rate the issue in question by severity and handle according to proper procedures.</p> <p>(II) According to the Company’s “Whistleblowing Policy,” a misconduct report of severe consequences has to be escalated to the Company’s Chairman and investigated by the Auditor Division, whereas misconduct reports of general severity are assigned by the Company’s President to the appropriate department or to an investigation panel comprising at least three independently authorized personnel for investigation, unless the report is rejected or transferred. During the investigation, the alleged violator and related personnel will be given the opportunity to state their case.</p> <p>Investigators are required to submit investigation reports within the designated due date; once approved by the authorized unit/personnel, the investigator will notify the whistleblower of the outcome, provided that the contact method is specified. Meanwhile, if, upon investigation, the Company finds that the case is a material contingency or legal violation, it will issue a report to the competent authority or judicial authority.</p> <p>From the moment a report of misconduct is received, any personnel involved or in possession of the details or identity of the person being reported or the whistleblower must</p>	None.

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(III) Has the Company provided proper whistleblower protection?	✓		<p>maintain confidentiality over the information possessed, and refrain from revealing any data that could be used to identify the whistleblower, unless otherwise regulated by law or in situations where confidentiality is no longer required. Violators will be disciplined accordingly.</p> <p>The Company has established “Sexual Harassment Grievance, Investigation and Disciplinary Policy” and assembled a Sexual Harassment Grievance Committee to oversee sexual harassment complaints. Within 7 working days after receiving complaint, the lead committee member would assign committee members and relevant personnel to assemble a special panel team of at least three people to conduct investigations. An investigation report is then prepared and submitted to the committee for review, and cases are closed within 2 months. All cases are handled by dedicated personnel in a confidential manner that conforms with the guiding principles to ensure credibility of the grievance channel.</p> <p>(III) According to the Company’s “Whistleblowing Policy,” the Company, subsidiaries and local/foreign offices shall protect whistleblowers from dismissal, relief of duty, demotion, salary reduction, loss of benefits, contracts or customary practices, or other adverse treatment because of their reports.</p>	None.
IV. Strengthening Information Disclosure Has the Company disclosed its integrity principles and progress on its website and MOPS?	✓		<p>Progress of the Company’s business integrity efforts have been disclosed in annual reports and on its website. Details of the “Codes of Insider Ethical Conduct,” “Ethical Corporate Management Best-Practice Principles” and “Business Integrity Procedures and Behavioral Guidelines” have also been made available on the Market Observation Post System and in the “Major Corporate Regulations” section of the Company’s website.</p>	None.
<p>V. If the Company has established “Ethical Corporate Management Best-Practice Principles” in accordance with “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies,” please described the current practices and any deviation from the principles: No major difference.</p>				

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<p>VI. Additional important information that may assist in the understanding of ethical corporate management operations (e.g. the Company has reviewed and amended its own “Ethical Corporate Management Best-Practice Principles”</p> <p>(I) Led by the founder of Fubon Group, Mr. Wan-Tsai Tsai, Fubon has been growing in Taiwan for more than half a century, from an insurance company with 10 employees to the second largest financial group in Taiwan with one of the most comprehensive product lineups. Fubon’s growth relies on the three priorities of the founder, namely “Integrity, Diligence, Humility.” The first priority, “Integrity,” has been part of the basic foundation of Fubon for more than six decades.</p> <p>(II) The core values upheld by Fubon Financial Holding Co., Ltd. and its subsidiaries are “Integrity, Sincerity, Professionalism, and Innovation” (see <a href="https://www.fubon.com/financialholdings/about/business_philosophy.html">https://www.fubon.com/financialholdings/about/business_philosophy.html</a>). They are specifically defined as the following:  “Integrity – Fubon upholds the law through the preservation of integrity and promotes business while fulfilling its corporate social responsibility.”  “Sincerity – Fubon serves customers with sincerity and passion, and uses its best efforts to satisfy their needs.”  “Professionalism – Fubon seeks excellence with professionalism, and provides high-quality services backed by corporate synergy.”  “Innovation – Fubon always thinks out of the box, embraces challenges, researches and develops improvements, and creates great value for its customers.”</p> <p>(III) The Company considers “integrity” to be the primary value of the business and has therefore included it as part of the evaluation of the Board of Directors and members thereof, including the corporate core values and all employee performance evaluations, where personal goals include “internal audit/internal control indicators” to evaluate employee performance for “violations of internal audit/internal control, compliance and operational risk,” “annual compliance performance evaluation” and “annual audit.” The Company aims for sound ethical management in order to facilitate sustainable corporate development.</p> <p>(IV) In order to create an ethical management environment and fulfill CSR, the Company adopted the “Code of Ethical Conduct” in 2006 to regulate the ethical standards to be followed by directors and managers. In 2011, the Company adopted the “Ethical Corporate Management Best-Practice Principles” to govern the Company’s employees and subsidiaries and groups, as well as affiliated enterprises or organizations, which expressly state that before trading with others, the Company should consider suppliers’ or other trading counterparties’ record, and avoid trading with any person involved in unethical conduct; when executing contracts, the Company should also comply with the principles; where the trading counterparty is involved in unethical conduct, the Company may terminate or rescind the contract. Said Principles shall also be reported at shareholders’ meetings to signify the Company’s commitment to ethical management.</p> <p>(V) In response to domestic/foreign ethical management regulations, the Company first amended its “Ethical Corporate Management Best-Practice Principles” and established “Business Integrity Procedures and Behavioral Guidelines” in the beginning of 2017, and subsequently revised them in accordance with Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies in 2020. The content of which covers anti-corruption, anti-bribery, anti-monopoly, anti-trust, and prohibitions against political donations, inappropriate charitable donations or sponsorships, and insider trading. The Company also adopted disciplinary principles to deal with issues concerning conflict of interest, IPR and fair competition, which serve as guidelines to be followed by all employees.</p>				