

2022

Sustainability Report





CHAILEASE HOLDING

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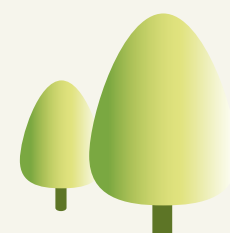
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ABOUT THIS REPORT

Scope and Limitations of Report

Establish organizational boundaries as per the principles of the consolidated statement, with a scope covering Chailease Holding and its subsidiaries (which accounts for more than 75% of Chailease Holding's net revenue), with financial data in the reports in New Taiwan Dollars and approved and certified by an accountant. On environmental protection projects, primarily focusing on the company's Neihu (Taipei City) headquarters, with data on water usage, electricity consumption and gasoline consumption by vehicles. Also disclosing a broad scope including Taiwan branches, the Shanghai headquarters and branches in China, companies of Bangkok in Thailand, Ho Chi Minh City in Vietnam, Kuala Lumpur in Malaysia, Phnom Penh in Cambodia, and Manila in Philippines. If there is any re-editing or special disclosure requirement of information, the scope definition and calculation methods will be indicated in the relevant data and sections.

Framework of Report

From January 1, 2022 to December 31, based on the guiding directions and framework for drafting in the Global Reporting Initiative Standards (GRI Standards). Content includes achievements and performance in the areas of corporate governance, customer relations, employee care, environmental protection and social participation.

Prior version: June 2022

Next version: June 2024

Principles for Drafting the Report

Organization	Principle
The Global Reporting Initiative, GRI	GRI Standards (2021)
Taiwan Stock Exchange, TWSE	Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
United Nations, UN	Sustainable Development Goals, SDGs
Sustainability Accounting Standards Board, SASB	Commercial Banks Industry, Mortgage Finance Industry

Verification of Report

Category	Standard	Assurance Provider
Sustainability data	AA1000V3 Assurance Standards (2008) and its 2018 appendices (Type 2 moderate-level assurance)	BSI Taiwan
Financial data	Annual financial report	KPMG
Environmental data	ISO 14064-1:2018 Greenhouse Gases Part 1	BSI Taiwan
	ISO 14001:2015 Environmental Management Systems	
	ISO 50001:2018 Energy Management System	
Management Systems	ISO 45001:2018 Occupational Health and Safety Management Systems	BSI Taiwan
	ISO 27001:2013 Information Security Management System	
	ISO 37001 Anti-Bribery Management Systems	

Content of Report

For more information please link to the company's official Web site in the sustainability section, and in case of any inquiries, opinions or suggestions regarding this report, kindly contact the Chailease Finance public relations department.

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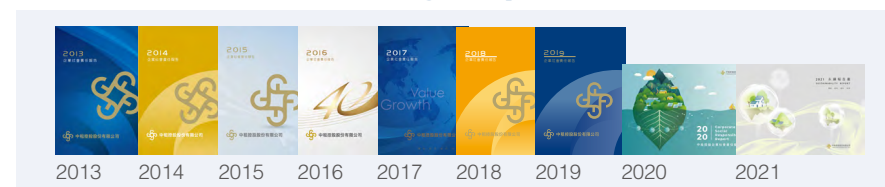
Email: PRD@chailease.com.tw

Web site: <http://www.chaileaseholding.com/EN/>

Sustainability section



Historical Sustainability Reports



LETTER FROM THE CHAIRMAN

Chailease Holdings sees ESG issues a key strategy for sustainable development. Corporate Social Responsibility also drives our business to innovate products and services.

On the path to energy transition, Chailease Holdings has looked to create a new niche for our business by moving from providing energy-saving equipment services to small and medium-sized enterprise customers, and financing solar power plants, towards investing in solar power plants. From the generation, sale and storage of solar power generated across the solar energy industry to diversified green energy, such as small hydropower and geothermal energy, we are deepening our green energy business. In addition to the development of clean energy, we are also developing a Cradle to Cradle concept. We hope working with strategic partners to upcycle solar panels will help return materials to the industrial cycle so that these materials may be recycled or reused.

Environmental sustainability is the basis for a commitment to climate goals and actions at Chailease Holdings that mitigate the impact of climate change. We are committed to reducing the impact of our operations on the environment in everything from inventory and reduction to improving energy efficiency. Company vehicles will gradually be replaced with low-pollution or more efficient energy conversion vehicles such as hybrid vehicles. In response to policy that gives renewable energy broader flexibility by opening up the sale of power generated in the renewable energy industry, green electricity purchased by Chailease Holdings now accounts for 15% of all office locations in Taiwan. Our goal of using 100% renewable electricity has been advanced to 2030.

Chailease Holdings followed the Partnership for Carbon Accounting Financials (PCAF) methodology to take stock of the total greenhouse gas emissions of its own investment and financing portfolio. The disclosure ratio has exceeded 70% and we plan to gradually adjust the Company asset portfolio to assist clients in high-carbon emission industries to transform their businesses. We plan to reduce their emissions percentage to 15% by 2030 in order to gradually reduce emissions across the overall Company investment and financing portfolio.

Chailease Holdings has used our influence to encourage customers to take sustainable actions, and has also promoted these efforts to upstream and downstream industries. The Company cooperates with financial institutions to guide the use of capital for renewable energy and the development of green energy, with a cumulative total of over NT\$100 billion, and invites suppliers to fulfill their commitments to achieve good ethical standards, respect for labor and human rights, and environmental sustainability.

Chailease Holdings looks to company development goals as the foundation to cultivate talent in conjunction with the personal growth and professional development plans of our employees. We've also initiated the Digital Empowerment Program in response to development trends in financial technology. Expanding implementation of the Shareholding Trust System takes care of employees by allocating 100% of additional incentive funds to purchase company shares for employees, so that they too may share in the fruits of our operations, and further provide initial funds for family planning, emergency relief and retirement savings to assist employees with financial planning.

Chailease Holdings promotes community development with a focus on "career-appropriate development". The Chailease Foundation was established in 2014 to help children and youth explore career paths. The Chailease Badminton Team established in 2015 supports the development of the sport and enhances the strength of athletes including 12 players who now rank among the top 100 in the world. We look forward to them representing us at the Olympic Games in the future.



In accordance with the Sustainable Development Goals (SDGs) of the United Nations, the Corporate Governance and Sustainable Management Committee was established under the Board of Directors of Chailease Holdings.

In 2023, an ESG Executive Committee consisting of independent directors and senior executives was incorporated into the Functional Committee, striving to connect ESG issues at the highest levels of industry and incorporate them into our Company Management Strategy. Qualitative indicators were also established to evaluate sustainability.

We are committed to thorough implementation of environmental sustainability, corporate governance and social responsibility that begins with us.

Chailease Holdings endeavors to promote sustainable development and has been selected as a constituent stock of the DJSI World Index and the Dow Jones Sustainability Emerging Markets Index three times, as well as a bronze medalist in S&P Global's Sustainability Yearbook 2022.

The Company has also been selected as a constituent of the MSCI Global Sustainability Index and a constituent of the FTSE4Good Index in Taiwan.

Going forward, Chailease Holdings will continue to refine and improve as we move towards the goal of sustainable operations and a net-zero transition.



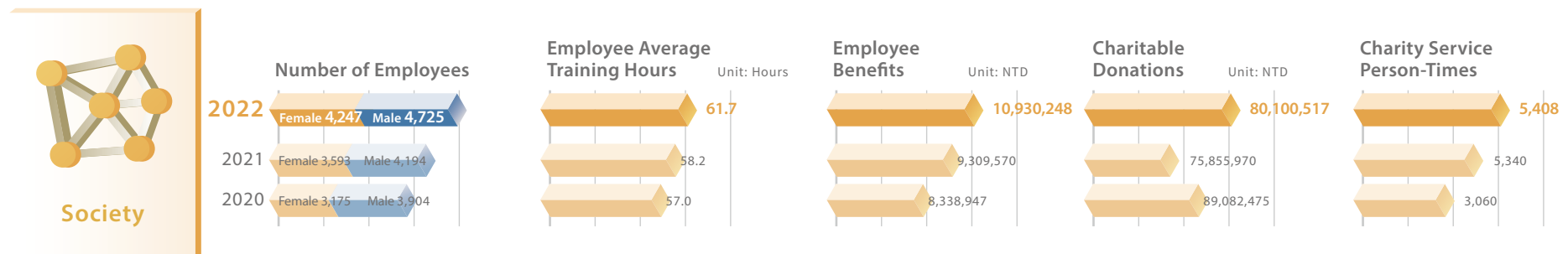
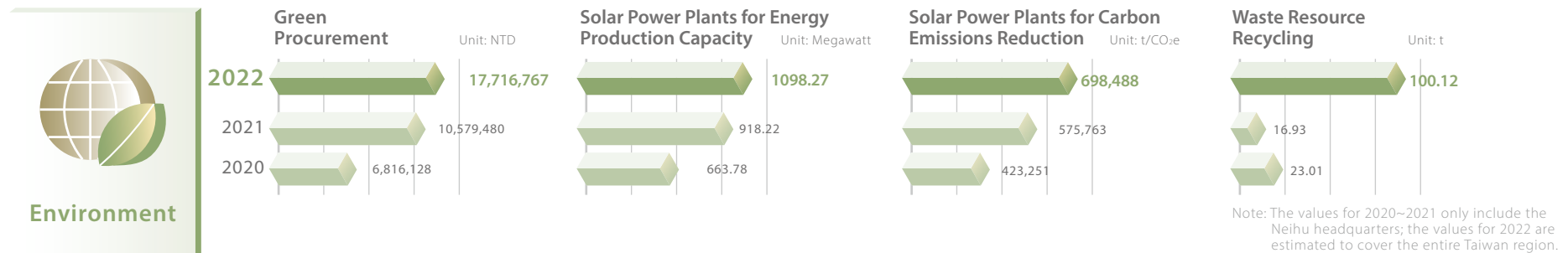
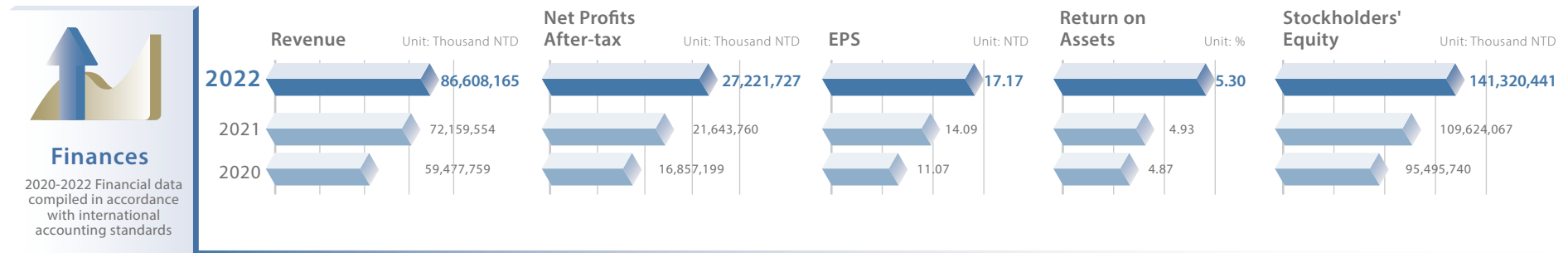
CHAIRMAN

陳鳳龍



2022 SUSTAINABLE PERFORMANCE AND IMPORTANT RESULTS

Chailease has long remained dedicated to upholding our core values of “Value, Growth, Trust, Discipline.” Chailease was founded with an expertise-driven management that made a long term commitment to creating value for stakeholders and to listening to the voices of shareholders and investors. To strengthen corporate governance and implement corporate social responsibility is never end. To create common interests for customers, employees, shareholders and society, enhance tangible and intangible value sharing to stakeholders is our duty. To be an outstanding financial company in the Asia Pacific region is our perspectives.



Achievement and Awards

2022				OVER THE YEARS		
DOW JONES SUSTAINABILITY INDEX, DJSI - Djsi World Index(3th) - Djsi Emerging Markets Index(2th)	MORGAN STANLEY CAPITAL INTERNATIONAL, MSCI - Msci Acwi Esg Leaders Index - Msci Esg Ratings A	S&P GLOBAL INC. Global Bronze Class In Global Sustainability Yearbook 2023—top 10% S&p Global Esg Score	FTSE RUSSELL Ftse4good Tip Taiwan Esg Index	TAIWAN STOCK EXCHANGE FTSE TWSE Taiwan 50 Index(2018)	ASSOCIATION FOR TALENT DEVELOPMENT Excellence in Practice Award—Chailase Management Associate Program(2019), Dual Skills High Competency program(2015), Regional Development Model(2013)	GLOBAL BRANDS MAGAZINE Best Leasing Company in Taiwan(2019)
INDUSTRIAL DEVELOPMENT BUREAU Taiwan's most valuable global brand rankings(11th) 	TAIWAN STOCK EXCHANGE - Top 5% in the Corporate Governance Evaluation(9th) - TWSE CG 100 Index	COMMON WEALTH MAGAZINE - Ranked as the 1st Machinery and Equipment Rental - Corporate Citizenship Awards(21st) 	TAIWAN INSTITUTE FOR SUSTAINABLE ENERGY - Taiwan 100 Sustainable Enterprise Award - Taiwan Corporate Sustainability Awards—Financial Industry Platinum Award 	MINISTRY OF LABOR - Work-Life Balance Award(2016) - National HRD InnoPrize- Dual Skills High Competency program(2011)	HEALTH PROMOTION ADMINISTRATION National Healthy Workplace Award(2015)	TAIPEI CITY GOVERNMENT Workplace Gender Equality Certification(2021)
BRITISH STANDARDS INSTITUTION Leading Sustainability and Resilience Award 	SPORTS ADMINISTRATION, MINISTRY OF EDUCATION Sports Activist Awards 	NEW TAIPEI CITY GOVERNMENT Corporate Volunteering in New Taipei Volunteer Service Action	ASSOCIATION FOR TALENT DEVELOPMENT Excellence in Practice Award—High Potential Development Program 	DEPARTMENT OF HEALTH, TAIPEI CITY GOVERNMENT Healthy Workplace Award(2015)	DEPARTMENT OF LABOR, TAIPEI CITY GOVERNMENT - Chailase Finance Co. Ltd.—Happy Enterprise Award 2 Star(2011) - Certificate of Excellent Nursing Room(2010)	CHINA ENTERPRISE CONFEDERATION Best Companies to Work For in China(2021)
SOCIAL RESPONSIBILITY CONFERENCE Sustainable Development Contribution Enterprise Award—Chailase International Financial Leasing Corp. 	NIULIWEN MEDIA Best ESG Practice Award—Chailase International Financial Leasing Corp. 	ZHAOPIN (CHINA) China Best Employer Award—Chailase International Financial Leasing Corp. 	HR ASIA MAGAZINE The HR Asia Best Companies to Work in Asia Awards 2022—Chailase International Leasing Co., Ltd. 	WORLD HRD CONGRESS Best Employer Brand Award—Chailase Royal Leasing Plc.(2019)	HR SALON CHINA HRSalon Awards - Best Practice(2018)	SMALL AND MEDIUM ENTERPRISE ADMINISTRATION, MINISTRY OF ECONOMIC AFFAIRS The Golden Book Award—Taiwan SMEs Growth Story 3(2017)
				INDUSTRIAL DEVELOPMENT BUREAU, MINISTRY OF ECONOMIC AFFAIRS The first place of Knowledge Management Competition(2017)	HUMAN RESOURCES MAGAZINE Asia recruitment awards(2020)	AON HEWITT Best Employers (2013)



01. Company Profile

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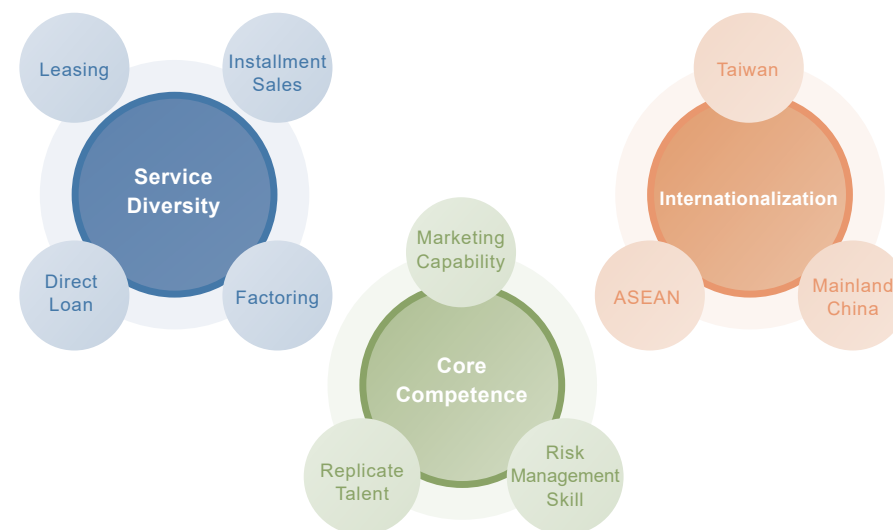
1.1 About Chailease

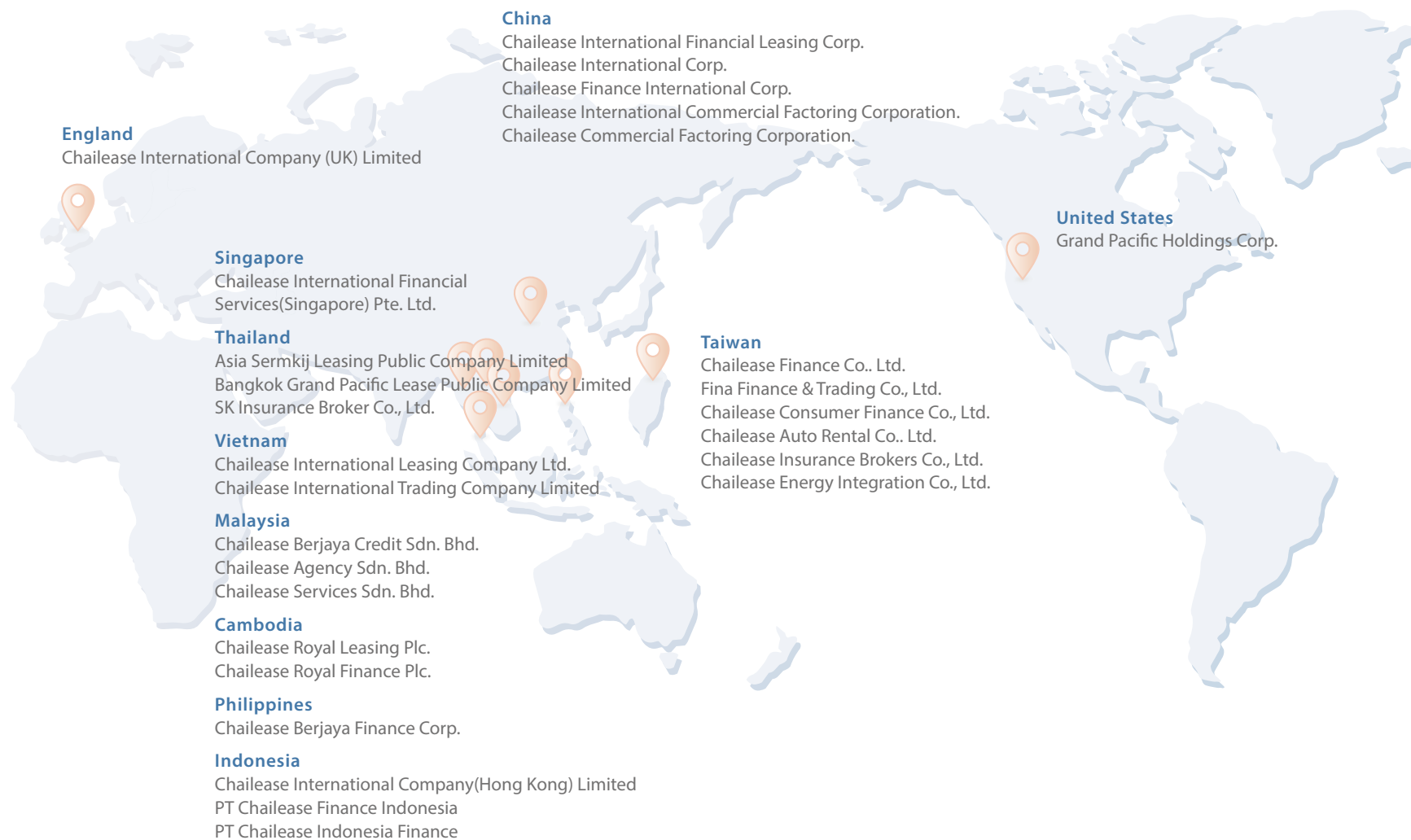
The Company

Name	Chailease Holding Company Limited
Service	Leasing, installment sales, factoring, direct financing and others.
Asset	877,198,754
Employee	8,972
EPS	17.17
ROA	5.30
Ticker symbol	5871
HQ address	No. 362, Ruiguang Rd., Neihu Dist., Taipei City

In 1977, our first operating entity, China Leasing Company Limited, commenced business in Taiwan. In addition to traditional leasing, installment sales and factoring services, the company successfully developed new financial products to cope with SMEs' funding needs for their diverse business development. Including heavy vehicle and automobile financing, construction equipment financing, fishery inventory financing, micro-enterprises financing, non-performing assets auction, real estate financing, office equipment leasing, medical equipment financing, car rentals, ESCO financing and services, solar power plant financing and investment, inventory financing (including cross-border), aircraft and ship financing, gasoline wholesale business, and insurance brokerage. We currently have operations in Taiwan, PRC, Thailand, Vietnam, Malaysia, Cambodia, Philippines and Indonesia. Chailease Holding continued to rely on product and service innovation to maintain

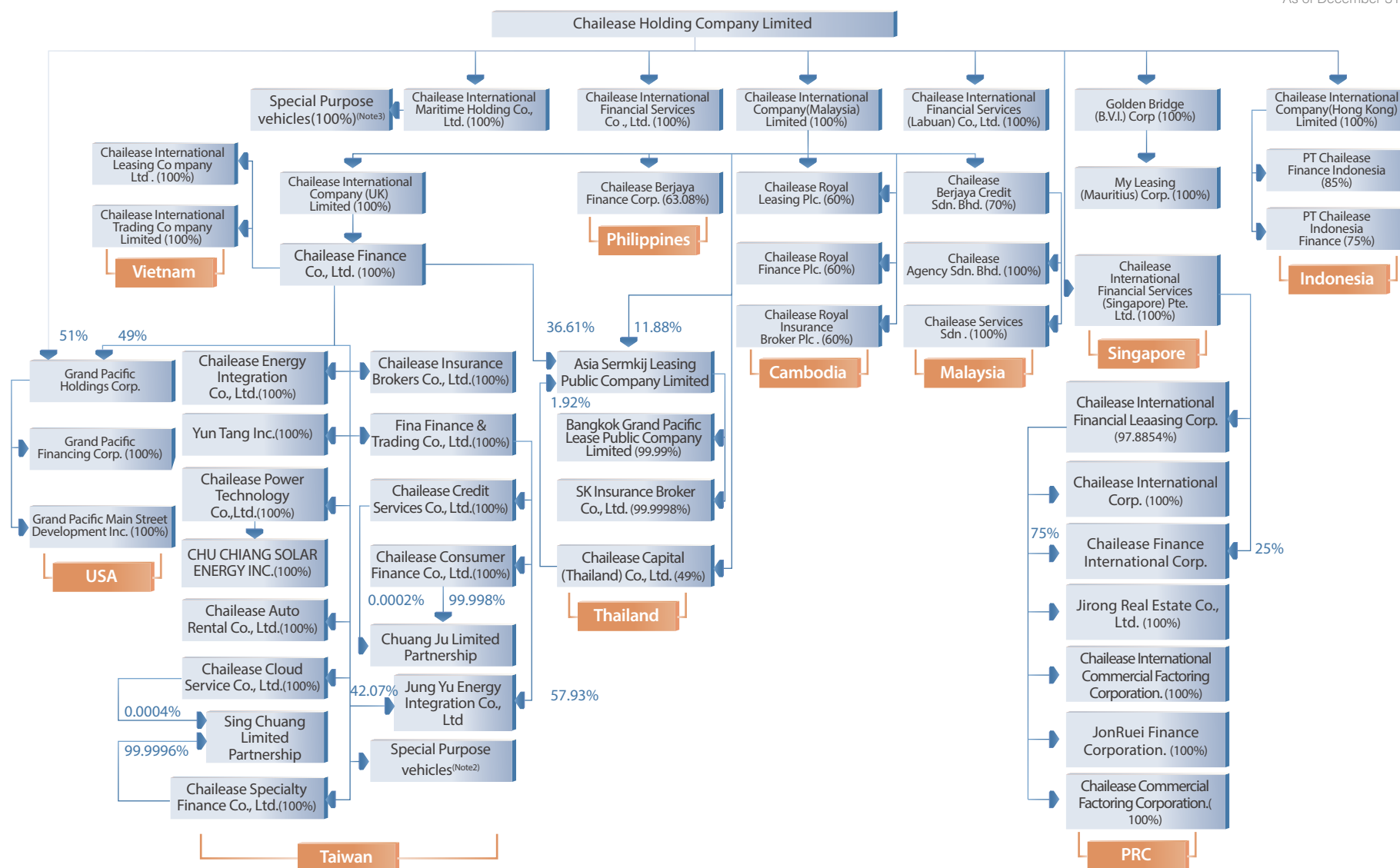
its lead position in Taiwan' s financial leasing market with earnings hitting new records each year. Our management strategy centers on the unique SMEs finance model as core competence. We has been devoted to the development of the SMEs credit business, established the risk assessment mechanism for SMEs, and granted several business method patents on above fields.



Geographic Layout

Company Structure

As of December 31, 2022



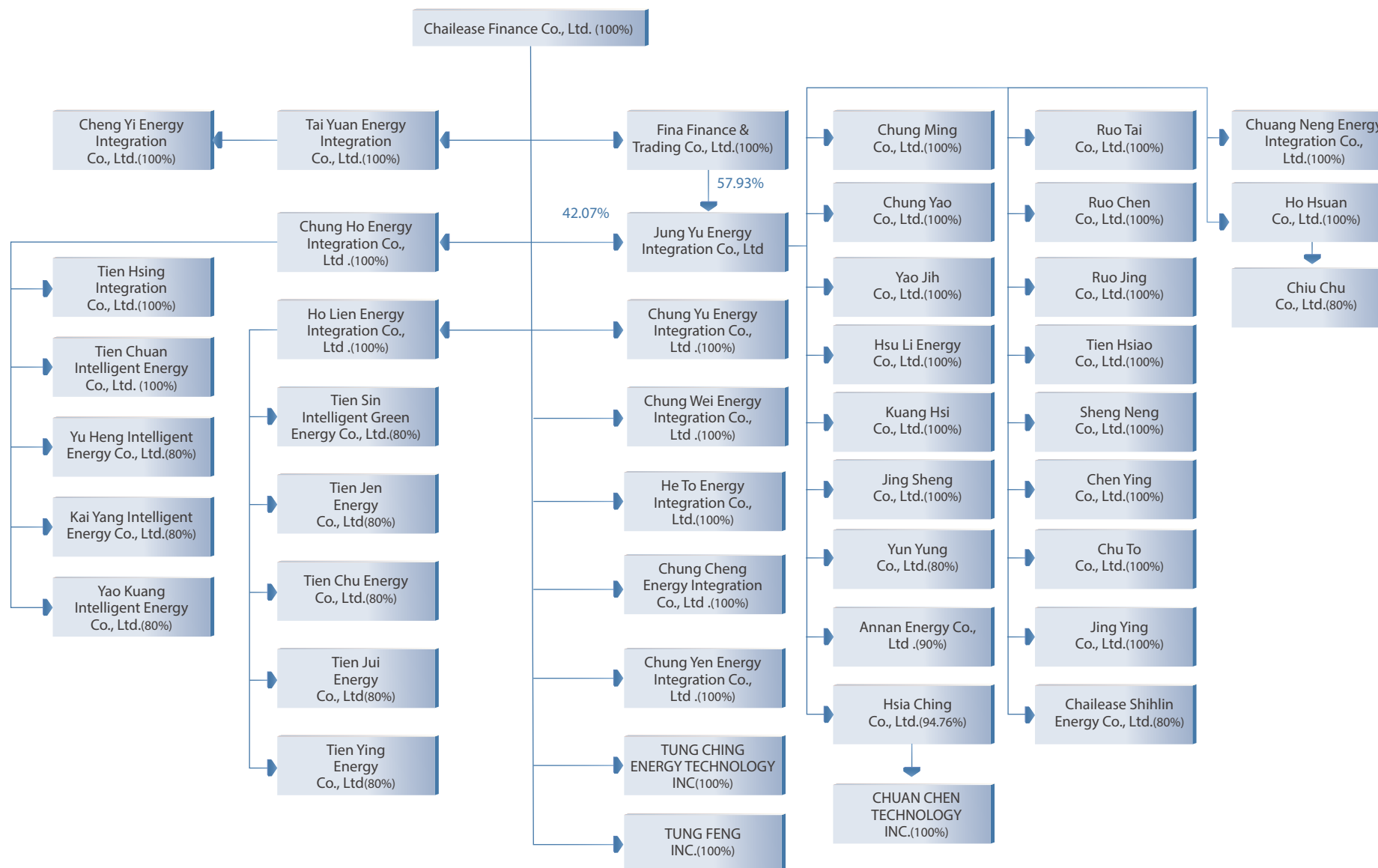
Note1: " Chailease Finance Securitization Trust 2019" and "Chailease Finance Securitization Trust 2021" , which is consolidated in Chailease Holding consolidated financial statements, is not included in the organization chart.

Note2: Special purpose vehicles of Chailease Finance Co., Ltd. for solar power business are referred to 2022 Annual Report- chapter 8 Special notes.

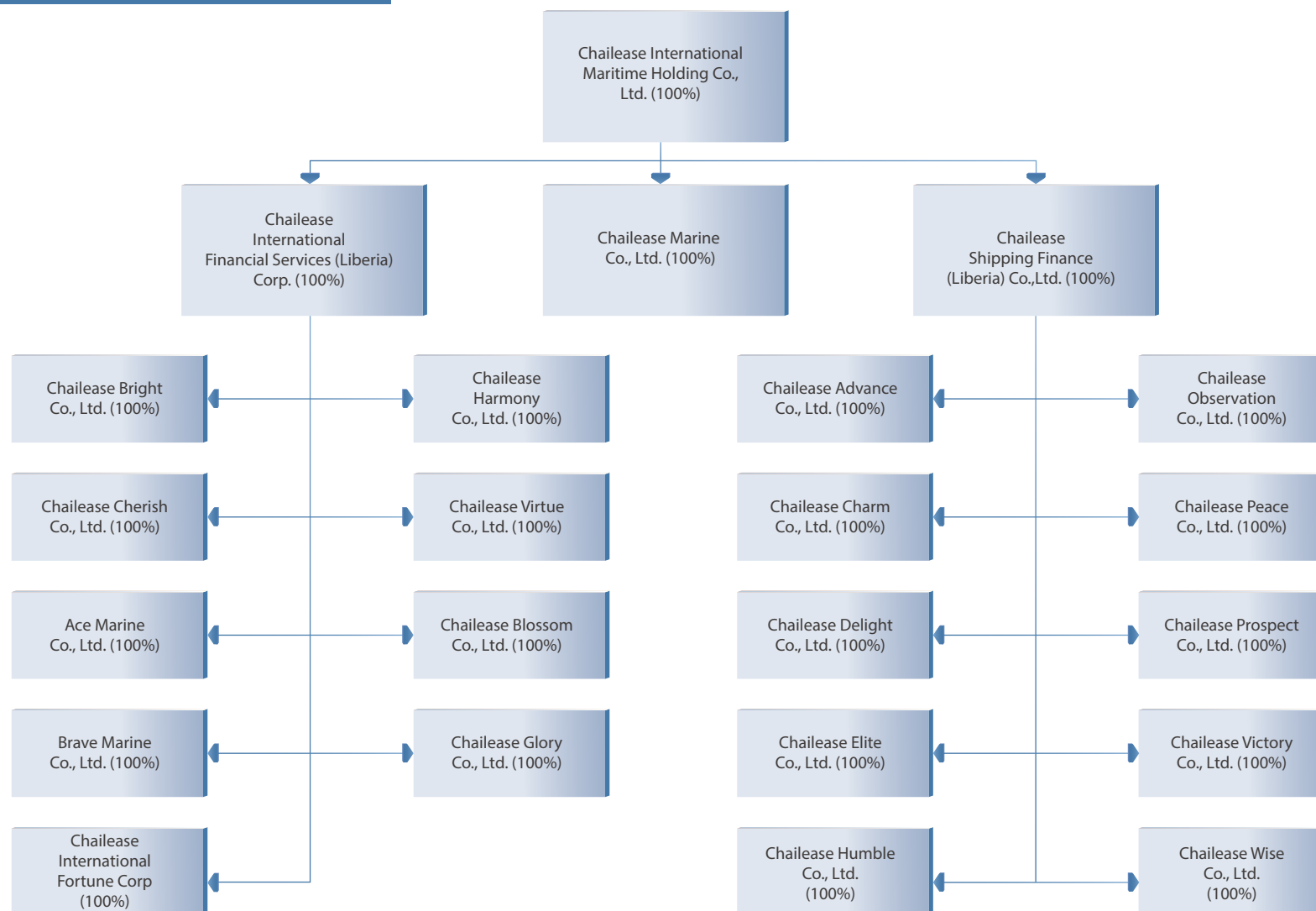
Note3: Special purpose vehicles for vessel investment business are referred to 2022 Annual Report- chapter 8 Special notes

Special Purpose Vehicles for Solar Power Business

As of December 31, 2022



Special Purpose Vehicles for Vessel Business



Club Organization and External Exchanges

Chailease Holding is entrenched as the leader in the leasing business in Taiwan. The key factors behind the company's success are its unique core competitiveness and its model of cooperation with small and medium-sized enterprises. For many years, Chailease Holding has considered the needs and standpoints of its customers, continuously developing new products and providing new services. It has also actively thrown itself into various union and association activities, in the hopes of contributing to social and economic development and environmental protection.

The company has taken the lead in joining international organizations such as the Asian Financial Service Association (AFSA). Since its establishment to provide customers with international quality, professional service and continuously absorbs the latest knowledge and technology from financial related business to maintain our professional advantage among competitors. Meanwhile, we founded the Taipei Leasing Association to provide a platform for members to exchange ideas, knowledge, experience and information, all of which will be of mutual benefits to the parties concerned.

Organizations Related to Environmental Protection and Green Energy

In coordination with the policy of the Bureau of Energy of the Ministry of Economic Affairs and Chailease's own strategy for long-term development of energy services, Chailease has actively participated in energy-related organizations such as TESA, TAESCO, PVGSA and TPVIA, and through exchanges of information with members about case studies. Chailease has raised the quality of its energy technology services and opened up new business opportunities in the energy market, in the hopes of conserving energy and reducing carbon emission, as well as making a contribution in the field of energy management.

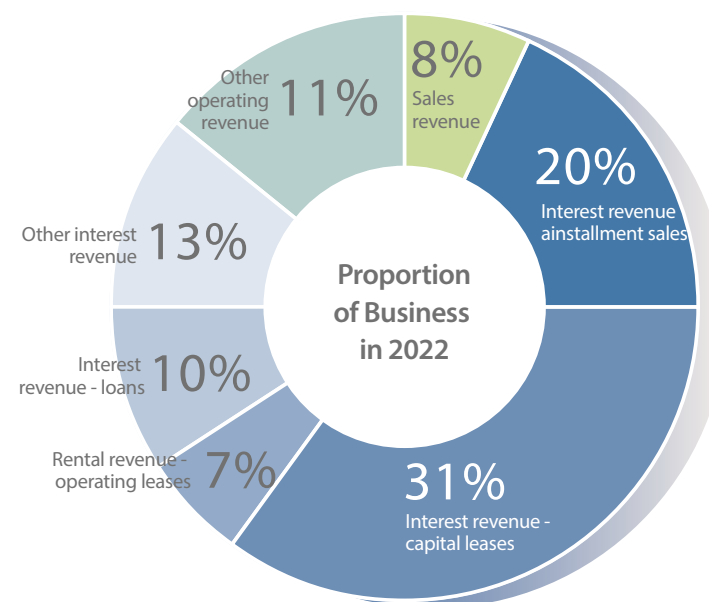
We also co-hosted the "2023 Sustainability Trends Summit 2023" with Business Weekly to help Taiwan's small and medium-sized enterprises (SMEs) turn green, focus on strategic thinking transformation, and strengthen their sustainable competitiveness. The event invited officials from the Executive Yuan, the Taiwan Stock Exchange and the Research and Development Committee of the Ministry of Economic Affairs to promote net-zero transformation, promote sustainable industrial transformation, and further guide the formation of a low-carbon society and an industrial culture with a circular economy as the mainstream.

Organization	Position
Asian Financial Services Association, AFSA	Founding Member
Taipei Leasing Association	Director
Taiwan Federation of Industry	Member
Importers And Exporters Association of Taipei	Member
Taipei Car Rental Business Association	Supervisor
Taipei Small Truck Rental Business Association	Director
Taiwan Energy Service Association	Supervisor
Taiwan Association of Energy Service Companies	Member
PVGSA	Supervisor
Taiwan Photovoltaic Industry Association, Tpvia	Executive Director

1.2 Business Performance

Chailease Holding's vision is to become the "The Best Financial Services Company in the Asia Pacific Area". The company is committed to being "A Supporting Partner of Our Customers, A Driving Force of Economic Success", and continually seeks "value, growth, trust, and discipline" in its corporate culture.

We constantly strive to for growth in "quality" and "quantity" within the company. Our niche market is small and medium-sized enterprises, for whom we provide diversified products and services, satisfying their needs. Starting from traditional leasing installment services, the company has developed many and diversified commercial products. In addition to traditional leasing, installment payments and accounts receivable services, the company has expanded into heavy vehicle financing, passenger vehicle financing, fishing commodity financing, micro-business financing, real estate financing, automobile leasing, energy conservation project financing, stock financing, and insurance agency.



Item	Year	2020	2021	2022	Growth rate
Operating revenue (NT\$ (thousand))		59,477,759	72,159,554	86,608,165	20%
Total assets (NT\$ (thousand))		593,323,834	713,226,916	877,198,754	23%
Shareholders' equity (NT\$ (thousand))		95,495,740	109,624,067	141,320,441	29%
Net profit after tax (NT\$ (thousand))		16,857,199	21,643,760	27,221,727	26%
EPS (NT\$)		11.07	14.09	17.17	22%
ROA (%)		4.87	4.93	5.30	8%
ROE (%)		20.40	21.10	21.70	3%
Market value of Common stock (NT\$ (thousand))		232,063,104	382,178,819	343,492,338	-10%
Total market value (Include Preferred stock) (NT\$ (thousand))		247,003,104	397,403,819	358,177,338	-10%

Notes:

1.Earnings per share is calculated based on the retrospective average number of outstanding shares.

2.Shareholder return rate is calculated based on the equity and net profit attributable to the shareholders of the parent company.

Composition of Shareholders

A. Common Share

Volume	Structure	Government agencies	Financial institutions	Other legal entities	Domestic individuals	Foreign institutions and individuals	Mainland China institutions and individuals	Total
Number of shareholders		5	77	274	51,018	1,828	0	53,202
Shareholdings (shares)		13,937,325	34,575,985	135,060,822	205,175,657	1,194,164,364	0	1,582,914,153
Holdings percentage		0.88%	2.18%	8.53%	12.96%	75.44%	0.00%	100.00%

B. Limited Class A Preferred Shares

Volume	Structure	Government agencies	Financial institutions	Other legal entities	Domestic individuals	Foreign institutions and individuals	Mainland China institutions and individuals	Total
Number of shareholders		0	24	88	12,090	51	0	12,253
Shareholdings (shares)		0	41,629,027	42,954,043	62,382,606	3,034,324	0	150,000,000
Holdings percentage		0%	27.75%	28.64%	41.59%	2.02%	0%	100.00%

Proportion of Business

A. Sales or Services Contribution in Each Geographic Area

Unit: NT\$ (thousand)

Area \ Year	2020		2021		2022	
	Amount	%	Amount	%	Amount	%
Taiwan	29,859,070	50.2%	36,351,671	50.3%	45,954,798	53.1%
China	22,596,447	38.0%	27,548,958	38.2%	29,676,761	34.2%
ASEAN	6,656,356	11.2%	7,861,671	10.9%	10,470,551	12.1%
Others	365,886	0.6%	397,254	0.6%	506,055	0.6%
Total	59,477,759	100.0%	72,159,554	100.0%	86,608,165	100.0%

Note:

1.The information comes from the consolidated financial statements audited by the CPA.

2.Others include the subsidiaries in England and USA.

B. Proportion of Business

Unit: NT\$ (thousand)

Item \ Year	2020		2021		2022	
	Amount	%	Amount	%	Amount	%
Sales revenue	4,210,818	7%	5,132,662	7%	6,787,444	8%
Interest revenue - installment sales	10,880,685	18%	13,648,813	19%	17,370,158	20%
Interest revenue - capital leases	20,718,562	35%	24,544,166	34%	27,362,810	31%
Rental revenue - operating leases	3,820,500	6%	4,585,134	6%	5,861,834	7%
Interest revenue - loans	5,065,606	9%	6,109,708	9%	8,471,911	10%
Other interest revenue	6,270,379	11%	8,689,291	12%	11,323,619	13%
Other operating revenue	8,511,209	14%	9,449,780	13%	9,430,389	11%
Total operating revenue	59,477,759	100%	72,159,554	100%	86,608,165	100%

Dividends

Unit: NT\$

Items \ Year	2020	2021	2022
Cash dividends	5.0	6.0	6.4
Stock Dividends	0.5	0.5	0.2
Total	5.5	6.5	6.6

Operating Costs

Unit: NT\$ (thousand)

Items \ Year	2020	2021	2022
Personnel costs	19,330	0	0
Other Operating Costs	16,747,695	19,488,120	25,517,402
Personnel Expenses	8,319,617	9,309,570	10,926,248
Other Operating Expenses	11,094,157	10,553,527	14,114,245
Total	36,180,799	39,351,217	50,557,895

Financial Subsidy

Unit: NT\$ (thousand)

Year	2020	2021	2022
Financial Subsidy	706,958	749,140	1,393,115

Note: This includes items such as the mainland financial support fund, business tax reform value-added tax financial support fund, and education subsidy income.

Political Contributions

Unit: NT\$ (thousand)

Years	2020	2021	2022
Political Contributions	0	0	0

Note: Chailease Holding abides by the principle of political neutrality and does not make any political contributions, including, but not limited to, direct or indirect expenditures and donations in any form to political candidates, political parties, political/policy lobbying groups, chambers of commerce that influence political campaigns or legislative activities or tax-exempt groups, organizations related to the referendum proposal.

Economic value retained

Unit: NT\$ (thousand)

Items	Amount
Direct economic value generated	Revenues 86,608,165
	Operating costs 25,517,402
	Employee wages and benefits 10,926,248
Economic value distributed	Payments to providers of capital 9,272,364
	Payments to government ^{Note 2} 16,955,314
	Community investments 80,101
Economic value retained	23,856,736

Note 1: According to GRI 201-1, Economic value retained = "direct economic value generated" less "economic value distributed (operating costs, employee wages and benefits, payments to providers of capital, payments to government and community investments)".

Note 2: Business tax, income tax and property tax, refer to Chapter 5.4 Tax policy.

02.

Sustainable Strategy

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In addition to refining its leasing business, Chailease is committed to devoting resources into CSR efforts and executes CSR tasks in accordance with “Corporate Sustainable Development Best Practice Principles”. Chailease endeavors to exercise corporate governance, develop a sustainable environment, and preserve public welfare, and enhance disclosure of corporate sustainable development information. Our business philosophy is continuing to exert positive influences on the society and environment as we strive to achieve continuous business development.

2.1 Sustainable Goals



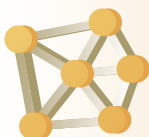
Governance

- Planned sustainable governance strategies, deepened the corporate governance culture.
- Industry leader: Boasts unique SME service model and core competencies.
- High value-added services: Diversified services and innovative products to meet the needs of clients as they develop.
- Effectively manage risks: Bolstering risk control capabilities, continued improvement of credit-decision system.



Environment

- Implemented the net zero carbon emission strategy in the sustainable finance action plan.
- Promoting green product chain: Extending business core competencies, implementing corporate responsibility issues, realizing corporate citizen commitments.
- Reducing energy use and carbon emissions: Adhering to energy management policies, implementing projects, reducing energy use.



Society

- Plan forward-looking sustainable talent plans.
- Employee care: Promoting MA plan, enhancing international and professional employee to achieve increased productivity.
- Charitable services: Encouraging employees to utilize Company's core competencies to give back to society.

UN Sustainable Development Goals

In 2015, the United Nations released 17 "Sustainable Development Goals" (SDGs) and 169 individual targets. This established a clear vision for sustainable development and best practices toward it, bringing together the power of the world's peoples to move toward the goals of eradicating poverty, resolving inequity and adapting to climate change before 2030.



In response to the 2010 UN sustainable development goals, Chailease started from its core business, deepening its attention and investing more resources. This included working for gender equality for employees within the company, employee health and welfare, encouraging employment and economic growth and affordable energy. Product services were extended to responsible consumption and production and climate actions, supporting poverty eradication and reduction in inequality outside the company.

In 2018, Chailease formulated the Organizing Rules of the Corporate Governance and Sustainable Development Committee along with the Chailease Human Rights Policy. In addition to strengthening corporate governance, fulfilling our corporate social responsibility and pursuing sustainable operations, Chailease and our subsidiaries are committed to upholding our employees' fundamental human rights, complying with labor laws, and safeguarding the legitimate rights and interests of employees. Including those set out in the UN Universal Declaration of Human Rights, UN ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.

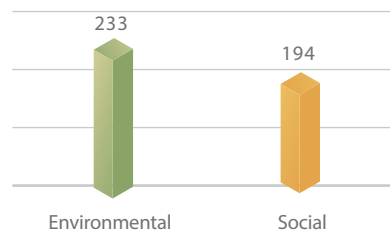
In order to eliminate all forms of gender discrimination within the Group and build a gender-friendly workplace, Chailease strictly observes all labor laws in areas where the company operates. Including (but are not limited to) the Republic of China Employment Service Act, Labor Standards Act, Act of Gender Equality in Employment, Sexual Harassment Prevention Act, and Occupational Safety and Health Act. We have also established a set of effective related management methods and procedures. Chailease has been holding sexual harassment prevention training sessions since 2018 and produced video education materials to provide to all new and existing employees.

Issues	SDGs	Targets	2022 Results	Chapter
Governance	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	8.4 Improve progressively global resource efficiency in consumption and production 9.3 Increase the access of small-scale industrial and other enterprises 16.5 Substantially reduce corruption and bribery in all their forms	- SME forum and lecture hall - Established AML/CFT Working Plan	6.1 Green Operations Management 4.1 Inclusive Finance 5.2 Regulatory Compliance
Environmental	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	7.1 Ensure universal access to affordable, reliable and modern energy services 7.2 Increase substantially the share of renewable energy in the global energy mix 13.3 Climate change mitigation, adaptation, impact reduction and early warning	- Climate change risks - Internal carbon reduction and waste reduction measures, add the scope of inventory in Neihu. 3,234 solar plants	6.1 Green Operations Management 4.2 Sustainable Finance
Social	4 QUALITY EDUCATION 5 GENDER EQUALITY 10 REDUCED INEQUALITIES	4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship 5.C Promotion of gender equality 10.3 Ensure equal opportunity and reduce inequalities	- Sexual harassment prevention training - Workplace environment and safety management - Employee work-family balance - Gender equality in salaries and guarantees of human rights - Enterprise workplace sensitivity activities - Career lectures and workshops	7.3 Healthy Workplace 7.4 Human Rights Protection 8.1 Career Development

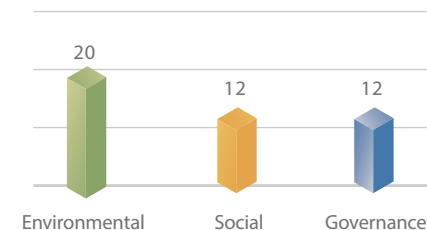
Sustainable Action Proposal Competition

In order to encourage employees to stimulate good ideas related to the company's ESG and inspire colleagues to explore various possibilities, the "Sustainable Action Proposal Competition" has been held in 2021. For reinvent the company's sustainable culture and strengthen employees' awareness of sustainable development. The cognition of value and SDGs action continues to extend the influence of common good. After analysis, the content of the proposal in 2021 is based on team, in order to meet the company's goals, vision, core competencies and other aspects of the proposal. In 2022, it focus more on improving employees' personal attention and understanding of SDGs issues, and implement to everyday life.

2021 number of proposals



2022 number of proposals



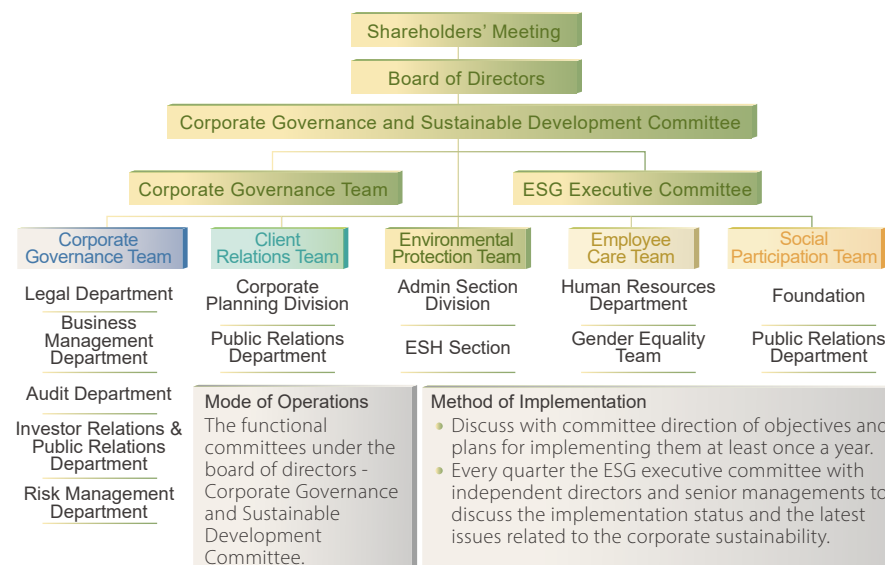
2.2 Sustainable Governance

Corporate Governance and Sustainable Development Committee

Chailease set up the Corporate Governance and Ethics Committee in 2016, two years after establishing the CSR Committee in 2014. Oversight over the past few years has brought significant progress and benefits. To meet external legal requirements and additional needs discovered during this oversight, in 2018 the Company moved the Corporate Governance and Ethics Committee up the organizational hierarchy directly under the board of directors and renamed it the Corporate Governance and Sustainable Development Committee (hereinafter referred to as “the Committee”). The Corporate Governance Team and the ESG Team were established under the Committee in 2020. In order to fulfill our corporate social responsibility, improve effectiveness of corporate governance efforts and to achieve integrity management, results of this implementation are reported to the board at least once each year so that sustainable development becomes part of the fabric of company business strategy. In 2023, the ESG team upgraded to the ESG Executive Committee, which consists of independent directors and senior managements.

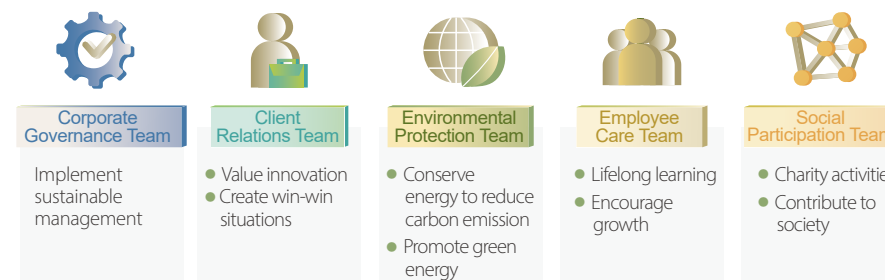
Under the committee members, there are five groups that encompass important dimensions of corporate social responsibility. Responsibility is divided among 12 of the company’s business units and the teams consist of 25 executives and employees in total. The Committee submitted two written reports in respect of implementation of the corporate social responsibility and corporate governance work plans to the Committee in 2021 and 2022 respectively. The reports departments provided reports and had discussions relating to the corporate social responsibility issues, which were resolved by the Committee and executed by the related departments accordingly. Annual Report of the Committee was submitted to Board in August 2022.

Structure of Corporate Governance and Sustainable Development Committee



Chailease Holding and its subsidiaries are continuing to promote the sustainable development of the economy, society and environment in diversified way and incorporate it into the company's management and operations as we strive to achieve continuous business development. The spirit and implementation of the sustainable development policy are based on the corporate philosophy of “value, growth, trust, and discipline”, and are further deepened into “corporate governance—implementing sustainable management”, “customer service—value innovation, creating a win-win situation”, “employee care—lifelong learning and encourage growth”, “environmental protection—conserve energy to reduce carbon emission and promote green energy”, “social participation—charity and contribute to society”.

Sustainable Development Policies



2.3 Stakeholder Agreement

The opinions of stakeholders have served as the guiding principle for the development of the Chailease sustainable development strategy since the first CSR Report was published in 2013. The process of compiling the Environmental (E), Social (S) and Governance (G) issues of concern to stakeholders is used to internalize the issues as the corporate sustainability targets. Chailease also refers to international sustainability standards and regulations such as the GRI Standards, and SDGs Sustainability evaluations such as the DJSI, MSCI ESG Ratings, and the Chailease Holding's sustainable development strategy are adopted as the basis for materiality analysis for the identification of 5 material topics in four major dimensions including accountable governance, environmental management, social harmony, and happy workplace. The issues are internalized as the company's targets for sustainable development and organized as the basis for drafting reports.

Engaging with Interested Parties

The company maintains a strong relationship with interested parties by engaging them through various channels of communications. This not only contributes to overcoming corporate issues but also brings the company closer to achieving its goals. Such engagement can also serve as the foundation for developing an approach to corporate sustainability and improving company performance across a range of areas.

To effectively identifying key stakeholders, Chailease Holding made reference to the experiences of benchmark companies and industries and discussions among ESG group members from various departments in following the principles of the AA1000 Stakeholder Engagement Standard to assess the degree of “Dependency, Responsibility, Influence, Diverse Perspective, and Tension” on the part of stakeholders. After screening of the overall assessment, the main stakeholders were determined to be investors, customers, employees, government agencies, members of society and supplier.



Stakeholder Communication Channels

Stakeholder	Materiality	Issue Impact Assessment	Method and Frequency	2022 Performance
 Investors	To protect equity and to treat all investors equally, a corporate governance system has been set up to ensure that investors enjoy the right to full information, participation, and decision-making on important company matters.	- Operating performance - Risk Management - Information disclosure - Ethical Corporate Management	- Corporate and investor briefings (quarterly) - Participate in overseas roadshow or Conference(unscheduled) - General Meetings of Shareholders (annually) - English website information disclosures - Established network of communication channels including Investor Communication Channels, a spokesperson, an Investor relation Department Telephone and E-mail (Instant) - Material information disclosure at dedicated website (instant) - Anti-fraud section on corporate website - Whistleblower Protection Procedures - Actively respond to International ESG survey (annually) - Company Website, results presentation, annual report, financial information, CSR report and stock related services, etc. (unscheduled)	Held 8 corporate briefings and 9 communication meetings at Headquarter in Taiwan and abroad.
 Clients	Ensure the transparency and security of products and service information while treating customers in a fair and reasonable manner to commit ourselves to improving customer satisfaction.	- Information Security - Customer service management - Ethical Corporate Management	- A special area for clients on the company website and a search platform (instant) - SME forum (annually) - Free customer service hotline (instant) - Customer satisfaction survey (annually)	Customer satisfaction survey, the average satisfaction rate of corporate financial customers is 96.8%, and that of consumer financial (short-term rental) customers is 100%.
 Employees	Employees are the company' s most important asset, and are crucial to the company's competitiveness.	- Compensation and benefits - Training and development - Labor rights	- Employee Welfare Committee meetings (annually) - Education and training(depend on department and position) - Communication meetings and employee feedback webpage (unscheduled) - Monthly internal newsletter (monthly) - A written complaint mechanism (instant)	Each employee received an average of 61.74 training hours.
 Government agencies	Government policies influence the direction of business operations. We actively cooperates with government policies, complies with regulatory laws, and develops a sound business environment.	- Corporate governance - Information disclosure	- Attend regulatory briefings (unscheduled) - Coordinate with the competent supervisory authorities (unscheduled) - Market Observation Post System (MOPS) company information disclosure (instant)	- TWSE CG 100 Index - FTSE TWSE Taiwan 50 Index
 Community members	We actively participate in local community activities as part of our business operations and pay attention to how our operations affect the local community in order to build community rapport.	Concern for the disadvantaged	- Charitable donations and community service club grant (annually) - Youth Camp (annually) - Career talks and workshops (annually) - Internships and company visits (annually) - Corporate volunteer activities (annually)	- Subsidize 11 service clubs with a total amount of NTD. 335,000. 3 sessions of the experience camp, 137 youths and schoolchildren participated, and the satisfaction rate reached 95.6 points. 3 levels of career lectures were held, a total of 43 young students participated, and the satisfaction rate reached 96.1 points 4 company visits were held, with 226 participants and a satisfaction rate of 93.2 points. - Held 45 activities, and served 1,690 people. 5,408 hours of service.
 Supplier	The supplier management mechanism is used to select qualified vendors who conform with the spirit of corporate sustainable development as long-term partners.	Supplier Management	Visits by specialists, meetings, and emails (not on a fixed schedule)	The occupational safety and health education and training put into execution: total 582 session, 3,257 person times.

Spokesman	Acting Spokesman
Kevin Liao / Chief Strategy Officer TEL : 886-2-8752-6388 #72096	Eric Chen / Finance Accounting officer TEL : 886-2-8752-6388 #72096
Investor Relations	Sustainability
Investor and Public Relation Team Email : IR@chailease.com.tw	Public Relation Department Email : PRD@chailease.com.tw
Employee Relations	Audit
Janny Cheng / Chief HR Officer TEL : 886-2-8752-6388 #76280 Email : HR@chailease.com.tw	Charles Yang / Internal Audit Officer TEL : 886-2-8752-6388 #76281 Email : Anti_Fraud@chailease.com.tw
Customer Service Line	Legal Consultancy Service & Contact Information for Public Sector
TEL : 886-0800-720-168	Legal Department TEL : 886-2-8752-6388 #76282 Email : Legalteam@chailease.com.tw



2022 Q2 Investor Conference



2022 Annual Meeting of Shareholders

2.4 Identifying Material Topics

Chailease Holding identify material topics by latest GRI Universal Standards 2021 and AA 1000 Account Ability Principle Standard, including the principles of materiality, inclusiveness, responsiveness, and impact, to identify material topics. The company further assessed the impact of each material issues on the economy, environment, and human rights. These materiality is the basis for planning our sustainable development strategy, and also the basis for information disclosures.



Identification

Sustainability Issue Collection-18 Topics



Prioritization

Stakeholder Interest Questionnaires Integration of internal and external results



Review

Modified by the ESG Committee according to views of management team



Validation

Determination of Material Topics 14 aspects

A. Collect sustainability issues:

After referencing international sustainability regulations and standards (GRI Standards, SASB, SDGs, TCFD), sustainable investment ratings (DJSI, CDP, MSCI), cases of domestic and foreign financial institutions, industrial trends, media reports about issues related to Chailease Holding and the stakeholder communication process, task forces under the Sustainable Development Committee summarized and listed 18 sustainability issues.

B. Survey stakeholders' level of impact assessment:

Information on issues that stakeholders were concerned about and the degree to which they were concerned were gathered using questionnaires in the form of hardcopies, emails, and on the company's official website. Questionnaires were sent out with investor briefings and year-end customer satisfaction survey information. Offices within the company sent out questionnaires to stakeholders as well as to employees. A total of 662 questionnaires were filled out and returned.

C. ESG Team suggestions:

In addition to leveraging the channels mentioned above, the ESG teams gave back to society and carried out exchanges on issues that key stakeholders found important to obtaining consensus. They went through relevant information and issues and took into impact assessment the company's development strategies and key directions. Therefore, we adjustment of material topics:

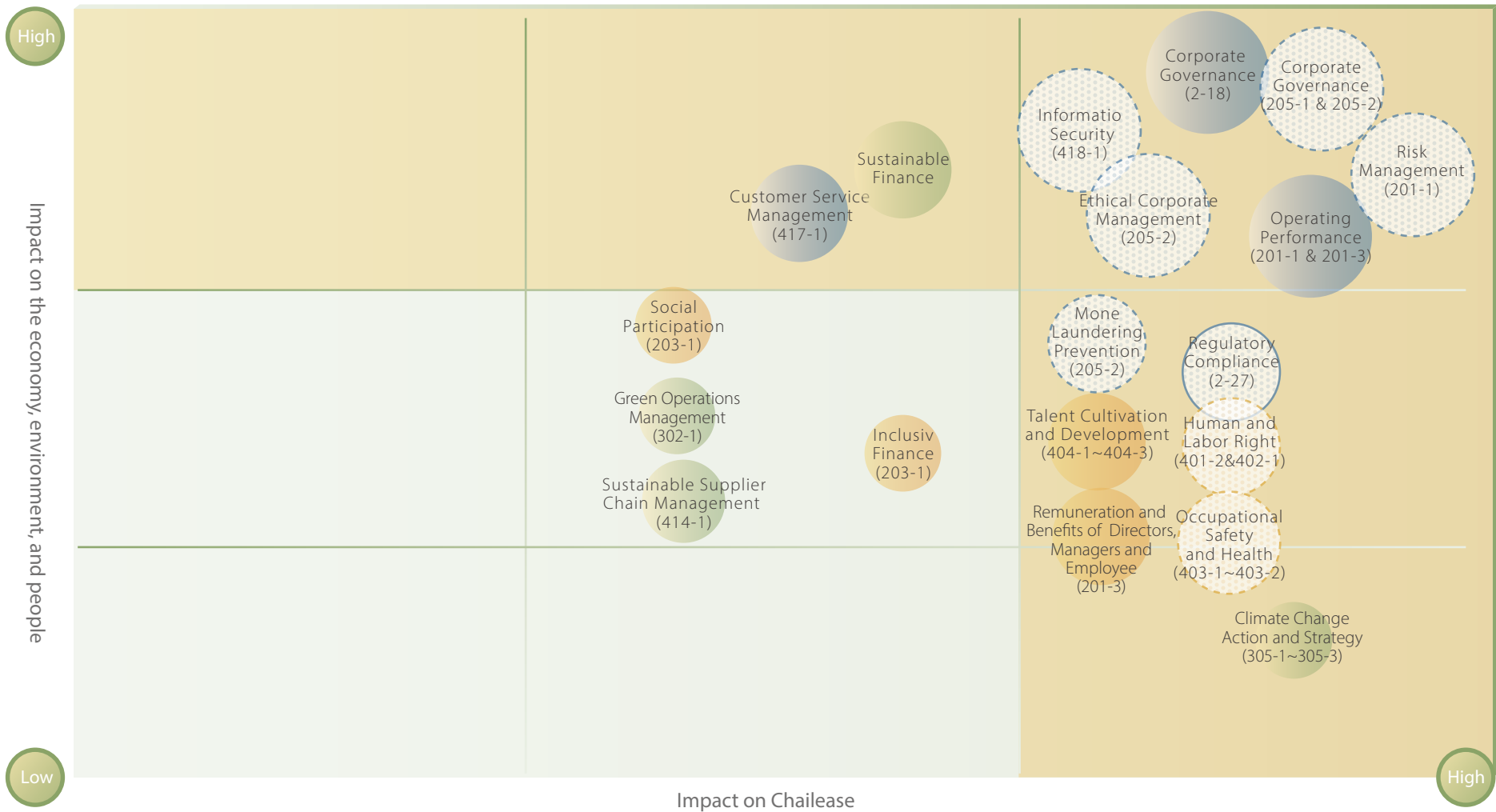
Topic	Differences	Explanation on changes
 Information Disclosure	Merged the issue	"Information Disclosure" have been merged to "Regulatory Compliance"
 Money Laundering Prevention	Split the issue	"Money Laundering Prevention" have been split from "Regulatory Compliance"
 Climate Change Action and Strategy	Split the issue	"Climate Change Action and Strategy" have been split from "Risk Management"
 Green Operations Management	Adjusted the name	We adjusted "Sustainable Operating Environment" into "Green Operations Management"
 Sustainable Supplier Chain Management	Adjusted the name	We adjusted "Supplier Management" into "Sustainable Supplier Chain Management"
 Social Participation	Adjusted the name	We adjusted "Charity" into "Social Participation"

D. Validation of materiality:

Combining the calculation of impact indexes above and the results of stakeholder engagement, following double-materiality principle, internal and external results are summarized in a materiality matrix. We defined "Corporate Governance", "Risk Management", "Operating Performance", "Ethical Corporate Management", "Information Security", "Sustainable Finance", "Customer Service Management", "Money Laundering Prevention", "Regulatory Compliance", "Human and Labor Right", "Occupational Safety and Health", "Talent Cultivation and Development", "Remuneration and Benefits of Directors, Managers and Employee" and "Climate Change Action and Strategy" as the material topics. Others of 4 are sustainability issues.



Chailease Materiality Matrix



Note:

Symbol: solid circle frame-positive / dotted circle frame-negative / solid circle layer-actual / dotted circle layer-potential

Color: ● Governance / ● Environment / ● Society

Size: impact level

Material Topics in Chailease Value Chain

ⓓ Direct impact ; ⓘ Indirect impact

Issues	Material Topics	SDGs	GRI Topic Standards	Chapter	The Actual and Potential, Negative and Positive Impacts	Boundaries of impact and degree of involvement in the value chain				
						Upstream			Holding and subsidiaries	Downstream Client
						Suppliers	Partners	Government		
 Governance	Corporate Governance		GRI 2:General Disclosures 2021	5.0 Corporate Governance	- Commissioned an external independent institution to conduct Board performance evaluations. The guidance and exchanges with assessment committee members provide a professional and objective assessment report. - Violation of corporate governance laws will result in disciplinary action by competent authorities and damage to the Company's image	ⓘ	ⓘ	ⓓ	ⓓ	ⓓ
	Operating Performance		GRI 201-1 & 201-3: Economic performance 2016	1.2 Business Performance	- Companies should pursue excellent business performance and profits to maintain their operations and development, drive domestic economic growth, and spur job creation. - There are numerous banks in the domestic market, and the market is approaching saturation. The level of competition in the overall financial environment remains high.	ⓘ			ⓓ	ⓘ
	Risk Management		GRI 201-1: Economic performance 2016	5.5 Risk Management	- Good credit risk model management mechanisms, and updated operational risk management framework in response to business development provide benefits and positive feedback to overall asset positions and business income. - Changes in the laws of competent authorities, extreme weather that lead to risks of interruptions of operations or reputation or financial losses.	ⓓ	ⓓ	ⓓ	ⓓ	
	Ethical Corporate Management		GRI 205-1 & 205-2: Anti-corruption 2016	5.6 Ethical Corporate Management	- Not only arranges training and testing for ethical corporate management, but also established guidelines for Chailease employees. Management also formulated and monitor the implementation of the ethical corporate management policy and unethical conduct prevention plan. This has a positive impact on business activities from an economic perspective. - Unethical conduct might cause company loss or disciplinary actions by the competent authority, which damages the company's image.			ⓓ	ⓓ	ⓓ
	Information Security		GRI 418: Customer privacy 2016	5.7 Information Security	- Ensures the stability and safety of financial services through a comprehensive system and effective monitoring, not only complying with laws and regulations, but also continuing to improve internal management to meet high standards, increasing customers' trust, which has a positive economic impact. - The development of new technologies makes it more difficult to protect personal information, which affects customers' rights such as infringing on their privacy or losing their information.	ⓘ		ⓘ	ⓘ	

Direct impact ; Indirect impact

Issues	Material Topics	SDGs	GRI Topic Standards	Chapter	The Actual and Potential, Negative and Positive Impacts	Boundaries of impact and degree of involvement in the value chain					
						Upstream			Holding and subsidiaries	Downstream	
						Suppliers	Partners	Government			Client
 Governance	Regulatory Compliance		GRI 2:General Disclosures 2021	5.2 Regulatory Compliance	- Good compliance with laws and regulations is an important basis for companies to gain the trust of their stakeholders. Strengthen employees' awareness of compliance, maintain an effective and appropriate internal control system, and promote sound operation of the Company. - If the company fails to comply with operating procedures, it will suffer major penalties, which will damage the company's image and business development.						
	Money Laundering Prevention		GRI 419: Socioeconomic Compliance 2016	5.3 Money Laundering Prevention	- The implementation of relevant regulations concerning Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) can reduce operating risks, avoid material penalties, benefit international business expansion, and increase the scale of operations. - If the company fails to comply with operating procedures for the prevention of money laundering, financial fraud, and countering terrorism financing, it will suffer major penalties, which will damage the company's image and business development.						
	Customer Service Management		GRI 102:General disclosures 2016	4.3 Service Optimization	- Implement the customer satisfaction survey in the Financial Services to understand customer demands and plan corresponding improvement measures to build service loyalty. - Provide financial services that help customers in their daily lives and intensify connections with customers to maintain competitive advantages.						
 Environmental	Climate Change Action and Strategy		GRI 302:Energy 2016 GRI 303:Water 2018 GRI 305:Emissions 2016 GRI 306:Effluents and waste 2020	3.0 Task Force On Climate-Related Financial Disclosures (Tcfd)	- Implementing energy conservation, carbon and waste reduction helps reduce operating costs. - Employees without proper education on the environment will impede the development of a sustainable environment and hinder the promotion of sustainability policies						
	Sustainable Finance		GRI 302:Energy 2016	4.2 Sustainable Finance	- Developed Sustainable Finance Guidelines and are gradually incorporating ESG considerations into our credit, investment and financial products and services development. We also combine the business expertise of each subsidiary to provide diversified financial services. - If it's not implemented, our company won't be the role of the financial leasing industry to guide capital investment in sustainable.						

Issues	Material Topics	SDGs	GRI Topic Standards	Chapter	The Actual and Potential, Negative and Positive Impacts	Boundaries of impact and degree of involvement in the value chain				
						Upstream			Holding and subsidiaries	Downstream Client
						Suppliers	Partners	Government		
Social	Human Rights and Labor Rights		GRI 401:Employment 2016 GRI 402:Labor management relations 2016	7.4 Human Rights Protection	- Organizing human rights education and training courses, establishing the concept of equal rights for employees, preventing cases of improper discrimination, and avoiding labor disputes can improve organizational effectiveness. - Failure to protect labor rights and promote gender equality will affect talent recruitment and retention and it may even impact the Company's business reputation and brand image and cause the Company to lose business.	I		I	D	
	Remuneration and Benefits of Directors, Managers and Employee		GRI 201:Economic performance 2016	7.2 Employee Care	- The company ensures the fairness of salary and promotion, and provides multiple employee benefits to protect the rights and interests of employees in the workplace, and affirms the dedication of employees to improve the retention rate of talents. - If directors, managers, and employees are not guaranteed the remuneration and benefits they deserve, it will result in brain drain, which in turn will increase additional recruitment costs.		I		D	
	Occupational Safety and Health		GRI 403: Occupational Health and Safety 2018	7.3 Healthy Workplace	- Constructing a corporate culture of occupational safety and health will help employees improve safety and health awareness, reduce the possibility of injury or illness, reduce the Company's personnel costs and ensure the employment environment of employees is safe. - If the Company does not develop an occupational safety and health system by using a top-down approach, the probability of accidents or health hazards among employees will increase, causing an increase in the Company's personnel costs.		I		D	
	Talent Cultivation and Development		GRI 404:Training and education 2016	7.1 Talent Cultivation and Development	- The Company actively cultivates multiple functions of its staff, consolidates core professions and develops new functions to meet the needs of the financial industry and the Group' s business development. - Digital financial technologies are developing vigorously. If the Company does not cultivate FinTech experts and transform its business models in time, its business development and profits will be affected.		D I		D	

Sustainability Issues in Chailease Value Chain

Ⓓ Direct impact ; Ⓘ Indirect impact

Issues	Material Topics	SDGs	GRI Topic Standards	Chapter	The Actual and Potential, Negative and Positive Impacts	Boundaries of impact and degree of involvement in the value chain				
						Upstream			Holding and subsidiaries	Downstream Client
						Suppliers	Partners	Government		
 Environmental	Green Operations Management		GRI 302:Energy 2016 GRI 303:Water 2018 GRI 305:Emissions 2016 GRI 306:Effluents and waste 2020	4.3 Service Optimization	- Implementing energy conservation, carbon and waste reduction helps reduce operating costs. - Employees without proper education on the environment will impede the development of a sustainable environment and hinder the promotion of sustainability policies	Ⓓ		Ⓘ	Ⓓ	
	Sustainable Supplier Chain Management		GRI 204:Proportion of spending on local suppliers 2016 GRI 308:New suppliers that were screened using environmental criteria 2016 GRI 408:Child Labor 2016 GRI 409:Forced or Compulsory Labor 2016 GRI 414:Supplier Social Assessment 2016	6.2 Supplier Management	- The Company conducts climate change and environmental sustainability engagement with suppliers, by sharing concepts of circular economy, hope to transform suppliers, seize sustainable business opportunities and exert the financial influence. - Not all product items have suppliers with green label, making, it is difficult to increase the green purchasing ratio.	Ⓓ	Ⓘ		Ⓓ	
 Social	Inclusive Finance		GRI 203:Indirect Economic Impacts 2016	4.1 Inclusive Finance	- Launched FinTech applications based on customers' needs, and help SMEs achieve sustainable development and have a positive economic impact - Provide inclusive financial products and services such as reverse mortgages. If the borrower survives the term of the borrowing period, we may not be able to dispose of the collateral to repay the principal and interest due to factors such as social responsibility.				Ⓓ	
	Social Participation		GRI 203:Indirect Economic Impacts 2016	8.0 Social Participation	- Combine manpower resources of employees, customers and suppliers, and exert the enterprise influence on resolving social and environmental issues and makes a social impact with value chain. - If social participation is not actively carried out, the public exposure of the company will decrease, and its social influence cannot be exerted.		Ⓘ		Ⓓ	

Management Approach and Content

Sustainability Issues	Management Approach		Mechanism of evaluation and Policy	Chapter
	Policy Commitment	Action		
Corporate Governance	Keep directors abreast of the latest Company business and operations information	Chailease Holding also has a dedicated CSR promotion unit, which signs and promotes various corporate governance-related policies and regulations with the assistance of the legal department	- Corporate Governance Best-Practice Principles - Regulations Governing Evaluation of the Performance of the Board of Directors - Audit Committee Charter & Compensation Committee Charter - Organizing Rules of the Corporate Governance and Sustainable Development Committee	5.1 Management Team
Operating Performance	With enthusiasm as our foundation, to continuously improve service quality and efficiency to make our services more aligned to customer needs.	We provide leasing, installment sales, direct financing, factoring, and other services for our products, while equipment leasing and installment plans comprise our core business. We continue to develop new products, including Energy Service Company (ESCO), green energy services, inventory financing, and insurance brokerage services.	- Regularly business review meeting to complete product line. - Cross-selling for diverse services.	1.2 Business Performance
Ethical Corporate Management	Maintain and implement ethical business practices	Draft Best-Practice Principles on Business Ethics, require employees to comply with the law and Best-Practice Principles on Business Ethics, prevent conflicts of interest, and pursue high ethical standards. During new employee training, include courses regarding corporate ethics and the Chailease Code of Conduct to clearly explain company disciplinary rules, strictly maintain employee integrity and conduct, and sustain the correct work attitude.	- Procedures for Ethical Management and Guidelines for Conduct - Regulations Governing Reporting of Unethical Conduct and Code of Conduct Violations - Whistleblower Protection Procedures	5.6 Ethical Corporate Management
Regulatory Compliance	Ensure Company operations and products comply with internal and external regulations	Establish a legal compliance officer position. The Legal Affairs Department shall oversee the regulatory compliance system and be responsible for developing, implementing, managing and auditing the system, which collects external regulations, clearly and appropriately conveys information about these regulations, and provides consulting, coordination and appropriate communication.	Strengthen legal compliance, internal control, and internal audit synergy	5.2 Regulatory Compliance
Risk Management	Uphold the concept of risk management in order to take advantage of industry developments and future prospects.	The board of directors Internal Audit Unit is responsible for review and assessment of the internal control system to ensure its sustained and effective implementation.	- Risk management mechanisms and develop risk management policies - Internal control system	5.5 Risk Management
Information Security	Establish a safe and reliable information operating environment to prevent information security risks, and ensure that customers' personal information and information processes are protected.	Establish a governance-level information security committee, formulate information security policies, implement management and technical security control measures, and continue to pass the verification of international standards. Clearly formulate the protection procedures to be followed for the authorization, use, storage, management and destruction of personal data, and set up a personal data protection team to ensure the implementation of the Personal Data Protection Act.	- Information classification management method - Personal information protection - Information security policy - Information security management - ISO 27001:2013 Information Security Management. System	4.4 Personal Information Protection 5.7 Information Security
Money Laundering Prevention	The implementation of regulations to prevent money laundering, financial fraud, and terrorism financing will lower operational risk, benefit international business expansion, and increase the scale of operations.	All companies of the Group shall establish a culture of anti-money laundering and countering terrorism financing in accordance with government policies. They shall allocate the manpower and resources required for executing operations related to anti-money laundering, prevention of financial fraud, and countering terrorism financing.	Money laundering and terrorism funding prevention policy drafted for Chailease and key subsidiaries	5.3 Money Laundering Prevention
Customer Service Management	Multi-faceted approach to customer service and to further improve service quality	An international network consisting of a vast number of branches provides customers with complete service channels. Numerous web search platforms have been set up to allow customers and business partners to monitor business progress and audit results.	- Customer satisfaction surveys - Customer complaint handling mechanism - SME cross-industry exchange platform.	4.3 Service Optimization
Green Operations Management	Introduction of environmental protection concepts into daily work routines and to reduce carbon emissions	An Environment and Energy Promotion Committee was established, so that the introduction of environmental protection concepts into daily work routines can be planned and carried out systematically, to raise awareness of saving energy, to reduce carbon emissions, to continue promoting behavior that saves energy, and to formulate a plan to cut waste.	- ISO 14001:2015 Environment Management System - ISO 50001:2011 Energy Management System - ISO 14064-1:2018 Greenhouse gases Part 1	6.1 Green Operations Management

Sustainability Issues	Management Approach		Mechanism of evaluation and Policy	Chapter
	Policy Commitment	Action		
Climate Change Action and Strategy	Committed to building a corporate green culture to reduce the environmental impact of our operations	Chalease Holding has been disclosing the effectiveness of its climate management in the Company's sustainability reports and on its website annually in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) disclosure framework.	- Task Force on Climate-related Financial Disclosures - Investing and Financing Carbon Emissions Inventory - Science Based Targets initiative - Carbon Disclosure Project	3.0 Task Force On Climate-Related Financial Disclosures
Sustainable Finance	Continue to gradually expand related business development through its energy-efficient and green-energy value chain.	Developing the green market and promoting energy-saving green products while disseminating green ideas.	- Energy savings service - Built Solar power plants "Finmart PV" plan. and Billboard of second-hand market	4.2 Sustainable Finance
Sustainable Supplier Chain Management	Work with suppliers to promote corporate social responsibility, fulfil our commitment to high ethical standards, respect for worker rights, and goal of environmental sustainability.	Formulated the Supplier Code of Conduct and added a breach of trust covenant to our contracts and required all key Taiwan suppliers to sign.	Established Supplier CSR Guidelines requiring every supplier to meet ethical standards, respect labor rights, and promote environmental sustainability	6.2 Supplier Management
Inclusive Finance	Providing disadvantaged groups and people in remote areas with basic financial services	Streamlined the credit review process and established a risk model to improve the efficiency of credit review and lending to support venture capital and working capital.	Micro-enterprise financing risk assessment	4.1 Inclusive Finance
Human Rights and Labor Rights	Ensure all employees' employment and labor rights are protected.	Contracting of employees is as per all labor laws and regulations, and employees are guaranteed all labor rights. Human rights training for internal employees has been increased.	- Set up Email of department heads - Sexual harassment prevention and complaint coordination mechanism - The Chalease Human Rights Policy	7.4 Human Rights Protection
Remuneration and Benefits of Directors, Managers and Employee	Attract and retain talented people	Offer complete and competitive salary packages and performance-linked bonuses. Moreover, we regularly commission a professional management consulting company to conduct financial industry salary surveys and we adjust salaries accordingly.	- Employee benefits - Model Employee Award/Gold long-service badges - Employee mailbox - Performance evaluation system	7.1 Talent Cultivation and Development 7.2 Employee Care
Occupational Safety and Health	Safety and health promoting measures.	Assist relevant departments to implement these measures to reduce risks from environmental hazards, prevent workplace accidents, and continually improve workplace environment and safety; promote safety education among labor safety staff, employees and contractors to ensure the safety and health of our employees	- ISO 45001:2018 occupational safety and health management system - Full-time first-level management unit - Occupational Safety and Health Management Department	7.3 Healthy Workplace
Talent Cultivation and Development	Talent development stems from a comprehensive training system that includes core training, managerial training, and specialized training programs.	All employees undergo evaluations for regular performance and career development every year. Benchmarking assessments and individual performance appraisals focus on balancing organizational needs with the employee's personal objectives.	- Sales & risk management dual training - Asia Pacific Management Associate - Personal development plan - Succession plan - EMBA allowance	7.1 Talent Cultivation and Development
Social Participation	Helping young people find a career development path suited to their own situation.	Expand the amount and enhance the efficiency of its services, it has also brought together government, schools, and non-governmental organizations to organize diversified activities to provide those receiving services different perspectives and experiences.	Organized and sponsored 45 events, serving more than 1,690 individuals. The service hours totaled 5,408 hours.	8.3 Volunteer Services

2.5 Sustainability Performance and Medium/Long-Term Goals

😊 Excellent 😊 Good 😊 Needed to be improve

Material Issue	Description of Materiality	2022			2023 Objectives	Medium/Long-Term Goals (2024~2030)
		Objectives	Performance	level		
Corporate Governance	Corporate governance is the basis of sustainable corporate development and the core of corporate culture. It improves companies' long-term value and competitiveness	Corporate governance evaluation (top 5%) and increase scored items	- List in the top 5% of 9th corporate governance evaluation. - The Corporate Governance Best Practice Principles have been amended and adopted by Board of Directors. - The Corporate Sustainable Development Best Practice Principles have been amended and adopted by Board of Directors.	😊	- Enter and remain in the top 5% of corporate governance evaluation. - Board attendance rate of all directors remained at more than 90%. - The attendance rate of directors' refresher courses remained at 100% and the average duration of refresher courses is at least 6 hours. - Companies with female directors and supervisors account for more than 30% of the Company and its subsidiaries. - In accordance with the principle of gender equality, we promote women's participation in corporate governance and operational decision-making. - In 2023, the Company will require the new directors to issue a statement of Integrity Statements. This Statement will serve as a necessary document for the inauguration of new senior management, in order to actively implement the commitment to the integrity management policy.	- Corporate governance evaluations have remained in the top 5%. - The board attendance rate of all directors was maintained at more than 90%. - The attendance rate of directors' refresher courses was maintained at 100%, and the average duration of refresher courses was at least 6 hours. - In 2030, the Company and its subsidiaries had more than one-third of companies with female directors and supervisors.
Operating Performance	Companies should pursue excellent business performance and profitability to maintain their operations and development, drive economic growth, and create employment opportunities	Annual consolidation/regional revenue growth, consolidation/profit growth by region, and after-tax earnings per share (EPS) per share have all grown compared to 2021	In 2022, annual growth in consolidated revenue was 86.6 billion, and annual net earnings per share (EPS) was NT\$17.7. This represented 26% growth over the entire year of 2021.	😊	- Operating performance (revenue, profit, and EPS) all grew compared to 2022. - The company maintains good return on assets (ROA) and return on equity (ROE).	- Excellent operating performance and profitable growth in its major markets (Taiwan, China and ASEAN). - ROE Target: To maintain Return on equity ratio (ROE) above peers in the financial industry.
Risk Management	In response to rapid changes in domestic and international economic conditions, we have strengthened risk management and complied with internal controls to effectively reduce risk costs and enhance profitability.	- Conduct annual ESG emerging risk identification to assess the potential impact on business and countermeasures. - Establish an ESG evaluation form and incorporate it into the credit review process, and add points to the scoring form for customers with high ESG performance. - Add green energy supplier rating to the ESG program to rate and classify suppliers in terms of environmental friendliness, social responsibility and corporate governance. - Continue to strengthen AI credit system	- Conducted ESG emerging risk identification - ESG scores have been incorporated into the credit process of our Taiwan and overseas subsidiaries, and additional points have been added to the evaluation form for the state of ESG implementation by our customers. - ESG scores have been incorporated into green energy supplier rating to the ESG program to rate and classify suppliers in terms of environmental friendliness, social responsibility and corporate governance. - AI intelligent credit system has been introduced to Chailease Consumer Finance (Taiwan). - We have established a video visit mechanism and set video visit targets for each product.	😊	- Apply financial technology to accelerate the review process and credit capacity, expected to be applied to Taiwan and China subsidiaries by 2023. - Include negative ESG factors as an important audit item, and decline to deal with clients (including guaranteed companies) or capital uses that involve negative ESG factors. - Include ESG credit risk assessment in the risk assessment report, evaluate and explain the assessment when granting credit, and use the assessment report as a reference for granting credit to establish a risk control mechanism.	- Application of fintech to accelerate the reviewing process and credit capabilities, is expected to be applied to Taiwan and China subsidiaries in 2022, and promoted to ASEAN subsidiaries in 2024. - Introduce scientific methods to set medium and long-term carbon reduction targets, and formulate a science-based carbon reduction target commitment to give the SBTi organization, and submit the application for approval.

Material Issue	Description of Materiality	2022			2023 Objectives	Medium/Long-Term Goals (2024~2030)
		Objectives	Performance	level		
Ethical Corporate Management	Ethical management is an important value of corporate culture. Companies should incorporate ethical management into their operational management strategy.	Implement the ethical management policy and the Employees are strictly held to high moral standards in undertaking work for the company. They are charged with embodying the corporate philosophy in their daily work.	- In 2021, we adopted an electronic method to fully implement the education and training of integrity management and behavior guidelines. As of the end of 2022, 1,345 people completed training. 2022 Legal Compliance Annual Report has been approved by the Corporate Governance Committee and the Board of the Directors. - In 2022, the Company implemented the ISO 37001 anti-bribery management system to establish anti-bribery governance and management system, optimize anti-bribery policies, procedures and existing control measures. - In order to implement the ISO 37001 anti-bribery management system, the Company has amended 5 internal policies and formulated the "Anti-Corruption and Anti-Bribery Policy" .	😊	- Implement and continue Ethical Corporate Management Best Practice Principles, formulate education and training on Ethical Conduct Best Practice Principles, Ethical Corporate Management Best Practice Principles, anti-corruption, anti-discrimination, anti-money laundering, and personal asset protection, and provide relevant education and training for all colleagues with a training coverage rate of 100%. - Expand online education, training courses, and implementation targets, as well as enhance promotion of integrity management. - Obtained ISO 37001 certificate to improve anti-bribery governance and management system.	- Cooperate with the competent authority to implement the Company' s Ethical Corporate Management Best Practice Principles and incorporate it into related systems, such as internal control and internal auditing. - Establish a risk assessment mechanism for dishonest misconduct, regularly analyze and evaluate business activities with a higher risk of dishonest misconduct within the business scope, and formulate plans to prevent dishonest misconduct accordingly. - Based on the results of the risk assessment of dishonest misconduct, the relevant audit plan was drawn up, and the internal audit unit or accountant shall check the compliance with the plan to prevent dishonest misconduct. - Remaining the validity of the ISO 37001 certificate.
	The only way to effectively protect the Company and customers' interests and achieve sustainable development is through the constant improvement of information security systems and management strategies.	- Continue to improve the information security system to prevent information security incidents. - Continue to pass the certification of internationally recognized information security standards. - Enhance the detection and defense capacities of network attacks to ensure the security of online transactions. - Execute information security weaknesses detection in the internal information environment. - Strengthen employees' information security awareness. - Establish a full-time information security organization department.	- Set up a Chief Information Security Officer, and a full-time information security department "Chailease Holding Information Security Department" to coordinate information security strategy, management, and technical work-oriented planning and implementation. - Qualified Payment Card Industry Data Security Standard (PCI DSS) in 2022. - Through ISO 27001 renewal was passed in 2022, in addition to the validity of the certificate, it also reflects the continuous improvement of the management system. - Completed a comprehensive server and website security inspection, produced an overall security vulnerability report and draw up a repair plan, and will continue to improve the security of the information environment. - Completed the phishing e-mail drill, planned information security training for employee with weak awareness to continuously strengthen employees' information security awareness. - Enabled WAF on major external websites to block HTTP/S traffic and web attacks for ensuring service operation stability.	😊	- Develop information security reporting and response procedures based on the establishment of information security department and the integration of internal crisis management mechanisms. - Build a data leakage prevention system (Data Loss Prevention, DLP) to conduct comprehensive detection and protection of potential data breaches to ensure the security of sensitive information and customer personal data. - Introduce a multi-factor authentication system (MFA) to enhance account login security through an additional level of biometrics (face, fingerprint). - Introduce a mobile email management system to ensure that no storing of data in endpoints when using the mobile devices to send and receive company emails, and the email delivery is under security control. - Construct a vulnerability scanning platform to optimize the operation process and benefits of host scanning and penetration testing. - Continue to carry out the phishing e-mail drill and training, reduce the number of employee with weak awareness by repeated training in order to improve the overall level of information security awareness. - Evaluate and purchase information security insurance, establish risk transfer, and improve system environmental risk tolerance.	- Import the static source code detection and analysis tool (Static Code Analyzer, SCA) to find out the information security weaknesses and vulnerabilities in the code or website and generate a report to penetrate into the current enterprise information security threats. - Implement information security protection, test mobile application programs continuously to ensure that information security is integrated into the development process, and provide security protection for different aspects. - Continue to expand the scope of data leakage protection to ensure that customer data is fully protected. - Introduce Zero Trust Network Architecture and Management Specifications. - Build a Security Operation Center (SOC) to enhance the response time and processing efficiency for information security threats.

Material Issue	Description of Materiality	2022			2023 Objectives	Medium/Long-Term Goals (2024~2030)
		Objectives	Performance	level		
Regulatory Compliance	Employee has the responsibility of honoring laws and regulations, avoiding conflicts of personal interest with company interest	Ensuring the Company's operation and internal policies will comply with the most recent requirement provided by relevant regulation or laws.	- The Regulations Governing Evaluation of the Performance of the Board of Directors has been amended and adopted by Board of Directors. - The Operating Procedures For Handling Internal Material Information And Preventing Insider Trading has been amended and adopted by Board of Directors - The Company has conducted the legal compliance self-examination and formulated the regulation of the same. - The Company has conducted appropriate legal compliance internal training for targeted department. - Neither material deficiencies nor illegal matters have been found in 2022 legal compliance self-examination.	😊	- Ensuring the Company's operation and internal policies will comply with the most recent requirement provided by relevant regulation or laws. - Conducting regular legal compliance internal training for targeted department. - Conducting the legal compliance self-examination of this year	- The board of directors regularly reviews the appropriateness and implementation of the regulatory compliance system. - Maintain the independence of the regulatory compliance staff and strengthen their functions. - Strengthen mutual cooperation between the regulatory compliance and internal audit units. - Strengthen the supervision of each unit regarding compliance, review internal audit deficiencies, and use cases of wrongdoing for training purposes.
Money Laundering Prevention	The implementation of regulations to prevent money laundering, financial fraud, and terrorism financing will lower operational risk, benefit international business expansion, and increase the scale of operations.	- Establish a group information sharing mechanism. - Use the anti-money laundering and counter-terrorist financing system to establish an associated account structure diagram to better understand customer status (such as the actual beneficiary or related company), and through the transaction monitoring in the system and the daily name check alarm, the abnormal situation of customers can be detected in a timely manner to manage related risks. - Continuing to provide the latest AML/CTF education training to different department.	- The company has established a regular group information sharing mechanism. - By comparing the front-end data sources with the AML system data in the monthly business reports and semi-annual reports, we clarify the causes of any discrepancies or inconsistencies and make relevant corrections. - The subsidiaries of the Company, Chailease Finance Co., Ltd. and Fina Finance & Trading Co., Ltd. have established AML/CFT Working Plan in accordance with external laws and regulations and internal operating procedures, and has established their own AML/CFT databases to conduct customer due diligence and transaction monitoring procedures. In addition to regularly checking the implementation of the Working Plan, by the end of 2022, more than 2,000 people have attend training sessions on AML/CFT.	😊	- Develop an optimized process for CDD operations in the AML system to reduce paperwork and labor costs in order to achieve carbon reduction goals. - For low-risk cases in the AML system, robotic programs can be used to efficiently allocate resources and focus them on high-risk operations (e.g., identification of suspicious transactions or elimination of financial transactions). - Provide education and training courses on how to process KYC for specific type of customers, such as Virtual Currency Industry. - Integrate new front-end products and services system into the AML system in order to effectively control the risk.	- Continue to plan and carry out the latest developments in anti-money laundering and counter-terrorist financing education and training based on the needs of different education and training objects, in order to implement the top-down legal compliance system and strengthen corporate governance. - Continue to integrate the Company's internal systems for new products/new services into the anti-money laundering and counter-terrorist financing management system, and continue to optimize parameter settings every year to reach the goal of effective transaction monitoring. - The more frequent operations are low-risk cases are AI or otherwise robotized for efficient allocation of resources and effective identification of higher-risk transaction scenarios.

Material Issue	Description of Materiality	2022			2023 Objectives	Medium/Long-Term Goals (2024~2030)
		Objectives	Performance	level		
Customer Service Management	Protection of customer rights to strengthen the connection with customers and maintain a competitive advantage.	Maintain customer satisfaction more than 80%.	The average overall satisfaction rate of corporate finance customers is 96.8%, and the average overall satisfaction rate of consumer finance (short-term rental) customers is 100%, which show that the clients are "satisfied" or higher with our overall service.	😊	- Implement prompt processing mechanisms for customer complaints. Each company shall be required to complete customer reconciliation and report the handling of customer complaints within the given deadline. - Customer satisfaction target (maintain above 80%).	Operational procedure is constantly improved based on customer complaints annually, customer satisfaction compared with previous year stays steady meanwhile, increasing rates will be ultimate goal.
	All companies have the obligation to reduce the emissions of greenhouse gases and reduce energy consumption.	Electricity consumption: (per year - base year)/base year*100%, reduction target 2%. Water consumption: (per year - base year)/base year*100%, reduction target 3%. Save paper: (per year - base year)/base year*100%, reduction target 5%.	ISO 14001, 50001-completed the expanded verification of all subsidiaries under the holding company. ISO 14064 Greenhouse Gas Inventory Scope 1 and Scope 2 expanded by 60%. Energy: - Replace old energy-consuming equipment and purchase first-class energy-saving equipment. - Promote energy saving measures and effectively control non-essential air conditioning and lighting equipment. - The "Enjoy Thin Rent and Tenants Activity" continued, encouraging colleagues to take more stairs and less elevators. - Shorten the use of passenger elevators and freight elevators during non-working hours, effectively reducing energy consumption. - Adjust the starting time of passenger and cargo elevators according to the usage during non-working hours to save energy. - Effective temperature regulation of air-conditioning system at Headquarters according to ambient temperature. - Modified office lighting circuit to effectively control the lighting area and achieve energy saving efficiency. 100% of fossil fuel vehicles were replaced with hybrid vehicles in FY2022. - Water-saving devices installed in at Headquarters. Environment: - Recycle old batteries, environmental protection loves the earth. - Encourage colleagues to bring their own tableware and lunch boxes, avoid the use of disposable tableware, and effectively reduce waste generation. - Continuously carry out resource recycling and classification. - Promoting the use of environmentally friendly cups, effectively reducing waste paper cups. - Purchasing stationery products with sustainable environmental protection labels. Taiwan: - Electricity consumption: 2.47% less than per capita in 2020. - Water consumption: 16.43% less than per capita in 2020. - Waste: 29.08% less than per capita in 2020. - Save paper: 21.05% less than per capita in 2020.	😊	- ISO 14064 Greenhouse Gas Inventory Scope I & II expanded by 100%. - Increased the ratio of the number of hybrid electric vehicles. - Used stairs more, used elevators less: Encouraging employees to enjoy a more active life. - Waste battery recycling. - Encourage colleagues to bring their own tableware and lunch boxes, avoid the use of disposable tableware, and effectively reduce waste generation. - Continuously carry out resource recycling and classification. - Continuously promotes the use of environmentally friendly cups, effectively reducing waste paper cups. Energy goals: - Reduce electricity use by 2%, water consumption by 3%, and waste by 2%, and photocopying paper by 5% per year, with 2020 as the base year. - Increase annual purchase of green electricity by 5%.	- Increased the ratio of the number of hybrid electric vehicles to 100%. - Continue campaign to use stairs more, used elevators less: Encouraging employees to enjoy a more active life. - Continue to recycle waste batteries. - Encourage colleagues to bring their own tableware and lunch boxes, avoid the use of disposable tableware, and effectively reduce waste generation. - Continuously carry out resource recycling and classification. - Continuously promotes the use of environmentally friendly cups, effectively reducing waste paper cups. Energy goals: - Cumulative reduction of electricity consumption by 10%, water consumption by 15%, waste by 10%, and photocopying paper by 30% from 2020 to 2025. - Achieve 50% green electricity consumption in Taiwan office locations by 2030.

Green Operations Management & Climate Change Action and Strategy

Material Issue	Description of Materiality	2022			2023 Objectives	Medium/Long-Term Goals (2024~2030)
		Objectives	Performance	level		
Sustainable Finance	Integrate core competencies and fulfill the social responsibility of the financial industry in the financial supply chain in order to achieve sustainable development of the environment, economy, and society.	- Solar power plant assets grow in double digits; the target for the number of solar power plants is 3,012; the target for solar power plant installation capacity is 1,091 MW. - The target of 5+2 innovation industry loan amount increase 2%.	- We had 3,234 solar power plants by the end of 2022 Total power generation capacity was 1,097.27MW. Solar power plant assets reached 47.334 billion. The growth rate is 31%. - Made up 11% of Taiwan's total solar capacity in 2022. This is estimated to eliminate 694,998 metric tons of CO₂ emissions annually. - The target of 5+2 innovation industry loan amount increase 12%. Accounting for 4% of the total credit amount.	😊	- Solar power plant assets grow; the target for the number of solar power plants is 3,632; the target for solar power plant installation capacity is 1,226 MW. - The target of 5+2 innovation industry loan amount increase 5%	- The goal for the number of solar power plants and installation capacity is growth every year. - The target for the amount of car loan credits for electric vehicles reaches a growth rate of 5-10%.
Sustainable Supplier Chain Management	Work with suppliers to jointly implement corporate social responsibilities and avoid transactions with suppliers that cause significant impact on the environment and society.	For suppliers worth more than one million yuan, they are required to sign human rights and environmental sustainability clauses and integrity commitments.	- Complete major supplier standards and regulations for human rights/sustainability pledges. - Implement supplier education and training covering integrity management, occupational safety and health, human rights policy, and environmental sustainability. - Issue signed supplier human rights and environmental sustainability pledges, to 100%.	😊	- Continue education and training for new suppliers. - New suppliers' human rights and environmental sustainability pledges issued and signed.	Utilize and play properly the role of a fund provider and financial product channel to influence customers or partners to fulfill CSR.
Inclusive Finance	Providing disadvantaged groups and people in remote areas with basic financial services.	- By providing various products that meet the needs of small and medium-sized enterprises, we assist the development of small and medium-sized enterprises. - Cooperate with government policies and provide financial assistance to many micro-enterprises that cannot easily obtain funds from the banking system.	- The number of beneficiaries of micro-loans was 22,759; the number of beneficiaries of small amount accounts receivable (Bizloan) was 687. - The number of beneficiaries of motorcycle loans (ScoterLoan) was 40,910. - The number of small amount consumer installment (Chailease Zingala) beneficiaries was 595,512.	😊	- The sales target and the number of members of Zingala is to grow 10% respectively. - The total transaction value of 5871 equipment network is to grow by 5%. - The total credit amount of micro-enterprise loans will grow by 10%. - The total credit amount of the motorcycle loans is targeted to grow by 5%.	- Simplify the credit review process and optimize the risk model to improve the efficiency of credit review and lending. - Continue to promote SME forums and lectures. - The Zingala installment performance target enjoys double-digit growth every year. - The goal of total turnover of 5871 is double-digit growth every year. - The target of the total credit amount of micro-enterprise loans is double-digit growth. - The total credit amount of the motorcycle loans is expected to grow by 5~10%.

Material Issue	Description of Materiality	2022			2023 Objectives	Medium/Long-Term Goals (2024~2030)
		Objectives	Performance	level		
Human Rights and Labor Rights	Labor rights and gender equality are legitimate rights and interests in employment, also are cooperate responsibilities to employees and to the society.	- A smooth labor-management exchange platform and regular labor-management meetings. - The ratio of female executives is over 28%. The ratio of female executives in the business department is over 24%. - The rate of reinstatement of childcare staying and reinstatement maintains at over 70% and the retention rate remains above over 60%. - To provide online courses for women' s career development, with a target completion rate of over 80%.	- A smooth labor-management exchange platform and regular labor-management meetings. - The percentage of female executives in 2022 reached 30.7%; the percentage of female executives in the sales department reached 29.1%. - In 2022, parental leave and reinstatement rate was 43%. - In 2022, retention rate was 65%.	😊	- A smooth labor-management exchange platform and regular labor-management meetings. - The ratio of female executives is over 30%. The ratio of female executives in the business department is over 26%: the ratio of female employees no less than 45%. - The rate of reinstatement of childcare staying and reinstatement maintains at over 70% and the retention rate remains above over 60%.	- Hold labor-management meetings regularly on the smooth labor management exchange platform. - In 2030, the ratio of female supervisors will be over 40%. The ratio of female supervisors in the business department will be over 30%: the ratio of female employees no less than 50%. - The rate of reinstatement of childcare staying and reinstatement to be maintained at more than 70% and the retention rate to be maintained at more than 60%. - Achieve 100% implementation of human rights education and training within 3 years.
Remuneration and Benefits of Directors, Managers and Employee	Complete benefit measures and compensation policies highly-linked to performance can attract talents from labor market and meanwhile lower the turnover rate of talents in the organization.	- Continue to provide employee welfare programs that exceed laws and regulations. - Continue to increase Employee Stock Ownership Trust members by 5%~10%. - The participation rate of the reward objects of the employee shareholding trust reward plan to be maintained at over 95%.	- From 2022, birthday leave which superior than law. - Employee benefit costs increased by 17.4% - The participation rate of the reward objects of the employee shareholding trust reward plan was 96.2%.	😊	- Continue to provide employee welfare programs that exceed laws and regulations - Continue to increase employee welfare costs by 5%~10%. - The participation rate of the reward objects of the employee shareholding trust reward plan to be maintained at over 95%.	- Continue to provide employee welfare programs that exceed laws and regulations. - The participation rate of the reward objects of the employee shareholding trust reward plan to be maintained at over 95%.

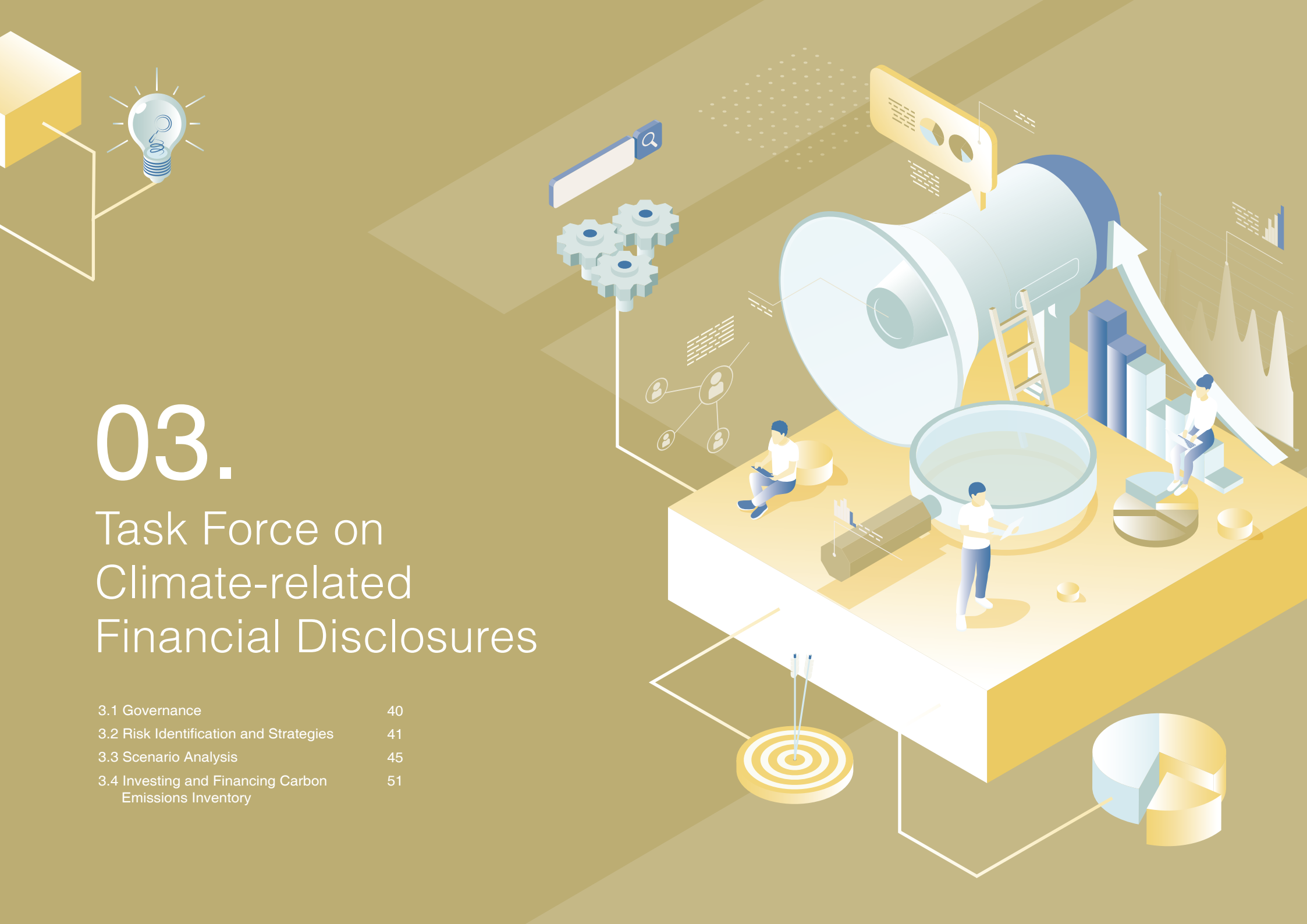
Material Issue	Description of Materiality	2022			2023 Objectives	Medium/Long-Term Goals (2024~2030)
		Objectives	Performance	level		
Occupational Safety and Health	Creating a safe work environment and improve employee health and enhance corporate competitiveness.	- Enhancement of safety and hygiene in the workplace. - A participation rate of health check of over 87%. - Employee absenteeism rate of below 0.5%. - Continue to hold health promotion seminars and activities, and the number of participants is to remain more than 10,000. - The response rate of the engagement survey to be maintained at over 85%, average score to be maintained at over 4 points, and the difference between male and female scores is reduced.	- Implementation of monitoring of the work environment in offices, ensuring that lighting and CO2 concentrations conform to regulatory standards. - Implement Legionella bacteria and related water quality testing. - Promoted safety and hygiene counseling and education training for energy-related sites, a total of 544 sessions, with 3,073 participants. - Complete ISO 45001:2018 verification. - Employee absenteeism rate was 0.34% in 2022. - Organized health promotion seminars and activities, with 15,914 participants. - A participation rate of health check was 95.2%. - The response rate of the engagement survey was 87%, and the average score was 6.13 points, the difference between male and female scores is little increase.	😊	- Achievement rate of 75% in energy field education and training. - Maintain achievement rate of occupational safety prevention plan at over 90%. - A participation rate of health check of over 87%. - Maintain absentee rate below 0.5%. - Continue to hold health promotion seminars and activities, and the number of participants is to remain more than 10,000. - The response rate of the engagement survey to be maintained at over 85%, average score to be maintained at over 6 points, and the difference between male and female scores is reduced.	- Achievement rate of 75% in energy field education and training. - Maintain an achievement rate of occupational safety prevention plan of over 90%. - The participation rate of health check of over 90%. - Continue to hold health promotion seminars and activities, and the number of participants to remain over 10,000. - The response rate of the engagement survey is to be maintained at more than 85%, and the average score is maintained at more than 6 points, and the difference between male and female scores is to be reduced.
		Develop long-term plans on staff's training & career development, to achieve individual and the Group's mutual growth. Overall goals - Maintain average annual training hours per person at more than 50 hours. Sustainable operations - Continue to arrange ESG and CSR related training courses. Talent management - A total of 33 MAs to go overseas for internships or assignments. - Continue to implement the key talent plan. A total of 33 people have been promoted over the years, and a total of 18 have been officially assigned abroad. - Maintain retention rate of key talents above 85%. - Continue to implement the NYU training program at a cost of NT\$3 million per person.	Overall goals - The average annual training hours per person was 61.7 hours. Sustainable operations 1,281 people to participate in ESG and CSR related training courses, and the total training hours is to be over 1,922 hours. Talent management - A total of 33 MAs went overseas for internships or formal assignments. - A total of 33 people have been promoted over the years, and a total of 17 have been officially assigned abroad. - The retention rate of key talents is 86.1%. - One more employee participated the NYU training plan, with an investment of NT\$3 million per person. - In 2022, one person go to NYU for further study.	😊	Overall goals - Maintain average annual training hours per person at more than 50 hours. Sustainable operations - Continue to hold ESG and CSR related training courses. Talent management - A total of 38 MAs to go overseas for internships or assignments. - Continue to implement the key talent plan. A total of 45 people have been promoted over the years, and a total of 20 have been officially assigned abroad. - Maintain retention rate of key talents above 85%. - Continue to implement the NYU training plan, with an investment of NT\$3 million per person. - In 2023, one person will go to NYU for further study.	- Maintain average annual training hours at over 50 hours per person. - Continue to hold ESG and CSR related training courses. - In 2025, a total of 50 MAs will have gone abroad for internships or assignments. - In 2025, at least 4 colleagues will formally obtain NYU degrees. They can be assigned key positions in the future. - From 2016 to 2025, CTD's key talent database to accumulate 150 people. Candidates with 50% growth potential are available for the overall planning of Chailease Holding. - Continue to assist women's career development plans.

Material Issue	Description of Materiality	2022			2023 Objectives	Medium/Long-Term Goals (2024~2030)
		Objectives	Performance	level		
Social Participation	Work with customers in cross-sector alliances. Integrate social resources, integrate core competency.	- Through cooperation with key enterprises, we provide workplace internship platforms for students in technical colleges and universities, as a preparation for their job search. - Encourage colleagues to participate in volunteer services. - We provide comprehensive training resources and platforms to assist in nurturing outstanding national sports talent.	- Held a total of 19 events in which 943 people participated, with satisfaction ratings averaging 93.7 points. - Corporate colleagues participated in volunteer services, with a record 137 sessions, and the total service hours exceeded 15,766.5 hours. Taiwanese employees participated in an average of 1.39 hours of volunteer services per person per year. - We worked with 6 schools (secondary and post-secondary) in Taipei and 2 secondary schools in Tainan, officially signing 60 players. After training, a total of 35 players were promoted to Group A. We participated in 10 domestic and foreign competitions in 2022 and won 20 gold, 6 silver, and 6 bronze medals.		- Continue to hold at least 20 activities related to career exploration and suitability development, with a total of 1,000 participants, and an average activity satisfaction of 90 points or more. - Continue to promote participation of corporate colleagues in volunteer services, with total of over 150 sessions, and over 20,000 service hours. Taiwanese employees to participate in volunteer services for an average of 1.5 hours per person per year. - Actively cultivate the strength of the adult team, and enhance the healthy and good image of the Company's training talents.	- Carry out activities related to career exploration and career-adaptive development throughout Taiwan, expand the visibility of the Company and the association, as well as recruit talents who are interested in investing in the Company through activities, and provide employment channels (at least 35 relevant events, and total of 2,000 participants). - Chailase badminton team is to continue to get better, work with secondary schools in central and southern Taiwan to cultivate local badminton players for the Olympics. - In 2025, colleagues will participate in a total of 300 volunteer service sessions, with total service hours of over 30,000 hours. Taiwanese employees are to participate in an average of 3 hours of volunteer services per person per year. - Continue to link corporate resources to social welfare units and sponsor service organizations at universities to enhance the positive image of the Company.

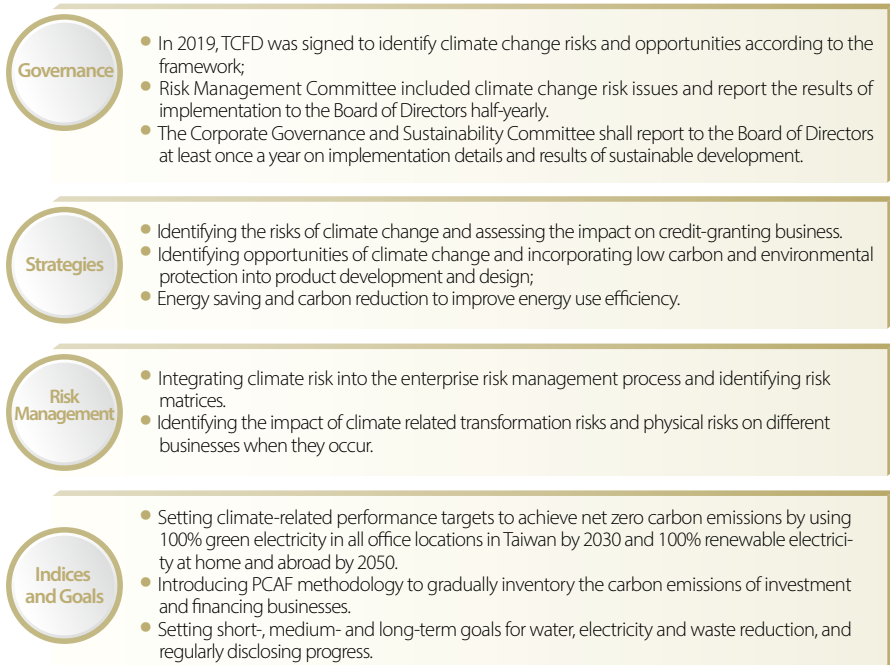
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Task Force on Climate-related Financial Disclosures

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TCFD Executive Summary and Highlighted Performance



results of these assessments are reported to the Board of Directors to ensure that management has sufficient awareness of the impact of climate change, with a view to reducing risk and strengthening the Company's climate change governance. The Risk Management Committee of the holdings Company meets on a semi-annual basis to review the results of our climate risk strategy. The risks of climate change are included in the discussion, and the results of implementation are regularly reported to the Board of Directors. In addition, the holding Company has a credit policy that includes climate change as part of risk assessment practices.

Chailease Holdings has adopted an annual emerging risk identification process to assess the likelihood of occurrence and impact of climate change on the company. The ESG team invited 12 related organizations and initiated a workshop on climate change risks. For the list of climate change risk factors, Chailease Holdings referred to TCFD's recommendations and relevant climate change information, and based on the business characteristics of its subsidiaries and reports and information released by domestic and overseas related institutions, Chailease Holdings finally averaged a number of climate risk factors to arrive at eight factors related to Chailease Holdings, and identified the impact on different businesses when climate related transformation risks and physical risks occur, and identified and ranked the risk matrix. The risk matrix was sorted out. The process of climate change management and identification is as follows.



3.1 Governance

With the threat of global climate change, there is an increasing demand from financial market participants for information on the impacts of climate change, and a growing need for creditors and investors to have access to consistent, comparable, reliable and complete risk information. Therefore, the Company has signed on as a TCFD supporter and, in accordance with the TCFD's published Recommendations of the Task Force on Climate-related Financial Disclosures framework, has identified the risks and opportunities that climate change may present, and initially the

Climate Change Management Process

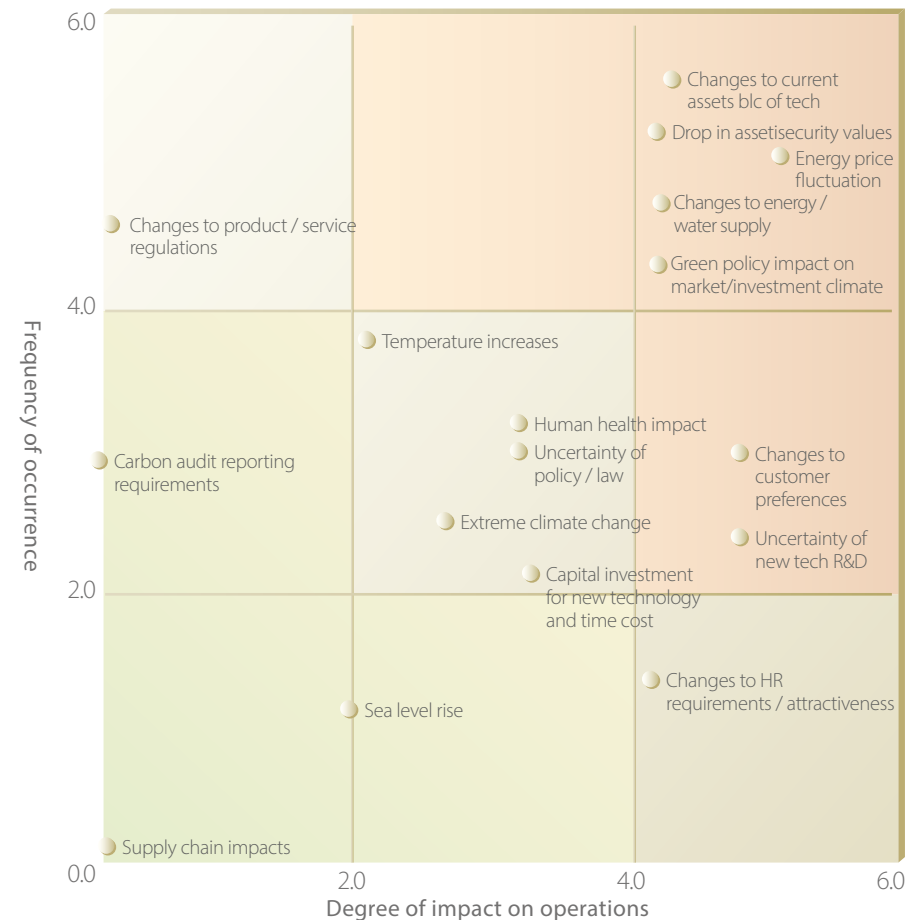


Climate Change Identification Process



3.2 Risk Identification and Strategies

Gathering information about recent financial industry risks, identifying possible risk events, and drawing a matrix of climate change risk events according to the degree of impact and probability of occurrence.

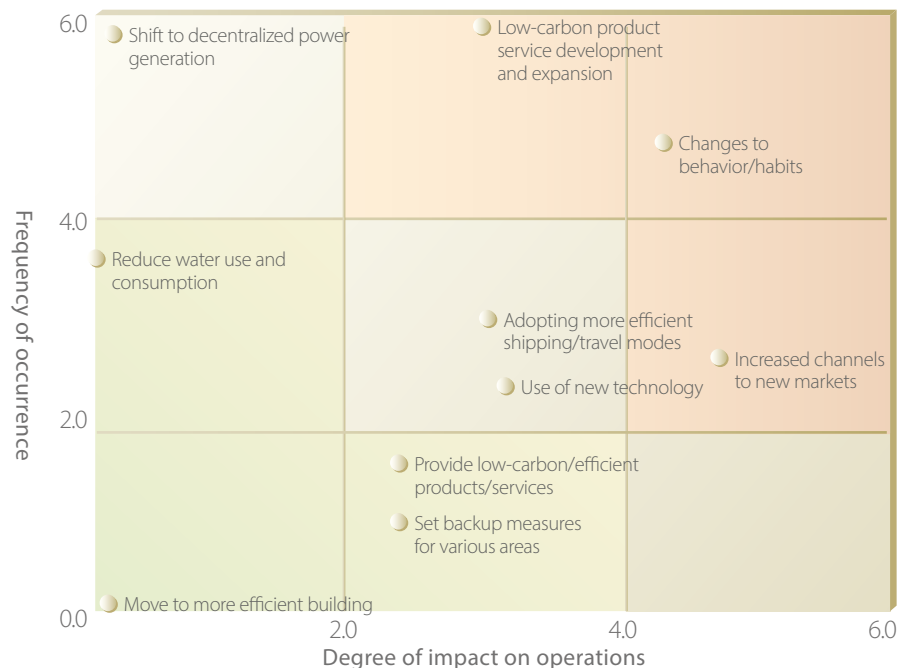


Identifying Chailease's 8 key potential climate change risks. The impact period was divided into short-term (1-2 years), medium-term (2-5 years), and long-term (5-10 years), and the related management measures were established as follows.

Category	Risk type	Climate change risk identification	Scope			Impact on company operations	Financial impact	Risk management measures	Period		
			Up stream	Business	Down stream				short	medium	long
Physical	immediately	Human health effects		●		Climate chance may increase the risk of extreme climate, thereby affecting staff attendance and business travel	Property loss caused by interruption in operations	- Enhanced employee health management and education such as health checks and health lectures - Tracking high/low temperature warnings, typhoon warnings, heavy rain warnings, etc. by government announcement and adjust staff attendance in a timely manner	●		
	immediately	Drop in asset/collateral value		●		- As a result of climate change, there may be systematic damage to IT equipment or damage to the business base. This may impact operations. - The company's solar power plants may be impacted by extreme weather. There may be damage to electronic equipment or power generation efficiency. - Subject properties and collateral are an important source of debt protection, and if natural disasters cause devaluation or liquidity issues the company's profit will be eroded.	Increased cost Decline in revenue	- When real estate collateral is set, customers are required to purchase fire insurance to achieve basic insurance protection. - When estimating investment cases, climate factors must be included as influencing parameters, and a possible loss of power generation efficiency calculated using simulations. - The purchase of insurance for related electronic equipment helps pass on losses due to natural disasters. - If real estate collateral is located in a disaster-prone area (for example, an area of earth and rock flow), it may experience a drop in value. It may even be ineligible for pledge as collateral. - When an actual natural disaster causes loss of subject property or collateral, the financial impact and relevant derivative risk caused to the customer will be assessed.			●
	long-term	Changes to energy/water resource supply	●	●	●	Due to extreme weather such as flood, drought, high temperatures, and so on, rising demand for energy, or insufficient energy resources, may result.	Increased cost	Conduct a commodity-sensitive analysis of energy / resource needs, and assess investment in energy storage/water conservation equipment to reduce related risks.		●	
Transition	Policies and Regulations	Changes in existing assets due to technology		●		In response to regulatory requirements, technological development, etc., existing assets may be scrapped earlier.	Increased cost	- Continue to pay attention to regulations and technological progress, and include in the factors considered in asset purchase - Do not continue to carry devices that do not comply with environmental regulations.	●		
	Technology	Uncertainty of new technological development	●	●		Renewable energy, energy storage and other technologies continue to develop, and may affect the competitiveness of the current investment in power plants.	Increased input costs Increased operating costs Reduced revenue	Continuously assess technology development risks and monitor related progress, and strengthen technical and R & D talent. When necessary, consider reducing technology costs through technology transfer and coordinate with marketing strategies to lay out markets in advance.			●

Category	Risk type	Climate change risk identification	Scope			Impact on company operations	Financial impact	Risk management measures	Period		
			Up stream	Business	Down stream				short	medium	long
Transition	Market	Energy price adjustment		●	●	Climate change causes changes to the price of raw materials. This impacts customers, and can even cause subsequent credit defaults.	Reduced revenue	- The section regularly submits reports on industry health, and raises warnings in cases of industrial risk. - The section provides the latest customer bounce records each week, and the business reps dynamically observe customer behavior during visits and events so that if there is any abnormality, the relevant unit will deal with it immediately. - In assessing cases, for industries sensitive to climate change, regulatory impact, customer transformation strategies and costs are incorporated into assessment elements. - Also, in assessing cases, in the case of raw materials sensitive to climate change, a price sensitivity analysis and forecast are done.	●		
	Policies and Regulations	Green policies' effect on the market / investment environment		●		The company's solar power plants are highly linked to regulations on renewable energy. If subsidies are reduced, expected profits may decrease.	Reduced revenue Increased input cost/time	- When evaluating investment in solar power plants, the possibility and degree of impact of regulatory changes are incorporated into the assessment points. - Large-scale case evaluations are undertaken as relevant regional markets and policy trends emerge. - Insuring other insurance transfer risks - The impact of regulations on customer transformation strategies and cost is incorporated into assessments modifications.			●
	Market	Customer preference shifts		●	●	The government continues to promote the development of a low-carbon economy, which may affect customer considerations for product selection.	Reduced revenue Increased input cost/time	Continue with a finger on the pulse of market demand, and implement low-carbon and environmental protection into product development and design cycle links, enhancing the green product promotion for relevant client groups.		●	

While undertaking climate change risk response, Chailease also assesses the potential opportunities climate change may bring and brings them into its business development strategies. Three significant potential climate change-related opportunities were identified in 2022. Assessment results and discussion of these are as follow:



Climate Related Opportunities and Financial Impact

Category	Climate change risk identification	Scope			Impact on company operations	Financial impact	Risk management measures	Period ^{note1}		
		Up stream	Business	Down stream				Short	Medium	long
Products and services	Development and expansion of low-carbon products or services		●		In response to strengthening of the government's low-carbon and renewable energy promotions and regulations, the amount of relevant markets will gradually increase.	- Conserving input cost - Increase in operating revenue	- Invest more in solar power plants and increase related environmentally-friendly expenditures - Increase in green financial service products - Increase in positive reveals of green, low-carbon products	●	●	
Markets	Changes in behavior/habits		●	●	Market signals are changing in response to increased customer awareness of low-carbon products	- Conserving input cost - Increase in operating revenue	- Enhance corporate image as a leader in low-carbon products - Revise internal review processes and enhance review rules and audit items for low-carbon products.		●	●
Markets	Increase in channels into new markets		●		Global increased demand for green, renewable energy services and technologies, Development of related products is hopeful for entry into new international markets.	Increase in operating revenue	Actively bring domestic experiences with green energy conservation and solar power to overseas markets, and obtain related subsidies.		●	●

Note 1: Occurrence time - indicates possible climate related actions in the short (1-2 years), medium (2-5 years), and long (more than 5 years) future periods.

3.3 Scenario Analysis

We combine climate change risk with traditional financial stress testing, with financial risk as the primary focus and climate change as the secondary focus, to assess the impact of extreme economic events and to consider the impact of climate change. Traditional financial stress testing includes the credit risk of the Company's financing. In terms of the setting of stressful situations, we mainly considered possible negative situations in the future, dividing them into two types of stressful situations, minor and severe, according to their degree. The risk components (default rate, default loss rate and default risk amount) of each asset portfolio under mild and severe scenarios are estimated by reference to aggregate economic indicators such as economic growth rate and unemployment rate, and then the loss value is calculated. The probability of default (PD) and loss given default (LGD) are estimated using internal historical probability of default parameters and models.

Following rapid changes in international climate change policies, in order to evaluate the impact of potential risks associated with different low-carbon transition paths and to fulfill the TCFD objective of disclosing the financial impacts associated with climate change, Chailease Holdings has worked with external consultants to further develop a qualitative assessment of climate change risks. In addition to the qualitative projections, we conducted further scenario analysis to make more accurate quantitative projections. We assessed the potential impacts of climate change in different scenarios through situational analysis of organizational operations and supply chain at the Company.

Transitional risks are mainly based on the climate change scenarios published by the Network for Greening the Financial System (NGFS), a global network of central banks and financial regulators, and the World Energy Outlook 2022 published by the International Energy Agency (IEA). Physical risks were calculated by referring to the disaster risk map simulated by the Taiwan Climate Change Information and Adaptive Knowledge Platform Project (TCCIP) at the Ministry of Science and Technology in Taiwan. This map is primarily based on Assessment Report 5 (AR5) of the Intergovernmental Panel on Climate Change (IPCC) at the United Nations, where the RCPs (Representative Concentration Pathways) were used to analyze the potential for future flatland flooding and slope hazards in Taiwan.

Scenario	Scenario 1	Scenario 2	Scenario 3
NGFS Scenario	Current Policies	NDCs	Net Zero 2050
Scenario Description	Retain only the currently implemented policies that result in a global temperature increase of about 3 °C and serious physical risks.	All committed national autonomous contribution policies are indeed implemented, but still result in a global temperature increase of about 2.6 °C followed by moderate to high physical risk, and relatively low transitional risk.	Net greenhouse gas emissions will reach zero by about 2050, with a 50% chance of keeping the global temperature increase under 1.5 °C by the end of the century. Relatively low physical risk, but high transitional risk
Carbon Price (USD/Ton)			
IEA Response Scenario	STEPS	APS	NZE 2050
IEA Scenario Carbon Reduction Path	2030 over Base Year : 1.17% 2050 over Base Year : 12.72%	2030 over Base Year : 14.00% 2050 over Base Year : 66.16%	2030 over Base Year : 37.64% 2050 over Base Year : 100.00%
IEA Scenario Build Cost Price Variation (PV)	2030 over Base Year : 69.23% 2050 over Base Year : 53.25%	-	2030 over Base Year : 60.95% 2050 over Base Year : 44.97%
Entity Risk Pathways	RCP 8.5	RCP 8.5	RCP 2.6

Note 1: The carbon price (US\$) refers to the situational parameters published by NGFS Scenario Explorer, and the selected evaluation model is REMIND-MAGPIE 3.0-4.4;

Note 2: PV construction costs are based on the IEA WEO 2022 report, and the parameters chosen are Japanese Solar photovoltaics - Large scale unit parameters.

Risks of Transformation – Supplier carbon cost shifting

Analysis purpose

As the government imposes a carbon fee in the future, suppliers may pass the fee on directly, resulting in higher raw material costs.

Objects analyzed

Key suppliers of solar modules and inverters for the Company's energy procurement.

Analysis Methods



Scenario assumption

Background assumptions: Assuming that all Taiwanese companies will be subject to a carbon fee in the future, the fee will remain unchanged at NT\$300 per year, and the Company's annual capacity target for solar power plant installations will remain unchanged.

Step1. Projected changes in solar power raw material procurement costs based on estimated solar power construction costs for each scenario.

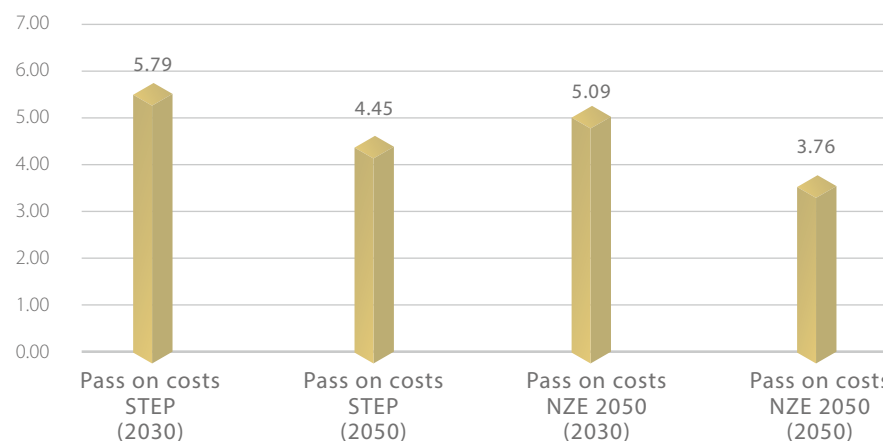
Step2. Estimated total greenhouse gas emissions for each scenario based on the amount purchased by suppliers

Step3. Calculate the carbon cost passed on by suppliers based on emissions and assess the impact on the Company.

Analysis results

In 2022, there were 13 key suppliers of solar modules and inverters for the Company's energy procurement. According to the industry carbon emission coefficient, it is estimated that the carbon footprint of products provided by the suppliers was about 28,000 tons, and the carbon footprint of the raw materials in the same installation capacity may continue to decrease with technological developments due to improvements in the solar power process technology. The Company estimates that if the 2022 construction scale is continued, the carbon cost pass-through in 2030 and 2050 will be approximately NT\$3.76 million to NT\$5.79 million in each scenario.

Unit: million



Risks of Transformation – Carbon Emission Limit Exposure

Analysis purpose

Through the estimated carbon reduction path and carbon price in each scenario, and expected implementation schedule of the Company's green power, we can estimate the difference between the future greenhouse gas emission limits and the carbon reduction targets in each scenario, so as to understand the possible impact of carbon emission limits faced by the Company.

Objects analyzed

All of the Company's domestic and foreign locations

Analysis Methods



Scenario assumption

Background assumptions: Assume that carbon emission limits may be promoted in the future, and carbon rights must be purchased to offset the amount exceeding the target.

Step1. Estimated emission limits for each scenario based on our 2022 GHG emission data.

Step2. The difference is calculated based on the Company's planned carbon reduction path and emission limits for each scenario.

Step3. Estimated impact fee for exceeding the limits based on situational carbon prices.

Analysis results

In 2022, the Company emitted approximately 28,235.98 metric tons of greenhouse gases. Based on the Company's green power introduction plan and net-zero emission target, the estimated carbon rights expense is based on the carbon emission limits of each scenario. In Scenario 2, the exposure in 2030 is approximately NT\$420,000; in Scenario 3, the 2030 exposure is approximately NT\$19.43 million. There is no exposure in 2050 as the Company is assumed to have achieved its net zero emissions target.

Risks of Transformation – Corporate Financing Credit Carbon-risk Exposure

Goal of Analysis

As the European Union's Carbon Boundary Adjustment Mechanism (CBAM) will start imposing carbon tariffs in 2026, and the Climate Change Response Act in Taiwan is expected to introduce a carbon tax in 2024, companies will have to bear additional carbon costs, which may result in higher default rates. The level of risk faced by financiers can be assessed through scenario analysis.

Target of Analysis

Group Credit Facility for Companies in High Carbon Emission Industries

Analysis Methods



Scenario assumption

Background Assumptions: Companies take no action to reduce carbon emissions and maintain Base Year GHG emissions.

Step1. The excess carbon emissions of each company are estimated by assuming that the carbon reduction path of each scenario is the future carbon emission allowance of a given company.

Step2. The carbon emission costs to be borne by each company are calculated based on the expected carbon price for each scenario.

Step2. The expected carbon emission cost of each company and the annual operating income thereof are analyzed to assess the impact on each credit customer.

Analysis results

Inventory of the Company included investment and financial data (including equity investment, corporate bonds, general corporate credit, and auto loans) from Chailease Finance, FFTC, Chailease Auto, Chailease International Finance Corporation, Chailease Vietnam, etc. According to the five major high carbon emission industries identified by Chailease Holdings, a total of 1,325 companies met the criteria for analysis of the credit customers in 2022. The Exposure to Carbon- Related Assets of our corporate clients are mainly on the cement industries and steel industries. In Scenario 1, the cement industry is the key exposure industry, since credit customers of the Company in the cement and steel industries account for approximately 46.82% of the capital in the PRC. In Scenario 2 and Scenario 3, carbon prices began to increase rapidly due to policy changes in the PRC. Therefore, the Company Exposure to Carbon- Related Assets for the cement industry showed fluctuating growth following changes in carbon price and different carbon reduction scenarios.

Unit: NT\$ million

Type		Scenario 1 Current Policies		Scenario 2 NDCs		Scenario 3 Net Zero 2050	
		2030	2050	2030	2050	2030	2050
High Carbon Emission Industries	Power generation / petroleum refining industry	3.18	31.40	211.67	3,043.65	5,326.95	62,923.59
	Steel industry	12.25	29.58	906.46	7,193.11	10,187.99	110,409.12
	Cement industry	23.65	666.07	1,138.13	44,048.39	88,474.05	1,092,167.77
	Semi-conductor industry	0.03	0.61	2.02	46.44	88.44	1,074.33
	Thin-film transistor liquid crystal display industry	0.37	3.73	24.50	357.77	628.45	7,432.93
TOTAL		39.49	731.40	2,282.77	54,689.36	104,705.89	1,274,007.73

The impact of carbon exposure on a company is classified into three levels: low, medium, and high according to the expected carbon emission costs and annual operating income of each company. In Scenario 1, the carbon reduction path is not demanding and the carbon price is relatively low, so all companies are in the low impact category. In Scenario 2, the carbon price in the PRC will increase significantly after 2030; and therefore, some companies start to experience medium and high impact. In the highly transformative scenario 3, due to the carbon reduction path and a significant increase in carbon price, nearly 40% of the high carbon emission companies will experience high impact in 2030, and 85% of the high carbon emission companies will experience high impact in 2050.

Unit: number of enterprises

Impact degree	Scenario 1 Current Policies		Scenario 2 NDCs		Scenario 3 Net Zero 2050	
	2030	2050	2030	2050	2030	2050
Low	1,325	1,325	1,325	798	798	106
Medium	-	-	-	379	-	97
High	-	-	-	148	527	1,122

Note 1: Impact degree = Enterprise's expected carbon emission cost / annual operating income

Note 2: Low <10%, Medium - 10%~20%, High >20%

The Company will require that future corporate clients should prioritize assessment of the carbon intensity of their greenhouse gas emissions. High-carbon emitters will be required to propose reasonable carbon reduction plans. In the future, the Company will also leverage our influence on the existing asset portfolio to gradually assist high carbon emission companies to transition, save energy and reduce carbon emissions, so as to continuously reduce Financial Carbon Exposure to Carbon- Related Assets at the Company.



Physical Risk – Solar power plant flooding potential analysis

Analysis purpose

In response to the goal of energy transformation, the Company has built a number of solar power plants throughout Taiwan to supply clean energy. Solar power plants are one of the Company's major assets. To avoid extreme weather impacts on critical assets, the Company uses scenario analysis to assess the risks to solar plant operations and supplier supplies. The scope of impact is identified in advance to reduce impact losses.

Objects analyzed

Suppliers of solar power plants and solar power supplies established by the Company throughout Taiwan

Analysis Methods



Scenario assumption

Background assumptions: Flooding disasters have a direct impact on ground-based solar plants, while rooftop solar plants are assumed to be unaffected. Risk of flooding could also cause disruptions in supplier supply.

- Step1. Analysis of the sites of solar power plants built by the Company, the type of plants, and the types and locations of suppliers' supplies.
- Step2. According to the TCCIP's disaster risk map, the risk of flooding for each solar power plant and supplier is identified with reference to the hazard and vulnerability of each village/town/city/area.
- Step3. Performed exposure analysis of our solar power plants and suppliers. The disaster may cause damage to some of the panels and broken cables in the plant and estimate the possible maintenance costs. Disruptions in supplier supply lead to lack of immediate maintenance, affecting generation performance.



Current Situation at Tainan Site

Analysis results

The Company has a total of 2,886 solar power plants, of which 429 are ground-based solar power plants. We analyzed the flooding risk of solar plants located in villages/towns/cities/districts under RCP 2.6 and RCP 8.5 scenarios, and the simulation data classified the flooding hazard and vulnerability into five levels, and the areas with hazard x vulnerability ≥ 20 were defined as high risk areas. After comparing with the Company's photovoltaic sites, there are 57 power plants located in high-risk areas under the RCP8.5 scenario, with a total installation capacity of approximately 26,000kW and a total exposure value of approximately NT\$1.17 billion. Under the RCP2.6 scenario, there is only one power plant in the high-risk area with a total installation capacity of approximately 136.5 kW and a total exposure value of approximately NT\$6 million. A total of five suppliers were evaluated to be located in high-risk areas under the RCP8.5 scenario, accounting for approximately 7.17% of the total procurement value. No suppliers are located in high-risk areas under the RCP2.6 scenario. Suppliers are highly replaceable and can we immediately find alternative suppliers in case of a related climate disaster.

In order to reduce the impact of climate risk hazards, all site locations have been adjusted in advance to meet the safest and most flood-resistant engineering options to ensure that even under the most severe climate conditions risk control requirements can be met. Relevant evaluation criteria have been incorporated into the Company's internal regulations. All sites located on hillsides must pass a soil and water conservation assessment and be reviewed by competent authorities before being built. Site surveys and engineering opinions are required before the construction of a project. The Board of Examiners shall examine the information obtained from the current survey documents and the disaster potential map of the National Science and Technology Center for Disaster Reduction to ensure that site operations will not be affected by abnormal weather.

However, considering that the occurrence of flooding/slope disasters may still cause damage to some panels of the power plant, broken cables and other impacts, which in turn generate related maintenance costs. The estimated impact of flooding risk under RCP8.5 scenario is approximately NT\$13.4 million. The impact of flooding risk under RCP2.6 scenario is approximately NT\$66,000. In addition, in order to effectively transfer the impact of climate change disaster risk, the Company has taken out product insurance for each power plant and will be compensated 80% of any losses caused by disasters.



Physical Risk – Collateral Flooding Potential Analysis

Analysis purpose

Evaluate potential impairment of Company assets related to financial collateral due to physical risks, which in turn results in a shortfall in the guarantee ratio, resulting in the Company's financial exposure.

Objects analyzed

Financing of physical collateral.

Analysis Methods



Scenario assumption

Background assumptions: Assuming that physical risk may have a direct impact on asset values and financing customers are unable to make payments for specific reasons.

Step1. The address, collateral value and loan balance of the Company's financing cases with physical collateral are summarized.

Step2. Based on TCCIP's disaster risk map, the risk of flooding of each insured item is identified with reference to the hazard and vulnerability of each village/town/city/area.

Step3. Performing collateral exposure analysis and assessing the likelihood of asset impairment due to risk, and compiling statistics on cases where the balance of financing exceeds the value of collateral.

Analysis results

The Company has 30 financing cases with physical collaterals, and the total loan balance reached NT\$1.89 billion in 2022. We analyzed the flooding risk of each collateral under RCP 2.6 and RCP 8.5 scenarios in various villages/towns/cities/areas. The simulations classified the hazard and vulnerability of flooding into five levels and estimated the asset impairment ratio based on the hazard x vulnerability level. A total of 21 loans under the RCP8.5 scenario were assessed to have insufficient guarantee ratio due to asset impairment, with the exposure amount accounting for approximately 33.17% of the total loan balance. Under the RCP2.6 scenario, there were 21 loans with insufficient guarantee ratio due to asset impairment, and the exposure amount accounted for approximately 28.58% of the total loan balance.

The Company has incorporated a physical risk factor into its financing evaluation. If the real estate collateral is located in a disaster-prone area, the value of the collateral will be discounted or not even provided. The financial impact on customers and the related derivative risk will be evaluated when there is an actual significant loss of the subject matter or collateral due to a natural disaster.

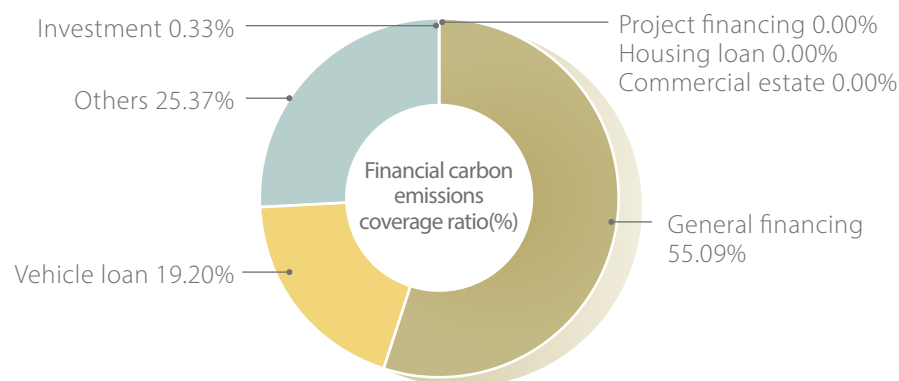
Risk Level	RCP2.6			RCP8.5		
	Number of Loans	Number of Exposures	Exposure Amount Percentage	Number of Loans	Number of Exposures	Exposure Amount Percentage
High	0	0	0.00%	5	5	6.03%
Medium	7	5	4.56%	23	15	25.98%
Low	23	16	24.02%	2	1	1.11%

3.4 Investing and Financing Carbon Emissions Inventory

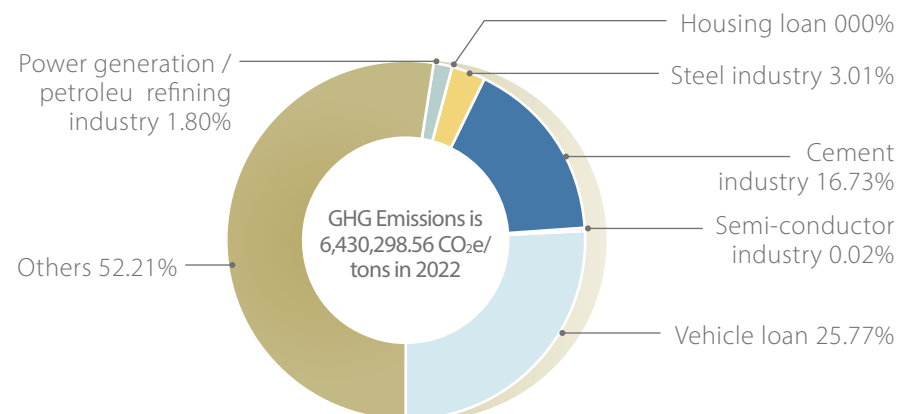
Chailease Holdings follows the methodology released by the Partnership for Carbon Accounting Financials (PCAF) to take stock of the total greenhouse gas emissions of its own investment portfolio. In 2022, the inventory will cover the entire portfolio of assets, and the calculation of both investment and financial data (including equity investment, corporate bonds, general corporate credit and car loans) include important subsidiaries, including Chailease Finance, FFTC, Chailease Auto, Chailease International Finance Corporation (China), Chailease International Leasing Corp. (Vietnam). The disclosure ratio accounts for 74.6% of the total investment portfolio.

An inventory of the Company asset base as of December 2022 shows the overall financial carbon emissions are 6,430,298.56 metric tons of CO₂e. In the financing, the Company calculated the greenhouse gas emissions with respect to high carbon emission industries (power generation/oil refinery, the steel industry, the cement industry, the semiconductor industry, and thin film transistor LCD industry), of which the cement industry accounts for the highest percentage of financial carbon emissions at the Company. Chailease Holdings currently has no investments or financing in coal and non-traditional oil and gas industries, and committed not to being exposed to customers of this type in the future.

In order to exert corporate influence, the company has set a carbon reduction target. The high-carbon emission industries will account for 21.7% of greenhouse gas emissions in 2022. We will adjust our asset portfolio gradually and plan to facilitate an energy transition across the industry with an average compound reduction rate of 4-5% per year. Our goal is to reduce the greenhouse gas emissions to 15% of the high-carbon emission industries by 2030, so as to reduce overall financial carbon emissions in investment and financing.



Financial carbon emissions by industry



Carbon Emission Intensity of Chailease's Portfolio in 2022 (by asset class)

Investment Type	Funding Weighting (%)	GHG Emissions (metric tons CO ₂ e)	Carbon Footprint (MT CO ₂ e /US\$ million)
Investment	0.44%	1,314.62	17.40
General financing	73.82%	4,772,051.65	379.27
Project financing	0.00%	0.00	-
Commercial estate	0.00%	0.00	-
Housing loan	0.00%	0.00	-
Vehicle loan	25.73%	1,656,932.29	377.75
Total	100.00%	6,430,298.56	377.27

Carbon Emission Intensity of Chailease's Portfolio in 2022 (by Industry)

	Investment Type	Funding Weighting (%)	GHG Emissions (metric tons CO ₂ e)	Carbon Footprint (MT CO ₂ e /US\$ million)
High Carbon Emission Industries	Power generation / petroleum refining industry	0.80%	115,970.25	855.25
	Steel industry	0.37%	193,231.79	3,051.12
	Cement industry	0.92%	1,075,726.86	6,850.91
	Semi-conductor industry	0.10%	1,433.83	85.41
	Thin-film transistor liquid crystal display industry	0.26%	10,524.82	239.04
Other Industries	Others	71.82%	3,376,478.71	275.83
Other Categories	Commercial estate	0.00%	0.00	-
	Housing loan	0.00%	0.00	-
	Vehicle loan	25.73%	1,656,932.29	377.75
Total		100.00%	6,430,298.56	377.27

Note: Calculated based on 2022/12/31 Bank of Taiwan exchange rate of NT\$30.76/US\$1.

Internal Carbon Pricing / Corporate Sustainability Action Proposal Competition

In response to the movement toward global net-zero, the Company's initial goal was to reduce electricity consumption in its headquarters buildings by a total of 20% by 2020, with 2015 as the base year. In order to implement the spirit of continuous improvement, promote environmental protection, and raise awareness of energy saving and carbon reduction, the base year has been changed to 2020, and the reduction plan will be promoted year by year with the Company starting by taking practical measures to reduce carbon internally. In the spirit of user fees, greenhouse gas emissions are charged according to the energy consumption of each department. The price currently in effect is approximately NT\$9,500/tonne of CO₂e, and the fee is used as an incentive for departments to take action to reduce their carbon footprint and as a catalyst for internal carbon reduction efforts. For example, we held a corporate sustainability action proposal competition. Employees were invited to respond to the specific action measures of the 17 Sustainable Development Goals (SDGs) of the United Nations from the perspectives of their daily life, work, and business operations. Each participant would receive an award of up to NT\$5,000 for each proposal. We also actively promote carbon management. In addition to posting energy-saving and carbon-reducing posters on each floor, we also show comparisons of water and electricity usage between the previous year and the same period this year in the pantries to encourage our staff to enhance energy-saving management practices.

04. Customer Value

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Management guru Peter F. Drucker has said: "The goal of a company is to create customers." The best way to create customers is to understand your customer. We listen carefully to the voice of the market, and understand the needs of our customers, providing them valuable services. This is absolutely the only way to be a sustainably-operated business. Only by having customers can we have a better Chailease Holding.

Chailease Holding applies the concept of Service with Passion to continue cultivating the Taiwan market, in addition to actively expanding overseas markets. With enthusiasm as our foundation, we hope to improve service quality continuously and efficiency to make our services more aligned to customer needs. Chailease Holding always become better because of our customers. In the future, we will

promote "A Supporting Partner of Our Customers, A Driving Force of Economic Success" business philosophy, as we work toward the goal of becoming the best financial services company in the Asia Pacific Area. We hope to be a positive and uplifting force in the financial leasing industry, protecting customers, society, and shareholders, while simultaneously creating sustainable value for all.

We provide leasing, installment sales, direct financing, factoring, and other services for our products, while equipment leasing and installment plans comprise our core business. We continue to develop new products, including green energy services, inventory financing, and insurance brokerage services.

Interactive Platform



Providing customers with the most complete service channels, regardless of whether assisting enterprises to achieve the financial needs of their operations plans, or satisfying consumer needs for financial and leasing goods and services, we have rolled out a dense network of marketing locations and a globalized international network. Current service sties cover all major industrial and commercial counties and cities of Taiwan, while service sites have also been established in counties and cities with low population density such as Taitung, Hualien and Yilan. This embodies our customer-oriented philosophy of business. By the year 2022, Chailease has 56 sales offices in Mainland China, 18 in Thailand, 13 in Vietnam (8 physical offices and 5 mobile offices), 13 in Malaysia (8 physical offices and 5 mobile offices), 1 in Cambodia, 4 in the Philippines, and 1 in Indonesia as the company continues to expand in the ASEAN market.



- To serve our SME customers and second-hand equipment vendors, we have "Bizloan Digital Platform", "5871 Business Trader Platform", and "Accounts Receivable Financing Platform- Chailease Check Express". "HeyTruck Platform" is an value added service to the existing automobile loan and fuel price discount related products by matching cargo services for on the way pick-up and delivery. The "Moving Life Platform" connects our car financing clients and provides a full array of supporting services. We also expanded our loan business to the motorbike/scooter market to provide customers with instant, convenient and fast loan reviews, quickly meeting small funding needs. This service is called "ScooterLoan"
- To provide customers with more convenient financial services, the company launched the "Zingala app" in 2018, the first online credit-cardless transaction mode in Taiwan. This app provides consumers without credit cards, or those needing additional credit (such as students, recent grads, new migrants and so on) with a means to purchase necessary items by installment payments without a credit card, meeting the needs of diverse consumers.



Chailease continues to build multiple networks and mobile platforms for different types of businesses, providing consumers and business partners a means to keep current on business progress and audit results. In addition, the company is building and optimizing internal operations and business platforms and providing its business personnel ways to quickly carry out business processes and improve overall operations and service efficiency.



Provision of a convenient 0800 customer hotline to allow customer service personnel to get a basic understanding of the customer's needs and then arrange for professionals to proactively put themselves in contact. There is also a customer complaint handling mechanism so that if a customer has a question or complaint about a product or service, dedicated customer service agents must handle it that same day. Certain departments must reply to customers within 2 hours of receipt of a complaint. Checking on internal customer comments and external customer complaints monthly to establish good bidirectional channels of communication.

Chailease Holdings has always designed products and services that conform to customer needs. Following the principle of flexible designing, Chailease Holdings customized various financial and leasing products and services based on the needs of different customers. By executing business professionally and managing risk rigorously, we assist our customers with ground-planned leasing products and capital use.

To provide the best service to customers, every subsidiaries of Chailease Holdings shall promote its business with clear explanation of product or service. Moreover, every subsidiaries should consider each customer's basic information, financial status, capital, equipment needs, the attribute of capital needs, acceptable risk and industrial background, along with internal and external environmental factors, to propose the most-fitted solution to the customer. Moreover, through internal supervision mechanisms, various levels of internal reviews are performed on each transaction based on project characteristics so that we can ensure the legitimacy of it. After both parties confirmed the wellness to move forward, a written contract will be signed to regulate clearly the responsibilities and duties of both parties.

4.1 Inclusive Finance

In line with the United Nations' goal of promoting financial inclusion for disadvantaged groups and remote areas to provide basic financial services, the Company has continued to promote various products and services, the following are some examples:

Financial Services Products

Operating level

- Established the Digital Finance Committee, which is responsible for inclusive finance-related strategy and product development.
- The Company has set up an examination committee to promote the credit scoring mechanism, and to mark over-indebted customers as high-risk groups and not take them on.

Innovative service

- Based on market research and customer feedback, we continue to provide useful and affordable financial products for businesses and individuals. We pioneered the Zingala installment service to realize the dreams of consumers and young people and accumulating more than one million members in 2022.

External collaboration

- Cooperate with e-commerce companies to provide complete Zingala installment services in consumer situations. Partner stores, from large shopping sites to well-known brick-and-mortar stores, and are combined with payment services to expand the inclusive finance market.

Non-Financial Support

Forum Seminar

- Organize SME forums and student finance-related seminars to provide non-financial support to SMEs, micro-enterprises and individuals.

Immediate grievance handling mechanism

- Complete the handling of customer complaints within the required time frame to establish a good two-way communication channel.

Customized services

- We provide in-home services for physically challenged customers. An accessible webpage is also being planned and is expected to be online by the end of 2023.

Employee Education and Training

Training courses

We hold staff training courses that emphasize creating a pleasant atmosphere and avoiding a fast sales pace in order to provide the most appropriate information and support to our customers.

According to the "2022 White Paper on Small and Medium Enterprises" issued by the Ministry of Economic Affairs, the duration of small and medium-sized enterprises is usually relatively short. In 2021, only 52.48% of small and medium-sized enterprises operated for 10 or more years. Small and medium-sized enterprises (SMEs) are the cornerstone of economic development. Chailease Holdings acts as a partner for our customers' success, a driving force for economic development, and has always cultivated our SME customers. In addition to assisting SMEs to obtain the licenses they need for operations through leasing, and alleviating the burden of using their own capital to purchase equipment, we also provide SMEs solutions for working capital requirements, providing more convenient, more rapid and higher-quality financial services to meet operational growth needs and improve financial structure.

Over the years, Chailease Holdings has served an ever-increasing number of clients, and the number of our customers increased for 15% in 2022 when comparing to it was in 2021, which highlights the emphasis and support our company gives to SMEs. Chailease also attempts to meet the needs of its SME customers with a variety of products, thereby assisting them in their development. Furthermore, in coordination with government policies, we provide financial assistance to micro-enterprises which may find it difficult to obtain funds through the banking system. Through a simplified credit review process and by setting up a risk model, we have improved the efficiency of credit reviews and lending, to meet needs for venture or operating working capital. The "Microenterprise Financing Risk Assessment Method" has been refined as our credit database expands and the risk assessment model develops steadily. The model has been granted an invention patent.

From SME financing and micro-enterprises, the series expands to the financing of construction equipment and vehicles, and regular seminars for SMEs to share successful business strategies and tips through lectures, enhancing the corporate governance mechanisms of these SMEs and supporting them to grow stronger (Since 2011, total 73 sessions of forums have been held and it has cumulated to 6,599 participants). At the same time, installment purchase business was expanded to students, young consumers and others who might find it difficult to provide proof of financial resources, so that by providing the Zingala electronic payment model issues faced by young people with limited funds and no credit card in obtaining installment contracts could be lessened. While launching these varied financial products, the company looked forward to becoming a key enabler for industrial success and also making finance inclusive, continuing to provide useful, affordable financial products and services for both businesses and individuals. Additionally, Chailease also actively promotes financial commodity digitization, and uses cloud platforms to bring the power of the Internet to bear on expanding the hit rate for various financial products. This expands and deepens the penetration rate for digital financial services.

Financial Products

Product	Target	Service practices	Number of clients reached	Number of transactions/ contracts	Amount (millions of NT dollars)
Micro-loans	Micro enterprises	- Since microenterprises have a nascent scale of operations, and may not have been in business long enough, have insufficient resources, or lack guarantee capacity, they often have a hard time obtaining financing from banks. Chailease has launched a microenterprise loan business aimed at providing funds to microenterprises with development potential, vision and values, good products and the ability to repay. - The company introduced an online enterprise financial platform so that SMEs and microenterprises could apply for loans online. Rapid review fast notification of amounts and rapid disbursement of funds help SMEs and microenterprises develop and drive the growth of Taiwan's economy.	20,015	16,375	41,610
Chailease Check Express - small amount accounts receivable	Micro enterprises	Long-term checks to the order of SME owners can be converted into disposable funds through Chailease Check Express. Applications can be made in the cloud 24 hours a day, with application, submission, review and approval all completed online. Funding is made more responsive, more flexible, and faster.	859	687	277
Motorcycle, Cellphone loans - ScooterLoan	Economically disadvantaged groups	Through Chailease's ScooterLoan platform, a simplified, more convenient loan application method is provided for ordinary transportation vehicles and smartphones, with undemanding requirements for application. This helps the economically disadvantaged who have financial needs but find it hard to apply for bank loans because of various factors. The main credit groups for motorcycle loans are people who cannot get salary certificate, such as SOHO, housewives, vendors, and freelancers. Chailease's ScooterLoan makes it simple for people who have difficulty in applying loans from banks, to obtain funds online.	83,795	40,910	3,756
Small-amount consumer installment payments -Zingala	Youth	- In view of the insufficient credit history of young people, they find it hard to apply for a credit card or a consumer installment agreement. Chailease's pioneering Zingala installment payment service links up with e-commerce for a comprehensive consumer experience. Application and review of approved amount are done online, combining the user experience with financial technology to resolve the insufficient credit history problems of young people and those just starting out. Unbound credit cards can also be used to conveniently pay in installments. - The Zingala provides a way for young people, students and those of modest means to make their dreams come true. By interacting with consumers to better understand their ideal goods and services, the Zingala is able to make dreams come true and truly make credit available to all.	733,606	595,512	11,790



Chailease Holdings and Business Weekly co-hosted an "SME Growth Story Online Book Club" to discuss *Taiwan SMEs Growth Story 4*, a book which was compiled by Chailease Holdings and the Taiwan Institute of Economic Research following interviews of several small and medium-sized enterprises in Taiwan. The book uses three major topics: Digital Transition, Succession Optimization, and Strategic Alliances to explore stories about the breakthrough and growth of SMEs in Taiwan.

In accordance with SASB rules, the relevant classifications of micro-enterprise and personal loans undertaken by Chailease Holding in 2022 are as follows:

Item	Personal	Micro-enterprise	Other companies
Number of loans	740,488	28,485	18,553
Loan balance (NT\$1,000)	22,651,964	41,610,039	244,699,104

Item	Number	Amount (NT\$1,000)
Overdue loans eligible for loans that promote the development of micro-enterprises and communities	423	706,884
Compliant with the collection of loans that promote the development of micro-enterprises and communities	416	525,254

Commercial loan project	Number	Amount (NT\$1,000)
Loan broker	-	-
Mortgage	9,408	57,261,828

*Microenterprise refers to customers served by micro-enterprise sales offices and supplier marketing offices with an average principal amount of less than NT\$2 million per customer.

Finance-Related Lectures

Target	Lecture content	2021	2022
Undergraduate and graduate students in finance-related departments	Lectures on leasing development, inclusiveness and financial digitization allow students to better understand financial inclusiveness in the leasing industry and the leasing market as well as the digital transformation in process. (Since 2011, total 198 lectures have been hold and it has cumulated to 9,356 participants)	On-campus lectures: 3 Site visits: 1 Number of students: 148	On-campus lectures: 2 Site visits: 4 Number of students: 293



※Due to covid-19 epidemic, the campus speeches and site visits were reduced.

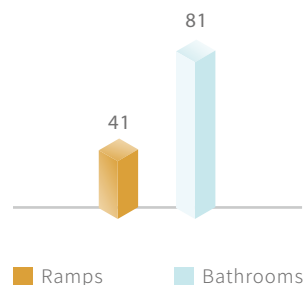
Friendly Environment for Physical and Mental Disabilities

Having an environment friendly to those with physical or mental disabilities is an important item on Chailease's office assessment checklists. Taking the Neihu headquarters as an example, the entrance to the main building features a barrier-free ramp for people with disabilities, and guard booths are available to help those who might need assistance immediately. To balance hardware and software, all are capable of assisting the physically or mentally disabled.

In accordance with the Protection Act for Rights and Interests of Disabled Persons, guide dogs, deaf guide dogs, and physical assistance dogs are free to enter and exit each business unit. In addition to accessible ramps and helpful guards in the headquarters building, there are also 81 accessible bathrooms, evenly distributed on each level of the building. The hope is that any colleagues who are in need will be able to access them conveniently and quickly, so that accessibility will truly be universal. Chailease has branches in many places, and when selecting office buildings around the world, a primary selection criterion is an environment that is friendly to those with physical or mental challenges. The purpose is to allow all workers, whether at headquarters or in other branches, to work in a space that is barrier-free and friendly. This goal is constantly on the table at Chailease.

Customized software was provided based on customer needs. Chailease Holding takes into account the needs of disabled customers and provides them contracted and guaranteed home services. At the same time, a barrier-free webpage has been planned and is expected to be launched at the end of 2023, providing comprehensive product and service information. Chailease Holding continues to pursue its goal of integrating hardware and software to provide friendly and convenient loan application services and to create a friendly environment for the physically and mentally impaired.

2022 Number of Accessible facilities in Chailease Holding



Strengthen Leasing / Financing Services in Underdeveloped Countries

In order to become an "excellent financial company in the Asia-Pacific region", Chailease knows that financing in developing countries is no easy task. Because the financial systems in developing countries are relatively unsound, the credit system are relatively weak, and the risk tolerance are low, banks are tend to finance guaranteed and well-capitalized customers. Under reasonable risk assessment, Chailease provides differentiated services to customers with different risk levels as much as possible, and assists small and medium-sized enterprises with weak financial status to meet their needs of funds. To be able to better serve SMEs, microenterprises and individuals in the Asia-Pacific region, since 1989 Chailease has opened branches and provided office services throughout the ASEAN region. At present, our offices cover Thailand, Vietnam, Malaysia, Cambodia, Philippines and Indonesia. This begins from equipment leasing and installment payment services, and as economic development dictates, expands to include installment loans for vehicles and motorcycles, insurance agencies, and so on, to meet local needs. Since its establishment, Chailease has served over 100,000 SMEs, microenterprises and local manufacturers at all points in the supply chain.

Subsidiaries	Date established	Service base	Type of business
Thailand	1989	Bangkok	Machine equipment leasing, installment payments, small truck installment payments
Vietnam	2006	Ho Chi Minh City	Machine equipment leasing, construction machinery, vehicle financing, insurance agents, trading and trade finance
Malaysia	2015	Kuala Lumpur	Vehicle and motorcycle installment loans, insurance agency business, consumer financing
Cambodia	2017	Phnom Penh	Machine equipment leasing, construction machinery, vehicle financing, motor financing
Philippines	2017	Manila	Vehicle financing
Indonesia	2021	Jakarta	Vehicle financing

4.2 Sustainable Finance

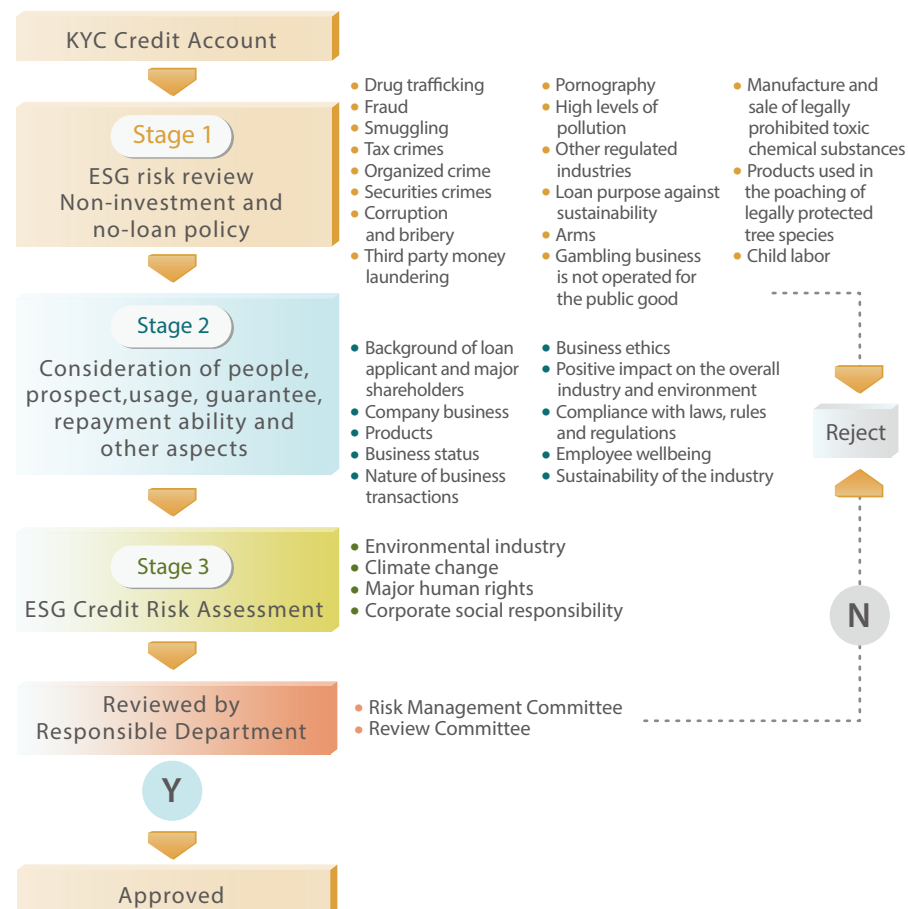
Chailease is involved in corporate finance, investment business and retail banking, and has established a comprehensive monitoring mechanism for credit recipients, organized a risk management committee to formulate risk policies, and set up a review committee to do credit checks and verifications before lending. Evaluation mechanisms have been enhanced, and credit quality control implemented. To fulfill corporate social responsibilities while considering the interests of customers and shareholders as well as financial sustainability, Chailease added ESG factors to its credit evaluation process requiring credit companies to assume responsibility for employees, society and the environment. They must also abide by corporate ethics, respect employee rights and care, and prioritize environmental protection. The company is committed to reducing ESG risk to enhance the value of its long-term corporate investment/loans.

Supervision Mechanism



Review Process

Starting in 2023, we included in our credit applications a statement of our commitment to UN sustainability goals. We communicate with our customers to promote sustainable development, and agree to respond to the United Nations' sustainable development goals. As we pursue growth, we take into account sustainable development, corporate governance, and the implementation of corporate social responsibility/personal social responsibility, and review the effectiveness of implementation and continuous improvement at all times. We aim to have 100% of our customers completing credit applications from the fourth quarter of 2023 onwards and declare that they have read the above statement of our commitment to the United Nations' sustainability goals. In order to monitor customer risk cases, the corporate finance credit business has added ESG risk review to the KYC process (see below).



Products Friendly to The Corporate Financial Environment

Green Financing

Chailease is committed to promoting energy-saving green energy products, and the green energy value chain, and is gradually expanding the development of related business while passing on green concepts. Since 2010, the company has been promoting services and finance for energy conservation, and in 2011, it established a dedicated energy-saving financing unit. It has also developed green energy financing and energy management consulting services. In 2010, the company launched its "ESCO Energy Conservation Service Financing" providing a dedicated unit to strategically cooperate with the energy technology service industry (ESCO) to assist SMEs in energy conservation and carbon reduction projects. Based on an energy conservation business owner or ESCO company's proposed conservation performance guarantee project plan, flexible leases or installment plans are drafted to satisfy the financial needs of various energy conservation projects. With installment leasing as the foundation, these projects combine green energy technology expertise such as energy conservation services or energy development to provide customers who have different types of energy-intensive venues in factories, offices, hospitals, department stores or schools with an energy conservation plan to help them join the ranks of green energy companies.

In 2022, Chailease participated in more than one hundred financial leases and installment projects for energy-saving equipment financing projects (such as LEDs, cloud-based energy-saving controllers, power savers, solar photovoltaic modules, optical energy-saving fluorescent lamps, inverters, and other equipment), with a total amount financed of over NT\$530 million. In addition to contributing to environmental protection, corporate social responsibility and green energy products, this also brings long-term, stable performance and benefits to the company. In the future, we will continue to replicate Taiwan's successful experience, and develop more overseas markets.

Facing with the wave of green finance and the global trend towards sustainable development and a low-carbon economy, Chailease Holding, as a fund provider, provides financing projects for energy-saving equipment and also actively supports environmental protection companies including waste treatment, removal, and resource recycling businesses, and provides funds for manufacturers that invest money in environmental protection products and reducing pollution. In 2022, it provided financing to environmental protection companies in excess of NT\$770 million. By lending to the environmental protection industry, it helps the overall environment and pollution reduction and prevention. Chailease Holding hopes to exert its financial influence to the fullest, to fulfill its social responsibility, and to drive the development of sustainable finance. Chailease Holding cooperates with banks to provide funds into green financing. The fundraising projects include green bonds, syndicated loans. The cumulative amount exceeds NT\$100 billion. The funds raised are used for renewable energy and green energy related projects to accelerate the development of solar power plants.

Green Fundraising	Unit: NT\$ 100 million
Syndicated loans (power plants/ESG)	755
Self-loan (power plant/storage plant/ESG)	235
Green bonds	42
Total	1,032

To promote energy services, the company holds occasional SME Energy Conservation forums aimed at discussion of finance issues for energy conservation efforts. The forums also share information on the current status of green industry, improving the environmental awareness of SMEs while saving energy and reducing carbon. At the same time, when handling credit business, the company also seeks to rationalize earnings and ensure the interests of shareholders, and seeks to cooperate with the government's environmental development strategy. In providing goods and services, Chailease prudently incorporates environmental development strategies, while taking into account the interests of the company and of the broader society. During credit reviews for projects related to implementation or assistance of energy conservation, carbon reduction, renewable energy and other green energy industries, a positive assessment is given due to the better corporate qualities, and colleagues in the company are encouraged to promote such cases.

Socially Responsible Financing

Our Vietnamese subsidiary, Chailease International Financial Leasing Corp., promotes inclusive finance activities for micro, small and medium-sized enterprises through social responsibility financing, with the aim of helping the local economy grow. The social investment plan is evaluated in accordance with the Social Loan Principles 2021 of the Asia Pacific Loan Market Association and the Social Bond Principles 2021 of the International Capital Market Association, and the investment amount is US\$90 million, with a confirmation report from the accounting firm.

Core elements of the plan:

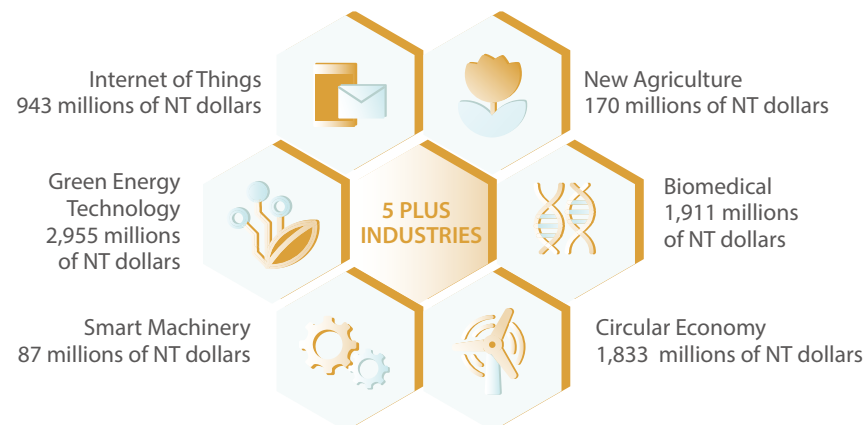
- (1) Use of proceeds: Focuses on single categories, such as social and economic development and rights protection. The categories, projects, fund allocation and benefit evaluation are shown in the following table:

Categories	Projects	Benefit evaluation	SDG Categories
Social and economic development and rights protection	Financial inclusion loan for micro, small and medium enterprises	Lend money to micro and small enterprises in Vietnam to help them obtain financing in areas lacking financial services and achieve the goal of financial inclusion	 

- (2) Process for evaluation and selection: In addition to the general investigation required for credit applications, we evaluate whether the type of industry, the use of loan funds, and the actual benefits generated are in line with socially beneficial investment plans. In addition, fossil fuels, tobacco and tobacco products, weapons and ammunition, hazardous chemicals and radioactive materials, and other industries and activities prohibited by Vietnamese law are excluded from the investment program.

5 Plus 2 Industries

Chailease has actively cooperated with the government's 5 plus 2 industries innovation plan to place specific emphasis on six emerging industries: the Internet of Things, Biomedical, Green Energy Technology, Smart Machinery, New Agriculture and the Circular Economy. Chailease has provided financial leasing, installment payment, capital loan and other services to more than 1,000 companies in these industries, and injected over NT\$7.9 billion into the fund in 2022. The company looks forward to igniting a flame of innovation in partnership, and driving comprehensive innovation in industry. As the plan progresses and its effect becomes more widespread, the goal is to achieve overall economic growth, turning over Taiwan's investment as a whole and the environment for her industrial development.



Circular Economy

From finance, the company moved into its 5871 Business Trader website to provide a matching service for used equipment transactions. The idea is to allow equipment that was to be retired to be transferred and continue in operation. A total of 631 suppliers and 639 equipment types are on the system, and some 399 matchmaking transactions are concluded in 2022. This has been a great contribution toward the activation and sustainable operation of used equipment assets, and the 5871 Business Trader website is currently the largest professional used equipment trading site in Taiwan.

Environmentally Friendly Products for Retail Banks

Electric Scooter Installments. Impacting Low-Carbon Cities

The development of sustainable finance is currently an increasingly important trend in Chailease's business, and in response to the trends for energy conservation and carbon reduction worldwide, the government of Taiwan has also implemented low-carbon city and low-pollution policies. When Chailease launched its motorcycle loan business, it vigorously promoted electric scooters as well. The company agrees that clean energy is more friendly for the environment, and installment payments can help more people to be able to move toward electric scooters, as a means to work together to reduce air pollution. In 2022, Gogoro sold more than 65,000 scooters, and 5,971 Gogoro electric vehicles were financed in installments through Chailease. In addition, electric vehicles account for over 9% of Chailease's motorcycle installment business. And this number is rising annually, showing that Chailease is actively promoting clean energy as a contribution to the environment and a response to the low-carbon goal before private transport.

HeyTruck Return Trip Matchmaking. Saving Energy and Reducing Carbon

In addition to green financing, Chailease has also put forward more solutions for energy conservation and carbon reduction. The company's "HeyTruck platform app" was launched in 2019, targeting the trucking industry and driver groups that have been underserved by the traditional financial industry. One of the most critical services is the "Return Trip Matchmaking Service". In the past, if a trucker had completed a long haul trip with freight, he would have to drive back to the starting point empty. The "HeyTruck platform app" provides a means for truck drivers and cargo owners to get together, allowing drivers who would otherwise roll empty to help cargo owners who need carriers.

Since the launch of this app, an average of 300 successful matches have been made per month. This not only provides extra income for owners of large trucks, but also provides cheaper freight to shippers. And because the app allows effective use of vehicle resources, it also helps reduce carbon emissions. It is estimated that this will eliminate some 75,000 kilograms of carbon emissions in 2022. This is yet another Chailease effort for sustainable development of the global environment. (Note: Based on an average of 300 return cars per month, the distance from Taipei to Taichung is used to estimate the annual carbon reduction. The method for calculating annual carbon reduction is the number of return cars $\times$ number of round-trip kilometers $\times$ the amount of fuel consumed per kilometer $\times$ CO₂ emission factor per liter of oil product.) In response to government regulations, Chailease Holding also provided loans for old diesel vehicles to help replace them with new ones. In 2022, a total of 2,394 trucks were replaced with new vehicles (approximately NT\$6.57 billion as of the end of 2022). This has helped reduce diesel air pollution, reduce black smoke, improve air quality, and reduce energy consumption. Chailease Holding does its best for the sustainability of the earth.

Invoice Digitization Paperless Carbon Reduction Campaign

Since the promotion of Chailease's Zingala which is deeply loved by students and people just starting out in life, to encourage paperless payments, and save unnecessary wasted paper, members can make payments using the app. In 2020, the company launched a mobile app to allow vehicle installment loan payment, with no need to waste paper printing out bills. It is estimated in 2022 that more than 14 million sheets of A4 paper has been saved, reducing carbon emissions by 10.2 tons. (Note: Each pack of A4 paper contains about 500 sheets responsible for 3.2kg/CO₂e in carbon emissions. Source: Product Carbon Footprint Information Network.)

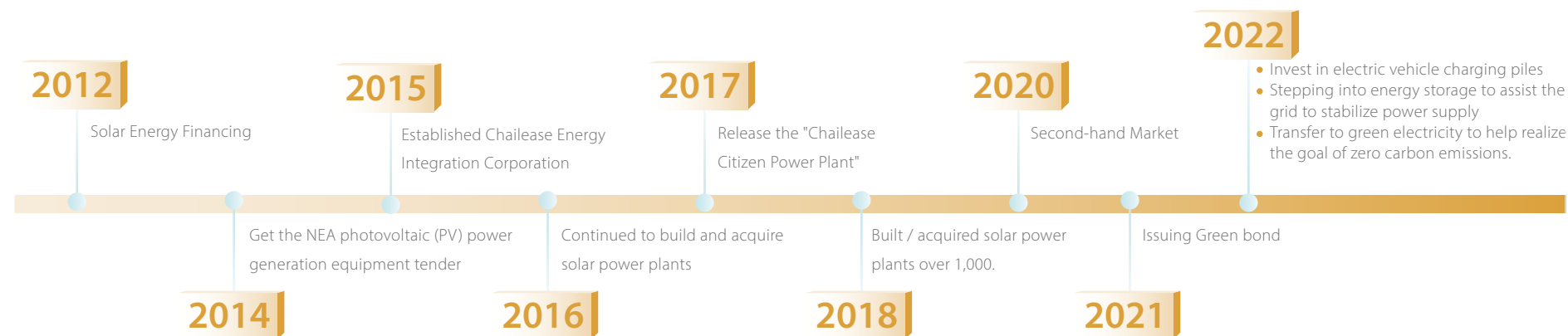
Liability Insurance

Chailease upholds corporate social responsibility. To avoid unpredictable accidental losses to enterprises, when setting up real estate collateral a customer has to insure against fire, water and earthquake risks. Items mortgaged by the company must also be insured against fire to guarantee basic insurance protection; for high-risk industries, such as shipping, based on operational responsibility requirements, ship owner liability insurance and hull insurance are required. In 2022, there were 171 marine insurance contracts, with approximately 0.98 billion in mortgage ship interest insurance (MI). Hull insurance was about 1.88 billion, indemnifying against damage to the hull or harbor through collision, as well as against death or injury to crew members, wreckage removal and possible polluting oil spills. In addition to ensuring the sustainable operation of enterprises, this policy also contributes to the protection of the environment.

Sustainable Investment - Solar Green Energy

Solar Green Energy

Chailease's core competitiveness is the basis for its product "innovation". At the same time, the company takes corporate social responsibility into account, opening up green markets and establishing the green competitiveness of the enterprise. In 2014, the company won a MOEA Bureau of Energy bid for solar photovoltaic power generation equipment, and planned to build a solar power plant and generate power for sale. In 2015, Chailease Energy Integration Corporation was born. The company provides customers with energy-saving services and helps enterprises to fulfill their social responsibilities in the areas of green energy and environmental protection. In 2016, Chailease continued to build and acquire solar power plants, and by 2018, held 1,000 such plants. This makes Chailease the company in Taiwan with the most solar power plants. Additionally, in 2017 the company combined the sharing economy and financial technology in promoting its "Chailease Citizen Power Plant". The public can directly participate in the investment and construction of power stations by subscribing for solar panels, allowing citizens to participate in the investment in solar power generation equipment and share the proceeds according to the amount of power generated and the selling price, allowing the public to participate in the popularization of renewable energy. By the end of 2022, a total of 22 cases had been launched to enthusiastic public response, with 100% of sales completed. These 22 cases are estimated as generating over 127,004,058 (degrees) of electricity in the next 20 years, while also fulfilling Chailease's green energy corporate social responsibility.



Renewable Energy

Chailease Holdings established Chailease Energy Integration Co., Ltd. at the end of 2015 in order to actively develop energy-saving and green energy products. Chailease Energy Integration leases solar energy collection equipment to small and medium-sized enterprises for use on the roofs of existing chicken coops and composting farms. In 2014, we successfully bid for two solar power plants located in Alien District, Kaohsiung; and by October 2014, we acquired 71 solar power plants from Yun Tang inc., which were previously owned and operated by NGP, a subsidiary of Neo Solar Power Corp. for NT\$445 million. Since then, we have built and acquired a large number of solar power plants. As of the end of 2022, the Company has a total of 3,234 plants with a total capacity of 1,098.27MW (GW), representing a 20% increase over 2021. The plants are expected to reduce 698,488 metric tons of CO₂ emissions per year. That's equivalent to planting 58,215,815 trees. (According to our exclusive solar power service provider, as of December, 2022, the installed capacity of domestic solar power systems in Taiwan is 9,724MW with an estimated annual electricity generation capacity of 12.15 billion kWh. The annual carbon reduction is equivalent to planting 515,575,000 trees/year; website: <https://www.mrpv.org.tw/index.aspx>)

In order to effectively manage many power plants, Chailease Energy Integration has developed its own management software to establish a solar photovoltaic smart operation management platform which has basic monitoring and operation functions, such as detecting malfunctions, alerting maintenance, receiving sunshine, and power generation. It also has smart maintenance service functions that also ensures detailed recording of power plant information which is a credible basis for future valuation, and an important reference for evaluating the corporate value of listed power plants.

Besides, to response the green energy policies raised by the government, Chailease Holdings promoted its "Chailease Citizen Power Plant" plan internally and externally. The public can directly participate in investing and building power plants by means of subscribing the solar panels. Afterwards, based on the quantity of power generated

and the selling price, investors will share the income. Having citizens participate in investment in solar generation equipment not only provides a stable investment income for investors, but also can increase domestic power sources. We expected the Chailease Citizen Power Plant plan will make solar generation more common in Taiwan and resolve the shortfall in electric power on the island. The plan can benefit everyone. Chailease Holdings works with people to implement the government's policy of "supporting green energy industry and developing green financing" and supports the development of the green energy industry with action.

Energy Storage

At the same time, in response to changing trends of future energy use, Chailease Energy Integration Corporation, a subsidiary, also assists customers by promoting new energy creation, energy transfer, and energy storage technologies. The skilled application of energy planning includes smart power grids, electric vehicles, charging stations, and the application of energy monitoring and management systems. In addition to continuing to promote energy efficiency and carbon reduction, the company is further committed to helping enterprises establish comprehensive and innovative energy management strategies in order to integrate them with future industry trends.

In the future, Chailease Holding will continue to gradually expand related business development through its energy-efficient and green-energy value chain. By replicating Taiwan's energy-efficient model, we will develop other overseas markets in order to make a contribution to protecting Earth's resources.

Public Initiatives

CommonWealth Magazine - 2023 SDGs International Forum

On March 28th, Albert F.L. Chen, Chairman of Chailease Holding, was invited by CommonWealth Magazine to participate in the "SDGs Two-Day International Forum" for the second year, giving a keynote speech and discussing "Energy Transformation - Building a Green Value Chain". In 2023, Chailease Holding participated in this innovative and low-carbon feast and worked together for a better future.

Albert F.L. Chen (center), Chairman of Chailease Holding, and Jimmy Hsiung (right), Deputy Chief Editor of CommonWealth Magazine, and Johnson Hsieh (left), CEO of Chimes AI, share their views.



CommonWealth Learning – 2023 TALENT, in Taiwan



In response to the ESG and DEI wave, global companies are placing increasing emphasis on human social responsibility. On March 24, Chailease Holding responded to CommonWealth Learning and Cheers to launch "TALENT, in Taiwan". Liao Ying-Chih, Chief Strategy Officer, was also invited to participate in the "Diversity x Equity x Inclusion New Talent Management Strategy" forum to speak on "Building Competitive Advantage with Diverse Talent Team" and share Chailease Holding's MAGIC talent management strategy.

Liao Ying-Chih, Chief Strategy Officer of Chailease Holding (front row, third from left), attended "TALENT, in Taiwan".

Business Weekly – 2023 Sustainable Trends Summit

Chailease Holding partnered with BusinessWeek to host the 2023 Sustainability Trends Summit on April 11. We assist companies in green transformation and strengthening their competitiveness in sustainability, focusing on strategic thinking transformation from traditional linear economy to circular economy. We have also explored in depth the path of ESG transformation from the perspective of finance, tax and accounting, risk management and business model transformation.

L-R: Business Weekly Group General Manager Raime Chu, KPMG General Manager Niven Huang, KGI General Manager Sherman Lin, Chailease General Manager Albert F.L. Chen, Vice Premier, R.O.C. Cheng Wen-Tsan, CTN founder Charles Huang, Bureau of Energy Planning Division Director Chuang Ming-Chih, Chailease Holding Chief Strategy Officer Liao Ying-Chih



TAISE – Asia-Pacific Exposition for Sustainability



Chailease Holdings participate in the "Asia-Pacific Exposition for Sustainability" hosted by the Taiwan Institute for Sustainable Energy (TAISE) from August 12th to 14th, 2022. The exhibition aims to communicate the concept of sustainability to consumers through exhibition and turn it into actions.

The booth design of Chailease Holdings combines solar panels, energy storage systems and other equipment with green planting and flower arrangements, hoping to show the vitality of the green energy value chain, the intention to attach importance to the environment and ecology, and the enthusiasm to contribute to sustainable development.

Solar Power Public Policy Initiatives

Chailease is developing both solar green energy generation and storage capabilities, opening up a road to sustainability and joining the semiconductor industry association SEMI's "PV Public Advocacy Committee". The committee want to build consensus within industry and periodically interact with relevant government officials. The "Solar Optics Public Policy Statement" was first published in 2019, actively representing Taiwan's photovoltaic industry.

Additionally, Chailease also joined the "Solar Power Generation System Commercial Industry Association", more actively connecting industry, government and think tanks while using multiple resources to actively forward knowledge on green energy and raising recognition and investment in the area, so as to spur Taiwan's achievement of energy diversification and independent supply goals.

Green Earth Initiative

In 2022, the company invited employees to take part in "Earth Hour", an activity in which lights were turned off around the world for one hour starting at 20:30 on March 26 to save our planet. The activity is aimed at CO2 emissions, which are triggering global warming and climate change. The WWF (World Wide Fund for Nature) launched Earth Hour in 2007, calling on each person to shut off lights to reduce carbon to show their love for the planet.



4.3 Service Optimization

In order to take a multi-faceted approach to customer service and to further improve service quality, Chailease's subsidiaries Chailease Finance Co., Ltd. and FINA Finance & Trading Co., Ltd. continued conducting customer satisfaction surveys every year (Consumer and Corporate Banking included). Questions about product and service needs were added in the hopes that the results would serve as the basis for improving service and service development. In this way, we can simultaneously know if our services meet customer needs. In addition to satisfaction surveys, customers can also proactively provide feedback on their needs through our customer service hotline and customer service mailbox. In the future, we will introduce digital customer service to meet customers' needs in a more timely manner and expand the scope and capacity of our services. In order to provide better services to customers, Chailease Holdings has established a customer complaint handling system, which specifies the handling process, authority and responsibility, and response time, etc., and regularly tracks and reviews the progress, with education, training and incentives to encourage staff to provide high quality services

In 2022, a customer satisfaction survey was conducted covering all major products, with a total of over 5,500 questionnaires collected. Using the quantitative conversion mechanism of indicator satisfaction, the average overall satisfaction rate of corporate finance customers was 96.8%, the average overall satisfaction rate of consumer finance (zingala card) customers was 94.4%, and the average overall satisfaction rate of short term tenant customers was 100% in 2022. The overall satisfaction rate of customers with the Company's services exceeded the set target, reaching over 90%.

Satisfaction Survey	2018	2019	2020	2021	2022
Target	90.0%	90.0%	90.0%	90.0%	90.0%
Corporate finance	94.7%	93.4%	95.8%	97.3%	96.8%
Consumer finance	-	-	-	-	94.4%
Short term tenant	-	-	-	-	100.0%
Coverage Rate	100.0%	100.0%	100.0%	100.0%	100.0%

Survey respondents:

- Corporate finance -Customers with retained emails whose contracts start from 2022/01-2022/06 or expire from 2022/07-2022/12, excluding those whose contracts are cancelled/terminated/investigated in the previous year.
- Consumer finance -zingala card member with two or more rentals by 2022/10.
- Short term tenant -A random sample of 5% of those who completed the pickup and return service at Chailease car rental from 2022/01 to 2022/06.

Calculation method:

- The original questionnaire for corporate finance and short term tenants was based on a 5-point scale, and those who responded satisfactorily or very satisfactorily were considered satisfied.
- The original consumer finance questionnaire was based on a 10-point scale, asking how willing they would be to recommend to their friends and family. A response of 5 or more was considered satisfactory.

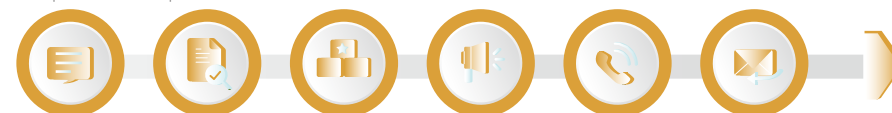
After the results were calculated, a qualitative approach was also used to gain more information about special cases. These results became an important topic in management committee meetings. It is hoped that by establishing multiple communication channels, we will be able to hear more customer voices, understand customers' real needs, and propose the most appropriate improvement methods to achieve our goal of providing customers with the best possible service.

These topics entered into discussions among the operations and management committee. The hope is to strive to establish more and diversified channels of communication so that the company can better listen to the voices of many customers and understand their true needs. This is the way to find a pathway to improvement and gradually increase customer satisfaction with a goal of providing customers with truly excellent service.

Chailease Holdings places great emphasis on different perspectives. We collect customers' opinions actively and take a very open-minded view of employee suggestions or any innovative thinking within the group. We set up an employee suggestion system and an incentive platform to get innovative suggestions, encouraging employees to bring forth new ideas. We hope the system will allow the thoughts from employees could be implemented, so that we can always know what the customer's need in advance.

Before bringing out a new product or service, we would have internal assessment of the legality which ensures the product or service complying with laws. All promotional ads, public relations news or employment ads which are post in print, electronically or in sound form must go through the company's internal auditing and managing processes. The coherent units must review and approve its legality to ensure the rights of those getting information and to maintain the company's reputation and image. Items officially online should be adjusted at all time based on customers' opinions and the feedback of our employees, to meet our sole goal that design products which can meet our customers' needs.

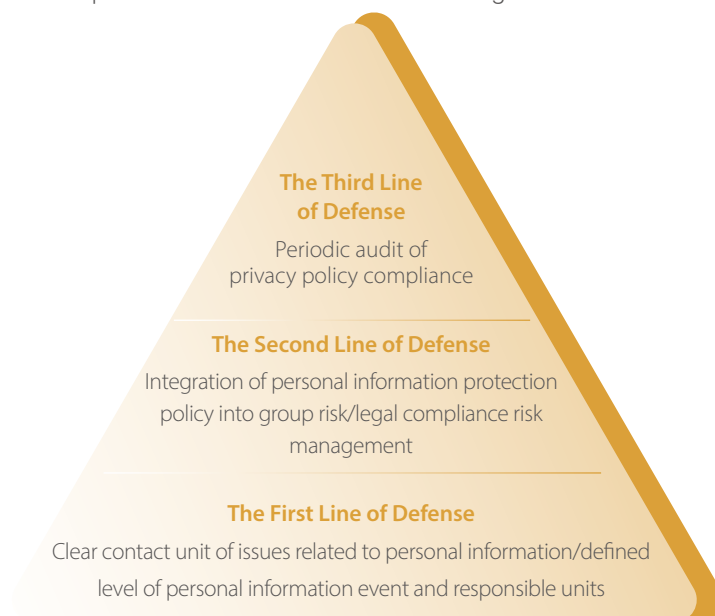
- Clients Opinions
- Frontline Feedback
- Internal Proposal
- New products
- New services
- New procedures
- Product specifications
- Workflow
- Internal announcements
- External advertising
- Complaint handling
- Corrections
- Customer comments
- Employee feedback



4.4 Personal Information Protection

Before the implementation of the new personal information protection law, the Company already had in place a security mechanism for maintaining personal information, including the formulation of “Data Classification Management Measures”, “Personal information Protection Key Points”, “Information Security Policy”, “Information Security Management Key Points”, and other specifications. We clearly formulated the protection procedures to be followed for the authorization, use, storage, management and destruction of personal information. At the same time, in order to demonstrate our persistence and commitment of attaching great importance to the safety of customers’ personal information, a personal information protection team has been established to ensure the implementation of the personal information law.

Regarding the protection of personal information, the Company has three lines of defense controls to ensure that the collection, processing or utilization of personal information complies with external laws and internal regulations:



- The first-line business and responsible units shall respect the rights and interests of the parties involved in the collection, processing, and use of personal information, shall not exceed the necessary scope of the specific purpose, and shall have a legitimate and reasonable connection with the purpose of the collection. In addition, each subsidiary shall assign personal information protection management personnel and incorporate the operation of personal information protection management system into the Company’ s supervision and management. If a major violation of personal information protection related laws and regulations is discovered, it should be reported to the unit responsible for personal information management immediately.
- Second-line personal information protection specialist units are responsible for supervising, coordinating, and monitoring personal information protection related matters, and should report to the board of directors at least once a year. If a major violation of personal information protection related laws and regulations is discovered, it should be reported to the board of directors immediately.
- Third-line auditing units shall conduct inspections of the implementation of personal information protection in accordance with regulations. If it is otherwise provided by laws or regulations or required by the competent authority, each subsidiary may, depending on actual needs, appoint an independent third party to conduct the inspection of the matters specified in the preceding paragraph, and provide inspection recommendations.

The Company is committed to enhancing information security management, establishing appropriate protection measures for all information areas within the Company in accordance with relevant internal and external regulations and regulations as well as regularly reviewing the suitability of the regulations to prevent improper disclosure of customer personal information, so as to reduce penalties by the competent authority that could damage the Company’ s reputation.

Chailease Holding and its subsidiaries attach great importance to customer information security and personal information protection. When customers provide personal information, we request they sign the "Notice of Collection, Processing and Utilization of Personal information", and strictly control the use of customers' personal information. If it is necessary to cross products or use the customer's personal information for non-primary collection purposes, it must comply with laws and regulations and obtain customer consent, and shall be handled in accordance with the following principles:

- A. Comply with relevant government laws and regulations and information management principles.
- B. Customer personal information is strictly stored in Chailease Holding and its subsidiaries or its entrusted information storage system with high security and stability.
- C. Acquisition and use of data must be within the scope of data authorization stipulated by Chailease Holding and its subsidiaries.
- D. Appropriate technical and organizational security measures have been adopted to protect customers' personal information from loss or any illegal processing.
- E. Customers' personal information should not be provided to anyone other than those notified by Chailease Holding and its subsidiaries, except when required by a judicial unit or other competent authority in accordance with applicable laws and through formal and legal procedures.

In addition, according to the personal data security protection and operation risk level, we carry out personal information masking operation of the necessary system, control the secondary use of personal data and implement various security control measures. In 2022, the rate of the secondary use of personal information of the Company and its subsidiaries is 46.27%

- A. Set the data access authority of colleagues according to different business scopes.
- B. Implement USB storage device block management to reduce the risk of data leakage through the flash drive, so as to facilitate the control and review of data duplication.
- C. Colleagues use mobile devices to send and receive company emails, set up authority control and only those with business needs can apply for use. We also introduce a security control mechanism to prevent storing of data in endpoints when transmission. Prevent information security risks such as data leakage or loss or theft through mobile phones to truly protect personal data safety.
- D. For the information system storing personal data, professional information security vendors are regularly appointed to conduct vulnerability scanning and penetration testing, so as to maintain the defense strength of the information operating environment and keep pace with the times.
- E. The internal transmission of customer information is also strictly regulated to strengthen control, and is regularly inspected by the internal audit department to ensure that all control mechanisms are effectively implemented

There is currently no personal data leakage (including Personally Identifiable Information, such as name, ID number and other information that can be distinguished or traced to individuals).

In addition, information personnel should perform the necessary systematic covering of personal information and control the secondary use of personal information in accordance with personal information security protection and operational risk

levels. According to different business areas, we set up different levels of data access authorization and implemented USB storage device lockout management to reduce the risk of data leakage, thereby enhancing the control and checking of data copying. We have also set up strict specifications and controls for internal transmission of customer information. They are regularly reviewed by the internal audit unit to ensure that all control mechanisms are effectively implemented. There has been no personal information leakage (including personal information PII, such as name, and ID number that can be distinguished or traced to individuals).

To ensure the confidentiality of customer data, all our employees receive personal information confidentiality and operational security law training. This provides them with a reference and develops their consciousness of personal information issues so they will conduct good data security practices and protect personal information in their daily work. We also require employees to appropriately perform their responsibilities of protecting confidentiality and managing data, with rigorous internal rules for management as well as the gradual establishment of an audit trail and records tracing systems. The management of personal information has been included in the scope of annual audit of inspection of information and communications security and self-assessment, and through these comprehensive and targeted reviews, we will increase the protection of customer data by employees and increase knowledge of and compliance with relevant law. The auditing units of the Company and its subsidiaries shall conduct inspections of the implementation of personal information protection in accordance with regulations. We will import personal data management standards in the future (ex. BS 10012 or ISO 27701). If it is otherwise provided by laws or regulations or required by the competent authority, each subsidiary may also, depending on actual needs, appoint an independent third party to conduct the inspection of the matters specified in the preceding paragraph and provide inspection recommendations. In 2022, the company did not have any information security violations that caused the leakage of customers' personal information, and there were no confirmed complaints of infringement of customer privacy or loss of customer information.

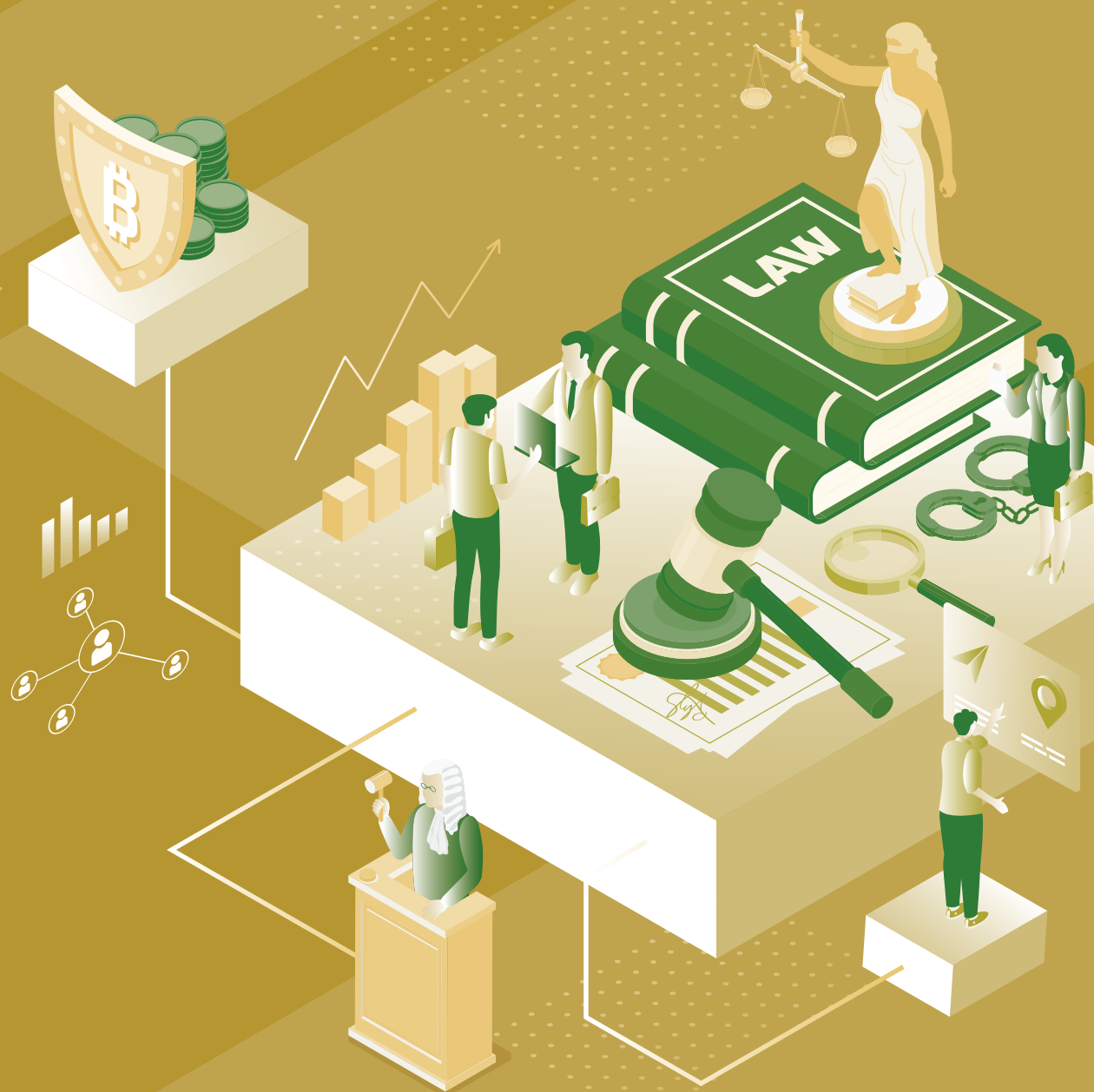
In the future, we will continue to plan the management systems and norms related to data governance, introduce a data leakage prevention system, strengthen the customer data protection mechanism, improve the level of information security protection comprehensively, and establish a safe and reliable operating environment. The purpose of collecting customer data, the method of use and the exercise of related rights and interests are all stated in the notice of consent or contract to help customers fully understand the rights and obligations of both parties.

Company employees dedicated to the protection of personal information act based on the relevant rules of the company to appropriately handle and provide feedback on such matters, and appropriate rules are set and revised. At the same time, education and training program within the company has been enhanced and case studies and educational materials are created so that improvements of our business processes and the rigor of our internal rules will reduce the occurrence of customer complaints.

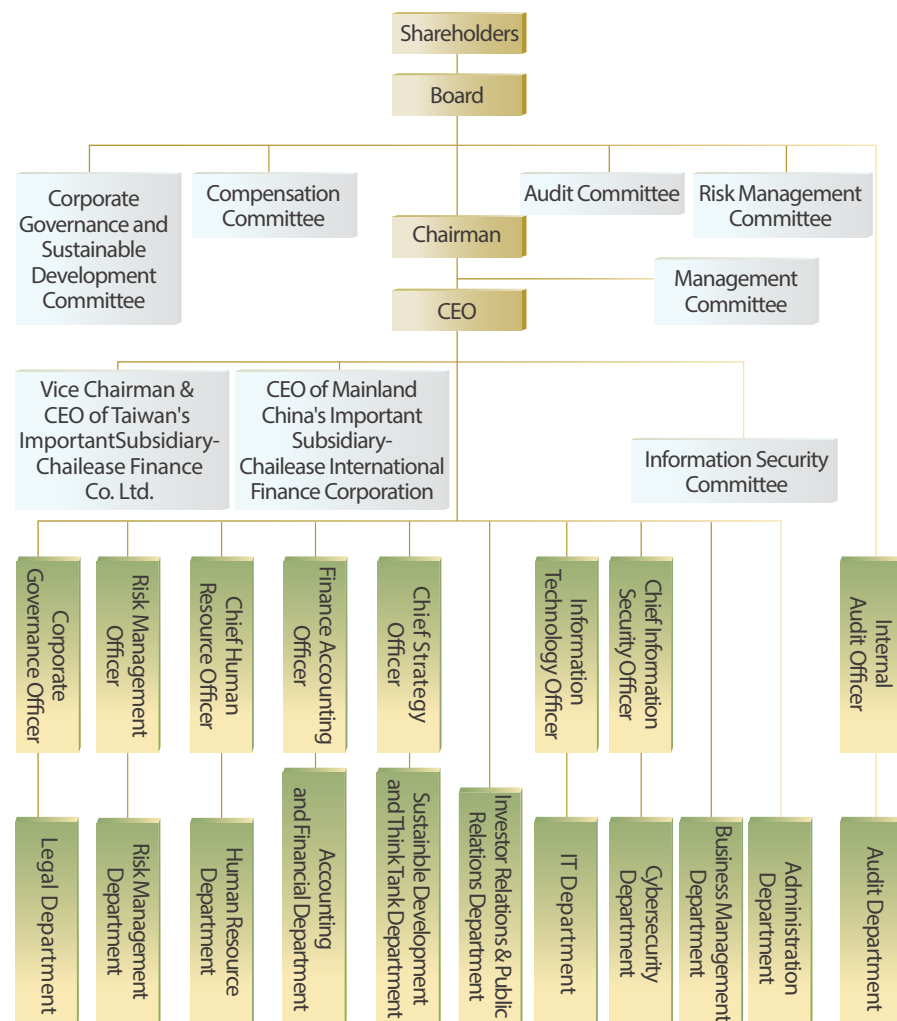
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Corporate Governance

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5.1 Management Team



Structure and Operation of the Board

The 4th session of the board of directors (including independent directors) were elected during the 2020 Annual General Meeting held on May 27, 2020. The election of directors adopts the candidate nomination system in accordance with the Company's "Memorandum and Articles of Association" and "Rules Governing the Election of Directors" with a term of office of three years. The 4th session of the board of directors is composed of 6 directors and 3 independent directors. Three board members are younger than 60 years old, three are between the ages of 60 and 69, and three are between the ages of 70 and 79. The board has one female director.

In consideration of assisting the board of directors with legal compliance, strengthening corporate governance, and building a culture of compliance, the Company appointed a dedicated Corporate Governance Officer to ensure company strategies conform to all legal and regulatory requirements. Regular board meeting should be called and chaired by the chairman at least quarterly in compliance with "Rules and Procedures of Board of Directors Meetings". Meeting agenda and materials are circulated to directors 7 days before the meeting to ensure directors have sufficient information to involve in discussions and decision-making, and to facilitate the board to oversee and direct the Company and the management team. The Company specifically stated in the "Regulations Governing Evaluation of the Performance of the Board of Directors" that the average of directors' attendance rate of board meeting and attendance rate of committees meeting on which the director serves shall reach no less than 80%. 11 board meetings were held in 2022, and the average attendance rate of all board members reached 99% (100% if attendance by proxy is included). The actual attendance rate of each director also exceeded 90%.

In order to effectively perform the functions of the Board of Directors and to improve the quality of decision-making by the Board of Directors, functional committees such as the Audit Committee, the Compensation Committee, the Corporate Governance and Sustainable Development Committee, and the Risk Management Committee have been established under the Board of Directors by the authority and function thereof, and the Management Committee has been established under the Chairman of the Company to be responsible for discussions on important issues related to economic, environmental, and social risks.

The functional committees are either composed of independent directors or participated by independent directors, such that the decisions and recommendations of the committees are forward-looking, objective and thorough, and the mechanisms of independent supervision and checks and balances are effectively implemented to ensure that all resolutions and actions taken by the Board of Directors are reported and discussed by the Board of Directors. If a director has a related interest themselves or if the director represents a legal entity that is a stakeholder in a related interest, then the director should recuse themselves from the meeting. Some motions are also reported and discussed at the Shareholders' Meeting to act in the best interest of relevant stakeholders.

The Company has established “Audit Committee” , “Compensation Committee” , “Corporate Governance and Sustainable Development Committee” and “Risk Management Committee” under the board of directors. These committees enhance the function of the board of directors, improve the independence of supervision and protect the rights of shareholders. Except the “Risk Management Committee” was restructured by the board of directors on 10th April, 2023, the main responsibilities and status of each functional committee are as follows:

Committee	Members	Primary responsibilities	2022 Results
Audit Committee	Three independent directors	Assist in ensuring that corporate governance and transparency of information is reliable, including financial report audit status, internal review results, major lawsuits, financial status, etc.	Convened 11 times
Compensation committee	Three independent directors (No remuneration consultant)	- Determine and regularly review the policies, mechanism, standards, and elements in respect of the performance and remuneration of Directors and key managers. - Regularly assess and determine the remuneration of Directors and key managers.	Convened 2 times
Corporate Governance and Sustainable Development Committee	Chairman and two independent directors	Strengthening corporate governance, implementing corporate social responsibility, pursuing sustainable operations and preventing non-integrity behavior.	Convened 2 times

There are specific rules on handling situations in which a director’ s own interests conflict with those of the Company in internal regulations. A director who is an interested party with respect to any agenda item of the board of directors cannot participate in discussion and voting nor hold a proxy for any other director on that agenda item and shall enter recusal during discussion and voting. Directors adhere to a high level of self-discipline and strict determination in recusing themselves from participating discussions and voting of proposals where a conflict of interest exists between the Company’ s interests and the interests of a director or the legal entity that the director represents.

Professional Backgrounds of the Board of Directors

The composition of the board of directors should take into account the Company’ s mid- and long-term development strategy, overall configuration and diversification. The selection guidelines include but not limited to the followings:

- (1) Basic requirements and value: gender, age, race, nationality, and cultural background.
- (2) Professional knowledge and skills: professional background, professional skills and industry experience.

The members of the 4th session of the board of directors have professional backgrounds covering finance, IT, Health Care, energy, legal and financial accounting, and have rich practical experience in corporate management, legal compliance, international taxation and corporate governance. They all have the expertise and abilities required to perform their duties. All directors are further provided with annual external training sessions that assist them to improve their professional capabilities and understanding of trending issues. In 2022, in response to continuous strengthening of information risk management, the topics of sessions included the governance and management of cybersecurity, and trade secrets protection. Every director received 6 hours of training, which was in line with the suggestions from external regulation. For details regarding the implementation of diversity and independence of the Board of Directors at the Company, please refer to the 2022 Annual Report of the Company.



Diversity of Board Members

Item	Name	Fong-Long Chen	Andre J.L. Koo	Chee Wee Goh	Hsiu Tze Cheng	King Wai Alfred Wong	Chih Yang Chen	Casey K. Tung	Steven Jeremy Goodman	Ching Shui Tsou
Basic	Nationality	ROC	ROC	Singapore	ROC	ROC	ROC	USA	Australia	ROC
	Gender	Male	Male	Male	Female	Male	Male	Male	Male	Male
	Age	Under 60	●		●	●				
		61-70	●						●	●
		Over 70		●			●	●		
	Independent directors' term of office	Under 3 years						●		●
		Over 3 years							●	
Professional	Business & Management	●	●	●	●	●	●	●	●	●
	Finance	●	●	●	●	●	●	●		●
	Global Communication & International Relations						●			
	Science & Technology	●		●				●		
	Litigation & Tax Law & Law								●	
	Risk Management	●	●		●	●	●		●	
FinanceGlobal Industry Classification Standard Level 1 sector		Financials Energy Information Technology	Financials	Financials Information Technology Industrials	Financials Health Care	Financials	Financials Industrials	Financials Energy Information Technology Health Care Real Estate	Consumer Discretionary	Financials

Evaluation of the Performance of the Board of Directors

To fulfill corporate governance and enhance the effectiveness of the board of directors, the Company has established “Regulations Governing Evaluation of the Performance of the Board of Directors” pursuant to “Corporate Governance Best-Practice Principles”. The Company regularly conducts performance evaluations of the board of directors and functional committees in November annually for the evaluation period from November 1 of the preceding year to the end of October of the current year. The performance evaluation scope covers the performance of the Board as a whole, functional committees and individual directors.

The performance evaluation was assessed based on the questionnaire on a scale of 1 to 5 (5 is the full score) with the assessment items as below:

Board Performance Evaluation	Director Performance Self-Evaluation	Functional Committees Performance Evaluation
5 aspects (45 items)	6 aspects (23 items)	5 aspects (24 items)
Participation in the operation of the Company; improvement of the quality of the board’ s decision making; composition and structure of the board; election and continuing education of the directors; and internal control.	Familiarity with the goals and missions of the Company; awareness of the duties of a director; participation in the operation of the Company; management of internal relationship and communication; director’ s expertise and continuing education; and internal control.	Participation in the operation of the Company; understanding of responsibilities; improvement of the quality of functional committees’ decision making; organization of the functional committees and election of respective members; and internal control.

If 90% of the measurement indexes reach 4 points or more, the internal performance evaluation result in a grade of “Exceed the Standard” ; if more than 80% but less than 90% of the measurement indexes reach 4 points or more, the result shall be in a grade of “Meet the Standard” ; if less than 80% of the measurement indexes reach 4 points or more, the result shall be in a grade of “Moderately Unsatisfactory” .

Please refer to the Company’ s website for the board performance evaluation report of 2022 (<https://www.chaileaseholding.com/en/CorporateGovernance/Directors>).



Every three years, the Company commissions a third party to perform an external performance evaluation. In 2020, the Taiwan Corporate Governance Association (hereafter “TCGA”) was engaged to conduct board performance evaluation. The TCGA and execution experts have no business relationship with the Company and are independent. The evaluation procedures not only contained the review of written descriptions for assessment indicators and supporting documents, but also face to face meetings between the TCGA and directors, each functional committee convener, and top managements. The TCGA examined the operation of the board of directors and each functional committee from 8 aspects, including the composition, direction, authorization, supervision, and communication of the board, internal control and risk management, self-discipline of the board, board meetings and supporting system, based on its wide experience of corporate governance assessment. The Company obtained objective comments and suggestions from the Board Performance Evaluation Report issued by the TCGA on January 25, 2021. The Company reported TCGA’ s suggestions related to above matters and measures to be taken to the board on March 10, 2021 and amended the “Regulations Governing Evaluation of the Performance of the Board of Directors” at the same meeting to enhance the operational efficiency of the board.

The Company sets sustainable business operation as core mission. In order to continuously improve corporate governance, strengthen risk control and fulfill ethical management, the Company implemented ISO 37001 “Anti-bribery management systems” in 2022 and the board resolved the formulation of “Anti-Corruption and Anti-Bribery Policy” as well as the amendments to “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” . Meanwhile, the board also resolved the implementation of the Company’ s greenhouse gas inventory to further manage the carbon emissions for reducing energy use and carbon emissions.

The policy, criteria and composition of compensation payments, the procedures for setting compensation, and the relationship thereof to operating performance and future risks are as follows:

(I) Remuneration policies, standards, and packages:

1. Remuneration for directors shall observe Article 94 of Chailease Holding’ s Articles of Association. The Board of Directors (BoD) shall consider suggestions from the Compensation Committee and industry standards to determine remuneration. Article 118 of our Articles of Association also rules that the BoD may distribute profit-sharing compensation to current directors in years when the company is profitable. Profit-sharing compensation to directors shall not exceed 0.1% of earnings before taxes for that accounting period (year). In compliance with "Rules for Performance Evaluation of Board of Directors," Chailease Holding conducts at least one internal performance evaluation annually and one external performance evaluation, by external independent agencies or experts/ scholar teams, every three years. Chailease Holding provide reasonable remuneration based on the company's performance, industry standards, and the result of performance evaluation of directors, which include but is not limited to individual contribution to company performance, attendance, and participation. Performance evaluations and remuneration both require approval from the Compensation Committee and BoD.
2. Remuneration for managerial officers shall observe Article 94 of our Articles of Association. The BoD shall consider suggestions from the Compensation Committee and industry standards to determine remuneration. Article 118 of our Articles of Association also rules that the BoD may distribute profit-sharing compensation to current employees in years when the company is profitable. Profit-sharing compensation to employees shall account for between 0.01%~1% of earnings before taxes for that accounting period (year).

Chailease Holding determines profit-sharing compensation for managerial offices based on performance evaluations in compliance with "Rules for Objective Management" and "Rules for Performance Review." KPIs for managerial officers fall under the two following categories. The company will then determine a profit-sharing compensation based on their managerial performance and review the remuneration scheme when necessary to reflect company performance and related regulations:

(1) Financial KPIs:

KPIs: Sales fulfillment, earnings before taxes (EBT) fulfillment, return on equity (ROE), delinquent ratio, remaining principal balance, net profit per personnel expense, and net profit per ratio capita.

In addition to evaluating KPI fulfillment toward annual targets, the company also considers KPI growth from the same period last year.

(2) Non-financial KPIs:

In addition to financial KPIs, the company also evaluates non-financial areas such as strategic objectives, risks to sustainable operations, and corporate governance and material topics. The managerial officers' non-financial indicators also contain 10% of the sustainable development goals, including but not limited to the increase in the scale of solar power plant assets (including the simultaneous increase in the number of solar power plants and total power generation capacity), energy conservation, expand carbon inventory, and improvement of occupational safety and health prevention plans, etc. In addition, 10% of the Chailease common goals include but are not limited to energy conservation and departmental public service hours.

3. Remuneration packages at Chailease Holding include monetary compensation, stock options, stock bonus, pension plan, offboarding compensation, other allowances, and other measures providing actual compensation. The packages for directors and managerial officers shall be determined in compliance with the organizational rules of the Compensation Committee and shall remain consistent with the scope published in annual reports.

(II) Procedures for determining remuneration:

1. Directors are evaluated based on the "Rules for Performance Evaluation of Board of Directors" and managerial officers and employees are evaluated based on the "Rules for Objective Management" and "Rules for Performance Review." Results from the evaluations serve as the basis for regular evaluations of remuneration to directors and managerial officers.
2. The business strategies, HR policies, and payment capacity determine remuneration policies at Chailease Holding. The Compensation Committee and BoD also annually evaluate and review performance evaluations and remuneration for directors and managerial officers. In addition to individual KPI fulfillment and contribution to company performance, the company also considers overall business performance and future risks and development trends in the industry. In addition, the company monitors actual company operations and related regulations to review the remuneration scheme when necessary to thereby fulfill sustainable operations and risk control. The actual remuneration paid to directors and managerial officers in 2022 was deliberated by the Compensation Committee and then submitted to the BoD for deliberation and approval.

(III) Linkage to operating performance and future risk exposure:

1. To enhance the efficiency of the BoD and units under managerial officers, remuneration standards and schemes are evaluated primarily in consideration of the company's overall operations, while remuneration is determined by KPI fulfillment and contribution. In addition, the company refers to industry standards by regularly commissioning management consulting firms to survey compensation levels in the finance sector and using survey results to evaluate our own compensation standards and provide competitive compensation, ensuring that compensation to managerial officers is competitive to retain outstanding managerial officers.

2. To manage and regulate potential risks within the scope of their job functions and duties, the KPIs for managerial officers are connected to risk control. The results of performance evaluations are then considered in tandem with related HR and compensation policies. Material decisions from managerial officers at Chailease Holding shall be derived from careful consideration of various risk factors. The performance of related decisions will reflect in the company's profits and affect the compensation of managerial officers and their KPIs on risk control.

3. Long-term incentive plans for senior executives:

Chailease Holding established the "Officers Stock Ownership Trust Plan", in consideration of the plausibility of association with future risk exposure, to incentivize managerial officers to meet and exceed company targets, generate profits, and enhance business performance. The "Officers Stock Ownership Trust Plan" is mapped out with consideration to deferred reward, long-term reward, and Stock Ownership Requirement of Officers.

Bonuses to the CEO and other senior executives are primarily derived from the company's business performance, ESG, total shareholder return (TSR), and future risk factors. Deferred reward are capped at 20% of the year-end bonus from the previous year, which will be deposited into a dedicated Officers Stock Ownership Trust Plan account for payment deferral of at least 1 year. Distribution of deferred bonuses will be based on TSR fulfillment in comparison to the year's Finance and Insurance Sub-index compiled by the Taiwan Stock Exchange (TWSE), connecting bonuses for senior executives with long-term company's performance and shareholder interests. In the event of material risk events impacting the company's goodwill or similar situations, the company may deduct or withhold bonuses according to the "Clawback Policy" depending on circumstances.

4. Future risks to company operations mainly stem from losses from bad debt, a factor of asset quality. Chailease Holding has established a Risk Management Department to handle and oversee assessments of asset quality for finance-related business units. The company will adjust the percentage of bad debt reserves for regular cases according to asset quality. When losses from bad debt increase, the individual performance and, therefore, bonuses of directors, presidents, and vice presidents will decrease accordingly.

Note 1: The "Officers Stock Ownership Trust Plan" is applicable to the same targets as the "Stock Ownership Guidelines".

Note 2: The average shareholding value of senior executives other than the President in 2022 was 37.5 times that of their total annual base salary.

The pension plan offered at Chailease Holding is also better than regulatory requirements (also applicable to regular employees) to encourage managerial officers to contribute and deliver their best efforts to Chailease Holding.

5.2 Regulatory Compliance

"Trust" and "discipline" are major cornerstones of our corporate culture, and employees are strictly held to high moral standards in undertaking work for the company. They are charged with embodying the corporate philosophy in their daily work, and every employee has the responsibility of maintaining the company's good reputation and honoring laws and regulations, avoiding conflicts of personal interest with company interest, guarding the confidentiality of company and client information, and acting according to the letter and spirit of all relevant laws and regulations. Major operational and managerial actions of the company are grounded in disclosure of information, adherence to law, risk management and honest operations.

Since 2011 when the Chailease Holding was publicly listed on the Taiwan Stock Exchange, it has participated in Company Information Disclosure Evaluation. After three years of continuous efforts, the rank of the Company has improved to the best A ++ rating. In the process, the Company implemented relevant laws and regulations, improved the establishment of policies and guidelines, and voluntarily disclosed Information in order to enhance the transparency of information. The Company also participated in the Corporate Governance Evaluation, which was conducted by the Taiwan Stock Exchange and the Taipei Exchange. Of the 1,617 listed companies that participated, Chailease Holding ranked in the top 5% in 2014, 2016-2020 and 2022.

In addition to publicly disclosing revenue on a monthly basis as stipulated by law, before the 25th day of every month, Chailease Holding voluntarily announces its profit situation in order to give the investing public a more immediate grasp of its revenue and profits. The company website completely discloses all significant information, including complete financial operations, important resolutions from the board of directors and important regulations, all of which provides complete information disclosure services. To ensure a complete public disclosure mechanism, a clear internal implementation process has been established and responsibility has been divided up. The information is classified according to type and attribute and the relevant business units are responsible for it. An internal division of labor, reviews, and a confirmation mechanism all ensure the accuracy of the information. In 2018, the company also amended the Chailease Holdings Information Announcement and Application Procedures. The Regulatory Compliance Unit also publicly provides information relevant to external laws and regulations and accordingly modifies the information for the other business units' reference.

When Chailease Holding went public in 2011, it voluntarily raised its regulatory compliance standards. Just like financial institutions, it established special business units to develop regulatory compliance management practices. Other major subsidiaries, including Chailease Finance Co., Ltd. and Chailease International Finance Corporation, also developed regulatory compliance management practices. They regularly hold regulatory compliance training and awareness programs to ensure their operations and products comply with internal and external regulations. In addition, they conduct annual internal regulatory compliance inspections and report the results to the board of directors.



Compliance

- The board of directors regularly reviews the appropriateness and implementation of the regulatory compliance system.
- Maintain the independence of the regulatory compliance staff and strengthen their functions.
- Strengthen mutual cooperation between the regulatory compliance and internal audit units.
- Strengthen the supervision of each unit regarding compliance, review internal audit deficiencies, and use cases of wrongdoing for training purposes.



Prevention assessment

Special staffs from the Legal Department assess the appropriateness of business operations to ensure they meet the prescribed internal review and operating regulations, thereby safeguarding the interests of customers and upholding the company's reputation and image.

- New types of business and the financial structure of new products
- Key business activities, including joint marketing, commissioned jobs, and commercial cooperation agreements
- External business and advertising publicity documents

In 2018, Chailease created the dedicated position of Corporate Governance Officer. At the same time, the Chailease Holding Legal Department, Secretarial Office, and Administrative Department duties were adjusted. Corporate governance employees in the Secretarial Office and Administrative Department, in matters of corporate governance, are under the jurisdiction of the Legal Department. The Corporate Governance Officer oversees the Legal Department as it implements corporate governance. In addition to statutory corporate governance, the Corporate Governance Officer also coordinates the company's legal affairs.

The Corporate Governance Officer is in charge of corporate governance affairs, including but not limited to, ensuring the Company's operation and internal policies will comply with the most recent requirement provided by relevant regulation or laws, conducting regular legal compliance internal training for targeted department, conducting the legal compliance self-examination of this year. The results of legal compliance self-examination in 2022 are in compliance with the laws and regulations, and there were no significant instances of non-compliance with laws and regulations in 2022 (No violation of the laws will impact the daily operation of the Company.)

Internal Control System

The internal control systems of the company are management processes designed by its managers, passed by its board of directors, and implemented by the board of directors, managers, and the rest of employees for purpose of promoting sound operations of the company, so as to reasonably ensure that the following objectives are achieved:

1. Effectiveness and efficiency of operations.
2. Reliability, timeliness, transparency, and regulatory compliance of reporting.
3. Compliance with applicable laws, regulations, and bylaws.

5.3 Money Laundering Prevention

In response to revisions to the scope of Taiwan's Money Laundering Control Act, which added financial leasing activities, the company will undertake to implement all legal requirements and procedures required of financial leasing companies. Chailease will do our utmost to coordinate with competent authorities. While fulfilling our corporate social responsibility, combating money laundering and terrorist financing, and minimizing costs. The abstract of combating money laundering and terrorist financing of 2022 for the overseas subsidiaries of the Company are as follows:

1. According to the website which is published by Taiwan and international standards, we renew the internal policy of the geographic area risk, Policy on customer identification and risk evaluation of customer. Customer Acceptance Policy – It includes Crime Description of Very High Threat Crime and Methodology of Customer Risk Assessment, and the "AML and CFT Questionnaire and Statement" is added to make sure some special products are in line with the KYC policy. The main reasons and contents of the amendments are summarized as follows:

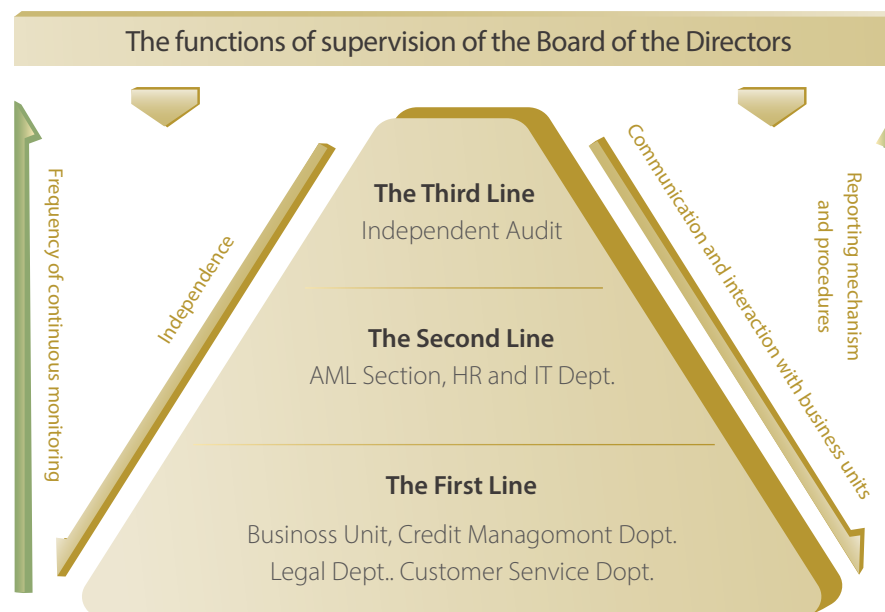
(1) To regularly review the latest list of uncooperative tax jurisdictions by major international organizations such as UN, OFAC, FATF, EU, Corruption Perceptions Index (CPI), 2021 Basel AML Index, and 2021 National Money Laundering, Financing and Terrorism and Information Arms Expansion Risk Assessment Report (NRA), and to adjust the country and geographical risks of the customer risk assessment methodology;

(2) In response to the 2021 NRA report, change the types of very high threat money laundering and terrorism crimes from eight categories to ten categories, revise the description of very high threat crimes in the Customer Acceptance Policy, and adjust the types of very high threat crimes "drug trafficking, fraud, smuggling, tax crimes, organized crime, securities crimes, underground foreign exchange, illegal gambling (including Internet gaming), corruption and bribery, and Intellectual Property Crime;

(3) In view of the fact that the operational structure of Credit Linked Note (CLN) is different from that of our general financial products cases, and considering that the actual clients of CLN are financial institutions (brokerage firms) and the practical operations, we have added a new "Money Laundering Prevention and Anti-Financial Terrorism Questionnaire and Statement" with reference to item 17 of the FATF proposal, and have obtained the "Money Laundering Prevention and Anti-Financial Terrorism Questionnaire and Statement" from financial institutions instead. The FATF proposes to obtain the "AML/CFT Questionnaire and Statement" from financial institutions to understand the adequacy of KYC operations conducted by third-party financial institutions.

2. Starting from 2020, the Company has incorporated the results of money laundering prevention into the KPI projects of business and review units. After 3 years of implementation, front-line personnel have grown greatly in document collection and identification of documents. In addition, reviewing from the past assessment results and referring to the cases in each unit, the evaluation scores have been adjusted to effectively implement the internal AML operations.

3. The anti-money laundering management system has been lounged since Dec. 2020. The AML Section regularly reviews customer risks and related transaction monitoring alerts, and making the report which can realized how's the AML/CFT condition of execution for the senior managers. Timely, use this reference to adjust the company's customer acceptance policy and risk policy.
4. In accordance with the "Implementation Measures for the Internal Control and Audit System for Preventing Money Laundering and Combating Capital Terrorism in the Handling of Financial Leasing Business Enterprises" issued by the Financial Supervisory Commission. The Company's subsidiaries Chailease Finance Co., Ltd. and Fina Finance & Trading Co., Ltd. have completed the first IRA for the FSC's review in 2020 and is scheduled to submit the second IRA for the FSC's review by the end of the first quarter of 2022; in addition, in order to ensure that the information in the Company's relevant IRA institutional risk assessment reports can still effectively present the results and report to the management on a regular basis. The IRA project has been set up by the dedicated unit to produce regular monthly reports for management to make adjustments to the Company's risk decisions and practices.
5. As of the end of December 2022, no suspected money laundering and terrorist transactions has been reported by the Company's subsidiaries Chailease Finance Co., Ltd. and Fina Finance & Trading Co., Ltd.

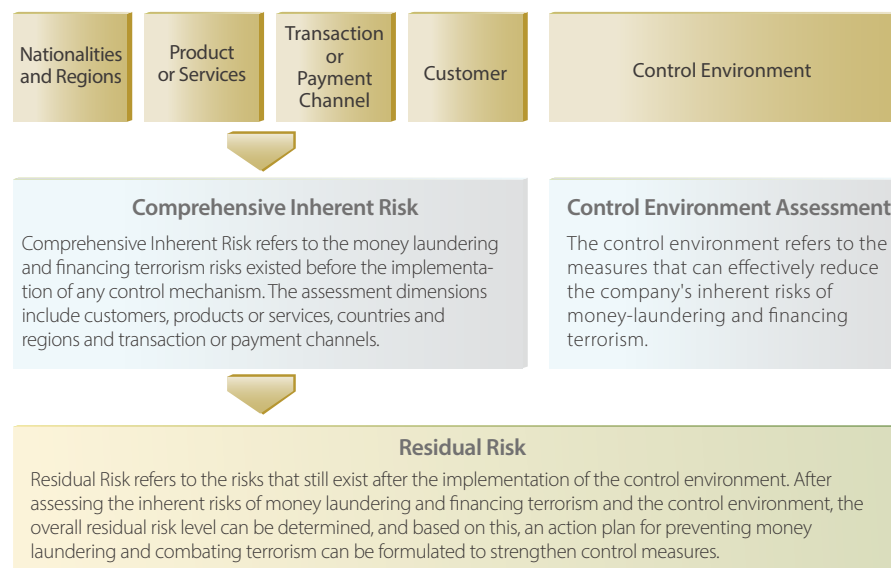


The AML/CFT management mechanism and continuous improvement aspects of the subsidiaries under the holding can be roughly divided into the following six aspects, including: institutional risk assessment, policies and procedures, customer due diligence, name checks, education and training, suspicious transactions/terrorist transaction reporting. Concrete actions are explained below:

The process management mechanism of the money laundering prevention manufacturing industry is explained as follows:

1. Institutional Risk Assessment Report (IRA)

In order to timely and effectively inform the management team of the Company' s overall money laundering and capital terrorism risks and to determine and develop the mechanisms that should be established and appropriate mitigation measures that should be taken, the Company refers to the FATF40 recommendations, and in accordance with international norms and trends, by introducing the Group' s consistent institutional risk assessment methodology through consultants to conduct institutional money laundering and capital terrorism risk assessments. The assessment targets include countries and regions, products and services, transaction and payment channels, and customer aspects, assessing inherent risks, control measures and residual risks of the overall organization, understanding its own risks and formulating action plans (items to be improved) based on the report results. The corporate risk assessment report should be submitted to the board of directors and then reported to the competent authority for review. In addition, the action plan (items to be improved) in the corporate risk assessment report should be reported to the board of directors on a regular basis to track its implementation effectiveness. The board of directors also makes suggestions or provides certain support based on specific facts, and establishes a culture of the board of directors focused on money laundering prevention and combating capital terrorism.



In order to timely and effectively inform the management team of the Company' s overall money laundering and capital terrorism risks and to determine and develop the mechanisms that should be established and appropriate mitigation measures that should be taken, the Company refers to the FATF40 recommendations, and in accordance with international norms and trends, by introducing the Group' s consistent institutional risk assessment methodology through consultants to conduct institutional money laundering and capital terrorism risk assessments. The assessment targets include countries and regions, products and services, transaction and payment channels, and customer aspects, assessing inherent risks, control measures and residual risks of the overall organization, understanding its own risks and formulating action plans (items to be improved) based on the report results. The corporate risk assessment report should be submitted to the board of directors and then reported to the competent authority for review. In addition, the action plan (items to be improved) in the corporate risk assessment report should be reported to the board of directors on a regular basis to track its implementation effectiveness. The board of directors also makes suggestions or provides certain support based on specific facts, and establishes a culture of the board of directors focused on money laundering prevention and combating capital terrorism.

2. Policies and Procedures

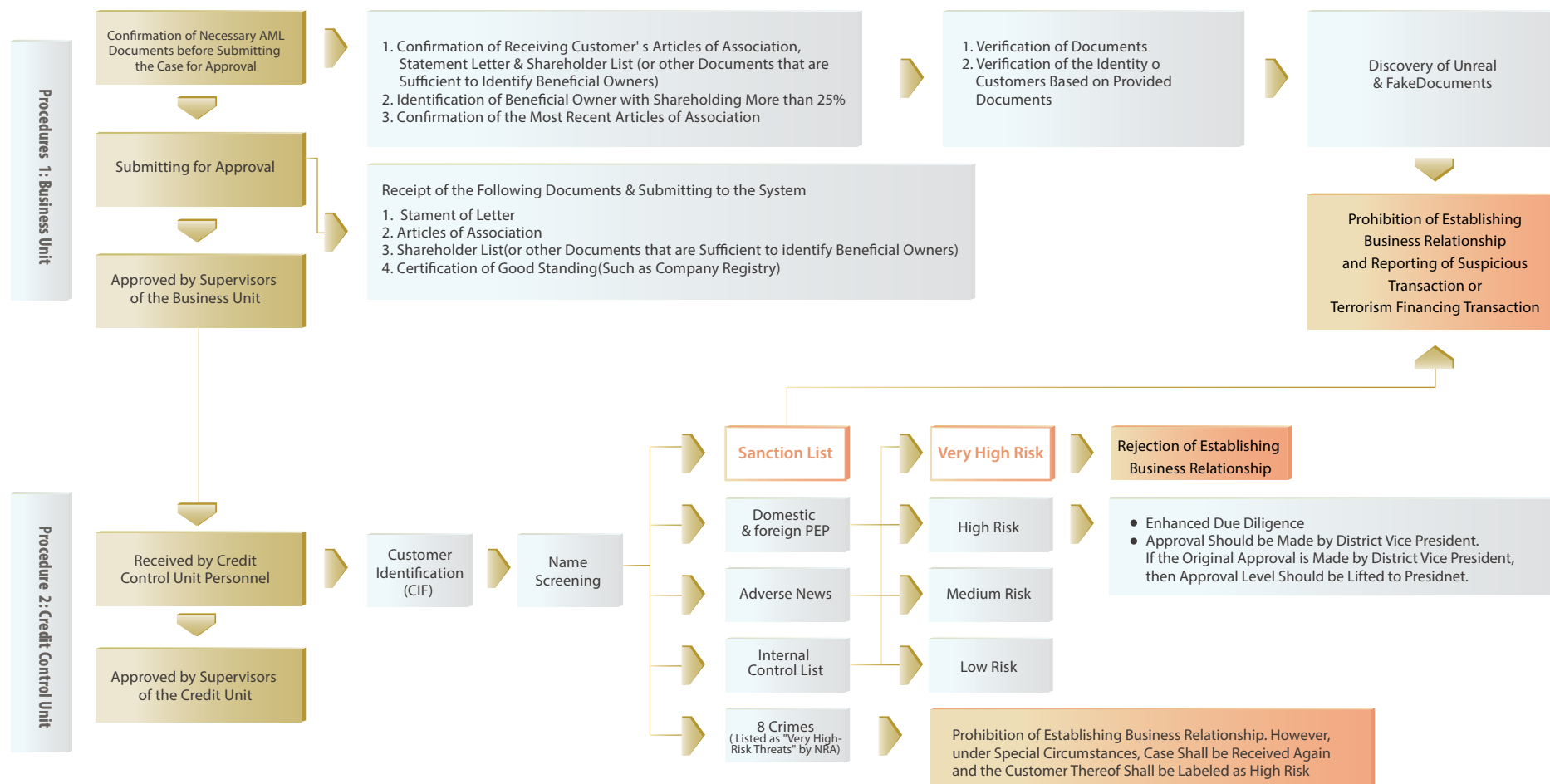
In order to comply with external regulations, such as the Money Laundering Prevention Law, the Capital Terrorism Prevention Law, and the Measures for the Prevention of Money Laundering by Financial Institutions, new internal regulations and amendments were established in 2022. The adjustments made to important regulations are listed below:

New/Revised Policies and Procedures	Important Notes
Chaise / Fina Finance & Trading Anti-Money Laundering and Anti-Terrorism Project	1. The AML Section regularly reviews customer risks and reviews the risk elements weather or not to be adjusted. 2. In 2021, updated the risk elements, level and geographic areas risk.

3. Customer Due Diligence

Measures are taken to identify customers, including collecting, updating, and storing information. These procedures include identifying the actual beneficiaries of business households and those with family members and close relationships with people with important political positions. We have adopted the principles of risk-based approach (RBA), review on a risk-based basis, focus on major money laundering high-risk customers and transactions with risk grading, and implement different intensity review mechanisms (CDD, EDD) to effectively allocate resources, such as identifying high risks customers' needs to take enhanced due diligence to confirm their funding needs and main sources of repayment, and the establishment of business relationships with high-risk customers requires review and approval by senior management. In the second half of 2023, we expect to establish a business relationship with non-face-to-face source business (such as Invoice-Bizloan service, etc.), taking into account the special characteristics of the products and the distribution of customers, in addition to the general CDD procedures, if there is a high-risk situation, we will recognize the purpose of the demand and establish a business relationship only after certain approval of the supervisor.

AML & CFT Procedures of Confirming the Identity of Customers

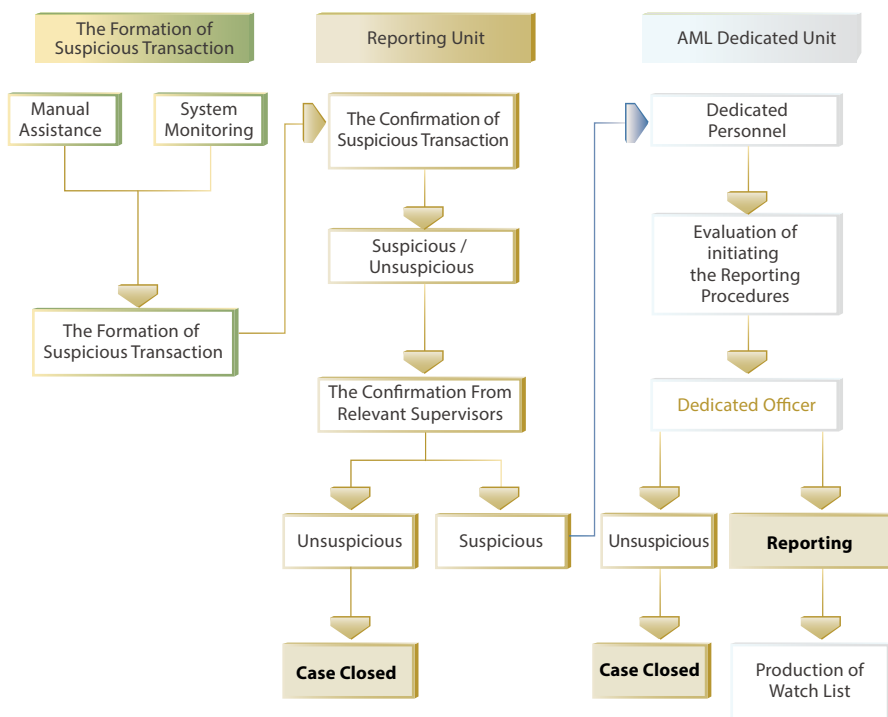


4.Name Check

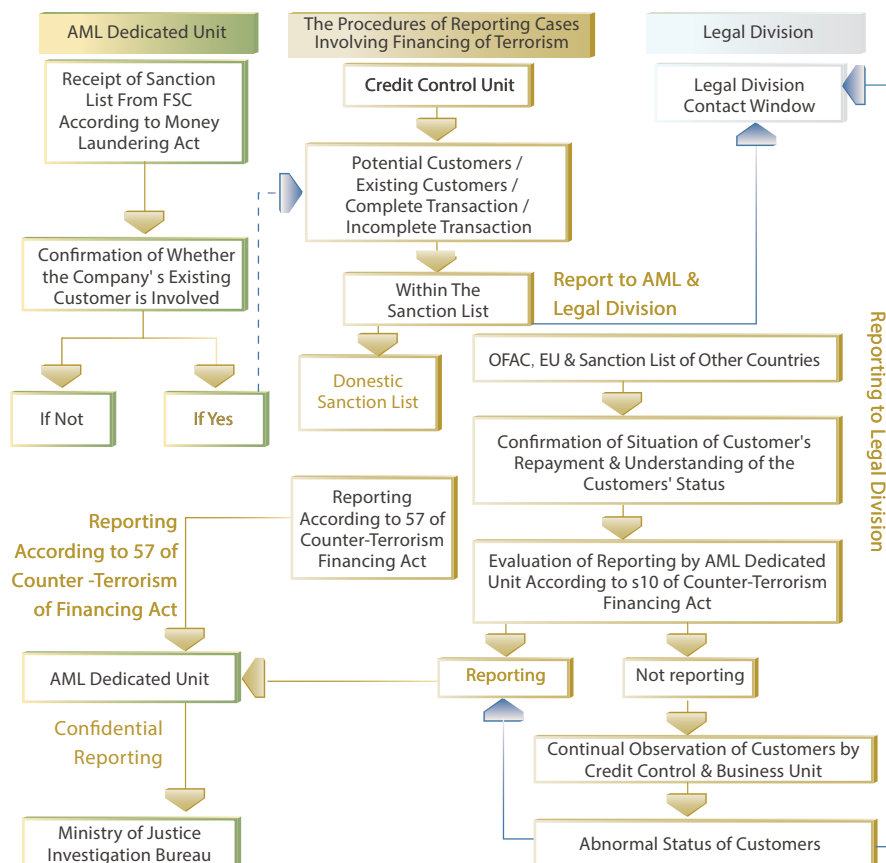
When establishing a business relationship, the Company is to perform name checking operations on customers and persons related to them (person in charge, guarantee company/person, substantial beneficiary, and supplier). The name check database (Dow Jones database) is divided into domestic categories list of foreign sanctions (including but not limited to the sanctions lists published by the Office of Overseas Assets Control (OFAC) of the U.S. Department of the Treasury, the United Nations, the European Union, and China), people in important political positions at home and abroad, their family members, and people with close relationships (hereinafter referred to as Domestic and foreign PEPs) and negative news related to money laundering. If the database is updated, all customers will be checked on the incremental list in night batches every day. Whether it is the establishment of a business relationship or the batch name checking, the list information will be reviewed and released by the operator.

If it is a sanction list, no business relationship is to be established and should be notified immediately. If it is domestic and foreign PEPs, the customer risk should be raised to a high-risk customer, and regular review operations are to be performed every year. If it is involved in negative money laundering news, it should be confirmed whether it is a very high-threat crimes in the National Risk Assessment Report (NRA) If so, it should be strengthened to confirm the use of funds and the source of repayment, and it can only be undertaken after approval by senior management. In addition, since The National Risk Assessment Report (NRA) was updated on Dec.2021, the company will follow it and update the company's Policy for verifying customers' identity. In 2022 the "Eight very high-threat crimes" have been revised to "Very high-threat crimes".

The Procedures of Reporting Suspicious Transactions



The Procedures of Reporting Cases Involving Financing of Terrorism



In addition, the Company has also established a group self-built list sharing mechanism, and when a business relationship is established or a self-built list is added, the list will be checked.

5.Suspicious Transaction or Terrorist Transaction Detection and Report.

Regarding transaction monitoring, when conducting transactions or establishing business relationships, dedicated personnel will analyze and collect data on potential high-risk customer alerts in a risk-based spirit, referring to customer industries, channel sources, business departments, and transaction activities whether it conforms to past habits, keep a record of the investigation process, and implement strengthened control measures, improve the level of transaction approval and strengthen due diligence. After investigation and analysis, the dedicated staff will submit suspicious activity reports to the Ministry of Justice Investigation Bureau of the clients or transaction activities that may be involved in money laundering or terrorist activities. Since the outsourcing system was launched in December 2020, relevant alarm cases have been collected and the dedicated unit has taken advantage of the subsequent control of related risks in addition to the future plans and measures of money laundering. Since the outsourcing system went online in December 2020, the dedicated money laundering prevention unit has been continuing to collect relevant alarms and regularly review the validity of the relevant parameters. In 2021, different parameters were set according to the size of each business unit and the specific characteristics of the products operated, and resources were focused on identifying the more suspicious patterns to effectively control the relevant risks.

6.Education and Training

In order to strengthen money laundering prevention and anti-capital terrorism education training courses and deepen the awareness of all personnel to prevent money laundering, each year, all colleagues (including new recruits), dedicated personnel, directors and senior management personnel, legal compliance, auditing and first-line business are divided into categories according to the nature of their business to arrange appropriate education and training for the prevention of money laundering and anti-capital terrorism.

In addition, dedicated supervisors have obtained internationally recognized anti-money laundering specialist (CAMS) licenses and regularly receive relevant training in the courses (including online training) held by internationally recognized anti-money laundering specialists. In response to international trends and changes in laws and regulations, understanding the most money laundering prevention and anti-terrorism operations and making adjustments accordingly. Relevant education and training are as follows:

Internal Education and Training				
Item	Course Title	Session		Aimed at
		Chailease	Fina Finance	
1	AML/CFT OJT Course 2022	27	5	Headquarters & Branch Office Business and review personnel
2	AML OJT Course 2022(Oversea Unit)	1	NA	Business and review personnel
3	AML/CFT OJT Course 2022(Legal Department)	1	1	Legal personnel
4	Money Laundering Prevention process dissemination of May 2022	1	1	Business and review personnel
5	Money Laundering Prevention process dissemination of Sept. 2022	1	1	Business and review personnel
6	AML cases workflow description	1	1	Review personnel
7	Anti-Money Laundering and Counter Terrorism Education Training	1	1	Accounting Department
8	Training for Directors and Supervisors- Relation between Emerging Tech and AML	1	1	Directors and Supervisors, Business Associates, Audit Associates, Audit, and Specialized Persons in Charge of Money Laundering Prevention

Note: "Chailease" and "Fina Finance" are the major Chailease Holding subsidiaries, and relevant personnel of other subsidiaries also participated in relevant training courses.

Item	Course Title	Time	Teaching Unit	Aimed at
1	On-the-job Class for Preventing Money Laundering and Combating capital Terrorism	12 hours	Securities and Futures Bureau (SFB)	AML/CFT compliance officer

7.Independent Audit and Review System

The audit unit conducts effectiveness tests on the three major areas of personnel control (organization), policies, operating standards, and money laundering prevention system every year, issues an audit report to the board of directors, and regularly tracks the improvement of each unit in response to the audit results. In 2022 independent audit, some nonconformities were found in the subsidiaries (Chailease Finance, Fina Finance), and the responsible department has completed the improvement.

8.Regularly Report AML/CFT Execution Business Reports

The dedicated unit shall report to the board of directors and supervisors an overview of the implementation of money laundering prevention and anti-terrorism operations every year. The annual report shall at least cover changes in laws and regulations, operation execution overviews and reports on important implementation projects of the current year. If a major violation of money laundering prevention laws and regulations is found, it will be immediately reported to the board of directors and supervisors. Directors and supervisors are to discuss and give suggestions based on the content of the report. After the meeting, if there are matters that need to be improved and tracked, the money laundering prevention unit shall regularly report the improvement progress to the board of directors and supervisors to establish the Company's complete system and culture of money laundering prevention and combating capital terrorism.

5.4 Tax Governance Policy

In response to international trends in taxation and governance, and to fulfill its corporate social responsibility, Chailease has set a "Tax Governance Policy" to manage tax strategies and affairs. Related policies can be found in the official corporate governance rules for the company.



The proportions of net revenue, profit before tax, income tax paid and other financial statistics of Chailease Holding by tax jurisdiction-2022(Unit: Thousand NTD)

Tax jurisdictions	Revenues from unrelated party	Net profit before tax	Income tax expense	Effective tax rate	Current income tax expense	Cash effective tax rate	Main economic activities	Number of employees
Taiwan	45,954,798	16,289,747	3,453,343	21.2%	3,744,551	23.0%	Installment lease financing business, consulting and solar power generation related business	3000-4000
Mainland China	29,676,761	17,428,697	4,363,363	25.0%	6,604,797	37.9%	Leasing financing business, etc.	2000-3000
Thailand	4,812,397	1,617,593	328,741	20.3%	371,298	23.0%	Leasing financing business, etc.	700-800
U.K.	79,891	101,196	1,276,972	1261.9%	1,043,689	1031.4%	Consultancy and financing business	0-100
Mauritius	-	312,712	256,176	81.9%	3,965,636	1268.1%	General investment business	0-100
Others	6,084,318	3,575,620	1,182,767	33.1%	846,562	23.7%	Please refer to the annual report for the rest of the lease and financing business	1000-2000
Total	86,608,165	39,325,565	10,861,362	27.6%	16,576,533	42.2%		7000-9000

	2022					
	Taiwan	Mainland China	Thailand	U.K.	Mauritius	Others
Other tax	28,074	245,750	47,600	-	-	57,357

Note:

- 1.The Company is established in the British Cayman Islands, and has established subsidiaries in Taiwan, Mainland China, Hong Kong, Thailand, Vietnam, Malaysia, Singapore, Philippines, Cambodia, Indonesia, Britain, the United States, Liberia, British Virgin Islands, Mauritius, and other places.
- 2.Please refer to the reinvestment information in the annual report for detailed organization and main business operations in each region.
- 3.Revenues from unrelated party: after deduction of parent-subsidiary income.
- 4.Net profit before tax: after deduction of dividends from subsidiaries and income from investment.
- 5.Taiwan and Mainland China area: Current income tax expense was higher than income tax expense in 2022. This is mainly due to deferred income tax asset arising from temporary differences in impairment loss on account receivables.
- 6.United Kingdom and Mauritius: Because the UK and Mauritius respectively hold subsidiaries in Taiwan and Mainland China, their income tax expenses and income tax paid are mostly derived from the subsidiary's dividend income. As a result, the income tax rates skew higher.
- 7.Mauritius: The income tax expense of in 2022 is low than last year. This is primarily due to the Company has been implemented the China subsidiaries restructuring plan and the effective income tax rate reflecting the tax on capital gain.

The proportions of net revenue, profit before tax, income tax paid and other financial statistics of Chailese Holding by tax jurisdiction-2021 (Unit: Thousand NTD)

Tax jurisdictions	Revenues from unrelated party	Net profit before tax	Income tax expense	Effective tax rate	Current income tax expense	Cash effective tax rate	Main economic activities	Number of employees
Taiwan	36,351,671	employees	3,068,519	22.3%	2,197,406	16.0%	Installment lease financing business, consulting and solar power generation related business	3000-4000
Mainland China	27,548,958	16,981,579	4,252,362	25.0%	2,585,139	15.2%	Leasing financing business, etc.	2000-3000
Thailand	3,888,465	1,322,616	269,822	20.4%	245,299	18.5%	Leasing financing business, etc.	700-800
U.K.	68,226	61,339	1,094,034	1783.6%	870,585	1,419.3%	Consultancy and financing business	0-100
Mauritius	-	47,514	2,679,279	5638.9%	391,399	823.8%	General investment business	0-100
Others	4,302,234	2,474,223	595,575	24.1%	444,063	17.9%	Please refer to the annual report for the rest of the lease and financing business	1000-2000
Total	72,159,554	34,654,391	11,959,591	34.5%	6,733,891	19.4%		7000-8000

2021						
	Taiwan	Mainland China	Thailand	U.K.	Mauritius	Others
Other tax	21,328	237,703	42,928	-	-	33,059

Note:

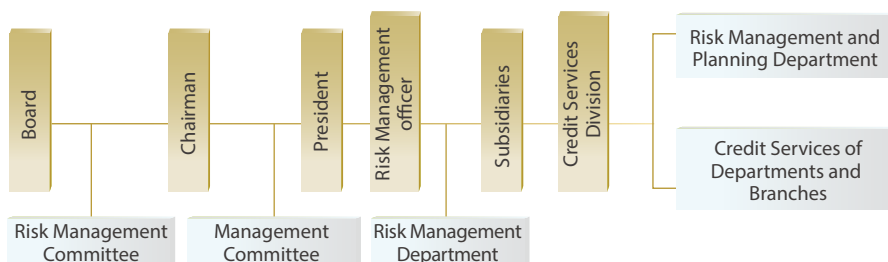
- 1.The Company is established in the British Cayman Islands, and has established subsidiaries in Taiwan, Mainland China, Hong Kong, Thailand, Vietnam, Malaysia, Singapore, Philippines, Cambodia, Indonesia, Britain, the United States, Liberia, British Virgin Islands, Mauritius, and other places.
- 2.Please refer to the reinvestment information in the annual report for detailed organization and main business operations in each region.
- 3.Revenues from unrelated party: after deduction of parent-subsidiary income.
- 4.Net profit before tax: after deduction of dividends from subsidiaries and income from investment.
- 5.Taiwan area: Current income tax expense was low in 2021. This is primarily due to the Taiwan subsidiary has invested in overseas subsidiaries and the surplus has not been repatriated. This part of the income tax expense is listed as deferred tax liability.
- 6.United Kingdom and Mauritius: Because the UK and Mauritius respectively hold subsidiaries in Taiwan and Mainland China, their income tax expenses and income tax paid are mostly derived from the subsidiary's dividend income. As a result, the income tax rates skew higher.
- 7.Mauritius: The income tax expense of in 2021 is much higher than last year. This is primarily due to the Company plans to implement the China subsidiaries restructuring plan and the effective income tax rate reflecting the tax on capital gain.

5.5 Risk Management

The Covid-19 outbreak in 2022 caused a sharp slowdown in world growth; and the risk of wider restrictions on the movement of people, goods and services, reduced business and consumer confidence, as well as slowed down production. When facing the overall economic environment, we always uphold the concept of risk management in order to take advantage of industry developments and future prospects. By ways of adopting a decentralized customer base, decentralized industry exposures, and through geographic dispersion, we effectively lower the risk of any market changes that might happen.

Key subsidiaries have established Risk Management Committees that meet quarterly, to maintain a robust and effective risk management mechanism and formulate risk management policy. The Committees also manage and supervise financial assets, effectively manage potential risks arising from all company business, and make adjustments to the normal ratio of allowance for bad debts based on the asset quality. In addition, there is a model to assess client credit risk, while there are two methods for evaluating credit risks for corporate financing and micro-enterprises; both were awarded a patent by the Taiwan Intellectual Property Office.

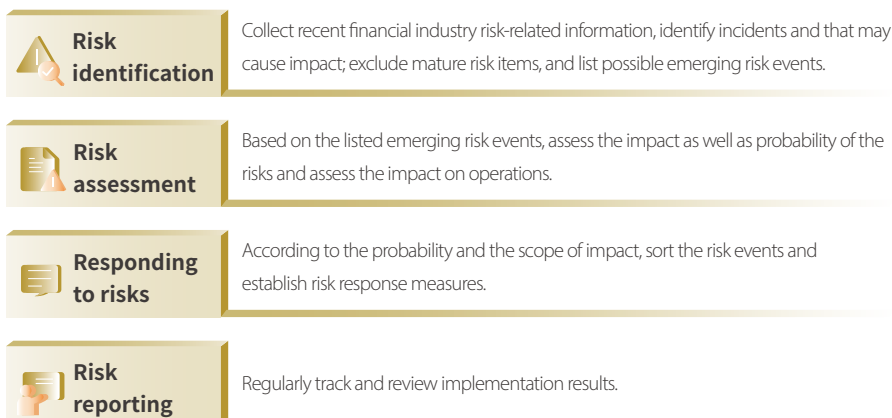
Organization of Chailease Holding's Risk Management Structure



Emerging Risks

Based on the emerging risks mentioned in the World Economic Forum 2022 Global Risk Report, the categories of emerging risks are increasing year by year and the probability of occurrence is increasing. In order to strengthen the management of emerging risks, the company has established an emerging risk identification and management procedure, and then assess the impact and likelihood of risks, and formulate mitigation measures based on important emerging risks, and implementation results are regularly followed up on and reviewed.

Emerging risk identification process



Emerging risk matrix

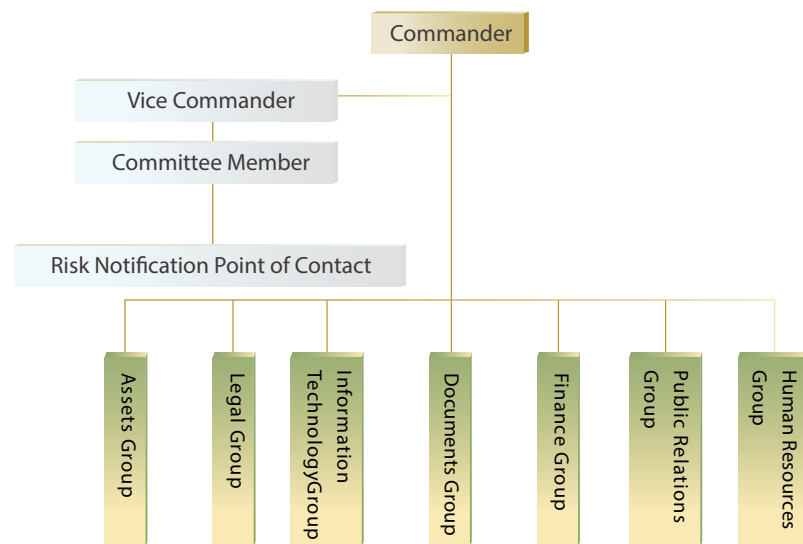
Based on the emerging risks mentioned in the World Economic Forum 2023 Global Risk Report, a matrix of emerging risks is drawn according to the degree of impact and probability of occurrence of the risks. Chailease Holdings proposes mitigation measures for emerging risks with significant impact.



Emerging Risk Identification Procedures and Response Measures

Risk factor	Extreme Climate Risk	Decarbonization Risk	Fintech Risk
Description of risk	Extreme climate and weather events impact the environmental ecology, leading to tighter environmental protection measures (such as carbon pricing, carbon emissions, etc.), resulting in social and economic problems that affect business profitability.	- The government has officially enacted the long-term goal of achieving net zero emissions by 2050 into law, specifying the imposition of a carbon taxes, adding a special chapter on climate change adaptation, strengthening emission controls and establishing an incentive mechanism to promote emission reduction. - Financial institutions will gradually propose specific credit regulations for industry, with plans to discontinue and gradually withdraw from commercial activities such as coal mining, coal-fired power generation, and coal trading/transportation.	- Strategically speaking, the high growth goals for the existing offline retail finance products cannot be achieved with small scale of customer base, therefore the Company faces the need to embrace FinTech (financial technology) in order to adjust marketing strategies, operating model etc. - In response to the rapid growth of retail finance, the company is faced with the need to quickly review cases and respond to customer demand immediately, therefore it is face with the need to develop FinTech (financial technology).
Potential business impact of the risk	- Damage to assets or unsustainable operations at branch locations due to natural disasters caused by climate change. - The government imposing a carbon tax due to climate change, which will lead to an increase in the cost of water, electricity and carbon emissions. - A climate-risk event that depreciates the value of customer collateral and increases credit risk, resulting in an impairment of asset value.	- International benchmarking companies have clearly targeted high carbon emission industries by introducing related access restrictions and positive communication and management practices, and decarbonization may lead to disruptions in customer supply chains. - Explicit imposition of a carbon tax by the government will result in higher operating costs for customers. - Plans by financial institutions to disengage and withdraw from high carbon emission industries will affect customers' operations and create credit risks.	- Loss of customers as a result of being unable to meet customer' s digital needs (online requests) - Loss of competitive edge if the technology does not upgrade to meet the needs of efficient review process for timely response to customer' s demand.
Mitigating actions	- The Company continues to operate related measures, such as holding regular disaster prevention drills and off-site backup drills, to respond to sudden natural disasters. - Resource conservation measures and environmental policies such as carbon emission reduction reduce the cost of water and electricity to cope with the risk of water and electricity outages and operational losses. - Implemented ISO 14001 environmental management system, ISO 50001 energy management system and ISO 14064-1 greenhouse gas inventory to achieve the goal of carbon emission reduction. - Signed the Climate Related Financial Disclosures (TCFD) and identified the risks and opportunities associated with climate change based on the TCFD's Climate Related Financial Disclosures proposal framework, and transformed the risks into green finance-related investments (e.g., solar energy, green energy). - Launched ESCO Energy Service Financing, a strategic partnership with Energy Technology Services (ESCO), to assist SMEs in energy saving and carbon reduction projects and introduce energy saving programs to help companies join the ranks of green energy companies.	- Risk control units regularly monitor decarbonization-sensitive industries, playing closely attention to the operations thereof. - Conduct an inventory of our own carbon emissions, and start with the scope of our own operations - Introduce the calculation of financial carbon emissions, and make relevant credit decisions for companies with high carbon emissions in the future.	- Actively promote financial commodity digitization, and through the establishment of the cloud platform, it enables us to expand the hit rate for various financial products and deepens the penetration rate for digital financial services. - Actively develop alternative credit scoring and rating, and establish risk models by incorporating digital footprint information for more accurate client' s credit risk assessment. - Promote the digitization of operational process , and introduce RPAs (robotic process automation) and voice robots to improve the efficiency and quality of work.

Organization of Chailease Holding's Crisis Management Structure



Risk Factors	Defense Mechanisms	Management
Credit Risks	- Rigorous credit review and approval system. The process includes: - Customer credit rating scoring system and credit risk assessment models to predict customer default risk - Asset quality monitoring, interactions limited to specific industries, flexibility to adjust business strategies and credit policies - Education and training, including case studies, to strengthen employees' and reviewers' risk assessment capacity.	- First layer: Employees and reviewers - Second layer: Risk Management Department - Third layer: Risk Management Committee
Market Risks	- Observing changes in market interest rates, implementing interest rate risk analysis, and adjusting the structure of assets and liabilities - Adjusting the structure of short and long-term loans, maintaining an appropriate reserve of funds, and establishing emergency response mechanisms	Accounting and Financial Department
Legal Risks	- Abiding by government regulations and appropriately reviewing new business and government regulations - Supervising and investigating to ensure employees comply with the law.	Legal Department
Environmental Risks	- Conducting climate risk assessments, employing coping strategies, and promoting green goods and services. - Implementing an environmental management system for environmental protection, reducing energy use and carbon emissions, recycling and other waste reduction.	Business Management Department Administration Department
Information Security Risks	- To strengthen information security management, the company set up a secure and reliable working environment that will ensure the security of data, systems, equipment and networks. - Considering relevant business developments and needs, the company established an Information Security Policy and, in accordance with this policy, drafted Information Security Management Guidelines and other management standards, and set up an internal control system. - In order to effectively improve information security, the Company approved the proposal for establishing the "Information Security Committee under the helm of the President of the Company.	Information Technology Department
Money Laundering Control Risks	- Among the 40 recommendations issued by the Financial Action Task Force in 2012 is a risk-based framework for preventing money laundering and terrorist financing. - A risk-based approach enables financial institutions to identify client and transaction risks and effectively allocate resources. Relatively fewer resources need be invested for clients or operations with lower risk, while focus can be concentrated on those with higher risk. - To cooperate with Nice Actimize to build an anti-money laundering system that complies with the legal requirements, and to use the system to assist in the establishment of a connected diagram of the clients. Through the notification of the transaction monitoring system and the daily Name screening procedures, the content of the hit list will be reported in time, which will improve operational efficiency significantly.	- First line of defense: business units - Second line of defense: dedicated units (Anti-Money Laundering Office, Risk Management Department, Information Technology Department, and other advisory divisions) - Third line of defense: Audit Department - Fourth line of defense: Directors and senior management

5.6 Ethical Corporate Management

According to Ethical Corporate Management Principles, and with integrity serving as the basis for policies, a prevention program was created and all employees signed an undertaking agreeing to comply with company rules. Moreover, in 2014, Ethical Corporate Management Best-Practice Procedure and Code of Conduct were issued. Acts of bad faith, benefits, and a reward system were specified in order to standardize employee business practices and to assign special units responsible for maintaining and implementing integrity management. All new recruits must attend the course on the Ethical Corporate Management Best-Practice Procedure and Code of Conduct and regular training was also provided for existing employees.

In order to implement the ISO 37001 Anti-Bribery Management System and reinforce the Company's ethical management goal, in 2022, the Company has amended the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", the amendments mainly include channeling the reporting method for different event, anti-corruption and anti-bribery matters and the preservation of relevant documents, and the Company will report such amendments during the annual general meeting in 2023. Currently, the scope of the ISO 37001 Anti-Bribery Management System is Chailease Holding Company Limited, the Company will evaluate the possibility of extending the scope of the system to subsidiaries.

Legal department is the responsible authority for handling ethical management matters. Moreover, as to implement the relevant ethical management policies, the Company has implemented the ISO 37001 Anti-Bribery Management System, and formulated the "Anti-Corruption and Anti-Bribery Policy", the prevention of corruption and bribery, the guidance for the stakeholders so as to prevent the corruption and bribery, the establishment of the ethical management policy, and the implementation of corporate social responsibility and sustainability are set forth in the Policy.

As stated in Article 3 of the company's "Ethical Corporate Management Best Practice Principles": "When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Company and its subsidiaries or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Moreover, Article 10 of the aforesaid Principles addresses regulations governing commercial activities: "Prior to any commercial transactions, the Company shall take into consideration the legality of its agents, suppliers, clients or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved." Consequently, all bribes (Article 11) and improper gains (Article 14) are explicitly forbidden.

On the other hand, the company's "Procedures for Ethical Management and Guidelines for Conduct" further stipulates how cases of improper gain shall be handled (Article 7) as well as the method for assessment of integrity before establishing a business relationship with a customer (Article 17) and how to avoid transactions with dishonest parties (Article 19).

Serial number	Aimed at	Course Mode	Course Title	Course Hours	Person times	Total hours
1	All Newcomer	Online	Overview of Chailease's Integrity Principles and Behavior Guidelines	0.11	1,345	147.95
2	All newcomers	Online	Everyone is Responsible for the Protection of Personal Information!	0.30	1,345	403.5
3	All newcomers	Online	Say No to Sexual Harassment!	0.90	1,345	1210.5
4	All newcomers	Online	Basic Concepts of Money Laundering Prevention	0.13	1,345	174.85
5	All newcomers	Online	Case Studies in Money Laundering Prevention	0.20	1,345	269
6	All Chailease Business and Review Department	Online	Internal Procedure for handling Anti-Money Laundering	0.20	882	176.4
7	All Chailease Business and Review Department	Online	Anti-Money Laundering Training-2022 May	0.27	824	222.48
8	All Chailease Business and Review	Online	Anti-Money Laundering Training-2022 September	0.17	1,198	203.66
9	Directors, higher management, and personnel appointed by each department head	Online	Anti-Money Laundering Training for Directors and higher management	1.50	49	73.5
Total					All Chailease Business and Review 9,678	2,881.84

Liability Insurance for Our Directors

The company's policy regarding director insurance goes beyond current legal requirements. Since going public in 2012, the company has purchased liability insurance for our directors. In August 2017, during a special shareholder meeting, the Articles of Association were revised to add retired directors to the scope of compensation, while indemnity agreements shall also be signed by each director. At the same time, the company purchases Directors and Officers Liability Insurance to prevent erroneous actions taken by directors and supervisors and company officers in the process of their executive duties to cause damages to third parties and provide them with a means to pursue a claim. The insurance also helps to mitigate financial risks to the company caused by litigation and ensure healthy company operations.

Employee Integrity Risk

Insurance for "Employee Integrity Risk", with the company listed as the insured, prevents and protects against dishonest actions by employees which might cause grave damage to the company (such as legal or financial accounting personnel), and cause the loss of company assets or assets the company is charged to steward. This will offset operational risk onto an insurance liability, reducing losses to the company and thereby protecting shareholder interests.

Whistleblowing System and Protection of Whistleblower

The Company and its subsidiaries have established the Whistle-Blower Policy, Procedures for Protecting Whistle-Blower, the Regulations of Prevention, Correction, Complaint and Punishment of Sexual Harassment, and the Regulations of Prevention, Correction, Complaint and Punishment of Unlawful Violations in Workplace have also been established as well. Personnel within and people outside of the company can report improper actions, corruption, or actions in violation of the Code of Conduct through the channels of the established public hotlines, the e-mail mailboxes on the official website and internal websites, and the traditional mailbox. The Whistle-Blower Policy specifies the dedicated receiving units, the independent investigation units, and the acceptance and investigation schedule for misconduct and malpractice. If the unlawful infringement (includes: discrimination, sexual and non-sexual harassment) has been verified, Chailease may transfer, demote, cut pay, punish employees or impose other punishments on the employees based on relevant regulations such as working rules, depending on the severity of the unlawful infringement. If the investigation result shows that a criminal case, Chailease will help complainants take legal actions, and transfer the case to judicial authorities.

After being verified without false allegation or incomplete information, the report or the complaint raised will be investigated by the independent investigation unit depending on the nature of the report or the complaint. When the allegations of the report or the complaint is substantiated, the appropriate disciplinary action in accordance with the Company's Personnel Reward and Punishment Regulations will be taken. Internal publicity to comply with the Company's discipline and regulations will be enhanced.

The "Procedures for Protecting Whistle-Blower" require that the whistleblower should be kept strictly confidential. All information disclosed during the course of investigation should remain confidential.

In order to implement the ISO 37001 Anti-Bribery Management System, the Company has amended the "Whistle-Blower Policy" and "Procedures for Protecting Whistle-Blower", the amendments mainly include adding and channeling the reporting method for different event, regulating different investigation items for different level of the management, and strengthening the whistle-blower protection.

Reporting Channels and Procedures of the Company and Its Subsidiaries

External Whistle Blower

- Whistleblowing Channel
- Violation of Code of Conduct Reporting Channel
- Customer Complaint
- Sexual Harassment Reporting Channel

Internal Whistle Blower

- Whistleblowing Channel
- Violation of Code of Conduct Reporting Channel
- Sexual Harassment Reporting Channel
- Internal Disclosure
- Internal Audit Finding

Investigation Team

- Investigation of Reported Cases.
- The investigation report will be submit to the Personnel Review Committee for decision and punishment

Gender Equality Team

- Investigation of Reported Sexual Harassment Cases.
- The investigation report will be submit to the Personnel Review Committee for decision and punishment
- Mailing of the Investigation Result to Those Directly Involved and the Competent Authority.

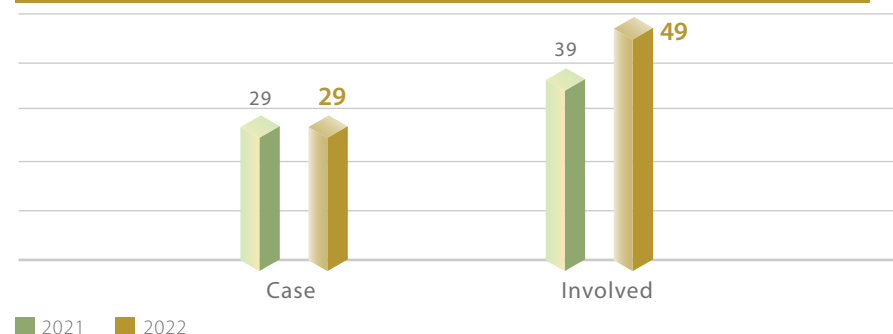
Improvement and Prevention

- Announcement of the Event and Disciplinary Action against the Violator.
- Enhancement of Publicity and Training.
- Review of the Causes of Misconduct or Malpractice to Improve the Company's Policies and Internal Controls in Order to Prevent Similar Incidents from taking place.

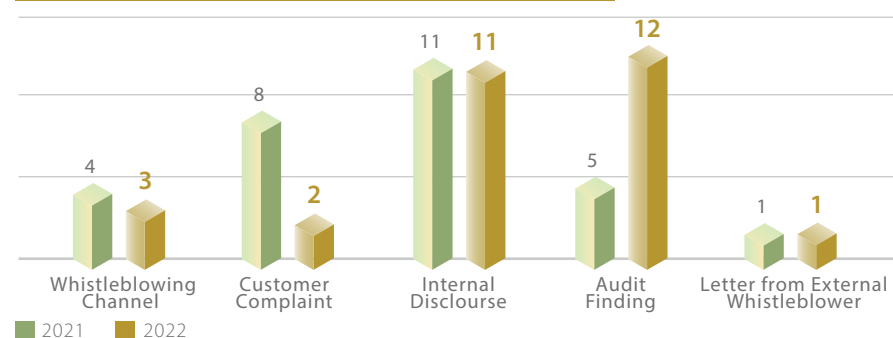
Statistical Diagram of Events in violation of the Company's Discipline or Regulations

Among the concerns or complaints raised to the Company and its subsidiaries in the year of 2022, 29 reported cases have been investigated and substantiated. The employees who violated the Company's discipline or regulations have been punished in accordance with the Company's Personnel Reward and Punishment Regulations and internal publicity has been carried out. (Note: 49 employees involved in the above 29 cases represent approximately 0.55% of the total population of the Company's 8,972 employees by the end of 2022.)

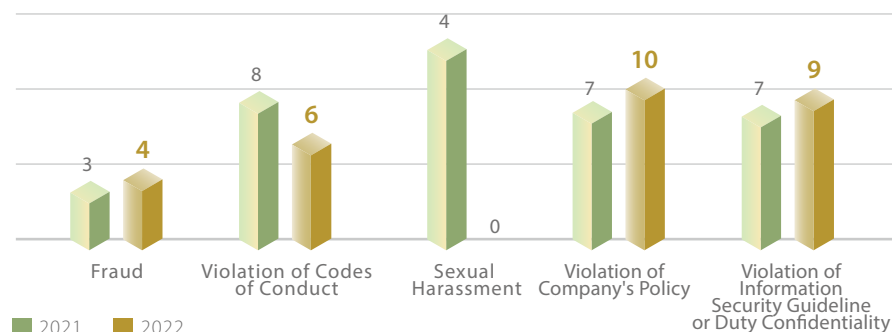
Number of Cases Substantiated and Number of Employees Involved



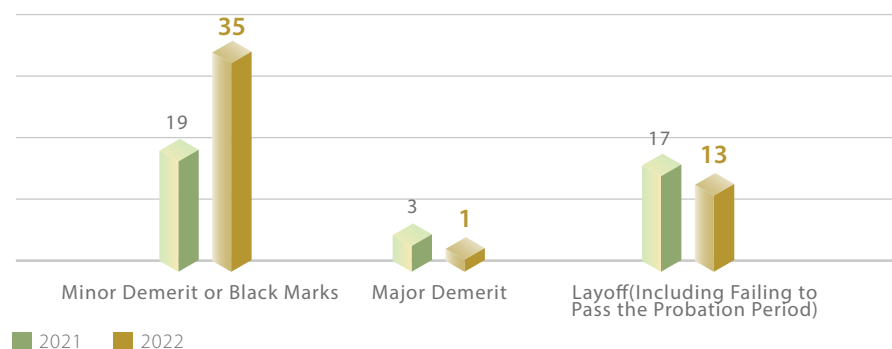
Case Receiving Channel (Unit: number of case)



Case Type (Unit: number of case)



Disciplinary Action (Unit: number of employee)



Note: There has not been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system during the past 2 years, where the result of such legal penalty or disciplinary penalty could have a material effect on the shareholder rights and interests or securities prices.

Employee Training	- Business Ethics, the Company Code of Conduct, and other courses were held and information regarding company discipline was distributed to employees to ensure adherence to ethical behavior and a diligent attitude. - Employee incentives and incentive measures were offered to reward employees who reported fraud or any other behavior that might harm the interests of the company.
Self-Monitoring	Following the Procedure of Self-Assessment, each business unit regularly conducts internal assessment in order to implement self-monitoring and reduce the risk of operations.
Risk Prevention	- The combination of a variety of measures, including risk control, separation of duties, review, rotation, and internal audit to prevent fraud. - The company's 'Dangerously-honest Employee Insurance Policy' guards against malpractice and helps protect employees against negligence, which may cause the entire company and its fiduciary properties to suffer financially.
Legal Consultancy Service	- Inquiries in respect of legal affairs and moral conducts, corporate governance, legal compliance, anti-money laundering and ethical corporate management - Contact : Legal department - Tel: (886-2)8752-6388 Ext.76282
Whistleblower Incident Report	Report Suspected Misconduct to: - Internal Audit Officer of Chailease Holding Company Limited - Tel: (886-2)8752-6388 Ext. 76281 - Facsimile: (886-2)8751-9419 - E-Mail: Anti_Fraud@chailease.com.tw - Mailing Address: No. 362, Rueiguang Rd., Taipei, Taiwan 11492 Report Violation of Code of Conduct to: - Human Resource Officer of Chailease Holding Company Limited - Tel: (886-2)8752-6388 Ext. 76280 - Email: HR@chailease.com.tw - Mailing Address: No. 362, Rueiguang Rd., Taipei, Taiwan 11492

Compliance Status and Improvement Measures

Company	Competent Authority	Date	Document No	Law Violated	Details
Chailease Finance Co., Ltd	Taipei City Government-Department of Labor	2022/04/14	no.11160042081	Paragraph 2, Article 32, Labor Standards Act	work overtime
			no.11160042081	Paragraph 1, Article 24, Labor Standards Act	work overtime with pay

Improvement measures: provide supervisor attendance management reporting system to monitor employees' working hours and manage exceptions.

Responding to the UNGC Response Strategy

Although the Company is not a member of the United Nations Global Compact (UNGC), it still responds to the UNGC's response strategy. Regarding the ten principles of UNGC, the Company's corporate rules and statements are as follows.

Category	10 Principles	Report Details or Description
Human Rights	Support and respect internationally recognized human rights	We support and respect internationally recognized human rights, which can be found in our "Human Rights Policy".
	Guarantee not to be complicit in the trampling of human rights	We support responsible suppliers and work together to achieve good ethical standards, respect for labor and human rights, and environmental sustainability, as detailed on page 97 of this report.
	Support freedom of association and the effective recognition of the right to collective bargaining	The Company respects employees' association and membership in various social organizations in accordance with the law, and provides proper diversified activities to enhance the work-life balance of employees; it also provides a diversified communication mechanism and platform for labor and management to ensure harmonious labor relations, as detailed in the Company's "Human Rights Policy".
Labor Standards	Prohibit all forms of forced and compulsory labor	The Company protects the safety and physical and mental health of its employees, prohibits any form of forced labor, and conducts regular reviews, controls, and education. For more details, please refer to the "Happy Workplace" section of this report (page 101) and the Company's "Human Rights Policy".
	Effectively prohibit child labor	The Company protects the safety and physical and mental health of its employees by prohibiting persons under the age of 16 and by conducting regular inspections, controls and awareness-raising. For more information, please refer to the "Human Rights" section of this report (page 112) and the "Human Rights Policy" of the Company.
	Eliminate discrimination in employment and occupation	The Company opposes any form of discrimination, as described in detail in the "Human Rights Protection" section of this report (page 112) and in the Company's "Human Rights Policy".
	Support a precautionary approach to environmental challenges	The Company has incorporated the concept of environmental protection into its daily workflow in a planned and systematic manner, promoted the concept of environmental protection, raised awareness of energy conservation and carbon reduction, continued to promote energy use, and conceived waste reduction plans. For more details and practices, please refer to the "Environmental Sustainability" section of this report (page 92).
Environment	Take proactive action to promote a more responsible approach to the environment	The Company promotes energy-efficient green energy and is committed to corporate citizenship by professionally investing in the green energy market through financing and leasing. Please refer to the "Sustainability Goals" (page 17) and "Environmental Sustainability" sections (page 92) of this report for details and practices.
	Encourage the development and promotion of environmentally friendly technologies	The Company complies with environmental and energy regulations, implements pollution prevention, reduces environmental impacts, and follows an environmental management system for continuous improvement, and further leads its employees, suppliers and customers to join hands to protect the environment and care for resources. For details and practices, please refer to the "Environmental Sustainability" section of this report (page 92).
Anti-Corruption	Fight corruption in all its forms	Relevant anti-corruption and anti-bribery policies and regulations can be found in the Company's "Ethical Operation Policy" and its "Anti-Corruption and Anti-Bribery Policy".

5.7 Information Security

In order to effectively promote information security work, the Company established the “Information Security Committee” in accordance with the “Regulations for Information Security Policy” to take charge of promoting and governing information security, monitoring and managing information security risks, and reporting major information security incidents. The Committee shall hold a meeting at least once a year and may hold a meeting to report major decisions to the Board of Directors, if necessary.

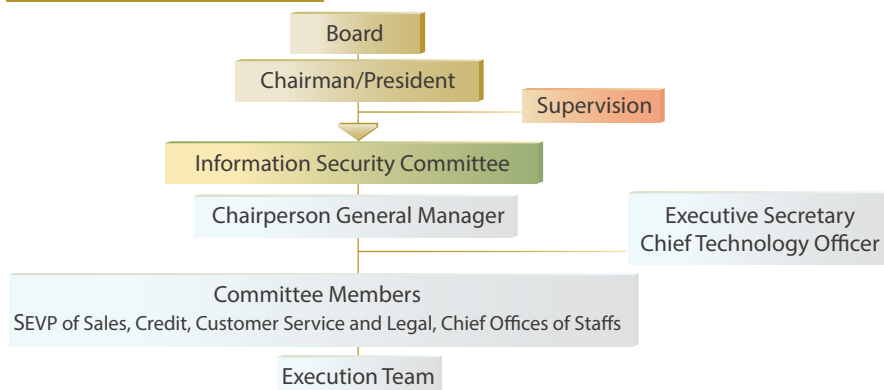
In 2022, according to the “Regulations Governing Establishment of Internal Control Systems by Public Companies”, set up Chief Information Security Officer, information security supervisor, and information security dedicated department. Professional information security personnel will coordinate the information security management system and compliance, information security analysis and monitoring, threat and vulnerability management, incident response, etc.

Information Security Policy

Considering relevant business development and demands, the Company established the “Information Security Policy” to strengthen the management of information security, build a safe and reliable information operating environment, and ensure information, system, equipment and network security. Moreover, the Company also stipulated “Guidelines for the Management of Information Security” and other management regulations and established control systems, in accordance with relevant matters stated in the policy. For the content of relevant policies, please refer to the Important Articles of Incorporation for Company Governance on the company website.



Organizational Structure



The duties of the committee are as follows

- 1 Develop and review the information security policy and development strategy of the Company.
- 2 Review the information security structure of the Company and relevant management regulations.
- 3 Enhance information security awareness and review the training program.
- 4 Review the annual information security investment plan and budget.
- 5 Supervise the promotion and execution of information security management affairs.
- 6 Other information security management matters.

Information Security Management Plan

Information Technology Department	Information technology related departments are responsible for implementing the Information Security Policy and making its corresponding plans. They shall also provide information security consultation service. Meanwhile, establish information security technical specification, and propose information security requirements, then assessing.
Audit Department	Regular or irregular inspection of information and communication security at least once a year.
Human Resource Department	Human resource departments shall organize training courses for new recruits according to company information security education and promotion plans. They should also coordinate with departments in need of new recruits to assess suitability of potential candidates.
Corporate Planning Division	They shall classify various business information into ranks and segments so that commercial secrets of the company can be kept confidential and intellectual property well protected.
Legal Section	They shall review contracts signed with outsourced information companies with regard to contract terms, agreements and classified information. They shall also provide recommendation for improvement if necessary.
Managers of all units and departments shall communicate with the employees and raise their awareness of information security and protection. They should supervise information security operations of their own departments to prevent illegal and improper conduct.	

Information Security Status of Implementation

In accordance with the provisions of Article 8 and 9 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies", Chailease has established internal control systems and related operational specifications for information circulation and other management environment, including personal information, and computerized information system. Simultaneously, to comply with the provisions of Article 13 of the Regulations, our company information and communication security inspection is included in the annual audit plan.

Self-Risk Evaluation and Check of Internal Control Systems by Operation Units

In order to implement the self-supervision mechanism of information communication safety, ensure the implementation of the information cycle and personal information processing-related internal control systems can be adjusted in time in response to changes in the environment, so as to reduce the risk of negligence in information communication safety operations. In accordance with relevant internal and external laws, regulations, and risk assessment results, each unit decides on its own assessment procedures and methods. The frequency of execution depends on the nature of the work of each unit. It must be handled at least once a year, and the defects and abnormalities found in the assessment will be proposed for improvement. The results of the self-assessment are sent to the internal audit unit for review and review of the implementation of the self-assessment.

Control of Information Flow Security Audit and Inspection

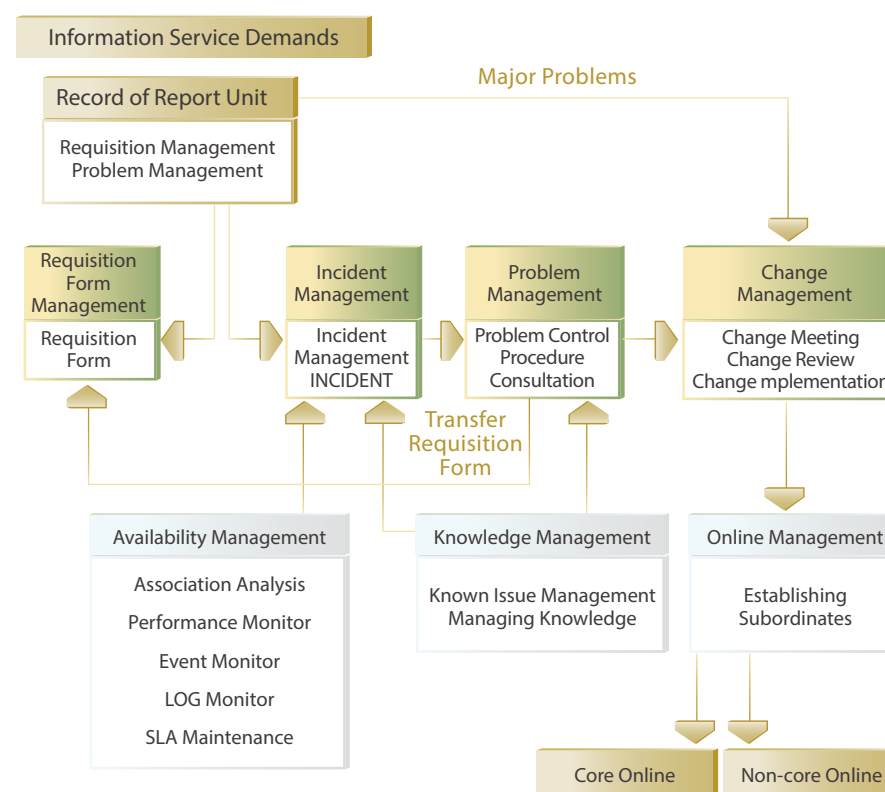
The independent internal audit department shall draft an annual information security audit and inspection plan according to the results of self-risk evaluation and risks of each operation unit. This audit and inspection plan shall be submitted to the management and the internal audit department shall conduct due diligence based on the plan. Reports of due diligence will be submitted to the management. Defects and recommendations thereof will be tracked and improved within a due date.

Information Security Training

Each unit's new recruits are required to attend education and training classes encompassing courses of specific information security, the company's internal rules, related laws, cybercrime, and general knowledge of information security. Each year, information technology-related departments shall establish an annual education and training program and arrange personnel to participate in external workshops accordingly. Those participating in training courses will also need to pass relevant professional examinations. We also arrange companies with expertise to introduce (or educate about) important information security projects and conduct related case studies.

Information Processing Flow Chart

Regarding the management of the information service processing procedure, Chailease takes information management as its basis and builds demand management, incident management, problem management, change management, requisition form management, online management, knowledge management, and usability management, supplemented by risk management orientation, from the demands of information services at the user end to the final completion online or solutions to problems or demands, to keep close tabs on information security.



Information Security Resources Devoted for Newcomers

As cyber-attacks increased and the method of attack became complex, many information security problems in enterprises have occurred. Hence, the government and competent agencies have increased the requirement on enhancing risk management of information security in enterprises. However, to prevent threats and attacks, the promotion and education on the information security awareness of internal personnel are among the key factors for successful information security policy implementation, in addition to the application of technological tools. Regarding this matter, when newcomers arrive - in addition to providing relevant internal professional knowledge - the Company also asks them to complete necessary relevant information security training, to take precautionary measures. Moreover, the overall training completion rate is 100%. Employees who have joined the company have also completed the relevant information security training requirements and with a 100% coverage rate. 100% of Company employees in security-related roles have completed relevant security training requirements.

Information Security Course for New Employee	Number of times	Hours
Introduction to Chailease' s information environment	1	461
Chailease Holding Personal data protection training	1	
Other external training courses	6	

Note: The above data is only based on Taiwan.

Measures for Managing Information Security Incidents

Information unit provided gateways and terminal protection function, as well as quarantine alert for the virus program. Moreover, the unit can further detect external suspicious intrusion behavior through network flow control and analysis. In addition, to improve threat detection speed and response time, XDR (Extended Detection and Response) was introduced in 2021 to collect and automatically cross-correlate data from multiple protection layers to provide faster threat detection through more rapid information security analysis, and to improve investigation and response time.

Set up a dedicated department for information security in 2022 and formulate daily information security inspection operations to ensure that all information security equipment can perform detection and defense capabilities as expected. Discover and eradicate potential external and internal threats information security risk by analyzing the warning signs and records generated by the equipment. Integrate information security equipment with operating processes to prevent threats before they happen.

Completed the vulnerability scanning of the servers and the penetration test of the main website in 2022. Through outsourcing professional information security vendors, we

conducted in-depth security inspections from a third-party perspective, and implemented a vulnerability repair plan based on the risk reports produced afterwards. The frequency of information security testing is twice a year to ensure real-time control of new vulnerabilities and threats.

Completed the phishing e-mail drill in 2022. Phishing emails designed to be close to current events and hacker attack methods simulated were sent to all employees to test their information security vigilance and awareness. After statistical analysis of the drill results, information security education and training materials were designed, and regular release information security announcement to help employees to understand the latest social engineering techniques, so that information security culture can be integrated into all employees. In the future, social engineering drills and training will be institutionalized to continuously improve the overall level of information security awareness.

Enterprise Mobility Management (EMM) was gradually introduced in 2022. When employees use mobile devices to send and receive emails or perform remote connection operations, the authority is minimized and controlled according to the principle of "Need to Know", and ensure that no storing of data in endpoints. In other words, to truly protect the company operational information and customer personal information, it will not be possible to store company data externally from mobile devices.

To prevent impact from changes due to epidemic and comply with relevant epidemic prevention regulations, the Company adjusted the exercise format to one disaster recovery environmental testing and related application system recovery exercise in 2021. In 2022, two disaster recovery environment drills were conducted in accordance with the regulations, one for the information department recovery drill and one for the remote recovery about information department and the front end and back end. This exercise is to provide the best protection measures for the enterprise s internal systems and data, minimize the recovery time from system interruptions and reduce the data loss caused by operational interruptions through reasonable means and methods. In 2022, there were no fines or operational losses due to information equipment problems.

In view of the fact that information security is a major risk issue in the operation of enterprises, in order to prevent and respond to the possible impact of information security incidents, an information security management system is established for the information used in the organization so as to properly protect the confidentiality, integrity and availability of information.

When the enterprise pursues continuous operation, and complies with the international standard management system to achieve the goal of organizational operation safety, thereby enhancing customer trust and becoming the most reliable partner:

- The ISO 27001 information security management system (ISMS) was introduced in 2021, and renewal was passed in 2022, maintaining the validity of the international certification with a continuous optimization attitude.
- The Payment Card Industry Data Security Standard (PCI-DSS) was qualified in 2022, which meet the security requirements of international card associations, ensuring that cardholder information is securely protected in the three stages of "transmission", "processing" and "storage" to guarantee the security of customers' personal data and enhance confidence.

06.

Environmental Sustainability

6.1 Green Operations Management

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6.2 Sustainable Supplier Chain Management

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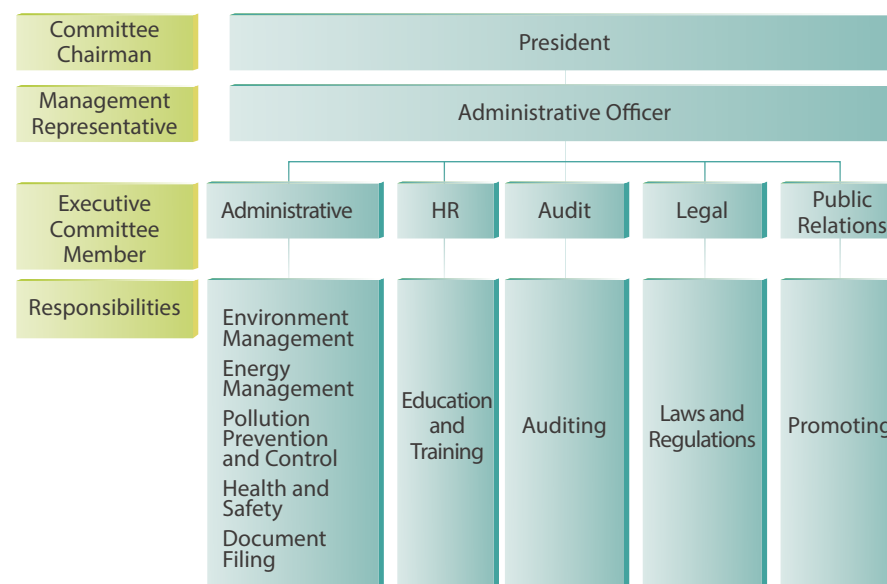
6.1 Green Operations Management

An Environment and Energy Promotion Committee was established, so that the introduction of environmental protection concepts into daily work routines can be planned and carried out systematically, to raise awareness of saving energy, to reduce carbon emissions, to continue promoting behavior that saves energy, and to formulate a plan to cut waste.



In 2014, the ISO 14001 Environment Management System was implemented in the headquarters building. In 2016, the ISO: 50001 Energy Management System was implemented in the headquarters building. It's been verified by the British Standards Institute and continues to improve in accordance with the management system by the planned and systematic PDCA management model. In 2022, ISO 14001 and ISO 50001 environmental and energy management systems were implement in all important subsidiaries and all of them have been certified by the British Standards Institution.

Using average power use in 2015 as a benchmark and office personnel power consumption as the energy efficiency index, energy savings will improve 20% until 2020. By comprehensively updating lighting equipment, we reached our goal earlier than planned. The current target is to reduce electricity consumption by 2%, water consumption by 3%, and waste by 2% each year compared to the base year of 2020, and to reduce photocopying paper usage by 5%. Promote reduction each year to achieve real improvement in benefits. In 2020, ISO 14064-1 Greenhouse Gas Emissions was implement in the headquarters building to actively control and reduce carbon emissions generated by enterprises. In 2023, the ISO 14064-1 GHG inventory will be expanded to 60% of Taiwan branch office, and it is expected to expand 100% in 2024.



Environmental Protection Efforts

Year	Goal	Action	Benefit (yearly)		
2022	Energy Saving	• Replace old energy-consuming equipment and purchase first-class energy-saving equipment. • Promote energy saving measures and effectively control non-essential air conditioning and lighting equipment. • The "Enjoy Thin Rent and Tenants Activity" continued, encouraging colleagues to take more stairs and less elevators. • Shorten the use of passenger elevators and freight elevators during non-working hours, effectively reducing energy consumption. • Effective temperature regulation of air-conditioning system at Headquarters according to ambient temperature. • Modified office lighting circuit to effectively control the lighting area and achieve energy saving efficiency. • 100% of fossil fuel vehicles were replaced with hybrid vehicles in FY2022. • Water-saving devices installed in at Headquarters.	• Electricity consumption: decrease from base year 2.47% • Water consumption: decrease from base year 16.43% • Paper: decrease from base year 21.05%		
	Reduce waste	• Recycle old batteries, environmental protection loves the earth. • Encourage colleagues to bring their own tableware and lunch boxes, avoid the use of disposable tableware, and effectively reduce waste generation. • Continuously carry out resource recycling and classification. • Continuously promotes the use of environmentally friendly cups, effectively reducing waste paper cups. • Purchasing stationery with sustainable environmental protection labels.	• 2,227 pieces old batteries recovered. • Plastics reduce carbon emissions 707.04 kg/CO₂. • Waste: decrease from base year 29.08%.		
2021	Energy Saving	• Replace old energy-consuming equipment and purchase first-class energy-saving equipment (refrigerator, water dispenser). • Replace the lighting equipment that consumes more energy and power. • Implement energy saving and turn off air conditioners and lighting equipment in unoccupied offices and meeting rooms. • Effectively control the use time of lighting equipment in public areas of the building, and implement energy saving. • The "Enjoy Thin Rent and Tenants Activity" continued, encouraging colleagues to take more stairs and less elevators. • Shorten the use of passenger elevators and freight elevators during non-working hours, effectively reducing energy consumption.	• Reduced carbon emissions: 4,426 kg/CO₂ • Degrees saved: 8,816 degrees		
	Reduce waste	• Recycle old batteries, environmental protection loves the earth. • Encourage colleagues to bring their own tableware and lunch boxes, avoid the use of disposable tableware, and effectively reduce waste generation. • Continuously carry out resource recycling and classification. • The staff cafe promotes the use of environmentally friendly cups, effectively reducing waste paper cups.	• Waste battery collection: 24.65 kg was collected. • we reduced 1,276 lunch boxes.		
2020	Conserve energy	• Replaced energy-consuming equipment: 2 refrigerators. • Climbed more stairs and used elevators less: getting more exercise and promoting weight loss • Reduce equipment usage time:	• A total of 210 people participated in the weight lose activity. All together they lost 700.9 kg. • Estimated annual savings: 7,952 kilowatt hour of electricity.		
		<table><tr><th>Weekdays</th><th>Weekends and Holidays</th></tr><tr><td> • One passenger elevator will be closed at 18:30 and one will be shut off at 22:00. • The freight elevator shut off at 22:00. • One hydraulic elevator is shut off at 22:00. </td><td> • One passenger elevator is shut off all day long. • The freight elevator is shut off when not in use. • One hydraulic elevator is shut off all day long. </td></tr></table>		Weekdays	Weekends and Holidays
	Weekdays	Weekends and Holidays			
• One passenger elevator will be closed at 18:30 and one will be shut off at 22:00. • The freight elevator shut off at 22:00. • One hydraulic elevator is shut off at 22:00.	• One passenger elevator is shut off all day long. • The freight elevator is shut off when not in use. • One hydraulic elevator is shut off all day long.				
Reduce waste	• Waste battery recycling. • Encourage colleagues to bringtheir own lunch boxes, order fewer meals in paper boxes; to reduce the production of plastic	• Recycle 12.5 kg of used batteries. • Compared with the same period in 2019, 557 person-time orders were reduced (data source: the number of reservations in the lunch order system)			

Note: Data related to waste, wastewater, energy consumption and water management are mainly provided by the head office in Taiwan, while branches and overseas subsidiaries are provided separately depending on the actual situation.

Waste and Wastewater

To reduce the volume of waste the Taiwan headquarters has installed recycling collection areas on all floors, including collection of paper, plastic, aluminum and other metals. After simple sorting by employees, the building property management personnel undertake more specific sorting and handling, and finally a recycling company takes the items. In 2022, a total of 229.63 tons of waste and garbage in Taiwan, of which 81.31 tons are recycled and 148.37 tons are not recycled (including kitchen waste), the total carbon emission of unrecycled waste incineration disposal is 50.43 tons/CO₂. Each subsidiary overseas has its waste similarly handled by a local property management company. Beginning in 2014 the Taiwan headquarters began recycling of leftover food from prepared meals. Employees perform a simple sorting operation after which a livestock feeding company handles the remains. A cleanup company processes ordinary garbage through incineration.

The headquarters water source is within the Taipei Waterworks. It does not have any groundwater or other source of water supply, and water at the building is only for employee use. The household wastewater thus produced is discharged into sanitary sewers. Overseas, Chailease subsidiaries discharge wastewater into underground wastewater conduits and thence into rivers and the ocean. There is no significant impact on water sources.

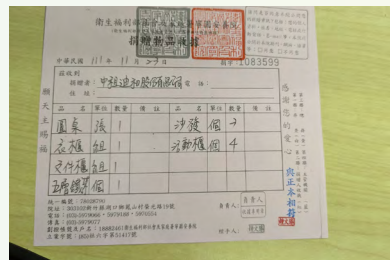
2022 Resource Recycling

Unit:MT

Item	Paper / Bottle / Can	Others
Total	70.57	10.74

Note: The total volume of the Taipei Metro Area (Headquarters, and the Syntek, Darwin Biotech, KY, and Jongshiann Enterprises office buildings) is used as actual data, and the per capita volume of Taipei Metro Area is extrapolated to other branches. The total volume of all of Taiwan is calculated as follows: per capita volume of the Taipei Metro Area X the total population. The data coverage rate is 100%.

Chailease Holdings is committed to sustainability and conserving natural resources. An inventory of our original office equipment, including iron lockers, wooden desks and chairs, etc., was taken after being cleaned and replaced. The equipment was refurbished with the help and support of local furniture manufacturers and delivered to the St. Joseph Home in October to decorate homes and living spaces for disadvantaged communities.



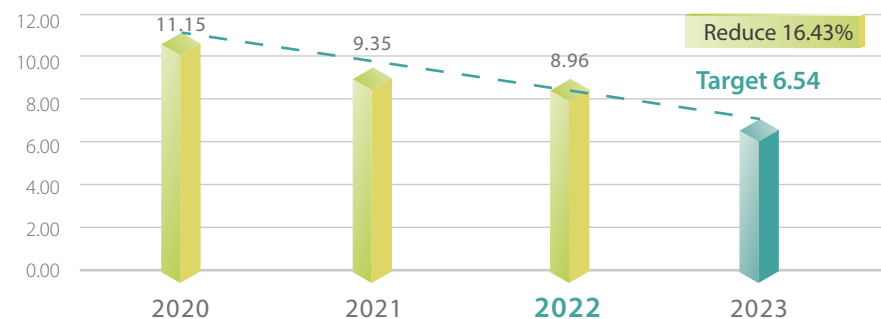
Energy and Water Management

According to the energy and resource usage statistics of each operating site of the company, the total water withdrawal in 2022 is 34,793 liters(34.793 megaliters) in Taiwan, and the total electricity consumption of the company is 6,708,585 MWh (24,150,906GJ) in Taiwan. In 2022, the per capita electricity consumption in Taiwan will be reduced by 2.86% and the per capita water consumption will be reduced by 16.43% compared with the previous year (due to office space, the water discharge is negligible). The company continues to implement various energy-saving and carbon-reduction measures and promotions to enhance employees' awareness of environmental protection and reduce per capita consumption.

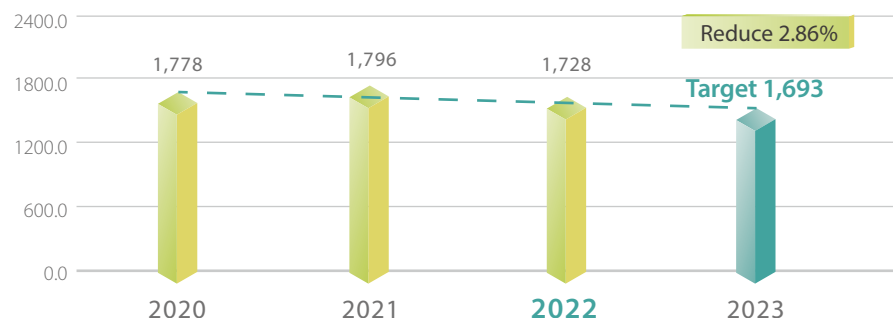
The use of internal operational energy will be reduced before setting a gradual increase in the ratio of renewable energy use every year. In 2023, Company Headquarters in Neihu already switched to supplying 770,000 kWh (2,772 gigajoules) of green electricity, and will gradually increase this amount annually in hopes of using 100% green electricity across Taiwan by 2030.

For overseas subsidiaries of Chailease Holdings, the total water withdrawal from water stress areas (medium-high to high) was 29,540 kWh (29.54 million liters). Please refer to the environmental sustainability related data in the Appendix.

Per person water use in Taiwan (Liter)



Per person power use in Taiwan (kilowatt hour)



Carbon Emission

Chalease Holding has long conformed to government greenhouse gas reduction targets. By keeping an organization-wide GHG inventory, we can not only track our carbon emissions, but also formulate a GHG emissions reduction plan. In 2019, the Scope 3, missions directly and indirectly resulting from employee business travel and upstream emissions.

To calculate carbon emission for Taiwan employee business travel by air and high-speed rail, Chalease referred to the ICAO website and the Taiwan High Speed Rail website's carbon footprint chart. Future internal procedures for Scope 3 inventories will follow those for Scope 1, direct emissions, and Scope 2, indirect emissions such as purchasing electricity. We will actively expand the scope of our inventory and the geographical areas to eventually include overseas operations.

In 2022, our company has passed the verification of a third-party verification ISO14064-1 GHG inventory (CO₂, CH₄, N₂O, HFCS, PFCS, SF₆, NF₃). Certificates include Category 1, Category 2, business travel, waste transportation and incineration, purchase of goods and services. The scope of this verification has been expanded from the headquarters to the Chiayi office, accounting for 60% of the offices in the Taiwan branch office, and is expected to reach 100% by 2024. This information will enable Chalease to implement a GHG reduction plan and actively control and reduce our emissions to help slow down climate change.

Category	Item	年度			
		2019	2020	2021	2022
Scope 1	Carbon emission (ton)	3,724.57	3,905.67	7,646.34	22,453.64
	Per capita (ton/person)	0.59	0.55	0.98	2.50
	Carbon emission per unit of revenue (ton/NT\$M)	0.06	0.07	0.11	0.26
Scope 2	Carbon emission (ton)	5,060.09	5,388.17	5,670.93	6,517.14
	Per capita (ton/person)	0.80	0.76	0.73	0.73
	Carbon emission per unit of revenue (ton/NT\$M)	0.09	0.09	0.08	0.08
Scope 3	Carbon emission (ton)	672.73	185.32	128.04	473.86
	Carbon emission per unit of revenue (ton/NT\$M)	11.38	3.12	1.77	5.47
	Carbon emission (ton)	787.50	738.47	594.98	543.40
	Carbon emission per unit of revenue (ton/NT\$M)	13.32	12.42	8.25	6.27
	Electricity upstream				
	Carbon emission per unit of revenue (ton/NT\$M)				

Notes:

- The table is calculated by self, only the HQ building to Chiayi office has been verified by the third party.(Scope 1: 404.66 mt/CO₂e, Scope 2: 2,988.22 mt/CO₂e, Scope 3: 837.45 mt/CO₂e [business travels: 105.58 mt/CO₂e, disposal of solid and liquid waste: 36.33 mt/CO₂e, photocopying paper: 86.05 mt/CO₂e, electricity upstream: 517.80 mt/CO₂e, gasoline upstream: 91.69 mt/CO₂e]. Certificate documents attached behind)
- Scope 1 primarily covers emissions from company car gasoline use. The calculation is based on the EPA GHG Emission Factor Table (version 6.0.4) and totals 2.263 liters of CO₂e / liter of gasoline. Others (fixed, process, fugitive) are verified by a third party to be emission-free.
- Scope 2 emissions primarily comprise electricity use. Calculations are based on the Bureau of Energy's electric power emissions factors and total the following for each year: 0.509(2019), 0.502(2020), 0.509(2021), 0.509(2022) liters of CO₂e / kWh.
- Scope 3 covers emissions resulting from employee business travel on airplanes and high-speed rail, disposal of solid and liquid waste, photocopying paper, electricity upstream and gasoline upstream emissions. Airplane emissions calculations are based on the ICAO website's Carbon Emissions Calculator (<http://www.icao.int/environmental-protection/CarbonOffset/Pages/default.aspx>). High speed rail calculations are based on emissions of 34 grams of CO₂e per person per kilometer (passenger-kilometer). Upstream emissions are based on Carbon Footprint Calculation Platform of ITRI (<https://cfp-calculate.tw/cfpc/WebPage/LoginPage.aspx>)
- The GWP value used is based on the IPCC sixth Assessment Report.
- The GHG inventory utilizes the operational control model to aggregate data.

Types of GHG	CO ₂	CH ₄	N ₂ O	HFCS	PFCS	SF ₆	NF ₃	Total emission of 7 GHG
Emission (t-CO ₂ e/year)	4,141.50	77.55	9.94	1.34	0.0000	0.0000	0.0000	4,230.33
GHG emission to total emission	97.90%	1.83%	0.24%	0.03%	0.00%	0.00%	0.00%	100.00%

Note :

1.The total emissions were verified in selected branches and representative offices: the HQ building to Chiayi office. It accounts for 60% of the offices in Taiwan.

2.Since CO₂ emissions of biofuels are part of the carbon cycle, only the CH₄ and N₂O emissions of biodiesel have been calculated.

The fire extinguishers in the headquarters building are all 10P-ABC dry powder fire extinguishers, and the sea dragon fire extinguishers containing chlorides and bromides that will affect the earth's ozone layer are not used. The main unit of the air conditioner used on the floor adopts the type of refrigerant R22; the water dispenser adopts R134a and R600a environmentally friendly refrigerants.

6.2 Sustainable Supplier Chain Management

In accordance with the “Code of Practice on Corporate Social Responsibility” approved by the Board of Directors in 2011 and the “Operational Procedures and Behavior Guidelines for Integrity Management” in 2014, Chailease Holdings' supplier management policy explicitly stipulates the legality and integrity of supplier management policies and requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights, and to avoid dealing with those in conflict with the CSR policy. If a supplier is involved in a policy violation that has a significant impact on the environment and society in the supply source community, we may terminate or cancel the contract at any time.

The “Supplier Social Responsibility Code” was established in 2014 to regulate suppliers to meet ethical standards, respect labor and human rights, and environmental sustainability. In 2015, a new “Supplier Code of Conduct” was established to include violations of integrity contracts. In 2021, the revised name was changed to “Supplier Corporate Social Responsibility Code.” In 2022, rename ” Supplier Human Rights and Environmental Sustainability Clause and Integrity Commitment” which added Integrity Commitment Clause. in the hope that suppliers will work together to achieve the goals of good ethical standards, respect for labor and human rights, and environmental sustainability, and the content of the code includes labor, environment, safety and health, anti-corruption & anti-bribery, ethics and management standards for sustainable development. The main types of suppliers are consulting services, interior design services, information technology services and energy technology services.

Workers who are not employees

Type	Cleaner	Security	Property Management	Mechanical and Electrical Personnel ^{Note 2}	Engineering staff	Information
Number of people	20	13	6	9	6	22

Note 1: The workers who are not employees of chailease are contractors only. The number is only for headquarters building. Mechanical and electrical personnel include personnel for maintenance of electrical equipment, generators, and elevators.

Note 2: The number of non-employee workers did not fluctuate significantly from the previous year compared to the previous year.

Regulated Items



Protecting Human Rights

Suppliers are to strive to protect the rights of workers, to protect the wages and benefits of all workers, and to ensure that talent recruitment policies do not discriminate.



Environmental Management

Suppliers are to establish environmental management systems or set up systems to prevent pollution and energy-saving measures, manage hazardous substances, regulate wastewater and waste, and monitor air pollution, as required by law.



Respect Occupational Safety and Health

Suppliers are to comply with local occupational safety and health-related laws and regulations, establish emergency occupational disaster response and notification mechanisms, and improve labor disaster and occupational disease care systems.



Compliant with Integrity

Suppliers are to abide by business integrity, no improper gains, comply with intellectual property rights laws and regulations, and have a confidentiality mechanism for business secrets.



Social Responsibility

Suppliers are to clarify their social and environmental responsibilities, comply with all local laws and customer requirements, set management targets and evaluate them regularly.

Direction of Implementation

Items	Compliance Guidelines	Assessing Risks	Self-assessment	Continue Improvement
Implementing	- Corporate Social Responsibility Code of Practice - Integrity Management Procedures and Behavior Guidelines - CSR Standards for Suppliers	Suppliers complete ESG self-assessment questionnaire	According to the standards set by the Company, the company team will audit or appoint a third party to audit	Refine, coach and improve based on audit results
Management	Suppliers have completed the Supplier Rights and Environmental Sustainability Terms and Conditions Integrity Pledge.	Questionnaire covers environmental management, labor rights and company operations	Adjustments based on the results	Provide explanation, training or assistance.

Implementation Measures

- Holding communication meetings: Holding periodic communication meetings with suppliers to promote CSR policies.
- Education and training promotion: Provide education and training to assist suppliers in building CSR management capabilities.
- Targeted suppliers: Suppliers with whom the Company's cumulative transaction amount reaches NT\$1 million or more in the current year and who sign the "Supplier Human Rights and Environmental Sustainability Clause and Integrity Commitment" .

Implementation

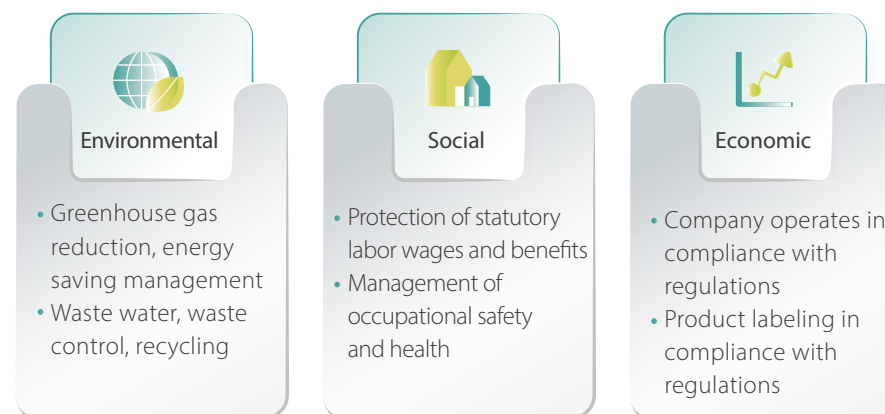
- Revised the "CSR Code for Suppliers" .
- Produced supplier education and training handouts and invited suppliers to participate in online courses.
- Chailease Holdings and its subsidiary suppliers signed the "Supplier Human Rights and Environmental Sustainability Clause and Integrity Commitment" , with a 100% completion rate.

- Sent out ESG self-assessment questionnaires to 87 suppliers, with a 100% completion rate. (There are 15 new suppliers in 2022, and 100% of them will be screened by environmental and social standards)

Evaluation Results

In order to promote suppliers' implementation of CSR, we will launch an online training course for suppliers in 2022 and require suppliers with an accumulated transaction amount of NT\$1 million or more to complete an ESG self-assessment questionnaire. At the end of the year, we conducted an inventory of suppliers for Chailease Holdings and its subsidiaries. 87 of them met the requirements.

Evaluated Items



The average score of the ESG self-assessment survey was 65.91. Based on the performance of suppliers, those who did not achieve 50 points were analyzed for scale and industry attributes, and further subdivided into standard conditions for subsequent evaluation of counseling and improvement, and cooperation will be terminated if significant negative impacts are identified. At present, none of our suppliers are engaged in child labor, major labor cases, or major environmental impacts.

Chailease Energy-Promoting the positive cycle of solar photovoltaic supply chain

In order to drive the positive cycle of the solar power industry and the supply chain, and to bring into play the sustainable impact of the responsible supply chain, Chailease Energy, a subsidiary of Chailease Holdings, requires its suppliers to fulfill their corporate social responsibility, to provide a safe working environment, to value human rights in labor relations, to comply with ethical operation, and to promote environmental protection.

In early 2022, we also revised our supplier and partner selection criteria, institutionalized the promotion and evaluation of supplier and partner qualifications, and included environmental management, social commitment and Company operations with reference to the positive ESG list items. The written review is combined with on-site evaluation, scoring and evaluation to select suitable suppliers and partners as the priority reference for cooperation selection. We also require suppliers to sign a commitment letter and conduct occasional visits to track the continuous improvement in order to improve the performance of supply chain management and move forward together towards the goal of sustainable development.

We invest in sustainability management, including polysilicon and silicon crystals in upstream industries; solar cells and modules in midstream industries; and suppliers and construction materials and equipment in downstream industries, including system construction EPC (Engineering, Procurement, and Construction) manufacturers, aluminum brackets, steel structures, electrical and mechanical panel manufacturers, monitoring manufacturers, and other peripheral related industries.

Following an ESG project evaluation for the 26 new partners added this year, the average score was 52.69. Further analysis of their performance found that each company is operating legally and in compliance with the law. There are no companies with significant negative impacts that need to be terminated. However, due to the fact that most of the companies are small and medium-sized enterprises, factors such as operational performance meant minimal investment in environmental management policies and minimal performance in areas like sustainable work practices. As such, Chailease Holdings plans to share corporate resources in the future to help enhance the ESG awareness of its partners and improve their related performance.

Items Evaluated



Sustainable Procurement Principles



In accordance with the green procurement policy promoted by the Environmental Protection Agency (the products with green labels and energy-saving labels, the certification fees for environmental and energy management systems) and with reference to the spirit of ISO 20400 sustainable procurement guidelines, the concept of sustainability management is incorporated into the procurement policy and procurement practices, requiring partner companies to participate in following green procurement guidelines and designing or producing products that meet green specifications in order to fulfill their corporate responsibilities and expand their influence. In 2022, we will select 100% of local manufacturers as our partners for all procurement cases.

In the “Supplier’s Commitment to Human Rights and Environmental Sustainability” , suppliers are explicitly required to evaluate the environmental and social impacts of their procurement practices on the regions from which they supply, and to use relevant materials or services in a manner that protects the natural environment and safeguards the interests of local residents.

Use or procure energy-saving equipment and implement energy-saving measures as far as possible, and give priority to the use of recycled and reused alternative materials in the production of products or the provision of services in compliance with product quality requirements, in order to reduce the negative impact on the environment and society, and to avoid the use of substances that are harmful to the environment and local residents.

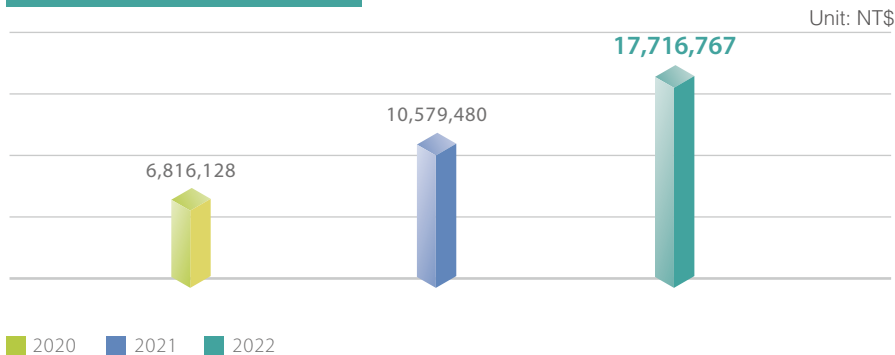
Reduce the emission of pollutants, toxic substances and waste, and properly dispose of waste in accordance with relevant laws and regulations to reduce the impact and harm to the environment.

In the supplier selection and management regulations, the raw material procurement policy encourages local procurement, procurement of energy-saving labeled products, and the adoption of friendly processes or the use of environmentally friendly materials and equipment.

Purchase Amounts

Chailease Holdings' headquarters in Neihu is promoting energy equipment improvement and green commodity procurement. We will continue to expand our scope and projects in the future.

Green Product Procurement



Note: The company actively simplifies operating procedures to become paperless to reduce paper consumption, and accelerates digital development to improve operational efficiency; at the same time, electronic signatures are used to replace paper, including online meetings, education and training, etc. The total amount of paper reduction for the year is 935,000 sheets, about 5,984 kg, reducing carbon by about 19,149 kg/CO₂e (Referring to the Environmental Protection Agency - Product Carbon Footprint Network, the carbon emission of 500 sheets of photocopying paper is 3.2 kg/CO₂)

Safety and Health Education Training and Counseling for Contractors

In 2022, there were total of 38 sessions of safety and health education training and counseling for the contractors of the headquarters building of the company with 184 people, and the completion rate of safety and health education and training is 100%. There were a total of 544 safety and health education training and counseling sessions for Chailease Holding’ s Solar Energy’ s contractors. The total number of workers trained by our general contractors was 3,073, and the rate of safety and health education training rate was 90.6%.



Contractor safety and health education training



07. Happy Workplace

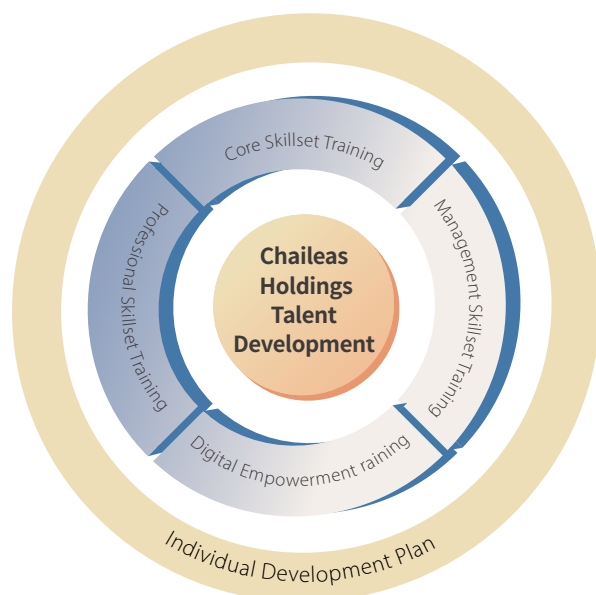
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7.4 Human Rights Protection	112



Chailease Holdings is committed to the sustainable development of corporate talent.

We strive to create a mutually supportive, friendly and healthy work environment for every employee regardless of gender, nationality, race, age or rank through many diversified development opportunities and learning channels. The Company provides competitive compensation and benefits, along with a comprehensive performance management system to assist each employee in building a career plan oriented towards sustainable development that ensures employees and Chailease Holdings can grow together.

7.1 Talent Cultivation and Development



Talent cultivation at Chailease Holdings uses four essential pillars: Core Skillset Training, Management Skillset Training, Professional Skillset Training and Digital Empowerment Training to establish a complete education and training network together with a strict performance management system. Every year, 100% of our employees participate in regular performance evaluations and career development questionnaires. Functional evaluations and employee performance reviews that reflect the annual development team goals of our organization in conjunction with the personal growth plans of our employees are the foundation used to create a comprehensive career ,team performance Individual Development Plan (IDP) for each employee based on gradual annual progress with respect to individual professional development, career development, and personal performance counseling programs. In addition, through schedule management and performance counseling, we provide immediate feedback and guidance to employees on a regular basis, review performance goals on a monthly basis, and conduct year-end evaluations based on goal achievements and work development.



Item / Target	Percentage of employees assessed ^(Note1)	
	Non-Manager	Manager
Key Performance Indicators, KPI Management by Objectives, MBO ^{Note2}	100%	100%
Competency Assessment (360-degree Assessment)	100%	100%
Career Development Survey	100%	100%

Note1: Ratio of employees participating in the appraisal = actual appraisal number ÷ number should be appraisal

Note2 : Team indicators are included in both KPI and MBO assessment items

The total number of employee training hours in 2022 was 553,920 hours and the average training time per employee was 61.74 hours. Since 2009, we have been promoting an "Independent Departmental Training System" to systematically plan and execute training activities that improve the diversity of overall training programs, truly satisfy specialized training requirements of individual units, and meet the needs for our employees to enhance their professional knowledge in various niche markets. We have authorized each department to organize various courses in different industrial fields. First to supplement and then to reinforce training provided by the head office in an effort to build and strengthen the professional ability of our employees. This also ensures that our employees can apply what they have learned and foster a positive corporate learning culture to create further performance advancements.

The Company encourages employees to take the initiative to acquire new knowledge outside their work. There is an incentive mechanism for those who have obtained relevant licenses, such as accountant, real estate appraiser, Financial Risk Manager (FRM), Certified Financial Analyst (CFA), Advanced Financial Management Associate (AFMA), etc. In addition, when recruiting new employees, priority is given to those who hold the above financial licenses or professional licenses relevant to available vacancies.

All Employees	Professional Development	Qualifications Selection
- New Hire Training - Job Rotation - Personal Development Plan	- Dual Skills High Competency - Micro Enterprise Services - Professional Customer Service - Professional Legal Practice - Professional Automotive Knowledge - Regional Development Model - Asia Pacific Management Associate - Fintech Talent Cultivation Program	- EMBA Allowance - Succession Plan - International Talent Development Plan - New York University Training Program - Key Talent Program

Statistics of Training Courses for Full-time Employees In 2022

Course	Number of Sessions	Total Attendees	Total Hours	Average Training Hour Per Person	Total Cost (NTD)	Average Cost Per Person (NTD)
Job Expertise	381	21,548	74,115			
Organizational Management	10	1,214	5,887			
Compliance	1	213	1,050			
Digital Information	31	1,172	4,679	61.74	102,392,090	11,412
Dual Skills High Competency	16	3,611	373,688			
Regional Development Model	4,309	72,388	84,608			
Others	23	2,408	9,894			

Statistics of Training Courses for Male and Female Full-time Employees In 2022

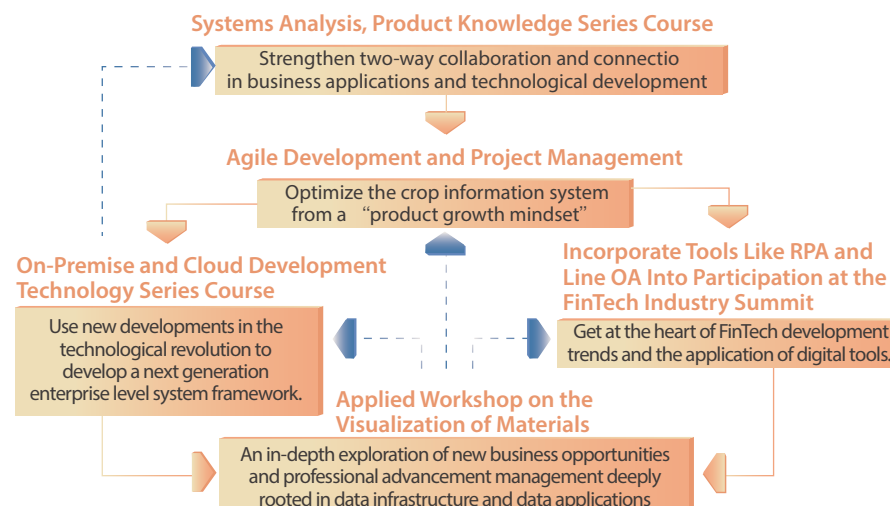
Gender	Position	Total Attendees	Training Hours	Average Training Hours
Male	Top managers	267	2,585	9.7
	Junior manager	578	18,359	31.8
	Regular staff	3,880	244,981	63.1
Female	Top managers	59	502	8.5
	Junior manager	319	11,500	36.0
	Regular staff	3,869	275,994	71.3
Total		8,972	553,920	61.74

Digital Empowerment Creates New Key Development Skillset for the Golden Decade

The development of financial technology has gradually become one of the core competitive competencies of the Company. In 2020, Chailease Holdings launched the "Next Generation Fintech Digital Talent Training Program" in Taiwan. The goal is to combine three aspects of the digital transition strategy at the Company: Digital Optimization, Data Science Application, and Digital Products and Platforms into a tiered, cohort-based approach that seeks to integrate the DNA of Digital Empowerment into the core values of long-term operational development at Chailease Holdings.

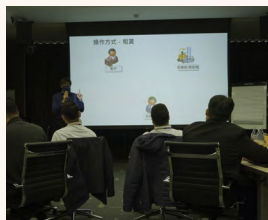
The digital transition at Chailease Holdings focuses on a "product growth mindset" and optimization of the crop information system. We actively pursue diverse business applications and collaborative technological development. The Company encourages related professionals to continue acquiring new knowledge in development technology, digital tools, data application and digital trends. This knowledge was applied across more than 3,167 hours of professional training in 2022, while also driving an annual growth rate of 90% for business opportunities in digital channels. In 2022, 19% of employees are participating in the program.

Fintech Talent Cultivation Framework



Effectiveness of Digital Empowerment Training

Indicators	2020	2021	2022
L1 Response: Course Satisfaction	84.8%	90.0%	86.6%
L2 Learning: Course Completion Rate (including Fintech, IT OJT, external training)	83.2%	94%	100%
L3 Behavior: Dedication of Fintech-Related Employees (Average employee engagement of Fintech and IT related staff)	4.13 (Scale of 5)	4.07 (Scale of 5)	5.77 (Scale of 7)
L4 Results: Digital Opportunity/Channel Customer Acquisition Growth Rate	-	-	90%
L4 Results: Digital Platform Customer Satisfaction	-	-	8.2 (Scale of 10)



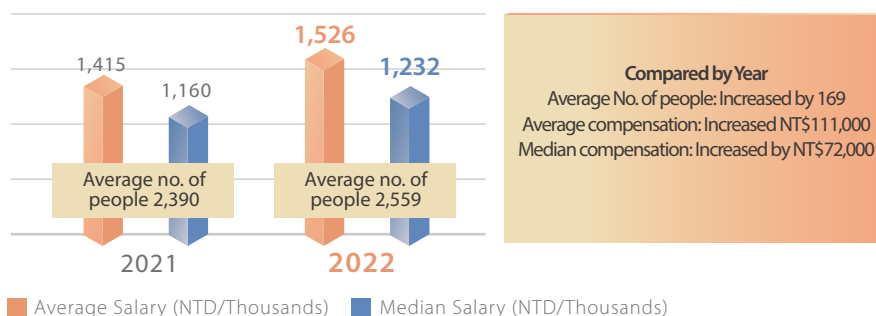
Training improves employee capabilities, enabling employees to grow along with the company.

We offer complete and competitive salary packages and performance-linked bonuses. Moreover, we regularly commission a professional management consulting company to conduct financial industry salary surveys and we adjust salaries accordingly. For example, according to one report, our new hires with two areas of specialization earned approximately 1.58 times the average basic monthly salary. (There is no gender difference in initial emolument)

2022 Statistics of Monthly Salary and Yearly Remuneration Ratios Between Full-time Male and Female Employees

Position	Monthly Salary		Yearly Remuneration	
	Male	Female	Male	Female
Management	109.8%	100%	112.3%	100%
Non-management	112.5%	100%	119.0%	100%

The Average and Median Total Compensation of Full-time Employees in Non- Management Level (Taiwan)



Computational Basis	Annual Total Compensation Ratio
Median Annual Total Compensation of Full-time Employees in Non- Management Level (Taiwan)	40.58 ~ 81.17

Note: Total Annual Compensation Ratio = Annual total compensation for the company's highest paid-individual (CEO) at the Annual Report (Range of remunerations from NT\$50 million to NT\$100 million) ÷ Median Annual Total Compensation of full-time employees in non-management level (Taiwan).

Computational Basis	The Change in Annual Total Compensation Change Ratio
Median Annual Total Compensation of Full-time Employees in Non- Management Level (Taiwan)	There is no difference in maximum annual compensation over the last two years (No change in the range of remunerations [from NT\$50 million to NT\$100 million] in the Annual Report)

Note: The Change in Annual Total Compensation Change Ratio = percentage increase in annual total compensation for the company's highest paid-individual (CEO) ÷ median percentage increase in annual total compensation of full-time employees in non-management level (Taiwan).

7.2 Employee Care

The total employee benefit expenses in 2022 is 10,930,248,000, accounting for 0.13% of the revenue, which is equivalent to the proportion in 2020. The full-time employee benefits maintained at the same level. Benefits include economic, insurance, entertainment, facilities, training and development. Moreover, an annual Model Employee Award Ceremony is held. Employees who have demonstrated excellent performance receive public recognition and get to personally accept their awards from management. They are also given personal leave and a bonus. Additionally, Long-Service Gold Medals are awarded every five years to thank senior staff for their long-term contributions. In 2022, the number of qualified people was about 1,075.

Chailease immediately promoted Employee Stock Ownership Trust plan in 2012, after its IPO in the end of 2011. Employees with sufficient rank and performance evaluations will be allocated a fixed incentive every month according to the operating results of the current year. The amount will be deposited into the Employees' Trust account on a regular basis. Employees can be shareholders of the Company without contributing any capital. Employees who do not contribute can also share in Company profits in the form of an equivalent bonus awarded on top of regular salary.

In September 2022, the Employee Stock Ownership Trust plan was expanded to cover all full-time employees in Taiwan, regardless of their rank. The coverage rate is greater than 90%. Moreover, incentive amounts will increase as we continue to invest NT\$100 million annually. In addition to receiving the full amount upon retirement, employees can also directly receive cash dividends from the annual stock distribution. Stock dividends that are credited to the trust account will create a long-term appreciation effect. Employees can keep track of trust assets through the online trust platform and company email notifications.

Chailease Holdings, as the company with the most solar power plants in Taiwan, is actively expanding diversified green energy projects. The Company has been honored to receive ESG and green energy-related awards for many years. Sustainability objectives and various ESG indicators were considered when the Company purchased shares for our employees. These purchases are a contribution to the sustainable development of our environment and ensure that our employees also share in the fruits of sustainable operations. We make joint contributions to employee pensions funds, creating a winning situation for the environment, the Company and employees that helps our employees with early planning for their retirement.

The unique aspects of the Employee Stock Ownership Trust at Chailease Holdings compared to those at ordinary companies are as follows:

- It is the first Employee Stock Ownership Trust plan that the company set aside additional reward to purchase shares for the employees, enable employees to become shareholders of the company with zero extra cost, we wish the plan could effectively improve the retention of talents and share business results.
- We set some scenarios for employees can reclaim their shares in the trust funds in advance, such as getting married, having children or encountering emergency events, we wish to become the fund of happiness for employees and their family.
- If an employee is in urgent need of funds due to natural disasters or health reasons, the employee can withdraw a portion of his or her personal stocks to tide him or her over the difficult times.
- The ultimate goal of this plan is to share the fruitful result of business with employees, meantime jointly reserve extra pension, and assist employees to prepare financial planning for retirement in advance.

Economic	Insurance	Entertainment	Facilities	Training & Development
• Retire system • Employee stock • Employee Stock Ownership Trust plan • Maternity allowance • Child education allowance • Marriage allowance • Funeral allowance • Birthday bonds • Gold long-service badges • Cash gift of Chailease baby • Nutritional supplements of Chailease baby • Child care allowance	• Regular health check-ups • Group insurance • Medical treatment allowance • Accident insurance	• Employee clubs • Annual company trip • Movie outings • Chinese New Year banquet & New Year's Gathering • Massages • Family travel leave • Birthday leave	• Library • Breast-feeding rooms • Temporary care for children • Children reading room	• EMBA subsidies • NYU EMBA subsidies • Foreign language learning subsidies

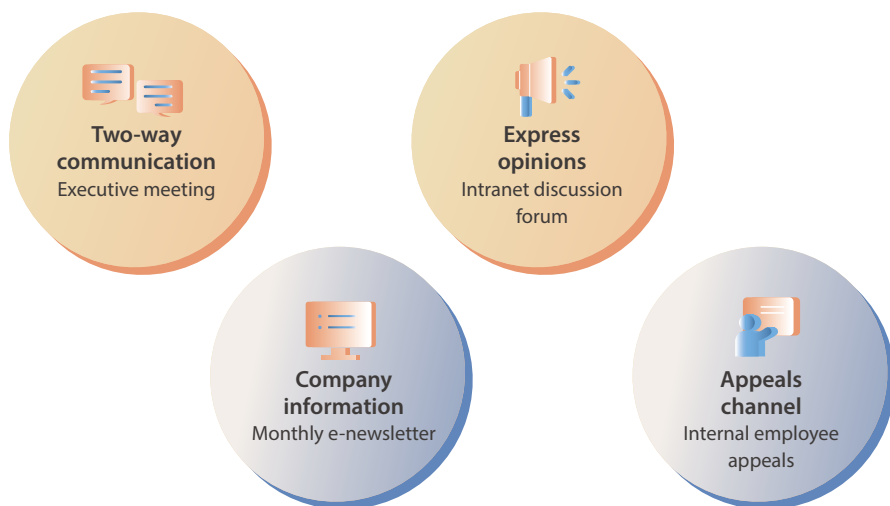
Category	Education & Training	Medical Consultations	Prevention And Risk Control (Health Check / Nutritious Lunches)	Treatment Plan (Group Insurance / Medical Treatment Allowance)
Employee	●	●	●	●
Family members	●		● ^{note1}	●
Community ^{note 2}	●			

Note:

1. Partial health check allowances are provided for spouses of employees in accordance with the employee's rank.

2. The Chailease Foundation is responsible for community projects.

To solicit the opinions of all employees, Taiwanese subsidiaries organized labor-management meetings in accordance with the "Regulations for Implementing Labor-Management Meeting", and 24 labor-management meetings have been held in 2022. Furthermore, we provide a variety of communication channels such as a staff discussion area on the company platform and senior executive forums where employees can discuss business operations, working conditions, and employee benefits. Although the Company's Employee Welfare Committee is not a labor union, the Committee will not interfere with or violate employees' mutually agreed upon freedom of association. The Committee also oversees employee benefits and consists of all departments, which elect labor representatives to participate in regular meetings. The purpose of the meetings is to take the needs of all employees into consideration and promote harmonious labor relations.



7.3 Healthy Workplace

In order to improve workplace health and safety, Chailease has introduced the occupational safety and health management system ISO 45001:2018, and passed third-party verification to provide healthy and safe working conditions, comply with local government occupational safety and health laws and related requirements, eliminate hazards and reduce occupational safety and health risks, Promote employee occupational safety and health consultation and participation, which covers all employees, contractors, and personnel whose work activities are controlled by the organization, and follow the PDCA cycle for continuous improvement.

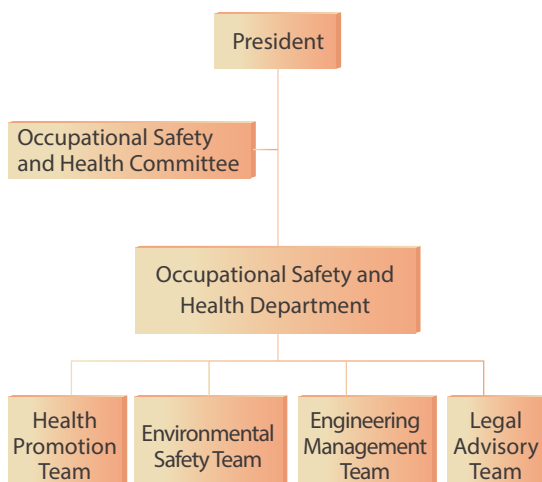
In order to prevent occupational accidents and protect the health and safety of workers, and in accordance with the provisions of the "Occupational Safety and Health Law", a full-time management unit - Occupational Safety and Health Management Department was established, with full-time occupational safety managers and nurses, and the "Occupational Safety and Health Law" was established. Sanitation Management Regulations" and the establishment of the "Occupational Safety and Health Committee". The number of the committee includes more than one-third of labor representatives (labor representatives' account for 45% of the committee members). The occupational safety and health committee holds regular meetings every quarter to review occupational safety and health. Issues and risk management issues, participants besides labor representatives, department heads at all levels, occupational safety teachers, nurses and top management personnel also participated.

The Occupational Safety and Health Department's duties include formulating, planning and promoting occupational safety and health management measures and assisting relevant departments in their implementation to reduce risks from environmental hazards, prevent workplace accidents, and continually improve workplace environment and safety. The department is also responsible for promoting safety education among labor safety staff, employees and contractors. These measures will help ensure the safety and health of our employees.

In order to prevent occupational accidents and ensure the safety and health of workers, the top management of the company formulates occupational safety regulations in accordance with international standards (ISO45001, International Labour Organization-ILO), taking into account the participation of workers and representatives in consultation, the needs and expectations of stakeholders, and hazard identification risk assessment. Hygiene policy, the scope of protection covers all workers, contractors, and personnel under the command and supervision of the organization. The contents are as follows:

The seven major policies of occupational safety and health policies

- 1 Comply with government regulations - implement government regulations and promote safety and harmony.
- 2 Pay attention to the prevention of hazards - pursue zero disasters and provide a safe environment.
- 3 Promote the participation of all employees - encourage employees to participate and enhance the safety culture.
- 4 Implement continuous improvement - shape safety and sanitation, and excellent corporate image.
- 5 Promoting harmony between labor and capital - guaranteeing freedom of association and stabilizing labor relations.
- 6 Emphasis on labor human rights - Prohibition of child labor and rejection of forced labor.
- 7 Implement job equality - eliminate employment discrimination and establish a friendly workplace.



Health Promotion	Environmental Safety	Engineering Management	Legal Advisory
- Regular employee health checks - Automatic blood pressure monitor - Monthly health information - Occupational safety and health education - Resident physician - Nursing staff	- Regular sampling of drinking water quality - Central air conditioning system - Regular environmental disinfection - Fire escape facilities and equipment - Emergency escape routes and exits - Emergency response drills - Automated external defibrillators (AED) - Environmental monitoring of labor operations	- Health and safety management practices - Occupational safety and health management regulations - Controls on dangerous work - Worker access controls - Contractor safety and health counselling	- Review external laws and regulations regularly - Confirm the regulatory compliance and amend internal rules / regulations

In order to ensure workplace safety, hazard identification and risk assessment were implemented, through the evaluation of the probability of occurrence of hazards and the degree of impact, identify the hazards that the company should first attention to, and carry out hierarchical management and control. A total of 144 hazards were identified: physical hazards: 100, chemical hazards: 16, biological hazards: 13, human hazards: 12, psychological hazards: 3 items, implement target control for medium risk and above:

Influence Level	Middle Risk	Middle Risk	Middle Risk	Middle Risk	Middle-High Risk
Risk Issues	Illegal Job Infringement	Human Engineering Hazards	Traffic Accident	Office Slip and Fall Accident	Special Contract Work
Control Improvements/ Action Plan	- Illegal Infringement Prevention Plan for Performing Duties - Workplace Illegal Violation Behavior Self-Checklist - Hazard identification and risk assessment of workplace illegal infringement prevention - Workplace Environmental Checkpoints - Adaptive Matching and Job Design - Staff education and training - Starting from the Heart, Psychotherapy Online	- Human Factors Hazard Prevention Program - Musculoskeletal Symptom Questionnaire - Musculoskeletal Hazards Awareness Pamphlet - Staff education and training - Superior to statutory health checks - APP Health Promotion Activities	- Hazard propaganda - Safe driving education and training - Employee Return to Work and Care	- Ground Works Improvement - Hazard propaganda - Staff education and training - Occasional inspections of the office environment	- Confined space operation declaration sign-off - Cage operation declaration sign-off - Hazard Prevention Plan - Contractor education and training - Independent inspection of machinery and equipment - Construction qualification confirmation
Performance	100% completion rate of prevention programs 100% self-inspection and risk assessment by the heads of various departments and units of the company	- Questionnaires distributed to 3,843 people 459 people participated in the online sports meeting	- Number of traffic accidents: 2 - Reduced compared to 2021	- Annual environmental inspection times: 110 times - Staff slipping and falling incidents: 3	- Occupational accidents: 0 - Special contract work: 10 times - Special contract education and training: 77 people

In order to enhance each employee's knowledge of occupational safety and health related laws and regulations and the Company's safety and health management mechanisms, we refined the safety and health education and training courses by adding online courses to the original physical courses to enhance the learning and training effects and create a culture and concept of safety, health and wellness. The new online courses include: Introduction to Occupational Safety and Health Law, Maternal Health Protection & Overload & Human Hazard Prevention, CPR & AED First Aid Training, Fire Prevention and Response, Gender Equality Awareness in the Workplace, Prevention of Unlawful Assault and other related education and training courses.

In addition, in order to prevent occupational hazards, we have implemented procurement management, contracting management, and change management at the source, considered occupational safety and health to reduce risks before procurement and change, and implemented hazard factor notification and safety and health education training when contracting.

In order to build up the workplace safety of Chailease Holdings, we regularly implement disaster prevention education drills, explaining the causes of fires and practicing fire-fighting drills to enhance the awareness of disaster prevention and disaster response capabilities of our employees. In the future, we will continue to enhance training on disaster prevention, ambulance and epidemic prevention to provide a healthier and safer workplace environment and fulfill our corporate social responsibility.



A fire engineering company dispatched fire technicians to explain the operation of the fire alarm system, and invited colleagues to actually operate the warning buttons and fire hoses.



Besides, the knowledge and slogans of occupational safety and health are publicized and promoted at headquarter and branch offices to prevent occupational disasters in the workplace. The workplace monitoring detection is implemented regularly, including carbon dioxide, carbon dioxide, lamp illumination and drinking water quality. The 2022 monitoring results are compliance with regulatory standards. The monitoring results and information of occupational safety and health (including government regulations, traffic safety publicity, disaster prevention publicity, etc.) will be published on the "Ownership Safety and Health Sharing in the Internal Website of Chailease Enterprise Employees." The webpage is for colleagues to browse freely.

The inspect personnel with occupational health management supervisor to monitoring workplace.

In order to comply with occupational health and safety laws and regulations and to place greater importance on employees' physical and mental health so that they may avoid fatigue and other problems, we have hired a full-time nurse and a doctor for consultation. In doing so, we hope to provide, in a more professional manner, a healthier workplace for the benefit of all employees. We provided employees with free regular health check reports that highlighted irregularities and included in-depth analyses of body weight, cardiovascular disease risk factors, and an abdominal ultrasound. This promoted overall health programs and assisted employees in improving health self-management.

Employee Assistance Programs (EAPs) are one aspect of employee benefits. They provide resources to enable employees to stay healthy mentally and physically, which helps them focus on their jobs and enhances productivity.

2022 Absentee Status

Item		Occupational Injury	Occupational Death	Lost Days	Sick Leave Days	Absentee Days	Absentee Rate
Domestic	Female	2	0	35	3,035	3,070	0.74%
	Male	2	0	12	2,005	2,017	0.44%
Overseas	Female	2	0	4	1,685	1,689	0.26%
	Male	0	0	0	827	827	0.12%
Total		6	0	51	7,552	7,603	0.34%

Absentee Rate Over the Years

Item		Total			
		2019	2020	2021	2022
Absentee Days	Female	4,449	3,623	4,165	4,759
	Male	3,099	2,940	2,938	2,844
	Total	7,548	6,563	7,103	7,603
Absentee Rate (%)	Total	0.48	0.37	0.36	0.34

Note:

1.Accidents during commutes to and from work are not included in these statistics;

2.Absence days = lost working days + sick leave days

3.Absenteeism calculations: The number of absence days accounted for the percentage of working days in the same period; the number of working days should be 2022/12/31 employees (domestic female 1,669 / oversea female 2,578, domestic male 2,064 / oversea female 2,661) times the total numbers of days in 2021 that deducted Saturday, Sunday and national holidays (250 days)

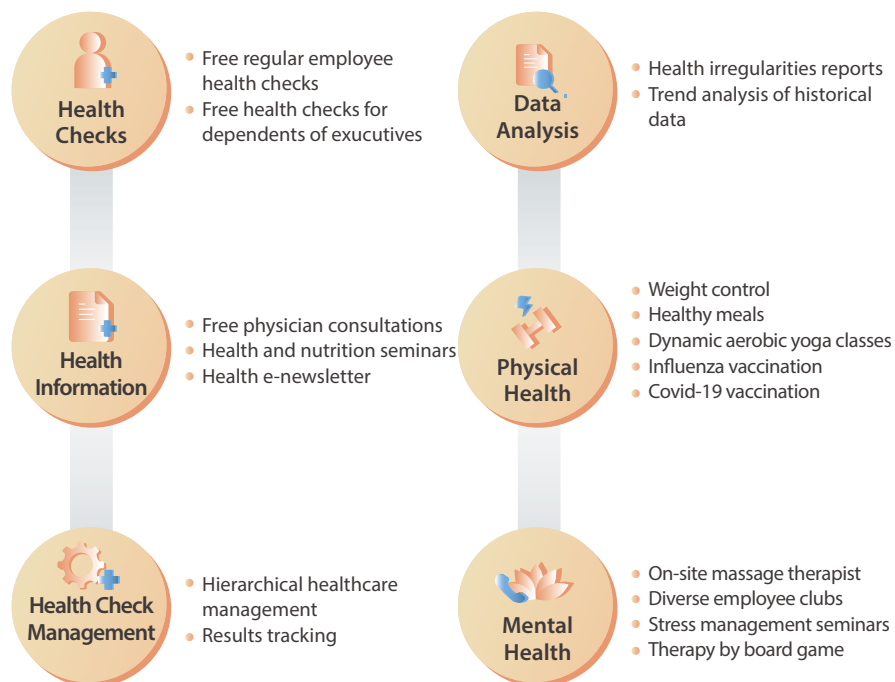
4.All employees:

Recordable occupational injury ratio: 0.357 (Occupational accident cases injured and recovered for more than 6 months during the reporting period: 0)

Recordable injury is 6, Injury type: 3 slip, 2 traffic accident, 1 unlawful violation and 1 Biological hazard
Formula: (recordable occupational injury/working hour)*106

5.Follow-up corrective measures: Preventive measures such as engineering improvement, publicity, education and training are implemented for all types of injuries.

6.All non-employee workers whose workplace or work is regulated by the organization: 0 occupational injuries.



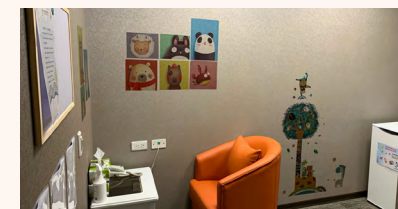
Issue	Item	Number	Number of Peers
Class According to the Law	Medical consultant	28 times	197
	Smoke free work environment: Quit smoking workshop	All year	1 person successfully quit smoking
Stress Management	Stress Management Program — EAP (0800)	All year	33
Healthy Workplace	Regular health check	All year	2,655
	Digital Action Games	All year	459
Total			3,345

Family care and work development are both important for employees. The company believes that the definition of a happy company is not limited to providing basic benefits. It also includes substantial ambition, sense of responsibility, and continued pursuit of excellence and sustainable development. A company should give employees opportunities to reach their full potential and grow with the company, while helping them strike a balance between work and home.

Chailease Holding has a team of healthcare professionals to look after the health of its employees. Each year, we plan annual health management plans and health promotion activities, such as annual health checkups, onsite physician consultations, healthcare seminars, and blood donation activities, based on indicators such as employee health checks, health management effectiveness, and epidemiology. For employees with abnormal examination results, potential health risks and those in need of health consultation, we provide case health management, care and regular follow-ups, and aim to improve employee health by providing correct diet and lifestyle adjustment activities and seminars, such as digital movement activities, workplace stress management, smoke-free workplace, weight loss activities, etc.

Issue	Item	Number	Number of Peers
Well-being Workplace	Health Promotion Satisfaction Activities	1 time	805
Family-friendly practices	Breast-feeding rooms/ Temporary care for children (Included Online courses for new parents)	All year	25
	Childcare services/childcare allowance subsidies	All year	647
Prevention Workplace	Influenza vaccination	1 time	284
	COVID-19 vaccination	All year	3,750
	Epidemic prevention	All year	3,210
Promote Happiness Index	Medical care (include trauma care)	All year	532
Occupational Safety Plan	Occupational safety plan implementation (medium and high risk care)	All year	269
Healthy Knowledge	Monthly health magazine	1 time	3,047
Total			12,569

Note : occupational safety—four plan practice including: maternal health protection measures in workplace, to prevent musculoskeletal disorders induced by repetitive operations and related works, to prevent ailments induced by exceptional workload and to prevent wrongful physical or mental harm caused by the actions of others during the execution of job duties.

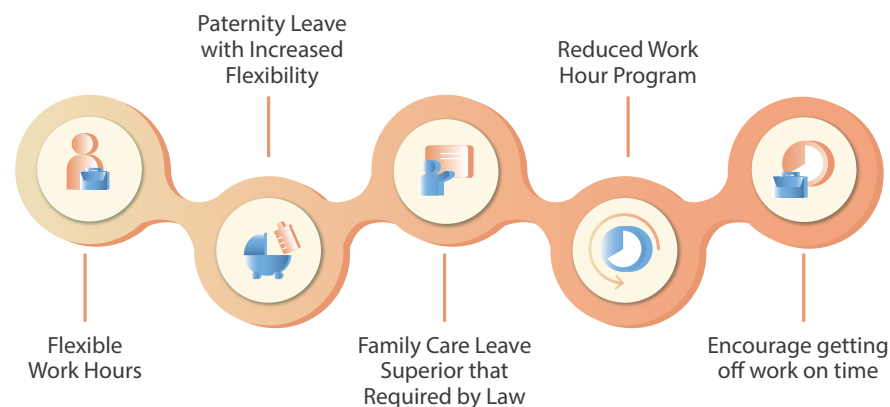


A warm breastfeeding room is arranged so that female colleagues can use it with peace of mind.

2022 Unpaid Parental Leave Statistics in Taiwan

Item	Female	Male	Total
No. of employees with parental leave in 2022	41	120	161
No. of employees applying for unpaid parental leave in 2022	23	6	29
Employees on unpaid parental leave in 2022 due to return (A)	24	4	28
Employees on unpaid parental leave in 2022 actually returning (B)	11	1	12
Return rate for 2022 (B÷A) %	46%	25%	43%
Employees on unpaid parental leave actually return in 2021 (C)	17	NA	17
Employees returning from unpaid parental leave in 2021 and working all of 2022 (D)	11	NA	11
2022 retention rate (D÷C)	65%	NA	65%

Flexible work hours—employees can apply to arrive at or leave work early or late for personal reasons, such as taking classes or picking up and dropping children off at school. Flexible paternal leave—paternal leave time has been extended to four weeks and can be taken starting before actual delivery. Family care leave—the ten days for family care leave are not counted as part of personal leave. Reduced work hour program—employees can reduce the amount of hours they work on a daily basis for needs related to family care issues like pregnancy, caring for children, caring for older family members. Encourage getting off work on time—the company is promoting getting off work punctually a set number of days each month to encourage employees to enjoy their family lives or cultivate personal interests. We encourage them to work more efficiently as opposed to longer hours to get the same amount of work done. In addition, in order to continue to implement maternity protections, pregnant employees are not required to fulfill or may reduce their performance targets to reduce the stress of work while they are on maternity leave.



2022 Implementation of Major Programs

Unit: person

Item	Flexible Work Hours	Paternity Leave with Increased Flexibility	Paid Paternity leave	Reduced Work Hour	Family Care Leave
Male	89	0	0	0	102
Female	37	120	35	0	105
Total	126	120	35	0	207

Hybrid Work

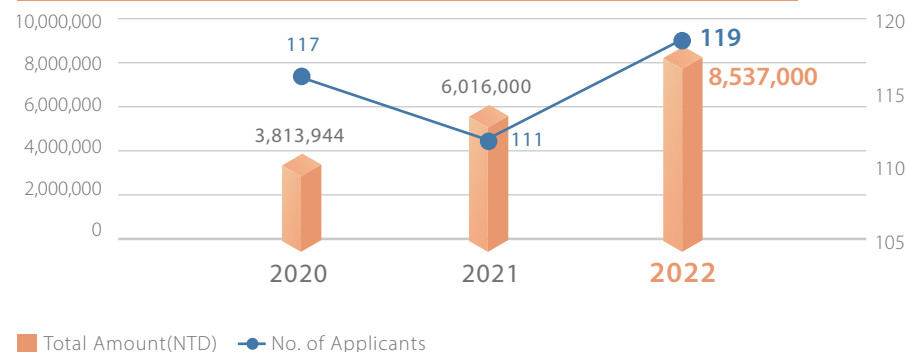
Chalease Holdings has implemented a "hybrid work" since 2020. Remote work standards were instituted for all employees throughout the Coronavirus Pandemic in conjunction with a mobile time clock, remote connectivity, and video conferencing to help employees work from home. In response to the post-epidemic era, the scope of the hybrid work was expanded in 2022 to provide employees with a variety of work environments. In light of considerations that maintain existing productivity while meeting employee's need for flexibility, employees can arrange 1-2 days of remote work per week according to their work schedule to save on commuting time and improve productivity.



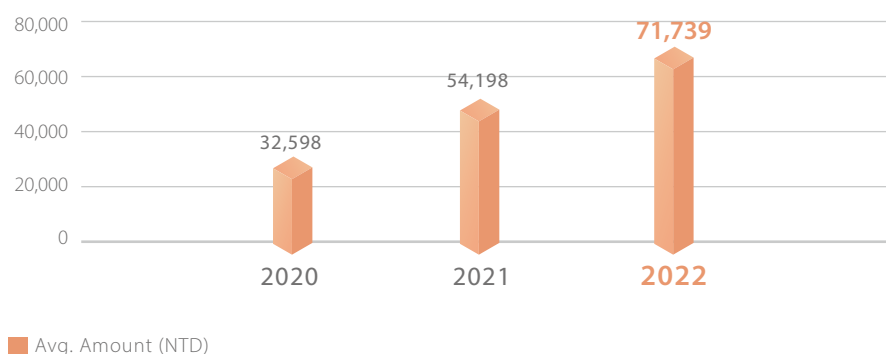
The hybrid work adopts an open concept office environment. Efficient design and planning of the space increases natural light, reduces light loss, enhances green environments, and promotes advocacy. Effective controls on the use of air conditioning and other equipment save more energy per person than conventional offices and create a more comfortable, energy-saving work environment.

Chailease Maternity Subsidies – 70 Thousand NTD Subsidy for A Child

Number of Applicants and Total Amount of Maternity Subsidies



Average Amount of Maternity Subsidies



Note: Only the number and amount of applicants from the Taiwan subsidiary are counted.

Leaves Better than the Statutory Requirements

Type of Leave		Chailease	Taiwan Labor Statutory Requirement
Annual Leave	Over 6 months	4 Days	3 Days
	Over 1 year	8 Days	7 Days
	Over 2 years	12 Days	10 Days
	Over 3 years	15 Days	14 Days
	Over 5 years	16 Days	15 Days
	Over 10 years	17 Days	16 Days
	Over 23 years	30 Days	29 Days
	Over 24 years	30 Days	30 Days
Family Care Leave		10 Days(personal leave not Include)	7 Days(personal leave Included)
Funeral (Sibling)		6 Days	3 Days
Maternity Leave	Labor over 6 months	60 Days (about 8.6 weeks)	56 Days
	Miscarriage within 3months	10 days (about 1.4 weeks)	7 days
Volunteer leave		Up to 3 days a year (paid)	-
Family Trip Leave		Employed over 5 years 1 day a year (paid)	-
Birthday Leave		3 hours in birthday month	-

Note: Pregnancy Check Leave & Pregnancy Check Accompany Leave is total 7 days full pay (1 week).

To understand employees' job satisfaction, sense of purpose and happiness, the new employee engagement survey from 2020 covered four areas: work recognition, core values, growth development and motivation, and organizational recognition. The target population for this survey was the subsidiaries in Taiwan. In 2022, a total of 3,094 employees from Taiwan subsidiaries participated in the survey, with a response rate of 95.2% and a dedication rate of 94.8%. The average score discrepancy between men and women increased slightly from 0.24 last year to 0.26.

Employee Engagement Over the Years

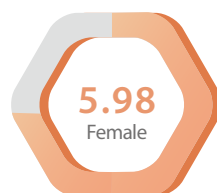
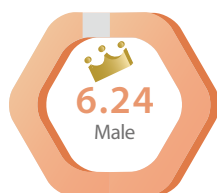
Year	Response rate (%)	Engagement (%)	Overall Engagement
2022	95.2	94.8	6.13
2021	96.7	77.8	4.29
2020	94.3	78.7	4.31

Note:

1. In 2022, the full score will be changed to 7 points

2. The full score of employee engagement survey is 7. Those with scores of 5 or more are counted in the employee engagement ratio.

Average Employee Engagement Score (by gender)



Average Employee Engagement Score (by age)



Average Employee Engagement Score (by issue)



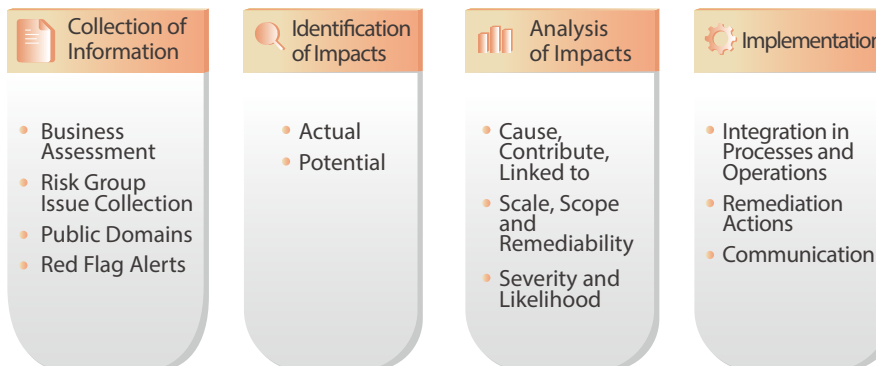
7.4 Human Rights Protection

The Chailease Holding Company Human Rights Policy was approved in September 2018 and revised in May 2021. It is a symbol of the company's dedication to the maintenance of worker rights, opposition to any form of discrimination, commitment to providing a safe, healthy workplace, and establishment of a smooth and transparent communications channel. At the same time, our support for international human rights treaties is reflected in specific actions with regards to our employees, suppliers, customers, contractors, public interest groups, business partners, and communities.



Assessing Human Rights Risks

Human Rights Assessment and Implement Framework



Continuous Improvement

Operations Assessment

Company operations	Value chain and related business	New business relationships
Our company is committed to creating a safe and healthy working environment. This includes complying with local occupational safety regulations, regularly promoting labor safety education, taking specific actions to care for and protect the physical and mental health of employees, prohibiting any form of forced labor, prohibiting the hiring of persons under the age of 16, carrying out regular inspections, controls, and training, ensuring the fairness of the management mechanism for employee pay and promotion opportunities, so that employees are not discriminated against, harassed, or treated unfairly.	The Company ensures that the contract for the provision of financing services is based on the principles of fairness, equality, reciprocity and good faith, and that the customer will not be denied access, subject to different terms or conditions, subject to discrimination, harassment or any other unfair treatment on the basis of race, nationality, gender, sexual orientation, color, class, marriage, language, ideology, religious beliefs, age, political affiliation, financial assistance received.	The Company ensures that its suppliers, joint venture partners, public interest groups with whom it has relationships or dealings are not involved in any form of discrimination, harassment or any unfair treatment, human trafficking, forced labor, or employment of persons under the age of 16 or other business partners.

Chailease Holding conducts human rights due diligence in accordance with the human rights policy approved by the Board of Directors. Chailease Holding adopts systematic approaches to identify the potential risk of human rights violations which might interfere with the business. All Chailease Holding's subsidiaries are required to include human rights norms in their regular risk assessment and to apply them in line with a risk-based approach. In 2020, Chailease Holding developed a human rights due diligence process to identify critical suppliers with a high potential for human rights violations.

Due diligence for the human rights survey included topics like: working hours, child labor, forced or compulsory labor, sex discrimination, workplace violence, workplace sexual harassment, labor disputes, workplace health and safety and employee health, maternity protections, human trafficking, freedom of association, and collective bargaining rights. The groups surveyed include employees, women, children, indigenous people, immigrants, third-party contractors, and local communities.

Human Rights Risk Evaluation and Impact Assessment

Category	Key Issue	Mitigation Type	Risk Mitigation Measures	Number of Sites with Improvement Plans and the Improvement Ratio
	Compulsory Labor (Working Hour)	- Injury Prevention - Financial Compensation	- Allocate sufficient manpower annually in accordance with the business growth to avoid overtime. - Getting off Work on Time -- Getting off work on time for a fixed number of days per month. - Flexible Working Hour— Employees can apply to arrive at or leave work early or late for personal reasons, such as taking courses or picking up and dropping children off at school. - Reduced Working Hour Program — Employees can reduce the amounts of working hours on a daily basis for needs related to family care issues, such as pregnancy, caring for children and caring for the elders. - Calculate overtime working hours on a monthly basis, submit the record to superiors for manpower allocation and augment. - Overtime pay applied according to labor law.	A total of 1 site has been identified risks and 100% improvement has been completed.
1. Chailease Holding's Operating Sites	Freedom of association	Injury prevention	- In 2018, Chailease established the "Chailease Holdings Human Rights Policy", which explicitly stipulates respecting employees' association in accordance with the law, while providing diversified communication mechanism and platform for employers and employees to ensure harmonious labor relations. - The "Chailease Holdings Human Rights Policy" has been made a mandatory course for new employees, with a 100% completion rate in 2021.	Assessment shows that there is no risky site.
	Child labor	- Injury prevention - Punitive sanctions	- Employment of workers under the age of 16 is strictly prohibited in accordance with international conventions and labor laws. - At the time of recruitment, candidates must include their correct date of birth on their resume to avoid hiring underage workers. - Employees are required to present their identification documents on the day of arrival to ensure that no underage workers are employed.	Assessment shows that there is no risky site.

Category	Key Issue	Mitigation Type	Risk Mitigation Measures	Number of Sites with Improvement Plans and the Improvement Ratio
1. Chailease Holding's Operating Sites	Occupational Safety and Employee Health	Injury Prevention	- Establish Occupational Safety and Health Committee, and carry out employee health promotion, workplace safety and project management. - Carry out Employee Assistance Program, Workplace Stress Management Program – EAP (0800) service system and various stress relief courses. - Hired full-time nurses and resident doctors for consultation. - Annually free health checks for employees and dependents of executives.	Assessment shows that there is no risky site.
	Occupational Safety and Employee Health	- Injury Prevention - Punitive Sanctions	- Regulations regard of occupational safety and health to be specified in the contract and implied accordingly. - Implement occupational safety counselling and training. - For power plant related business, implement high technology for occupational safety training (VR-Virtual Reality). - Regularly review the sanction announcements, and adjust the amount of materials purchased from suppliers, if a sanction imposed on a supplier negatively influences the company's image or business reputation. - Regularly review suppliers' schedule and results in improving human rights policies.	The Supply Chain Self-Assessment Survey is conducted every year and no risk points were identified after the review.
2. Suppliers				
3. Joint Ventures	Labor Dispute and Occupational Safety	Injury Prevention	- Before investment, lawsuit related to labor dispute, record on labor related sanctions and policies of workplace safety are included in the scope of due diligence. If there is human rights violations or severe labor dispute, the Company will terminate the investment. - Regularly look out for related sanction announcements. If there is any violation, the Company will require joint ventures to adopt specific improvement measures. - Follow up on daily operations to see if there is any labor dispute or events violating safety at workplace. The Company will require joint ventures to adopt specific improvement measures if such things happen.	Only one joint venture. The evaluations are 100% completed and no violations in 2022. The frequency of the program evaluation will be changed from once every two years to annually.

Reporting Human Rights Violations

Employees and business partners are requested to speak up and report incidents if they believe in good faith that someone relevant to Chailease Holding may be involved in something that violates our ethical or human rights principles. Whistleblowing channels were established for employees, clients and suppliers of Chailease Holding and all subsidiaries, to report incidents of fraud, illegality and violation of human rights or the Code of Conduct to the company via the formal report system. Once the content of the report is confirmed, we will take appropriate corrective actions. If an incident involving human rights concerns is confirmed, it should be reported to the Board of Directors and the Corporate Governance Committee, explaining the details of the incident and reporting contingency measures.

Report Violation of Code of Conduct and Human Rights	Report Suspected Misconduct
Report Violation of Code of Conduct and Human Rights Chailease Holding Chief Human Resource Officer Telephone : +886-2-87526388 ext. 76280 Fax : +886-2-87519419 Email : HR@chailease.com.tw Address : No.362, Ruiguang Rd., Neihu Dist., Taipei City 114	Chailease Holding Internal Audit Officer TEL : +886-2-87526388 ext. 76281 Fax : +886-2-87519419 Email : Anti_Fraud@chailease.com.tw Address : No.362, Ruiguang Rd., Neihu Dist., Taipei City 114

Human Rights Training

Human rights training for internal employees has been increased. For example, new hires receive training and education regarding corporate ethics, including the company code of conduct and classes related to business operations, including working hours, gender equality, and other human rights considerations. In 2022, new hires attended a total 27,264 hours (human rights protection issues accounts for approximately 13.19%) in Taiwan.

A sexual harassment prevention and complaint coordination mechanism was also established. Email accounts were set up for department heads, to enhance employee training and concept promotion, helping to prohibit any form of gender harassment, discrimination, or other acts of intimidation. Moreover, staff incentive and disincentive measures were outlined and then implemented by the Human Resources Committee. No major human rights violations occurred in 2022.

In 2022, our subsidiary Chailease Finance established Labor-Management Meeting Guidelines, in accordance with the Labor Standards Act and Regulations for Implementing Labor-Management Meeting. The same year, Chailease Finance held elections for labor representatives. Labor and management representatives serve as delegates at labor-management meetings during their four-year terms. Labor representatives can be reelected and management representatives can be assigned for multiple terms. Labor-management meetings must be held at least once every three months.

Contracting of employees is as per all labor laws and regulations, and employees are guaranteed all labor rights. For example, in Taiwan, if there is a change to an employee's work content or location, notice must be given at least one week in advance, and various helps, subsidies, leave time or pre-service training provided. If a worker is unable to do his or her job, there is a transfer or a shrinkage of duties, notice period is determined by seniority, with a minimum of 10-30 days previous notice required.

08. Social Participation

8.1 Career Development	118
8.2 Athletic Talent Cultivate	122
8.3 Social Service	124
8.4 Project and Sponsorship	127



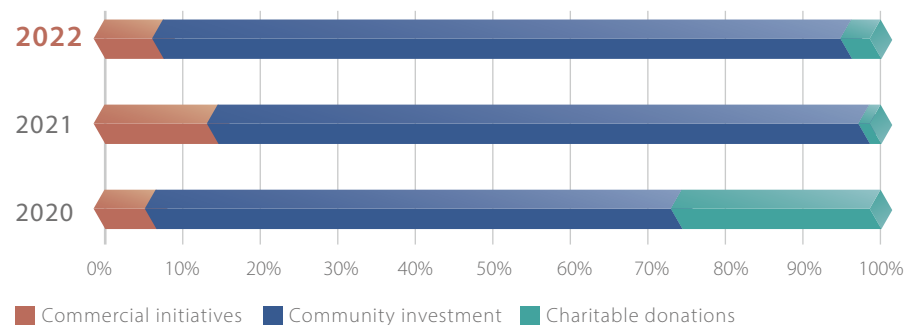
Chailase's mission is to "become a partner in success with our customers and a driver of economic development." The company has long supported and accompanied the growth of many SMEs, and since the establishment of the Chailase Foundation in September 2004, we have viewed "career-adapted development" as the main axis of service, while also striving to be "a good friend to accompany the career growth of children and young". We want to assist youth prior to their entry into the workplace, as is our corporate mission.

Since its establishment, the Chailase Foundation has progressively transformed its service experience and achievements over the years to develop innovative programs. The four pillars of our strategic approach---Career Exploration, Exceptional Athlete Training, Community Service, and Campus Grants---identify quality education, employment and economic growth, sustainable cities and poverty eradication projects is in line with the United Nations Sustainable Development Goals (SDGs) and proposes gradually development of innovative solutions.

SDGs	Strategy	Goal	Achievement	Short-Term Goals	Long-term Goal
Social Inclusion    	Career Exploration	- Promote the concept of career exploration to athletes, assist them in establishing positive career perspectives, conduct related courses, and match athletes with the post-retirement careers. - Conduct research and seminars on career exploration for athletes, hoping to combine the strengths of industry, government and academia to focus on this issue.	Held a total of 10 events in which 459 people participated, with satisfaction ratings averaging 96.5 points.	- Continuously promoted the concept of career exploration to athletes to help them develop a positive mindset about future careers. - Organized at least 20 career-related events. 500 participants expressed an average satisfaction rate of 90 or above.	- Conducted career exploration and career development related events throughout Taiwan. - The events help to recruit talents who are interested in working for companies in the industry and provide employment opportunities (the goal is to have at least 50 events and 5,000 participants).
	- Sports - Talent Development	- Continue to provide comprehensive training resources and platforms to help nurture outstanding national sports talents; create a healthy and positive image of the corporate group through the development of the sports industry. - Continue to participate in domestic and international competitions to achieve good results and train athletes who can represent Taiwan in major international competitions (such as Asian and Olympic Games).	Cooperated with universities, high schools and middle schools. Participated in 45 domestic and foreign events winning 46 gold, 32 silver and 45 bronze medals in 2022.	- Continued to strengthen the Chailase badminton team, and performed well at domestic and international tournaments, while bolstering the reputation of the Company in training exceptional athletes. - Participated in 45 domestic and international tournaments and received 50 gold, 35 silver and 50 bronze medals.	Continue to strengthen of the Chailase badminton team and have players to represent Taiwan in five categories: Men' s' Singles, Women' s' Singles, Men' s' Doubles, Women' s' Doubles and Mixed Doubles at the 2024 and 2028 Olympics.
	Social Service	- Provide voluntary services through corporate colleagues to help social welfare organizations and disadvantaged service recipients, and enhance the good image of the Company among investors and stakeholders. - Continue to expand service units and actively combine with corporate resources (Chailase Auto Rental) to become a resource matching point for social welfare units.	Employees have participated in a total of 45 different volunteer activities, with 1,690 people participating in all. These volunteers provided 5,408 hours of service.	- Continuously promoted the participation of corporate colleagues in community service, accumulating more than 180 sessions and over 25,000 hours of service. - The average number community service hours for employees in Taiwan was 3.5 hours per person.	Corporate colleagues will participate in more than 500 cumulative community service sessions and perform 50,000 commutative community service hours. The average for employees in Taiwan will be 5 hours/person.
	Corporate Resources / Other Public Welfare Cooperation	Through scholarships and service club sponsorships, we encourage students to develop their expertise and talent, nurture diverse talent resources for the rural areas, and expand the reach of career services to enhance the visibility and positive image of the Company.	Some NT\$735,000 was donated this year for domestic vocational high school students, talent clubs and service organizations. A total of 2,141 people were served.	Continued to sponsor vocational students in rural areas of Taiwan, multidisciplinary creative organizations and service-oriented organizations that benefit 2,000 people.	Continue to sponsor vocational students in rural areas of Taiwan, multidisciplinary creative organizations and service-oriented organizations to benefit 30,000 people from 2020 to 2030.

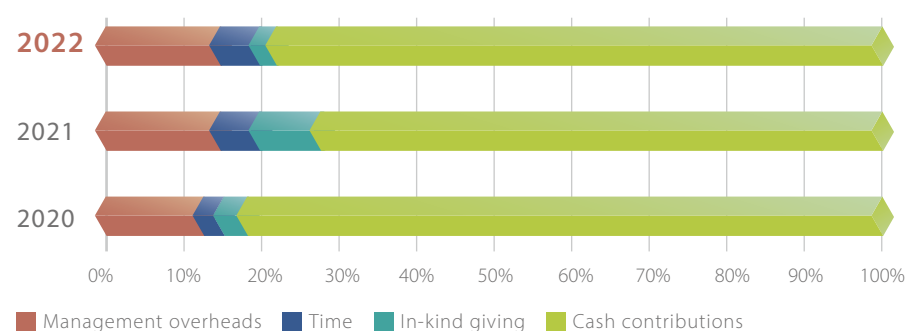
Chailease refers to the London Benchmark Group's Corporate Community Investment calculation framework to effectively quantify the benefits of investment in social participation. The company keeps statistics on public welfare expenditures, funding of public welfare activities, and use of funds, to evaluate the human, material and financial resources invested by Chailease in social integration activities.

Proportion of Activities



Item	2020		2021		2022	
	Amount (NTD)	Percentage	Amount (NTD)	Percentage	Amount (NTD)	Percentage
Commercial initiatives	7,384,669	7.10	10,869,901	13.27	7,853,839	7.9
Community investment	69,755,973	67.06	70,186,472	85.70	89,476,311	90.4
Charitable donations	26,875,322	25.84	842,000	1.03	1,667,400	1.7
Total	104,015,964	100	81,898,373	100	98,997,550	100

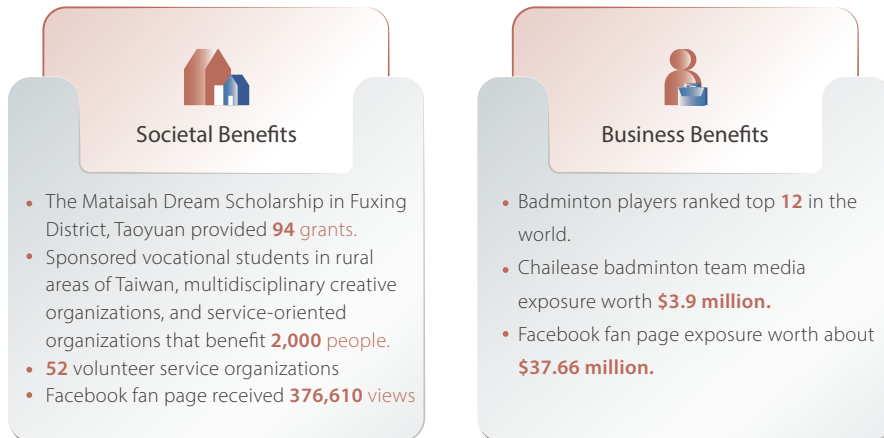
Proportion of Donations



Item	2020		2021		2022	
	Amount (NTD)	Percentage	Amount (NTD)	Percentage	Amount (NTD)	Percentage
Management overheads	12,206,855	11.74	11,928,200	14.56	14,495,642	14.64
Time	2,726,634	2.62	3,803,520	4.64	4,401,391	4.45
In-kind giving	3,167,654	3.04	518,574	6.33	1,844,574	1.86
Cash contributions	85,914,821	82.60	60,980,907	74.46	78,255,943	79.05
Total	104,015,964	100	81,898,373	100	98,997,550	100

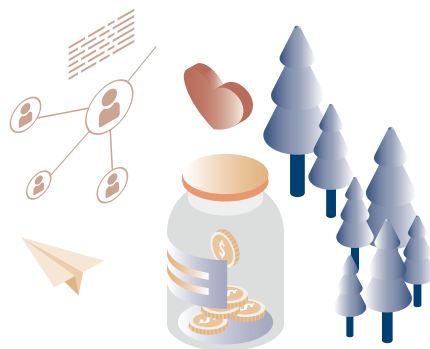
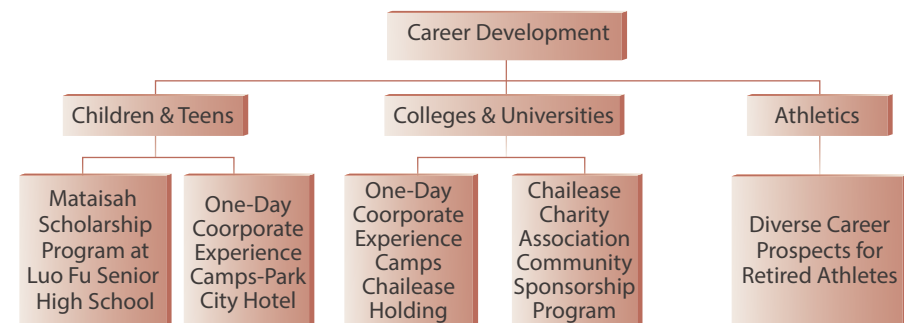
Note: Volunteer manpower is calculated as average annual salary in 2021/working hours in 2021*volunteer service hours in 2021.

Business and Societal Benefits of Public Interest Projects



8.1 Career Development

Based on the association's vision for service, Chailease helps children and teens to develop expertise and plan a good career path. The company provides a variety of events that help many different people to explore their career paths, assisting children and young people in exploring their interests, and encouraging those interests. Through participation in various events, young people can accumulate varied experiences and develop a positive concept for their careers, laying a good foundation for their future work lives.



I. Career Exploration for Children & Teens

Mataisah Scholarship Program at Luo Fu Senior High School

The Chailease Foundation has worked closely with Jieshou Junior High School in Fuxing District, Taoyuan City since its founding. The remote location means the students lead simple lives, and this can limit their ideas about future careers. Therefore, the Chailease Foundation has invested a variety of resources over the years from healthy lunches, sponsorship of various clubs, and career experience camps to the construction of hardware facilities and in-kind donations etc. All of these projects are evaluated and submitted to the Board of Directors for approval. However, because Jieshou Junior High School is located on the slope of Jiaoban Mountain, there have been long-standing concerns about potential landslides. As such, the school was merged into the new junior high school established at Luofu Senior High School in August 2021. The original plans of the Foundation for Jieshou Junior High School will be re-evaluated according to the characteristics and needs of specific Food and Beverage and Tourism programs at Luofu Junior High School. Some of the plans will be honored at Luofu Junior High School upon further discussion with school officials.



"Food & Beverage and Tourism Entrepreneurs": A One-Day Corporate Experience Camp

The Chailease Foundation will combine the Corporate Experience resources of Yellowstone Holding Co., Ltd., a subsidiary of Chailease Holdings, to give students who wish to enter the Food & Beverage and Tourism & Leisure industries the opportunity to visit and experience life at the Park City Hotel. Prior to 2022, this service was primarily oriented towards students at trade schools. However, after re-evaluating the actual benefits of the experience, the Foundation adjusted the program to be geared towards students in Tourism and Food & Beverage programs at local vocational schools. This is more appropriate for the future career development path of the students and is also in line with the larger demands of various companies.

Job Visits

- Children and teens from disadvantaged communities have fewer social resources compared to others in their age group and will face challenges in terms of career choice and preparing to live independently as early as the junior and senior high school levels.
- In light of this situation, the Chailease Foundation has organized job visits since 2015 including planning courses, such as job shadowing and observation and career talks with professionals. The programs are designed to enhance children and teens' understanding of the diverse career paths available to them and serve as a foundation for their career development. In 2022, the Chailease Foundation worked with the PSA Charitable Foundation to organize a job visit that brought students to the National Taichung Theatre and VVG Food Play and Bar. 46 students participated in the event and the overall satisfaction rating was 90 points.

Feedback

- "Understanding what it's like to work in a restaurant and the responsibilities of the job will help me in my future development"
- "Learning the attitudes and responsibilities of this occupation will help me find ways to solve problems I might encounter on the job."

Career Seminar Series

- The concept of "career" refers not only to a "career" or an "occupation", but also any issue that has a significant impact on the life of an individual, including interpersonal relationships, personal values and gender, etc. The Foundation is concerned with and committed to promoting these issues. Therefore, each year, the Foundation organizes seminars on different topics to meet the developmental needs of young teenagers.
- Curiosity about sex is understandable since young teenagers are facing rapid physical changes, and nowadays, society attaches more importance to the issue of gender equality than in the past. Therefore, in 2022, the Foundation focused on gender and sex education and organized three different seminars covering various topics including "Diverse Sexual Orientations", "Digital Gender Violence" and "Respecting Gender". A total of 267 students attended and the average satisfaction rating for the program was 93.4 points.

Mataisah Dream Scholarship Program

- The Chailease Foundation started the Mataisah Dream Scholarship Program for Fuxing District, Taoyuan City in 2013. A total of NT\$1,410,000 was raised for 94 recipients to allow exceptional incoming graduates of Jieshou Junior High School to concentrate on their studies without worrying about tuition.
- Following the integration of Jie Shou Junior High School and Luofu Middle School, the scholarship program will be extended in 2022 and slight adjustments will be made to continue encouraging outstanding students.

Feedback

- "Thanks to the support of the Chailease Foundation, I was able to focus on my studies throughout my three years of senior high school!" Wei ○ Ying
- "Fighting against the Pandemic for the last two years has also made me pay more attention to independent study planning, which has helped me to develop patience and self-control." Wei ○ Yun

Activity Introduction

- This activity invited staff from various departments at Global Hospitality and the Park City Hotel to serve as lecturers. Topics included: an introduction to Global Hospitality; an introduction to working as guest room hospitality and front desk staff; and a talk about experiences with handling customer complaints and safety services. In addition, a cooking competition and team competition were organized to help students understand the skills required to work in the hotel catering industry, as well as to gain the experience and practical skills necessary to work in the food and beverage industry.

Activity Effectiveness

- In 2022, a total of 32 students participated as part of our partnership with Luofu Senior High School in Fuxing District, Taoyuan City. The overall satisfaction rate of the program was 96.1 points.



Feedback

- "I had a lot of fun because I learned a lot of things that I'd never have the chance to learn. The instructor was very detailed!"
- "The trip included lots of places and was very informative. The lecturer and the course were very interesting."

II. Career Exploration for College Students

One-Day Corporate Experience Camp

By combining the resources of Chailease Holdings, a subsidiary of the Chailease Corporation, we hold a one-day corporate experience camp for students from business management departments in colleges and universities throughout Taiwan. Through professional courses on leasing, financial reporting, and analysis of social trends, young people are able to experience the actual atmosphere of the workplace and have the opportunity to apply for internships. Through this activity, we hope that young graduates will learn more about the leasing industry, which is less emphasized in schools, and have more options for their careers. For the Company, this represents the opportunity to find future talents of the leasing industry.

Activity Introduction

- This activity was conducted in small groups. Outstanding sales associates from the Company were asked to serve as guidance counselors while sharing workplace experience up close. These sales associates guided participants by conducting business simulation exercises that simulated actual customer interactions by creating different scenarios. They also provided direct advice. While our corporate colleagues served as guidance counselors during the event, they further observed and interacted with the trainees to give them scores on verbal expression, leadership and innovation etc. The scores were also provided to the Human Resource Department after the event as a reference for subsequent talent cultivation and internship selection.

Activity Effectiveness

- The 2022 activity was changed to online instruction due to the impacts of the Novel Coronavirus Pandemic. A total of 45 students participated and the overall satisfaction score was 94.2 points. This activity has been held for 16 years, reaching a total of 878 participants.

Feedback

- "I really liked the simulation exercise because besides learning about business process, I also found out more about Chailease Holdings."
- "Thanks to the Foundation for helping to organize the Corporate Experience Camp. It helped us find out more about the leasing industry."

Sponsorship for Service Club in College- Chailease Charity Association Community Sponsorship Program

"The Chailease Holdings Charity Association Community Sponsorship Program" has been an ongoing program since the inception of the Foundation, so as to encourage young people from trade schools to participate in society and make a positive impact. The program also serves to expand the scope of services provided by the Chailease Foundation and the service beneficiaries thereof. Sponsorship is geared towards student organizations in the "social service" category to benefit children, teens and schoolchildren in Taiwan.

In addition, the Foundation especially plans to hold an "evaluation session" to extend the benefits of these programs and to further develop ties between the Chailease Foundation, Chailease Holdings, and student organizations. Student organizations that have passed the first stage of evaluation will be invited to present on stage and this presentation will be used as the basis for the second stage of the evaluation. Courses on the growth of student organizations will also be arranged so that professional lecturers can guide students to acquire additional extracurricular knowledge that can be applied to our service programs.

The 2022 evaluation session was changed to an online exchange due to the impact of the Covid-19 Pandemic. There were 2 sessions, a total of 42 participants, and 11 student organizations were sponsored. The total sponsorship budget for 2022 is NT\$335,000 and 1,824 people are expected to benefit.



III. Career Exploration for Athletes

From Athletics to Careers: Looking Ahead

Chailease Holdings established a badminton team in 2015 under the assisted supervision of the Chailease Foundation. The team has received an excellent report card since its establishment; however, at the same time, they have also faced problems during the transition from the youth to junior level. Some of the players have sustained permanent sports injuries in competitions or practices, while others may have reached the prime of their career, but their strong athletic performance has not proven to be exceptional. As such, the team has started to consider the issue of post-retirement careers.

The Foundation continues to pay attention to issues related to post-retirement career development of our athletes while supporting the development of the players on the Chailease badminton team. Since 2022, the Foundation has gradually allocated existing career exploration resources to athletes in different fields. The goal is to provide athletes in Taiwan with more diverse and comprehensive post-retirement career plans, and to equip them with the advantages and abilities necessary to enter different careers in the future.

Activity Introduction

- This program is designed for students from sports classes or representative sports teams at high schools or vocational schools. Schools must apply and fulfill the requirements themselves. Initially, the program begins seminars on different topics and the lecturers are mainly from our existing database. In the future, we hope to link up career resources from different industries to help athletes make a smoother transition from athletics to post-retirement careers. The theme for 2022 was "Career Exploration" featuring a collaboration with lecturers who specialize in Sports Psychology. A workshop format led students to discuss their thoughts on future careers and deepen understanding of their personal abilities.

Activity Effectiveness

- In 2022, the Foundation worked with 2 high schools to co-organize 3 events for a total of 43 students. The average satisfaction rating was 96.1 points.



Student Feedback

- "I learned more about what I want to do and discovered many sports-related careers that I didn't know about before."
- "I know what I want to do when I grow up, and I know what I need to do to prepare for it."



8.2 Athletic Talent Cultivate

The President of the Chailease Foundation became aware of the current situation and difficulties associated with the development of badminton in Taiwan following a chance encounter with professional badminton coaches. Having seen the gap in resources available to nurture young athletes, he established the "Chailease Badminton Team" in 2015. Initially, the team focused on training young players in junior and senior high school, and the Chailease Sunshine Badminton Complex was built in 2018 to serve as a training ground for these athletes.



The Chailease Badminton Team currently has coaching relationships with Taipei Municipal Xihu Junior High School, Taipei Municipal Tatung High School, the Taipei City University; and Ren De Junior High School and National Hsin-feng Senior High School in Tainan to provide systematic and professional training. There are 40 players as of the end of 2022. We are currently experiencing a lack of software and hardware following a steady increase in the number of players since the team was established seven years ago. Therefore, the team has started to reduce the enrollment of junior and senior high school players in recent years, and focuses on cultivating seed players that have already been recruited. We are also looking for a facility that can provide enough space and equipment to improve the training environment for our athletes.

Training and Benefits



Coaching Staff

The current coaching staff consists of 3 full-time coaches, 1 full-time sport protection officer, 4 outside coaches and 1 part-time physical fitness coach to allow players to concentrate on their training.



Domestic and International Tournament Subsidies

In order for players to enhance their competitiveness and improve their world ranking, the team provides subsidies for transportation, nutrition and accommodation at domestic and international tournaments. In 2022, the team provided a total of NT\$9.3 million in support costs, NT\$15.4 million in travel expenses for domestic and international tournaments, and NT\$1.98 million for equipment and facilities.



Relocation Training

During the off-season, the team offers relocation training to help players adapt to different environments and venues. All these arrangements are made to improve the adaptability of our players and allow them to focus on competition.



Equipment

The Chailease Badminton Team established a partnership with the sports brand Mizuno to sponsor jerseys, pants, cleats and other equipment on a long-term basis. We collectively assist the team in improving the technique and performance of our players.



Career Development

The Foundation cares about issues related to the post-retirement career development of athletes in various fields. We use our exceptional career exploration resources to organize career-related activities, while also encouraging our athletes to pursue a degree through higher education. In promoting professional diversity, we hope our athletes will have the advantages and abilities necessary to enter different career paths in the future.



The President of the Chailease Foundation, was once again awarded the 14th Sports Promoter Award by the Athletics Department of the Ministry of Education in 2022 for his comprehensive long-term investments into the Chailease Badminton Team. Mr. Dou-Fan Chang (right), Vice President of Corporate Relations, received the award on behalf of Chailease Holdings.

Athlete Development

The coaching team evaluates player performance annually. If a player achieves the performance level specified in the contract, the player will be offered the opportunity to become a regular employee of the Company with salary and benefits equivalent to those of regular employees of the Company. As of the end of 2022, 13 players have been hired as regular employees. When a player retires, the Chailease Foundation will have a meeting with the Human Resources Department at the Company and arrange for the player to join a team that matches their character and expertise.

In addition, in order to enhance the overall disposition of our players, the Foundation will arrange career-related activities and encourage players to pursue a degree through higher education to facilitate post-retirement career planning. Two events were held in 2022 on "Career Exploration" and "Baking for Stress". A total of 43 participants expressed an overall average satisfaction rating of 96.4 points.

Give Back to Society-Chailease Sunshine Vitality Camp



The Chairman of the Chailease Foundation hopes that members of the Chailease Badminton Team will excel not only on the playing field in professional sports, but also in cultivating a healthy personality by following the example of Chailease and the Chailease Holdings Youth Vision Foundation to give back to the community by using what they have learned to demonstrate the concept of public service.

Therefore, the "Chailease Sunshine Vitality Camp" was created by the Chailease Holdings Badminton Team in response to this initiative. We hope that coaches and players can come together to teach more school children to appreciate the beauty and power of the world of badminton. The camp helps to spark an interest in learning to play badminton, pass on the experience of professional badminton players in Taiwan, and thoroughly implements the corporate social responsibility of Chailease Holdings. Four events have been held since inception in 2018 to the camp in 2022. In 2022, the team worked with the Eden Foundation to offer the program to school children in remote areas of Pingtung. The camp is an opportunity to expose them to multiple stimuli that will help to develop their future careers. In 2022, a total of 60 students participated in the program. The average satisfaction rating was 95.5 points.

Competition Results

In 2022, the Chailease Holdings Badminton Team participated in "First and Second Ranking Tournaments", "The National High School Games", "Junior Age Group Tournaments", etc. Besides domestic tournaments, the team also participated in various international tournaments, including "The Super 750 Series French Open", "The Super 750 Series Danish Open", and "The Super 500 Series Singapore Open"; "The Poland International Challenge", "The Austria International Series", and "The Bulgarian Future Series", etc. This year, the team participated in a total of 45 domestic and international competitions, winning 46 gold medals, 32 silver medals and 45 bronze medals.



Teng Chun-hsun/Lee Chia-hsin
Women's Doubles
Champions
at the 2022 Second National
Badminton Ranking Tournament



Hsu Wen-chi
Women's Singles
Champions
at the 2022 Second National
Badminton Ranking Tournament



Lu Ching-yao (left)
Men's Doubles
Champions
at the German Hylo
Super 300 Series Open



Lee Chia-hsin (1st from left) /
Ye Hong-wei (2nd from left)
Mixed Doubles
Champions
at the Canadian Open Super 100 Series

8.3 Social Service

Since 2015, the Chailease Foundation has been promoting corporate volunteer services in order to extend the impacts of added-value in the careers of our corporate colleagues. The "愛'm Ready Volunteer Club" was established in accordance with the "Related Rights and Responsibilities of the Chailease Foundation Volunteer Program". The club calls on employees at the Company who are willing to volunteer to serve as long-term volunteers at the Chailease Foundation in support of small and medium-sized social welfare organizations that take specific steps to spread warmth across every corner of society. It also adds a different perspective and diversified development to our employees' career.

"愛'm ready" replaces the English word "I" with the Chinese character 「愛」 "love" to refer to volunteers' spontaneous participation in volunteer services based on love, and their loving and caring contributions to society. Moreover, the spirit of "I'm ready", means that each volunteer is ready to provide effective and quality service to each social welfare organization before taking action.

I. Participation Mechanism



Volunteer Services

Chailease Holdings Volunteer Transit Station

The Chailease Foundation hopes to use the concept of a "transit station" to match corporate volunteers with the manpower required by social welfare organizations. These service organizations include toy banks, food banks, and welfare organizations for the physically and mentally challenged, the elderly...etc.

One-day volunteer projects are scheduled to introduce corporate employees to different service targets and organizations in different fields. Our corporate colleagues are also encouraged to think about fields in which they would like to serve.

In addition, the Chailease Foundation also encourages employees to take the initiative to contact organizations they wish to serve and actively participate in volunteer services there. Employees who volunteer are able to accumulate the same hours as working in the Company and enjoy the benefits of volunteer leave.

Volunteer Training

Local Innovation and Community Engagement

Since 2019, the Chailease Foundation has been focusing on the issue of local innovation. Visiting communities helps us learn about local culture and real estate, as well as to understand the future development priorities and resources required by each community. The Foundation assists local groups to find new ways of developing existing characteristics so that young people are more willing to return to their hometowns and start careers.

Community engagement activities are arranged as part of volunteer training.

This gives corporate colleagues at the Company an opportunity to get to know different types of social welfare organizations through personal experience. In the future, they will also have an opportunity to provide long-term services and become a driving force of local innovation that will strengthen volunteer efforts.

One local innovation and community engagement activity was held in 2022.

A total of 24 volunteers participated in the event, which was held in cooperation with the Sanhe Carpentry Workshop in Daxi, Taoyuan.

II. Volunteer Benefits and Incentives

The Company provides employees with 3 days of paid volunteer leave and meal reimbursements during the volunteer service period to encourage employees to actively participate in volunteer services. The top ten volunteers are awarded with medals at the end of the year or during the annual meeting of the Company. In addition, we also organize regular volunteer appreciation dinners to encourage our volunteers and strengthen emotional bonds. This is all to better motivate employees to participate in social services.



A group photo of the 2022 award winners, presented by our President Mrs. Jana C.H. Koo (6th from left).

III. Service Achievements

A total of 30 volunteer events were held in 2022. 15 events were self-initiated by corporate colleagues. 1,690 volunteers accumulated 5,408 service hours, with an average of 3.2 service hours per person. The “愛” m ready Volunteer Club" has worked with 52 service organizations since inception, and 5,352 volunteers have accumulated 20,682 service hours.

Healthy Blood Donations From Chailease

The blood supply in Taiwan remains low due to the impact of the COVID-19 Pandemic. In response to calls by the government to "Donate a bag of blood, save a life", the Chailease Foundation has been organizing blood donation events for employees since 2008. The 2022 events were held on September 16, 2022 and December 23, 2022. Corporate colleagues were asked to donate blood at headquarters in Neihu to help alleviate the blood shortage in society. Our staff participated enthusiastically and made a generous show of support. 225 people were successfully called to roll up their sleeves and respond to both events. A total of 309 bags of blood were collected, and proved to be a very fruitful result.

The events demonstrate the concept of fulfilling corporate responsibility by actively participating in public welfare and giving back to society.



Let's Clean the Beach to Protect the Environment

The Chailease Foundation began a series of sustainable beach cleaning activities in 2021 to raise awareness about protecting marine ecology, inspire action to care for the ocean, and accordingly, break littering habits in everyday life. In 2022, the series expanded to New Taipei, Hsinchu, Taichung, Tainan and Kaohsiung. In addition to employees of the Company and their families, external solar power plant manufacturers were also invited to coordinate efforts by the upstream and downstream supply chain. Together we can protect ocean environments by actually participating in the process of cleaning up the ocean and beaches. There were six beach cleaning events in 2022. A total of 1,294 people were mobilized to clean up 1,522 kg of waste and recyclable resources.



Highlights of Volunteer Club Activities

Assisted in Packing Gift Boxes

The Volunteer Club assisted the Down Syndrome Foundation in packing the Spring Festival and Mid-Autumn Festival gift boxes to alleviate the shortage of manpower due to the large number of gift boxes ordered for the holiday season.



Organized Used Toys

Volunteer Club and the Xinzhuang Branch served as volunteers for the New Taipei City Toy Bank Charity Bazaar, helping to organize used toys and guide the general public to pick up free supplies. The South Kaohsiung Branch and Taoyuan Branch assisted the Toy Library Association and Toy Terminal in organizing used toys.



Organized Materials From Old Shoes

The New Taipei Branch assisted the Old Shoes Save Lives Relief Society in organizing materials so that they could be sent to Africa in good condition.



Supporting Children's Activities

The Hsinchu Branch volunteered for the Heartland Foundation Baby Games, providing parents with a lively way to learn about their children's development and related issues.



Assist in Packing Supplies

The Tainan Branch assisted Andres Food Bank in packaging supplies for distribution to organizations and families in need.



North

25 session_927 participants



- Down Syndrome Foundation
- Shih Hsin University
- Chailease Foundation
- New Taipei City Toybank
- Longmen Beach, Gongliao Dist
- Fortune Sand Bay, Hsinchu
- International Step30 International Ministries
- Syin-Lu Social Welfare Foundation
- Taiwan Toy Library Association

Middle

1 session_382 participants



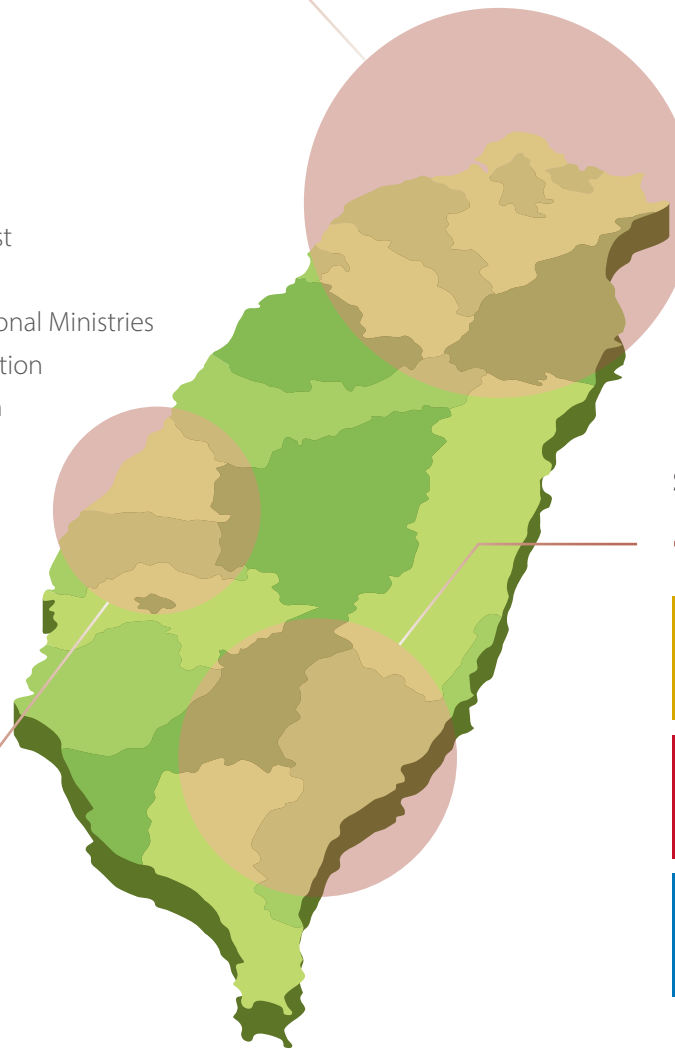
- Daan Beaches, Daan Dist.

South

4 session_366 participants



- Toy Library
- Kezailiao Beach, Ziguan Dist
- Masakau Beach, Jiangjun Dist
- Andrew Charity Association



8.4 Project and Sponsorship

I. Diverse Pro Bono Career Sponsorship Program

Besides "Career Exploration", "Athletic Talent" and "Corporate Volunteers", the Foundation also sponsors a series of multidisciplinary creative organizations in partnership with corporate groups. The goal is to cultivate useful talents for our country and society, and encourage students to nurture their gifts and strengths, unleash their potential, and build diversified human resources for remote villages. In 2022, a total of NT\$200,000 was granted to the Diversified Career Development Program at Luofu Junior High School in Fuxing District, Taoyuan City, expected to benefit a total of 280 students; and NT\$200,000 was granted to the soccer program at Qiao Ai Elementary School, expected to benefit a total of 37 students.

II. 「Chailease FUN」 Employee Life Lectures

In order to enhance the positive thinking of corporate employees, relieve work and life stress, and achieve flexibility and balance between family, career and life, as well as ensure the health and well-being of our employees, the Chailease Foundation plans to hold a life lecture once every quarter. One in the head office once every three months, and one in the central and southern branches at the beginning of the year. Topics include: life aesthetics, beauty and fashion, travel, health and wellness, arts and culture, etc. A total of 3 lectures were held in 2022 in the form of remote instruction or online activities due to the Novel Coronavirus COVID-19 Pandemic. The topics were mosaic lamp collages, alcoholic ink and fluid painting, and wooden window coasters. 347 people participated in the lectures, and the average satisfaction rate was 93 points.



III. "Believe in Reading: Creating A New Generation Together" Action Plan

In response to the "Believe in Reading: Creating A New Generation Together" public service book drive initiated by Commonwealth Publishing Group, Chailease participated in the purchase of 100 carefully selected, interdisciplinary classic books that will never fall off the shelves and, together with the Chailease Holdings Foundation, sent good books to high schools in remote areas and outlying islands of Taiwan (including Taipei Municipal Tatong High School, Luofu Junior High School in Taoyuan, Taichung Municipal Dongshih Industrial High School, Hsin-feng Senior High School in Tainan, and Magong Senior High School in Penghu) in hopes of passing shared values through generations.



IV. Overseas Locations

Mainland China



As a financial institution headquartered in Shanghai, Chailease International Financial Leasing Corp. quickly played to its strengths during the Pandemic and donated RMB \$100,000 worth of essential supplies to the Shanghai Hongqiao Pilot Economic Park for pandemic prevention, and was recognized as a "pioneering enterprise in the fight against the COVID-19 Pandemic".

Chailease Finance International Corp. donated RMB200,000 to build a "Dream Pairing House" for local children left behind in GaoYu Village, Gansu Province. It will be equipped with books, reading tables and chairs, computers and other multimedia hardware equipment to enrich the lives of local children left behind outside of school and promote their healthy physical and mental development.



Vietnam



On September 9, 2022, Chailease International (Vietnam) and The Youth Social Work Center in Ho Chi Min City organized a Mid-Autumn Festival activity for disadvantaged children in the area - "Chailease Celebrates Mid-Autumn Festival with Me". In addition to singing and martial arts performances, various games were held and gifts and lanterns were given to 200 children on site to help them celebrate the festival.

Thailand



1 June 2022, ASK donated the scholarships, sports equipment, and consumer goods to underprivileged children in the care of Thungmahamek School for Deaf and Baan Mahamek Boys' Orphanage, total 250,000 baht. There are also donated items for the employees who join to donate to share with the children.

On August 11, 2022, ASK donated 250,000 baht to the Thai Red Cross Society to help fund the construction project. "Building Center for Integration of Medical and Public Health Services (Extended OPD) Chulalongkorn Hospital" The donation was received by Mr. Khan Prachuabmoh, Director of Fund Raising Bureau of The Thai Red Cross Society.



On September 9, 2022, ASK donated the annual scholarship 2022 in a total amount of 64,000 Baht to the Faculty of Business Administration, Rajamangala University of Technology Krungthep (RMUTK). ASK is continuing supporter of financial scholarships to help the students living below poverty line but with outstanding academic performance at RMUTK for 7 consecutive years.

On November 1, 2022, ASK donated of 100,000 Baht to help flood victims in Ubon Ratchathani Province at the Flood Assistance Center, Ubon Ratchathani Province City Hall.



GRI Standards Index

Statement of use	The 2022 Chailease Holding Sustainability Report complies with the requirements of new GRI Standards (2021). The scope of data and information disclosed is January 1 to December 31, 2022
GRI 1 used G	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standard(s)

GRI 2:General Disclosures 2021				
GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page
Organization and reporting				
2-1	Organizational details	ABOUT THIS CSR REPORT 1.1 About Chailease		3 13
2-2	Entities included in the organization's sustainability reporting	1.1 About Chailease		3
2-3	Reporting period, frequency and contact point	1.1 About Chailease		3
2-4	Restatements of information	1.1 About Chailease		3
2-5	External assurance	1.1 About Chailease External Assurance and Certificate		3 150
Activities and workers				
2-6	Activities, value chain and other business relationships	1.1 About Chailease		13
2-7	Employees	Appendix – Human Resource Management Indicators		145
2-8	Workers who are not employees	6.2 Sustainable Supplier Chain Management		99
Governance				
2-9	Governance structure and composition	5.1 Management Team		66
2-10	Nomination and selection of the highest governance body	5.1 Management Team		66
2-11	Chair of the highest governance body	5.1 Management Team		66
2-12	Role of the highest governance body in overseeing the management of impacts	5.1 Management Team		66
2-13	Delegation of responsibility for managing impacts	2.2 Sustainable Governance 5.1 Management Team		20 66

GRI 2:General Disclosures 2021				
GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page
Governance				
2-14	Role of the highest governance body in sustainability reporting	2.2 Sustainable Governance		20
2-15	Conflicts of interest	5.1 Management Team		66
2-16	Communication of critical concerns	2.2 Sustainable Governance 5.1 Management Team		20 66
2-17	Collective knowledge of the highest governance body	5.1 Management Team		66
2-18	Evaluation of the performance of the highest governance body	5.1 Management Team		66
2-19	Remuneration policies	5.1 Management Team	refer to the 2022 Annual Report p.	66
2-20	Process to determine remuneration	5.1 Management Team		66
2-21	Annual total compensation ratio	Omission		110
Strategy, policies and practice				
2-22	Statement on sustainable development strategy	LETTER FROM THE CHAIRMAN		5
2-23	Policy commitments	LETTER FROM THE CHAIRMAN 7.4 Human Rights Protection		5 117
2-24	Embedding policy commitments	6.2 Sustainable Supplier Chain Management 7.4 Human Rights Protection		99 117

GRI 2:General Disclosures 2021				
GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page
2-25	Processes to remediate negative impacts	2.2 Sustainable Governance		
		4.1 Inclusive Finance		20
		4.2 Sustainable Finance		52
		5.3 Money Laundering Prevention		55
		5.4 Tax Governance Policy		75
		5.6 Ethical Corporate Management		80
		7.3 Healthy Workplace		85
		7.4 Human Rights Protection		109
2-26	Mechanisms for seeking advice and raising concerns	5.6 Ethical Corporate Management		85
2-27	Compliance with laws and regulations	5.2 Regulatory Compliance		73
		5.3 Money Laundering Prevention		75
		5.6 Ethical Corporate Management		85
2-28	Membership associations	1.1 About Chailease		13
Stakeholder engagement				
2-29	Approach to stakeholder engagement	2.3 Stakeholder Agreement		21
2-30	Collective bargaining agreements	7.3 Healthy Workplace	No labor union	109

GRI 3:Material Topics 2021				
GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page
3-1	Process to determine material topics	2.4 Identifying Major Issues		25
3-2	List of material topics	2.4 Identifying Major Issues		25
3-3	Management of material topics	2.4 Identifying Major Issues		25

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page
Material Topics				
Ethical Corporate Management				
3-3 Management of material topics		Ethical Corporate Management		
GRI 205 Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	5.6 Ethical Corporate Management 6.2 Sustainable Supplier Chain Management		85 99
Corporate Governance				
3-3 Management of material topics		Corporate Governance		
GRI 2 Governance	2-18 Evaluation of the performance of the highest governance body	5.1 Management Team		66
Risk Control				
3-3 Management of material topics		Corporate Governance		
GRI 2 Governance	2-18 Evaluation of the performance of the highest governance body	5.1 Management Team		40
Risk Control				
3-3 Management of material topics		Risk Control		
--	Risks and opportunities due to climate change	3.0 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)		15 107
Operating Performance				
3-3 Management of material topics		Operating Performance		
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed 201-3 Defined benefit plan obligations and other retirement plans	1.2 Business Performance 7.2 Employee Care		63 90
Information Security				
3-3 Management of material topics		Information Security		
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.4 Personal Information Protection 5.7 Information Security		63 90

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page
GRI 200: Economic Series				
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	1.2 Business Performance		15
	201-3 Defined benefit plan obligations and other retirement plans	7.2 Employee Care		15
	201-4 Financial assistance received from government	1.2 Business Performance		
GRI 202 Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		145
GRI 203 Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	8.3 Volunteer Services		131
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	6.2 Supplier Management		99
GRI 207 Tax 2019	207-1 Approach to tax	5.4 Tax Governance Policy		80
	207-4 Country-by-country reporting	5.4 Tax Governance Policy		80
GRI 300: Environmental Series 2016				
GRI 302 Energy 2016	302-1 Energy consumption within the organization	6.1 Green Operations Management		95
	302-3 Energy intensity	Appendix — Sustainable Operating Environment Indicators		143
GRI 303 Water and Effluents 2018	303-1 Water withdrawal by source	Locations are offices and the withdrawal water from tap water.		
	303-2 Management of water discharge-related impacts	Locations are offices and the discharge water complies with legal regulations.		
	303-3 Water withdrawal	6.1 Green Operations Management		95
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	6.1 Green Operations Management		95
	305-2 Energy indirect (Scope 2) GHG emissions	6.1 Green Operations Management		95
	305-3 Other indirect (Scope 3) GHG emissions	6.1 Green Operations Management		95
	305-4 GHG emissions intensity	6.1 Green Operations Management		95
	305-5 Reduction of GHG emissions	6.1 Green Operations Management		95
GRI 306 Waste 2020	306-3 Waste generated	6.1 Green Operations Management		99
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	6.2 Supplier Management		109

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page
GRI 400: Social Series				
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Appendix – Human Resource Management Indicators		145
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.2 Employee Care		99
	401-3 Parental leave	7.3 Healthy Workplace		109
GRI 402 Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	7.4 Human Rights Protection		117
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	7.3 Healthy Workplace		109
	403-2 Hazard identification, risk assessment, and incident investigation	7.3 Healthy Workplace		109
	403-3 Occupational health services	7.3 Healthy Workplace		109
	403-4 Worker participation, consultation, and communication on occupational health and safety	7.3 Healthy Workplace		109
	403-5 Worker training on occupational health and safety	7.3 Healthy Workplace		109
	403-6 Promotion of worker health	7.3 Healthy Workplace		109
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.2 Supplier Management		99
	403-8 Workers covered by an occupational health and safety management system	All employees and contractors		
	403-9 Work-related injuries	7.3 Healthy Workplace		109
	403-10 Work-related ill health	7.3 Healthy Workplace		109
7.3 Healthy Workplace GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	7.1 Talent Cultivation and Development		104
	404-2 Programs for upgrading employee skills and transition assistance programs	7.1 Talent Cultivation and Development		104
	404-3 Percentage of employees receiving regular performance and career development reviews	7.1 Talent Cultivation and Development		104
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Appendix – Human Resource Management Indicators		145
	405-2 Ratio of basic salary and remuneration of women to men	Appendix – Human Resource Management Indicators		145
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	7.4 Human Rights Protection		117
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	6.2 Supplier Management		99
		7.4 Human Rights Protection		117

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	6.2 Supplier Management 7.4 Human Rights Protection		
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.2 Supplier Management 7.4 Human Rights Protection		99 117
GRI 411 Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No incident		
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	8.3 Volunteer Services 8.4 Project Sponsorship		131 134
	413-2 Operations with significant actual and potential negative impacts on local communities	8.3 Volunteer Services 8.4 Project Sponsorship		131 134
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	6.2 Supplier Management		99
GRI 415 Public Policy 2016	415-1 Political contributions	1.2 Business Performance		15
GRI 416 Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No significant violation		
GRI 417 Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	4.3 Service Optimization		
	417-2 Incidents of non-compliance concerning product and service information and labeling	No significant violation		62
	417-3 Incidents of noncompliance concerning marketing communications	No significant violation		

Sustainability Accounting Standards Board (SASB) Index

Topic	Code	Accounting Metric	Response	Page
Activity Metric	FN-CB-000.a	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business.	N/A	54
	FN-CB-000.b	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate.	4.1 Inclusive Finance	52
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected.	4.4 Personal Information Protection 5.7 Information Security	63 90
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks.	4.4 Personal Information Protection 5.7 Information Security	63 90
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development.	4.1 Inclusive Finance	52
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development.	4.1 Inclusive Finance	52
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers.	4.0 CUSTOMER VALUE 4.1 Inclusive Finance	51 52
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry.	Industry exposure information for SASB guidelines will be disclosed in future planning	--
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis.	4.2 Sustainable Finance	55
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	5.6 Ethical Corporate Management	85
	FN-CB-510a.2	Description of whistleblower policies and procedures.	5.6 Ethical Corporate Management	85
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category.	N/A	N/A
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities.	N/A	N/A
Activity Metric	FN-MF-000.a	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial.	4.1 Inclusive Finance	52
Activity Metric	FN-MF-000.b	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial.	4.1 Inclusive Finance	52
Discriminatory Lending	FN-MF-270b.3	Description of policies and procedures for ensuring nondiscriminatory mortgage origination.	7.4 Human Rights Protection	117
Environmental Risk to Mortgaged Properties	FN-MF-450a.3	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting.	3.0 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)	40

Summary of Selected Subject Matter Information

This sustainability report invited the British Standards Institution (BSI) to verify the materiality, inclusiveness, responsiveness and impact of the report as an independent and impartial third party, based on the AA1000v3 & AA1000AP (2018) appendix as well as the GRI standard: 2021. The independent and impartial third party verified the conformity of the report to standards of significance, inclusiveness, responsiveness and impact. The 2022 sustainability report initiated Type2 moderate-level assurance (consistent with the requirements of ISAE 3000), interviews with senior management, with assessment of the reliability of sustainability

performance information and content of the information based on its importance and the significance of the warranty statement to the stakeholders. This gives an understanding of major sustainability issues and their priorities in a balanced manner, based on clear management propositions of sustainability performance, and incorporates assessments of their completeness and accuracy, responding to sustainability performance and treating them responsibly while respecting differences. For the differences between stakeholders, major issues and culture, the British Standard Institution (BSI) guarantee statement is detailed in the appendix.

GRI	Contents	Assurance by BSI	Chapter
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report	5.6 Ethical Corporate Management
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report	5.6 Ethical Corporate Management
302-1	Energy consumption within the organization	Sustainability Report	6.1 Green Operations Management
303-3	Water withdrawal by source	Sustainability Report	6.1 Green Operations Management
305-1	Direct (Scope 1) GHG emissions (Neihu HQ Building only)	ISO 14064-1 Certificate of Registration	6.1 Green Operations Management
305-2	Energy indirect (Scope 2) GHG emissions (Neihu HQ Building only)	ISO 14064-1 Certificate of Registration	6.1 Green Operations Management
--	Amount of Waste (recyclable & un-recyclable)	Sustainability Report	6.1 Green Operations Management
--	Gender salary equality	Sustainability Report	7.1 Talent Cultivation and Development
--	Absentee rate of employee	Sustainability Report	7.3 Healthy Workplace
--	Chailease Holding remains to be one of the constituents of DJSI World	Sustainability Report	2022 SUSTAINABLE PERFORMANCE AND IMPORTANT RESULTS
--	Inclusive Fi-nance Amount of financing micro enterprises (TWD mil)	Sustainability Report	4.1 Inclusive Finance
--	Sustainable Finance Loan Product and Service GHG (greenhouse gas) Emission Reduction	Sustainability Report	4.2 Sustainable Finance
--	Sustainable Finance Loan Power generation capacity of photovoltaic power plants	Sustainability Report	4.2 Sustainable Finance
--	Materiality Analysis Materiality assessment process	Sustainability Report	2.4 Identifying Material Topics

Note: Direct (Scope 1) GHG emissions including gasoline emissions of company cars

Appendix – Sustainable Operating Environment Indicators

Energy and Water Management Data

Site	Year	2019	2020	2021	2022
Taiwan	Water usage (m3)	33,467	34,818	31,285	34,793
	Electricity usage(kWh)	4,891,326	5,552,375	6,009,884	6,708,585
	Gasoline(L)	172,845	197,371	187,646	161,794
	Waste(KG)	209,084	239,113	273,193	229,633
Mainland China	Water usage (m3)	4,226	13,250	20,695	8,647
	Electricity usage(kWh)	3,280,386	3,304,840	3,581,299	3,906,648
	Gasoline(L)	1,041,780	1,102,682	2,760,367	6,496,905
Thailand	Water usage (m3)	N/A	7,419	9,353	9,878
	Electricity usage(kWh)	559,453	619,752	612,571	1,004,621
	Gasoline(L)	172,208	158,117	146,714	140,137
Vietnam	Water usage (m3)	11,388	14,058	17,952	8,944
	Electricity usage(kWh)	265,809	396,584	310,696	407,386
	Gasoline(L)	197,408	242,906	219,689	771,085
Malaysia	Water usage (m3)	N/A	2,417	2,770	6,960
	Electricity usage(kWh)	282,209	352,009	336,225	300,102
	Gasoline(L)	7,636	3,499	2,645	5,974
Cambodia	Water usage (m3)	N/A	921	1,159	2,071
	Electricity usage(kWh)	142,266	287,503	348,816	370,723
	Gasoline(L)	2,700	4,304	28,800	70,390

Site	Year	2019	2020	2021	2022	
Philippines	Water usage (m3)	49	290	140	105	
	Electricity usage(kWh)	72,151	72,735	97,186	105,746	
	Gasoline(L)	51,181	16,899	32,794	17,074	
TOTAL	Water usage	m³	49,130	73,173	83,354	71,398
		Million L	49.13	73.17	83.4	71.42
	Electricity usage	(kWh)	9,493,600	10,585,798	11,296,677	12,803,811
		(Megajoule)	34,176,960	38,108,873	40,668,039	46,093,720
	Gasoline	(kWh)	1,645,758	1,725,779	3,378,655	7,663,359
		(Megajoule)	56,943,227	59,711,969	116,901,454	265,152,221
	Megajoule	91,120,187	97,820,792	157,569,502	311,245,941	
	MWH	25,311,163	27,172,442	43,769,306	86,457,206	
	Coverage (%)	-	100%	100%	100%	

Note :

1. The increase in electricity and water consumption by Taiwan Branch in 2022 is mainly due to business expansion and office relocation, following the expansion of five office areas (including Syntek, Banqiao (microenterprise), Taoyuan (microenterprise), KY in Neihu, and Xinzhuang (newly relocated)) compared to 2021. Electricity consumption by the Neihu Headquarters does not include distributed kWh of the central meter.
2. From 2019 to 2022, the Taiwan branch will re-join Darwin, Taixin, Zhongxin offices and other strongholds, so the electricity consumption data will be retrospectively adjusted.
3. Water consumption was reduced in Mainland China due to COVID lockdowns in many areas throughout 2022 because employees were not in the office. There were minimal electricity costs for each individual company, and the electricity cost is estimated at NT\$1.2/kWh. The cost of gasoline is estimated at NT\$7/liter for private cars, in addition to long term and temporary rental cars. The price of gasoline fluctuated significantly in 2022 due to the growth of company organizations and energy issues.
4. Electricity consumption in Thailand increased in 2022 due to all the additional branch offices in Thailand besides the Bangkok headquarters.
5. The Pandemic in Vietnam stabilized in 2022 and employees spent less time in the office than before, so water consumption decreased accordingly. However, the percentage of rental cars has increased as the number of employees has increased. Therefore, gasoline consumption increased as well.
6. Calculation method for water consumption in Malaysia: 24 (per capita water consumption) × 290 persons (number of employees in Malaysia branches).
7. The price of gasoline increased for Cambodia in 2022 as 5 new cars were purchased by the Company.
8. Electricity conversion formula: 1 kWh = 3.6 million joules.
9. Formula for converting gasoline for vehicles: 1 liter = 34.6 million joules.
10. The waste coverage rate is in Taiwan, and the calculation method of the branch office is the estimation of the per capita amount of the head office.
11. According to the international organization WRI's water stress map (<https://www.wri.org/aqueduct>), the overseas locations that are under water stress include: Cambodia (High); Thailand, Vietnam, and China (Medium High); Malaysia (Low-Medium); and the Philippines (not shown).

Sustainable Operating Environment Indicators

Category	Item	Year			
		2019	2020	2021	2022
Scope 1	Carbon emission (ton)	3,724.57	3,905.67	7,646.34	22,453.64
	Per capita (ton/person)	0.59	0.55	0.98	2.50
	Carbon emission per unit of revenue (ton/NT\$M)	0.06	0.07	0.11	0.26
Scope 2	Carbon emission (ton)	5,060.09	5,388.17	5,670.93	6,517.14
	Per capita (ton/person)	0.80	0.76	0.73	0.73
	Carbon emission per unit of revenue (ton/NT\$M)	0.09	0.09	0.08	0.08
Scope 3	Business travels				
	Carbon emission (ton)	672.73	185.32	128.04	165.20
	Carbon emission per unit of revenue (g/NT\$ thousand)	11.38	3.12	1.77	1.91
	Electricity upstream				
	Carbon emission (ton)	787.50	738.47	594.98	543.40
	Carbon emission per unit of revenue (g/NT\$ thousand)	13.32	12.42	8.25	6.27
Energy	Total non-renewable energy consumption (MWh)	25,311.16	27,172.46	43,769.30	86,457.21
	Total non-renewable energy consumption (GJ)	91,120.19	97,820.84	157,569.49	311,245.94
	Per capita (GJ)	14.36	13.82	20.23	34.69
	Per unit of revenue (Kwh/NT\$ thousand)	1.65	0.46	0.61	1.00
	Per unit of revenue (GJ/NT\$M)	1.54	1.64	2.18	3.59
Water	Total water consumption (ton)	49,130.00	73,173.23	83,354.13	71,397.80
	Total water consumption (megaliter)	49.13	73.17	83.35	71.40
	Per capita (ton/person)	7.74	10.34	10.70	7.96
	Per unit of revenue (ton/NT\$M)	0.83	1.23	1.16	0.82

Note: The number of employees of 2022 is 8,972 ; the revenue of 2022 is 86,608,165(thousand dollars)

Appendix – Human Resource Management Indicators

Labor Force Structure

In 2021, Chailease Holding employed 7,787 people. The ratio of women to men was 4:6 and the average age was 32.3. In accordance with labor laws, we guarantee workers' rights, working conditions comply with labor regulations:

- Do not employ child laborers (16 years of age or younger).
- Employ 32 physically/mentally disabled people according to different types of work, making up 1% of all employees in its Taiwan subsidiaries, 0.41% of all the employees around the world.
- Racial Diversity: we have 26 indigenous employees(15 male employees & 11 female employees)
- National Diversity: including Taiwan, China, Thailand, Vietnam, Malaysia, Cambodia, Philippines, Indonesia, Japan, Singapore, United States, United Kingdom, etc.

2022 Statistics of Full-time Employees by Nationality

	Position	Management		Non-management		Total	
			%		%		%
Nationality	Taiwan	624	51.19%	3,259	42.04%	3,883	43.28%
	China	339	27.81%	2,342	30.21%	2,681	29.88%
	Thailand	86	7.05%	681	8.78%	767	8.55%
	Vietnam	85	6.97%	625	8.06%	710	7.91%
	Cambodia	34	2.79%	345	4.45%	379	4.22%
	Philippines	3	0.25%	102	1.32%	105	1.17%
	Indonesia	9	0.74%	111	1.43%	120	1.34%
	Malaysia	30	2.46%	268	3.46%	298	3.32%
	Others	9	0.74%	20	0.26%	29	0.32%
Total		1,219	100.00%	7,753	100.00%	8,972	100.00%

2022 Statistics of Full-time Employees by Gender

Category	Position	Female		Male		Subtotal
			%		%	
Domestic	Management	107	23%	361	77%	468
	Non-management	1,562	48%	1,703	52%	3,265
Overseas	Management	268	36%	483	64%	751
	Non-management	2,310	51%	2,178	49%	4,488
Subtotal	Management	375	31%	844	69%	1,219
	Non-management	3,872	50%	3,881	50%	7,753
Total		4,247	47%	4,725	53%	8,972

Note:

1. Only include permanent full-time employees, no temporary, no-hour guarantee or part-time employees.
2. 'Management personnel' is defined as those personnel with performance appraisal authority. All others are considered non-management personnel.
3. Taiwanese nationals assigned to subsidiaries abroad are listed under overseas subsidiaries.
4. The number of employees did not fluctuate significantly compared to the previous year.
5. The ratio of female managers is 30.76%. It increased 1.7% compared to 2021 (29.06%).

2022 Statistics of Full-time Employees by Age

Category	Position	Age			Subtotal
		Under 30	30-50	Over 50	
Domestic	Management	1	321	146	468
	Non-management	1,144	1,966	155	3,265
Overseas	Management	97	549	105	751
	Non-management	3,262	1,136	90	4,488
Subtotal	Management	98	870	251	1,219
	Non-management	4,406	3,102	245	7,753
Total		4,504	3,972	496	8,972

2022 Percentage of Females Among Full-time Employees

Position	Gender		Total	Percentage of Females
	Female	Male		
Junior Level Management	317	578	895	35.42%
Middle Level Management	51	186	237	21.52%
Senior Level Management	7	80	87	8.05%
Management	375	844	1,219	30.76%
Management in Revenue-generating Functions	268	652	920	29.13%
STEM-related	123	231	354	34.75%
In Total Workplace	4,247	4,725	8,972	47.34%

Note: STEM is an abbreviation for Science, Technology, Engineering, and Mathematics and indicates employees in related positions.

2022 Statistics of Employment Type

Category	Employment type	Gender		Subtotal
		Female	Male	
Domestic	Full-time	1,669	2,064	3,733
	Contract	17	5	22
Overseas	Full-time	2,578	2,661	5,239
	Contract	110	56	166
Subtotal	Full-time	4,247	4,725	8,972
	Contract	127	61	188
Total		4,374	4,786	9,160

Note:

1. Company employees are all full-time, with no part-time employees.
2. The definition of contracted is having signed an employment contract with Chailease Holding with an end date indicated.

2022 Statistics of the Average Ages, Accumulated Churn, and Rate of Growth of Full-time Employees

Item	No. of People	Average Age	Accumulated Churn	Employee Rate of Growth
Domestic	3,733	35.50	13.42%	11.67%
Overseas	5,239	29.77	14.03%	17.89%
Total	8,972	32.15	13.78%	15.22%

Note:

1. Accumulated churn: No. of employees leaving divided by average monthly No. of employees for January through December, 2021.
2. Employee growth rate: (No. of people at end of 2021- No. of people at end of 2020) ÷ No. of people at end of 2020.
3. Exclude contract staffs.

2022 Ratio of New Full-time Employees

Item	Age			Gender		Total	Ratio of New Employees
	Under 30	30-50	Over 50	Female	Male		
Domestic	795	505	12	592	720	1,312	14.62%
Overseas	2,745	277	4	1,350	1,676	3,026	33.73%
Total	3,540	782	16	1,942	2,396	4,338	48.35%

Note: Ratio of new employees = No. of new employees ÷ No. of total employees as the end of 2022

Full-time Employees Turnover Rate Over the Years

Item		2019		2020		2021		2022	
		No. of people	Turnover rate	No. of people	Turnover rate	No. of people	Turnover rate	No. of people	Turnover rate
Gender	Male	301	4.74%	389	5.50%	486	6.24%	526	5.86%
	Female	449	7.07%	539	7.61%	630	8.09%	620	6.91%
Age	Under 30	434	6.84%	593	8.38%	711	9.13%	750	8.36%
	30-50	296	4.66%	217	3.07%	366	4.70%	362	4.03%
	Over 50	20	0.32%	18	0.25%	39	0.50%	34	0.38%
Area	Domestic	262	4.13%	320	4.52%	424	5.44%	474	5.28%
	Overseas	488	7.69%	608	8.59%	692	8.89%	672	7.49%
Voluntary Turnover		633	9.97%	830	11.72%	1,018	13.07%	1,030	11.48%
Total Turnover		750	11.82%	928	13.11%	1,116	14.33%	1,146	12.77%

Note: Turnover Rate = No. of voluntary turnover ÷ No. of total turnover as the end of 2022

Internal Recruitment Rate of Full-time Employees in Domestic Over the Years in Taiwan

Item	Year		
	2020	2021	2022
Internal Recruitment Rate	54.0%	51.1%	50.4%

Note: Internal Recruitment Rate = No. of internal recruitment ÷ No. of internal vacancies.

Human Capital Return on Investment

2019	2020	2021	2022
3.73719	3.80024	4.52415	4.29942

Note 1: HC ROI=[Total Revenue-(Total Operating Expenses-Total Employee-related Expenses)] ÷ Total Employee-related Expenses

Note 2: Total Employee-related Expenses includes salary, benefits and training expenses.

Retirement System and Status of Implementation

Chailease Holding's retirement systems are set up based on relevant laws and regulations of the countries which its subsidiaries are in. Details follow:

Location	Companies in the territory of ROC	Companies in China
Laws	All have measures for employee retirement management in accordance with the Labor Law, and provide monthly retirement allowances to the Supervisory Committee of Workers' Retirement Preparation Fund, as of July 1, 2005.	The company pays endowment insurance for employees in accordance with the local regulations.
Explanation	- Applicants who started after July 1, 2005 (inclusive) will fully apply the Labor Pensions Ordinance - On July 1, 2005 (excluding), the employee may choose the pension system with the Labor Pensions Ordinance or the Labor Law within five years from July 1, 2005. If the employee has not yet selected during the term, the pension provisions of the Labor Law will continue to apply from the date of implementation. - Staffs may be retired if he or she has one of the following circumstances: (A) person who has served for more than 15 years (inclusive) and has reached the age of 55. (B) Those who have served for 25 years or more. (C) Those who have served for more than 10 years (inclusive) and have reached the age of 60. Pension criteria: (A) Employees who started before March 1, 1998 (excluding March 1st), each year of work is given two bases, more than fifteen years of work, and one additional base is added, the highest Take the sixty-one base as the upper limit. (B) Employees who started after March 1, 1998 (including March 1st), have two bases for each year of work, more than 15 years of work, and a base for each full year, except In addition to notification of forced retirees due to public injury, the maximum total is limited to 45 bases.	- According to the local social insurance procedure, the endowment insurance is included in social insurance (including medical care, maternity, pension, work injury, unemployment). After the company handles the social insurance increase procedures for employees, it has begun to fulfill the obligation to pay pension insurance. - If the staffs reach the statutory retirement age and the accumulated payment period is reaching 15 years, they will have the basic pension insurance treatment. The basic pension insurance treatment are as follows: (A) For those employed since January 1, 1993: Base Pension + Individual Account Pension. Details: - Basic pension: the average monthly salary of the employees in the city in the previous year at the time of personal retirement × individual payment period × 1%. - Personal pension: The amount of personal deposits at retirement / the retirement age of the person corresponding to the number of months.

Statistics on the implementation of the four major workplace health promotion programs (abnormal workload, human factors, maternity, and prevention of abuse) and health service measures

Service Item		Abnormality Rate(%)	Related Risk Factors
Management of health screening results metabolic syndrome ^(Note 1)		13.52%	Hyperglycemia, hypertension, obesity, hyperlipidemia
Abnormal workload prevention		13.63%	Abnormal workload, cardiovascular system diseases
Human-caused hazards		1.96%	Human factors hazards (musculoskeletal system)
Maternity protection		0.00 ^(Note 2)	Maternal health protection
Prevention of workplace abuse		0.00 ^(Note 2)	Workplace abuse
Health Promotion, Prevention and Health Education	Waist circumference	29.08%	Cardiovascular diseases
	Blood pressure	21.92%	Cardiovascular system diseases, endocrine system diseases
	White blood cell	0.49%	Immune system diseases
	Hemoglobin	1.58%	Cardiovascular diseases
	Blood glucose	14.58%	Digestive system diseases
Health Promotion, Prevention and Health Education	Liver function	14.16%	Digestive system diseases, endocrine system diseases
	Kidney function	0.98%	Diseases of the urinary system, endocrine system
	Total cholesterol	40.41%	Cardiovascular system diseases, endocrine system diseases
	Triglycerides	17.89%	Cardiovascular system diseases, endocrine system diseases
	High-density lipoprotein cholesterol	16.42%	Cardiovascular diseases, endocrine system diseases
	Low-density lipoprotein cholesterol	27.42%	Cardiovascular system diseases, endocrine system diseases
	Urine protein	18.00%	Digestive system diseases, urological system diseases
	Urinary occult blood	14.05%	Urinary system diseases, reproductive system diseases
	Intraocular pressure	8.40%	Ophthalmic diseases

Notes:

1. The criteria for determining the metabolic syndrome of health examination results are:

- Abdominal obesity: men's waist circumference $\geq 90\text{cm}$, women's waist circumference $\geq 80\text{cm}$.
- High blood pressure: systolic blood pressure $\geq 130\text{mmHg}$ or diastolic blood pressure $\geq 85\text{mmHg}$, or take doctor-prescribed high blood pressure treatment drugs.
- High fasting blood glucose: Fasting blood glucose value $\geq 100\text{mg/dL}$, or taking doctor-prescribed medication for diabetes mellitus.
- High fasting triglycerides: $\geq 150\text{mg/dL}$, or triglyceride-lowering medication prescribed by a physician.
- Low HDL cholesterol: $<40\text{mg/dL}$ for men and $<50\text{mg/dL}$ for women.
- If three or more of the above five components are met, the patient is considered to have metabolic syndrome.

2. No unlawful abuse and maternal protection hazards in 2021.

3. The rate of abnormal health checkups may vary depending on the year and target population.

4. In accordance with the Occupational Safety and Health Act, we have implemented a total of 28 on-site physician consultation services, an implementation rate of 100%.

Appendix – Social Participation Indicators

Volunteer Service Data

Branch	Service Unit	Date	Session	No. of Participants	
				Chailease	Dependents & Supplier
Volunteer Club	Down Syndrome Foundation	1/8、1/9、1/15、1/16	8	145	12
Volunteer Club	Shih Hsin University	3/12	1	16	0
Volunteer Club	Chailease Foundation	5/28	1	12	0
Volunteer Club	Down Syndrome Foundation	8/20、8/21、8/27、8/28	7	85	0
Xinzhuang Branch	New Taipei City Toybank	10/15	1	23	0
Volunteer Club	New Taipei City Toybank	10/15	1	9	0
Taipei Metro Area	Longmen Beach, Gongliao Dist.	10/15	1	291	72
South Kaohsiung Branch	Toy Library	10/22	1	13	6
Kaohsiung Area	Kezailiao Beach, Ziguang Dist.	11/5	1	172	69
Taoyuan & Hsinchu Area	Fortune Sand Bay, Hsinchu	11/5	1	93	38
Chailease Energy	Longmen Beach, Gongliao Dist.	11/5	1	80	12
Chiayi & Tainan Area	Masakau Beach, Jiangjun Dist.	11/5	1	48	36
Middle Area	Daan Beaches, Daan Dist.	11/5	1	255	127
New Taipei Branch	International Step30 International Ministries	11/12	1	9	2
Hsinchu Branch	Syin-Lu Social Welfare Foundation	11/12	1	10	7
Tainan Branch	Andrew Charity Association	11/19	1	18	4
Taoyuan Branch	Taiwan Toy Library Association	12/17	1	11	0
Personal	Healthy Growth Foundation, Eslite Foundation for Culture and the Arts, International Step30 International Ministries, Eden Social Welfare Foundation, Taiwan Mobile Foundation, Taipei Women's Center, Wild Bird Society of Taipei, Shei-Pa National Park.	全年	15	15	0
Total			45	1,305	385

External Assurance and Certificate

1. ESG Report – Independent Assurance Opinion Statement

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INDEPENDENT ASSURANCE OPINION STATEMENT
Chalease Holding Company Limited 2022 Sustainability Report

The British Standards Institution is independent to Chalease Holding Company Limited (hereafter referred to as Chalease Holding) in this statement and has no financial interest in the opinion of Chalease Holding other than the assessment and verification of the sustainability statements contained in the report.

This independent assurance opinion statement has been prepared for the stakeholders of Chalease Holding only for the purposes of providing assurance regarding its sustainability report, more particularly described in the Scope below. It is not prepared for any other purpose. The BSI Standards Institution will not be providing this independent assurance opinion statement, except or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used or for any action taken or not taken by the independent assurance opinion statement and its use.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented in the Chalease Holding. The review does not extend beyond such information and is based solely 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 Chalease Holding only.

Scope

The scope of engagement agreed upon with Chalease Holding includes the following:

- The assurance scope is consistent with the description of Chalease Holding Company Limited 2022 Sustainability Report
- The evaluation of the scope and extent of the Chalease Holding's assurance in AA1000AS Principles (2018) and the reliability of specified sustainability performance information in this report are conducted in accordance with type 2 of AA1000AS v3 independently assurance engagement

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

Opinion Statement

We conclude that the Chalease Holding Company Limited 2022 Sustainability Report provides a fair view of the Chalease Holding sustainability performance and performance during 2022. The sustainability report subject to assurance is a materially correct without voluntary emissions based upon testing with the limitations of the scope of the assurance, the information and data provided by the Chalease Holding and the sample taken. We believe that the performance information of Governance, Social and Governance (SGS) are correctly represented. The sustainability performance information disclosed in the report demonstrates Chalease Holding's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assessors in accordance with the AA1000AS v3. We planned and performed the last part of our work to obtain the necessary information the explanation we considered to provide sufficient evidence that Chalease Holding's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fair stated.

Methodology

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

- a high level review of issues raised by external parties that could be relevant to Chalease Holding's policies to provide a check on the appropriateness of statements made in the report
- discussion with management on Chalease Holding's approach to stakeholder engagement. Moreover, we had sampled 1 external stakeholders to conduct interview
- interview with 22 staffs involved in sustainability management, report preparation and provision of representation information were carried out
- review of materiality assessment process
- review of key organizational developments
- review of the content and validity of the relevant accounting systems for financial and non-financial reports
- review of the history of internal audit
- the verification of performance data and claims made in the report through meeting with management responsible for gathering data
- testing of the processes for gathering and ensuring the accuracy of data. Selected data were to select appropriate source and checked sample data to greater depth during site visits
- the corroborated financial data and non-financial financial data, we checked that this data was consistently reported
- review of supporting evidence for claims made in the reports
- an assessment of the organization's working and management processes concerning the reporting against the principles of inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018)

Conclusions

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

Inclusivity

In this report, it reflects that Chalease Holding has consistently sought the engagement of its stakeholders and established materiality topics on the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are no reporting and disclosure for the information of Governance, Social and Governance (SGS) in this report, so that appropriate planning and target setting can be supported. In our professional opinion, the report meets the Chalease Holding's intended goals and has demonstrated sustainable content support by its management and implemented in all levels within organization.

Materiality

The Chalease Holding publishes material topics that will substantially influence and impact the assessments, decisions, actions and performance of Chalease Holding and its stakeholders. The sustainable information disclosed enables its stakeholders to make informed judgments about the Chalease Holding's materiality assessment process and management and performance in our professional opinion for the report covers the Chalease Holding's intended issues.

Responsiveness

Chalease Holding has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy in the Chalease Holding's documents and website provides the opportunity to further enhance Chalease Holding's responsiveness to stakeholder concerns. Topics that stakeholders consult about have been responded timely. In our professional opinion the report covers the Chalease Holding's responsiveness issues.

Impact

Chalease Holding has identified and fairly presented impacts that were measured and declared in a publicly balanced and effective way. Chalease Holding has established processes to monitor, measure, evaluate and manage results that lead to clear effective demonstration and results based management within an organization. In our professional opinion the report covers the Chalease Holding's impact issues.

Performance Information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosed in this report Chalease Holding and GRI Standards agreed upon includes the scope. In our view, the data and information presented in the Chalease Holding Company Limited 2022 Sustainability Report are reliable based on procedures undertaken by means of reviewing, testing, comparing and contrasting.

GRI Sustainability Reporting Standards (GRI Standards)

Chalease Holding provided us with their self-declaration of its accordance with GRI Standards 2021 (for each material topic covered in the disclosure) (GRI Standards) and relevant GRI Standards, including but not limited to: Governance, Social, environmental, and social information, comply with all reporting requirements for disclosure. Based on our review, we confirm that Chalease Holding's approach to the self-declaration meets the GRI Standards' sustainability reporting. However, the future report should be further enhanced by the following areas: The organization discloses 12/21 annual total compensation, but the report does not provide compensation data published in that annual report as required. It is our hope that the organization will be able to meet annual compensation as required, according to the instruction of 2/21, so the position of the organization's sustainability report can be enhanced.

Assurance level

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

Responsibility

This sustainability report is the responsibility of the Chalease Holding'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 45001, ISO 45001, ISO 14001 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 for Trusting Group of Practice.

For and on behalf of BSI:

Peter P.C. Managing Director BSI Taiwan
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Statement for: SPA7W-2022001
2023-06-05

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2. ISO 14001:2015 Environmental management systems – Certificate of Registration

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Certificate of Registration
ENERGY MANAGEMENT SYSTEM - ISO 50001:2018

This is to certify that: Chalease Holding Company Limited 中華經貿股份有限公司
No. 302, Ruiguang Rd. 中興路
Neihu District 內湖區
Taipei City 台北市
114507 內湖區
114507 內湖區

Holds Certificate No: ENMS 664945
and operates an Energy Management System which complies with the requirements of ISO 50001:2018 for the following scope:

The provision of business administration management in headquarters.
The main energy uses include:
- electricity for lighting, office equipment and air conditioning
- diesel for emergency power generator
- gasoline for company car
備有管理計畫書

For and on behalf of BSI:

Richard Lam - Managing Director Assurance, ANRC
Original Registration Date: 2019-12-30
Latest Revision Date: 2022-12-26
Expiry Date: 2025-12-29

Effective Date: 2023-12-30
Expiry Date: 2025-12-29

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Registered Activities: The provision of business administration for headquarters office building

The provision of business administration management in headquarters

Chalease Finance Co., Ltd., No. 302, Ruiguang Rd., Neihu District, Taipei City, Taiwan

The provision of business administration management in headquarters

Chalease Insurance Brokers Co., Ltd., No. 302, Sec. 1, Neihu Rd., Neihu District, Taipei City, Taiwan

The provision of business administration management in headquarters

Chalease Consumer Finance Co., Ltd., No. 302, Sec. 1, Neihu Rd., Neihu District, Taipei City, Taiwan

The provision of business administration management in headquarters

Chalease Energy Integration Co., Ltd., No. 302, Ruiguang Rd., Neihu District, Taipei City, Taiwan

The provision of business administration management in headquarters

Original Registration Date: 2015-02-16
Latest Revision Date: 2022-12-22
Expiry Date: 2025-12-22

Effective Date: 2023-12-22
Expiry Date: 2025-12-22

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Certificate No: ENMS 629840

Location: Chalease Auto Rental Co., Ltd., No. 302, Ruiguang Rd., Neihu District, Taipei City, Taiwan

Registered Activities: The provision of business administration management in headquarters

The provision of business administration management in headquarters

Chalease Insurance Brokers Co., Ltd., No. 302, Sec. 1, Neihu Rd., Neihu District, Taipei City, Taiwan

The provision of business administration management in headquarters

Chalease Consumer Finance Co., Ltd., No. 302, Sec. 1, Neihu Rd., Neihu District, Taipei City, Taiwan

The provision of business administration management in headquarters

Chalease Energy Integration Co., Ltd., No. 302, Ruiguang Rd., Neihu District, Taipei City, Taiwan

The provision of business administration management in headquarters

Original Registration Date: 2015-02-16
Latest Revision Date: 2022-12-22
Expiry Date: 2025-12-22

Effective Date: 2023-12-22
Expiry Date: 2025-12-22

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Certificate No: ENMS 629840

Location: Chalease Finance Co., Ltd., No. 302, Sec. 1, Neihu Rd., Neihu District, Taipei City, Taiwan

Registered Activities: The provision of business administration management in headquarters

The provision of business administration management in headquarters

Chalease Insurance Brokers Co., Ltd., No. 302, Sec. 1, Neihu Rd., Neihu District, Taipei City, Taiwan

The provision of business administration management in headquarters

Chalease Consumer Finance Co., Ltd., No. 302, Sec. 1, Neihu Rd., Neihu District, Taipei City, Taiwan

The provision of business administration management in headquarters

Chalease Energy Integration Co., Ltd., No. 302, Ruiguang Rd., Neihu District, Taipei City, Taiwan

The provision of business administration management in headquarters

Original Registration Date: 2015-02-16
Latest Revision Date: 2022-12-22
Expiry Date: 2025-12-22

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Holds Certificate No: ENMS 604945	
and operates an Energy Management System which complies with the requirements of ISO 50001:2018 for the following scope:	
The provision of business administration management in headquarter. The main energy source include: - electricity for lighting, office equipment and air conditioning - diesel for emergency power generator - gasoline for company car 總機管理系統管理	
	
For and on behalf of BSC: _____ Michael Lam - Managing Director Assurance, APAC	
Original Registration Date: 2016-12-30 Latest Renal Date: 2016-12-30	Effective Date: 2022-12-30 Expiry Date: 2025-12-29
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Chalaise Finance Co., Ltd. No. 362, Rungang Rd. Nanshi Dist. Toplei City 114007 Taiwan 中泰商業銀行股份有限公司 臺灣 臺北市 內政部 松山區362號 11418 11437	The provision of business administration management in headquarter The main energy uses include: - electricity for lighting, office equipment and air conditioning - diesel for emergency power generator - generator for company car
Chalaise Energy Integration Co., Ltd. No. 362, Rungang Rd. Nanshi Dist. Toplei City 114007 Taiwan 中泰能源開發股份有限公司 臺灣 臺北市 內政部 松山區362號 11437	The provision of business administration management in headquarter The main energy uses include: - electricity for lighting, office equipment and air conditioning

Original Registration Date: 2022-12-30

Latest Revision Date: 2022-12-28

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Location Chelation Auto Rental Co., Ltd. GP No. 302, Ruiguang Rd. Nanhui City 145027 Taiwan 上海汽車租賃股份有限公司 金澤 南京路 內匯城 郵政信箱 302 145027	Registered Activities The provision of business administration management in headquarters The main energy uses include -electricity for lighting, office equipment and air conditioning
Chelation Insurance Brokers Co., Ltd. No. 3, Aiy, 30, Ln. 356, Ruiguang Rd. Nanhui City 145023 Taiwan 上海保險經紀人股份有限公司 金澤 南京路 內匯城 郵政信箱 358 及 301 及 318 208 145023	The provision of business administration management in headquarters The main energy uses include -electricity for lighting, office equipment and air conditioning

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Certificate No:	ENMS 69494S
Location	Registered Activities
Fine Finance & Trading Co., Ltd. 3/F, 4/F, 8/F, N.D., J and 3F, 4E, 5F, 6F, 7E, 8J Aly. JO, Lm. 356, Ruijiang Rd. Ningbo City Tepco City 114063 Taiwan 金豐股份有限公司 金豐 金豐 金豐 南台區瑞江路356號 電話：+86-574-87121232 + 4 - 12 + 6 114063 Chiahsien Consumer Finance Co., Ltd. No. 692, Sec. 1, Nehru Rd. Nehru Dist. Taichung City 114662 Taiwan 財資寶聯合股份有限公司 金豐 金豐 金豐 內海路一43302號 手機 114662	The provision of business administration management in headquarter The main energy uses include: - electricity for lighting, office equipment and air conditioning
Original Registration Date: 2016-12-30	Effective Date: 2022-12-30
Lastest Revision Date: 2016-12-30	Expiry Date: 2025-12-29

This certificate was issued electronically and requires the presence of signatory and it is bound by the conditions of contract.

An electronic certificate can be authorized at [enms.gov.hk](#).

Please notice you are entitled to view the public information via Confidentiality or telephone +86(0)20284 0055.

Taiwan Headquarters: 2nd Floor, No. 31, Ji-Hua Rd., Neihu Dist., Taipei City, Taiwan, R.O.C.
A member of the EHS Group of Companies.

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5. ISO 45001:2018 Occupational health and safety management systems — Certificate of Registration

bsi.

Certificate of Registration

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM - ISO 45001:2018

This is to certify that: **Chailase Finance Co., Ltd.**
No. 362, Ruiguang Rd.
Neihu Dist.
Taipei City
114507
Taiwan

中倫證券股份有限公司
臺北市
內湖區
瑞光路362號
11118
114507

Holds Certificate No: **OHS 747019**
and operates an Occupational Health and Safety Management System which complies with the requirements of ISO 45001:2018 for the following scope:
The provision of corporate finance services.
提供企業融資服務

For and on behalf of BSI: **Chris Chung, Head of Compliance & Risk - Asia Pacific**

Original Registration Date: 2021-05-25
Latest Revision Date: 2021-05-25

Effective Date: 2021-05-25
Expiry Date: 2024-05-24

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This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated online.
Printed copies can be validated at www.bsi.com/CertDirectory or telephone +44 (0)20369-0333.
Taiwan Headquarters: 2nd Floor, No.33, 3rd Rd, Nei Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

Certificate No: **OHS 747019**

Location: **Chailase Finance Co., Ltd.**
No. 362, Ruiguang Rd.
Neihu Dist.
Taipei City
114507
Taiwan

Registered Activities: **The provision of corporate finance services.**

Original Registration Date: 2021-05-25
Latest Revision Date: 2021-05-25

Effective Date: 2021-05-25
Expiry Date: 2024-05-24

Page: 2 of 2

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Printed copies can be validated at www.bsi.com/CertDirectory or telephone +44 (0)20369-0333.
Taiwan Headquarters: 2nd Floor, No.33, 3rd Rd, Nei Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

7. ISO 37001 Anti-bribery management systems — Certificate of Registration

bsi.

Certificate of Registration

QUALITY MANAGEMENT SYSTEM - ISO 37001:2016

This is to certify that: **CHAILASE HOLDING CO., LTD.**
No. 362, Ruiguang Rd.
Neihu Dist.
Taipei City
114507
Taiwan

中倫證券股份有限公司
臺北市
內湖區
瑞光路362號
11118
114507

Holds Certificate No: **IABMS 782386**
and operates a Quality Management System which complies with the requirements of ISO 37001:2016 for the following scope:
The Sections supervised under the General Administration of Chailase Holding CO., LTD. headquarters, including Audit Department, Administrative Department, Investor Relations & Public Relations Department, IT Security Department, IT Department, Business Management Department, Trust Bank Department, Financial and Accounting Department, Human Resources Department, Risk Management Department, Legal Department, the personnel of the above-mentioned Sections working in Taiwan, and the related operations/transactions/events/counterparties.

For and on behalf of BSI: **Michael Lam - Managing Director Assurance, APAC**

Original Registration Date: 2023-05-15
Latest Revision Date: 2023-05-15

Effective Date: 2023-05-15
Expiry Date: 2026-05-14

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Printed copies can be validated at www.bsi.com/CertDirectory or telephone +44 (0)20369-0333.
Taiwan Headquarters: 2nd Floor, No.33, 3rd Rd, Nei Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

Certificate No: **IABMS 782386**

Location: **CHAILASE HOLDING CO., LTD.**
No. 362, Ruiguang Rd.
Neihu Dist.
Taipei City
114507
Taiwan

Registered Activities: **The Sections supervised under the General Administration of Chailase Holding CO., LTD. headquarters, including Audit Department, Administrative Department, Investor Relations & Public Relations Department, IT Security Department, IT Department, Business Management Department, Trust Bank Department, Financial and Accounting Department, Human Resources Department, Risk Management Department, Legal Department, the personnel of the above-mentioned Sections working in Taiwan, and the related operations/transactions/events/counterparties.**

Original Registration Date: 2023-05-15
Latest Revision Date: 2023-05-15

Effective Date: 2023-05-15
Expiry Date: 2026-05-14

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This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated online.
Printed copies can be validated at www.bsi.com/CertDirectory or telephone +44 (0)20369-0333.
Taiwan Headquarters: 2nd Floor, No.33, 3rd Rd, Nei Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

6. ISO 27001:2013 Information Security Management System — Certificate of Registration

bsi.

Certificate of Registration

INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2013

This is to certify that: **Chailase Finance Co., Ltd.**
No. 362, Ruiguang Rd.
Neihu Dist.
Taipei City
114507
Taiwan

中倫證券股份有限公司
臺北市
內湖區
瑞光路362號
11118
114507

Holds Certificate No: **IS 757045**
and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2013 for the following scope:
The provision of development, operation and maintenance of Invoice Value Added Service Center Electronic Invoice System, management of network infrastructure, server room and supporting information processing activities within Information Technology Division and Accounting Department.
This is in accordance the Statement of Applicability, CFC-I-03-02, No.202111001 dated 09 November 2021.

For and on behalf of BSI: **Chris Chung, Head of Compliance & Risk - Asia Pacific**

Original Registration Date: 2021-12-03
Latest Revision Date: 2021-12-03

Effective Date: 2021-12-03
Expiry Date: 2024-12-02

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Printed copies can be validated at www.bsi.com/CertDirectory or telephone +44 (0)20369-0333.
Taiwan Headquarters: 2nd Floor, No.33, 3rd Rd, Nei Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

Certificate No: **IS 757045**

Location: **Chailase Finance Co., Ltd.**
No. 362, Ruiguang Rd.
Neihu Dist.
Taipei City
114507
Taiwan

Registered Activities: **The provision of development, operation and maintenance of Invoice Value Added Service Center Electronic Invoice System, management of network infrastructure, server room and supporting information processing activities within Information Technology Division and Accounting Department.**

Original Registration Date: 2021-12-03
Latest Revision Date: 2021-12-03

Effective Date: 2021-12-03
Expiry Date: 2024-12-02

Page: 2 of 2

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated online.
Printed copies can be validated at www.bsi.com/CertDirectory or telephone +44 (0)20369-0333.
Taiwan Headquarters: 2nd Floor, No.33, 3rd Rd, Nei Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

8. Payment Card Industry Data Security Standard — Certificate of Registration

SECURE VECTORS

Certificate of Compliance
PCI COMPLIANCE

This is to certify that

Chailase Credit Services Co., Ltd.

中倫證券股份有限公司

中倫控股

Has been assessed by Secure Vectors Information Technologies Inc. and found to be compliant against PCI Data Security Standard Version 3.2.1 Self-Assessment Questionnaire D - Service Provider.

20 April 2022 - 19 April 2023
Valid Period of This Certificate

Vincent Haang
QSA - Mr. Vincent Haang
SV-GC-22632

PCI DSS



 **CHAILEASE HOLDING CO., LTD.**

Chailease Holding Company Limited. All Right Reserved.