standard chartered

Task Force on Climate-related Financial Disclosures (TCFD) Report

2024

Contents

Introduction

Standard Chartered[1] connects the world's most dynamic markets, serving the businesses that are the engines of global growth and supporting people to meet their ambitions. Every day, it helps clients to manage and invest their finances safely and seamlessly, and grows their businesses and wealth with confidence. With over 170 years of history, and across a unique geographical footprint that connects Asia, Africa and the Middle East to each other and the world, it has built a bank like no other, with diverse capabilities and partnerships that set it apart. Inspired by the brand promise, Standard Chartered is here for good.

The Group established the first branch in Taiwan in 1985, and publicly acquired Hsinchu International Bank in 2006, marking the position as a leading international bank in Taiwan. Through continuous innovation, sustained and stable growth, and a commitment to sustainable development, we have taken a leadership role in the industry. Currently, the Group operates two client segments: Corporate and Investment Banking ("CIB"), Wealth and Retail Banking ("WRB").

The Bank strives to operate as a sustainable and responsible company, leveraging our partnerships, networks and expertise to help transform our markets for long-term societal and environmental impact, create more inclusive economies and increase equitable prosperity. Sustainability is the strategic focus that Standard Chartered Taiwan integrates across our business.

Figure 1 – About this report

Principles

This report contains information that is consistent with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD"), TCFD published guidance, as well as the Financial Supervisory Commission's ("FSC") Guidelines on Climate-Related Financial Disclosure by Domestic Banks.

Scope of the Report

This report covers our operational activities in Taiwan. The report provides detailed information and notes on related data and paragraphs.

Reporting Period

This report discloses our achievements in governance, strategy, risk management, metrics and targets in the four dimensions during the 2024 fiscal year (January 1, 2024, to December 31, 2024).

Publication Information

This report is available in both Chinese and English and can be downloaded from our official website and will be published annually (https://www.sc.com/tw/sustainability/).

In this report, you will discover our sustainability achievements, including performance on key indicators and various ESG events and necessary measures taken to address climate challenges in 2024, gaining a deeper understanding of our approach towards achieving our various sustainability commitments, with detailed information provided in four main sections: governance, strategy, risk management, and metrics and targets.

1 Standard Chartered Bank (Taiwan) Limited is referred to as 'Standard Chartered Taiwan', 'the Bank', 'we', 'our', or 'ourselves' in this report (unless specifically defined in the report), while 'Standard Chartered', 'the Group' or 'our Group' refers to the Standard Chartered PLC ("Group")in general and 'Standard Chartered Taipei Branch' refers to the branch of Standard Chartered PLC.

The Bank's commitment to climate change

As a financial institution, the Group has an important role to play in supporting the clients and markets as they navigate complex challenges, while driving change in the real-world economy. Recognizing that achieving the commitment to reach net zero financed emissions by 2050 requires active collaboration and engagement with the clients to support and accelerate their transition, there were key achievements in 2024 to support and accelerate client transitions.

Figure 2 – Our Group's key achievements for accelerating zero in 2024

Accelerating Zero

$121bn

Cumulative mobilisation of sustainable finance from January 2021 to September 2024 against our commitment to mobilise $300 billion by 2030

Net Zero

Interim targets set against our 12 highest-emitting sectors in line with Net Zero Banking Alliance (NZBA) guidance

1

Published our first Transition Plan

$982m^

Income generated from sustainable finance in 2024 against our target of at least $1billion annual income

Set an absolute facilitated emissions target for oil and gas, which currently makes up the majority of emissions within our facilitation portfolio

Became early adopters of the Taskforce on Nature-related Financial Disclosures (TNFD)

Additionally, the Group also released the latest Net Zero Methodological White Paper, laying out the methodologies we have used to calculate our financed and facilitated emissions, and setting our interim 2030 targets at sector level.

Figure 3 – Our Group's net zero roadmap to 2050

Our Group's Net Zero Roadmap

Standard Chartered aims to reach net zero emissions in our financed emissions by 2050 and in our Scope 1 and Scope 2 emissions by 2025.

To help remain on track, the Group has short- and medium-term objectives and quantifiable targets to manage and report on the progress on an arnual basis. Our Group has now set interim 2030 targets for all the highest-emilting sectors in the Group's portfolio.

2021

- Launched our roadmap to netzero by 2050, including interim targets and a supporting methodology
- Announced plans to mobilise $300 billion in sustainable finance by 2030
- Published our inaugural TFF

2022

- Developed financed emissions basellines and 2030 targets for the aviation, shipping and automotive manufacturers sectors
- Joined PCAF

2023

- Announced our enhanced oil and gas absolute financed emissions target
- Updated our power and steel sector baselines and torgets moving from a revenue-based intensity metric to a production-based intensity metric
- Developed financed emissions baselines and set interim 2030 targets for four additional sectors: cement aluminium, residential mortgages and commercial real estate, bringing the total number of science-based targets set for high-emitting sectors to 11
- Financed emission baselines and sectoral progress against targets, where indicated, assured for the first time by Emst& Young
- Calculated the Groups facilitated emissions from debt capital markets following the final PCAF guidance (published in December 2023) under both the 33 per cent and 100 per cent weighting factors
- Published the Group's updated Net Zero Methododological White Paper - The journey continues

2024

- Measured and disclosed an agriculture baseline and target; the final high emitting sector recommended by the NZBA
- Resumed aviation sector reporting following the sale of the Group's aircraft leasing business and a significant portion of the lending portfolio
- Set a baseline and target for our facilitated emissions portfolio focusing on the oil and gas sector which currently makes up the majority of emissions within our facilitation portfolio
- Issued the Group's first Transition Plan set out with reference to the Transition Plan Taskforce and GFANZ guidance

2025

- Aim to be net zero in our Scope 1 and 2 emissions
- Set a methane reduction target

2030

- We will have substantially reduced our exposure to the thermal coal mining sector in line with our Position Statements
- Aim to meet the Group's financed and facilitated emissions interim targets set for high-emitting sectors

2032

- Targeted end date for legacy direct thermal coal mining financing globally in line with our Position Statements

2050

Aim to become net zero in our financed emissions

Aligned with our Group's commitment and delivering against its net zero roadmap, Standard Chartered Taiwan is committed to reaching net zero across our Bank's Scope 1 and Scope 2 emissions by 2025 and financed emissions by 2050.

Our journey to manage the impacts of climate change

Standard Chartered continuously devotes efforts to align with global initiatives. Important milestones include, but not limited to, signing Equator Principles ("EPs") in 2003, signing the TCFD in 2017, and joining PCAF in 2022. Additionally, throughout 2024, our Group actively engages in the leadership of various collaborative initiatives related to achieving net zero. The Group continues to utilise the experience and network to actively contribute to key global partnerships and initiatives that deliver differentiated impact and help to mature and advance the sustainability ecosystem. For example, the Group continues to maintain guiding roles in the Glasgow Financial Alliance for Net Zero ("GFANZ"), the UN Global Alliance of Investors for Sustainable Development ("GISD"), and the Integrity Council for the Voluntary Carbon Market ("ICVCM"), among others[2]. Through innovative frameworks and impactful initiatives, the Group has actively sought to support global efforts to advance and unlock capital flows towards critical areas such as adaptation and resilience, nature, carbon solutions and sustainable finance.

We diligently align with the initiatives our Group participates in and internal policies, with a commitment to facilitating a just transition to net zero. In pursuit of this, we continuously reduce our emissions and natural resources usage. Additionally, we provide specific sustainable financing solutions to actively assist high-carbon industries, such as semiconductors, electronics manufacturing, and transportation, in accelerating their transition to achieve their emission reduction targets.

Beyond the widely recognised efforts in operational carbon reduction and the promotion of financial products, we have been engaging with our stakeholders. We are taking practical steps to support and drive the transition towards a net zero supply chain and therefore creating a more sustainable future. In 2024, we hosted a Sustainable Development Supplier Conference with the aim of enhancing and reinforcing our commitment to sustainable development. Three of the suppliers dedicated to making significant progress in sustainable development and applying innovative approaches to achieve sustainable outcomes were rewarded. Additionally, in 2024, we further upgraded our toolkit leveraged to assess Climate Risk on our financial position, transitioning from National Science and Technology Center for Disaster Reduction ("NCDR") database to Joint Credit Information Center ("JCIC") climate risk platform.

We understand that on the road to net zero, there is still much to strive for. To collaborate with our business partners, we have integrated Guidelines for Identifying Sustainable Economic Activities into the financing approval process. This aims to empower business partners that have positive social or environmental impact. To address the material topic, climate change, we have enhanced our management process, such as implementing Climate Risk assessment process into client due diligence criteria and conducting client risk assessments. More actions and achievements in 2024 are listed in the following section. Going forward, we will follow local market expectations and our Group's guidelines to accelerate the realization of the 2050 net zero goals.

Figure 4 – 2024 highlights for our achievement

TWD1.4bn

Green Mortgage financed

Solar Panels

Exceeded 90,000kwh
of electricity generation and scheduled to install 3 more panels

USD146mn

ESG Funding raised

JCIC's Climate Physical Risk Platform employed to assess the flooding risk impact

Inaugural Sustainable Development Supplier Conference hold in 2024

2 A full list of the Group's memberships can be found at https://www.sc.com/en/about/sustainability/how-we-work/.

Table 1 listed the important initiatives our Group and we have participated in and our achievements in recent years.

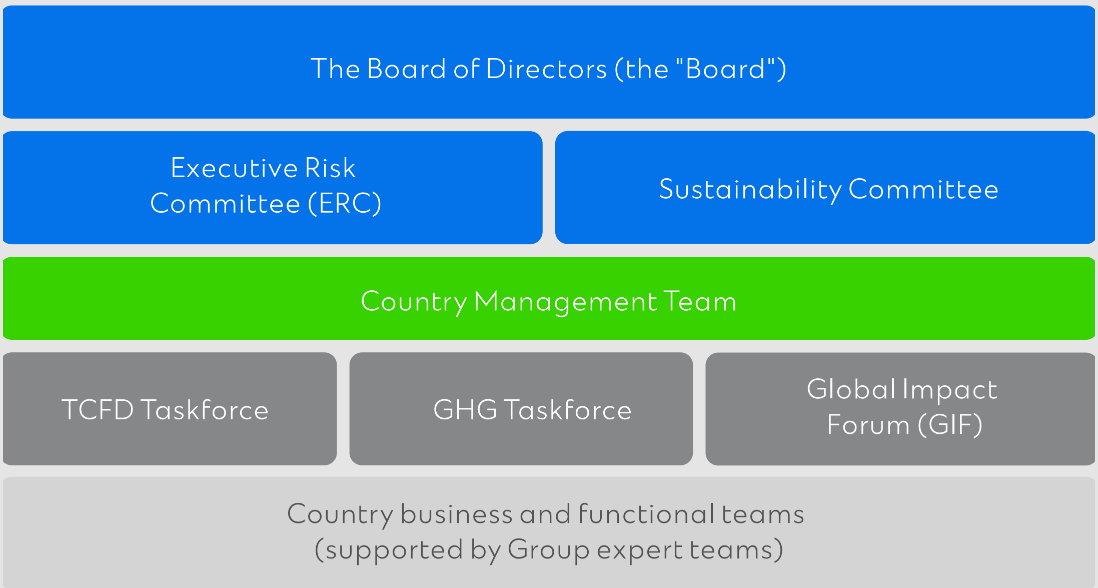
Table 1 – Sustainability journey of climate action and involvement in global initiatives	
2003	• Signed the EPs.
2007	• Signed the Climate Change Declaration initiated by the United Nations Environment Programme Finance Initiative.
2017	• Signed the Task Force on Climate-related Financial Disclosures (TCFD).
2018	• Became one of the first members recognising Principles for Responsible Banking.
2019	• Approved Climate Risk Appetite Statement (“RAS”) and review it annually. • Published Emissions White Paper, declaring the cessation of financing coal-fired plants and other environmentally damaging industries. • Responded to CDP’s questionnaire for the first time.
2020	• Recognised Climate Risk in Standard Chartered Enterprise Risk Management Framework (“ERMF”) as an integrated risk type. • Published Self-Assessment Report in accordance with UN Principles for Responsible Banking. • Published first Sustainable Report in accordance with the Global Reporting Initiative and Sustainability Accounting Standards Board standard. (Standard Chartered Taiwan). • First bank to launch Green Mortgage in Taiwan. (Standard Chartered Taiwan).
2021	• Participated in COP26. • Became a signatory to the Poseidon Principles. • Completed the signing of first Sustainability-Linked Loan with ASE Technology Holding, totalling USD505 million. (Standard Chartered Taiwan). • Completed the signing of a total USD2 billion Sustainability-Linked Loan with TSMC, the largest SLL among the Group as of date. (Standard Chartered Taipei Branch).
2022	• Participated in COP27. • Joined RE100. • Achieved an A- level rating for CDP’s questionnaire. • Issued first ESG Bond. (Standard Chartered Taiwan). • Stopped using single-use plastic in Zhongzheng branch. (Standard Chartered Taiwan).
2023	• Participated in COP28. • Joined Center for Climate Aligned Finance. • Established Sustainability Committee. (Standard Chartered Taiwan). • Won Taiwan Corporate Sustainability Award for seven consecutive years. (Standard Chartered Taiwan). • Published first TCFD Report and completed Joint Credit Information Center’s (“JCIC”) scenario analysis. (Standard Chartered Taiwan).
2024	• Became early adopters of the Taskforce on Nature-related Financial Disclosures (“TNFD”).

Governance

Climate change and its associated risks, opportunities and organisational implications are overseen by the Bank's Board and Country Management Team with the support of committees and taskforces.

Structural overview of Standard Chartered Taiwan's climate and sustainability related governance

Figure 5 - Introduction of our structure[3]



The Board

The Board is responsible for oversighting the Bank's approach to managing and reporting climate-related risks, opportunities and the incorporation of such in our strategy, and aligning climate-related risks and opportunities with the Group's strategic plans and adhering with local regulatory requirements.

Management approach of the Board

To maintain a sound system of internal control and risk management, the Board has appointed the Executive Risk Committee ("ERC") to ensure effective risk management throughout the Bank in support of Standard Chartered's and Standard Chartered Taiwan's strategies. The ERC, through its authority received from the Board, oversees the effective implementation of the ERMF and management of Principal Risk Types ("PRTs") , including Environmental, Social and Governance and Reputational ("ESGR") risk. The Group will regularly update the ERMF according to the emerging and topical risk it faces.

Authorised by the Board in 2023, the Sustainability Committee was established to govern the local sustainability strategies, oversee the sustainability plan and implementation progresses, including corporate governance, green operations, social responsibility, sustainable finance products and services, and ESGR risk, and allocate adequate resources to support the Bank's sustainability agenda (including Climate Risk).

The latest status of metrics and targets related to upskilling employees, reducing emissions, and mobilising sustainable finance and deepening partnership and the progress towards achieving the targets were regularly escalated to the senior management, the Sustainability Committee, and the Board through scheduled meetings.

The Chief Executive Officer ("CEO") along with management team will steer overall strategy on climate and environment related risk and opportunities. The Chief Risk Officer ("CRO") is the Risk Framework Owners ("RFO") for ESGR risk and is designated by the Board for managing and monitoring ESGR risks. The CEO, Chief Financial Officer ("CFO") and the CRO are responsible for ensuring that our strategy and corporate plan align with the ERMF.

3 GHG Taskforce refers to Green House Gas Taskforce.

Governance committees and taskforces

Taskforces were established to support the Bank's Management Team to monitor climate change and associated impact.

Table 2 - Standard Chartered Taiwan's governance committees and steering groups with responsibilities for climate-related issues

Governance Body	Chair	Climate-related Agenda Frequency	Key Purpose and Responsibilities related to Climate	Climate-related Actions taken in 2024
Board	Chair	Semi-annually	Oversees the Bank's overall net zero approach and is responsible for the overall Climate Risk management of the Bank.	• Approved Terms of Reference of Sustainability Committee. • Monitoring the Sustainability Committee and the ERC.
ERC	CRO (alternate CEO)	Semi-annually	• Provides oversight of the Bank's key risks on behalf of the Board and is the primary Risk Committee that oversees ESGR risk. • Considers the Bank's Risk Appetite and makes recommendations to the Board on the RA. • Assesses risk types (including ESGR risk) in Risk Map and the effectiveness of risk management frameworks and policies through ERMF self-assessment. • Provides oversight and challenge of the design and execution of climate-related tasks.	• Integrated "Climate risk" and "Reputational & Sustainability Risk" into an unified PRT, ESGR risk, and refreshed the definition of ESGR and RAS. • Reviewed, discussed, and challenged the ESGR Risk Type Framework, SCBTL Sustainability Information Management Policy, and the results of Domestic Banks' Conduct of Climate Scenario Analysis. • Refreshed and monitored climate metrics in Risk Mandate and the Group's quarterly Climate Risk information report, which covers key metrics based on the concentration of transition and physical risks in the Bank's portfolio. • Assessed and discussed regulatory requirements, Climate Risk playbook in a forward-looking view and oversaw the progress in follow-up actions to address potential issues.
Sustainability Committee	CEO	Quarterly	Approves the local sustainability strategy and oversees the Bank's climate-related business plan implementation and Climate Risk management (e.g., monitors high-carbon industries in the CIB portfolio, reviews TCFD disclosure and Greenhouse Gas ("GHG") inventory reports, ensures the Bank's practice, disclosure, and training plan for pan bank employees to be in compliance with the regulatory requirements, monitors regulatory changes related to Climate Risks, and other Climate Risk control metrics).	• Approved 2023 TCFD report. • Monitored the progress of key agendas including: 1. Scope 1 and Scope 2 GHG emissions and progress to net zero; 2. High-emitting sectors exposure in the CIB; 3. Sustainability upskilling progress; 4. Business strategy and implementation result; 5. Green financing performance.

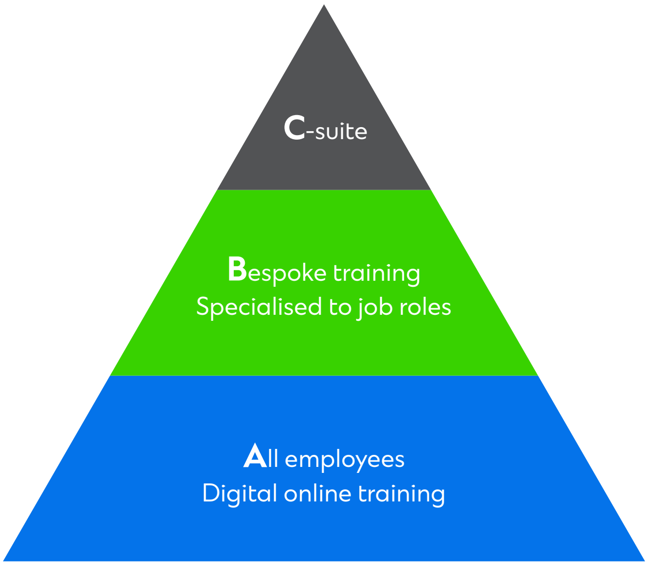
Global Impact Forum	CEO	Quarterly	Driving "One Bank Sustainability" via 4 strategic pillars: Diversity & Inclusion, Futuremakers, Employee Volunteering and Environment, GIF aims to synergise the Group's global impact and community engagement initiatives in a collaborative and impactful way.	• Held various employee volunteering activities engaging 67 per cent of employee volunteers, including plogging and beach cleaning activities. • Implemented 3 green actions in 2024 Standard Chartered Taipei Charity Marathon – plogging and the entire event is held based on the 3R principle (Reduce, Recycle, Reuse). • Placed SC Farm in our office buildings where employees can grow hydroponic vegetables in the box to encourage employees to have more plant-based food and reduce carbon emissions. • Enhanced SC Forest APP to add more green events and tasks, such as auto-recording walk steps, and changing to carbon reduction, to make the app lively and dynamic. • Held several climate-related activities, such as Movie Night to enjoy the movie "TWISTERS" in the theater, REWOOD Workshop, "No Meat & Zero Waste" Market, and jeans recycling events and Zero-waste event with StoryWear, the zero-waste fashion brand in Taiwan, in Taipei Fashion Week to explore more possibilities of implementing sustainability from different perspectives. • Launched the Bank's second Women in Entrepreneurship programme in March 2024, aimed at upskilling and upscaling women-led businesses to encourage sustainable entrepreneurship. • Established a vending machine in our building to encourage employees use their own bottle to purchase washing product such as dishwashing liquid to reduce plastic packaging.
TCFD Taskforce	CEO	Ad Hoc	Responsible for implementing TCFD recommendations and preparing the climate-related financial disclosure report.	• Approved and published enhanced climate-related disclosures for the 2023 reporting period. • Leveraged 2024 Sustainable Finance self-assessment held by the FSC to motivate transformation in the Bank.
GHG Taskforce	Head of Corporate Real Estate and Services	Quarterly	Responsible for GHG inventory calculation and verification.	• Calculated Scope 1 and Scope 2 GHG emissions in 2024. • Engaged Metal Industries Research & Development Centre ("MIRDC") to verify Scope 1 and Scope 2 GHG emissions calculation under ISO 14064 standard. • Reported Scope 1 and Scope 2 GHG emissions calculation and the result of its verification to the Sustainability Committee.

To drive staff Sustainability awareness, we enhanced the SC Forest APP with walking steps and external sustainability-related links, such as COP29, TW SDGs, and Youbike carbon reduction passbook to the homepage for enhancing our employees' novelty. Additionally, by organizing individual and team green competitions and offering ESG-related rewards, we aim to increase employee participation in the SC Forest APP and further raise sustainability awareness, embedding the concept into their daily lives. Additionally, we not only developed the Taiwan Sustainability Insight website internally to disseminate sustainability knowledge and eco-friendly practices, but also implemented effective sustainability communications, "Green Monday" to promote environmental protection activities, such as Earth Day, Earth Hour and the climate photography competition "Weather Photographer of the year" sponsored by the Group.

Education and training

We encourage all employees to grow their understanding of sustainability and climate change, including how relevant it is to our business, operations, and communities, and how they can actively play a part in this journey.

"ABC" approach has been utilised to enhance our employees' understanding of Climate Risk management and to deliver our strategy through tailored sustainability curriculums and resources for specific domains in 2024 and the coming years.



Climate related financial and non-financial risk training in 2024

Given the role that the Board plays in sustainability governance, training is provided, including regulatory requirements, sustainability strategy and transition, and Climate Risk. In addition, the Group provides our CEO and Business Heads training covering energy transition, clean technology, and sustainability-related risks and regulations.

The Board attended sustainability training sessions during the period from March to November 2024, the topics included annual Information Cyber Security (ICS) awareness session, Cloud technology, AI development, conflicts of interest, and sustainability strategy. Specifically, we invited external expert from "Slaughter and May" to share their perspectives on directors' duty to avoid conflicts. We also invited external expert from accounting firms to introduce AI development in banking industry and regulatory requirements of financial crime, treating customer fairly, and prevention of sexual harassment. The Chief Sustainability Officer ("CSO") for the Group was invited to provide the reviews of Asia sustainable finance target, challenge, and strategic priorities in 2024 and the capabilities to incorporate Climate Risk and Net Zero considerations fully and seamlessly into business decisioning.

We provided climate-related training programmes for all employees in 2024. These programmes included lectures about Sustainable finance, Green and Sustainable Product Framework ("GSPF"), Elevated ESG and Reputational Risk Themes, Transition Finance Framework, and our Net Zero commitments. We also rolled out a Sustainability Upskilling Certificate to employees with understanding of sustainability and Net Zero emissions in 2024 to enhance their understanding of sustainability, net zero emissions, and low-carbon transition.

Bespoke training for specific job families was provided in 2024. For instance, to support our 2050 net zero carbon emissions vision, Sustainable Foundation Curriculum was provided for CIB and Climate Risk Net Zero Practitioner Certification was provided to CIB and Risk, focusing on oil and gas, powers, steel, aluminum shipping and automobile clients.

We also held hybrid sustainability lectures and workshops for our staff by inviting external experts to share their diversified perspectives on sustainability with a wide range of topics, including sustainable development, climate fintech, renewable energy, carbon credits, and decarbonization, which attract over 100 participants per session. We also visited two leading enterprises related to the ESG field to gain cross-industry insights into digital technology and sustainability.

Table 3 – Climate-related trainings for the Board and senior management		
Audience	**Topic**	**Details**
Board	Asia Directors' Training - Sustainability Strategy Update	Our Board members attended this management level training, which included "Sustainability Strategy", "Net Zero", "Client Transition Strategy" topics, presented by the CSO and the teams in March 2024.
Senior Management	Sustainability Senior Leadership Programme	Sustainability programmes with key topics including "Transition Strategy", "Risk & Regulatory Framework", and "Technological Solutions" are offered to our senior management team.

Table 4 – Climate-related trainings/certifications for function units and all employees				
Object	**Training/ Certification**	**Duration**	**People Completed**	**Completion Rate**
Function Units	Climate Risk Net Zero Practitioner	1 hour	49	100%
	Sustainability Foundation Curriculum (CIB) Part 1 & Part 2	3.96 hours	7	100%
	Sustainability Foundation Curriculum (CIB) FINAL Certification	1.17 hours	7	100%
	Other Sustainable Finance courses for Practitioners	1 hour	70	100%
All Employees	Sustainability Upskilling Certificate Part 1	1.5 hours	2,333	100%
	Sustainability Upskilling Certificate Part 2	1.5 hours	2,341	100%

Incentive structure

Variable remuneration is based on measurable performance criteria linked to our strategy, which is applicable to employees and overseen by the Board-level Remuneration Committee. Annual incentives are based on the assessment of the Group's scorecard which contains financial and strategic measures and is applicable to the majority of our employees. Selected sustainability targets, including those with a climate change dimension, are incorporated into our scorecard to encourage senior leaders to focus on sustainability. Sustainability-related measures continued to be included in the 2025 scorecard related to:

- Growing sustainable finance income.
- Reducing Scope 1 and Scope 2 emissions in line with our operational net zero by 2025 target.

Strategy

Our approach to climate change

The Group's net zero roadmap highlights the actions the group and we, as a team, are taking to align our business and operations with the goals of the Paris Agreement, informing our decarbonisation strategy, alongside the approach to facilitating the financing to support sustainable growth.

Aligned with our Group, Standard Chartered Taiwan aims to reach net zero in our financed emissions by 2050 and in our Scope 1 and Scope 2 emissions by 2025. Thus far, we have made good progress toward these set goals. Our plan focuses on reducing emissions, and mobilising sustainable finance and partnerships. Below is an overview of the strategies for climate change.

Climate-related opportunity identification

Embedding sustainability across our business is a key strategic priority for the Group. The work to scale sustainable and transition finance is an opportunity for us to create resilience against transition risks and help provide capital and financing for our clients' transition to a low carbon economy. Through supporting clients' decarbonisation journeys in their business models, we also manage our own transition risk.

Together with our Group's Sustainability Aspirations in 2024, which includes mobilising USD300 billion of sustainable finance by 2030 ("Group's sustainable finance goal"), we continue to grow our sustainable finance assets and liabilities with our clients. We follow recommendations in the " Climate Risk Management Handbook for Domestic Banks" (the "Handbook") issued by the Bankers Association to identify climate-related opportunities. Table 5 presents our climate-related opportunities.

Table 5 - Climate-related opportunity identification

Opportunity Item	Potential Financial Impact	Action Plan	Time Horizon [4]	UN SDGs
Energy Efficiency/ Energy Sources	Improve energy efficiency to reduce energy consumption costs	• Replace inefficient equipment (including air conditioning, power generation, lighting, etc.) with high- energy-efficient equipment. • Consider obtaining green building certifications when establishing new operational sites. • Implement energy management systems in newly constructed large-scale offices.	Medium to Long term	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
Products and Services	Implement green procurement and supplier management to control and mitigate future increases in operating cost	• Use environmentally friendly materials and high-energy-efficient equipment (such as air conditioning system) for setup or renovation of the branches. • Procure environmentally-friendly and sustainably certified commodities for daily consumables.	Short to Long term	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	Assist in nurturing green industry development to support new businesses	• Provide project finance to support the establishment of windfarms and solar energy plants.	Medium to Long term	1 NO POVERTY 7 AFFORDABLE AND CLEAN ENERGY
	Develop sustainable finance products and services to increase revenue	• Continue promoting sustainable product solutions to encourage financing activities linked to sustainable purpose and performance, such as windfarm project and green loan; and provide sustainable cash service to allow investment into sustainable activities. • Continue enhancing digitalization for all the clients and promoting digital channel services to corporate clients, including digital trade services through electronic banking, and mobile banking capability.	Short to Medium term	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION

Opportunity Item	Potential Financial Impact	Action Plan	Time Horizon [4]	UN SDGs
		• Understand clients' needs, strengthen product innovation, and expand new themes to adapt to clients' demands for different ESG agendas • Based on local industry characteristics, launch one-stop sustainable finance solutions for key industries such as electronic equipment manufacturing, paper industry, clothing industry, shipping industry, etc • Maintain contact with external industry organizations to strengthen the promotion and cooperation of the Bank in the field of sustainable finance in the market.	Medium to Long term	
		• Continuously enhance sustainability by leveraging financial products and international expertise to implement localized sustainable finance solutions, such as Green Mortgage and Sustainable Time Deposit, etc • Establish a comprehensive training system to enhance the understanding of sustainable finance products among internal teams, especially sales teams. And hold regular meetings to share successful cases, update market ESG trends, and discuss future sustainable finance strategies. • Set up sustainable finance champion mechanism with representatives from different business lines to enhance promotion and execution across products and client segments • Simplify application process through digitalization platform and leverage acceptable data source (eg. MyData) to uplift efficiency and raise customer satisfaction.	Short to Long term	
Market	Update internal policy for sustainable investment products for the new market opportunities	• Adopt up-to-date sustainable principles and initiative, including EPs, to ensure the projects financed and advised on reflect sound environmental management practices.	Short to Long term	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
	Develop ESG Bond market to increase revenue	• Support clients to issue ESG bonds to support various sustainable projects, such as green buildings and renewable energy.	Short to Long term	

4 Short-term: within 2 years, Medium-term: 2-5 years, Long-term: above 5 years. The time horizon has been redefined to align with the Group's definition.

Reducing Standard Chartered Taiwan's carbon emissions

We focus on three areas within our strategy to reduce direct and financed emissions: our operations, those associated with our supply chain (indirect impacts in value chain) and our financed emissions associated with clients.

Operations

The Group is committed to becoming net zero in scope 1 and scope 2 emissions by 2025 and aims to achieve net zero in line with ISO IWA 42, as a condition in which human-caused residual GHG emissions are balanced by human-led removals over a specified period and within specified boundaries whereby residual emissions are those GHG emissions that remain after taking all possible actions to implement emissions reductions. In pursuit of the same target, the Bank reduced emissions via different actions, as detailed in Table 6.

Table 6 - Summary of our low carbon operation projects and achievement

Project	Description	Standard Chartered Taiwan's Achievement in 2024
Sustainable office	• Incorporating environmentally friendly and green design concepts, such as reducing paper and water usage, using low carbon building materials, and efficient energy utilisation. • Utilising eco-friendly tableware and cups to reduce the usage of single-use plastic products in internal meetings.	• Standard Chartered Taiwan Head Office is certificated as LEED GOLD and WELL GOLD. • Reduce bottled water and provide reusable mug for visitor use. • E-printing with swiping access card helped reduce paper usage. • Using solar renewable energy for branches' use. • All the toner used in multi-function devices continue to meet the environmental standards, including the 211 substances listed by European Chemicals Agency.
Green Energy	• Installing photovoltaic for green energy.	• Installed 2 solar panels on roof of Sanming and Zhongzheng building, evaluating the installation in our buildings in Miaoli county. • Exceeded 90,000 kwh of electricity generation, and the surplus electricity can be sold back to Taiwan Power Company during off-peak hours.
Energy Usage	• Utilising less gasoline and diesel. • Replacing conventional air conditioning and lights with energy saving alternatives after their operational lifespan. • Encouraging employees to take stairs instead of lifts.	• All 3 of our official vehicles are replaced by hybrid vehicles in 2025. • Electricity usage decreased by 48,696kwh (by 0.9%).
Water Usage	• Installing water-saving facilities in main branches and offices. • Monitoring daily water consumption to identify abnormal water usage events and developing countermeasures for these events.	• High water usage building was decommissioned at the end of 2023, leading to a reduction in water usage in 2024. • Water usage decreased by 2,093 tones (m3) (by 9.4%).

Suppliers

The Supply Chain Management team provides procurement services internally to drive commercial value generation and manage sustainability and supply chain risks. Proactive supplier engagement and data quality remain a key focus of our supply chain sustainability strategy as we continue to engage constructively with suppliers to increase transparency and accountability around climate impact, and to promote emissions reductions.

Through our "Supplier Charter", we set out the principles that Standard Chartered expects from its suppliers, and those within the suppliers' sphere of influence that assist them in performing their obligations for us. These principles have been drawn from the international organisations and conventions of which we are members or signatories. We engage our largest suppliers to better understand where they stand on climate impact matters.

Through supplier questionnaires and direct engagement, we request our larger suppliers (by spend) to share their emissions information and/or to set reduction targets in line with our internal reduction goals.

As of 2024, we collaborated with 430 suppliers[5], whereby 353 (82%) of these suppliers are based domestically. Procurement from domestic suppliers amounted to nearly TWD2.04 billion, accounting for approximately 92% of the total procurement amount. In 2024, we also convened our inaugural Sustainable Development Supplier Conferenvvce, where we shared insights on sustainability, diversity, and inclusion with our entire supplier network. During the conference, we also recognised and awarded suppliers who demonstrated significant commitment and progress in these areas.

Clients

The majority of the GHG emissions are linked to lending activities, known as financed emissions. Hence, the Group has prioritised efforts in the highest-emitting sectors of the portfolio, and where working with the clients can have the greatest impact.

1. Prohibited activities

Our Group is committed to promoting economic and social development in the market. There are a minimum set of standards, which are informed by international standards including the EPs and OECD Due Diligence Guidance for Responsible Business Conduct, that the Group applies to the clients regardless of the sector in which they operate, and these are set out in a set of cross sector Position Statements[6], such as Climate Change Position Statement[7] and Nature Position Statement[8]. Negative threshold criteria from the cross sector are captured below.

Cross sector requirements related to climate

The Group will not provide financial services directly towards projects or activities that:

- Adversely impact upon the ecological character of wetlands, designated under the Ramsar Convention on Wetlands of International Importance.
- Convert or degrade High Conservation Value (HCV), High Carbon Stock (HCS) forests, or peatlands.

5 Supplier types range from service providers, equipment suppliers, and engineering contractors, further categorised into providers of computer equipment, telecommunications, human resources services, furniture, printed materials, office supplies, construction and maintenance, and mechanical and electrical engineering services. By keeping the supply chain local, we aim to improve service efficiency of our suppliers, reduce costs, and stimulate local economic development.

6 Read more about the Position Statements at Prohibited activities | Standard Chartered (sc.com)
https://www.sc.com/en/about/sustainability/position-statements/prohibited-activities/

7 Read more about the Statement at Climate Change | Standard Chartered (sc.com)
https://av.sc.com/corp-en/nr/content/docs/climate-change-position-statement.pdf

8 Read more about the Statement at Nature | Standard Chartered (sc.com)
https://www.sc.com/en/about/sustainability/position-statements/nature/

Besides that, the Group also sets out the sector specific Position Statements. According to the Group's Thermal Coal Position Statement[9], the Bank will not provide new financial services and will phase out existing financial services towards Thermal Coal Assets[10] and to client entities who: (i) Acquire or invest in Thermal Coal mines or Thermal Coal-fired power plants; (ii) Develop Thermal Coal Assets; or (iii) Are:

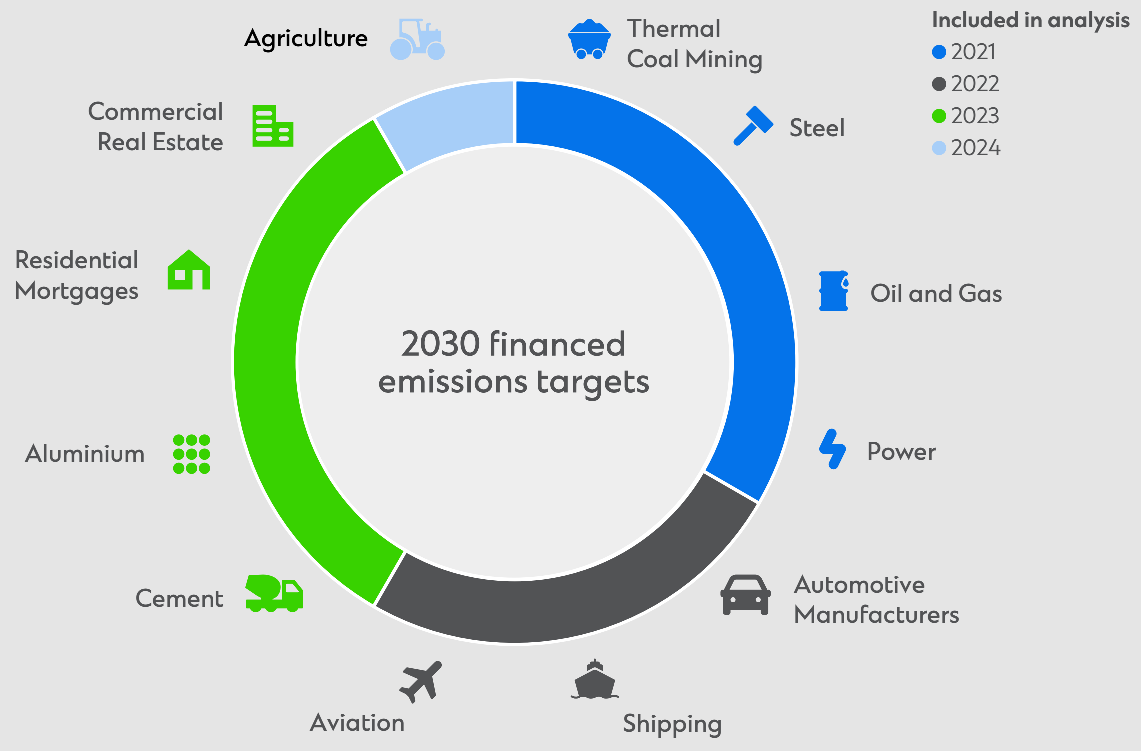
- More than 80% dependent on Thermal Coal Activities (based on percentage of revenue);
- By 2025, more than 60% dependent on Thermal Coal Activities (based on percentage of revenue);
- By 2027, more than 40% dependent on Thermal Coal Activities (based on percentage of revenue); or
- By 2030, more than 5% dependent on Thermal Coal Activities (based on percentage of revenue).

2. Exposure to high-emitting and carbon-intensive sectors

To manage financial risks associated with climate change, analysing the exposure to high-emitting and carbon-intensive sectors is a starting point. The Group aims to reach net zero in the financed emissions by 2050, and has set interim, science-based 2030 emissions reduction targets for 2030 across 12 highest-emitting sectors, including a facilitated emissions target for oil and gas, which currently makes up the majority of emissions within the Group's facilitation portfolio.

In 2024, following Group's guidance and interim 2030 targets, we kept monitoring and tracking progress against these targets and actively managed our exposure by shifting to lower emissions-intensive clients and working closely with our existing clients to develop credible transition plans that are consistent with our net zero commitments. For our credit exposure in high-emitting sectors, please refer to Metrics and Targets section.

Figure 6 - High-emitting and carbon-intensive sectors with interim 2030 targets



9 Read more about the Statement at Thermal coal | Standard Chartered (sc.com), https://www.sc.com/en/about/sustainability/position-statements/thermal-coal/

10 Thermal Coal Assets include (a) Thermal Coal mines; (b) Thermal Coal-fired power plants; and (c) Thermal Coal transport or Thermal Coal infrastructure dedicated to support (a) or (b) excluding transport or infrastructure related to the transmission and / or distribution of electricity, including Thermal Coal generated electricity.

Mobilising sustainable finance and deepening partnership

Sustainable finance, including transition finance, is a crucial part of the Group's sustainability strategy and is therefore reflected in both short-term Sustainability Strategic Pillars and long-term Sustainability Aspirations[11].

Sustainability Pillar	
Scale sustainable finance income	Growth and innovation in the sustainable finance franchise are critical to the delivery of the Group's Net Zero Roadmap and to support the clients on their own transition journeys. The Group's sustainable finance teams develop customised solutions that speak to clients' needs and ambitions. In 2024, the Group's sustainable finance product suite is set out within GSPF[12], including over 40 product variants. By leveraging this comprehensive framework, the Group aims to strengthen the financial performance while advancing sustainability.

Sustainability Aspirations	
Mobilise USD300 billion of sustainable finance	The sustainable finance product suite includes bonds, loans, advisory and trade finance, and is underpinned by the sustainable finance frameworks, which outline how the Group applies the 'green', 'social', 'sustainable' or 'transition' labels across products and transactions.

Sustainable finance framework

All sustainable finance products are approved at the Group's Sustainable Finance Governance Committee(SFGC), which is the foremost committee on greenwashing risks in product design and labelling[13]. In addition to the committee governance, there are three sustainable finance frameworks established to articulate the performance and approach to manage sustainable finance and greenwashing.

11 There're four Sustainability Strategic Pillars and four Sustainability Aspirations in total, but in this section, only those most related to sustainable finance are displayed.

12 Co-developed with Morningstar Sustainalytics, a globally recognised provider of ESG research, ratings and data, our framework is reviewed annually to reflect changes in market trends and industry standards.

13 To ensure accurate and trustworthy labelling of sustainable finance products, any new product labelled as green, social, sustainable, ESG, or similar must be approved by the SFGC. For automated deals, the deal team tags the relevant label, submits a checklist with evidence for approval, and receives monthly extracts for financial reporting. Non-automated deals require documented approval via email. Special scrutiny is applied to "transition" labels to mitigate reputational risks like greenwashing.

Table 7 - Sustainable finance framework

GSPF[14]	Sustainability Bond Framework[15]	Transition Finance Framework
It governs all activities the Group classifies as 'green', 'social' and 'sustainable'. It is publicly available and externally verified by Morningstar Sustainalytics.	It provides the basis for issuance of Green, Social and Sustainability bonds and notes, drawing on the activities that the Group views as 'green', 'social' or 'sustainable'. It governs our sustainable debt products issued by the Group, providing transparency and guidance on the use of proceeds, process for project evaluation and selection, management of proceeds and reporting, as aligned with the ICMA Sustainability Bond Principles. It has received a Second Party Opinion from Morningstar Sustainalytics, which confirms our Framework is credible, impactful and aligns with industry guidelines.	It sets out the assets and activities that qualify under a 'transition' label. The Group has outlined the approach to defining and governing transition finance in the Transition Finance Framework. This framework is reviewed annually for alignment with the latest available science and industry standards.

Standard Chartered Taiwan remains committed to the Group's strategy by identifying several climate-related opportunities tailored to client preferences and industrial dynamics in Taiwan. The Bank will continue to follow the above framework and those integrated international principles, such as Sustainability-Linked Loan Principles and Sustainability-Linked Bond Principles to expand business while delivering leading financial market solutions. Also, the Bank has adopted EPs into our internal policy, Environmental and Social Risk Management Standard for Application of the EPs. By implementing these standards, the solutions we provide will aid clients in their hedging and funding needs, as well as support their sustainability endeavors.

To further strengthen the Bank's commitment, we have fully integrated the Guidelines for Identifying Sustainable Economic Activities into our financing approval process. As part of our local regulatory compliance checklist for both corporate client and financial institution client financing, we require any financing related to green, ESG or sustainability to undergo review using the check list of Guidelines for Identifying Sustainable Economic Activities. This enables us to assess whether the financing and the associated economic activities neither cause significant harm to the environment and society, nor have been subject to major penalties by relevant authorities. In the absence of no non-compliant items, the empowered members will proceed with reviewing the documentation. Should any non-compliant items be identified, these must be reported to SFGC or empowered members along with related improvement plans to secure approval for financing.

The application of this guideline will help ensure that our financing activities comply with the standards and further steer our clients towards a more environmentally friendly and sustainable future. In 2024, we identified three corporate clients that fall under the scope of the Guidelines for Identifying Sustainable Economic Activities. We have not found any of these clients to have violated the aforementioned standards, thus no additional engagement or improvement plans were necessary.

Additionally, in response to the latest release of the "Principles for Sustainable Trade Finance" by the International Chamber of Commerce ("ICC") in October 2024, the Bank actively evaluated the applicability of these principles. In March 2025, we announced our adoption of these standards, becoming the first international bank globally to implement the ICC's standards for Sustainable Trade Finance solutions.

1. Sustainable Finance Products for corporate clients

In 2024, we earned USD 7.5 million sustainable finance income from financing 7 renewable energy projects (including 4 windfarm projects and 3 solar energy projects), and 8 Sustainability-Linked Loans and 1 Sustainability-Linked Receivable Services.

Since the 1st ESG Formosa Bond launched in 2022, the Group has totally raised USD146 million ESG funding in the market, including two sustainability bond issuances in 2024, with notional amount USD20 million and USD40 million respectively, representing 16% of the total bonds. The proceeds from these ESG bonds will be utilised according to our Group's Sustainable Bond Framework, supporting various sustainable projects. In addition, Standard Chartered Bank Taiwan acted as lead underwriter for ESG bond issuances by First Abu Dhabi Bank in July and ABN AMRO Bank in September during 2024, successfully raised USD800 million and USD300 million respectively, which were these issuers' inaugural USD-denominated ESG Formosa bond.

2. Sustainable Finance Products for retail clients

By the end of 2024, we successfully financed TWD1.4 billion of Green Mortgage, with an average loan size exceeding TWD10 million. The proportion of retail sustainable finance to the total retail finance at the Bank was 0.55%. Additionally, we accumulated USD134 million in Sustainable Time Deposit mainly used for green and sustainable loans. Furthermore, sustainability-themed investment products achieved an asset under management of USD439 million, showing a 35% growth. We also issued a total of 364k Carbon Neutral Cards, comprising 193k credit cards and 171k visa debit cards.

14 The framework integrates international principles, including Green Loan Principles, Social Loan Principles, Sustainability Bond Guidelines, Sustainability-Linked Loan Principles and Sustainability-Linked Bond Principles.

15 The framework integrates international principles, including Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and Sustainable Blue Economy Bond Guidance.

Engagement with stakeholders

Our Group's ESG and Transition Finance advisory teams prioritise engagements with clients associated with high Climate Risk with weak or no transition plans and/or insufficient disclosures to recommend enhancements. In accordance with the Group's guidance, our engagement takes many forms, for example, one-to-one sessions using online channels and calls, or written responses. In 2024, Standard Chartered Taiwan kept promoting the spirit of sustainability and enhanced the client's awareness through various approaches.

Table 8 - Events with stakeholders throughout 2024

External Physical Event	Hosted VIP Gala Dinner event, inviting more than 400 prestigious clients of the Bank to participate. The event was centered on the theme of "sustainability, public welfare and inclusion". To align with our sustainability goals, we collaborated with the Mandarin Oriental which shares our vision of reducing food waste. This partnership ensured that the evening's dining experience was not only exquisite but also environmentally conscious. The event commenced with a performance by ALEEFIS from Hualien, showcasing a tribute to the indigenous six major tribal groups, illustrating their steadfastness and optimistic bravery. Another special highlight of the event was the invitation of renowned iron sculpture artist Zhong-long Wang. His breathtaking artworks, crafted from repurposed materials, redefined environmental art by giving new life to discarded objects. Further enlivening the atmosphere was a dynamic performance by street dance prodigy B-Boy NaNa, who, at just 9 years old, has already won championships at multiple international competitions. By integrating elements of art and responsible resource use, the dinner event served as a testament to our clients of our ongoing dedication to creating a positive impact on both society and the planet.

External Video Promotion	Continually promoted topics related to sustainability and public welfare through a series of videos. The "Sustainability Journey" series, among other themes, is featured prominently on Standard Chartered Taiwan's YouTube channel. These efforts have garnered significant engagement, with YouTube channel total views reaching 3.6 million. This initiative underscores our commitment to raising awareness and fostering dialogue around sustainable development.

We will celebrate our 40th anniversary in Taiwan and plan to host sustainability-related events in 2025. The bank will continue to leverage its successful international experience in the corporate finance sector, introducing sustainability insights that are in sync with global standards to help corporate clients achieve net-zero goals.

We endeavour to support and guide our clients to a low-carbon pathway by utilising our full suite of sustainable finance solutions. Throughout 2024, we engaged with new clients and provided them with newly developed sustainable finance products to support their transition to net zero. Below highlights 3 iconic cases.

Sustainability-Linked Loan with USI

USD320 million

Standard Chartered Taiwan signed a two-year, USD320 million SustainabilityLlinked Loan with Universal Scientific Industrial (Shanghai) Co., Ltd. (USI), which is a subsidiary of ASE Technology Holding Co., Ltd, the world's largest outsourced semiconductor assembly and test service provider. As USI's ESG advisor, Standard Chartered Taiwan facilitated this deal to underline USI's commitment to sustainability.

This Sustainability-Linked Loan incorporated various Sustainability Performance Targets (SPTs) based on USI's objectives, focusing on renewable energy usage and carbon reduction. This structure provides a financial incentive for USI to achieve its emission reduction targets validated by SBTi. Depending on the extent to which USI achieves these goals, Standard Chartered Taiwan will offer preferential loan interest rate, so as to support USI in accelerating its sustainability commitments.

Revolving Term Loan with Altus Technology Inc. in Hon Hai Group

USD70 million

Standard Chartered Taiwan announced a USD 70million, two-year Revolving Term Loan with Altus Technology Inc., a member in Hon Hai Group. Aligned with the Group's Green and Sustainable product framework ("GSPF"), this milestone transaction represents as the first green loan for Taiwanese corporate clients. The proceeds from this green loan will be used to support the construction of green electric vehicle battery plants, which will attain LEED or EEWH Gold or higher certifications. This sustainable financing not only supports the client's transition towards sustainability but also allows them to demonstrate their commitment, reinforcing their position as a leader in its industry. This breakthrough sustainable finance transaction with Hon Hai group, exemplified Standard Chartered Taiwan's continued support for their ESG journey through various sustainable finance products and thematic initiatives.

Project Finance with Cathay Life Insurance and its subsidiary, Cathay Wind Power Holdings

TWD53.3 billion

Standard Chartered Taiwan collaborated with Ørsted Taiwan Ltd. to assist Cathay Life Insurance and its subsidiary, Cathay Wind Power Holdings, in acquiring a 50% stake in the 583 MW Greater Changhua offshore windfarm. This acquisition, along with their commitment to cover 50% of the construction cost, represented the largest windfarm investments by Taiwanese life insurance companies as well as the biggest offshore windfarm deal in 2024. The project financing, with the ticket size of TWD53.3 billion, involved up to 15 syndicates, and in which Standard Chartered Taiwan played multiple critical roles, including Lead Arrangers and various advisory positions. Moreover, a 20-year Corporate Power Purchase Agreement was executed with TSMC. This renewable energy deal further demonstrated Standard Chartered Taiwan's long term commitment to green energy market in Taiwan and highlight the Bank's ability to support significant sustainable finance initiatives.

Risk Management

Climate Risk defined

Environmental, Social and Governance and Reputational (ESGR) Risk is defined as the risk of potential or actual adverse impact on the environment and/or society, or to our financial performance, operations or name, brand or standing, arising from environmental, social or governance factors, or as a result of our actual or perceived actions or inactions.

An environmental (such as climate), social or governance event, or change in condition, if it occurs, could result in actual or potential financial loss or non-financial detriments to us. As such, Climate Risk is identified as a material risk for us, which is integrated across relevant PRTs and is managed via the ESGR Risk Type Framework. We are exposed to Climate Risk through our clients, own operations, vendors, suppliers and from the industries and markets we operate in.

Table 9 - Climate Risk Taxonomy

Climate Risk		The potential for financial loss and non-financial detriments arising from climate change and society's response to it.
Physical Risk		Risks arising from increasing severity and frequency of climate and weather-related events, which can damage property and other infrastructure, disrupt supply chains, and impact food production. Additionally, they may lead to declining assets valuations and challenges with insurance claims, resulting in greater financial losses. Indirect effects on the macroeconomic environment, such as lower output and productivity, may exacerbate these direct impacts.
	Acute	Specific event-driven weather events, including increased severity of extreme weather events, such as typhoons, floods, storms, or heatwaves.
	Chronic	Longer-term shifts in climate patterns, such as changing precipitation patterns, sea-level rise, and longer-term drought.
Transition Risk		Risk arising from the adjustment towards a carbon-neutral economy, which will require significant structural changes to the economy. These changes will prompt a reassessment of a wide range of asset values, a change in energy prices, and a fall in income and creditworthiness of some borrowers. In turn, this leads to credit losses for lenders and market losses for investors.

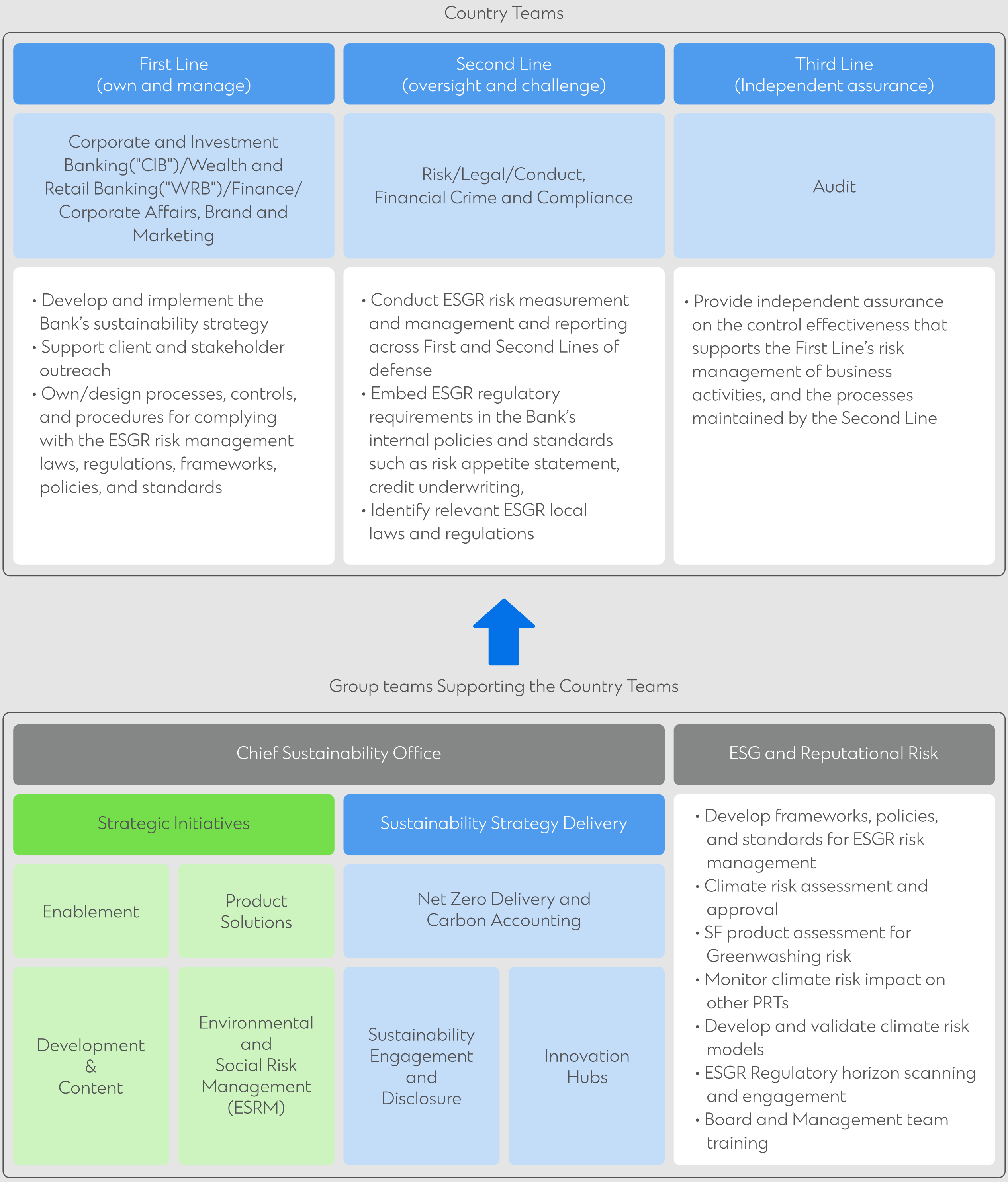
Our Climate Risk governance

Climate Risks and opportunities have always been prioritised across the Group. Our Group CSO organisation was established in 2022 to build on the Group's long-standing sustainability agenda. Since its creation, we have made substantial progress on our Sustainability Strategic Pillars, which represent our near-term strategic focus. This includes the work we do to scale sustainable finance, to embed sustainability across the organisation, deliver against our net zero roadmap, and leverage our thematic Innovation Hubs. The CSO team serves as the centre of expertise of the Group on a broad set of ESG topics, providing thought leadership, strategic advice and transaction support to businesses and functions, enhancing the Group's ability to help clients to transition, and supporting sustainable, inclusive growth in the markets.

The Group has Product Programme Guidance documents in place, which underpin each Sustainable Finance product that we offer, signed off by a delegate of the Sustainable Finance Governance Committee ("SFGC") following approval of the product construct by the SFGC. The SFGC is our forum for reviewing Sustainable Finance products and frameworks, and derives its authority from the Group Responsibility and Reputational Risk Committee ("GRRRC"). The GRRRC is the ultimate approval body for all of our Sustainable Finance Frameworks. Its membership is drawn from the CSO organisation, Legal, Compliance, and ESGR Risk. The SFGC is our foremost committee for managing greenwashing risk in sustainable finance product design and labelling. In addition to the committee governance, there are three sustainable finance frameworks established in Standard Chartered to articulate our performance and approach to manage sustainable finance and greenwashing. The GSPF governs the activities that we as an organisation classify as 'green', 'social' and 'sustainable'. It sets out our approach to mitigating greenwashing risk across our product suite and defines the themes and activities that we consider eligible for green, social and sustainable financing. The "Sustainability Bond Framework" provides the basis for the insurance of green, social and sustainability bonds and notes, drawing on the activities that we view as 'green', 'social' and 'sustainable'. The "Transition Finance Framework" sets out the assets and activities that qualify under a 'transition' label i.e., any financial service provided to clients to support them align their business and/or operations with a 1.5 degree trajectory. With the CSO team's support, Taiwan teams across businesses and functions are either dedicated to or spend a proportion of their time working on climate-related activities.

Taiwan teams apply a three Lines of Defense ("LOD") model to the day-to-day activities for effective risk management, risk governance and control environment. The framework for managing Climate Risk relies on the Bank's three LOD model to reinforce clear accountability and roles and responsibilities. As Climate Risk manifests through the impacted PRTs, the three LOD roles and responsibilities set out in the relevant PRT risk type frameworks apply. Specific roles responsible to execute Climate Risk requirements are summarised below.

Figure 7 - Roles of three LOD supporting Climate Risks and opportunities



Our approach to managing Climate Risks

The ERMF set out the principles and minimum requirements for risk management and governance across the Group. The ERMF is complemented by framework, policies and standards which are mainly aligned to the PRTs. It enables us to manage enterprise-wide risks with the objective of maximizing risk-adjusted returns while remaining within our risk appetite.

Standard Chartered Taiwan's Climate Risk Appetite Statement defines that

"The Bank aims to measure and manage financial and non-financial risks arising from climate change, and reduce emissions related to our own activities and those related to the financing of clients in alignment with the Paris Agreement."

In 2024, we have embedded Climate Risk into ESGR Risk Type Framework ("ESGR RTF") and other existing risk management frameworks and processes. The Climate Risk identification and assessments across the PRTs span across short, medium, and long-term horizons to enable right level of monitoring and to inform the decision-making process.

Processes for identifying and assessing Climate Risks

Incorporating the Handbook's recommendations, we assessed the impact of identified Climate Risks (Table 10). In 2024, we identified ten transition risks and five physical risks that could potentially affect our revenue, impair the value of our lending and investing portfolios and impact our reputation. Overall, the impacts of the identified physical risks were less significant than those of transition risks. Notably, technological transformation risk presents the highest likelihood of occurrence, whereas technological innovation poses the greatest materiality.

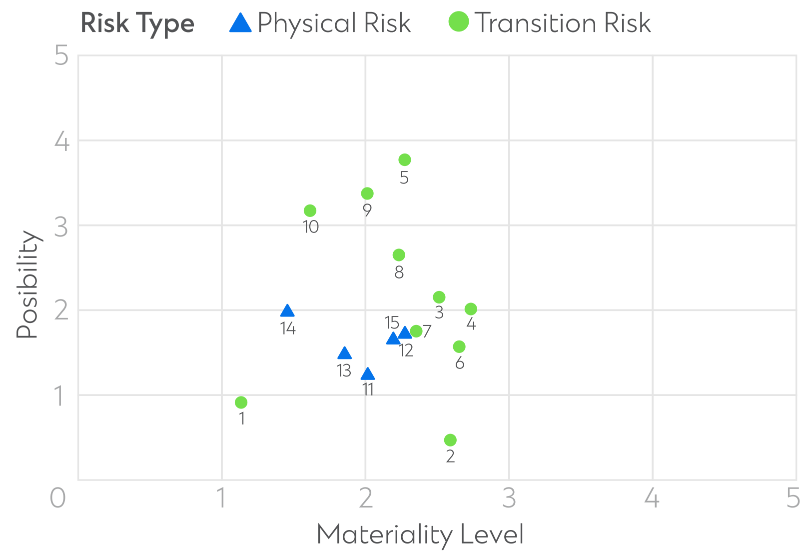
Table 10 - Climate Risk identification

Risk Item				Description	Time Horizon[16]
				Transition Risk	
A	**Regulation and policy**	1	Carbon pricing and carbon tax	The policies or regulations regarding carbon pricing, carbon tax, carbon emissions, carbon reduction targets, disclosure obligations, and energy-saving electricity consumption become stricter. This trend may impair operational profits of investing and financing clients and pose an impact on the value of our credit profile and overall revenue.	Medium to long term
		2	Operating cost	The policies or regulations regarding carbon emissions and energy-saving electricity consumption become stricter. This trend may increase our operating costs.	Short to Medium term
		3	Stricter regulations	The policies or regulations regarding carbon emissions reduction and energy-saving electricity consumption become stricter. Failure to comply with these policies and regulations may be penalised.	Short to Medium term

Risk Item				Description	Time Horizon[16]
B	**Technology**	4	Technological innovation	Failure to develop fintech and failure to direct the paperless, energy-saving and carbon reduction green financial flow via digital finance and electronic services may lead to a decrease in the willingness of clients to establish relationships with us and impact our revenue.	Medium to long term
		5	Technological transformation	Corporate clients, in response to the transformation, may increase costs and reduce profits due to mistakes in technological judgment or significant investments in unsuccessful new technology development.	Medium to long term
		6	Business transformation	The mature development of low-carbon technologies in new low-carbon industries may disadvantage corporate clients in traditional industries and lower their profitability (e.g., coal-fired power plants becoming less competitive) and potentially affect our credit profile and overall revenue.	Medium to long term
C	**Consumer preference/ market supply and demand imbalance risk**	7	Changing consumer preferences	Increased awareness of environmental sustainability or extreme weather events that affect high-energy intensive and high-emitting sector companies may cause difficulty to recover our credit or impair the value of our investment in these companies.	Medium to long term
		8	Product transformation	Failure to launch sustainable finance products and services in a timely manner may result in the loss of climate change related market shares, leading to business and customer loss and a decline in revenue.	Short to Medium term
D	**Reputation**	9	Negative press/ litigation risk	Being perceived as relatively environmentally unfriendly or not offering green financial products may affect our reputation, leading to business and customer loss and a decline in revenue.	Short to Medium term
		10	Reputational risk	Failure to actively address climate change issues of concern to stakeholders may impact our image and reputation.	Short to Medium term
				Physical Risk	
E	**Acute**	11	Higher cost of risk transfer	Natural disasters and infectious diseases may increase insurance premiums.	Medium to long term
		12	Natural disaster impact	Abnormal events caused by extreme weather (e.g., typhoons and heavy rainfall) may result in damage to our operating sites or equipment, operation interruptions, or casualties. These events may also lead to a depreciation of the collateral value, which in turn impair our credit, and impact the value of our investment portfolio.	Short to Medium term
		13	Lack of natural resources / environmental degradation	Water-intensive industries (e.g., manufacturing, agriculture and semiconductor industries) may suffer damages due to water shortage resulting from uneven rainfall distribution. These damages may impair the value of our credit in water-intensive industries.	Short to Medium term
		14	Natural disaster impact	Floods causing by long-term sea level rise may lead to losses at the operating sites and damage to collateral.	Short to Medium term
		15	Lack of natural resources / environmental degradation	An increase in electricity or water consumption for air conditioning due to average temperatures rising may lead to an increase in our operational costs and a decline in the expected value of climate-sensitive assets (e.g., agriculture and real estate related assets).	Short to Medium term

16 Short-term: within 2 years, Medium-term: 2-5 years, Long-term: above 5 years. The time horizon has been redefined to align with the Group's definition.

Figure 8 - The impact of the identified Climate Risks



We manage Climate Risk by tailoring our approach to the specific characteristics of the impacted PRTs, and seek to proactively manage environmental and social risks and impacts arising from our client relationships and transactions. Our cross-sector Environmental and Social Risk Management ("ESRM") Framework provides guidance on the application of international standards and best practices across all our markets.

In alignment with our Position Statements, which outline the cross-sector and sector-specific criteria, we assess whether to provide financial services to our clients. Should clients fail to meet these criteria, we may consider withdrawing financial services and terminating the relationship if realignment within an agreed timeframe is not achieved. Focusing on our credit approval process, we collaborate with stakeholders to identify, manage, mitigate, and monitor potential impacts from our financing decisions.

Beyond implementation, the Board, supported by the ERC and the Sutainability Committee, plays an important role in managing sustainability and climate-related risks and opportunities, and associated impacts on our business and for our key stakeholders.

Managing the financial and non-financial risks arising from climate change

Climate Risk is becoming increasingly critical as climate related events continue to unfold globally, accompanied by rising regulatory expectations. In response, we entered into strategic partnerships to develop or gain access to various toolkits to quantitatively measure climate-related physical and transition risks. Concurrently, we manage Climate Risk according to the characteristics of the impacted PRTs, including credit risk, traded risk and operational risk.

Toolkits leveraged to assess Climate Risks

The Group recognises that assessing Climate Risk has its limitations as quantifying approaches are still evolving. To enhance capabilities, the Group has invested in a number of toolkits and partnerships to quantitatively measure climate-related physical and transition risks. In addition to utilising toolkits provided by the Group, we employed the JCIC's Climate Physical Risk Platform to assess flooding risk to collaterals and operating sites. We also conducted scenario analysis in alignment to Domestic Banks' Conduct of Climate Scenario Analysis Planning Project launched by the JCIC to assess the impacts of climate-related risks on our financial position.

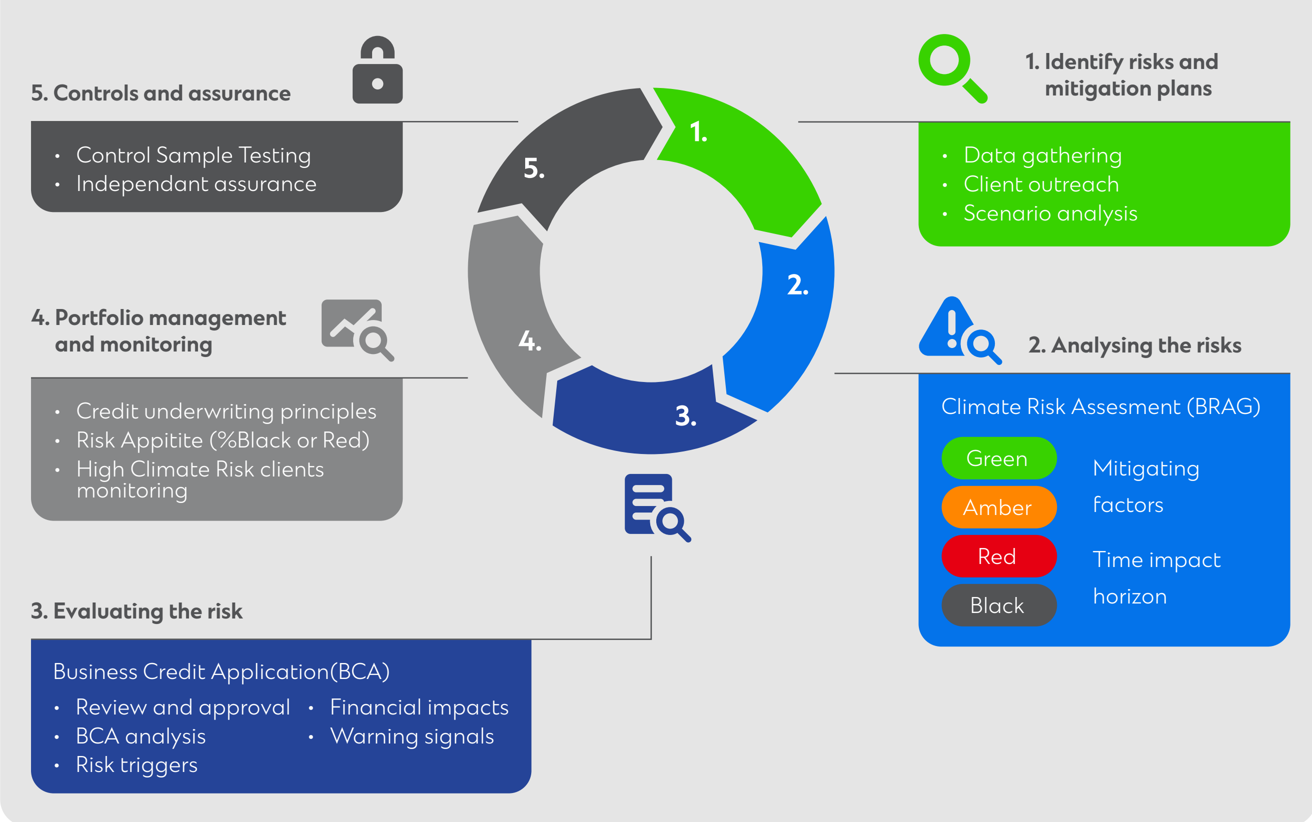
Credit Risk management for corporate clients

We have developed an ESGR Risk Type Framework, which provides a baseline of effective risk management. The following outlines our approaches to managing credit risk.

1. Identify risks and mitigation plans

Following our Group-wide policy, we have implemented a Climate Risk Assessment ("CRA") process, including setting adequate mitigants or controls as part of decision making and portfolio management activities, into client due diligence process to assess client level Climate Risk. The assessment presents a consolidated view of how the individual company has performed with regards to overall Climate Risk.

Figure 9 - Our process in assessing Climate Risk of corporate clients



Our client-level Climate Risk Questionnaire ("CRQ") helps assess the potential financial risks from climate change using quantitative and qualitative information licensed by the Group, alongside publicly available information, such as sustainability report, TCFD report and other sustainability-related information from our clients' websites. In instances where clients provide insufficient sustainability information, we may request specific climate-related information directly from them. The assessment presents a consolidated view across five pillars of how exposed and ready for transition or adaptation our clients may be. The five pillars are: data sources and disclosures, gross physical risk, physical risk adaptation, gross transition risk and credibility of transition plans. Out of the five pillars, the first one relates to identifying relevant data sources and disclosures and is the only section that is not scored.

The CRQ helps us to gain more understanding of clients' GHG emissions, phased reduction targets and plans, other climate risks and mitigations, their climate-related challenges and needs in the process of due diligence. This enables us to form a view of the overall Climate Risk profile of our clients and supports the underlying themes that feed into our broader scenario analysis and corporate planning exercises, allowing us to assign a Climate Risk grading. Following enhancement in 2023, the CRQ was used to assess our portfolio in 2024. In late 2024, we launched the fourth version of the CRA, which introduced net zero alignment metrics to inform Transition Risks and the outputs from internal models.

Figure 10 - Our corporate client Climate Risk assessment framework

Data sources and disclosures	Gross Physical Risk	Data sourPhysical Risk adaptationces and disclosures	Gross Transition Risk	Credibility of Transition Plans (CTPs)
Reporting • Sources of data • Level of disclosures, Carbon Disclosures Project rating	**Exposure to acute and chronic events** • Asset locations exposed to physical risk events (floods, storms, droughts etc) • Modeloutput to assess currentand future risk to client's operating locations	**Mitigations to acute and chronic events** • Assessment of client's adaptation plans • Insurance coverage to protect against physical risk	**Relative emissions for sector and region** • Reliance on fossil fuel/carbon products, net zero trajectory alignment • Policy, environmental impact due to sovereign decarbonisation policy in sector • Potential financial impact from various climate scenarios	**Decarbonisation plan, governance and emission targets** • Assess client's plans and its credibility to transition its business and supply chain backed by robust governance mechanisms • Emissions reporting targets and plan to achieve them • Capex in low-carbon technologies, internal carbon pricing scenarios

2. Analysing the Climate Risk BRAG ratings

Each client is assigned a colour-coded Climate Risk rating (Black "B", Red "R", Amber "A", Green "G" BRAG) based on the gross transition risk and transition risk mitigation. Owing to Physical Risk data being less robust, we have focused only on Transition Risk drivers to compute the Climate Risk grading. However, as highlighted in the section above, we have seen a steady improvement in the coverage of Physical Risk data in the last few years. We are in the process of incorporating a methodology to include both physical and transition risk drivers to assess the Climate Risk faced by a client. There are currently four types of BRAG ratings assigned to clients.

Black	Clients are deemed to have very high exposure to Transition Risk with little or no mitigation plans
Red	Clients are deemed to have very high exposure to Transition Risk but with acceptable or good mitigation plans
Amber	Clients are deemed to have high exposure to Transition Risk but with acceptable or good mitigation plans.
Green	Clients are deemed to have low or limited exposure to Transition Risk

3. Evaluating the risk (linkage to credit process)

Once a Climate Risk grading is assigned, impacts from climate-related risks are integrated into the existing credit approval process qualitatively and/or quantitatively through inclusion within the business risk analysis and financial modelling. If the risks are deemed material and not adequately represented via the existing credit rating of the client, subjective warning signals may be added to influence the credit rating. Additionally, risk triggers are added to monitor risks that are not adequately mitigated and to seek additional information from the client where applicable. In the realm of post-lending management, we also monitor the clients' performance on a quarterly basis, to capture material incidents or issues, including but not limited to business, financial, and climate risks, if there are any. Should clients experience significant incidents, such as environmental pollution events, we will proactively engage with our clients to learn the status of rectification progress and provide our clients with necessary assistance and resources. Internally, we will implement exposure monitoring and control on a case-by-case basis as needed.

4. Portfolio management and monitoring

We have embedded qualitative and quantitative climate considerations into the credit underwriting principles for Oil and Gas, Metals and Mining, Shipping, Commercial Real Estate (CRE) and Project Finance portfolios. This includes introducing portfolio-level caps for Black and Red rated clients and lower preference for emission-intensive transactions. The underlying principles vary depending on the sector and are intended to help steer the portfolio in the desired direction over the medium term, and also consider the Group's 2030 financed emission targets.

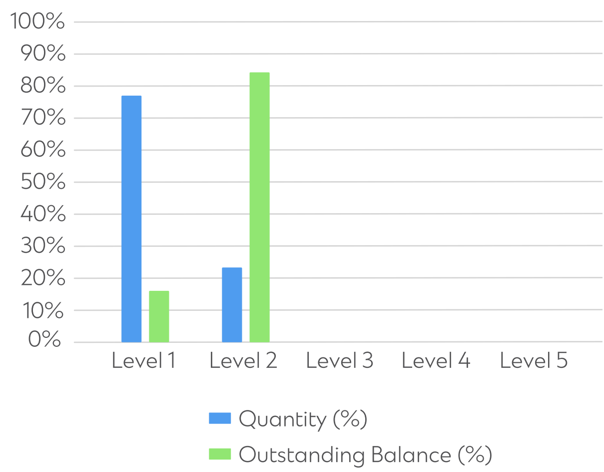
In 2024, we conducted client level Climate Risk assessments in the underwriting process for 116 clients. The assessments not only form a view of the overall Climate Risk vulnerabilities and readiness of clients but provide a tool to gather data and to analyse the underlying Climate Risk drivers and their mitigations. Our exposure to the Black and Red rated clients adhered to the cap set by the Group. We expect to implement risk mitigants or closer follow-up of progress for all Red-rated clients in 2025.

Our lending exposure to "Technology Hardware and Equipment", "Utilities", and "Transportation and Storage" sectors each exceeded 8% of total lending exposure as of December 2024. Within the Group's model, Taiwan's geographical characteristics as an island in subtropical/tropical area with higher probability of typhoons and flooding risks, potentially impairing our credit profiles. Additionally, with the introduction of carbon pricing and carbon taxation, these sectors may face transition risks that could potentially impact their overall profit. Among clients in these three sectors for whom CRAs were conducted, around 80.6% of the clients were rated in Green, representing approximately 94.6% of our lending exposure. Only one client in the "Transportation and Storage" sector with no lending exposure was rated in Red due to insufficient data and this issue has been remediated in the client's 2025 CRA with improved results as Amber.

BRAG Rating	The number of the clients	Lending exposure to the clients
Red	1.4 %	0.0%
Amber	18.0%	5.4%
Green	80.6%	94.6 %
Total	**100%**	**100%**

With respect to the clients' exposure of concentration for physical risk focusing on collaterals, until June 2023, NCDR database was utilised to assess flooding risk on the collaterals in Taiwan, estimating risk level under 2°C and 4°C scenarios as defined by NCDR. Since 2024, the JCIC' s Climate Physical Risk Platform has been employed to assess the flooding risk impact on our client' s real estate collaterals under SSP2-4.5 scenario. We categorised collaterals into 5 risk levels, in which flooding risk increases from level 1 to level 5. All corporate clients' collaterals located in low-risk areas account for the entirety of collaterals with corresponding outstanding of all loans secured by collaterals under the same scenario.

Figure 11 - Exposure to the flooding risk on corporate clients' collaterals



Note:

1. Quantity (%) refers to the percentage of the quantity of collaterals locating in each flooding risk areas to the total quantity of collaterals.
2. Outstanding Balance (%) refers to the percentage of the outstanding balance of loans secured by collaterals locating in each flooding risk area to the total outstanding of all loans secured by collaterals.

5. Project Finance related risk management

Since becoming a signatory to EPs in 2003, the Group has been committed to applying EPs to ensure financed and advised projects are developed in a manner that is socially responsible and reflects sound environmental management practices.

Table 11 - Transactions and applied criteria to EPs

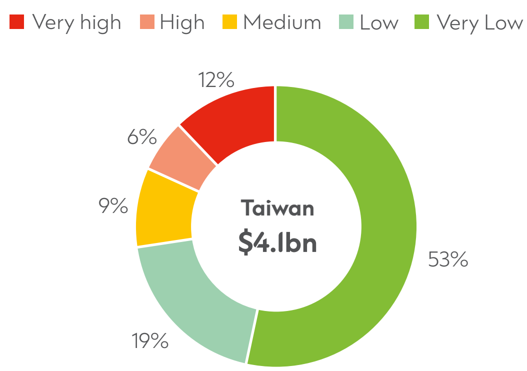
#	Transactions	Criteria
1	Project Finance	All project finance loans where total project capital costs exceed USD10 million or more.
2	Project-Related Corporate Loans	Project-Related Corporate loans where all three of the following criteria are met: • The majority of the loan is related to a project over which the client has Effective Operational Control (either direct or indirect). • The total aggregate loan amount and individual commitment (before syndication or sell down) are each at least USD50 million. • The loan tenor is at least two years.
3	Project-Related Refinance and Project-Related Acquisition Finance	All Project-Related Refinance and Project-Related Acquisition Finance, where all the following three criteria are met: • The underlying project was financed in accordance with the EPs framework. • There has been no material change in the scale or scope of the project. • Project Completion has not yet occurred at the time of the signing of the facility or loan agreement.
4	Project Finance Advisory Services	All Project Finance Advisory Services where total project capital costs exceed USD 10 million or more.

Besides the Group's ESRM Framework, we also refer to "Guidelines for Banking Facilities" issued by the Bankers Association, which embeds EPs 4.0, in our approval process. Independent Environmental & Social Consultants will commence quarterly or semi-annual monitoring for high impact projects, to confirm the impacts are well managed and the project operates under international standards. For projects with lower risk or not within EPs, clients may provide self-monitoring reports to confirm the project remains in compliance with environmental and social criteria. As of 2024, we were engaged in 12 project finance, each of the project evaluated in accordance with the Group's ESRM Framework to ensure the application of the EPs .

Credit Risk management for retail clients

The Group's key residential mortgage markets in Asia (including Taiwan) continue to have no regulatory policy requirements around minimum building energy-efficiency standards or government-mandated energy efficiency rating schemes such as energy performance certificates (EPC). As such, the Group continues to leverage alternate approaches to gain an early understanding of the proportion of our key mortgage portfolios that may be potentially affected by transition risk, through quantifying the robustness of our clients' income to sustain potential increases in energy spend. We utilised the Group mortgage baselining approach by exposure concentration to evaluate the transition risk from our residential mortgage. Based on the analysis, as of 2023, 72% of the residential mortgage were rated as low and very low transition risk level, while 12% of the mortgage were rated as very high transition risk level[17]. A comprehensive review of the analyses from the past two years revealed no material movements, and we continued to observe predominantly low transition risk levels.

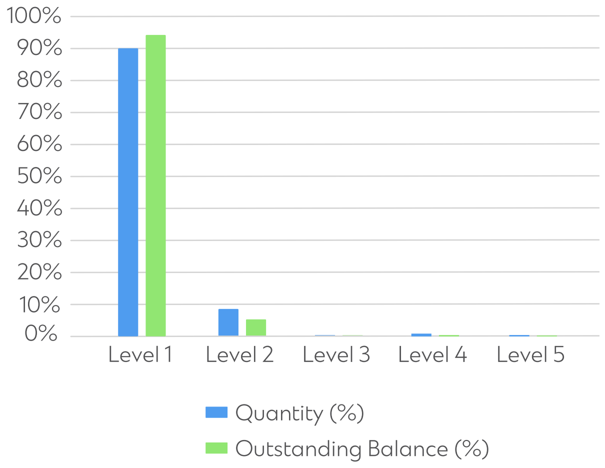
In the future, once additional data becomes available, the Group aims to account for valuation-related risks of property collateral due to transition risk, which the Group believes is the most significant transition risk driver for residential mortgages. The Group continues to explore ways to enhance the assessment approaches across both secured and unsecured retail client portfolios through improved methodologies and data. This will enable the Group to better assess the susceptibility to and readiness of clients in managing climate-driven risks, while also enabling the Group to identify opportunities to assist them in their transition towards a low-carbon economy.



17 For more details, please refer to page 259 in the Group's 2024 Annual Report.

With respect to the flooding risk focusing on collaterals, the same approach and the platform were adopted to assess the risk exposure. We also categorised collaterals into 5 risk levels, in which flooding risk increases from level 1 to level 5. In 2024, under SSP2-4.5 scenario, approximately 98% of all retail clients' collaterals located in low-risk areas (areas rated as level 1 and level 2) account for more than 99% of all collaterals with the corresponding outstanding credit balance accounts.

Figure 12 - Exposure to the flooding risk on retail clients' collaterals



Note:

1. Quantity (%) refers to the percentage of the quantity of collaterals locating in each flooding risk areas to the total quantity of collaterals.
2. Outstanding Balance (%) refers to the percentage of the outstanding balance of loans secured by collaterals locating in each flooding risk area to the total outstanding of all loans secured by collaterals.

Traded Risk management

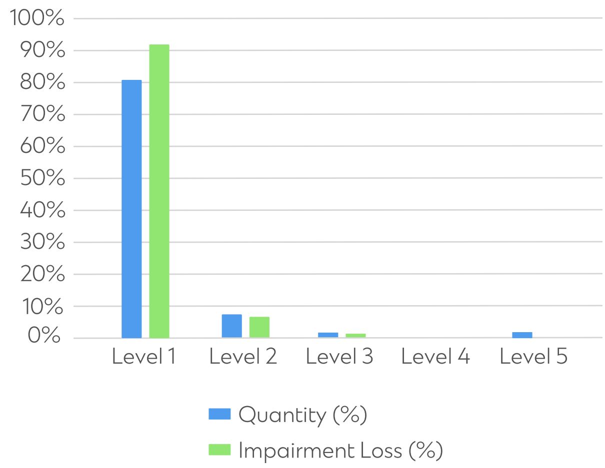
For investment-related Climate Risk management, the Group has identified that transition and physical risks could lead to increased market volatility resulting from its impact on commodities. Factors as manufacturers' carbon emissions could disrupt historical price correlations and challenge existing risk assumptions. In accordance with our internal policy, investment decisions must be preceded by a thorough assessment of risk. This comprehensive evaluation encompasses integrated risk type, including Climate Risk, outlined in the risk assessment summary grid.

As of 2024, we have no equity investment in the high-emitting sectors (according to the Group's and the Ministry of Environment's definition). For our bond investments, which relate to the Bank's treasury liquidity management, these are primarily short-term investments in sovereign bonds and corporate bonds. We perceive that the impact of Climate Risk on our investment portfolio is relatively low at this stage. We will follow Group-wide policies to continue monitoring our investment exposure to Climate Risk. Our Climate Risk management for Traded Risk exposures is evolving and we are working closely with industry bodies and academics to better assess and monitor climate-related risks and opportunities.

Operational Risk management

Climate Risk primarily manifests as an operational, technology and cyber risk when Physical Risk disrupts our properties, data centres and vendor arrangements. Physical risk vulnerabilities of our existing sites are assessed on a regular basis and for new sites during the onboarding process. In 2024, we undertook a risk assessment to evaluate the impact of physical risks on the operating sites by utilising the JCIC's Climate Physical Risk Platform for scenario analysis. Under the SSP2-4.5 scenario, approximately 88% of our operating sites are located in areas with lower flooding risk (level 1 to level 2) as of 2024. Despite this, these sites could represent around 98% of the total value impairment should flooding occur across all operating sites. Going forward, sites that are most susceptible to physical risks will be ranked to improve resilience through infrastructure improvements, where possible. Furthermore, systems to gather data have been enhanced to collect relevant information of our key vendors' delivery locations to assess the Physical Risk to their facilities to ensure business continuity.

Figure 13 - Exposure to the flooding risk - operating sites



Note:

1. Quantity (%) refers to the percentage of the quantity of operating sites locating in each flooding risk areas to the total quantity of operating sites.
2. Impairment Loss (%) refers to the percentage of the value impairment of operating sites locating in each flooding risk areas to the total value impairment of operating sites.

Based on the eight major risks defined by JCIC's Climate Physical Risk Platform, the Bank has established the "Business Continuity Management Standard" with the purpose of providing clients with uninterrupted services for typhoon, flood and mudslide risk. Our actions include:

- Implemented business continuity management mechanisms and integrated resources to ensure the effectiveness of the mechanisms.
- Reviewed and improved the above mechanisms on an on-going basis in response to the impacts of various disasters (including natural disasters) or operational interruptions (including operational interruptions due to material Climate Risks) to ensure the safety of employees and rights of clients.
- Conducted business impact analysis and formulated the business continuity plan every year.
- Activated business continuity plan by following various recovery solutions (such as split office or work from home...etc.) once a business interruption occurs.

To ensure the efficacy of our business continuity plan, annual drills are conducted to review and remediate the plan, and provide the basis for the business impact analysis. All findings and outcomes are integrated into the business continuity plan, enabling us to deliver uninterrupted financial services to clients in the face of climate-related events.

Business Continuity Management lifecycle

The "Crisis Management Plan" authorises CEO to convene the crisis management team, collaborating with senior management, to respond to and handle significant crisis (including crises arisen from material climate events) and follow our rules governing the handling of material incidents. Furthermore, we will also cooperate with the FSC in reporting on natural disaster safety information regarding business disruptions or personal injuries.

Scenario analysis and stress testing

Scenarios used, data limitation and assumptions

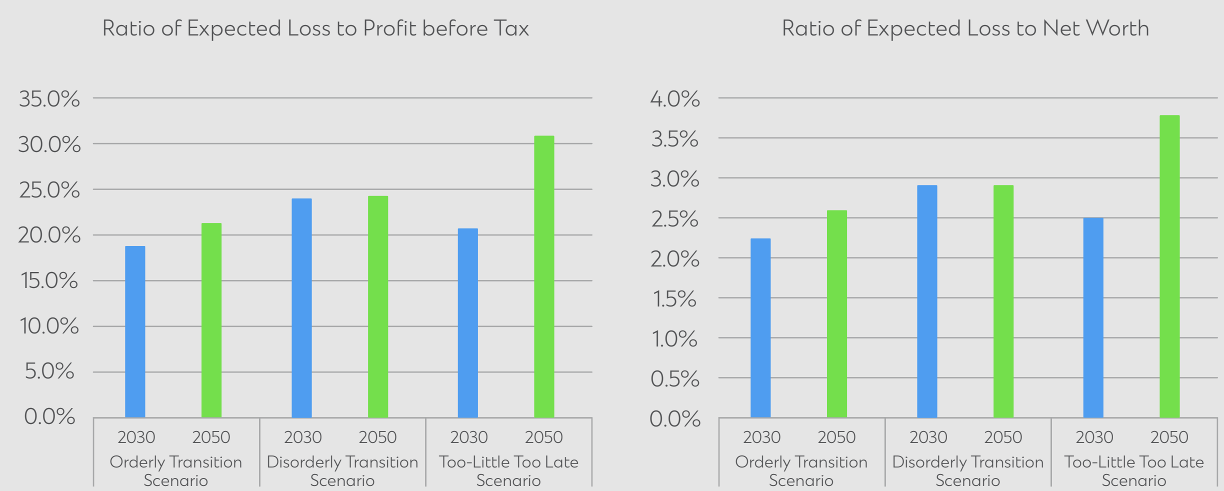
In compliance with the FSC's requirements, we have conducted the Climate Change scenario analysis to evaluate the potential impact of Climate Risk on our lending and investment portfolio in 2024. While the macro-economic and environmental parameters used for calculation are prescribed, the scenario setting and calculation are enhanced by incorporating the latest international trends, including the IPCC AR6 scenario narratives, NGFS Phase 4 scenario information, actual changes in the international environment, and adjusted both the scenario settings and parameter calculations accordingly. Scenarios were divided into long-term and short-term categories in 2024 exercise. The long-term scenarios project conditions for 2030 and 2050 under three scenario categories: orderly (NGFS: Net Zero 2050/IPCC:SSP1-1.9), disorderly (NGFS: Delay Transition/ IPCC:SSP1-2.6) and too-little too-late (NGFS: Fragmented World/IPCC:SSP2-4.5). These projections consider the life cycle of the banking business and the time scale of the climate change. The short-term scenarios simulate conditions based on specific physical or transition cost (i.e. carbon expense) expected to occur in the next year. Given the substantial differences in relevant settings compared to the previous version, the following sections will concentrate on presenting the results of the scenario analysis for 2024.

Results of Domestic Banks' Conduct of Climate Scenario Analysis

Under the long-term scenarios (orderly, disorderly and too-little too-late scenario) for 2030 and 2050, we assessed the impact of the climate change on our domestic lending, offshore lending and banking book investment positions. Overall, both the ratios of expected loss to our profit before tax (EL/PBT ratio) and expected loss to the net worth (EL/NW ratio), as calculated based on the number reported in the Standard Chartered Taiwan 2024 Financial Annual Report, were greater in 2050 than in 2030 across all three scenarios.

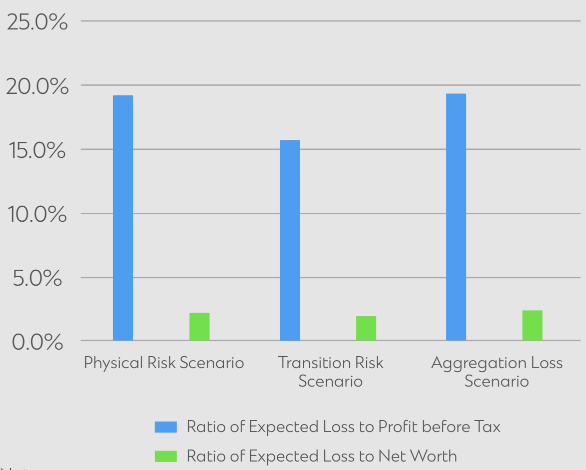
In the 2030 scenarios, the highest EL/PBT and EL/NW ratios are 24% and 2.9% respectively. These ratios are both estimated under the disorderly transition scenario. The variance between the highest and the lowest EL/PBT ratio was approximately 5.3%, while the variance between the highest and the lowest EL/NW ratio was approximately 0.6%. In the 2050 scenarios, the highest EL/PBT and EL/NW ratios are 31.4% and 3.8% respectively. These ratios were both estimated under the too-little too-late scenario. The variance between the highest and the lowest EL/PBT ratio was approximately 9.7%, while the variance between the highest and the lowest EL/NW ratio was approximately 1.2%.

Figure 14 - Results of Domestic Banks' Conduct of Climate Scenario Analysis under long-term scenarios



Under the short-term scenarios (encompassing physical risk, transition risk, and aggregation loss scenarios), we assessed the impact of the climate change on our domestic lending and banking book investment positions. The EL/PBT ratios are 19.2% under both physical risk scenario and aggregation loss scenario, while the EL/PBT ratio are 15.6% under transition risk scenario. Although the EL/NW ratios under physical risk scenario and aggregation loss scenario were greater than the ratio under transition risk scenario, the variance was less than 0.5%.

Figure 15 - Results of Domestic Banks' Conduct of Climate Scenario Analysis under short-term scenarios



Note:

1. The assumptions and the parameters of the Results of Domestic Banks' Conduct of Climate Scenario Analysis are set by the regulator. Under the short-term scenario, the carbon price is one of the primary parameters. As the carbon price is not expected to be very volatile within one year, results may be close to the baseline. For the long-term scenario, sectors are categorised in accordance with the Standard Industrial Classification System of the Republic of China (11th edition) and parameters were set for sectors with the consideration of their classification. In 2024, we employed the assumption of static balance sheet (basic approach) to assess our exposure to Climate Risks.
2. The methodology involves certain assumptions, with relevant parameters set as values estimated under different risk scenarios and includes long-term scenarios which extend the assessment period further into the future. The expected loss outcomes estimated for each scenario carry uncertainty and do not represent the actual impacts. As such, it is important to be aware of the limitations when using and interpreting the analysis results.
3. Given the distinct methodologies employed in long-term and short-term scenarios, it is inadvisable to compare their results directly.

Based on the analysis results, while the impact of climate change on our portfolio is expected to gradually increase over time, the potential Climate Risk to our lending and investment portfolio in 2024 remains manageable. We will keep monitoring and mitigating related impacts.

Assessing the resilience of our strategy using scenario analysis

To assess climate-related risks and opportunities in the short, medium and long-term, the Group uses scenario analysis to consider how risks and opportunities may evolve under different situations. The Group has continued to further strengthen the scenario analysis capabilities by moving towards internal models and developing the infrastructure and capabilities to incorporate Climate Risk into data, modelling, and analysis. In Taiwan, we follow the regulatory requirements to conduct scenario analysis of climate change designed by the JCIC and submit the results to the FSC Banking Bureau and the Central Deposit Insurance Corporation in accordance with the relevant circulars. The scenario analysis results have been reviewed by senior management and included in the TCFD report, which is approved by the Sustainability Committee and tabled at the Board meeting. In 2024, based on the scenario analysis results, our climate exposure remains manageable. We will continue to monitor and manage Climate Risk diligently, while implementing our Group-wide net zero plan.

Metrics and Targets

To support the Group's sustainability aspirations and to comply with local regulatory requirements, we set metrics and targets with the delegation from the Sustainability Committee. This included metrics and targets related to upskilling employees, reducing emissions, and mobilising sustainable finance and deepening partnership. The latest status of these metrics and the progress towards achieving the targets were regularly escalated to the senior management, the Sustainability Committee through scheduled meetings. With this information at hand, we continually reviewed the adequacy of the metrics and targets. Additionally, we also utilised the information to manage and monitor Climate Risks, facilitating informed decision-making and formulation of strategies that align with the status of our operation and the promotion of sustainable finance products.

Upskill employees

The objective of upskilling programme, compromising regular information sharing and solid training courses, is to establish foundational knowledge on sustainability across the Bank, and to cater to the needs of practitioners via tailored in-depth, capability-based curricula. In 2024, a series of "GreenMonday" articles were published on our internal website Pulse. The views of these articles reached 30,000, with an average of 900 readers per article. Concurrently, we required all employees to take at least 3 hours of courses to deliver ESG concepts and information encompassing ESG actions and the trend of emission reduction. In addition to the compulsory training, voluntary programmes were developed. We arranged five lectures, one workshop, and seven interactive online events for all employees. These initiatives explored a broad spectrum of sustainability-related topics, ranging from the role of financial institutions in advancing carbon reduction pathways to the detailed introduction of sustainable finance products. We also designed training for role-specific employees.

As shown in Table 12, we maintained a 100% completion rate in role-specific courses and increased both the total hours all employees spent and the total hours each individual employee spent on sustainability training in 2024 compared to 2023.

Table 12 - Metrics of upskilling employees

#	Metrics		Status as of 2023	Status as of 2024
1	Completion rate for role specific Sustainability training	%	100%	100%
2	Total hours of sustainability courses taken by all employees	hrs	4,823	7,203
3	Hours per employee for sustainability training	hrs	2	3.1

Reduce emissions

Our reporting methodology for GHG emissions of our operations is based upon the World Resources Institute and World Business Council for Sustainable Development Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition).

GHG emissions (Scope 1 and Scope 2) across all our operating sites in Taiwan totaled approximately 4,473.3 tCO_2e in 2024, reflecting a reduction of around 5.1% from the previous year.

The emissions intensity per NTD million of revenue amounted to 0.24 tCO_2e. Beginning in 2024, driven by accurately calculating the carbon emissions generated from transporting waste from each branch to the incineration, we started to calculate our emissions for Scope 3 category 4 and the amount of emissions is 874.6 tCO_2e. To align with the Group's 2050 net-zero target for financed emissions, we continued enhancing our capacity to accurately measure financed emissions within Taiwan.

Table 13 - Our GHG emissions across all our operating sites in Taiwan

		Greenhouse Gas Emissions	
Indicator		**2023**	**2024**[n3]
Scope 1 Direct emissions (Combustion of fuel)[n1]	tCO_2e	398.4	397.4
Scope 2 Energy indirect emissions (Purchase of electricity)	tCO_2e	4,315.1	4,075.9
Scope 3 Category 4 Upstream emissions[n2]	tCO_2e	N/A	874.6
Total emissions	**tCO_2e**	**4,713.5**	**5,348.0**

n1. Scope 1 emissions in the Bank are mainly for fuel consumption for company cars and generators for emergency purposes.

n2. Scope 3 Category 4 emissions cover emissions associated with products and services used by the Bank.

n3. We obtained the reasonable level on Scope 1 and Scope 2 GHG emissions associated with all our operating sites and Scope 3 Category 4 GHG emissions. This verification was conducted by Metal Industrial (2024) under ISO standard 14064.

Emissions from our operations

The Group defines and aims to achieve net zero in line with ISO IWA 42 as a condition in which human-caused residual GHG emissions are balanced by human-led removals over a specified period and within specified boundaries.

Our approach is to prioritise the direct reduction of Scope 1 and 2 emissions by:

1. Using efficiency measures across our property portfolio to actively reduce our energy consumption.
2. Purchasing renewable energy, either through on-site installations or power purchase agreements.
3. Purchasing energy attribution certificates/renewable energy certificates – where possible in the same regions where energy is consumed. This is reinforced by our commitment to purchasing 100 per cent renewable electricity by 2025 when we joined RE1001 in 2022.

By 2024, the Group aimed to reduce its emission in scope 1 and scope 2 to 23ktCO_2e. The Group has set targets for each market based on their business and operation. We were tasked with reducing 1% to 3% of our scope 1 and scope 2 emissions every year, equating to 44.7~134.2 tCO_2e.

To manage the environmental impact from own operations, two existing photovoltaic installations generated 1.2% (approximately 110.5 MWh) of the total energy consumption at our operating sites in Taiwan in 2024. We plan to install three more PVs on the buildings in 2025. These installments are expected to generate 133.8 MWh which could assist us to reduce around 66.1 tCO_2e.

We initiated numerous energy-saving projects, including the server virtualization project. Through a "build first, dismantle later" strategy, we systematically adopted server virtualization. The total number of computer servers dropped from 428 to 141 in 2024. This optimization led to a monthly decrease in electricity consumption of 23,962 kWh and an annual reduction in GHG emissions by 179 tCO_2e. Alongside other projects, we achieved a 0.9% reduction, equivalent to 4.2 tCO_2e, in energy consumption across our operating sites.

Table 14 - Utility consumption related metrics and their status

#	Metrics		Status as of 2023	Status as of 2024
1	Electricity savings amount or rate of operating sites	%	1.5%	0.9%
2	Amount of renewable energy usage for operating sites	kWh	90,945	110,450
3	% of renewable energy usage for operating sites	%	1%	1.3%

While we achieved a 5.1% reduction in our operational emissions, meeting the Group's reduction target range of 1% to 3%, we recognise the significant journey ahead to achieve net-zero operational emissions by 2025. It is essential to utilise energy attribution certificates, also known as renewable energy certificates, to offset any residual operational emissions. We plan to collaborate with the Group to assess the quantity of certificates required for purchase. Simultaneously, we are actively sourcing these certificates and evaluating the procurement process.

Emissions from our clients

The majority of our GHG emissions are related to lending activities, known as financed emissions. The Group has set financed emission targets to be net zero by 2050, with an interim 2030 target against all twelve high-emitting sectors as defined by NZBA Guidelines for Climate Target Setting for Banks (NZBA Guidance). In setting targets, the Group has considered the most appropriate scientific provider by sector and reference the International Energy Agency (IEA) for energy-linked sectors, Mission Possible Partnership (MPP) for Metals and Aviation and International Maritime Organisation (IMO) for shipping. Our targets have also been set with the input and approval of our sector coverage teams to ensure that the targets are ambitious yet achievable.

To support the Group's commitment, we have prioritised the measurement and decarbonisation efforts in the high-emitting sectors of the portfolio, where working with clients can have the greatest impact. As of 2024, the net nominal[18] value of loans granted to 11 high-emitting sectors accounts for 24.6% of the total net nominal value of loans. When excluding loans to the agriculture sector, which is newly classified as the high-emitting sector in 2024, this ratio decreases to 20.1%. This marks a 4.6% increase from 2023, primarily driven by the increased exposure of 1.4% to the automotive manufacture sector, 1.0% to the power sector and 2.6% to the shipping sector. While exposure has slightly increased due to business development in 2024, it remains manageable and within our control and we periodically utilise publicly available information to understand our clients' progress in meeting their own self-established emission reduction objectives.

Table 15 - Our credit exposure in high-emitting and carbon-intensive sectors

Metrics [n1]	**Status as of 2023**	**Status as of 2024**
All high-emitting and carbon-intensive sectors	15.5%	24.6%
Agriculture	N/A	4.5%
Aluminium	0.0%	0.0%
Automotive manufacturers	2.3%	3.7%
Aviation	2.1%	1.8%
Cement	0.4%	0.4%
Commercial real estate	2.6%	2.8%
Oil and gas	0.0%	0.0%
Power	0.2%	1.2%
Shipping	7.5%	10.1%
Steel	0.4%	0.0% [n2]
Thermal coal mining	0.0%	0.0%

n1. In 2024, the Group expanded the scope of the high-emitting sectors to include the agriculture sector. In addition, we are now tracking exposure to the sectors listed in the table, while continuing to evaluate the impact of residential mortgages on our financial position and will set relevant metrics to monitor the exposure if needed.

n2. The outstanding amount of loans granted to the clients involving in the steel sector constituted 0.04% of the total portfolio, which was rounded to 0.0% in 2024.

18 Net nominal is calculated as the sum of outstanding balance, accrued interest and net mark to market.

The Group has set a baseline and target for the exposure to high-emitting sectors. The Group (including us) strives to meet the interim 2030 targets for clients in high-emitting sectors. The exposure of our clients in high-emitting sectors remains stable during every quarter of 2024. We will continue to monitor these exposures and take actions as needed.

Table 16 - The Group's targets for high-emitting and carbon-intensive sectors and detailed progress against targets

	The Group [n2]				
Metrics [n1]	**Interim 2030 target** [n3]		**Progress Assured**	**AUP over Target** [n4]	**Cumulative progress**
All high-emitting and carbon-intensive sectors		N/A	N/A	N/A	N/A
Agriculture[n5]	2.2-2.4°C[n6] (11-19%)	●	✓	-	New
Aluminium	6.1 t CO_2e/tonne aluminium (–)	●	✓	✓	-42%
Automotive manufacturers	66–100 gCO_2/Vkm (44 – 63%)	●	✓	✓	-12%
Aviation	773 gCO_2e/RTK[n7] (33%)	●	✓	-	-32%
Cement	0.52 tCO_2/tonne cement (22%)	●	✓	✓	-8%
Commercial real estate	19–39 $kgCO_2$e/sq.m (47 –74%)	●	✓	✓	-21%
Oil and gas	9.3 $MtCO_2$e (29%)	●	✓	✓	-28%
Power	0.17–0.28 tCO_2/ MWh (46 –67%)	●	✓	✓	-17%
Shipping	0% delta 0% delta	●	✓	✓	-4%
Steel	1.4–1.6 tCO_2/tonne steel (22 –32%)	●	✓	✓	-9%
Thermal coal mining	0.5 $MtCO_2$e (85%)	●	✓	✓	-64%

n1. + For more details, please refer to page 80 to 87 in the Group's 2024 Annual Report.

n2. The Portfolio is under the 1.5°C 2030 target and is being maintained at a 1.5°C compliant emissions level.

● Absolute emissions target(tCO_2) ● Intensity emissions target(tCO_2/unit output) ● Implied Temperature Rating (ITR)

n3. An Agreed Upon Procedure review was performed by EY over the Group's net zero targets except for aviation, agriculture and residential mortgages. Procedures included confirming a net zero target had been set, that the scenarios used to set net zero targets are from credible third-party sources as recommended by the NZBA and the selected scenarios align to the quantitative temperature goal of article 2(1)a of the Paris Agreement.

n4. The Group aims to perform the AUP in the future for the sectors not covered at the time of the initial engagement.

n5. During the year a sector-specific deep dive was performed on the agriculture sector, the last highest-emitting sector as defined by the NZBA. The baseline emissions have been measured and a target set for the 2023 year of reporting.

n6. The Group has chosen an Implied Temperature Rise ("ITR") temperature rating target. ITR utilised temperature scores is a scoring methodology which translates diverse GHG reduction targets into an intuitive metric expressed as projected warming by 2100. This methodology can be employed to compare the ambition of different companies' decarbonisation goals, as articulated in their public GHG emissions reduction targets. Also referred as the CDP-WWF Temperature Scoring Methodology, it is an open-source methodology to translate the ambition of corporate greenhouse gas emission reductions into temperature scores for corporate value chains and investment portfolios.

n7. RTK (revenue tonne-kilometre) is a measure of annual passenger and cargo aircraft traffic representing the metric tonne of revenue load carried one kilometre.

Mobilise sustainable finance and deepen partnership

Sustainable finance, including transition finance, is a crucial part of our sustainability strategy and is therefore reflected in both our long-term Sustainability Aspirations and short-term Sustainability Strategic Pillars. The Group's aspiration related to sustainable finance is to mobilise USD 300 billion of sustainable finance by 2030 with a short-term pillar, which is to generate at least USD 1 billion annual sustainable finance income by 2025. The Group (including us) has mobilised USD 121 billion of sustainable finance from January 2021 through to September 2024 against our commitment to mobilise USD 300 billion by 2030. In addition, the Group (including us) generated USD 982 million sustainable finance income in 2024, putting the Group within reach of the target.

We remained committed to offering a diverse range of sustainable finance products to our clients in support of their transition. Below is a summary of three key sustainable finance products we offer:

Table 17 - Achievement in promoting sustainable finance products for corporate clients and retail clients

#	Metrics		Status as of 2023	Status as of 2024
1	Outstanding amount of green mortgages	USD (mn)	61	43
2	Outstanding amount of Sustainable Time Deposits	USD (mn)	80	134
3	Financing facility size of financing for the economic activities of low carbon transition and green financing	USD (mn)	832	2,522

Sustainability considerations are incorporated into account plans and engagement strategies with an aim to identify and prioritise clients that are divergent from portfolio-level emissions pathways or associated with high environmental and social risk. We prioritise engagements with clients associated with high Climate Risk with weak or no transition plans and/or insufficient disclosures to support and guide them to a low-carbon pathway by utilising our full suite of sustainable finance solutions.

Social Engagement

Social Engagement

By integrating both commercial and philanthropic aspirations to support our sustainability work and our Stands, the Group aims to accelerate our progress and amplify positive social impact such as women's empowerment, micro business support and financial inclusion. Our sustainability work and stands are primarily driven by the Group's commercial work, which we further extend into our community engagements.

Here're the key 3 pillars:

Sustainable Finance is about how we leverage our core business to promote sustainable development in our markets, while managing the environmental and social risks associated with our financing activities.

Responsible Company is about how we strive to operate business sustainably and responsibly, drawing on our purpose, brand promise, valued behaviors and Code of Conduct to enable us to make the right decisions.

Inclusive Communities is about how we aim to create more inclusive economies by sharing our skills and expertise, developing community programmes that transform lives.

Community impact

Futuremakers by Standard Chartered

futuremakers by Standard Chartered

Futuremakers is our global community program to support visually impaired youth aged 16-35 and disadvantaged women, helping them gain opportunities for learning, employment, and growth based on principles of equality and fairness. In 2024, we continued to collaborate with the Taipei Parents' Association for the Visually Impaired and the Garden of Hope Foundation to organise financial knowledge workshop. By involving several professional instructors and our staff as volunteers, we aim to combine financial expertise with the community program, guiding participants to understand investment tools and set financial goals. Our aspiration is to provide financial education resources to various social groups. We also hold workshops for career development and life skill training and provide subsidies for certificates with job training and internship opportunities for helping them to deal with challenges positively. Since 2019, we have supported over 7,900 visually impaired youth and disadvantaged women by the end of 2024.

Visually impaired youth and disadvantaged women we have supported since 2019

7,900

Standard Chartered Taipei Charity Marathon

The "Standard Chartered Taipei Charity Marathon" is a highly iconic charitable event for the Bank. To further promote the Futuremakers community program, we invite the public, businesses, clients, and employees to run together for a good cause and contribute funds to support the younger generation. During the 2024 marathon event, we trained 19 running buddies to accompany visually impaired runners in the race. Additionally, we collaborated with 16 companies and organisations to support the Futuremakers program through the charity booths and medal engraving activities on the event day, successfully raising a total of TWD 3.4 million towards Futuremakers in our 2024 marathon event.

In response to the Group's 2025 net-zero carbon emissions goal, we implemented some green initiatives during the marathon event. These included jogging while picking up litter(plogging), and adhering to the 3R principles (Reduce, Recycle, Reuse) throughout the event to invite sports enthusiasts and environmentally conscious individuals to create sustainable value.

Women in Entrepreneurship

In 2024, in collaboration with the Garden of Hope Foundation, we launched the second "Standard Chartered Women in Entrepreneurship Award" (WiE), with a total prize pool of TWD 1.6 million. The second edition focuses on micro-enterprises and startups established within the last eight years with no more than 10 employees. We offer empowerment courses, lectures, and a Demo Day for evaluation, dedicated to helping female entrepreneurs further develop and enhance their skills. This event attracted 31 micro-businesses, and supported a total of 62 young individuals (70% of whom were women). We provide a two-day bootcamp camp, six workshops, two advanced workshops, 1:1 consultation with Standard Chartered volunteer mentors, and networking activities with the members of British Chamber of Commerce in Taipei (BCCT).

Employee Volunteering ("EV")

Our employees are granted three days of paid volunteer leave each year, empowering them to select the volunteer activities that resonate with their interests. We also encourage departments to engage in volunteer activities, further promoting our corporate culture of social responsibility. In 2024, our employees collectively contributed 3,176 days of volunteer service, with a participation rate of 67%.

In 2024, we organised various environmental and animal-friendly volunteer activities, including:

- Three beach clean-up events in Taipei, Hsinchu, and Taichung, with 196 employees participating and collectively collecting 828 kilograms of trash.
- 54 employees volunteered at temporary shelters for stray cats and dogs, taking care of the animals and maintaining shelter hygiene.
- 180 employees assisted in the "SC Taipei Charity Marathon" by participating in a street cleaning activity.

Diversity and Inclusion

Diversity and Inclusion are core values of the Bank and building a culture of inclusion is critical to our business success. This commitment reflects the choice we make to embrace the diverse backgrounds and perspectives of our colleagues, clients, and suppliers.

We have established the Taiwan Diversity & Inclusion Council (Taiwan D&I Council) to foster consensus on diversity and inclusion. We have formed working groups focused on 5 key pillars "gender equality", "equal opportunities for the disadvantaged", "LGBTQ+ rights", "health and well-being", and "diverse suppliers". We aim to achieve three major diversity and inclusion goals: creating the best workplace environment, becoming the best bank choice, and achieving community prosperity. In 2024, our Taiwan D&I Council organised over 20 events, attracting more than 3,000 participants. Over the past 3 years, we have received more than 10 domestic and international awards for diversity and inclusion efforts.

Additionally, we actively collaborate with external partners to enhance the social impact of diversity and inclusion. For instance, we co-hosted the International Women's Day ("IWD") Summit with our partners and organised several cross-industry networking dinners with Alpha Plus. These events included inviting visually impaired colleagues in telemarketing to share insights on fostering a culture of equality for the disadvantaged. We also invited representatives from over ten companies to exchange ideas and jointly created a diverse and inclusive environment. Regarding sexual orientation equality, we demonstrated our respect for various sexual orientations through activities during Pride Month" in 2024. We specially decorated six branches with rainbow motifs and provided customers with limited-edition Pride Month rainbow stickers. We continue to rally bank colleagues to participate in the annual Rainbow Parade every October, taking to the streets to advocate for diversity through tangible actions.

Treating customers fairly, financial inclusion and fraud prevention

We consistently optimize and strengthen relationships with customers and employees, so we enhance measures in promoting financial inclusion, improving complaint handling mechanisms, and preventing fraud. We aim to achieve excellence and meet the expectations of customers, employees, and regulators in a more efficient manner.

Valued behaviours

Do the right thing

Doing the right thing means acting in the best interests of our clients, colleagues, and stakeholders.

Better together

We build relationships with our clients and each other so we can share our unique capabilities.

Never settle

We're ambitious in our constant pursuit of excellence and market-leading innovation.

In 2024, following our recognition in 2023, the Bank was once again honored by regulatory authorities as one of the top 25% in the Treat Clients Fairly Assessment. Our specific actions were as follows:

- Launched an investment suitability video to enhance transparency and tailor investment plans.
- Engaged external professional survey institutions to review the service processes of financial advisors, improving service quality.
- Established a responsibility map linked to our corporate risk management framework, promoting transparency and compliance.
- Introduced a new customer care questionnaire for in-person transactions, optimizing content for clarity and relevance.
- Updated the investment care assessment for elderly clients, adding comprehensive evaluations for those aged 85 and above, with strict vulnerability assessments and system controls.

To bridge the digital divide and cater to diverse demographic needs, the Bank continuously enhanced the digital financial services. We aim to create an innovative, friendly, and warm digital financial service experience for our customers. For example, a "Digital Assistant Service" was available on our official website, which uses simple graphics and animations to guide customers on using financial services, such as MyData (a personal data self-management platform) or myRM (a digital on-the-go financial advisory service). Additionally, we have established a "Quick and Easy Online Banking Service" on the website for financially disadvantaged groups to help those unfamiliar with digital devices to quickly get started. Furthermore, we leverage big data and machine learning to address potential customer issues. Our AI, "Stacy", provides 24/7 client service with instant responses.

The Bank, in collaboration with the Sign Language Association, has introduced "Real-Time Sign Language Video Interpretation" and "On-Site Interpreter Appointment" services. Hearing-impaired clients can access these services by calling the dedicated hotline, ensuring accurate communication when receiving financial services. Additionally, the Bank continually enhance the accessibility for disadvantaged groups in our system upgrades. By the end of 2024, 40 ATMs featured voice navigation systems for the visually impaired clients, along with larger screens, braille labels, and more accessible spatial designs. Our visually impaired employees were also invited to contribute to the design of the next-generation ATM voice navigation interface, reinforcing our commitment to digital equality.

We are also focused on enhancing fraud prevention education in response to key government policies. In coordination with the Group's anti-fraud activities, we distribute monthly anti-fraud EDMs through our website, email, and social media, covering topics such as romance scams and dummy accounts. To incentivize branch staff in fraud prevention, we have added a bonus for successfully prevented fraud cases to the annual individual performance scorecard. Our annual "Behavioral Excellence Competition" also highlighted outstanding fraud prevention efforts. In 2024, we successfully prevented 86 fraud cases, saving NTD 47 million. In support of regulatory anti-fraud policies targeting youth, we organized financial literacy camps through the "Futuremakers" program, and launched a fraud awareness campaign, "Fraud Prevention Pioneers: Youth Staying Safe", at the National Taiwan University of Sport in 2024 to educate college students on fraud prevention by sharing real-life fraud cases to cultivate basic financial literacy and anti-fraud awareness. We also established set up real-time system controls to block for applications from warning accounts and admonished individuals reported by regulators. At month-end, standardized service termination notices are issued, with front-line staff providing clear explanations and support. Monthly reports are submitted to management to enhance risk management, detect dummy accounts, and prevent money laundering and fraud.

Complaint management mechanism

The Bank has established key internal policies, including the “Code of Conduct and Ethics Principle”, “Speaking Up Policy”, “Conflicts of Interest Policy” and “Anti-Bribery and Corruption Policy”, to guide employee behavior and promote integrity as a core corporate value. These policies define our behaviour code with effective trainings, to ensure employees understand the importance of ethical conduct. In addition, independent whistleblowing mechanisms are in place, offering multiple reporting channels to ensure confidentiality and thorough investigations of suspected misconduct. Significant misconduct cases are reported to the Board with root cause analysis and actions to strengthen oversight and mitigate risk.

Besides, the Bank has set up a consumer protection area and service email box on the Bank’s official website, as well as 24-hour customer hotline, providing a convenience complaint channel for the customers to ensure their needs and disputes are timely handled. The Bank will follow its standard procedure to handle and reply the result of complaint cases to customers regardless of the channel that complaint cases come from (e.g. telephone, teller counter, letter, fax, media, official letter from regulators).

Information security

Information security is the foundation to protect our clients’ data and assets, and to maintain trust. We amended the information security policies and standards pursuant to international information security standards since 2020, including the ISO 27001 Information Security Management System, the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), and the Payment Card Industry Data Security Standard (PCI DSS). We have also adopted attacker-centric risk assessment models to respond to external cybersecurity threats, additionally insured information security and established a 24/7 Internet Defense Center. To improve information security management, we adopted a new information security framework and strengthened information security evaluations for third-party suppliers in 2020. We report information security status to the Board and enhance awareness of information security among board members and supervisors.

We continue to implement four key cybersecurity measures: temporary data control, phishing email tests, network segmentation, and cybersecurity testing for new or upgraded systems. Additionally, our “Work Rules” require all employees to maintain confidentiality regarding company business secrets, customer data, trade secrets, research findings, information software, and other intellectual property and assets. Furthermore, the “TTO Employee Work Guidelines” and the “WRB Employee Work Guidelines” emphasise that any cases developed and records created during employment are considered company assets. These must be retained at the office and cannot be taken home or copied in any form. Upon resignation, all such materials must be returned in full, without any form of copying or alteration, otherwise, it will be considered as incomplete resignation procedures and violation of work guidelines. The control mechanisms are implemented through the Bank’s information and network security regulations and management procedures.

Client personal data protection

In 2024, we introduced a drip-feed data leakage prevention mechanism to curb intentional data theft and strengthen personal data protection. We have established a Personal Information Security Plan and Policy on Personal Data Disposal after Business Termination, as well as 11 standards on personal data protection to ensure compliance with the Personal Data Protection Act. All employees are required to take the Personal Data Protection Awareness Campaign and Personal Data Protection Act Response and Impact Awareness Training courses every year. We received ten client complaints in 2024 related to violation of personal information privacy. Apart from immediately informing these clients of how their complaint was being handled, our internal units also immediately convened an emergency personal information incident response meeting upon being notified of the complaint regarding client personal data protection. Measures for improvement were discussed at this meeting, including how we can make our operational procedures more secure, and how we can raise greater awareness of personal information protection.

Additionally, Ernst & Young ("EY") conducted an audit of our annual personal data protection and anti-money laundering and counter-terrorism financing mechanisms for the 2024 fiscal year. In their assessment, EY confirmed that our internal control system design and execution related to the Personal Data Protection Act align with relevant personal data regulations across all major aspects.

Information security training programs

Recognising the importance of information security, all employees are required to take training courses on information security annually. These courses cover topics such as "Cyber Security Awareness For Everyone (CyberSAFE)", "Understanding Social Engineering, IoT Device Security and Desktop Clearance Policy", and "Personal Data Protection Annual recertification". In 2024, we provided a total of 7,113 hours of training on these courses, with each employee receiving 3 hours of training on average. These training courses had a 100% completion rate. Additionally, we conducted social engineering drills at least once per quarter to assess the effectiveness of education and training. The phishing rate in 2024 averaged 1.4, which is below the required threshold of 5%. We also developed defence plans based on external threat changes and regularly perform intrusion scenario drills under the supervision of our management team.

Technical security framework

In 2024, the Group added Security Architects to review the introduction of new technologies and launched the Security Architecture Toolkit. This toolkit aims to reduce the time required to create and review application security architectures, standardise security architectures, and ensure alignment with enterprise architecture management standards.

Employee well-being

We encourage to appreciate, value, and respect various personality traits and different skills and abilities. From 2021 onwards, we have developed a wellbeing toolkit to help employees maintain good health in four aspects: “mental”, “physical”, “social”, and “financial”. By establishing, maintaining, and promoting physical and mental well-being, as well as choosing a suitable lifestyle and work environment, we have helped our employees develop the skills necessary for the future. This is essential for fostering successful teamwork and a diverse, equitable, and inclusive workplace.

The standard benefits available to all our employees are as follows:

Flexible workplace policy

Our employees can choose flexible working arrangements (including remote working, and flexible/part-time working hours), and over 90% of eligible employees applied to use this working arrangement. This allows our employees reduce transportation time, expenses, and their carbon footprint.

More holidays than legally required

We are committed to creating the best workplace. Starting in 2023, we have led the industry by offering 20 weeks of gender-neutral and legally superior maternity and parental leave. This allows employees to find a balance between work and life, promotes gender equality in the workplace, and provides crucial support during important life stages. We are also dedicated to expanding the scope of care to support our employees’ families, including paternity leave and adoption leave. In addition, employees can also apply for up to 7 days of family care leave per year as needed and this benefit applies regardless of family composition.

In 2024, we were honored with the “Friendly Childcare Business Award” by the Taipei City Government. Through organising family day events, we opened specific office buildings for the first time, allowing employees to invite family members to experience their daily work environment, thereby promoting the well-being of employees and their families.

Safe and friendly office environment

We provide every colleague with ergonomically designed desks and chairs to ensure a safe and comfortable working environment and regularly conduct indoor air quality testing, air conditioning system checks, drinking water quality testing, and workplace carbon dioxide monitoring at all operational sites. The scope and items of testing exceed legal requirements to ensure optimal conditions. We also conduct safety inspections and training for office facilities, promote safe driving education and provide motorcycle health checks to establish a safety mindset and workplace safety culture among employees.

Additionally, we create a suitable working environment for visually impaired colleagues by installing tactile paving or voice guidance at elevator entrances, staircases, and water dispensers. Department signage, elevator panels, and pantry cabinets are equipped with braille to enhance accessibility for visually impaired colleagues.

Physical healthcare

Weekly one-on-one health consultation services are provided by professional doctors, and employees can make appointments based on their personal health conditions. Each year, multiples employees benefit from this service. Additionally, the Bank offers annual health check-ups and half a day of paid leave for health examinations. The health check-up contracts also provide discounted rates, allowing employees' family members to participate in the health check-ups. Employees are also covered by group insurance, which includes life insurance, medical insurance, disability insurance, as well as travel and medical insurance for business trips.

Mental health support

Through the Employee Assistance Program (EAP), we provide comprehensive free psychological counseling services to help employees cope with various psychological challenges in their careers and lives. This program includes confidential counseling services, allowing employees and their families to contact professional counselors at any time. Additionally, we have launched the Unmind app to help employees understand and improve their mental health, offering support in areas such as stress management, sleep improvement, and enhancing focus.

Our Brand Promise, Here for good

Through diverse solutions, we will empower our clients and communities to confidently navigate the transition toward a sustainable future. Additionally, by embedding science-based targets and managing Climate Risks, we reinforce our pledge to achieve net zero and foster a resilient world. The year 2025 marks a pivotal milestone as the Group aims to be net zero in Scope 1 and 2 emissions, and we will continue to innovate and strengthen our efforts to drive impactful change.

TCFD summary and alignment index TCFD

The following table sets out the recommendations and recommended disclosures of TCFD and summarises where information can be found this report via providing corresponding section.

Aspect	Recommendation	Corresponding Section
Governance	a) Describe the Board's oversight of climate–related risks and opportunities	• Structural overview of Standard Chartered Taiwan's climate and sustainability related governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities	• Structural overview of Standard Chartered Taiwan's climate and sustainability related governance • Our Climate Risk governance
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	• Our approach to climate change • Climate-related opportunity identification
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	• Reducing Standard Chartered Taiwan's emissions • Mobilising sustainable finance and deepening partnership
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a two degrees Celsius or lower scenario	• Assessing the resilience of our strategy using scenario analysis
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks	• Climate risk defined • Scenario analysis and stress testing
	b) Describe the organization's processes for managing climate-related risks	• Managing the financial and non-financial risks arising from climate change
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	• Our approach to managing Climate Risks
	d) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a two degrees Celsius or lower scenario	• Assessing the resilience of our strategy using scenario analysis
Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate-related risk and opportunities in line with its strategy and risk management process	• Upskill employees • Reduce emissions
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks	• Reduce emissions
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	• Mobilise sustainable finance and deepen partnership

Forward-looking statements

The information included in this document may contain 'forward-looking statements' based upon current expectations or beliefs as well as statements formulated with assumptions about future events. Forward-looking statements include, without limitation, projections, estimates, commitments, plans, approaches, ambitions and targets (including, without limitation, ESG commitments, ambitions and targets). Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'aim', 'continue' or other words of similar meaning. Forward-looking statements may also (or additionally) be identified by the fact that they do not relate only to historical or current facts.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and Standard Chartered Taiwan's and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Readers should not place reliance on, and are cautioned about relying on, any forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include (but are not limited to) : changes in global, political, economic, business, competitive and market forces or conditions, or in future exchange and interest rates; changes in environmental, geopolitical, social or physical risks; legal, regulatory and policy developments, including regulatory measures addressing climate change and broader sustainability-related issues; the development of standards and interpretations, including evolving requirements and practices in Environmental, Social and Governance reporting; the ability of Standard Chartered Taiwan and the Group, together with governments and other stakeholders to measure, manage, and mitigate the impacts of climate change and broader sustainability-related issues effectively; risks arising out of health crises and pandemics; risks of cyber-attacks, data, information or security breaches or technology failures involving Standard Chartered Taiwan and the Group; changes in tax rates, future business combinations or dispositions; and other factors specific to Standard Chartered Taiwan, including those identified in this TCFD Report and financial statements of Standard Chartered Taiwan and the Group. Any forward-looking statements contained in this document are based on past or current trends and/or activities of Standard Chartered Taiwan and the Group and should not be taken as a representation that such trends or activities will continue in the future.

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Please refer to this document for a discussion of certain of the risks and factors that could adversely impact Standard Chartered Taiwan's and the Group's actual results, and its plans and objectives, to differ materially from those expressed or implied in any forward-looking statements.

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