

# 2024・ESG

## Agricultural Bank of Taiwan Sustainability Report





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# Chairman's Message

Amid the rapid changes in the global economy and climate, sustainable development is no longer a choice, it is a responsibility.

The Agricultural Bank of Taiwan (hereinafter referred to as ABT), as the nation's only specialized financial institution with a dual mandate in both agricultural and commercial banking, plays a pivotal role in addressing the financial needs of farmers and fishermen. As the upper-tier institution of Credit Department of Farmers' and Fishermen's Associations, ABT is legally mandated to provide guidance and support for the development of their credit operations. Today, it is further committed to leveraging financial instruments to serve as a key driver in the sustainable transformation and advancement of the agricultural sector.

We firmly believe that through the promotion of green finance, digital transformation, and strategic partnerships, ABT can not only meet evolving market demands but also contribute to building a more resilient and sustainable future for Taiwan's agriculture.

## Green Finance

### Supporting Sustainable Agricultural Development

Environmental sustainability has become a global priority, and we recognize the critical role agriculture plays in addressing climate change. In response, ABT has actively promoted green finance, working in close collaboration with the Credit Department of Farmers' and Fishermen's Associations over the years. Through agricultural lending, we have directed capital to support and incentivize farmers and agribusinesses to adopt production models that integrate green energy or carbon reduction technologies into their agricultural operations. By advancing sustainable agricultural practices, we aim to help farmers achieve both productivity and carbon reduction goals, thereby fostering an agricultural ecosystem that is resource-efficient and environmentally friendly.

## Digital Transformation

### Enhancing the Competitiveness of Agricultural Financial Services

In the era of the digital economy, technology serves as a key driver of progress. ABT is committed to advancing the application of financial technology (FinTech) by enhancing the integration of digital platforms and expanding digital service offerings to improve the financial experience for farmers and agribusiness clients. Our digital transformation efforts go beyond enhancing service accessibility and convenience; we also aim to accelerate the integration and sharing of information across Farmers' and Fishermen's Associations. Through innovative customer services, we strive to strengthen the competitiveness and operational performance of agricultural financial institutions.



Chairman / Eric Chien

## Partner Collaboration

### Co-Creating a Sustainable and Prosperous Value Chain

The sustainable development of agriculture requires the collective efforts of diverse stakeholders across society. We are committed to deepening collaboration with government agencies, Farmers' and Fishermen's Associations, industry organizations, and domestic and international academic and research institutions to jointly build a sustainable agricultural value chain. ABT continues to support collaboration between farmers' organizations and agribusinesses, while also encouraging young farmers to return to rural areas and engage in innovative agricultural ventures, bringing renewed vitality to rural economies. By aligning financial resources with the expertise of agricultural institutions and professionals, we aim to effectively drive agricultural transformation and foster a future of shared prosperity.

## Corporate Social Responsibility

### Giving Back to Society and Growing Together

In addition to maintaining the stability of the agricultural financial system, ABT actively fulfills its corporate social responsibility. We organize forums to share the successful experiences of young agricultural entrepreneurs and support net-zero carbon emission initiatives led by young farmers. We also assist in the marketing and promotion of safe domestic agricultural and fishery products, offer university scholarships, and engage in tree planting, beach cleanups, and the sponsorship of charitable concerts. Furthermore, we co-organize blood donation drives with corporate partners and participate in various public welfare initiatives. Through these activities, we give back to society while strengthening public awareness of ABT, building a bridge between agriculture and the broader community.

## Looking Ahead

### Establishing a Model for Agricultural Finance

Undeterred by challenges, ABT remains steadfast in its mission to provide financial support for the sustainable development of Taiwan's agriculture. We are committed to advancing steadily on the path of sustainable management, striving to establish a resilient and exemplary model of agricultural finance. By continuously enhancing our services and innovating our product offerings, we aim to contribute to rural economic growth, social welfare, and environmental sustainability, creating a better environment and future for the next generation.







# 1 Sustainability Information



## Chapter Highlights

## Annual Performance, Initiatives, and Sustainable Development Roadmap

### Annual Performance

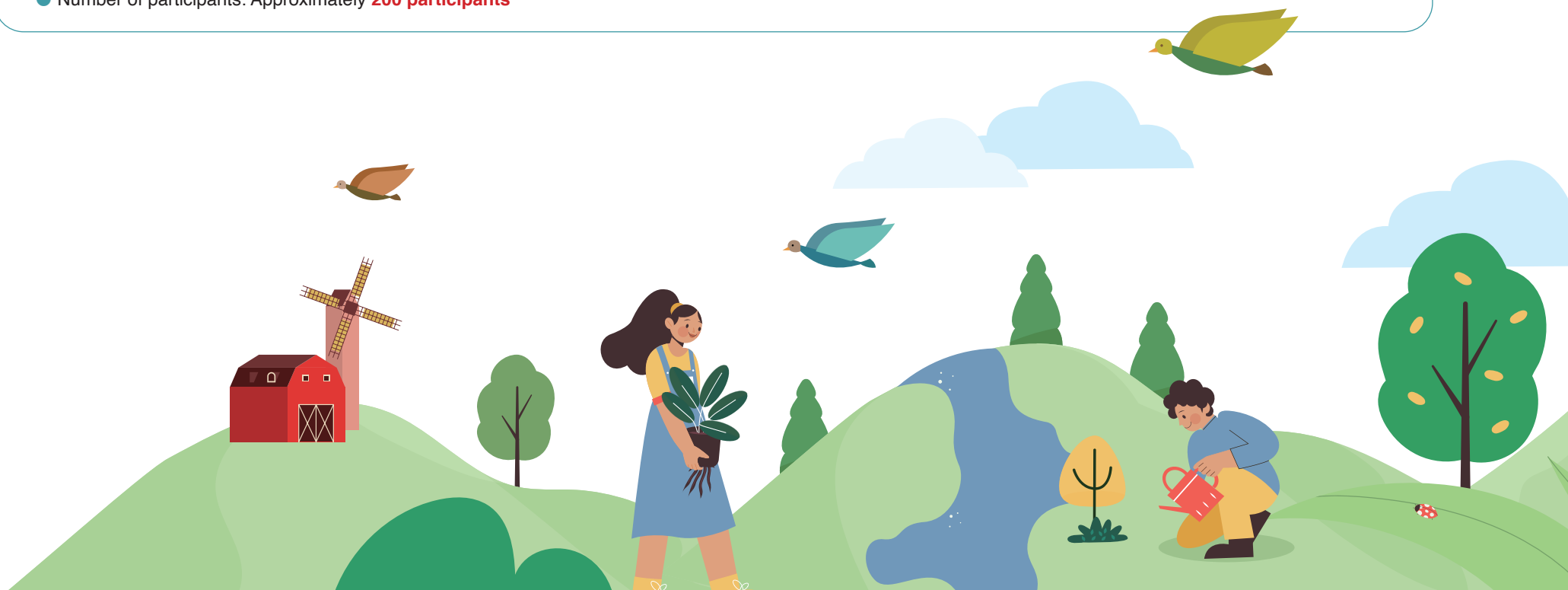
 Environmental	<ul style="list-style-type: none"> <li>Invested <b>NTD\$10.52 billion</b> in Taiwan ESG sustainability constituent stocks and ESG bonds</li> <li>Provided green financing with an outstanding loan balance of <b>NTD\$12.87 billion</b></li> <li>Accumulated loan balance for the "5+2 Innovative Key Industries" reached <b>NTD\$78.99 billion</b></li> </ul>
 People (including on their Human Rights)	<ul style="list-style-type: none"> <li>Subsidized <b>29</b> employees in obtaining the Basic Competency Certification in Sustainable Development</li> <li>Obtained <b>ISO 10002:2018</b> certification for the Customer Complaint Management System</li> <li>Organized <b>8</b> beach cleanup events under the "Sustainable Agriculture and Fisheries, Protecting the Ocean" initiative, with a total participation of <b>500</b> people alongside local Farmers' and Fishermen's Associations</li> </ul>
 Corporate Governance	<ul style="list-style-type: none"> <li>Achieved a <b>36.36%</b> implementation rate for regulatory compliance data indicators</li> <li>Launched online courses on sustainable finance, engaging <b>2,000</b> participants from Farmers' and Fishermen's Associations</li> <li>Joined the "Eagle Eye Anti-Fraud Alliance," collaborating with <b>35</b> financial institutions and government agencies to combat financial fraud.</li> </ul>
 Awards	<ul style="list-style-type: none"> <li><b>"twAAA"</b> the highest long-term credit rating by Taiwan Ratings for 15 consecutive years from 2011 to 2024</li> <li>The 17th Taiwan Corporate Sustainability Awards (TCSA) - Sustainability Reporting <b>Platinum Prize</b></li> <li>British Standards Institution (BSI) 2024 - <b>Sustainable Development Practice Award</b></li> <li>Commercial Times Digital Financial Award - <b>Excellence in Digital Financial Inclusion</b></li> <li>Financial Information Service Co., Ltd. (FISC) 2023 – <b>Outstanding F-ISAC Member for Intelligence Sharing Performance</b></li> <li>Small and Medium Enterprise Credit Guarantee Fund of Taiwan 2023 - <b>Credit Guarantee Leap Award</b></li> </ul>

## Initiatives





### "Sustainable Agriculture and Fisheries Seminar — Agricultural Finance and ESG Sustainable Management" September 26 and November 22, 2024

Through the organization of the Sustainable Agriculture and Fisheries Seminar, it is hoped that representatives from Farmers' and Fishermen's Associations, farmers' and fishermen's cooperatives, production and marketing groups, agribusinesses, and individual farmers and fishers will gain a deeper understanding of green finance policies and practices. This will encourage greater investment of resources into sustainable agriculture and fisheries projects, thereby accelerating the implementation of net-zero carbon reduction initiatives.




- Participating groups: Farmers' and Fishermen's Associations, farmers' and fishermen's cooperatives, production and marketing group representatives, agribusinesses, and farmers and fishers
- Number of participants: Approximately **200 participants**



## Sustainable Development Roadmap

<div> <div>Corporate Governance</div> <div>Continuous improvement of the legal compliance system Enhancing information security</div> <div>  8.10            9.c            13.3            16.5 16.b         </div> </div>				
Issues	2024 Achievements	Short-term Goals (2025)	Mid-term Goals (2-5 years)	Medium-long Term Goals (6-10 years)
<b>Legal Compliance</b> Development of regulations using systematic data indicators to enable system-based monitoring of compliance risks associated with external regulations	<ul style="list-style-type: none"> <li>Achieved a 36.36% implementation rate for regulatory compliance data indicators</li> <li>Regulatory update monitoring module was launched in June</li> </ul>	<ul style="list-style-type: none"> <li>Data indicators exceed 35%</li> </ul>	<ul style="list-style-type: none"> <li>Data indicators exceed 55%</li> </ul>	<ul style="list-style-type: none"> <li>Data indicators exceed 85%</li> </ul>
<b>Governance</b> Increase in Board of directors' attendance and diversification of Board of directors and supervisors	<ul style="list-style-type: none"> <li>The attendance rate of the Board was 87.3%, with female directors and supervisors accounting for 10%</li> <li>Over 2,000 participants from Farmers' and Fishermen's Associations attended the online sustainable finance courses</li> </ul>	<ul style="list-style-type: none"> <li>Review board resolutions related to the Principles for Sustainable Development Practices</li> <li>Identify performance evaluation indicators for senior executives linked to sustainability</li> <li>Host forums to discuss sustainable operational outcomes and business transformation</li> </ul>	<ul style="list-style-type: none"> <li>Number of sustainability-related board proposals increases by 2%–5%</li> <li>Incorporate at least 1 sustainability indicator in senior executive performance evaluations</li> <li>Assess the feasibility of appointing a Chief Sustainability Officer (CSO)</li> </ul>	<ul style="list-style-type: none"> <li>Number of sustainability-related board proposals increases by 5%–10%</li> <li>Incorporate at least 2 sustainability indicators in senior executive performance evaluations</li> <li>Conduct effectiveness reviews of the sustainability governance structure</li> </ul>
<b>Information Security</b> Improve information security governance and resilience	<ul style="list-style-type: none"> <li>Expanded the scope of ISO 27001 international certification; click-through rate for social engineering exercises remained below 2%</li> </ul>	<ul style="list-style-type: none"> <li>Fewer than 1 incident of sensitive data leakage per year</li> <li>Fewer than 1 major information security incident per year</li> </ul>	<ul style="list-style-type: none"> <li>Fewer than 1 incident of sensitive data leakage per year</li> <li>Fewer than 1 major information security incident per year</li> </ul>	<ul style="list-style-type: none"> <li>Fewer than 1 incident of sensitive data leakage per year</li> <li>Fewer than 1 major information security incident per year</li> </ul>

Customer Rights				
Enhance digital financial services Implement the principle of fair treatment of customers				
<div> <div>2</div> <div>2.3 2.4 2.a</div> </div> <div> <div>7</div> <div>7.2</div> </div> <div> <div>8</div> <div>8.3 8.10</div> </div> <div> <div>9</div> <div>9.3 9.c</div> </div>				
Issues	2024 Achievements	Short-term Goals (2025)	Mid-term Goals (2-5 years)	Medium-long Term Goals (6-10 years)
<b>Customer Service</b> Implementation of personal data protection and fair treatment of customers, providing new financial services, and maintaining customer satisfaction	<ul style="list-style-type: none"> <li>Promoted the Elderly Care Trust project and explained the cooperation mechanisms with alliance partners to Farmers' and Fishermen's Associations</li> <li>Obtained ISO 10002 certification for the Customer Complaint Management System</li> <li>Annual satisfactory resolution rate of customer complaints at 100%</li> <li>Customer satisfaction index at 75%</li> </ul>	<ul style="list-style-type: none"> <li>Establish 5 alliance partners for the Elderly Care Trust project</li> <li>Annual satisfactory resolution rate of customer complaints exceeds 80%</li> <li>Customer satisfaction index reaches 70%</li> </ul>	<ul style="list-style-type: none"> <li>Establish 10 alliance partners for the Elderly Care Trust project</li> <li>Annual satisfactory resolution rate of customer complaints exceeds 90%</li> <li>Customer satisfaction index reaches 80%</li> </ul>	<ul style="list-style-type: none"> <li>Establish 15 alliance partners for the Elderly Care Trust project</li> <li>Annual satisfactory resolution rate of customer complaints exceeds 90%</li> <li>Customer satisfaction index reaches 90%</li> </ul>
<b>Digital Transformation</b> Promotion of digital transformation in finance, enhancing online platform capabilities, and laying out digital tools	<ul style="list-style-type: none"> <li>Introduced cardless ATM withdrawal transactions and established a video identity verification platform</li> <li>Promoted XML certificate usage for corporate online banking, reaching 471 accounts</li> <li>Conducted platform system inventory and planned integration operations covering corporate paperless processes and knowledge management systems</li> </ul>	<ul style="list-style-type: none"> <li>Cross-platform system integration reaches 30%</li> <li>Corporate paperless adoption reaches 30%</li> <li>Knowledge management system implementation reaches 30%</li> </ul>	<ul style="list-style-type: none"> <li>Cross-platform system integration reaches 60%</li> <li>Corporate paperless adoption reaches 60%</li> <li>Knowledge management system implementation reaches 60%</li> </ul>	<ul style="list-style-type: none"> <li>Cross-platform system integration reaches 90%</li> <li>Corporate paperless adoption reaches 90%</li> <li>Knowledge management system implementation reaches 90%</li> </ul>
<b>Sustainable Finance</b> Guiding capital flows into sustainable industries through financial instruments	<ul style="list-style-type: none"> <li>Loan balance for the "5+2 Key Innovative Industries" reached NTD\$78.99 billion</li> </ul>	<ul style="list-style-type: none"> <li>Assess the issuance of green bonds</li> </ul>	<ul style="list-style-type: none"> <li>Set the ratio of the green bond issuance balance to the total financial bond issuance balance</li> </ul>	<ul style="list-style-type: none"> <li>Issue green bonds</li> </ul>

Employee Development		Creating a friendly workplace environment Emphasize on talent cultivation and development		
		 4.4	 5.c	 8.5 8.8
Issues	2024 Achievements	Short-term Goals (2025)	Mid-term Goals (2-5 years)	Medium-long Term Goals (6-10 years)
<b>Employee Care and a Friendly Workplace</b> Emphasizing maternal health protection, providing a workplace environment that is safe, healthy, and free from occupational accidents	<ul style="list-style-type: none"> <li>Administered group medical and injury insurance for employees, as well as regular health examinations</li> <li>Established on-site health consultation services staffed by medical personnel, promoting a maternal health protection program</li> <li>Provided 48 medical health consultations following employee health screenings, with medical consultation sessions accounting for 81% of all screened employees</li> <li>Achieved an 86% return-to-work rate after parental leave without pay</li> </ul>	<ul style="list-style-type: none"> <li>Schedule medical health consultations for employees who undergo health screenings, reaching 90%</li> <li>Achieve a return-to-work rate after parental leave without pay of 75%</li> <li>Optimize the maternal health protection program</li> </ul>	<ul style="list-style-type: none"> <li>Schedule medical health consultations for employees who undergo health screenings, reaching 100%</li> <li>Achieve a return-to-work rate after parental leave without pay of 80%</li> <li>Optimize the maternal health protection program</li> <li>To promote a friendly workplace environment, conduct 8 sessions of awareness campaigns on the prevention of workplace harassment and unlawful conduct</li> </ul>	<ul style="list-style-type: none"> <li>Obtain the "Healthy Workplace Certification" issued by the Health Promotion Administration, Ministry of Health and Welfare.</li> <li>Achieve a return-to-work rate after parental leave without pay of 90%</li> <li>Optimize the maternal health protection program</li> <li>Conduct ad-hoc awareness sessions on the prevention of workplace harassment and unlawful conduct</li> </ul>
<b>Talent Development and Training</b> Comprehensive human resources system for talent acquisition, training, compensation, and benefits development	<ul style="list-style-type: none"> <li>Exceptional contributors in business are eligible for special promotion.</li> <li>Achieved an overall course completion rate for employees of 100%</li> <li>Provided subsidies for 29 employees obtaining sustainable finance certifications.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve an overall course completion rate of 80% with a satisfaction rate of 70%</li> <li>Conduct an inventory of internal key professional talents and management trainees.</li> <li>Implement partial salary adjustments with an average increase of 4%</li> </ul>	<ul style="list-style-type: none"> <li>Achieve an overall course completion rate of 90% with a satisfaction rate of 80%</li> <li>Key talent retention rate reaches 80%</li> <li>Implement company-wide salary adjustments averaging 4%</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the online training environment with an emphasis on employee career development</li> <li>Achieve a key talent retention rate of 85%</li> <li>Implement company-wide salary adjustments with an average increase of 20%</li> </ul>

**Social  
Welfare****Enhancing the competitiveness of Farmers' and Fishermen's Associations  
Fulfilling corporate social responsibility**

1.4






2.1  
2.3  
2.a

8.6



15.b

Issues	2024 Achievements	Short-term Goals (2025)	Mid-term Goals (2-5 years)	Medium-long Term Goals (6-10 years)
<b>Agricultural Support</b> Guide the Farmers' and Fishermen's Associations to enhance competitiveness, assist farmers with financial needs, and provide counseling mechanisms	<ul style="list-style-type: none"> <li>Conducted visits to 70 young farmers</li> <li>Hosted 2 sessions of the "Sustainable Agriculture and Fisheries Seminar – Agricultural Finance ESG Sustainable Management," attended by approximately 200 representatives from Farmers' and Fishermen's Associations</li> <li>Provided financial consulting for 21 cases of agricultural loans to young and middle-aged farmers</li> <li>Completed the integration of the Shengang District Farmers' Association into the Farmers' and Fishermen's Associations' information sharing system</li> </ul>	<ul style="list-style-type: none"> <li>Conduct visits to young farmers, reaching 80 individuals</li> <li>Organize energy conservation and carbon reduction campaigns, holding 8 sessions with a total of 400 participants</li> </ul>	<ul style="list-style-type: none"> <li>Conduct visits to young farmers in alignment with policy directives</li> <li>Organize 8 sessions of energy conservation and carbon reduction campaigns, achieving a 2–3% increase in participation</li> </ul>	<ul style="list-style-type: none"> <li>Conduct visits to young farmers in alignment with policy directives</li> <li>Organize 8 sessions of energy conservation and carbon reduction campaigns, achieving a 10% increase in participation</li> </ul>
<b>Social Participation</b> Participation in social welfare activities through collaboration with non-profit organizations and addressing environmental issues	<ul style="list-style-type: none"> <li>Sponsored one charity concert with a donation of NTD\$100 thousand and contributed NTD\$50 thousand to the Financial Services Education Charity Fund</li> <li>Organized 8 beach cleanup events, 1 blood donation drive, and participated in 1 tree-planting activity</li> </ul>	<ul style="list-style-type: none"> <li>Promote 1 public-private partnership project for community and nonprofit collaboration in agricultural and fishing villages</li> <li>Collaborate with Farmers' and Fishermen's Associations to organize 1 advocacy event for nature-related financial disclosures (TNFD)</li> </ul>	<ul style="list-style-type: none"> <li>Advance to 2 public-private partnership projects involving agricultural and fishing village communities/nonprofit organizations, integrating biodiversity topics</li> </ul>	<ul style="list-style-type: none"> <li>Advance to 3 public-private partnership projects involving agricultural and fishing village communities/nonprofit organizations, integrating biodiversity topics</li> </ul>

Environmental Sustainability		Moving toward net-zero emissions Strengthening climate change risk management		 2.4		 7.2		 13.2 13.3		 14.2		 15.a 15.b	
Issues		2024 Achievements		Short-term Goals (2025)		Mid-term Goals (2-5 years)		Medium-long Term Goals (6-10 years)					
<b>Green Investment and Financing</b> Invest in Taiwanese ESG sustainable securities and provide loans to industries related to sustainable ecology		<ul style="list-style-type: none"><li>● Invested approximately NTD\$10.52 billion in Taiwan ESG Sustainability constituent stocks and ESG bonds</li><li>● Outstanding balance of green credit projects reached NTD\$12.866 billion</li><li>● Officially implemented the Equator Principles, with a total of 2 cases</li></ul>		<ul style="list-style-type: none"><li>● Invest approximately NTD\$6 billion in Taiwan ESG Sustainability constituent stocks and ESG bonds</li><li>● Outstanding balance of green credit reach NTD\$14 billion</li><li>● Establish internal guidelines for the identification of green, sustainability-linked, and social responsibility credit projects</li></ul>		<ul style="list-style-type: none"><li>● Maintain an average balance of approximately NTD\$6 billion in investments in Taiwan ESG Sustainability constituent stocks and ESG bonds</li><li>● Outstanding balance of green credit reach NTD\$15 billion</li><li>● Continue reviewing ESG factors in credit evaluations and adjust them dynamically</li></ul>		<ul style="list-style-type: none"><li>● Maintain an average balance of approximately NTD\$6 billion in investments in Taiwan ESG Sustainability constituent stocks and ESG bonds</li><li>● Outstanding balance of green credit reach NTD\$16 billion</li><li>● Continue to formulate relevant measures and preferential loan programs to integrate ESG principles into the credit process</li></ul>					
<b>Environmental Sustainability Management</b> Introduction of various ISO certifications and promotion of office energy conservation		<ul style="list-style-type: none"><li>● Continued ISO certifications in energy management, environmental management, and greenhouse gas inventory</li><li>● Used green building materials for office relocations and new establishments, while reducing waste generation</li></ul>		<ul style="list-style-type: none"><li>● Maintain certifications for energy and environmental management systems</li><li>● Conduct Scope 3 greenhouse gas inventory</li></ul>		<ul style="list-style-type: none"><li>● Evaluate the adoption of the SBTi</li></ul>		<ul style="list-style-type: none"><li>● Enhance environmental sustainability management to support the achievement of corporate carbon reduction targets</li></ul>					
<b>Risk Management</b> Enhancing climate-related financial disclosure and climate change risk management		<ul style="list-style-type: none"><li>● Incorporated sustainability-linked loan (SLL) interest rate adjustment mechanisms into credit cases, with preferential rate incentives or markups specifically designed for the manufacturing and construction industries</li><li>● Classified the semiconductor, steel manufacturing, and cement industries as high carbon-emission sectors, and imposed risk limits on companies and corporate groups operating within these sectors</li></ul>		<ul style="list-style-type: none"><li>● Review climate risk management procedures and incorporate them into existing internal regulations</li><li>● Assess the exposure of the credit portfolio to high-risk industries based on materiality.</li><li>● Conduct short-, medium-, and long-term materiality assessments for regions and industries</li></ul>		<ul style="list-style-type: none"><li>● Enhance climate reporting and disclosure mechanisms.</li><li>● Plan a net-zero pathway in alignment with the adoption of the SBTi</li></ul>		<ul style="list-style-type: none"><li>● Optimize internal climate-related risk management procedures and mechanisms</li></ul>					

# 2 Corporate Governance

## Material Topics

Business Performance, Corporate Governance, Ethical Management, Risk Management, Information Security

## Chapter Highlights

Corporate Profile, Business Operations, Risk Management, Information Security







## Corporate Profile

As the only authorized financial institution in Taiwan that combines the functions of a dedicated agricultural bank and a commercial bank, ABT has the statutory mission under the Agricultural Finance Act to establish an agricultural financial system, guide and support the credit department of Farmers' and Fishermen's Associations, provide loans for agriculture, forestry, fishery, and animal husbandry, secure agricultural finance, and advance the agricultural economy. Please see ABT's official website for more details.





-  Headquarters
-  7 Branches
-  1 Department of Business
-  2 Subsidiaries

## Operational Indicators

Profit (loss): **NTD\$ (6.02) billion ▼**

Return on Assets: **(0.59)% ▼**

Return on Equity: **(19.81)% ▼**

Earnings (loss) per Share (EPS): **NTD\$ (2.23) ▼**

Deposits and remittances balance: **NTD\$750.87 billion ▼**

Loan balance: **NTD\$383.68 billion ▼**

Non-performing loan ratio: **0.46% ▲**

## Credit Department's Achievements for the Support for Farmers' and Fishermen's Associations

Total deposits: **NTD\$2,305.07 billion ▲**

Total loans: **NTD\$1,537.45 billion ▲**

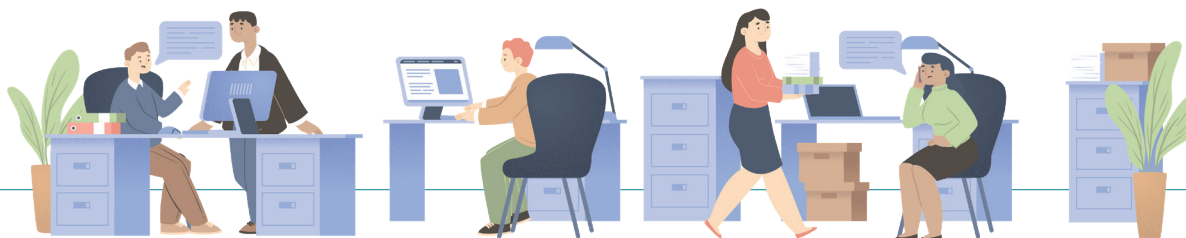
Non-performing loan amount: **NTD\$3.88 billion ▲**

Non-performing loan ratio: **0.25% ▲**

Profit and loss for the period: **NTD\$7.61 billion ▼**

Allowance for bad debt coverage ratio: **1,404.55% ▲**

Capital adequacy ratio: **14.20% ▼**



## Business Operations

### Diverse Board Composition

**10** Directors

**5** Independent Directors

**5** Supervisors

Female members make up **10% -**

Representatives from  
Farmers' and Fishermen's  
Associations account for **60% -**

The overall  
attendance  
rate is **90.26% ▲**

### Ethical Management

**0** employee corruption

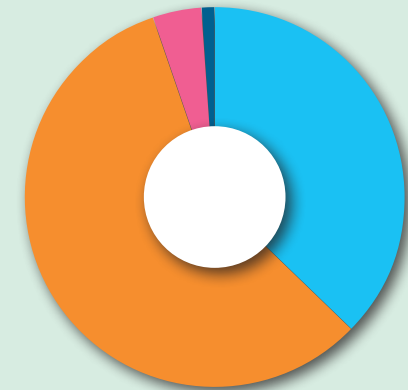
**0** suppliers identified  
as involved in money  
laundering or terrorism  
financing

**100%** operational sites  
completed anti-corruption  
risk assessments, all  
assessed as low-risk

**91.7%** employees received anti-  
corruption training



### Shareholder Structure



**37.59%** Government Agencies  
(Ministry of Agriculture)

**57.71%** Grassroots Financial  
Institutions (Farmers'  
and Fishermen's  
Associations)

**4.65%** Other Corporations:

**0.05%** Individuals

## Risk Management

The Company has established a comprehensive risk management policy and implemented an independent and effective risk management framework to identify, measure, monitor, and report various risks, thereby ensuring the achievement of stable and sound operations.

### Strengthen Risk Control Mechanisms

- Establish **annual** target ratios for capital adequacy and leverage.
- Monitor **monthly** fluctuations of capital adequacy and leverage ratios.
- All capital adequacy ratios in 2024 complied **with regulatory requirements**.

### Enhance Operational Risk Management Mechanisms

- Conducted **operational risk self-assessments** to identify potential risks across various business activities and evaluate the level of operational risk exposure.
- **Operational risk events** are predominantly attributed to "employee negligence."
- The evaluation results for all types of business activities in 2024 were deemed **appropriate**.

## Information Security

To ensure compliance with information security regulations, the Company has established an Information Security Department responsible for planning, monitoring, and executing information security management activities, while maintaining the independence of information security operations.

Data leakage incidents involving the Company and its subsidiaries

**0 cases**

Employee information security training

**over 4.5 hours**

2024 F-ISAC member intelligence sharing performance

**Outstanding institution**

## ISO 27001 Information Security Management System

Completed recertification for the 2013 version

Plan transition to the 2022 version

Expand scope of system certification to include:

- (1) Office Website
- (2) Internet Banking System
- (3) Corporate Online Banking
- (4) Mobile banking
- (5) Core Banking System
- (6) Advanced Foreign Exchange Integrated System



# 3 Customer Rights



## Chapter Highlights

Customer Relations, Digital Integration, Sustainable Finance, Inclusive Finance

## Customer Relations

Fair treatment training completion rate

**100%**

Achieved

**ISO 10002:2018**

certification for the Customer Complaint Management System

Customer satisfaction survey overall satisfaction rate reached

**75%**

## Digital Integration

### Information Integration for Farmers' and Fishermen's Associations

The subsidiary, Agrifinance Information Service Co., Ltd., assisted in achieving the following:

System rollout for

**177**

Farmers' and Fishermen's Associations

Conversion rate reaching

**57%**

Business volume accounting for

**80%**

of the nationwide Credit Department of Farmers' and Fishermen's Associations

### Digital Finance



#### Smart Finance:

- Promoted the XML certificate feature for corporate online banking, accumulating a total of 427 users

#### Scenario Finance:

- Developed and launched the "Inter-Institution Electronic Payment Platform" service, with the first batch comprising 60 farmers' associations reporting to AFIS

## Sustainable Finance

### Green Investment

Investment in Taiwan ESG constituent stocks:

**NTD\$400 million**

ESG bonds (including green bonds, social responsibility bonds, and sustainability-linked bonds):

**NTD\$10.1 billion**

### Green Financing

Number of projects subject to the Equator Principles:

**2 cases**

Reviewed **153** credit applications with sustainability performance-linked clauses, of which **57** were approved

## Inclusive Finance

### Resilience-focused credit services

Resilience-focused credit services totaled **240 cases**

Loan disbursements reaching **NTD\$3.299 billion** by the end of 2024

### Young and middle-aged farmer loans

In collaboration with the credit departments, loans were extended to **3,334** young and middle-aged farmers

Amounting to **NTD\$5.54 billion**

### Policy-oriented agricultural project loans

Together with the credit departments, total loan funds provided reached **NTD\$27.07 billion**



# 4 Employee Development



## Material Topics

Talent Recruitment and Development, Employee Benefits and Care, Occupational Health and Safety, Human Rights Protection

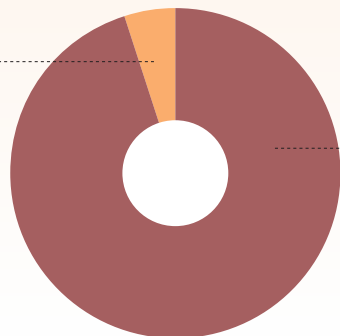
## Chapter Highlights

Employee Composition, Talent Development and Training, Employee Welfare and Friendly Workplace, Protection of Employee Rights

## Employee Composition

Non-Employees

17



Employees

410

The proportion of new hires:

8.78%

The employee turnover rate:

7.07%

Total number of  
employees increased

1.74% ▲

Agricultural Financing Insurance  
Brokers Co., Ltd. (AFIB)

42 employees

Agrifinance Information Service Co.,  
Ltd. (AFIS)

96 employees



## Talent Development and Training

**54**

internal training sessions  
were conducted

**166**

participant attendances  
were recorded in external  
training programs

**65.16 hours**

per employee in annual  
training

**100%**

performance appraisal  
coverage rate

**3%**

average salary  
adjustment rate

## Employee Welfare and Friendly Workplace

### Employee Benefit and Care

Group Accident Insurance:  
each employee is insured  
with coverage exceeding

**NTD\$5 million**

Parental Leave Without Pay:  
return-to-work rate reached

**100%**

with a retention rate of **86%**

### Workplace Safety and Health Care

Occupational Safety  
and Health Training:  
completion rate of

**100%**

Post-Health Examination On-site  
Medical Consultation Services:  
employee participation of

**81%**



## Protection of Employee Rights

**Complies**

with relevant labor laws and regulations  
and upholds internationally recognized  
fundamental labor rights principles

**0**

incidents of human  
rights violations.

**4**

labor-management  
meetings

**6**

Employee Welfare  
Committee  
meetings

**ad hoc basis**

Personnel Evaluation  
Committee meetings

# 5 Environmental Sustainability

## Material Topics

Climate Change Mitigation and Adaptation, Sustainable Agriculture, and Biodiversity

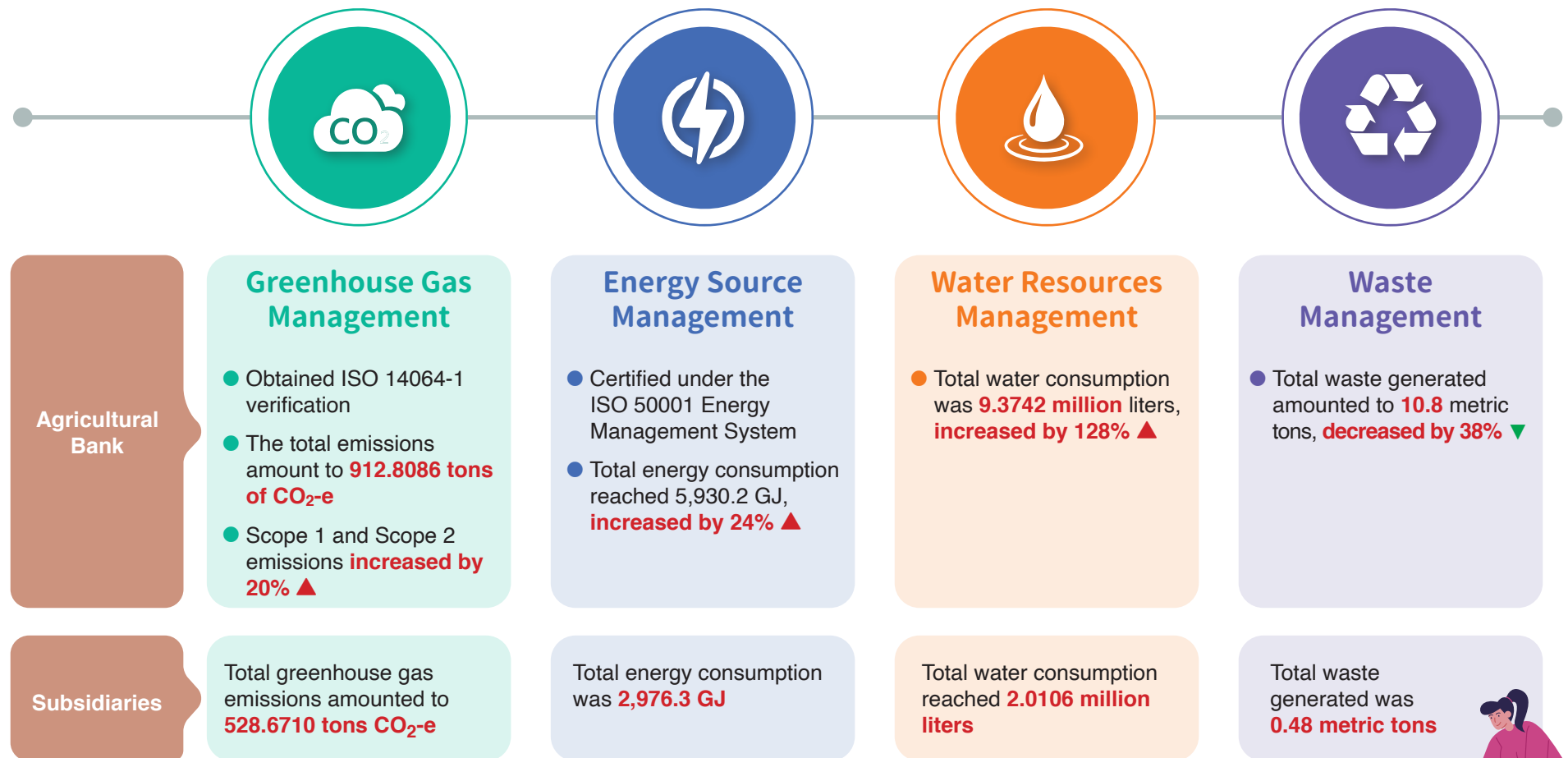
## Chapter Highlights

Environmental Sustainability Strategy, Climate Action, Sustainable Agriculture, and Biodiversity



## Environmental Sustainability Strategy

The overall increase compared to 2023 was primarily due to the addition of a new business unit, Pingtung Branch, as well as the relocation of the Head Office and the Business Department.



## Climate Change Action

The Company has established a TCFD Working Group to identify and assess climate-related risks, with the aim of overseeing the management of climate risks and opportunities. For details, please refer to the "Agricultural Bank of Taiwan 2024 Climate-Related Financial Disclosures (TCFD) Report."



## Sustainable Agriculture and Biodiversity

<b>Conduct ESG Assessments for Projects</b>  As a reference for credit proposal decision-making	<b>Sustainability-related Ecological Loan</b>  As of the end of 2024, the outstanding balance reached <b>NTD\$12.87 billion</b> , with an increase of <b>43% ▲</b>	<b>Sustainability-linked Loan</b>  As of the end of 2024, the outstanding balance reached <b>NTD\$43.36 billion</b> , with an increase of <b>145% ▲</b>
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## 6 Social Welfare

### Material Topics

Farmers' and Fishermen's Associations Support

### Chapter Highlights

Talent Cultivation, Safe Agricultural and Fishery Products Matching Platform for Ansingo, Social Participation



### Agricultural and Fisheries Talent Development

- Scholarships are provided with priority given to children of farming families, economically disadvantaged households, and low-income individuals. In 2024, a total of **15** recipients were awarded scholarships, amounting to **NTD\$150 thousand**.
- Continued collaboration with National Chung Hsing University through the signing of an industry-academia cooperation memorandum of understanding. The Company has been a member of the industry-academia research platform for **7** consecutive years.
- Joined the "Eagle Eye Anti-Fraud Alliance." Over the past three years, the agricultural financial system has successfully intercepted 728 fraud cases, preventing losses of over **NTD\$400 million**.



### Ansingo - Safe Agricultural and Fishery Products Matching Platform

- The subsidiary, AFIS, established the "Ansingo" Safe Agricultural and Fishery Products Matching Platform, featuring 674 listed products and achieving sales of **NTD\$27.10 million**.
- Promotion of the listing of products certified under the **"3 Labels and 1 QR Code"** certification system is actively encouraged.



Organic Agricultural Product Label



Traceable Agricultural Product (TAP) Label



Hazard Analysis and Critical Control Point (HACCP) Certification Label



Agricultural Product Traceability QR Code

## Social Participation



### Sustainable Agriculture and Fisheries, Protecting the Oceans **8 beach cleanup events**

The Company partnered with local Farmers' and Fishermen's Associations to organize 8 beach cleanup events along the west coast of Taiwan from north to south between September to November 2024. Employees and their families actively participated, demonstrating commitment to protecting the oceans and promoting waste reduction and environmental sustainability.



### Charity Concert Sponsored with **NTD\$100 thousand**

Supported the Kuanyin Line Association by sponsoring annual charity concerts to raise funds and give back to the community.



### Financial Services Education Charity Fund Sponsored with **NTD\$50 thousand**

The Taiwan Financial Services Roundtable coordinates resources from Taiwan's financial associations, related organizations, and financial institutions to establish a public welfare fund that maximizes the financial sector's collective social contribution, primarily through educational scholarships and grants.



### Supported blood donation efforts in Hualien **112 units of blood**

In response to the devastating earthquake in Hualien on April 3, the Company collaborated with Advantech Enterprise Comp. to organize a blood donation campaign, offering blood donors agricultural and fishery product vouchers from Hualien to support post-disaster recovery for local farmers and fishermen.

# About the Report

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## Contact Information

Contact department: Business Development Department

Contact address: 10F., No. 77, Guanqian Rd., Zhongzheng Dist., Taipei City

Phone: (02) 23805100

Fax: (02) 23805257

Website: <https://www.agribank.com.tw>

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The Company  
Corporate Sustainability





6F.-11F., No. 77, Guanqian Rd., Zhongzheng Dist., Taipei City 10047, Taiwan (R.O.C.)

Website: <https://www.agribank.com.tw>

TEL: (02) 2380-5100

SWIFT: AGBTTWTP

