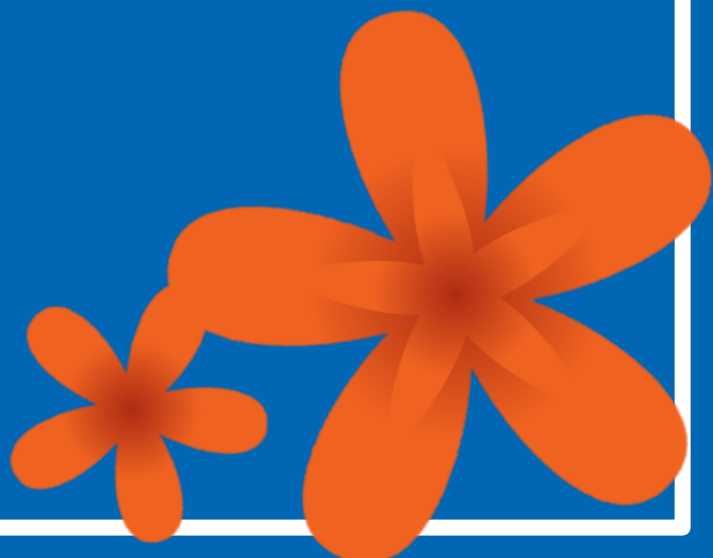




2023 Sustainability Report



CONTENTS

About This Report	3
A Word from the Chairman.....	5
Important Awards in 2023	8
Sustainable Development Milestones	9
Chapter 1 About Yuanta Securities	
1.1 Business Overview	10
1.2 Operating Performance	14
Chapter 2 Strategic Endeavors in Pursuit of Sustainability	
2.1 Sustainability Commitment	20
2.2 Sustainability Strategies and Goals	22
2.3 Sustainable Governance	30
2.4 Stakeholder Engagement and Communication Stakeholder Communication	32
2.5 Material Topic Analysis and Management Guidelines.....	41
Chapter 3 Bedrock of Corporate Governance	
3.1 Corporate Governance.....	56
3.2 Integrity Management	70
3.3 Risk Management	75
3.4 Legal Compliance	80
3.5 Information Security Management.....	83
Chapter 4 Sustainable Innovation of Products and Services	
4.1 Sustainable Finance	92
4.2 Financial Products and Innovative Services	115
4.3 Customer Rights and Interests	122
Chapter 5 A Happy Workplace Ideal to Employees	
5.1 Employee Attraction and Retention.....	133
5.2 Employee Communication	140
5.3 Talent Cultivation and Development	142
5.4 Healthy and Safe Workplace	149
5.5 Human Rights, Diversity and Equality	162
Chapter 6 Participation and Contribution to Social Welfare	
6.1 Public Welfare Vision	165
6.2 Public Welfare Investment and Results	168
Chapter 7 Climate Action	
7.1 Climate Change Management	172
7.2 Green Operations.....	189
7.3 Sustainable Supplier Management	194

Appendix

Appendix 1	Sustainable Finance Performance	198
Appendix 2	GRI Standards Index.....	199
Appendix 3	United Nations Sustainable Development Goals Reference Table	209
Appendix 4	Sustainability Accounting Standards Board (SASB) — Investment Banking & Brokerage	212
Appendix 5	Securities firm sustainable disclosure indicators.....	215
Appendix 6	Accountant’s Limited Assurance Report.....	216
Appendix 7	Summary of Subject Matter Assured	217
Appendix 8	Certificates to ISO Management System	220

About This Report

Yuanta Securities Co., Ltd. (hereinafter referred to as “Yuanta Securities”, “the Company”, “we” , “our” or “us”) issued its first Sustainability Report for 2023 in 2024, formally disclosing the positive developments and proactive actions in the Environmental (E), Social (S), and Governance (G) dimensions. This report also publicly outlines our sustainability commitments and goals, enabling stakeholders to understand the Company’s achievements and progress in our sustainability endeavors.

Reporting Period

The “2023 Sustainability Report” (hereinafter referred to as “the Report”) is the Company’s first sustainability report, covering actions and performance, as well as management approaches and responses to significant topics in ESG from January 1 to December 31, 2023. This Report is available for download from the “Sustainable Development Section” on the official website of Yuanta Securities and will be prepared and disclosed annually. To fully present performance, the report also covers information prior to 2023.

Disclosure Boundaries and Scope

The disclosure boundary of this Report focuses on all operating locations of Yuanta Securities in Taiwan, covering all branches while excluding subsidiaries. The financial information disclosed in the report is consistent with the consolidated financial report data of Yuanta Securities, and all monetary amounts are in New Taiwan Dollars (NTD). In certain chapters, such as those covering employees or public welfare, information from overseas subsidiaries is also included as appropriate. Domestic and overseas information are presented separately for ease of reading.

Primary Reporting Guidelines

This Report is prepared in accordance with the principles and regulations as follows.

- Global Reporting Initiative (GRI) Standards 2021
- United Nations Sustainable Development Goals (SDGs)
- Sustainability Accounting Standards Board (SASB) – Investment Banking & Brokerage Standards
- Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
- Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms

Please refer to the appendices for the GRI Standards Index, SASB Standards Index, and the SDGs Reference Table.

Report Assurance and Verification

Aspect	Compliance Standard	Assurance or Verification Agency
Sustainability	Guidelines for limited assurance engagements “other than audits or reviews of historical financial information” described in TWSAE3000 standards issued by the Accounting Research and Development Foundation in	PwC Taiwan

	Taiwan	
Environment	ISO 14001 Environmental Management Systems	British Standards Institution (BSI) Taiwan Branch
	ISO 20400 Guidelines for Sustainable Procurement	
	ISO 50001 Energy Management Systems	
	ISO 45001 Occupational Health and Safety Management Systems	
	ISO 14064-1 Greenhouse Gas Inventory	SGS Taiwan
	ISO 14046 Water Footprint Inventory	
Finance	Regulations Governing the Preparation of Financial Reports by Securities Firms	PwC Taiwan
	Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants	
	International financial reporting standards, international accounting standards, explanations and explanatory announcements approved and announced as effective by the Financial Supervisory Commission	

Report Quality Management

The structure and overall planning of this Report are coordinated by the Corporate Planning Department. The information in the report is provided by various departments, with the content reviewed and confirmed for completeness and accuracy by the person in charge and their supervisors of respective department. An external institution is commissioned to conduct third-party verification and assurance. The report is reviewed and finalized by the Chairman before publication.

Contact Information

Corporate Planning Department, Yuanta Securities Co., Ltd.

Address: 12th Floor, No. 77, Section 2, Nanjing East Road, Zhongshan District, Taipei City

Service Tel. No.: +886 2 2718-1234

Service Email: webmaster@yuantasecurities.com

		
Yuanta Securities Official Website	Sustainable Development Section	2023 Sustainability Report

A Word from the Chairman

In recent years, the world has faced social and economic turmoil due to climate change, international conflicts, and financial volatility, thereby making “sustainable development” a common challenge and opportunity globally. In 2023, the competent authority initiated sustainable finance evaluations and began promoting the phased alignment of Taiwan’s capital market with IFRS sustainability disclosure standards. This highlights that financial service institutions play the important role in driving green finance and become key players in the low-carbon transformation in Environmental, Social, and Governance (ESG) aspects.

Yuanta Securities, following the sustainable vision of its parent company, Yuanta Financial Holding Co., Ltd. (“Yuanta Financial Holdings”)—“To become an international benchmark enterprise for sustainability and actively promote a better future for future generations”—has established six major sustainability policies and strategies: “Strengthen Corporate Governance, Promote Sustainable Finance, Advocate Fair Treatment of Customers, Commit to Environmental Sustainability, Implement Employee Care, and Expand Social Participation.” ESG concepts are integrated into the Company’s sustainable development policies and operational strategies, and we have established the “Performance Management Measures” that require senior managers to link their work objectives to corporate sustainability-related business practices, ensuring that all levels of management achieve sustainability goals while striving for profitability.

Robust corporate governance is the cornerstone of sustainable business operations. Yuanta Securities has been a pioneer, prior to legal requirements and implementation of peers in financial industry, the Company established the Audit Committee in 2004 and has since appointed external professionals as independent directors, and since 2008, we have been voluntarily participating in the “Corporate Governance Evaluation” by the Taiwan Corporate Governance Association, receiving certification and recognition annually. Going forward, the Company will continue to refine institutionalized and transparent management practices, protect the rights of investors and stakeholders, and exercise the supervisory duties of the Board of Directors and functional committees to establish long-term competitive advantages.

We consider customers’ trust and support fundamental to sustainable business operations. To make the “Treating Customers Fairly Principles” a shared value system and the highest code of conduct within the Company, Yuanta Securities established the Promotion Committee for Treating Customers Fairly Principles in 2019. Adhering to the core value of “Integrity-driven and Customer-centric,” the Company’s relentless efforts in providing customers with comprehensive services have earned recognition from the Financial Supervisory Commission as an “Outstanding Securities Firm in the Treating Customers Fairly Principles Evaluation”.

To fulfill its responsibilities as an institutional investor, Yuanta Securities signed the “Statement of Compliance with the Institutional Investor Stewardship Principles” in 2018. In addition, we have adopted the United Nations Principles for Responsible Investment (PRI) in the formulation of an “Investment Management Policy,” incorporating ESG screening mechanisms into risk assessments for proprietary trading decision-making and underwriting consulting services. Through various stewardship practices, including interacting with and engaging invested companies, attending shareholders’ meetings, and exercising voting rights, the Company has been on the Best List of Institutional Investors for the Disclosure of Stewardship Information announced by the Taiwan Stock Exchange.

Yuanta Securities actively develops products and services with a sustainability spirit engrained. Playing an active role in the competent authorities’ promotion of the sustainable development blueprint, the Company has issued multiple ETN products adhering to ESG principles since 2021 and has launched warrants linked to green energy. In addition to sponsoring numerous green, socially responsible, and sustainable development-specific bonds, we serve as the lead underwriter for the first sustainability-linked bond (SLB) introduced by the Taipei Exchange (“TPEX”) in 2022 and participated in all SLB cases. It is our aspiration to guide funds into sustainable development finance products through the market mechanism, jointly leveraging financial influence with bond issuers and investors.

In response to the United Nations’ goal of achieving net-zero carbon emissions by 2050, the Yuanta Securities “Mr. Yuanta APP” obtained the ISO 14067 product carbon footprint and PAS 2060 carbon neutrality certifications in 2022, marking it the first zero-carbon app in the securities industry. In 2023, we further expanded our business scope by assisting the Ministry of Environment in developing the product category rules (PCR) for “online services in the securities, futures, and investment trust and consulting industries,” serving as standards for the industry. Furthermore, the “Yuanta Securities Online Financial Service” obtained the ISO 14067 product carbon footprint verification and the Ministry of Environment’s Carbon Footprint Label, marking Yuanta Securities a benchmark in the industry as the first securities firm to receive the domestic Carbon Footprint Label for its online services.

We are addressing corporate operational carbon reduction starting with the creation of a green workplace. The Company has adopted various ISO management standards in its scientific and systematic management processes to implement energy-saving plans. We also collaborate with green electricity suppliers to directly purchase renewable energy through the “green electricity model for commercial offices.” Starting in 2021, we officially switched to renewable energy electricity, making our Ximen and Taichung branches the first securities firms in Taiwan to use 100% green electricity. Additionally, in December 2023, the Company purchased carbon credits from wind power projects with environmental protection and social support significance from the Taiwan Carbon Exchange (TCX). As one of the first enterprises to make a purchase in the international carbon trading platform,

Yuanta Securities contributes to the development of a sound carbon trading market.

The World Economic Forum (WEF) released the “Global Risk Report 2024” in January 2024, identifying the top three risks we face in the next two years as misinformation and disinformation, extreme weather events, and social polarization. The top three risks over the next decade are extreme weather events, severe changes to the Earth’s systems, and the loss of biodiversity and ecosystem imbalance. In response to the multiple impacts of climate change on the global economy, Yuanta Securities consistently demonstrates operational resilience and constantly strives for improvement. From the board members and management to every employee, we are committed to creating long-term value in partnership with stakeholders, steadily advancing with a sustainable mindset as we manage sustainability risks and uncover sustainable opportunities.

Chairman Vincent Chen

陳偉偉



Important Awards in 2023

Environmental Friendliness	<ul style="list-style-type: none"> • “Healthy Workplace Certification” by the Health Promotion Administration, Ministry of Health and Welfare • “Yuanta Securities Online Financial Service” carbon footprint label by the Ministry of Environment
Social Prosperity	<ul style="list-style-type: none"> • “Outstanding Securities Firm” in FSC Treating Customers Fairly Principles Evaluation • “Accessibility Label - AA Level” by the National Communications Commission • “Digital Information Security Awards- Quality Award” by the Commercial Times • Golden Goblet Award - Outstanding Talent Development Award
Corporate Governance	<ul style="list-style-type: none"> • “In the list of companies with better disclosure” in the Institutional Investor Stewardship Evaluation • Corporate governance system evaluation “Special Distinction Certification” • Taiwan Intellectual Property Management System “A-Level Certification” • Golden Goblet Award - Outstanding Risk Management Award
Sustainable Finance	<ul style="list-style-type: none"> • “Capital Market Contribution Award” by the Taiwan Stock Exchange • “Outstanding Green Finance Award” of the 17th Golden Goblet Award • “Outstanding Enterprise Award” and “Best Product Award” of the National Brand Yushan Award • Seven major awards in “Wealth Management” of the Wealth Magazine Financial Awards • “Best Team for ESG Research in Taiwan” by Asiamoney • “Best Broker in Taiwan” by FinanceAsia

Sustainable Development Milestones

Year	Sustainability Achievements
2015	<ul style="list-style-type: none"> Implemented greenhouse gas inventory and verification.
2016	Promoted Yuanta Securities' sustainability-related initiatives in accordance with Yuanta Group's "2016-2022 Sustainable Development Strategic Blueprint."
2017	<ul style="list-style-type: none"> Implemented inclusive financial policies and promoted systematic investment plans.
2018	<ul style="list-style-type: none"> Adopted T-REC renewable energy certification in procurement.
2020	<ul style="list-style-type: none"> Adopted ISO 20400 Guidelines for Sustainable Procurement. Activated sustainable management and evaluation for suppliers. Started launching ETN products in line with ESG considerations. Established sustainable development reporting mechanism and various functional groups to promote ESG-related tasks.
2021	<ul style="list-style-type: none"> Ximen and Taichung branches became the first securities firms in Taiwan to use 100% green electricity. Adopted the internal carbon pricing (ICP) mechanism. Formulated Yuanta Securities' short, medium, and long-term sustainable goals in accordance with Yuanta Group's "2016-2022 Sustainable Development Strategic Blueprint".
2022	<ul style="list-style-type: none"> "Mr. Yuanta APP" became the first zero-carbon app in the securities industry.
2023	<ul style="list-style-type: none"> The first securities firm to obtain the carbon footprint label from the Ministry of Environment with "Yuanta Securities Online Financial Service."

Chapter 1 About Yuanta Securities

1.1 Business Overview

Yuanta Securities, established in June 1996, is a wholly-owned subsidiary of Yuanta Financial Holdings. With a robust foundation in the Taiwan market backed by long-term devotion, the Company is actively expanding its presence in Asia, striving to provide customers with diverse and comprehensive products and services. The Company's various business sectors have maintained stable development, with our profitability and market share consistently ranked first in the industry.

Basic Information of Yuanta Securities

- Company name: Yuanta Securities Co., Ltd.
- Headquarters: 11F, No. 219, Section 3, Nanjing East Road, Zhongshan District, Taipei City
- Date of establishment: June 26, 1996
- Chairman: Vincent Chen
- President: Yi Ming Wang
- Industry: Securities industry
- Paid-in capital: 65,924,526 thousand NTD
- Total assets: 959,838,735 thousand NTD
- Number of employees: 8,370

Operating Locations

The Company has established a robust presence in the Taiwan market, consolidating its leading position among domestic securities firms while actively developing its overseas business profile. Currently, Yuanta Securities has operating offices in Singapore, Shanghai, Beijing, Shenzhen, Hong Kong, Indonesia, Korea, Cambodia, Thailand, and Vietnam. In the future, the Company will continue to observe the development needs of domestic and international markets, gradually expanding its market globally to enhance the Company's overall competitiveness and influence.

Number of offices in Taiwan: 153

Northern Taiwan Note	79	Central Taiwan	36	Southern Taiwan	36	Eastern Taiwan	2
-------------------------	----	----------------	----	-----------------	----	----------------	---

Note: Offices in northern Taiwan include the Kinmen branch, as well as two subsidiaries: Yuanta Securities Finance Co., Ltd. (Yuanta Securities Finance) and Yuanta International Insurance Brokers Co., Ltd. (Yuanta Insurance Brokers). Offices in central and southern Taiwan each include one branch of Yuanta Securities Finance.

Number of offices overseas: 102

Korea	57	China (Shanghai, Beijing, Shenzhen)	5	Hong Kong	4	Thailand	24
Indonesia	2	Singapore	2	Vietnam	7	Cambodia	1

Yuanta Securities Milestones and Major Events

Year	Event
1996	Yuanta Securities was officially established with a paid-in capital of 1 billion NTD in June.
2008	Yuanta Securities issued three warrants in Singapore in February, becoming the first domestic securities firm to issue warrants overseas.
2010	Yuanta Securities handled the first listing of an overseas company in Taiwan, Integrated Memory Logic Limited (IML) in May.
2012	Yuanta Securities merged with Polaris Securities Co., Ltd. in April and was renamed Yuanta Polaris Securities Co., Ltd. in Chinese and remained the English name as Yuanta Securities Co. Ltd.
2013	Yuanta Securities issued RMB-structured products in May with the Central Bank's approval, becoming the first domestic securities firm to issue RMB-structured products with principal protection.
2014	Yuanta Securities established the Offshore Securities Unit (OSU) in April, acquired Tongyang Securities of Korea and renamed it Yuanta Securities (Korea) Co., Ltd. in June, acquired PT AmCapital Indonesia and established Yuanta Finance (Hong Kong) Ltd. and Yuanta International Investment (Hong Kong) Ltd. in September.
2015	The Company was renamed from Yuanta Polaris Securities Co., Ltd. to Yuanta Securities Co., Ltd. (in Chinese) in July.
2016	Yuanta Securities acquired KKTrade of Thailand and renamed it Yuanta Securities (Thailand) in July.
2017	Yuanta Securities acquired a 99.95% equity stake in First Securities Joint Stock Company in Vietnam in December.
2018	Yuanta Securities renamed First Securities Joint Stock Company in Vietnam to Yuanta Securities Vietnam Joint Stock Company in February; completed the acquisition of the remaining minority equity stakes in Yuanta Securities Vietnam Joint Stock Company in November, acquiring 100% stockholding.
2022	Yuanta Wealth Management (Singapore) Pte., Ltd. was approved for establishment registration by Singaporean authorities in April. Yuanta Securities conducted a capital increase of 6.104 billion NTD through retained earnings in July, increasing the paid-in capital to 65.925 billion NTD.
2023	Yuanta Securities opened its first wealth management branch – Xinan Branch in May.

Primary Business Overview

Business Category	Services
Brokerage	<ul style="list-style-type: none"> • Accepting orders to trade TWSE/TPEX listed securities • Securities margin purchase and short sale • Securities borrowing and lending • Futures introducing broker • Accepting orders to trade foreign securities (sub-brokerage)
Proprietary trading	<ul style="list-style-type: none"> • Proprietary trading of securities in the domestic centralized trading market and OTC market • Proprietary trading of foreign securities • Domestic and foreign derivative transactions • Futures trading as a futures trader—proprietary trading of futures as a securities company
Wealth Management	<ul style="list-style-type: none"> • Advisory and consultation services for asset allocation or financial planning • Financial planning, execution, or asset allocation for clients through “Non-discretionary individually managed money trusts” and “Semi-discretionary individually managed securities trusts (securities borrowing and lending)”
Bonds	<ul style="list-style-type: none"> • Bond market-making as required by competent authorities • Primary issuance underwriting and secondary trading services for various types of bonds • Bond issuance planning and advisory services for those in need of funds • Fund management services (conditional bond transactions) • Convertible bond asset swap services and secondary trading services for various types of bonds
Derivatives	<ul style="list-style-type: none"> • Issuance of domestic TWSE/TPEX listed call/put warrants • Issuance of exchange-traded notes • Structured products • Asset swaps
Shareholder service	<ul style="list-style-type: none"> • Proxy solicitation services • Assistance for enterprises convening shareholders’ meetings • Post-public tender offer services
Investment Banking	<ul style="list-style-type: none"> • Financial and business evaluation and planning for domestic and foreign issuing companies, and financial advisory services for mergers and acquisitions • Initial public offerings and listings on the TWSE/TPEX, corporate financing, securities underwriting and sale
International Finance	<ul style="list-style-type: none"> • Consultation and product transaction services for domestic or foreign investors in global investment • Accepting orders to trade domestic and foreign stocks, ETFs, preferred shares, REITs, bonds, foreign structured products, overseas IPOs, etc.

	<ul style="list-style-type: none"> • OSU platform trading of offshore financial products (including unapproved funds) and account custody and loan services
--	--

Yuanta Securities Business Groups

Unit: NT\$Thousand

Subsidiary	Primary business	Financial data and performance	2022	2023
Yuanta Securities Asia Financial Services Private Limited	Investment holding	Total assets	44,806,682	44,361,874
		Gains and losses after tax	1,430,432	1,934,297
		Earnings per share (NTD)	3.66	4.95
Yuanta International Insurance Brokers Co., Ltd.	Insurance brokerage	Total assets	266,644	237,903
		Gains and losses after tax	210,416	167,008
		Earnings per share (NTD)	420.83	334.02
Yuanta Securities Finance Co., Ltd.	Securities and financial industry	Total assets	43,426,782	57,602,595
		Gains and losses after tax	602,721	690,353
		Earnings per share (NTD)	1.51	1.73
Yuanta Wealth Management (Singapore) Pte., Ltd.	Wealth management	Total assets	1	1
		Gains and losses after tax	(2,609)	(474)
		Earnings per share (NTD)	-	-

Operational Supply Chain

Partners	Service support →		Services provided →	Service targets
<ul style="list-style-type: none"> • Government/competent authorities • Industry associations • Suppliers • Strategic partners • Legal/accounting firms • Consulting firms • Charitable groups/civil society organizations • Media 	<ul style="list-style-type: none"> • Business supervision • Policy promotion • Service provision • Product services • Business partnerships • Charitable collaboration, etc. 	Yuanta Securities	Financial products and services (products, investment, financing, consultation, wealth management, etc.)	<ul style="list-style-type: none"> • Corporate clients • Individual customers • Invested companies • Invested accounts • Shareholders and investors • Startup companies

Participation in Industry Associations and Achievements

Yuanta Securities actively participates in various committees and activities under different industry associations, striving to promote the upgrade of the financial industry while implementing

government financial policies. The Company also sponsors various financial industry policy research and promotion efforts. In advancing the financial industry's upgrade, Yuanta Securities has proposed multiple innovative suggestions to the Taiwan Securities Association, such as shortening the matching time for odd-lot trading during trading hours, relaxing the financial proof threshold for professional investors of the Innovation Board and Pioneer Stock Board, and tax reduction for warrant hedging. Leveraging its capabilities, the Company hopes to lead progress in the securities ecosystem.

Associations Participated	Status
Taiwan Securities Association	Member
R.O.C. Bills Finance Association	Member
Trust Association of R.O.C.	Member
Securities Investment Trust & Consulting Association of the R.O.C.	Member
Chinese National Futures Association	Member

1.2 Operating Performance

Business Achievements in 2023

Yuanta Securities' annual net profit after tax is 13.793 billion NTD, ranking first among securities firms and accounting for 20.07% of all securities firms. The Company adheres to prudent management principles, with stable growth in both business and market share. The operational results for 2023 are detailed by business category as follows.

Brokerage	<u>Ranked first in the industry</u> <ul style="list-style-type: none"> • Market share: 12.75% • Market share of non-restricted purpose loan business: 24.16% We are dedicated to satisfying customer needs with diverse services.
Wealth Management	<u>Ranked first in the industry</u> <ul style="list-style-type: none"> • Size of money trusts management: 71.37 billion NTD • Cumulative number of accounts: 515,894
Margin Trading	<u>Ranked first in the industry</u> <ul style="list-style-type: none"> • Average market share of margin purchase: 18.06% • Average market share of short sale: 20.67%
Foreign International Institutional Business	<u>Ranked first in the industry</u> <ul style="list-style-type: none"> • Market share of securities borrowing and lending: 27.22% Institutional trading strategies and needs are met through linkage between securities borrowing and lending and stock brokerage.
Derivatives	<u>Ranked first in the industry</u> <ul style="list-style-type: none"> • Market share of issuance number of call/put warrants: 22.51% • Market share of issuance amount of call/put warrants: 22.80% • Market share of warrant trading volume: 22.1% • Market share of cumulative number of ETN issuance: 42.42% <u>A total of 14 ETNs issued</u>

	<ul style="list-style-type: none"> • Market share of ETN outstanding amount: 59.33% <u>Amount: 890 million NTD</u> • Market share of bond-end asset swaps: 32.70% • Market share of option-end asset swaps: 31.41%
Marketing Making	<p>Ranked first in the industry</p> <ul style="list-style-type: none"> • Market share of stock options (including ETF options): 2.6% • Market share of commodity options: 26.4% • Market share of currency options: 18.5% • Market share of foreign index options: 2.5% • Market share of ETFs: 13.90% <p>We consistently develop new trading strategies to provide reasonable market quotations and liquidity.</p>
Investment Banking	<p>Ranked first in the industry</p> <ul style="list-style-type: none"> • Market share of emerging stock market making: 39.78%
	<ul style="list-style-type: none"> • We led/co-led 68 IPO/SPO underwriting cases, amounting to 12.712 billion NTD. • We contributed to the listing of “Gogo look” on the Innovation Board. • We led “Hongde Energy”, the first SPO case on the Innovation Board.
Shareholder service	<p>Ranked first in the industry</p> <ul style="list-style-type: none"> • Number of companies represented: 426
Bonds	<ul style="list-style-type: none"> • Market share: 13.05% <p><u>Underwriting amount for corporate and financial bonds reached 94.82 billion NTD.</u></p> <p>In active response to competent authorities’ green finance policies, we assist multiple companies in underwriting and issuing green bonds, sustainable development bonds, and social responsibility bonds, with a total fundraising amount of 14.474 billion NTD.</p>
Proprietary Stock Trading	A prudent investment strategy was adopted as we timely allocate investment portfolios. ESG considerations are also incorporated in investment evaluations, achieving long-term stable profitability through systematic investment management and diverse trading strategies.
Overseas Investment	We expanded in Asia with subsidiaries or representative offices in Korea, Hong Kong, Singapore, Thailand, Vietnam, Indonesia, Beijing, and Shanghai, connecting overseas locations and linking products and services. Simultaneously, the wealth management subsidiary in Singapore was positioned as a regional private wealth management platform to offer customers more diverse options and international services.

Financial Performance

Unit: NT\$Thousand

	Item	2022	2023
Direct economic	Brokerage fee income	20,158,199	22,224,967
	Borrowed stock income	2,549,739	3,082,054
	Wealth management net income	784,445	854,730
	Net (loss)/gain on sales of trading securities	(2,167,740)	12,545,759

	Interest income	13,251,845	17,585,461
	Other income	15,240,057	5,203,216
	Subtotal of direct economic value	49,816,545	61,496,187
Distributed economic value	Operating expenses	19,591,827	26,239,718
	Employee salaries and benefits	15,003,120	18,153,260
	Donations to government agencies	0	49
	Donations to school foundations	1,230	1,922
	Social welfare	85,796	66,058
	Dividends paid	10,000,000	8,639,048
	Income tax expenses	5,807,300	1,032,493
	Political donations	0	0
	Fines	35,440	530
	Subtotal of distributed economic value	50,524,713	54,133,078
Retained economic value		(708,168)	7,363,109

Note: Retained economic value = Direct economic value – Distributed economic value

Unit: NT\$Thousand

Item	2022	2023
Total assets	824,638,893	959,838,735
Net profit after tax	12,436,698	14,465,639
Earnings per share (NTD)	1.83	2.09
Return on equity	8%	9%

Tax Governance

To ensure tax compliance, effectively manage tax risks, enhance and fulfill the goals of sustainable corporate development, and increase shareholder value, Yuanta Securities follows Yuanta Financial Holdings' "Taxation Governance Policy" and strengthens its tax management system and tax governance culture by adhering to the following principles.

Policy principle	Description
Legal Compliance	The Company shall abide by the tax laws and legislative principles of the countries where operations are conducted, and complete legally required tax declarations and payments, thereby fulfilling the social responsibilities of a taxpayer.
Tax Structure	The Company shall ensure that its tax planning and organizational restructuring are legal and not primarily or solely for tax avoidance purposes.
Economic Substance	(1) When engaging in tax planning, the Company shall not intentionally transfer profits or organizational structures to countries listed on the Organization for Economic Cooperation and Development (OECD) and the EU list of non-cooperative jurisdictions for tax purposes or to countries or regions defined as low-tax jurisdictions by Taiwan's Income Tax Act (tax havens). (2) Transactions with related parties must comply with arm's length principles,

	with pricing reflecting economic substance. Transfer pricing documentation shall be prepared in accordance with the OECD guidelines and the regulations of the operating countries to ensure adherence to transfer pricing norms.
Risk Control and management	(1) All tax planning must align with principles of sustainable corporate development, corporate social responsibility, and risk management to safeguard shareholder interests and create shareholder value. (2) To reduce domestic and international tax risks for the Company and its subsidiaries, the Accounting Department shall actively participate in discussions on significant or special tax issues for each subsidiary. When necessary, external professional consultants may be appointed or consulted to effectively control tax risks and assess response measures.
Proactive Communication	The Company shall maintain good communication with tax authorities in a timely manner, and provide industry practice perspectives and experiences to help improve the tax environment and national tax system.
Information Transparency	The Company shall comply with financial reporting standards and pertinent laws and regularly disclose tax information in financial reports and other public data to ensure tax information transparency and openness.
Talent Development	The Company shall continuously cultivate and enhance tax professional capabilities through education, training, and participation in various tax seminars.

Tax Information

Unit: NT\$Thousand

Item		2022	2023
Net profit before tax (A)		15,099,132	17,034,650
Income tax expenses (B)		2,662,434	2,569,011
Adjustments (C)	Time differences	381,800	677,998
	Tax-exempt income	468,080	877,470
Effective tax rate (%) ((B)+(C))/(A)		23.26	24.21
Income tax cash payment (D)		5,807,300	1,032,493
Cash tax rate (%) (D)/(A)		38.46	6.06

Domestic and Foreign Tax Information

Unit: NT\$Thousand

Country/region	Operating income	Net profit before tax	Income tax expenses	Income tax paid
Taiwan	37,037,006	13,543,671	1,678,766	538,565
Korea	19,340,881	2,354,957	662,812	315,394
Others	5,118,300	1,136,022	227,433	178,534

Tax Deductions Recognized Classification by the Taxation Bureau

Unit: NT\$Thousand

Item		Classification	2022	2023
Unrecognizable Deductions		Donation	0	0
Recognizable	Donations to assist with national defense	Donation	1,230	1,892

Deductions without a limit amount	construction and to commend the military, donations to various levels of government and the SME Development Fund, and donations approved by the Ministry of Finance's special projects.			
Recognizable Deductions with a limit amount	Donations to Educational, cultural, social welfare, charitable organizations or groups and public trust	Donation	83,986	56,894
	Election donations that comply with the Political Donations Act	Donation	0	0
	Donations to Private schools (via the School Foundation)	Donation	0	0
	Donations to China region	Donation	0	0

Business Vision

Brokerage	<ul style="list-style-type: none"> • Integrate online and offline channels to upgrade distribution advantages. • Promote ETF-related products and build an ETF ecosystem. • Consistently optimize trading platforms and product portfolios, enhance the receipt and lending of securities, and improve competitiveness in domestic and foreign institutional markets. • Strengthen customer structure, continue to expand the young and small investor customer base, attract new clients, and reactivate inactive accounts.
Wealth Management	<ul style="list-style-type: none"> • Expand the scale of wealth management and develop sales personnel into financial advisors. • Provide customers with comprehensive wealth planning advisory service with a focus on retirement planning and wealth inheritance. • Actively expand business and develop products to offer customers a diverse range of financial products.
Proprietary Trading	<ul style="list-style-type: none"> • Actively connect market-making efforts for ESG-related products to maintain a leading position in the field. • Consistently implement systematic investment management and diversified trading strategies.
Bonds	<ul style="list-style-type: none"> • Actively participate in the underwriting of corporate bonds and financial bonds, promote the corporate issuance of green bonds or sustainable bonds, and maintain a leading market position. • Develop short-term note business and expand the overall scale of notes.
Derivatives	<ul style="list-style-type: none"> • Maintain a leading position in the market of warrant, ETN, and various derivative financial product transactions. • Consistently develop new OTC structured products and improve relevant derivatives development capabilities. • Establish online account opening systems for derivatives and monitoring systems for domestic and foreign index warrants and ETF warrants.
Investment	<ul style="list-style-type: none"> • Respond to the development of Innovation Board by competent authorities and

Banking	<p>assist quality companies in capital market development.</p> <ul style="list-style-type: none"> • Combine legal and financial resources of Yuanta Financial Holdings to promote business and collaboration opportunities with a focus on both quality and quantity. • Leverage overseas subsidiary resources to actively pursue participation in market-leading or cross-border projects. • Respond to government promotion of green finance policies and develop ESG-related underwriting projects.
Digital Finance	<ul style="list-style-type: none"> • Create a digital ecosystem through group resource integration and cross-subsidiary alliances. • Consistently optimize the “Mr. Yuanta APP”, integrate various electronic platforms, and assist overseas subsidiaries in developing digital services and introducing the overseas version of the “Mr. Yuanta APP”. • Consistently improve intelligent customer service applications to enhance online customer service satisfaction. • Strengthen cybersecurity and identity authentication by sharing and utilizing group data.
Overseas Investment	<ul style="list-style-type: none"> • Enhance the operational efficiency and business synergy of overseas subsidiaries, strengthening cross-border exchanges and collaboration. • Build an international trading platform to provide customers with diverse international investment perspectives and cross-border services. • Develop regional private wealth management platforms and trading centers and offer competitive wealth management products. • Consistently strengthen risk management and legal compliance and ensure the security of cross-border network system connections.

Chapter 2 Strategic Endeavors in Pursuit of Sustainability

2.1 Sustainability Commitment

Yuanta Securities has formulated its sustainable commitment, sustainable development-related internal guidelines and strategies in accordance with Yuanta Financial Holdings' "Sustainable Development Best Practice Principles," "Sustainable Development Policy and Management Rules," "2021-2025 Yuanta Group Sustainable Development Strategic Blueprint", and the "Sustainable Development Transition Enforcement Strategy for Securities and Futures Industry."

Sustainable Commitments	Description	Projects	Implementation Status in 2023
Net-zero Emissions	In response to international sustainability trends and Yuanta Group's policy, we support the Paris Agreement's goal of achieving "50% global carbon reduction by 2030 and net zero emissions by 2050" and follow Yuanta Group's science-based targets, PCAF carbon governance and reduction goals.	Procurement and use of green electricity	<ul style="list-style-type: none"> The Company transitioned from the initiative stage of purchasing renewable energy certificates (T-REC) to directly purchasing renewable energy. Since 2020, in collaboration with the green electricity provider Mr. Watt, Yuanta Securities has been directly purchasing renewable energy (green electricity) through the "green electricity model for commercial offices." In 2021, the Company officially switched to renewable energy power, with our Ximen and Taichung branches being the first securities firms in Taiwan to use 100% green electricity. By 2023, 43 operational locations use renewable energy (green electricity).
Sustainable Finance	Green finance has become an international financial trend, which incorporates considerations of environmental, social and governance risks into the assessment of financial products and projects. We strive to foster a virtuous cycle where investment thrives and the industry pursues sustainable development.	Responsible investment Enterprise engagement	<ul style="list-style-type: none"> In response to the United Nations' Principles for Responsible Investment (UN PRI) and following Yuanta Financial Holdings' "Sustainable Finance Principles" and "Industry-Specific Environmental and Social Risk Management Rules", ESG responsible investment screening and assessment mechanisms are incorporated into the Company's proprietary trading, underwriting, and consulting services. Since signing the Statement of Compliance with the Stewardship Principles for Institutional Investors in 2018, the Company has regularly disclosed stewardship reports, shareholder meeting voting records, interaction and

			engagement records with invested companies, and established regulations and statements on the Company's website.
		Sustainable bonds	In line with regulatory policies, the Company has sponsored multiple green, social, and sustainability bonds. Since 2022, we have actively participated in the issuance of sustainability-linked bonds (SLBs) by domestic enterprises and served as the lead underwriter for the first SLB. We are also the first securities firm to participate in all SLB cases. In 2023, a total of 23 sustainable bonds were issued, demonstrating Yuanta Securities' commitment to promoting the sustainable bond market.
Talent Cultivation	Committed to disseminating financial knowledge, Yuanta Securities not only fosters diverse competencies among its employees but also conveys financial knowledge to students, the general public, and senior citizens. This ensures that our employees, the public, and customers grow together and stay abreast of financial and investment trends.	Sustainable finance Talent cultivation	<ul style="list-style-type: none"> • The Company launched a green finance talent development program in 2021 to enhance green sustainability literacy with a focus on key trends such as sustainability standards and green transformation, preparing a pool of professional talent for corporate sustainable development. • Related training courses were held for green finance talent development, covering themes such as financial information security, fintech, and digital transformation, totaling 31,044 training attendance and 47,331 training hours. • Departments may apply for external professional training based on business development and green finance talent needs, following the Company's external education and training subsidy system, to enhance or train relevant competencies.
		New-generation financial literacy	<ul style="list-style-type: none"> • The Company disseminates financial knowledge through industry-academia collaboration, such as offering credit courses in collaboration with colleges and universities, holding campus financial lectures and investment competitions, hosting corporate visits, guiding investment and financial management clubs, and campus recruitment activities. • To build students' capacity to apply theories to actual investment

			transactions, the Company organizes a Taiwan stock simulation trading competition, allowing college students nationwide to experience real-time changes in financial market trading.
--	--	--	--

2.2 Sustainability Strategies and Goals

Yuanta Securities follows the “2021-2025 Yuanta Group Sustainable Development Strategic Blueprint” set by Yuanta Financial Holdings and adheres to the “D.R.E.A.M” service spirit of “fulfilling your biggest dreams” through five dimensions to practice sustainable development. The Company has established six sustainability development policies based on Yuanta Financial Holdings’ five primary dimensions. Under these six policies, 17 sustainability development strategies (i.e., management guidelines) and 59 performance indicators (i.e., specific actions and KPIs) have been formulated to implement the sustainability development policies.

The Company bases its actions on the six sustainability development policies in response to the 11 material topics identified in 2023. These 11 topics are then linked to 11 corresponding sustainability development strategies and 31 sustainability performance indicators, ensuring that each material topic is addressed through corresponding management guidelines and specific actions.

Five Sustainability Dimensions of Yuanta Financial Holdings	Six Sustainable Development Policies of Yuanta Securities	Material Topics in 2023 of Yuanta Securities	11 Sustainable Development Strategies of Yuanta Securities	29 Sustainability Performance Indicators of Yuanta Securities	United Nations Sustainable Development Goals (SDGs)
Full engagement in social participation (Devotion)	Expand social participation	<ul style="list-style-type: none"> Financial Products and Innovative Services 	1 strategy	3 indicators	SDG3, SDG10
Customers’ number one trusted brand (Reliability)	Foster sustainable finance Promote fair customer treatment	<ul style="list-style-type: none"> Information security management Customers’ rights and service quality Sustainable finance 	3 strategies	11 indicators	SDG6,SDG7, SDG9, SDG10, SDG12, SDG13, SDG16
Green pioneers in	Commit to	<ul style="list-style-type: none"> Climate action 	2 strategies	4 indicators	SDG7, SDG12,

environmental change (Exchange)	environmental sustainability				SDG13, SDG17
An exceptional workplace that employees aspire to work in (Achievement)	Implement employee care	<ul style="list-style-type: none"> • Employee attraction and retention • Talent cultivation and development 	2 strategies	6 indicators	SDG3, SDG5, SDG8, SDG10
A leader in corporate governance (Motivation)	Strengthen corporate governance	<ul style="list-style-type: none"> • Legal compliance • Risk management • Corporate governance • Integrity management 	3 strategies	5 indicators	SDG5, SDG8, SDG13, SDG16

Note:

1. The D.R.E.A.M service spirit of Yuanta Financial Holdings consists of Devotion, Reliability, Exchange, Achievement, and Motivation.

2. The Company has 17 sustainability strategies. Strategies not presented in the table above are business continuity management, supplier management, friendly and excellent working environment, human rights, social welfare, and financial inclusion, each with corresponding sustainable performance indicators.

Based on Yuanta Financial Holdings' Sustainable Development Strategic Blueprint, Yuanta Securities has listed specific actions for various sustainability themes and corresponding medium- to long-term goals. The Company commits to and invests in various projects according to these goals, regularly reviews progress and makes adjustments to align with trends, gradually fulfilling its sustainability commitments. We also follow the timelines set by the Sustainable Development Strategic Blueprint. The "2021-2025 Yuanta Group Sustainable Development Strategic Blueprint" spans five years with short-, medium-, and long-term goals defined as follows. Therefore, consistent definitions are used when referring to medium- and long-term sustainability in this report.




2021-2025 Yuanta Group Sustainable Development Strategic Blueprint		
Short term	Medium term	Long term
2021-2022	2023-2024	2025

The following are the Company's specific actions taken in response to the 11 sustainability-related material topics, the implementation status in 2023, as well as medium- and long-term goals.




Sustainability Key Performance Indicators (KPI)	Goals and Implementation Status in 2023	Achievement Status	Mid-term Goal - 2024	Long-term Goal - 2025
1. Information Security Management				
ISO 27001 Information Security Management System Certification	The ISO 27001:2013 certification renewal was passed on December 21, 2023.	●	<ul style="list-style-type: none"> Pass the ISO 27001:2013 re-certification. Pass the ISO 27001:2022 transition accreditation to ensure certification validity. 	<ul style="list-style-type: none"> Continue to maintain the validity of the ISO 27001:2022 certificate.
Establishment of an information security incident monitoring mechanism (SOC)	An information security incident monitoring mechanism (SOC) has been established.	●	<ul style="list-style-type: none"> An outsourced 24/7 security operations center (SOC) has been established in 2023, and we will continue to maintain the effectiveness of the monitoring mechanism and precautions through the experience passed on by the outsourced 24/7 SOC. 	
Adoption of AI analysis	AI analysis has been adopted to initiate automatic interception and protection.	●	<ul style="list-style-type: none"> Continue to optimize, effectively monitor alerts and conduct event correlation analysis. 	
Enhancement of electronic platform security mechanism and customer data protection	System backup drills were carried out as planned for the first and second halves of the year.	●	<ul style="list-style-type: none"> Continue to carry out remote backup drills as planned. 	
2. Customer Rights and Service Quality				
Customer satisfaction rate	99.4%	●	<ul style="list-style-type: none"> 97% 	<ul style="list-style-type: none"> 97.5%
Provision of reliable, high-quality customer complaint procedures through the ISO 10002 customer complaint management system	The certification renewal was passed.	●	<ul style="list-style-type: none"> Continue to obtain certification annually. 	
Implementation of the treating	Employees received training of 8	●	<ul style="list-style-type: none"> Employees receive training of more than 5 hours on 	

Sustainability Key Performance Indicators (KPI)	Goals and Implementation Status in 2023	Achievement Status	Mid-term Goal - 2024	Long-term Goal - 2025
customers fairly principles	hours on average per person.		average per person.	
3. Regulatory Compliance				
International AML specialist certification for personnel of dedicated anti-money laundering (AML) units	Employees continued efforts in passing the certification examination.	<div><div></div></div>	<ul style="list-style-type: none">Continue to pass the certification examination.	
4. Risk Management				
Development of climate change risk management methods	Risk limits were monitored following management regulations.	<div><div></div></div>	<ul style="list-style-type: none">Continue to improve climate risk management and disclose climate risk management information.	
5. Corporate Governance				
Regular board of director performance evaluation	The annual evaluation was completed.	<div><div></div></div>	<ul style="list-style-type: none">Continue to conduct annual evaluations.	
Planning diverse board training courses for directors to enhance professional competencies	Four themed lectures were held, with additional information provided on 33 external courses.	<div><div></div></div>	<ul style="list-style-type: none">Continue to plan diverse training courses for the Board of Directors.	
6. Employee Attraction and Retention				
Long-term reward scheme	Managers at all levels incorporated sustainable development goals and ESG tasks into the annual working objectives and linked them to the reward system.	<div><div></div></div>	<ul style="list-style-type: none">Conduct research on applicable subjects and establish sustainable development-related working objectives and key performance indicators.	
Employee engagement survey	The domestic and overseas participation rate was 91%. The domestic and overseas engagement rate was 83%.	<div><div></div></div>	<ul style="list-style-type: none">Maintain the domestic and overseas participation rate at over 85%.Maintain the domestic and overseas engagement rate at over 85%.	

Sustainability Key Performance Indicators (KPI)	Goals and Implementation Status in 2023	Achievement Status	Mid-term Goal - 2024	Long-term Goal - 2025
Outstanding talent retention rate	The retention rate for high-performance talent was 97.6%.	●	<ul style="list-style-type: none"> The target retention rate for high-performance talent is 93% - 95%. 	
7. Financial Products and Innovative Services				
Development of convenient digital accounts to expand user base	New accounts opened online accounted for 30.2%.	●	<ul style="list-style-type: none"> New accounts opened online reach 33%. 	<ul style="list-style-type: none"> New accounts opened online reach 35%.
Digital mobile account user activity	Electronic sales accounted for 81.5% of brokerage business.	●	<ul style="list-style-type: none"> Electronic sales account for 83% of brokerage business. 	<ul style="list-style-type: none"> Electronic sales account for 84% of brokerage business.
Carbon footprint certification for financial products or services	“Yuanta Securities Online Investment and Financial Management Service” passed the BSI ISO 14067 carbon footprint of products certification and obtained the Ministry of Environment’s carbon footprint label.	●	<ul style="list-style-type: none"> Expand the carbon footprint certification scope for financial products or services. 	<ul style="list-style-type: none"> Continue to develop financial products or services to achieve environmentally sustainable development.
8. Integrity Management				
Enhancement of corporate governance initiatives	The annual corporate governance promotion plan has been implemented.	●	<ul style="list-style-type: none"> Continue to implement the annual corporate governance promotion plan. 	
9. Talent Cultivation and Development				

Sustainability Key Performance Indicators (KPI)	Goals and Implementation Status in 2023	Achievement Status	Mid-term Goal - 2024	Long-term Goal - 2025
Employee education and training completion rate	<p>The education and training coverage of domestic employees was 100%.</p> <p>The education and training coverage of domestic and overseas employees was 98.79%.</p> <p>The learning and development satisfaction of domestic and overseas employees was 82%.</p>		<ul style="list-style-type: none"> The education and training coverage of domestic employees reaches 100%. The education and training coverage of domestic and overseas employees reaches 93%. The learning and development satisfaction of domestic and overseas employees reaches over 83%. 	<ul style="list-style-type: none"> The education and training coverage of domestic employees reaches 100%. The education and training coverage of domestic and overseas employees reaches 95%. The learning and development satisfaction of domestic and overseas employees reaches over 85%.
Green financial talent cultivation program	<p>The total number of training attendance grew by 11.8%.</p> <p>The total hours of training grew by 15.3%.</p>		<ul style="list-style-type: none"> The total number of training attendance grows by 10% compared to the previous year. The total hours of training grow by 10% compared to the previous year. 	
Employee performance evaluation coverage	<p>The domestic performance evaluation coverage and completion rate reached 100%.</p> <p>The overseas employee performance evaluation coverage reached 99%.</p>		<ul style="list-style-type: none"> The performance evaluation coverage of domestic employees reaches 100%. The performance evaluation coverage of domestic and overseas employees reaches over 	<ul style="list-style-type: none"> The performance evaluation coverage of domestic employees reaches 100%. The performance evaluation coverage of domestic and overseas employees reaches over

Sustainability Key Performance Indicators (KPI)	Goals and Implementation Status in 2023	Achievement Status	Mid-term Goal - 2024	Long-term Goal - 2025
			93%.	95%.
10. Sustainable Finance				
Compliance with voluntary green finance principles and initiatives	Related departments all abide by the Principles for Responsible Investment (PRI).	●	<ul style="list-style-type: none"> Continue to promote compliance with the PRI. 	
Implementation of the “Sustainable Finance Principles” evaluation	Compliance with pertinent regulations was ensured, and all cases were evaluated accordingly.	●	<ul style="list-style-type: none"> Continue to ensure compliance with pertinent regulations and ensure that all cases undergo the evaluation. 	
Incorporation of social and environmental risks into the evaluation	Compliance with pertinent regulations was ensured, and all cases were evaluated accordingly.	●	<ul style="list-style-type: none"> Continue to ensure compliance with pertinent regulations and ensure that all cases undergo the evaluation. 	
Revenue growth from ESG-related products/services	NT\$2.449 billion investment in sustainability-related assets	●	<ul style="list-style-type: none"> NT\$4 billion investment in sustainability-related assets 	<ul style="list-style-type: none"> NT\$4.6 billion investment in sustainability-related assets
Sustainable development bonds issuance/underwriting/investment	A total of 21 sustainable bonds and 2 sustainability-linked bonds (SLB) were issued.	●	<ul style="list-style-type: none"> Underwrite sustainable/green bonds. Issue 6 sustainable/green bonds. 	<ul style="list-style-type: none"> Underwrite sustainable/green bonds. Issue 8 sustainable/green bonds.
Proportion of client ESG engagement	ESG product description pages were introduced to the sales platforms. Available ESG funds were adjusted in accordance with regulatory	●	<ul style="list-style-type: none"> Provide ESG product description pages on product sales platforms. Continue to adjust available ESG funds in accordance with regulatory authorities’ regulations. 	

Sustainability Key Performance Indicators (KPI)	Goals and Implementation Status in 2023	Achievement Status	Mid-term Goal - 2024	Long-term Goal - 2025
	<p>authorities' regulations.</p> <p>Environmental protection and social issues were advocated on electronic platforms.</p> <p>The ESG implementation status was disclosed in the "Sustainable Development Section" on the Company's official website.</p>		<ul style="list-style-type: none"> Strengthen advocacy on environmental protection and social issues on electronic platforms. Disclose ESG implementation status in the "Sustainable Development Section" on the Company's official website. 	
11. Climate Action				
Control of carbon emission goals (2020 as baseline year)	The carbon emissions per unit of revenue were reduced by 3% compared to the baseline year.		<ul style="list-style-type: none"> Reduce carbon emissions (Scope 1 and Scope 2) by 8% compared to the baseline year. 	<ul style="list-style-type: none"> Reduce carbon emissions (Scope 1 and Scope 2) by 10% compared to the baseline year.
Waste reduction (2020 as baseline year)	The waste generated per capita was reduced by 1% compared to the baseline year.		<ul style="list-style-type: none"> Reduce waste generated per capita by 1% compared to the baseline year. 	<ul style="list-style-type: none"> Reduce waste generated per capita by 2% compared to the baseline year.
Reduction of water consumption (2020 as baseline year)	The water consumption per square meter was reduced by 1% compared to the baseline year.		<ul style="list-style-type: none"> Reduce water consumption per square meter by 1% compared to the baseline year. 	<ul style="list-style-type: none"> Reduce water consumption per square meter by 2% compared to the baseline year.

2.3 Sustainable Governance

Sustainable Development Policy

To achieve sustainable development in response to the United Nations Sustainable Development Goals (UN SDGs), Yuanta Securities integrates the environmental, social, and governance (ESG) concepts into its corporate culture and operational strategies, thereby strengthening the promotion and management of sustainability endeavors. In particular, the Company has established the “Sustainable Development Reporting Management Regulations” that clearly define the Company’s sustainability policies as follows.

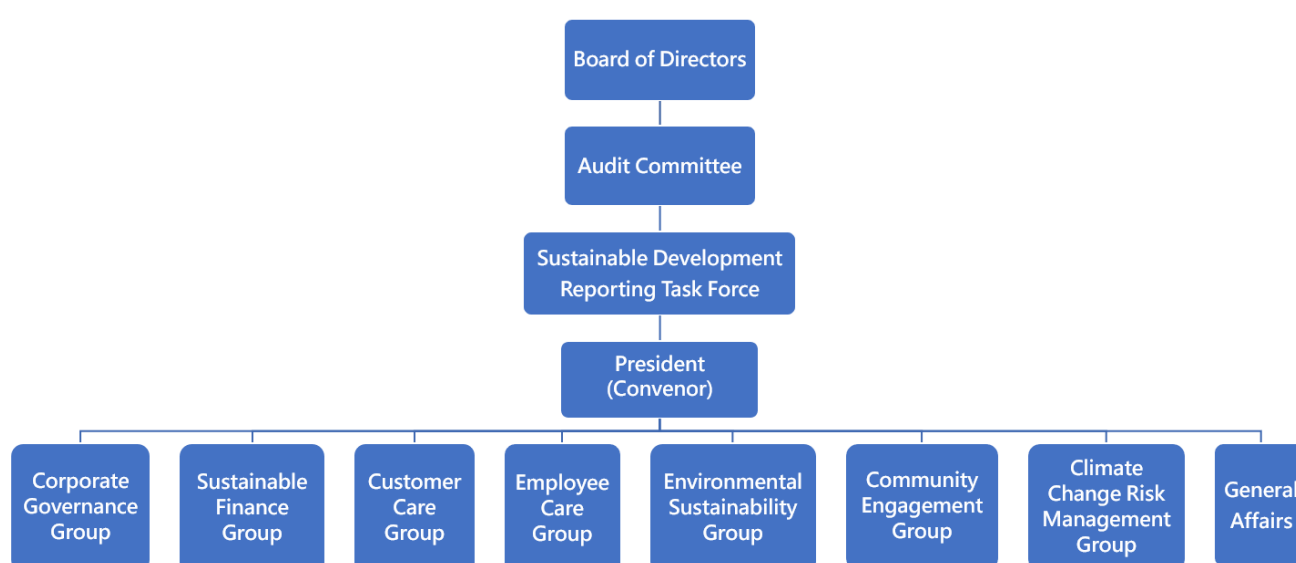
1. Strengthen corporate governance
2. Promote sustainable finance
3. Promote fair customer treatment
4. Commit to environmental sustainability
5. Implement employee care
6. Expand social participation

Sustainability Management Structure

To effectively promote sustainable development, under the Company’s Sustainable Development Reporting Task Force, various functional groups have been established with clearly defined responsibilities. These functional groups are further divided into responsible units and executive units. The responsible units designated by the President are tasked with coordinating the duties of each group and reporting quarterly work plans and outcomes in the sustainable development report. The remaining units are executive units. They are required to attend meetings and provide explanations. Both the responsible units and executive units should promote related matters subsequently according to the convener’s instructions and report meeting resolutions.

Sustainable Governance Organization

The Sustainable Development Report Meeting is convened by the President, while the Corporate Planning Department is responsible for submitting the quarterly Sustainable Development meeting materials to the Audit Committee meeting and Board meeting.



The responsible units or executive units of sustainable development reporting should regularly review the management of climate-related risks and opportunities and periodically analyze, evaluate, and propose countermeasures for the following matters.

1. Risks related to environmental, social, and governance (ESG) issues associated with the Company's operations.
2. Operational continuity and resilience capabilities of core operational systems and equipment.
3. Other sustainability-related matters.

The Sustainable Development Report meeting is regularly held at the end of each quarter to review and track the Company's progress toward sustainability goals. Additionally, ad hoc meetings are held as needed to discuss matters related to the initiatives of Yuanta Financial Holdings and Yuanta Securities. Each quarter, the Company also reports in the "ESG Implementation Information Control System for Securities and Futures Industry."

2.4 Stakeholder Engagement and Communication

Yuanta Securities, referencing domestic and international sustainability trends and the stakeholders identified by Yuanta Financial Holdings, has designated shareholders and investors/creditors, government agencies, customers/debtors, current employees, potential employees, media, communities, and suppliers as the Company's stakeholders. Hence, they are the Company's primary communication targets.

Stakeholder Communication Channels and Outcomes

The Company attaches great importance to the expectations and needs of both internal and external stakeholders. Besides regularly reporting to regulatory authorities, the Company actively communicates its sustainability initiatives and actions to stakeholders. In addition to the publication of annual reports, sustainability reports, and press releases, we have also established a stakeholder section and communication hotline on the Company's official website to provide diverse communication channels. These efforts help stakeholders understand the Company and assist the Company in understanding stakeholder expectations. In 2023, Yuanta Securities organized/co-organized and participated in a total of 3,502 events related to Taiwan's sustainability policies. For details on these activities, please refer to Chapter 6: Participation and Contribution to Social Welfare.

Stakeholder	Stakeholder Significance	Sustainability Topics of Concern	Communication Channel	Communication Frequency	Communication Efforts in 2023
Shareholders and investors/creditors	Adhering to the core philosophy of parent company Yuanta Financial Holdings "To innovate value and enhance shareholder rights", we maintain good and close communication with shareholders and investors, and actively cooperate with the parent company in disclosing relevant	Corporate governance Integrity management Regulatory compliance Risk management Sustainable finance Information security management	Financial statements	Quarterly	Information on the Company's official website was regularly updated.
			Board meeting	Quarterly Occasional	A total of 16 board meetings were held (including acting on behalf of the shareholders' meeting).
			Credit rating	Annual	1. We obtained a domestic long-term and short-term credit rating of twAA/twA-1+ from Taiwan Ratings, with a "stable" outlook (Announced on January 25, 2024). 2. We obtained an international long-term and short-term credit rating of BBB+/F2 and a domestic long-term and short-term credit rating of AA-(tw)/F1+(tw) from Fitch Ratings, with a

Stakeholder	Stakeholder Significance	Sustainability Topics of Concern	Communication Channel	Communication Frequency	Communication Efforts in 2023
	information so that shareholders and investors can clearly understand the Company's long-term development strategy, finance, business overview, corporate governance, and sustainable development goals.	Climate action Operating performance			"stable" outlook (Announced on November 8, 2023).
			Chinese and English Annual Reports	Annual	We published the Annual Report in Chinese and English, and regularly updated the information on the Company's official website.
			Sustainability Reports	Annual	The Company is included in the boundaries of Yuanta Financial Holdings' 2023 Sustainability Report.
			ESG-related ratings	Occasional	We passed the Taiwan Corporate Governance Association's CG6013(2021) corporate governance system evaluation "Special Distinction Certification". (Valid from December 29, 2022 to December 28, 2024)
			Corporate governance and sustainability related information	Occasional	Dedicated sections for "Corporate Governance", "Sustainable Development", "Treating Customers Fairly Principles", and "Institutional Investor Stewardship" are available on the Company's official website.
			Chinese and English websites and dedicated contact section for stakeholders	Regular	The Stakeholder Section offers customers complaint, employee opinion, and complaint channels.
Government agencies	Through regular and occasional responses to	Information security management	Yuanta Group joined the	Quarterly	Yuanta Group and its financial peers jointly founded the "Coalition of Movers and Shakers on

Stakeholder	Stakeholder Significance	Sustainability Topics of Concern	Communication Channel	Communication Frequency	Communication Efforts in 2023
	questionnaires from regulatory authorities, Yuanta Securities complies with relevant requirements and strengthens its management capabilities. We also make major information disclosures and respond to related inquiries.	Legal compliance Risk management Corporate governance Integrity management Customer rights and service quality Financial inclusion Sustainable finance Climate action Healthy and safe workplace	Coalition of Movers and Shakers on Sustainable Finance		Sustainable Finance” and promoted the “Financial Industry Net-Zero Promotional Platform” in collaboration with financial associations.
			Underwriting business committee meeting convened by the Taiwan Securities Association	At least one meeting quarterly	An amendment was proposed to the initial public offering (IPO) process for the Innovation Board which suggested that the IPO underwriting should not be limited to the book-building method. On July 5, 2023, the Taiwan Securities Association officially revised relevant regulations, adding the options to conduct either a full auction or a partial auction combined with a public subscription. Additionally, the regulations now include provisions for verifying the status of qualified investors for auction cases on the Innovation Board.
			Business promotion activity	At least once annually	We organized business promotion activities in collaboration with the Taiwan Stock Exchange and the Taipei Exchange on matters related to TWSE/TPEX trading.
			Material information announcement	Occasional	Publish material information announcements and respond to relevant inquiries in accordance with the regulations of the Taiwan Stock Exchange.
			Responses to	Occasional	We reported to the Taiwan Stock Exchange and

Stakeholder	Stakeholder Significance	Sustainability Topics of Concern	Communication Channel	Communication Frequency	Communication Efforts in 2023
			regulatory authorities via official letters, emails, meetings, and public information disclosures		announced major information, such as the Coalition of Movers and Shakers on Sustainable Finance and Net-Zero Promotional Platform suggestions.
			Taiwan Securities Association sustainability affairs	Occasional	We serve as a member of the Securities Association's Sustainable Development Committee and Sustainable Development Working Group.
Customers	We provide comprehensive products and diverse and convenient services to meet customer needs and enhance customer loyalty by combining various topics and methods to attract customer attention. Before customers access financial products and services, they are informed about the risks and associated costs to reduce	Customer rights and service quality Financial products and innovative services Information security and management Sustainable finance	Investment analysis report	Monthly	Analysis of ratio of customers' invested market was conducted.
			Caring for elderly customers	Quarterly	Customer care is implemented quarterly by phone or email for elderly customers whose transaction losses exceed a certain range.
			Satisfaction survey	Annual	1. In 2023, the customer satisfaction for shareholder service for listed companies and clients entrusting listed company services reached 98.29%. 2. In 2023, the customer satisfaction for calls to the customer service center was 99.4%.
			Anti-fraud advocacy on the	Monthly, weekly, and occasional	Through electronic trading platforms, the Company's official social media, branch offices and

Stakeholder	Stakeholder Significance	Sustainability Topics of Concern	Communication Channel	Communication Frequency	Communication Efforts in 2023
	the likelihood of future disputes.		electronic trading platform, the Company's official social media, and branch offices		other multi-faceted channels, we publicize fraud cases and other related information to investors to reduce the risk of customers being defrauded.
			Phone, email, online customer service, intelligent customer service	Assistance provided as needed by customers	We offer customers timely assistance following standard operational procedures in accordance with relevant guidelines through these customer feedback channels.
			Official letters (customers' demands forwarded by regulatory authorities and Financial Ombudsman Institution)	Per customer concerns raised	We follow the operational procedures outlined in the ISO 10002: Quality Management System for Customer Complaints and handle and respond to such matters according to the instructions from regulatory authorities and Financial Ombudsman Institution.
			Questionnaire	Regular	Service quality questionnaire
			Yuanta Warrants/ETN website	Regular	We produced a total of 56 YouTube streaming videos on warrants and ETN tutorials, garnering approximately 260 thousand views.
			Physical	Regular	Information sessions were held across branches in

Stakeholder	Stakeholder Significance	Sustainability Topics of Concern	Communication Channel	Communication Frequency	Communication Efforts in 2023
			information session		Taiwan to provide investors with financial management concepts and awareness of investment risks.
			Electronic trading platform	Continuous	Mr. Yuanta APP was integrated with the Wealth Creation APP and Account Opening APP, creating a one-stop service platform.
			Online account opening	Continuous	Continuous optimization was made to reduce the inconvenience of in-person account opening for investors, implementing net-zero emissions and sustainability.
			FIDO Identity Verification	Continuous	It accelerates the convenient service of online account opening and asset overview inquiries across Yuanta Group subsidiaries for customers.
			Intelligent customer service	Continuous	Intelligent customer service was introduced on the fully electronic platform to assist customer service. It speeds up customer segmentation, reduces online waiting times, enhances customer experience, and achieves friendly finance.
			Domestic and overseas investment briefing	Occasional	Over 400 meetings were held with invested companies to offer customers transparent investment information.
Current employees	Through communication with employees, the Company listens to their	Corporate governance Integrity	Performance evaluation and feedback	Semiannual	Managers at all levels incorporated sustainable development goals and ESG tasks into the annual working objectives and linked them to the reward

Stakeholder	Stakeholder Significance	Sustainability Topics of Concern	Communication Channel	Communication Frequency	Communication Efforts in 2023
	opinions and needs and communicates relevant company policies to achieve alignment and jointly create outstanding results.	management Employee attraction and retention Talent cultivation and development Healthy and safe workplace Human rights, diversity and equality			system, thereby promoting sustainable business development.
			Occupational safety and health training	Annual	We devised and implemented occupational safety and health prevention projects such as the maternal health protection plan, overload prevention plan, ergonomic hazard prevention plan, and unlawful harm prevention plan to actively care for employees.
			Employee sustainability engagement survey	Biennial	The employee sustainability engagement survey was conducted, with 84% of participating employees giving positive feedback.
			Internal education and training, Yuanta E-learning online courses	Regular	The number of employee attendance and training hours increased by 25% and 7.3% respectively, compared to the previous year, and the per capita training expenses grew by 30%.
Potential employees	We attract talented individuals and assist students in understanding the current state of the financial industry, thereby making informed career choices.	Talent cultivation and development Healthy and safe workplace Human rights, diversity and equality	School club sponsorship and trading competition	Annual	By deeply engaging with campuses, we collaborate with multiple universities to offer courses with credits and corporate internships, sponsor school finance clubs, and organize trading competitions.
			Industry-academia collaborative internship	Regular	These efforts help young students understand the financial industry and cultivate financial professionals. Throughout the year, a total of 70 financial education activities were conducted, with

Stakeholder	Stakeholder Significance	Sustainability Topics of Concern	Communication Channel	Communication Frequency	Communication Efforts in 2023
			Campus lectures and courses with credits	Regular	4,397 records of attendance.
			Talent recruitment websites, the Recruitment Section on the Company's official website	Regular	
Media	Fostering good media relations and establishing smooth communication channels ensure that the media can fairly report the Company's operational dynamics to the public.	Corporate governance Integrity management Legal compliance Financial products and innovative services	Provision of the latest market overview and financial product information	Occasional	We provided market overviews and information on financial products to help the public stay abreast of market trends.
			Investment lecture and forum	Occasional	We organized investment seminars, forums, and investor conferences.
			Media promotional materials, advertisement	Occasional	We released advertisement materials for new product launches and business promotion activities.
			Contingency explanation	Occasional	We issued press releases or statements on significant matters, communicated with the media, and responded to media inquiries.

Stakeholder	Stakeholder Significance	Sustainability Topics of Concern	Communication Channel	Communication Frequency	Communication Efforts in 2023
Community	Enterprises and society share a symbiotic and mutually beneficial relationship. The Company, acting as a “Charity Platform,” helps others realize their dreams and move towards happiness. Our endeavors also allow the public to better understand the Company as it continuously conveys positive energy.	Financial products and innovative services Social welfare investment and development Human rights, diversity and equality	Tree-planting program	Annual	In 2023, we planted 4,087 trees in Indonesia and 3,418 trees at eight campuses.
			Social welfare, academic education	Annual	We provided financial training courses for students at ten colleges and universities, investing NT\$1.64 million, benefiting 1,000 students.
			Family Day	Annual	Employees and their families participated in Family Day, where receipts were collected to donate to the Eden Social Welfare Foundation, and the meal boxes provided in the Family Day were ordered from the Children Are Us Foundation.
			Community care	Annual	Branch offices independently organized ten public welfare activities and financial training courses.
			NPO/NGOs	Occasional	The information on the Company’s public welfare donations was disclosed on the official website.
Supplier	We advocate the Company’s environmental, human rights, and other supply chain requirements to our suppliers, promoting shared ESG values.	Corporate governance Information security management Climate action Human rights, diversity and equality Supplier management	Supplier Conference	Approximately every four months	We held three supplier conferences to communicate and provide education and training on sustainability issues such as human rights and the environment.
			Annual Supplier Evaluation	Annual	Supplier evaluations were conducted, and contracted suppliers were required to sign the “Yuanta Financial Holdings Supplier Sustainable Procurement Guidelines” listed in the contract. The entire group passed the ISO 20400 sustainable procurement certification.

2.5 Material Topic Analysis and Management Guidelines

Materiality Assessment Process

2023 marks the first year Yuanta Securities prepared its sustainability report. This year, the evaluation of various sustainability topics was conducted from the perspective of internal stakeholders, leveraging the in-depth understanding of business development, operational goals, and sustainability strategies by our department heads.

Materiality Identification Procedure

Step 1: Identification

In 2023, based on the GRI Sustainability Reporting Standards 2021 edition, Yuanta Securities referred to the sustainability topics of its parent company, Yuanta Financial Holdings, and benchmarked peers domestically and internationally. Considerations included international standards such as the Sustainability Accounting Standards Board (SASB) Standards for Investment Banking Brokerage, the Task Force on Climate-related Financial Disclosures (TCFD), and international trends and industry characteristics such as the United Nations Sustainable Development Goals (UN SDGs). This process identified 18 key sustainability issues for the Company.

Step 2: Evaluation

Department heads evaluated the likelihood and impact of the Company's business on external economic, environmental, and social (ESG) factors in each sustainability issue. According to the GRI Sustainability Reporting Standards 2021 edition, impact assessments are divided into positive and negative impacts. Positive impact assessments focus on occurrence likelihood and impact scale and scope, while negative impact assessments focus on occurrence likelihood and severity.

Step 3: Prioritization

By calculating the total impact score for each sustainability issue based on the likelihood and scale of positive and negative impacts, the issues were ranked by impact severity. These rankings were cross-referenced with the key issues of concern for stakeholders of the parent company, Yuanta Financial Holdings, resulting in the top 11 sustainability topics being identified as material topics.

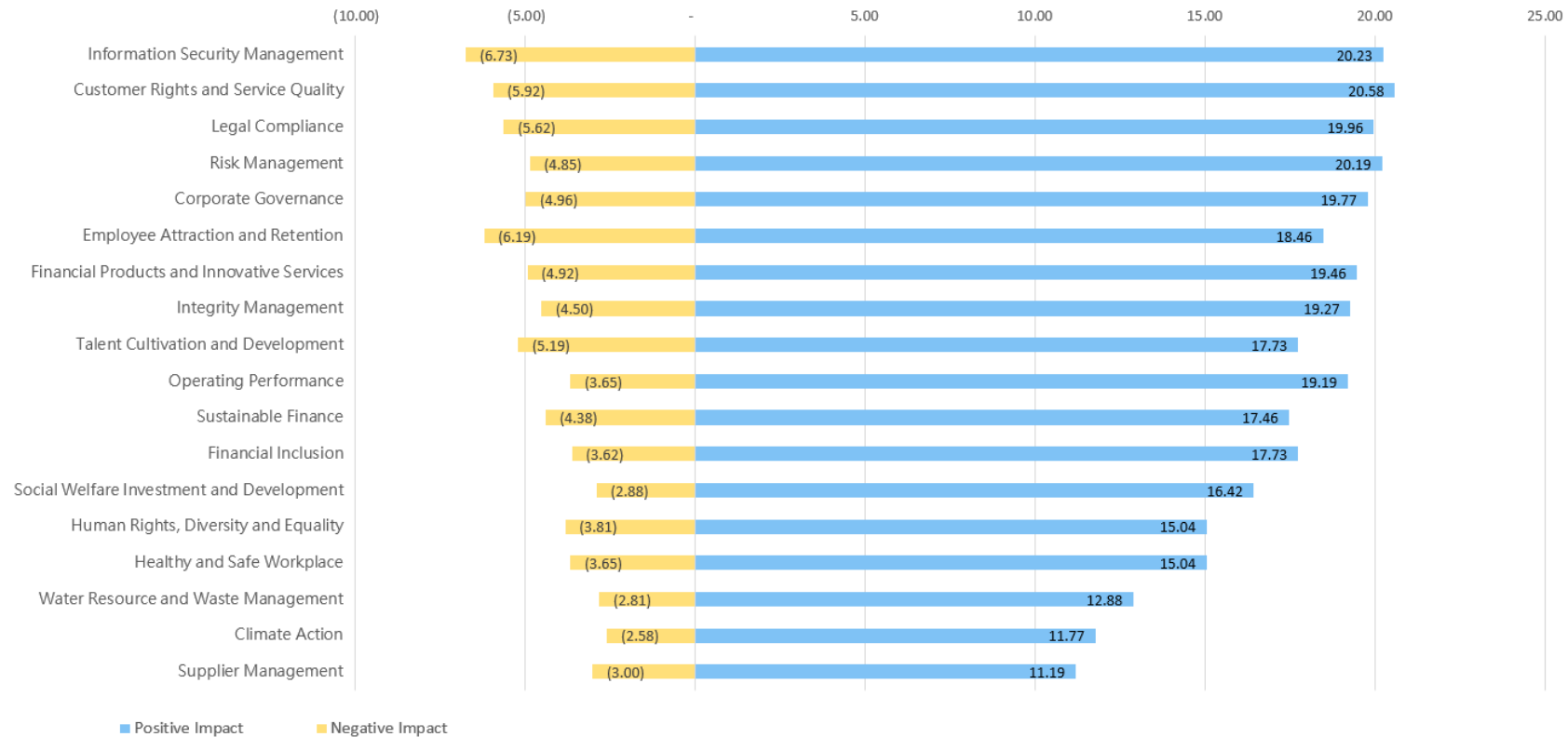
Considering the international and regulatory emphasis on climate action, the "Climate Action" topic was included as a material topic despite not being initially ranked in the top 11. Whereas, "Operating Performance," ranked 10th, was reclassified as a general topic since it was not a concern for stakeholders of Yuanta Financial Holdings.

Step 4: Confirmation


The 11 material topics identified and adjusted in 2023 were confirmed by the sustainability project supervisor and responsible personnel, as well as the members of the sustainability team. These topics were reported in the Sustainable Development Report meeting and subsequently approved by the Board of Directors for adoption.



Furthermore, the Company conducted related risk and impact assessments for the 11 material topics identified for 2023, established management guidelines, and adopted corresponding policies as response measures to enhance operational and financial resilience.


Ranking of sustainability issues based on internal impact levels

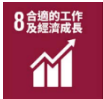



Material Topic Management

Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
Information Security Management		<p>In information security management, the Company aims to “protect information asset security” and “maintain business continuity to achieve sustainable business operations.”</p> <p>A comprehensive information security management system was established in compliance with legal and risk management principles to protect the information and personal data owned and used by the Company.</p>	<p>We continuously enhance the information security management system, improve information security protection measures, and provide reliable information service quality. We also comply with regulatory requirements to strengthen the awareness of personal data protection responsibilities and ensure the provision of secure and reliable financial services.</p>	<p>Provide comprehensive information security protection to create a reliable and trustworthy financial transaction environment, utilize advanced intelligent technologies to refine effective intelligence, ensure a robust information security system and deployment, and strengthen cybersecurity defenses.</p>	Information Security Management Policy	<p>The Information Security Team holds monthly team meetings and an annual management review meeting to evaluate and improve the effectiveness of information security management, audit assessment results, and stakeholder feedback.</p> <ul style="list-style-type: none"> • We commissioned a third-party organization annually to perform an information security effectiveness assessment, and the overall implementation of information security is reported to the Board of Directors. 	3.5 Information Security Management



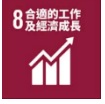
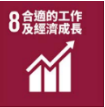

Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
						Additionally, an internal control system statement is prepared in accordance with regulatory requirements and disclosed on the designated reporting website of the competent authority.	
Customer Rights and Service Quality	 	Focused on customer needs, the Company leverages the diverse characteristics of its core businesses to launch a variety of innovative products, enhances customer communication, and fosters customer trust and loyalty, continuously providing thoughtful and warm services.	Care about customer rights and provide a comprehensive customer communication mechanism to promptly understand customer needs, which helps protect customer rights from harm.	Provide customer-centric and high-quality services, and make Yuanta a financial brand that customers can trust and rely on.	Personal Data Protection Act Cyber Security Management Act Joint Marketing Management Regulations	<ul style="list-style-type: none"> A dedicated unit, with the President as the convener, regularly holds meetings to plan, review, and promote improvement plans related to treating customers fairly principles and product review. The implementation status is reported to the Board of Directors, ensuring top-down 	4.3 Customer Rights and Interests and Service Quality


Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
						reinforcement and implementation.	
Legal Compliance		Good legal compliance is a crucial foundation for a company to gain the trust of stakeholders. To reduce compliance risks and ensure that the Company's operations adhere to relevant laws, it is essential to strengthen compliance awareness among employees, maintain effective and appropriate internal controls, and promote sound business operations.	Compliance with relevant laws and regulations helps stabilize market order, protect the natural environment, and safeguard stakeholder rights and interests.	Ensuring compliance with relevant regulations reduces operational risks and loss due to significant penalties, facilitates international business, and allows for operational expansion.	Compliance related rules Anti-Money Laundering and Counter-Terrorist Financing Policy and Procedure	<ul style="list-style-type: none"> • The Audit Department, which reports to the Board of Directors, conducts audits based on the inspection items and frequencies stipulated by regulatory authorities. Project audits are conducted based on the risk levels of the departments being audited. Each domestic branch is audited at least once semiannually, and each overseas subsidiary is audited at least once a year. • We conduct at least one compliance risk assessment (CRA) 	3.4 Legal Compliance

Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
						annually, self-assessments of compliance semiannually, and a comprehensive institutional anti-money laundering and counter-terrorism financing risk assessment (IRA) annually.	
Risk Management		As the global financial environment is becoming increasingly complex, the financial industry faces more diverse and severe risks. Through the three lines of defense of risk management, the Company can effectively diversify, transfer, or reduce risks, to achieve a win-win-win situation for	The establishment of comprehensive risk management measures helps enhance operational resilience against crisis events, safeguard asset security, and maintain financial market stability.	Establish an independent and comprehensive risk identification and management mechanism to manage various operational risks, improve the quality of risk management, and ensure sustainable and sound business operations.	Risk Management Policy Crisis Management Policy and Procedure	<ul style="list-style-type: none"> • The Audit Department, which reports to the Board of Directors, audits compliance with and implementation of various regulations and internal control systems. • Annual evaluations of the risk management mechanism are conducted, and the evaluation results are 	3.3 Risk Management




Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
		customers, shareholders, and employees.				reported to the Audit Committee and the Board of Directors.	
Corporate Governance		Good corporate governance and integrity management are fundamental to the Company's operations. The financial industry plays an important role in maintaining financial stability and the flow of commercial capital. Therefore, we are committed to sound management, decision-making oversight, and professional and ethical operations, which are key to gaining stakeholder trust.	Implementing the "Corporate Governance Best Practice Principles" and other regulatory and operational guidelines helps establish a robust corporate governance system and stable company operations.	Actively respond to the Corporate Governance 3.0 Sustainable Development Blueprint, improve the governance structure, strengthen the functionality and efficiency of the Board of Directors, enhance information transparency, ensure shareholder rights, and promote sustainable corporate development.	Corporate Governance Best Practice Principles	<ul style="list-style-type: none"> • Every two years, the Company commissions external agencies and experts to conduct an in-depth review of the integrity of relevant governance systems, the effectiveness of system operations, the implementation of discipline, and the relevance and comprehensiveness of disclosures. These reviews serve as a reference for continuous improvement and strengthening of corporate governance systems. 	3.1 Corporate Governance

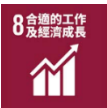

Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
						<ul style="list-style-type: none"> • An annual performance evaluation (self-assessment) of the Board of Directors and functional committees is conducted. • Every three years, the Company commissions an external professional independent organization or external experts and scholars to conduct a performance evaluation of the Board of Directors. 	


Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
Employee Attraction and Retention	  	The soft power of exceptional talents is indispensable to expanding business development and international expansion. Therefore, the Company actively invests in various resources to recruit diverse financial talents, striving to jointly achieve the goal of becoming a leading securities firm in the Asia-Pacific region.	We attach great importance to employee attraction and retention, attracting outstanding domestic and international talents, consolidating core competitive advantages, and increasing overall employment market opportunities.	Through the sustainable KPI and long-term reward linkage plan, encourage more personnel to commit to ESG and corporate sustainable development; build a high-quality work and career development environment to gather excellent employees and create competitive advantages.	Establish diverse talent sourcing channels, offer comprehensive compensation and benefits systems, and widely recruit financial talents both domestically and abroad.	<ul style="list-style-type: none"> A long-term reward plan linked to sustainable performance was established to actively retain high-performance talents, and employee engagement surveys are conducted regularly. 	5.1 Employee Attraction and Retention 5.2 Employee Communication 5.4 Healthy and Safe Workplace
Financial Products and Innovative Services	 	The development of financial technology has disrupted traditional financial service models. Committed to digital financial innovation and the application of	We continue to promote the innovation of financial products and services, striving to build a green ecosystem through digital and	Deeply engage in digital finance, integrate ESG factors into technological development, provide customers with up-to-date investment and financial management	Digital platform development procedure Design standard specifying	<ul style="list-style-type: none"> Weekly meetings and irregular cross-group or cross-department discussions are carried out on platform optimization content, reviewing the progress of various 	4.2 Financial Products and Innovative Services

Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
		various digital technologies, the Company aims to provide customers with more comprehensive, convenient, and intelligent financial products and services, creating a digital financial ecosystem. This approach enhances the quality of financial service experiences for customers, achieves financial inclusion, and boosts digital competitiveness.	paperless services to effectively reduce energy consumption and carbon emissions.	experiences. Strengthen the development of online and mobile applications in preparation for the paperless digital revolution and offer smooth and convenient financial services.	documents and production Design guideline files	collaborative projects, and analyzing platform data and related applications. • Monthly reviews of the growth rates of various functions are conducted.	
Integrity Management		“Integrity” has always been our management philosophy. To achieve sustainable business operations, the	Implementing integrity management helps stabilize market order and protect stakeholder rights.	Conduct business activities based on the principles of fairness, honesty, trustworthiness, and transparency, request	Yuanta Financial Holdings Integrity Management Guidelines	• The Company abides by Yuanta Financial Holdings’ integrity management regulations and the Company’s own	3.2 Integrity Management

Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
		Company promotes corporate governance, strengthens the Board's integrity management, and practices corporate social responsibility by embedding integrity and ethical values in business strategies.		directors, executives, employees, appointees, or those with substantial control to implement integrity management policies in their business conduct in accordance with relevant policies and regulations, actively prevent dishonest behavior, and establish a corporate culture of integrity and sound development.	Yuanta Financial Holdings Integrity Management Operating Procedures and Conduct Guidelines Risk Management Guidelines for Unethical Behaviors Whistleblowing System Implementation Measures Codes of Ethical Conduct	regulations. • Regulations for internal control and operational procedures for compliance by all units are reviewed. • The Audit Department conducts project audits annually based on the risk levels of the departments being audited.	

Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
Talent Cultivation and Development	  	<p>The Company consistently improves its human resource development system to meet the talent needs of its business goals. Propelled by the policy of “Sustainable Talent, Talented for Sustainability”, it focuses on hiring the right people, nurturing their abilities, and retaining them, ensuring “Sustainable Talent” through a steady supply of talent; whereas, “Talented for Sustainability” involves cultivating all managers and employees to become advocates for</p>	<p>By developing employees with diverse skills and providing good and equal career development opportunities, we enhance employee engagement and core competitiveness, facilitating the implementation of various sustainability initiatives.</p>	<p>In accordance with the Company’s strategies, analyze the training and development needs for various job levels and integrate internal and external training and development resources. Provide employees with a diverse education and training system and courses, strengthen employee advantages and improve talent retention and corporate competitiveness through a performance evaluation mechanism.</p>	<p>The company talent development system is consolidated in the “Annual Talent Training and Development Plan” to meet the talent development needs of various business operations.</p>	<ul style="list-style-type: none"> • Employee education and training coverage rate • Green finance talent cultivation • Employee performance evaluation status review 	<p>5.3 Talent Cultivation and Development 5.5 Human Rights, Diversity and Equality</p>

Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
		sustainability, enhancing awareness and practical action on sustainability issues.					
Sustainable Finance	 	The Company prioritizes the development of sustainable finance, aligning with international trends by gradually incorporating ESG considerations into credit, investment, and financial product and services development. By providing diverse financial services, we support the development of enterprises with sustainable principles, leveraging the	Encouraging partner enterprises to set sustainable goals, promote green energy, support sustainability - related industries as well as companies with good ESG performance can positively influence society's practice of sustainability.	Actively follow FSC's "Green Finance Action Plan," provide diverse financial services while focusing on sustainability issues with clients. Integrate ESG principles into investment strategies and include environmental and social risk assessments in investment and financing screening processes, guiding and encouraging clients to value environmental protection and social	Investment Management Policy Proprietary Trading Decision-Making Guidelines Underwriting Committee Operation Rules Institutional Investor Stewardship Policy	<ul style="list-style-type: none"> The Company tracks its sustainable finance execution results quarterly and reviews the progress and performance of sustainable investment and financing, ESG products and services, and ESG underwriting and advisory work through quarterly Sustainable Development Report meetings. 	4.1 Sustainable Finance

Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
		Company's influence as a capital provider to direct funds towards sustainable development industries and expanding the impact of sustainability.		issues.			
Climate Action		We are committed to establishing a corporate green culture by managing internal energy consumption and greenhouse gas emissions, continuously improving energy efficiency, and actively procuring green power and renewable energy to reduce the environmental impact of our operations.	Addressing climate action issues by setting carbon reduction targets, conducting greenhouse gas inventories, managing energy, engaging in climate finance, and managing supply chain carbon reduction can mitigate global warming, further leveraging financial power to promote	<p>Incorporate climate change risks into operational decision-making to identify and manage risks, properly handle extreme weather events, and address risks related to transitioning to a low-carbon economy.</p> <p>Actively respond to energy-saving and carbon-reduction trends and implement mitigation and</p>	Environment and Energy and Climate Change Management Policy	<ul style="list-style-type: none"> • Environmental-related ISO standard system is introduced and third-party verification is obtained. • Annual reviews are conducted on the achievement of carbon reduction, energy-saving, renewable energy use, water saving, and waste reduction targets. 	<p>7.1 Climate Change Management</p> <p>7.2 Green Operation</p> <p>7.3 Sustainable Supplier Management</p>

Material Topic	Corresponding SDG	Significance to Yuanta Securities	Impact Description	Sustainability Strategy (Management Guidelines)	Policy	Evaluation Mechanism	Corresponding Chapter
			low-carbon industrial transformation.	adaptation measures to minimize environmental impact.			

Chapter 3 Bedrock of Corporate Governance

Yuanta Securities has established the “Corporate Governance Best Practice Principles” to build an effective corporate governance framework. Through comprehensive planning, including enhancing the functionality of the Board of Directors, integrating integrity management into corporate culture, focusing on risk control, complying with domestic and international regulations, and strengthening information security systems, the Company aims to create an excellent business environment and a sound corporate governance system. We were honored with the “Golden Goblet Award - Outstanding Risk Management Award” by the Securities and Futures Institute in 2023 and received the special distinction certification in the “Corporate Governance System Evaluation” by the Taiwan Corporate Governance Association, demonstrating the high recognition the Company receives for its corporate governance effectiveness.

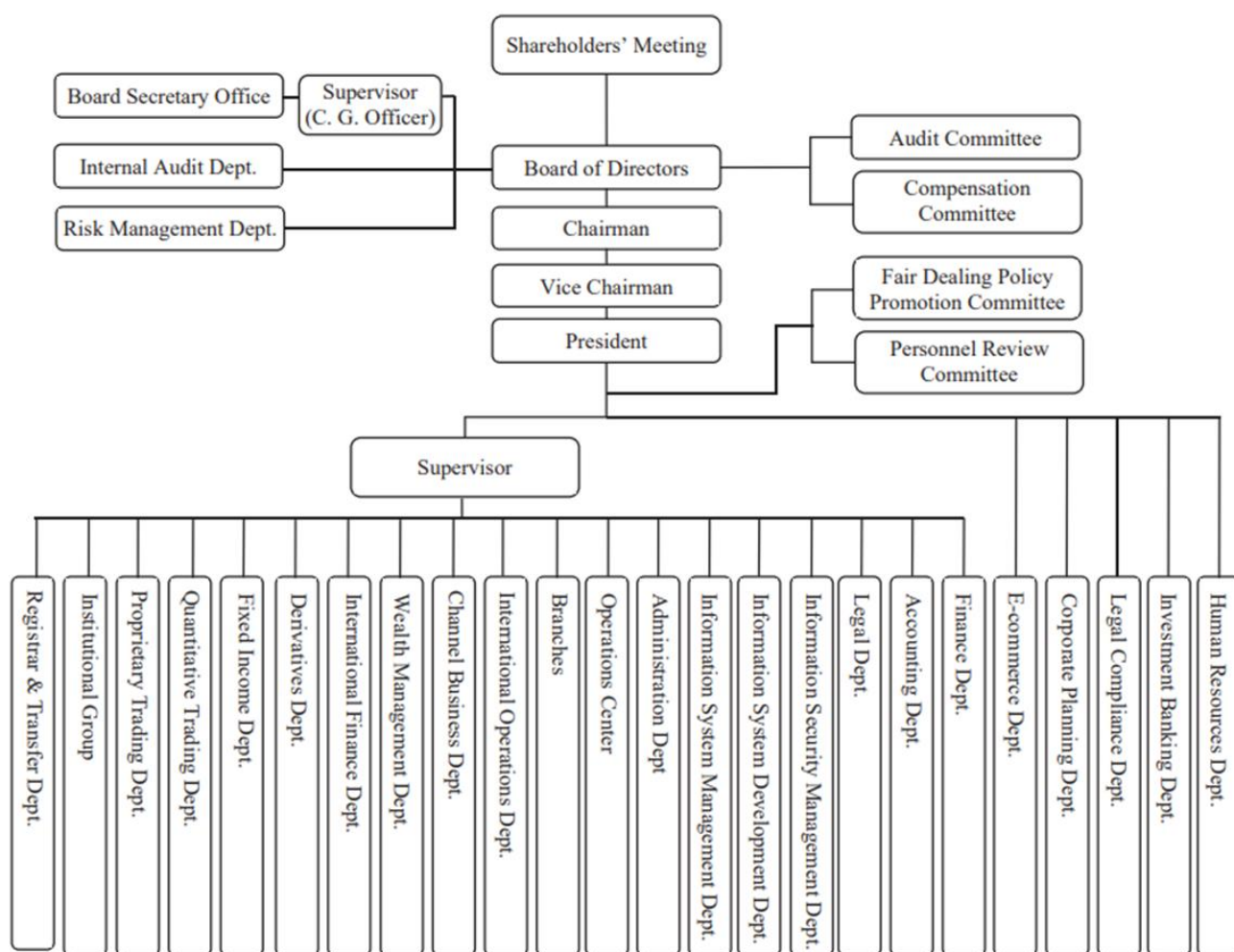
3.1 Corporate Governance

Board Structure and Operation

Board Structure

The directors of Yuanta Securities are selected following the Company’s “Corporate Governance Best Practice Principles” and directly appointed by the parent company, Yuanta Financial Holdings, in accordance with the pertinent laws. The Board is composed of directors and does not have executive directors. According to the Company’s “Articles of Association”, the term of each Board is three years, and reappointment is permissible. The average term of directors is four years. The current (eleventh) Board of Directors’ term runs from June 1, 2022, to May 31, 2025, consisting of 11 directors and 7 independent directors, with independent directors making up 39% of the Board.

Yuanta Securities Organizational and Operational Management Chart



Board Attendance

The Company's "Board Meeting Rules" clearly stipulate the board meetings' agenda, operational procedures, matters to be recorded in minutes, announcements, and other compliance requirements. It also requires that the Board meets at least once a month and that individual directors' annual attendance rates (excluding proxies) should reach over 80%, which is included in the director performance evaluation. In 2023, the Board met 16 times, with individual director attendance rates reaching 99%.

Functional Committees under the Board

The division of responsibilities among the Board of Directors, the Chairman, and the President is handled in accordance with the Company's "Division of Authority and Responsibility Regulations", "Division of Authority and Responsibility Table", and "Responsibility Hierarchy Table". The functional committees under the Board are the Audit Committee and Remuneration Committee. The primary authority of the Audit Committee is stipulated in Article 6 of the Company's "Audit Committee Charter", while the Remuneration Committee is responsible for establishing and regularly reviewing the policies, standards, and structures for performance evaluation and remuneration of the Company's directors and managers, as well as periodically assessing their compensation.

Committee	Members	Minimum number of meetings per year	Number of meetings held in 2023	Average committee member attendance rate
Audit Committee	The committee is composed of all independent directors.	12	17	100%
Remuneration Committee	The committee is composed of independent directors and the number of members should be no less than three.	2	5	100%

Committees under the President

The committees under the President include the Promotion Committee for Treating Customers Fairly Principles and the Personnel Review Committee. The former is responsible for promoting matters related to fair customer treatment, while the latter is established to enhance the fairness and objectivity of handling employee reward and punishment cases.

Committee	Members	Number of meetings held in 2023	Average committee member attendance rate
Promotion Committee for Treating Customers Fairly Principles	The committee is composed of supervisory of related units, the Legal Department, Corporate Planning Department, and Corporate Governance Officer, as well as the heads of the Legal Compliance Department, Risk Management Department, Internal Audit Department, and Legal Department.	8 (4 regular meetings and 4 ad-hoc meetings)	94%
Personnel Review Committee	The committee is composed of the heads of the Legal Department, Legal Compliance Department, and Human Resources Department as ex officio members. Other members are managers above the department level appointed by the President, who also appoints one member as the chairperson of the committee.	0	-

Professional, Diverse, and Independent Board of Directors

Yuanta Securities' Board of Directors consists of 18 members, including one female director. All members possess comprehensive professional backgrounds in finance, securities, financial accounting, information technology, information security, risk management, and mergers and acquisitions. They also have seasoned industry experience and knowledge in financial holding, banking, securities, insurance, information technology, and construction industries. This diversity and

expertise contribute to improving the quality of board decisions and strengthening internal oversight and management.

Age Distribution of the Board

The age distribution of the Company's directors spans multiple generations, contributing to a diverse exchange of experiences during deliberations. The average age of the directors is 65.

Age	41-50	51-60	61-70	Over 71	Sum
Number of people	1	3	9	5	18
Percentage	5%	17%	50%	28%	100%

The Company's "Rules on the Scope of Directors' Responsibilities" clearly outline the main responsibilities of directors. Independent directors, in addition to following the previously mentioned rules, must also adhere to the "Rules on the Scope of Responsibilities of Independent Directors". Independent directors must maintain their independence in performing their duties, and the Company must not obstruct, refuse, or evade the execution of duties by independent directors.

To ensure independence, the Company's "Corporate Governance Best Practice Principles" stipulate that, according to the Articles of Incorporation, there should be at least two independent directors, with independent directors not being less than one-third of the total number of directors. Independent directors shall possess professional knowledge and shall not serve more than three consecutive terms. Additionally, they should not concurrently serve as directors (including independent directors) or supervisors of more than five companies. The summary of independence requirements is detailed in the table below. Furthermore, independent directors and non-independent directors may not change their status during their term of office to ensure the objective exercise of their powers.

Name	Job title	Gender	Age			Industry experience		Professional knowledge and skills								Number of concurrent positions held in other listed companies as independent director
			41-50	51-60	Over 61	Financial industry	Other industries	Financial products, securities, and derivatives	Law	Finance/accounting	Marketing management	Engineering/information technology	Business management	Risk management	Overseas market/mergers and acquisitions	
Vincent Chen	Chairman	Male			V	V		V	V				V	V	V	0
Bobby Hwang	Vice Chairman	Male		V		V		V			V		V	V	V	0
Yi Ming Wang	Director	Male			V	V		V		V	V		V	V	V	0
Tony Shen	Director	Male			V	V		V					V	V	V	0
Victor Ma	Director	Male		V		V	V	V			V		V	V	V	0
Tien Fu Lin	Director	Male			V	V		V					V	V	V	1
Yueh Tsang Lee	Director	Male			V	V	V	V					V	V	V	0
Hsien Tao Chiu	Director	Male			V	V		V			V		V	V		0
Jui Chen Ma	Director	Male	V			V	V	V			V		V	V		0
Ming Hong Ho	Director	Male			V	V		V			V		V	V	V	0s
Pin Cheng Chen	Director	Male		V		V	V	V			V		V	V	V	1
Ching Shan Hung	Independent Director	Male			V	V	V	V	V	V			V	V	V	3

Name	Job title	Gender	Age			Industry experience		Professional knowledge and skills								Number of concurrent positions held in other listed companies as independent director
			41-50	51-60	Over 61	Financial industry	Other industries	Financial products, securities, and derivatives	Law	Finance/accounting	Marketing management	Engineering/information technology	Business management	Risk management	Overseas market/mergers and acquisitions	
Yui Chun Wu	Independent Director	Male			V	V	V	V						V		2
Hsing Yi Chow	Independent Director	Male			V	V	V	V		V	V			V	V	1
An Pin Chen	Independent Director	Male			V	V	V	V		V		V		V		1
Chung Chuan Wu	Independent Director	Male			V	V		V	V	V			V	V		0
Ya Li Sun	Independent Director	Female			V	V	V					V	V	V		0
Biing Shen Kuo	Independent Director	Male			V	V					V			V	V	0



For detailed information on members of the Board of Directors, please refer to Yuanta Securities 2023 Annual Report.

Recusal Mechanism due to Conflict of Interest for Directors

According to Yuanta Securities' "Board Meeting Rules", if a director has a conflict of interest regarding a meeting agenda, either personally or on behalf of the entity they represent, they must explain the significance of this conflict at the relevant board meeting. If the matter is likely to harm the Company's interests, the director must not participate in the discussion or voting and should recuse themselves from the discussion and voting process. They also must not act as a proxy for other directors to exercise their voting rights. If the spouse, relatives within the second degree of kinship, or a company in a subordinate relationship with the director has a conflict of interest regarding the meeting agenda, it is considered that the director has a personal conflict of interest in the matter. The recusal mechanism for independent directors regarding meeting agendas of the Audit Committee follows the "Audit Committee Charter". If the aforementioned rules result in the Audit Committee being unable to make a resolution, the matter should be reported to the Board of Directors for a resolution.

Measures to Strengthen Corporate Governance

Corporate Governance Officer

To assist the Board of Directors' operations and implement corporate governance, the Company has a Corporate Governance Officer, a part-time role managed by the supervisory officer of the Board of Directors Secretariat. The main responsibilities of this officer include legally handling matters of the Board of Directors, Audit Committee, and Shareholders' Meeting (executed by the Board of Directors); providing directors with the necessary information to perform their duties; assisting directors in complying with laws and continuing education; and strengthening the Company's corporate governance to enhance the functionality of the Board of Directors.

Tasks carried out by the Corporate Governance Officer in 2023
<ol style="list-style-type: none">1. In line with the competent authority's launch of Corporate Governance 3.0, the officer assisted the Board of Directors in reviewing reports or discussion proposals related to corporate governance, fair customer treatment, integrity management, intellectual property, sustainable development, and ESG affairs to enhance corporate governance standards.2. The officer assisted the Board in revising important corporate governance regulations, including amending the Company's Division of Authority and Responsibility Table, Corporate Governance Best Practice Principles, Rules on the Scope of Responsibilities of Independent Directors, Rules on the Scope of Responsibilities of Directors, Codes of Ethical Conduct, Institutional Investor Stewardship Policy, Voting Policy for Institutional Investors, and Accountability System Implementation Guidelines.3. The officer handled annual meeting-related matters for the Audit Committee, Board of Directors, and Shareholders' Meeting (executed by the Board of Directors).4. The officer supervised the Board of Directors Secretariat in handling the operations of the Board of Directors and Audit Committee meetings, strengthening adherence to meeting procedures and conflict of interest avoidance.5. The officer provided the necessary information for directors to perform their duties, reminding them of relevant regulations; followed up on directors' suggestions or opinions and tracked subsequent handling and progress.

6. The officer assisted in the signing of the Integrity Management Commitment Statement by new directors.
7. The officer conducted performance evaluations on the Board of Directors and functional committees.
8. The officer planned the annual schedule for the Board and the directors' training roadmap and handled related training matters.
9. The officer assisted the Board in formulating the annual corporate governance implementation plan.
10. The officer assisted the Company in being ranked in the top 20% of securities firms in the annual Treating Customers Fairly Principles Evaluation.
11. The officer assisted the Audit Committee in launching the annual customer care survey project.
12. The officer reported to the Board of Directors on the compliance of qualifications of the 11th-term independent directors during their tenure.

Board Communication

The Company's Board of Directors met 16 times in 2023. The important reports and matters discussed in the year are as follows.

Responsible unit	Communication frequency	Key content
Accounting Department	Monthly	• Reports of the operational performance of the Company and its primary investments and primary securities firms
	Quarterly	• Review of quarterly, semi-annual, and annual financial reports
	Annual	• Approval of annual financial statements, profit distribution or loss compensation • Annual financial plan of the Company
Internal Audit Department	Monthly	• Reports on the execution of internal audits
	Annual	• Previous year internal control self-assessment results and internal control statement • Internal audit plan for the next year
Risk Management Department	Monthly	• Reports on risk management execution
	Annual	• Annual reports on risk management mechanism checks, financial transaction stress test execution, and risk management evaluation results • Risk limits for the next year
Legal Compliance Department	Annual	• Annual reports on anti-money laundering, counter-terrorism financing, and counter-proliferation of weapons financing risk assessments, and legal compliance risk assessments • Internal control statement for anti-money laundering and counter-terrorism financing
	Annual	• Annual employee remuneration distribution • Execution of labor-management meetings

Human Resources Department	Occasional	<ul style="list-style-type: none"> • Salary approval for the Chairman, Vice Chairman, and executives • Appointment and removal of executives • Reports on incentives for fair customer treatment
Information Security Management Department	Annual	<ul style="list-style-type: none"> • Execution of information security management operations • Evaluation and management of core operational systems and equipment
Corporate Planning Department	Quarterly	• Performance report on the execution of sustainable development reporting
	Annual	<ul style="list-style-type: none"> • Annual business plan and development strategy of the Company • Annual report, reports on the implementation of the Treating Customers Fairly Principles , risk management of dishonest behavior, and potential risk assessments of dishonest behavior
Channel Business Department	Quarterly	• Handling of customer complaints

Continuing Education for Board of Directors

According to the Company's "Directors' Training Regulations" and the "Implementation Guidelines for Directors and Supervisors' Training of Securities Firms", relevant courses should be arranged for directors to enhance their professional knowledge and response to the trends of corporate sustainable development. In 2023, the course topics included climate change, fair customer treatment, and green finance, etc., with training hours totaling 181 hours, which exceeds the recommended hours specified in the "Implementation Guidelines and Roadmap for Directors and Supervisors' Training of Securities Firms".

Aspect	Sustainability-related Training Courses
Environmental	<ul style="list-style-type: none"> • Net-Zero Carbon Emissions and Corporate Governance • New Era of AI: Opportunities and Challenges for Taiwan and ESG Investment Principles and Strategies • Greenhouse Gas - Assurance of Inventory Statements • Accounting treatment under Climate Change • How Enterprises Implement Energy Conservation and Carbon Reduction to Enhance Profitability
Social	<ul style="list-style-type: none"> • Financial Consumer Protection Act and Fair Customer Treatment • Principles of Friendly Service and Financial Exploitation from the Perspective of the Treating Customers Fairly Principles • Introduction and Response to the Financial Consumer Protection Act • Assistance and Impact of Emerging Cybersecurity Technologies on Financial Digital Innovation
Governance	• Latest ESG Trends: Sustainability Practices in the Securities (Financial) Industry

	<ul style="list-style-type: none"> • Symposium on Sustainable Development Transition Strategies in the Securities Industry • Promoting Corporate Sustainability through Risk Management - Practical Guidelines for Risk Management in TWSE/TPEX Listed Companies • ESG Practical Analysis • New Trends in Sustainability and Board Governance
--	---

Board Performance Evaluation

To implement corporate governance, enhance the function of the Board of Directors, set performance goal and increase the operational efficiency of the Board of Directors, the Company has established the “Regulations Governing Performance Evaluation on Board of Directors and Functional Committees”. Annual performance evaluations are conducted for the Board and its committees, where each director completes self-evaluation and peer evaluation questionnaires. The evaluation results are provided to the Remuneration Committee as a reference for determining directors’ compensation.



Self-evaluation results of the 2023 Board of Directors and Functional Committees Performance Evaluation

Currently, there are three evaluation mechanisms in place: “Board of Directors Performance Self-Evaluation Questionnaire”, “Board Member Performance Self-Evaluation Questionnaire”, and evaluation conducted by an external professional independent institution. The following table outlines the description and evaluation criteria of each mechanism.

Mechanism	Board Performance Evaluation	Board Member Performance Evaluation	External Board Effectiveness Evaluation
Description	The questionnaire consists of 47 questions in six aspects.	The questionnaire consists of 27 questions in six aspects.	The questionnaire consists of 20 questions in eight aspects.
Measurement criteria	<ul style="list-style-type: none"> • Engagement in Company’s operation • Enhancement of decision-making quality • Composition and structure of Board of Directors • Election and continuing education of directors • Internal control • Participation in ESG 	<ul style="list-style-type: none"> • Understanding of company goals and mission • Directors’ knowledge about their duties • Engagement in Company’s operations • Management and communication of internal relationship • Director expertise and continuing education and training • Internal control 	<ul style="list-style-type: none"> • Board composition • Board guidance • Board empowerment • Board oversight • Board communication • Internal control and risk management • Board self-discipline • Others (Board meetings, support systems, etc.)

According to Yuanta Securities' "Regulations Governing Performance Evaluation on Board of Directors and Functional Committees", an external board performance evaluation by an independent professional institution or expert is required at least once every three years. In 2021, the Company commissioned the Taiwan Corporate Governance Association to conduct the board performance evaluation for the period from October 1, 2020, to September 30, 2021. The evaluation covered eight aspects and was conducted through questionnaires and on-site interviews to assess board effectiveness. The institution and experts that conducted the evaluation have no business dealings with the Company and maintain independence. The evaluation report was issued on November 29, 2021, and based on the evaluation results, the Company has taken practical improvement actions to enhance board functions consistently.

Remuneration Policy

Please refer to pages 68 to 80 of Yuanta Securities' 2023 Annual Report for detailed information on the remuneration policies of the highest governance body and senior management, including the remuneration for directors, the President, the Vice President, and consultants, as well as employee bonuses.

Director (Including Independent Director) Remuneration Policy

Director remuneration includes salary, retirement benefits, and business execution expenses. Business execution expenses include travel and meeting attendance fees. The monthly fixed remuneration for independent directors is authorized by the Board of Directors with reference to the usual industry standards. The salary for the Chairman and Vice Chairman is set at 0.5 to 2 times that of the President. The retirement benefits for the Chairman and Vice Chairman are authorized by the Board of Directors, based on their engagement level in company operations, contribution value, and industry standards.

Senior Management Remuneration Policy

Senior management salaries are determined based on their job responsibilities, professional skills, and educational and professional experience. Each year, senior management sets personal work goals in alignment with the Company's strategic objectives and sustainability goals, which include operational development strategies, key annual tasks, operations and talent management, group resource integration and support, internal control and legal compliance, and sustainability initiatives. According to the Company's "Performance Management Measures", mid-term and end-of-term performance evaluations are conducted annually to review the actual execution results of senior management's work goals. These goals are weighted and summed to evaluate the performance ratings of senior management.

According to the Company's bonus policy, annual group performance bonuses are allocated based on the Company's operational performance and profit situation. These bonuses are determined by the Remuneration Committee and the Board of Directors, considering the reasonableness of the relationship between individual performance, company operational performance, and future risks, with reference to usual industry standards.

The “Bonus Distribution Measures for Senior Management” are in place to ensure and accommodate future risk-adjusted profits. The distribution of bonuses for the President and other senior management is primarily based on the Company’s operational performance and future risk considerations. Fifteen percent of the variable bonuses are deferred based on risk considerations, deposited into a savings-type stock trust, and deferred for 3.5 years. The longest performance measurement period for variable bonuses is five years, linking personal remuneration with company profits and shareholder interests.

Clawback Policy

The Company has a clawback policy in place for the bonus issuance of the President and other senior management. In the event of significant risk events causing company losses, the Board of Directors is authorized to adjust the distribution ratio or reclaim distributed bonuses.

Remuneration Measure Metrics

The annual work goals for the President are categorized into financial goals, business goals, sustainable development goals, and internal management goals. Annual targets and measurement standards are set, and the achievement of these targets is regularly reviewed. Mid-term and end-of-term evaluations are conducted annually, and the President’s performance is assessed based on target achievement, which is linked to the variable bonuses.

Category		Weight	Description
Business development goals	Financial goals	70%	<ul style="list-style-type: none"> • <u>Effective use of capital (profit/budget control)</u> Review the achievement of annual profit goals and budget control by profit centers and cost centers, such as profit goal achievement rates, business goal achievement rates, and budget control achievement rates. • <u>Revenue growth/internationalization</u> Review the revenue growth status of profit centers domestically and internationally, support the promotion and revenue growth of overseas subsidiaries and businesses aligned with sustainable development strategies; review the support of cost centers for revenue growth, international business promotion, and sustainable development strategy implementation.

	Business goals	<ul style="list-style-type: none"> • <u>Business innovation</u> Evaluate the ability of each department to innovate in business, such as expanding business breadth, enhancing product variety, developing ESG financial products, and expanding clientele. • <u>Operational efficiency</u> Evaluate the operational management capabilities of each department, including the establishment and performance enhancement of information systems, the establishment and improvement of diversified management systems, and the design and transformation of optimal processes. • <u>Mutual support</u> Review the achievements of cross-border, cross-company, and cross-department teamwork, such as communication and coordination, business cooperation, project collaboration, and the promotion of the group's ESG initiatives, as well as participation in the Yuanta Cultural and Educational Foundation. • <u>Major departmental projects</u> Review the promotion and achievement rate of major projects that each department is required to implement according to policy directives.
	Sustainable development goals	<ul style="list-style-type: none"> • <u>2021-2025 Yuanta Group Sustainable Development Strategy Roadmap</u> Set specific indicators and goals based on six primary aspects, including 17 items and 59 KPIs. • <u>Annual key ESG projects</u> Review the proportion of green electricity and green procurement, internal carbon price management and carbon reduction performance, ESG-related evaluations, ESG risk management mechanisms, Corporate Governance 3.0, and the volume of sustainable finance cases. • <u>Medium to long-term (3-5 Years) development goals</u>

			Review business and revenue structure transformation, financial product and service development strategies, overseas development strategies and synergies, and employee sustainability engagement.
Internal management goals	30%	<ul style="list-style-type: none"> • <u>Talent management</u> Evaluate department heads' abilities in selecting, nurturing, utilizing, and retaining talent, e.g., annual department training plans and execution, task assignment and job guidance, core talent development and retention, succession planning (implementation of deputy systems), personnel capability enhancement, and team morale incentives. • <u>Legal compliance and fair customer treatment</u> Evaluate the implementation of legal compliance and fair customer treatment by each department. • <u>Internal control and risk management</u> Assess the implementation of internal audits, internal controls, and risk management by each department. 	

ESG Performance and Reward System

Yuanta Securities' "Performance Management Measures" stipulate that a supervisory officer's work goals must be linked with ESG, thereby achieving the effectiveness of ESG initiatives through the performance management mechanism.

Job title	Operational aspect	Performance indicators	Percentage
Supervisory Officer	Information security management	<ul style="list-style-type: none"> • Assist in the development and maintenance of information systems and equipment for all units. • Enhance cybersecurity monitoring mechanisms and response capabilities. • Obtain cybersecurity-related certifications and adopt international business continuity management standards. • Increase overall cybersecurity awareness and continuously cultivate talent in information systems and cybersecurity. 	30~35%
	Customer rights and	<ul style="list-style-type: none"> • Adhere to fair customer treatment policies and regulations set by competent authorities and the 	10%

	service quality	<p>Company.</p> <ul style="list-style-type: none"> • Supervise the implementation of a treating customers fairly culture and related improvement plans. • Improve operational and service processes to enhance service quality and operational efficiency. 	
	Innovative financial products and services	<ul style="list-style-type: none"> • Plan and develop new business and services in accordance with regulations and policies announced by competent authorities. • Issue ESG-related businesses and financial products (e.g., sustainable index futures, sustainable bonds, green investments, ETFs). • Establish and pilot dedicated digital service sections to enhance digital financial service capabilities. • Assist overseas subsidiaries in business innovation and the promotion of ESG-related matters. 	10~20%
	Legal compliance and risk management	<ul style="list-style-type: none"> • Strengthen risk management organization and mechanisms to identify and warn of business risks. • Supervise unit operations to ensure compliance with regulations and internal audit and control principles. • Supervise units to complete legal compliance self-assessments and internal control self-inspection tasks accurately. • Ensure the Company receives no penalties or deficiencies from competent authorities or internal audits throughout the year. • Strictly adhere to the Company's risk management regulations. 	20%
	Talent cultivation and development	<ul style="list-style-type: none"> • Supervise the implementation of succession planning and the development of deputy managers at all levels. 	10%
	Climate action	<ul style="list-style-type: none"> • Enhance climate change scenario analysis models and improve financial impact assessments of risks. • Supervise the implementation of internal carbon pricing management system goals. • Continue to promote paperless policies (e.g., electronic statements, digital counter operations, digital storage). 	10~15%

Note: Each Supervisory officer's performance indicators and percentage are different depending on the nature of the business of their department.

3.2 Integrity Management

Mechanism for Integrity Management

Integrity Management Policy

In order to strengthen the corporate culture of integrity management and sustainability, the Company follows Yuanta Financial Holding's "Integrity Management Guidelines" and "Integrity Management Operating Procedures and Conduct Guidelines", and established the "Risk Management Guidelines for Unethical Behaviors". These guidelines prohibit all forms of unethical behavior and benefits, and a potential risk assessment mechanism for dishonest behavior was established accordingly, which is closely linked to the Company's internal control regulations. The Internal Audit Department also includes relevant regulations of integrity management in the annual general business audit items to ensure that the Company's philosophy of integrity management is implemented.

To ensure that the Company's directors and senior management are familiar with the integrity management philosophy of Yuanta Group and Yuanta Securities, we also urge them to sign the "Integrity Declaration". The declaration includes commitments such as not engaging in dishonest behavior, not offering or accepting improper benefits, not providing illegal political donations or making improper charitable donations or sponsorships, adhering to recusal due to conflict of interest principles, fulfilling confidentiality obligations and not infringing on intellectual property rights, complying with confidentiality agreements, not engaging in insider trading, fulfilling disclosure obligations, not accepting improper benefits, and avoiding transactions with dishonest operators. As of the end of 2023, the signing rate of the "Integrity Declaration" by the Company's directors and senior management reached 100%.

Integrity Management Organization

Yuanta Securities' integrity management operations are promoted or executed by the Internal Audit Department, Legal Compliance Department, Human Resources Department, Accounting Department, Administration Department, and Corporate Planning Department. The Corporate Planning Department is responsible for compiling and reporting the implementation status of integrity management to the Company's Board of Directors and Yuanta Financial Holdings annually. The operational and implementation status of the designated units is explained on the Company's official website and in the Annual Report.

Integrity Management Risk Assessment

An unethical behavior risk assessment is conducted annually in adherence to the Company's integrity management philosophy and reduce corruption risks. In 2023, the Company conducted a potential risk assessment of unethical behavior for all departments at the head office, all branches, and all employees. The overall risk assessment result for unethical behavior in the Company indicates low risk.

Risk assessment items of unethical behavior
Offering or accepting bribes, improper charitable donations or sponsorships, providing illegal political donations, intellectual property rights infringement, engaging in transactions of unfair competition, engaging in insider trading, failure to fulfill confidentiality obligations, document forgery, failure to avoid conflict of interest, internal fraud, improper business conduct

Integrity Management Implementation Results

Yuanta Securities conducts annual integrity management training courses for all employees, including new hires. The course content includes financial consumer protection, stakeholder transactions, disclosure of merger and acquisition information, integrity, ethical and legal responsibilities of financial practitioners, compliance resources, and whistleblower mechanisms. In 2023, a total of 5,548 employees participated in these courses, receiving 5,548 hours of training with a 100% completion rate.

Three seminars were held in 2023 for directors and supervisors, covering themes as follows: Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Practices and the Legal Obligations and Responsibilities of Directors, Domestic and International AML/CTF Regulations and Risk Trends and Patterns, AML/CTF Retraining, Legal Responsibilities and Case Analysis of Corporate Fraud, and Emerging Money Laundering Methods and Regulatory Trends. The total training hours amounted to 66 hours.

In 2023, no incidents of corruption occurred within the Company. No cases involving fraud, market manipulation, insider trading, corruption, violations of the Fair Trade Act, or any similar issues were reported. Furthermore, no employees or business partners were penalized or had their business relationships terminated due to violations of integrity management policies.

Whistleblowing System

Whistleblowing Policy

The Company has established the “Whistleblowing System and Implementation Measures” in accordance with the “Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets” and the Company’s “Corporate Governance Best Practice Principles”. This policy encourages anyone who discovers potential criminal activities, fraud, or violations of laws and regulations within the Company to report them.

Units Responsible for the Whistleblowing System

The Legal Compliance Department is responsible for receiving whistleblower reports, and the Internal Audit Department is responsible for investigating these reports. Upon receiving a report, the investigation unit will conduct an inquiry into the allegations and related evidence. After completing the investigation, the findings and recommendations will be compiled into a written report and communicated to the Legal Compliance Department.

Requirements for Accepting Whistleblower Reports

When the Legal Compliance Department receives a report, it first reviews the report to ensure that it meets the acceptance criteria. If the report meets the definitions of the following categories and does not fall under any non-acceptable conditions, it will be forwarded to the investigation unit. Reports stemming from social activities, family or personal relationships, or private disputes irrelevant to the Company’s or the Company’s subsidiaries’ business or those already addressed through other established complaint or handling procedures within the Company are not covered by this whistleblowing system.

Category	Definition
Criminal behavior	Actions within the territory of the Republic of China that are punishable under the laws of the Republic of China.
Fraudulent behavior	Unethical conduct as defined by Yuanta Financial Holdings' "Integrity Management Operating Procedures and Conduct Guidelines" applicable to Yuanta Securities.
Violation of laws and regulations	Situations involving violations of financial-related laws, regulations, or orders issued and promulgated by the Financial Supervisory Commission (including administrative regulations as defined by the Administrative Procedure Act).

Whistleblowing Channels

Whistleblowers can report through convenient channels such as a dedicated hotline and email. The Company also announces all whistleblowing channels on its official website, accepting reports in writing, by phone, email, or other methods.

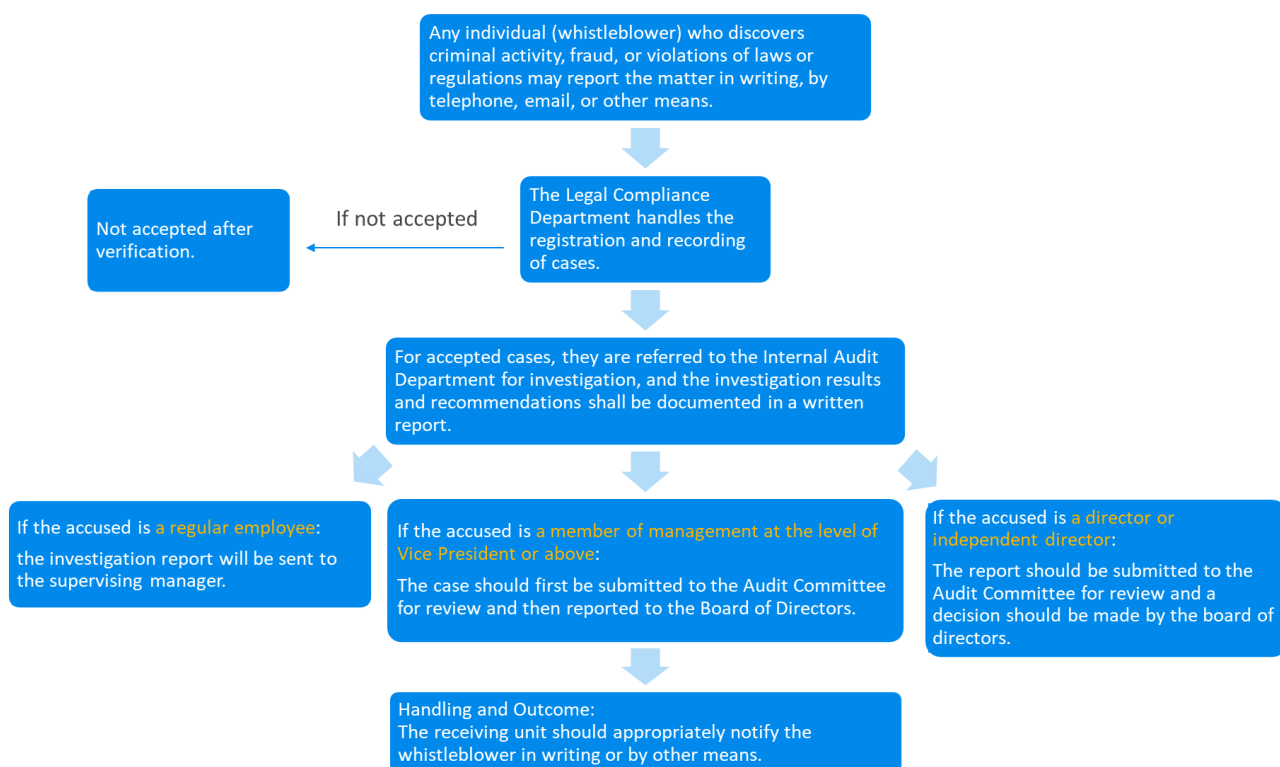
Yuanta Securities Whistleblowing System
Whistleblowing hotline: +886-2-2718-1882
9F, No. 77, Section 2, Nanjing East Road, Zhongshan District, Taipei City 104089
Website of whistleblowing channels and mailbox:



Investigation Procedure

The Company properly records and carefully tracks all incidents reported through the whistleblowing channels. If an investigation confirms the validity of a case, it will be handled according to the procedure outlined in the "Whistleblowing System and Implementation Measures" as follows.

- Step 1: Immediately require the reported individual to cease the behavior and take necessary preventive or emergency response measures.
- Step 2: The supervisor of the reported individual's department or the responsible unit for the reported matter must submit a written review and improvement measures, which will be tracked by the investigation unit until improvements have been completed.
- Step 3: In cases of significant violations or potential major damage to the Company, the relevant departments shall report subsequent handling and improvement measures to the Audit Committee for review.
- Step 4: If necessary, legal proceedings will be pursued to seek compensation for damages to protect the Company's reputation and interests.



Number of cases accepted and handling status in 2023

Number of cases accepted	Under investigation	Number of cases closed
2	0	2

After investigation, both cases did not involve any criminal behavior, fraudulent behavior or violation of laws and regulations.

Source	Category	Case handling
Whistleblowing hotline	Violation of Yuanta Securities' internal work guidelines	The reported individual has received proper punishment.
Whistleblowing mailbox	Violation of Yuanta Securities' personnel management regulations	The reported individual has received a verbal warning and enhanced education and training.

Whistleblower Protection and Recusal due to Conflict of Interest

In accordance with the "Whistleblowing System and Implementation Measures," personnel involved in handling whistleblower cases must declare in writing to maintain the confidentiality of the whistleblower's identity and the whistleblowing content. They must also commit to protecting the whistleblower from dismissal, demotion, salary reduction, impairment of rights provided by laws, contracts, or customary practices, or any other adverse actions due to the whistleblowing. If the whistleblower experiences threats, intimidation, or other adverse actions, the Company will assist in reporting the matter to the police.

If the personnel handling the whistleblower case falls under any of the following circumstances, they must immediately declare their personal interests in writing and voluntarily recuse themselves.

1. Being the spouse or a cohabitating family member of the whistleblower or the reported individual.

2. Being a relative within the second degree of kinship to the whistleblower or the reported individual.
3. Having any other potential conflict of interest.

Whistleblowing System Promotion and Incentive Measures

Training is conducted annually for all employees on the “Whistleblowing System and Implementation Measures”. In 2023, training courses included “Anti-Money Laundering and Combating the Financing of Terrorism” and “Compliance Regulations and Violation Cases (including Insider Trading and Whistleblowing System) Advocacy”. A total of 5,035 records of attendance participated the courses, with an average training of 2 hours received per person. The training completion rate was 100%.

Furthermore, according to the Company’s “Whistleblowing System and Implementation Measures”, if a whistleblower is an employee of Yuanta Securities and their report is verified, they may be rewarded based on their contribution to corporate governance.

3.3 Risk Management

In the face of the rapidly changing financial market environment, comprehensive risk management is increasingly indispensable. To effectively stay abreast of operational risks and maintain stable operations, Yuanta Securities has established the “Risk Management Policy” and “Operational Risk Management Measures”. A complete risk assessment process and contingency plans are established accordingly, ensuring the smooth operation of the risk management mechanism. Through the three lines of defense in risk management, risks are monitored to reduce occurrence likelihood and mitigate potential negative impacts. Additionally, a risk management information system is in place to support overall risk management execution and control operational risks.

Risk Management Systems and Policies

Risk Management Framework

Yuanta Securities emphasizes a top-down risk management culture. The Board of Directors is the highest decision-making body for risk management. It is responsible for approving risk management policies and key risk management systems, setting annual risk limits and monitoring thresholds, and supervising the implementation of risk management systems to ensure comprehensive risk management across business operations. The Audit Committee assists the Board in performing its risk management responsibilities. The Risk Management Department, under the Board, is an independent risk management unit responsible for developing risk management systems, establishing risk management frameworks and effective risk measurement methods, monitoring and analyzing risks, as well as reporting and issuing warnings of significant risks.

Risk Management Mechanism

Yuanta Securities employs the three lines of defense model in risk management to identify and measure the Company’s overall risks. Each line of defense has clear organization, responsibilities, and functions to ensure the effective operation of the risk management mechanism. All business units understand the impact and scope of their activities on the Company’s overall risk as they formulate operational plans in advance in alignment with the Company’s risk appetite. These plans are regularly reviewed to ensure strict adherence to various risk management guidelines. Through autonomous

management by business units supported by a comprehensive risk management mechanism, the frequency and impact of risks are effectively avoided or reduced, thereby fulfilling the Company's risk management goals and risk appetite.

Three Lines of Defense in Risk Management

First Line of Defense: Business departments and operational, administration and other supportive departments

These departments are responsible for implementing risk management procedures in their respective duties, ensuring compliance with risk management regulations.

Second Line of Defense: Risk management and legal compliance departments

These departments are responsible for planning risk management and legal compliance systems, as well as risk monitoring and reporting.

Third Line of Defense: Internal Audit Department

The Audit Department is responsible for auditing the adherence and implementation of various regulations and internal control systems.

Risk Management Policy

The "Risk Management Policy" serves as the guiding framework for Yuanta Securities' risk management practices. Management standards for various types of risks are established accordingly to ensure the comprehensiveness, effectiveness, and reasonableness of the Company's risk management. This policy outlines the attributes of different risks and their impact on the Company's operational stability and capital security, prescribing appropriate risk management systems for each type of risk while also specifying the risk management responsibilities of each department.

The Company has also formulated the "Operational Risk Management Measures", which cover financial risk, operational risk, legal and legal compliance risk, and climate change risk. Each risk management unit is required to annually assess the presence or potential of the risks within their supervisory scope. The Risk Management Department then consolidates these assessment results and reports them to the Audit Committee and the Board of Directors.

Risk Management Procedure

Risk Identification	Risk Measurement	Risk Monitoring and Control	Risk Management Reporting
Through analysis, identify the attributes and types of risks inherent in each business activity.	Make a reasonable estimation of the characteristics of risks that may result in potential losses or might influence potential losses.	Based on the risk limits for each business activity, evaluate the actual risk level generated by that activity to ensure all risks are within the Company's authorized limits.	Report relevant risk management information to the respective responsible authorities and supervisors.

Risk Appetite and Limits

Risk appetite is the level of risk that the Company is willing to undertake after comprehensively evaluating various risk mitigation measures. Every year, the Company sets risk limits across all operations based on operational goals and risk tolerance. These limits are regularly reviewed and strictly followed to ensure that the risks exposed in all business activities align with the Company's risk management objectives and risk appetite.

Risk type	Description of risk appetite and limits
Capital adequacy ratio limit	The Company's ability to sustain the stable operation of its various businesses even after accounting for the maximum potential losses that may arise from undertaking different business activities.
Various risk monitoring indicators and thresholds	The Company's primary business risks are covered as various identified risks are monitored and properly managed to reduce loss and negative impact.

Risk monitoring indicators and thresholds are applicable from the date of approval by the Board of Directors and remain valid for one year. If adjustments are necessary within the year, the risk management unit responsible for monitoring the specific risk should propose changes. These changes should be co-signed by the Risk Management Department and submitted to the Audit Committee for approval before being submitted to the Board of Directors for final approval. If a risk monitoring indicator exceeds the threshold value, the responsible risk management unit should review the cause and propose countermeasures. These measures should be co-signed by the Risk Management Department and reported to the Chairman for approval.

Risk Management Identification and Response Plan

The scope of the Company's risk management system is outlined in the table below in accordance with Yuanta Securities' "Risk Management Policy". A risk management system that fits the Company's business portfolio, scale, and capital size was established. Moreover, when designing products, various risk factors are considered to ensure that all risks undertaken are effectively managed and adhere to the Company's risk management system.

Financial risks	Operational risks	Legal and Legal compliance risks	Climate change risks
Market risks Credit risks Market liquidity risks Funding liquidity risks Asset-liability matching risks Large-sum exposures Operational risks	Information security risks Human resources risks Emerging risks Integrity management risks Reputation risks Strategic risks	Legal compliance risks Legal risks Money laundering and terrorism financing risks	Climate change risks in investment Climate change risks in company operation

The following table describes the risk management measurement mechanisms and the frequency of risk management reporting according to the most common types of risks faced by the financial industry.

Risk type	Management and measurement mechanism	Reporting frequency
Market risk	<p>Market risk refers to the methods designated for measuring market risk based on the characteristics of financial product markets and strategies.</p> <p>In accordance with Yuanta Securities' "Market Risk Management Measures," methods such as calculating position costs, market risk factor sensitivity, and value at risk are used. Back-testing is also employed to ensure the reasonableness of market risk measurements.</p>	Daily
Credit risk	<p>Yuanta Securities measures credit risk using metrics such as expected credit losses, issuer credit risk, guarantor credit risk, counterparty credit risk, and custodian credit risk.</p> <p>In accordance with Yuanta Securities' "Financial Transaction Credit Risk Management Measures", an internal credit rating system has been established to implement credit risk grading, along with a credit warning system to put the reporting process into effect and enhance the timeliness of responses to credit events.</p>	Weekly
Liquidity risk	<p>Liquidity risk refers to the risk of potential losses when asset sales or position liquidations may result in losses due to persistent market trading volume insufficiency or a significant reduction in trading volume caused by market disorder.</p> <p>In accordance with Yuanta Securities' "Market Liquidity Management Measures," indicators such as the concentration of held positions and market trading volume are considered for quantifying market liquidity risk.</p>	Monthly
Operational risk	<p>In accordance with Yuanta Securities' "Operational Risk Management Measures", operational risk refers to the risk of direct or indirect losses caused by improper or erroneous internal operations, personnel, and systems, or external events.</p> <p>Operational risk event data has been compiled and classified as the basis for operational risk measurement. When operational risk loss events occur, they should be reported according to the internal operational risk event reporting mechanism, following the specified reporting procedures, and analyzed for causes, processes, results, and improvement measures.</p>	Monthly
Legal risk	<p>In accordance with Yuanta Securities' "Risk Management Policy", legal risk refers to the potential loss incurred from invalid contracts due to the lack of legal validity of contracts, acts beyond authority, clause omissions, and inadequate regulations.</p>	Quarterly

	All legal documents or contracts signed by the Company must be reviewed by the Legal Department to facilitate legal risk control and avoid contract invalidation.	
Legal compliance risk	<p>In accordance with Yuanta Securities' "Legal Compliance Risk Management Policy", compliance risk refers to the risk of penalties from competent authorities due to non-compliance with relevant regulations during business operations.</p> <p>The Legal Compliance Department has established a compliance risk management framework, including procedures, plans, and mechanisms for identifying, assessing, controlling, measuring, monitoring, and independently reporting legal compliance risks, to comprehensively control, supervise, and support the compliance matters of individual business units, cross-departmental, and cross-border operations of domestic and international departments, branches, and subsidiaries.</p>	Every six months
Climate change risk	<p>Climate change risk refers to the potential risks arising from climate change responses or mitigation efforts.</p> <p>In accordance with Yuanta Securities' "Management Measures for Climate Change Risk in Investment", the reasonableness of climate change risk measurement methods, the significance of exposure, and the correlation between risk types are comprehensively considered to measure and manage climate change risks.</p>	Monthly

Crisis Management

In accordance with Article 26 of the Corporate Governance Best Practice Principles, Yuanta Securities has established the "Crisis Handling Policy and Rules of Procedure" to ensure that the Company can effectively and swiftly respond to operational crises, minimizing harm and losses, and quickly restoring normal operations. It serves the highest guidelines for crisis response. The "Emergency Response Guidelines" have also been formulated to build a comprehensive crisis and emergency response system, providing a basis for departmental operations to ensure smooth functioning.

The Company's crisis management team comprises the President, relevant supervisory managers, and department heads. When a crisis occurs, the President or a designated supervisory manager acts as the convener and calls the first meeting as soon as possible to analyze and assess various crisis response plans. If necessary, reports should be made to the management, directors, and parent company during the handling process. If the crisis event is classified as significant information legally required to be disclosed, it should be published on the Market Observation Post System within the stipulated timeframe to respond to external information requests and protect the interests of the Company, shareholders, customers, and all stakeholders.

Risk Management Education and Training

The Company arranges for directors and supervisors to receive risk management and internal control training annually to enhance their professional knowledge and responsiveness in risk management. In 2023, a total of 22 records of attendance participated, receiving a total of 66 hours of training.

To instill risk awareness and establish a risk management culture, the Company also organizes annual training for employees on risk management, internal control systems, and business continuity management mechanisms. This enhances the risk awareness and management capabilities of all employees and managers and integrates risk management concepts into daily decision-making. In 2023, a total of 5,506 records of attendance received training of 6,528 hours in total, achieving a 100% training completion rate.

3.4 Legal Compliance

Yuanta Securities places great emphasis on compliance with domestic and international laws, anti-money laundering, counter-terrorism financing, and counter-proliferation of weapons financing, to avoid jeopardizing the Company's operations. In addition to establishing relevant regulations for employees to follow and strengthening their legal compliance awareness through training, our employees are encouraged to actively obtain domestic and international certifications. This enhances their professional knowledge related to legal compliance while strengthening the Company's legal compliance culture.

Legal Compliance Management Mechanism

Legal Compliance System

In accordance with Yuanta Securities' "Legal Compliance System and Management Policy", the legal compliance system is established based on the internal control framework of the three lines of defense. Each line of defense performs its duties and coordinates effectively to manage compliance risks, strengthen the Company's legal compliance system and management mechanisms, and promote sound business operations.

Three Lines of Defense in the Legal Compliance System

<u>First Line of Defense</u>	<u>Second Line of Defense</u>	<u>Third Line of Defense</u>
It is composed of business units, responsible for identifying, assessing, controlling, and assuming risks arising from business activities, as well as performing self-assessment.	It is composed of legal compliance and risk management departments, responsible for ensuring that the risks of business units are properly identified and managed. This also includes functional units such as legal, human resources, financial accounting, operational management, and information security units.	It is composed of the internal audit department, responsible for auditing and evaluating the effectiveness of the risk management systems designed and implemented by the first and second lines of defense, and providing timely improvement suggestions.

Legal Compliance Governance Structure

Yuanta Securities has the “Legal Compliance Department” in place, responsible for planning, managing, implementing, and training the Company’s legal compliance system, as well as supervising anti-money laundering and counter-terrorism financing operations to ensure that all operations and management regulations comply with legal requirements.

Our legal compliance officer is a senior executive appointed by the Board of Directors. This officer is responsible for establishing the Company’s legal compliance system and management mechanisms, overseeing legal compliance affairs, and reporting the status of legal compliance implementation to the Board of Directors and the Audit Committee at least every six months. The reports address weaknesses in the legal compliance risk management of the Company’s domestic and international operations, providing improvement plans and timelines to facilitate the Board’s supervision of the effectiveness of the legal compliance system and management mechanisms. If the legal compliance officer identifies any major legal violations or downgrades by competent authorities, they must immediately notify the Company’s board of directors and report the legal compliance matters to the Board.

Each department at the headquarters also has a departmental legal compliance officer, either the department head or a person designated by the department head. The departmental legal compliance officer is responsible for identifying and managing the legal compliance risks arising from their respective department’s daily activities based on the functional and business scope. Branch offices account for the legal compliance risks arising from their daily activities and implement effective internal control procedures to cover all relevant business activities and ensure compliance with legal requirements.

Legal Compliance Risk Management and Supervision

In accordance with Yuanta Securities’ “Legal Compliance Risk Management Policy”, each unit identifies applicable regulations and legal compliance risks related to its functions and business scope, designs and implements effective internal control procedures to ensure that business processes comply with the most updated laws, and adheres to the Company’s approved legal compliance system. Upon regulatory changes, each unit reviews its business processes, risks, and control points accordingly. The Legal Compliance Department identifies major legal compliance risks across the Company, assesses the legal compliance risk exposure of each unit, and assists in the establishment and implementation of control measures to mitigate legal compliance risks.

Each unit conducts a legal compliance self-assessment every six months to test whether their control procedures are effectively implemented.

Internal Audit of Legal Compliance

The Company’s Internal Audit Department formulates the annual audit plan for the following year. In addition to audits carried out based on the regulatory requirements and the frequency stipulated by competent authorities, special audits are performed based on the risk level of the audited departments, with key legal compliance issues being one of the focal points. All identified deficiencies from the audits are continuously tracked until they are rectified. In 2023, the internal audits did not

find any major deficiencies.

The Internal Audit Department includes important corporate governance issues, such as the operation of the Board of Directors and transactions with stakeholders, as key audit items. It reviews audit reports, system deficiencies, and improvement status concerning the Company's internal control system and self-audit legal compliance. This serves as the basis for the Board of Directors and relevant department heads to evaluate the effectiveness of the internal control system and issue internal control system statements.

Legal Compliance Status

In 2023, Yuanta Securities did not experience any major deficiencies or significant penalties. There were no anti-competitive behavior, antitrust, or monopolistic practices either.

Note: The criteria for significant fines are defined according to the Financial Supervisory Commission's "Regulations Governing Public Disclosure by the Financial Supervisory Commission of Material Enforcement Actions for Violations of Financial Legislation" and the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities".

Anti-Money Laundering, Counter-Terrorism Financing, and Counter-Proliferation of Weapons Financing

Management Policy

To prevent crimes related to money laundering, terrorism financing, and weapons proliferation financing, ensure a safe and reliable trading environment for all customers, and establish a comprehensive management mechanism, the Company has formulated policies based on the "Money Laundering Control Act," "Counter-Terrorism Financing Act," "Regulations Governing Anti-Money Laundering of Financial Institutions," and pertinent regulations and guidelines for the securities industry. Our policies include the "Money Laundering, Terrorism Financing, and Weapons Proliferation Financing Risks and the Formulation of Related Prevention Plans Policy," which covers the identification and assessment methods for the risks of money laundering, terrorism financing, and weapons proliferation financing in various businesses, as well as formulating prevention plans.

We have also established the "Risk Assessment Procedure for Anti-Money Laundering, Counter-Terrorism Financing, and Counter-Proliferation of Weapons financing" to ensure a timely and effective understanding of the overall risks the Company faces. The risk assessment methods include identifying inherent risks, evaluating risk mitigation measures, and measuring residual risks. Moreover, key indicators for the Company's risk appetite are defined based on the nature, scale, diversity, and complexity of various businesses.

Risk Assessment Aspects

Customer risk/ regional risk/ product and service risk/ transaction or payment channel risk

Internal Audit

In 2023, the Company's Internal Audit Department conducted the statutory routine audit of "Anti-Money Laundering Operations (including international securities business)" and found no irregularities. Regular internal audits of the anti-money laundering, counter-terrorism financing, and counter-proliferation of weapons financing programs are conducted annually as well to ensure that

the head office and branches adhere to the regulations, implement management mechanisms, and ensure the effectiveness and compliance of the plans. The audit in 2023 revealed no major deficiencies.

Legal Compliance Education and Training

The Company actively organizes diverse legal compliance and internal audit education and training sessions to continuously enhance employees' legal compliance knowledge and cultivates legal compliance and anti-money laundering talents. Training topics include Regulations for Securities Industry Personnel, Anti-Money Laundering and Counter-Terrorism Financing, and the Financial Holding Company Act and Other Common Financial Regulations. This year, a total of 22,451 records of attendance participated the courses, achieving a 100% training completion rate. The total training hours amounted to 16,447, with an average of 3.2 hours per person. Board members also participated in training courses on anti-money laundering, counter-terrorism financing, and counter-proliferation of weapons financing to enhance their professional knowledge. In 2023, the board members received an accumulated total of 60 hours of training.

Moreover, we encourage employees to obtain domestic and international professional certifications to enhance their legal compliance knowledge and anti-money laundering capabilities. By the end of 2023, a total of 19 employees had obtained the Certified Anti-Money Laundering Specialist (CAMS) certification.

3.5 Information Security Management

In light of the heavy reliance of the securities industry on online trading systems nowadays and the frequent cybersecurity and data breach incidents in recent years, information security management has become a critical issue for the financial industry. Yuanta Securities has established the "Information Security Policy" and "Information Security Management Guidelines" for employees to follow to strengthen its information security management mechanism and enhance overall information security resilience. In 2021, the Company appointed a Chief Information Security Officer dedicated to coordinating the promotion of cybersecurity policies and resource allocation. We have also adopted the ISO 27001 Information Security Management System and the Security Information Event Management Platform to reduce the potential impact of any information security incidents and protect customer privacy and personal data.

Information Security Policy and System

Information Security Policy

Yuanta Securities' "Information Security Policy" is approved by the Board of Directors and serves as the basis for the establishment of an information security management system and related management norms and procedures to ensure the confidentiality, integrity, and availability of important company information. Aimed at protecting customer interests, the Information Security Policy is centered on protecting information asset security and maintaining business continuity to achieve sustainable business operations, thereby fulfilling corporate social responsibility.

Information Security Management Structure

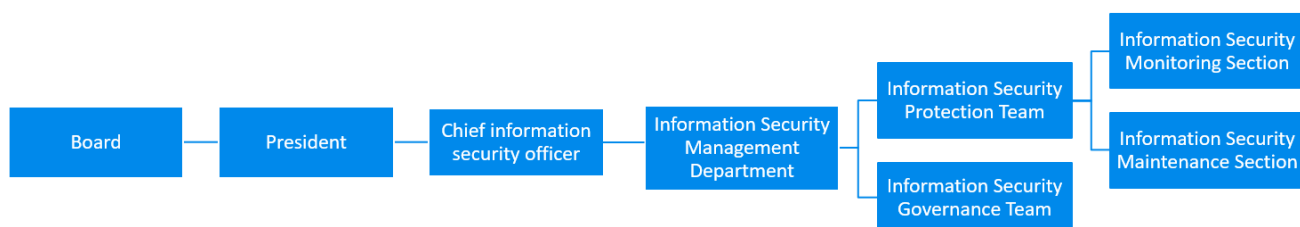
To enhance the Company's overall cybersecurity resilience, Yuanta Securities appointed a Chief

Information Security Officer (CISO) in 2021 to oversee and coordinate cybersecurity-related matters. In response to the Financial Cybersecurity Action Plan, the Company further established a dedicated information security unit in January 2022, entrusting it with the planning, supervision, and implementation of information security management operations. The overall execution of information security is reported to the Board of Directors annually to strengthen cybersecurity supervision.

Recognizing the importance of information security, the Company appointed an independent director with a background in information security in August 2022 to enhance the effectiveness of the organization's cybersecurity measures. To further improve the expertise of the Board of Directors in information security, we actively arrange for directors to participate in specialized information security management training courses. This year's course was themed around the "Benefits and Impact of Emerging Cybersecurity Technologies on Financial Digital Innovation," with directors completing a total of 54 hours of training.

Information Security Organizational Structure

Yuanta Securities has established a cross-departmental "Information Security Promotion Team" responsible for coordinating and discussing information security policies, plans, and resource allocation. The President appoints the CISO as the convener, with the heads of the Information Security Management Department and Legal Compliance Department as deputy conveners. The team holds regular information security promotion team meetings and management review meetings to discuss the execution of information security management and related issues, thereby enhancing the organization's overall cybersecurity defense capabilities.



Division of Labor for Information Security Management Department

Unit		Responsibilities
Information Security Protection Team	Information Security Monitoring Section	• Analyze, process, and monitor information security threats
	Information Security Maintenance Section	• Maintain the information security monitoring system • Plan and execute information security-related projects
Information Security Governance Team		• Formulate and manage internal control operations • Establish and manage information security systems • Conduct audit operations in response to competent authorities' requests

Adoption of International Information Security Management Standards

For the consistent improvement of its information security governance system, the Company ensures its compliance with domestic and international information security laws and regulations. Since 2005, the Company has implemented the ISO 27001 Information Security Management System (ISMS) and obtained certification from the British Standards Institution (BSI). We also undergo annual audits and triennial reassessments to maintain certification validity.

Additionally, to enhance operational resilience in compliance with the Financial Cybersecurity Action Plan, the Company adopted the ISO 22301 Business Continuity Management System in 2023 and received certification in December of the same year. This ensures that the Company can effectively execute response measures and enhance business continuity management capabilities during disruptions. We will continue to expand the scope of our management system to improve the availability of information services, reduce the risk of business or information service interruptions, and achieve secure, convenient, and uninterrupted financial services.

Information Security Management and Response Plans

Information Security Intelligence and Joint Defense

Yuanta Securities has designated the Information Security Protection Team within the Information Security Management Department as the specialized unit in charge of the Financial Information Sharing and Analysis Center (F-ISAC) and the Security Information and Event Management (SIEM) platform. Their duties include analyzing, processing, and monitoring cybersecurity threat events to ensure a secure environment. The F-ISAC updates security system configurations and settings based on collected information and external cybersecurity intelligence assessments to stay ahead of emerging threats and develop response measures. The SIEM detects internal abnormal usage behaviors and external attacks, enabling quick responses and countermeasures to ensure information security and the obligation to protect customer data. Yuanta Securities integrates threat intelligence from Yuanta Financial Holdings' cybersecurity defense systems to achieve synergistic joint defense.

Information security intelligence organization	Financial Information Sharing and Analysis Center (F-ISAC)	Security Information and Event Management (SIEM) Platform
Operational procedures	Execute comprehensive intelligence gathering and sharing via the Financial Stability Oversight Council (FSOC) Joint Defense Monitoring System; immediately report upon the detection of phishing websites and counterfeit apps.	Monitor and analyze logs from various devices to detect abnormal internal and external behaviors; Adjust rules dynamically to quickly detect and respond to attacks, ensuring effective defense and response capabilities.

Trading System and Internal Operation Defense Actions

	Trading websites and apps	Detection and protection measures	Third-party security evaluation
Purpose	Enhance website, app and user data security	Timely detect abnormalities, attacks and quickly respond with effective measures	Verify the Company's information system stability and security through third-party evaluation
Measures	<ul style="list-style-type: none"> • Firewall restrictions on external connection behaviors • App security testing • App obfuscation protection • Penetration testing • RSA services for identifying phishing websites and counterfeit apps 	<ul style="list-style-type: none"> • Utilization of security detection and protection tools, e.g., file change monitoring (deep security), security information and event management (SIEM) platform • Intrusion detection system (IDS) in conjunction with firewall blocking • Automatic blocking mechanisms with antivirus, endpoint detection and response (EDR), and managed detection and response (MDR) functions 	<ul style="list-style-type: none"> • External red team exercises • External rating systems • Penetration testing • Vulnerability scanning
Enhancement actions taken in 2023	L3 app testing (F item) enhancement	1. Deployment of endpoint detection and response (EDR) to intercept known and unknown threats, thereby ensuring site security. 2. Establishment of a Security Operations Center (SOC) to detect and monitor abnormal events in real-time and manage subsequent damage control, moving towards proactive defense.	Group blue team/red team drill

Business Continuity Management Mechanism

Through the ISO 22301 Business Continuity Management System, Yuanta Securities has established policies, norms, procedures, and records for business continuity management. Furthermore, business impact analysis and comprehensive risk assessments are conducted to identify risk events that could affect our business operations and formulate disaster recovery plans. By regularly conducting tests and drills, the Company continues to optimize and improve the effectiveness of its business continuity management system. This enhances the Company's operational resilience in alignment with the

Financial Cybersecurity Action Plan, thereby ensuring effective responses to disruption risk events which reduces the impact of business or information service interruptions and allows the provision of secure, convenient, and uninterrupted financial services.

Mechanism	Information system recovery and backup drill	Distributed denial-of-service (DDoS) drill	Digital forensic service mechanism (MOU)
Purpose	It is conducted to prevent information system disruptions affecting business operations due to unforeseeable factors.	Regular practical drills are conducted to simulate real scenarios of DDoS attacks, allowing personnel to practice and understand how to respond using standard procedures, thereby preventing greater business losses due to inexperience or operational errors during an actual attack.	To improve the handling capabilities of emergency cybersecurity incidents, the Company has enlisted external professional teams to optimize cybersecurity incident investigation and digital forensics processes according to international cybersecurity standards, thereby enhancing the Company's ability to manage cybersecurity crises effectively.
Content	Backup and recovery plans are developed based on the characteristics of application systems and their impact on business operations. These plans are implemented annually according to the drill schedule to ensure the availability and completeness of backup and recovery plans for critical systems.	DDoS attack scenarios are set up, and traffic-switching drills are conducted as part of the response plan, with corresponding units collaborating to execute the drills.	External professional teams are commissioned occasionally to assist the Company during an incident in emergency response, identifying intrusion paths, assessing the impact range, and recovering affected systems.
Drill frequency	Important systems: Annual Core systems: Every six months	Annual	Initiated upon event occurrence
Execution results in 2023	All personnel completed relevant operations according to the backup and recovery plans.	Drill operations were completed successfully, verifying that the traffic scrubbing services	Requirements were met. Note: If no incident occurs, the drill service for the year will be substituted for information security education and training.

	The backup and recovery drills for important and core systems have been completed.	effectively defend against external DDoS attacks.	
--	--	---	--

Off-Site Backup Drills

To ensure that the Company can effectively initiate backup operations and quickly restore critical business functions during natural disasters or force majeure events, an off-site backup switching drill and off-site office drill were conducted in 2023 under the scenario of “total external network disruption at the Company’s Xinyi Center”. The drill results met the recovery time objectives, confirming the feasibility of backup mechanisms and the availability of backup resources. This reduces the impact of operational disruptions, ensures uninterrupted services provided externally and effectively protects customer interests.

Resources Invested in Information Security Management

In 2023, Yuanta Securities invested a total of NT\$60,558,193 in information security, accounting for 8.68% of the total information budget.

Item	Expense
Actual information security expenditure	60,558,193
Budget for information security-related departments	697,428,607
Proportion	8.68%

Supplier Information Security Management

Yuanta Securities has a profound understanding that, in addition to establishing a robust internal cybersecurity defense system and fostering cybersecurity awareness among all employees, managing the information security of outsourced vendors is also a critical line of defense. Before selecting vendors for outsourcing critical information system operations, the Company uses five key evaluation criteria: market reputation, technical capability, compliance with specifications, confidentiality cooperation, and information security requirements. This mechanism ensures that outsourced vendors do not use the Company’s information assets without authorization and that internal information retains security control when outsourced, protecting customer interests.

Information Security Governance Maturity Assessment

To understand the maturity of its information security governance, the Company conducted an information security governance maturity assessment in 2023. The results indicated that our maturity levels in various areas were generally superior to industry peers. In order to consistently strengthen and improve information security control measures and management strategies, the Company formulates enhancement action plans and regularly assesses inherent risks and cybersecurity maturity to enhance the identification and handling of cybersecurity risks. Our information security management and protection capabilities will be continuously strengthened through three practical actions as follows.

1. Establish a 24/7 Security Operations Center (SOC) and develop the team's incident analysis capabilities, introduce an automated risk incident management system, adjust the organizational structure to form a health inspection center, detect and monitor abnormal events, and manage subsequent damage control to enhance overall information security defense capabilities and reduce operational risks.
2. Leverage intelligence sharing and industry joint defense to facilitate real-time two-way intelligence exchange and continuously strengthen defense capabilities.
3. Establish the Cybersecurity Incident Reporting and Response Task Force, determine risk levels and reporting procedures, immediately control damage to reduce operational impact, take appropriate measures to clarify root causes, restore services, and enhance protection mechanisms.

Information Security Incident Handling

Information Security Incident Handling Mechanism

Yuanta Securities has established procedures for reporting and handling information security incidents, with corresponding reporting and handling levels based on the severity of the incident. The IT units are required to resolve the incident within the target handling time and conduct an analysis after the incident is resolved to prevent recurrence.

Personal data management procedures are also in place. In the event of an information breach involving customer personal data, after ascertainment of the event, affected individuals will be properly notified of the incident, response measures, and contact information for consultation services to prevent customer panic and protect their rights.

Information Security Incidents and Handling Results

In 2023, the Company did not experience any information security or data breach incidents, including personal data breaches. As a result, no customers were affected by data breach incidents, and there were no related fines. We will continue to strengthen the protection of customer information to ensure its confidentiality and security.

Enhancement of Overall Information Security Awareness

Information Security Education and Training

In light of the trend towards digital financial services, Yuanta Securities considers information security and the protection of customer personal privacy data critical tasks in corporate governance. To continuously strengthen the information security awareness of all personnel, the Company organizes more than three hours of information security and personal data protection training for all employees every year. In addition, for those responsible for information security, external courses on cybersecurity governance and protection are arranged to continually enhance their professional skills in information security maintenance. In 2023, 10,600 records of attendance received a total of 15,900 hours of related education and training.

Type	General information security education and training	Professional information security education and training
Target	All managers and employees	Managers and employees responsible for

		information security operations
Frequency	At least three hours annually	At least 15 hours annually
Instructor	Internal lecturers on information security	External experts specialized in information security
Course theme	Information security education and training	Professional information security training
Course content	<ul style="list-style-type: none"> • Information sharing on major information security incidents that occurred recently, deep-fake recognition and prevention, information security laws and regulations, basic information security awareness, personal data protection, social engineering attacks and protection, etc. • Occasional advocacy on latest information security events 	<ul style="list-style-type: none"> • Information security governance, security development, information security maintenance, information security handling and analysis, information security attack and defense drill, etc.
Evaluation	Yes	Yes
Results	A total of 32 sessions were held in 2023. Total records of attendance trained: 10,600 (100% training completion rate)	A total of 10 sessions were held in 2023. Total records of attendance trained: 89 (100% training completion rate)

Information Security Expertise Enhancement

Yuanta Securities' Information Security Management Department consists of 16 personnel. In 2023, they collectively obtained 12 information security protection certifications, bringing the total number of held certifications to 38.

Information security certifications	Number of certification holders
Lead Auditor for Information Security Management System ISO/IEC 27001	12
Lead Auditor for Privacy Information Management System ISO/IEC 27701	3
Lead Auditor Certification for Personal Information Management System BS10012	2
Security Controls for Cloud Services ISO/IEC 27017	1
Personal Data Protection for Cloud Services ISO/IEC 27018	1
Certified Information Security Manager (CISM)	1
Certified Ethical Hacker (CEH)	6
Cisco Certified Network Associate (CCNA)	1
Certified Threat Intelligence Analyst (CTIA)	3
Certified Security Operation Center (SOC) Analyst (CSA)	6
Certified Network Defender (CND)	1
Network Security Packet Analysis (NSPA)	1

Social Engineering Drills

Yuanta Securities conducts regular email social engineering drills annually. These drills involve sending phishing emails to all employees to test and enhance their information security awareness. In 2023, a total of 12 social engineering drills were conducted, with nearly 70,000 records of attendance counts. Employees who did not pass the drills were provided with targeted education and training, along with assessments to improve their awareness in recognizing and responding to such threats.

Chapter 4 Sustainable Innovation of Products and Services

Yuanta Securities has consistently adhered to the business philosophy of “Seizing Opportunities, Creating Wealth, Serving with Integrity, and Protecting Rights”. Dedicated to providing investors with innovative and high-quality financial services, we not only strive relentlessly in financial business development while generating profits but also place an emphasis on positive development in corporate governance, customer rights, employee care, environmental sustainability, and social welfare. With that, the Company follows Yuanta Group’s policies and the United Nations Sustainable Development Goals in a blueprint that integrates environmental, social, and governance concepts into our corporate culture and operational strategies. Recognizing the risks, opportunities, and challenges brought by climate and social changes, the Company is committed to long-term planning and systematic investment in sustainable practices in our financial products and services to create positive impacts on society and the environment. We pledge to continue progressing and innovating, becoming a force that leads social and environmental transformation and actively creates a better future for future generations.

4.1 Sustainable Finance

Sustainable Finance Management Structure

The Company has established the Yuanta Securities Institutional Investor Stewardship Policy, Yuanta Securities Institutional Investor Voting Policy, Yuanta Securities Investment Management Policy, Yuanta Securities Proprietary Trading Decision-Making Guidelines, and Yuanta Securities Underwriting Committee Operation Rules. These policies are developed based on the Principle for Responsible Investment (PRI) and aligned with Yuanta Financial Holdings’ Sustainable Finance Guidelines and the Yuanta Financial Holdings Industry-Specific Environmental and Social Risk Management Rules. Responsible investment actions are carried out in underwriting, advisory services, and proprietary investment trading business across various asset classes. ESG risks are rigorously managed and incorporated into the Company’s service and transaction decision-making to promote the sustainable development of both invested and advised companies for the joint creation of ESG value.

The Company also follows the “Yuanta Financial Holdings Climate Finance Operations Guidelines” for engagements in activities related to low-carbon operations, sustainable finance, low-carbon supply chains, and sustainability initiatives, and the formulation of carbon reduction strategies. In terms of sustainable finance, we invest in sustainability-related targets and issue sustainability-related ETNs, guiding capital towards sustainable enterprises; we also assist in underwriting sustainability bonds and provide consultancy services for sustainability-related industries. In addition, the Company has established the “Management Measures for Climate Change Risk in Investment” and the “Yuanta Securities Operational Risk Management Measures,” which outline standards for managing climate change risks in investments and operations to ensure risk management appropriateness.

Our investment and trading decision-making also refer to external principles according to the nature of our business, such as domestic regulations, including the Regulations Governing Securities Firms, Corporate Governance Best-Practice Principles for Securities Firms, Regulations Governing the Establishment of Internal Control Systems by Securities Firms, Stewardship Principles for Institutional

Investors, and Guidelines for the Recognition of Sustainable Economic Activities. International standards or guidelines, such as the Principles for Responsible Investment, IFC Performance Standards, IFC Exclusion List, and the Harmonized EDFI Exclusion List, are also referenced for the development of specific management systems.

Approach to Sustainable Finance and Focus Area

In the decision-making of investment, trading, and underwriting advisory operations, we focus on issues that concern ESG aspects. ESG topics that may have significant impacts are evaluated and incorporated into our investment and business risk management considerations. Moreover, we continuously monitor sustainability trends, with environmental, social, and governance aspects integrated into our evaluation and assessment processes. This approach enables the Company to identify risks and opportunities, thereby cultivating its sustainable operational capabilities. In addition to pre-decision evaluations, mechanisms for continuous review are in place, as well as open and transparent communication channels with various stakeholders. As business quality is enhanced through transparent financial and business management practices, the Company fulfills its commitment to corporate governance while creating higher value for our shareholders.

ESG aspect	Focus areas in investment considerations
Environment	Climate change, biodiversity, water use and wastewater management, packaging material and waste management, toxic substances release, etc.
Society	Human rights, labor rights, employee gender diversity, corporate product responsibility
Governance	Board of directors' performance, gender diversity and independence, shareholders and stakeholders' rights, corporate governance information transparency, supply chain management, etc.

Sustainable Finance Evaluation Mechanism

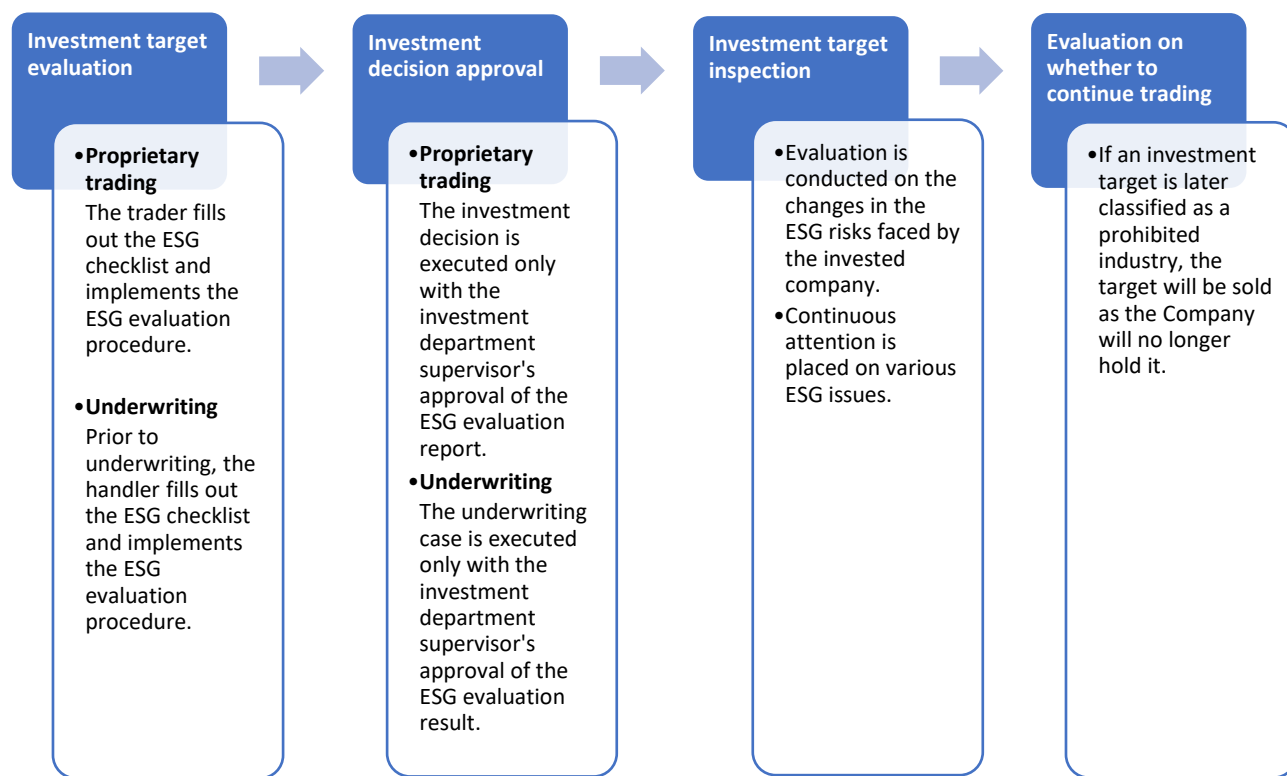
In adherence to sustainable finance-related policies, the Company actively supports industries with good sustainability prospects in the selection of business partners and investment targets. Due diligence investigation on enterprises with controversial issues is strengthened to carefully assess, thereby promoting environmental and social sustainability and reducing the risk of significant adverse impacts on ESG and sustainable development. In line with Yuanta Financial Holdings' "Industry-Specific Environmental and Social Risk Management Rules," we prudently evaluate underwriting advisory and investment business targets. The risk management measures implemented by targets in high-risk environmental and social sectors are thoroughly understood. If an enterprise cannot propose improvements or plans for its potential risks, we avoid engagement or refrain from increasing existing investment positions.

Responsible Investment

Responsible Investment Process

Based on the characteristics of each business type, the Company integrates ESG screening standards into the relevant regulations for main businesses and establishes internal mechanisms to implement the sustainable principles of responsible investment. When executing proprietary trading (medium to long-term investment positions), underwriting, and advisory services, we follow the responsible

investment process outlined below and carry out screening procedures accordingly. This approach reduces potential ESG risks as we support corporate sustainable development through funding and financial services.



ESG Risk Monitoring and Assessment

Proprietary Trading

The assessment of changes in ESG-related risks associated with the invested companies is required for Yuanta Securities' proprietary trading operations. Investment reviews are conducted, and relevant records are kept for reference. For companies with higher ESG risks, we strengthen control measures. The ESG screening process for proprietary trading involves our internal personnel evaluating the invested companies' Bloomberg ESG scores, referencing domestic and international ESG indices, and reviewing information from listed company websites, stock exchange websites, central depository websites, and Bloomberg data.

To actively manage environmental, social, and governance risks, our proprietary trading unit continuously monitors the trading activities, operational activities, financial changes, and sustainable development status of the invested companies. The proprietary trading unit assesses ESG issues that may have significant impacts and monitors various ESG aspects. Furthermore, the Risk Management Department periodically monitors the use of climate change risk indicators to ensure compliance with authorization regulations.

Before making proprietary investment and trading decisions, other than the exclusion of prohibited companies, the trader must complete the "Responsible Investment Checklist" to evaluate the ESG compliance of the companies being assessed. If the target company falls under the industries

regulated by Yuanta Financial Holdings' "Industry-Specific Environmental and Social Risk Management Rules", namely steel manufacturing, plastic manufacturing, and semiconductor manufacturing specified in "Large Exposures Management Rules of Yuanta Financial Holdings", then it must also be assessed using the "Industry-Specific Environmental, Social, and Governance Risk and Opportunity Management Checklist". Upon completing the aforementioned review procedures, approval for ESG evaluation report from department supervisors or through meeting resolutions is required before the investment and underwriting advisory decisions can be executed.

Underwriting

Within the Company's underwriting operations, front-end case handlers are responsible for the business development and client relationship management for domestic TWSE/TPEx listings, and the first listings of overseas companies, as well as providing fundraising and financial services for domestic and overseas listed companies. To promote the spirit of responsible investment, underwriting decisions should be made based on PRI provisions and its spirit, and relevant cases should be evaluated for ESG (environmental, social, and corporate governance) compliance using the "Responsible Investment Checklist" in accordance with the "Yuanta Securities Proprietary Trading Decision-Making Guidelines".

For cases that involve industries regulated by Yuanta Financial Holdings' Industry-Specific Environmental and Social Risk Management Rules, an additional evaluation using the "Industry-Specific Environmental, Social, and Governance Risk and Opportunity Management Checklist" is required before subscribing or underwriting. The selection of cases should exclude companies prohibited by Yuanta Financial Holdings' Sustainable Finance Guidelines and Yuanta Securities' Investment Management Policy. Also, in adherence to the guidelines, support should be given to or further evaluation should be conducted of the industries these companies are in. If a decision has been made to subscribe or underwrite for industries requiring further evaluation, the reasons for such a decision should be explained.

Prohibited companies for investment and underwriting include those sanctioned by regulatory authorities according to anti-money laundering and counter-terrorism financing laws, or engaged in illegal activities such as arms manufacturing, buying, selling, and trading, or illegal gambling. Where the Company is involved in the investment or underwriting of industries associated with coal-fired power generation, coal, or unconventional oil and gas industries, ESG risk assessments are enhanced. For companies with controversial issues, due diligence investigation and careful evaluation should be strengthened to mitigate significant adverse impacts on ESG and sustainable development.

ESG Factors Integrated into the Selection Process in Proprietary Trading and Underwriting

ESG Evaluation	Prohibited business engagements	Enterprises with controversial issues	ESG indicators evaluation	Industry-specific ESG checklist (Steel, plastics or semiconductor industries)
	<ul style="list-style-type: none"> Engaging with entities sanctioned by regulatory authorities under anti-money laundering and counter-terrorism financing laws. Engaging in illegal arms manufacturing, buying, selling, and trading. Engaging in illegal gambling activities (including underground and online gambling). 	<ul style="list-style-type: none"> Occurrence of significant environmental violations leading to suspension or closure in the past two years. Occurrence of human rights violations leading to suspension or closure in the past two years. Occurrence of major labor rights disputes leading to suspension or closure in the past two years. Occurrence of significant corporate governance issues leading to suspension or closure in the past two years. Occurrence of significant issues related to money laundering or terrorism financing activities leading to suspension or closure in the past two years. Engagement in activities related to pornography, wildlife poaching or habitat destruction, or the use of internationally banned chemicals/drugs/pesticides/herbicides, or radioactive materials. 	<ul style="list-style-type: none"> The issuer is a government entity. Those who have conducted assessments on all topics of sustainable finance or industry-specific ESG risk and opportunity management assessment within the past year. Pre-trade investment inventory: Bond department's investments position < NT\$1 billion Securities department's medium- and long-term investments < NT\$ 600 million Underwriting or subscription positions: Emerging stock subscription < NT\$ 100 million Capital increase underwriting < NT\$ 200 million Convertible bonds (including overseas) < NT\$ 600 million Bloomberg ESG Scores indicators : RobecoSAM or Sustainalytics or Bloomberg ESG disclosure ≥ 50 or Bloomberg ESG score indicator: The result of historical and peer evaluations has less than 2 "Poor" rating Whether the company is included in domestic and foreign ESG ETF components or sustainability index components. 	<ul style="list-style-type: none"> ESG engagement and policy commitment <ul style="list-style-type: none"> Disclosure of ESG-related information through public channels Obtaining external sustainability-related awards in the past year Establishing a dedicated ESG risk unit Identifying ESG issues of concern to stakeholders Respond to domestic or international ESG initiatives ESG risk and opportunity management <ul style="list-style-type: none"> Establishing climate change risk assessment and energy efficiency improvement Developing pollution prevention and control action plans Establishing response measures for occupational health and safety management Social care and labor rights action plans Disclosure of corporate governance information

Institutional Investor Stewardship

Yuanta Securities signed the “Stewardship Principles for Institutional Investors” in 2018 and updated the latest compliance statement on September 21, 2020. A dedicated “Institutional Investor Stewardship” section is available on the Company’s website for stakeholders to access relevant policy statements and reports. Yuanta Securities actively implements responsible investment by continuously monitoring key issues that concern our invested companies, striving to leverage its expertise and influence as an institutional investor. We are committed to fulfilling the responsibilities of asset owners and enhancing the long-term interests of the Company and shareholders, fully embodying the spirit of responsible investment. Yuanta Securities is recognized in the “Best List of Institutional Investors for the Disclosure of Stewardship Information for 2023” announced by the Taiwan Stock Exchange on December 29, 2023 for its endeavors.

Responsible Investment Screening

Before engaging in proprietary trading, underwriting, and advisory services, the Company uses the “Responsible Investment Checklist” to evaluate investment targets and companies in need of advisory services. Prior to investment, ESG compliance is reviewed as the first step of screening. In 2023, a total of 179 companies were evaluated using this checklist.

Responsible Investment Evaluation Overview in 2023

Business	Number of companies evaluated
Securities investment	19
Bond investment	43
Investment bank underwriting and advisory services	117
Sum	179

Once a company passes the responsible investment screening, each business unit will further evaluate whether to proceed with proprietary trading or to provide underwriting and advisory services to the company. As of the end of 2023, the propriety trading sector’s inventory positions that comply with Sustainable Finance Principles are categorized by industry as follows.

Cases Approved under the Sustainable Finance Principles - Proprietary Investment

Unit: NT\$ thousand

Industry		Number of cases	Amount
General industries	Government Agencies	22	15,350,417
	Finance and Insurance	4	1,550,060
	Government-owned Enterprises	4	2,400,000
	Semi-conductor Industry	2	1,200,000
	Plastics Industry	1	400,000
	Food Industry	1	600,000
Sum		34	21,500,477

Note: Proprietary investments include securities investments and bond investments, with the amounts calculated based on the total investment scale as of December 31, 2023. As all securities investments were liquidated by the end of December 2023, the table only reflects the data of bonds.

If the investment targets are in industries of high environmental and social risks, such as steel manufacturing, semiconductor manufacturing, and plastic raw material manufacturing, the ESG risk and opportunity management screening is conducted using the “Industry-Specific Environmental, Social, and Governance Risk and Opportunity Management Checklist”. Investments are prohibited in entities sanctioned by competent authorities and companies engaged in illegal activities. In 2023, a total of 9 companies were assessed.

Responsible Investment Evaluation Overview in 2023 (Plus ESG Risk and Opportunity Management Checklist)

Business	Number of companies assessed
Securities investment	7
Bond investment	2
Investment bank underwriting and advisory services	0
Sum	9

Cases Approved under the Industry-Specific Environmental and Social Risk Management Rules – Proprietary Investment

Unit: NT\$ thousand

Industry		Number of cases	Amount
Industry with high environmental and social risks	Iron and steel industry	0	0
	Semiconductor industry	2	1,200,000
	Plastics industry	1	400,000
Sum		3	1,600,000

Note:

1. All cases approved under the Industry-Specific Environmental and Social Risk Management Rules have been reviewed and evaluated in accordance with the Sustainable Finance Principles.
2. The three industries of high environmental and social risks are subject to the provisions of the “Large Exposures Management Rules of Yuanta Financial Holdings”.
3. Proprietary investments include securities and bond investments, with the amounts calculated based on the total investment scale as of December 31, 2023. As all securities investments were liquidated by the end of December 2023, the table only reflects the data of bonds, with two cases in the semiconductor industry pertaining to the same company.

Cases Approved under the Sustainable Finance Principles - Fixed Income Underwriting

Unit: NT\$ thousand

Industry	Number of cases	Underwriting income
Semiconductor industry	6	12,690
Finance and insurance	7	2,299
Other industries	6	5,150
Government-owned enterprises	4	3,952
Sum	23	24,091

Note: Underwriting income refers to the income from handling fees.

Cases Approved under the Sustainable Finance Principles - Equity-Linked Underwriting

In 2023, a total of 117 IPO and SPO case evaluation meetings were held, of which 68 were underwritten within the same year. The industry sectors and underwriting amounts are listed in the table below.

Unit: NT\$ thousand

Industry	Number of cases	Underwriting amount
Electronics	20	4,005,361
Biotechnology and Medical	5	527,847
Others	12	1,284,966
Computer peripherals	2	99,400
Finance and insurance	2	450,000
Semiconductor	6	1,182,868
Optoelectronics	2	264,937
Communications network	4	446,901
Electrical appliances and machinery	6	1,149,240
Automotive	4	280,350
Maritime transport	1	1,500
Plastics	1	2,805,600
Information services	3	212,825
Sum	68	12,711,795

Note: The underwriting amount is the amount underwritten.

Responsible Investment Engagement

Yuanta Securities adheres to the commitments of “Institutional Investor Stewardship”. When investing in domestic listed companies, we also follow relevant policies of Yuanta Financial Holdings and Yuanta Securities to assess whether the actions of the invested companies align with ESG issues and Sustainable Finance Principles. During the evaluation of invested company compliance with the aforementioned principles, engagement methods may be adopted, such as written communications, questionnaires, emails, phone calls, verbal discussions, participation in investor conferences, educational training, shareholder meeting proposals, and, if necessary, holding ESG engagement meetings. These interactions and communication with the management of the invested companies help us understand the risks they face and their sustainable development strategies. We also express our opinions, relevant concepts, action plans, and expectations to strengthen the corporate governance of the invested companies and to jointly promote the spirit and actions of sustainable development.

After engaging with the invested companies, the engagement unit will track whether the companies have responded to or improved upon the engagement items. The unit will also monitor whether the Company and the invested companies have implemented the agreed consensus or resolutions. If necessary, with regard to the differences, further discussions and adjustments can be made, or improvement plans can be suggested to track their implementation. The completion status of each engagement item should serve as a reference for continued investment or adjustments in the invested company. If the invested company does not respond to or improve upon the engagement, the

Company may re-examine and evaluate the company. If significant adverse impacts are found, we may restrict or adjust our investment positions in the company, and we may consider collaborating with other financial institutions, industry associations, or government organizations to jointly express our demands.

In accordance with Yuanta Securities' "Stewardship Principals for Institutional Investors", the responsible departments will remain focused on the invested companies and engage in appropriate dialogues and interactions concerning ESG-related issues. Moreover, they will work together with various organizations on initiatives that help fulfill stewardship and sustainable development relevant issues. In 2023, the Company interacted and engaged with 288 invested companies and potential investment targets. The interaction statistics are as follows.

Interaction and Engagement with Invested Companies		
Engagement method \ Year	2022	2023
Participation in shareholders' meeting	184 meetings	264 meetings
Company visit (including advisory meeting)	549 visits	608 visits
Email discussion	3,331 discussions	3,707 discussions
Telephone (or video call) communication	3,637 calls	3,674 calls
Participation in investor conference (or business performance press conference)	178 conferences	281 conferences

Unit: Number of engagements

Category \ Year	2022	2023
Environmental issues	37	31
Social issues	8	39
Governance issues	233	463
Sum	278	533

Note: Environmental issues: Climate change, energy conservation and carbon reduction, sustainable procurement, biodiversity, water use and wastewater management, packaging material and waste management, toxic substances release, etc.

Social issues: Human rights, labor rights, employee gender diversity, corporate product responsibility, social welfare, customer service, etc.

Governance issues: Board of directors' performance, board gender diversity, board independence, shareholder and stakeholder rights, corporate governance information transparency, supply chain management, business strategy, etc.

The Company has set up a dedicated "Institutional Investor Stewardship" section on its official website, where the 2023 Institutional Investor Stewardship Report, records of interactions and engagements with invested companies, shareholders' meeting voting records, pertinent regulations, and signed documents are disclosed. The Institutional Investor Stewardship Report details the attendance or proxy attendance at shareholders' meetings of invested companies, including records of speeches made at shareholders' meetings and other relevant information.

Yuanta Securities Institutional Investor Stewardship Section



Interaction and Engagement Cases in 2023

Engagement target	TSMC	Quanta Computer
Purpose of engagement	The wafer manufacturing industry is highly electricity-consuming. The manufacturing process also involves using large amounts of water to clean the wafers, resulting in wastewater. Yuanta Securities has urged TSMC's management to propose medium to long-term improvement plans through interaction and communication with TSMC.	The ODM manufacturing industry is labor-intensive. At the end of 2022, Quanta Computer had about 62,000 employees, and the employment conditions are highly correlated with its operational development. Our interaction and communication with Quanta focused on issues related to corporate governance and supply chain management.
Engagement content	Through communication and discussions with the management, key issues such as TSMC's green electricity usage plans, medium to long-term greenhouse gas reduction targets, wastewater treatment, and water resource conservation were discussed.	Through methods such as investor conferences, shareholders' meetings, telephone calls, and on-site visits, we aim to understand Quanta Computer's specific measures for implementing ESG and to exchange views on its future policies for sustainable development, including labor rights and supply chain management disclosure principles.
Impact on engagement target	1. Though TSMC does not have plans to build green power plants in Taiwan, it will purchase green electricity at higher prices to support local suppliers and urge its suppliers to purchase green electricity as well, thereby reducing the carbon emissions of the production chain. On the other hand, all new overseas plants are planned to operate on green electricity as TSMC continues to increase the proportion of green electricity usage with the goal of achieving carbon neutrality by 2050. 2. TSMC has installed rainwater recycling systems in its plants. The reclaimed water plant in the Southern Taiwan Science Park began operation in 2022, providing 10,000 tons of water daily, with an expected increase to 36,000 tons daily by 2026. New overseas plants will also set up reclaimed water plants to improve wastewater reuse rates.	After comprehensive consideration by the management, considering its plants in Shanghai, Chongqing, Taoyuan, Thailand, and Mexico, Quanta Computer promotes health promotion activities, health checks, and internal training systems in various plants to achieve labor diversity and mitigate supply chain management risks, thereby improving employee welfare and achieving talent retention.

Engagement target	TSMC	Quanta Computer
Impact on Yuanta Securities' investment decisions	Compliance with ESG regulations and continuous improvements in environmental issues benefit production process management and cost control, thereby making it a potential investment target as it achieves the Company's goals of sustainable operation and stable growth.	Compliance with ESG regulations and continuous improvements in production bases and supply chain management benefit operational performance and mitigate geopolitical risks, thereby making it a potential investment target as it achieves the Company's goals of sustainable operation and stable growth.
Follow-up efforts	We continuously monitor TSMC's achievements in energy saving, carbon reduction, and sustainable operation through participation in investor conferences, shareholders' meetings, on-site visits, telephone or video conferences, and checking the Market Observation Post System (MOPS) for relevant information uploads and announcements.	We continuously monitor Quanta Computer's status in ESG-related issues through participation in investor conferences, shareholders' meetings, on-site visits, telephone or video conferences, and checking the Market Observation Post System (MOPS) for relevant information uploads and announcements. Continuous monitoring is reviewed and executed in line with Yuanta Securities' due diligence governance regulations.

In IPO/SPO cases, the Company incorporates the spirit of sustainability, aiming to engage in ESG dialogues with the companies we provide advisory services before their listing. This helps the companies become more aware of sustainability in their corporate governance and operations and to develop corresponding plans for sustainable operations.

Engagement target	Reason for interaction and engagement	Interaction and engagement content	Impact and follow-up efforts
InnoCare Optoelectronics	<p>Yuanta Securities has been serving as the lead advisory brokerage since 2020, offering assistance in public offerings and emerging stock market registration.</p> <p>Listing application: July 2022 Official listing: March 2023</p>	<ol style="list-style-type: none"> 1. InnoCare Optoelectronics has obtained environmental management certifications such as ISO14001, ISO14064-1, ISO45001, and TOSHMS, laying the foundation for environmental sustainability. 2. InnoCare Optoelectronics partners with National Cheng Kung University and Rotary International on a mobile X-ray screening campaign for early lung cancer detection in Yunlin, Chiayi, Tainan, and Penghu, enhancing health quality in rural areas. 3. We assist in the selection of independent directors, the establishment of the remuneration and audit committees, and information disclosure on stakeholder communication, corporate governance, promotion of sustainable development, and integrity management on the company's website, thereby strengthening corporate governance and information transparency. 	<p><u>During the advisory period</u> Regularly held meetings with the company through telephone, email, video conferences, and on-site visits to assist with listing, improve corporate governance, and ensure sustainable operations.</p> <p><u>Follow-up efforts</u> Check the Market Observation Post System (MOPS) and the company's official website.</p>
HYE Technology	<p>Yuanta Securities has been serving as the lead advisory brokerage since 2022, offering assistance in public offerings and emerging stock market</p>	<ol style="list-style-type: none"> 1. HYE Technology is dedicated to the research, development, manufacturing, and sales of intelligent automation equipment and vision inspection AOI machines. Its product manufacturing process does not generate environmental pollution. 2. We assist HYE Technology in establishing and strengthening 	<p><u>During the advisory period</u> Regularly held meetings with the company.</p> <p><u>Follow-up efforts</u> Check the Market Observation</p>

	<p>registration.</p> <p>Listing application: October 2022</p> <p>Official TPEX listing: June 2023</p>	<p>corporate governance by reviewing the suitability of independent directors, setting up functional committees such as the audit and remuneration committees, and promoting ESG corporate sustainability development, corporate risk management, corporate integrity management, and corporate governance operations.</p>	<p>Post System (MOPS) and the company's official website.</p>
Gogolook	<p>Yuanta Securities has been serving as the lead advisory brokerage since 2022.</p> <p>Innovation board listing application: December 2022</p> <p>Official listing on the innovation board: July 2023</p>	<ol style="list-style-type: none"> 1. Gogolook is primarily engaged in the development of internet and cloud anti-fraud technology applications and related solutions, while also integrating innovative fintech and AI analysis applications. Yuanta Securities, through telephone, email, video conferences, and on-site visits, understands Gogolook's relentless efforts in anti-fraud services dedicated to reducing the risk of fraud for the public. 2. We assist Gogolook in the selection of independent directors, the establishment of the remuneration and audit committees, and information disclosure on stakeholder communication, corporate governance, promotion of sustainable development, and integrity management implementation on the company's website, thereby strengthening internal management and information transparency. 	<p><u>During the advisory period</u></p> <p>Regularly held meetings with the company through telephone, email, video conferences, and on-site visits to assist with its listing on the innovation board, improve corporate governance, and ensure sustainable operations.</p> <p><u>Follow-up efforts</u></p> <p>Check the Market Observation Post System (MOPS) and the company's official website, review its financial data and observe the operation of its board of directors.</p>
Winstar Display	<p>Yuanta Securities has been serving as the lead advisory brokerage since 2022, offering assistance in public offerings and</p>	<ol style="list-style-type: none"> 1. Through on-site interviews, telephone communications, emails, advisory meetings, and participation in Winstar Display's board and shareholders' meetings, Yuanta Securities understands that Winstar Display's products comply with RoHS and EU REACH: SVHC restrictions on 	<p><u>During the advisory period</u></p> <p>Regularly held meetings with the company through telephone, email, video conferences, and on-site visits.</p>

	<p>emerging stock market registration.</p> <p>Listing application: July 2023 Official listing: December 2023</p>	<p>substances of very high concern and have passed SGS ISO9001 and ISO14001 factory production certifications.</p> <p>2. We assist Winstar Display in the selection of independent directors, the establishment of the remuneration and audit committees, and the appointment of a corporate governance officer. We ensure that the board of directors includes at least one female director and the company discloses information on stakeholder communication, corporate governance, promotion of sustainable development, and integrity management implementation on its website, thereby strengthening corporate governance and information transparency.</p>	
Skytech	<p>Yuanta Securities has been serving as the lead advisory brokerage since 2022, offering assistance in public offerings and emerging stock market registration.</p> <p>Listing application: July 2023 Official listing: December 2023</p>	<p>1. Skytech is dedicated to the technical research and development, manufacturing, maintenance, and sales of semiconductor equipment and related spare parts. Its product manufacturing process does not generate environmental pollution.</p> <p>2. We assist Skytech in establishing and strengthening corporate governance by reviewing the suitability of independent directors, setting up functional committees such as the audit and remuneration committees, promoting ESG corporate sustainability development, corporate risk management, corporate integrity management, and corporate governance operations.</p>	<p><u>During the advisory period</u> Regularly held meetings with the company through telephone, email, video conferences, and on-site visits to assist with listing, improve corporate governance, and ensure sustainable operations.</p> <p><u>Follow-up efforts</u> Check the Market Observation Post System (MOPS) and the company's official website.</p>

Sustainability Bond Investments and Underwriting

Performance in Underwriting Sustainability Bonds

Yuanta Securities, as the leading brokerage with the highest market share in bond underwriting, carries out evaluations following the Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG) of the International Capital Market Association (ICMA). We also adhere to the regulations of TPEX for sustainability development bonds, actively cooperating with the competent authority to promote the sustainability bond market while striving to serve as the lead brokerage of more sustainability bonds. Yuanta Securities has undertaken the role of lead underwriter for several sustainability-linked bonds newly launched by TPEX. Notably, in 2022, we guided Far Eastern New Century and Chi Mei Corporation in issuing two sustainability-linked bonds for the first time. By leveraging market mechanisms to direct funds towards sustainable development financial products, Yuanta Securities collaborates with bond issuers and investors to exert financial influence, striving to reduce the environmental impact of operations and fulfill its commitment to promoting the sustainability bond market. Yuanta Securities' active role in the underwriting of green bonds for domestic enterprises and banks was recognized by the "Outstanding Green Finance Award" at the 17th Golden Goblet Awards in 2023. We will continue to fulfill our corporate social responsibility and implement environmental sustainability.

In 2023, Yuanta Securities offered underwriting services to a total of 23 sustainability bonds, including 11 green bond underwriting cases for companies such as TSMC, Taipower, UMC, and Far Eastern New Century; 6 sustainability bond underwriting cases for Taiwan Cooperative Bank, Mega International Commercial Bank, First Bank, Bank of Taiwan, and Korea Expressway Corporation; 4 social responsibility bond underwriting cases for FarEasTone Telecommunications, E.SUN Commercial Bank, and Shinhan Bank; and 2 sustainability-linked bond (SLB) underwriting cases for Hon Hai and Chi Mei Corporation, totaling NT\$14.473 billion. The funds raised from the issuance of these bonds are used for applications related to the development of green energy, such as renewable energy and energy technology development, energy efficiency improvement, energy conservation, greenhouse gas reduction, and waste recycling or reuse. In terms of social benefits, the funds support affordable housing to enhance socio-economic development and rights protection. Yuanta Securities will continue to take practical actions to assist in the development of green energy technology, care for society, and improve people's well-being.

Unit: NT\$ thousand

Business	Bond type	Purpose of fund	Amount (balance)
Underwriting	Green bond	Renewable energy, energy technology development, waste recycling or reuse, other climate change adaptation or other TPEX-approved purposes	8,840,000
	Social responsibility bond	Basic service needs, job creation, and projects that can mitigate or avoid unemployment caused by socio-economic crises, socio-economic development and rights protection	1,475,610
	Sustainable bond	Renewable energy and energy technology development, greenhouse gas reduction, waste recycling or reuse	3,357,930
	Sustainability-linked bond (SLB)	Scope 1 and Scope 2 greenhouse gas emissions reduction, the percentage of manufacturing-use water from the water recycling system	800,000
Sum			14,473,540

Unit: NT\$ thousand

Year	2022			2023		
Type	Underwriting amount	Total bond underwriting value	Proportion to total bond underwriting value	Underwriting value	Total bond underwriting value	Proportion to total bond underwriting value
Green bond/social bond/sustainable bond underwriting	17,800,000	106,850,000	16.66%	13,673,540	98,730,000	13.85%
Sustainability-linked bond underwriting	2,600,000		2.43%	800,000		0.81%
Sum	20,400,000		19.09%	14,473,540		14.66%

Performance in Sustainability Bond Underwriting

In terms of sustainability bond investments, the Company continues to support green funding and carbon reduction projects by investing in green bonds. As of the end of 2023, the total investments in green bonds amounted to NT\$927 million.

Business	Bond type	Purpose of fund
Investment	Green bond	Renewable energy, energy technology development, waste recycling or reuse, other climate change adaptation or other TPEX-approved purposes.

Performance in ESG Thematic Advisory Services

Yuanta Securities actively provides business advisory services related to IPO, SPO, capital increase, and convertible bond issuance for environmentally friendly industries, social welfare industries, and other sustainability-related industries.

Category	2022			2023		
	IPO/SPO sustainability advisory service value	Total advisory service value	Proportion to total advisory service value	IPO/SPO sustainability advisory service value	Total advisory service value	Proportion to total advisory service value
Environmentally friendly and social rights-related industries	7,157,471	14,661,025	49%	12,056,079	12,711,795	95%
Other sustainability-related enterprises	7,503,554		51%	655,716		5%
Sum	14,661,025		100%	12,711,795		100%

Note: The total advisory service value is the underwriting amount.

Implementation of Sustainable Development Policies

Guidelines for the Recognition of Sustainable Economic Activities

The Company's investment banking operation follows Yuanta Securities' "Proprietary Trading Decision-Making Guidelines" and "Underwriting Committee Operation Rules". During case meetings and underwriting meetings, we check whether clients meet responsible investment criteria and refer to the

“Guidelines for the Recognition of Sustainable Economic Activities” issued by the competent authority to take relevant industries into consideration of investment decision-making and investment target selection. Companies that our investment banking section has offered IPO and SPO advisory services, such as TSEC, Actron, TPK-KY, CSRC, Chung Tai Resource Technology, Hephas, and PlayNitride-KY, are companies of “Forward-Looking Economic Activities” listed in the “Guidelines for the Recognition of Sustainable Economic Activities”. In addition, the company’s bond position in 2023 is NT\$28.44 billion, and the amount of bond investment falling under the “General Economic Activities” listed in the “Guidelines for the Recognition of Sustainable Economic Activities” is approximately NT\$4.55 billion, accounting for 16% of the total New Taiwan dollar bond investment.

Taiwan’s 2050 Net Zero Emissions Pathway and Strategy

Yuanta Securities follows the policies of competent authorities. In 2023, we invested approximately NT\$27.6 billion in bonds within the “Twelve Core Strategic Industries”, accounting for 41% of our total New Taiwan dollar bond investments.

Our company regularly conducts client interviews during the advisory period of IPO projects, assisting them in developing and implementing various regulations and policies in line with the corporate governance and sustainable development best practice principles required by the competent authority. In addition, for hosting the advisory of IPO projects, we also assist clients in formulating various rules and policies in accordance with relevant regulations, and track and improve the implementation of client corporate governance evaluation indicators to help achieve net-zero transformation goals. Relevant coaching cases: For example, companies such as Chung Tai Resource Technology, Hephas, and DAS Technology, are listed in the “Twelve Core Strategic Industries”.

Diversified Implementation of Sustainable Finance

Sustainable ETN

In recent years, sustainable development has become the top priority for enterprises, and the impact of climate change highlights the importance of green operations. The vibrant performance of ESG targets in the ETF market indicates that ESG metrics are increasingly considered crucial information for investors. International enterprises are turning to focus on the ESG performance of their partners, and companies are incorporating sustainable management policies into their development strategies. Considering these trends and research in the field, Yuanta Securities aims to issue ESG investment products by linking to ESG-related indices. As of the end of 2023, we have launched 7 ETN products that align with the spirit of ESG, with 82,000 units in circulation and a total circulation amount of approximately NT\$570 million, providing investors with new options for participating in ESG investments. This allows them to pursue investment returns while making an active impact on sustainability issues such as climate change.

Trend	Product	Features
Enterprises with excellent sustainability performance	Yuanta ESG HD ETN (Tracks Selected ESG High Dividend Payout Index)	It is a selection of the top 20% of listed companies with high ESG scores, with constituent stocks possessing mainstream market characteristics. The industries include semiconductor, finance, electronics, telecommunications, and construction, providing diversified investment in well-performing sustainable development companies with high dividends.
	Yuanta TPEX ESG Growth ETN (Tracks TIP Customized TPEX ESG Growth Total Return Index)	It implements precise ESG index selection strategies for investment, measuring sustainability while also employing “growth indicators” to select companies with excellent revenue, earnings, market value, and profit growth performance.
	Yuanta TPEX ESG High Dividend Total Return ETN (Tracks Selected ESG High Dividend Payout Index)	It is the first dividend-paying ETN in the market with a focus on investments in high ESG-scoring TPEX listed companies with high dividends. It distributes dividends annually.
	Yuanta ESG HD (Payout) ETN (Tracks Selected ESG High Dividend Payout Index)	It is linked to the “Selected ESG High Dividend Total Return Index” which includes high sustainability scores, profitable, and high-yield constituent stocks, following an index stock selection strategy.
	Yuanta TPEX ESG LDR ETN (Tracks Selected OTC ESG Leader Return Index)	It tracks the “Selected TPEX ESG Leaders Total Return Index”, compiled in cooperation with the TPEX and Taiwan Index Plus based on the “Taiwan Sustainability Evaluation” model developed by the Center for Corporate Sustainability at National Taipei University. Supplemented by indicators such as profitability, ESG metrics, volatility, and market capitalization, it selects 10 to 20 constituent stocks. The index is compiled using ESG-adjusted free float market capitalization weighting, highlighting TPEX stocks that value sustainability, profitability, and market representativeness with dividend-inclusive investment performance.
Alternative energy	Yuanta Green Energy ETN (Tracks the Selected Taiwan Listed and TPEX Green Energy Total Return Index.)	It is linked to the Selected Taiwan Green Energy Total Return Index, with constituent stocks being those in Taiwan focusing on the solar power and wind power generation industry chains.
	Yuanta EVR Total Return ETN (Tracks the Selected Taiwan Electric Vehicle Representative Total Return Index.)	It invests in 10 to 20 Taiwanese companies across the electric vehicle industry chain from upstream to downstream. The index constituents include outstanding Taiwanese companies specializing in electric vehicle power systems, charging stations, and battery components.

	Yuanta EVR ETN (Expired and delisted in December 2023)	It provides customers with an investment channel to track top Taiwanese electric vehicle-related companies, encouraging them to focus on the development of Taiwan's EV industry and guiding customers to align with the global emphasis on EV industry development.
--	--	--

Green Energy Warrants

In recent years, due to the impact of climate change, green energy has become a key focus for industrial development. And with the rise of environmental awareness, green electricity has become a major development goal for governments worldwide. In response to market demand, Yuanta Securities has issued green energy-linked warrant products. The Company has market shares in green energy-linked warrants from 2021 to 2023 were 21.9%, 23.4%, and 22.1%, respectively, holding the top market position for three consecutive years.

Number of outstanding green energy-linked warrant products			
Solar energy	Wind power generation	Water resources	Air pollution prevention and control
159	349	21	84

ESG Funds

In order to implement green finance, Yuanta Securities has set up an “ESG Fund Section” on the wealth management website since 2021. In this section, customers can inquire about domestic and overseas ESG-related funds which are from “ESG Fund Zone” of the CHEP Clearing House Fund Information Observatory, to receive fund information, use it as a reference for investment decisions, and promote sustainable financial development. The sales kits and DMs of the fund products sold by the Company are mainly based on the public version of the fund issuing companies, and the relevant documents provided by the fund companies have been reviewed by the companies’ legal compliance. If the fund is classified as an ESG fund, its offering documents would disclose it appropriately.

Promoting Customer Participation and Driving ESG Development

In the post-pandemic era, the global focus on sustainable development, the acceleration of climate change mitigation, and economic variables such as inflation have prompted investors to re-evaluate their asset portfolios, leading to rising demand for ESG products. Amid the digital finance tide, Yuanta Securities offers customers up-to-date online investment and wealth management services. Our official website is continuously enhanced, with a dedicated section for sustainable ETN products and an “ESG Fund Section” on the wealth management website. Through these websites, we promote green financial products to investors and introduce international sustainability trends, increasing the visibility and recognition of ESG products. The selection of high ESG-scoring companies and ESG index screening strategies are explained to customers through a simple and convenient user interface. Furthermore, through the “Mr. Yuanta APP”, customers can access investment channels conveniently. In collaboration with investors, we are leveraging the green financial impact of ESG products to create a sustainable digital financial ecosystem.



Yuanta Securities “ETN Section”	Yuanta Securities Wealth Management “ESG Fund Section”	Yuanta Securities “Mr. Yuanta Investment Section”
---------------------------------	--	---

4.2 Financial Products and Innovative Services

To enhance the accessibility and convenience of financial services while addressing the financial needs of disadvantaged groups, Yuanta Securities regularly reviews international trends and social issues to design financial products and friendly services that meet these needs based on its securities business. Committed to the continued provision of affordable financial products and services that cater to the needs of the general public, we echo the international community, striving to achieve the ultimate goal of inclusive finance.

The Company also actively leverages financial technology for digital transformation, establishing integrated online and offline service channels. This enables our provision of innovative digital financial experiences to the public that eradicate time and geographical constraints. To meet the diverse needs of different groups, we will continue to develop innovative products and promote appropriate services that reduce the wealth gap, promote social equity, and foster inclusive economic development and growth. This will enhance the well-being of the general public and implementation of financial inclusion.

Financial Inclusion Investment Tools

Odd-Lot Trading

The intraday and after-market odd-lot trading mechanisms significantly lower the investment threshold, allowing individuals with limited funds to participate in the capital market with small amounts of money. The Company provides various electronic platforms for order placement through the Mr. Yuanta APP, eWinner, Yeswin, and the Company's official website, offering convenient channels for retail investors to easily and effortlessly participate in Taiwan stock investments.

Year	2022		2023	
Type	Intraday	After- Market	Intraday	After- Market
Total number of investment accounts for the year	511,202	181,312	563,344	208,921
Number of transactions	13,887,542	829,766	18,784,466	978,983
Total investment of the year (in NTD100 million)	1,773.68	111.42	2431.77	126.93

Systematic Investment Planning (SIP) in Funds

In response to the government's financial inclusion policy, the Company's wealth management trust section adjusted its operating policy in August 2020 by lowering the financial proof amount for account opening to NT\$30,000 and setting the minimum monthly investment amount at NT\$3,000. This makes it convenient for small investors to accumulate wealth through regular fixed-amount fund investments. The Company will continue to promote regular fixed-amount investment services while optimizing the digital investment experience to enhance the availability and usability of financial

products, thereby implementing the core concept of financial inclusion.

Year	2022	2023	Growth rate ^{Note}
Systematic Investment Planning (SIP) Accounts	149,247	121,326	-18.71%
Number of scheduled deductions	3,334,550	2,561,884	-23.17%
Number of Scheduled deductions (<NT\$3,000)	2,340,026	1,798,406	-23.15%
Ratio of Number of Transactions below NT\$3,000 to Total Number of Transactions	70%	70%	-0%
Total investment amount for the year (100 million NTD)	133.68	104.26	-22.01%

Note: As market interest rates rise, customers are shifting part of their assets to invest in fixed-income products to earn stable returns.

Regular Shares Savings Plan

The Company offers a low-threshold stock investment method through regular fixed-amount investments, encouraging investors to participate in the capital market with small, long-term investments to accumulate wealth from an early stage. In 2023, the total investment amount for regular fixed-amount stock purchases reached NT\$17.959 billion, with approximately 64% of the transactions involving single investment amounts below NT\$3,000. The total number of investment accounts increased by 51% compared to 2022, reaching 165,600 accounts.

In addition, the Company holds review meetings every six months to discuss new targets and re-evaluate existing ones for regular fixed-amount investments. As of 2023, there are 3 investment portfolios, 23 ETFs, and 57 individual stocks available for regular fixed-amount stock investments. We also periodically launch transaction fee discount promotions to meet investors' needs.

Year	2022	2023	Growth rate
Regular Shares Savings Plan (RSSP) Accounts	109,930	165,636	51%
Total number of Scheduled Deductions	279,299	471,120	69%
Number of Scheduled Deductions (<NT\$3,000)	171,677	301,963	76%
Ratio of Number of Transactions below NT\$3,000 to the Total Number of Transactions	61%	64%	5%
Total investment amount for over the year (100 million NTD)	109.88	179.59	63%

Promotion of Regular Fixed-Amount Investment Services

To achieve financial inclusion, the Company has set up a "Regular Fixed-Amount Investment Promotion Section" on its official website, encouraging investors to develop financial habits through regular fixed-amount or small savings investments. The Mr. Yuanta APP is an electronic trading platform that offers regular investment services in Taiwan stocks, US stocks, and wealth management. It also introduces daily deductions for regular fixed-amount investments, allowing investors to choose any day of the month as the payment deduction day, with a minimum investment amount of only NT\$1,000. Paired with rigorously selected targets, investors can easily select suitable targets for long-term investments and create an ideal and effective stock saving plan. For regular fixed-amount fund

investments, the Company offers customers zero handling fees for regular fixed-amount deductions on Taiwan stock funds during their birthday month to promote regular fixed-amount investment services. In 2023, various marketing activities were held, and a new regular fixed-amount investment portfolio function was launched to provide customers with convenient regular investment services.

Warrant Products

Warrants are a type of financial product that allows participation in stock investments with less capital. Besides effectively lowering the entry threshold to the capital market, warrants also have the advantage of relatively low transaction taxes and fees, making them a suitable financial tool option for various types of investors. Yuanta Securities, as the leading warrant issuer in the domestic market, has been catering to market needs and promptly providing warrant products that meet market trends and the needs of the investing public. This enables investors to implement the trading strategy of “substituting stocks with warrants”.

To familiarize the investing public with the products and enhance the dissemination of professional financial knowledge, the Company offers a wealth of warrant knowledge and information on the “Yuanta Securities Warrants Online”. To further assist investors in learning about warrants easily, a dedicated teaching section along with instructional videos are available. Leveraging the far-reaching advantage of the internet, we offer investors a more comprehensive self-learning environment, free from time and geographical constraints, thus improving learning efficiency.

Unit: NT\$ thousand		
Year	2022	2023
Number of warrant products issued	12,958	14,639
Total issuance amount	124,474,578	110,198,624
Total transaction amount	188,451,865	160,434,728

To help investors easily incorporate relevant concepts into their investment decisions, the Company introduced the “Warrant Labels” information in 2023 on the “Warrant Online”. The selection criteria for the concept labels refers to index constituent stocks that meet “ESG”, “Green”, and “Sustainability” concepts. If a warrant is linked to a stock related to these concepts, the corresponding concept labels will be displayed with the relevant Yuanta warrants’ materials.

Digital Innovation Services

With the advent of the post-pandemic era, the development of digital finance has accelerated, giving rise to a digital economy boom. In response to this trend, Yuanta Securities has effortlessly launched digital transformation plans and strengthened its digital infrastructure. Moreover, we are committed to applying digital innovation to the customer experience, combining diverse investment products and services, and diversifying investment channels and forms to create timely services centered around the customer.

The Company has successfully transformed its online trading functions to be in line with the policies

promoted by competent authorities. We actively encourage investors to place orders electronically, which significantly simplifies the trading process and overcomes spatial and temporal limitations while also achieving the benefits of energy conservation and carbon reduction. In 2023, the average transaction ratio for electronic orders increased to 82%. We will continue to optimize our systems and refine electronic trading functions based on actual customer needs and feedback to reduce the time and cost associated with client transactions. In promoting sustainable financial development, the Company has set sustainability goals for the consistent optimization of online account opening processes. The progress is reported quarterly at the Company's Sustainable Development Reporting Committee meetings and presented to the Board of Directors.

Echoing competent authorities' financial policies, Yuanta Securities has taken the lead in promoting and implementing various policies to establish industry benchmarks. In 2023, the Company promoted the Open Securities service. In collaboration with third-party entities on the first phase of the "Open Securities Public Information Query" service, we shared open information on "Regular Fixed-Amount Investment Targets" and "Sub-brokerage Investment Targets" with partnering fintech service providers through the Financial Information Service Co., Ltd. (FISC) "Open API Platform", facilitating data sharing and utilization. By constructing a comprehensive and innovative fintech ecosystem, we continue to provide customers with more diverse and convenient new-form financial services, embodying the core value of financial inclusion.

Mr. Yuanta APP – Three New Highlights Introduced in 2023
<p>Highlight 1: FIDO identity verification</p> <p>The fast identity online (FIDO) identity verification mechanism is applied to online account opening and the group asset overview. Through an innovative data-sharing model, the user experience is optimized with accelerated efficiency of online account opening, presenting a one-stop overview of individual assets across the group's subsidiaries.</p> <p><u>Promotion achievements:</u> Since the launch of the FIDO identity verification mechanism, within less than half a year, it has accelerated the addition of 523 new accounts by integrating banking data via FIDO. The authorized group asset overview query reached 850 users.</p>
<p>Highlight 2: Regular fixed-amount investment function</p> <p>The integration of regular fixed-amount investment in Taiwan stocks, US stocks, and funds on the same platform (Mr. Yuanta APP) allows diversified participation in domestic and international markets, meeting customer needs for a one-stop shopping platform. Additionally, it lowers the investment threshold, with the minimum monthly investment for regular fixed-amount stock purchases being NT\$1,000.</p> <p><u>Promotion achievements:</u> In 2023, the number of uses reached 330,000, with a total of 1.92 million clicks.</p>
<p>Highlight 3: Stock selection indicators and market concept function</p> <p>Investors can use the Mr. Yuanta APP, computer application, and web to browse introductions to corporate governance of TWSE/TPEX listed companies, and Taiwan ESG constituent stocks as a reference for investment.</p> <p><u>Promotion achievements:</u> In 2023, the total number of uses reached 20,411 times.</p>

The 20th National Brand Yushan Award 2023 Best Products

★Small-Amount Investment Ecosystem

Product functions and features:

1. Comprehensive regular fixed-amount investment
2. Intuitive user experience with a simple interface
3. Small amount investments for popular overseas bonds
4. Complete overseas bond information with quick dividend calculation function

The “Mr. Yuanta APP” integrates regular fixed-amount investments in Taiwan stocks, US stocks, and funds, with a simple order interface and clear product information. Even first-time users can easily and quickly operate it to accumulate wealth through small amounts of capital. Furthermore, it also allows for the direct online trading of overseas bonds at a small amount, making overseas bond trading more convenient and accessible. The provided dividend calculation function helps investors better understand the expected investment amount and potential dividends.

★Intelligent Customer Service “Yuanta Intelligent Customer Service”

Product functions and features:

1. The digitalized service provides customers with faster and more accurate customer service experiences.
2. Comprehensive brain training is conducted to enhance the capacity of intelligent customer service.
3. Dual-brain semantic analysis intelligently responds to different scenarios.
4. Keyword-guided system with informative text and images.

In response to the development of digital finance and the rising proportion of online transactions, the Company has implemented AI technology and launched a 24-hour “Intelligent Customer Service Robot” equipped with thousands of answer templates. Based on extensive dialogue templates, it can answer a wide range of investment-related queries anytime online, including the most frequently asked questions about passwords and certificate application processes. It responds flexibly and helps customers resolve issues quickly, improving processing efficiency while operational costs are reduced.

“Yuanta Intelligent Customer Service” is a conversational robot powered by artificial intelligence and machine learning technologies, available on the “Mr. Yuanta APP” and the Yuanta Securities official website. It can automatically recognize customer questions and needs and quickly provide answers or guidance, thereby significantly reducing customer wait times.

The development team collects relevant information and frequently asked questions from various departments and feeds them into the training model. Post-launch, the database is continually adjusted based on customer satisfaction scores. The consultation brain of Yuanta Intelligent Customer Service handles questions with fixed answers, while the service brain deals with questions requiring external queries. The combination of the dual brains allows Yuanta Intelligent Customer Service to handle inquiries independently.

Financial Friendly Initiatives

Yuanta Securities is committed to promoting a friendly and sustainable financial environment. With fair customer treatment and friendly financial services at the core of our business service design mentality, our operations are customer-centric, and products and services are planned with empathy from the customer's perspective. We aim to make financial services accessible and equitable, achieving financial equality. Appropriate services and friendly initiatives are specifically designed to meet the needs of different groups. Details of our friendly services and achievements are detailed as follows.

Elderly	<ol style="list-style-type: none"> 1. Friendly digital services <ul style="list-style-type: none"> ● Voice broadcasts are provided during document signing, making it easier for customers to understand transaction plans and risks. ● A horizontal layout has been introduced on the Mr. Yuanta APP, allowing customers to place orders on a large screen interface. ● A font size enlargement option is provided for placing securities orders. 2. Friendly shareholder services <ul style="list-style-type: none"> ● Enlarged commonly-used forms and a writing board for two-way or one-way communication are available. ● A shareholder services section is available on the official website, offering "Senior Citizen Appointment Service" for customers aged 65 and above. 3. Retirement trust <ul style="list-style-type: none"> ● The Company participates in the "Portable Retirement Trust Account Plan" hosted by the Trust Association, which will be completed soon. In the future, it will allow customers to transfer their original retirement trust accounts to the payroll bank of their new employer, avoiding investment interruptions due to job changes and the difficulty of managing multiple retirement accounts. 4. Dedicated customer service <ul style="list-style-type: none"> ● The customer service hotline now features a "Priority for Seniors" function, where elderly customers can be identified by entering their ID number and then receive direct service from a dedicated representative.
Persons with disabilities	<ul style="list-style-type: none"> ● Voice broadcasts are provided during document signing, making it easier for customers with disabilities to access relevant information. ● For customers opening a new futures account, a field for "Possession of a Disability Certificate" was added to facilitate subsequent services as required. ● Wheelchair-accessible writing desks are available at shareholder service locations to assist those with restricted mobility. ● The "Financial Friendly Zone" on the official website has obtained an accessibility certification, providing services for visually impaired customers.
Youth	<ul style="list-style-type: none"> ● In line with the Civil Code amendment on lowering the age of majority, individuals aged 18 and above can open a securities account online. ● Multi-panel comics are used to explain trading rules, systems, and basic stock market knowledge. ● A simulated trading platform is provided for beginners to practice investment techniques at zero cost.

	<ul style="list-style-type: none"> ● Mr. Yuanta APP offers regular fixed-amount investment services for Taiwan stocks, US stocks, and funds, allowing young investors to flexibly manage their funds.
Foreigners and new immigrants	<ul style="list-style-type: none"> ● Bilingual services are available on the official website, providing a friendly service interface for non-Chinese users while promoting the internationalization of Taiwan's financial services environment. ● Among Yuanta Securities' 113 branches in Taiwan's six major municipalities, 84 of which have 1, 2 or more employees capable of providing bilingual financial services. ● In 2024, we will launch the "Mr. Yuanta APP English version", addressing the investment and financial management needs of foreigners, thereby implementing inclusive financial services.

Financial Investment Knowledge Promotion

Dedicated to providing the public with convenient and diverse financial products and services, Yuanta Securities consistently strives to meet various market needs through value innovation, information transparency enhancement, and the implementation of financial inclusion. In particular, to assist the younger generation in developing and accumulating financial literacy, we have long-term collaborations with colleges and universities on financial seminars and sponsorships for student clubs to host financial activities, promoting deep industry-academia exchanges and the dissemination of financial knowledge. In 2023, the Company organized a total of three campus seminars and conferences on financial expertise, with a total of 425 students participating.

Target		Initiative
Takming University of Science and Technology	Student	We sponsored the "17th National Insurance and Financial Education Seminar in 2023". With a focus on ESG sustainable finance, the seminar included trend lectures, project competitions, and internship reports to promote practical exchanges between industry and academia and creative ideas. It was attended by 300 participants.
Chengchi University	Student	We sponsored the "Asset Allocation Thematic Research Results Presentation". Our branch managers introduced key concepts of asset allocation and risk management, helping students understand how the capital market works and the characteristics of investment tools. It was attended by 85 participants.
Chengchi University	Student	We sponsored the "Coffee Chat Financial Career Exchange Lecture". The Company's senior managers served as financial career coaches and shared industry development trends and practical experiences. This helped students learn about financial-related careers and the professional knowledge and skills required. It was attended by 40 participants.

Advancing Financial Services Towards Net Zero Carbon Emissions

Yuanta Securities has integrated ESG sustainable management concepts into its operational strategy. In 2022, we pioneered among securities peers by achieving carbon neutrality for the "Mr. Yuanta

APP,” a mobile application that passed the British Standards Institution’s ISO 14067 Product Carbon Footprint Verification and PAS 2060 Carbon Neutrality Declaration and became the first zero-carbon app in the securities industry.

To implement green finance policies, the Company expanded its business scope in 2023, assisting the Ministry of Environment in developing the Product Category Rules (PCR) for online services in the securities, futures, and investment trust and consulting industries. This initiative guides the securities, futures, and investment trust industries in setting industry standard rules. Furthermore, we conducted a carbon footprint review for the applications, transactions, and inquiries for various online services of the “Yuanta Securities Online Financial Service”. According to the ISO 14067 international carbon footprint calculation standards, the carbon footprint for each online service, from raw material acquisition, service delivery, to waste disposal, was approximately 285 milligrams.

In 2023, “Yuanta Securities Online Financial Service” passed the ISO 14067 Product Carbon Footprint Verification by the British Standards Institution and received the Environmental Protection Administration’s Carbon Footprint Label. This made us the first among securities peers to pass international carbon footprint verification and obtain a domestic carbon label, setting a benchmark for the industry. Striving to reduce the environmental impact of its operations, Yuanta Securities is enhancing the important role financial service institutions play in the global low-carbon transition and leading customers towards a low-carbon green lifestyle.

Echoing Taiwan’s goal of achieving net zero emissions by 2050 while strengthening the important role of the financial services industry in the global net zero transition, Yuanta Securities purchased wind power project carbon credits with environmental protection and social support significance via the Taiwan Carbon Exchange (TCX) in December 2023. As one of the first enterprises to make a purchase in the international carbon trading platform, we contribute to the development of a sound carbon trading market.

4.3 Customer Rights and Interests

Yuanta Securities is committed to upholding the principles of customer protection and fair customer treatment. Over the past half a century, we have deeply embedded the value of protecting customer rights and interests into our corporate culture. Adhering to the philosophy of “Integrity and Customer-Centric”, we strive to make the protection of customer rights and interests as the value system and code of conduct that all employees abide by.

While committed to creating wealth for customers, we recognize that the trust and support of our customers are fundamental to the sustainable operation of the Company. Therefore, we address customers’ right to know through various channels, including face-to-face explanations, emails, public information platforms, announcements at business locations, and the disclosure of business-related information on our official website. The spirit of fair customer treatment is embedded in our service team and clients.

Treating Customers Fairly Principles (TCF Principles)

Management Mechanism

The Company has established the “Treating Customers Fairly Principles Policy” in accordance with the ten principles and five implementation levels prescribed in the “Treating Customers Fairly Principles for Financial Service Providers” issued by the Financial Supervisory Commission. All employees adhere to this policy, treating customers fairly, sincerely, and kindly. Special assistance is provided to specific customer groups such as the elderly, those requiring assistance, and new trading account holders, catering to their unique characteristics to ensure their maximum benefit is served and protect their rights and interests. This approach aims to enhance customer confidence and trust in Yuanta Securities.

Organizational Structure

To continuously promote the TCF principles, the Company has established the “Promotion Committee for Treating Customers Fairly Principles” dedicated to fair customer treatment endeavors. The committee includes subgroups for product sales, consumer dispute resolution, administrative matters, and other necessary working groups to drive various business activities. The President serves as the convener and holds regular meetings to plan, review, and promote TCF-related matters. Meeting materials are reported to the Board of Directors for further improvement directives. The committee operates in accordance with the Company’s “Management Measures for the Implementation of the Fair Customer Treatment Principles”. It meets quarterly in principle, with special meetings convened when necessary.

Promotion and Implementation

The Company follows “Treating Customers Fairly Principles Policy”, relevant financial consumer protection laws, and self-regulatory rules and has formulated a “Treating Customers Fairly Principles Strategy”. This ensures the implementation of the ten principles of fair customer treatment in all business units and their provided products or services. From design, advertising, sales, contract fulfillment, service inquiry, to customer complaint handling, customers are treated fairly in all processes. The ninth section of our “Treating Customers Fairly Principles Strategy” specifically addresses “Financial Friendly Service Principles,” detailing relevant financial friendly services.

In addition, the Company has the “Management Measures for the Implementation of the Fair Customer Treatment Principles” in place, outlining various fair customer treatment initiatives, such as product sales, consumer dispute resolution, advertising and marketing, and the review of financial friendly service effectiveness. These are regularly reported to the Promotion Committee for Treating Customers Fairly Principles, and the committee’s meeting records, significant resolutions, and important planning matters are reported to the Audit Committee and the Board of Directors for discussion or review. Furthermore, the TCF principles are integrated into the internal control and audit system and managed through the three lines of defense in internal control. The “Treating Customers Fairly Principles Policy” and “Treating Customers Fairly Principles Strategy” are also included in employee training programs.

Education and Training

In 2023, the Company conducted 123 training sessions related to the TCF principles and personal data protection. These included compliance courses such as “Integrity Management and Regulatory

Compliance Advocacy” and “Financial Consumer Dispute Resolution and Fair Customer Treatment Corporate Culture”, and practical courses tailored to different business functions were also offered, such as the “Customer Service—Telephone Communication Skills” and “Back-Office Practical Training—Account Opening”.

Theme	Number of sessions	Records of training attendance	Training hours	Completion rate
Fair customer treatment	95	33,552	41,444	100%
Personal data protection	28	5,516	8,034	100%

Note: Training hours are calculated as the total records of training attendance multiplied by the training hours; the completion rate is the ratio of the number of individuals who have completed the training to the total number of individuals required to receive the training.

Highlights and Achievements of the Year

<p>Highlight 1</p> <p>Rules pertinent to the provision of financial services for elderly customers were established, and the “Anti-Fraud” and “Age-Friendly Services” sections were allocated on the official website to actively promote and implement various anti-fraud measures.</p> <p><u>Efforts by Yuanta Securities</u></p> <p>To enhance the effectiveness of fraud prevention and awareness, in 2023, we actively incorporated anti-fraud advocacy before, during, and after routine customer briefings. Additionally, we reminded elderly investors not to believe the illegal schemes of fraud groups in collaboration with community senior education centers. The advocacy content included various types of fraud, how to recognize them, and how to respond and handle frauds.</p> <p><u>Achievements in 2023</u></p> <p>We received praise letters from local government agencies for our fraud prevention efforts in seven cases which involve a total amount of NT\$18.2 million. The Company established a reward system and commended those who successfully prevented fraud.</p>	<p>Highlight 2</p> <p>Before entering into contracts for providing financial products or services to young and elderly customer groups, we ensure a thorough understanding and timely update of customer-related information to ensure the suitability of the product or service for these groups.</p> <p><u>Efforts by Yuanta Securities</u></p> <p>For elderly and novice investors whose first trade involves specific (e.g., high-risk) products as their primary trading targets, or customers of each group who hold a certain proportion of such products, we record and provide continuous care.</p> <p>The customer service hotline was upgraded to include “Senior Priority Line”, offering dedicated, fast service through a specialized representative. When senior customers visit in person, exclusive services are provided right away, with staff and business specialists arranged to explain key points. Meanwhile, we contact their family members to confirm details, thereby delicately preventing potential fraud.</p> <p><u>Achievements in 2023</u></p> <p>A total of 17,546 calls were provided with dedicated services for elderly customers through priority hotline access.</p>
<p>Highlight 3</p>	<p>Highlight 4</p>

<p>The Company established the Promotion Committee for Treating Customers Fairly Principles in 2019 and formulated the Treating Customers Fairly Principles Policy and Strategy. The “Fair Customer Treatment Section” was established on the official website, and relevant promotion achievements are reported to the Board of Directors quarterly.</p> <p><u>Efforts by Yuanta Securities</u></p> <p>To protect the rights and interests of financial consumers and ensure the quality of customer service, we have implemented an internal control system in product design and sales for marketing and labeling.</p> <p>To continuously provide high-quality financial services to customers, we have adopted various international standards since 2015, obtaining certifications such as BS10012 Personal Information Management System (PIMS), ISO10002 Customer Complaint Management System, and ISO22301 Business Continuity Management System (BCMS).</p> <p><u>Achievements in 2023</u></p> <p>We were recognized as one of the top 25% large integrated securities firms in the Treating Customers Fairly Principles Evaluation by the Financial Supervisory Commission in 2023.</p>	<p>The Company actively develops digital services centered around customer experiences, making financial services more aligned with customer habits and lifestyles. We consistently upgraded digital services to assist disadvantaged groups to bridge the information gap, thereby implementing financial inclusion.</p> <p><u>Efforts by Yuanta Securities</u></p> <p>The “Financial Friendly Services Section” is available on the official website with the accessibility certification. Additionally, an “Intelligent Customer Service” feature has been introduced to provide online automated customer interaction services for quick problem resolution.</p> <p>The ETN section on the official website now includes “Small-Amount Investment Ready Go” instructional videos, offering guidance for beginners and reminding them of important considerations and related risks.</p> <p><u>Achievements in 2023</u></p> <p>A total of 15 ETN instructional videos were published.</p>
---	--

Relationship Maintenance

Customer Satisfaction

Yuanta Securities considers customer satisfaction a crucial reference for the continuous improvement of our financial products and services. We highly value customer feedback, actively manage customer complaints, and assign relevant departments to propose and implement improvement measures, which are then tracked and evaluated. Customer responses are reflected in usage and engagement metrics. For example, the usage rate of digital channel customers for intelligent customer service increased by 80% compared to the previous year, showing significant growth.

Satisfaction survey theme (%)	2022	2023	2023 target
Yuanta Securities overall customer satisfaction	99.43	99.40	97
Investment banking customer response satisfaction	100	100	80

Shareholders' meeting satisfaction	96.93	98.29	96
------------------------------------	-------	-------	----

Each department routinely proposes important measures to better serve customers for their respective work scope. For example, the Channel Business Department categorizes customers based on their attributes and enhances its essential skills and professional knowledge. This approach allows them to better meet customer needs and provide appropriate services, thereby improving service efficiency. Through data analysis, risks associated with financial products and services and the related costs are explained to different customers (such as younger groups or new account holders), reducing the incidence of future disputes and thereby improving customer experience and satisfaction.

Customer Complaint Mechanism

The Company provides various public channels such as the customer service hotline and email addresses in the "Fair Customer Treatment Section" on the official website. Customers can file complaints about consumer disputes via phone, in-person visits, mail, fax, email, or through competent authorities and other channels. Through these channels, customers can access consultation services and give feedback at any time. In addition, procedures for handling customer complaints are in place to ensure effective tracking and improvements, offering customers the best service and protection of their rights and interests.

In 2023, the Company received a total of 91 customer complaint cases, with 60 of which from the Financial Ombudsman Institution or competent authorities and about 31 through internal channels. Upon receiving a customer complaint, the receiving unit fills out a complaint handling record form and notifies the customer service center. The customer service center sends a case notification to the handling unit, its business supervisor, and the dedicated department contact. The handling unit immediately addresses the issue upon receiving the notification. There is also a comprehensive tracking mechanism that is implemented after the case is closed.

In addition to the establishment of rigorous complaint-handling procedures that properly manage and respond to each case, we also enhance staff training and professional skills through monthly branch meetings and the distribution of fair customer treatment notices that promote complaint case studies regularly.

To ensure a customer-centric, consistent, systematic, and prompt complaint-handling procedure, Yuanta Securities obtained the ISO 10002 Customer Complaint Management System re-certification in 2023. Through this internationally standardized complaint-handling system, customer loyalty and recognition are maintained.

Customer complaints in 2023					
Case statistics		Criteria for case inclusion in this statistics	Number of cases excluded	Reason for exclusion	Improvement plan
External channels	Internal channels				
60	31	1. Objections, opinions, or letters raised to external parties	403	The initial reasons for inclusion	Through monthly branch video conferences, we

		2. Cases involving a certain amount of monetary compensation 3. Repeated complaints by the same customer 4. Cases involving situations deemed special by the supervisor of the receiving unit		were addressed, and after preliminary communication, the customer accepted the explanation or resolution.	communicate new information on fair customer treatment and regularly promote case studies of customer complaints.
--	--	---	--	---	---

Customer Care Measures

In terms of customer care, we have initiated elderly care measures and an in-person service customer care mechanism in addition to attending to customers' investment positions, and an "Age-Friendly Service Section" is available on the Company's official website. Yuanta Securities believes that our continuous heartfelt efforts make a solid impact on our customers, thereby increasing their trust in the Company.

Caring for customer investment position	<ul style="list-style-type: none"> ● When product prices experience high volatility <p>We proactively notify and attend to our customers regarding products with more volatile prices. In 2023, we identified 511 funds, 16 domestic structured products, 539 overseas structured products, 1,017 overseas bonds, and 2 equity products with a high volatility nature, and notified a total of 586 customers.</p>
	<ul style="list-style-type: none"> ● When risks occur <p>For risks such as the Israel-Palestine conflict, the Country Garden Holdings Company's debt crisis in China, and the Credit Suisse crisis, we notify customers to provide market information and care.</p>
Senior care measures	<ul style="list-style-type: none"> ● Priority access to customer service hotline <p>The customer service hotline has been upgraded to include a "Senior Priority Line" in response to the Financial Supervisory Commission's advocacy for elderly customers' services. Elderly customers opting for the voice response feature are directly served by dedicated personnel with exclusive, prompt, and considerate services.</p>
	<ul style="list-style-type: none"> ● Loss rate reminder <p>For elderly customers with a monthly loss amount exceeding 25% of the trading limit, as well as first-time elderly traders, our procedures first involve sending an EDM reminder via the system, advising elderly customers to be cautious of investment risks and fraud. Subsequently, branches proceed with care operations. Supervisors perform random checks quarterly based on the care list through phone calls to evaluate any anomalies and take appropriate control measures if needed.</p> <p>Since 2023, for bond products, we have been producing a quarterly transaction inventory report for elderly customers, covering those aged 65 and above with inventory premiums exceeding 1 million and a loss rate over 50%. Care letters or phone calls are made to remind customers of market and transaction risks in the</p>

	following month, and quarterly statistics are conducted on care cases. In 2023, we carried out a total of 31 care inquiries.
	<ul style="list-style-type: none"> ● Proper assessment for account opening During interviews and assessments for account openings with elderly customers, we provide appropriate care, understand their transaction conditions, assess investment capability, risk tolerance, and financial status, thoroughly explain investment guidelines and rights protection, and offer care services. We also appropriately inform the customer's family of the facts of account opening and trading.
	<ul style="list-style-type: none"> ● Occasional Customer Care Care letters are sent to elderly customers occasionally, with contact information provided for easy consultation if needed.
In-person customer care mechanism	In 2023, this mechanism successfully intercepted 62 fraud cases, preventing a total of NT\$36.05 million in losses. Six employees were commended and recognized by law enforcement agencies. Outstanding employees who safeguard the financial security of our customers are awarded in accordance with the Company's Employee Rewards and Penalties Guidelines.

Customer Rights and Personal Data Protection

Regular Review of KYC and KYP

Yuanta Securities prioritizes the customer, attending to their needs as it strives to solve their investment and financial pain points and achieve financial inclusion. We actively engage in the analysis and application of big data, extensively collecting relevant data on customer operations, behaviors, preferences, and frequencies across platforms. By combining information on customer assets, transactions, and profits/losses, we precisely analyze customer investment preferences, risk tolerance, and behavioral patterns. This, coupled with automated marketing mechanisms, allows us to provide customized and value-added application services.

We update the Know Your Customer (KYC) record of customers based on different product categories (including professional investors) at least once a year to ensure product suitability. Customers may only purchase products that correspond to their current KYC-classified risk profile. For instance, elderly customers (including professional investors) deemed suitable only for conservative investments (elderly conservative) after a comprehensive assessment can only undertake new products as per the "Customer Risk Tolerance and Corresponding Product Risk Level Comparison Table" (currently RR1 and RR2), and the term of new products must not exceed 10 years. Additionally, the trading status of elderly customers is reviewed quarterly. If the inventory exceeds a certain amount, customers are reminded via email to pay attention to inventory gains/losses and market risks, thereby enhancing their risk awareness.

To enhance the services for commissioned foreign securities trading, the Company strengthens risk alerts based on the following product characteristics to ensure effective Know Your Product (KYP):

- (1) According to the Company's selection process for high-risk foreign securities, risk alerts and transaction control measures are implemented when customers purchase high-risk stocks.

- (2) When elderly customers subscribe to overseas structured products rated as RR5 by the Company, they must sign an “Investment Caution Statement” as a risk alert reinforcement measure.
- (3) For elderly customers buying overseas bonds, in addition to ensuring that the bonds’ credit ratings meet the latest regulatory requirements, those buying bonds with a term exceeding 10 years must be given enhanced risk warnings through the “Investment Caution Statement,” with an audio recording kept.
- (4) Since March 2023, the Company has implemented an enhanced risk notification and transaction control mechanism for the sub-brokerage (including OSU) of overseas bond products. This control measure targets individual buyers and includes principles based on the issuer, currency, external credit ratings, and bond types, with an additional “Caution Statement Warning” recorded.

Anti-Fraud Advocacy and Precautions

On January 12, 2022, the Company established the “Anti-Fraud Consultation Service Procedure,” which specifies the verification and explanation processes when receiving fraud reports from customers or investors. All reported phone calls are recorded, and the responsible units conduct random checks to confirm the implementation of the procedures. If any improvement are identified, they will be addressed through verbal suggestions or training.

Given the increasing prevalence of fraud cases and the strong interest in stock investments among the public, as a leading securities company, we must dedicate more effort to anti-fraud advocacy. In addition to having prominent reminders displayed on our official website and trading platforms, we also hold interactive seminars occasionally to educate investors on identifying new fraud tactics and how to respond to them.

Initiative	Detail
Electronic trading platform anti-fraud awareness	When investors initiate or log in to the electronic trading platform, a pop-up window appears to promote awareness of fraud-related matters.
International financial network anti-fraud awareness	The following reminders are pinned in the announcement bulletin for investors: 1. Be cautious of fraud involving the trading of foreign securities. 2. The Company will never share with customers “stock tips” or “insider tips” through phone calls, text messages, or social media. A link to the verification website is provided for investors to verify received invitations.
Optimization and enhancement of the Anti-Fraud Section on the official website	1. Information on new types of fraud related to stock subscriptions is updated to remind investors not to be deceived. 2. To make the content of the Anti-Fraud Section more readable, the amount of text is reduced and supplemented with graphics and links to anti-fraud videos. 3. We collaborate with competent authorities* on promoting anti-fraud measures by adding text, announcements, and video links. * These competent authorities are the Financial Supervisory Commission, Taiwan Stock Exchange, Taipei Exchange, and various industry associations.

Monthly fraud statistics	Every month, we compile and analyze statistics on fraud reports received by the customer service center from customers, investors, or branches. In 2023, we received a total of 266 fraud reports involving the Company or our employees.
Economic Daily News financial fraud prevention advocacy	In response to illicit groups impersonating securities firms via messaging apps or mobile apps to defraud unsuspecting investors, we participated in a financial fraud prevention advocacy campaign on Economic Daily News website at the invitation of the Taiwan Securities Association.
Anti-fraud and fraud identification advocacy for investors	Our local branches conduct anti-fraud advocacy at routine customer briefings and collaborate with community senior centers to educate elderly investors on various current fraud types, how to identify them, and how to respond and handle such situations when encountered. In 2023, we notified 147 branches to implement advocacy measures during customer briefings. Additionally, 6 branches or departments organized self-initiated sessions, totaling 153 events.
Anti-fraud advocacy video	We assisted in promoting an anti-fraud advocacy video co-produced by Yuanta Financial Holdings and the Criminal Investigation Bureau titled “All Investment Groups with Celebrity Impersonations Are Frauds!” It is broadcast at every branches and digital platforms*. *These platforms include the login screens of smart customer service, the Anti-Fraud Section, pop-up windows on various electronic platforms, and Yuanta's official LINE@ account.
Anti-fraud efforts in collaboration with the National Police Agency	The Company joined forces with the Criminal Investigation Bureau under the National Police Agency, Ministry of the Interior, to combat fraud, aiming to effectively reduce financial crime cases. We partnered in a blood donation campaign to promote financial anti-fraud awareness. Through community charity events, we provide diverse anti-fraud advocacy channels, increasing public awareness of fraud, enhancing fraud alertness, and strengthening the public's ability to identify and respond to financial fraud.

Customer Personal Data Management

Yuanta Securities adheres to the “Personal Data Protection Act” and has established internal response measures and regulations, such as the “Personal Data Management Measures” and the “Personal Data Management Operational Rules,” to effectively manage the use of customer data and fulfill the duties of a good administrator and fiduciary obligations to ensure the privacy rights of our customers and investors. In compliance with relevant personal data regulations, the Company informs customers of the necessary information regarding the use of their personal data to ensure that all operations involving the collection, processing, utilization, transmission, storage, and destruction of personal data are conducted legally and appropriately.

The Company has established a “Personal Data Protection Implementation Team” along with corresponding operational rules. Annually, personal data security incident response drills are conducted to ensure the ability to respond to and handle data incidents. In addition, an annual review of personal data protection management is conducted to ensure the effective implementation of personal data protection policies. The Personal Data Protection Implementation Team is a permanent

cross-departmental task force responsible for promoting, coordinating, and supervising various personal data protection-related matters within the Company. The convener and deputy convener are appointed by the President. Members of the team consist of personal data protection officers designated respectively by the Legal Compliance Department, Corporate Planning Department, Risk Management Department, Information System Management Department, Information System Development Department, Information Security Management Department, Legal Department, Business Supervisors, E-commerce Department, and Operations Center. The convener may convene meetings with team members to discuss personal data protection-related matters as needed.

In 2023, we completed the re-certification of the BS10012:2017 Personal Information Management System (PIMS) and had no incidents of customer privacy violations.

Data Protection Incident Handling

In the event of a personal data security incident such as theft, alteration, damage, loss, leakage, or other violations, the following procedures must be followed in accordance with the Company's "Personal Data Management Operating Rules".

Notify parties involved	Notify competent authority	Data storage
<ul style="list-style-type: none"> Upon verification, inform the affected parties of the facts, response measures, and consultation service hotline in an appropriate manner as required by law. 	<ul style="list-style-type: none"> If the incident is a major personal data security incident, report it to TWSE within 72 hours for submission to the competent authority. 	<ul style="list-style-type: none"> Relevant processing records should be maintained for 16 years.

The Corporate Planning Department is responsible for coordinating the handling of personal data security incidents. The Risk Management Department must immediately notify the convener of the Personal Data Protection Implementation Team about the incident. The convener will then convene a team meeting to discuss response and corrective preventive measures.

Personal Data Protection Training Courses

Yuanta Securities strictly adheres to personal data protection laws and regulations, as well as the confidentiality measures for customer data for Yuanta Financial Holdings and its subsidiaries. Training courses are regularly conducted on these topics, focusing on the use of personal data, protection measures, and practical case studies to continually enhance employees' awareness and knowledge of information security, thereby improving the quality of data governance. In 2023, we held four training sessions with a total of 5,036 records of attendance, accumulating 7,554 training hours. Orientation training for new employees also includes relevant courses on these topics.

Enhancing Customers' Financial Knowledge

Customer rights and well-being are Yuanta Securities' primary concerns. We conduct seminars,

explanatory sessions, and forums to disseminate financial knowledge and trends, thereby fostering wealth creation and maintaining strong customer relationships. In 2023, we organized 2,832 related events with over 50,000 records of attendance.

Target	Content	Number of sessions held	Event highlight and achievement
Investors	Investment lecture in collaboration with the Taiwan Stock Exchange	4	323 records of attendance
	Investment lecture in collaboration with the Taipei Exchange	4	329 records of attendance
General customers	Mr. Yuanta APP: Stock Market Classroom	1	19 tutorial comics 27,352 number of clicks
	Customer orientation/investor forum	2,822	49,489 records of attendance
Young customers	Yuanta Campus Stock Competition	1	3,746 sign-up applications

Note: Achievement data include records of attendance, views, clicks, and the accumulated number of uses, etc.

In addition to activities for investors, we also produce investment-related educational content for general customers. For instance, we have established a “Stock Market Classroom” section in the Mr. Yuanta APP, where we use comic strips to explain trading rules and systems in a simple and entertaining way. This approach helps demystify investment for beginners, allowing them to learn basic stock market knowledge while enjoying the comics. We also engage in various campus competitions and diversified industry-academia collaboration programs with prominent colleges and universities. Through both online and offline activities, the Company maintains good interactions with young customers while sharing the latest financial trends.

Chapter 5 A Happy Workplace Ideal to Employees

The integral asset across all industries is “people”, and this especially rings true in the financial sector. Since its inception, Yuanta Securities has consistently considered its employees the Company’s most valuable asset and the main contributors to its growth and prosperity. Driven by the vision to become the “Best Securities Service Provider in the Asia-Pacific Region”, Yuanta Securities attracts like-minded partners and recruits promising talent. The Company offers a career platform conducive to sustainable talent development by ensuring employees’ health and well-being through long-term and steadfast sustainable management, fostering a mentality to pursue continuous innovation, adopting diverse development training and rotation systems, nurturing a friendly and healthy work environment, and establishing a compensation system that celebrates business performance with employees.

5.1 Employee Attraction and Retention

Driven by the vision to become the “Best Securities Service Provider in the Asia-Pacific Region”, Yuanta Securities attracts like-minded partners and recruits promising talent. The Company offers a career platform conducive to sustainable talent development by ensuring employees’ health and well-being through long-term and steadfast sustainable management, fostering a mentality to pursue continuous innovation, adopting diverse development training and rotation systems, nurturing a friendly and healthy work environment, and establishing a compensation system that celebrates business performance with employees.

Human Resources Status Overview

All staff of Yuanta Securities is hired in compliance with relevant labor laws and regulations announced by competent authorities, including the “Labor Standards Act”, “Employment Service Act”, “Gender Equality in Employment Act”, and “People with Disabilities Rights Protection Act”. Subsequent employment procedures are handled according to the Company’s “Guidelines for Interviewing, Selection, and Employment of Applicants”. As of the end of 2023, we employed a staff number of 8,395 domestic and overseas employees, including 8,370 full-time employees and 25 part-time employees. The part-time employees are hired to meet the needs of various departments.

Employee Composition

Geographical Distribution of All Staff

Yuanta Securities has business locations both domestically and internationally. Currently, domestic employees account for 60% of the total workforce, while overseas employees make up nearly 40%.

Type	Work location				Number of employees
	Domestic		Overseas		
	Number of people	Percentage	Number of people	Percentage	
Full-time employee	5,150	61.53%	3,220	38.47%	8,370
Part-time employee	25	100%	-	-	25
Sum	5,175	61.64%	3,220	38.36%	8,395

Definition of employee category:

Full-time employee: An employee whose weekly, monthly, or yearly working hours are defined according to pertinent state laws and practices.

Part-time employee: An employee whose weekly, monthly, or yearly working hours are less than those of a full-time employee.

Gender Distribution of Domestic Employees

In terms of the gender ratio of employees in Taiwan, male employees make up one-third, while female employees account for two-thirds.

Type	Gender				Number of employees
	Male		Female		
	Number of people	Percentage	Number of people	Percentage	
Full-time employee	1,721	33.42%	3,429	66.58%	5,150
Part-time employee	21	84.00%	4	16.00%	25
Sum	1,742	33.66%	3,433	66.34%	5,175

Geographical Distribution of Domestic Employees

As of the end of 2023, the numbers of domestic full-time employees by region are as follows.

Region	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan	Sum
Full-time employees	3,475	874	771	30	5,150

Geographical Distribution of Overseas Staff

	Full-time employees
Yuanta Securities (Korea)	1,738
Yuanta Securities (Thailand)	733
Yuanta Securities (Vietnam)	368
Yuanta Securities (Hong Kong)	175
Yuanta Securities (Indonesia)	134
Yuanta Investment (Korea)	26
Yuanta Securities Shanghai Office	16
Yuanta Securities (Cambodia)	12
Yuanta Securities Asia Financial Services	8
Yuanta Asia Investment (Hong Kong)	5
Yuanta Securities Beijing Office	3
Yuanta Investment Consulting (Beijing)	1
Yuanta Financial (Hong Kong)	1
Sum	3,220

Note: Information on overseas employees is limited to the Employee Composition section. All other references to employees in this Report and in other chapters are based on employees in Taiwan.

Non-Employee Workers

As of the end of 2023, in addition to full-time and part-time employees, the Company hires non-employee workers in Taiwan as well, including interns and dispatched personnel under nontraditional employment contacts.

Types	Male	Female	Sum
Intern	3	2	5
Contracted personnel	-	1	1
Sum	3	3	6

Employee Diversity

The Company continues to provide job opportunities for indigenous peoples and individuals with disabilities through various channels, ensuring the employment rights of different groups while offering a platform for every employee to showcase their talents. As of the end of 2023, the Company employed three indigenous employees, ten employees with disabilities, and nine foreign employees. In the future, we will continue to increase the employment ratio for these groups, striving to create a diverse, friendly, and inclusive workplace.

Employee Diversity Statistics

Employee category percentage (%)	Male	Female	Taiwanese (excluding Indigenous people)	Indigenous people	Foreigners
Senior management	66.34%	33.66%	100%	-	-
Junior and middle management	38.40%	61.60%	100%	-	-
Professional personnel	31.16%	68.84%	99.77%	0.06%	0.17%
Other staff members	66.08%	33.92%	99.65%	-	0.35%

Definition of employee category:

1. Senior management personnel refers to positions up to two reporting levels away from the CEO, responsible for guiding and setting policies and formulating strategies to provide overall direction for product or service development within the enterprise or organization.
2. Middle management personnel refers to managers responsible for specific departments (e.g., accounting, marketing, production) or business units, or project managers within the organizational unit. Middle managers are responsible for implementing the policies and plans formulated by the senior management.
3. Junior management personnel refers to frontline managers, junior managers, and the lowest level of management within the Company's management system, responsible for guiding and executing the organization's daily operational objectives, as well as conveying the instructions of senior personnel and managers to subordinates.
4. Professional personnel refers to employees holding professional licenses. For details on the types of licenses, please refer to the "Information about the general employees" table on pages 232-234 of the parent company Yuanta Financial Holdings' 2023 Annual Report.
5. Other staff members are employees who do not fall under categories 1 to 4 above.

Female Employee Composition

The Company attaches great importance to the career development of women, with female employees making up over 50% of the management team. In both junior and middle management, women account for more than 60% of the management team, which is comparable to the overall proportion of female employees in the total workforce.

Item	Number of people	Percentage
Female employees	3,429	66.58%

Proportion of female non-management employees to all non-management employees	3,036	68.70%
Proportion of female management to all management	393	53.76%
Proportion of female junior and middle management to all junior and middle management	324	61.60%
Proportion of female senior management to all senior management	69	33.66%

Employment of Persons with Disabilities in 2023

In terms of employing individuals with disabilities, the Company follows the “People with Disabilities Rights Protection Act”. In 2023, the number of persons with disabilities hired exceeded legal requirements, resulting in a surplus of employment.

Statutory employment	Actual employment	Surplus employment
13	14	1

Note: According to Article 38, Paragraph 6 of the People with Disabilities Rights Protection Act, the employment of an individual with severe disabilities is counted as hiring two persons as required by the law.

Academic Credentials of Full-Time Employees

Credential	Number of people	Percentage
Ph.D.	2	0.04%
Master's degree	794	15.42%
Bachelor's degree	2,554	49.59%
Junior College's degree	1,233	23.94%
High school degree (and credentials below)	567	11.01%
Sum	5,150	100%

New Hires and Turnover

The proportion of new hires and employee turnover in 2023 is roughly equivalent. There is no significant difference in the proportion of new hires and turnover relative to the total number of employees in each region.

Full-Time Domestic Employees in 2023 - New Hire Statistics

Male			Female			Total number of new hires	Total number of employees	New hire percentage (%)
Under 30 years old	30 to 50 years old	Over 51 years old	Under 30 years old	30 to 50 years old	Over 51 years old			
151	76	8	128	69	12			
Sum: 235			Sum: 209			444	5,150	8.62%

Full-Time Domestic Employees in 2023 - Employee Turnover Statistics

Male	Female			
------	--------	--	--	--

Under 30 years old	30 to 50 years old	Over 51 years old	Under 30 years old	30 to 50 years old	Over 51 years old	Total number of terminates	Total number of employees	Turnover percentage (%)
96	71	49	109	54	74	453	5,150	8.80%

2023 Full-Time Domestic Employees New Hires & Employee Turnover Statistics by Region

Region	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan	Sum
New hires	303	69	68	4	444
Leaving employees	310	65	76	3	453

Recruitment Strategy and Activities

In response to the rapidly changing financial industry and digital transformation trends, the Company actively strengthens industry-academia collaboration with various colleges and universities to cultivate young financial and digital talents through classroom lectures, corporate internships, campus competitions, and other activities aimed at enhancing workplace competitiveness and financial literacy. We develop diverse talent recruitment channels to attract outstanding potential talents from both domestic and international sources. Moreover, the Company provides a comprehensive talent development and training system that offers employees a platform for continuous self-improvement and career advancement, encouraging them to strive with the Company and jointly achieve sustainable development goals.

Diverse Recruitment Channels
Human resources agencies
The Company's official website and recruitment ads
Campus job fair and corporate talent recruitment orientation
Industry-academia collaboration and corporate internships
Job matching at training institutions
Research and development military substitute services
Internal Employee referrals

Recruitment Activities

The Company organizes a variety of recruitment activities throughout the year to attract and cultivate talented individuals for various needs.

Activity	Content
Yuanta Financial Holdings Group 2023 Management Associate Talent Recruitment Program	Companies under the group collaborate on the joint recruitment of management associates.

Headquarters — International Financial Seed Internship Program	The program provides students with internship opportunities in collaboration with colleges and universities in Taiwan. In addition to priority employment opportunities upon graduation, internship students who perform exceptionally well during their internships at branch offices can also be officially employed before the end of their internship period, seamlessly transitioning into the “Motivation Program”.
Branch — Financial Management Elite Internship Program	
Motivation Program for Newly Hired Financial Service Elites	<u>Achievements in 2023</u> Collaborated with nearly 40 schools Recruited a total of 143 students We recruit and train new financial service elites to ensure that each new financial service representative possesses the necessary competencies to provide professional investment and financial services to clients, thereby strengthening the talent foundation.

Financial Talent Cultivation

The Company is proactive about cultivating financial talents among the younger generation. In partnership with colleges and universities, we launched a variety of activities in 2023 as follows, with 6,320 records of attendance in total.

Activity	Content	Number of schools involved	Number of student participants
Financial lectures	We launch courses with credits in collaboration with schools to systematically introduce financial industry practices in all aspects, helping students integrate theories with practices and reducing the gap between classroom learning and financial industry practice.	6	2,006
Internship program	The Company provides students with internship opportunities to gain a practical understanding of the securities industry’s development, operational models, content of work, and professional conduct guidelines. This allows outstanding students to be prepared to smooth transition into the financial career early on.	38	143
Yuanta Stock Challenge Competition	To cultivate investment concepts among students, the Company has developed a simulation competition platform via the “Mr. Yuanta APP”. It allows stock market newcomers to accumulate trading experience through simulated competitions, encouraging young customers to enter the stock market and establish	106	3,746

	correct investment concepts and financial habits among them.		
Financial school club sponsorship	Echoing the competent authority's financial literacy promotion program, the Company sponsors departments and clubs in domestic colleges and universities to organize financial knowledge promotion or capital market-related seminars and competitions. This encourages college students to develop financial literacy and establish correct financial and investment concepts.	3	425

Salary, Rewards and Benefits System

Male to Female Salary Ratio in 2023 in Taiwan

Employee Level	Base salary	Annual salary
Executive level	101%	90%
Management level	112%	117%
Non-management level	112%	105%

Note: The executive level includes positions at the Vice President level or above or department heads and above; the management level encompasses managers who are not part of the executive level.

Non-Managerial Full-Time Staff Number, Average Salary and Median Salary

	2022	2023	Difference from the previous year
Weighted average number of people	4,704	4,816	2.38%
Weighted average salary (NT\$Thousand)	1,296	1,425	9.95%
Weight median salary (NT\$Thousand)	1,113	1,199	7.73%

Diverse Employee Benefits

In addition to legally mandated labor insurance, health insurance, and group insurance, the Company has the "Employee Welfare Committee" that oversees employee welfare matters. In addition, the "Retirement Fund Management Committee" and the "Labor Retirement Reserve Supervision Committee" are in place to ensure employee welfare through the formulation of employee retirement plans and allocation of labor retirement reserves monthly in accordance with the law.

Benefits	
English certification rewards	Childbirth allowance
International financial certification rewards	Marriage and funeral subsidies
E-learning resources	Birthday bonuses
Health checkups	Festival bonuses
Scholarships for employees' children	Emergency relief
Employee stock ownership trust	

We provide our employees with benefits that exceed legal requirements. In 2023, the Company was awarded the Family-Friendly and Work Equality Corporate Workplace Measures Award by the New Taipei City Government, recognizing our efforts in creating a friendly work environment.

Item	Male	Female	Sum
Number of employees eligible for parental leave	156	139	295
Number of employees who took parental leave that year	3	19	22
Number of employees who should return to work that year	3	11	14
Number of employees who returned to work that year	3	10	13
Return-to-work rate	100%	90.91%	92.86%
Number of employees who returned to work in the previous year	4	14	18
Number of employees who remain employed 12 months after they returned to work in the previous year	2	11	13
Retention rate	50%	78.57%	72.22%

Note:

1. Return-to-work rate = (Number of employees who returned to work that year/Number of employees who should return to work that year) x100%
2. Retention rate = (Number of employees who remain employed 12 months after they returned to work in the previous year/Number of employees who returned to work in the previous year) x100%

5.2 Employee Communication

In an effort to attend to employee opinions and enhance harmonious labor-management relations, the Company holds labor-management meetings for comprehensive dialogues between both parties and gathers employee opinions through multiple communication channels. Additionally, it commissions a consulting firm to conduct the annual “Employee Engagement Survey”. By understanding employee opinions through diverse communication channels, the Company is able to take practical improvement actions based on employee feedback, ensuring that their rights are well protected, thereby creating an efficient and friendly work environment.

Employee Engagement Survey

Since 2017, in cooperation with its parent company Yuanta Financial Holdings, Yuanta Securities has been conducting the Employee Sustainable Engagement Survey, executed independently by a foreign consulting firm via a third-party platform. Both domestic and overseas full-time employees take part in the survey. In 2023, a total of 7,287 employees participated, with a response rate of 91%. It is an 8% increase from the previous survey, which is a new record high.

The survey includes aspects such as employee work experience, organizational operations, sustainable engagement, and retention willingness. Among the respondents, 33% of participants were male and 67% of participants were female. The results showed no significant differences between genders across the survey aspects, with the difference in the proportion of positive feedback on each survey aspect between genders ranging from 1 to 3 percentage points, all within a reasonable range.

Regarding employee communication effectiveness, 94% clearly understand the Company's overall medium and long-term goals and business direction. There has been an increase in the number of employees who believe that they enjoy growth and development opportunities within the Company. Moreover, over 90% of employees feel that they can communicate candidly with their supervisors, a result significantly higher than the global high-performance company norm and the Taiwan financial industry norm. This indicates the Company's active efforts to understand the varying opinions and thoughts of employees through communication.

As the Company understands employees' thoughts through various employee communication channels, a consistent focus is placed on the management issues highlighted in the Employee Sustainable Engagement Survey results, hence promoting various optimization actions taken to enhance employee sustainable engagement. This sustains the Company's momentum in growth and provides a better workplace experience for all employees.

The Company better understands employees' thoughts through the survey. We discuss improvement measures to address important recommendation, proactively respond to employees' needs to create harmonized workplace.

Region	Number of participants	Number of respondents	Survey response rate	Employees with high engagement
Taiwan	5,001	4,547	91%	84%
Overseas	3,021	2,740	91%	80%

Note:

1. The reference date for the number of employees who responded to the 2023 Employee Engagement Survey is June 1, 2023.
2. The survey response rate is calculated as the number of respondents divided by the total number of employees in the region.

Labor-Management Committee Interaction

The Company has established a Labor-Management Committee. To comply with Article 86, Chapter 13 of Yuanta Securities' "Work Rules", regular labor-management meetings are held to coordinate labor-management relations, promote labor-management cooperation, and improve work efficiency in accordance with the "Regulations for Implementing Labor-Management Meeting" as a regular communication platform for both parties.

The labor-management meeting engages representatives from both the labor and management sides. There are five labor representatives, elected by all employees from among those who volunteer to run for the position, and five management representatives, selected by the employer from those familiar with the operation and labor conditions of the business unit. Representatives are elected every four years. Discussions at the meetings cover issues including employee welfare, health, and workplace safety, which allow the Company to understand employee needs and make timely improvements, thereby enhancing employee rights and creating an excellent work environment.

In 2023, the Company held four labor-management meetings. The meeting agenda consisted of reporting and discussion items. The reporting items typically covered three main categories:

Reporting Items	Content
-----------------	---------

Labor dynamics	Statistics on the number of employees domestically and internationally.
Employee Welfare Committee	Disbursement of welfare funds, applications for employee children's scholarships, planning of family day activities, etc.
Other matters	Usually include departmental announcements and reminders to employees, such as compliance with labor-related laws, epidemic prevention policies during the COVID-19 pandemic, and encouraging employees to participate in workplace health seminars organized by the Company.

Minimum Notice Period for Operational Changes

To protect employee rights, if the Company faces operational changes such as closure, transfer, losses, business contraction, or changes in the nature of the business, or if an employee is genuinely unable to perform their duties, the Company will provide advance notice of the termination date of the employment contract in accordance with Article 16 of the Labor Standards Act.

Years of seniority	Notice period
Where a worker has worked continuously for more than three months but less than one year	10 days in advance
Where a worker has worked continuously for more than one year but less than three years	20 days in advance
Where a worker has worked continuously for more than three years	30 days in advance

5.3 Talent Cultivation and Development

In response to the rapid changes in the financial sector, Yuanta Securities' supervisors at all levels are committed to identifying and reserving management and professional talents necessary for the development of both the financial industry and Yuanta Group. Through diverse training programs and development systems, the Company nurtures talents and provides employees with effective career development planning. Resources for self-directed learning are also available for employees to engage in various professional financial fields, cultivating the comprehensive skills needed for different roles and enhancing their professional knowledge and perspectives.

Talent Cultivation Mechanism

Talent Development System

In response to the rapid changes in the financial industry environment and digital transformation trends, cultivating diverse talents in finance and digital sectors is imminently prioritized. We provide employees with a robust talent development mechanism with comprehensive in-service training and continuing education resources, covering all-encompassing courses on professional financial knowledge, substantial continuing education subsidies, a well-established internal promotion and transfer mechanism, and a multi-faceted performance evaluation management system. Our efforts in talent cultivation have been widely recognized by numerous awards.

Item	Description
Talent development mechanism	To ensure sustainable talent development, the Company continuously monitors talent pool strength and identifies potential talents at all levels. Diverse methods are deployed, including course training, project assignments, meeting

	<p>participation, and job rotations, to nurture employees and assist in their development. Through the long-term operation of this mechanism, the Company aims to build an organizational culture that identifies and nurtures talent, fostering leaders with an entrepreneurial spirit while enhancing the Company's human capital.</p>
Diverse competency training	<p>The Company is committed to creating a continuous learning and growth environment for employees. An annual talent training and development plan is developed each year based on strategic objectives and the development needs outlined in the annual work plans for each unit. By analyzing the training and development needs of personnel at various levels and job categories, with integrated internal and external training resources, the Company offers a comprehensive talent training and development system.</p> <p>The primary goal of the annual talent cultivation plan and training activities are set and executed through three main academies based on talent competencies and attributes: Management Academy, Professional Financial Academy, and General Education Academy,. In addition, we cultivate all supervisors and employees to become sustainability proponents by organizing training on information security management, legal compliance, fair customer treatment, and ESG-related education. This ensures compliance with relevant regulations and internal control procedures, as well as active support of ESG goals through action, participation, and execution in all business operations, thereby promoting financial sustainability.</p>
Performance management system	<p>The Company's performance management system is based on the Plan-Do-Check-Act (PDCA) management cycle. Through initial work goal setting, mid-term performance review and feedback, and end-of-term performance evaluation and assessment, supervisors and employees at all levels frequently align work expectations and performance through communication and discussion. This facilitates personal capability development and performance improvement. The Company also emphasizes the positive significance of performance goal management, believing that goal setting guides the behavior and decision-making of all supervisors and employees. Therefore, fair customer treatment, legal compliance, internal control, risk management, and ESG-related initiatives are considered in the performance evaluation as mandatory review items.</p> <p>Employee personal learning and development are also covered in employees' performance goals to encourage self-fulfillment and personal career development. Supervisors at all levels are responsible for nurturing deputies and developing talents, with talent management included as a key performance indicator. Through the performance management system, the Company clarifies the responsibilities of supervisors in succession planning and promotes the implementation of various talent development activities within each unit.</p>

Talent Development Award Received in 2023

Golden Goblet Award: Outstanding Talent Development Award

Yuanta Securities values talent cultivation. We provide employees with a comprehensive career development mechanism to enhance the human capital of both the Company and Yuanta Group. The Company is committed to establishing an innovative learning and working environment by developing diverse course activities and continuing education systems, allowing employees to fully utilize their competencies and continuously excel professionally.

Certification Reward System

The Company encourages employees to actively pursue professional capability advancements by providing incentives for obtaining certifications based on the nature of the certifications. This reward system aims to motivate employees to consistently improve themselves and fulfill the Company's goal of sustainable talent cultivation.

Certification type	Rewards
English language certifications	During their employment and the implementation period of the reward guidelines, employees who take the General English Proficiency Test (GEPT) or the Test of English for International Communication (TOEIC) and obtain a passing certificate can apply for rewards based on the level of English certification achieved.
International financial certifications	Employees who obtain the following international certifications during their employment are eligible to apply for reward subsidies: <ul style="list-style-type: none">• Chartered Financial Analyst (CFA)• Certified Financial Planner (CFP)• Financial Risk Management (FRM) Analyst• Certified Anti-Money Laundering Specialist (CAMS)• Other certifications approved through special project authorization

Education and Training Results

Yuanta Securities is committed to providing employees with the best learning resources and environment. We offer diverse and professional training courses for comprehensive development, helping employees expand their professional capabilities to keep pace with the current trends in digital transformation and adapt to the rapidly changing financial industry. To integrate sustainability into business planning and corporate operations, various training sessions are conducted to enhance the sustainable finance knowledge of all supervisors and employees, ensuring that they have the necessary skills to practically lead clients and suppliers in sustainable development.

Education and Training Conducted in 2023

Target	Training courses	Training results in 2023
--------	------------------	--------------------------

Board directors	Training topics include anti-money laundering and counter-terrorism financing practices, directors' legal obligations and responsibilities, the Financial Consumer Protection Act and fair customer treatment, net-zero carbon emissions and corporate governance, and the impact of emerging cybersecurity technologies on financial digital innovation.	Number of people who completed training: 18 Training duration: 271 hours
Senior executives	Topics include international development trends, corporate governance, fair customer treatment and financial consumer protection and empowerment, the opportunities and challenges of climate change and sustainable development for the financial industry, technologies and industry developments related to net-zero transformation, financial technology and intellectual property, and key global political and economic trends and ESG developments.	Records of training completion: 4,847 Training duration: 13,582 hours
Professionals responsible for green finance-related business	Training topics include climate risk management, green finance investment and practical applications, sustainable development goals such as Technology and Innovation Planning Strategy (TIPS) intellectual property research and management to deepen the sustainable finance knowledge and skills of financial professionals in various fields. Additional ESG corporate sustainability courses cover topics such as responsible investment, low-carbon products and services, net-zero transition, internal carbon pricing, and energy management technologies and industry developments.	Records of training completion: 11,668 Training duration: 15,143 hours
All staff	Training for new hires, professional advancement, and management competencies is provided while also conveying ESG concepts and trends. This year's topics include ESG themes, integrity management and legal compliance, information security, and personal data protection.	Records of training completion: 102,525 Training duration: 213,935 hours

Education and Training Statistics in the Past Two Years

Item	2022	2023	Increase/decrease rate
Total number of courses	993	1,108	10.4%
Training hours	233,153	251,623	7.3%
Records of training attendance	91,962	123,138	25.3%
Training expenditure (NT\$ Thousand)	16,609	23,927	30.6%
Number of employees	5,134	5,150	0.3%
Average hours of training received per person	45.4	48.9	7.1%
Average number of training courses received per person	18	24	25.1%

Average training expenditure per person (NTD)	3,235	4,646	30.4%
---	-------	-------	-------

Note:

1. The expenditure is denominated in New Taiwan Dollar (NTD).

2. Training hours and records of attendance are cumulative for the entire year; the number of employees is the number as of the end of 2023.

Professional Training in Finance

The Company actively reserves talents for potential needs for managers. In addition to cooperating with Yuanta Financial Holdings on relevant plans, we also conduct training for management-level talents across branches. This aims to strengthen the overall human capital of both Yuanta Securities and Yuanta Financial Holdings, foster sustainable financial talent, and assist employees in their transformation and development of diverse competencies.

High-Potential Employee Training Programs

Cultivation program	Target	Content	Training results
Yuanta MBA Program	Potential management at the headquarters	To cultivate management trainees at the departmental and team levels, the Company cooperates with Yuanta Financial Holdings on the "Yuanta MBA Training Program". The training covers political and economic trends, financial expertise, financial management, and team leadership, featuring a balance between course lectures and case studies. International cases are referenced to inspire innovative thinking, and Yuanta Group's practical experience is shared to pass on leadership wisdom and corporate culture. Trainees' learning results are verified through project reports, which also enhances cross-team collaborative thinking.	As of the end of 2023, a total of 27 participants have completed the program, with 11 promoted, achieving a promotion rate of 40%.
Yuanta Management Associate (MA) Program	New graduates	To nurture high-level talents for the capital market, the Company seeks financial elites with market and financial sensitivity, logical thinking, problem-solving skills, and strong learning abilities. The two-and-a-half-year Yuanta MA Program aims to cultivate management associates with cross-disciplinary integration expertise for the Yuanta Group. The program invites presidents and department heads from Yuanta Group subsidiaries as mentors and coaches, providing centralized training and	As of the end of 2023, the Company's MA talent pool has 45 individuals, with 11 promoted to management positions. In 2023, 10 were assigned overseas.

		rotational internships. Through cross-departmental experience and project execution, participants build a solid professional foundation and accumulate practical experience.	
Branch Management Trainee Program	Potential management talent in branch offices	To ensure talent sustainability, the Company conducts a management trainee program for potential talents across branches, identifying potential talents and training them for target succession positions. The training features multi-stage refining learning, which includes management case studies, professional competency training, on-site leadership internships, and achievement presentations.	As of the end of 2023, a total of 282 management trainees have completed the program, with 132 promoted to target succession positions, achieving a promotion rate of 46%.

Internal Promotion and Transfer Mechanism

The Company nurtures talent through job promotion and rotation. For employees with outstanding performance, a diverse development platform is available based on their interests, expertise, and future career plans, allowing them to enrich their experience and refine their professional skills. As of the end of 2023, 96% of supervisors at the department level and above at the headquarters attained their current positions through internal promotion or transfer. This demonstrates Yuanta Securities' success in talent cultivation and its efforts in offering various internal development opportunities for its employees.

Item	Description	Achievements in 2023
Internal promotion	Supervisors at all levels of the Company identify, discover, and reserve management and professional talents through talent identification. They promote employees with outstanding performance and nurture talent through diverse methods, including course training, project assignments, and meeting participation.	921 employees were promoted internally, accounting for 17.9% of total staff.
Internal transfer	The Company encourages employees to apply for internal transfers, leveraging the advantages of Yuanta Group's comprehensive financial services. This enhances employees' work interests and enthusiasm, stimulates their potential, and helps them become familiar with business operations in different regions or fields, ultimately advancing them into versatile professionals.	404 employees had job transfers, accounting for 7.8% of total staff. 56 employees transferred within the Group.

Performance Evaluation and Development

The Company regularly conducts performance evaluations, and the results serve as references for performance bonuses, promotions, salary adjustments, and talent development decisions. Performance evaluations are conducted using methods such as “Management by Objectives,” “Multifaceted Performance Evaluation,” “Team Performance Evaluation,” and “Agile Conversations”. Moreover, through daily management by walking around and conversational guidance on-site, supervisors can understand employees’ thoughts on their work and their development plans and assist them in setting future career goals. In 2023, 100% of our employees received regular performance evaluations and career development reviews, regardless of gender or job level.

Evaluation method	Target management	Multifaceted performance evaluation	Team performance evaluation	Agile conversation
Frequency	All staff (excluding sales personnel): Every six months Sales personnel: Monthly/quarterly		Monthly	Occasional
Implementation	Individual initial goals are set through discussions between employees and department supervisors. The performance management cycle, which includes mid-term tracking and improvement and end-of-term review and evaluation, is used to assess the annual work performance of employees and set future career development goals.	A multifaceted performance evaluation system is implemented to evaluate employee performance in relation to departmental goals and provide feedback from supervisors, employees, customers, and other perspectives, ensuring a comprehensive review of employee performance.	Each department has performance indicators aligned with the Group's development strategy. These performance indicators are also linked to the personal performance of relevant personnel in the department, ensuring alignment of performance goals among the Company, department, and employees. Monthly meetings are held to regularly review the performance of each unit, share execution experiences, and learn from each other to improve	Management by walking around is implemented, which promotes two-way communication between employees and supervisors and fosters an organizational culture of agile feedback and real-time guidance.

			overall performance.	
--	--	--	-------------------------	--

5.4 Healthy and Safe Workplace

Yuanta Securities is committed to providing its employees with a healthy and safe work environment. In accordance with relevant laws and regulations, the Company has established the “Occupational Safety and Health Committee”, which convenes quarterly meetings to discuss workplace safety and employee health promotion plans. The Company also regularly conducts hazard identification and workplace risk prevention measures, and has implemented the ISO 45001 Occupational Health and Safety Management System. By introducing this management system, we prevent and eliminate potential workplace hazards, protect employees, and reduce the incidence of accidents and occupational diseases. In addition, internal audits are conducted to ensure the effective operation of the system, providing employees with a safe and reliable work environment.

Safe Workplace

Occupational Health and Safety Management System

The Company strives to provide a high-quality and safe environment for employees by establishing occupational safety and health policies such as the “Safety and Health Work Rules” and the “Occupational Safety and Health Management Plan”, all of which are approved by the senior management, including the Chairman or the President. Additionally, various measures are implemented to ensure the reduction of workplace hazards that may harm employees.

Since 2019, the Company has proactively adopted the ISO 45001 Occupational Health and Safety Management System across all operating sites (covering employees and contractors), and has consistently passed third-party verification annually. The Occupational Health and Safety Management System applies to all employees and non-employees (i.e., interns and contract workers). In accordance with ISO 45001 standards, the Company has developed the Occupational Health and Safety Manual and established relevant policies, objectives, and management systems. Employee awareness of workplace safety and health is strengthened in compliance with pertinent laws and regulations to prevent hazards, thereby providing employees with a low-risk, healthy, and safe work environment. Moreover, regular internal audits are conducted to ensure the achievement of occupational safety and health policy objectives and maintain the effectiveness of the ISO 45001 system.

Furthermore, each unit has designated personnel with occupational safety and health certifications who regularly participate in retraining courses, assist in the implementation of the Occupational Safety and Health Management System, and ensure compliance with domestic occupational safety regulations. This enhances and reinforces the Company’s culture of prioritizing occupational safety.

Occupational Safety and Health Committee

Yuanta Securities falls under the third-category enterprises as defined by the “Regulations for Occupational Safety and Health Management”. In accordance with legal requirements, the “Occupational Safety and Health Committee” has been established, engaging both labor and

management representatives in quarterly meetings to understand employees' actual needs regarding workplace safety and health and to enhance workplace safety and employee health promotion plans.

In 2023, the Company held four Occupational Safety and Health Committee meetings. During these meetings, topics such as contracted physician health consultation services, employee health promotion activities, occupational safety and health education and training, and water quality testing at the headquarters and branch offices were discussed. These initiatives comprehensively safeguard employee health and improve the quality of the work environment.

Number of committee members	9
Number of labor representatives	4
Number of management representatives	5
Committee member term (year)	2
Number of meetings convened annually	4

Healthy Workplace

To help employees maintain physical and mental health and alleviate work-related stress, the Company organizes various activities, lectures, and awareness campaigns on an irregular basis. We also provide free consultation services to employees. These diverse initiatives are launched with an emphasis on the importance of valuing and caring for employee's health, aimed at enhancing the awareness of occupational safety and health among employees and assisting them in resolving issues and alleviating stress.

To ensure a safe and healthy work environment, the Company analyzes various key factors derived from work patterns, operational environments, health check results, and the five major workplace health protection plans (maternity protection, prevention of ergonomic hazards, prevention of diseases caused by abnormal workloads, prevention of unlawful infringement, and protection for middle-aged and elderly workers). Based on the incidence rate and impact severity, we have identified seven employee health issues: commuting accidents, infectious diseases, mental health, musculoskeletal pain, metabolic syndrome, and other risk hazards. Moreover, the Company continues to monitor the needs of middle-aged and elderly workers and pregnant women, and through the establishment of various prevention plans and mitigation measures, it manages and tracks related risks to effectively reduce workplace accidents and health hazards.

Workplace Health Promotion Measures

The Company's health promotion measures implemented in 2023 are listed in 11 categories as follows.

Event	Content and results
Health lectures	Health lectures: 14, covering topics including elderly care, tobacco hazards prevention, sports, nutrition, stress relief, etc. Records of attendance: 401 Average satisfaction 95.7

Technology and physical fitness	Technology and physical fitness check event held in collaboration with the Sports Administration Number of participants: 35 Average satisfaction 95.4
Online road running and cycling activity	Event duration: May to September Number of people who completed the task: 159 Average satisfaction 97.1
Weight loss campaign	Campaign duration: June to August Number of participants: 157 Result: Total weight loss of 416.55 kg, with an average 2.91 kg per person. Average satisfaction 98.8
Pregnancy gift bag	Pregnancy gift bags are given to pregnant and postpartum female employees, as well as to male employees whose spouses are pregnant or postpartum, to help new parents prepare for their baby's arrival. Number of recipients: 47
Regular health and medical updates	The Company publishes the "Health E-Monthly" to regularly disseminate health and medical information. This year, the publication included 24 articles on healthcare information, 12 updates on occupational safety, 2 holiday columns, 2 health newsletters on infectious disease prevention, and 36 clarifications of health-related myths.
AED first aid equipment	"CPR+AED Basic First Aid Skills Training Course" was held. Number of participants: 94, with a 100% participation rate.
Sports Enterprise Certification by the Sports Administration	The Company passed the 2023 Sports Enterprise Certification by the Sports Administration, Ministry of Education in August.
Taipei City Excellent Nursing Room Certification	The Company passed the 2023 Excellent Nursing Room Certification by the Department of Health, Taipei City Government in October. Excellent-level certificate
Badge of Accredited Healthy Workplace by the Health Promotion Administration	In December, a total of 37 branches with more than 30 employees each were awarded the 2023 Badge of Accredited Healthy Workplace by the Health Promotion Administration, Ministry of Health and Welfare.
Employee family day	A total of four family day events were held across Taiwan, with a participation rate of 56.2%. The event was centered around brisk walking, contributing to a carbon reduction of approximately 5.97 tons.

Employee Mental Health

Yuanta Group is committed to helping employees maintain a work-life balance as we foster a healthy workplace culture through a hybrid Employee Assistance Programs (EAPs). External social resources and company club activities are integrated, providing resources related to six main themes: Psychological Counseling, Legal Counseling, Medical Prevention and Treatment, Care/Other

Counseling, Self-Assessment, and Safe Workplace. These resources promote employees' physical and mental health while work efficiency is enhanced.

The Company has been collaborating with an external non-profit professional psychological counseling organization since 2021 to provide employees with free consultation services. Through a consultation hotline and one-on-one meetings with psychologists, employees receive assistance in resolving issues related to family, interpersonal relationships, and legal matters. In 2023, there were 61 consultations, and surveys of employees who used these services showed positive feedback.

Internally, the Company employs nurses to help employees utilize internal and external resources to address their issues, with a total of 1,370 service instances in 2023.

In addressing potential workplace hazards and individual health risks, the Company has set qualitative and quantitative targets for workplace health. Continuous management is achieved through tiered management and prevention strategies for public health, on-site consultation services by medical teams, monitoring and quantifying workplace safety data, and mental and physical health promotion actions planned in response to current events (such as the care plan for workers recovering from COVID-19). These efforts ensure the proper maintenance of Yuanta's workplace safety net.

Risk Mitigation, Prevention and Protection Measures

Sequence	Hazard prevention	Impact level	Prevention plan/improvement measures	Implementation results	Awards	Goal	Achievement status
1	Commuting traffic accidents/visiting clients	High	<ul style="list-style-type: none"> ◆ Regularly hold new-employee and on-the-job training courses on occupational safety and health. ◆ Provide six business shuttle buses daily. 	<ul style="list-style-type: none"> ◆ 5,146 records of attendance for the occupational safety and health training courses ◆ 5,146 records of attendance for traffic safety competence advocacy sessions ◆ 1 traffic accident in 2023 	-	100% participation rate for the motorcycle and automobile road safety advocacy of the occupational safety and health training course.	v
2	Infectious disease	Medium	<ul style="list-style-type: none"> ◆ Adopted the certification of ISO/PAS 45005 Guidelines for safe working during the COVID-19 pandemic. ◆ Launched the “Workplace Care Plan for 	<ul style="list-style-type: none"> ◆ Held 10 sessions of the “integrated counseling clinic for COVID,” with a satisfaction score of 96. 	-	Less than one business location faces operational suspension due to infectious diseases.	There were no operating sites that had to suspend operations due to the pandemic this year.

Sequence	Hazard prevention	Impact level	Prevention plan/improvement measures	Implementation results	Awards	Goal	Achievement status
			Workers Recovering from COVID-19” and the “COVID Recovery Counseling Clinic”. ◆ Established the epidemic prevention and disaster prevention emergency response team. ◆ Infectious disease (dengue, Mycoplasma pneumoniae) prevention advocacy	◆ Published 26 infectious disease prevention e-newsletters and health consultation service announcements, with 5,146 reaches.		Hold 4 expert consultation clinics	√
3	Mental health	Medium	◆ Established an external “Employee Assistance Plan” through the Taiwan Institute of Psychology; employ personnel to assist with problem identification, case referral, and campaign promotion internally.	◆ 61 records of employee utilization of the assistance plan in 2023. ◆ 401 records of attendance for the 11 courses on work-life balance and	2023 Family-Friendly and Work Equality Awards by the Labor Affairs Department, New Taipei City Government	No more than one complaint case regarding “Workplace Sexual Harassment Prevention Measures, Complaints and Punishment”.	There were no complaint cases regarding “Workplace Sexual Harassment Prevention Measures, Complaints and Punishment” in 2023.

Sequence	Hazard prevention	Impact level	Prevention plan/improvement measures	Implementation results	Awards	Goal	Achievement status
			<ul style="list-style-type: none"> ◆ Established the “Handling Guidelines for Workplace Sexual Harassment Prevention Measures, Complaints and Punishment”. ◆ Formulated the “Plan to Prevent Unlawful Violations in the Workplace” in accordance with the law, and provide a permanent employee complaint mailbox and employee internal communication channels. ◆ Regularly hold new-employee and on-the-job training courses on occupational safety and health to ensure employees’ physical and mental health. 	health advocacy in 2023.		Hold at least one lecture, course, or activity quarterly on work-life balance.	Held over 10 work-life balance and health advocacy courses in 2023.
4	Musculoskeletal pain	Medium	◆ Formulated and implement the “Ergonomic Hazard	◆ 5,146 records of attendance for the	Sports Enterprise Certification by	No more than 1% of employees	The 2023 index is 0.017%.

Sequence	Hazard prevention	Impact level	Prevention plan/improvement measures	Implementation results	Awards	Goal	Achievement status
			Prevention Plan” in accordance with the law and organize annual health promotion activities. ◆ Regularly hold new-employee and on-the-job training courses on occupational safety and health, educate employees on ergonomic hazard prevention in the office, and devise advocacy materials on workplace musculoskeletal pain prevention.	Ergonomic Hazard Prevention Plan online course. ◆ Visited 45 business locations to assist with improving musculoskeletal pain conditions caused by workplace postures and environment, serving 6 employees.	the Sports Administration	whose musculoskeletal survey results from health checkups show a pain index of 3 or above that have lasted for more than 3 months.	
						100% participation rate for the occupational safety and health training courses (including ergonomic hazard prevention advocacy).	√

Sequence	Hazard prevention	Impact level	Prevention plan/improvement measures	Implementation results	Awards	Goal	Achievement status
5	Metabolic syndrome	Medium	<ul style="list-style-type: none"> ◆ Formulated and implement the “Plan for Preventing Diseases Caused by Abnormal Workload” in accordance with the law. ◆ Organize annual health promotion activities. ◆ Regularly publish metabolic syndrome-related daily care information. ◆ The Company employs 4 dedicated nurses and offers a hotline for one-on-one health counseling and emergency medical services during business hours. 	<ul style="list-style-type: none"> ◆ 5,146 records of attendance for the Plan for Preventing Diseases Caused by Abnormal Workload online course. ◆ Held 14 workplace health promotion activities. 	37 branches with more than 30 employees each received the 2023 Badge of Accredited Healthy Workplace by the Health Promotion Administration, Ministry of Health and Welfare.	100% participation rate for the occupational safety and health training courses (including advocacy for Plan for Preventing Diseases Caused by Abnormal Workload).	√
						Publish metabolic syndrome-related daily care information monthly, with 5,000 reaches.	√

Sequence	Hazard prevention	Impact level	Prevention plan/improvement measures	Implementation results	Awards	Goal	Achievement status
6	Protection for middle-aged and elderly workers	Medium	<ul style="list-style-type: none"> ◆ Formulated and launched the “Work Ability Management Plan for Middle-aged and Elderly Employees”. ◆ Conduct a health checkup every two years, including screenings for four major cancers, and increase the health check reception rate. 	<ul style="list-style-type: none"> ◆ Following the scheduled employee health checkups, offered additional screenings for four major cancers in company-owned buildings with over 100 employees. 	-	Conduct four sessions of middle-aged and elderly workers’ work ability assessment and health improvement suggestions monthly.	Consulted with 74 people, offering customized health prescriptions.
7	Maternity protection	Low	<ul style="list-style-type: none"> ◆ Formulated and implement the “Maternal Health Protection Plan” in accordance with the law and arrange for physical and digital maternal health care resources. ◆ Regularly hold new-employee and on-the-job training courses on occupational safety and health to raise awareness 	<ul style="list-style-type: none"> ◆ Provided pregnancy care supplies and 49 copies of “New Parents Guide”. ◆ 5,146 records of attendance for Maternal Health Protection Plan and workplace gender equality 	Excellent Nursing Room Certification by the Department of Health, Taipei City	Over 85% utilization of maternity protection counseling service.	The counseling utilization rate in 2023 is 100%.
						100% participation rate for the Maternal Health Protection Plan	The participation rate in 2023 is 100%.

Sequence	Hazard prevention	Impact level	Prevention plan/improvement measures	Implementation results	Awards	Goal	Achievement status
			of workplace gender equality and rights. ◆ Plan for the establishment of nursing rooms and nurses offering breastfeeding counseling.	and rights advocacy sessions. ◆ Set up 2 nursing rooms at the headquarters.		and workplace gender equality and rights advocacy.	
						Continue to pass the certification for Excellent Nursing Rooms	√
						100% completion rate for the maternity protection individual case health counseling	√

Supplier Safety and Health Commitment

When contracting with suppliers, the Company requires them to sign a “Supplier Safety and Health Commitment Letter” to review whether suppliers comply with relevant labor laws and regulations, conduct occupational safety and health training for employees, provide employees with labor insurance, and implement safety measures and emergency equipment in the work environment. This ensures the legal compliance of the entire supply chain and protects the basic rights of employees.

The items listed in the commitment letter are as follows (using engineering procurement contracts as an example).

Item	Commitment details
Legal compliance	Comply with the “Occupational Safety and Health Act” and “Labor Standards Act” and other relevant occupational safety, health, and labor rights regulations.
Safety education and training	Provide necessary safety and health education and on-the-job training to prevent occupational hazards for their workers and subcontractors.
Labor health protection	Provide health and physical examinations for workers in accordance with the “Regulations Governing Labor Health Protection”; consider workers’ health status when assigning tasks to ensure appropriate job placement.
Labor health insurance	Provide workers with labor insurance.
Operational risk identification prior to construction	Conduct hazard identification of the work environment before construction; perform operational safety analysis to ensure all personnel have received relevant education and training before commencing work.
Safety advocacy prior to construction	Collaborate with construction supervisors or similar roles to outline precautions measures during daily toolbox meetings, including but not limited to job scope, environmental safety and health regulations, and other related risks.
Protective measures	Provide appropriate protective equipment to personnel and ensure proper usage; implement safety measures and provide emergency equipment.
Construction site inspection	Conduct daily inspections to ensure the implementation of on-site safety measures; suspend the work and inform the responsible unit if any concerns arise.
Post-work documentation	Compile relevant forms at the end of each workday for the reference of the Company’s officer in charge.

Occupational Safety and Health Training Programs and Courses

The Company has planned a variety of occupational safety-related education and training programs, such as “Fire safety management personnel training” and “First aid personnel training”, to ensure that employees possess professional knowledge and emergency response skills. In the event of an emergency or disaster, employees will be able to act quickly to evacuate or implement relevant measures to protect their safety. “Occupational safety and health for new employees” and “Occupational safety and health manager training” courses are offered as well. These programs

promote workplace safety and health concepts, enhance relevant knowledge, and secure a comprehensive workplace for employees.

Course theme	Participation in 2023	
Occupational safety and health for new employees	Records of attendance	402
	Number of sessions	11
	Total hours	1,206
Annual occupational health and safety training	Records of attendance	4
	Number of sessions	3
	Total hours	48
Occupational safety and health manager training	Records of attendance	152
	Number of sessions	24
	Total hours	1,173
Fire safety management personnel training	Records of attendance	11
	Number of sessions	8
	Total hours	132
First aid personnel training	Records of attendance	103
	Number of sessions	11
	Total hours	272

Occupational Injury

In 2023, there was one general occupational injury incident, which occurred during a business trip.

Item ¹	Statistics	
	2022	2023
Total working hours	2,569,576	2,644,588
Number of general occupational injuries ²	0	1
Number of severe occupational injuries ³	0	0
Number of fatalities	0	0
Sum of recordable occupational injuries	0	1
Number of lost working days	0	1
Ratio of fatalities due to occupational injuries ⁴	0	0
Ratio of severe occupational injuries ⁵	0	0
Disabling injury frequency ⁶ (ratio of recordable occupational injuries)	0.00	0.38
Disability injury severity ⁷ (ratio of lost working days)	0	0
Frequency-severity indicator ⁸	0.00	0.00

Note:

- The occupational injuries listed in this table are those caused by work-related hazards, excluding commuting traffic accidents.
- Injuries that caused no more than 180 lost working days; this year's occupational injury occurred during a business trip.
- Injuries that caused over 180 lost working days, excluding the number of fatalities.
- The ratio of fatalities due to occupational injuries = (Number of fatalities x 1,000,000) / Total working hours.
- The ratio of severe occupational injuries = (Number of severe occupational injuries x 1,000,000) / Total working hours.
- Disabling injury frequency = (Sum of recordable occupational injuries x 1,000,000) / Total working hours worked, rounded down to two decimal places.
- Disabling injury severity = (Number of lost working days x 1,000,000) / Total working hours, rounded down to the nearest whole number.

8. Frequency-severity indicator = $\sqrt{(\text{Disabling injury frequency} \times \text{Disabling injury severity})} / 1,000$, rounded down to two decimal places.

5.5 Human Rights, Diversity and Equality

Yuanta Securities strictly adheres to state labor laws and regulations and supports international human rights conventions, including the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization's International Labour Conventions. Furthermore, following Yuanta Financial Holdings' "Human Rights Policy," the Company conducts the human rights due diligence to assess and monitor potential risk issues that employees may face, aiming to create a diverse and equitable human rights-friendly workplace through concrete actions.

Human Rights Policy

Yuanta Securities follows the "Human Rights Policy" stipulated by Yuanta Financial Holdings, which includes provisions on the protection of human rights in the workplace, implementation of equal pay for equal work, provision of a healthy and safe workplace, support for freedom of association, promotion of harmonious labor-management relations, and protection of personal data and human rights policy advocacy. We also abide by relevant labor laws and regulations to ensure employees' legal rights and prohibit any violation and infringement upon human rights as we demonstrate a commitment to respect and protect human rights through practical actions. The following are the specifics covered in the "Human Rights Policy".

Protection of human rights in the workplace	The Company prohibits forced labor, human trafficking, employment of child labor, and sexual harassment, and ensures that no discriminatory treatment or any form of discrimination is practiced against employees based on race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, physical features, disabilities, zodiac sign, blood type, or union membership to protect employees' human rights. The Company offers a dignified and equal work environment.
Implementation of equal pay for equal work	The Company ensures that there is no differential treatment in wages based on gender or sexual orientation. Employees performing the same work or holding the same value are paid equally. However, differences made based on seniority, reasons of rewards and penalties, performance, or other legitimate reasons not related to gender or sexual orientation are not subject to this provision.
Provision of a healthy and safe workplace	The Company complies with occupational safety and health regulations, providing care for employees' physical and mental health through safety and health operations, education and training, employee health checkups, and various health promotion activities. These efforts aim to improve and enhance the safety and health conditions of the work environment, reduce the risk of occupational hazards, and provide a safe, healthy, and hygienic workplace for employees.
Support for freedom of association	The Company respects employees' rights to form and join various clubs and organizations. We also provide employees with legitimate and diverse activities to enhance their work-life balance.

Promotion of harmonious labor-management relations	The Company is attentive to and manages issues related to employees' labor rights. Through labor-management communication based on collective bargaining, regular labor-management meetings, and channels for employee complaints or suggestions, employee rights are protected and enhanced.
Protection of personal data	The Company complies with personal data protection laws and regulations, ensuring that the collection, processing, and use of personal data comply with legal requirements while personal data rights are maintained and protected.

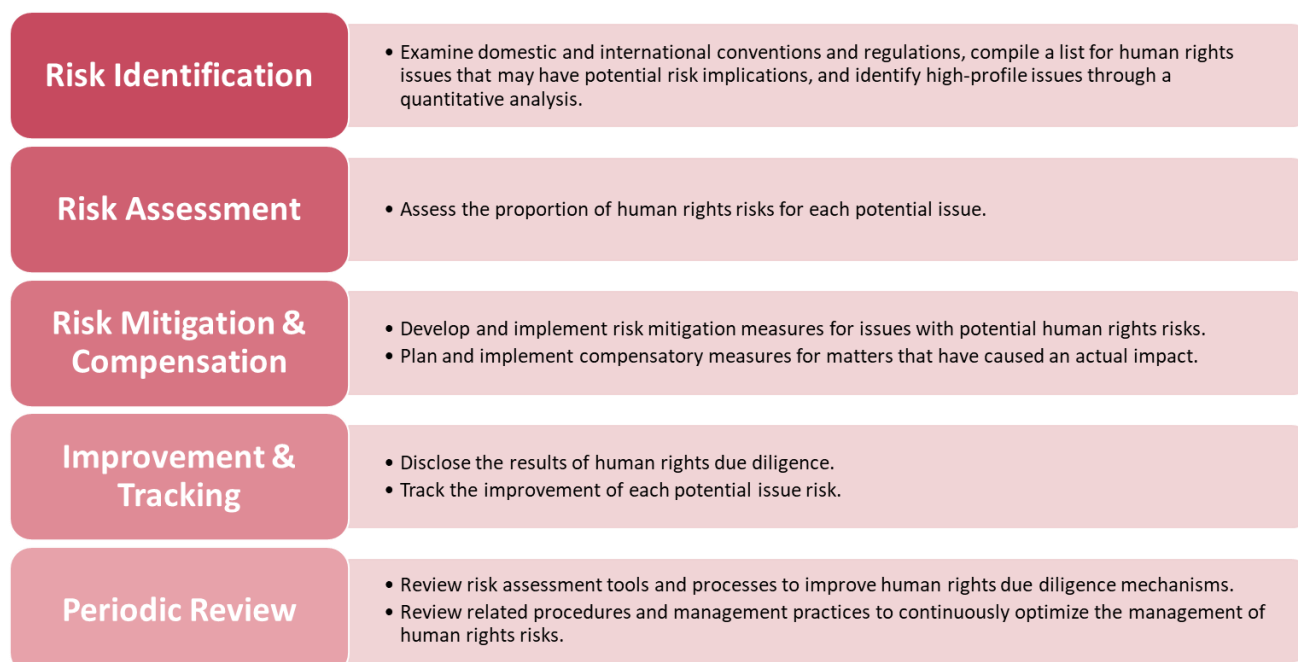
We also encourage our partners, including suppliers, to jointly commit to the management of human rights issues and risks. When signing contracts, the "Supplier Sustainable Procurement Terms" are mandatorily included, in which the first clause pertains to human rights. This initiative demonstrates the Company's aspiration to facilitate overall societal sustainability by exerting its influence.

Human Rights Due Diligence

To implement Yuanta Financial Holdings' "Human Rights Policy," the Company conducts the annual human rights due diligence in cooperation with Yuanta Financial Holdings. By reviewing domestic and international human rights issues and relevant state labor laws, the Company identifies potential human rights risks, as well as affected parties and risk sources, and establishes or improves risk mitigation measures and subsequent tracking operations accordingly to reduce and eliminate any risks of human rights violations.

Human Rights Due Diligence Process

Relevant groups: Employees, suppliers/partners, customers, and local communities.



Human Rights Management and Gender Equality

Yuanta Securities has established the “Management Guidelines for Workplace Sexual Harassment Prevention Measures, Complaints, and Punishment” to protect employee rights, promote gender equality, and provide a workplace free from sexual harassment. These guidelines aim to prevent workplace sexual harassment, protect employees from harassment threats, create a friendly working environment, enhance the understanding of gender equality among supervisors and employees, and outline the remedial measures for sexual harassment.

The guidelines apply to all employees, including contract workers, dispatched workers, interns, and job applicants. If a sexual harassment complaint arises, a Sexual Harassment Complaint Handling Committee may be established, upon the President’s approval, to address the complaint. The committee shall consist of five to seven members, including the head of the Human Resources Department as an ex officio member. The other members are appointed or selected from current employees by the Chairman or President, and at least half of the members must be women.

The Company publicly discloses complaint channels on its official website, including a dedicated hotline, fax number, and email address. Various methods, such as gatherings, emails, and announcements, are used to promote awareness of sexual harassment prevention measures and complaint channels among employees. In addition, gender equality and sexual harassment prevention courses are planned as appropriate in the Company’s annual employee education and training programs.

In 2023, there were no reported incidents of illegal infringement. The Company will continue to prevent such incidents in the future to ensure that employees remain free from unlawful harm.



Yuanta Securities Sexual Harassment Complaint Channels

Chapter 6 Participation and Contribution to Social Welfare

Total investment amount	Total records of beneficiaries	Total records of volunteers	Total volunteering hours
60,465,837 NTD	13,475 people	6,184 people	23,819 hours

6.1 Public Welfare Vision

To enhance the effectiveness and social impact of its public welfare activities, Yuanta Securities specifically adheres to the public welfare strategy of the Yuanta Group and the “Yuanta Financial Holding Co., Ltd. and its Subsidiaries’ Social Welfare Activity Management Guidelines”. Moreover, the Company has established the “Yuanta Securities Co., Ltd. Social Welfare Activity Management Guidelines” with references to the United Nations Sustainable Development Goals (SDGs).

Public Welfare Strategy and Goals

Our social welfare strategy focuses on three aspects: Public Welfare Care, Educational Support, and Community Well-being.

Three strategic focuses Details	Public Welfare Care	Educational Support	Community Well-being
Highlight	Focusing on social changes to encourage all departments integrating the concepts of charitable contributions into operations and work with stakeholders to expand social impact.	Continuously providing meaningful educational assistance, to increase the number of beneficiaries, ensure disadvantaged students’ right to fair and high-quality education, and offer employment opportunities to help youth achieve independence.	Utilizing operational locations as community hubs for exchanges to engage deeply with the community, build support networks, leverage volunteer efforts to focus on social and environmental issues, and prioritize collaboration with strategic partners ¹ .
Long-term goal	1. Utilizing financial services to assist charitable organizations and disadvantaged groups that face inequality in resources or	1. Assisting to provide employment opportunities for disadvantaged individuals to nurture talent and demonstrate social care.	1. Each branch office acts as a neighborhood financial service provider that enhances interactions with stakeholders and assists in addressing issues of concern.

	<p>opportunities due to economic difficulties.</p> <ol style="list-style-type: none"> 2. Supporting activities of service units, that invite stakeholders to care for children from rural and disadvantaged families, people with physical and mental disabilities, and other vulnerable groups, leveraging corporate influence while building good relationships. 3. Providing substantive care and supporting for disadvantaged groups affected by major disaster events, to help them through economic hardships by leveraging corporate influence. 	<ol style="list-style-type: none"> 2. Allocating resources to the demanding disadvantaged districts of schools and community educations. 3. Providing scholarships and grants for higher education research to encourage and support the development of related industries and the cultivation of professional talent. 	<ol style="list-style-type: none"> 2. Supporting childcare and elderly care, along with medical services, to build a community-based care network, and foster a culture of social support and health. 3. Empowering local social organizations or groups to enhance community well-being, promote cultural and creative industries, and serve as hubs for community exchanges. 4. Utilizing corporate influence to organize public welfare activities and leveraging the power of corporate volunteers to address environmental issues.
--	--	--	--

Note: Strategic partners refer to organizations dedicated to improving human rights risks at the community level, including civic organizations, charitable groups, social innovation organizations, social enterprises, and government agencies. Groups potentially facing human rights risks at the community level include, but are not limited to, children, indigenous peoples, women, persons with disabilities, or disadvantaged groups.

Implementation Status in 2023

In promoting social engagement activities through financial operations, we started the tree planting project launched with BNP Paribas in 2022, and we continued to collaborate with Yuanta Life on the micro-insurance premium donation plan in 2023. We also organized the “7th Yuanta Stock Challenge Campus Investment Simulation Contest” to foster financial and investment awareness as well as anti-fraud concepts among students. The Company acknowledges the role of collective effort in promoting public welfare endeavors further and wider. Therefore, in addition to rallying employees, we also encourage suppliers to join our public welfare initiatives. For example, there are seven suppliers participated our blood donation events in March, July, and November. we also collaborated with ten domestic university departments and/or student clubs on finance-related courses, lectures, and activities in 2023. Furthermore, each branch office spares no effort in providing financial education to disadvantaged groups and assisting local social welfare organizations. Through engaging with various groups and communities in diverse activities, we give back to society in various forms.

Highlight Performance

- Employee voluntary participation in volunteer activities increased by 2% compared to the previous year.
- A total of 38 suppliers participated in Yuanta Securities’ social welfare activities.
- We supported activities for elderly care and medical services.
- We empowered 19 local social organizations or groups to enhance social welfare.
- We continued to provide meaningful educational assistance, helping over 563 students with academic aspirations to complete their studies.
- We maintained a long-term focus on rural children and disadvantaged groups, participating in a total of 5 public welfare and companionship activities for underprivileged children.
- We organized 9 financial literacy education and anti-fraud courses.
- We collaborated with Yuanta Life on the micro-insurance premium donation plan.

6.2 Public Welfare Investment and Results

Public Welfare Expenditure

Three strategic focuses Participate item	Public Welfare Care	Educational Support	Community Well-being
Participate amount	57,762,837	1,641,000	1,062,000
Records of volunteers	67	55	6,062
Volunteering hours	2,517	101	21,201
Number of beneficiaries	10,836	1,023	1,616

The Company ensures the sustainability of public welfare activities under the three major strategic focuses and invites stakeholders, including customers and suppliers, to participate in appropriate activities. The highest participate amount is in “Public Welfare Care”, primarily through donations to the Yuanta Cultural and Educational Foundation for charitable work and contributions to the Yuanta-Polaris Research Institute for research. In “Educational Support”, in 2023, we collaborated with multiple university departments and clubs on 14 projects that offered courses and(/or) internships to benefit students. “Community Well-being” is actively supported by branches across Taiwan, with Yuanta employees providing the most needed assistance to local organizations based on their observations, which covers various issues such as agriculture, long-term care services, prevention of abuse and sexual assault, retirement financial planning for the elderly, support for those living alone.

Charitable Donations

Yuanta Cultural and Educational Foundation

Since 2007, Yuanta Securities has been making donations to the Yuanta Cultural and Educational Foundation in support of various charitable events over the years, including the “Yuanta Dream Big Project”, “Yuanta Happiness Day”, “Yuanta Financial Management Day”, and “Yuanta Love Books for Fun”. In 2023, the Company donated NT\$ 43.2 million.

Taiwan Financial Services Roundtable

Since 2015, Yuanta Securities has been making donations to the “Financial Services Industry Education Public Welfare Fund”, primarily used to provide scholarships and grants to underprivileged students. Additionally, the financial literacy courses were organized for students, women, the elderly, new immigrants, and indigenous peoples across both urban and rural areas. The Company donated NT\$875,000 in 2023.

Taiwan Fund for Children and Families

In response to the government’s promotion of micro-insurance policies, Yuanta Securities has been making donations to this foundation for three consecutive years, providing economically disadvantaged groups insurance through Yuanta Life’s group micro-injury insurance. The Company donated NT\$366,470 in 2023.

PLANET Technology Corporation

Yuanta Securities encourages customers to support the United Nations Sustainable Development Goals (SDGs). In collaboration with its client PLANET Technology Corporation, the Company participated in the “Good Air for Taiwan” project, which promotes the use of straw-decomposing bacteria instead of burning rice straw. It assists farmers in implementing a sustainable cycle by returning the rice straws to the land while reducing air pollution and carbon emissions. In Hualien

and Changhua counties, a total of 4,100 hectares of rice fields were pledged, reducing carbon emissions by approximately 36,900 metric tons. The Company donated NT\$12,500 in 2023.

Highlights of Public Welfare Activities

Public Welfare Care

Plant Trees, Striving to Reduce Carbon Emissions



Collaborating with industry peers to promote tree planting initiatives

Since 2022, Yuanta Securities has partnered with BNP Paribas to promote a tree-planting initiative that encourages clients to participate in afforestation through financial actions to address climate change and facilitate biodiversity. For every USD 10,000 invested in specific investment products by a client, the partnering social enterprise in this project plants a tree in the mangrove forests of Aceh, Sumatra, Indonesia. This enables clients to create green impacts while engaging in long-term value investments.

Project achievements: 1,177 trees in 2022, 4,087 trees in 2023, with a cumulative sum of 5,264 trees.

Turn Off Lights, Loving the Earth



Earth Hour

For three consecutive years, Yuanta Securities has participated in the global “Earth Hour” event initiated by the World Wide Fund for Nature (WWF). Every year, on the last Saturday of March from 8:30 PM to 9:30 PM, we join the world in turning off lights for one hour to reduce carbon emissions as a caring gesture for the Earth. In 2023, in addition to inviting 18 suppliers to join the initiative, the Company further engaged all its overseas subsidiaries in South Korea, Hong Kong, Indonesia, Thailand, and Vietnam to turn off lights as well.

Family Day for Public Welfare



Employee Family Day

Yuanta Securities organized four “Yuanta Loves the Earth” carbon-emissions-reduction walks on employee family day in the north, central, and south, with a total of 5,996 employees and their families participating. These activities not only strengthened team cohesion and family bonds but also promoted environmental sustainability and green actions, contributing to the conservation of Earth. The Company also demonstrated its commitment to social welfare by ordering meal boxes from the Children Are Us Foundation and donating receipts collected during the events to the Eden Social Welfare Foundation.

Green Beautification for Better Urban Environment



Adopting Street Trees and Sidewalks

Yuanta Securities, in collaboration with suppliers and the Taipei City Government Public Works Department’s Parks and Street Lights Office and New Construction Office, initiated the adoption programs for street trees and sidewalks for five and three years, respectively. These efforts beautify the environment and maintain the urban aesthetics. It also allows pedestrians to enjoy the results of

the volunteers' efforts.

Community Well-being

Green Campus and Seedlings Donation



Campus Seedlings Donation Initiative

In 2023, Yuanta Securities held a walking and tree-planting event as the extension of the tree-planting activity for ecological restoration launched in 2022. 3,418 native Taiwanese seedlings were donated to eight schools in New Taipei City, benefiting a total of 14,795 teachers and students. 8,568 seedlings have been donated in total, which beautified the environment and greened campuses while also raising awareness about environmental conservation.

Clean Marine Debris, Protecting the Ocean



Marine Debris Cleanup Action

In an effort to safeguard biodiversity, Yuanta Securities donated NT\$500,000 in 2023 to the Taiwan Azure Alliance to sponsor its self-owned marine debris cleaning vessel "Azure Fighter" to conduct eight port cleanup operations at Bitou Fishing Port in New Taipei City. A total of 8,381 pieces of garbage, weighing approximately 228 kilograms, were removed, which demonstrated the commitment to protect Taiwan's marine ecology in concrete actions.

Melodies of Joy, Comforting the Heart



Vienna New Year's Concert

Since 2022, Yuanta Securities has been sponsoring the broadcast of the "Vienna New Year's Concert" on Eastern Broadcasting Company (EBC). In 2023, the Company provided NT\$1.5 million for the title sponsorship, bringing the classical music of the Vienna Philharmonic Orchestra to the Taiwanese public on the first day of the New Year. This allows everyone to enjoy a world-class musical feast through television. The Vienna New Year's Concert is broadcast in over 90 countries, with over 1 billion views worldwide.

Educational Support

Extensive Educational Support for Talent Cultivation



Continued Efforts in Industry-Academia Collaboration

Yuanta Securities has engaged in industry-academia collaboration with National Yang Ming Chiao Tung University by organizing the Yuanta Fintech Lecture Series. The focus is on the development and practical application of digital financial technology, with over 120 participants enrolled. The series of lectures is designed to develop industry professionals with practical expertise. It is jointly lectured by the Quantitative Trading Department, Derivatives Department, and Fixed Income Department, offering highly informative content that integrates theory with practice. Students can further explore the practical applications of financial theories and gain early insights into industry demands through this course.

Chapter 7 Climate Action

Green Action Milestones

Year	Highlight Achievements
2016	<ul style="list-style-type: none"> • Obtained the ISO 14001 Environmental Management System Certification. • Obtained the ISO 14064-1 Organization Greenhouse Gas Inventory System Certification. • Requested suppliers to include the “Commitment Statement for Human Rights and Environmental Sustainability Terms” in procurement contracts. • Participated in the “Ministry of Economic Affairs’ voluntary green tariff system pilot program”.
2017	<ul style="list-style-type: none"> • Revised procurement regulations to give priority to green products.
2018	<ul style="list-style-type: none"> • Obtained the ISO 50001 Energy Management System Certification. • Purchased renewable energy certificates. • Awarded the "Healthy Workplace Certification".
2019	<ul style="list-style-type: none"> • Convened the first supplier conference. • Installed iEN Intelligent Energy Saving System in self-owned buildings to refine ISO 50001 Energy Management System.
2020	<ul style="list-style-type: none"> • Signed the power purchase agreement (PPA), being the first securities company in Taiwan to do so. • Introduced ISO 20400 Sustainable Procurement Guidance. • Introduced ISO 14046 Water Footprint Inventory. • Requested suppliers to sign the “Supplier’s Terms and Conditions for Sustainable Procurement” and “Supplier Sustainable Procurement Guidelines”.
2021	<ul style="list-style-type: none"> • Became the first in Taiwan’s financial industry with its branches transitioned to 100% green power. • Being the first financial institutions in Taiwan to introduce ISO/PAS 45005 General Guidelines for Safe Working during the COVID-19 pandemic. • Introduced Internal Carbon Pricing (ICP) Mechanism following Yuanta Financial Holdings.
2022	<ul style="list-style-type: none"> • Launched the first zero-carbon app in the securities industry: Mr. Yuanta APP obtained the ISO 14067 Carbon footprint of products and PAS 2060 Carbon Neutrality Certifications.
2023	<ul style="list-style-type: none"> • The Board of Directors approved the enactment of “Yuanta Securities Co., Ltd. and Subsidiaries Environment, Energy and Climate Change Management Policy”. • “Yuanta Securities Online Financial Service” passed the ISO 14067 Carbon footprint of products Certification and obtained the Carbon Footprint Label of the Ministry of Environment. • Purchased carbon credits from wind power projects in India via the Taiwan Carbon Exchange, being one of the first enterprises to make a purchase in the international carbon trading platform.

7.1 Climate Change Management

Climate Governance and Responsibility Allocation

Climate Change Management Policy

To achieve sustainable development and address international energy shortages and climate change, Yuanta Securities has been engaging in the work of the parent company Yuanta Financial Holdings' Task Force on Climate-Related Financial Disclosures (TCFD) since 2020. In accordance with the Financial Supervisory Commission's "Transition Strategies of Sustainable Development for Securities and Futures Sectors", environmental sustainability considerations are incorporated into our management and operations as we promote climate change-related initiatives. We have also established the "Yuanta Securities Co., Ltd. and Subsidiaries Environment, Energy, and Climate Change Management Policy", committed to promoting environmental and energy management, practicing effective energy utilization, reducing greenhouse gas emissions, and implementing environmental protection. In addition, the "Yuanta Securities Co., Ltd. Management Measures for Climate Change Risk in Investment" is in place, which outlines the Company's standards for climate change risk management in investment to ensure the appropriateness of relevant operations.

Board of Directors' Involvement and Promotion

The impact of climate change is increasingly significant for corporate operations. Therefore, professional knowledge in sustainable management is prioritized in the considerations for the composition of Yuanta Securities' Board of Directors. In addition to the professional capabilities in financial institution management and operations, financial management, accounting, law, and corporate governance when nominating independent directors, we also emphasize practical experience, knowledge, and skills in climate change-related issues.

The Company abides by the "Risk Management Policy", with the Board of Directors being the highest decision-making body for risk management. To enhance climate-related risk management, relevant management systems, regulations, and climate risk monitoring indicators for supervision are also in place. The Risk Management Department reports on the implementation of climate-related risk management to the Sustainable Development Reporting Committee, the Audit Committee, and the Board of Directors.

Responsibilities of Senior Management

The President (or designated supervisory officer) is responsible for regularly convening the Sustainable Development Reporting Committee to oversee the Company's climate change-related development, effectively manage the planning and response to climate change-related strategies, and track the implementation of annual indicators and targets. This ensures effective management and control of climate change-related risks in the Company's operations and further mitigates the impact of climate change risks on the Company through the promotion of ESG-related products and services or energy-saving and carbon reduction actions.

Linking Senior Management Performance to ESG

To achieve sustainability goals and enhance organizational operational efficiency, the Company revised the "Performance Management Measures" in 2020, incorporating ESG-related goals into

performance assessment indicators. ESG sustainability promotion items, including climate management, have been added to the performance indicators for senior managers to ensure that all levels of management strive for profitability while also achieving sustainability goals. For more detailed information, please refer to Chapter 3, Section 1, “ESG Performance and Reward System”.

Responsibilities of Functional Teams

To continuously promote climate change-related initiatives, Yuanta Securities established the “Climate Change Risk Management Team” under the Sustainable Development Reporting Committee in July 2023. This team is responsible for establishing climate-related management systems and regulations, disclosing climate-related information, and deliberating on financial carbon emissions and other related matters. It works closely with the Environmental Sustainability Team and the Sustainable Finance Team to jointly develop strategies for addressing climate-related risks and opportunities. At each quarterly work meeting, the Climate Change Risk Management Team reports on work progress and implementation effectiveness, and regularly provides the Board of Directors with updates on relevant situations and material issues.

Team	Responsibilities
Climate Change Risk Management Team	<ul style="list-style-type: none"> *Establish climate-related management systems and regulations *Disclose climate-related information *Deliberate on greenhouse gas emissions - Scope 3 (financial carbon emissions)
Environmental Sustainability Team	<ul style="list-style-type: none"> *Formulate environmental policies and management systems *Disclose Scope 1 and Scope 2 greenhouse gas emissions *Purchase low-energy consumption, green-energy powered office supplies and equipment *Properly handle waste *Recycle and reuse energy-intensive appliances *Manage suppliers *Conduct green procurement projects
Sustainable Finance Team	<ul style="list-style-type: none"> *Implement matters related to sustainable finance principles and investment management policies *Promote green operation, develop green products and green financing *Promote responsible investment and institutional investor stewardship *Respond to climate change and development *Promote products and services that provide environmental and social benefits *Promote financial inclusion

Climate Change-Related Risk Management

Climate Risk Management Policy

Yuanta Securities has a comprehensive risk management organizational structure, policies, and management regulations in place, covering financial risk, operational risk, legal and compliance risk, and climate change risk. These policies also consider multiple aspects such as environmental protection (E), social responsibility (S), and corporate governance (G). Climate change risk has been

incorporated into our risk management policy, with specific mechanisms established for climate risk management. These mechanisms clearly define the responsibilities of relevant units and various risk management procedures, monitoring items, and threshold values for monitoring indicators. With the climate change risk management process integrated into our overall risk management procedures, the Company's ability to manage climate risks is enhanced. Moreover, our "Management Measures for Climate Change Risk in Investment" and "Operational Risk Management Measures" outline standards for managing climate change risks in investments and operations, ensuring the appropriateness of risk management. Through identification, measurement, monitoring, and reporting, we ensure that the climate change risks faced in the Company's various businesses meet risk management objectives and risk tolerance levels.

Climate Risk Management Procedure

Risk and opportunity identification	Risk and opportunity measurement	Risk and opportunity monitoring	Risk and opportunity report
<ol style="list-style-type: none"> 1. In line with Yuanta Financial Holdings' schedule, Yuanta Securities annually identifies climate risks and opportunities based on business characteristics. 2. We collaborate with Yuanta Financial Holdings' Risk Management Department, Administration Department, and Corporate Planning Department to integrate the Company's overall risk identification. 3. We reference international organizations' climate risk management reports. 	<ol style="list-style-type: none"> 1. We assess the impact and influence of various risks and opportunities based on business characteristics. 2. The measurement scope includes impact pathways, impact time and geographical scope, affected value chain positions, and financial impact. 	<ol style="list-style-type: none"> 1. Environmental and social factors of various industries are included in the industry risk and opportunity level assessment mechanism. 2. Climate risk monitoring indicators and threshold values for the Company's investments and operations are established and regularly monitored to control the potential impacts of climate risks. 3. We have formulated the "Investment Management Policy" and incorporated ESG and responsible investment checks and evaluations into proprietary business and investment banking underwriting business-related regulations. 	<ol style="list-style-type: none"> 1. The implementation status of climate-related risk monitoring indicators is regularly reported to the Audit Committee and the Board of Directors. 2. Climate risk-related information is periodically reported to independent directors. 3. ESG investment implementation status is regularly reported to the Board of Directors.

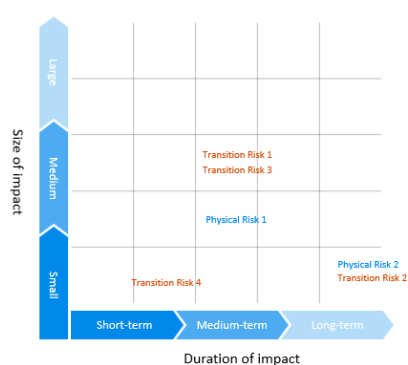
Climate Change-Related Strategy

Potential Climate-Related Risks and Opportunities

In response to the impact of climate change on the Company's operations and the impact of our business activities on the climate, Yuanta Securities, in coordination with the schedule of our parent company, Yuanta Financial Holdings, and in collaboration with Yuanta Financial Holdings' Risk Management Department, Administration Department, and Corporate Planning Department, annually identifies and assesses climate risks and opportunities based on the Company's operations and business characteristics to enhance corporate resilience.

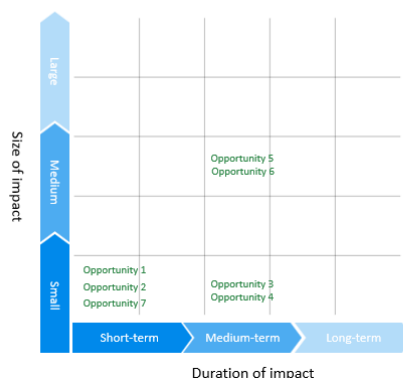
The Climate-Related Financial Disclosures (TCFD) guidelines categorize climate risks into "transition risks" pertaining to a low-carbon economy and "physical risks" associated with climate change impacts. The guidelines also list climate-related "opportunities" that can be developed under transition strategies. According to the guidelines' classification and referencing international organizations' climate risk reports, the Company identifies potential climate-related risks and opportunities through different impact pathways, impact time and geographical scope, value chain position affected, and financial impact. During the measurement process, we link identified potential climate risks with existing traditional risks and consider their potential financial impacts on the Company. A climate risk matrix is then created based on the materiality ranking derived from "impact = magnitude" and "impact time frame". In 2023, the Company identified a total of six risks and seven opportunities, and corresponding measures are planned based on the impact duration and magnitude.

Climate Risk Matrix



- Physical Risk 1**
 - Extreme climate causes companies that receive investment to halt their operations
- Physical Risk 2**
 - Losses from business locations and collateral damages due to flooding
- Transition Risk 1**
 - Cost for decarbonization policies and legal compliance - investment targets
- Transition Risk 2**
 - Cost for decarbonization policies and legal compliance - own operation
- Transition Risk 3**
 - Cost for eco-friendly green energy transformation
- Transition Risk 4**
 - Impact on the Company's reputation for investing in highly polluting industries

Climate Opportunity Matrix



- Opportunity 1**
 - Improving energy efficiency in business locations
- Opportunity 2**
 - Green procurement and supplier management
- Opportunity 3**
 - Develop and promote low-carbon products and services
- Opportunity 4**
 - Customer engagement on sustainability and green consumption concepts
- Opportunity 5**
 - Sustainable investment
- Opportunity 6**
 - Sustainable development bond market
- Opportunity 7**
 - Sustainable development bond market

Note:

1. Time frame: Short term refers to events that may occur within one year, medium term refers to events that may occur within 1-5 years, and long term refers to events that may occur over 5 years.
2. Impact magnitude: Small (may result in profits or losses under 100 million NTD), Medium (may result in profits or reduced losses of 100-300 million NTD), Large (may result in profits or reduced losses of over 300 million NTD).

Financial Impact of Climate Risks and Opportunities and Response Measures

Financial Impact Analysis of Climate Risks

Risk aspect		Impact period	Corresponding existing risk	Potential financial impact on Yuanta Securities	Response measures
Transition Risk	Impact on company reputation due to investment in high-pollution industry	Short to medium term	Credit risk	Negative news is reported on high-pollution enterprises the Company invest in, thereby affecting the Company's reputation.	Enhance the review and control of, and engagement with high-pollution enterprises the Company invest in, and strive to be a sustainable financial institution through voluntary advocacy or joining international initiatives, building a positive social image.
	Costs for investment targets in response to decarbonization policies and regulations	Medium term	Market risk Credit risk Liquidity risk	Investment targets may incur additional carbon reduction costs due to stricter regulations or lack of transition technology, leading to reduced profits and falling stock prices, resulting in decreased assets for the Company.	Continue to monitor trends in international carbon taxes and carbon-related regulations, and strengthen engagement actions for high-carbon investment targets.
	Costs of industry green energy and environmental protection transformation	Medium term	Market risk Credit risk Liquidity risk	Investment targets may incur additional costs due to transformation, or experience reduced revenue due to untimely transformation, resulting in decreased assets for the Company.	Continue to monitor market demand for low-carbon transformation and assist investment targets in low-carbon transformation.
	Operational costs for the Company in response to decarbonization policies and regulations	Long term	Strategy risk	To achieve carbon reduction targets and comply with domestic policies and regulations, using renewable energy as a carbon reduction measure may incur additional costs, leading to increased operational costs for the Company.	Continue to monitor and engage in the renewable energy market, and actively improve energy efficiency at operating sites to reduce the use of externally purchased electricity.

Physical Risk	Operating sites and collateral losses due to flooding	Medium term	Operational risk	Flooding caused by extreme weather may lead to operating site interruptions or a decline in the value of company-owned real estate, affecting the Company's profits and resulting in reduced income or decreased assets.	Incorporate climate change-induced flooding factors in the consideration for operating sites and real estate investments.
	Business disruption of investment targets due to extreme weather	Medium term	Market risk Credit risk Operational risk Liquidity risk	Investment targets may suffer property losses or operational disruptions due to extreme weather, resulting in reduced assets for the Company.	Strengthen due diligence processes for investment targets to understand their resilience to extreme weather.

Financial Impact Analysis of Climate Opportunities

Opportunity aspect	Impact period	Potential financial impact on Yuanta Securities	Response measures
Energy efficiency enhancement at operating sites	Short term	Energy efficiency enhancements such as adopting green building practices, using renewable energy, switching to energy-efficient equipment, and implementing energy management systems can reduce operational costs.	Adopt the ISO 50001 energy management system, directly purchase renewable energy (transition to green power), actively switch to energy-saving lighting and water-saving equipment, replace air conditioning with first-class energy-saving labeled equipment, and strengthen employee advocacy for energy-saving behaviors.
Green procurement and supplier management	Short term	Supporting enterprises with low-carbon and sustainable products through the implementation of green procurement and supplier management can reduce operational costs.	Abide by Yuanta Financial Holdings' "Sustainable Procurement Declaration," "Integrity Management Guidelines," "Procedures for Integrity Management and Guidelines for Conduct", "Supplier Sustainable Procurement Guidelines," and "Supplier Management Guidelines," and include the "Integrity Commitment Statement" and "Supplier's Terms and Conditions for Sustainable Procurement" in supplier contracts to regulate suppliers; the procurement regulations also include "Green Procurement Terms and Conditions".

Development and promotion of low-carbon products and services	Medium term	The development and promotion of low-carbon products and services can meet investor needs and increase business revenue.	Launch diversified and innovative financial products with themes of climate change and sustainability, such as sustainable Exchange Traded Notes (ETNs) and sustainability-related warrants, to meet customers' sustainable investment needs. Furthermore, leverage multiple channels to promote existing sustainable products, continuously expand the scale of sustainable asset management, and actively guide funds into ESG industries, supporting invested companies with sustainable operations as their goal. Conduct carbon footprint assessments and carbon neutrality operations for the Company's related financial products and services, such as apps and online services, to provide customers with low-carbon financial products and services that meet their needs, thereby increasing revenue.
Customer engagement on sustainability and green consumption concepts	Medium term	The utilization of diverse means such as financial products and service platforms to interact and engage with customers on sustainability and green consumption concepts can increase business revenue.	Through multiple channels such as the official website and apps, encourage customers to participate in energy-saving and carbon-reducing initiatives or engage in green investments. For institutional investors, interact and engage through meetings, letters, phone communications, and participation in voting at shareholders' meetings to encourage them to adopt proactive ESG measures, thereby reducing invested enterprises' impact on society and the environment.
Sustainable investment	Medium term	Guiding capital to sustainable enterprises following Yuanta Group's investment policies can increase business revenue.	Make investment decisions following Yuanta Financial Holdings' "Sustainable Finance Guidelines" and "Industry-Specific Environmental and Social Risk Management Rules". Proprietary trading units formulate relevant regulations and indicators based on respective business characteristics and incorporate ESG concepts into the investment evaluation process. For IPO and SPO cases undertaken by investment banking units, hold a pre-case assessment meeting to evaluate their ESG compliance.
Sustainability bond market	Medium term	The issuance and underwriting of and investment in sustainability bonds can increase business revenue.	Continue to participate in the sustainability bonds promoted by the Taipei Exchange (TPEX), including green bonds, sustainable bonds, social responsibility bonds, and sustainability-linked bonds (SLBs), to activate the sustainable development bond market and assist invested enterprises in sustainable transformation.

Natural disaster crisis handling and warning	Short term	The formulation of adaptation measures while ensuring their effectiveness secures stability in the provision of various services, thereby reducing business loss.	Introduce the ISO 22301 Business Continuity Management Systems to establish standard procedures. In addition to uninterruptible power supply equipment, backup servers, and off-site backup systems, also formulate off-site office plans and drills, and regularly conduct related drills to ensure personnel safety and reduce operational interruption risks in the event of natural disasters.
--	------------	---	--

Scenario Analysis of Climate Change Financial Impact

Following the schedule of Yuanta Financial Holdings Group, Yuanta Securities conducts climate change financial impact scenario analysis using a top-down approach for its overall investment positions and a bottom-up approach for individual company-scale scenario analysis. This involves a multi-faceted analysis based on the nature of the Company's business, considering the potential climate-related financial impacts under different scenarios, time points, and durations. Through the analysis of various climate scenarios, we strengthen the Company's climate resilience and appropriately adjust policies to adequately respond to the climate change risks we face.

Top-Down Scenario Analysis of Overall Investment Positions

Based on the evaluation of the impact of climate change on the overall economic environment, scenario analysis is conducted for medium- and long-term investment positions, and a quantitative method is developed for assessing the financial risks associated with climate change, serving as a reference for climate risk and opportunity management.

● Evaluation Method

To measure the physical and transition risks caused by climate change, the scenario analysis of the Company's overall investment positions uses climate scenarios provided by two major international climate risk authorities: the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS). These scenarios depict the risks of long-term temperature rises and policy responses to climate change. Furthermore, a climate-linked economic model is established through the macroeconomic linkage factors and integrates the economic model with various risk factor models. This allows us to analyze the impact of climate shocks using a mature risk management model.

● Adopted Climate Scenarios

Three scenarios are set: “Orderly Transition”, “Disorderly Transition”, and “Hot House World”, to assess the impact on investment positions under different climate impact scenarios. Each scenario is depicted with combinations of physical risk and transition risk. The physical risk scenarios are referenced from the Shared Socioeconomic Pathway (SSP) scenarios in the “IPCC Sixth Assessment Report (AR6),” and the transition risk scenarios are adopted from the “NGFS Climate Scenarios Explorer”.

(1) Orderly Transition Scenario

The orderly transition scenario is a combination of low physical risk and low transition risk, hence the selection of physical scenario SSP1-RCP2.6, which represents low greenhouse gas emissions. This scenario assumes a 1.7°C temperature increase by 2050. The transition risk scenario chosen is the Net Zero 2050 scenario with active transition efforts. It assumes rapid and smooth implementation of government carbon reduction policies, moderate carbon price increases, the fastest technological changes, and the highest use of carbon reduction technologies among the three scenarios.

(2) Disorderly Transition Scenario

The disorderly transition scenario is a combination of low physical risk and high transition risk, hence the selection of physical scenario SSP1-RCP2.6, which represents low greenhouse gas emissions. This scenario assumes a 1.7°C temperature increase by 2050. The transition risk scenario chosen is the delayed transition scenario. It assumes delayed implementation of government carbon reduction policies, with no significant initial adjustments in carbon prices but a rapid increase later, initially slower technological changes that later accelerate, and the second-highest use of carbon reduction technologies among the three scenarios.

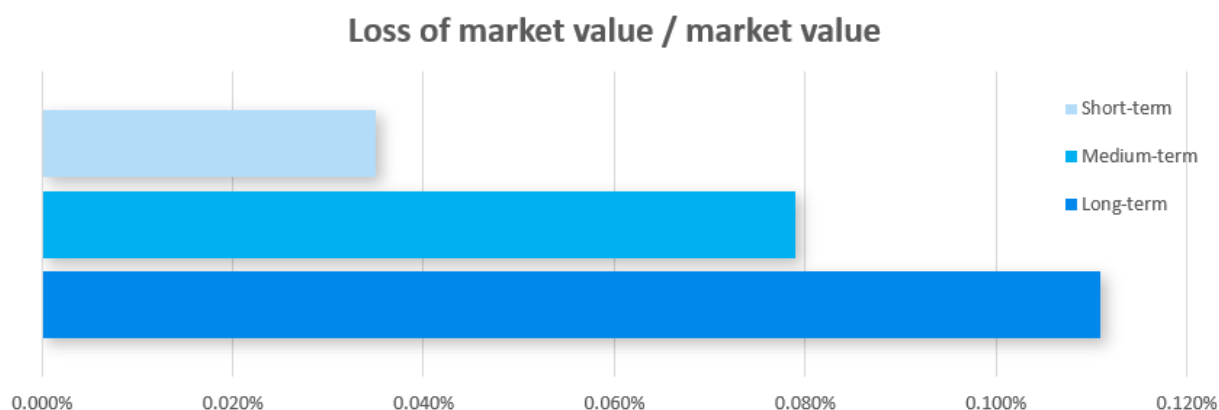
(3) Hot House World Scenario

The hot house world scenario is a combination of high physical risk and low transition risk, hence the selection of physical scenario SSP5-RCP8.5, which represents high greenhouse gas emissions. This scenario assumes a 2.4°C temperature increase by 2050. The transition risk scenario chosen is the current policies scenario with no significant adjustment efforts. It assumes that government policies remain unchanged, with no significant adjustments in carbon prices, the slowest technological changes, and the lowest use of carbon reduction technologies among the three scenarios.

● Scenario Analysis Results

(1) Climate Change Impact on Financial Transaction Value

The impact on the market value of financial transactions is assessed by integrating the economic damage from climate scenarios into market risk factors. The long-term relative decrease in market value for Yuanta Securities' medium- and long-term investment positions due to climate impact is approximately 0.11% of the benchmark day's market value, indicating that the impact of climate change is not significant.

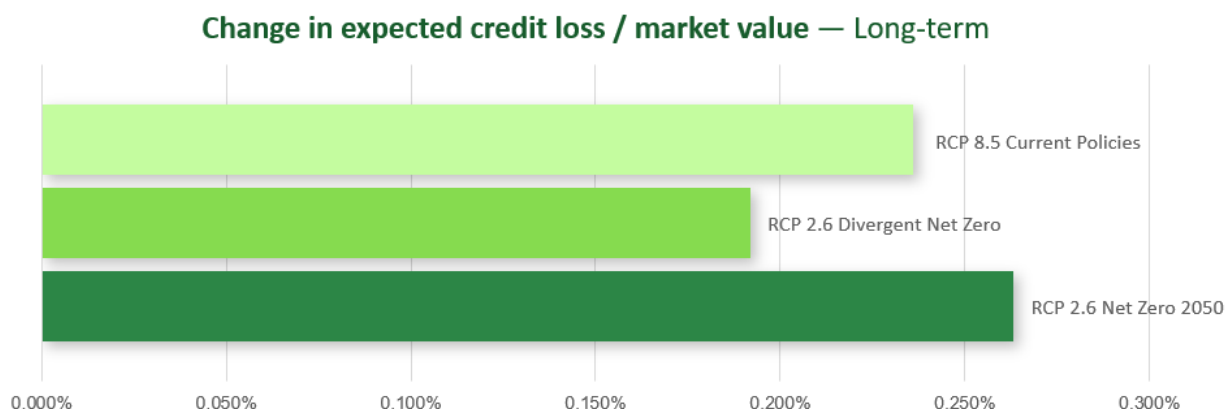


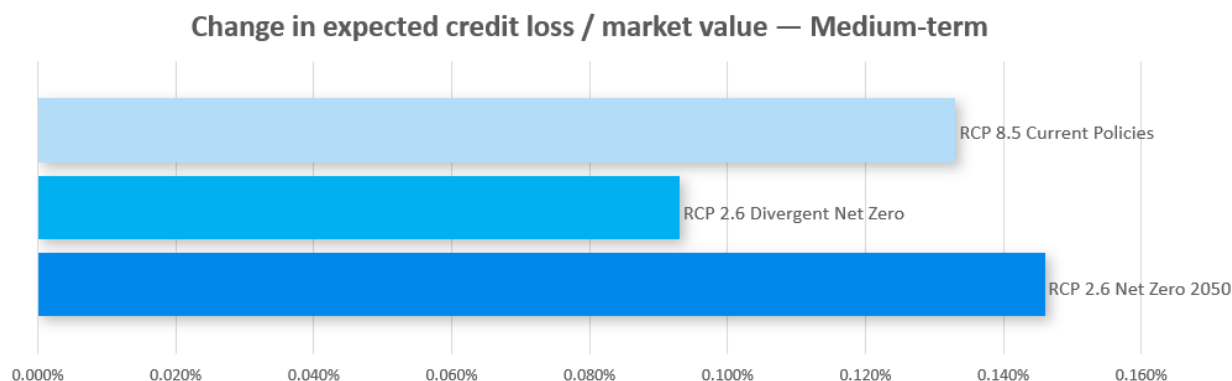
Note:

1. The horizontal axis represents the change in market value relative to the benchmark day's market value.
2. Short term measures the 1-year loss situation, medium term measures the 5-year loss situation, and long term measures the 10-year loss situation.
3. The bars represent the possible range of impacts under different climate scenarios within a loss period.

(2) Climate Change Impact on Expected Credit Losses in Financial Transactions

The financial damage caused by the physical risks of climate change or the capital expenditure from transition risks may reduce the revenue of some financial transaction issuers and increase their credit risk. The impact on expected credit losses in financial transactions is assessed by integrating the economic damage from climate scenarios into credit risk factors. The long-term relative increase in expected credit losses for the Company's medium- and long-term investment positions is approximately 0.26% of the benchmark day's market value, indicating that the expected credit losses due to climate impact are not significant.



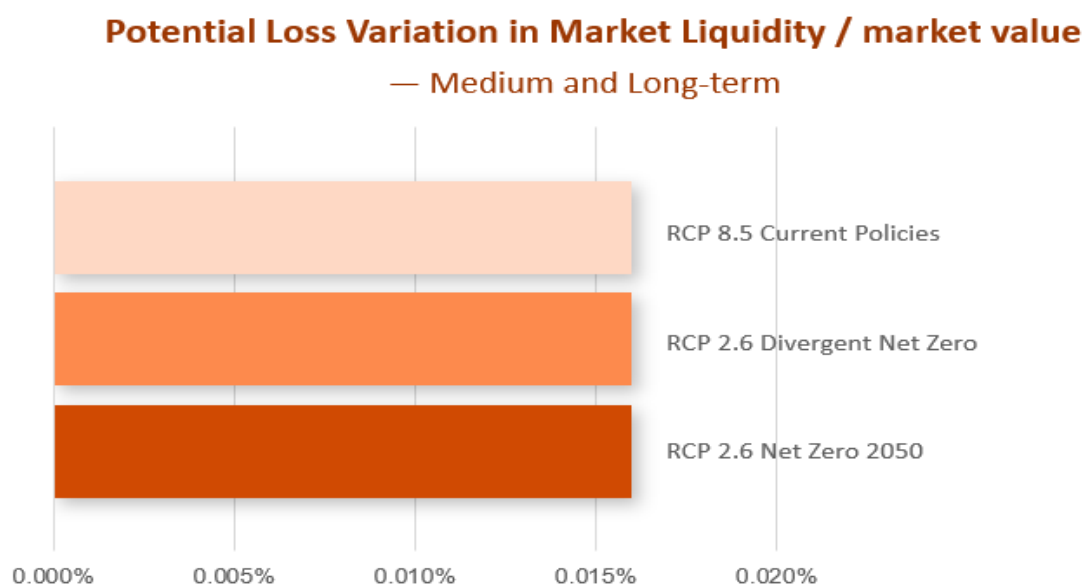


Note:

1. The horizontal axis represents the expected credit loss relative to the benchmark day's market value.
2. Medium term measures the 5-year loss situation, and long term measures the 10-year loss situation.

(3) Climate Change Impact on Potential Market Liquidity Losses in Financial Transactions

Climate change may have broader impacts on the entire financial system, potentially causing sustained insufficient trading volumes or leading to market disorder, thereby significantly reducing trading volumes and resulting in additional losses when disposing of financial transactions. The potential market liquidity losses due to climate change are assessed by integrating the economic damage from climate scenarios into market liquidity risk factors. The medium- and long-term relative increase in potential market liquidity losses for the company's medium- and long-term investment positions is approximately 0.016% of the benchmark day's market value. Since the Company's medium- and long-term investment positions consist primarily of senior bonds with investment-grade credit ratings, the impact of climate change on potential market liquidity losses in medium- and long-term investments is not significant.



Note:

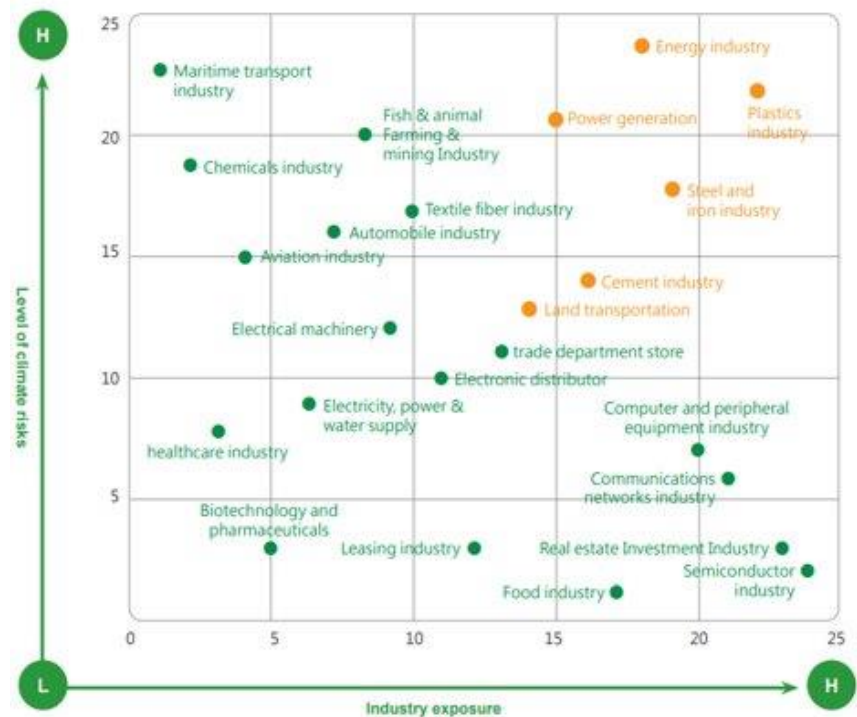
1. The horizontal axis represents the potential market liquidity losses relative to the benchmark day's market value.
2. Medium term measures the 5-year loss situation, and long term measures the 10-year loss situation.

● Response Strategies Based on Scenario Analysis Results

The Company is consistently reducing the impact of climate risks on the value of financial products through portfolio diversification. In addition, based on the scenario analysis results, we regularly review our risk-bearing capacity and asset risks, and establish climate risk monitoring indicators according to the estimated loss values of the investment portfolio to prevent losses caused by extreme climate risks.

High Climate Risk Industry Analysis

Yuanta Securities conducts a comprehensive assessment of the overall financial transaction market, combining analysis report results of the Company and domestic and international industries to understand the climate risk levels of specific industries and our exposure scale. We conduct analysis of selected industries with high climate risk levels and large exposure amounts. According to the analysis results, the plastics, steel, energy, power generation, cement, and aviation industries are identified with high climate

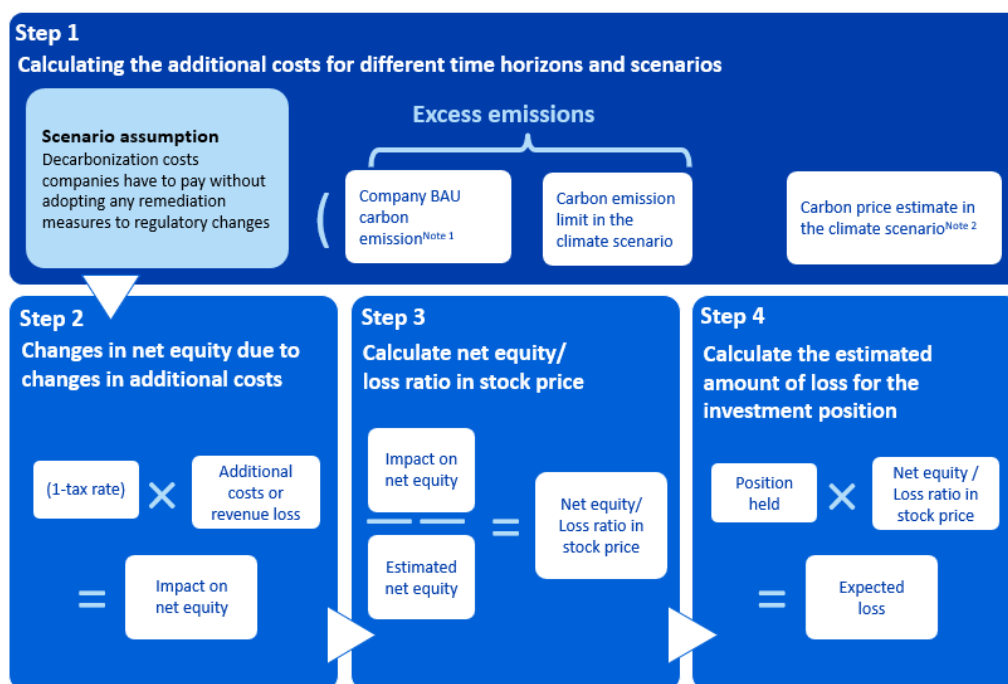


risks. With that, we further conduct bottom-up transition risk scenario analysis on the domestic and foreign equity investment positions in these high-climate-risk industries to measure the potential financial impacts of climate change.

Bottom-up Transition Risk Scenario Analysis: Impact of Carbon Fees on Equity Investment Positions in High-Climate-Risk Industries

With the intensification of climate change, not only are global carbon tariffs increasingly implemented, but Taiwan is also expected to start levying carbon fees in 2025, which may increasingly impact corporate operations. The investment targets in high-climate-risk industries are particularly affected by carbon fees. To reduce operational risks, companies need to invest additional costs to comply with regulations, which may impact their net value and lead to a decline in stock prices. Therefore, Yuanta Securities conducts a reasonable analysis of the equity investment positions held in high-climate-risk industries, excluding arbitrage and hedging positions, to effectively estimate the potential expected losses.

● Scenario Analysis Method

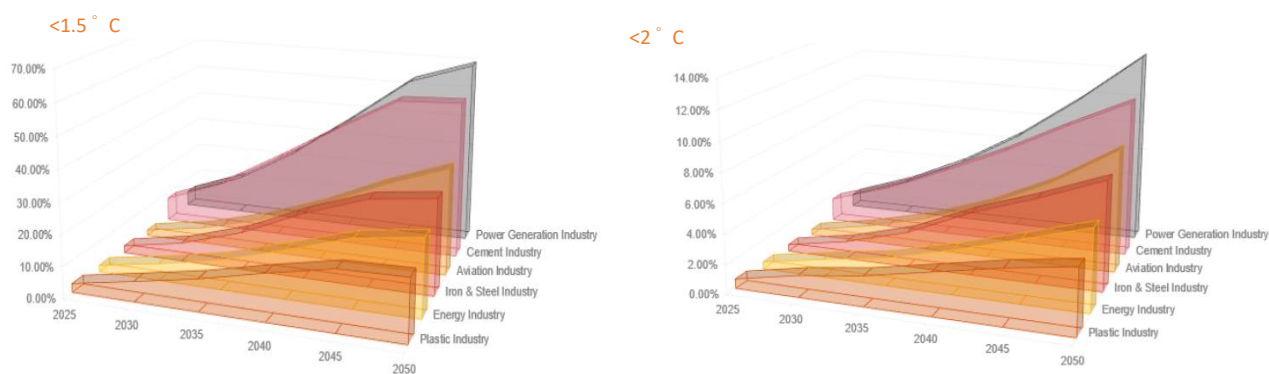


Note:

1. The Business-As-Usual (BAU) Scenario is referenced from the International Energy Agency (IEA) to predict the carbon emission growth rates for selected industries.
2. The predicted carbon prices for each year under various scenarios are referenced from the Central Banks and Supervisors Network for Greening the Financial System (NGFS).

● Scenario Analysis Results

Based on the analysis results of high-climate-risk industries mentioned above, we incorporated the equity investment assets in the six high-climate-risk industries into the stock price valuation model. The expected loss amounts due to carbon fees under two scenarios (1.5°C / <2°C) were calculated, and the impact ratios (i.e., the expected loss amount for the industry in that year divided by the industry's asset scale) are presented in the following chart. It shows significant changes in the impact levels on equity investment positions in the cement industry, aviation industry, and steel industry over the years. The impact level under the 1.5°C scenario changes more significantly than under the <2°C scenario. The cement industry, due to its relatively high carbon emission intensity compared to other industries, faces a larger impact in both the 1.5°C and <2°C scenarios. However, its future carbon emission growth rate is expected to decrease with improved production efficiency and technological advancements. The aviation industry and steel industry are expected to have slightly higher future carbon emission growth rates than other industries, leading to a higher impact level on these industries.



Note: The industry impact level is the ratio of the expected loss amount of the investment position under the climate scenario to the exposure amount as of the benchmark date (end of December 2023).

● Response Strategies Based on Scenario Analysis Results

The Company's climate change response management measures developed based on the assessment results are as follows:

- (1) To ensure the appropriateness of climate change risk management in investment, the Company has set climate change risk monitoring indicators. The Risk Management Department regularly monitors the usage of these indicators and reports significant climate change risk management information to the Audit Committee and the Board of Directors.
- (2) When climate change risks reach the climate change risk monitoring indicators, the Risk Management Department will assess the exposure level of the climate change risks, specify the reasons and handling plans, and submit them to the Chairman for approval.

Bottom-up Physical Risk Scenario Analysis: Quantitative Assessment of Flood Impact on Operating Sites Across Taiwan

The increasing severity of extreme weather events such as heavy rain and flooding has become a global concern. Should such events occur, they could impact the Company's operating sites and significantly affect business activities. To address that, in cooperation with Yuanta Group and referencing the flood potential maps for various townships in Taiwan under RCP 2.6 (<2°C) and RCP 8.5 (4°C) scenarios published by the National Science and Technology Center for Disaster Reduction on the Climate Change Disaster Risk Adaptation Platform, the physical risk flood potential scenario analysis was conducted. This analysis focuses on operating sites located in areas under high flood risk to evaluate the potential impact on the Company's asset value under future climate scenarios.

● Assessment Method Disaster Risk Model

● Adopted Climate Scenarios

Flood potential maps for various townships in Taiwan under RCP 2.6 (<2°C) and RCP 8.5 (4°C) scenarios published by the National Science and Technology Center for Disaster Reduction on the Climate Change Disaster Risk Adaptation Platform.

1. Selection of analysis targets: Geographic locations of operating sites
2. Overlay analysis: Identify operating sites located in areas under high flood risk
3. Impact ratio analysis: (Number of affected operating sites / Total number of operating sites) X 100%

● Scenario Analysis Results

1. Under the RCP 2.6 scenario, none of the operating sites and company-owned assets in Taiwan are located in high flood-risk areas by the end of this century.
2. Under the RCP 8.5 scenario, approximately 33.33% of operating sites and company-owned assets in Taiwan are located in high flood-risk areas by the end of this century.

● Response Strategies Based on Scenario Analysis Results

In cooperation with Yuanta Group, the Company has established robust physical risk adaptation measures for operating sites, as well as policies and procedures for major disaster event responses, such as “Operating Guidelines for Reporting Significant Incidents”, “Information Business Manual - Business Continuity and Disaster Recovery Management,” and “Crisis Management Policy and Procedures Rules”. These measures ensure that disasters that occur within the short term can be effectively managed.

To prevent operational interruptions or asset value impairment due to heavy rainfall or flooding, the expansion or relocation of operating sites considers factors such as climate change risks, flood control measures, and disaster insurance in accordance with the “Yuanta Financial Holdings Operating Site Selection Evaluation Form”. This ensures that future operational sites can withstand extreme climate impacts, thereby preventing and mitigating potential operational losses.

Indicators and Goals

Indicators and Goals for Low-Carbon Operation Management

Yuanta Securities actively aligns with Yuanta Group’s overall carbon reduction policy, utilizing systematic management to establish low-carbon operation management indicators and short, medium, and long-term goals. Moreover, these goals are actively implemented and tracked to consistently reduce the Company’s impact on climate change.

Greenhouse gas unit: tCO2e

Greenhouse gas emissions	2021	2022	2023	2023 Goal	Achievement status	2024 Goal
Category 1	681.48	652.95	624.13	Category 1 + Category 2 emissions 9,673.43	Achieved	Category 1 + Category 2 emissions 9,467.61
Category 2	8,795.76	7,747.2	7,105.5			
Category 1+ Category 2	9,477.24	8,400.15	7,729.63			
Carbon intensity	0.1260	0.1686	0.1256			

(tCO ₂ e/ NT\$1 billion revenue)						
Data coverage ^{Note6}	100%	100%	100%			
Categories 3 to 6 ^{Note7}	1,732.96	1,451.47	1,560.99			

Note:

1. Based on ISO 14064-1 standards, Categories One to Four are audited using the operational control approach to define the audit boundary, with 2020 as the baseline year when a full site audit was conducted.
2. Emissions are calculated using the emission factor method: Emissions = Activity Data × Emission Factor × Global Warming Potential (GWP).
3. Greenhouse gas emissions in Categories One and Two include carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons.
4. Category One emissions mainly come from gasoline and refrigerants, and their emission factors are calculated based on the “Ministry of Environment Greenhouse Gas Emission Factors Management Table 6.0.4” announced by Executive Yuan.
5. Category Two emissions are from purchased electricity, quantified using the calculation method provided in the “Ministry of Environment Greenhouse Gas Emission Inventory Guidelines” announced by Executive Yuan, with emission factors calculated based on the latest historical electricity carbon emission factors announced by the Energy Bureau of the Ministry of Economic Affairs in 2023.
6. Data coverage refers to the proportion of sites included in Category One and Category Two statistics out of the total number of sites for the year.
7. Categories Three to Six include items such as business travel, waste disposal, and purchased electricity (upstream emissions).

Science-Based Carbon Reduction Targets

Yuanta Securities’ parent company, Yuanta Financial Holdings, became a signatory of the “Science Based Targets Initiative (SBTi)” in 2019. The targets for Categories One and Two were set in 2020, and the target for Category Five (investment and financing) was set in 2022. In the same year, these SBT targets passed the SBT verification.

SBT category	Yuanta Group's SBT Targets	2023 Goal	Achievement status	Methodology
Category 1 and Category 2	42% reduction in absolute GHG emissions by 2030 compared to 2020.	12.6% reduction in absolute GHG emissions compared to 2020.	22.05% reduction in absolute GHG emissions compared to 2020.	Absolute Contraction Approach
Category 5 - Investment and Financing	The “Publicly Listed Company Equity and Debt Investment” item in the investment and financing category pertains to Yuanta Securities’ operation. By 2027, 39% of the equity and debt investment portfolio in publicly listed companies held by the proprietary trading department (calculated based on investment amount) will have set SBT targets.	Relevant parts setting SBT target ratio reaches 20%	Relevant parts setting SBT target ratio reaches 31%	Engagement Approach

Note: The publicly listed equity and debt investment portfolio includes common stocks, preferred stocks, corporate bonds, exchange-traded funds (ETFs), real estate investment trusts (REITs), and mutual funds.

Assisting Clients in Setting Carbon Reduction Targets

The Company's investment banking services primarily assist clients with their IPOs by planning the schedule based on the issuing company's operational status and disclosing and evaluating various information in accordance with regulatory requirements. During the guidance process, we remind and advise clients to set carbon reduction targets and assist them in disclosing information related to their carbon reduction plans or policies. For the underwriting positions of publicly listed companies, the investment banking business department checks whether clients meet responsible investment criteria during case meetings and underwriting meetings in accordance with the Company's "Principles for Responsible Investment Decision Making" and "Underwriting Committee Operation Rules". This is considered in investment decision-making and investment target selection.

Internal Carbon Pricing (ICP) Mechanism

Referencing foreign carbon fee prices and the estimated carbon costs under the 2050 net-zero carbon scenario, Yuanta Group trialed a carbon pricing mechanism in 2023, setting the internal carbon price at NT\$1,500 per ton of carbon for corporate greenhouse gas emissions costs. In adherence to the concept of "reducing carbon emissions scientifically and assigning values to carbon rights," the Company's carbon reduction targets are set based on 2020 as the baseline year with the ISO 14064 greenhouse gas audit results as references. The carbon reduction pathway was set using the SBT methodology and was verified by SBTi in 2022. After passing the verification, the Company integrated the sustainability and carbon reduction-focused mindset into the daily operations of every employee through smart energy monitoring, replacing old high-energy-consuming equipment, and introducing the transition to green electricity. During the trial period from January to November 2023, the carbon reduction target achieved a reduction of 517.3 tCO₂e compared to the same period in 2022. The actual reduction was 816 tCO₂e, exceeding the 8% reduction target, which is equivalent to a carbon price of approximately NT\$1.224 million.

Nature-related Financial Disclosures

The company jointly participated in the nature-related financial disclosure project of parent company Yuanta Financial Holdings, and parent company Yuanta Financial Holdings' "Climate and Nature-related Financial Disclosure Report 2023" has included the taskforce on nature-related financial disclosure (TNFD) chapter, which takes the business operations activities of Yuanta Financial Holdings and its subsidiaries (including Yuanta Securities) in 2023 as the disclosure boundary, covering four core projects related to climate and nature: governance, strategy, risk management, and indicators and goals. Assess the impact and dependence of the group's operations on the natural environment, as well as the derived risks and financial impacts, to promote the common development of ecology and economy; at the same time, introduce IFRS S2 standards to further focus on climate issues, and evaluate the group's resilience analysis and quantification in the face of climate change financial impact and describe the Group's climate transformation strategy and performance. For relevant content, please see pages 66 to 78 of Yuanta Financial Holdings' "Climate and Nature-Related Financial Disclosure Report 2023," which includes subsidiary-related risk levels, nature-related policies and concerns, natural risk management responses, etc., please see Page 78 of the report.

7.2 Green Operations

Yuanta Securities upholds its commitment to environmental protection by adhering to environmental regulations and international standards. The Company aims to appropriately protect the sustainability of the natural environment in its operation. In addition to the implementation of various policies in daily business operations to reduce energy and resource consumption and minimize the environmental impact of its activities, we also actively participate in various environmental sustainability initiatives. Through its involvement, the Company encourages society to place greater importance on environmentally sustainable development.

Lower-Carbon Operations

Energy Consumption

Energy type	Unit	2022	2023	2023 Target	Achievement status	2024 Target
Non-renewable energy						
Non-renewable energy (purchased) ^{Note1}	kWh	14,724,487	14,354,549	Reduce purchased non-renewable energy to 17,775,851 kWh	Achieved	Reduce purchased non-renewable energy to 17,397,641 kWh
Other energy ^{Note1}	GJ	1,945.31	2,037.09			
	MWh	540.36	565.86			
Total energy consumption	GJ	54,963	53,722.77			
	MWh	15,267.51	14,923			
Energy intensity	GJ/ NT\$ million	1.1033	0.8736			
Renewable energy						
Power Consumption of Green Power Wheeling	kWh	332,267	844,135	Green electricity capacity reaches 1,000,000 kWh	84.41%	Green electricity capacity reaches 1,000,000 kWh
Total renewable energy consumption	GJ	1,196.38	3,039.43			
Data coverage rate ^{Note3}		100%	100%			
Annual carbon reduction	tCO ₂ e	169.12	417.85			

Note:

1. Our primary usage of energy is externally purchased electricity, with other energy sources including gasoline and diesel.
2. The energy calorific value conversion is referenced from the units published by the International Bureau of Weights and Measures and the values announced in the "2021 Energy Statistics Handbook - Energy Product Unit Calorific Value Table" by the Energy Bureau of the Ministry of Economic Affairs, calculated as 860 kcal/kWh for electricity, 7,800 kcal/L for gasoline, and 8,400 kcal/L for diesel. Conversion units used are 4.1868 kJ/kcal and 0.277778 MWh/GJ.
3. Data coverage refers to the proportion of sites included in the statistics out of the total number of sites for the year.
4. Calculations are conducted based on the latest electricity carbon emission factors announced annually by the Energy Bureau of the Ministry of Economic Affairs.
5. The annual target was not met due to the extended timeline of Taiwan Power Company's renewable energy transition operations.

Adoption of Environmental Management Systems

The Company has adopted international management systems as follows. Through systematic management structures and procedures, various energy-saving plans are implemented, effectively improving energy efficiency while reducing energy expenditure and environmental impact.

ISO 14001 Environmental Management System ISO 50001 Energy Management System ISO 14046 Water Footprint Inventory	ISO 14064-1 Greenhouse Gas Inventory ISO 45001 Occupational Health and Safety
--	--

Green Power Initiative Coverage

In 2020, the Company signed the “Power Purchase Agreement” for renewable energy, marking the beginning of Taiwan’s financial green power era. Starting from the third quarter of 2021, we began transitioning to electricity from renewable energy sources. While we previously promoted renewable energy by purchasing renewable energy certificates (T-REC), we now directly join the green power initiative by using renewable energy. Two of our operating sites adopted 100% renewable energy, making us the first securities company in Taiwan with branches that use 100% green power. In 2022, we launched the second phase of our renewable energy project. In addition to the Ximen and Taichung branches, we planned for 41 more operating sites to use a total of 1.4 million kWh of renewable energy annually. From February 2023, the transition to green power has been initiated across our operating sites. By December 31, 2023, a total of 43 operating sites were using renewable energy, with a green power usage of 844,135 kWh.

Energy Conservation Initiatives and Results

Energy conservation initiatives	Electricity consumption reduced (kWh)	Energy consumption reduced (MJ)	Carbon reduction performance (tCO ₂ e)	Costs (1,000 NTD)
Installing energy-saving LED lighting	99,655	358,822	49.33	1,882
Replacing old air conditioning equipment	79,280	285,459	39.24	4,540
Sum	178,935	644,281	88.57	6,422

Note:

1. Installing energy-saving LED lighting: 1847 lights, mostly originally T5 grid lamps (61W), with a few cold cathode lamps (44W) and recessed lamps, were replaced with new LED lamps (26W). The calculation basis is an average daily usage of 7 hours, 250 days a year.
2. Operating sites where old air conditioning equipment was replaced include Baoqing Building, Wanhua Branch, and Fucheng Branch.
3. Calculations are conducted based on the latest 2022 electricity carbon emission factor of 0.495 (kg CO₂e/kWh) announced by the Energy Bureau of the Ministry of Economic Affairs.

Carbon Reduction Project

Paperless Carbon Reduction Action

The Company incorporates sustainability concepts into its business management principles and promotes various paper reduction measures to reduce operational carbon emissions. As operational efficiency is enhanced through streamlining operating procedures, we also promote online meetings and online education and training. Other than reducing paper used in meetings and digitalizing operating systems, the Company also encourages employees to take public transportation, thereby reducing carbon emissions from commuting for meetings. The paperless initiatives have contributed

to the reduction of approximately 46 million sheets of paper in 2023, equivalent to nearly 300 thousand tCO₂e of greenhouse gas emissions. This shows that the Company is taking action to create a low-carbon workplace environment while implementing green financial services.

1. Paperless Operations: Electronic internal documents, online signing system, electronic payroll for employees.
2. Paperless meetings: Meeting materials are provided in electronic form, tablets are used at meetings for the Board of Directors and Audit Committee, and email communications are prioritized for routine affairs and announcements, reducing the paper usage while increasing administrative efficiency.
3. Paperless training: Establishment of online teaching system, E-Learning platform, the development of shared cloud platforms, databases and digitalized materials; slideshows or iPads for physical training courses.
4. Paperless business services: Adoption of digital services in marketing, account-opening, application operations, transactions, payment, and accounting (electronic statements/online account opening/online application/online orders, etc.)
5. Paperless daily life: Reduction in the use of paper cups and meal boxes

Paperless Carbon Reduction Initiatives	Sheets of paper saved	Carbon equivalent reduced (kgCO ₂ e)
Warehouse inventory	20,900,112	133,760.72
Electronic statements advocacy	15,245,544	97,571.48
Digital contracts for OTC account opening	8,627,458	55,215.73
Digitalization of anti-money laundering statements	532,749	3,409.59
Digitalization of internal documents	68,634	439.26
Digitalization of employee salary slips	173,000	1,107.2
Yuanta E-Learning	373,653	2,391.38
Tablets for meetings	169,893	1,087.32
Sum	46,091,043	291,573.09

Note:

1. The calculation of carbon emissions for paper usage data from the Ministry of Environment's Carbon Footprint Information Platform, where a pack of 500 sheets of A4 photocopy paper generates 3.20 kgCO₂e.
2. Paperless measures fall under Category Four of greenhouse gas emission reductions.
3. Explanation of the calculation basis for data outside the system reports:
 - 3.1.1. Digitalization of internal documents: 9,278 received documents (estimated at 3 sheets per document), 13,600 sent documents (estimated at 3 sheets per document)
 - 3.1.2. Digitalization of employee salary slips: Saved approximately 173,000 sheets of paper. Calculation basis: Based on the estimated 5,000 employees, with an average of 2 sheets of paper per salary slip monthly, totaling 120,000 sheets per year; other types of pay slips (including festival bonuses and awards) average 10.6 sheets per person annually, totaling 53,000 sheets per year.
 - 3.1.3. Yuanta E-Learning: Saved approximately 373,653 sheets of paper. Calculation basis: Each hour of class involves an average of 10 pages of handouts. If printed 2-in-1 double-sided, it results in 2.5 sheets of paper per person per class; in 2023, the total hours of online courses on the platform were 149,461 hours * 2.5 sheets of handouts.
 - 3.1.4. Carbon reduction results for the measure tablets for meetings are calculated based on the Remuneration Committee, Audit Committee, and Board of Directors meetings. Calculation basis for the Remuneration Committee: 9 attendees per meeting, estimated 50 sheets of paper per meeting, 6 meetings per year, saving approximately 2,700 sheets of paper. Calculation basis for the Audit Committee and Board of Directors: number of meetings held annually and the average number of attendees, including the agenda (with attachments) and minutes (with excerpts) of the March meetings in terms of the number of sheets.

Water Resources Management

Yuanta Securities has implemented the ISO 14046 Water Footprint Inventory verification. All water resources are sourced from tap water and are used solely for normal business operations. Wastewater is discharged into the sewer system in compliance with regulatory requirements, ensuring no illegal activities that harm the environment. The inventory scope includes all operating sites of the Company, with a coverage rate of 100%. Based on the water footprint inventory, water usage at each site is tracked and investigated for any abnormalities in water equipment and pipelines to understand the impact of our business activities on water resources. Moreover, data management and target setting are implemented to evaluate water resource usage. To strengthen water resource management, the Company has installed a rainwater harvesting system in company-owned buildings (Financial Holdings Building), replaced faucets with water-saving ones at operating sites, and periodically promoted water-saving measures to its employees.

Water Withdrawal Data

Item	2022	2023	2023 Target	Achievement status	2024 Target
Water Withdrawal from tap water (1 million liters)	75.20	75.19	91.89	Achieved	91.89
Water use intensity (liter/m ²)	738.82	713.03	1042.82	Achieved	1042.82
Data coverage Rate	100%	100%	-	-	-

Note: The data of water consumption inventory cover all business locations.

Waste Management

The waste produced by the Company is primarily general domestic waste, generated from various internal and external business operations. No hazardous waste is produced, nor is there any waste in special disposal categories. We have long-term contracts with external service providers for waste management. General waste is transported to incineration plants, while recyclable waste and food waste are handled by recycling vendors, effectively managing waste to maintain a clean corporate environment. Internally, the Company implements waste reduction policies and promotes proper waste sorting among employees to ensure effective recycling. Waste disposal vendors are carefully selected, and thorough engagement with contracted service providers is implemented to ensure that their disposal methods do not involve any illegal activities that could harm the environment, thereby ensuring that the Company's waste is handled prudently and legally.

Waste Data

Waste category	Treatment		2022	2023	2023 Target	Achievement status	2024 Target
General waste (ton)	Waste incineration	No energy recycling	-	-	Waste per capita 67.78 (kg/per person)	Achieved	Waste per capita 67.78 (kg/per person)
		Energy recycling	176.01	166.9			
	Recyclable waste		86.03	88.97			
	Total volume		262.04	255.87			
	Waste per capita (kg/per person)		50.96	49.10			
	Data coverage Rate		100%	100%			

Note:

1. The waste audit scope for 2023 includes all business locations (including subsidiaries Yuanta Securities Finance and Yuanta Insurance Brokers), with a 100% coverage.
2. The number of employees within the audit scope for 2023 is 5,211.
3. Since 2019, the Company has been using actual weight measurements for waste data statistics.

Waste Reduction Action

Yuanta Securities echoes Yuanta Group's policies and is committed to reducing waste at the source. In a consistent effort to promote specific measures, we encourage employees to bring their own meals and use eco-friendly utensils. Moreover, water dispensers, rice steamers, and microwaves are available in the pantry to facilitate the implementation of waste reduction measures. In line with government environmental protection policies, we do not use disposable or melamine tableware, nor do we offer cups of water or plastic bottled water, striving to establish a sustainable, healthy, and eco-friendly workplace. Additionally, waste sorting and recycling are enforced, and the waste is weighed to track the progress of waste reduction targets on each floor.

Active Participation in Environmental Sustainability Initiatives

Yuanta Securities adheres to the United Nations Sustainable Development Goals (SDGs), focusing on natural ecological protection and biodiversity issues. We echo the "Do Tamsui River a Favor" initiative launched jointly by the Common Wealth Magazine and corporate citizens attentive to water resources. Since signing the "Tamsui River Convention" in 2020, we have been promoting various energy-saving and carbon-reduction plans, including proper management of energy resources, water resources and waste, reducing paper usage, digitalizing data and promoting paperless practices, increasing green procurement, and raising the proportion of purchasing green power and renewable energy.

To raise awareness among more enterprises about climate change and net-zero carbon emissions, the Company has invited corporate clients to sign this convention as well. In June 2023, we invited numerous corporate clients, including NewSoft Technology, Business Today, HuaShin Paper Stationery, Multisuns Communication, Dawning Technology, Ultramate, Fang Hung Engineering, UNITEC, Get Technology, VITALIC Consulting, Jing Yuan Bao, Taiwan Secom, and Jebo Advertising Engineering, to participate, contributing collectively to Taiwan's ecological environment.

Other Environmental Sustainability Activities

The Company also participates in or initiates other activities promoting environmental sustainability, such as turning off lights for one hour on Earth Day, beach cleanups, campus tree-planting, and the Family Day event "Yuanta Loves the Earth" carbon-reduction walk. For more details, please refer to Chapter 6, Section 2, "Public Welfare Investment and Results".

7.3 Sustainable Supplier Management

In adherence to Yuanta Group's sustainable development strategy, Yuanta Securities actively supports and encourages our suppliers to jointly implement corporate social responsibility, promote environmental sustainability, and uphold fundamental human rights. The Company has also set internal KPIs and sustainability indicators to consistently track implementation status.

Sustainable supply chain management indicator	Implementation status in 2023	2024 Goal	2025 Goal
Audit suppliers in ethics and sustainability based on the ISO 20400 Sustainable Procurement Guidance	100% compliance with the ISO 20400 Sustainable Procurement Guidance in supplier management	Continue to optimize supplier management procedures in accordance with the ISO 20400 Sustainable Procurement Guidance	
Request supplier compliance with the "Supplier's Terms and Conditions for Sustainable Procurement"	100% implementation of incorporating the "Supplier's Terms and Conditions for Sustainable Procurement" and "Integrity Management Terms" in supplier contracts	Implement 100% coverage of supplier signing	
Regularly audit major suppliers	Issued 42 self-assessment questionnaires in 2023, with a 100% response rate.	<ol style="list-style-type: none"> 100% response rate for self-assessment questionnaires 30% on-site inspection rate for high-risk suppliers 	<ol style="list-style-type: none"> 100% response rate for self-assessment questionnaires 50% on-site inspection rate for high-risk suppliers
Supplier sustainable management and evaluation	Completed engagement and guidance operations for 2 Grade C suppliers, tracked and improved results in 2023.	<ol style="list-style-type: none"> Achieve a reduced percentage of Grade C suppliers than the previous year Remove Grade C suppliers from the priority procurement list and gradually refrain from collaboration 	<ol style="list-style-type: none"> Achieve a reduced percentage of Grade C suppliers than the previous year Remove suppliers labeled as Grade C for three consecutive years from the procurement list

Note: Grades A, B, and C are determined by the annual supplier evaluation. Grade A is for excellent suppliers, grade B is for qualified suppliers, and grade C is for suppliers that require engagement and guidance.

Supplier Management Measures

The Company includes sustainable procurement terms and integrity management terms in contracts to implement supplier risk control. Additionally, supplier self-assessments and evaluations are conducted to analyze suppliers' sustainability risks and track and improve the results. Through quarterly supplier conferences and training sessions, we invite suppliers to join sustainable initiatives. ESG aspects are also considered when selecting new suppliers.

ESG Aspects Considered in New Supplier Selection		
Environmental Protection	Society	Corporate Governance
Engage with suppliers on the implementation of concrete climate change management measures	Advocate supplier compliance with the "Supplier Sustainable Procurement Guidance"	Understand suppliers' integrity management status
Request suppliers to provide products with environmental protection, energy-saving, water-saving and green building labels; minimize environmental harm during the manufacturing or service provision processes and comply with relevant environmental regulations and pollution prevention measures.	Suppliers involved in violations of occupational safety and health regulations are required to submit the "Supplier Safety and Health Commitment". Contracts for construction and maintenance projects should include the "Occupational Safety and Health Provisions to Prevent Occupational Hazards".	Check the Judicial Yuan website for any records of suppliers violating ethical behavior; include integrity management terms in contracts.

Sustainable Procurement Guidelines

In accordance with Yuanta Financial Holdings' sustainable procurement policy, Yuanta Securities has implemented the ISO 20400 Sustainable Procurement Guidance in 2020 and obtained certification for its comprehensive sustainable procurement process. Supplier's Terms and Conditions for Sustainable Procurement and integrity management terms are included in contracts. We inspect the integrity management and occupational safety and health of trading partners as needed and request suppliers to commit to and comply with relevant sustainable development regulations, covering the environmental, social, and governance aspects to ensure supplier risk control.

Supplier Sustainability Risk Assessment

The Company requests its suppliers to fill out the annual self-assessment questionnaires, which are reviewed along with publicly available illegal records of the suppliers. This allows the Company to effectively take notice of deficiencies in specific indicators and ensure risk control. The self-assessment targets are suppliers whose annual transactions exceed a certain amount. The assessment covers six categories: human rights, labor practices, consumer issues, integrity management, environment, and

health and safety. The self-assessment questionnaire analyzes the current risk levels of suppliers, including their sustainability awareness and any major deficiencies or illegal activities. The results are categorized into three levels for sustainability risks, high, medium, and low. For suppliers with high sustainability risk, the Company conducts random document and on-site audits to track their sustainability risk improvement. In 2023, 42 self-assessment questionnaires were collected, with a 100% response rate, including 2 high-risk, 5 medium-risk, and 35 low-risk results.

The annual supplier evaluation results are also divided into three levels: A (excellent), B (qualified), and C (engagement required). Grade A suppliers are publicly commended at the supplier conference, while Grade C suppliers receive engagement and guidance to help improve their performance.

Sustainable Supply Chain Engagement

For medium and high-risk suppliers, we conduct observations and provide improvement suggestions on sustainable actions, explaining the implications of high-risk issues, relevant international trends, and regulatory standards. The subsequent tracking and confirmation actions for high-risk suppliers are as follows:

1. Explain to all high-risk suppliers individually, provide analysis results and feedback on the self-assessment questionnaire, understand the reasons for high risk in detail, and track the improvement measures and results of their risk and illegal actions, ensuring 100% tracking and confirmation of their risk mitigation and remedial measures.
2. Require suppliers who have violated regulations to provide written reports on improvement measures, and track and confirm that the supplier has implemented improvement actions.
3. Conduct on-site audits for high-risk suppliers and provide analysis reports and improvement suggestions based on their specific risks to reduce the Company's risk exposure in procurement.

Green Procurement

Yuanta Securities has established standards for green procurement in the "Procurement and Disposal Operation Guidelines" and "Supplier Management Guidelines" to promote the development of a green production chain, reduce environmental impact, and fulfill corporate social responsibility in collaboration with suppliers. Products with environmental protection, energy-saving, water-saving, and green building labels are given priority in procurement projects. Through green procurement and sustainable supplier management, we actively exert green influence and support local green enterprises with practical actions, promoting the market's thriving development of low-carbon sustainable goods and services while simultaneously reducing procurement risks.

Furthermore, in support of Taiwan's local economic development and in an effort to stabilize community relationships for shared prosperity and environmental friendliness, the Company prioritizes local suppliers for procurement. This year, we procured from 433 local suppliers, accounting for 97.7%, with 2,327 local procurement cases, accounting for 99.5%.

Green Procurement Performance

Echoing various green procurement initiatives, the Company has been an active participant in the

“Green Procurement Program for Private Enterprises and Organizations” promoted by the Taipei City Government. Yuanta Group has been recognized as an “outstanding performance in green procurement” organization by the Taipei City Government for 13 consecutive years (2011-2023) and has been commended by the Environmental Protection Administration for outstanding green procurement performance for 12 consecutive years (2012-2023). In 2023, our green procurement amount was NT\$53,373,000, accounting for 5.24% of the total procurement amount.

	2022	2023
Green procurement amount (1,000 NTD)	111,362	53,373
Total procurement amount (1,000 NTD)	1,011,330	1,018,074
Percentage of green procurement out of total procurement	11%	5%

The Company also echoes the Environmental Protection Administration’s continuous promotion of the “Use Instead of Own” concept by gradually establishing a circular economy business model that replaces purchasing with leasing, thereby reducing resource demand. We also echo the Environmental Protection Administration’s “Environmental Points Collection” project, inviting employees and their families to take part. This project promotes green consumption using a points platform, aiming to incentivize people to join in on environmental protection efforts with points and validate the value of environmental actions. The Company has purchased 30 million environmental points from the Environmental Protection Administration to reward staff who voluntarily participated in environmental sustainability-related activities.

Appendix

Appendix 1 Sustainable Finance Performance

Total Value and Number of Underwriting in 2023

Unit: NT\$ Thousand

Type		Number	Amount
Underwriting	Fixed Income	139	113,445,410

Total Proprietary Investment and Breakdown as of December 31, 2023

Unit: NT\$ Thousand

Business Type	Industry	Number	Amount
Proprietary Investment (Bonds)	Finance & Insurance	18	4,245,483
	Plastic Industry	11	8,405,878
	Semiconductor Industry	12	4,300,000
	Cement Industry	3	1,700,000
	Government Agencies	13	11,729,898
	Communication Network	3	1,652,785
	Leasing	1	200,000
	Energy Industry	2	185,908
	Textile and Fiber	2	700,000
	Investment	3	1,100,000
	Trading and Consumer Goods	1	211,030
	Food Industry	1	600,000
	Steel (excluding stainless steel)	3	720,006
	Computer and Peripherals	2	400,000
	Public Sector	10	6,600,000
	Real Estate Investment	4	1,550,680
	Cultural and Creative Industries	1	212,885
	Automobile Industry	1	500,000
	Maritime Industry	1	150,000
	Air Freight Industry	2	650,000
	Electronic Components	2	1,900,000
	Total	96	47,714,553

Note: The Company's investment also includes equity investment, but all the positions have been liquidated before December 31, 2023, so only the positions remaining at the end of the year are listed in the table.

Total Loan Balance as of December 31, 2023, and Corresponding Number of Loans

Business Type	Number	Amount
Margin purchase	6,411,224	47,747,238
Short sale	958,095	6,001,334
Non-restricted lending	64,778	37,003,670
Total	7,434,097	90,752,242

Total Value and Number of Market Making Transactions in 2023

Market Making Targets	Number	Amount
Derivatives (futures/options)	23	846,876,339
Derivatives (warrants)	19,633	159,371,786
Others (ETN)	15	3,544,625
Others (ETF)	198	1,283,038,184

Appendix 2 GRI Standards Index

Statement of Use	Followed GRI Universal Standards. Report period is 2023 (January 1, 2023 to December 31, 2023)
GRI Standards	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	The industry standards of the industry have not yet been released by GRI.

Disclosures	Related Report Sections	Pages	Omission/Description
GRI 2: General Disclosure 2021			
The organization and its reporting practices			
2-1 Organizational details	About this report	3	
2-2 Entities included in the organization's sustainability reporting	About this report	3	
2-3 Period, frequency, and contact point	About this report	3	
2-4 Restatements of information	—	—	Not applicable, the Company prepared its first sustainability report this year.
2-5 External assurance	About this report	3	
Activities and workers			
2-6 Activities, value chain, and other business relationships	1.1 Business Overview	10	
2-7 Employees	5.1 Employee Attraction and Retention	133	
2-8 Workers who are not employees	5.1 Employee Attraction and Retention	133	
Governance			

Disclosures	Related Report Sections	Pages	Omission/Description
2-9 Governance structure and composition	3.1 Corporate Governance	56	For relevant information, please refer to page 17 of the Company's 2023 annual report.
2-10 Nomination and selection of the highest governance body	3.1 Corporate Governance	56	
2-11 Chair of the highest governance body	3.1 Corporate Governance	56	The Yuanta Securities' chairman did not concurrently serve as other senior management positions during the year. For detailed information, please refer to page 191 of the Company's 2023 annual report.
2-12 Role of the highest governance body in overseeing the management of impacts	2.3 Sustainable Governance	30	
2-13 Delegation of responsibility for managing impacts	2.3 Sustainable Governance	30	
2-14 Role of the highest governance body in sustainability reporting	About the report	3	
2-15 Conflict of interest	3.1 Corporate Governance, 3.2 Integrity Management	56	
2-16 Communication of critical concerns	2.4 Stakeholder Engagement and Communication 3.1 Corporate Governance	32 56	
2-17 Collective knowledge of the highest governance body	3.1 Corporate Governance	56	
2-18 Evaluation of the performance of the highest governance body	3.1 Corporate Governance	56	
2-19 Remuneration policies	3.1 Corporate Governance	56	

Disclosures	Related Report Sections	Pages	Omission/Description
2-20 Process to determine remuneration	3.1 Corporate Governance	56	
2-21 Annual total compensation ratio	—	—	The salary information was not disclosed due to its confidentiality.
Strategy, policies, and practices			
2-22 Statement on sustainable development strategy	A word from the Chainman	5	
2-23 Policy commitments	3.2 Integrity Management, 4.1 Sustainable Finance, 4.3 Customer Rights and Service Quality, 5.3 Talent Cultivation and Development, 5.5 Human Rights, Diversity and Equality, 7.2 Green Operations	70 92 122	
2-24 Embedding policy commitments	3.2 Integrity Management, 4.1 Sustainable Finance, 4.3 Customer Rights and Service Quality, 5.3 Talent Cultivation and Development, 5.5 Human Rights, Diversity and Equality, 7.2 Green Operations	142 162 189	
2-25 Processes to remediate negative impacts	3.2 Integrity Management, 4.1 Sustainable Finance, 4.3 Customer Rights and Service Quality, 5.4 Healthy and Safe Workplace, 5.5 Human Rights, Diversity and Equality	70 92 122 149 162	
2-26 Mechanisms for seeking advice and raising concerns	3.2 Integrity Management	70	
2-27 Compliance with laws and regulations	3.4 Legal Compliance	80	No relevant events occurred this year.
2-28 Membership associations	1.1 Business Overview	10	

Disclosures	Related Report Sections	Pages	Omission/Description
Stakeholder engagement			
2-29 Approach to stakeholder engagement	2.4 Stakeholder Engagement and Communication	32	
2-30 Collective bargaining agreements	5.2 Employee Communication	140	We did not sign any collective bargaining agreement with employees in 2023; however, we held labor-management meetings regularly to protect employees' rights and interests.

Material Topics

Disclosures	Related Report Sections	Pages	Omission/Description
GRI 3: Material Topics 2021			
3-1 Process to determine material topics	2.5 Material Topics Analysis and Management Approach	32	
3-2 List of material topics	2.5 Material Topics Analysis and Management Approach	32	
Corporate Governance			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.5 Material Topics Analysis and Management Approach	41	
Integrity management			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.5 Material Topics Analysis and Management Approach	41	
GRI 205: Anti-corruption 2016			
205-1 Operations assessed for risks related to corruption	3.2 Integrity Management	70	

Disclosures	Related Report Sections	Pages	Omission/Description
205-2 Communication and training about anti-corruption policies and procedures	3.2 Integrity Management	70	
205-3 Confirmed incidents of corruption and actions taken	3.2 Integrity Management	70	No relevant events occurred this year.
Legal Compliance			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.5 Material Topics Analysis and Management Approach	41	
GRI 206: Anti-competitive Behavior 2016			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.4 Legal Compliance	80	There were no relevant violations of laws and regulations during the year.
GRI 417: Marketing and Labeling 2016			
417-3 Incidents of non-compliance concerning marketing communications	3.4 Legal Compliance	80	There were no relevant violations of laws and regulations during the year.
Information Security Management			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.5 Material Topics Analysis and Management Approach	41	
GRI 418: Customer Privacy 2016			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.5 Information Security Management	83	No relevant events occurred this year.
Risk Management			

Disclosures	Related Report Sections	Pages	Omission/Description
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.5 Material Topics Analysis and Management Approach	41	
Climate Action			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.5 Material Topics Analysis and Management Approach	41	
GRI201: Economic Performance 2016			
201-2 Financial impacts and other risks and opportunities arising from climate change	7.1 Climate Change Management	172	
GRI 305: Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	7.1 Climate Change Management	172	
305-2 Energy indirect (Scope 2) GHG emissions	7.1 Climate Change Management	172	
305-3 Other indirect (Scope 3) GHG emissions	7.1 Climate Change Management	172	
305-4 GHG emissions intensity	7.1 Climate Change Management	172	
305-5 Reduction of GHG emissions	7.1 Climate Change Management 7.2 Green Operations	172 189	
Employee Attraction and Retention			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.5 Material Topics Analysis and Management Approach	41	
GRI 401: Employment 2016			

Disclosures	Related Report Sections	Pages	Omission/Description
401-1 New employee hires and employee turnover	5.1 Employee Attraction and Retention	133	
401-2 Benefits provided to fulltime employees that are not provided to temporary or part-time employees	5.1 Employee Attraction and Retention	133	
401-3 Parental leave	5.1 Employee Attraction and Retention	133	
Talent cultivation and Development			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.5 Material Topics Analysis and Management Approach	41	
GRI 404: Training and Education 2016			
404-1 Average hours of training per year per employee	5.3 Talent Cultivation and Development	142	
404-2 Programs for upgrading employee skills and transition assistance programs	5.3 Talent Cultivation and Development	142	
404-3 Percentage of employees receiving regular performance and career development reviews	5.3 Talent Cultivation and Development	142	
Customer Rights and Service Quality			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.5 Material Topics Analysis and Management Approach	41	
Financial Products and Innovative Services			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.5 Material Topics Analysis and Management Approach	41	

Disclosures	Related Report Sections	Pages	Omission/Description
Sustainable Finance			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.5 Material Topics Analysis and Management Approach	41	

Other Topics

Disclosures	Related Report Sections	Pages	Omission/Description
GRI 201: Economic Performance 2016			
201-1 Direct economic value generated and distributed	1.2 Operating Performance	14	
201-4 Financial assistance received from government	—	—	No relevant events occurred this year.
GRI 207: Tax 2019			
207-1 Approach to tax	1.2 Operating Performance	14	
GRI 302: Energy 2016			
302-1 Energy consumption within the organization	7.2 Green Operations	189	
302-2 Energy consumption outside of the organization	7.2 Green Operations	189	
302-3 Energy intensity	7.2 Green Operations	189	
302-4 Reduction of energy consumption	7.2 Green Operations	189	
GRI 303: Water and Effluents 2018			
303-3 Water withdrawal	7.2 Green Operations	189	

Disclosures	Related Report Sections	Pages	Omission/Description
GRI 306: Waste 2020			
306-3 Waste generated	7.2 Green Operations	189	
GRI 308: Supplier Environmental Assessment 2016			
308-1 New suppliers that were screened using environmental criteria	7.3 Sustainable Supplier Management	194	
GRI 402: Labor/Management Relations 2016			
402-1 Minimum notice periods regarding operational changes	5.2 Employee Communication	140	
GRI 403: Occupational Health and Safety 2018			
403-1 Occupational health and safety management system	5.4 Healthy and Safe Workplace	149	
403-2 Hazard identification, risk assessment, and incident investigation	5.4 Healthy and Safe Workplace	149	
403-3 Occupational health services	5.4 Healthy and Safe Workplace	149	
403-4 Worker participation, consultation, and communication on occupational health and safety	5.4 Healthy and Safe Workplace	149	
403-5 Worker training on occupational health and safety	5.4 Healthy and Safe Workplace	149	
403-6 Promotion of worker health	5.4 Healthy and Safe Workplace	149	
403-7 Prevention and mitigation of occupational health and safety	5.4 Healthy and Safe Workplace	149	

Disclosures	Related Report Sections	Pages	Omission/Description
impacts directly linked by business relationships			
403-8 Workers covered by an occupational health and safety management system	5.4 Healthy and Safe Workplace	149	
403-9 Work-related injuries	5.4 Healthy and Safe Workplace	149	
GRI 405: Diversity and Equal Opportunity 2016			
405-1 Diversity of governance bodies and employees	3.1 Corporate Governance	56	
	5.1 Employee Attraction and Retention	133	
405-2 Ratio of basic salary and remuneration of women to men	5.1 Employee Attraction and Retention	133	
GRI 406: Nondiscrimination 2016			
406-1 Incidents of discrimination and corrective actions taken	5.5 Human Rights, Diversity and Equality	149	
GRI 414: Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	7.3 Sustainable Supplier Management	194	

Appendix 3 United Nations Sustainable Development Goals Reference Table

SDGs Goals	Material Topics	Corresponding Disclosures of GRI Standards	Related Report Sections	Pages
1. No Poverty	Financial Inclusion	—	4.2 Innovative Financial Products and Services	115
3. Good Health and Well-Being	Healthy and Safe Workplace	403-1	5.4 Healthy and Safe Workplace	149
		403-2		
		403-3		
		403-4		
		403-5		
		403-6		
		403-7		
		403-9		
4. Quality Education	Social Welfare Investment and Development	—	6.2 Public Welfare Investment and Results	168
5. Gender equality	Corporate Governance 、 Employee Attraction and Retention	405-1	3.1 Corporate Governance 5.1 Employee Attraction and Retention	56 133
	Employee Attraction and Retention	405-2	5.1 Employee Attraction and Retention	133
8. Decent Work and Economic Growth	Employee Attraction and Retention	401-1	5.1 Employee Attraction and Retention	133
		401-2		
		401-3		
	Healthy and Safe Workplace	403-1	5.4 Healthy and Safe Workplace	149
		403-2		
		403-3		

SDGs Goals	Material Topics	Corresponding Disclosures of GRI Standards	Related Report Sections	Pages
		403-4		
		403-5		
		403-6		
		403-7		
		403-9		
	Talent Cultivation and Development	404-1	5.3 Talent Cultivation and Development	142
		404-2		
		404-3		
9. Industry, Innovation and Infrastructure	Sustainable Finance	–	4.1 Sustainable Finance	92
	Financial Products and Innovative Services	–	4.2 Innovative Financial Products and Services	115
10. Reduced Inequalities	Information Security Management	418-1	3.5 Information Security Management	83
12. Responsible Consumption and Production	Supplier Management	308-1	7.3 Sustainable Supplier Management	194
		414-1		
13. Climate Action	Water Resource and Waste Management	302-1	7.2 Green Operations	189
		302-2		
		302-3		
		302-4		
	Climate Action	305-1	7.1 Climate Change Management	172
		305-2		

SDGs Goals	Material Topics	Corresponding Disclosures of GRI Standards	Related Report Sections	Pages
		305-3		
		305-4		
		305-5		
16. Peace, Justice and Strong Institutions	Legal Compliance	206-1	3.4 Legal Compliance	80
		2-27		
	Risk Management	–	3.3 Risk Management	75
	Information Security Management	–	3.5 Information Security Management	83
17. Partnerships for the Goals	Financial Inclusion	–	4.2 Innovative Financial Products and Services	115
	Supplier Management	308-1	7.3 Sustainable Supplier Management	194
		414-1		
	Social Welfare Investment and Development		6.2 Public Welfare Investment and Results	168

Appendix 4 Sustainability Accounting Standards Board (SASB) — Investment Banking & Brokerage

Topic	Code	Accounting Metric	Related Report Sections	Pages	Notes
Employee Diversity & Inclusion	FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	5.1 Employee Attraction and Retention	133	
Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	4.1 Sustainable Finance	92	
	FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	4.1 Sustainable Finance	92	
	FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	4.1 Sustainable Finance	92	
Business Ethics	FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	3.2 Integrity Management 3.4 Legal Compliance	–	The Company did not suffer any financial losses resulting from the determination of the legal industry due to its involvement in fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations this year.

Topic	Code	Accounting Metric	Related Report Sections	Pages	Notes
	FN-IB-510a.2	Description of whistleblower policies and procedures	3.2 Integrity Management	70	
Professional Integrity	FN-IB-510b.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	–	–	The Company's Legal Department was not informed of any related cases this year and intended to continue to track information related to this indicator.
	FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	–	–	There is no mediation or arbitration cases related to integrity this year.
	FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	–	–	No integrity-related monetary losses as a result of legal proceedings associated with professional integrity, including duty of care cases in 2023.
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	3.2 Integrity Management	70	
Systemic Risk Management	FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	–	–	Not applicable to securities industry
	FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	3.3 Risk Management	75	
	FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	–	–	The Company will disclose further information related to this indicator in the future.

Topic	Code	Accounting Metric	Related Report Sections	Pages	Notes
Employee Incentives & Risk Taking	FN-IB-550b.2	Percentage of variable remuneration of Material Risks Takers(MRTs) to which malus or claw back provisions were applied	3.1 Corporate Governance	56	
	FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	—	—	For relevant information, please refer to page 374 of the Company's 2023 annual report.
Activity Metrics	FN-IB-000.A	(1) Number and (2) value of (a) underwriting (b) advisory, and (c) securitization transactions	Appendix 1 Sustainable Finance Performance	198	
	FN-IB-000.B	(1) Number and (2) value of proprietary investments and loans by sector	Appendix 1 Sustainable Finance Performance	198	
	FN-IB-000.C	(1) Number and (2) value of market making in (a) fixed income, (b) equity, (c) currency, (d) derivatives, and (e) commodity products	Appendix 1 Sustainable Finance Performance	198	

Appendix 5 Securities firm sustainable disclosure indicators

Number	Index	Related Report Sections	Pages
1	Number of data breach incidents, percentage of data breach incidents related to personally identifiable information, number of customers affected by data breach incidents	3.5 Information Security Management	83
2	Number and amount of cases to assist small and medium-sized enterprises in raising funds in the capital market	The underwriting objects for IPO and SPO of the Company in 2023 were not classified as small and medium-sized enterprises by the Ministry of Economic Affairs.	—
3	Number of participants in financial education provided to underprivileged groups that lack access to securities services	5.1 Employee Attraction and Retention	133
4	Products and services designed by each business to create environmental or social benefits	4.2 Financial Products and Innovative Services	115

Appendix 6 Accountant's Limited Assurance Report

Independent Limited Assurance Report

To Yuanta Securities Co., Ltd.:

We have been engaged by Yuanta Securities Co., Ltd. ("Company") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2023 Sustainability Report (hereinafter referred to as the "Identified Key Performance Indicators") and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" on page 213 of the Sustainability Report. The scope of the aforementioned Identified Key Performance Indicators is set out in the "Disclosure Boundaries and Scope" on page 3 of the Sustainability Report.

The applicable criteria is based on the "Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms" issued by Taipei Exchange (TPEx), along with related Q&A collections and relevant regulations.

Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the "Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms" issued by Taipei Exchange (TPEx), along with related Q&A collections and relevant regulations. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Certain subject matter Information assured involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

Compliance of Independence and Quality Control Requirement

We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of the Republic of China. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed analytical procedures on the Identified Key Performance Indicators and performed substantive testing on a selective basis, including inquiries, observation, inspection to obtain evidence for limited assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the "Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms" issued by Taipei Exchange (TPEx), along with related Q&A collections and relevant regulations.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the applicable criteria have been subsequently modified.

Lo, Chiao-Sen
For and on behalf of PricewaterhouseCoopers, Taiwan
August 14, 2024

For the convenience of readers and for information purpose only, this document has been translated into English from the original Chinese version. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language version shall prevail.

Appendix 7 Summary of Subject Matter Assured

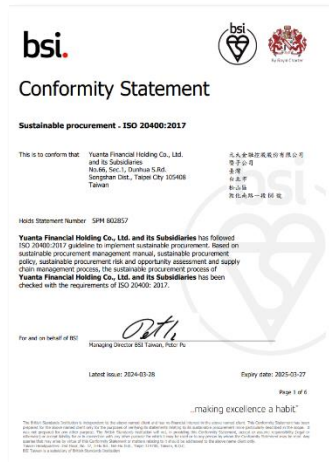
NO.	Identified Key Performance Indicators	Page	Applicable Criteria	Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms
1.1	There were no data breaches for Yuanta Securities in 2023.	P. 88	<p>According to “Yuanta Securities Information Security Policy” and “Yuanta Securities Information Business Manual”, the total number of data breaches for Yuanta Securities Co., Ltd. (“Yuanta Securities”) in 2023. The data breach is based on whether the data leak of Yuanta Securities and the data breach violate the policies of Yuanta Securities of non-disclosure and information security.</p> <p>Note: In accordance with "Operational Guidelines for Circulating Reports on the Information and Communication Security Related Events Occur in Securities and Futures Markets", Yuanta Securities uses the information and communication-security-related events notification systems to notify relevant events to competent authority (Securities and Futures Bureau) and inspect whether these events involve the data breaches or not.</p>	Article 2, Appended Table No.1
1.2	The percentage of data breaches involving personally identifiable information out of total data breaches for Yuanta Securities was 0% in 2023.	P. 88	<p>According to “Yuanta Securities Information Security Policy”, “Yuanta Securities Information Business Manual”, and “Regulation on Personal Information Management”, the percentage of data breaches involving personally identifiable information out of total data breaches for Yuanta Securities was 0% in 2023.</p> <p>Note:</p> <p>i. “Personal data” in accordance with “Personal Data Protection Act” refers to a</p>	Article 2, Appended Table No.1

			<p>natural person's name, date of birth, ID Card number, passport number, features, fingerprints, marital status, family information, education background, occupation, contact information, financial conditions, data concerning a person's social activities, special personal information and any other information that may be used to directly or indirectly identify a natural person.</p> <p>ii. In accordance with "Operational Guidelines for Circulating Reports on the Information and Communication Security Related Events Occur in Securities and Futures Markets", Yuanta Securities uses the information and communication-security-related events notification systems to notify relevant events to competent authority (Securities and Futures Bureau) and inspect whether these events involve the data breaches or not.</p>	
1.3	There were no number of account holders affected by data breaches for Yuanta Securities in 2023.	P. 88	<p>According to “Yuanta Securities Information Security Policy”, “Yuanta Securities Information Business Manual”, and “Regulation on Personal Information Management”, the number of account holders affected by data breaches for Yuanta Securities in 2023.</p> <p>Note: In accordance with “Operational Guidelines for Circulating Reports on the Information and Communication Security Related Events Occur in Securities and Futures Markets”, Yuanta Securities uses the information and communication-security-related events notification systems to notify relevant events to competent authority (Securities and Futures Bureau) and inspect whether these events involve the data breaches or not.</p>	Article 2, Appended Table No.1
2	In 2023, none of the entities for which Yuanta Securities assisted in underwriting or fundraising were classified as small and medium	—	<p>The number of projects and the amount that company assisted small and medium enterprises to raise funds in the capital market in 2023.</p> <p>Note: "Small and medium enterprises" are defined according to the latest version</p>	Article 2, Appended Table No.2

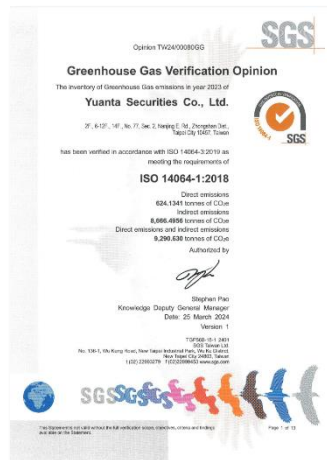
	enterprises (“SMEs”) according to the Ministry of Economic Affairs’ definition.		of the "White Paper on Small and Medium Enterprises in Taiwan" published annually by the Small and Medium Enterprise and Startup Administration, MOEA; those with a paid-in capital of less than NT\$100 million, or less than 200 regularly employed employees.	
3	To cultivate investment concepts among students, Yuanta Securities Co., Ltd. held the 7th “Yuanta Stock Challenge Competition” in 2023, with a total of 3,746 students participating.	P. 135	<p>Total number of students who participated in the 7th “Yuanta Stock Challenge Competition” held by Yuanta Securities in 2023.</p> <p>Note: According to the “Q&A of Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” published by Taiwan Stock Exchange Corporation, the definition of disadvantaged groups is as follows: Referring to the SASB definition, vulnerable groups that lack banking services may include but are not limited to students, teenagers, new residents, and the elderly people, ethnic minorities, low-income households, etc., or financial and insurance operators may state it themselves.</p>	Article 2, Appended Table No.3
4	In 2023, “Yuanta Securities Online Financial Service” passed the ISO 14067 Product Carbon Footprint Verification by the British Standards Institution and received the Ministry of Environment’s Carbon Footprint Label.	P. 119	In 2023, Yuanta Securities passed the British Standards Institution (BSI) ISO 14067 Product Carbon Footprint verification with the “Yuanta Securities Online Financial Service”. In accordance with the verification statement issued by BSI, Yuanta Securities applied for and received the Carbon Footprint Label from the Ministry of Environment.	Article 2, Appended Table No.4

Appendix 8 Certificates to ISO Management System

ISO 20400:2017
Sustainable procurement



ISO 14064-1:2018
Greenhouse gases



ISO 14001:2015
Environmental management systems



ISO 45001:2018
Occupational health and safety management system



ISO 14046:2014
Water footprint



ISO 50001:2018
Energy management systems





Service Tel. No.: +886 2 2718-1234

Service Email: webmaster@yuanta.com

Address: 12F, No. 77, Section 2, Nanjing East Road,
Zhongshan District, Taipei City