

# **Yuanta Financial Holding Company**

## **Corporate Social Responsibility Guidelines**

Approved by the Board of Directors on October 26, 2010 (5th meeting of the 5th board)

### **Section One: General Provisions**

#### Article 1

The company seeks to carry out its corporate social responsibility (hereafter “CSR”), and promote sustainable growth that balances economic, social and environmental factors. These guidelines follow the *TSE/GTSM Listed Companies Corporate Social Responsibility Guidelines* in managing the company’s risk and impact on the environment and society.

#### Article 2

These guidelines are intended for this company and the company’s subsidiaries and apply to all operational activities.

In its operations, the company is to actively practice its CSR, in line with global trends that balance environmental, social and corporate governance factors. By being a responsible corporate citizen, the company increases its contribution to the domestic economy, workforce, society, and the standard of living.

#### Article 3

The company shall carry out its CSR, valuing social moral principles and pay heed to the rights and interests of affiliated parties. In pursuing sustainable operations and profitability, it will place importance on environmental, social and corporate governance, and include these elements into its management and operations.

#### Article 4

The company abides by the following principles in carrying out its CSR:

1. Implement and promote corporate governance.
2. Expand in an environmentally sustainable way.
3. Uphold and preserve the social welfare.
4. Strengthen transparency of CSR information.

Disclaimer: this document is a translation from the original Chinese version. In the case of any discrepancy the original document shall supersede this version.

#### Article 5

The company shall abide by the law and regulations in its Articles of Incorporation, and any signed contracts between itself and the Taiwan Stock Exchange or GreTai Securities Market, as well as any related rules. The company will take into consideration domestic and overseas CSR trends, and both the company and its subsidiaries will establish CSR policies, system and related management systems, as approved by the board of directors.

### **Section Two: Implementation of Corporate Governance**

#### Article 6

The company's board of directors will ensure that management fulfills its duties in urging the company to carry out its CSR, while simultaneously critiquing its effectiveness and continually improving to ensure that CSR policy is carried out. The company's board of directors set forth the following items for carrying out its CSR:

1. Include CSR in the company's operational activities and future direction.
2. Address the mission of CSR (or vision, value), and formulate its CSR policy statement.
3. Ensure CSR-related information is transparent.

#### Article 7

In order to establish stable CSR management, there will be a division within the company to establish and promote CSR that is responsible for raising and implementing CSR policy and system, and to periodically report to the board of directors.

#### Article 8

The company will respect the rights and interests of affiliated parties, and through appropriate communication and interaction, understand their legitimate expectations and needs. In this way, the company can appropriately respond to the concerns that affiliated parties may have related to CSR.

#### Article 9

The company follows the *Corporate Governance Best-Practices for TSEC/GTSM Listed Companies* and *Standards of Ethical Conduct for TSEC/GTSM Listed Companies* in its establishment of an effective corporate governance framework and

related ethical standards.

#### Article 10

The company shall abide by all relevant regulations in its operational activities, and implement the following items, in order to create a fair competitive environment:

1. Avoid engaging in illegal unfair competitive behavior.
2. Ensure fulfillment of tax obligations.
3. Anti-bribery and corruption, any illegal activity to be dealt with appropriately in line with the severity of the offense.
4. Corporate donations should comply with internal operational procedures.

#### Article 11

The company shall periodically hold courses in ethics (including the above provisions) for board members and employees.

### **Section Three: Environmentally Sustainable Development**

#### Article 12

The company shall adhere to all environmental-related regulations and global standards, and appropriately protect the environment and when carrying out its operations, striving for goals that are environmentally sustainable.

#### Article 13

The company shall strive to use each type of resource more efficiency and reduce its environmental impact on renewable resources, thereby utilizing natural resources in a sustainable way.

#### Article 14

The company shall establish an environmental management system that is appropriate for its business. The company's system shall include the following items:

1. Gather and evaluate substantial and real-time data on the environmental impact of its business activities.
2. Establish measurable goals and periodically evaluate them to determine the sustainability and relevance of them.
3. Periodically evaluate the progress made towards its purpose and goals of environmental sustainability.

Disclaimer: this document is a translation from the original Chinese version. In the case of any discrepancy the original document shall supersede this version.

#### Article 15

The company shall establish a dedicated division or person to handle its environmental management, and periodically hold a course to educate top management and employees in the company's environmental protection-related system.

#### Article 16

The company shall consider its impact on eco-efficiency, educate clients on and promote sustainable consumption concepts, and, in order to reduce its environmental impact, be engaged in operational activities following these principles:

1. Reduce the amount of natural resources used in the operation of financial products and services.
2. Proper handling of waste material.
3. Adopt the usage of eco-friendly (green) products.
4. Maximize use of renewable resources by reusing and recycling.
5. Increase efficiency of financial products and services.

#### Article 17

In order to increase the efficiency of water usage, the company shall use water in the best and most sustainable way with relevant management measures in place.

#### Article 18

The company will be aware of how any change in climate impacts the company's operations, have an established strategy to reduce carbon and control room temperature in a way that saves resources, thereby reducing the company's impact on the environment.

### **Section Four: Maintaining Social Welfare**

#### Article 19

The company shall follow all relevant labor laws, uphold legal rights of employees, respect generally accepted global labor practices, and must not create any situation that would jeopardize basic labor rights.

The company's human resources policy shall ensure it follows principles that respect basic labor rights, and establish an appropriate method of management and procedures.

#### Article 20

The company shall provide employees information so they understand the labor law and enjoy its benefits in the country where the business is domiciled.

#### Article 21

The company shall provide employees with a safe and healthy work environment, including providing the necessary health and emergency rescue equipment, and seek to mitigate any factors that would endanger employees' health or safety, thereby preventing a workplace disaster.

The company shall periodically hold health and safety training courses.

#### Article 22

The company shall create a good environment for employees' career development, and establish an effective training plan to help employees in their career skills development.

#### Article 23

The company shall set up a channel of communication for employees by which they may obtain information and express opinions in matters regarding business operations and strategy.

#### Article 24

The company shall be ethically responsible in regards to its financial product and sales practices, determining and publicizing its policy toward customer interests, and implement such policy.

#### Article 25

The company shall ensure financial product and service quality, in accordance with government regulations and relevant industry standards.

In its sales and advertising for financial products or services, the company shall abide by government regulations and relevant global standards, not engaging in any behavior such as cheating, misleading, fraudulent or any other action that damages customers' trust or hurts customers' interests.

#### Article 26

Disclaimer: this document is a translation from the original Chinese version. In the case of any discrepancy the original document shall supersede this version.

The company shall provide transparent and effective procedures for customers to file a complaint regarding financial products or services. This system is to be fair and be able to handle information immediately, and should follow relevant regulations to safeguard customers' rights of privacy and protect the personal information they provide.

#### Article 27

The company shall evaluate the impact its purchasing activities have on the environment and surrounding communities of its supply sources. And, together with supplier companies, raise the level of its mutual corporate social responsibility.

#### Article 28

The company shall evaluate and manage the impact that the company's operations have on its surrounding communities, the hiring of appropriate personnel, and raise its solidarity with the community. The company shall help foster community development through financial donations, corporate volunteer services or other free professional services, participation in community development and the educational programs provided by public organizations, or activities arranged by charitable organizations and local government organizations.

### **Section Five: Strengthening Transparency of CSR Information**

#### Article 29

The company shall make information public, in accordance with relevant regulations and the *TSE/GTSM Listed Companies Corporate Social Responsibility Guidelines*, and fully disclose CSR information that is relevant and reliable, and thereby raise the level of transparency.

Relevant CSR information to be disclosed includes the following:

1. CSR governance system, strategy, policy and management policy.
2. Any risk and impact on company operations and financial status from the implementation of corporate governance, environmentally sustainable development and social welfare.
3. Any proposed CSR goals or measures that the company drafts.
4. Sustainability of CSR implementation.
5. Other CSR-related information.

#### Article 30

Disclaimer: this document is a translation from the original Chinese version. In the case of any discrepancy the original document shall supersede this version.

The company shall publish a CSR report that discloses the status of its CSR, and the content is to include the following:

1. Implementation of the CSR system, policy, and action plans.
2. Primary affiliated parties and their issues of concern.
3. Performance and review of the implementation of the company's actions in regards to corporate governance, environmentally sustainable development and upholding social welfare.
4. Future direction for improvement and goals.

## **Section Six: Appendix**

### Article 31

The company shall simultaneously pay heed to domestic and international CSR developments and change in corporate climate, and improve its established CSR system based on its review, in order to raise the effectiveness of its CSR.

### Article 32

These guidelines are effective upon approval by the board of directors. The same applies for any amendments.