

Yuanta Financial Holdings' CSR Policy

- ✔ To enhance the quality of corporate governance.
- ✔ To emphasize employee rights and interests, cultivate talent, and create a healthy and safe work environment.
- ✔ To commit to energy saving and carbon reduction to ensure environmental sustainability.
- ✔ To abide by ethical standards and operate with integrity.
- ✔ To expand community participation and give back to society.
- ✔ To protect the rights and interests of customers and win long-term trust.
- ✔ To provide accurate, timely, open, and transparent Company information to investors.



2.2 Stakeholder Agreement

2.2.1 Stakeholder Communication

The Company has a responsibility to its stakeholders. We have set up a stakeholder area on our official website and a communication line to understand the needs and expectations of our stakeholders through various means and communication channels.



Stakeholder Communication Topics of Interest

Shareholders and Investors / Creditors



Purpose of communication

Two-way communication through periodic overseas and domestic legal conferences and one-on-one meetings with institutional investors are carried out each year to provide institutional investors with a clear understanding of the Company's long-term development strategies and financial and business overview and to learn about institutional investors' suggestions and ideas for the Company and report them to decision makers for consideration of the Company's future strategic direction.



Priority concerns

- ◆ Corporate governance and integrity management
- ◆ Legal compliance
- ◆ Risk management and internal control
- ◆ Sustainable finance
- ◆ Financial inclusion
- ◆ Information and transaction security
- ◆ Energy and climate change
- ◆ Supplier management



Communication channels, feedback methods, and communication frequency

- ◆ Annual general meetings of shareholders.
- ◆ Annual participation in international ESG ratings.
- ◆ Undergoing annual credit rating.
- ◆ Publishing annual report and CSR report in English and Chinese every year.
- ◆ Quarterly financial reports and investor presentations are published on the Company's website.
- ◆ Monthly operational overviews are announced on the Market Observation Post System and the Company's website.
- ◆ Chinese and English websites with a special area to announce the contact window for stakeholders.
- ◆ Attending corporate presentations from time to time and communicating with institutional investors via telephone and email.
- ◆ Disclosing from time to time the latest corporate governance and CSR-related information on our website.
- ◆ Communicating with investors through bond underwriters and preparing public explanations.
- ◆ Providing the Company's credit rating report and disclose the latest financial and operational information for reference in credit evaluation.



Key communication achievements

- ◆ Good operational performance, positive return on equity for 5 consecutive years.
- ◆ Selected as a constituent of several international indices, including the Dow Jones Sustainability World Index, Dow Jones Sustainability Emerging Markets Index, Bloomberg Gender Equality Index, CDP Leadership Level A, FTSE4Good Emerging Index, and FTSE4Good TIP Taiwan ESG Index.
- ◆ Awarded MSCI ESG Rating A.
- ◆ Established two-way communication with investors, invited to 4 online investor meetings, and conducted over 100 meetings with investors (video/phone/email, etc.), and regularly reported investors' opinions and concerns to management.
- ◆ The Company, Yuanta Securities, and Yuanta Bank have been certified by the CG6012 (2019) of the Taiwan Corporate Governance Association as having an exceptionally good corporate governance system. (The certificate is valid from December 25, 2020 to December 24, 2022).
- ◆ The Company entered into a trustee contract with a third-party institution to exercise the right to monitor and check the performance of the Company's obligations related to corporate bonds on behalf of creditors.

Government Agencies



Purpose of communication

To comply with the relevant requirements and strengthen management capabilities through regular and nonscheduled responses to surveys with the competent authorities and to release major information and to respond to relevant inquiries.



Priority concerns

- ◆ Legal compliance
- ◆ Customer services and privacy
- ◆ Employee attraction and retention
- ◆ Friendly and excellent working environment



Communication channels, feedback methods, and communication frequency

- ◆ The Company reports our operations to the competent authorities on a quarterly basis, so that they can keep track of the overall financial environment.
- ◆ Responding as needed to inquiries from the competent authorities through official documents, meetings, phone calls, emails and public information.
- ◆ Issuances of material information by relevant units of the Company on a nonscheduled basis.
- ◆ Responses to Market Observation Post System within 2 days of receipt of credit rating results on a nonscheduled basis.



Key communication achievements

- ◆ In the 7th "Corporate Governance Review" held by the Taiwan Stock Exchange, the Company was ranked 6% - 20% of the listed companies.
- ◆ Selected as a constituent stock of the Taiwan Corporate Governance 100 Index for 6 consecutive years and a constituent stock of the FTSE4Good TIP Taiwan ESG Index for 3 consecutive years.
- ◆ The Company has not violated Taiwan Stock Exchange's requirements for declaring information and press conferences for material information and explanations.

Current Employees



Purpose of communication

Through communication with employees, we listen to their opinions and needs, and communicate with them about the Company's policies, including education and training, workplace safety and health, compliance with laws and ethics, and performance appraisal, so that we can work together to achieve good results.



Priority concerns

- ◆ Corporate governance and integrity management
- ◆ Employee attraction and retention
- ◆ Talent cultivation and development
- ◆ Friendly and excellent working environment



Communication channels, feedback methods, and communication frequency

- ◆ Employee Engagement Survey is conducted annually.
- ◆ Annual occupational safety and health training; annual certification of ISO 45001 occupational safety and health management system.
- ◆ Semi-annual performance evaluation and feedback.
- ◆ Quarterly labor-management meetings and occupational safety and health committee meetings.
- ◆ Quarterly/monthly club activities.
- ◆ Hold regular training courses such as the Summit Forum and Yuanta E-Academy online courses.
- ◆ Employee complaint box, employee internal communication channels, and e-newsletter.
- ◆ Regularly invite employees to participate in social service activities.
- ◆ Hold periodic employee welfare committee, employee stock ownership committee, and labor retirement fund committee.



Key communication achievements

- ◆ The Group-wide Employee Engagement Survey was conducted 3 consecutive years starting in 2017, and each year, participating employees have rated their work engagement more positively than the Taiwan financial industry norm. The survey was later adjusted to once every 2 years.
- ◆ Our Company, Yuanta Life, Yuanta Funds and Yuanta Futures are certified by ISO 45001 Occupational Safety and Health Management System, providing a safe workplace for our employees.
- ◆ Completed the revision of the performance management guidelines, incorporating sustainable development objectives and ESG business into work objectives to implement sustainable business development and corporate social responsibility.
- ◆ In response to the COVID-19 global epidemic, we issued 24 epidemic notifications and preventive measures as a means to help protect the health of our employees and their families.
- ◆ The average number of training hours for employees increased by 8% and the average training cost increased by 17% compared to the previous year.
- ◆ Developed and implemented occupational safety and health prevention programs, such as the maternal health protection program, overload prevention program, human-caused hazard prevention program, and unlawful infringement prevention program to care for employees.
- ◆ We received official recognition for caring for the physical and mental health of our employees and maintaining a safe and healthy workplace environment, receiving a special award by the Taipei City Government for outstanding performance in a healthy workplace.

Potential Employees



Purpose of communication

The Company welcomes outstanding talents and helps students understand the current status of the financial industry to help them with their career choices.



Priority concerns

- ◆ Talent cultivation and development



Communication channels, feedback methods, and communication frequency

- ◆ Regular talks, industry & academia cooperation; receiving visits on a nonscheduled basis.
- ◆ Regular posts on Facebook fan page, job recruiting websites, and recruitment section of official website; campus recruitment activities every March-June.
- ◆ Industry-academic cooperation internship opportunities are arranged annually/biannually.
- ◆ Cooperation with courses, career counseling, and professional guidance on a nonscheduled basis.



Key communication achievements

- ◆ During the year, we cooperated with 42 schools in industry-academia cooperation and interacted with 4,696 students through courses, lectures, internships, visits and campus recruiting. Among them, we offered credit courses and lecture courses with National Chengchi University, National Chiao Tung University, National Tsing Hua University and Feng Chia University, attracting 2,401 students to take the courses.
- ◆ We operate a Facebook fan page and an official internship page to help students learn about Yuanta and various internship opportunities.

Clients / Debtors



Purpose of communication

We provide a complete range of products to meet customers' needs, provide more diversified and convenient services, and combine multi-faceted issues and methods to attract customers' attention and increase customer loyalty. We also help customers understand the risks and costs associated with the use of financial products and services, so as to reduce the chance of future disputes.



Priority concerns

- ◆ Customer services and privacy
- ◆ Financial product innovation and services
- ◆ Information and transaction security
- ◆ Financial inclusion
- ◆ Sustainable finance



Communication channels, feedback methods, and communication frequency

- ◆ Providing daily/monthly e-newsletters and various investment research reports; proactively sending repayment offer notification letters; and conducting regular repayment negotiations and communication.
- ◆ A customer service and grievance line is permanently set up in the "Stakeholder" area.
- ◆ A customer service center is set up to provide a customer service hotline and an online customer service mailbox.
- ◆ Developing web service and mobile service app on a regular basis.
- ◆ Investment and financial presentations, seminars, and forums from time to time.
- ◆ Customer satisfaction surveys and project activities from time to time.
- ◆ After acquiring debt certificates, we renew the certificates every 5 years.



Key communication achievements

- ◆ Yuanta Securities added corporate governance evaluation results and ESG concept stock services to its smart stock selection app entitled "Mr. Yuanta," adding "Top 20% of Listed Corporate Governance Evaluation" and "Taiwan ESG Constituent Stocks" labels to help investors select ESG-performing companies. The new service will help investors select ESG-performing companies.
- ◆ Yuanta Bank officially signed the Equator Principles in October and will establish relevant practices and a pilot process mechanism in the coming year, set up an environmental and social risk group, conduct environmental and social risk classification, and integrate the review process into the original credit granting process.
- ◆ Yuanta Life has long been promoting micro-injury insurance to help the disadvantaged groups to obtain basic insurance coverage with small premium payments. 3,096 persons were insured this year with a total coverage of NT\$710,000.
- ◆ Yuanta Funds has implemented fixed-rate fund purchase and assisted nearly 55,000 small investors with a total of over NT\$4.8 billion.
- ◆ Investigated the list of asset-based debtors' proceeds and found no new enforceable property.

Media



Purpose of communication

The Company has created good media relations and established smooth communication channels, so that the media can report fairly the Company's operating status to the public.



Priority concerns

- ◆ Corporate governance and integrity management
- ◆ Legal compliance
- ◆ Financial product innovation and services
- ◆ Social welfare



Communication channels, feedback methods, and communication frequency

- ◆ We provide regular market updates and financial commodity information to help the public keep abreast of market dynamics.
- ◆ Media presentations, press conferences and advertisements from time to time.
- ◆ Unscheduled incident explanation.



Key communication achievements

- ◆ Issued 273 press releases this year.
- ◆ Selected as CSR Corporate Citizenship Award – Large Enterprise New Star Award by CommonWealth Magazine; the 16th CSR Corporate Social Responsibility Award – Model Award in Social Welfare by Global Views Monthly Magazine; and the Special Jury Prize – Financial Holdings CSR Awards by the Wealth Magazine.

Community



Purpose of communication

The relationship between business and society is one of coexistence and co-prosperity. Our role as a "charity platform" helps others to realize their dreams, turn their lives around, and move forward to happiness. We also help the public to know more about the Yuanta Group and how it continues to spread positive energy for Taiwan.



Priority concerns

- ◆ Social welfare



Communication channels, feedback methods, and communication frequency

- ◆ Promoting blood donation activities every year.
- ◆ Holding Yuanta annual "Dream Big" Dream-fulfilling Project.
- ◆ Regularly participating in associations and organizations.
- ◆ Regularly organizing and supporting social welfare, academic education, arts and culture promotion and environmental protection activities.
- ◆ Community care and neighborhood visits from time to time.
- ◆ Cooperating with NPO/NGO groups to organize, co-organize or sponsor activities from time to time.
- ◆ Organizing environmental protection activities from time to time.



Key communication achievements

- ◆ For 11 years, the Yuanta Group has been organizing blood donation activities and has accumulated 20,162 bags of blood donations, and for the 6th year, the Yuanta Group has been awarded the "Outstanding Blood Donation Organization" by the Taiwan Blood Foundation.
- ◆ For 4 consecutive years, the "Dream Big" Dream-fulfilling Project has been held to help 24 organizations in need of support. Through the online promotion of charity activities on social media fan pages, we have attracted more than 42.44 million people as of the 4th year.
- ◆ 2,039 individuals volunteered for a total of 9,019 hours.
- ◆ A total of 621 events were held this year. We organized 155 activities, co-organized 389, and sponsored 77. A total of 718,524 people benefited from the public welfare activities this year.
- ◆ For 10 consecutive years, Yuanta has been promoting the "Dreams Take-off Project", awarding a total of 1,435 scholarships. Recipients have included 103 university students and 5 master's degree students. The project has received the Crystal Award for Donation to Education from Taiwan's Ministry of Education.

Suppliers



Purpose of communication

To enable our suppliers to understand our environmental and human rights standards and to work together with them to promote CSR concepts.



Priority concerns

- ◆ Supplier management
- ◆ Information and transaction security



Communication channels, feedback methods, and communication frequency

- ◆ Continuing to manage suppliers in accordance with the established "Guidelines of Supplier Management" and conducting supplier evaluation in the first quarter of each year.
- ◆ Agreeing to abide by the principles of business integrity, confidentiality and personal data protection in transactions with the Yuanta Group, and signing the terms and conditions for sustainable procurement by suppliers (including the Supplier Sustainable Procurement Guidance).
- ◆ Conducting training on human rights and environmental issues for procurement cases over NT\$1 million.
- ◆ Organizing supplier conferences.



Key communication achievements

- ◆ The evaluation of 133 major suppliers was conducted with an average score of 84.75 out of 100.
- ◆ All suppliers are required to sign the "Supplier's Terms and Conditions for Sustainable Procurement" and "Integrity Commitment Statement" in their procurement contracts.
- ◆ Six subsidiaries of the Company, including Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Funds, Yuanta Futures, and Yuanta Securities Finance, have completed the procurement of 510,000 kWh of renewable energy certificates; for 10 consecutive years, the Company has been awarded the green procurement performance benchmark by the Taipei City Government.
- ◆ In conjunction with the implementation of an energy management system that complies with international standards, we have obtained ISO 50001 certification from the British Standards Institution (BSI) by setting energy-saving targets and implementing plans.
- ◆ All of our locations have passed the ISO 14064-1 greenhouse gas inventory with a 100% verification coverage rate.