

(VI) Fulfillment of corporate social responsibility

| Scope of Assessment | Status (Note 1) | | | Deviations from “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies” and reasons |
|---|-----------------|----|---|---|
| | Yes | NO | Summary (Note 2) | |
| <p>1. Exercising Corporate Governance</p> <p>(1)Whether the Company establishes the full-time (part-time) functional units dedicated to promoting the corporate social responsibility that conducts the risk assessment on the environment, society and corporate governance issues related to the Company’s operation and adopts related risk management policies or strategies?</p> | ✓ | | <p>(1)Given the global urbanization, climate change, shortage of resources, population growth, ecocide, and enrichment, the “sustainability” issue becomes a challenge and also a chance encountered by enterprises all over the world. The Company has integrated the corporate sustainability issue into the business strategies to combine the corporate core competency and management abilities, and seek innovative development of the business, products and business models and enhance governance on CSR and sustainability.</p> <p>A.Yuanta Financial Holdings has included the issue about climate change into the corporate governance and business strategies as an important part, and also considered structuring with the sustainability performance and reward mechanism, to demonstrate the determination to boost the sustainability. Now we are improving the methods to identify and manage the climate-related risks and opportunities, and adopting and implementing responsive strategies to create the ability to complete the low-carbon transformation inside the Company and among customers, so as to make contributions to the development of the global green economy. Yuanta supports the Task Force on Climate-Related Financial Disclosures (TCFD) actively and discloses progress and results for this year per the framework recommended by TCFD.</p> <p>B.The Company assesses the impact posed to the Company by the issues about environment, society and corporate governance, and also identifies the materiality of the risks and opportunities resulting</p> | There was no departure in this respect. |

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| (2) Does the Company define corporate social responsibility policies, systems, framework and related management policies, review the effect of implementation thereof, and disclose the same on the Company’s website? | ✓ | | <p>from these issues. Meanwhile, the Company sets the management policies toward the material issues as identified (including policy, commitment, goal, management and assessment mechanism), and manage the risk and opportunity about the ESG issue through identification of material issues.</p> <p>(2)A. The Company has established its “CSR Best Practice Principles” in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies” and current practices. These principles were passed by the Board of Directors on October 26, 2010 to serve as guidance for the Company’s corporate social responsibilities principles. On December 28, 2010, the Board of Directors passed the “Corporate Social Responsibility Policy and Management Rules” to establish the Company’s CSR policy and the organizational structure and functions of the units dedicated to promoting CSR. The corporate social responsibility policy adopted by the Company is stated as follows. Meanwhile, the Company promises to keep promoting the concept about practicing of corporate citizen based on the policy:</p> <ul style="list-style-type: none"> (A) Enhance the corporate governance quality; (B) Value employee rights and interests, train talents, and create a healthy and safe work environment; (C) Dedicated to energy saving and carbon reduction to ensure the environmental sustainability; (D) Comply with the code of ethical conduct and ethical management requirements; (E) Expand social participation and feedback to the society; (F) Maintain customer interest and right, and win long-term reliance; | |

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| | | | <p>(G) Provide investors with the correct, timely and transparent information about the Company.</p> <p>B. The Company amended the Company’s “Corporate Social Responsibility Best Practice Principles” in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies” in 2019. Meanwhile, in order to precisely fulfill and follow up the effect of implementation of various functions, the Company amended the “Corporate Social Responsibility Policy and Management Rules”. The same were passed 36th meeting of 7th term Board of Directors on January 23, 2019.</p> <p>C. The Company established the “Corporate Social Responsibility Work Promotion Center” in 2011. In order to precisely fulfill and follow up the effect of implementation of various functions, the Board of Directors ratified the amendments to the “Corporate Social Responsibility Policy and Management Rules” on January 23, 2019. In November 2018, the “Corporate Sustainability Committee” subordinated to the Board of Directors was established. The Chairman of Yuanta Financial Holding served as the Committee convener, and independent directors served as the Committee members, in order to enhance the Board of Directors’ ethical management and practice its corporate social responsibility. In response to the establishment of “Corporate Sustainability Committee.” the “Corporate Social Responsibility Work Promotion Center” was renamed as the “Corporate Social Responsibility Promotion Center.” Meanwhile, the organizational framework was adjusted at the same time to govern 7 functional teams with the functions</p> | |

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| | | | <p>covering environment, society and corporate governance aspects. The Company also conducted the periodic risk assessment on the issues on environment, society and corporate governance issues related to the Company’s operation that were accessed via the channel of communication with stakeholders, and then checked and identified the important research list and bound. The Corporate Social Responsibility Promotion Center shall meet at least for once per quarter, and submit the meeting minute to the Corporate Sustainability Committee for authorization, in order to follow up the execution of various projects and ensure the execution quality in a timely manner.</p> <p>D. Under the sustainability management, the Company set the goals under the “Corporate Social Responsibility Promotion Center Action Program” for 2016~2020 in 2016 to practice the strategic roadmap, and responded to support the SDGs. Yuanta Financial Holdings integrates the corporate social responsibility into its business strategies, and focuses on the thorough development of the key topics able to create sustainable value, in order to create the source of future competitiveness. We communicate with stakeholders periodically to verify their needs and continue responding to them voluntarily. Meanwhile, with the experience from the Corporate Social Responsibility Promotion Center’s members, we review the key topics about environment, society and corporate governance critical to the Company’s operation each year to lay the foundation for Yuanta Group to continue the research and adoption of sustainability strategies and goals. The CSR Best Practice Principles and</p> | |

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| (3) Does the Company periodically organize any corporate social responsibility education and training program? | ✓ | | <p>Corporate Social Responsibility Policy and Management Rules are disclosed on the following website: https://www.yuanta.com/EN/IR/Governance/Internal-Policies</p> <p>(3)A. The Company engages in propagating the compliance and anti-bribery/corruption and organizes the relevant test each year, in order to strengthen the employees’ ethical conduct and correct knowledge about rules of law.</p> <p>B. The Company organizes the general CSR courses and the professional courses for the dedicated personnel periodically each year, in order to propagate the idea about CSR and actual results to the whole employees and lead the employees to fulfill the CSR. In 2019, the Company has organized a total of 18 sessions for CSR-related courses attended by 10,519 trainees. Meanwhile, the Company also invited external experts and advisors to organize the CSR-related educational courses periodically each year. In 2019, the Company has held a total of 49 sessions for CSR and DJSI educational courses for the units and personnel dedicated to promoting CSR, lasting for more than 56.5 hours and attended by more than 418 trainees.</p> | |
| (4) Has the Company established a unit dedicated to (concurrently engaged in) promoting corporate social responsibility under supervision by the high-rank management authorized by the Board of Directors who shall be responsible for reporting the status thereof to the Board of Directors and stating the operations and execution of such unit on the Company’s website? | ✓ | | <p>(4)A. Article 4 of the Company’s “Corporate Social Responsibility Policy and Management Rules” outlined the structure and duties of the Corporate Social Responsibility Promotion Center. A convener and a deputy convener were already appointed on December 30, 2010. Meanwhile, on October 26, 2016, to deal with the adjustment in the Company’s organization, the Company modified the structure and duties of the Center. The related amendments to the</p> | |

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| | | | <p>structure and duties were approved by the Board of Directors. In response to the establishment of the “Corporate Sustainability Committee” at the end of 2018, the Center was renamed into the “Corporate Social Responsibility Promotion Center.”</p> <p>B. In order to practice the corporate sustainability management philosophy, fulfill the promotion of corporate governance, strengthen the Board of Directors’ regulations about ethical management and perform the corporate social responsibility, the Company established the “Corporate Sustainability Committee” at the end of 2018. The President of Yuanta Financial Holdings serves as the convener for the time being, and the four independent directors serve as the committee members. The Corporate Sustainability Committee is subordinated to the Board of Directors, primarily responsible for establishing the related policies ensuring ethical corporate management and fulfilling corporate social responsibility, supervising and fulfilling the execution of ethical corporate management and corporate social responsibility policies, and assessing the results thereof. The Committee governs the “Ethical Corporate Management Promotion Center” and “Corporate Social Responsibility Promotion Center” consisting of related personnel from the Company and its subsidiaries responsible for promoting and coordinating the relevant routine affairs. The Corporate Social Responsibility Promotion Center is identified as the unit dedicated to promoting the corporate social responsibility, which governs 7 functional teams including the Corporate Governance Team, Customer Care Team, Green Business Team, Employee Care Team,</p> | |

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| (5)Has the Company defined some reasonable compensation policy, integrated corporate social responsibility with employees’ performance evaluation, and established some clear and effective reward/disciplinary system? | ✓ | | <p>Environmental Sustainability Team, Social Participation Team and General Affairs Team. The Corporate Social Responsibility Promotion Center holds the work meeting per quarter to report the various results to the Corporate Sustainability Committee periodically each year, and to the Board of Directors for twice per year. The amendments to related rules and structure shall be subject to the approval by the Board of Directors, for the purpose of effective management and fulfillment of the Company’s CSR policy.</p> <p>C.Operations and execution of the unit on the Company’s website: https://www.yuanta.com/EN/CSR</p> | |
| (6)Has the Company defined some policy to reflect the operating performance or result on the remuneration to employees? | ✓ | | <p>(5)In order to encourage and urge employees to work with due diligence, the Company has defined the reward & punishment rules. Should an employee’s conduct violate these norms, he/she will be required to correct the conduct, and the violation will be reported and punished depending on the severity of the circumstances. The reward and punishment results will be linked with the performance appraisal system and the remuneration policy. The employees are expected to comply with the relevant laws and internal control system when engaging in various operating activities, in order to fulfill the corporate social responsibility.</p> <p>(6)The Company’s remuneration system balances business performance and risk management, values employees’ contribution and value, and gives the operating results back to employees. In order to inspire employees, the Company has established the performance appraisal and remuneration policy. Therefore, the employees’ personal operating objectives may align with the Company’s operating objectives and be reflected to the</p> | |

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| | | | <p>entire employees’ remuneration adequately. In order to recruit and retain talents, the Company established the “Permanent Remuneration Policy” in December 2008. The subjects to whom the Policy is applicable may be rewarded permanent remuneration in cash or in the form of the Company’ stock options, or another permanent remuneration portfolio decided by the Company. Further, according to the Company’s Articles of Incorporation, if the Company has profit at the year’s final accounting, the remuneration to employees shall be allocated at the range from 0.01% to 0.5% of the remainder, if any. The Company also links the employees’ performance with the performance raise, in order to engage and retain talents. The information about raise in 2018 is disclosed in the “Disclosure of Employees’ Benefit Policy and Interest & Right Protection Measures” on the MOPS. Website: https://mops.twse.com.tw/mops/web/t100sb12</p> | |
| <p>2. Fostering a Sustainable Environment (1) Does the Company endeavor to upgrade the efficient use of available resources, and the use of environmental-friendly materials?</p> | ✓ | | <p>(1) The Company’s measures to raise resource utilization efficiency and its use of renewable materials are explained below:</p> <p>A. We recycle and reuse energy-intensive articles. This includes advocating as well as promoting the recycling and reuse of paper products, the use of recycled paper and resource recycling as well as reporting on execution status.</p> <p>B. We properly dispose of waste. This includes advocating and promoting waste sorting and reduction, waste water treatment and reporting on the outcome.</p> <p>C. We adopt low-consumption and green OA appliances and devices. Since 2011, we have been awarded “Excellent Green Procurement Entity” by</p> | There was no departure in this respect. |

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| (2)Has the Company established environmental policies suitable for the Company’s industrial characteristics? | ✓ | | <p>Department of Environmental Protection of Taipei City Government each year.</p> <p>D.The Company has been honored by Department of Environmental Protection, Taipei City Government as the excellent benchmark entity for 9 years consecutively, and by Environmental Protection Administration, Executive Yuan as the excellent green procurement entity for 8 years consecutively.</p> <p>(2)The Company established the environmental management system exclusively applicable to the financial business based on ISO 14001 environment management standard systems, and acquired the BSI certification. Meanwhile, the Company also delivered the ISO 14064-1 Greenhouse Gas Investigation System into its nine subsidiaries extensively in three steps. The Group’s 316 business locations throughout Taiwan received ISO14064-1 Greenhouse Gas Investigation System Certification, with the cover rate of inspection attaining 100%. Meanwhile, the subsidiaries dedicated to banking, securities, investment trust and securities finance have introduced the ISO 50001 energy management system, and also received the BSI certification. The on-going environmental management is stated as following:</p> <p>A.Environmental policies were drafted or amended per the Company’s operating policies, assessment result considered in terms of important environment or the management review resolution.</p> <p>B.Fulfill the “Corporate Social Responsibility”, and establish the Energy and Climate Transformation Management Policy in order to deal with such issues as shortage of international energy and climate transformation and include sustainable operation into the Company’s management and operation.</p> | |

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| | | | <p>C.The Company set internal management rules for indoor air conditioning temperature in office that follow Taipei City Government’s Self-Government Regulations Governing Energy Saving and Carbon Reduction of Industrial and Commercial Business.</p> <p>D.Review the result about consumption of such energy as water and electricity, on a year basis, in order to realize water conservation, energy conservation, and carbon and greenhouse gas reduction.</p> <p>E. Draft the environmental objective and action plans, set the manners in which various departments should set the objectives, and establish the plan to achieve the environmental objectives.</p> <p>F. Smoking is completely prohibited inside our offices. Smokers must use designated outdoor places. In order to meet regulations we regularly carry out disinfection, rodent and insect control.</p> <p>G.The headquarters building’s management committee functions as a dedicated environmental management unit to maintain the environment.</p> <p>(A) Global warming results in increasing frequencies of extreme weather events and thereby creates a threat to the infrastructure of the financial market. The Company not only pays close attention to the effect caused by changes of climate to operating activities, but also applies multiple tangible safety prevention measures to protect against risks of such changes of climate, including maintenance of fire insurance and additional insurance against the Company’s own assets and electronic insurance against information equipment, installation of watertight gates, and periodic maintenance of fire protection, monitoring and back-up supporting equipment, in</p> | |

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| | | | <p>order to control contingent climate risk and reduce the loss of the Company’s operation and equipment.</p> <p>(B) The Company is a financial service business, instead of a manufacturer who is used to discharging massive quantities of greenhouse gas. The primary sources of the Company’s emission of greenhouse gas refer to power, water and fuel of transportation means. The Company has conducted an investigation into the emission of greenhouse gases by said energies, and has had the emission of greenhouse gases certified by some external organization since 2015.</p> <p>(C) The Company promotes environmental protection and fulfills the energy saving/carbon reduction measures as its strategies to manage greenhouse gas:</p> <ol style="list-style-type: none"> a. Promote recycling and adopt green procurement; b. Permanently encourage staff to move by stairs instead of elevators if the length of distance is no more than two floors to save power and encourage the partaking of exercise. Elevators are categorized into those exclusive for floors of odd and even numbers separately, so that the energy used by the elevators to stop and open/close the doors may be saved. c. Require that the room temperature at the office premises shall be set as no less than 26°C. d. The areas of sun exposure shall be equipped with window shades to reduce radiant heat. e. Promote that the plugs of OA equipment shall be pulled out, if the equipment will remain inactive permanently, and staff shall turn off the lights immediately before leaving the | |

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| (3)Whether the Company assesses the potential risk and opportunity posed by climate changes to the enterprise, now and in the future, and takes responsive measures related to climate issues? | ✓ | | <p>office.</p> <p>f. Set the PCs in the manner that the screensavers will be activated automatically once the PCs are inactive.</p> <p>g. Reduce water yield of faucets comprehensively, and persuade colleagues to confirm that the faucet is turned off tightly after use.</p> <p>h. Promote videoconferencing to save the staff from consuming the energy used in commuting.</p> <p>i. Plan to replace traditional lighting with LED to save power.</p> <p>j. The communication of official letters, internal and external, has been replaced by an online approval system to save consumption of paper and carbon powder.</p> <p>(3)The Company supports the Task Force on Climate-Related Financial Disclosures (TCFD) actively. The Company disclosed the 2018 work progress and results in the 2018 CSR report, per the framework recommended by TCFD. By assessing and analyzing the Company’s overview, international trends and industrial analysis & research report, the Company has identified 12 risks and opportunities over the climate changes critical to the Company, and the financial impact potentially posed by them. Meanwhile, the Company convened related units via the “Corporate Sustainability Committee” to research and draft responsive strategies and mitigation measures with respect to various risks and opportunities over climate changes.</p> <p>The subsidiaries also follow the Company’s policy by including the risks and opportunities over climate</p> | |

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| (4) Whether the Company discloses the annual greenhouse gas emission, water consumption and gross weight of waste for the past two years, and adopts policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or management of exhaust gas and other waste goods? | ✓ | | <p>changes into the business decision and actively delivering and certifying standard procedures, in line with the international trend development or assessment standards. The Company has identified the industries subject to climate risk, including the steel industry, cement industry, plastic industry and car industry. When developing and engaging in financial products and services, the Company and its subsidiaries shall carefully assess whether the trading counterparts in credit extension and investment transactions or the transactions per se carry potential ESG risk to ensure the controllability of risk. Said detailed information is disclosed in Chapter “Yuanta 2018 Sustainability Management Performance” in the CSR Report on the website at: https://www.yuanta.com/Files/43080d14-9e92-40d4-8039-2047f0ae3356/2018_CSR_en.pdf</p> <p>(4) The Group has physically practiced the sustainability in terms of climate transformation, energy saving and carbon reduction, and green environmental protection, by procuring the green power of 500,000 degrees in 2016, and in 2017 again. Meanwhile, the Group has also subscribed for 500 Renewable Energy Certificates in 2018 and 2019, respectively, which corresponded to the absorption of CO2 of 0.7 Daan Forest Park each year, in order to use its best efforts to care the Earth and environmental sustainability.</p> <p>The Group have acquired the green building planning when constructing its own buildings. Yuanta Life has also taken the green building into account, and will adopt the same standard planning when constructing any building in the future. The Group takes carbon risk very seriously. Since 2016, it has become a member of the Carbon Disclosure Project (CDP). In 2018 and</p> | |

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| | | | <p>2019, the Company was rated by the CDP as A- for “Leadership.” hitting the best record for the Group for two consecutive years and also ranking the best among peer companies.</p> <p>In addition to dealing with the governmental energy saving/carbon reduction policies and promoting multiple related measures, the Company also defines the goal for energy saving in accordance with the “Regulations Governing Energy Subscribers’ Identification of Goals for Energy Saving and Implementation Plan”, promulgated by Ministry of Economic Affairs, in order to achieve the power saving rate more than 1% each year from 2015 to 2019 and also to achieve the average power saving rate more than 1% for the five years.</p> <p>The actual power consumption and power saving rate of Financial Holding Building was about 6% in 2015 and 2016. The Company also replaced all LED lighting fixtures in 2017. The actual power consumption was saved by 596,600 degrees and electricity bill saved 11.21% in 2017 from 2016. The actual power consumption was saved by 949,500 degrees and electricity bill saved by 20.10% in 2018 from 2017.</p> <p>The Company establishes the “Environmental Policy” dedicated to fulfilling environmental protection, environmental management and energy saving in 2016. Meanwhile, in order to deal with such issues as shortage of international energy and climate transformation, in 2017, the Company established the “Energy and Climate Transformation Management Policy” to respond to the energy saving and carbon reduction trend actively, and also defined the energy saving objectives and programs to include sustainable operation into the Company’s management and</p> | |

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|---|-----------------|------|--|---|-----------|------|-------------|-------|-----------|---------|-------|-----|-------|--------|--------|--|
| | Yes | NO | Summary (Note 2) | | | | | | | | | | | | | |
| (5)Has the Company received the certification from ISO14001, ISO50001 or any similar environment or energy management system, and discloses the same on the Company’s website or in its CSR report? | ✓ | | <p>operation.</p> <p>A.The Group's statistics about waste classified and recycled as supported by documentary evidence in 2019 are stated as follows:</p> <p style="text-align: right;">Unit: 1000/KG</p> <table border="1"> <thead> <tr> <th>Domestic waste</th> <th>Aluminum</th> <th>Iron</th> <th>PET bottles</th> <th>Paper</th> <th>Leftovers</th> </tr> </thead> <tbody> <tr> <td>107,187</td> <td>1,056</td> <td>411</td> <td>4,778</td> <td>58,403</td> <td>12,699</td> </tr> </tbody> </table> <p>B. In 2019, the Group's decoration waste classified and disposed of at a legal sanitary landfill totaled 67.02 metric tons.</p> <p>C. The Group’s paper and water disposal totaled 21 metric tons in 2019.</p> <p>D. The Group’s water consumption totaled 67,860 degrees in 2019.</p> <p>(5)The Group has built the ISO 14064-1 system since 2015, and also conducted the investigation into greenhouse gases of the Company and the Group’s subsidiaries. From 2015 to 2017, following the increasing expansion of the investigation boundary, the data about the Group’s greenhouse gas emissions and primary energy consumption tend to be complete increasingly day by day. In 2018, the 316 business locations of the 9 subsidiaries have completed the introduction of ISO14064-1 system, with the cover rate of 100%. This is beyond the target set initially. (Date of certification: May 10, 2016, Valid term: May 6, 2019) The total emissions of CO₂ were 3016.77 tons-CO₂/year in 2015. The total emissions of CO₂ were 4451.74 tons-CO₂/year in 2016. The total emissions of CO₂ were 25741 tons-CO₂/year in 2017. The total emissions of CO₂ were 25767 tons-CO₂/year</p> | Domestic waste | Aluminum | Iron | PET bottles | Paper | Leftovers | 107,187 | 1,056 | 411 | 4,778 | 58,403 | 12,699 | |
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| | | | <p>in 2018.</p> <p>Note 1: The range of data in 2015 extended to the fuel consumed by Yuanta Financial Holdings Building and shuttle buses and company vehicles, and the greenhouse gas emissions referred to the related emissions of energy primarily.</p> <p>Note 2: The range of data in 2016 extended to all subsidiaries that built the ISO 14064-1 greenhouse investigation system.</p> <p>Note 3: The range of data in 2017 extended to the 324 business locations including Yuanta Financial Holdings and all subsidiaries, which built the ISO 14064-1 greenhouse investigation system.</p> <p>Note 4: The range of data in 2018 extended to the 316 business locations including Yuanta Financial Holdings and all subsidiaries, which built the ISO 14064-1 greenhouse investigation system.</p> <p>The Company received the ISO 14001 certification in March 2016, and kept operating the system and passed the BSI certification in January 2017, January 2018 and April 2019 (Date of certification: March 22, 2016, Valid term: July 18, 2022).</p> <p>The subsidiaries dedicated to banking, securities, investment trust and securities finance have introduced the ISO 50001 energy management system successively. All of them expanded the introduction parameters and also received the BSI certification based on their annual plan.</p> <p>Yuanta Bank started to install the ISO 50001 system from January 2016, and passed the certification in July 2016. Yuanta Securities and Yuanta Securities Investment Trust invested in the installation of the ISO 50001 system in 2017 too, and passed the certification</p> | |

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| | Yes | NO | Summary (Note 2) | | | | | | | | | | | | | | | | | | | | | |
| | | | <p>in April 2017. The buildings including Yuanta Financial Holdings building, Yuanta Securities (Taipei Tatung Building, Taipei Chengde Building, and Taipei Baoqing building), Yuanta Bank (Taipei Chengde Building, Tainan Yongkang Building and Tainan Fucheng Building), Yuanta Securities Finance (Taichung Chongde Building), and Yuanta Securities Investment Trust (Taipei Tatung Building) have successively passed the ISO 50001 certification in 2018. It is expected that all of the buildings owned by Yuanta Financial Holdings throughout Taiwan may pass the related certification in 2021, in order to keep improving the energy utilization efficiency and mitigate the environmental impact. (Date of certification/Valid term: See the attachment.)</p> <table border="1"> <thead> <tr> <th></th> <th>Financial Holding</th> <th>Securities</th> <th>Bank</th> <th>Securities Investment Trust</th> </tr> </thead> <tbody> <tr> <td>Standard version</td> <td>ISO 50001:2011</td> <td>ISO 50001:2018</td> <td>ISO 50001:2018</td> <td>ISO 50001:2011</td> </tr> <tr> <td>Date of certification</td> <td>2018.05.28</td> <td>2017.04.24</td> <td>2016.07.09</td> <td>2017.04.23</td> </tr> <tr> <td>Valid term</td> <td>2021.05.27</td> <td>2020.04.23</td> <td>2022.07.18</td> <td>2020.04.22</td> </tr> </tbody> </table> <p>The Company discloses said information in the “CSR Report-Environmental Sustainability” section. Website: https://www.yuanta.com/EN/CSR/Environmental-Sustainability</p> | | Financial Holding | Securities | Bank | Securities Investment Trust | Standard version | ISO 50001:2011 | ISO 50001:2018 | ISO 50001:2018 | ISO 50001:2011 | Date of certification | 2018.05.28 | 2017.04.24 | 2016.07.09 | 2017.04.23 | Valid term | 2021.05.27 | 2020.04.23 | 2022.07.18 | 2020.04.22 | |
| | Financial Holding | Securities | Bank | Securities Investment Trust | | | | | | | | | | | | | | | | | | | | |
| Standard version | ISO 50001:2011 | ISO 50001:2018 | ISO 50001:2018 | ISO 50001:2011 | | | | | | | | | | | | | | | | | | | | |
| Date of certification | 2018.05.28 | 2017.04.24 | 2016.07.09 | 2017.04.23 | | | | | | | | | | | | | | | | | | | | |
| Valid term | 2021.05.27 | 2020.04.23 | 2022.07.18 | 2020.04.22 | | | | | | | | | | | | | | | | | | | | |
| <p>3. Preserving Public Welfare</p> <p>(1)Has the Company established any human rights protection policy in accordance with the relevant laws and international human rights conventions?</p> | ✓ | | <p>(1)A.In order to maintain and protect the human rights, the Company establishes the human rights protection policy in accordance with the human rights protection spirit and basic principles disclosed in the Universal Declaration of Human Rights, United Nations Global Compact and International Labour Convention, in</p> | There was no departure in this respect. | | | | | | | | | | | | | | | | | | | | |

| Scope of Assessment | Status (Note 1) | | | Deviations from “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies” and reasons |
|---|-----------------|----|---|---|
| | Yes | NO | Summary (Note 2) | |
| (2) Does the Company disclose the identified interested parties’ identity, concerned issues, communication channels and responses on the Company’s website? | ✓ | | <p>order to regulate the protection of human rights in workplaces, supply of healthy and safe workplaces and propagation of human rights policies, and fulfill the responsibility for respecting and protecting human rights.</p> <p>B. Meanwhile, in order to practice the “Human Right Policy.” the Company identifies risks and adopts correspondent management policies with respect to the human right issues, assess the results periodically and adjusts the management measures based on the assessment results, in order to control and mitigate the risk and solidify the Company’s human right protection policies.</p> <p>(2) The Company’s website set up the Stakeholder Engagement section. The interested parties identified by the Company are primarily categorized into seven groups, including shareholders and investors, customers, employees, governmental entities, suppliers, communities (including NPO and NGO) and the media. The Corporate Social Responsibility Promotion Center discusses and verifies said interested party groups, lists the primary counterparts, issues, and ways and channels for reaching agreement, include the issues concerned by stakeholders into the corporate social responsibility routine operations management and annual plan, holds meetings to follow up the progress periodically, and makes amendment and adjustment if necessary. The stakeholder types, focus, channel of communication, responsive measure, and frequency were already compiled and reported at the 8th meeting of the 8th term Board of Directors of Yuanta Financial Holdings on November 27, 2019.</p> <p>Website: https://www.yuanta.com/EN/CSR/Stakeholder-</p> | |

| Scope of Assessment | Status (Note 1) | | | Deviations from “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies” and reasons |
|---|-----------------|----|--|---|
| | Yes | NO | Summary (Note 2) | |
| (3)Whether the Company adopts and implements reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflects the operating performance or results to the remuneration to employees adequately? | ✓ | | Engagement/Contacts (3)The Company adopts reasonable remuneration and benefit systems. The remuneration is paid under multiple packages, including basic pay, allowances, bonuses, employee compensation, and shareholding trust, in addition to the benefits such as vacation, insurance, cultural and recreational activities, to construct a complete salary, bonus and remuneration structure. The Company’s remuneration system balances business performance and risk management, values employees’ contribution and value, encourages employees to work with the Company to make the business performance hit record, and also feeds the operating results back to the employees. | |
| (4)Has the Company established any employee complaint mechanism and channel, and takes care of such complaints adequately? | ✓ | | (4)A.The Company calls a labor and employer meeting periodically to establish a communication platform between laborers and employer to upgrade employees’ participation and identification in the Company’s policies so as to form a positive interactive model and to create a win-win situation. B.The Company has established the employee complaints system. Employees may reflect their comments and suggestions via adequate channels, and may file the complaint with the internal/external appeal entity and responsible person in charge of processing complaints according to the claim and procedure stated in the public notice for employees’ complaints. Meanwhile, the Company also installed a sexual harassment complaint hotline and email box dedicated to processing complaints against sexual harassment filed by any employee in the workplace, in order to establish a safe and friendly working environment. | |
| (5)Whether the Company provides the existence of a | ✓ | | (5)A.In order to provide employees and customers with a | |

| Scope of Assessment | Status (Note 1) | | | Deviations from “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies” and reasons |
|--|-----------------|----|--|---|
| | Yes | NO | Summary (Note 2) | |
| safe and healthy work environment and personal safety protection measures, conducts regular health and safety training for employees, and discloses the same on the Company’s website? | | | <p>safe and healthy environment, we continue to promote the workplace environment safety protection, and adopts the Occupational Safety and Health Work Rules, Occupational Safety and Health Management Program, Automated Inspection Program, Implementation Directions for Operating Environment Testing, and Regulations Governing Occupational Safety and Health Training, and publishes and enforces the same, in accordance with the “Occupational Safety and Health Act” and related sub laws.</p> <p>B. Organize the online training courses and disaster prevention drill for the occupational safety and health training and four major programs for occupational safety and health, with respect to new and current employees, pursuant to laws each year.</p> <p>Organize the occupational safety management training, fireproof management personnel training, first-aid personnel training, and disaster and earthquake prevention drill with respect to the chief occupational safety and health officers, fireproof management personnel, security personnel and first-aid personnel, each year in order to mitigate the risk derived from occupational disasters and provide employees with a safety, healthy and sanitary occupational environment.</p> <p>C. Yuanta Financial Holdings and its subsidiaries all provide the specialist’s on-site occupational health service, hire occupational safety and health management personnel, dedicated registered nurse and occupational specialist by contract to provide employees with the medical treatment and healthcare information, as well as the health consulting and health promotion services pursuant to laws, and also</p> | |

| Scope of Assessment | Status (Note 1) | | | Deviations from “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies” and reasons |
|---|-----------------|----|---|---|
| | Yes | NO | Summary (Note 2) | |
| (6)Has the Company established a mechanism for periodic communication with employees, and notification to employees of the circumstances that might materially affect the operation in a reasonable manner? | ✓ | | <p>screen and identify the employees’ occupational health risks which are more likely to derive and plan the occupational disease prevention program based on the indicators including job type, operating environment, age & gender, and health risks each year.</p> <p>D.In order to take care of employees’ and customers’ health, various units all practice the requirements about “installation of prominent non-smoking label at all entrances.” and test the carbon dioxide concentration and lightness at the office premises semi-annually in accordance with the occupational safety and health laws and regulations, and also obtain the “Air Quality Self-Management Certification”. Website: https://www.yuanta.com/EN/CSR/Employees/Health-and-Safety</p> <p>E. In 2019, Yuanta Bank and Yuanta Securities officially activated the ISO45001 occupational safety and health management system implementation project, planned the entire occupational safety and health management development, promote fair environment in workplace, and well protect employees’ work environment and personal safety. The project is expected to be completed in 2020.</p> <p>(6)A.The Company calls the labor-management meeting periodically to establish a communication platform between the labor and management, via which the employees may provide their feedback and suggestions, to upgrade the employees’ participation and identification in the Company’s policies, and forms a positive interactive model by means of the various internal meetings to communicate the Company’s policies and business orientations, so as</p> | |

| Scope of Assessment | Status (Note 1) | | | Deviations from “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies” and reasons |
|---|-----------------|----|--|---|
| | Yes | NO | Summary (Note 2) | |
| (7)Has the Company established some effective career development training plan for employees? | ✓ | | <p>to have the management and labors work with each other amicably.</p> <p>B.The various regulations and systems and benefit information for employees are posted in the intranet to help employees understand their own interests and rights.</p> <p>C.Material changes in the Company’s operation will also be published via email from time to time, so that employees will have access to timely.</p> <p>D.The Company has made available on its website the “Important News” and also the “Important Messages” section to provide employees with the access to update information on line.</p> <p>E.The Company contracts the external advisor to perform the survey on employees’ opinion by inviting the employees to feed back their opinion on the corporate core value, orientation, organizational communication, learning & development, salary & benefits and human resource management, et al., assessing the employees’ awareness and thoughts toward the business policies, analyzing and discussing the issues discovered in the process of the survey and drafting the corrective action plans, and continues following up the correction results to respond to the employees’ opinion and create the working environment achieving a win-win situation for both of the labor and management.</p> <p>(7)The career development training plan for Yuanta Financial Holdings’ employees consists of the following elements:</p> <p>A.Diversified development system for talents holding management function and professional function The management of Yuanta Financial Holdings find out and reserve the management and professional</p> | |

| Scope of Assessment | Status (Note 1) | | | Deviations from “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies” and reasons |
|---------------------|-----------------|----|---|---|
| | Yes | NO | Summary (Note 2) | |
| | | | <p>talents needed by the financial industry and the Group’s development through talent identification, and train talents through training, assignment of missions, participation in projects, participation in meeting and work shifts. Meanwhile, the Company also encourages its employees to access various financial areas of the Group and learn the diversified functions voluntarily to help the Company and employees respond to the rapid changes in the finance industry and also hold the knowledge, technology and competency keeping up with the time.</p> <p>Yuanta Financial Holdings encourages employees to participate in workshops and training sessions to enhance their competence or reserve the competence needed in the future. The Company will cover the full expenses for courses that are attended upon assignment or approval by the Company. Moreover, the Company encourages employees to attend international financial professional course certification and English proficiency certification by offering incentive bonus.</p> <p>B. Share the digital training platform and promote self-learning</p> <p>Yuanta Financial Holdings communicates tactic knowledge and transfer practical experience via its self-made courses available on the digital learning platform, “Yuanta e-Learning.” The digital learning courses added on a weekly basis are intended to communicate the global industrial development trend, case study on enterprises and experience, new knowledge and application of management, and strengths in workplaces, as the important knowledge treasury for the Group’s employees to engage in self-</p> | |

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|---------------------|-----------------|----|--|---|
| | Yes | NO | Summary (Note 2) | |
| | | | <p>learning and develop diversified functions. Based on the thought about learning curation, in line with the hit subjects in the global financial industry and the Group's business focus, Yuanta Financial Holdings releases “Yuanta e-Learning/Learning Weekly” to train employees to maintain their learning motives and habits, urge employees to engage in self-learning “anytime, anywhere, on-demand.” to continue enhancing the employees’ professional ability and reserve their competitiveness for their future careers.</p> <p>C. Provide the chance for post transfer in the Group and encourage trans-disciplinary transfer to practice Yuanta Financial Holdings makes good use of the strength in diversified financial industry of its subsidiaries to arrange the intracompany post transfer subject to the operating need periodically, and encourages employees to apply for internal post transfer, so as to boost the exchange of talents in the Group and encourage employees to develop in a diversified manner, drive the reproduction of inter-company success and spread efficiency.</p> <p>D. Fulfillment of the Company’s internal knowledge management and experience transmission Meanwhile, in order to enable employee training to meet the Group’s enterprise culture and practical management needs and to signify senior employees’ professional value and contribution, the Group has engaged in promoting the in-house trainer system based on the plentiful experience of in-house staff permanently, so as to fulfill the Company’s internal knowledge management and experience transmission. It is also done to help enhance colleagues’ professional competency in the area of</p> | |

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|--|-----------------|----|--|---|
| | Yes | NO | Summary (Note 2) | |
| (8)Has the Company established the related consumer protection policies and complaints procedures toward the R&D, procurement, production, operation and service procedures? | ✓ | | <p>finance.</p> <p>E. The Group’s employee training program 2019 offered a total of 2,857 courses, attended by a total of 259,449 trainees. The total training hours were 514,265 hours. The total employee training budget was NT\$37.84 million. Averagely, each employee accepted the training for 47.1 hours and attended the training for 23.8 counts, and was allocated the training budget, NT\$3,468.</p> <p>(8)In order to fulfill the Company’s responsibility to keep customer information confidential, the Company has set up the “Yuanta Financial Holding Co. Ltd. and Subsidiaries Customer Information Confidentiality Measures” and statement of privacy, and posted their contents on the Company’s website. Each subsidiary settles the dispute over merchandising based on such principles as the “Consumption Dispute Resolution Regulations”, “Fair Dealing Policy” and “Fair Dealing Strategies”, in order to well-found its protection toward consumers’ interest and right. The Company has established the channel for consumer complaints as follows: upon confirmation of a complaint, the Company immediately notifies the relevant units to attend to the matter, and maintain close contact with the complainant, the Company, and/or regulatory authorities, to ensure the effective and timely handling of the issue. Yuanta’s subsidiaries also adhere to the regulations of their respective industries in setting their complaint handling procedures, so that each case is appropriately handled and each complainant has their concerns addressed with a satisfactory response. For details on the customer complaint channels of Yuanta Financial Holdings and its subsidiaries, please see the Yuanta Financial Holdings’ website: Yuanta</p> | |

| Scope of Assessment | Status (Note 1) | | | Deviations from “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies” and reasons |
|--|-----------------|----|--|---|
| | Yes | NO | Summary (Note 2) | |
| (9)Whether the Company complies with the related laws and international practices with respect to customers’ health and safety, customers’ privacy, marketing and labeling for its products and services, and adopts related consumers protection policy and complaining procedures? | ✓ | | <p>Homepage > Corporate Social Responsibility > Stakeholder Engagement > Stakeholder Contacts. Website: https://www.yuanta.com/EN/CSR/Stakeholder-Engagement/Contacts</p> <p>(9)The Company’s subsidiaries value the customers’ interest and right very much, and sufficiently disclose the information to customers and competent authorities honestly per the competent authorities’ requirements whenever any financial instrument hit the market, including the terms and conditions of the instrument, characteristics of the instrument, DM, and various documents to be disclosed per the competent authorities’ requirements. Further, the Company establishes the internal control system and related guidelines with respect to the product design and sale, and helps customers understand the products rapidly in the form of service attendants’ detailed explanation, financial courses organized by various subsidiaries from time to time, social media layout, and disclosure of the product details and simplified Q&A on the official website, in order to upgrade the customers’ knowledge about financial instruments.</p> <p>A.Yuanta Securities: The design, advertisement, sale, contract performance, consultation about service, and customer complaints with respect to protection of customers’ privacy and the products or services provided by it are all processed per the competent authorities’ requirements and related laws & regulations. In order to fulfill the obligation to keep in confidence customers’ or investors’ personal data, the “Personal Data Management Rules” and “Enforcement Rules for Personal Data Management” are adopted in accordance with the “Personal Data</p> | |

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|---------------------|-----------------|----|---|---|
| | Yes | NO | Summary (Note 2) | |
| | | | <p>Protection Act” and “Financial Supervisory Commission’s Regulations Governing Security Measures for Personal Information Files at Designated Non-Public Agencies.” as amended from time to time in response to the changes in social environment and laws & regulations. The external website also discloses the policies and regulations related to information and communications safety and non-disclosure and statement of privacy, in order to enable customers to know about the efforts spent by Yuanta Securities and how to protect their own interests and rights. In terms of marketing and labeling, Yuanta Securities establishes the internal control system with respect to product design and sales, adopts the internal regulations including the “Fair Dealing Policy” and “Fair Dealing Strategies.” and practice the “Fair Dealing Principles” in the process of business promotion. Yuanta Securities organizes finance courses, arranges social media layout, and discloses the information about products/services and simplified Q&A on the official website, in order to upgrade the customers’ knowledge about financial instruments. Meanwhile, it is used to providing detailed information about products and services when selling products and providing services, so that the customers execute contracts and trade with it under the circumstance that they are fully informed. Customers may ask the business units or customer service center for the information related to products or services, in person, via phone, in writing, or via email and fax, or any other channels. Additionally, in order to protect banking consumers’ interest and right, Yuanta Securities also adopts the “Consumption Dispute</p> | |

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|---------------------|-----------------|----|---|---|
| | Yes | NO | Summary (Note 2) | |
| | | | <p>Resolution Regulations” which detail the liability and handling procedures for consumption disputes. The customer grievance system is disclosed in the Stakeholder Engagement section on its external website to ensure that the Company may respond to customers’ claims via diversified channels of communication and complaint.</p> <p>B. Yuanta Bank: The products and services provided by it are marketed and labeled in accordance with related laws and regulations. In order to fulfill the obligation to keep in confidence customers’ personal data, the “Consumers Protection Guidelines” and “Personal Data Protection Policy” are adopted. Meanwhile, the Statement of Privacy and customers’ data non-disclosure measures are disclosed on the Company’s website. It also strictly implements the Group’s customers data non-disclosure measures to protect customers’ privacy and upgrade personal data safety. Yuanta Bank forms the fair dealing as its core enterprise culture. Board of Directors serves as the supreme unit overseeing the promotion of Fair Dealing Principles, and adopts the “Fair Dealing Policy” and “Fair Dealing Strategies” to be followed. The President serves as the convener of the “Fair Dealing Principles Promotion Taskforce” to direct the promotion of various fair dealing principles of Yuanta Bank. It convenes a meeting on a monthly basis to verify the bank-wide customers’ complaints and analyze and review the same, discuss and resolve the motions about care for customers and implementation of ISO 10002 customer complaint management certification, and report the same to the Board of Directors. Meanwhile, it organizes the fair dealing training program throughout the Bank</p> | |

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|---------------------|-----------------|----|--|---|
| | Yes | NO | Summary (Note 2) | |
| | | | <p>periodically, and conducts the evaluation on the “Fair Dealing Principles” on a yearly basis, in order to practice the compliance with the Fair Dealing Principles, protect customers’ interest and right, and provide customers with more excellent financial services. Meanwhile, it has adopted the “Consumption Dispute Resolution Regulations” and “Operating Directions for Settlement of Customers’ Complaints.” Any consumer’s complaint will be notified to the related unit immediately to help the control over the progress of the case. After finishing the case, the processing unit will also ask the consumer for his/her comments. The multiple channels available for customers to file complaints already provided by Yuanta Bank so far are stated as follows:</p> <p>(A) The customer suggestion form is made available at the lobby of Yuanta Bank’s business units.</p> <p>(B) Yuanta Bank’s customer service hotline at 0800-688-168</p> <p>(C) Yuanta Bank’s homepage and mobile bank email: service@yuanta.com</p> <p>(D) Fax or mail</p> <p>C. Yuanta Life: In order to fulfill the customer’s personal data protection, Yuanta Life adopts the personal data protection policy and related procedures to direct the workers to collect, process and utilize personal data routinely, and also reviews changes in internal and external regulations and makes correspondent adjustment to ensure that the customer’s personal data are stored in the well-protected environment. Meanwhile, in order to protect customers’ interest and right, it also provides the diversified channels of complaint, such as in writing, via phone, in person,</p> | |

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|---------------------|-----------------|----|---|---|
| | Yes | NO | Summary (Note 2) | |
| | | | <p>and leaving messages on the enterprise’s website, establishes standard procedures for handling complaints, has the dedicated unit take charge of it, helps customers process any consumption dispute, responds to customers’ needs and comments actively, settles complaints adequately, and reviews and makes improvement in a timely manner, so as to upgrade Yuanta Life’s overall service efficiency and quality.</p> <p>D. Yuanta Futures: Yuanta Futures follows the laws & regulations related to futures firms and “Chinese National Futures Association Regulations Governing Members’ Promotional Materials and Advertisements” to protect traders’ interest and right. Further, In order to fulfill the obligation to keep in confidence customers’ personal data, the “Yuanta Financial Holding Co. Ltd. and Subsidiaries Customer Information Confidentiality Measures” and “Yuanta Financial Holding Co. Ltd. and Subsidiaries Statement of Privacy,” and “Consumption Dispute Resolution Regulations” and “Enforcement Rules for Handling Procedure for Customers’ Complaints” of Yuanta Futures serve as the principles for handling dispute over customers’ transactions. In order to solidify the protection of banking consumers’ interest and right, Yuanta Futures adopts the “Fair Dealing Policy” and “Fair Dealing Strategies.” and also establishes the sound customer complaint channel to process customers’ complaints, controls the case progress and responds to the complainant from time to time.</p> <p>E. Yuanta Securities Investment Trust: In order to fulfill the Company’s responsibility to keep customer information confidential, according to the “Yuanta Financial Holding Co. Ltd. and Subsidiaries</p> | |

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|---|-----------------|----|---|---|
| | Yes | NO | Summary (Note 2) | |
| (10)Whether the Company adopts any specific suppliers’ management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors’ human rights, and how the policy is implemented? | ✓ | | <p>Customer Information Confidentiality Measures” and “Yuanta Financial Holding Co., Ltd. And Subsidiaries Statement of Privacy.” the related contents were already disclosed on the website of Yuanta Securities Investment Trust. The dispute over merchandising is settled based on such principles as the “Consumption Dispute Resolution Operational Regulations.” “Fair Dealing Policy” and “Fair Dealing Strategies” of Yuanta Securities Investment Trust, in order to solidify the protection of banking consumers’ interest and right. Yuanta Securities Investment Trust has established the channel of complaint and adopted the rigid procedure for handling complaints. Upon verification of the consumer’s complaint, Yuanta Securities Investment Trust will notify the related unit to settle it immediately, and also control the case progress and respond to the complainant or competent authority about the case progress.</p> <p>F. Yuanta Asset Management: Yuanta Asset Management has adopted the “Operating Directions for Settlement of Customers’ Complaints” to expressly define the operating procedure and standard for settlement of customers’ complaints, and the rigid procedure for handling complaints to settle and respond to various complaints adequately.</p> <p>(10)A.The Company asks the suppliers to comply with the Ethical Corporate Management Best Practice Principles together with the Company. For tangible product suppliers to enter into a procurement contract with the Company, as of June 2013, the Company will ensure they understand the Company’s integrity and ethical principles and corporate social responsibility strategies and</p> | |

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|---------------------|-----------------|----|---|---|
| | Yes | NO | Summary (Note 2) | |
| | | | <p>approaches in accordance with “Ethical Management and Guidelines for Conduct”. The Company will also ask them to submit a written undertaking of integrity and ethical proof showing no record of corruption and bribery, in order to comply with the integrity and ethical principles and maintain corporate social responsibility.</p> <p>B. The Company is dedicated to purchasing green products from suppliers to fulfill its responsibility for protecting the earth. The Company will procure their products as the priority, subject to need. Since 2011, the green procurement has been awarded a certificate of gratitude by the Environmental Protection Administration, Executive Yuan for 8 consecutive years and by Taipei City Government for 9 consecutive years. In order to fulfill the “green procurement”, the Company applies the green products bearing the green mark identified in positive listing, including the three types of environment protection product which renders less impact to the environment, namely, “the product which acquires the green mark granted by Environmental Protection Administration, Executive Yuan”, “the product which meets the requirements about recycling materials, low pollution, recycling and energy saving” and “the other product with identical or similar performance which may increase the social interest or reduce the social cost”.</p> <p>C. When executing any contract with suppliers, the Company will ask the suppliers to sign the “Written Undertaking for Human Rights and Sustainable Environment” to expressly undertake that they will comply with the Labor Standard Law and respect</p> | |

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|--|-----------------|----|---|---|
| | Yes | NO | Summary (Note 2) | |
| | | | basic labors’ human rights, avoid endangering labors’ basic rights, comply with environment-related laws and regulations, and devote itself to sustain the environment, fulfill the enterprise culture upholding sustainable environmental development, care for the earth, cherish resources, protect the environment and save energy, and fulfill their obligations to protect society and environment, in the hope of exerting the Company’s influence and urging the suppliers to fulfill the corporate social responsibility together. In order to establish a more sound “Sustainable Procurement Procedure.” the Company activated the ISO 20400 Sustainable Procurement Project since 2019 to practice the concept about sustainability into the procurement department, affect up-stream suppliers’ practices and deepen the enterprise’s sustainable practices. The implementation of such concept is expected to be completed in 2020. | |
| 4. Enhancing Information Disclosure Enhancing Information Disclosure Whether the Company discloses relevant and reliable information relating to corporate social responsibility on its website or Market Observation Post System? | ✓ | | The Company’s Corporate Social Responsibility Report has been disclosed on the Company’s website, and the Market Observation Post System. Website: https://www.yuanta.com/EN/CSR/CSR-Report | There was no departure in this respect. |
| 5. Whether the Company prepares the report disclosing the Company’s non-financial information, such as CSR report, based on the guidelines or directions for preparation of reports applicable internationally? Whether said report has been assured or guaranteed by a third party certification unit? The Company releases the non-financial information report periodically each year. In June 2019, the Company released the “Yuanta Financial Holdings 2018 CSR Report” (hereinafter referred to as the Report), and the relevant public notice was posted in the “CSR” section on Yuanta Financial Holdings’ website, in Chinese and English languages. It covers the Group’s performance in economy, society and environment in 2018 (from January 1, 2018 to December 31, 2018), and management policies and responsive measures against important topics. The Report set the organization bound based on the principles of consolidated statements, covering Yuanta Financial Holdings and its nine subsidiaries. The scope of disclosure focused on the operating activities in Taiwan. The Report was prepared primarily based on the “core” requirements under the GRI, Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, and International Integrated Reporting Framework. The financial data were prepared based on International Financial Reporting Standards and Regulations Governing the Preparation of Financial Reports by Financial Holding Companies. The ISO14001, ISO14064 and ISO50001 were | | | | |

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|--|-----------------|----|------------------|---|
| | Yes | NO | Summary (Note 2) | |
| certified by BSI. The Report was investigated by BSI, Taiwan Branch based on AA1000 AS:2008 and GRI. Upon investigation, the Report was held satisfying the “core” requirements under GRI and AA1000 Type II guarantee. | | | | |
| 6.If the Company has established corporate social responsibility principles based on “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the principles and their implementation: There was no departure in this respect. | | | | |
| 7.Other information material to the understanding of the corporate social responsibility: Please view the “Corporate Social Responsibility” section on the home page of the Company’s website (https://www.yuanta.com/EN/CSR). | | | | |
| 8.If the Company’s corporate social responsibility reports have met the assurance standards of relevant certification institutions, they should be stated below: The Company’s corporate social responsibility report 2018 passed certification by the third party organization, BSI, in May 2019. BSI has inspected the Inclusivity, Materiality and Responsiveness of the corporate social responsibility report in accordance with AA1000 AS: 2008 and GRI. The Company’s corporate social responsibility report followed the “core” options under GRI and met the AA1000 Type II medium guarantee criteria and also acquired BSI’s exclusive written statement. The Company’s corporate social responsibility report in both Chinese and English versions are available. The corporate social responsibility report of Yuanta Financial Holdings may be downloaded from the following website: https://www.yuanta.com/EN/CSR/CSR-Report | | | | |

Note 1: Implementation status. If “Yes” is ticked, please specify the important policies, strategies and measures as adopted, and the implementation status thereof. If “No” is ticked, please explain the causes and specify the related policies, strategies and measures to be adopted in the future.

Note 2: Where the Company has prepared a Corporate Social Responsibility Report, the summary thereof may not be required. Only if this report specifies to refer to the Corporate Social Responsibility Report will it be needed, or may be replaced by the index page number.

Note 3:Pursuant to the materiality principle, the Company conducted the related risk assessment on major issues, and adopted the related risk management policies or strategies as following, based on the assessed risks:

| Major Issue | Scope of Risk Assessment | Risk Management Policies or Strategies |
|-------------|---|--|
| Environment | Environment Governance (Including Climate Risk Management) and Sustainability Issue | According to the warning by the Adaptation Gap Report 2016, until 2030 or 2050, the increase in the global climate adjustment cost might be far beyond the current expectation and, therefore, enterprises need to take responsive actions earlier. The Company continues to promote and practice the related environmental protection policies, and implements the ISO international certification. Meanwhile, the Company has established the TCFD project to keep reviewing and assessing the impact posed by climate risk to the Company's financial position to continue enhancing the Company's management of climate risk. |
| Society | Digital Finance and Information Security Issue | The cyber security threats and cyber criminal attacks have posed threats to the global finance. According to the FCA's latest report, the cases about hackers' invasion fed back by the finance industry in the United Kingdom have increased by 5 times significantly in 2017. This reflected that the financial industry has become a primary target of hackers, who might cause material financial loss, impairment on the Company's goodwill and penalty by the competent authority. The Company practiced the information management system, implemented ISO 27001 information security management system (ISMS), and passed the certification by BSI, in order to enhance the monitoring and management of information security. By upgrading the employees' awareness toward information security and organizing various prevention and backup exercises to enhance the ability to respond to any contingent information security incidents. Meanwhile, the Company also enhanced the defensive framework, installed the network firewall, implemented the functions including block of malware, invasion detection, anti-spam and malicious email APT to prevent external intrusion, and enhanced the control over sent mails and transmission of data with the email audit system, Internet DLP and mobile node equipment DLP mechanism. |
| Governance | Compliance and Regulation Issue | Considering that the violations of anti-money laundering requirements, disclosure or unfair use of personal information, and theft of customers' trading information might cause material financial loss, infringement upon customers' privacy, impairment on the Company's goodwill and penalty by the competent authority, the Company adopted the AML/CTF mechanism and managed compliance with other related laws and regulations, including the management mechanism dedicated to identification, measurement and monitoring of ML/TF risk, implementation of the international standard certification of personal information protection including PIMS BS10012, and enhancement of the control over sent emails. |
| | Economic and Financial Risk | The increase in instability, potential volatility or enterprises' default rate in the financial market resulting from the changes in the global economic environment is likely to cause the increase in the loss of financial asset transactions, loans or default rate for financing, or affect the Company's capital or solvency adversely. Therefore, the Company strengthened the potential risk assessment and analysis, assessed the impact posed by core business lines to the capital adequacy ratio, and assessed and measured various potential or expected losses. |

Note 4: The Corporate Social Responsibility Promotion Center is identified as the Company's unit dedicated to promoting the corporate social responsibility, which governs 7 functional teams. The organizational structure is stated as following:

