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Release Date: July 7, 2023

Yuanta FHC Joins PCAF to Fulfill International Carbon Management Standard and Practice Responsible Finance

In response to the Green Finance Action Plan 3.0, Yuanta Financial Holding Company (FHC) announced on May 25, 2023 that we have signed up for the Partnership for Carbon Accounting Financials (PCAF), which aims to introduce international standards for carbon emission management in investment and financing, to establish a mechanism for climate change risk management, and to work with stakeholders to implement the low-carbon transformation and realize the goal of responsible finance.

Unlike the direct greenhouse gas (GHG) emissions from manufacturing processes in Scope 1 and the indirect GHG emissions from the use of energy and consumption of electricity in Scope 2, the financial sector's carbon emissions from investment and financing portfolios in Scope 3, including its own participation in and assistance to the investment and financing activities of capital market enterprises, account for a relatively high percentage of the overall carbon emissions. Yuanta FHC utilizes the upstream influence of capital to inventory the carbon emissions of investment and financing positions and promote carbon reduction in real industries.

PCAF was established in 2015 to help financial institutions measure and expose the impacts of investment and finance on climate change, with the core value of "what gets measured gets managed." In November 2020, PCAF published the first measurement guidelines of the Global GHG Accounting and Reporting Standard for the Financial Industry. Currently, more than 400 financial institutions from six continents are members of PCAF.

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Yuanta FHC voluntarily followed the proposed methodologies of PCAF and the Task Force on Climate-Related Financial Disclosures (TCFD) in 2020, and initiated the calculation of carbon emissions and carbon intensity of Yuanta Group's long-term loan and long-term bond and equity investment portfolios, and conducted an inventory of the Group's four major asset classes required by the Science Based Targets (SBTs), namely, coal-fired power generation project finance, commercial real-estate corporate loans, corporate long-term loans, and listed equity and bonds. Furthermore, in 2022, Yuanta FHC took the lead in complying with the PCAF sovereign debt methodology to inventory the carbon emissions of the Group's holdings.

As a member of the Coalition of Movers and Shakers on Sustainable Finance, Yuanta FHC has actively launched a carbon inventory campaign to prudently assess the physical and transformational risks brought about by climate change, and to lead the industry and society to work together toward the goal of net-zero carbon emissions by 2050 through concrete actions, in order to fulfill the Group's commitment to sustainable development.

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Photo: Yuanta FHC has joined hands with a client with sustainable business philosophy to realize the goal of responsible finance by opening an employee-owned trust.



Photo: Yuanta FHC actively participates in climate-related initiatives and organizes promotional activities, and works with stakeholders to implement a low-carbon transformation.