

We Create Fortune

CSR Report 2011

元大金控



Yuanta
Financial Holdings





Overview of Report

Time of Report

This Report discloses the corporate social responsibility-related activities and performance of Yuanta Financial Holdings Co Ltd. (hereinafter referred to as “Yuanta Financial Holdings”) in 2011 (January 1, 2011~December 31, 2011).

Scope of Report

- ☑ Territory of Taiwan and Yuanta Foundation of Yuanta Group are included in the Report as the subjects.
- ☑ Financial data are denominated in NTD.
- ☑ Data and descriptions about energy consumption with respect to environmental protection are limited to those related to the Headquarters of Yuanta Group located at No. 66, Tunhua S. Road, Sec. 1, Taipei City.
- ☑ The “Company” referred to herein is Yuanta Financial Holdings. The “Group” referred to herein is Yuanta Financial Holdings and its subsidiaries including Yuanta Securities, Polaris Securities, Yuanta Commercial Bank, Yuanta Securities Finance, Yuanta Futures, Yuanta Securities Investment Consulting, Yuanta Venture Capital and Yuanta Asset Management.

Principles for drafting the Report

- ☑ Follow the Chinese and English versions of GRI G3 Guidelines proposed by GRI as promulgated in the official letter of the TWSE on October 21, 2011.
- ☑ The Report contains the six sections including an overview of company, corporate governance, customer relation, employee care, environmental protection and social service as well as a special report on “*Blood Donation at the Yuanta 50th Anniversary*”.

Difference with the Report 2010

- ☑ The statistical data in the current period includes that available after the Company included Polaris Securities as of October 3, 2011.
- ☑ The Report in English was added in this period to allow reference by more interested parties.

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Publication

The Report is posted on the official website of Yuanta Financial Holdings, <http://www.yuanta.com>, in both Chinese and English.

Frequency of Publication

Once per year (First issue of the Chinese version was published in 2010)

Date of Publication

October, 2012

**Should there any discrepancies between the English version and the Chinese version of the Report, the Chinese version will prevail.*

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A Message from the Chairman

Recalling 2011, both the outbreak of the U.S. debt ceiling trouble during the second half of the year and the spread of the European debt crisis had weakened the economic growth in the U.S. and Europe, which in turn had an adverse effect on global economic activities and financial stability. To deal with the domestic and overseas financial environments, in 2012 we should keep paying attention to such potentially uncertain factors, such as the increasing European debt crisis, sluggish economic growth in Mainland China, and slow economic recovery in the U.S., while taking precautions against possible systematic risk.

Upon taking up the position of Chairman seven years ago, I declared firmly that my beliefs and goals would be “to establish a role model of corporate governance and to maximize shareholders’ value”. The efforts over the past years have established a well-founded corporate governance system for this financial holdings. In 2007, we were one of the few leading financial institutions to have the system of independent directors and to establish the Audit Committee to enhance the structure of the Board and the quality of decision-making. In 2010, we took the lead again by establishing the Remuneration Committee, chaired by an independent director, with a view to setting up a reasonable system where remuneration paid out is linked not just to the short-term performance but to risk management as well. In 2011, advanced CG6006 certification by the Taiwan Corporate Governance Association was achieved. Furthermore, in 2012, Yuanta became the only financial holdings company in Taiwan to receive the “A++” ranking from the Securities and Futures Institute, for its transparency and disclosure of corporate information to the public. In conclusion, Yuanta Financial Holdings has not only defined its corporate governance regulations but also integrated them into its corporate culture as the foundation for sustainable development and protection of shareholders’ rights and interests.

After the merger between Yuanta Financial Holdings and Polaris Securities was completed on October 3, 2011, the consolidation of the securities, futures and investment consulting subsidiaries was carried out successively in 2012. The said merger has firmly placed this financial holdings as the unparalleled No.1 in Taiwan’s securities industry in terms of branch coverage, securities brokerage, securities financing, online trading, sub-brokerage, size of funds under management, futures and options brokerage etc.

Our dedicated efforts in implementing good corporate governance practices and upgrading competitiveness over the past seven years have indeed paid off. In 2011, an unprecedented net profit after tax, NT\$13.578 billion was generated and foreign shareholding grew to 31.12% by the end of May 2012 from 3% in June 2005. In this connection, Yuanta’s overall management and performance can be considered as meeting the recommendation of the Nobel Economics Laureate, Sir Edmund Phelps, that enterprise management should take long-term operation and risk control into consideration instead of focusing only on short-term business performance.

Looking into the future, Yuanta Financial Holdings will continue to adhere to the principle of sound development while taking actions to build up its core competitiveness with a customer-oriented mind. Given its stable customer base, superior asset quality and risk management, Yuanta will further cultivate the domestic market, and then gradually expand our businesses into the Great-China market, with the aim of becoming the “best financial service provider in Greater China”. At the same time, we will implement our policy on ESG (environment, social responsibility and corporate governance) so as to fulfill our corporate social responsibility and become a first-class corporate citizen of the world.

Status of CSR Promotion

Statement of CSR Policy

The Group has adhered to the management philosophy of “Establishing the Best Corporate Governance Model to Seek the Maximum Benefit for Shareholders” and the enterprise spirit for “We Create Fortune” permanently, and transformed the same into its enterprise culture and practiced the same in its routine operation to fulfill its corporate social responsibility.

In order to maintain our well-founded communications channel the Company posts the “Company policy and organization chart”, “Corporate governance”, “Important messages”, “Finance” and “Shareholders services” on its website. There is also an email box available for comments and suggestions by interested parties. In the case of any legal dispute that might arise, the Company Legal Affairs department will provide assistance to maintain the interests and rights of any interested party.

The company is determined to maintain and promote corporate social responsibility and hereby promulgates the “CSR Policy” and undertakes that it will operate on this basis and assume full liability as a corporate citizen.

The Company CSR Policy

1. *Strengthen the quality of corporate governance.*
2. *Value the interests and rights of the employee, train talent and create a healthy and safe workplace.*
3. *Be dedicated to saving energy and reduction of carbon emission and ensure sustainable environmental protection.*
4. *Comply with the established code of ethics and operate in good faith.*
5. *Expand social participation and feedback to society.*
6. *Maintain the interests and rights of the client to win permanent trust.*
7. *Provide investors with correct, up to date and transparent information about the Company.*





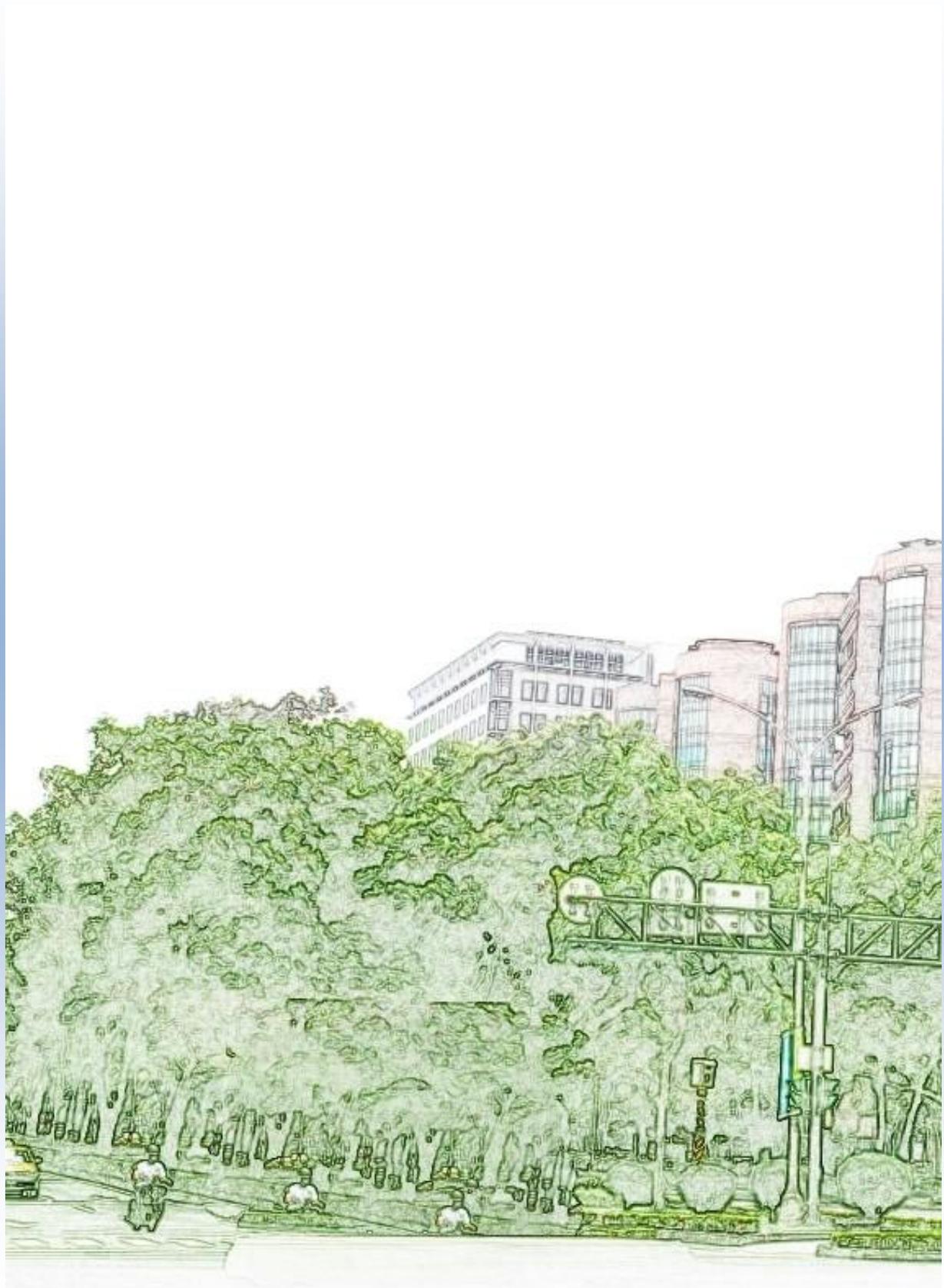
Entity dedicated to promoting the CSR Policy

- *On October 26, 2010, the “Best Corporate Governance Practice Principles” were passed by the Board of Directors. These serve as the principles for the fulfillment of corporate social responsibility.**
- *On December 28, 2010, the “CSR Policy and Management Rules” were passed by the Board of Directors, and the Company’s CSR Policy and CSR Promotion Center (hereinafter referred to as the “Promotion Center”) was established.**
- *On December 30, 2010, the Chairman of the Board agreed to appoint an Executive Vice President to be the convener of the Promotion Center, and the necessary departments/offices to form eight functional teams: general affairs, corporate governance, employee care, environmental sustainability, fair competition, social participation, customer care and investor relations and to take all the actions about which any interested parties are concerned.**
- *In 2011, the Promotion Center began operations. The Center will call the meeting on a quarterly basis, in which the various functional teams will propose the motions with which the interested parties are concerned. The relevant implementation programs will be researched and drafted after the brainstorm sessions and the exchange of opinion. The Center will also follow up the progress of the various motions periodically in the hope of upgrading the quality of implementation of the CSR matters with effective follow-up and control.**

The following are the different motions proposed by the Promotion Center in 2011, which are also mentioned in the Report.

- 1. Training programs about earthquakes and anti-bribery.**
 - 2. The periodic update and release of a list of Group first-aid personnel and the organization of related training programs.**
 - 3. Processing employee applications for favorable low-interest loans for emergency relief.**
 - 4. The posting of important press releases on the internal Company website.**
 - 5. Issuing posters about competent authority policy.**
 - 6. A program for faucet water savings in the Financial Holdings Building.**
 - 7. A program for the reduction of the use and consumption of paper by the Group.**
 - 8. Communication of information related to welfare group products.**
 - 9. Completion and publication of the CSR Report 2010 on the official Company website and the internal website.**
 - 10. Enactment of the “Ethical Corporate Management Best Practice Principles” and “SOP and Guidelines for Ethical Corporate Management” and its publication on the official Company website and the internal website.**
- *In order to properly found Company CSR management and ensure the effective fulfillment of the CSR Policy, the Promotion Center will report progress to the Board of Directors on a yearly basis.**

I • Company Overview





I. Company Overview

(1) Profile

The Group was founded on February 4, 2002, and is based in Taipei City, Taiwan. Yuanta Financial Holdings is a comprehensive financial services firm with dominance in securities investment service. It carries out its business primarily in the territory of Taiwan, and is focused on expanding the business to the Greater China region including Hong Kong, Shanghai and Beijing. It also aims at becoming the “best financial service provider in the Great-China region”. At present there are 189 securities branches and 85 bank branches throughout the country and the group has 9,173 professional financial specialists dedicated to providing customers with comprehensive financial services.

Leadership in the securities business was even more firmly established by the merger between the Fuhwa Financial Holding Company and Yuanta Core Pacific Securities (already the largest securities broker in Taiwan) in 2007. By the integration and interoperation of its subsidiaries, the group has been able to form a financial group dedicated to providing products and services in securities, banking, securities finance, futures, investment consulting, venture capital and asset management.

The Company consolidated Polaris Securities as a wholly owned subsidiary in October, 2011. After this consolidation, the Company remains the leader in the market in terms of securities operation bases, brokerage, shorting and margin financing, e-trading, sub-brokerage trading, scale of investment assets, futures brokerage and options, and is far ahead of all of its competitors.

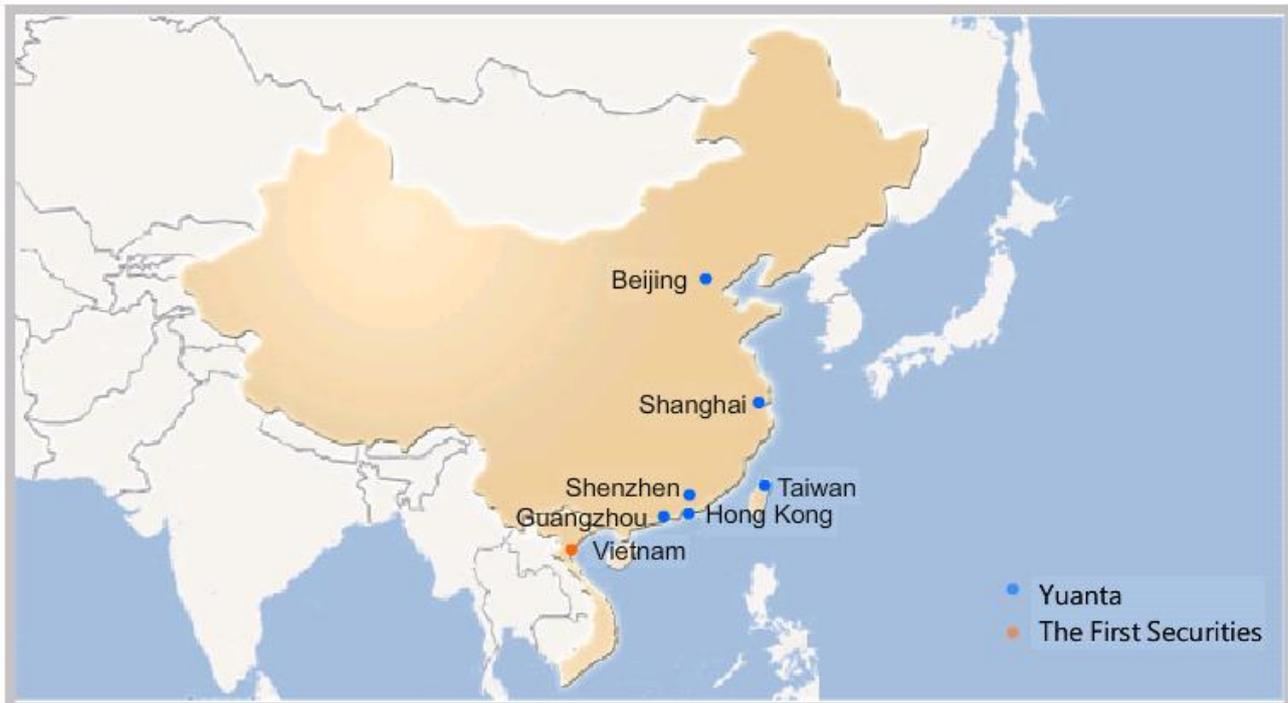
The Groups securities subsidiaries have received 46 separate awards from professional finance magazines over the past decade. These include such as “Taiwan’s best securities firm” for five consecutive years (Asiamoney), “Taiwan’s best securities brand” and “Taiwan’s best investment bank”, etc. Some others are: FinanceAsia elected the Company as “Taiwan’s Best Securities Firm” for eight consecutive years. In 2009, Asiamoney again awarded the company with “Taiwan’s Best Securities over the Past Two Decades”. The long-term Company efforts in the development of the securities business has been widely recognized by many professional organizations and investors.

By the end of December 2011, the scale of assets of banking subsidiaries had amounted to NT\$508.1 billion. The yearly accumulated net profit after tax was NT\$1.706 billion, an increased of NT\$0.389 billion over that of 2010. The EPS was NT\$0.74, which reflected a remarkable profit. The NPL ratio was 0.19% and coverage ratio 673.57%. The entire asset quality was also held attaining the fine-quality level by the same trade. By 2011, recognition by businesses had been well established; according to Business Today’s survey for the “Best Brand Award” of 4th term, the Company ranked 4th in Network Banking and 6th for physical banking services.

Yuanta and Polaris Swear to Work Harder for You.

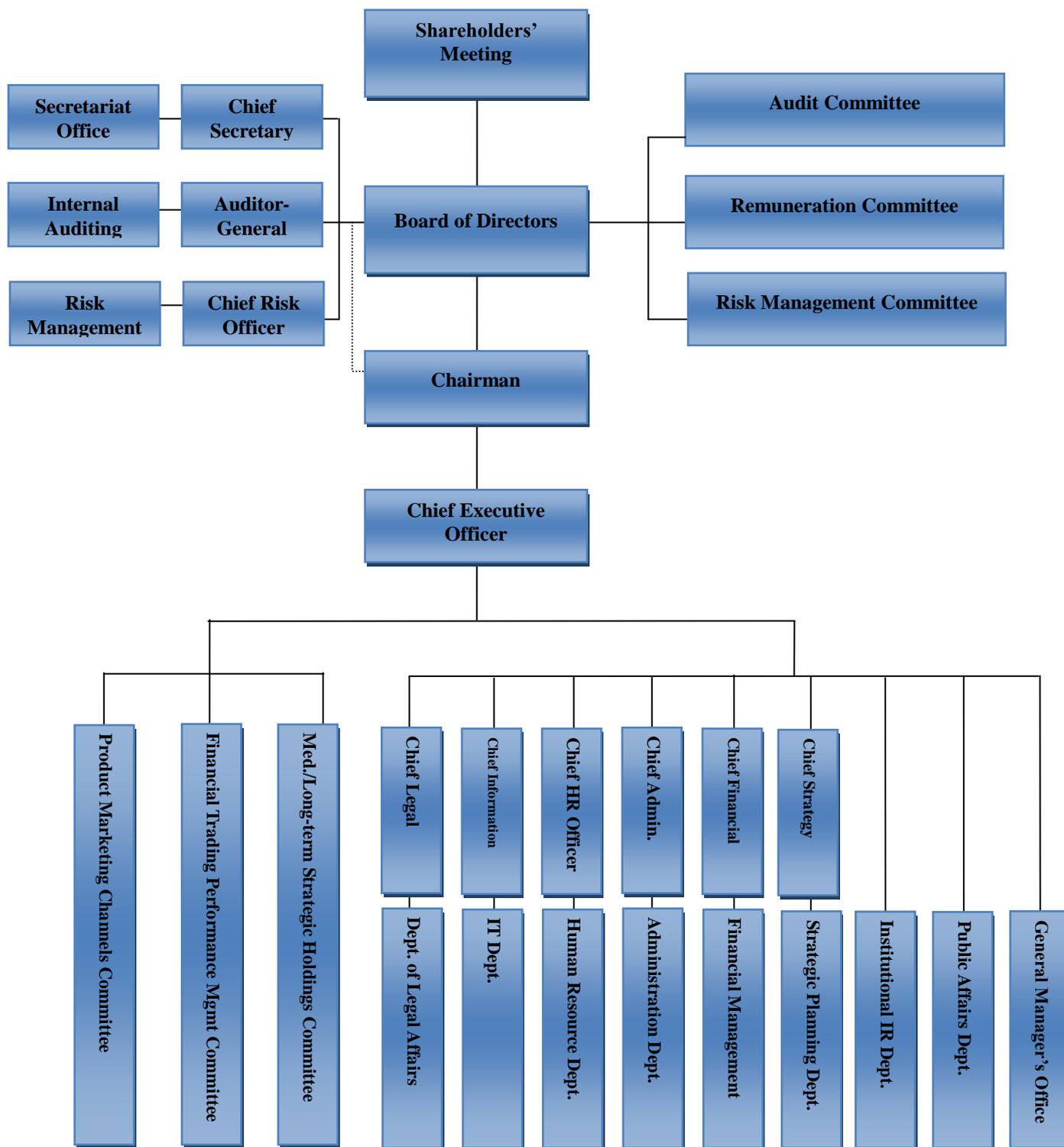


Company Profile			
Stock Code	TWSE 2885	Date of Incorporation	February 4, 2002
Chairman of the Board	Mr Ching-Chang Yen	Number of employees	9,173 persons
Chief Executive Officer	Mr Tony Shen	Independent Director	Mr Dah Hsian Seetoo
Capital	NT\$152 billion		Mr Cheng-Ji Lin
Total assets	NT\$768 billion		Mr Chao-Lin Yang
Total income	NT\$13.577 billion		Mr Ling-Long Shen
Tel:	02-2781-1999		
Address	7F & 10F, No. 66, Tunhua S. Road, Sec. 1, Taipei City, and 7F, No. 68, Tunhua S. Road, Sec. 1, Taipei City		
Website	http://www.yuanta.com		



*“We Know Asia” represents our ambition and determination to expand into the territories of Asia
 Yuanta Financial Holdings’ goal: To Become ‘the’ Professional Financial Service Organization in Asia.
 Strengthen the integration of resources from various business entities and businesses;
 Upgrade cross-marketing effects and develop stable strength;
 Found the base for future globalization.*

(2) Organization chart



- Note 1: The general shareholders' meeting held on June 18, 2010 resolved to pass amendments to the Articles of Incorporation and establish the Remuneration Committee. The organizational articles of the Committee were passed upon resolution of the third Directors' Meeting of fifth term on August 31, 2010.
- Note 2: The eleventh Directors' Meeting of the fifth term on March 29, 2011 resolved to abolish the "Corporate Banking Committee" and rename the "Product Development and Marketing Channels Committee" to "Product Marketing Channels Committee".
- Note 3: The twenty-first Directors' Meeting of the fifth term on November 22, 2011 resolved to pass the amendments to the Company's "Organizational Articles" and to establish the Risk Management Committee subordinate to the Board of Directors to help the Board supervise the implementation of a risk management system.

(3) Descriptions of critical impact, risk and opportunity

1. Future industrial development

Global economic growth in 2012 tended to be sluggish. However, serious economic regression such as that of 2009 is not likely to happen in 2012. It is expected that the global economy will grow by a specific rate and the growth will be driven primarily by contributions from the emerging markets. However, interruption from the three potentially uncertain factors, including the European debt crisis, sluggish economic growth in Mainland China, and slow economic recovery in the US makes it necessary for care to be taken about systematic risk. Banks in Taiwan still have sufficient funds and stable credit rating growth. This means that the market fund is sufficient to cover the required economic activity and there is no likelihood of a credit crush like that in Europe and the US. According to the Director-General of the Budget, Accounting and Statistics, the economic growth rate in Taiwan in 2012 will be mild, at 3.85%. The Central Bank has maintained the same interest rate for two consecutive quarters and suspended the escalation of interest for the time being. Given this, it is difficult to expand the interest spread of the banking business, and the entire credit extension growth is expected to be sluggish. The asset quality in 2012 will be the critical factor for profitability. The securities business must wait until trading and investment are booming again, while the insurance business needs to take care with respect to the impact on capital structure caused by investment impairment.

With respect to cross-strait financial transactions, upon acquisition of a full license, the banking operators have successively applied for RMB operations. Meanwhile, the Financial Supervisory Commission (FSC) has also permitted OBU to process RMB-related operations and OBU trading counterparts are not limited to Taiwan businessmen or foreign businessmen in Mainland China any longer, this may also include Mainland China-based enterprises. The amendments to the Regulations Governing Permission for Cross-Strait Financial Transactions and Investments relaxed the restrictions on the investment by the banking business in Mainland China, so as to allow the selection of branch, OBU or equity participation to be more flexible. This transformation means that the restrictions on cross-strait financial transactions tend to be more and more lenient and the transactions are developing positively. However, the full license expected by the securities business is still pending, and the securities business may only proceed with its layout to seek opportunities through its peripheral business (investment, futures and capital venture). Whether the securities business may pursue opportunity in Mainland China depends on whether the laws and regulations governing the investment and transaction by the cross-strait financial business become more lenient or not.

2. Company development strategies

In order to deal with the uncertain international and domestic economic situations of 2012, the Company will complete integration after the merger and acquisition and also work hard to strengthen the risk warning system, in order to control a relevant risk immediately and also upgrade the ability to respond to any emergency. The Company will also focus on the operating efficiency of input and output of various resources with due diligence. Although open source innovation is important, it is also necessary to control cost for the reduction of expenditure. Therefore, the Company will first develop thoroughly in Taiwan and then launch into the Great-China Region, so as to aim at a win-win-win situation amongst shareholders, clients and employees, to be the “Best Financial Service Provider in the Great-China Region”.

In the short term, the Company will develop through its highly spontaneous growth and external merger and acquisition at the same time, in order to upgrade its economy of scale and scope and to strengthen the development and operation of corporate banking assets. The rapid changes that have taken place in the economic environment and the transformation of the financial domain in recent years have substantiated the importance of clientele and scale of assets for long-term stable profitability. Although the Company is the acknowledged leader in the securities business, it is still subject to industrial characteristics and to the limited channels for the absorption of assets, and whether the capital market is booming or not is also a critical factor for earnings. Therefore, the Company is expanding its securities and banking businesses and developing such new business as life insurance to upgrade Company scale, create diversified channels to seek profit, and mitigate the dependence on a single business line. In this way we will achieve the synergistic purposes for which Yuanta Financial Holdings was founded and upgrade the level and stability of earnings.

The Company's long-term business strategy is oriented toward the development model primarily based on “securities, banking and insurance”. That is, by virtue of its operation in the securities market, the Company transforms to the spontaneous operation of securities, banking and insurance, and also enhances the Group's information system integration, optimizes risk control and engages in training talent for the Group, in order to upgrade its core competitiveness and develop diversified business platform to achieve the goal of being the “Best Financial Service Provider in the Great-China Region”. At the same time the Company will keep working hard and apply overall consideration to boost the cooperative development and control opportunity in a timely manner for the purpose of expansion into Mainland China.

3. Risk and opportunity resulting from climate change

The impact of climate change on the global economic environment is increasing regularly and accelerating the adjustment of industrial structure and policies and causing fluctuation in the financial market. The result is that enterprises are encountering enormous challenge to sustainable operation.

Concern about the effect of climate change on the economy, the financial environment and the laws, has caused the Group to adjust its business strategies and investment decisions in a timely manner to mitigate the fluctuation of the Company's earnings. In addition, sustainable environment, energy conservation and carbon reduction are being included in development strategy for routine operation, in order to upgrade the ability to respond to climate risk events and to reduce the impact on the environment by the Group's operations. The Group is also dedicated to creating an enterprise culture that cares for the environment. In this way it may fulfill a social responsibility towards environmental protection at the same time as enjoying the profit, with the aim of simultaneously attending to the operating efficiency, environmental protection and social responsibility to deal with the challenges being brought about by climate change.

(4) Shareholder Structure

Data baseline date: 10/03/11

Shareholder type Quantity	Government agencies	Financial institutions	Other institutions	Individuals	Foreign institutions and individuals	Total
Persons	19	29	665	260,691	812	262,216
Shares held (shares)	275,748,313	822,586,970	2,809,584,845	2,616,532,975	3,491,857,403	10,016,310,506
Shareholding Ratio (%)	2.75	8.21	28.05	26.13	34.86	100

Note 1: The company has a total of 10,016,310,506 shares outstanding.

Note 2: The above data was based on the latest book closure date (2011.8.27), plus the previous holdings in Polaris Securities which had been exchanged on 2011.10.3.

(5) Business performance**1. Utility and profitability**

Year		2011	2010
Utility	Total assets (NTD thousand)	767,992,148	638,674,732
	Shareholders' equity (NTD thousand)	152,005,252	116,860,024
	Total income (NTD thousand)	13,577,668	8,235,639
	Employee average return	3,112	3,382
	Employee average profit rate (after tax)	1,318	1,084
Profitability	ROA (%)	1.93	1.40
	ROE	10.10	7.09
	Net profit rate	42.37	32.04
	EPS	1.47	0.93

Allocation of stock dividend

Currency Unit: NTD thousand

Year	2011	2010
Stock dividend per share	0.00	0.92
Cash dividend per share	0.20	0.00
Total	0.20	0.92

Tax payment

Currency Unit: NTD thousand

Year	2011	2010
Income tax paid in current period	3,756,822	2,297,635

2. Credit rating

Domestic and foreign credit rating organizations recognized the stable asset quality and good operating results of the Company. The credit ratings sufficiently reflect the Company's excellent risk control and capital level.

The Company is dedicated to pursuing excellent risk control and stable business development to upgrade the asset quality, and will continue to fulfill the corporate governance doctrine. Up to the end of 2011, the Company's debt to net worth ratio was 14.14%, the double leverage ratio was 112.42% and the Group's capital adequacy rate was 147.56%. The Company's financial structure has clearly held stable.

Summary of the most recent credit rating awarded to the Company:

Category	Organization	Credit Rating		Prospect	Effective Date
		Long-term	Short-term		
International credit rating	Fitch Ratings	BBB+	F2	Stable	2012/01/18
Domestic credit rating	Fitch Ratings	AA-(tw)	F1+(tw)	Stable	2012/01/18
	Taiwan Ratings	twA+	twA-1	Positive	2012/01/11

3. Awards & Honors

The Asset

- Gold Corporate Award for Investor Relations
- Top Bank Arranger - Quality and Number of Primary Corporate Bond Deals, Taiwan
- Top Bank in the Secondary Market for Corporate Bonds, Taiwan

Asiamoney

- Best Local Brokerage in Taiwan
- Best Domestic Equity House in Taiwan
- Best Independent Research Team

FinanceAsia

- Best Investment Bank in Taiwan
- Best Broker in Taiwan

Business Today

- Received First in the Securities industry from “Brand Appeal for Business Professionals” survey

Common Wealth

- Most Admired Securities Company in Taiwan

Management Magazine

- Received First in the service industry from “Consumers’ Ideal Brand in Taiwan” survey



II ・ Corporate Governance





II. Corporate Governance

(1) Enhance the functions of the Board of Directors

1. Board of Directors

The Company's Board of Directors consists of the following 11 directors from the financial industry and academic circle who have a professional background and are experienced (including 4 independent directors who account for 1/3 of the total of directors):

Representative of Tsochueh Investment Co Ltd: Mr Ching-Chang Yen

Representative of Modern Investment Co Ltd: Mr Tony Shen

Representative of Hsutong Investment Co Ltd: Mr Hsian-Dao Chiu

Representative of Tsochueh Investment Co Ltd: Mr Jin-Long Fan

Representative of Modern Investment Co Ltd: Mr Yueh-Tsang Lee

Representative of Hsutong Investment Co Ltd: Ms Teresa Ma

Representative of Tsochueh Investment Co Ltd: Mr Tien-Fu Lin

Independent directors: Mr Dah Hsian Seetoo, Mr Cheng-Ji Lin, Mr Chao-Lin Yang and Mr Ling-Long Shen

A. Directors' qualifications and specialty examination procedure

Name	More than 5 years of experience and the following professional qualifications		
	Conditions	Passed the qualification examination with proper licensing by the national Government Apparatus as court judge, prosecutor, lawyer, certified public accountant or other professional designation required by the business of the Company	Required Work experience in commerce, law, finance, accounting or others required by the Company
Ching-Chang Yen			✓
Tony Shen			✓
Hsian-Dao Chiu			✓
Jin-Long Fan			✓
Yueh-Tsang Lee			✓
Teresa Ma			✓
Tien-Fu Lin			✓
Dah-Hsian Seetoo	✓		✓
Cheng-Ji Lin			✓
Chao-Lin Yang			✓
Ling-Long Shen			✓

B. Recusal of Director from motions in which they have a conflict of interest

The Company's Board of Directors held 14 meetings in 2011. Most of the directors and independent directors attended the meetings personally, and those who failed to attend the meetings personally entrusted other directors to attend the meetings on their behalf pursuant to the relevant requirements. Some directors recused themselves from motions in which they had a conflict of interest pursuant to the Company's "Parliamentary Rules for Directors' Meetings". The state thereof in 2011 is specified as following:

Term	Motion	Recused due to Conflict of Interest	Participation in Voting
2011.4.26 5 th Term 13 th meeting	Scheduled to appoint Yuanta Securities to be the financial consultant of the non-secured corporate bonds issued by the Company in 2011	Director Tony Shen, Director Yueh-Tsang Lee, Director Kang-Sheng Kao, Director Tien-Fu Lin and Independent Director Cheng-Ji Lin	The interested parties recused themselves from the motion. The motion was approved by the other directors.
2011.4.26 5 th Term 13 th Meeting	For the renewal of the tenancy agreement for the office premises and underground parking lots of Yuanta Financial Holdings Building leased by the Company from Yuanta Securities to expire on June 15 this year.	Director Tony Shen, Director Yueh-Tsang Lee, Director Kang-Sheng Kao, Director Tien-Fu Lin and Independent Director Cheng-Ji Lin	The interested parties recused themselves from the motion. The motion was approved by the other directors.
2011.4.26 5 th Term 13 th Meeting	For the amendments to the Company's "Articles of Incorporation."	Chairman Ching-Chang Yen	The interested parties avoided the motion. The motion was approved by the other directors.
2011.6.28 5 th Term 15 th Meeting	For the amendments to Company regulations governing bonuses	Chairman Ching-Chang Yen, Director Tony Shen and Director Tien-Fu Lin	The interested parties avoided the motion. The motion was approved by the other directors.
2011.7.26 5 th Term 16 th Meeting	For enactment of the Company "Regulations Governing Retirement of the Chairman and Vice Chairman."	Chairman Ching-Chang Yen	The interested parties recused themselves from the motion. The motion was approved by the other directors.
2011.12.27 5 th Term 22 nd Meeting	For the amendments to the Company "Regulations Governing Resignation of Chairman and Vice Chairman."	Chairman Ching-Chang Yen, and Director Tony Shen	The interested parties recused themselves from the motion. The motion was approved by the other directors.
2011.12.27 5 th Term 22 nd Meeting	For the amendments to the "Regulations Governing Appointment, Transfer and Concurrent Position of Personnel Between Yuanta Financial Holdings and Its Affiliates."	Chairman Ching-Chang Yen, and Director Tony Shen	The interested parties recused themselves from the motion. The motion was approved by the other directors.

C. Directors'/supervisors' liability insurance

In order to enable the directors to perform their duties ethically in an increasingly complicated operating environment, the Company continues to have directors/independent directors enrolled into the liability insurance program to pass through the Company's operating risk and help maintain a well-founded corporate governance mechanism.

D. Directors' continuing studies

In 2011, the Company's directors primarily engaged in continuing studies of such subjects as "corporate governance", "corporate social responsibility", "merger and acquisition", and "International Financial Reporting Standards (IFRSs)", in order to have thorough knowledge of the changeable competitive environment and plan countermeasures.

According to the "Regulations Governing Directors' Continuing Studies" defined by the Company, any new director shall take continuing study courses of at least 12 hours in the year of inauguration, and at least 3 hours per year in following year; any reelected director shall take the continuing study courses of at least 3 hours per year for the duration of his term of office. In 2011, all the directors complied with the requirements for continuing studies.

2. Audit Committee

At the Company's general shareholders' meeting held on June 29, 2007, Mr Dah Hsian Seetoo, Mr Chao-Lin Yang and Mr Cheng-Ji Lin were elected as independent directors forming the Audit Committee for the 4th term. At the general shareholders' meeting on June 18, 2010, Mr Lin-Long Shen was also elected as an independent director. These four independent directors formed the Audit Committee for the 5th term dedicated to helping the Board of Directors with decision making and enhancing the functions of the Board, with their experience in finance, taxation, strategy and insurance finance, as an independent and professional entity.

The Company's independent directors have exercised their powers pursuant to the laws promulgated by the competent authority and the "Audit Committee Charter" and "Regulations Governing the Responsibilities of Independent Directors" defined by the Company. In 2011, the Audit Committee held a total of 18 meetings, and the independent directors' attendance rate was 95%.

In addition to attending the routine Audit Committee meetings and directors' meetings, the independent directors also frequently consulted with Company management, department/division heads and supervisors about the corporate governance or business development, in order to coordinate with management. In order to gain a thorough knowledge of Company operating efficiency and business decision making plans to fulfill their duties with due diligence, the

independent directors visited the Company every week. They spent time reading the meeting information in order to understand Company finance, accounting, auditing and risk control operations, and interviewed the Internal Auditing Dept staff, Risk Management Dept and CPAs every year to upgrade supervision.

In 2007, the Company defined the “Regulations Governing Suggestions and Complaints of Interested Parties Against the Audit Committee”, and also installed the “Suggestions and Complaints by Employees and Interested Parties Against the Audit Committee” on its website, so as to well found the functions of the Board of Directors and Audit Committee, and to promote efficient communication between the Board of Directors and such interested parties as employees, clients and investors.

3. Remuneration Committee

The Company’s general shareholders’ meeting on June 18, 2010 passed the motion for amendments to the Articles of Incorporation and resolved to establish the Remuneration Committee. On August 31, 2010, the Board of Director passed the motion for enactment of the Organizational Articles of the Remuneration Committee. The Company’s Remuneration Committee consists of 3 independent directors dedicated to helping the Board of Directors define and manage the performance appraisal standard and remuneration through some transparent procedure. The Committee would call no less than two meetings each year, and may call an interim meeting if necessary. In 2011, it called a total of 7 meetings to review the motions for amendments to the Company’s “Articles of Incorporation”, “Regulations Governing Bonuses”, “Organizational Articles of the Remuneration Committee” and “Regulations Governing Appointment, Transfer and Concurrent Position of Personnel Between the Company and its Affiliates” and to authorize the remuneration to directors and principles for allocation of commissioned remuneration in 2010, the motion for allocation of employee bonuses in 2010, and the motion for raises in salary in 2011.



(2) Well-founded internal control system

Pursuant to the “Implementation Rules of the Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries”, the Company established an effective corporate governance and internal control system under which the audit is conducted by the independent internal audit unit. In order to enhance corporate governance, the Internal Auditing Dept focuses on important issues related to corporate governance such as operation of the Board, transactions with interested parties, financial consumer protection and personal data protection, and also try to gain a thorough knowledge of the Board’s policy and business goals through periodic communications and interviews with the Board members and auditors. The Internal Auditing Dept. also reports the status of implementation to the Board and Audit Committee periodically, to ensure a constant and effective performance of internal control and fulfill the Company’s corporate social responsibility.



Corporate Governance

 Print

Risk Management



Board of Directors



Auditing Department structure and responsibilities

The company's auditing department is overseen by the board of directors and has oversight of auditing company-wide. The department is led by a general auditor, and in addition there is one deputy general auditor and other auditing personnel. The head auditor evaluates overall business needs in accordance with Yuanta Financial Holding Company's Internal Auditing Procedures and directs staff from each subsidiary in handling internal auditing functions for their respective subsidiary, ensuring that the company and each subsidiary maintains an effective auditing system which holds ultimate responsibility.



(3) Risk management

A. Organizational framework

The Company's risk management organization includes the Board of Directors, the Audit Committee, the Risk Management Committee, High-rank management, the Risk Management Dept, the legal and compliance units, and various business units.

Functions	
Board of Directors	Liabile for the risk management ultimately towards various operations, promote and fulfill the entire risk management of the Company as a first priority.
Audit Committee	Assist the Board of Directors in supervision of control over existing and potential Company risk.
Risk Management Committee	Assist the Board of Directors in the supervision and implementation of the risk management system to facilitate integration and execution of risk management related matters in the Company and its subsidiaries.
High-rank management	Review the risk involved by the Company's operating activities, supervise the fulfillment of risk management procedures, and ensure complete and effective implementation of the Company's risk management system
Risk Management Dept.	The Company Risk Management Dept is an independent department subordinate to the Board of Directors. Each Company subsidiary also has established a risk management unit and has dedicated personnel directed by the Chief Risk Officer. Through integrated planning and compliance with Group business strategy, it shall establish a risk management mechanism and system, and also fulfill the execution of the overall risk management system of the Group to maintain a well-founded and effective risk management environment and upgrade the maximum profit upon risk adjustment under a risk appetite set by the Company.
Legal and compliance units	Dedicated to executing legal risk control, ensuring compliance of the business and risk management system with the law, and to help evaluate potential legal involvement in connection with different operations, verify the responsibilities of legal instruments and contracts, and process legal affairs.
Business units	Liabile for first line risk management; the business units and supervisors are responsible for controlling the risk related to them, and taking countermeasures to ensure the effective execution of their risk control mechanism and procedures to comply with the law and Company risk management policy.

B. Implementation of risk management policy

In order to establish an excellent risk management system and well founded business development, promote an adequate risk management-oriented business model, achieve the business goals and increase the shareholder value, the Company Board of Directors has authorized a risk management policy and various risk management guidelines as directives for a Company risk management system. The Company has established various appropriate risk management mechanisms according to the business scale and risk attributes of subsidiaries, and defined the various limits subject to the nature of business, control various risks, and periodically submitted the various risk reports and reported the important risk events to effectively control risks.



C. Crisis management

The Company has defined a crisis management policy and SOP under the relevant risk management mechanism, and established a crisis management team according to the policy and SOP. The General Manager, or an executive Vice President designated by the General Manager, will convene the team. Subject to the level involved by the incident and nature of the incident, the various department heads would form the response teams dedicated to analyzing and assessing various programs proposed to deal with the crisis and control the development, advise or propose amended response plans to meet the actual needs. The various subsidiaries have also defined the countermeasures against disasters pursuant to the Policy and SOP.

**(4) Fulfill the information disclosure**

In 2011, the Company participated in the “Listed/OTC Companies’ Information Disclosure and Evaluation System of the 8th term” organized by the Securities and Futures Institute on behalf of TWSE and the GreTai Securities Market. In 1,190 listed/OTC companies on the evaluation list, only 3% were awarded A+ rate, including the Company. The Company was also evaluated to be a “company of more transparent voluntary information disclosure”.

**(5) Continue strengthening the corporate governance**

The Company continually promoted the corporate governance system to ensure the interested parties’ interests and rights. In 2011, it passed certification by the “CG6006 advanced corporate governance system assessment” of the Taiwan Corporate Governance Association, as it had in 2008. Above all, it was awarded full marks by the Association in the three indicators: “Enhancement of Information Transparency”, “Exertion of Functions of the Audit Committee” and “Respect of Interested Parties’ Right and Social Responsibility”.

The Company will continue to pursue the fulfillment of the corporate governance doctrine and try its best to be the most admired enterprise dedicated to promoting the highest level of quality corporate governance.



(6) Establish the enterprise self-regulatory codes

The Group adheres to the management philosophy of “Establishing the Best Corporate Governance Model and Seeking the Maximum Benefit for Shareholders”, and has established a high ethical and self-regulatory operating environment by virtue of excellent corporate governance, risk control, internal audit and control, and well-founded internal regulations.

The Company has defined the following self-regulatory codes that shall serve to be the basic principles to be followed by all Company staff in the performance of their duties, and has also trained the employees to ensure their adherence to ethical business practice.

- * **Parliamentary Rules for Directors' Meetings defined in 2006**
- * **Audit Committee Charter defined in 2007**
- * **Professional Code of Ethics defined in 2007**
- * **Guidelines for Donations defined in 2011**
- * **SOP and Guidelines for Ethical Corporate Management and Guide to Good Practice defined in 2011**

A. Ethical corporate management

The Company’s “Parliamentary Rules for Directors’ Meetings” and “Audit Committee Charter” expressly provide the requirements about avoidance of conflict of interest, non-disclosure of confidential information, no insider trading and confidentiality.

To strengthen the Company’s self-regulatory codes, the Board of Directors passed the motions for enactment of “Ethical Corporate Management Best Practice Principles of Yuanta Financial Holdings” and “SOP and Guidelines for Ethical Corporate Management of Yuanta Financial Holdings” on October 25, 2011 and December 27, 2011, which are summarized as follows:

- (A) Scope of application: The Company and its subsidiaries, and the Yuanta Foundation.
- (B) Expressly defines examples for unethical activities and unjust enrichment; forbids bribery and the acceptance of bribes, donations or illegal political contribution, unjust charitable donation or sponsorship, or supply of unreasonable gifts, treatment or other unjust enrichment; defines the internal control; organizes training and promotional programs periodically; establishes adequate complaint and punishment and reward systems.
- (C) The Company has designated the relevant units to take charge of the relevant operations, and periodically report the status to the Board of Directors and selects various subsidiaries to work with them at the same time.

B. Anti-bribery and anti-corruption

The Company's "Professional Code of Ethics", "Ethical Corporate Management Best Practice Principles" and "SOP and Guidelines for Ethical Corporate Management" all expressly forbid insider trading, derivation of private profit by unscrupulous use of company position, acceptance of gifts, bribes or any unjust enrichment, requires the avoidance of conflict of interest, and encourages the Company's staff to file a complaint immediately upon becoming aware or suspicious of any non-conformance.

C. Donation and sponsorship

The Company has defined the "Guidelines for Donation" which expressly states the Company's SOP for supply of political contributions, charity donations or sponsorships. All of the relevant operations are based on the Guidelines and disclosed according to the Guidelines.

The Group will organize corporate ethical management programs every year, including on-line courses, the update of laws and regulations, and case studies and tests, to ensure the employees' have the correct ideas about ethical management and help them comply with the relevant laws and regulations when they engage in various operating activities, so as to fulfill the corporate social responsibility doctrine. The Group's staff shall be subject to the financial laws and personnel management regulations, and shall be disciplined as the case may be, if they violate the laws and regulations. If the violation is held material, the Group will also pursue those responsible for civil and criminal liability to protect the Company and interested parties' interests and rights.

Furthermore, in order to fulfill the operating procedures and control highlights required under internal control and the internal audit systems of the Group, the Group expressly defines the authority of different staff through the standardized operating procedure, has upgraded the operating efficiency and accuracy, and established control points and firewalls for the various operations to prevent any internal abuse or corruption. In addition, the Group ensures the function and validation of various control points and checkpoints through a periodic internal control evaluation procedure. The Group will also continue upgrading internal information disclosure and transparency, and promote society's satisfaction and reliance on the Group's operations and services through fulfillment of the internal regulations for external environment supervision and the Professional Code of Ethics.

【 E-classroom on anti-bribe and anti-corruption and corporate ethics topics 】



The screenshot shows an e-classroom interface with the following details:

- Course Name:** [金控]101年度反賄賂貪污暨企業倫理課程(金控)
- Course Activity (Course Date: 2012/05/10 ~ 2012/05/31)**
- Activity List:**

活動名稱	學習紀錄
[金控]101年度反賄賂貪污暨企業倫理課程(金控)	已完成 00:20:07
[金控]101年度反賄賂貪污暨企業倫理課程(金控) 課程考試	已完成 檢視成績
[金控]101年度反賄賂貪污暨企業倫理課程-課後滿意度問卷	已完成 檢視問卷

Footer: ims.fhc@yuanta.com <元大e學苑服務信箱> | 如果您對於元大e學苑有任何問題，歡迎來信。謝謝! Professional • Powered by aE

(7) Maintain interested parties’ interests and rights

The Group adheres to the “Three Satisfaction and One Rest Assured” principle, in order to enable shareholders, customers and employees to be satisfied about the Group’s operation quality and performance, and enable the competent authority to rest assured of compliance with all requirements of the operation.



A. Shareholders’ equity

(A) Processing of shareholders’ disputes and suggestions

The Company’s website provides “corporate governance”, “investors relations”, and “message and calendar” facilities dedicated to providing investors with information. Email boxes, such as the “investor service” and “contact us”, are also available. Shareholders may raise questions via such diversified channels as phone or email. Dedicated staff will process all the various suggestions or disputes raised by shareholders.

Shareholder Meetings	
2012	
Annual General Meeting of Shareholders	
▶ 2012 AGM Minutes	
▶ Meeting Agenda	
▶ AGM Handbook	
2011	
Annual General Meeting of Shareholders	
▶ Chairman Yen's remarks at Yuanta's 2011 AGM	
▶ 2011 AGM Minutes	
▶ Meeting Agenda	
▶ AGM Handbook	

**(B) Investor conference**

In order to expand the services available to domestic and overseas shareholders, the Company is dedicated to maintaining information disclosure and transparency and engaging in two-way communication through attendance at domestic and overseas investor conferences and regular one-on-one meetings with institutional investors to ensure they understand the Company's long-term development strategy and financial or business overview and also to seek their suggestions and thoughts as feedback about the Company. The Company will then reflect on this feedback and pass it to the policy makers as reference for future decisions and Company strategy and orientation.

In 2011, the Company was present at 12 seminars organized by domestic and overseas large-scale entities including Morgan Stanley Securities, Deutsche Securities, Bank of America Securities-Merrill Lynch, BNP Paribas Securities, TWSE, UBS Securities, Credit Suisse Securities, JP Morgan Securities and Citigroup Securities as well as Non-Deal Seminars organized in Singapore, Hong Kong, Europe and the US.

(C) Dividend policy

In order to ensure shareholder equity and sustainable operation, the Company applies a balanced dividend policy. In principle, the allocable earnings after the retained earnings upon annual accounting are used to pay tax, cover previous losses, contribute to the legal reserve and special reserve. Remuneration to directors and employee bonus shall be no less than 80% of the retained earnings, including a cash dividend no less than 50% of the allocable earnings and stock dividend less than 50% of the allocable earnings. Given the said principle for the allocation of dividends, the Company may decide the most adequate dividend policy, and have the Board of Directors draft and execute an allocation plan upon the resolution of a shareholders' meeting.

Note: par value: NT\$10

		2009	2010	2011
Cash dividend (%)		9.000	0.000	2.000
Stock dividend	Dividend allocated from earnings (%)	0.000	9.173	0.000
	Dividend allocated from capital surplus (%)	0.000	0.000	0.000
	Total stock dividend (%)	0.000	9.173	0.000
Total dividend (%)		9.000	9.173	2.000

B. Customers' interests and rights

Customers are regarded as the Company's most important business support. In order to protect customers' interest and rights, the Group's subsidiaries defined and implemented the relevant requirements pursuant to the "Financial Consumer Protection Act" promulgated by the competent authority, and strictly implemented the non-disclosure measures with respect to the Group's customer information to maintain the customers' privacy and upgrade the safety of personal information.

(A) Protection of customers' information

The personal information of the Group's customers is stored securely in the data storage systems of the Company and under the safe and stable custody of persons commissioned by the relevant companies. The access to and use of the information is in accordance with the relevant requirements provided in the regulations governing access to information as defined by the Company.

With respect to the cross-selling activities generated from the business development among the Company's subsidiaries, the Company defines the "Non-Disclosure Measures Against Information of Customers of Yuanta Financial Holdings and its subsidiaries" which requires the adequate utilization of customers' personal information, fulfillment of non-disclosure of customers' information and maintenance of customers' privacy. If any customer wishes to change the information, he may file an application for change in writing or by phone, fax or on-line, or via any other channel agreed by the Company. If the customer rejects the Company's use of his information, he may also notify the business location that he traded with directly in writing. The Company will suspend use of the information as of the 7th business day upon receipt of the notice. Furthermore, the Company will amend the non-disclosure measures from time to time to deal with changes in the social environment and laws, if any, and disclose or post the measures on its website and in the manner designated by the competent authority.

The Company has entered into the written non-disclosure undertaking with the employees when hiring, and also expressly defined "Confidentiality", as well as the punishment clauses, in the Company's "Professional Code of Ethics", which serve as a basic discipline to be followed by the employees when they perform their business duties.

(B) Information safety management

In order to protect the privacy and integrity of customers' information, the Company complies with the relevant governmental laws and information management principles, and has acquired certification under the ISO27001 information safety management standard.



To ensure the effective operation of the information safety mechanism, the Company continues to organize information safety training programs to enhance the awareness of staff to safety. All transmissions of customers' information are encrypted and protected under the internationally certified SSL (Secure Socket Layer). The Company also introduces a protection mechanism and monitoring software to prevent unauthorized access. The Company has also established relevant countermeasures to any unexpected disasters to ensure that it may continue providing customers with safe and stable financial services even while a disaster situation persists.

In order to ensure the safety of data transmission, storage and utilization at the same time, the Group's sale representatives and websites at the customer end will further remind customers of the instructions to carry out on-line trading, personal computers, the prevention of fraud and misappropriation.

(C) Processing of customers' complaints

The Group's primary subsidiaries have defined the regulations governing the processing of customers' complaints. Customers may raise questions or provide suggestions via such diversified channels as a business location, the customer service hotline, Email, in writing or by fax. Upon receipt of the complaint, the relevant units will notify the responsible unit immediately and precisely control the progress of further processing.

(D) Product liability

The Company provides customers with diversified channels for consultation so they will be fully informed about changes in financial products and services. In addition, the Company organizes periodic training programs for personnel. Customers may access the full disclosure content on the Company website, the on-line trading system, posters, application forms, statements of account, email, voice mail, or make contact with sales representatives throughout the country to answer any questions they might have. Important Company subsidiaries have 24-hour service centers where specialists are available to resolve any doubts about products or services.

The Group will continue to provide customers with complete investment information, systematic financial product details and trading platform, and continue to research and develop new financial products and services. All the various financial products go through legal and other reasonable evaluation procedures prior to being put on the market. In addition, the contracts will fully disclose the risk to enable customers to understand their own interests and rights.



C. Employee' interests and rights

The Company's various HR management systems comply with all the labor-related laws and regulations to protect the legal rights and interests of employees. The Company will abide by the philosophy of sustainable operation and be dedicated to inspiring employee potential, training and encouraging promising talent to create a win-win situation between employer and employee by upgrading employee competitiveness and market value.

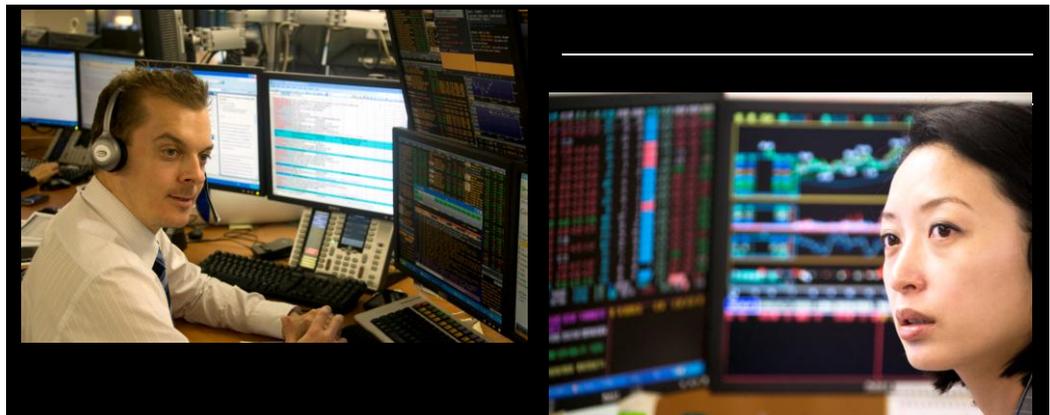
(A) Human rights

The Company defined a "Professional Code of Ethics" in 2007, which serves as a basic discipline to be followed by all staff in the performance of their business duties. The contents thereof include requirements related to routine operation practices such as attention to teamwork, compliance with the principles of honesty and good faith, equal employment and the prohibition of discrimination, respect for privacy, the prohibition of the communication of rumors, non-disclosure obligations, prohibition of insider trading and conflicts of interest, the prohibition of gifts, bribery and unjust enrichment. The Code is also posted on the Company intranet and the official website available for access by such interested parties as employees, shareholders and customers.

a. The building of an equal employment workplace

The Group has defined the Professional Code of Ethics to declare the respect of diversified society and prohibition of discrimination. In addition, the Code also requires that no discrimination shall take place due to gender, race, religion, political party, sexual orientation, job rank, nationality or age. The Company's staff must exert their expertise in a respectful, trustful, diversified, harmonious and equal workplace.

In 2011, no discrimination, employment of child labor, compulsory implementation of work assignment, or violation of employee benefits took place.



b. Prohibition of sexual discrimination

According to the Act of Gender Equality in Employment promulgated by the Government, the Company permits that employees may apply for menstrual leave, paternity leave, family care leave and parental leave without pay, and will assist employees to resume their employment upon expiration of the parental leave without pay.

Further, in order to prevent sexual harassment, the Company has defined the “Guidelines for Preventive Actions, Complaints and Punishment Against Sexual Harassment”, and also installed the sexual harassment hotline and email box, in order to strictly prohibit sexual harassment, sexual discrimination, violence or threat, and to build a workplace of gender equality.

c. Ensure the rights of the employee to be “well-informed”

Company employees may access information about Company regulations and systems and employee benefits and favorable treatment on the Company intranet. A unit dedicated to the posting of important daily news on a webpage accessible by employees has been established where knowledge and updates about industrial developments and important Company messages are posted from time to time. In addition, the Company sends important messages and information about group activities by email to give employees direct notice of different Company operations and enable their participation in these activities to create a friendly workplace.

(B) Relations and communication between employer and worker

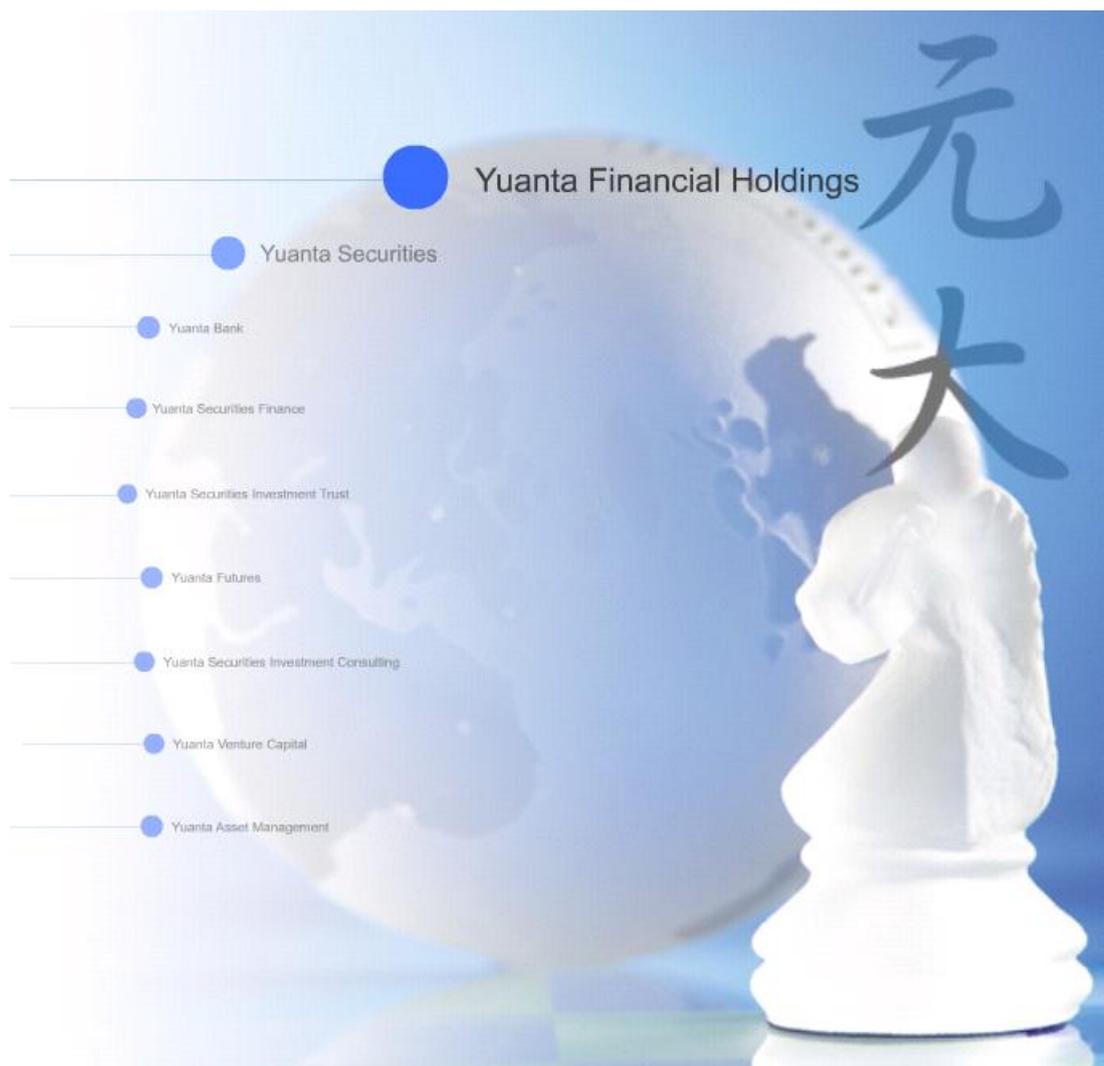
Since the Company was incorporated, it has complied with all the government and the labor-related laws and regulations as well as continuing to work hard to maintain a harmonious relationship between employer and worker. In order to protect employee rights and interests, the Company convenes a workers meeting on a quarterly basis. This meeting is attended by worker’s representatives and the employer, where open communication reaches common consensus and reduces operating risks. Employees may also express their own thoughts and comments at various meetings or via email to achieve open and clear communication to resolve problems effectively.

D. Government apparatus

The Company will conduct a general business audit at least once per year, and a special business audit on the Company and all subsidiaries every six months, and will work with the competent authority to conduct periodic or irregular audits.

The Company's operations will be conducted insofar as they comply with the law. The Company will work with the competent authority to propagate any relevant policy and decree, and provide a consultation service about the enactment of laws and regulations by attendance at hearings organized by the financial industry association and competent authorities. If it is necessary to ask the competent authority for explanations about any doubt about their requirements, the Company will open a fair communications channel with the competent authority.

In the case of changes to important domestic or overseas policies and laws, the staff of the Group department involved will analyze and evaluate the effect of this in advance, and adjust internal operating strategy or procedures so as to deal with the changes in a timely manner.



III. Customer Relations





III. Customer Relations

(1) Value service quality

1. Enhancing the information platform

The development of financial products has been booming in recent years. Diversified derivatives were created in order to meet different needs. The Group not only provides customers with diversified financial products and services to meet different needs, but also delivers customer orientation ideas in terms of products, channels, platforms, flow design and performance appraisal to increase customer satisfaction.

In order to upgrade Group service quality, training programs are regularly organized for the staff involved to enhance their competence in providing customers with omnibus and customized services. In addition the Group will launch considerable resources to integrate information platforms, the account opening operation, digitalization of customer data, the automatic output of a contract, the establishment of cross-selling platforms and enhancement of the function and speed of the different financial product trading platforms, and will also form an experienced research team for excellent and effective support of sales representatives at the front-end.

【Transaction platform in Yuanta】



Yuanta Securities

Yuanta Bank



Yuanta Futures

Yuanta Funds

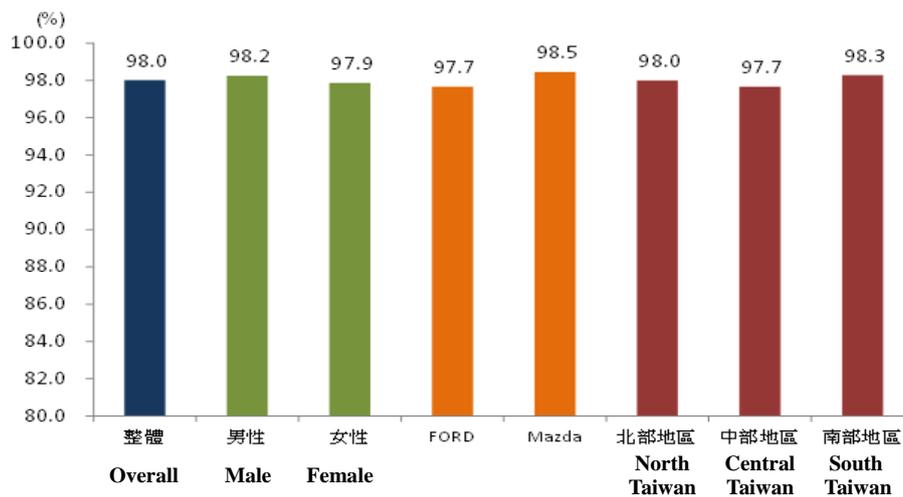


2. Customer Satisfaction Survey

From time to time the Group will query customers for their comments via first line sales representatives to verify their needs, and will respond and correct the customers' problems efficiently to provide the best service. Results from the periodic Customer Satisfaction Survey are specified as follows:

The customer service center at the bank conducts the survey on such routine items as "banking" and "credit card" operations as completeness of information, the efficiency of trouble shooting, the attitude of the service attendant, mode of explanation, overall satisfaction and interactive voice mail system. As a result, the survey result in 2011 showed that 90% of the customers were "very satisfied with" and "satisfied with" them. Significantly, customer satisfaction about the overall service of "car loan" was 98%, and 89% of the customers showed their willingness to refer friends and relatives.

【Customer satisfaction about the overall service of car loan was 98%】



The Group values the Customer Satisfaction Survey results highly and will review and correct the items held or suggested defective in order to keep meeting the customers' absolute satisfaction.



(2) Innovative services

After the opening of a financial market, the innovation of financial products and services becomes not only inevitable in the financial industry but the important impetus to an enterprise's growth and competitive advance.

The Group will keep developing diversified financial products and providing more convenient and repaid services, and will integrate the idea of “energy saving, carbon reduction and cost saving” into its operation management, so as to pursue the sustainable balanced development of the environment and the enterprise's operation. The Group conducted the following activities in 2011:

- 1 Released the bull/bear market warrants to deal with the competent authority's opening policy, and the Group is still the securities company with the largest issue and trade volumes.
- 2 Released the APP e-trading system and e-trading services for wealth management trust accounts, which makes it easy for customers to manage their securities and trust accounts.
- 3 Established the “channel operating system” for paperless account opening documents to simplify the opening procedures, save customers time and also reduce paper consumption.
- 4 Opened the “wealth management loan” operations to provide customers with the facility draw down upon demand by pledge of stock.
- 5 Dealt with the prevailing smart phones, to establish the “Mobile Network Bank” service platform and developed the mobile bank available to iPhone and Android Phones to enable fund control by the customer.
- 6 Provided customers with more professional financial services, the Bank also completed installation of the training classroom video system at primary branches throughout the country. The two-way video communication at conferences enhances competence and also reduces the energy and carbon emission of unnecessary transportation.



(3) Sponsorship and marketing activities

1. Sponsorship

- A. To celebrate the 50th anniversary of the group, the securities subsidiaries organized two charity blood donation drives in 2011, and donated NT\$14,100 thousand to the social welfare organizations throughout the country to help disadvantaged groups.
- B. A network platform dedicated to public welfare was installed. So far, the Group has entered into contracts with 24 public welfare groups including the Eden Social Welfare Foundation to provide charity donation channels. In 2011, there were 262 transactions amounting to a donated amount of NT\$349,740.
- C. The “bonus points turned into charity” service was introduced. The bonus points accumulated by bank credit cardholders and securities e-order placements may be donated to social welfare organizations including the Children Are Us Foundation, the Eden Social Welfare Foundation, the Chinese Fund for Children and Families/Taiwan, the Noordhoff Craniofacial Foundation Taiwan and the Taiwan Foundation for the Blind.

【Blood Donation at Yuanta 50th Anniversary】



【Bonus points turned into charity】



《至善基金會》紅利捐贈

▪ 純紅利 1,650點



《愛盲基金會》紅利捐贈
攜手一起幫幫『盲』

▪ 純紅利 1,650點



《家扶基金會》幫助貧困
兒童與家庭

▪ 純紅利 1,650點

2. Marketing activities

- A. Customers were invited to take part in the Lily Golf VIP Cup tournament organized by Yuanta.
- B. The securities subsidiaries were dedicated to promoting warrant trading and solicited customers for participation by organizing a number of events that included the “Yuanta Warrant Winner Lottery Competition”, the “Economic Daily News Warrant Holders’ Lottery Competition”, the “Dream Street No 57 Road Show for the Bull/Bear and Investor Warrant Seminars”, the “Weekly Bag for You for Yuanta Bull/Bear Warrant” and the “Yuanta Bull/Bear Warrant Lottery”, to boost the warrant market in Taiwan.
- C. The “Children’s Wealth Management Camp” was held by the banking subsidiaries in 2010 to introduce children to ideas about consumer banking and wealth management and to promote anti-fraud preventive action. It was well received and supported by parents. The banking subsidiaries organized another three rounds of the camp during the summer and winter vacations in 2011. Abundant resources provided by the Group made it easy for the children to learn good wealth and money management. They gained perspectives on money from the elaborate outdoors programs and interactive courses for parents and children designed by the banking subsidiaries.
- D. Several different kinds of favorable treatment programs for the Bank’s credit cardholders were arranged. “Visa Infinite” cardholders were provided with free business class seats for HSR, free superior rooms or gifts of tea-time snacks (for two) for accommodation at Landis Group hotels, and the buffet at Le Cafe of the Hotel Royal (buy one get one free). Visa and Master card holders were given 0.6~1.5% rebates.

【Children’s Wealth Management Camp】





IV. Employee Care





IV. Employee Care

The Company cares about the balanced physical and mental development of employees, encourages employees to cultivate diversified habits, and has introduced several different resources including training programs, group insurance, employee stock ownership trust and health inspection, to fulfill employee care and build an excellent workplace.

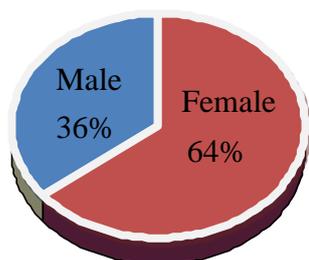
(1) Employment procedure

Group employees have to go through a test or qualification review procedure and may be hired only after approval. The Group also respects and protects the legal rights and interests of all employees.

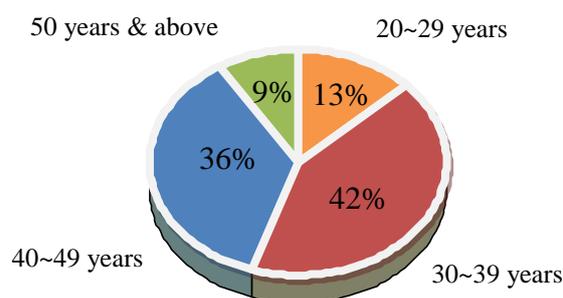
(2) HR structure

Group employees, categorized by gender, age, academic background and job duty on December 31, 2011 are listed below:

Active Employees by Gender		
Gender	Number	Proportion
Female	5,906	64%
Male	3,267	36%
Total	9,173	100%



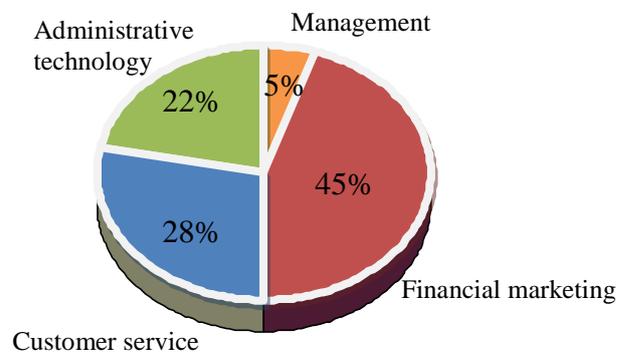
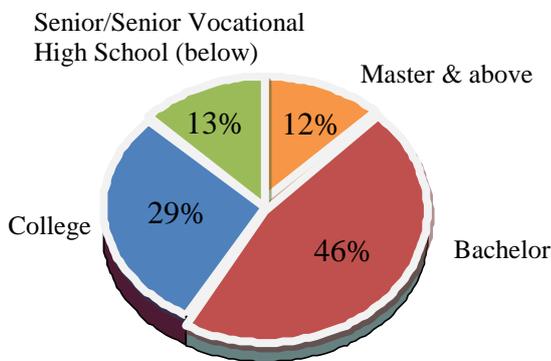
Active Employees by Age		
Age	Number	Proportion
20~29 years	1,206	13%
30~39 years	3,839	42%
40~49 years	3,324	36%
50 years and above	804	9%
Total	9,173	100%





Active Employees by Academic Background		
Academic Background	Number	Proportion
Doctorate	10	0%
Master	1,110	12%
Bachelor	4,205	46%
College	2,685	29%
Senior/Senior Vocational High School (below)	1,163	13%
Total	9,173	100%

Active Employees by Job Duty		
Job Duty	Number	Proportion
Management	453	5%
Financial marketing	4,130	45%
Customer service	2,580	28%
Administrative technology	2,010	22%
Total	9,173	100%

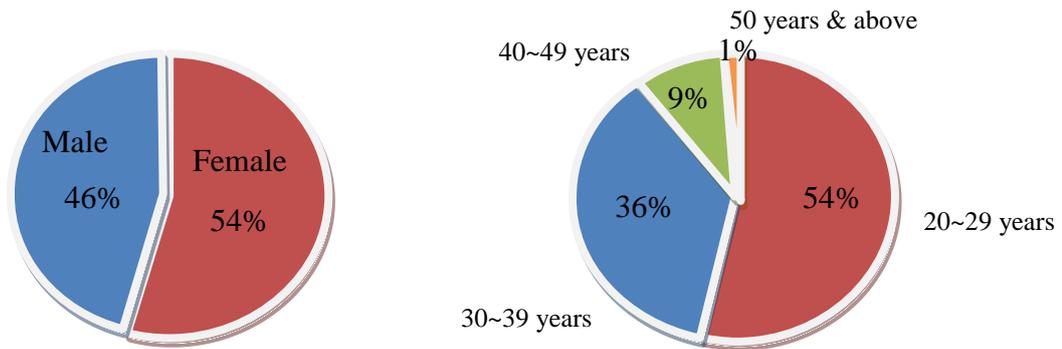


(3) Proportion and turnover rate of new employees

The number of new Group employees in 2011 was 666 persons, i.e., 7.3% of the total. The new employees, categorized by gender and age, are listed below:

New Employees by Gender		
Gender	Number	Proportion
Female	360	54%
Male	306	46%
Total	666	100%

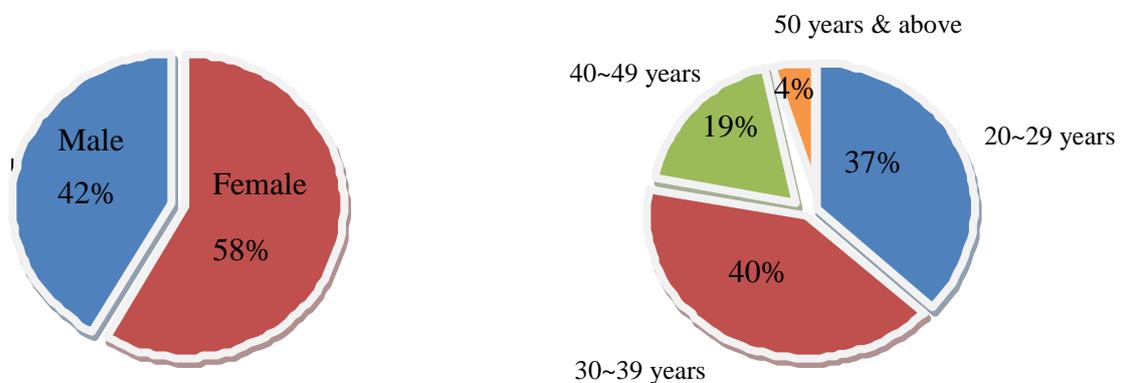
New Employees by Age		
Age	Number	Proportion
20~29 years old	356	54%
30~39 years old	242	36%
40~49 years old	61	9%
50 years old and above	7	1%
Total	666	100%



The turnover rate of the Group’s employees in 2011 was 10.1%. The resigning employees categorized by gender and age are described as following:

Resigning Employees by Gender		
Gender	Number	Proportion
Female	494	58%
Male	353	42%
Total	847	100%

Resigning Employees by Age		
Age	Number	Proportion
20~29 years	314	37%
30~39 years	345	40%
40~49 years	158	19%
50 years and above	30	4%
Total	847	100%





(4) Training and development

HR capital is the asset most valued by the Group and critical to the success of the Company in the creation of profit, maintaining the position as market leader and continuing sustainable operation.

The Group adheres to the spirit of “recruiting on the basis of intelligent ability”, and will plan the various HR developments comprehensively and in accordance with Company business strategy and development needs each year. This includes management competency training programs, employee competency promotion, and employee general competency enhancement to make it possible for all employees to exert their expertise adequately and develop together with the Company.

Blueprint for the Boosting of Training Programs					
Transferred Selected Voluntary	Organization strategy Business goals	Training plan Recruitment		Personal motive Development of potential	Ability Development Performance promotion Recruitment
	Staff member training plan	MA plan		International manager plan	
	Management Academy	Financial Academy		Life Academy	
	Competency Base IDP/Mentors / On Demand Learning Blended Learning (E-Learning + C-Learning)				
	Module program	Drill	After-class test	Project mission	
	Financial innovative programs	Risk management programs		Leadership programs	
	Personal performance record	Unit supervisor's evaluation		Project achievement	
Employee Performance Management	Personnel Promotion System		Succession Planning		

The statistics about the training programs attended by the employees throughout the Group in 2011:

	Number of courses (Subjects)	Number of trainees	Total time (hours)	Average training hours/per person
Physical programs	1,878	29,555	172,939	18.85
On-line programs	1,961	101,579	37,785	4.12
Total	3,839	131,134	210,724	22.97

1. Complete orientation training

In order to become familiar with business regulations and their own personal rights and interests, new employees must complete an orientation training program within one month of being hired. This includes such regulations and interests as company vision, the enterprise culture, management team and introduction to the organization, work rules, employee benefit and training development. Furthermore, the new employees will also take part in programs about laws and regulations such as anti-money laundering control and insider trade identification training, information safety promotion and labor safety and health training programs. Within three months of hiring, the unit supervisor concerned will arrange orientation and on-the-job training programs related to the business to be carried out by the employee and also activate the senior guidance mechanism to enable the new employee to gain thorough knowledge of their personal rights and interests as well as their job responsibilities. This training includes knowledge of the relevant laws and regulations and has been effectively adapted to the workplace in order to upgrade the retention rate of talent and enhance employee awareness of the laws and regulations.



In 2011, the physical and on-line programs related to Group orientation training included 479 subjects and 3,584 trainees attended. The total training time was 16,573 hours, and the average training hours per new employee was 24.89 hours (excluding the time used for on-the-job training and individual guidance).

2. Promotion of voluntary learning

To deal with the upcoming age of digitalization, the Group has introduced the “e-Learning Industrial Boosting and Development Plan” and established the “Yuanta e-Learning” digital platform in 2003. This was upgraded in 2010. In 2011, it was even extended to overseas subsidiaries to relax the limitations imposed by time and space on employee’s learning potential. The Group also provided 24 hour all year round learning resources and services to create a

voluntary learning environment for “borderless learning and learning as you wish”.

In 2011, the Group on-line programs included 1,961 subjects. The total number of trainees was 101,579. Total training time was 37,785 hours and the average training time per trainee was 4.12 hours.

3. Building diversified development channels

To deal with the intensive competition and business needs of the financial industry, the Company has built a diversified development mechanism. This includes different career training systems for management, professionals and sale representatives. Using on-the-job continuing education, talent training, transfer, and special designation, the employees are encouraged to develop their expertise, satisfy self-actualization and pursue excellence.

In addition, the strength of the group in diversified financial business encourages employees to apply for Company or intra-company transfer, or for transfer to subsidiaries to meet business needs. This effectively promotes the exchange of talent in the Group. This internal exchange and cooperation, and diversified employee development, duplicates and spreads successful experience.



4. A performance management system that integrates employee function and ‘growing together’ with the enterprise.

All Group personnel must take part in the mid- and year-end performance appraisals. The performance management system facilitates consultation between the executive officers and the employees so they might better define the work highlights and performance indicators for the current year based on the annual Top-down and Bottom-up reviews. It also makes it easy to review the progress and effect of the annual plan.

To ensure that employees retain their competitiveness and good performance, the Group urges departments and employees to attain the annual goals using the performance management system and also to provide professional

functional and management training programs, statutory financial certificate/license training programs, as well as expatriation training programs to satisfy employee needs and achieve good overall performance of departments and the enterprise, to achieve a win-win result for employees and the Group.



(5) Remuneration and benefit

1. Remuneration

The excellent operating performance of the Group relies on an excellent management team. To connect the personal job objectives of the employees with Company operating performance and recruit excellent talent, the Company's overall remuneration strategy is oriented towards performance. The Company not only designs a remuneration policy that is competitive in the market, but also shares the Company's operating results with the employees depending on their personal performance.

The base pay of all Group employees is gender nonspecific. The base pay ratio for Company male and female employees is 1:1. The Group also complies with all the related standard laws and regulations.

2. Employee benefits

The Company established the Employee Welfare Committee in March 2003, and contributes to employee benefits on a monthly basis. These benefits are kept and used by the Committee independently, and the Committee also defines the regulations for reimbursement to social clubs and encourages employees to organize clubs that are intellectually and physically helpful and that boost social activity. The Employees' Welfare Committee makes discount agreements with different suppliers for such items as food, clothing, housing, travel and amusement. The Committee also makes the latest information about any favorable arrangements available to employees via its intranet from time to time, to make employees happier.

The Company created the Supervisory Committee of Workers' Retirement



Fund in 2003 and reported establishment of the Committee to the competent authority pursuant to the law. The Company also defined the guidelines governing retirement and contributes to the retirement fund on a monthly basis. After the enforcement of the Labor Pension Act on July 1, 2005, the Company has contributed to the retirement fund under the new system, on a monthly basis, pursuant to the law and depending on the personal desire of each employee to have protection in life after retirement.

In order to encourage employees to save, the Company established the Employee Stock Ownership Committee in September 2003. Employees can deposit a specific amount on a monthly basis, and the Company contributes an equal incentive to enable employees to own Company stock and become shareholders. This arrangement gives the employee far more protection after retirement or resignation and the employees participation and values are vastly improved.

Other employee benefits:

Item	Remark
Employee bonus	To be contributed at the percentage decided by the Board of Directors pursuant to the Articles of Incorporation after approval by a shareholders' meeting, to enable employees to share Company operating performance
Year festival cash gift	NT\$3,000-5,000
Day care	Contract with Greenfield Children's Day Care Center and the Hess International Education Organization
Employee marriage, funeral, childbirth, hospitalization and emergency reimbursement	Employee marriage: NT\$3000 Childbirth (employee's spouse): NT\$3000 Hospitalization of employee or a dependent: NT\$3000-6000 Serious disaster suffered by employee or a dependent: No more than NT\$100,000 Funeral of employee or a dependent: NT\$2000-50000 Payment and reimbursement of scholarship for employee's children: NT\$1000-3000
Disclosure of auctioned houses and self-owned real estate.	
Employees' house and credit loan favorable projects and wealth management product service charge discounts.	

(6) Employee safety and care

1. Employee safety

In order to comply with Government safety and health laws and regulations, maintain employee safety and welfare, and achieve the goal of zero occupational accidents, the Company introduced various emergency response action plans and reporting measures. Regular safety and health promotion and training programs were introduced to monitor the safety and condition of facilities and equipment: fire protection safety inspection, drinking water safety inspection, CO₂ level and lighting inspection of office premises, fire protection drills, periodic safety inspections, the updating of building management systems, maintenance and cleaning of various public facilities, and all the requirements of the safety management policy for the employee workplace.

The Group also has a list of names of trained first-aid personnel and updates this information periodically. This information is available to employees, and training programs are organized for new and active first-aid personnel pursuant to the law, to ensure the expertise of all first-aid personnel.

2. Employee care

To maintain the physical and mental health and well-being of the employees, upgrade their medical knowledge, and prevent the outbreak of disease, the Group regularly organizes group health insurance, employee health inspections, health consultations and seminars. The Group also works with the Employees' Benefit Committee to support the six sport clubs: badminton, basketball, table tennis, Taichi, cycling and dancing, as well as the cooking, floral design, wine tasting and photography clubs. These activities enhance the employees' fitness and social interaction and boost the balanced development of work and leisure and improve employee happiness.

In 2011, 212 people attended the health seminars organized by the Group, and the total training time was 478 hours. The total amount invested in the various social clubs was NT\$2,063,594. All together 158 different dynamic and static activities were organized and were attended by 3,725 employees.





V. Environmental Protection





V. Environmental Protection

Global warming is becoming ever more serious and the Group, as a member of society, urges that energy saving and carbon emission reduction must not be ignored in routine operations. The Group has taken the initiative to implement energy saving measures in respect to personal routine matters and is promoting the importance of power, water and fuel saving, recycling, paper use reduction and green purchasing, and hopes to have everyone work together to achieve a low-carbon society.

(1) Well-founded office premises

The Company provides employees with well designed office premises to enable them to work in a clean, comfortable and healthy environment.

1. Unit dedicated to managing the environment

The Administration Committee of the Yuanta Financial Holdings Building will send dedicated personnel to maintain the cleanness and esthetics of the environment. The Group has never been fined or sanctioned for violation of the environmental protection laws and regulations. Incidentally, none of the land owned or managed by the Group is held to be a habitat and preserved area and therefore no damage is being done to the ecosystem.

2. Environmental cleaning and non-smoking environment

Smoking is strictly prohibited in the building. Personnel who wish to smoke must go to a designated outdoor area. Furthermore, environmental cleaning and sterilization will be performed periodically. In 2011 environmental protection expenditure totaled NT\$7.9 million.



Environmental protection expenditure (NT\$10 thousand) in 2011

Item		Amount
1	Environmental cleaning	699.4
2	Floor crystalline treatment	29.2
3	Garbage collection	29.4
4	Outer wall cleaning	27.3
5	Building sterilization	4.7
6	Rat extermination in the building	0
7	Water tower washing	2.4
8	Carpet washing	1.0
Total		793.4



(2) Power saving

1. Management measures

According to the statistics, the electricity consumed by air conditioners accounts 60% of the total power consumption, while that consumed by lamps and sockets for 40%. The following power consumption management measures have been implemented:

A. Air conditioner:

- (A) The room temperature must be preferably 26°C. The power saved per 1°C decrease is 6%.
- (B) Personnel who work overtime must turn on the unit for their own workplace and avoid turning on the air conditioners for the whole area.
- (C) The units in meeting rooms and storerooms must be turned off when the rooms are not in use.
- (D) The doors and windows must be kept closed to prevent movement of air through them when the air conditioner is in use.

B. Lamps and sockets:

- (A) If personnel need to leave their desks for a long time, they must turn off the lighting in the area where they work. When all the personnel leave after work the lighting in the entire area must be turned off.
- (B) The power to personal devices, such as computers and monitors, must be turned off after work to avoid long-time standby and to save power.
- (C) The lighting in pantries and toilets must be turned off after use during overtime hours to save power.

C. OA equipment:

- (A) Terminal: If the computer is not to be used for a long time, the main power must be turned off to save power and avoid long standby times.
- (B) Copy machines and fax machines:
 - a. It is important to set the size and number of document copies before starting to avoid invalid copies and save paper and power.
 - b. Set the mode so the machine will go to standby automatically in 5-15 minutes after you have finished.
 - c. The main power, and the power of peripheral devices, of any electronic appliance or equipment which is not in use for a long time must be turned off.

D. Elevator:

Are categorized into those for odd-numbered floors and even-number floors. Only elevator is available during off-peak hours and non-working days. Employees are encouraged to use the stairs to walk more and take the elevators less.

2. Result

Comparative power consumption per person per month at Yuanta Financial Holdings in the most recent two years (2010 & 2011)

Item	2010	2011	Increase (decrease) %
Average power consumption per person per month (degree)	516	488	-5.43%
CO2 emission (kg)	820	796	-2.93%

CO2 emission calculated in the following manner: 1 degree=1.572kg(2010.1~2010.5)
 1 degree=1.605kg(2010.6~2011.5)
 1 degree=1.633kg(2011.5~2011.12)

Source of data: Taiwan Power Company

(3) Water saving

1. Management measures

- A. All the toilet bowls in the Building have two-step flushing valves and the urinals have flow sensors. The valves and sensors are both green mark products.
- B. The faucets in the restroom have flow timers with the water-conservation mark. The faucets in the pantries are all of low-capacity and signs depicting water conservation are posted nearby to remind all personnel to save water.
- C. The Building is equipped with a rain cycling system. The collected rainwater is used for toilet and urinal flushing and watering the plants in the open areas of the Building.
- D. The wastewater treatment facilities of the Building include wastewater treatment tanks and exclusive sewage. The sources of wastewater include the rest rooms and garbage on concrete. The drainage pipes lead to the wastewater treatment facilities at B5 and the exclusive sewage at 1F to comply with the requirements under the environmental protection laws and green building code.

2. Result

Comparative water consumption per person per month at Yuanta Financial Holdings in the most recent two years (2010 & 2011)

Item	2010	2011	Increase (decrease) %
Average water consumption per person per month (degree)	1.00	1.00	0%
CO2 emission (kg)	10.07	10.16	0%

CO2 emission calculated in the following manner: 1 degree=9.98kg (2010.1~2010.9)
 1 degree=10.16kg (2010.9~2011.12)

Source of data: Taipei Water Department

(4) Fuel saving

1. The Company arranges six shuttle bus trips, for travel to the primary office buildings, per day. If personnel are going out for business or to attend meetings at the same time, they should take the bus together to save time spent in taking separate transportation and also to reduce environmental pollution.
2. In order to provide clients with more professional financial services, the Group has established the “Yuanta e-Learning” digital platform dedicated to boosting the digital learning plan throughout the Group. The Bank has also completed the installation of video systems at training classrooms and primary branches throughout the country to enhance employee expertise and effective communication using revolving technology that will help to reduce the burden on the environment from transportation when employees are working hard.

(5) Recycling and paper reduction

1. Management measures

The pantry on each floor of the Building is equipped with classified garbage cans, and the garbage on concrete is installed at B5 where garbage carts are centralized and garbage is re-classified throughout the Building. The premises are cleaned and washed every day. There are measures for the promotion of garbage classification and recycling, including:

- A. The use of glass or ceramic cups to replace paper ones to reduce the consumption of paper;
- B. Set double-sided printing to save paper;
- C. Print non-official documents on used paper as far as possible, and waste paper can cut into pieces to serve as notepaper;
- D. Make good use of emails, e-DM or e-bulletin to replace paper documents;
- E. Reuse envelopes and envelope bags;
- F. Apply solution products, such as glue or correction fluid, less;
- G. Use refillable ballpoint pens or fountain pens more;
- H. Classify the office garbage into general, recycled and waste food;
- I. Used batteries, which will poison the environment, must not be placed with general garbage, but must be recycled by convenience stores or malls;
- J. Use environmental protection chopsticks when dining outside;
- K. Use napkins less and handkerchiefs more.

2. Results

Statistics for recycling by Yuanta Financial Holdings in the most recent two years
(2010 & 2011)

Statistics for Recycling (kg)					
Year \ Item	Aluminum	Iron	PET bottles	Paper	Waste food
2010	28.5	385	450	11,100	1,764
2011	30	369	595	11,680	1,895
Increase (decrease)	+1.5	+16	+145	+580	+131



環保餐具勤使用，舉手之勞作環保
有毒物質免下肚，你我健康身體好

為維護您的健康與愛護地球，建議多使用自備環保餐具，並請盡量減少使用免洗餐具。

企業社會責任工作推動中心 敬啟

Use environmentally friendly tableware to protect the environment, keep away from toxic substances and maintain your health and that of others.

In order to maintain your health and care for the planet, we suggest that you use environmentally friendly tableware more and try your best to use disposable tableware less.

CSR Promotion Center

3. The Group is also dedicated to boosting a paperless “statement of account” and “annual report”. The details are as follows:

A. Paperless statement of account

The securities subsidiaries, ahead of all its competitors, has introduced the paperless statement of account for comprehensive business, and is also working hard to promote the advantages of the application for e-statement of account to customers via the subsidiaries’ website, trading systems, paper statement of account and sales representatives. Meanwhile, the subsidiaries continue to develop new systems and promote new activities to upgrade the utilization of the e-statement of account. The implementation results are as follows:

Unit: Number of household

Subsidiaries	2011	2010	Increase (decrease) %
Securities	107,955	90,487	+19%
Banking	19,254	15,826	+22%
Investment consulting	106,777	61,159	+75%
Futures	86,665	71,342	+17%

B. Paperless annual report

The size of the annual report 2011 will be reduced and printed using environmentally friendly paper and ink. It is anticipated that there will be 763 Chinese and 267 English copies. This is 143 and 38 copies fewer than in 2010.

(6) Green procurement

1. Management measures

The Group carries out all the various procurement projects through fair and transparent price negotiation. To avoid trading with unethical suppliers, the Group has defined the internal procurement contract authorization and approval checklist, and also includes clauses about a professional code of ethics into the contracts. In addition, the Group also asks collaborative suppliers to sign the written ethics statement to reduce procurement risks.

The Group promotes the idea of “green procurement” to colleagues in emails, including a definition of green procurement and promotion of procurement of green products under the environmental protection mark as a first priority, and also provides information related to training programs and the exchange of procurement personnel.

2. Results

The Group’s green procurement amounted to more than NT\$24,140,000 in 2011, and the Group was cited as the “Most Admired Green-Procurement Entity” by the Mayor of Taipei city.



VI. *Social Participation*





VI. Social Participation

Yuanta Financial Holdings adheres to the spirit of “What is taken from society, should be used for society”, and a budget has been provided for donations to fulfill their corporate social responsibility via the Yuanta Foundation. This is oriented towards “Care for Public Welfare/Social Education”, “Academic Grants/Cultivation of Talents” and “Promotion of Arts/Cultural Education” when organizing educational activity. In 2011, a total of 127 different activities were held and more than 2 million people attended the functions.

The Yuanta Foundation activities for 2011:

Three Major Orientations	Percentage	Remark
Care for Public Welfare/Social Education	55%	In 2011, Yuanta organized a total of 50 public welfare activities and 20 road shows for health promotion. These were dedicated to helping disadvantaged groups learn and build their self-confidence at an equal starting-point in life and enable them to pursue their dreams independently. Yuanta believes that “education” is the best way to improve the lives of disadvantaged children and help make their dreams come true. It has also helped more than 10,000 children and families in 2011.
Academic Grants/Cultivation of Talents	29%	In 2011, Yuanta organized a total 37 talent cultivation activities, and more than 5,000 people attended.
Promotion of Arts/Cultural Education	16%	In 2011, Yuanta promoted 20 art & culture activities, and spoke for the arts in Taiwan all together to a million people.
Total	100%	In 2011, Yuanta organized a total of 127 activities, and more than 2 million people attended.

The Yuanta Foundation will inform employees throughout the Group of the contribution and feedback made by Yuanta in the monthly Group publication.



Care for Public Welfare/Social Education

To provide more direct assistance to the economically disadvantaged in society, the Yuanta Foundation spared no effort in the promotion of public welfare activities in their desire to contribute more to society. In 2011, the Foundation promoted multiple public welfare activities oriented toward “education”, to raise the competitiveness of disadvantaged children with others and to enable them to pursue and practice their own dreams. The “Dream High” Program was based on this idea.

In 2011, the Yuanta Foundation organized a total of 50 public welfare activities and 20 road shows for health promotion dedicated to helping more than 10,000 children and families. These activities are described as follows:

Sing Out the Taiwanese Touching Life Impact and let the World hear your voice from Jade Mountain



Care for disadvantaged children is a very important part of the public welfare activities promoted by the Yuanta Foundation. The “Dream High” Program provides assistance to disadvantaged school children directly, and also values the chance for them to demonstrate their talents and attempts to build their self-confidence and ability to change their status and pursue a brilliant future. Given this, the Foundation sponsors the talent training courses organized by the Taiwan Fund for Children and Families and supports Vox Nativa Taiwan permanently, to help these children develop in many different aspects.

The “Taiwan Aboriginal Children’s Chorus”, established in 2008, was invited to perform at the inauguration ceremony of the Taiwan Pavilion at the Shanghai World Expo 2010 and amazed the world. It was referred to as the “Taiwan Vienna Boys Choir”. In October 2011, the children were again invited to perform at the Formosan National Celebrations. In 2011, Yuanta helped the chorus record the musical album entitled “The Meeting of Bunun and the God” and raised funds to support these wonderful voices with physical initiatives and enable them to move towards a brilliant future.

The "Dream High" Program helps disadvantaged children grow and pursue their Dreams



The "Dream High" Program was initiated by Yuanta in 2007. It is a long term in-depth public welfare activity. The Program is intended to provide intellectual guidance to disadvantaged children and raise their circumstances for the receipt of further education, and at the same time provide them with mental care. The Foundation is very careful about choosing its partners and hopes that they are able to provide such services as teaching, after class follow-up and visits and guidance, as well as providing these rural pupils with comprehensive care.

The Program also includes the important idea that a disadvantaged child should be able to learn without interruption. A lot of disadvantaged students in the rural areas are unable to continue their education for financial and domestic reasons and may easily be misguided. Many students who perform very well at school often cannot keep up with others. Some may drop out for economic reasons or because there is a lack of support from their family, even after they have passed the entrance examinations for senior high school.

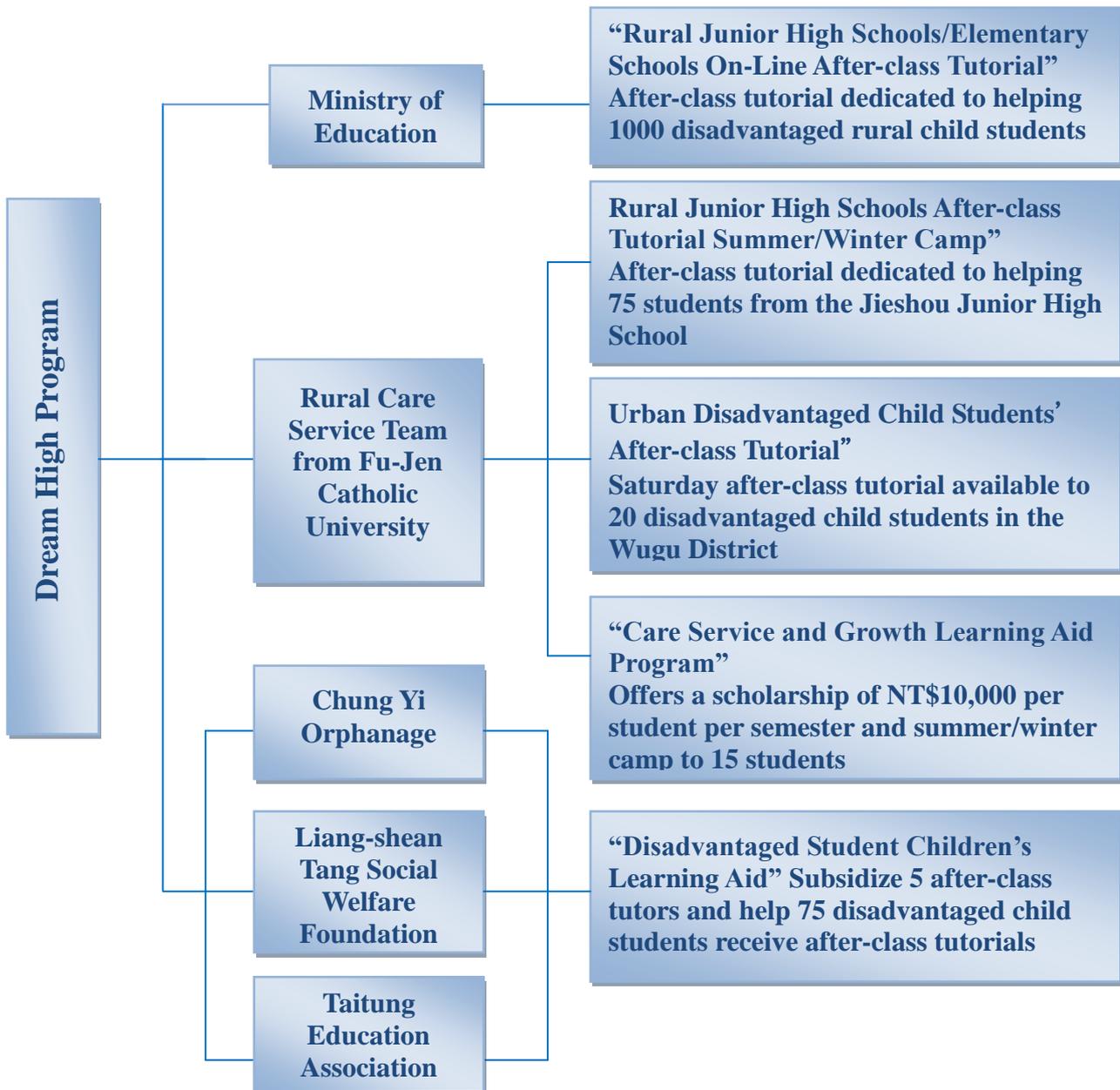
To enable some of the students who have received the after-class tutorials continue their education, the Foundation works with a team from the Fu-Jen Catholic University to subsidize 15 of these students. They are each granted a scholarship of NT\$10,000 per semester, after a careful in-depth survey and referrals by the schools,



to help them complete their education. Since these students need to leave home for their further education, the Foundation’s guidance extends to their new schools and care for their studies and living continues.

These diversified educational activities by the Foundation not only provide disadvantaged young students with direct economic support, but also have an indirect affect on their intellectual development. A lot of students who have received support from the Foundation send thank you notes to the Chairman of the Foundation, Ms Judy Tu, and offer their services as volunteer workers in the hopes of passing the assistance they received in childhood over to other children who need help. This meaningful and positive act is one of the forces that drives the “Dream High” Program.

Dream High Program Chart



Health Management Activities for Liver Disease Prevention to call on the public to Care About Their Own Health



The living quality of the people is getting better and better. However, there is still a huge gap between the urban and rural population's ideas about health. To promote the awareness of liver disease, encourage liver disease screening, ensure that liver disease patients discover the problem and start treatment early, and also remind everyone of the importance of liver disease prevention, Yuanta sponsored the Liver Disease Prevention & Treatment Research Foundation. Three rounds of "Inflammatory Liver and Liver Cancer Screening" were done: in the Houkou Township of Hsinchu County, the Puxin Township of Changhua County and the Memorial Museum of Dr Suen. Yuanta sent a total of 150 volunteer workers to serve 12,000 civilians.

Good Neighbor to Protect Children



To provide children with a healthy and happy environment and allow them to grow healthily and become “pillars of the state”, the Foundation worked with the Chinese Fund for Children and Families/Taiwan to organize a series of activities: the promotion for “Good Neighbor to Protect Children” persisted for many years and assisted in the establishment of the children’s home of the Yilan Branch Office and the Chinese Fund for Children and Families/Taiwan, which help children grow in safety and act positively.

The Chinese Fund for Children and Families/Taiwan has promoted the “Good Neighbor to Protect Children” program for many years. It spread the idea “Don’t (Bi) Beat Children” through all the subsidiaries of Yuanta Financial Holdings, and also built an environment in which children can grow in safety by virtue of producing shopping bags, posters at business locations, and the placement of DM. The Program had helped 18,000 abused children by 2011.

Academic Grants/Cultivation of Talents

Education has a profound effect on the development of a nation. The Yuanta Foundation not only focuses on the tutoring of children but also cultivates talent through academic activities and competitions such as the summer vacation project/paper study scholarship program and Yuanta Cup EMBA Inter-school Case Study Competition. Yuanta is also very concerned about the development of the financial market and fully supports the relevant domestic sessions e.g. the 19th Conference on the Theory and Practice of Securities and Financial Markets and 2011 Taiwan Financial Association Annual Meeting and Financial Academic Paper Seminar. To enable Taiwan to keep up with the international trend, Yuanta also sponsored the World Economic Forum and invited the economist and Nobel Laureate, Phelps, to give a lecture in Taiwan. The aim being the raising of Taiwan's global competitiveness.

In 2011, Yuanta organized a total of 37 different academic and talent cultivation activities, and more than 5,000 people attended:

Provide Graduate Students of Universities/Colleges with Summer Research Project Scholarships



In order to offer excellent domestic students the chance to integrate their expertise with practice, adapt to the workplace efficiently, and exercise their expertise, the Yuanta Foundation has offered a summer research project scholarship since 2007 in which outstanding domestic graduates are recruited to practice the study of financial issues at the Group's units over the summer vacation (July and August). The results of the research project are released after the students have completed the work. The Foundation also awards scholarships of NT\$40,000. By 2011, 13 students from the National Taiwan University, the National Chengchi University and the National Chiao Tung University had completed this practice work and 13 project research reports had been released.



Upgrading the Chinese Business Administration Research Area and Enhancing the Interchange Between Domestic and Foreign Academic Circles and Industrial Sectors



【Yuanta-Cup EMBA Inter-School Case Study Competition】

In order to give the public a more complete picture of EMBA and provide EMBA students with an environment in which they might exert their expertise, the Yuanta Foundation has held this academic competition since 2006. In the past five years, it has expanded from a platform dedicated to sharing domestic management cases to an exchange platform for Chinese enterprise elite around the world to increase the interchange and interaction between domestic and foreign business management scholars and high ranking company management.

The “Yuanta Cup EMBA Inter-school Case Study Competition” 2011 invited EMBA 9 League (National Chengchi University, National Tsing Hua University, National Chiao Tung University, National Central University, National Chung Hsing University, National Chung Shan University, National Chung Cheng University, National Cheng Kung University and National Taiwan University of Science and Technology) to take part in the competition. Remin University of China, Shanghai Jiao Tong University, Shanghai Advanced Institute of Finance, the Chinese University of Hong Kong and National University of Singapore were invited as observers to raise the competition to an EMBA level event for Chinese world-wide and build a non-replaceable professional identity for the Yuanta Cup in the industry. Incidentally, the eight winning teams of the Yuanta Cup in 2011 donated their prizes to disadvantaged groups.

【The National Taiwan University works with the Remin University of China to Develop Study Cases on Enterprises】

Given that Chinese influence around the world is becoming more profound, the academic circles of both East and West are exploring Chinese enterprises more often. Considering that EMBA still uses model cases from western countries for analysis and teaching, in order to raise the level of domestic management science and to enable more people to learn about successful Chinese enterprise cases the Foundation supported cooperation between the National Taiwan University and the Remin University of China. The two universities worked together for five years to develop case studies on 50 Chinese enterprises. These were published in Chinese, which enabled more local perception of the management characteristics of Chinese enterprises. In 2011, the National Taiwan University developed case studies on 5 enterprises including the Wang Group, Daphne, Les enphants, the ShareHope Medicine Co Ltd and the New Wide Group. The Remin University also developed case studies on 5 enterprises including the Six Plus Group, TBEA, Tangshan Huida, VANCL and SH Holiday. The two universities worked together to develop case studies on 10 other enterprises in the first year of cooperation.

Invitation to economist and Nobel Laureate Phelps, to Lecture in Taiwan



The Yuanta Foundation is used to supporting the financial and economic sciences and paying attention to domestic and foreign financial development. The foundation spares no effort to develop Taiwan’s economy through sponsorship of associated financial sessions and was the exclusive sponsor of the “2011 Global Elite Forum”, inviting the economist and Nobel Laureate Edmund S Phelps, to lecture in Taiwan. The Forum conducted in-depth analysis on the international economic situation and also explored the orientation of global economic development in talks between industrial, academic and government leaders and the international master.

Taiwan Financial Association Seminar

The world has learned a lesson since the outbreak of the financial tsunami in 2008. After that, the financial industry upgraded control over risk and maintained the highest vigilance in order to prevent another such disaster. The Yuanta Foundation also plays a role dedicated to assisting Taiwan to develop finance, and works together with the government, financial and economic scholars, and others in the financial field through sponsorship of financial seminars.



The “2011 Taiwan Financial Association Annual Meeting and Financial Academic Paper Seminar” on the “New Model After the Global Financial Crisis”, included many high ranking participants from the management of renowned domestic and foreign financial organizations, as well as other experts and scholars. The participants presented their papers and gave lectures, and also offered comments on issues such as the analysis of status and orientation, to give all the participants a complete picture of the harm caused to the global economy by the financial crisis.

Promotion of Arts/Cultural Education

The domestic cultural and creative industry has been aggressively boosted in recent years, to cultivate cultural enrichment through many diversified art and cultural activities. The Yuanta Foundation not only supports art and culture activities passionately but also invites disadvantaged groups to watch various art exhibitions and drama shows. For example, it organized the Young at Heart: Grandma Cheerleaders show, inviting disadvantaged children from New Taipei City to watch the stage drama “Cross Encounters Confucius”, the Rural Care Service Team from Fu-Jen Catholic University was also invited to watch the Work No 3 (Re/turn) of Eslite Spring Stage. The First Mile Kid Smile was also sponsored by the Group.

In 2011, Yuanta has promoted 20 art and culture activities, and spoke for arts in Taiwan together with one million people. The activities were as follows:

First Mile Kid Smile_319Kidsmile



The “Dream High” Program raised the academic competitiveness of young rural students and the “Yuanta Art and Charity Banquet” provided an entrance to arts for these rural children. The “First Mile Kid Smile” spent five years visiting 319 townships in Taiwan to give rural children a chance to watch a fine art and culture activity. The idea of this matched the ideals of the Foundation exactly. On December 3, 2011, the final show was held at the Wanli Elementary School, New Taipei City, the destination of its road shows, which attracted 800,000 people and became an important activity for the arts to take root in the rural areas of Taiwan.

Work No. 3 (Re/turn) of “Eslite Spring Stage”

The “Yuanta Art & Charity Banquet” and “High Dream” programs have the common core idea of giving the rural child students a better chance to create a brilliant future through intelligent education or esthetics. The Foundation would be very happy to see any positive effect these young people’s lives:



2011 “Re/turn” of Eslite Spring Stage initiated the opening of “Yuanta Art and Charity Banquet”. To extend their appreciation to their partner in the “Dream High” Program, the Rural Care Service Team from Fu-Jen Catholic University, the Foundation invited the volunteer workers from Fu-Jen Catholic University to watch the show, in hopes that these volunteers would enjoy the art and esthetics and communicate their feelings to the child students they are guiding.

”Dancing with John Strauss” – the Yuanta Financial Holdings New Year Concert



The Yuanta Foundation is used to taking the integration of public welfare activities and performance art as a first priority when boosting art and culture. The Evergreen Symphony Orchestra organized the “Dancing with John Strauss” – Yuanta Financial Holdings New Year Concert at the National Concert Hall. The Foundation donated the proceeds from concert tickets to the “Arts Promotion Association for the Disabled”, and also provided the Association with concert videos for their charity bazaar, hoping that they would continue to help those disabled who are gifted in music to engage in performance art. Not only to create employment opportunities for them but also to help them gain confidence for life.

Blood Donation At



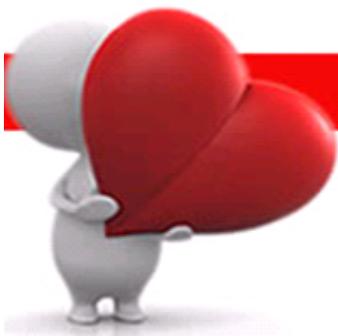
Yuanta 50th Anniversary



Feed Society Back with Love – Initiate Blood and Fund Donation

Blood Donation at Yuanta 50th Anniversary

It has been five decades since Yuanta Securities was incorporated. At the 50th anniversary, Yuanta Securities initiated the “charity fund donation” to help the local social welfare organizations throughout the nation, and urged employees to take part in the “charity blood donation” for public welfare. It fed back to society enthusiastically to promote Yuanta’s spirit.



For more details, please visit http://www.yuanta.com.tw/post/50web/50_index.htm

	<p>Date: August 23, 2011</p> <p>Awarded to: Taichung County Dajia Zhen Qian Charity Association</p> <p>Remark: The Association is a standard community association dedicated to promoting philanthropy and mutual aid, advocating social welfare and boosting the national security, caring for the disadvantaged groups, serving the social public and advancing members' mutual aid and friendship.</p> <p>Photo: Chairman of Taichung County Dajia Zhen Qian Charity Association, Lu Shu-Mei (left) and Yuanta Securities, Dajia Branch, Assistant President Wang Guei-Hsiang (right)</p>
	<p>Date: August 17, 2011</p> <p>Awarded to: Sunshine Social Welfare Foundation</p> <p>Remark: Friends who suffer from physical defect because of any accident or congenital deformation have to tolerate more pressure than the general public. Yuanta Securities is dedicated to encouraging these friends via Sunshine Social Welfare Foundation. Without doubt, Sunshine will make the life of many persons become brilliant again.</p> <p>Photo: Yuanta Securities, Bate Branch, Assistant President Wang Ching-Yi (left), and Sunshine Social Welfare Foundation, Director Wang Chun-Sheng (right)</p>
	<p>Date: August 19, 2011</p> <p>Awarded to: Kaohsiung Red Cross Nursery Center</p> <p>Remark: The Center was founded based on the idea claiming "Lighting Up a Little Candle Prevails Over a Dark Curse" and dedicated to taking care of abandoned infants, orphans and homeless children, etc.</p> <p>Photo: Assistant Manager Chuang Yu-Mei and Assistant Manager Su Hsiao-Pei of Yuanta Securities, Zhouying Branch, President Chiu Ying-Hsiang of Red Cross Nursery Center, and Assistant Manager Chao Chi-Teh of Yuanta Securities, Zhouying Branch with the children of the Center</p>
	<p>Date: August 16, 2011</p> <p>Awarded to: Childhood Burn Foundation of the Republic of China</p> <p>Remark: Mackay Memorial Hospital and Grand Lodge of China co-founded the "Childhood Burn Foundation of the Republic of China" to work with the hospitals equipped with burn centers, dedicated to helping burned children receive adequate medical treatment, boosting the care for burned children from all circles, and helping burned children together.</p> <p>Photo: (from left to right) Chairman Chao of Rotary Club, CEO of Childhood Burn Foundation of the Republic of China, Huang Huei-Fan, Manager Liu Rong-Tsai of Yuanta Securities, Tun Hsin Branch</p>
	<p>Date: August 19, 2011</p> <p>Awarded to: Faith, Hope & Love, Center for Children and Adults with Disabilities</p> <p>Remark: The Center provides physically and mentally disabled children of preschool age and school age in Taichung County with early phase nursery and training, and also provides physically and mentally disabled adults with orientation training and community inhabitation services.</p> <p>Photo: Assistant President Hsia Wei-Chieh of Yuanta Securities, Zhongzhen Branch and Director Huang Li-Ching of Faith, Hope & Love, Center for Children and Adults with Disabilities with the children of the Center</p>

For more details, please visit http://www.yuanta.com.tw/post/50web/50_index.htm

GRI G3 Guidelines

GRI Indicator		page
1	Strategy and Analysis	-
1.1	Statement from the most senior decision-maker of the organization.	2
1.2	Description of key impacts, risks, and opportunities.	10
2	Organizational Profile	-
2.1	Name of the organization.	Overview of Report
2.2	Primary brands, products, and/or services.	7
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	7
2.4	Location of organization's headquarters.	7
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	7
2.6	Nature of ownership and legal form.	7
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	7
2.8	Scale of the reporting organization.	7
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	7
2.10	Awards received in the reporting period.	14
3	Report parameters	-
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Overview of Report
3.2	Date of most recent previous report (if any).	Overview of Report
3.3	Reporting cycle (annual, biennial, etc.)	Overview of Report
3.4	Contact point for questions regarding the report or its contents.	Overview of Report
3.5	Process for defining report content.	Overview of Report
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Overview of Report
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Overview of Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	7
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	None
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	None
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Overview of Report
3.12	Table identifying the location of the Standard Disclosures in the report.	81
3.13	Policy and current practice with regard to seeking external assurance for the report.	None
4	Governance, commitment and participation	-
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	9
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	8;17
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	17
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	20

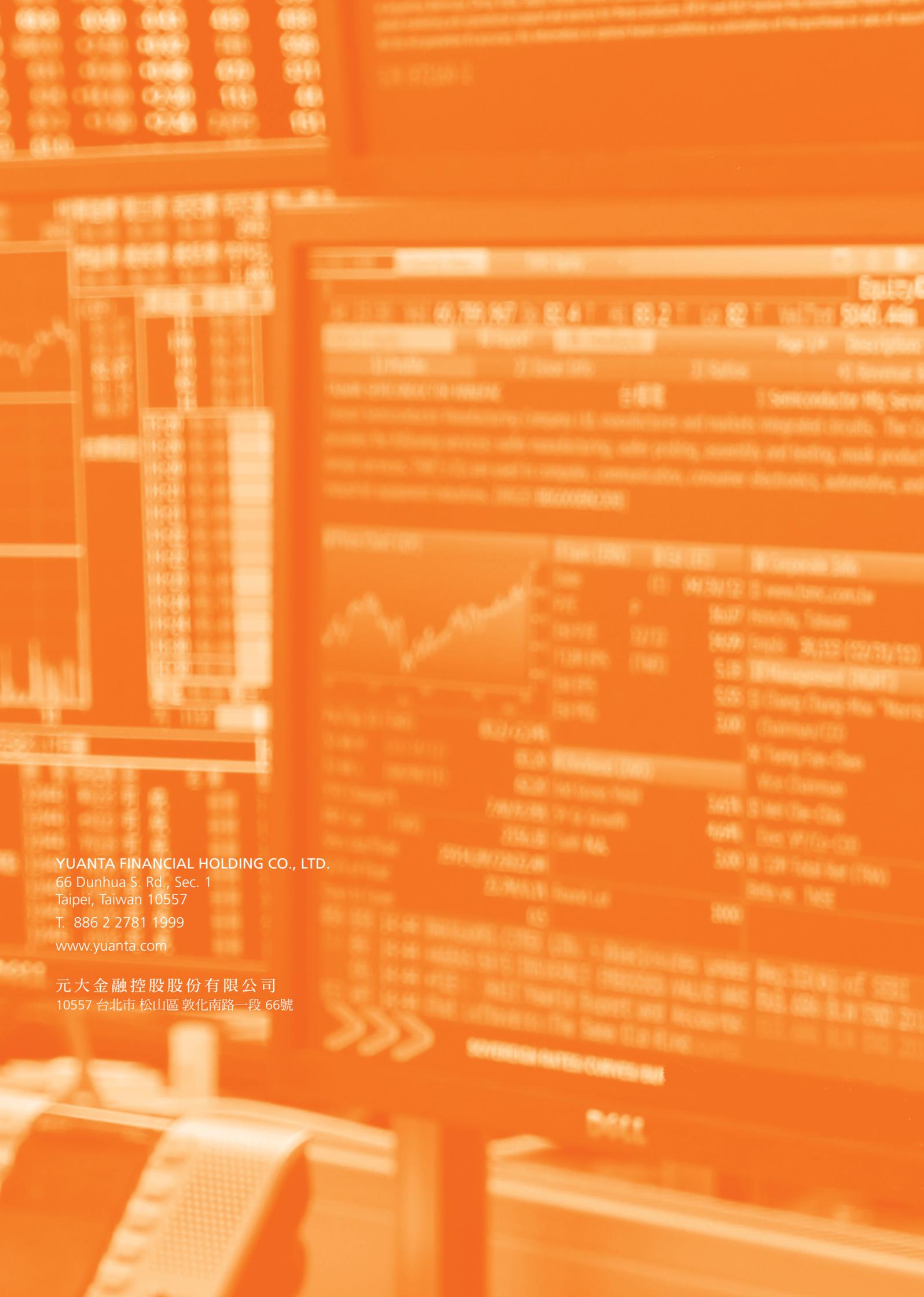


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4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	20
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	18;21
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	17
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	25
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	22;25
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	20
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	21
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	None
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	34
4.14	List of stakeholder groups engaged by the organization.	27
4.15	Basis for identification and selection of stakeholders with whom to engage.	27
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	27
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	27
Economic performance indicators		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	13;28
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	12
EC3	Coverage of the organization's defined benefit plan obligations.	28
EC4	Significant financial assistance received from government.	None
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	51
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	NA
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	45
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	63
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	63
Environmental performance indicators		
EN1	Materials used by weight or volume.	NA
EN2	Percentage of materials used that are recycled input materials.	NA
EN3	Direct energy consumption by primary energy source.	58
EN4	Indirect energy consumption by primary source.	58
EN5	Energy saved due to conservation and efficiency improvements.	58
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	NA

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EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	58
EN8	Total water withdrawal by source.	59
EN9	Water sources significantly affected by withdrawal of water.	NA
EN10	Percentage and total volume of water recycled and reused.	59
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	None
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	None
EN13	Habitats protected or restored.	None
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	None
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	None
EN16	Total direct and indirect greenhouse gas emissions by weight.	58
EN17	Other relevant indirect greenhouse gas emissions by weight.	58
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	58
EN19	Emissions of ozone-depleting substances by weight.	NA
EN20	NOx, SOx, and other significant air emissions by type and weight.	NA
EN21	Total water discharge by quality and destination.	NA
EN22	Total weight of waste by type and disposal method.	60
EN23	Total number and volume of significant spills.	None
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	NA
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	NA
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	61
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	NA
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	None
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	None
EN30	Total environmental protection expenditures and investments by type.	57
Assessment indicators of labor and the dignity of work		
LA1	Total workforce by employment type, employment contract, and region.	45
LA2	Total number and rate of employee turnover by age group, gender, and region.	45
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	51
LA4	Percentage of employees covered by collective bargaining agreements.	45
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	33
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	None
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	None
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	53
LA9	Health and safety topics covered in formal agreements with trade unions.	53
LA10	Average hours of training per year per employee by employee category.	48
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	48
LA12	Percentage of employees receiving regular performance and career development reviews.	50
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	32
LA14	Ratio of basic salary of men to women by employee category.	51
Human rights assessment indicators		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	32



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HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	NA
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	49
HR4	Total number of incidents of discrimination and actions taken.	None
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	None
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	None
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	None
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	None
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	None
Social performance indicators		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	65
SO2	Percentage and total number of business units analyzed for risks related to corruption.	25
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	25
SO4	Actions taken in response to incidents of corruption.	25
SO5	Public policy positions and participation in public policy development and lobbying.	34
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	None
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	None
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not Discoursed
Product liability performance indicators		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	NA
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not Discoursed
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	31
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	31
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	38
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	40
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not Discoursed
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	29
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not Discoursed



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