

2024

Climate and Nature-related Financial Disclosures Report



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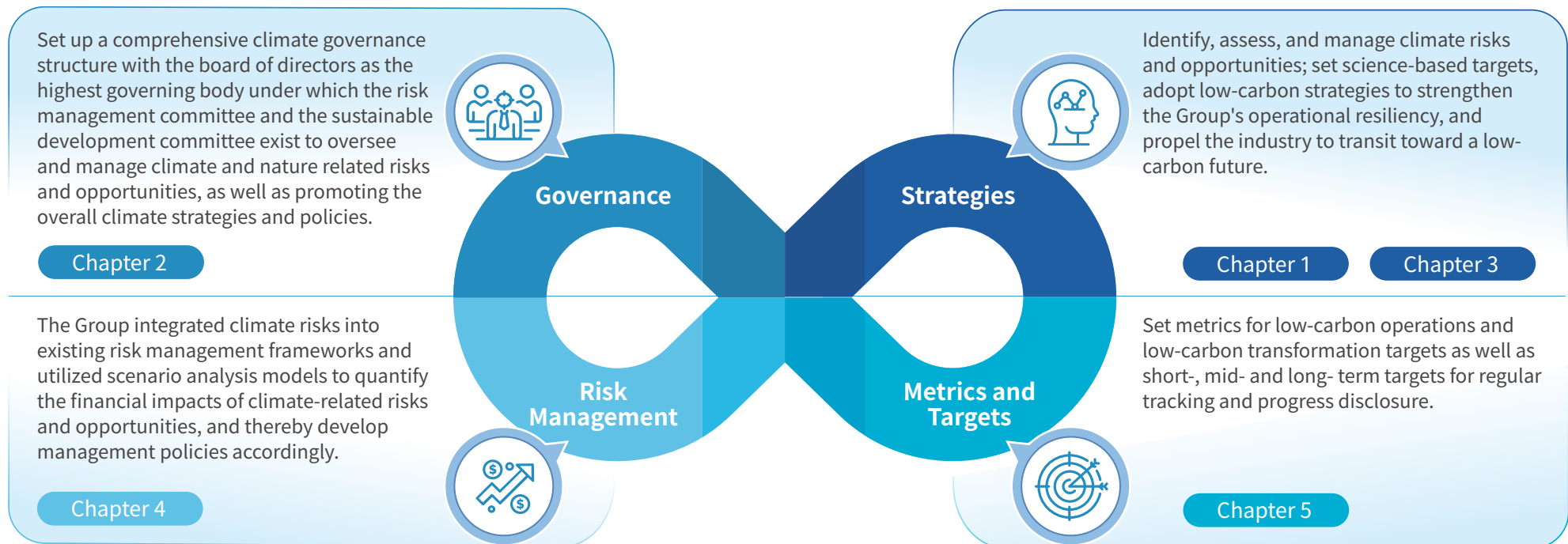
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Overview

As a member of the financial system, Yuanta Financial Holdings is reviewing and disclosing climate- and nature-related risks in the face of impacts from nature loss, climate change, and global warming. The Group has implemented management measures and proactive strategies accordingly, seeking to drive industries to a low-carbon future and "Become an International Benchmark Enterprise for Sustainability to Actively Promote a Better Future for Future Generations." The Group aims to leverage its influence as fund providers and managers to propel the value chain to a sustainable and resilient future and strive towards net-zero emissions.

This report adheres to recommendations from the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD)^① and the Task Force on Nature-related Financial Disclosures (TNFD)^②. Through the four pillars of governance, strategy, risk management, metrics and targets, the report elaborates on the Group's management approach towards climate and nature-related risks and opportunities and demonstrates the Group's commitment to mitigating and adapting to climate change.



Note: For more information on nature-related strategies, risk management, metrics and targets, please refer to [Chapter 6](#).

A Word from the Chairman

Chairman, Yuanta Financial Holdings

Tony Shen



In its latest report, Copernicus Atmosphere Monitoring Service, the European Union's climate monitoring agency, confirms that global warming has officially reached 1.5 °C above pre-industrial levels in 2024. Accelerated global warming has resulted in rising sea levels and frequent climate disasters, sounding an alarm that the world must indubitably confront. Addressing climate change has now become a pressing issue of concern and discussion to the international community. Countries have launched response strategies, laws, and regulations, as well as set decarbonization targets to further reduce carbon emissions.

According to Net Zero Tracker, 148 out of the world's 198 countries have already declared their commitment to net zero emissions. This effectively covers 87% of the world's greenhouse gas (GHG) emissions. The 29th Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP29) extended commitments made at COP28, continuing to focus on phasing out of fossil fuels, accelerating the development of renewable energy, increasing climate resilience, and developing the carbon market. Such commitments will have profound impacts on global climate action. As an integral part of the global supply chain, Taiwan embraces its responsibility and role in the energy transition. In 2024, the Taiwanese government declared its new decarbonization target for 2030: to "reduce carbon emissions by 28±2% compared to 2005 levels." This new commitment highlights Taiwan's resolve to achieve net-zero emissions and sustainability actions. In the meantime, Taiwan's Financial Supervisory Commission has also announced the "Green and Transition Finance Action Plan" in the hopes of expanding the breadth and depth of financial support, thereby assisting the government and corporations in promoting a transition to net zero.

As a member of the "Coalition of Movers and Shakers on Sustainable Finance," Yuanta Financial Holding Company (FHC) is not only a provider of corporate funding, but also an engine to drive sustainability transformations within corporations. We collaborate with other members of the Coalition and leverage our influence as investors and lenders to lead industries in a low-carbon transition. As of the end of 2023, the Coalition has engaged with nearly 92% of carbon-intensive corporations in Taiwan. In our "Climate Finance Operations Guidelines," Yuanta FHC also defined clear timelines for divestment from carbon-intensive industries, leveraging scientific approaches and risk management mechanisms to gradually strive toward net zero.

Yuanta FHC has made the CDP Climate A List for five consecutive years and received Leadership Level for seven consecutive years, recognizing as a leading financial institutions in Taiwan. For carbon management, Yuanta FHC complies with international standards and manages environmental impacts systematically and scientifically. Thus far, we have surpassed decarbonization timelines set by regulators, completing GHG inventories for 100% of our overseas subsidiaries. In addition, we have formally implemented internal carbon pricing mechanisms to assist the Group's subsidiaries with assessing their decarbonization outcomes. We have also linked decarbonization targets with performance evaluations of senior executives to incentivize decarbonization. In 2024, Yuanta FHC reduced 968.31 metric tons of carbon emissions, a 5.2% decrease from the previous year. Based on our internal carbon price, this translates into NT\$1.93 million in savings.

Yuanta is also leveraging diverse products and services to drive customers to sustainability. For example, Yuanta Securities underwrote Taiwan's first sustainability-linked convertible bond (SCLB), capitalizing on the impact of sustainable finance. Yuanta Securities and Yuanta Funds also engaged with major investees to ensure they take specific climate action and strengthen climate resilience by joining international alliances on nature conservation, establishing biodiversity guidelines, and setting net-zero targets.

In the future, Yuanta FHC will continue to align closely with government policies and international standards; address physical and transition risks from climate change with care; support national transition strategies through low-carbon operations, sustainable finance, low-carbon supply chains, and sustainability initiatives; and guide employees, customers, suppliers, and other stakeholders to influence their peers. We hope that this may drive our industries and society toward a sustainable future.

About This Report

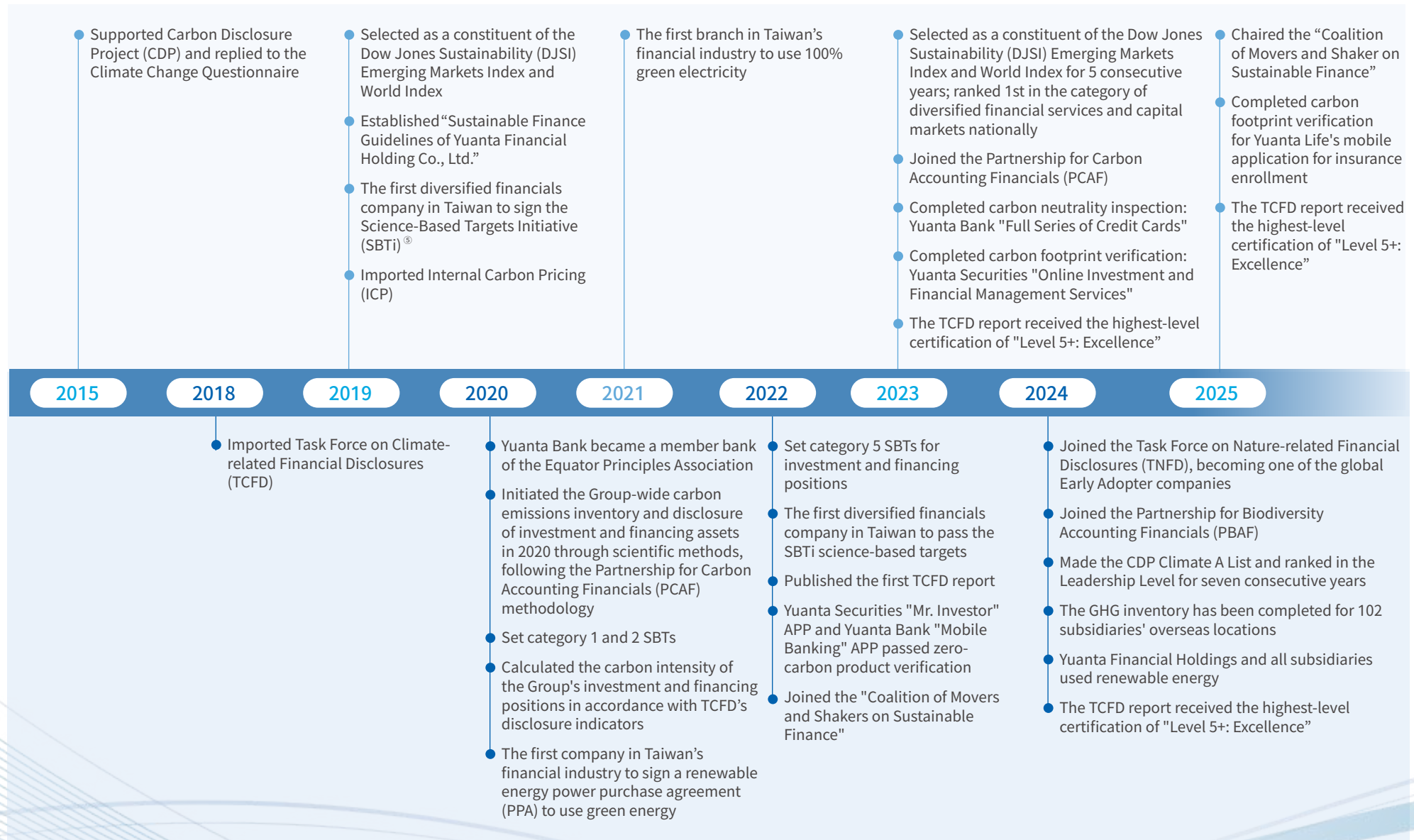
The world continues to demand greater transparency in sustainability-related information. The International Sustainability Standards Board (ISSB) officially published the "General Requirements for Disclosure of Sustainability-related Financial Information" (S1)^③ and the "Climate-related Disclosures" (S2)^④ in June 2023. These two major international sustainability information disclosure frameworks aim to establish globally consistent sustainability disclosure standards. Subsequently, Taiwan's Financial Supervisory Commission released the "Roadmap for Taiwan Listed Companies to Align with International Financial Reporting Standards' (IFRS) Sustainability Disclosure Standards," adopting international disclosure standards to enhance the quality of sustainability reporting and prevent greenwashing. The Group has prepared this report following the IFRS Sustainability Disclosure Standards, providing a more structuralized framework for sustainability reporting and enhancing the transparency and comparability of climate-related information to meet stakeholders' information request.

The Group has independently issued "TCFD Reports" since 2021 and has renamed it to the "Climate and Nature-related Financial Disclosures Report" starting in 2024. The report discloses the annual climate and nature actions and performance on the "[Sustainability](#)" section of the Group's official website. The impacts of climate change and extreme weather are increasingly prominent, generating severe impacts on biodiversity. The report follows the TCFD recommendations, TCFD Supplemental Guidance for banks and insurance companies, and the TNFD disclosure framework to assess the Group's impacts and dependencies on climate change and the natural environment, as well as the resulting risks and financial impacts. In addition, Yuanta also applies LEAP (Locate, Evaluate, Assess, Prepare) to assess the impacts and dependencies of our investment or financing activities on nature. We have also adopted the IFRS S2 standard to assess the Group's resilience and quantitative financial impacts in the face of climate change, as well as detail our climate transition strategies and milestones.

This report is available in both Mandarin Chinese and English and covers the business and operational activities of our eight subsidiaries (Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Funds, Yuanta Futures, Yuanta Venture Capital, Yuanta Asset Management, and Yuanta Securities Investment Consulting) in 2024, including four core climate- and nature-related areas (governance, strategy, risk management, and metrics and targets). To ensure comprehensive disclosure, some of the information includes historical data. Unless otherwise specified, all financial figures are in New Taiwan Dollar (NT\$). The "Company" in this report refers to Yuanta Financial Holdings, the "Group" refers to Yuanta Financial Holdings and its 8 subsidiaries.

Regarding the carbon emission scope of investment and financing for 2024, the company has commissioned Deloitte to conduct limited assurance in accordance with TWSAE 3410 issued by the Accounting Research and Development Foundation.

Net-Zero Transition Milestones



1

Climate Transition Plan

1.1 Net-Zero Declaration

1.2 Overview of Strategies

1.3 Science-Based Emissions Reduction Pathway

1.4 International Initiatives & Government Organizations





1.1 Net-Zero Declaration

Yuanta Financial Holding Company (FHC) has signed the Science-Based Targets Initiative (SBTi) commitment letter for net-zero emissions and continues to implement transition strategies around core internal regulations, such as our "Sustainable Finance Guidelines^[2]" and "Climate Finance Operations Guidelines.^[3]" In close ties with our "Yuanta Financial Holding Company Net-Zero Declaration,^[1]" we actively pursue carbon reduction through four key dimensions: low-carbon operations, sustainable finance, low-carbon supply chains, and sustainability advocacy, integrating net-zero transition into daily operations and business decision-making to ensure we are consistently striving for decarbonization and sustainability.

As the first diversified financial services provider in Taiwan to sign the SBTi, Yuanta FHC has completed carbon footprinting and disclosures for Category 1, Category 2, and investment/financing assets, and received SBTi verification in 2022. In the future, we will continue to align with the latest global pathways for net-zero transition, taking stock of greenhouse gas (GHG) emissions for our own operations and investment/financing assets each year to regularly adjust decarbonization strategies and actions. We hope to leverage our influence as a financial institution to drive low-carbon transformation across all industries.

1.2 Overview of Strategies

The Group also adopts the vision of net zero by 2050. Externally, we are actively supporting global sustainability initiatives and national policies, and addressing sustainability issues across the value chain. Internally, the Group has established the "Climate Finance Operations Guidelines^[3]" to guide carbon reduction strategies for low-carbon operations, sustainable finance, low-carbon supply chains, and sustainability initiatives. Rolling adjustments will also be made to the Group's decarbonization strategies and actions according to the Financial Supervisory Commission's (FSC) "Sustainable Development Action Plan for TWSE/TPEX-Listed Companies" and global sustainability trends. We will continue to improve the quality of our GHG inventories and the disclosure of sustainability and climate-related information in order to move toward net-zero emissions in the long term.

Dimension	Strategy	Actions
 Low-Carbon Operations	Resource Use Efficiency (RUE)	<ol style="list-style-type: none"> 1. Inventory & Verification: Introducing and obtaining ISO certificates for energy management systems, GHG inventories, and water footprints to leverage comprehensive assessments for carbon reduction goals. 2. Smart Energy Monitoring System(s): Utilizing real-time electricity usage data for electricity management and conserving energy with science-based approaches. 3. Energy Conservation & Emissions Reduction: Implementing various energy-saving and emissions reduction actions through measures such as digitization, paperless operations, and equipment upgrades to foster a low-carbon workplace.
	Green Buildings	<ol style="list-style-type: none"> 1. Considering climate risks when selecting locations for Yuanta operations. 2. Using energy-saving equipment and green building materials during the architectural design phase, and obtaining green building certifications.
	Renewable Energy	Actively negotiating power purchase agreements (PPA) for renewable energy and adopting renewable energy models for commercial buildings to ensure tenant access to renewable energy. Solar panels are also planned to be installed in newly constructed buildings.
	Carbon Pricing	<ol style="list-style-type: none"> 1. Internal Carbon Pricing (ICP): Leveraging ICP to assess performances of emissions reduction projects and as a tool for Category 1+2 reduction. 2. Carbon Credits: Purchasing international carbon credits to offset carbon from products and achieve carbon neutrality.
 Sustainable Finance	Green Capital	<ol style="list-style-type: none"> 1. Sustainability Lending: Supporting government policies by issuing loans to Taiwan's six core strategic industries, issuing green bonds, offering sustainability-linked loans (SLLs), and spearheading corporate transitions toward a low-carbon future. 2. Responsible Investment: Investing in sustainability targets, issuing ESG funds and related products, and directing funds toward sustainable corporations. 3. ESG Bond Underwriting & Advisory Services: Assisting in underwriting sustainability bonds and providing advisory services for sustainability-linked convertible bonds.
	Low Carbon Products & Services	<ol style="list-style-type: none"> 1. Product Carbon Footprinting: Conducting ISO 14067 product carbon footprinting and securing carbon neutrality verification to offer customers carbon-free products. 2. Sustainable Digitalization Programs: Promoting FinTech and working with electronic payment service providers to expand the sustainable finance ecosystem.
 Low-Carbon Supply Chains	Supplier Management	Actively encouraging supply chain to transition toward a low-carbon future through supplier conferences and sustainability ratings.
	Sustainable Procurement	<ol style="list-style-type: none"> 1. Green Procurement: Prioritizing sourcing and purchasing products with eco-friendly, energy-efficient, Energy Star or other water conservation labels, and local suppliers in Taiwan. 2. Advocacy Campaigns: Organizing educational on-site tours for the procurement department and convening quarterly conferences for procurement officers to strengthen internal awareness of green procurement.
 Sustainability Initiatives	Engagement	<ol style="list-style-type: none"> 1. Investee & Borrower Engagement: Increasing investee's climate awareness and assist in developing related programs. 2. Supplier Conferences: Offering sustainability training to suppliers and publicly commending model suppliers.
	External Communications	<ol style="list-style-type: none"> 1. Supporting initiatives to mitigate climate change such as the Coalition of Movers and Shakers on Sustainable Finance (Taiwan) and SBTi (global). 2. International Community Participation: Actively participating in climate action and organizing/participating in ESG forums.

1.3 Science-Based Emissions Reduction Pathway

Yuanta FHC is actively working toward our SBTi commitment of net-zero emissions. As such, we continue to monitor Category 1, Category 2, and financed emissions. As of 2024, we have conducted carbon footprinting for 59.27% of our financed assets, including electricity generation project financing, corporate loans for commercial real estate, listed equities and bonds, long-term corporate loans, etc. Beyond the scope prescribed by SBT, as listed above, the Group has also conducted carbon footprinting for short-term corporate loans and sovereign bonds, in order to monitor financed emissions more precisely. Furthermore, the Group carry out independent GHG emissions analyses for top seven carbon-intensive industries within our long-term investment and financing portfolios, to track and manage the impacts of climate change. For more information, please refer to [Chapter 5.2 Metrics and Targets for Low-Carbon Transformation Management](#).

Science Based Targets ^{Note 1}			2024 Target	Progress toward Target	Methodology	
Category 1 & Category 2 ^{Note 2}			2030 absolute GHG emissions reduce 42%, compared to 2020	Reduce 7% absolute GHG emissions compared to 2020	Reduce 26.11% absolute GHG emissions compared to 2020	Absolute Contraction
Category 5 (Investment & finance) ^{Note 2}	Set according to each investment and financing target	Electricity generation project finance	49% reduction in GHG emissions per MWh by 2030 in comparison to 2019 for electricity generation project finance portfolio	23% reduction in GHG emissions per MWh compared to 2019	100% reduction in GHG emissions per MWh compared to 2019	SDA ^{Note 3}
		Commercial real estate	59% reduction in GHG emissions per square meter by 2030 in comparison to 2019 for corporate loan portfolio for commercial real estate sector	29% reduction in GHG emissions per square meter compared to 2019	20% reduction in GHG emissions per square meter compared to 2019	SDA ^{Note 3}
		Electricity generation	49% reduction in GHG emissions per MWh by 2030, in comparison to 2019 for corporate loan portfolio for electricity generation sector	23% reduction in GHG emissions per MWh compared to 2019	23% reduction in GHG emissions per MWh compared to 2019	SDA ^{Note 3}
		Corporate loans	58% reduction in GHG emissions per square meter by 2030, in comparison to 2019 for corporate long-term loan portfolio for finance, retail, service, food and lodging, and real estate development sectors	28% reduction in GHG emissions per square meter compared to 2019	29% reduction in GHG emissions per square meter compared to 2019	SDA ^{Note 3}
			Other long-term loans	By 2027, 38% (out of the amount of loan) of long-term corporate loan portfolios in fossil fuel ^{Note 4} , electrical and electronic equipment as well as general manufacturing sectors have set SBT	24% of specific investment portfolios have set SBT	22% of specific investment portfolios have set SBT
		Listed equity and bonds investment ^{Note 5}	By 2027, 39% (out of the invested value) of listed equity and bonds investment have set SBT	24% of specific investment portfolios have set SBT	19% of specific investment portfolios have set SBT	Portfolio Coverage Engagement

- Note: 1. Targets validated by SBTi please refer to: https://sciencebasedtargets.org/resources/files/Target-language-and-summary_Yuanta-Financial-Holding-Co.-Ltd.docx.pdf
2. The Group conducts GHG inventories in accordance with the ISO 14064-1:2018 standard. Corresponding terms in the GHG Protocol are as follows: Category 1 corresponds to Scope 1 (direct GHG emissions), Category 2 corresponds to Scope 2 (indirect GHG emissions from purchased energy), and Categories 3 to 6 correspond to Scope 3 (other indirect GHG emissions).
3. The methodology - SDA - is the abbreviation for Sector Decarbonization Approach.
4. The target includes 100% of the Group's fossil fuel corporate loans.
5. The listed equity and corporate bond investment portfolio includes common stock, preferred stock, corporate bonds, exchange-traded funds (ETF), real estate investment trust (REIT) investments and mutual funds.

► GHG Emissions of the Group's SBT Investment and Financing Portfolio

GHG Emissions (tCO ₂ e)	2021	2022	2023	2024 ^{Note 3}
Asset Class				
Electricity generation project financing	100,707.22	42,574.12	48,288.96	-
Electricity generation project financing(Avoided GHG Emissions)	1,466.37	1,741.60	3,252.00	1,669.05
Corporate loans for commercial real estate ^{Note 3}	23,386.90	12,688.11	26,687.71	26,850.25
Commercial real estate investments ^{Note 3}	-	-	-	1,373.34
TWSE/TPEX-Listed equities and bonds investment	2,310,400.66	1,503,131.29	1,707,703.18	3,965,441.27
Private equities and bonds investment	-	-	-	1,967,293.76
Long-term corporate loans ^{Note 1}	504,551.43	551,245.34	988,524.70	5,263,240.97
Short-term corporate loans ^{Note 1}	-	233,529.97	49,110.41	788,069.69
Sovereign bonds ^{Note 2}	-	1,193,198.55	1,117,944.62	908,364.12
Mortgages ^{Note 3}	-	-	-	80,606.64
Motor vehicle loans ^{Note 3}	-	-	-	101,082.89
Total financed absolute emissions (tCO ₂ e)	2,939,046.21	3,536,366.38	3,938,259.58	13,102,322.93
Total emission intensity (tCO ₂ e/NT\$1 million revenue)	4.73	4.38	4.24	7.94
Data Quality	2.09	1.57	1.87	2.71
Total investment and lending portfolio coverage(%)	27.51	35.14	37.45	59.27

Note: 1. Inventory for long- and short-term commercial loans covers both listed and private companies in Taiwan.

2. In 2024, inventory for sovereign bonds GHG emissions are calculated with the inclusion of emissions from Land Use, Land-Use Change and Forestry (LULUCF).

3. In 2024, inventory of financed emissions covers Scopes 1, 2, and 3. Exceptions apply to corporate loans for commercial real estate, commercial real estate investments, mortgages, and motor vehicle loans, which cover only Scopes 1 and 2 emissions. All other asset types have been inventoried for Scopes 1, 2, and 3 emissions.

► Yuanta Group's Decarbonization Policies

Yuanta FHC has established the "Climate Finance Operations Guidelines"^[3]. The Company and its subsidiaries are required to formulate engagement and divestment strategies, focusing on the corporate financing and bond underwriting activities involving the coal and unconventional oil and gas industries. The Company, among those strategies, would no longer undertaking new financing activities for coal and unconventional oil and gas industries.

For financing and bond underwriting activities related to coal and unconventional oil and gas industries, emissions reduction commitments shall be established and publicly disclosed. Relevant information is available on the Company's website.



Climate Finance
Operations Guidelines

The Company will continue tracking domestic and international trends in net zero policies and methodologies, evaluating the net zero transition progress for businesses involved in coal and unconventional oil and gas industries, and supporting corporate decarbonization through a monitoring mechanism to realize the vision of net zero by 2050.

Note: 1. Coal-related industry: Includes activities such as mining, drilling, mining services, processing, coal trading, transportation, engineering, and transmission and distribution of coal-fired power.

2. Unconventional oil and gas industries: Includes operational and production activities related to oil sands, shale oil and gas, liquefied petroleum gas, deep-sea drilling (gas), and arctic drilling (gas).

1.4 International Initiatives & Government Organizations

As a member of the Coalition of Movers and Shakers on Sustainable Finance, the Group adheres to regulatory policies and supports international benchmark initiatives. By actively engaging in and responding to climate change issues, the Group stays abreast of international sustainability trends, constantly updating international methodologies, and leveraging industry expert knowledge to ensure that the climate strategies, goals, and implementation within the corporation align with international frameworks. This strengthens the Group's management of climate change issues and furthers us to our sustainable finance goals.

SBTi

As Taiwan's first diversified financial services provider to formally join SBTi, we completed SBT verification and declaration in 2022 and signed the SBTi Commitment Letter in 2023, committing to net-zero emissions. In the future, we will continue to make regular adjustments to decarbonization strategies and actions in alignment with the latest net-zero trends around the world, leveraging our influence as a financial institution to drive low-carbon transformation across all industries.

Partnership for Carbon Accounting Financials (PCAF)

In May 2023, the Group officially joined the PCAF, adopting international investment and financing carbon emissions management standards. By exerting influence upstream in the financial sector, the Group evaluates carbon emissions from investment and financing positions, taking concrete actions to drive industries and society toward the goal of net-zero emissions by 2050.

CDP

The Group has been a participant in the Carbon Disclosure Project (CDP)® since 2015 and has completed CDP Climate Change Questionnaires. In 2016, the Group became a CDP investor signatory "supporting the CDP's climate change, water, and forest programs." The Group has made CDP's Climate A-List for five consecutive years and maintained a "Leadership Level" for seven consecutive years.

Coalition of Movers and Shakers on Sustainable Finance

To construct a comprehensive sustainable finance ecosystem, the FSC invited Yuanta FHC and other industry-leading peers to form the "Coalition of Movers and Shakers on Sustainable Finance" and six working groups under the "Financial Industry Net-Zero Working Platform." Under these initiatives, financial institutions can collaborate with regulators to strengthen and align national policies with international trends, optimize carbon reporting processes, develop a database of corporate emissions, establish a system for training sustainability professionals, and facilitate international exchanges to support the development of sustainable finance in Taiwan. As convener of the "Empowerment and Certificates Working Group," Yuanta FHC collaborated with the Securities and Futures Institute to launch Taiwan's first sustainable finance certificate in Taiwan and sponsored employees across the Group to test for the "Sustainable Finance Certificate - Basic," laying the groundworks for creating a robust sustainable talent pool in Taiwan.

RE10x10

The Group supports Greenpeace's "RE10x10 Climate Declaration®" and seeks to increase internal use of renewable energy. We have taken real action to mitigate climate change and care for our environment as we continue to strive for our goal of 100% renewable energy by 2050. As of the end of 2024, 30% of Yuanta operation sites currently use renewable energy. We will continue to expand renewable energy coverage in the future.



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Climate Governance

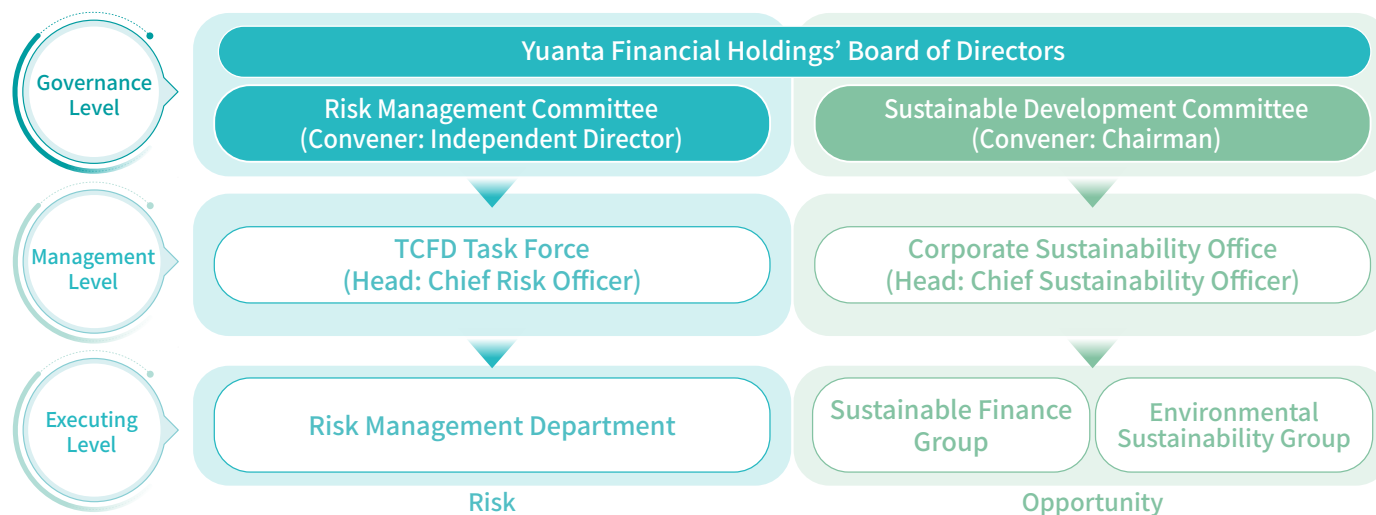
- 2.1 Board Oversight of Climate and Nature-Related Risks and Opportunities
- 2.2 Management of Climate and Nature-Related Risks and Opportunities
- 2.3 Empowerment & Training
- 2.4 Major Decisions and Outcomes in Climate and Environmental Governance

2.1 Board Oversight of Climate and Nature-Related Risks and Opportunities

The Board of Directors of our company serves as the highest governing body for climate and nature-related issues, descending with two functional committees: the "Risk Management Committee" and the "Sustainable Development Committee." The committees assist the Board with overseeing the Group's establishment and execution of climate and nature strategies. Independent directors on the two aforementioned committees are not only experts in corporate governance, risk management for financial institutions, and business practices, but have also researched climate risk management, ESG responsible investing, and sustainable finance oversight in the financial sector. In their respective committees, the independent directors capitalize on their professional expertise to oversee the implementation and establishment of climate- and nature-related policies. For detailed information on our directors' educational background and professional experience, please refer to [Board member profiles](#) on our official website.

The Board considers climate and nature issues when making critical decisions on corporate governance and business strategies. There is also a robust management system for climate issues in place. In 2024, the board agenda included 25 climate-related issues proposed by the Risk Management Department and Corporate Sustainability Office. Issues included risk management reports, assessment reports for risk management mechanisms, assessment and management of operational risks, and timelines for greenhouse gas (GHG) inventory and verification. The inclusion of these topics in the agenda serves to ensure climate strategies are implemented and improved accordingly.

► Governance Framework for Climate-Related Risks and Opportunities



Risk Management Committee

Yuanta Financial Holding Company's (FHC) Risk Management Committee is composed of at least three members, all of whom are directors of Yuanta FHC, with a majority being independent directors. One independent director is elected by all members to serve as the convener and chairperson of the committee. The committee's primary responsibilities include reviewing risk management policies and frameworks, assisting the Board in overseeing the Group's climate-related risk management systems, reviewing annual risk limits and monitoring thresholds, scrutinizing risk management execution reports, and supervising the management of existing or potential risks. The Risk Management Committee is required to meet at least once per quarter and convened five times in 2024. Each director maintained a 100% attendance rate. The committee regularly reports key matters to the Board, including quarterly financial risk management, risk analysis, and operational risk monitoring reports, as well as the annual risk management mechanism evaluation report. These efforts enable the Board to effectively oversee Yuanta FHC's risk management initiatives and enhance risk management efficacy.

Sustainable Development Committee

As the Group's steering unit for sustainable development and strategies, the Sustainable Development Committee consists of three to seven members, all of whom are Yuanta FHC directors, with a majority being independent directors. One director is elected by all members to serve as the convener and chairperson. Currently, the chairperson of the Board is serving as the convener. The committee is primarily responsible for integrating sustainability values into our business strategies, regularly formulating and reviewing the Group's sustainability strategies and annual plans, and overseeing the implementation of sustainability-related matters, including climate change and nature-related risks and opportunities. This approach ensures that the Group remains aligned with both domestic and international sustainability trends and allows for rolling adjustments to strategic directions. The Sustainable Development Committee is required to meet at least twice a year and convened five times in 2024, with 100% attendance by all directors. The committee regularly reports key matters to the Board to facilitate oversight, affirming our commitment to embedding sustainability into our core business strategies.

2.2 Management of Climate and Nature-Related Risks and Opportunities

To enhance climate and nature-related management and efforts, Yuanta FHC has established the "TCFD Task Force" and the "Corporate Sustainability Office" to integrate Group-wide resources to ensure the sustainability policies are upheld; review progress and effectiveness; and report to the Risk Management Committee and Sustainable Development Committee.

TCFD Task Force

The TCFD Task Force is set up by the Risk Management Department and directed by Yuanta FHC's Chief Risk Officer. It focuses on identifying, compiling, evaluating, and analyzing climate-related risks and opportunities; assisting in the development of methodologies and management tools for measuring and controlling risks; deliberating and establishing mechanisms to monitor climate risks; and overseeing subsidiaries to manage climate-risk related issues and build a sound climate-risk governance framework.

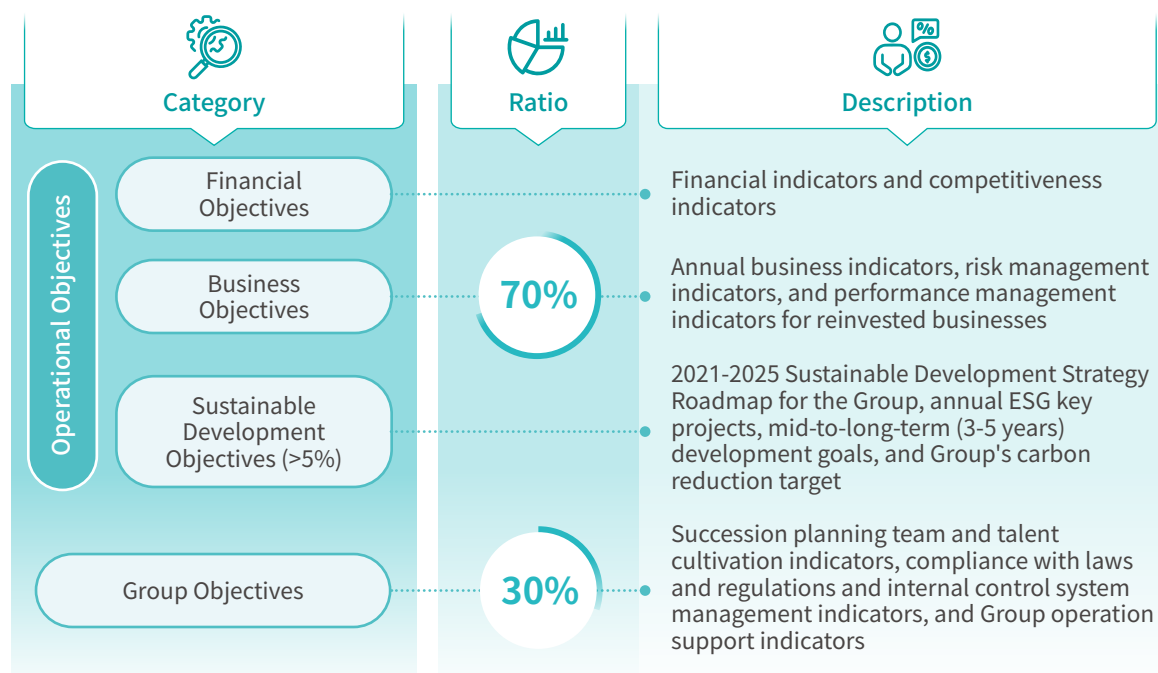
Corporate Sustainability Office

The head of the Corporate Sustainability Office is Yuanta FHC's Chief Sustainability Officer, who is ultimately responsible for climate and nature-related management. The Office convenes, at minimum, quarterly and is tasked with driving the development of the Group's sustainability strategies, coordinating the management of climate and environmental goals, and tracking progress. The Office regularly reports climate and nature-related plans and progress to the Board, upon approval from Sustainable Development Committee. These efforts ensure that the entire Group advances sustainability in practice and enhances resilience against climate and nature-related challenges. The "Sustainable Finance Team" and "Environmental Sustainability Team" have been established under the office and are responsible for implementing various climate and sustainability projects and related initiatives. The Sustainable Finance Team is in charge of developing internal regulations such as the "Sustainable Finance Guidelines"^[2] and designing sustainable financial services and products that meet the criteria of green loans, green products, and responsible investment principle and also deliver environmental and social benefits. The Environmental Sustainability Team takes charge of internal operations and efforts toward energy and climate goals, including increasing the proportion of renewable energy use, low-carbon efforts such as energy conservation and emissions reduction, CapEx decisions, mitigating negative environmental impacts from business processes, and reducing the Group's financial impacts from climate change.

Climate Issues Linked Incentives for Management

To embed a sustainability culture and effectively promote climate governance policies, the Group has established relevant incentives to encourage actions and rollout. The chief executive officer (CEO) of Yuanta FHC, and the chairpersons and vice chairpersons of the Board and CEOs of all subsidiaries are required to specify performance targets and achievements based on the overall ESG considerations within the assessment system, along with a comprehensive evaluation of overall performance. ESG assessment factors are incorporated into the performance evaluation of CEO and senior management, with annual sustainable operation goals (incl. climate issues) linked to incentives and accounting for over 5% of the assessment weight. Additionally, the performance evaluation of department heads and colleagues responsible for sustainability-related operations is linked to environmental and climate indicators, with weighing between 20-80% of total performance in 2024. We hope this top-down approach across the organization can strengthen climate governance in practice.



► CEO and Senior Management Performance Appraisal Form






2.3 Empowerment and Training

To strengthen the Group's sustainability culture and raise awareness of climate-related issues, we continue to organize a variety of online and in-person seminars and training sessions aimed at deepening sustainability awareness within the Group. To stay informed of the latest climate trends and fulfill their oversight responsibilities, Board members also actively participate in climate-related forums and training courses. In 2024, directors and supervisors attended 159 hours of training on topics such as "Sustainable Finance Trends and the TNFD Disclosure Framework," "Sustainable Finance Frontlines: ESG Investing Principles & Strategies," "CDP Taiwan Conference: Empowering the Carbon Era with Sustainable Knowledge," "Offshore Wind Energy Finance Series," "Generative AI Applications and Future Trends, and Understanding Low-Carbon Transition for Long-Term Value Creation," "TCFD & SBTi Trends and the Role of the Board," among others. Senior executives are also encouraged to participate in forums and external lectures while undergoing internal climate-related training. This aims to deepen their understanding of climate trends and foster a culture of sustainable governance.

► Major Forums Featuring Yuanta 's Senior Executives in 2024

Event	Role
 Sustainability Driven X Cross-Domain Talents X Competitiveness	Forum panelist
1. Drivers of corporate sustainability transitions 2. Improve sustainable competitiveness of youths in the workplace 3. Build sustainability & ESG culture in corporations	
 Strengthening Transitional Finance & Supporting Sustainable Industrial Development	Forum panelist
1. Sustainable finance policies & evolution 2. Sustainable taxonomy driving sustainable transformation 3. Transition case studies in sustainable finance	
 Embracing Green Transformation: Leveraging Sustainability Investments to Achieve Net Zero	Forum panelist
1. Net-zero trends & policies in the era of carbon pricing 2. The finance sector under net-zero trends 3. Sustainable investing: Fulfilling net-zero commitments	

► Internal Climate-Related Training Programs & Hours with Yuanta's Senior Executives in 2024

Program	Topics	Hours
 Summit Forum: The Present and Future of Sustainable Finance & ESG Investing	 1. Changes in sustainable investment 2. Shifting global trends: from sustainable finance to climate and adaptation finance 3. Impact of future carbon taxation on Taiwanese industries and how to prepare 4. ESG and sustainable finance in the financial sector 5. Transformation strategies for the securities and futures industry 6. Five key focus areas for future sustainable development	 2 hours 132 participants Total training hours 264 hours
Corporate Governance Seminar: Sustainable Finance Trends & Nature-Related Financial Disclosure Frameworks (TNFD)	1. The role of sustainable finance in sustainable development 2. Trends in sustainable finance policy and practices 3. Nature-related financial disclosures (TNFD) 4. Conclusion	3 hours 53 participants Total training hours 159 hours

The Group has introduced climate change topics into internal training programs for senior management and offers courses on climate change and sustainable finance to all employees. In 2024, the Group held a total of 1,223 training sessions, with 263,241 participants completing training and logging 302,622 training hours. Through these educational programs, we were able to support related personnel in strengthening their sustainable finance competency, equipping them to respond to the risks and opportunities arising from sustainability issues and the climate transition. These efforts also help employees gain the expertise needed to support clients in generating sustainable value and to mitigate the negative impacts from sustainability and climate-related challenges. Arrangements have been made for employees in planning, corporate finance, investment banking, digital finance, product design, trading, and risk management to participate in green finance forums, seminars, and sustainable finance courses and certifications. Members of relevant project teams hold various certifications, including Corporate Sustainability Manager and Sustainable Development Carbon Management Manager, aiming to enhance climate risk assessment expertise to establish a culture of climate governance, nurture sustainable finance professionals, and leverage the Group's influence as a financial institution.

► Sustainability or Climate-Related Certificates



ESG or Sustainability Certificates



No. of Holders

Sustainable Development Basic Competency Test	>	372
Sustainable Finance Certification - Advanced Competency in Business Development	>	6
Sustainable Finance Certification - Advanced Competency in Risk Management	>	4
Sustainable Finance Certification - Advanced Competency in Information Disclosure	>	3
Corporate Sustainability Manager	>	7
Sustainable Development Carbon Management Analyst	>	3
Sustainable Development Carbon Management Manager	>	1
Sustainable Development Carbon Management Planner	>	2
Sustainable Energy and Resource Management Analyst	>	2
Sustainable Energy and Resource Management Manager	>	1
Sustainable Energy and Resource Management Planner	>	2

2.4 Major Decisions and Outcomes in Climate and Environmental Governance



"Yuanta Financial Holding Company Statement on Lobbying and Policy Engagement"

In 2024, Yuanta FHC released the "Statement on Lobbying and Policy Engagement"^[5] to support Taiwan's Net Zero by 2050 goal, ensuring Yuanta FHC and subsidiaries align with the Paris Agreement when engaging in lobbying activities or joining industry associations. As a member of the Chinese National Association of Industry and Commerce, Yuanta supports the "1.5 °C Climate Action Declaration" and fulfills our responsibilities as a global citizen. Internally, responsible units regularly review the Group's efforts in public policies to ensure compliance with the "Paris Agreement," communicate with the government agency that set forth the policy, and take action accordingly. The Group discloses the outcomes of participation in climate-related public policy lobbying activities and industry associations each year. We will continue to cooperate with the government's climate policies and address climate-related issues, leveraging the strengths of the financial industry to promote sustainable development with government agencies and assist in the market and country's transition to net zero.



Strengthening the Board's ESG Functions

A pressing concern for corporations is how to effectively respond to internal and external expectations for ESG governance and how to incorporate ESG into operational management and strategies. The Board serves a key role in the advancement of sustainability. As such, to strengthen their function for overseeing and monitoring management performance and to spotlight and explore ESG strategies, issues, and material events, Yuanta FHC and subsidiaries now require directors to attend annual ESG training in the "Regulations Governing the Continuing Education for Directors." Additionally, the "Board and Functional Committees Evaluation Procedures"^[6] includes new indicators for climate and environmental issues in the self-assessment questionnaire. In doing so, we continue to improve the efficacy of our corporate governance and thereby lay robust foundations for sustainability.

3

Climate Transition Strategy

3.1 Climate Risk and Opportunity Management Procedure

3.2 Short-, Mid- and Long-term Risks and Opportunities

3.3 Low-Carbon Operations

3.4 Low-Carbon Transformation

3.5 Climate and Nature Actions and Engagements

3.1 Climate Risk and Opportunity Management Procedure

To understand the impacts, risks, and opportunities of climate change on the Yuanta Financial Holding Company (FHC) and to enhance business resilience, Yuanta FHC conducts annual identification and assessment of climate risks and opportunities specifically for our business endeavors. These efforts are spearheaded by the "Risk Management Committee" and the "Sustainable Development Committee" to ensure the Group's plans for future developments factor in climate issues.

The management process for climate risks and opportunities at Yuanta FHC consists of four steps: identification, assessment, monitoring, and reporting. The ownership and actions for each step are outlined in the diagram below. This process remains consistent with the previous year.



► Climate Risk and Opportunity Management Procedure



1 Risk and Opportunity Identification

- Each subsidiary identifies climate risks and opportunities based on the nature of business each year
- Yuanta FHC's Risk Management Department and Corporate Planning Department integrate overall risk and opportunity identification
- Refers to the climate risk reports from international institutions



2 Risk and Opportunity Assessment

- Each subsidiary identifies the level of impact originated from the risks and opportunities based on the nature of business
- The scope of measurement includes the direction, timing, and geographical location of impact, the extent to which companies in the value chain are affected as well as the financial impact
- Yuanta FHC's Risk Management Department maintains a model for CVaR measurement to enhance the quantitative management of climate risks



3 Risk and Opportunity Monitoring

- Yuanta FHC incorporates environmental and social risks across different industries into its industry risk assessment mechanism
- The Corporate Sustainability Office formulates sustainability-related regulations and policies to manage climate opportunities
- Yuanta FHC and five major subsidiaries develop climate risk monitoring indicators and thresholds, and then, evaluate, monitor, and report on these indicators each month



4 Risk and Opportunity Reporting

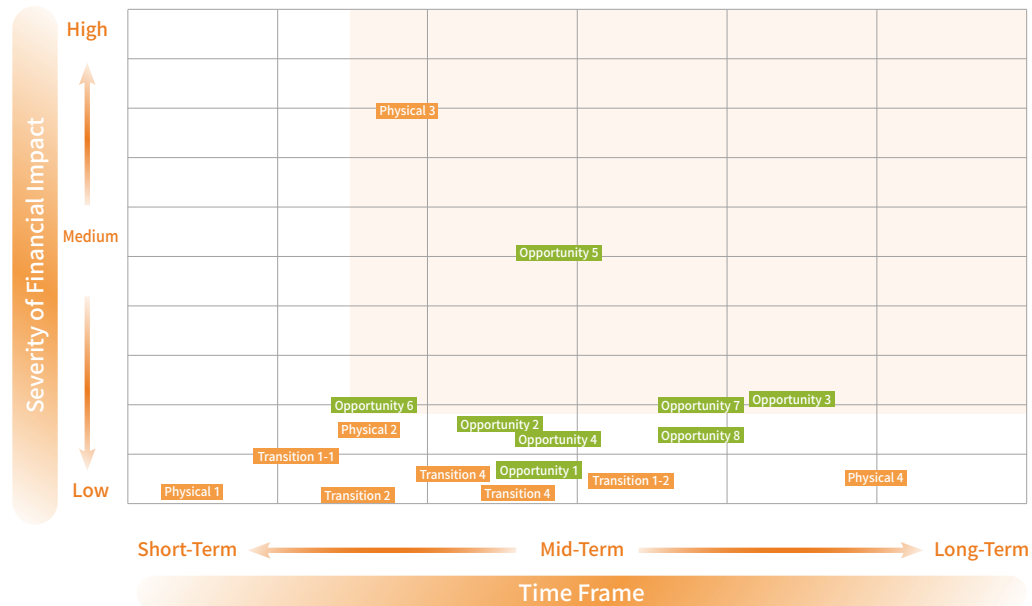
- Formulate and submit response measures for climate risks and opportunities to the Sustainable Development Committee
- Regularly report to the Risk Management Committee and Board of Directors on the use of climate risk monitoring indicators and thresholds
- Regularly report to the Sustainable Development Committee and Board of Directors on the planning and outcomes of climate change initiatives

3.2 Short-, Mid- and Long-term Risks and Opportunities

TCFD categorizes climate risks into "transition risks" and "physical risks." Transition risks are the risks arising from changes in regulations, technology, and market preferences during low-carbon transition. Physical risks are the impact of extreme weather and disasters caused by climate change on the business. The Group anticipates continuous evolution and development in climate-related research and methodologies. As such, we regularly reference domestic and international information and annually review the assumptions underlying our assessments. The Risk Management Department is responsible for reviewing and categorizing potential climate risks confronting the Group, while the Corporate Planning Department is responsible for coordinating and integrating opportunities from market changes. Subsidiaries are also requested to assist in analyzing climate risks and opportunities according to their respective expertise. In 2024, we identified eight risks and eight opportunities, which have been ranked by level of financial impact and time horizon, and then compiled into a matrix. Response measures and strategies have been formulated according to financial materiality to increase the Group's adaptability to climate risks and opportunities.

Climate Risk and Opportunity Matrix

► Material Climate Risks & Opportunities Matrix on Financial Impact



► 8 Major Climate Risks and 8 Major Opportunities

Type	Item	Description
Risk	Transition 1-1	Cost for decarbonization policies and legal compliance- Investment and financing clients.
	Transition 1-2	Cost for decarbonization policies and legal compliance - Own operations.
	Transition 2	Cost of transition to low-carbon technology.
	Transition 3	Investors divestment from high-polluting industries.
	Transition 4	Impact on Yuanta FHC's reputation for investing in highly polluting industries.
	Physical 1	Increase in insurance premium cost for extreme climate.
	Physical 2	Extreme climate causes investment targets/ institutional clients to halt their operations.
	Physical 3	Losses from business locations and collateral damages due to flooding.
Opportunity	Physical 4	Losses from business locations and collateral damages due to sea level rise.
	Opportunity 1	Improving energy efficiency in business locations.
	Opportunity 2	Green procurement and supplier management.
	Opportunity 3	Develop and promote low-carbon products and services.
	Opportunity 4	Customer engagement on sustainability and green consumption concepts.
	Opportunity 5	Sustainable investment and green loan.
	Opportunity 6	Sustainable bonds market.
	Opportunity 7	Cooperation with government agencies.
	Opportunity 8	Natural disaster crisis management and early warning measures

Note: 1. Yuanta FHC defines short-term, mid-term, and long-term events as those that may occur within 1 year, between 1-5 years, and in over 5 years, respectively, and the calculations are based on the size of each subsidiary's assets.

2. Yuanta FHC defines the impact levels as low (potential gain or loss reduction of up to NT\$603 million); medium (potential gain or loss reduction between NT\$603 million and NT\$1.81 billion); and high (potential gain or loss reduction of over NT\$1.81 billion). These levels are weighted based on Yuanta FHC's ownership in each subsidiary.

Financial Impact Analysis of Material Climate Change

► Material Climate Risks and Opportunities: Financial Impacts & Mitigation

Rank	Risk/ Opportunity	Risk/Opportunity Factor	Risk/ Opportunity Description	Impact on Value Chain	Assessment Dimensions <small>Note 1</small>	Time Frame	Severity of Financial Impact	Progress & Assessment of Mitigation Activities		Corresponding Chapter
								Current	Future	
1	Physical Risk 3	<ul style="list-style-type: none">Acute Physical RiskChronic Physical Risk	Losses from business locations and collateral damages due to flooding	<ul style="list-style-type: none">Own operationsInvestment and financing targetsSuppliers	① ② ③ ⑤	Mid- term	Medium	<p>1. Establishing policies and procedures such as the Major Contingency Event Reporting Guidelines, the IT Operations Manual – Business Continuity and Disaster Recovery Management, and the Crisis Management Policies and Procedures.</p> <p>2. Incorporating factors such as climate change risks, flood prevention measures, and disaster insurance into site selection and relocation assessments, according to the Evaluation Form of Yuanta FHC Operational Site Selection.</p> <p>3. Incorporating environmental and climate-related policies as evaluation criteria in the Yuanta FHC Supplier Evaluation Form to reduce potential financial impact from suppliers.</p> <p>Financial Impact</p> <p>No actual financial losses incurred.</p>	<p>Climate change risk factors will continue to be considered in operational site planning, real estate investments, and supplier evaluations.</p> <p>Financial Impact</p> <p>A projected loss of approximately NT\$1.49 billion in bank real estate collateral under the RCP 2.6 scenario.</p>	CH 4.3 Quantitative Financial Analysis of Climate Change
2	Opportunity 5	<ul style="list-style-type: none">Market opportunities	Sustainable investment and green loan	<ul style="list-style-type: none">Own operations	① ③ ⑤ ⑥ ⑦	Mid- term	Medium	<p>1. Investment decisions are executed in accordance with the Principles for Responsible Investment (PRI) and its rationale; Yuanta Securities, Yuanta Bank, and Yuanta Life's total responsible investments for this year amounted to NT\$53.13 billion.</p> <p>2. The Principles for Responsible Banking (PRB) framework and related measures have been adopted. Due diligence and review are conducted based on the Green Loan Principles and Sustainability-Linked Loan Principles to support corporate sustainability goals. The outstanding balances for green loan and sustainability-linked loan reached NT\$41.5 billion and NT\$47.7 billion, respectively.</p> <p>Financial Impact</p> <p>Revenue from sustainable finance-related business, interest income, and investment returns totaled approximately NT\$963 million.</p>	<p>1. In accordance with the Group's Sustainable Finance Guidelines and Industry-specific Environmental and Social Risk Management Rules, ESG due diligence is conducted on all investment and financing targets to ensure no significant adverse impact on society or the environment, while increasing holdings of various sustainability-related bonds.</p> <p>2. By applying the Taiwan Sustainable Taxonomy, the Group strengthens financial support for industries transitioning to sustainability, promoting industrial sustainable development. Additionally, the banking subsidiary has established the Guidelines for Managing Equator Principles Financing Cases to implement the Equator Principles in practice.</p> <p>Financial Impact</p> <p>The amount is currently unquantifiable due to high uncertainty.</p>	CH 3.4 Low-carbon Transformation- Sustainable Financial Products and Services

Note: 1. Assessment dimensions: ① Products & Services; ② Supply Chain/Value Chain; ③ Adaptation & Mitigation Activities; ④ R&D Investments; ⑤ Operations (incl. type of operations and locations); ⑥ Acquisitions & Divestments; ⑦ Access to Capital.
2. For actual financial impact figures, please refer to financial statements.

Rank	Risk/Opportunity	Risk/Opportunity Factor	Risk/Opportunity Description	Impact on Value Chain	Assessment Dimensions <small>Note 1</small>	Time Frame	Severity of Financial Impact	Progress & Assessment of Mitigation Activities		Corresponding Chapter
								Current	Future	
3	Opportunity 6	Market opportunities	Sustainable bonds market	<ul style="list-style-type: none"> Own operations Suppliers 	① ② ⑤	Mid-term	Low	<p>1. Underwriting a total of 28 sustainable bonds (including sustainability use-of-proceeds bonds, sustainability-linked bonds, and sustainability-linked convertible bonds), with a 59.9% year-over-year increase, reaching NT\$21.87 billion.</p> <p>2. Assisting Taiwan Cement Corporation in issuing Taiwan's first sustainability-linked convertible bond, raising NT\$8 billion—the largest fundraising case of the year—with Yuanta Securities underwriting NT\$4.8 billion.</p> <p>Financial Impact</p> <p>Revenue and interest expenses related to sustainable finance and investment business totaled approximately NT\$381 million.</p>	<p>1. Will continue underwriting sustainable bonds to boost the sustainable bonds market and support enterprises in transitioning toward sustainability.</p> <p>2. Adopting the Taiwan Sustainable Taxonomy to evaluate whether the issuer's economic activities meet the criteria; if not, would engage clients to initiate sustainable transition.</p> <p>Financial Impact</p> <p>The amount is currently unquantifiable due to high uncertainty.</p>	CH 3.4 Low-carbon Transformation-Sustainable Financial Products and Services
4	Opportunity 3	Products and Services	Develop and promote low-carbon products and services	<ul style="list-style-type: none"> Investors 	① ② ④ ⑤ ⑦	Mid-term	Low	<p>1. The outstanding balance of individual green building mortgages and new energy vehicle loans grew by 27.1% year-over-year to NT\$24.53 billion.</p> <p>2. Issued the “Yuanta FTSE4Good TIP Taiwan ESG ETF Feeder Fund,”^{Note 3} reaching NT\$410 million of AUM, as of end of year.</p> <p>Financial Impact</p> <p>Revenue from low-carbon and ESG-related products and services (e.g., brokerage fees, fund management fees, interest income) was approximately NT\$325 million. Investment cost for developing ESG and low-carbon products and services was approximately NT\$66 million.</p>	<p>1. In 2025, the securities subsidiary plans to launch features on the “Mr. Investor” App, including investment partnership, dividend reinvestment, and day trading strategies. Facial recognition will also be introduced for password retrieval and certificate requests to enhance identity verification. The banking subsidiary plans to launch an online NTD deposit program to serve customers who are unable to visit branches. The Group's main channels shall continue leveraging digital technology combined with diverse products and services, linking financial services to different customer life scenarios to build a financial ecosystem and deliver zero-delay, customer-centric service.</p> <p>2. Launch diversified and innovative financial products focused on climate change and sustainability themes to meet customers' sustainable investment needs, and promote existing sustainable products by expanding the scale of sustainable asset management through multiple channels.</p> <p>Financial Impact</p> <p>The amount is currently unquantifiable due to high uncertainty.</p>	CH 3.4 Low-carbon Transformation-Sustainable Financial Products and Services CH 3.4 Low-carbon Transformation-Product Carbon Footprints

Note: 1. Assessment dimensions: ① Products & Services; ② Supply Chain/Value Chain; ③ Adaptation & Mitigation Activities; ④ R&D Investments; ⑤ Operations (incl. type of operations and locations); ⑥ Acquisitions & Divestments; ⑦ Access to Capital.

2. For actual financial impact figures, please refer to financial statements.

3. Yuanta FTSE4Good TIP Taiwan ESG ETF Feeder Fund. (Dividend may be paid out from capital).

Rank	Risk/Opportunity	Risk/Opportunity Factor	Risk/Opportunity Description	Impact on Value Chain	Assessment Dimensions <small>Note 1</small>	Time Frame	Severity of Financial Impact	Progress & Assessment of Mitigation Activities		Corresponding Chapter
								Current	Future	
5	Opportunity 7	Market opportunities	Cooperation with government agencies.	Product and Service	① ② ③ ⑤	Mid-term	Low	<p>1. In cooperation with the National Land Management Agency's interest subsidy programs for home purchase and renovation loans, the Kinmen County Government's Youth Home Ownership Project, and programs supporting youth or disadvantaged groups without self-owned housing, low-interest or government-subsidized loan options, were provided to help with secure home ownership. New loans totaled NT\$150 million, with an outstanding loan balance of NT\$2.5 billion.</p> <p>2. Assisted competent authorities in promoting the over-the-counter trading system for sustainable convertible/exchangeable bonds. Sustainability-linked convertible bonds (SLCBs) were listed in Q3, expanding the application of sustainable bonds, increasing flexibility in capital operations, and enhancing corporate willingness to participate in the sustainable bond market.</p> <p>Financial Impact</p> <p>Expenses for compliance, and revenue from policy-driven products and services totaled approximately NT\$385 million.</p>	<p>1. As a member of the Coalition of Movers and Shakers on Sustainable Finance, we support national policy by increasing investment and financing in designated industries, including emerging economic activities and key strategic industries identified in the Executive Yuan's "Taiwan 2050 Net-Zero Emissions Pathway and Strategy," leading industries shift toward net-zero.</p> <p>2. Subsidiaries actively participate and support the competent authorities to formulate sustainability policies with advice on practice, so that they could keep up with the trend of sustainability business in various sectors.</p> <p>3. In response to the demand for green supply chains, businesses are facing capital needs for transformation. The Group strategically target on those sectors expected to be impacted by carbon fee implementation, supporting them through funding, and expect to generate asset returns.</p> <p>Financial Impact</p> <p>The amount is currently unquantifiable due to high uncertainty.</p>	CH 1.4 International Initiatives & Government Organizations

Note: 1. Assessment dimensions: ① Products & Services; ② Supply Chain/Value Chain; ③ Adaptation & Mitigation Activities; ④ R&D Investments; ⑤ Operations (incl. type of operations and locations); ⑥ Acquisitions & Divestments; ⑦ Access to Capital.
2. For actual financial impact figures, please refer to financial statements.

3.3 Low-Carbon Operations

As a green pioneer, the Group actively participates in global efforts to combat global warming, listing low-carbon initiatives for Yuanta operations into our sustainability strategy. Following the "Environment and Energy and Climate Change Management Policy^[11]", the Group is committed to environmental and energy management, promoting efficient resource use, reducing greenhouse gas (GHG) emissions, and ensuring environmental protection. This commitment is reflected in four major low-carbon initiatives targeting Yuanta operations: environmental management system certification, energy conservation and emissions reduction efforts, green buildings, and renewable energy use.

As part of the Group's Corporate Sustainability Office, the "Environmental Sustainability Team" is responsible for developing environmental management systems and coordinating various action plans. The team is empowered to leverage the organization's resources through standardized and systematic management. In the future, the Group will continue to enhance operational resilience by fostering a low-carbon workplace and strengthening climate management to achieve sustainable finance goals.

Management and Certification

In 2023, the Group issued the Net-Zero Declaration and Climate Finance Operations Guidelines to support the United Nations and Taiwan's ambitions for Net Zero by 2050. All Yuanta locations in Taiwan received ISO 14064-1 GHG inventory and verification certification, creating a basis for setting long-term science based reduction targets (SBTs). In 2024, nine of the Group's proprietary buildings in Taiwan passed the ISO 50001 energy management system verification. We gained insight into electricity consumption through a smart energy monitoring system and set alerts for excess electricity usage, thereby achieving our goal of effective energy management.

To manage water resources, the Group continued to adopt ISO 14046 guidance for water footprint assessment to evaluate water consumption from our operations, further tracking locations with high water usage to understand the environmental impacts of water consumption throughout our operations. We then implement data-driven management and set goals to serve as comprehensive indicators for water use. The Group will continue to perfect management systems, strengthen efficient use of natural resources, and reduce GHG emissions.

Energy Conservation & Carbon Reduction Efforts

To mitigate potential carbon risks and climate impacts, the Group has rolled out several energy-saving measures, including creating a low-carbon workplace and reducing resource consumption through initiatives such as LED lighting replacement, capital equipment upgrades, and installing electric vehicle (EV) charging sockets in new buildings. We continued to promote paper reduction by digitalizing our workplace, digitalizing services, and streamlining processes. In 2024, the quantifiable reduction in paper usage amounted to approximately 341,719,835 sheets. Moreover, internal staff awareness of energy conservation, emissions reduction, and environmental protection has been reinforced through educational campaigns. We have also increased the proportion of online meetings and training, and maximized the use of video for day-to-day business and business presentations to reduce travel and improve administrative efficiency. As a result, the Group achieved 2,460.38 metric tons in carbon emissions reduction in 2024.

Low-Carbon Operation Actions	Examples	Amount of Carbon Reduction (tCO ₂ e)
Energy-saving action plan	LED energy-saving lamp replacement, outdated equipment and systems upgrade, etc.	163.30
Paper reduction measures	Internal e-documents, e-payment slips, tablets for major meetings, Yuanta e-academy, digital services, etc.	2,460.38

Note: 1. The amount of carbon reduction in 2024 is calculated based on the 2023 electricity carbon emission factor of 0.494 (kg CO₂e/kWh) as announced by the Bureau of Energy of Taiwan's Ministry of Economic Affairs. Detailed information can be found in Chapter 4.2 Contribution to the Development of Green Operations - Low-Carbon Operations of the 2024 Sustainability Report.

2. The carbon emissions of paper are calculated using the Carbon Footprint Information Platform of Taiwan's Ministry of Environment, virgin pulp copy paper 3.6 kg CO₂e/500 sheets per pack. Detailed information can be found in Chapter 4.2 Contribution to the Development of Green Operations - Low-Carbon Operations of the 2024 Sustainability Report.

Green Buildings

Considering extreme weather will result in interrupted operation at locations or value loss of self-own assets, to mitigate and adjust operational impacts climate events can incur, the Group has required all new proprietary buildings to obtain Green Building Labels since 2023. Sustainability considerations - including greenery, water retention, energy-efficient building envelopes, rainwater harvesting systems, and green building materials - are also integrated from the design phase to ensure the building can thrive alongside our environment, and development can coexist with sustainability. The Yuanta Financial Plaza, completed in 2024, secured a Green Building Label in Silver from Taiwan's Ministry of Interior. As such, we currently have three Green Building Labels in Silver for new proprietary buildings.

On the business side, when selecting sites for expansion, we not only consider economic benefits, but also include climate change (flooding and soil liquefaction), protective facilities (fire prevention and flood control), and sustainable construction (green building label, renewable energy, rainwater recycling system, and energy-saving label) in our evaluation to prevent possible disasters and operational losses in the future.

Renewable Energy

To align with our SBTi target and comply with domestic policy requirements, we have been working to increase our renewable energy use. In 2020, we signed a Power Purchase Agreement (PPA) for renewable energy and officially began sourcing green electricity in the third quarter of 2021. By 2024, the entire Group, including Yuanta FHC and our eight major subsidiaries (Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Funds, Yuanta Futures, Yuanta Venture Capital, Yuanta Asset Management and Yuanta Securities Investment Consulting), had transitioned to using renewable energy. Over 30% of our branch locations now use renewable energy. In 2024, group-wide renewable energy use reached 5.2808 million kWh or 13.64% of total energy use. The Group will continue to strive toward 100% renewable energy use by 2050.

► Carbon Impacts from Renewable Power Purchase Agreements (PPA)

Year	2022	2023	2024	2025 Goal
Renewable Energy Wheeled through PPA (10,000kWh)	94.59	264.34	528.08	240
Percentage of Group's Energy Use	2.59	7.06	13.64	6
Emissions Reduction (tCO ₂ e)	481.46	1,308.46	2,608.72	1,185.60

Note: The amount of carbon reduction in 2024 is calculated based on the 2023 electricity carbon emission factor of 0.494 (kg CO₂e/kWh) as announced by the Bureau of Energy of Taiwan's Ministry of Economic Affairs. Detailed information can be found in Chapter 4.2 Contribution to the Development of Green Operations - Low-Carbon Operations of the 2024 Sustainability Report.





► Renewable energy



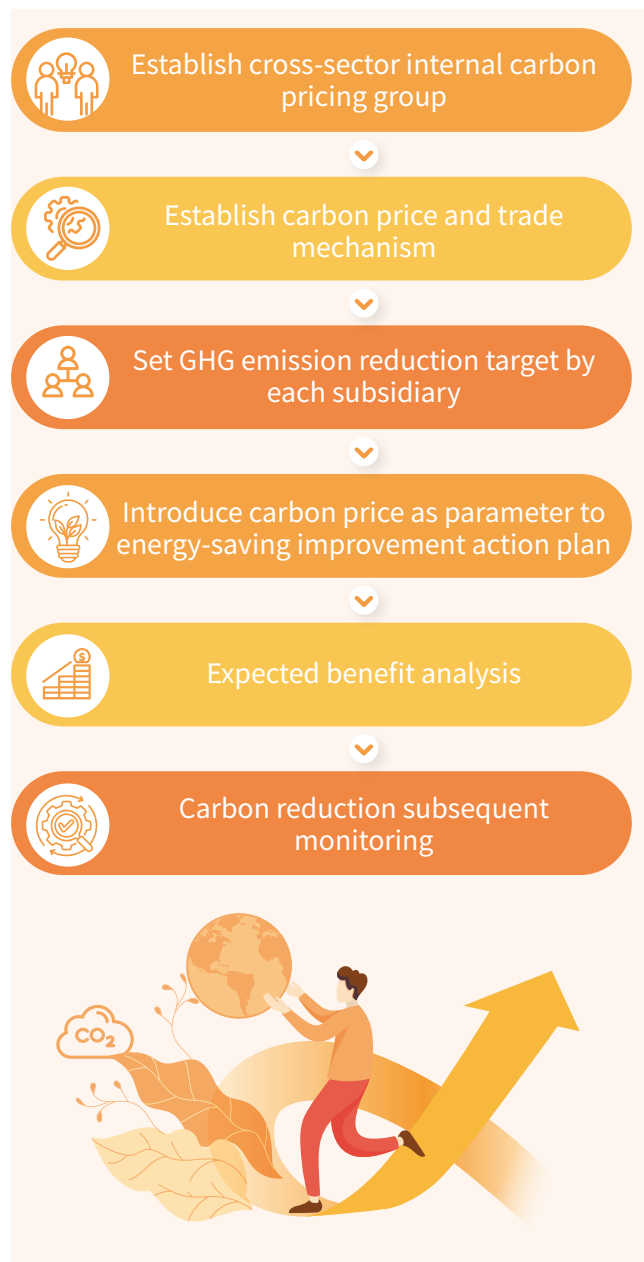
Implementation of Internal Carbon Pricing (ICP)

The Group's ICP Working Group assists subsidiaries in assessing the benefits of decarbonization projects with shadow prices. We also adopted ISO 50001 energy management system to include carbon pricing parameters when evaluating energy equipment procurement and investments in and production of various energy-saving initiatives, thereby monetizing the benefits of carbon reduction efforts. To effectively drive low-carbon transition within the Group, the internal carbon pricing program transitioned from the testing phase to official implementation in 2024. Also in 2024, the internal carbon price was raised to NT\$2,000 per metric ton to align with global carbon pricing trends and to reflect estimated carbon costs based on the scenario of net zero by 2050 and historical decarbonization costs within Yuanta FHC. Decarbonization outcomes will be assessed annually through annual GHG inventories. In the first year of official implementation, the Group reduced carbon emissions by 968.31 metric tons from the previous year, which is a 5.20% reduction and savings of NT\$1.93 million according to our internal carbon price.

► Implementation and Objectives of Internal Carbon Pricing

Implementation		The Purpose of Implementation
	In order to achieve the Group's science-based carbon reduction targets and comply with Taiwan's Climate Change Response Act and the 2050 Net-Zero Emissions policy, the Group adopts an internal carbon pricing mechanism as a reduction tool for Category 1 and Category 2 greenhouse gas emissions. This approach also meets stakeholders' expectations for carbon reduction efforts by Yuanta FHC.	<ul style="list-style-type: none"> • Comply with greenhouse gas regulations • Meet stakeholder expectations
	To raise awareness for decarbonization within Yuanta FHC, the Group has linked internal carbon pricing with SBT, setting a goal for Yuanta FHC and subsidiaries to reduce carbon emissions by 8% in 2025 from the base year (2020). Subsidiaries are encouraged to propose emissions reduction plans to jointly achieve the Group's carbon reduction targets, which are then factored into performance evaluations for department heads and employees.	<ul style="list-style-type: none"> • Change internal behaviors • Consider climate issues in decision-making • Set climate-related targets
	By internalizing the external costs associated with carbon emissions through internal carbon pricing, the Group can use it as a reference for future actions such as replacing high-energy-consuming equipment and procuring energy-efficient devices.	<ul style="list-style-type: none"> • Improve energy efficiency • Influence strategies and financial planning
	Currently, the application boundary of internal carbon pricing within the Group primarily focuses on Category 1 and Category 2 greenhouse gas emissions. In the future, based on the achievements and ongoing observation of domestic and international trends, the Group intends to expand the scope of application to include engagement with investment targets and suppliers. This expansion aims to identify and manage carbon-related risks and opportunities, as well as promote resilience in the face of transition risks	<ul style="list-style-type: none"> • Promote low-carbon investments • Identify and seizing low-carbon opportunities • Supplier engagement

► Schematic Diagram of Internal Carbon Pricing



Product Carbon Footprint

The Group has integrated sustainability philosophy into our operational strategies, taking the initiative to conduct ISO 14067 carbon footprinting. We are committed to reducing the carbon emissions of our products through initiatives such as promoting green financial service processes and optimizing our digital financial platforms to support business growth.

Our subsidiaries have delivered outstanding results in driving a low-carbon economy. All of Yuanta Bank's credit cards have obtained multiple certifications, including ISO 14067 product carbon footprint, PAS 2060 carbon neutrality, and the "Carbon Footprint Label" and "Carbon Footprint Reduction Label" from Taiwan's Ministry of Environment. Yuanta Securities' "Mr. Investor App" and Yuanta Bank's "Mobile Banking App" have also been ISO 14067 and PAS 2060 certified, achieving carbon neutrality.

To support Taiwan's goal of net zero by 2050, Yuanta Securities is assisting the Ministry of Environment in formulating "Product Category Rules (PCR)" for the online securities, futures, and investment consulting services; and leading the industry by setting standards and conducts carbon footprint assessments for various online services such as applications, transactions, and inquiries under the "Yuanta Securities Online Investment and Financial Services." Through ISO 14067 product carbon footprint verification, it was estimated that the carbon emissions per user for each online service were approximately 285 mg.

Use of Carbon Credit

As of the end of 2025, Yuanta Group has acquired 4,550 metric tons of carbon credits from a Gold Standard (GS) -certified wind energy project in India. In 2024, Yuanta used 316 metric tons of carbon credits and has 4,234 metric tons of remaining carbon credits, which would be used to offset the carbon derived from our products i.e. zero-carbon credit cards, applications, and other products, hoping to achieve net zero through market mechanisms and ensuring that both our environment and economy can flourish together.

Green Procurement

The Group has established "Green Procurement Terms and Conditions" based on procurement regulations, prioritizing products with environmental, energy-saving, emissions reduction, Energy Star, water-saving, and other certifications, as well as selecting local suppliers in Taiwan. Through green procurement and supplier management, the Group seeks to exert influence to support sustainability. In 2024, the total amount of green procurement reached NT\$298,717,000 accounting for 5.47% of the total procurement amount. The Group has been recognized as a "Green Procurement Benchmark Unit" by the Taipei City Government for fourteen consecutive years.

Unit: NT\$ thousand

Year	2022	2023	2024
Green Procurement Amount	212,316	273,170	298,717

3.4 Low-Carbon Transformation

Yuanta FHC extends its commitment to sustainability from internal operations to the external value chain. By investing in sustainable industries and launching diverse and innovative products and services tailored to different businesses, the Group seeks to direct funds to sustainability through sustainable finance strategies, thereby propelling the industry and customers toward a low-carbon future. The Group uses the "Sustainable Finance Guidelines" at the financial holdings level as the highest guiding principle when developing financial products and services. The guidelines outline ESG (environmental, social, and corporate governance) issues of concern and industries we seek to support and require subsidiaries to comply with regulations, integrate sustainability into business planning and operations, and apply sustainability principles to products and services. To further strengthen ESG audit mechanisms, Yuanta FHC has established "Industry-Specific Environmental and Social Risk Management Rules."^[4] Under the rules, before investing or financing, Yuanta FHC is required to have a thorough understanding and assessment of any high-risk target's potential risks and adaptation capabilities. The number and amount of credit, investment, underwriting, and advisory service cases approved under the "Sustainable Finance Guidelines"^[2] or "Industry-Specific Environmental and Social Risk Management Rules"^[4] as of December 2024 are disclosed by industry. For detailed information, please refer to [Appendix 7. Sustainable Finance Indicators](#).

Sustainable Financial Products and Services

The Group's sustainable financial products and services are largely categorized into four aspects as lending, investing, underwriting and consulting, and other low-carbon financial products and services, with nine product types.



Nine Product Types



Underwriting and Consulting Services

Underwriting of Sustainable Bonds

- In 2024, Yuanta Securities assisted in underwriting various sustainable bonds, including 16 green bonds for companies like TSMC, Taipower, and Far Eastern New Century; 3 sustainability bonds for the First Commercial Bank and E. Sun Bank; 8 social bonds for the Taipei City Government, Chang Hwa Bank, and Taiwan Mobile; and 1 sustainability-linked convertible bond for Taiwan Cement. In total, Yuanta Securities underwrote or assisted in underwriting a total of NT\$21.87 billion.
- Sustainable bonds supported by Yuanta Securities accounted for 17.62% of the total bond underwriting value.

ESG Theme Consultation Services

- Yuanta Securities continues to strengthen advisory services for IPOs, SPOs, capital increases, and convertible bond issuances to eco-friendly industries, social welfare industries, and other sustainability-related industries. In 2024, Yuanta Securities underwrote 79 sustainable financing projects, accounting for approximately 77% of the total advisory cases.
- In 2024, Yuanta Securities advised around NT\$35.9 billion of assets in environmental-friendly, social welfare, and sustainable-related industries.



Responsible Financing

Sustainable Lending

- Yuanta Bank supports the government's six core strategic industries by providing loans to green and renewable energy sectors and financing sustainable industries and infrastructure projects. This support aims to assist businesses and industries in promoting green industries such as green innovation materials research and development, circular economy initiatives, and pollution prevention-related industries. By integrating resources, the bank seeks to propel Taiwan's industries to a low-carbon and sustainable future.
- In 2024, Yuanta Bank was recognized as a "Top Bank for Loans to the Six Core Strategic Industries," issuing 86 corporate loans to sustainable industries, with a total credit balance of NT\$41.5 billion, accounting for 6.22% of the bank's total corporate loan balance.
- As of the end of 2024, the total amount of green loans, social loans, and sustainability loans provided by Yuanta Bank exceeded NT\$238.8 billion, accounting for 23.77% of the total lending portfolio.

Sustainability-Linked Loan

- Yuanta Bank encourages enterprises to pursue sustainability practices by offering Sustainability-Linked Loans (SLLs). When companies achieve their set sustainability targets, they are offered discounts such as interest rate reductions and fee waivers to support and encourage them to contribute to social sustainability. Yuanta Bank conducts non-scheduled reviews of its clients' ESG performance and continuously refines its business processes to actively promote SLLs and products. By inviting clients to join in the journey towards sustainability, the bank aims to make industrial transformation more competitive.
- In 2024, Yuanta bank approved 73 SLLs, with a total balance of NT\$47.7 billion, accounting for 7.15% of the total corporate lending. This marks an increase of 26 cases and NT\$16 billion in balance from 2023.

Low-Carbon Consumer Finance Products

- In addition to supporting sustainability efforts in businesses, Yuanta Bank is also committed to strengthening ESG efforts for consumers, inviting customers to support green consumption on credit card bills, and introducing sustainability into their lives by offering credit card rewards. Furthermore, to incentivize customers to purchase low-carbon products such as green buildings and hybrid cars, Yuanta Bank launched green building mortgages and EV loans. These projects offer preferential interest rates for collateral with Taiwan's "Green Building Labels" or "Green Building Material" certification. This year, the bank continued collaborating with EV dealers, providing exclusive test drive events, fee waivers, and preferential financing schemes for EV loans. The bank encourages the public to purchase EVs and homes with green building certifications on the auto loan and mortgage loan limit calculation webpage, supporting the Group's effort to build a sustainable future for Taiwan.
- In 2024, the total amount of consumer banking products and services related to sustainability accounted for approximately 5.82% of all consumer loans.



Responsible Investment

Sustainable Development Bonds

- As of the end of 2024, Yuanta Bank has issued NT\$1 billion in sustainable bonds to support loans to green investment projects such as renewable energy, development of energy technology, enhancement of energy efficiency, energy conservation, GHG reduction, other climate adaptation measures, or investment projects (green buildings) approved by the TPEX.

Responsible Investment

- The Group actively invests in sustainability projects, using ESG to screen investment targets on their alignment with Yuanta's net-zero strategies and uphold responsible investing. Subsidiaries also actively invest in green, social, and sustainable bonds to leverage our influence as investors and direct funds into businesses that value sustainable development.
- In 2024, the Group's total responsible investment amounted to NT\$53.13 billion.

Low-Carbon Investment Projects

- In response to the low-carbon economy trend, the Group actively invest in and develop industries with green and environmental implications, such as solar energy cells, renewable energy services, and waste management. Through strategic investments, we are expected to bring short, medium, and long-term benefits and impacts to the capital market and the Group as a whole.

In the short term, by combining funds, technology, and expertise, we invest in targets with high potential for development, new technologies, and rapid growth within the low-carbon economy transition, assisting them in developing new products, providing technical support, and marketing channels. Once the investments are successful, the Group may arrange for merger and acquisition or go public, generating investment returns for the Group.

In the medium term, the Group strategically invests in a portfolio focused on low-carbon transformation, positioning itself in green-energy technology, renewable-energy industries, and circular-economy sectors. These investment targets, characterized by low greenhouse gas emissions, are less susceptible to transition risks, providing the Group with relatively stable capital gains.

In the long term, through strategic investments, the Group aims to exert influence in emerging and rapidly growing key industries within the low-carbon economy. These industries, due to their novel business models and inherent investment uncertainties, may struggle to attract sufficient capital. By proactively investing in and mentoring relevant companies, the Group and subsidiaries not only enhance market confidence in these industries but also contribute to building a vibrant capital market for sectors.



Other Financial Products and Services

Low-Carbon & Sustainability Products

- To support ESG investment trends and sustainable resources, the Group introduced a variety of sustainability products, including energy efficiency funds, ESG funds, ESG ETFs, and green energy sustainable warrants. For detailed product information, please refer to 3.1.2 Creating a Sustainable Financial Life of Yuanta FHC's Sustainability Report 2024. Among these, the "Yuanta FTSE4Good TIP Taiwan ESG ETF" ^{Note} tracks the "Taiwan Sustainability Index," which considers basic performance indicators like ROE but also ESG performances of constituent stocks. The ESG ETF is Taiwan's first of its kind and has also been approved by regulatory authorities and announced on FUND CLEAR's ESG Fund section. The Group will continue to refine financial products that align with ESG principles to offer investment choices for a sustainable future.
- In 2024, the Group's investment assets with sustainability implications accounted for approximately 50.28% of total assets.

Note: Yuanta FTSE4Good TIP Taiwan ESG ETF. (Dividend may be paid out from capital).

Achievements in Sustainable Finance

► Sustainable Lending

Unit: NT\$ thousand

Areas of Credit	2022			2023			2024		
	Loan Amount	Total Lending Amount	Proportion of Total Lending (%)	Loan Amount	Total Lending Amount	Proportion of Total Lending (%)	Loan Amount	Total Lending Amount	Proportion of Total Lending (%)
Loans for Green-Energy and Renewable-Energy Industries	51,718,058	639,585,085	8.09	80,375,374	904,895,894	8.88	63,714,462	1,004,878,844	6.34
Loans for Green-Energy and Renewable-Energy Infrastructure	22,381,367		3.50	20,971,236		2.32	37,905,451		3.77
Loans for Circular-Economy Industry	93,568,527		14.63	90,784,890		10.03	117,444,169		11.69
Loans for Low-Carbon Buildings and Infrastructure	3,456,100		0.54	8,578,000		0.95	19,761,166		1.97
Sustainability-Linked Loan	38,151,584		5.97	51,980,335		5.74	80,859,840		8.05
Total	209,275,636		32.73	252,689,835		27.92	319,685,088		31.82

Note: In this table, the total lending amount and loan amount are defined as the amount of money from new cases in the current year.

► Low-Carbon Consumer Finance Products

Unit: NT\$ thousand

Areas of Credit	2022			2023			2024		
	Loan Amount	Total Lending Amount	Proportion of Total Lending (%)	Loan Amount	Total Lending Amount	Proportion of Total Lending (%)	Loan Amount	Total Lending Amount	Proportion of Total Lending (%)
Green-Building Mortgage	1,737,980	121,769,757	1.43	3,901,870	142,133,187	2.75	1,394,600	185,439,962	0.75
Electric-Vehicle Loan	6,876,922		5.65	6,184,860		4.35	9,396,540		5.07
Total	8,614,902		7.07	10,086,730		7.10	10,791,140		5.82

Note: In this table, the total lending amount and loan amount are defined as the amount of money from new cases in the current year.

► Sustainable Bonds Underwriting

Unit: NT\$ thousand

Categories	2022	2023	2024
Green Bond	13,100,000	8,840,000	9,920,000
Social Bond	100,000	1,475,610	5,550,000
Sustainability Bonds	4,600,000	3,357,930	1,600,000
Sustainability-Linked Bonds	2,600,000	800,000	0
Underwriting of Sustainability-Linked Convertible Bonds			4,800,000
Total	20,400,000	14,473,540	21,870,000

Note: Bonds that meet the definition set forth in Article 3 of TPEX's Taipei Exchange Operation Directions for Sustainable Bonds.



► Low-Carbon Investment Financial Products

Unit: NT\$ thousand

Categories	2022			2023			2024		
	Asset Size	Total Asset	Proportion to Total Asset (%)	Asset Size	Total Asset	Proportion to Total Asset (%)	Asset Size	Total Asset	Proportion to Total Asset (%)
ESG Integrated	28,588,551	968,355,952	2.95	29,432,933	1,489,860,084	1.98	22,339,761	2,228,027,600	1.00
Best in Class	9,818,078		1.01	636,383,564		42.71	870,419,284		39.07
Thematic Investing	10,760,868		1.11	10,530,193		0.71	9,657,048		0.43
Impact Investing	474,726,250		49.02	0		0	0		0
Others	42,983,646		4.44	95,503,368		6.41	217,981,973		9.78
Total	566,877,393		58.53	771,850,059		51.81	1,120,398,066		50.28

Note: 1. ESG Integrated: Incorporate ESG models or set relevant screening principles, and systematically incorporate ESG factors into investment analysis and decision-making.
2. Best in Class: Select industries, companies or projects with relatively good ESG performance.
3. Thematic Investing: Invest in single or multiple underlying themes related to sustainability (e.g. climate change or clean energy, etc).
4. Impact Investing: Have a measurable social and environmental impact and financial return. In 2023, products that originally belonged to this category were reclassified to the "Best in Class" category.
5. Others: Investment products rated five earths by Morningstar and not classified into the above categories.

3.5 Climate and Nature Actions and Engagements

In addition to international advocacy initiatives, Yuanta FHC also participates in climate and nature-related activities, implementing and promoting carbon reduction and environmental actions locally, and inviting all employees and suppliers to join in. Furthermore, the Group organizes an annual sustainability forum to facilitate exchanges among the industry, government, and academia, fostering dialogue with scholars, professional institutions, corporate clients, financial peers, and the general public. The forum aims to facilitate collaborative sustainability exchanges across industries and sectors, fostering mutual growth and advancing toward sustainable transformation.

Value Chain Engagement

The Group rigorously manages sustainability issues across the value chain. Externally, we carefully screen suppliers and foster ESG, climate change, and environmental discussions through engagement with investment targets and supplier conferences. Internally, we issued the "Sustainable Procurement Declaration" and "Green Procurement Terms & Conditions" based on procurement regulations to prioritize products certified for eco-friendliness, energy conservation, and carbon reduction. The Group also actively leads sustainability engagement both within and outside the value chain, leveraging training and engagement actions to exert influence for sustainability.

Value Chain Engagement in 2024

Outcomes in 2024



- In 2024, we engaged with 16 key investee companies across industries, including domestic semiconductor and electronic product design and manufacturing. Following our engagement, 5 companies implemented specific improvement actions, such as piloting IFRS Sustainability Disclosure Standards S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and S2 "Climate-related Disclosures;" supporting the International Union for Conservation of Nature (IUCN); establishing biodiversity conservation guidelines; and setting net-zero targets.



- We hosted 3 supplier conferences focusing on "Biodiversity," "Circular Economy," and "Friendly Workplaces," with a total of 90 key suppliers participating.
- We also held 4 quarterly procurement meetings to promote the integration of ESG across procurement management and to advocate for sustainable procurement practices. These sessions trained a total of 74 participants, totaling 148 training hours and achieving 100% training coverage.



- Yuanta Bank extended its carbon reduction initiatives from corporations to individual consumers by offering a mobile carbon account - "Diamond-Gold Carbon Lucky Account," which encourages consumers to reduce their carbon footprint through digital transactions. In 2024, Yuanta Bank customers collectively saved approximately 340 million sheets of A4 paper by conducting business online, a 33% increase in savings from the previous year.

Climate Action

Earth Hour

- The Group has participated in the world's largest environmental and energy-saving initiative, Earth Hour, for four consecutive years. On the evening of March 23, from 8:30 PM to 9:30 PM, lights were off in sync with the world. The lights on the exterior of the Group's Baoqing Building were turned off for one hour. Additionally, there were calls to action for overseas branches such as those in Hong Kong, Indonesia, South Korea, Vietnam, Thailand and Philippines. To leverage sustainable impact, Yuanta also calls on over 80 suppliers to join the initiative.



Watershed Co-Prosperity

- We continued to support Commonwealth Magazine's "Tamshui River Convention" and expanded our efforts by supporting the Magazine's initiative "Watershed Co-Prosperity," calling for employees and their friends and families to join in. In 2024, under the initiative, we collected 1,879 kg of marine debris.



Project Blue 1095

- For four consecutive years, Yuanta FHC has participated in Project Blue 1095 initiated by the Business Today magazine. This initiative saw participation from 28 public and private entities. This year, a total of 932 kg of marine debris was collected.



Organizing and Participating in ESG Forums

Sustainable Finance Transition Forum

Yuanta FHC and Commercial Times co-hosted the "Strengthening Transitional Finance & Supporting Sustainable Industrial Development" forum, spotlighting sustainable finance trends. The forum highlighted how the financial sector's focus has shifted from “green finance” to “transition finance.” Along with the introduction of the “Taiwan Sustainable Taxonomy,” the forum shared how industry associations, academia, and the financial sector can help enterprises to realize sustainable transformation.

ESG Sustainable Investment Forum

Yuanta FHC and Economic Daily News co-hosted the Yuanta ESG Forum titled "Embracing Green Transformation: Leveraging Sustainability Investments to Achieve Net Zero" to explore how financial institutions can collaborate with customers toward a low-carbon and net-zero future. Important topics during the forum included leveraging the influence of capital to promote social and economic transitions, the roles and responsibilities of the financial sector in promoting net zero, and potential challenges for the financial sector in sustainability endeavors.

ESG Summit

Yuanta FHC, Commercial Times, and other industry professionals co-hosted the ESG Summit, exploring how the financial sector, in addition to pursuing its own sustainability and transition efforts, must also leverage its influence to lead investees and borrowers in addressing ESG issues. During the forum, competent authorities also shared their continued observations of global sustainability trends and how they have integrated resources to assist corporations with systematic transitions.

4

Comprehensive Climate Risk Management and Quantitative Analysis

4.1 Identify, Measure and Manage Processes

4.2 Climate Risk Management for Core Businesses

4.3 Quantitative Financial Analysis of Climate Change

4.1 Identify, Measure and Manage Processes

Include Climate Risk into the Existing Risk Management Framework

To ensure the integrity, effectiveness, and reasonableness of risk management, Yuanta Financial Holding Company (FHC) has established the Risk Management Policy^[13]. The primary risks include financial risks, operational risks, legal and compliance risks, and climate risks. Relevant departments are tasked with developing risk management procedures, monitoring indicators and threshold. Risks are then managed through identification, assessment, monitoring, and reporting to effectively control various types of risks.

To integrate climate risks into the existing risk management framework, we have also adopted the "Climate Risk Management Guidelines for Investment and Financing" and the "Operational Risk Management Guidelines" as standards for managing climate risks in both investment/financing activities and our own operations. Looking ahead, we will assess alignment with the International Financial Reporting Standards (IFRS) on disclosure of prioritization of climate risks and other risk categories to ensure the appropriateness of our risk management framework.

► Scope of Yuanta FHC's Risk Management System



Yuanta FHC applies the Enterprise Risk Management (ERM) framework to establish Three Lines of Defense in risk management, and perform duties of each line of defense to identifying, assessing, monitoring, and reporting climate-related risk to ensure risk management processes remain effective and functional.

► Three Lines of Defense for Risk Management



Climate Risk Management Mechanism

The Group actively monitors climate risks and financing to carbon-intensive industries. In 2024, the "Climate Finance Operations Guidelines"^[3] were amended to instruct engagement and divestment strategies for project financing and bond underwriting related to coal and unconventional oil and gas industries. Presently, we have a review system in place to assess the ESG risks of counterparties in financing and bond underwriting projects, which factors into decisions when conducting business with other companies. Our five major subsidiaries have also established climate risk monitoring thresholds, which have been approved by the subsidiary's board of directors and will be monitored by their risk management department to ensure the overall risk-bearing capacity of Yuanta FHC and its five major subsidiaries, and effectively manage various risks undertaken.

To ensure the ESG (environmental, social, and corporate governance) spirit is upheld in company operations and business planning, Yuanta FHC has established the "Sustainable Finance Guidelines"^[2] for assessing ESG issues with potentially material impacts. The Guidelines also support the provision of financial products and services to any industries that facilitate ESG development. On the other hand, to further strengthen the Group's ESG screening for investment and financing, Yuanta FHC has established the "Industry-Specific Environmental and Social Risk Management Rules"^[4], which stipulates that staff should strengthen their due diligence and prudently assess the potential environmental and social (E&S) risk impacts of their clients when they are working with clients in high-risk E&S industries, such as the steel manufacturing industry, the semiconductor manufacturing industry, and the plastic raw materials manufacturing industry, and to understand their E&S risk management measures and adaptation capabilities. This ensures that the risks of transactions are controllable.

► The Updated Terms and Conditions for "Industry-Specific Environmental and Social Risk Management Rules"



4.2 Climate Risk Management for Core Businesses

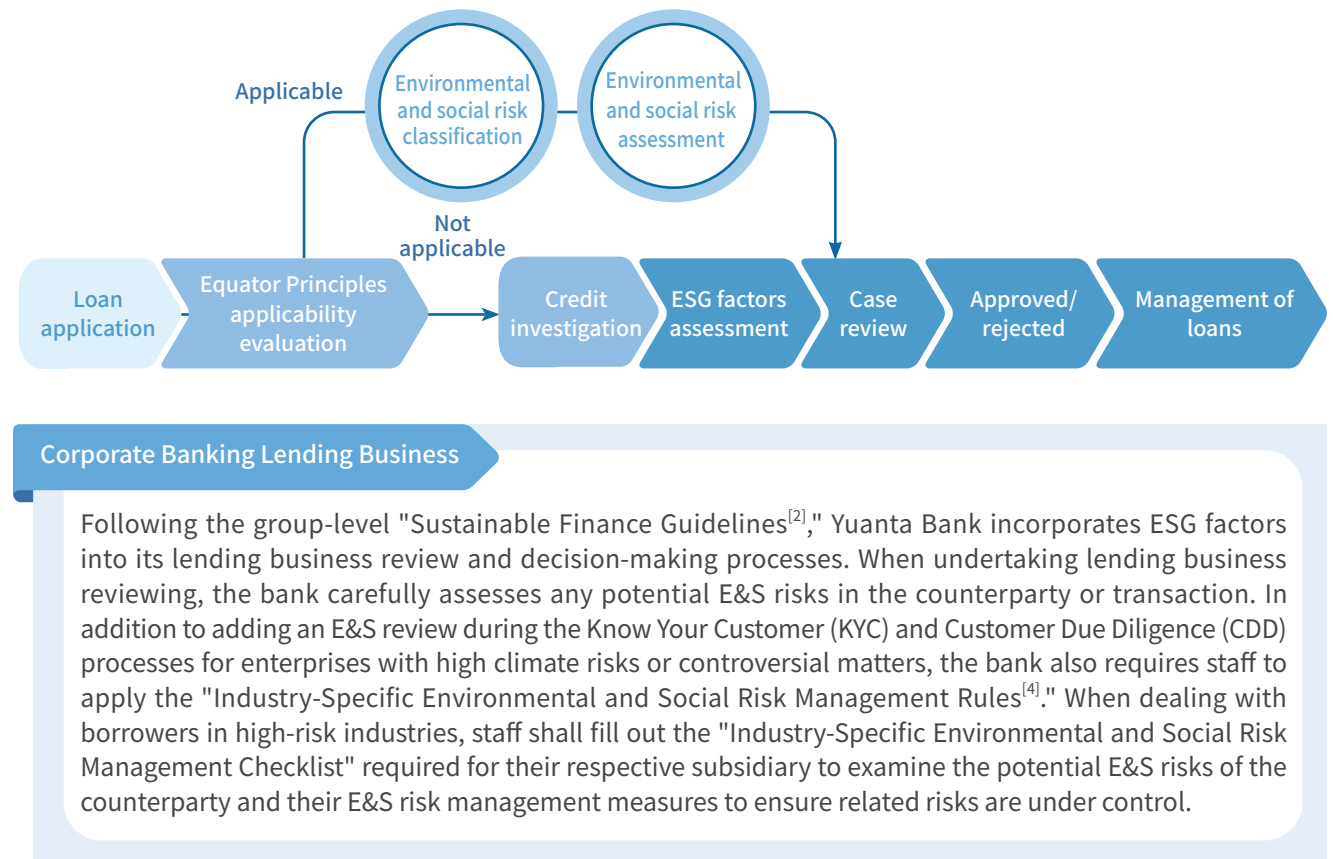
The Group is striving to achieve low-carbon transitions in all core businesses, including responsible lending, responsible investment, underwriting, and advisory services. We use the "Sustainable Finance Guidelines^[2]" as the highest guidance and framework for developing financial products and services, actively incorporating ESG risks into decision-making. In addition to carefully assessing high-risk industries, we also actively engage with counterparties to effectively evaluate and manage ESG risks. For details information, please refer to [Section 3.1 Sustainable Finance - Supporting Sustainable Economic Development of Yuanta FHC's Sustainability Report 2024](#).

Responsible Financing

► Responsible Financing Risk Management



► Responsible Financing Procedure



Project Financing

For project financing, the Group revised the "Climate Finance Operations Guidelines"^[3] in 2024 to target project financing in coal or unconventional oil and gas industries. The guidelines require financing targets to declare carbon reduction commitments. One of Yuanta FHC's subsidiaries - Yuanta Bank - formally signed the Equator Principles (EP)[®] in 2020 and established the task-based "E&S Risk Team" in compliance with the "Yuanta Bank's Guidelines for Managing Equator Principles Financing Cases"^[10] to conduct E&S risk assessment, review, and monitoring for EP loans. When providing credit or related financial advisory services to clients, related units must confirm EP applicability and complete the "E&S Risk Assessment Form" to confirm the level of E&S risks. If the case is applicable and is assessed as medium to high risk, the applicant will be required to commission an independent third party to conduct an E&S risk assessment and issue an "E&S Risk Assessment Report" to confirm compliance with the Equator Principles. If the assessment report requires post-lending monitoring, the applicant will be required to commission an independent third party to monitor and issue reports on E&S risks annually. If the applicant fails to comply with post-lending requirements, an Equator Principles Action Plan (EPAP) should be proposed and included in the post-lending conditions for subsequent tracking and control to ensure clients are placing due value on environmental protection and social responsibility. In 2024, Yuanta Bank declined a total of four project financing cases, amounting to NT\$1,200 million, due to EP assessments. For details of the project financing, please refer to [Section 3.1 Sustainable Finance - Supporting Sustainable Economic Development of Yuanta FHC's Sustainability Report 2024](#).

Consumer Banking Lending Business

When handling personal loans (incl. auto loans for corporate customers), Yuanta Bank must actively apply the "Assessment Based on Principles for Financial Service Industries to Treat Clients Fairly" and conduct negative news searches during the loan application process. The bank is required to undertake the KYC and CDD process during the loan application process and use the "Anti-Money Laundering (AML) System" to confirm whether the borrower has engaged in money laundering or any illicit activities or is a high-AML-risk customer to prudently assess the compliance of the borrower. Yuanta Bank upholds its professionalism as a lender and only offers an appropriate credit limit according to the customer's credit, requirements, financial abilities, and collateral. Upon granting loans, Yuanta Bank conducts post-loan management, follow-up reviews, and assessments to ensure proper use of funds to understand whether the borrower can make proper use of the loan according to the original loan plan. For all loans, the bank is required to confirm and cross-check the customer's credit information with the customer, inspect the collateral, and have full insight into the customer's financial abilities and the collateral's conditions.

Responsible Investment

► Responsible Investment Risk Management

Corporate Investment

Develop a responsible investment procedure in line with the "Sustainable Finance Guidelines"^[2] and "Industry-Specific Environmental and Social Risk Management Rules"^[4]

Stewardship

Subsidiaries including Yuanta Securities, Yuanta Bank, Yuanta Life and Yuanta Funds sign the Stewardship Principles for Institutional Investors and regularly publish the "Stewardship Report"

Sustainable Insurance

Yuanta Life issued the "Stewardship Report"^[16] in accordance with the United Nations'(UN) "Principles for Sustainable Insurance (PSI)"

► Responsible Investment Procedure



Corporate Investment

The Group's responsible investment complies with the "Sustainable Finance Guidelines^[2]," which incorporates ESG criteria into investment guidelines and requires Yuanta FHC and subsidiaries to adhere to the Guidelines to promote relevant businesses and effectively evaluate and manage ESG risks. Also, in compliance with the "Industry-Specific Environmental and Social Risk Management Rules^[4]," Yuanta refrains from increasing investments to existing investment targets in the coal-fired thermal power generation, coal-related industries, or unconventional oil and gas industries that are on the international environmental advocacy groups' official exit list. The Group has likewise followed the "Climate Finance Operations Guidelines^[3]" to establish a list of key engagement topics and priority targets for our investment business, implement ESG investment review, and increase investment in low-carbon industries; regularly engage with counterparties, and when investment targets are affected by major ESG risks, strengthen due diligence efforts. When necessary, Yuanta FHC and subsidiaries are encouraged to sell or divest from investment positions upon internal approval. In fulfilling the sustainable development responsibilities of financial institutions, subsidiaries such as Yuanta Securities, Yuanta Bank, and Yuanta Life are required to consider E&S performances when evaluating investment targets. They shall regularly review investment targets and continuously monitor their sustainability progress to reduce the E&S risks from Yuanta's investment activities, thereby supporting sustainable business development through the direction of capital funds.

Stewardship

The Group's subsidiaries including Yuanta Securities^[13], Yuanta Bank^[14], Yuanta Life^[15] and Yuanta Funds^[16] have all signed the "Stewardship Principles for Institutional Investors," as well as published the "Statement of Compliance with Stewardship Principles for Institutional Investors," "Stewardship Report," "Voting Records of Attendance in the Shareholders' Meetings of Invested Companies" on the company website to demonstrate the Group's determination for responsible investment. The Group continues to follow closely operational status and sustainable-related actions of its investees. To demonstrate the Group's commitment to responsible investing, we engage with investment targets' management through a diverse range of channels such as meetings, phone calls, emails, investor conferences, and shareholders meetings. In addition, the Group has developed a decision-making process to support shareholder decisions. When investment targets violate ESG principles and infringe on the rights of the Group's customers or beneficiaries, the Group may engage with management before shareholders meeting and vote against or forfeit our vote when necessary.

Sustainable Insurance

Evaluating investments through an ESG lens is a key focus for Yuanta Life. When managing investments, careful scrutiny and assessment are applied to review the risk attributes of investment positions. Investments are approved only after ensuring they do not involve controversial enterprises or high-E&S-risk industries, and are subject to regular post-investment management. Yuanta Life focuses on the four principles of the UN's Principles for Sustainable Insurance (PSI)^⑩. The company discloses methods and performance related to risks and opportunities arising from managing ESG issues, considering perspectives from itself, customers, regulators, the general public, and other stakeholders. Furthermore, Yuanta Life adopts the structure of the six principles in the "Stewardship Principles for Institutional Investors" published by the Taiwan Stock Exchange to demonstrate how it integrates ESG considerations and standards into its investment processes and decision-making. By doing so, Yuanta Life aims to foster the sustainable development for both itself and investees, and fulfill its responsibilities as an institutional investor.

Underwriting and Consulting Services

► Underwriting and Consulting Services Risk Management

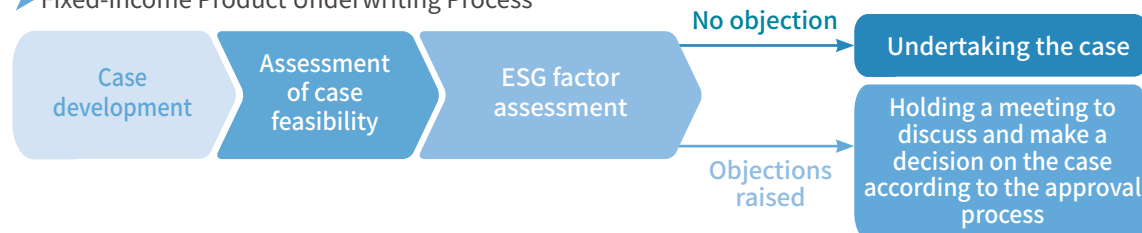
Bond Underwriting

Formulate ESG review guidelines based on the "Sustainable Finance Guidelines^[2]" and Yuanta Securities' "Principles for Responsible Investment Decision Making"

Consulting Services

Develop consulting services for ESG factor review and evaluation based on the "Sustainable Finance Guidelines^[2]"

► Fixed-Income Product Underwriting Process



Bond Underwriting

For bond underwriting, the Group amended the "Climate Finance Operations Guidelines^[3]" in 2024 to target bond underwriting in coal or unconventional oil and gas industries. The guidelines require financing targets to declare emissions reduction commitments. Yuanta Securities, a subsidiary of the Group, revised the "Principles for Responsible Investment Decision Making" in July 2023 to ensure responsible investment, requiring all underwriting contracts and related decisions to comply with the Principles for Responsible Investment (PRI)^⑪. In cases where Yuanta Securities is the lead underwriter, the subsidiary is required to complete a "Responsible Investment Checklist" to ensure ESG compliance of the counterparty. In cases where the "Industry-Specific Environmental and Social Risk Management Rules^[4]" apply, the subsidiary is required to also complete the "Industry-Specific Environmental and Social Risk Management Checklist" to assess whether the counterparty has strived for climate risk/opportunity assessments, low-carbon manufacturing, renewable energy, biodiversity, and other efforts toward sustainable development. Yuanta Securities employees then refer to international and domestic databases for ESG indicators to confirm the ESG process is compliant. Furthermore, Yuanta Securities shall not underwrite for companies excluded by Yuanta FHC's "Sustainable Finance Guidelines^[2]" and Yuanta Securities' "Investment Management Policy." Yuanta Securities shall, in compliance with the aforementioned guidelines, lend support to industries striving for sustainable development. If a decision has been made to underwrite those that require enhanced assessment, reasons would need to be given.

Consulting Services

To actively implement the "Sustainable Finance Guidelines^[2]", Yuanta Securities holds an evaluation meeting before undertaking an Initial Public Offering (IPO) and Secondary Public Offering (SPO) case to explore further information on the environmental friendliness, social responsibility and other sustainability related issues. For the development of relevant ESG review guidelines, please refer to Section 3.1 Sustainable Finance - Supporting Sustainable Economic Development of Yuanta FHC's Sustainability Report 2024.

4.3 Quantitative Financial Analysis of Climate Change

The physical risks, transition risks and opportunities caused by climate change have an impact on the financial performance of the financial institutions' operations, balance sheets, income statements, and cash flow statements, as well as various credit, market, liquidity, and operational risks. The Group follows TCFD's recommendation of quantifying climate risks targets, and makes annual improvement on our quantitative impact analysis on climate change risk:



- In 2019, analyzed the impact of transition and physical risks on the investment and financing targets of the steel and iron industry.



- In 2020, the scenario analysis was conducted on real estate collaterals and operational sites throughout Taiwan, based on the pathway that potential physical risk caused by climate change to real estate, and corresponding risk management measures were developed after the quantitative results.



- In 2021, we referenced reports such as industry risk assessment and economic trends published by renowned institutions in Taiwan and the international community, then included environmental and social risks in each industry into scope of consideration for industry risk level in 2022 and developed quantitative climate risk model which included market risk factor into scope of assessment.



- In 2022, we continued to improve our quantitative climate risk model and included risk factors—credit risk factor, market liquidity risk factor, and others—other than market risk factors influenced by climate risk into scope of assessment.



- In 2023, we improved the quantitative climate risk model, bridging the assessment of market liquidity risk factors with the Group's market liquidity risk control framework. In addition, we strengthened assessment of credit risk factors, leveraging more diverse and precise risk data parameters to adjust how we measure equity and obligations to arrive at a more robust and precise credit risk assessment framework.

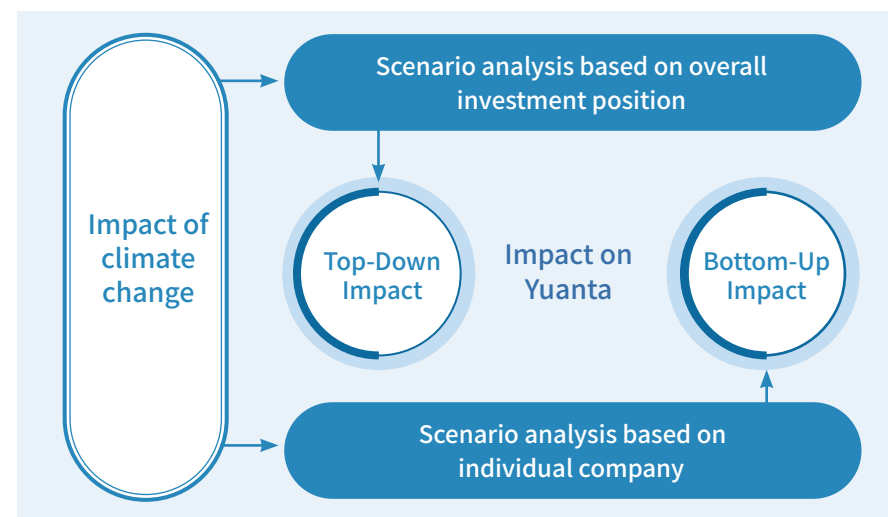


- In 2024, we introduced an artificial intelligence (AI) model to our quantitative approach for assessing climate risks, developing a new mechanism for managing risks, which will be used in tandem with the existing model. We then compare data from both models to advise internal risk analysis and assessment in the hopes of leveraging the AI model for more accuracy and diversity in risk measurements, thereby strengthening our quantitative management of climate risks.

Overview of Scenario Analysis

Yuanta FHC expects to analyze climate-related financial impacts for the whole Group at different points in time and under different scenarios from multiple perspectives, such as conducting scenario analysis from the level of overall investment position (Top Down) and from the level of individual company in high climate-risk industries (Bottom Up).

► Diagram of Scenario Analysis Overview



Note: 1. Top-Down Analysis: Calculate the additional loss of investment position due to the impact of climate change by linking the climate risk with the market data of financial transactions through economic modeling.

2. Bottom-Up Analysis: Analyze the impact of individual investment and financing targets on the Group by understanding industry climate risks and risk exposures with industry-specific climate risk assessment tools.

Scenario Analysis Based on Overall Investment Positions (Top Down)



Importance of assessment

Yuanta FHC looks at the macro-economic impacts caused by climate change to establish methods for quantifying financial risk impacted by climate change as our reference for opportunity management, and hopes to identify innovative business model in the process.



Targets of assessment

Mid-and long-term investment positions across the whole Group (as of the end of December 2024), which are mainly from three subsidiaries, i.e. Yuanta Bank, Yuanta Life, and Yuanta Securities. The markets of group investment are mainly in Taiwan, the US, and Australia.

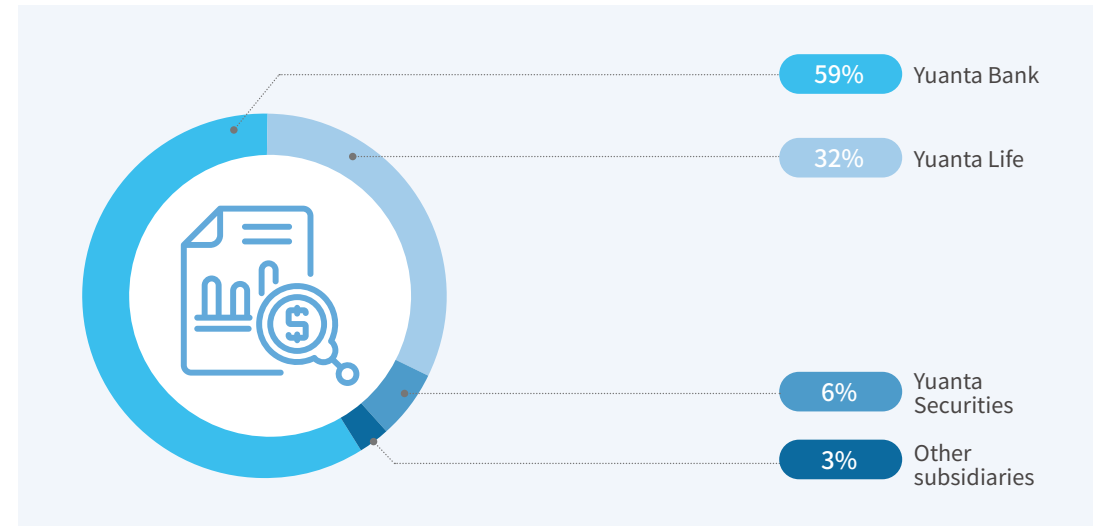


Method of assessment

To measure the physical and transition risks caused by climate change, scenario analyses of overall investment positions are based on scenarios provided by the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS). These scenarios serve as benchmarks for depicting the risk scenarios of long-term temperature rise and whether policies are transitioning in response to climate change. Also, we use linking factors of macro-economy to set up linking models of climate and economy. Finally, we integrate economy model with each risk factor model, and utilize the existing established risk management model to conduct impact analysis of climate impacts.

Note: IPCC is an intergovernmental organization affiliated with the UN, responsible for assessing the latest technology and literature related to global climate change. NGFS is composed of central banks and financial regulatory authorities from various countries, established to promote the goals of the Paris Agreement. The research and scenario parameters issued by both organizations regarding climate change are internationally representative.

Investment Positions by Subsidiaries



Overall Distribution of Investment Positions by Country





Climate scenarios for assessment

For our scenario analysis, we analyzed climate impacts on the Group's investment positions under three scenarios: "Orderly," "Disorderly," and "Hot house world." The three scenarios were chosen to show a range of physical and transition risk outcomes. Physical risks are selected from Shared Socioeconomic Pathways (SSP) provided in IPCC's Sixth Assessment Report (AR6) ¹⁸, while transition risks are derived from the NGFS Climate Scenarios Explorer.

(1) Orderly:

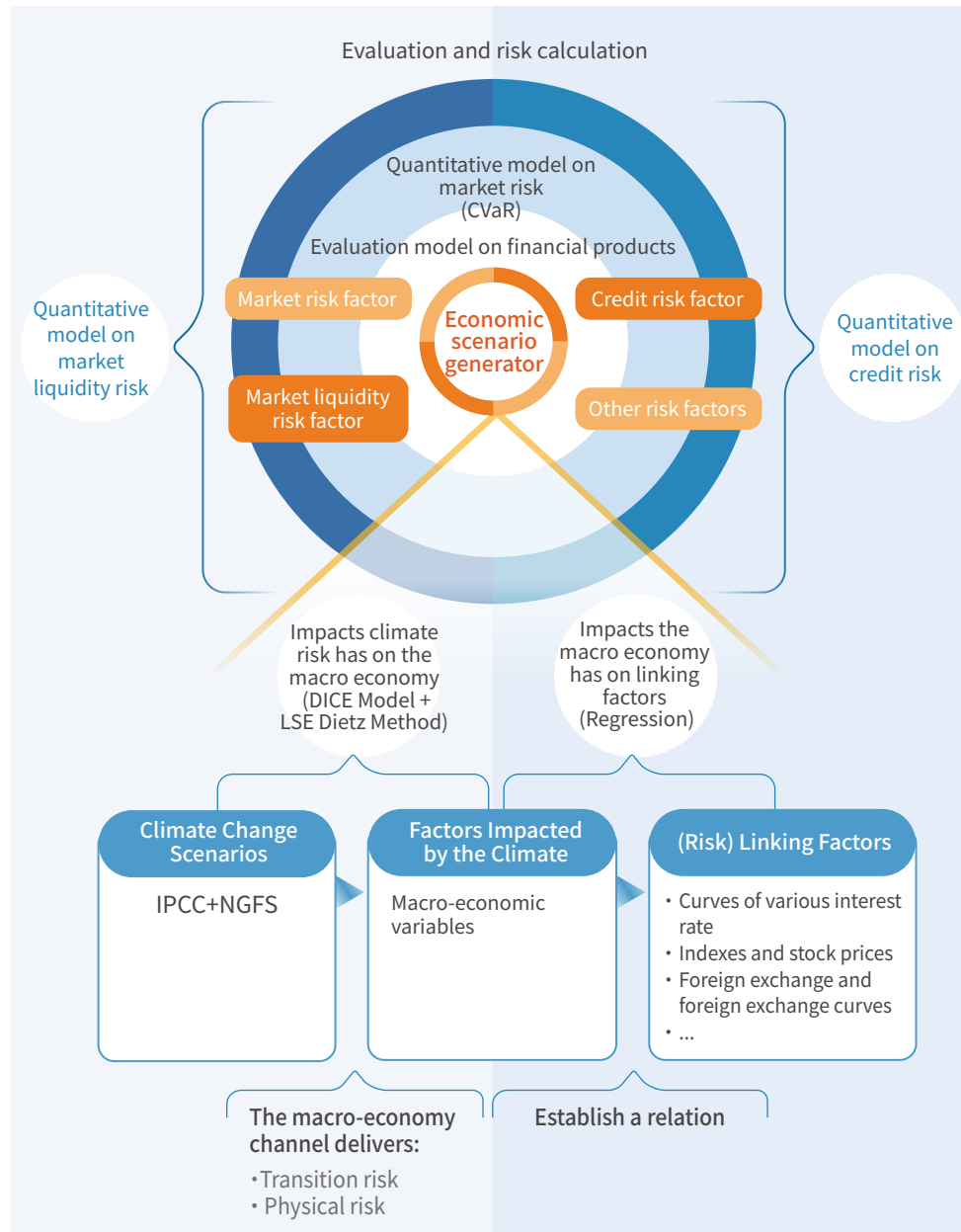
The orderly scenario is a mix of low physical risks and high transition risks, and is thus represented by the SSP1-RCP2.6, which depicts low greenhouse gas (GHG) emissions. This scenario assumes a 1.7 °C rise in temperature by 2050. The applicable transition risk scenario is the Net Zero 2050 scenario. Orderly scenarios assume carbon policies are introduced early and smoothly, with carbon prices increasing gradually and technology evolving rapidly. This scenario has the highest usage of carbon reduction technologies among all scenarios.

(2) Disorderly:

The disorderly scenario is a mix of low physical risks and high transition risks, and is thus represented by the SSP1-RCP2.6, which depicts low GHG emissions. This scenario assumes a 1.7 °C rise in temperature by 2050. The applicable transition risk scenario is the Delayed Transition scenario. Disorderly scenarios explore policies being delayed or divergent across countries and sectors, with carbon prices remaining relatively unchanged during early years but then rapidly rising later on. Technological developments are sluggish early on but rapidly evolve later on. This scenario has the second highest usage of carbon reduction technologies among all scenarios.

(3) Hot house world:

The hot house world scenario is a mix of high physical risks and low transition risks, and is thus represented by the SSP5-RCP8.5, which depicts high GHG emissions. This scenario assumes a 2.4 °C rise in temperature by 2050. The applicable transition risk scenario is the Current Policies scenario. The hot house world scenario assumes that government policies maintain the same, with carbon prices remaining relatively unchanged. Technological development is more sluggish and use of carbon reduction technologies is lower than the other two scenarios.

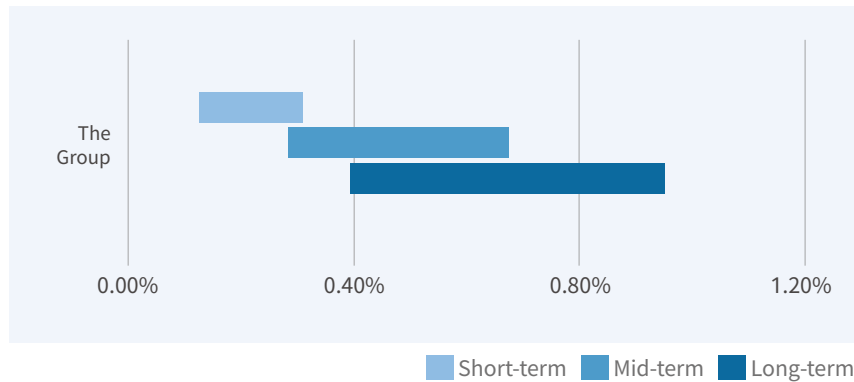


Assessment results

(1) Impact of climate change on market value of financial transactions

Integrate economic damages incurred by the climate scenarios into market risk factor to evaluate impacts on financial trading value.

► Level of Climate Impact on Investment Positions of the Group

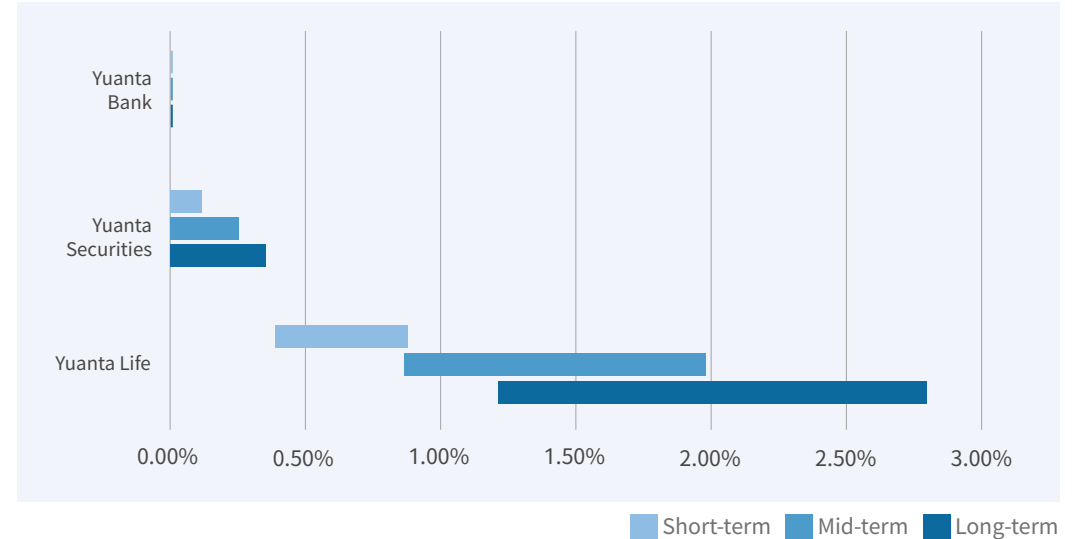


Loss of Market Value /Market Value <The Group>

- Note: 1. The ratio on horizontal axis is the decrease in market value relative to the variation of reference day market value.
2. Short-term measures 1-year-loss, mid-term measures 5-year-loss, and long-term measures 10-year-loss.
3. The bars in the bar chart represents the possible range of impact under different climate scenarios in the same loss period.

Under the long-term impact of climate change, the Group's investment positions may experience a maximum decline in market value of approximately 0.95% of its baseline market value. As the Group's investment positions are primarily composed of industries with non-high GHG emissions and includes a diversified range of investment products, the overall impact of climate change on the portfolio is not significant.

► Level of Climate Impact on Investment Positions of the Group's Subsidiaries

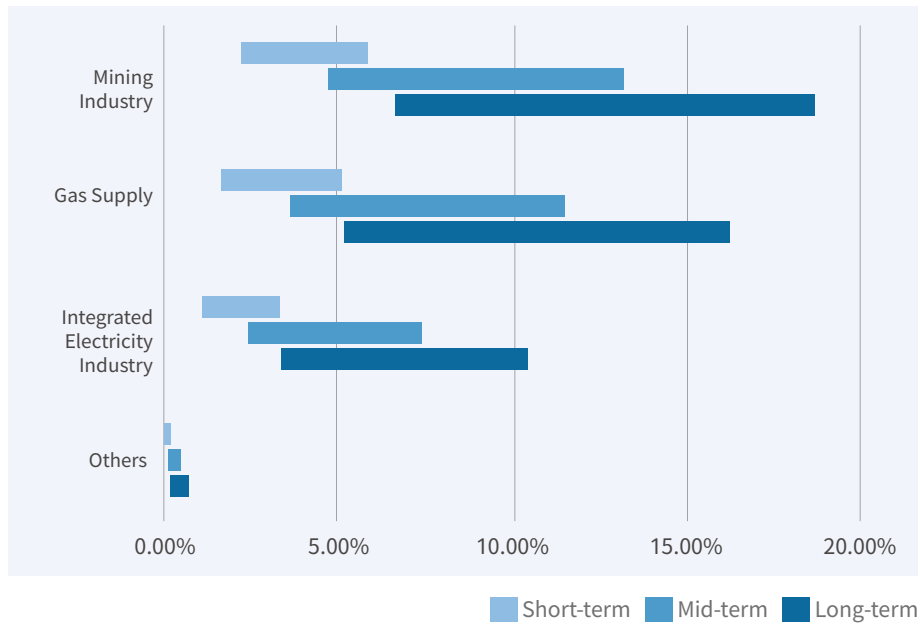


Loss of Market Value /Market Value <The Group's Subsidiaries>

- Note: 1. The ratio on horizontal axis is the decrease in market value relative to the variation of reference day market value.
2. Short-term measures 1-year-loss, mid-term measures 5-year-loss, and long-term measures 10-year-loss.
3. The bars in the bar chart represents the possible range of impact under different climate scenarios in the same loss period.

Among the three major subsidiaries, the long-term relative market value loss of Yuanta Life's positions would be 2.80% of the market value on basis date, which is the most obvious long-term relative market value loss caused by climate change impacts. Compared with other subsidiaries, Yuanta Life's positions are more focused on specific financial products and less diversified, making the positions are more susceptible to impacts of climate change.

► Level of Climate Impact on Investment Positions across Industries



Loss of Market Value /Market Value < Industry Dimension >

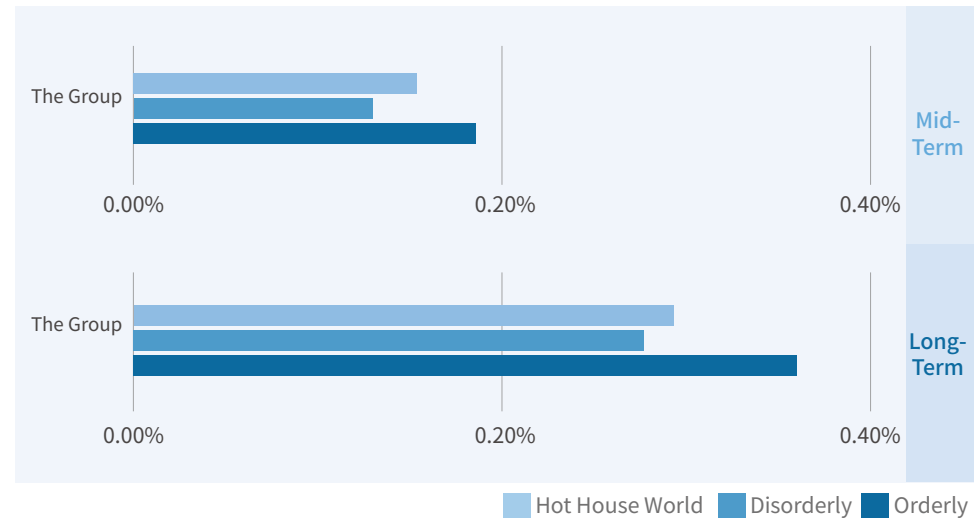
- Note: 1. The ratio on horizontal axis is the decrease in market value relative to the variation of reference day market value.
2. Short-term measures 1-year-loss, mid-term measures 5-year-loss, and long-term measures 10-year-loss.
3. The bars in the bar chart represents the possible range of impact under different climate scenarios in the same loss period.

Further analysis by industry shows that, among high GHG emission sectors, the mining industry is the most significantly impacted. Under the long-term impact of climate change, the Group's investment in this sector may experience a maximum decline in market value of approximately 18.78% of its baseline market value. As the Group's investment positions is primarily composed of non-high GHG emission industries, the overall impact of climate change on the Group's investment positions remains relatively limited, despite more significant effects observed in certain high-emission sectors.

(2) Climate change impacts on expected credit loss (ECL) in financial transactions

Financial damage of physical risk and capital expenditure of transition risk induced by climate change can both result in profit decrease for some counterparties, increasing their credit risk. Economic damage in climate scenarios is integrated into credit risk factor to evaluate impacts of expected credit loss in financial transactions.

► Level of Climate Impact on Investment Positions of the Group

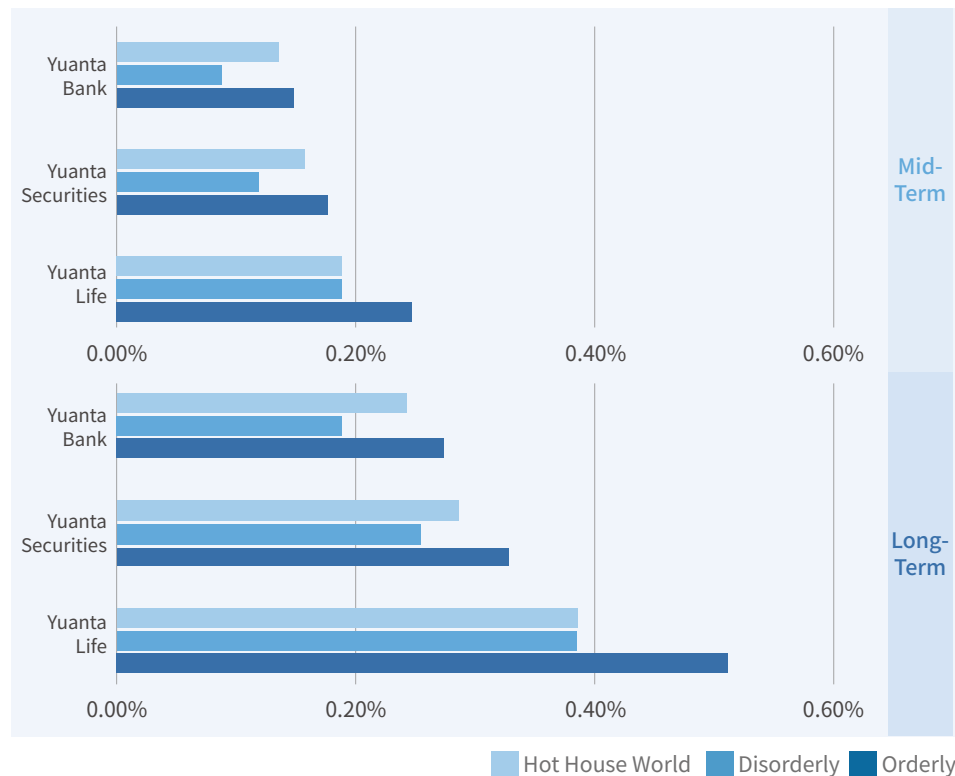


Variation of ECL/Market Value <The Group>

- Note: 1. The ratio on horizontal axis is the increase of ECL relative to the variation of reference day market value.
2. Mid-term measures 5-year-loss, and long-term measures 10-year-loss.

Under the long-term impact of climate change, the maximum increase in expected credit loss (ECL) for the Group's investment exposure is estimated at 0.36% of the portfolio's baseline market value. As the Group's investment positions is primarily composed of industries with non-high GHG emissions and most investment exposures are investment-grade targets, the impact of climate change on expected credit loss fluctuations is not significant.

► Level of Climate Impact on Investment Positions of the Group's Subsidiaries

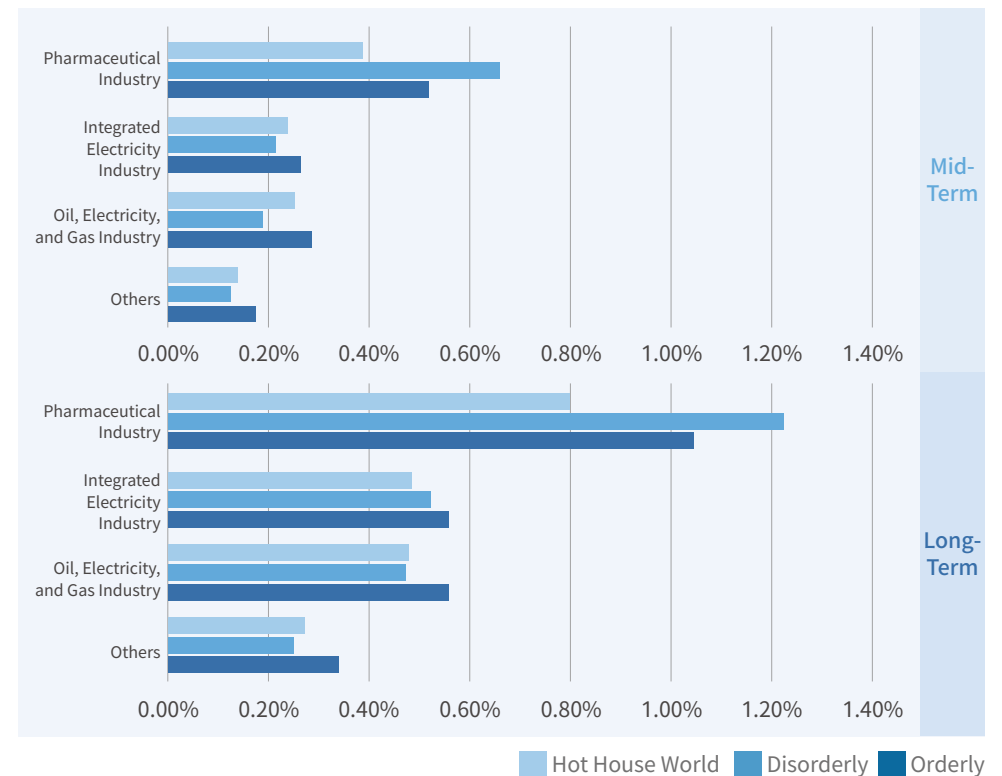


Variation of ECL/Market Value <The Group's Subsidiaries>

Note: 1. The ratio on horizontal axis is the increase of ECL relative to the variation of reference day market value.
2. Mid-term measures 5-year-loss, and long-term measures 10-year-loss.

Among the three major subsidiaries, Yuanta Life's investment exposure will likely experience a relatively more significant increase in expected credit loss due to the long-term impacts of climate change, approximately 0.51% of the portfolio's baseline market value. This is because Yuanta Life's investments have a longer holding period compared to other subsidiaries and a relatively lower average credit rating, resulting in a comparatively larger increase in expected credit loss for exposures in its investments.

► Level of Climate Impact on Investment Positions across Industries



Variation of ECL/Market Value <Industry Dimension>

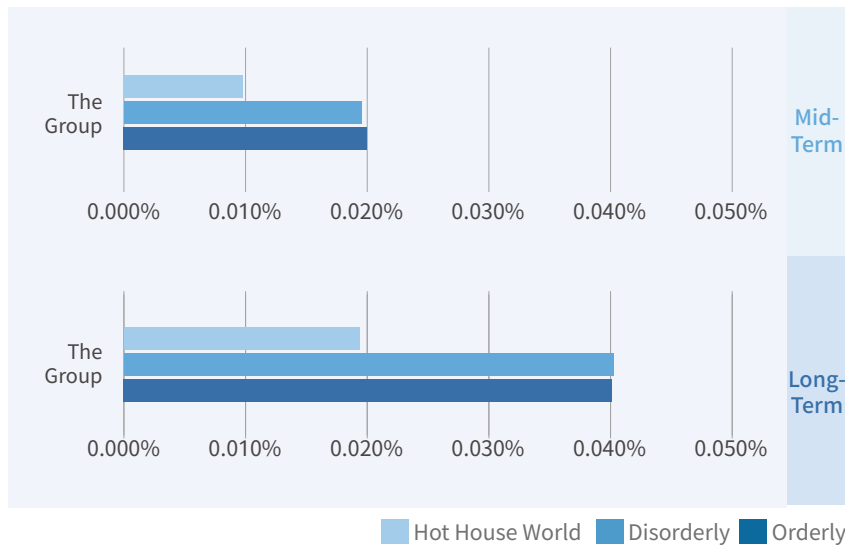
Note: 1. The ratio on horizontal axis is the increase of ECL relative to the variation of reference day market value.
2. Mid-term measures 5-year-loss, and long-term measures 10-year-loss.

Further analysis by industry reveals that high GHG emissions sectors experience greater changes in expected credit loss for investment exposure due to climate change. Among these, the pharmaceutical industry is shown to experience particularly significant impacts, with a long-term increase in expected credit loss of approximately 1.23% of the portfolio's baseline market value.

(3) Climate change impacts on potential losses from market liquidity of financial transactions

Climate change may have broader implications for the entire financial system, potentially resulting in a continued lack of market liquidity or market disarray leading to a significant decrease in trading volumes, thereby resulting in additional losses when disposing of financial assets. By integrating the economic damage from climate scenarios into market liquidity risk factors, we can assess potential market liquidity losses caused by climate change.

► Level of Climate Impact on Investment Positions of the Group



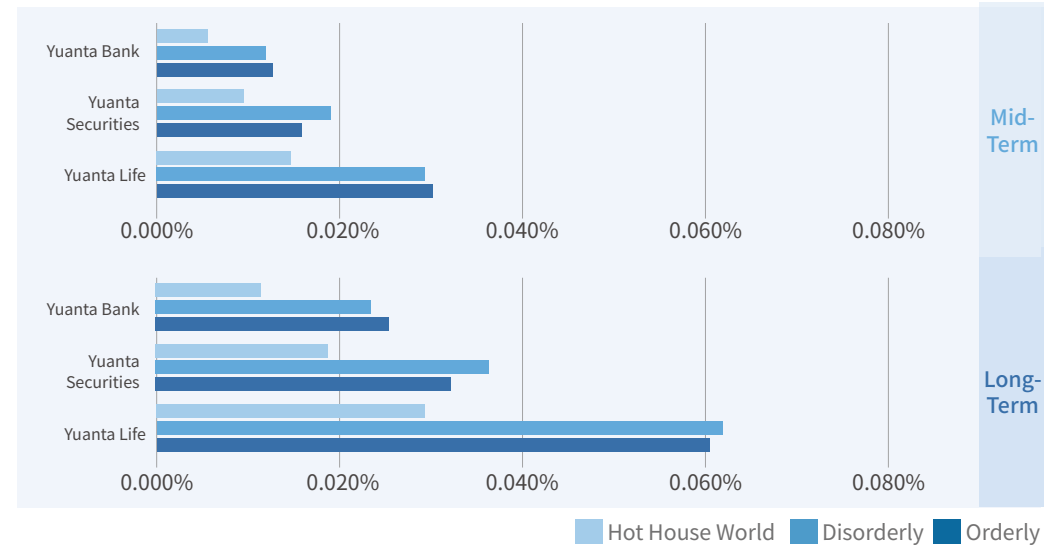
Variation in Potential Loss from Market Liquidity/Market Value <The Group >

Note: 1. The ratio on horizontal axis is the increase in potential market liquidity loss relative to the variation of reference day market value.

2. Mid-term measures 5-year-loss, and long-term measures 10-year-loss.

Under the long-term climate impacts, the Group's investment positions experience an increase in potential market liquidity loss, approximately 0.04% of the portfolio's baseline market value. On the whole, the increment of potential loss from market liquidity derived from climate change is insignificant.

► Level of Climate Impact on Investment Positions of the Group's Subsidiaries



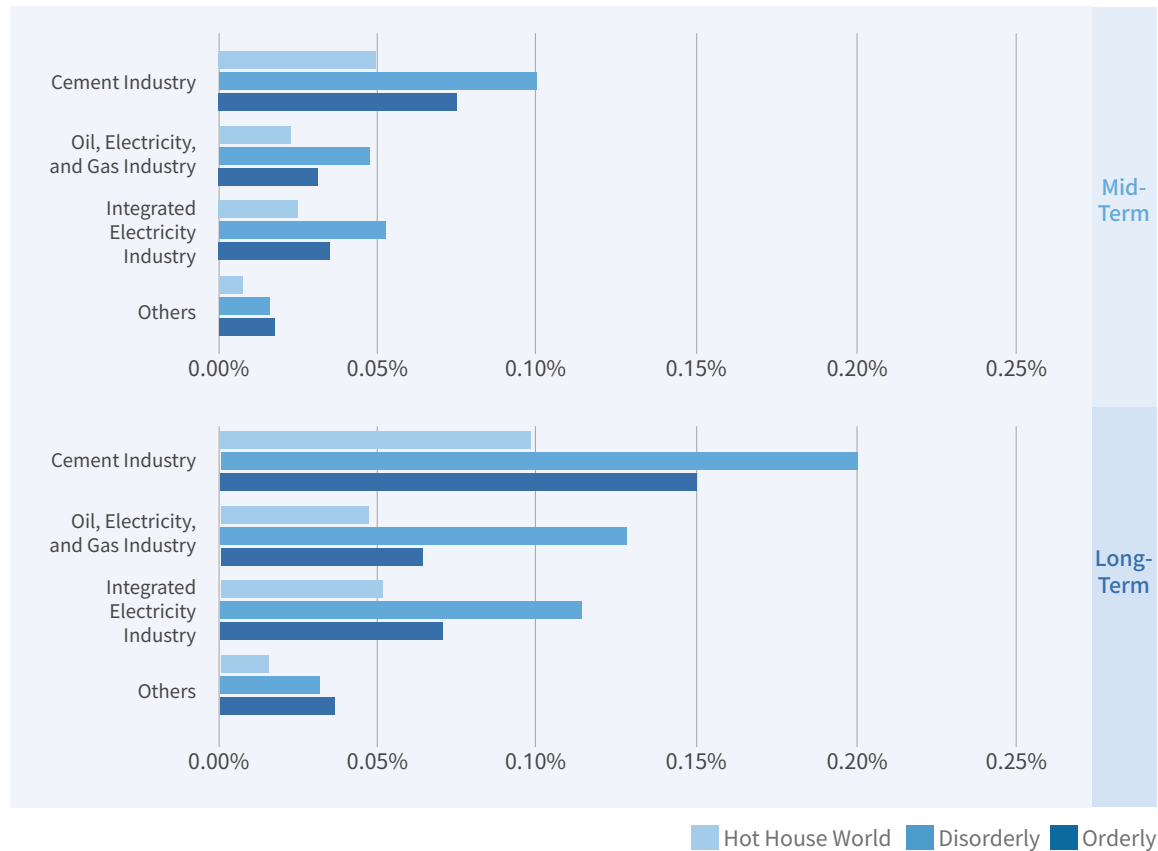
Variation in Potential Loss from Market Liquidity/Market Value <The Group's Subsidiaries >

Note: 1. The ratio on horizontal axis is the increase in potential market liquidity losses relative to the variation of reference day market value.

2. Mid-term measures 5-year-loss, and long-term measures 10-year-loss.

Among the three major subsidiaries, Yuanta Life's investment exposure will likely experience a relatively more significant increase in potential market liquidity loss due to the long-term impacts of climate change, approximately 0.06% of the portfolio's baseline market value. Compared to other subsidiaries, Yuanta Life experiences less liquidity due to a longer duration of its bond investment positions, resulting in a relatively larger increment in potential market liquidity loss caused by climate impacts in the long run. Nevertheless, the magnitude of this increase is not significant.

► Level of Climate Impact on Investment Positions across Industries



Variation in Potential Loss from Market Liquidity/Market Value < Industry Dimension >

Note: 1. The ratio on horizontal axis is the increase in potential market liquidity loss relative to the variation of reference day market value.

2. Mid-term measures 5-year-loss, and long-term measures 10-year-loss.

From an industry perspective, high GHG emissions industries face greater potential increases in market liquidity loss as a result of climate impact. Among these, the cement industry is shown to experience particularly significant impacts, with a potential increase in long-term market liquidity loss of approximately 0.20% of the portfolio's baseline market value.



Responding strategy

The Group continues to mitigate the impact from market risk on the market value of financial products through diversifying our portfolio, and reduce additional credit and liquidity loss on the value of financial products by optimizing our portfolio through investing in products with high rating, high liquidity and low volatility. In addition, based on the aforementioned results of scenario analysis, we regularly review the Group's risk profile and asset risk, and continue to set and update monitoring indicators for each climate risk value using the estimated losses of our portfolio to prevent losses incurred by extreme climate risks.

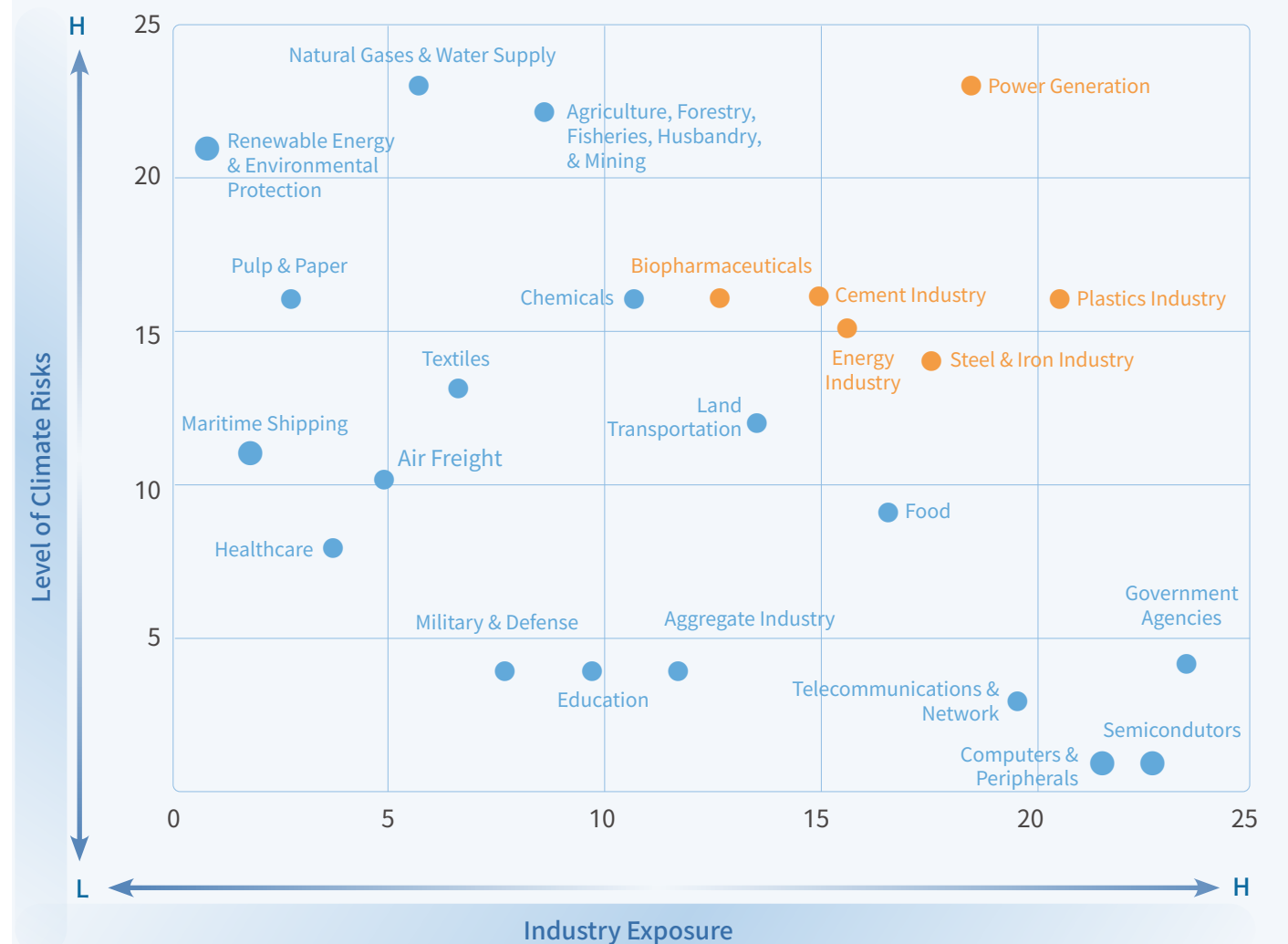


Analysis of Industries with High Climate Risks

Before conducting quantitative assessment on scaled scenario analysis on individual companies, the Group first gives a comprehensive evaluation on the overall financial trading market by referencing results from industry analysis reports by the Group itself and institutions in Taiwan and overseas to understand climate risk level of each industry and the Group’s scale of exposure, and industries with high climate risk and large exposed amount are then selected for analysis. The analysis results indicate that high-climate-risk industries include plastics, steel and iron, energy, power generation, cement, and biopharmaceuticals.



► Industry-Specific Risk Matrix






- Note: 1. Starting from 2024, climate risks are rated primarily based on the GHG emission intensities of industries as defined by the Partnership for Carbon Accounting Financials (PCAF)[®], and are classified and ranked according to the Group's internal industry classification.
2. The industry risk exposure includes all investment and financing targets of the Group in the analysis.

Scenario Analysis at Individual Company Level (Bottom Up)

In addition to the scenario analysis at the overall investment level, the Group has improved scenario analysis models at the individual company level to analyze climate-related financial impacts for different time horizons and with different scenarios. Based on the climate risks and opportunities identified in Chapter 3.2, two transition risks, one physical risk, and one opportunity which were more prominent in the impact assessment were selected for quantitative analysis for the financial impact at individual company level.

► Overview of Analysis Methods for Individual Company Scales

Selected Climate Risks and Opportunities		Scope of Analysis		Method of Analysis		
Type	Risk/Opportunity Factor	Analysis of the Industry	Analysis of the Subject	Climate Scenario	Duration of Assessment	Method of Assessment
 Transition Risk	Cost for decarbonization policies and legal compliance	<ul style="list-style-type: none"> Plastics industry Steel and iron industry Energy industry Power generation Cement industry Biopharmaceuticals 	Corporate lending position	NGFS Net Zero 2050 (1.5 °C), Well Below 2 °C	<ul style="list-style-type: none"> 2025 2030 2035 2040 2045 2050 	Expected credit loss model
		Group	Equity investment position			Equity valuation model
			All operational sites in Taiwan	The Group's SBT goal and the national goal of 2050 Net-Zero		Expected green energy cost scenario analysis
 Physical Risk	Flood causes damage to collaterals and operational sites	All	<ul style="list-style-type: none"> Real estate collateral Supplier All operational sites in Taiwan 	RCP 2.6, RCP 8.5	2036~2065	<ul style="list-style-type: none"> Disaster risk model Expected Loss model
 Opportunity	Develop and promote low-carbon products and services.	Steel and iron industry	Heavy electricity users	Regulatory oversight by Ministry of Economic Affairs	2030	Market pricing model

1. Scenario analysis of transition risks: Quantitative assessment of the impact of carbon fees on the corporate lending positions



Importance of assessment

The financing targets are affected by carbon fee in that they must bear additional costs for meeting the regulatory requirements. The additional costs have an impact on value of its net equity, resulting in an increase in credit risk (increase in probability of default), which in turn increases the potential credit loss of the Group. Therefore, it is important for the Group to effectively estimate the changes in the expected credit losses of its financing targets.



Targets of assessment

The six key industries with high climate risks within the Group’s corporate banking clients at home and abroad.



Method of assessment

Expected credit loss model.

Step 1

Calculating the additional costs for different time horizons and scenarios

Scenario assumption:
Decarbonization costs companies have to pay without adopting any remediation measures to regulatory changes

$$\left(\begin{array}{c} \text{Company RTS carbon} \\ \text{emission}^{\text{Note 1}} \end{array} - \begin{array}{c} \text{Carbon emission limit in the} \\ \text{climate scenario} \end{array} \right) \times \begin{array}{c} \text{Carbon price estimate in} \\ \text{the climate scenario}^{\text{Note 2}} \end{array}$$

Excess emissions

Step 3

Calculate the potential amount of potential credit loss

Scenario assumption
Assume LGD and EAD do not change in the future

Calculation of potential credit loss (EL model)^{Note 3}

$$\Delta \text{PD} \times \text{LGD} \times \text{EAD} = \Delta \text{EL}$$

Changes in PD due to the internal credit ratings change, resulting in changes in EL

Step 2

Changes in various financial factors caused by changes in additional costs

PD difference before/after stress for six high climate-risk industries

Apply PD model to each high climate-risk industry

Additional lending costs for the six high-climate risk industries

Note: 1. Carbon emissions growth rate for industries under the Reference Technology Scenario (RTS) is sourced from the International Energy Agency (IEA). The growth rate factors in key assumptions around technological developments.

2. The carbon price forecast for each year and each scenario is obtained by referencing the Central Banks and Supervisors Network for Greening the Financial System’s (NGFS) data.

3. PD is Probability of Default, LGD is Loss Given Default, EAD is Exposure at Default and EL is Expected Loss.

Assessment results

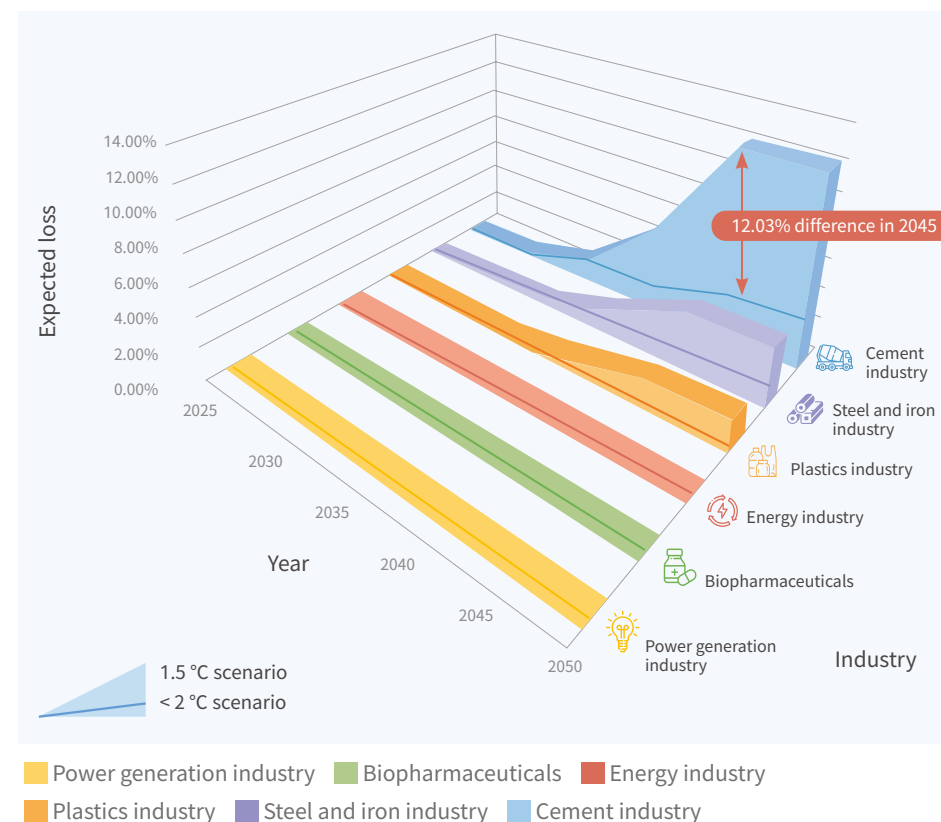
The Group's credit exposure to the six high climate-risk industries accounts for 8.1% of total credit. For this assessment, corporate credit positions in individual companies within these sectors were input into the credit loss model to calculate expected losses from carbon fees under two climate scenarios (1.5 °C / <2 °C). The results are presented as an impact ratio (defined as expected loss divided by exposure amount per industry per year) in the figure below. Under the 1.5 °C scenario, expected losses could increase by approximately NT\$1,992 million by 2050. The cement and steel industries experience more significant changes in level of impact, with the change in impact level being more significant in the 1.5 °C scenario than in the <2 °C scenario. Between 2030 and 2035, the cement industry exhibits exponential growth in impact level under the 1.5 °C scenario. The main reason is that changes in financial factors driven by carbon fee pressure for carbon-intensive companies exceed the default level tolerated by the credit risk PD model, resulting in significant growth in the overall curve. However, under the scenario of <2 °C, the cement industry exhibits exponential growth in 2040-2045.

The difference in the impact curve of individual industries across the two scenarios can be observed from two aspects:

First, for a specific industry, taking the cement industry as an example, the difference in the impact curve between the two scenarios in 2030 is 0.14%, and it significantly increases to 12.03% in 2045, which significantly increases the load on the credit risk PD model. Second, for the macro-level, from 2025 through 2050, the gap in impact trajectories widens across all six high climate-risk industries, indicating that the strength of measures to taper global warming will lead to significant impacts on borrower risks and thus the Group's credit loss exposure.

Moreover, observing impact levels from individual industries and changes from the previous year, we recognized significant increases in impact levels from the cement industry. This was mainly driven by weaker financial performance in some firms and increased exposure amounts, which amplify the financial strain from additional carbon costs.

Industry Impact Ratio of Credit Accounts in Six Major High-Climate-Risk Industries under Different Scenarios and Different Time Horizons



Note: The level of impact on the industry refers to the percentage of the expected loss for the credit position relative to the amount of risk exposure on the reference date (the end of December 2024) under different climate scenarios.



Responding strategy

Based on the evaluation results, there is no significant different in the impact level across industries by 2025. The Group develops its business model strategic arrangement, and below are our response management measures:

- (1) To ensure the Group's availability and flexibility of existing financial resource, the Group first targets managing clients which have a higher impact on the Group, continues to develop relevant measures. Establishing the "Sustainable Finance Guidelines^[2]" and "Industry-Specific Environmental and Social Risk Management Rules^[4]" to review the clients' capacity to respond to transition risks during due diligence, suggest improvement actions or plans for potential risks, and further reduce or refuse to finance companies with high climate risks.
- (2) Yuanta Bank formulated the "Guidelines for Managing Equator Principles Financing Cases^[10]" based on the Equator Principles[®] to rate project financing loans and manage accordingly and require clients to improve their environmental and social performance. In addition, by engaging with clients, the Group expects to prevent some of the negative financial impact caused by climate change. In the meantime, it employs its power as a financial intermediary to encourage financial service recipients to implement carbon reduction and climate risk management actions, to enhance its clients' resilience to climate risks. The Group firmly believes that to mitigate global warming, initiating reforms in low-carbon technology in industries is a must. The Group will continue to drive low-carbon transition in high-climate-risk industries through our corporate finance client management mechanism.

2. Scenario analysis of transition risks: Quantitative assessment of the impact of carbon fees on equity investment positions



Importance of assessment

The introduction of carbon fees imposes additional costs on companies to comply with regulatory requirements. The additional costs have an impact on companies' net equity and consequently a likely negative impact on the stock price. Therefore, it is important to be able to effectively estimate the expected loss of the equity investment position held by the whole Group.



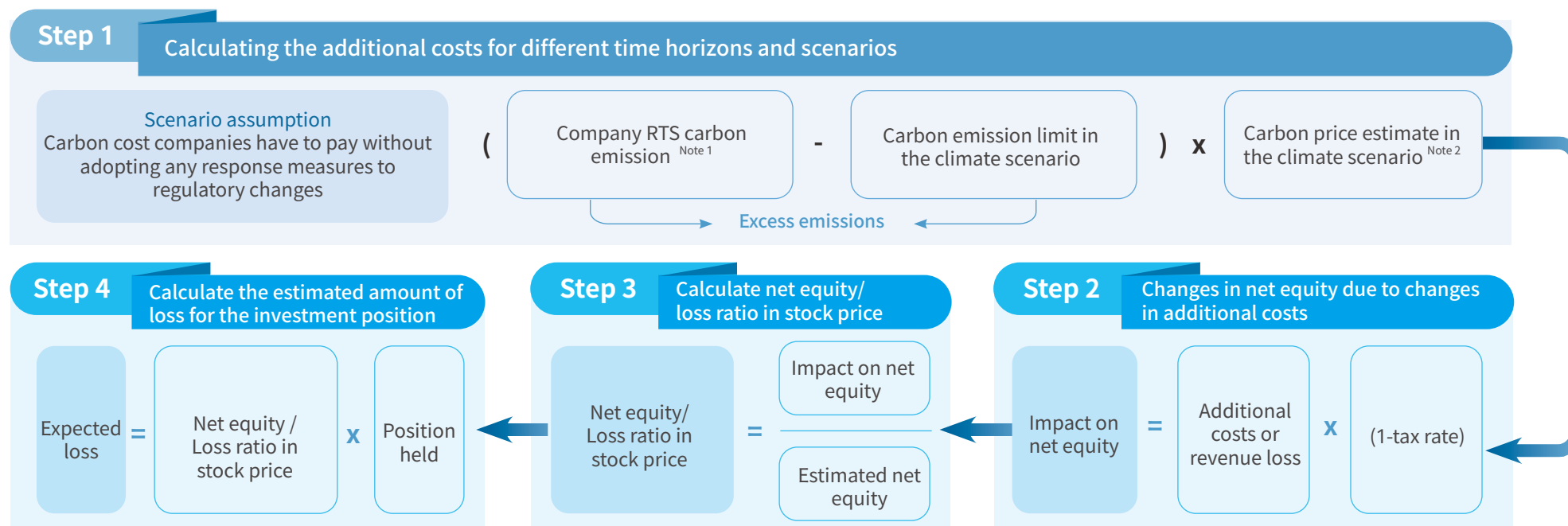
Targets of assessment

The whole Groups' holding of public companies with high climate risks at home and abroad.



Method of assessment

Equity valuation model.



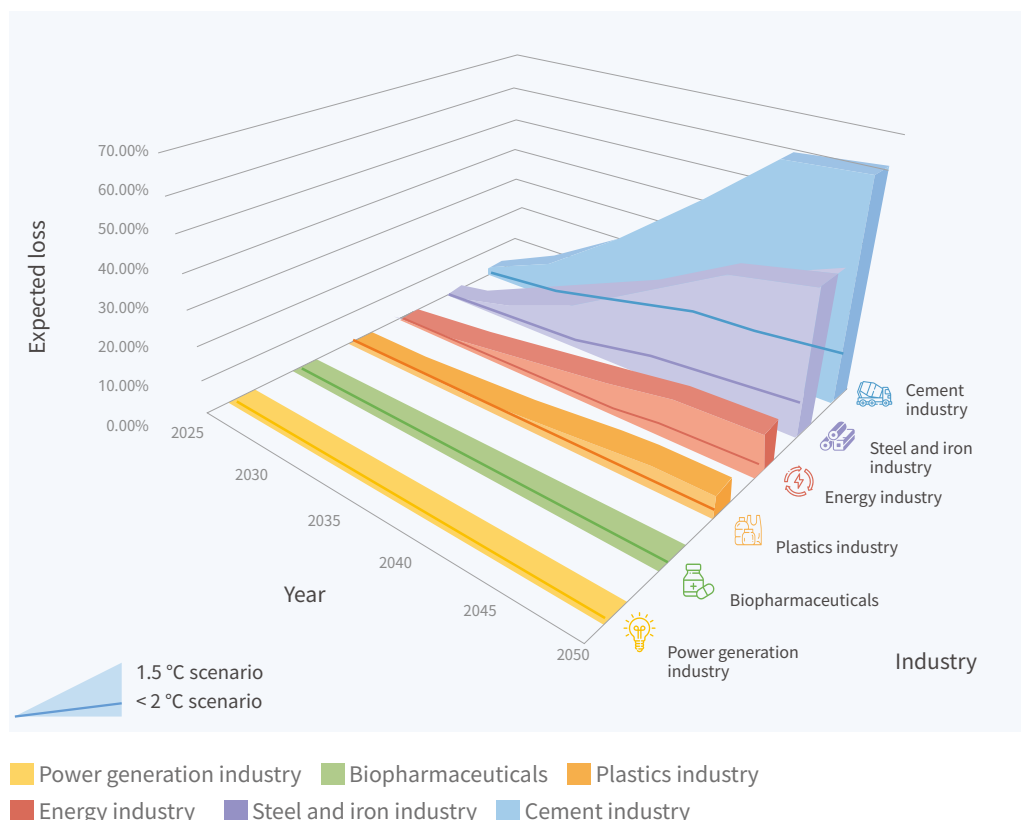
Note: 1. The carbon emission growth rate for the company's BAU scenario forecast is based on the specific industry it resides with reference made to the International Energy Agency's (IEA) data.

2. The carbon price forecast for each year and each scenario is obtained by reference to the Central Banks and Supervisors Network for Greening the Financial System's (NGFS).

Assessment results

The Group's investment exposure to the six high climate-risk industries accounts for 8.8% of total investments. For this assessment, equity investments were input into the equity valuation model to calculate expected losses from carbon fees under two climate scenarios (1.5 °C / < 2 °C). The results are presented as an impact ratio (defined as expected loss divided by exposure amount per industry per year) in the figure below. The figure shows that, among equity investments, exposures in the cement and steel industries experience more significant changes in impact level over the years. Changes in impact levels are also more pronounced in the 1.5 °C scenario than in the <2 °C scenario. This is primarily due to the fact that cement and steel industries are more carbon intensive than other industries, and their assets are centralized in investments with high-net-worth-loss rates, leading to prominent expected losses in both the 1.5 °C and <2 °C scenarios. The projected carbon emissions growth trends suggest that, during the initial decarbonization phase, these industries will reduce emissions by expanding the use of low-carbon fuels and avoiding investment in new low-efficiency processes. In the long term, investing in innovative low-carbon production processes is crucial. To achieve emission reduction targets, some production capacity must be retired or retrofitted before the end of its useful life to improve production efficiency. Assuming the government imposes carbon fees on the six high climate-risk industries, simulations estimate that, by 2030, maintaining the current equity investment portfolio in these industries under the 1.5 °C scenario could increase expected losses by approximately NT\$1,146 million.

► Industry Impact Ratio of Investment Targets in Six Major High-Climate-Risk Industries under Different Scenarios and Different Time Horizons



Note: The level of impact on the industry refers to the percentage of the expected loss in relation to the amount of risk exposure on the reference date (the end of December 2024) under different climate scenarios.

Responding strategy

Based on the evaluation results, the Group develops its business model strategic arrangement, and below are our response management measures:

- (1) Based on the analysis results, to ensure the availability and flexibility of financial resources for addressing climate change risks, the Group has set CVaR monitoring indicators and thresholds. The Risk Management Department monitors CVaR on a monthly basis, as well as reporting key climate risk-related information to the risk management committee and board of directors.
- (2) When the climate change risk of an investment target reaches the CVaR monitoring indicators and thresholds, the Company's Risk Management Department will assess the level of exposure such risk has, and report a detail statement of the reason and solutions to the Chairman for approval. In compliance with the Company's "Industry-Specific Environmental and Social Risk Management Rules^[4]", solutions include but are not limited to requesting investment targets to provide improvement actions or provide supporting documents on low-carbon transition projects. Should investment targets could not provide such information, the Group will consider decreasing its position or not investing in the target.
- (3) The Group sets metrics and targets for low-carbon operation and transformation, and regularly reviews and tracks the implementation every year. As an institutional investor and provider of funds, it expects to use the power of the financial market to promote low-carbon transformation for clients, and then contribute to the country's net zero Goals and contribution to global climate change mitigation.

3. Scenario analysis of transition risks: Quantitative Evaluation on the Promotion of Emissions Reduction in the Group's Operations

Importance of assessment

To achieve SBTs and comply with national policy trends and expectations, the Group will leverage renewable energy (green energy) to decarbonize. Yet Taiwan's renewable energy market is still in its nascent stages and the cost of renewable energy generation remains higher than non-renewable energies (grey energy). As such, renewable energy use generates additional costs. Under the premise of moving towards low-carbon targets for all locations of the Group, it is vital to evaluate the impact of expected costs incurred by purchasing renewable energy has on the Group's finances.

Targets of assessment

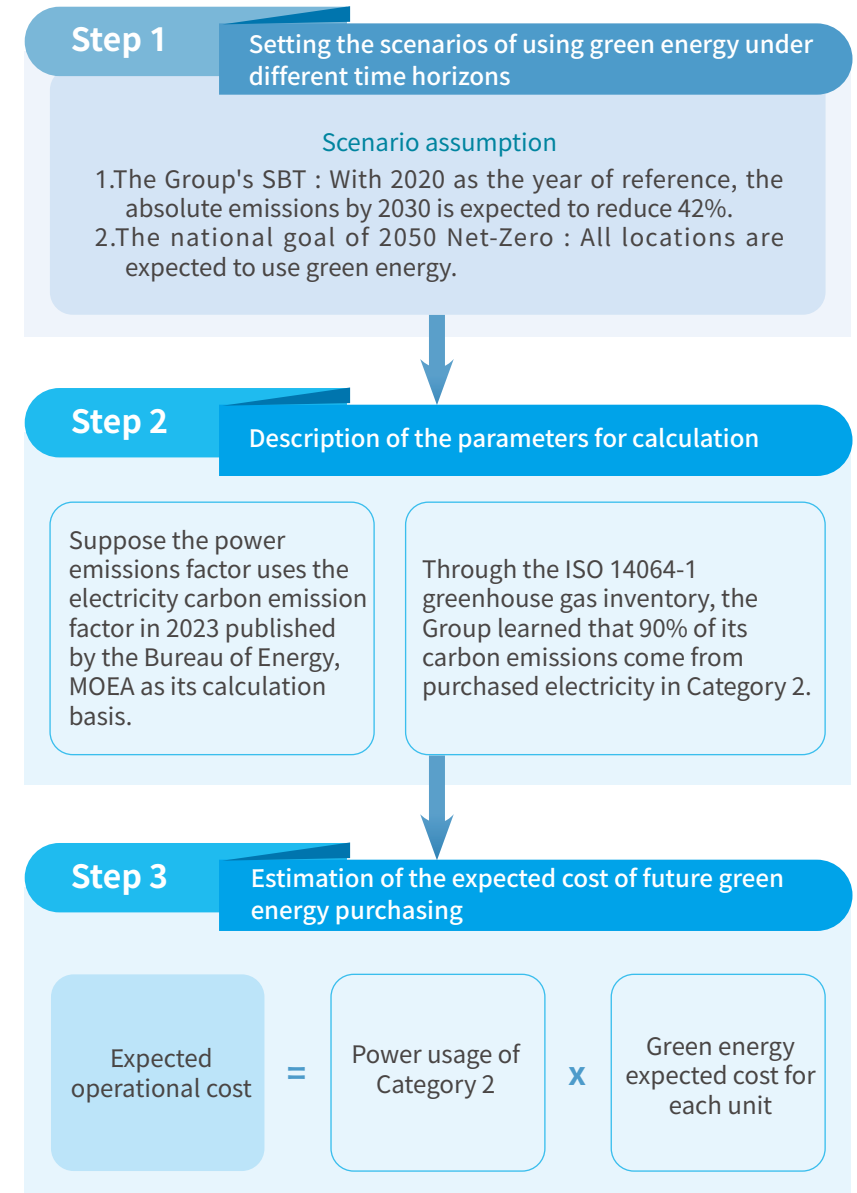
All operational sites of the Group in Taiwan.

Method of assessment

Expected green energy cost scenario analysis.

Assessment results

The Group utilizes using green energy as our primary carbon reduction measures, and uses two scenarios—The Group's SBT and the national goal of 2050 Net-Zero—to estimate their respective expected costs of green energy purchasing yearly. By 2024, these costs have reached 20 million NT dollars, accounting for 0.02% of operating costs. By 2030, the cost will reach NT\$50.8 million, and by 2050 it will reach NT\$109 million.





Responding strategy

Based on the assessment results, the Group's climate change response management measures:

- (1) The Group's greenhouse gas emissions mainly come from Category 2. To effectively reduce carbon emissions in the short term, we will take active measures to improve energy efficiency, including introduce the ISO 50001—Energy management system, replace high energy-consuming equipment, and use intelligent energy-saving systems. Reduce the consumption of purchased electricity and implement low-carbon operations to reduce the impact on the environment.
- (2) Domestic policies are in the process of energy transformation, and the proportion of renewable energy power generation will be increased in the future. The Group actively plans the proportion of renewable energy usage in its operating bases, and continues to pay attention to and participate in the renewable energy market, grasping the price of green electricity and related transactions, so as to increase compliance with regulatory requirements toughness.

4. Physical Risk Scenario Analysis: Quantitative assessment of the impact of floods on real estate collateral, all operating sites in Taiwan, and suppliers



Importance of assessment

In recent years, heavy rainfall and floods caused by extreme weather have been heavily discussed. The extreme weather events may have major implications on our operational sites, collateral for mortgages and commercial real estate loans, and even supplier operations. Therefore, the Group conducts physical risk scenario analysis based on the map of flood potential under the RCP 2.6 (< 2 °C) and RCP 8.5 (4 °C) scenario published on the Climate Change Disaster Risk Adaptation Platform by the National Science and Technology Center for Disaster Reduction for geographical locations (Level 5) in Taiwan. This helps the Group understand the potential impact on its business and asset value in the context of greater climate change in the future.



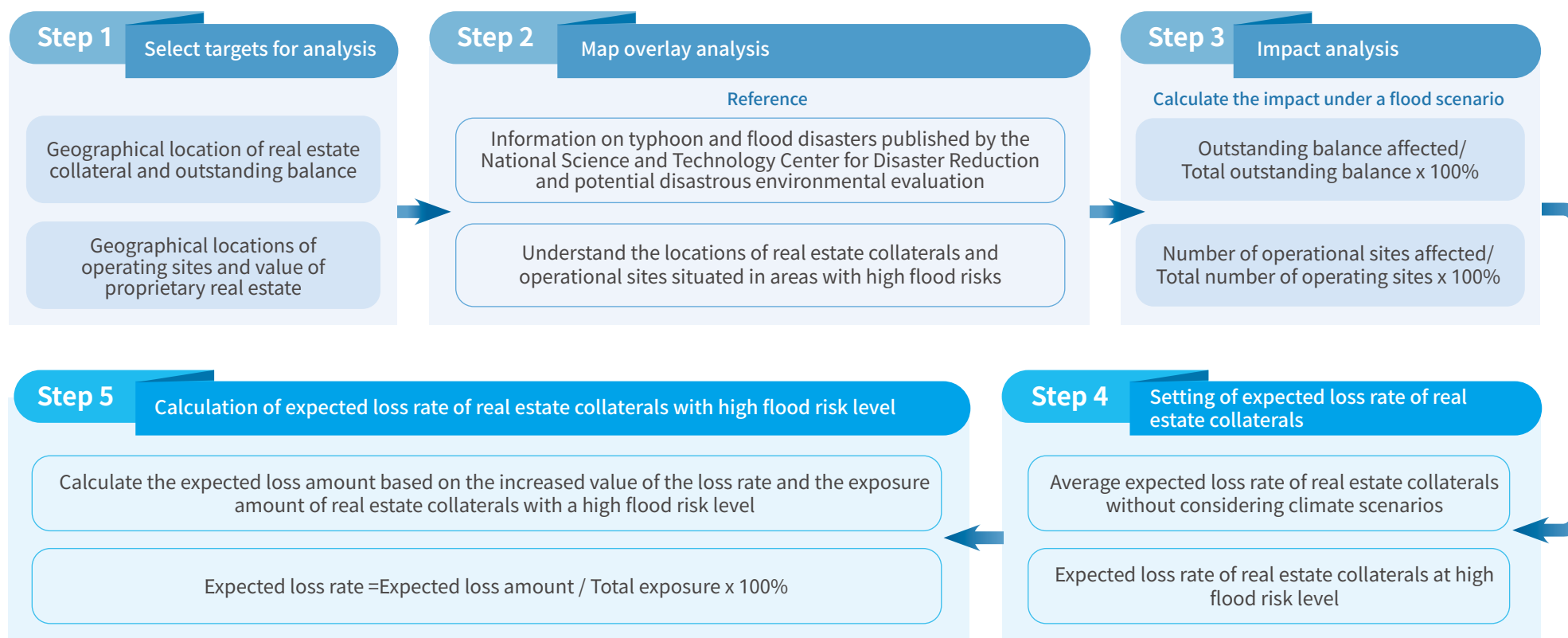
Targets of assessment

The Group's real estate collaterals, all operating sites in Taiwan, and suppliers' operating locations.



Method of assessment

Disaster risk model and Expected loss model.



Assessment results

- (1) Under RCP2.6 scenario, about 0.89% of real estate collaterals are located in areas with high flood risks at the end of the century, accounting for about 2.21% of the total real estate loan amount. The expected loss rate is 0.19% and expected losses may increase by NT\$1,490.2 million, which is still within the controllable range. About 0.83% of operating sites across Taiwan and proprietary real estate and 1.16% of suppliers' operating sites are located in areas with high flood risks at the end of the century.
- (2) Under RCP8.5 scenario, about 9.24% of real estate collaterals are located in areas with high flood risks at the end of the century, accounting for about 8.85% of the total real estate loan amount. The expected loss rate is 0.75%, which is still within the controllable range. 8.26% of operating sites in Taiwan are located in areas with high flood risks at the end of the century, mainly in the southern regions. About 2.91% of suppliers' operating sites are located in areas with high flood risks at the end of the century.



Responding strategy

Based on the assessment results, the Group's climate change response management measures:

- (1) The Group has established physical risk adaptation measures for operating sites, and formulated policies and regulations such as “Operating Guidelines for Reporting Significant Incidents,” “Information Manual for Business Continuity and Disaster Response Management” and “Crisis Management Policy and Procedures Rules,” etc., which could be dealt with in the short term.
- (2) The Group commits to continuously improve energy efficiency and reduce greenhouse gas emissions, requires that newly built real estate should meet the design standards of green buildings, so as to maximize the use efficiency of resources, and the design of green buildings itself considers the water conservation of the base and the symbiosis with the environment, in the face of disasters that may occur in extreme weather, the new buildings will be equipped with adequate physical risk adaptation capabilities.
- (3) In the long-term, in order to avoid interruption of the Group's operations or loss of asset value due to heavy rain and flooding events, when expanding locations and relocation of operating sites, the Group will conduct an assessment and fill out the “Yuanta Financial Holdings Location Selection Evaluation Form”. This assessment was based on climate change risks, flood control measures, disaster insurance and other factors into consideration to confirm whether the future operating sites can cope with the impact of extreme weather and prevent and reduce possible operating losses.
- (4) To ensure availability and flexibility of the financial resource and reduce the financial losses caused by climate change, when the risk of flooding of real estate collateral increases significantly, consider measures such as reducing the loan ratio in the area and increasing typhoon and flood insurance based on the change in the loss rate, the number of foreclosures, and the recovery amount. Ultimately, reduce the possible damage to real estate collateral located in areas with high flood risk.
- (5) Yuanta Bank has established a review mechanism under its “Collateral Management Guidelines” to assess whether collateral is located in areas vulnerable to environmental and climate risks. If the collateral is situated in a high flood-risk area, the rationale for the credit extension and the potential impact of the collateral's value on credit risk must be documented in the review form. In addition, the bank established a total exposure cap and a contingency measure that will be triggered when 90% of the limit is reached.
- (6) To ensure business continuity, environmental and climate policies are assessment items in the "Yuanta Group Supplier Assessment Form" to reduce potential financial impacts from suppliers.



5. Opportunity Scenario Analysis: Quantitative Assessment of Renewable Energy Equipment Financing Needs



Importance of assessment

The Bureau of Energy, Ministry of Economic Affairs, announced the “Administrative Measures for Managing Electricity Users with a Certain Installed Capacity to Install Renewable Energy Equipment” at the end of 2020, which have been officially put in force on January 1, 2021. The Group has assessed that this trend will bring about a huge demand for financing of renewable energy equipment. In order to assess the potential market share of the opportunity, the market valuation method has been adopted for further financial quantitative analysis.



Targets of assessment

The Group assessed steel and iron companies in Taiwan that may be subject to regulatory oversight.



Method of evaluation

Market valuation method.



Assessment results

It is estimated that the market value of Taiwan’s steel and iron industry’s demand for renewable energy equipment will reach NT\$5.88 billion . After analyzing the market share the Group can realize, it is estimated that this opportunity will bring NT\$12.4 million of interest income, this accounts for 0.04% of Yuanta Bank's total discount and loan interest income in 2024.



Responding strategy

Yuanta Bank issued sustainability bonds on March 21, 2022, and June 27, 2024 to support green investment projects, such as the development of renewable energy and energy technology, energy efficiency improvement and energy conservation, greenhouse gas reduction, waste recycling, pollution prevention and control or circular economy, etc., to support and fund key industries with sustainable initiatives, assist the energy transformation of the clients, and support the growth of sustainable industries with real actions.

Step 1

Calculate the demand for renewable energy equipment

Scenario assumption

1. Target company chooses to install solar panels
2. Develop new products or services without additional investment

The "Administrative Measures for Managing Electricity Users with a Certain Installed Capacity to Install Renewable Energy Equipment" requires 10% of electricity consumption to come from renewable energy sources for companies with an installed capacity of over 5,000 kW

Evaluate how much the renewable energy equipment’s installed capacity (kW) would be by 2030 by local steel and iron companies that might be under regulatory oversight

Step 4

Estimate the additional interest income

Additional interest income

= The Group's market share

x

Interest rate

Step 3

Analyze the share of own market

Estimate the Group's market shared by taking into account domestic and international trends as well as models for market share analysis

Step 2

Calculate the cost for installing solar panels

Market size

= Demand for equipment's installed capacity

x

Installation costs ^{Note}

Note: Installation costs are calculated based on the Bureau of Energy's statistics of NT\$37,500/kW

5

Metrics & Indicators

5.1 Metrics and Targets for Low-Carbon
Operation Management

5.2 Metrics and Targets for Low-Carbon
Transformation Management

5.3 Metrics and Targets for Climate
Opportunity Management



Category 1 / Category 2

Targets & Progress

Target: By 2030, reduce 42% in absolute emissions from 2020.

Progress: In 2024, reduced 26.11% in absolute emissions from 2020.

Actions

1. In 2024, used 5.28 million kWh of renewable energy, exceeding target by 2 million kWh.
2. Over 30% branches now use renewable energy. In the future, Yuanta will continue to expand renewable energy supply coverage.
3. In 2024, all nine of the Group's proprietary buildings in Taiwan received ISO 50001 energy management system certification.
4. Newly built office buildings including Yuanta Financial Plaza and Yuanta Life's newly constructed office building on Songjiang Road in Taipei obtain green building certification by 2024. By 2050, secure green building labels for all new proprietary buildings.
5. Replaced energy-intensive equipment, switched to energy-efficient LED lighting and sensor lights, controlled electrical equipment usage, conducted smart energy monitoring, upgraded A.C. systems, and installed thermal designs in buildings.
6. Raised employee awareness in energy conservation, carbon reduction, and environmental protection.

Categories 3-5: other than investment

Targets & Progress

Target: Absolute emissions of 123,199.14 metric tons CO₂e in 2024.

Progress: Absolute emissions of 100,377.57 metric tons CO₂e in 2024.

Actions

1. Yuanta Bank's full range of credit cards has achieved carbon neutrality.
2. Continued to optimize suppliers management process with ISO 20400 sustainable procurement guidance.

Category 5: Investments

Targets & Progress

1. Electricity Generation Project Financing	Target: By 2030, reduce GHG emissions per MWh of electricity production generated from power generation project financing portfolio by 49% from 2019
	Progress: In 2024, reduced GHG emissions per 1 MWh power generation by 100% from 2019
2. Commercial Real Estate	Target: By 2030, reduce GHG emissions per square meter of corporate loan portfolio for commercial real estate by 59% from 2019
	Progress: In 2024, reduced GHG emissions per square meter by 20% from 2019
3. Electricity Generation	Target: By 2030, reduce GHG emissions per MWh of electricity production generated from corporate loan portfolio for electricity generation sector by 49% from 2019
	Progress: In 2024, GHG emissions per MWh of electricity generation have decreased carbon intensity by 23% from 2019
4. Other Long-term Loans	Target: By 2030, reduce GHG emissions per square meter from long-term corporate loan portfolios for finance, retail, services, F&B, and property development industries by 58% from 2019
	Progress: In 2024, GHG emissions per square meter have decreased carbon intensity by 29% from 2019
5. Other Long-term Loans	Target: By 2027, 38% (out of the amount of loan) of long-term corporate loan portfolios in fossil fuel, electrical and electronic equipment as well as general manufacturing sectors have set SBT
	Progress: In 2024, 22% of specific investment portfolios have set SBT
6. Listed Equity & Bonds Investment	Target: By 2027, 39% (out of the invested value) of listed equity and bonds investment have set SBT
	Progress: In 2024, 19% of specific investment portfolios have set SBT

Actions

1. Annually reviewed key targets list and strengthened engagement with investment targets to facilitate low-carbon transitions.
2. Gradually reduced current exposure to high-risk sectors such as thermal power generation, coal-related, and unconventional oil and gas industries.
3. Continuously monitored domestic and international net-zero policies and developments, assessing the progress of the net-zero transition in coal-related and unconventional oil and gas industries.

Note: Category 1 and 2's reduction efforts cover carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

5.1 Metrics and Targets for Low-Carbon Operation Management

The Group is committed to promoting low-carbon transition and leveraging systematic and scientific management to reduce carbon emissions from Yuanta operations. We have completed a comprehensive inventory and received third-party verification for all GHG emissions. We are SBT-approved and have also set specific decarbonization targets and plans. Through interdepartmental cooperation and smart energy monitoring systems, the Group continues to lower potential climate risks and impacts across our operation. Furthermore, we continue to improve our operational model to achieve the long-term vision of sustainable development.

GHG Emissions

Greenhouse gas emissions (Metric tons CO ₂ e)	2020 (Base year)	2021	2022	2023	2024	2024 Target	Target Status	2025 Target
Category 1	1,492.17	1,660.71	1,436.98	1,359.64	1,124.75	1,527.96	✓	1,512.68
Category 2 (location-based)	22,388.12	20,593.33	18,562.91	17,254.23	16,520.81	20,680.71	✓	20,218.36
Category 1 & 2 (location-based)	23,620.70	22,254.04	19,999.89	18,613.87	17,645.56	22,208.67	✓	21,731.04
Carbon intensity (Metric tons CO ₂ e) /per NT\$1 billion revenue)	206.53	186.63	218.57	189.76	146.19	250.43	✓	245.42

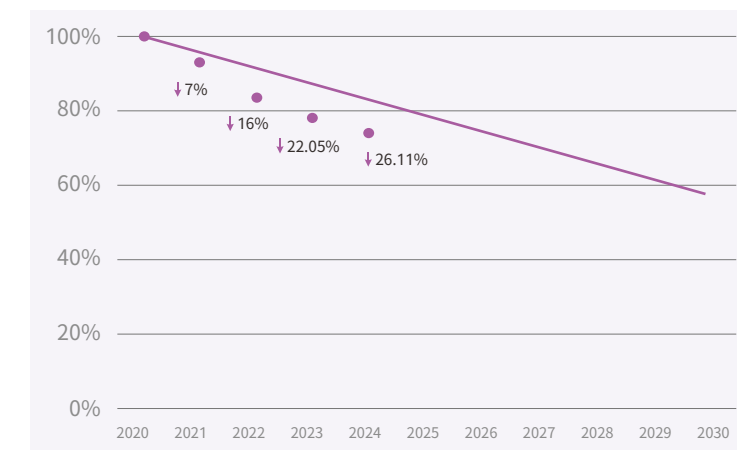
- Note: 1. The GHG inventory is conducted based on ISO 14064-1: 2018. The operational control approach is used to set the organizational boundary.
2. Based on the emission factor methodology, GHG emissions = activity data x emission factor x Global Warming Potential (GWP). The GWP values used in 2020 reference to IPCC AR5 version. From 2021 onwards, the GWP values reference to IPCC AR6 version.
3. Category 1 and 2 GHG emissions include cover carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).
4. Category 1 GHG emissions mainly come from gasoline and refrigerant. The emission factors are calculated using the Ministry of Environment “Greenhouse Gas Emissions Factor Management Table 6.0.4.”
5. Category 2 GHG emissions are externally procured electricity. The Category 2 GHG emissions are calculated using the quantitative method of the Ministry of Environment “Operating Guidelines for Greenhouse Gas Emissions Inventories.
6. Carbon intensity refers to the GHG emissions per NT\$1 billion of revenue generated from Category 1 and Category 2.

Group Greenhouse Gas Emissions from Overseas Sites

Greenhouse Gas Emissions (Metric tons CO ₂ e)	2024
Category 1	792.31
Category 2 (location-based)	4,028.56
Category 1+2 (location-based)	4,820.87
Data Coverage Rate (%)	100.00

Note: The scope of greenhouse gas inventory for overseas locations in 2024 includes overseas subsidiaries of consolidated subsidiaries, conducted in accordance with ISO 14064-1 guidance.

► Achievement of carbon reduction ratio



— SBT emissions reduction pathway • Actual reduction ratio

ISO 14064-1:2018 Categories	GHG Protocol Scope 3 Categories	GHG Emissions (Metric tons of CO ₂ e)	
		2023	2024
Category 3: Indirect GHG emissions from transportation	C4 Upstream transportation and distribution	-	-
	C6 Business travel	157.25	152.92
	C7 Employee commuting	19,487.10	20,226.60
	C9 Downstream transportation and distribution	0.04	0.01
Category 4: Indirect GHG emissions from products used by an organization	C1 Purchased goods and services	44,655.33	21,892.73
	C2 Capital goods	16,749.83	38,442.05
	C3 Purchased electricity (upstream emissions)	3,379.45	3,304.75
	C5 Waste generated in operations	204.49	133.79
	C8 Upstream leased assets	10,401.52	11,392.84
Category 5: Indirect GHG emissions associated with the use of products from the organization	C10 Processing of sold products	-	-
	C11 Use of sold products	197.38	99.91
	C12 End-of-life treatment of sold products	45.16	17.77
	C13 Downstream leased assets	2,351.98	1,845.80
	C14 Franchises	-	-

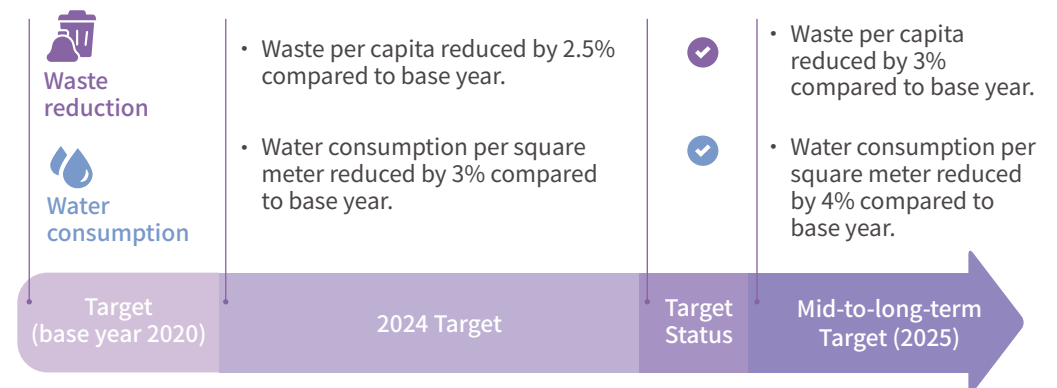
Note: 1. Categories 3 to 5 disclosed according to GHG Protocol S3 requirements.
2. Emissions from purchased electricity (upstream emissions), waste disposal, and business travel are confirmed via ISO 14064-1 verification.
3. For details, please refer to [Yuanta 2024 Sustainability report, Appendix 4 Environmental Performance](#).

Renewable Energy Use

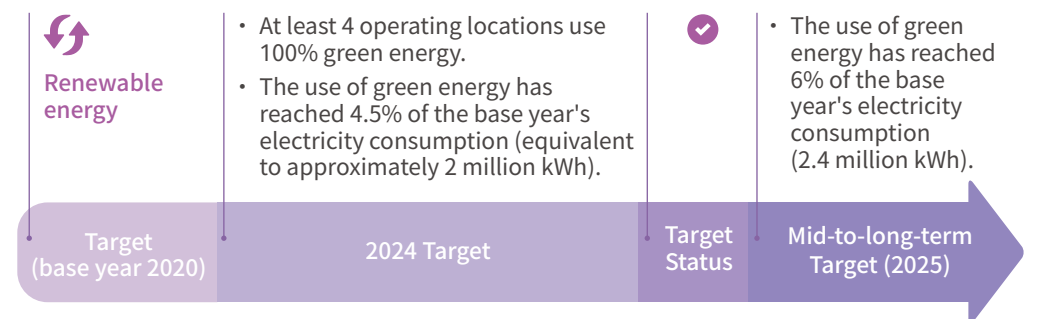
Item	2021	2022	2023	2024
Green power wheeling (kWh)	157,300	945,900	2,643,400	5,280,800
Total consumption of renewable energy (kWh)	527,300	945,900	2,643,400	5,280,800

Water & Waste Management

To ensure environmental sustainability, the Group advocates for water management. To such ends, we have designed rainwater recycling systems for all new buildings, set up plans to install water-saving facilities (e.g., faucets and toilets), and regularly raised awareness for water conservation to reduce our water use. For waste management, the Group has received ISO 14001 verification every year since 2016, promoting waste classification, recycling, and reduction as well as tracking daily waste targets by weight. In addition, Yuanta encourages employees to bring their own utensils and cups to help reduce waste. For more information, please refer to [4.2.2 Water & Waste Management](#) in [Yuanta FHC's 2024 Sustainability Report](#).



Note: In 2016, the Group launched the Sustainable Development Strategy Blueprint, setting short-term, mid-term, and long-term sustainable development goals for five-year periods. In 2021, we kicked off our second five-year plan (for 2021-2025) with mid-to-long-term goals set for 2025. Currently, we are planning for our third five-year plan (for 2026-2030).



Note: In 2016, the Group launched the Sustainable Development Strategy Blueprint, setting short-term, mid-term, and long-term sustainable development goals for five-year periods. In 2021, we kicked off our second five-year plan (for 2021-2025) with mid-to-long-term goals set for 2025. Currently, we are planning for our third five-year plan (for 2026-2030).

5.2 Metrics and Targets for Low-Carbon Transformation Management

To better understand the climate impact of our investment and lending portfolios and to meet stakeholder expectations for the financial sector to facilitate low-carbon transitions across industries, the Group has adopted methodologies recommended by the Partnership for Carbon Accounting Financials (PCAF) and the Task Force on Climate-related Financial Disclosures (TCFD). Using 2019 as the base year, we have assessed the financed emissions and carbon intensity of our financial assets. In 2024, the scope of our financed emissions inventory was expanded to include equity investments, corporate bond investments, commercial real estate lending and investment, sovereign bonds, long-/short-term commercial loans, electricity generation project financing, mortgages, and motor vehicle loans. We are committed to continually broadening the scope of our emissions inventory and leveraging risk management strategies to mitigate the potential impacts of climate change, driving the long-term development of sustainable finance.

Absolute GHG Emissions and Intensity of Investment and Financing

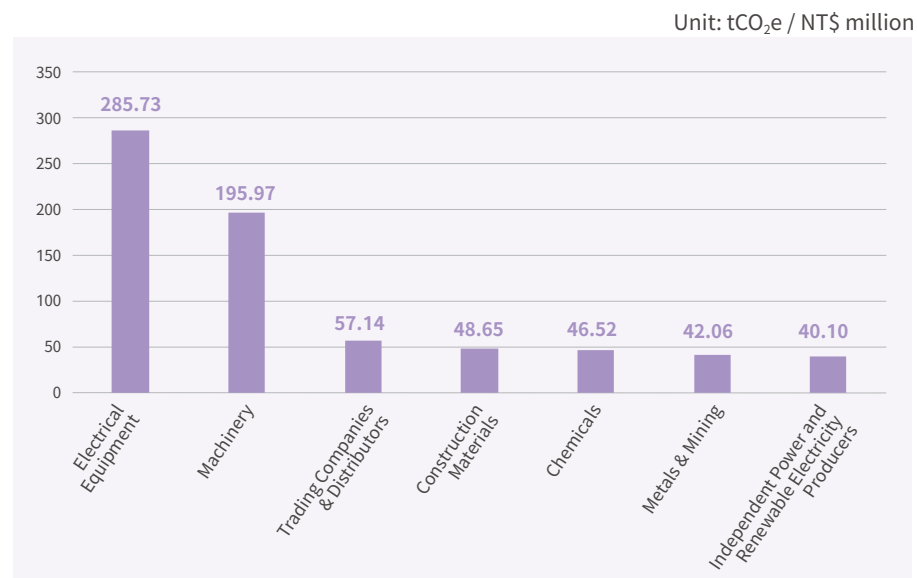
Asset Type	Category	2021	2022	2023	2024	Data Quality
Listed and Private Equity and Corporate Bond Investments	Category 1 & 2 GHG Emissions (tCO ₂ e)	2,310,400.66	1,503,131.29	1,707,703.18	2,029,418.50	1.80
	Category 3 GHG Emissions (tCO ₂ e)	-	-	-	3,903,316.52	
	Carbon intensity (tCO ₂ e/NT\$ million)	4.68	3.53	3.53	11.11	
Sovereign Bonds	GHG Emissions incl. LULUCF (tCO ₂ e)	-	-	-	908,364.12	1.52
	GHG Emissions excl. LULUCF (tCO ₂ e)	-	1,193,197.55	1,117,944.62	990,633.76	
	Carbon intensity (tCO ₂ e/NT\$ million)	-	7.54	6.90	5.12	
Long-term Commercial Loans	Category 1 & 2 GHG Emissions (tCO ₂ e)	504,551.43	551,245.34	988,524.70	2,061,599.99	3.07
	Category 3 GHG Emissions (tCO ₂ e)	-	-	-	3,201,640.98	
	Carbon intensity (tCO ₂ e/NT\$ million)	4.60	4.17	4.41	12.33	
Short-term Commercial Loans	Category 1 & 2 GHG Emissions (tCO ₂ e)	-	233,529.96	49,110.41	220,125.13	3.11
	Category 3 GHG Emissions (tCO ₂ e)	-	-	-	567,944.56	
	Carbon intensity (tCO ₂ e/NT\$ million)	-	3.02	1.41	12.54	
Electricity Generation Project Financing	GHG Emissions (tCO ₂ e)	100,707.22	42,574.12	48,288.96	-	-
Renewable Energy Project Financing	Avoided GHG Emissions (tCO ₂ e)	1,466.37	1,741.60	3,252.00	1,669.05	2.00
Commercial Real Estate Lending and Investment	Category 1 & 2 GHG Emissions (tCO ₂ e)	23,386.90	12,688.11	26,687.71	28,233.60	4.00
	Carbon intensity (tCO ₂ e/NT\$ million)	1.37	1.06	1.15	0.95	
Mortgages	Category 1 & 2 GHG Emissions (tCO ₂ e)	-	-	-	80,606.64	4.00
	Carbon intensity (tCO ₂ e/NT\$ million)	-	-	-	0.23	
Motor Vehicle Loans	Category 1 & 2 GHG Emissions (tCO ₂ e)	-	-	-	101,082.89	3.02
	Carbon intensity (tCO ₂ e/NT\$ million)	-	-	-	1.46	

- Note: 1. Financed emissions are calculated based on the portfolio of assets under review for the reporting year, using the Global GHG Accounting and Reporting Standard for the Financial Industry[®] published by the Partnership for Carbon Accounting Financials (PCAF)[®] on December, 2022, as reference. The relevant GHG emissions data comes from the external database, self-collection and estimation.
2. The carbon intensity by asset class is calculated based on the methodology recommended by the TCFD guidelines. Formula: Financed emissions of each asset class undertaken by the Company (tCO₂e) / the Company's exposure of each asset class (NT\$ million) = Carbon intensity of each financial asset (tCO₂e / NT\$ million).
3. In 2024, corporate bonds, equities, and commercial loans cover positions in listed and private companies.
4. In 2024, greenhouse gas emissions from sovereign debt investments will be calculated using carbon emissions that include LULUCF.

Analysis of Financed Emissions in Carbon-intensive Sectors

In compliance with the International Sustainability Standards Board (ISSB)'s IFRS S2 Climate-related Disclosures Standard, the Group has, for the current year, disclosed carbon-intensive sectors within our overall investment and financing portfolio based on the Global Industry Classification Standard (GICS). An analysis of the Group's long-term listed equity and corporate bond investment portfolios identified the top seven high-emission sectors as Electrical Equipment, Machinery, Trading Companies & Distributors, Construction Materials, Chemicals, Metals & Mining, and Independent Power and Renewable Electricity Producers. For long-term loan portfolios within financing activities, the top seven high-emission sectors are: Tobacco, Oil, Gas & Consumable Fuels, Consumer Staples Distribution & Retail, Construction Materials, Metals & Mining, Entertainment, and Containers & Packaging. The combined financed emissions from the above-mentioned investment and loan portfolios amounted to approximately 3.916 million metric tons of CO₂ equivalent. The Group conducts separate GHG emissions analyses for investees and borrowers in high-emission sectors, distinguishing between investments and loans. These analyses support the Group's decarbonization efforts and guide dynamic portfolio rebalancing. In parallel, the Group has strengthened engagement with high-emission investees and borrowers, conducting careful assessments of their climate-related risks to enhance investment and financing risk management in carbon-intensive sectors.

► 2024 Carbon Intensity of Long-term Investment Portfolios in Carbon-intensive Sectors: Listed equity and corporate bonds

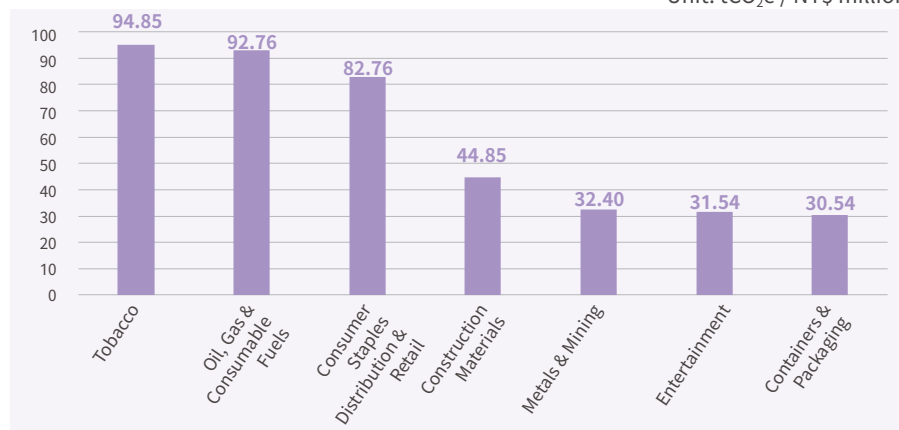


Note: 1. Industry classification is based on the latest 2023 version of the Global Industry Classification Standard (GICS).
 2. The carbon intensity of investment/financing portfolio by industry is calculated based on the methodology recommended by the TCFD guidelines. Formula: Financed emissions of investment/financing portfolio in each industry undertaken by the Company (tCO₂e) / the Company's exposure in each industry (NT\$ million) = Carbon intensity of investment/financing portfolio in each industry (tCO₂e / NT\$ million).

GICS	Category 1 & 2 GHG Emissions (tCO ₂ e)	Category 3 GHG Emissions (tCO ₂ e)	Overall GHG Emissions (tCO ₂ e)	Exposure at Risk Ratio (Exposure at Risk / Total Exposure at Risk)
Electrical Equipment	257.37	247,062.93	247,320.30	0.22%
Machinery	691.06	286,180.81	286,871.87	0.37%
Trading Companies & Distributors	15,450.14	314,617.72	330,067.86	1.45%
Construction Materials	449,979.81	140,471.56	590,451.37	3.05%
Chemicals	204,305.57	338,201.48	542,507.05	2.93%
Metals & Mining	120,161.44	151,792.09	271,953.53	1.62%
Independent Power and Renewable Electricity Producers	5,536.56	1,710.98	7,247.54	0.05%
Top seven overall data	796,381.95	1,480,037.57	2,276,419.52	9.69%

► 2024 Carbon Intensity of Long-term Financing Portfolios in Carbon-intensive Sectors

Unit: tCO₂e / NT\$ million



Note: 1. Industry classification is based on the latest 2023 version of the Global Industry Classification Standard (GICS).
 2. Long-term loans include long-term loans to listed and private companies.
 3. The carbon intensity of investment/financing portfolio by industry is calculated based on the methodology recommended by the TCFD guidelines. Formula: $\text{Financed emissions of investment/financing portfolio in each industry undertaken by the Company (tCO}_2\text{e)} / \text{the Company's exposure in each industry (NT\$ million)} = \text{Carbon intensity of investment/financing portfolio in each industry (tCO}_2\text{e} / \text{NT\$ million)}.$

GICS	Category 1 & 2 GHG Emissions (tCO ₂ e)	Category 3 GHG Emissions (tCO ₂ e)	Overall GHG Emissions (tCO ₂ e)	Loan Percentage (Loan Amount/ Total Loan Amount)
Tobacco	2,805.37	11,050.15	13,855.52	0.03%
Oil, Gas & Consumable Fuels	123,026.47	26,476.61	149,503.08	0.38%
Consumer Staples Distribution & Retail	69,128.12	290,479.11	359,607.23	1.02%
Construction Materials	196,160.78	78,451.59	274,612.37	1.43%
Metals & Mining	357,426.29	416,684.16	774,110.45	5.60%
Entertainment	48.76	71.10	119.86	0.00%
Containers & Packaging	51,015.01	17,082.99	68,098.00	0.52%
Top seven overall data	799,610.80	840,295.71	1,639,906.51	8.98%

5.3 Metrics and Targets for Climate Opportunity Management

At Yuanta, we believe in the values of sustainable development. As such, we continue to expand our influence through sustainable investment and lending around our core strategy of sustainable finance. Under the Group's Sustainable Development Strategy Blueprint, we are setting sustainable development goals and continue to apply Sustainable Finance Guidelines to our operational processes. Our assessments indicate that we have reached all targets relating to climate opportunities in 2024.

Target (base year 2020)	2024 Target	Target Status	Mid-to-long-term Target (2025)
Revenue of ESG-related products/ services	• Total sustainable investment / lending amounted to NT\$320 billion.	✓	• Achieve a total of NT\$340 billion in sustainable investment / lending amounted.
Number of cases adopted "Sustainable Finance Guidelines"	• Accumulated a total of 14,000 cases adopted assessment portocol align with "Sustainable Finance Guidelines."	✓	• Achieve an accumulation of 18,000 cases adopted assessment portocol align with "Sustainable Finance Guidelines."
Number of cases adopted "Social and Environmental Risks Assessment"	• Complete an accumulation of 1,000 cases applied "Social and Environmental Risk Assessments."	✓	• Achieve an accumulation of 1,000 cases applied "Social and Environmental Risk Assessments."

Note: In 2016, the Group launched the Sustainable Development Strategy Blueprint, setting short-term, mid-term, and long-term sustainable development goals for five-year periods. In 2021, we kicked off our second five-year plan (for 2021-2025) with mid-to-long-term goals set for 2025. Currently, we are planning for our third five-year plan (for 2026-2030).

6

Nature-Related Financial Disclosures

6.1 Evaluation of Nature-Related Dependencies & Impacts

6.2 Biodiversity Impact Analysis

6.3 Identification of Nature-Related Risks & Opportunities

6.4 Conservation of Natural Environments & Biodiversity

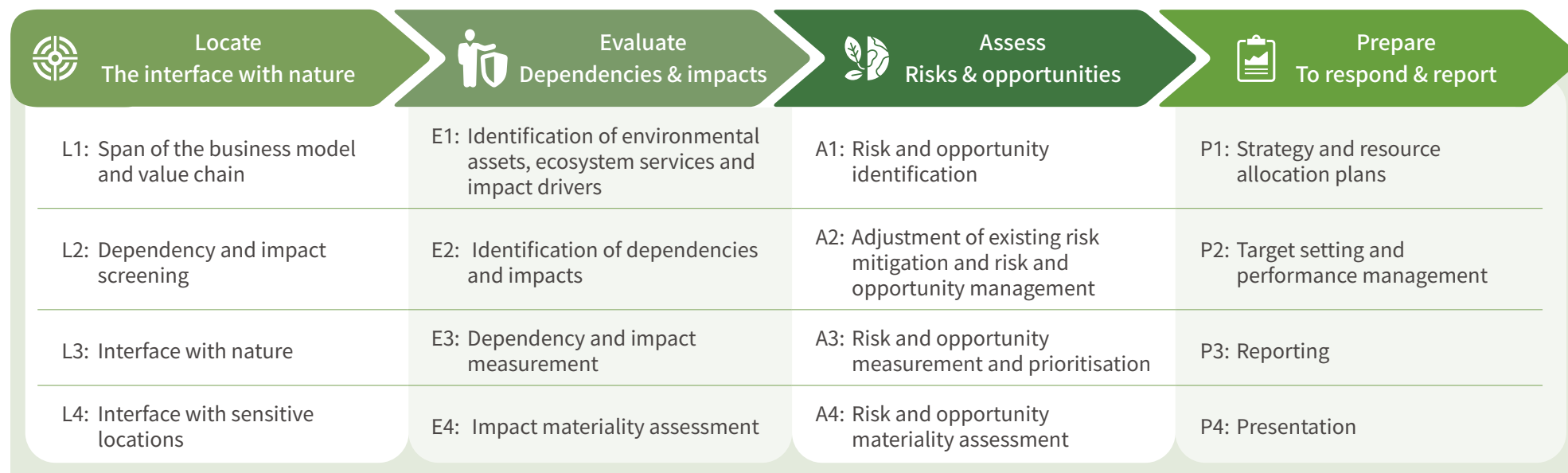
6.5 Natural Environment Risk Management

In recent years, alongside the growing focus on reaching net zero, the conservation of nature and biodiversity has also emerged as a global priority. The World Economic Forum (WEF) has identified biodiversity loss as one of the top three global risks over the next decade. To address this, relevant policies and frameworks continue to evolve, such as the Kunming-Montreal Global Biodiversity Framework, which sets forth a global vision and mission to halt and reverse biodiversity loss by 2030 and achieve harmony with nature by 2050. These developments are driving businesses and the financial sector to take responsive actions and increase transparency in reporting nature-related activities.

As a global leader in sustainability, Yuanta Financial Holdings is committed to addressing biodiversity issues and actively supporting international initiatives. In 2024, Yuanta signed the “Taskforce on Nature-related Financial Disclosures (TNFD),” becoming one of the TNFD Early Adopters in the world. Additionally, Yuanta joined the “Partnership for Biodiversity Accounting Financials (PBAF)” to contribute to biodiversity conservation efforts.

This section is guided by the official framework (Version1.0) released by the TNFD^② in September 2023, along with its “Sector guidance: Additional guidance for financial institutions v2.0”^⑤. The LEAP (Locate, Evaluate, Assess, Prepare) approach was applied to assess the dependencies and impacts of the Group's investment and financing activities on the nature environment. This analysis also includes evaluating associated risks and opportunities to enhance future response actions.

► The LEAP Approach



Note: 1. Dependencies are aspects of environmental assets and ecosystem services that a person or an organization relies on to function. A company's operations, for example, may be dependent on water resources.

2. Impacts refer to a changes in the state of nature, which may result in changes to the capacity of nature to provide social and economic functions. Impacts can be positive or negative.

6.1 Evaluation of Nature-Related Dependencies & Impacts

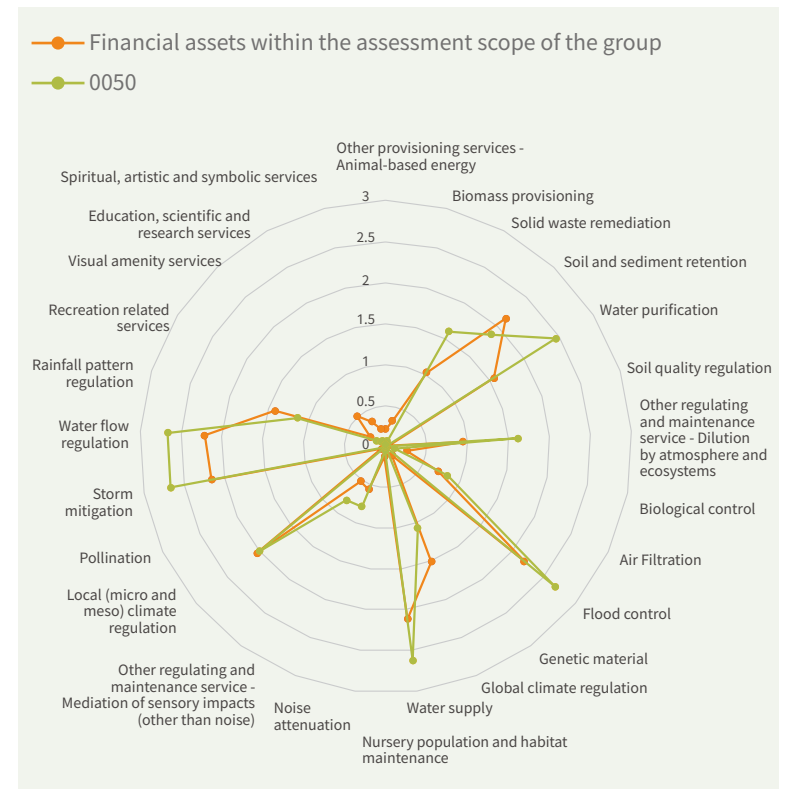
To identify sectors within our investment and financing portfolio that have a greater impact on nature, the Group referenced the ENCORE database^{Note 1} to analyze the dependencies and impacts of our investees and borrowers on natural capital. The 2024 assessment covered equity and corporate bond investments, commercial loans, commercial real estate loans, and project financing. We applied the updated 2024 ENCORE data, which provides the dependency of various industries on ecosystem services, to evaluate the materiality of our investees' and borrowers' dependencies and impacts within the assessment scope of nature in 2024. Evaluations were based on investment and financing amounts and revealed that among the ecosystem services defined by ENCORE[®], the Group's investment and financing targets are most dependent on three ecosystem service drivers: Water flow regulation, Flood control, and Storm mitigation ; while the top three impact drivers were identified as Emissions of toxic soil and water pollutants, Disturbances (e.g noise, light), and Emissions of GHG. To understand how our portfolio compares to the broader Taiwanese financial market, this year we chose the Yuanta/P-shares Taiwan Top 50 ETF (0050) as the benchmark for comparison. This allows us to identify the differences in natural capital dependencies and impacts between the two. In terms of dependence on natural capital, the financial assets within the overall assessment scope of our group are lower than those of 0050. Regarding natural impact factors, the financial assets in the assessment scope of our group show a higher impact compared to 0050, with the factor contributing most to this higher impact being "Emissions of GHG".

Considering the double materiality concept (financial materiality and impact materiality), the cross-analysis of dependency and impact levels with the financial assets within the assessment scope of the group indicates that the materials sector, financial sector, and real estate sector are the top three sectors, as defined by GICS, with the highest dependency and impact on the natural environment. According to the TNFD's Sector Guidance, Sector guidance: Additional guidance for financial institutions v2.0, financial sector should prioritize 18 priority sectors to understand how their investment and financing targets positively and negatively impact nature. Our analysis showed that 39.77% of the financial assets within the assessment scope of the group are in priority sectors. Moving forward, we will continue to deepen the assessment of dependencies and impacts related to ecosystem service drivers and impact drivers, exploring the interrelationships between these factors and risk exposure to provide more detailed information on internal decision-making.

Note: 1. ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a tool developed by the UN Environment Programme (UNEP) and partner institutions to help businesses and financial institutions assess how their economic activities depend on and impact natural capital. The ENCORE website was updated with new data in 2024, reflecting significant changes from the 2023 knowledge base. Updates include expanding the scope of economic activities, increasing the number of ecosystem services from 21 to 25, and increasing the number of impact drivers from 10 to 13.

2. Utilizes the sectors classified under the GICS (Global Industry Classification Standard), which consists of 11 sectors identified by two-digit codes. GICS is a standardized industry classification system jointly developed by S&P and MSCI. It categorizes industries based on companies' revenue sources. For alignment with the updated ENCORE database, this year's analysis adopts the GICS version effective from 2018 to 2023.

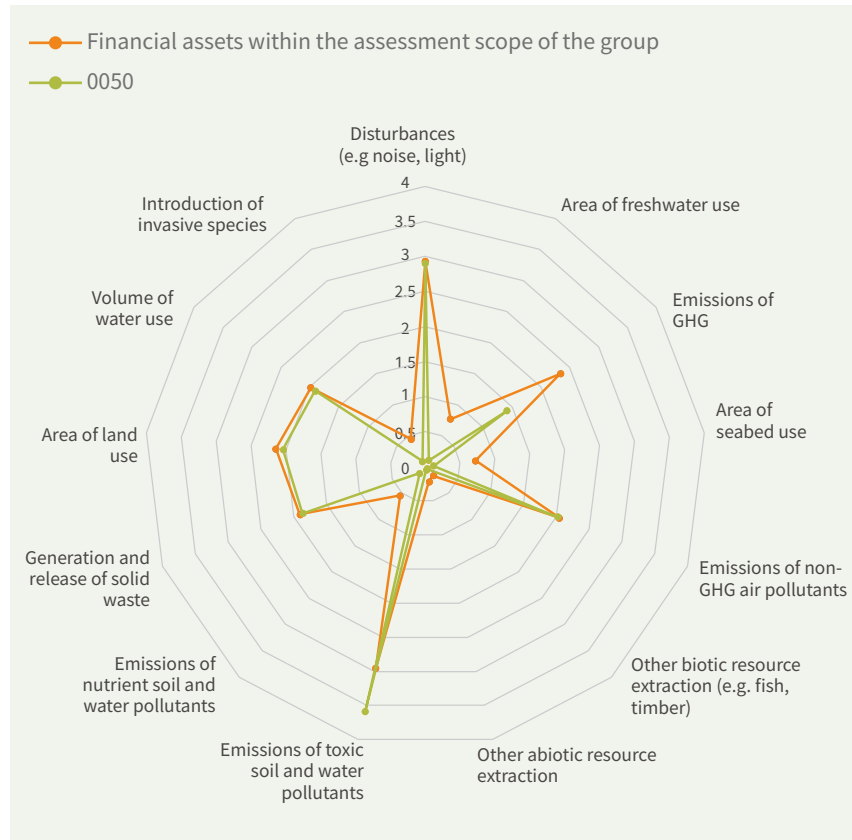
► 2024 Ecosystem Dependency: Group's Financial Assets vs. 0050



Note: 1. Ecosystem Service Drivers means the contributions of ecosystems to the benefits that are used in organizational or manufacturing processes.

2. The qualitative ratings provided by ENCORE for both dependencies and impacts levels have been converted into quantitative scores for assessment. VH(Very High) is 5 points, H(High) is 4 points, M(Medium) is 3 points, L(Low) is 2 points, VL(Very Low) is 1 points, and N/A is 0 point.

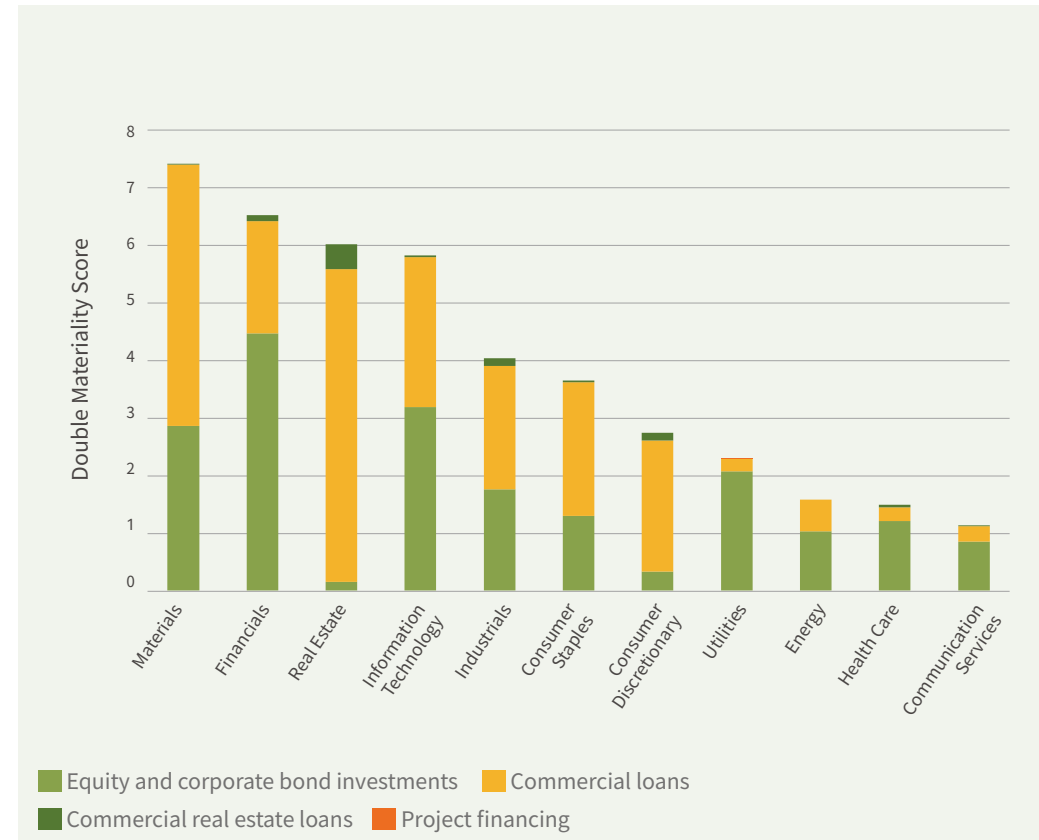
► 2024 Impact Drivers: Group's Financial Assets vs. 0050



Note: 1. Impact Drivers means a measurable quantity of a natural resource that is used as an input to production (e.g. the volume of sand and gravel used in construction) or a measurable non-product output of a business activity (e.g., a kilogram of NOx emissions released into the atmosphere by a manufacturing facility).

2. The qualitative ratings provided by ENCORE for both dependency and impact levels have been converted into quantitative scores for assessment. VH(Very High) is 5 points, H(High) is 4 points, M(Medium) is 3 points, L(Low) is 2 points, VL(Very Low) is 1 points, and N/A is 0 point.

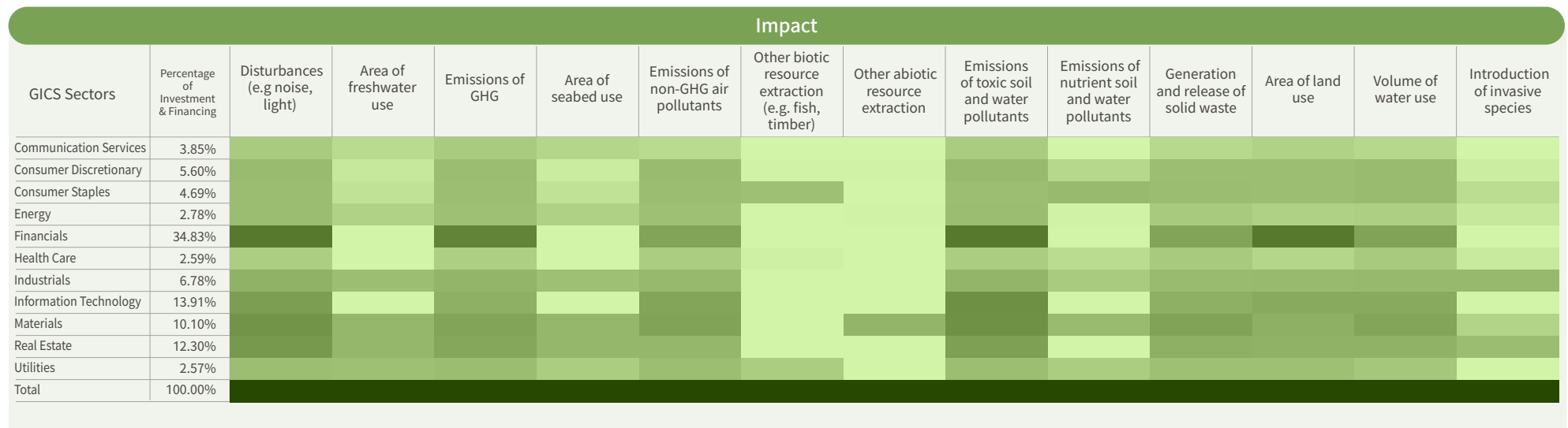
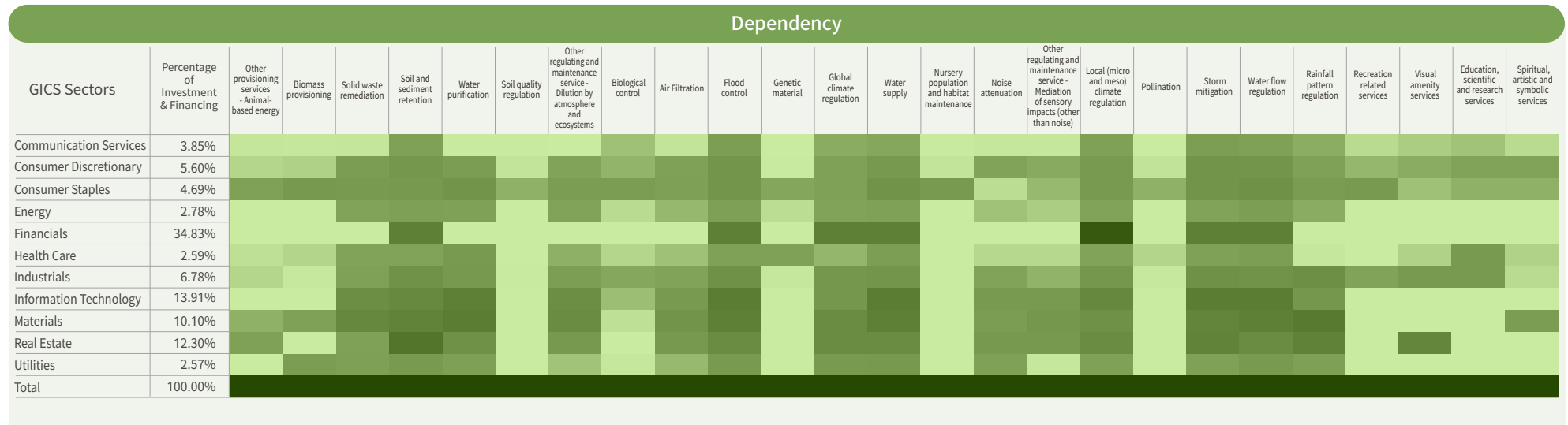
► 2024 Group's Financial Asset's Dependencies and Impacts on Nature



Note: 1. Utilizes the sectors classified under the GICS (Global Industry Classification Standard), which consists of 11 sectors identified by two-digit codes.

2. The qualitative ratings provided by ENCORE for both dependency and impact levels have been converted into quantitative scores for assessment. VH(Very High) is 5 points, H(High) is 4 points, M(Medium) is 3 points, L(Low) is 2 points, VL(Very Low) is 1 points, and N/A is 0 point.

► 2024 Group's Heat Map of Dependencies & Impacts of Financial Assets on Nature



Note: Utilizes the sectors classified under the GICS (Global Industry Classification Standard), which consists of 11 sectors identified by two-digit codes.

► 2024 The Group's Evaluation of Financial Asset's Priority Sectors on Nature Analysis

Sectors	% of Priority Sectors on Nature to All Yuanta FHC Investment & Lending
Materials	10.10%
Real Estate	6.64%
Consumer Staples	4.69%
Information Technology	4.52%
Industrials	3.52%
Consumer Discretionary	3.01%
Energy	2.78%
Real Estate	2.57%
Health Care	1.94%
Subtotal: Other Sectors	60.23%
Subtotal: Priority Sectors on Nature	39.77%

Note: Utilizes the sectors classified under the GICS (Global Industry Classification Standard), which consists of 11 sectors identified by two-digit codes. Priority Sectors on Nature refer to those suggested by TNFD and its partner organizations, which recommend that financial institutions prioritize attention on investment and financing industries that may have significant dependencies and impacts on nature.

In line with the TNFD-recommended LEAP (Locate, Evaluate, Assess, Prepare) approach, Wehas conducted an analysis of key considerations related to natural dependencies and impacts within our financial assets within the assessment scope. Taiwan's water resources are primarily dependent on monsoon rainfall and are highly sensitive to seasonal variations and climate change, which poses considerable challenges to our water stability and, therefore, direct impacts on operating costs and revenues. For instance, in the information technology sector, assessments have shown that the semiconductor industry is heavily reliant on stable water supplies throughout its manufacturing processes. Any disruption in water supply could interrupt production and risk global supply chain disruptions, potentially causing credit and market risks for the financial sector as well. As such, our analysis will focus on an important natural risk factor confronting the semiconductor industry: water resources. Considering that geographical locations have significant impacts on dependencies and impacts on nature, the LEAP approach emphasizes the importance of locations when identifying, assessing, and managing nature-related risks and opportunities. This analysis draws on the World Resources Institute (WRI) ¹⁷ database and follows TNFD's guidance on scenario analysis to explore the potential nature-related risks and opportunities faced by the semiconductor industry and their implications for Yuanta. The findings will serve as a basis for future strategy development and optimization of sustainability management.



► LEAP Analysis of Impacts from Priority Sectors (Example: Semiconductor Industry)



**Locate
The interface
with nature**

Locate the interaction level of investment/financing target's semiconductor manufacturing sites with surrounding natural environments.

The Group utilized the WRI Aqueduct Water Risk tool to analyze the water stress at the production sites of semiconductor companies within our financial asset portfolio. This year, the Group analyzed 28 target companies, with manufacturing sites primarily located in Asia, followed by the Americas and Europe.



**Evaluate
Dependencies &
impacts**

Evaluations based on ENCORE's database reveal that the semiconductor industry has the highest dependency and impact on water resources. As such, we used the World Resource Institute's (WRI) database to assess water stress across the manufacturing sites of our semiconductor investees and borrowers.

The evaluation revealed that one production site located in Ho Chi Minh City, Vietnam, is situated in an extremely high water-risk area. Additionally, 11 manufacturing sites are located in high water-risk areas, mainly concentrated along the eastern coast of China, Vietnam, Israel, and the southwest U.S..



**Assess
Risks &
opportunities**

Based on the dependencies and impacts analysis results, we conducted scenario analysis workshops with various business units within the Group to discuss the potential risks and opportunities posed by water stress under different scenarios.

Based on natural risk transmission pathways, the potential risks of investees, borrowers, and the financial sector are as follows:

- **Physical Risks:** Due to climate change, water shortages, and pollution, semiconductor businesses face risks of higher costs and lower profitability, including interrupted production from greater recovery costs, higher insurance premiums, and water stress and pollution management expenses from the overexploitation of land and resources. For financial institutions, these risks translate into heightened credit risk driven by reduced revenues, increased costs, and declining collateral values of investees. Investee companies that lack effective adaptation measures may experience credit rating downgrades or divestment, reducing available funds for asset management. Furthermore, business disruptions in high-risk regions can exacerbate credit exposure.
- **Transition Risks:** Rising water prices and water use fee policies may increase water costs and credit risks for the semiconductor industry and financial sector, affecting profits and assets. If semiconductor businesses impact residential water use, they may face protests, while investees may be subject to divestment in the event of water pollution penalties or lowered credit ratings. As such, the market requires semiconductor businesses to upgrade their equipment and increase their water efficiency, which translates into increased capex. The financial sector will be subject to heightened credit risks from their investee or borrower's rising costs or reduced profits. Throughout these technological transitions, if semiconductor businesses fail to meet their customer's expected R&D progress, their revenue may be affected, reducing the Group's assets and profits for financial customers.



**Prepare
To respond &
report**

Reflect on the Group's current strategies and expand the analysis of sectors within our investment and financing portfolio in the coming years, gradually implementing a more comprehensive assessment of nature-related issues.

We conducted internal workshops to discuss risks, opportunities, and mitigation measures under different TNFD's four scenarios (uncertainties matrix, with four possible physical and transition risk variations).

Four Scenarios Analysis

Scope

The group evaluates the scope of financial assets and uses water resources as a natural driving factor, focusing on the semiconductor industry, which has a higher correlation with it.

Methodology

Four scenarios (uncertainties matrix, with four possible physical and transition risk variations) set forth in the TNFD's Guidance on Scenario Analysis V.1.0.

H Alignment of market and non-market forces L	#1 Ahead of the game	#2 Go fast or go home
	<ul style="list-style-type: none"> Adoption of climate/nature response measures Strict regulations and rising environmental awareness in consumers 	<ul style="list-style-type: none"> Rapid and systematic driving force Rapid acceleration of investments to technologies driving positive outcomes
	#4 Back of the list	#3 Sand in the gears
	<ul style="list-style-type: none"> Society prioritizing climate over nature Some experts, NGOs, financial institutions advocate for nature issues with no response from society 	<ul style="list-style-type: none"> Economy and environment enter a zero-sum game Lack of effective government oversight and corporate action
	L Ecosystem service degradation H	

Period

To effectively manage and anticipate future operational changes, we have established three distinct planning horizons: short-term is within three years; mid-term, defined as five years; and long-term, defined as seven to ten years.

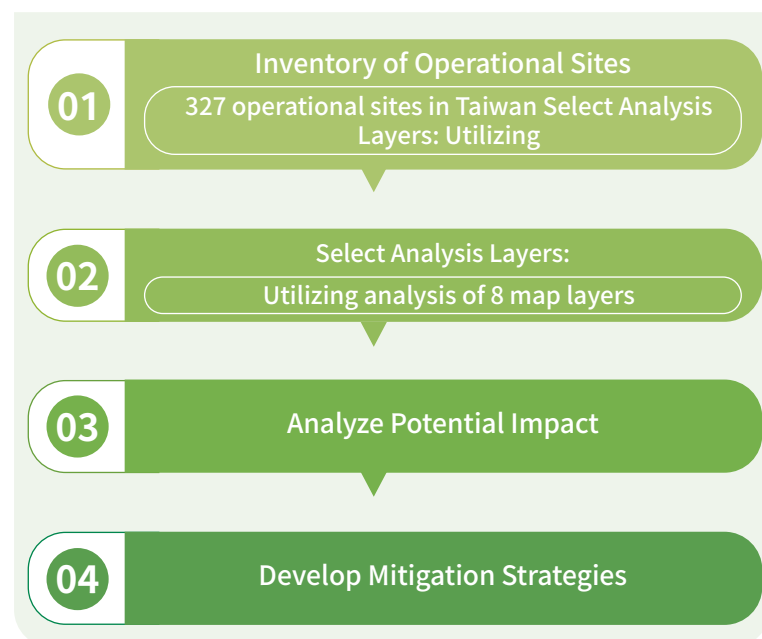
Results

 Scenario	 Potential Risks	 Adaptation/Response Measures
#1 Ahead of the game	While the natural environment remains relatively stable, there is a risk of "greenwashing" among investment, financing, or underwriting targets, which could expose our Group to reputational risks for failing to exercise adequate oversight.	In this relatively stable market situation, we will maintain existing business and operational strategies while enhancing review of customers' environmental impacts.
#2 Go fast or go home	As government regulations on water resources become stricter, companies might need additional funds to comply. Without corresponding products or services, we could potentially lose customers.	Actively understand customer needs and plan blue finance according to market demand to attract relevant customers in need, assisting them in addressing transition challenges.
#3 Sand in the gears	The level of environmental degradation is high, but stakeholders' concern for nature varies. For instance, there is a higher international emphasis on water resources, while domestically, there may be no relevant policies. If the Group does not actively manage investment and financing targets, we may be perceived as neglecting our management responsibilities, leading to reputational risks.	<ol style="list-style-type: none"> Adjust internal credit investigation process to strengthen review of customers' environmental impacts. Advocate for natural and environmental protection by engaging with investment/financing targets that do not prioritize water resources.
#4 Back of the list	In scenarios where natural degradation is not severe and there is no risk of water shortages, society's attention may shift more towards carbon-related issues over water resources. This could divert the focus of our investment and financing targets from water-related preparations and responses.	Investment and financing targets must continue to focus on water resource management to avoid neglecting this critical issue.

6.2 Biodiversity Impact Analysis

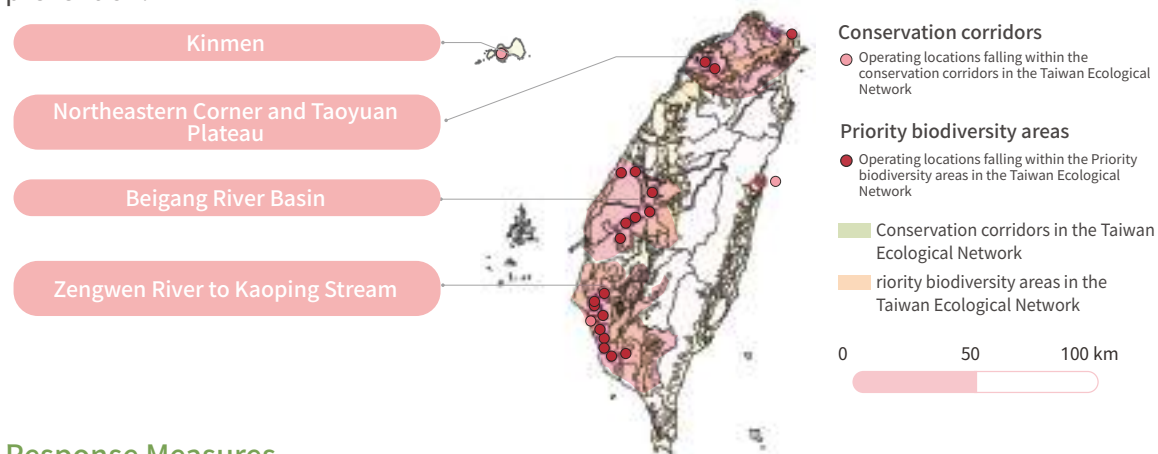
Process

The analysis aims to identify ecological sensitivities and potential impacts of the Group's locations as well as assess appropriate biodiversity protection strategies in these areas. As such, we analyzed 327 operational sites of Yuanta in Taiwan against the Forestry and Nature Conservation Agency's Taiwan Ecological Network[®] - a biodiversity database that covers conservation corridors and priority biodiversity areas. In addition, we also considered National Parks, Nature Reserves, Forest Reserve, Wildlife Refuges, Major Wildlife Habitats, and Biodiversity Hotspots. The analysis was conducted by overlaying the operational sites of Yuanta Group with nature-sensitive maps.



Results

Overlaying the operational sites of Yuanta Group with nature-sensitive maps showed that no locations in Taiwan directly overlap with any areas protected by the government. However, 32 locations intersect with designated zones on the Taiwan Ecological Network, accounting for 9.7% of the group's locations. These sites are primarily located in the Beigang River basin, the region between Zengwen River and Gaoping River, the Northeast Coast, the Taoyuan Gaorong area, and Kinmen, which include wetland and wildlife hotspots. Key areas of concern identified include wetland conservation, eco-friendly agriculture, and wildlife roadkill prevention.



Response Measures

Given the results, we intend to adopt the following strategies:

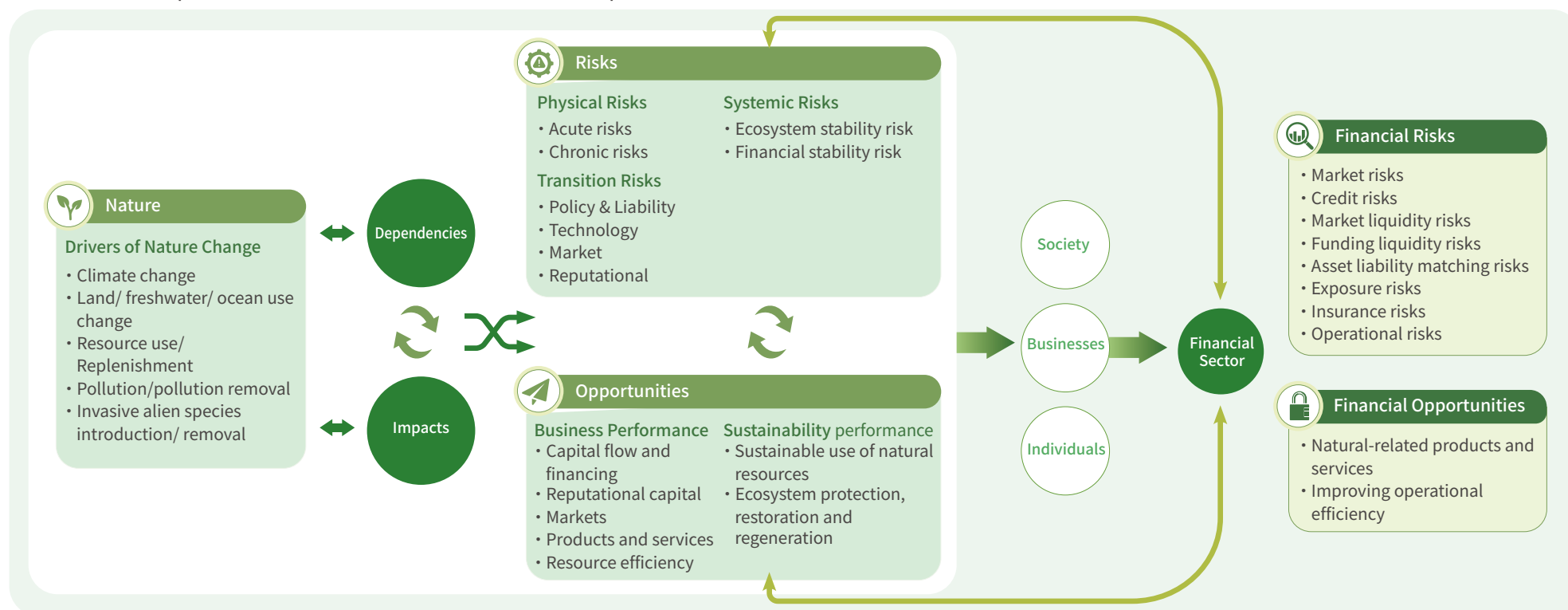
- Select Focus Areas** Results showed that Yuanta Group's locations mainly overlapped with protected water bodies or wetlands. As such, we will list these areas as focus areas.
- Cross-domain Cooperation** We will continue to observe the development of local groups for ecosystem restoration and conservation, tapping them as potential future partners.
- Capitalize on Internal Resources** Leverage the "Yuanta 188 Sustainability Activity Relay Program" to combine with the forces of various locations and employees, directing them to education, advocacy, and ecological efforts to showcase that we care about our land of Taiwan.

6.3 Identification of Nature-Related Risks & Opportunities

The Group assessed the natural dependencies and impacts of our asset portfolio, referencing the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations, the Network for Greening the Financial System (NGFS), and the Natural Capital Coalition's relational pathways to understand the potential risks and opportunities arising from these dependencies and impacts.

For the financial sector, potential risks and opportunities primarily arise from two relational pathways. The first pathway is through indirect influence on financial activities, where dependencies and impacts on nature affect society, businesses, and individuals, which in turn influence the financial sector through their connection to financial services. The second pathway is through direct influence on operations in the financial sector, where the financial sector is directly impacted by nature dependencies, impacts, risks, and opportunities in its operations. As such, we consider all these scenarios in our strategic planning.

► The relationship between the finance sector and natural capitals



Compiled from the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations, Nature-related Financial Risks: a Conceptual Framework to guide Action by Central Banks and Supervisors[®], and Connecting Finance and Natural Capital: A Supplement To The Natural Capital Protocol.[®]

► Nature-related Risks

Risk		Potential Impacts	Financial Risks	Value chain stages covered by nature-related risk assessment	Duration of Impact
Physical Risks	Acute	Wetland and/or forest degradation from typhoons, floods, and forest fires; pest infestations.	Credit Risks, Operational Risks, Insurance Risks	Investment and financing targets, Own operations	Mid-term
	Chronic	Ecological degradation from changes such as air pollution and less rainfall.	Credit Risks, Operational Risks	Investment and financing targets, Own operations	Long-term
Transition Risks	Policy and Liability	Stricter policies and regulations may increase transitional costs and risk of potential litigation and fines.	Credit Risks, Market Risks, Operational Risks	Investment and financing targets, Own operations	Mid-term
	Technology	New products or services developed with new technologies may reduce dependency and/or impact on natural capital.	Credit Risks	Investment and financing targets, Own operations	Long-term
	Market	Changes in market demands for products and services may lead to more emphasis on natural conservation actions.	Credit Risks, Market Risks	Investment and financing targets, Own operations	Mid-term
	Reputational	Delayed responses to natural crises or even causing natural crises could attract criticism and harm reputation.	Reputational Risks	Own operations	Mid-term
Systemic Risks		Extinction of critical species could lead to ecosystem collapse, affecting businesses and society.	Credit Risks, Operational Risks	Investment and financing targets, Own operations	Long-term

► Nature-related Opportunities

Opportunities		Potential Impacts	Value chain stages covered by nature-related opportunities assessment	Duration of Impact
Business Performance	Capital flow financing	Investing in sustainability actions and developing nature-related sustainable products and services can increase company revenue and support the growth of sustainable finance markets.	Investment and financing targets, Products and services	Mid-term
	Reputational capital	Participating in nature-friendly initiatives or sustainability ratings can gain recognition and cooperation opportunities from the public and stakeholders.	Own operations, Suppliers	Short-term
	Markets	• Raising consumer attention and involvement in nature-related issues can enhance the visibility of products and services.	Investment and financing targets, Products and services	Mid-term
	Products and services	• Developing products or services that avoid or reduce nature-related risks.		
	Resource efficiency	• Improving resource use efficiency in company operations can reduce dependencies on nature.	Own operations	Mid-term
Sustainability Performance	Sustainable use of natural resources	• Strategically transitioning to or consciously adopting recycled or nature-friendly materials can protect natural resources and generate positive environmental benefits.		
	Ecosystem protection, restoration and regeneration	Engaging in protection and restoration activities, such as funding green infrastructure or protecting endangered species.	Products and services, Own operations	Mid-term

Note: The Company defines short-term, mid-term, and long-term events as those that may occur within 1 year, between 1-5 years, and in over 5 years, respectively.

6.4 Conservation of Natural Environments & Biodiversity

Yuanta Group remains committed to environmental issues, striving to protect natural environments and biodiversity. In 2024, we joined the TNFD as one of the early adopters globally and became a member of the PBAF, contributing to global efforts in environmental and biodiversity conservation.

Starting from within, we actively involve our employees and suppliers in activities such as beach clean-ups and tree planting. Our corporate volunteers play a significant role in safeguarding the earth's ecosystems and marine biodiversity. In 2024, we launched the "Yuanta 188 Sustainability Activity Relay Program". This initiative is supported by our eight subsidiaries, and dedicated to eight United Nations Sustainable Development Goals (SDGs). The number eight symbolizes infinity, reflecting the Group's commitment to sustainability and the common good.

In 2024, Yuanta Group visited key environmental education and cultural heritage sites across Taiwan, including the Zhishan Cultural and Ecological Garden. Through field visits to habitats and hands-on DIY activities, the Group organized a series of environmental education programs to help employees understand how habitat diversity affects ecosystems and to raise awareness of biodiversity conservation. These efforts made the complex topic of biodiversity more accessible and relatable to employees. In 2024, we held a total of 20 ecological tours, attracting around 1,800 participants.

Yuanta Securities continued to promote environmental sustainability by hosting the "Green & Low-Carbon Walk" Sustainable Lifestyle Festival as a family day event. The initiative combined tree-planting on school campuses with a community walk, embedding environmental values into schools and family life. Held in northern, central, and southern Taiwan, the event drew 4,588 participants, including employees and their families, contributing collective efforts toward environmental sustainability. Yuanta Commercial Bank offered ecological conservation training to all employees through online platforms on topics such as climate change, marine and terrestrial ecosystems, biodiversity, international and domestic conservation efforts, and the Group's initiatives. Starting with internal education, Yuanta aims to cultivate sustainability advocates who can amplify these values to the broader society. We hope to become green pioneers against environmental change as part of our efforts across the Group's "2021–2025 Sustainability Development Strategic Blueprint." In October 2024, Yuanta Life organized the "Yuanta Loves Earth: Biodiversity Conservation and Anti-Fraud Awareness" campaign across northern, central, and southern Taiwan. Employees and their families visited locations such as the Zhishan Cultural and Ecological Garden in Taipei, Fengle Sculpture Park in Taichung, and the outdoor area of the National Science and Technology Museum in Kaohsiung, where they observed natural ecosystems, learned about the functions and uses of plants, and created terrarium systems at DIY workshops. The event helped participants recognize the importance of biodiversity and encouraged them to adopt eco-conscious practices in their daily lives. To promote marine conservation and preserve ocean biodiversity, Yuanta Fund has organized beach cleanup events for 13 consecutive years. Employees, their families, and suppliers were invited to participate as volunteers and protect our marine environment through tangible actions. Over the past 13 years, Yuanta Fund's beach cleanup events have removed 9,282 kilograms of marine debris. This year's event also included a guided tour of the Taipower Exhibit Center, further enhancing stakeholder awareness of energy conservation and carbon reduction while encouraging low-carbon lifestyle choices.

Looking ahead, the Group will continue to plan educational activities related to environmental and natural conservation. We aim to ignite a sense of mission within our employees and extend these efforts to all stakeholders, encouraging them to commit themselves to green actions and contribute to environmental and natural conservation.

6.5 Natural Environment Risk Management

Risk Management Process

In addition to climate risks, the Group also places strong emphasis on nature-related risks. To effectively manage these risks, the Group follows a risk management process, which includes risk identification, assessment, monitoring, and reporting. We also continue to monitor relevant domestic and international regulatory developments and trends to assess our dependency on nature and the potential impacts. Through this process, we also identify nature-related risks and opportunities, thereby enhancing our operation's overall resilience and sustainability.

The greatest difference between nature- and climate-related risks is that the former emphasizes location-based impacts for physical locations. Financial institutions mainly operate in urban and commercial districts, and, therefore, are less likely to have significant direct impacts on the natural environment. Yet partners of financial institutions, in other words, our investees, borrowers, and parties we encounter in our provision of products or services, may be subject to varying levels of nature-related risks depending on their industries, business models, or geographical locations. The risks they face may have financial implications on associated financial institutions, and, as such, they are critical links in risk management.

Natural Risk Management

In managing nature-related risks, the Group adopts core concepts from the TNFD framework managing portfolio risks by evaluating both country- and sector-level risks. At the same time, we have established several internal guidelines addressing nature-related risks, including the Sustainable Finance Guidelines, Industry-Specific Environmental and Social Risk Management Rules, Guidelines for Managing Equator Principles Financing Cases, and Key Points of Engagement and Voting Procedures. Following related guidelines, subsidiaries incorporate ESG factors into their business processes, conducting risk assessments and ongoing monitoring to mitigate potential environmental impacts arising from business activities. Through these efforts, we aim to generate nature-positive outcomes for society and contribute to the long-term sustainability of natural capital.



Risk Level		Yuanta Financial Holdings & Subsidiary Roles	
Country Risk(s)	Yuanta Financial Holdings	<ul style="list-style-type: none"> Major news may affect risk ratings and risk limits. In the event of negative press, refer to S&P and TEJ databases, which are systematically tracked 24/7 throughout the year. 	
Industry Risk(s)		<ul style="list-style-type: none"> The industry risk assessment refers to the frameworks from organizations such as PCAF and NGFS, as well as domestic and international research reports from Moody's, S&P, TIER, and TEJ. It comprehensively considers factors such as transition risk, physical risk, water resource management, waste and pollution, natural capital, industry intensity, and carbon price trends, etc. 	
Company Risk(s)	Subsidiary	<ul style="list-style-type: none"> Before investing: <ul style="list-style-type: none"> Apply different evaluation policies and rules to investment projects based on their nature and characteristics. Conduct ESG risk assessment on potential targets. One of the critical components of ESG risk assessments is nature-related scores based on ESG databases such as TEJ, Bloomberg, MSCI, etc. After investing: <ul style="list-style-type: none"> The Company will continuously monitor and manage investment targets' ESG performances through a systematic database. If the investment target's ESG performance fails to meet expectations or if there is sudden negative press on the investment target, the Company will review the investment target's response plan and progress for climate change and natural environments, engaging when necessary. 	

► Nature-related Policies & Focus

Policies	Focus
Sustainable Finance Guidelines^[2]	Primarily regulates the Yuanta Financial Holding and subsidiaries' operations and business activities, mandating that all businesses under the Group should consider their positive and negative environmental impacts associated with climate change, biodiversity, water and wastewater management, packaging materials and waste management, toxic substance emissions, etc.
Industry-Specific Environmental and Social Risk Management Rules^[4]	Primarily applies to steel and iron, semiconductor, and plastics material manufacturing. It spotlights environmental issues such as water resources, environmental pollution, climate change, and other natural impact factors but also underscores the importance of social issues such as community relations, labor rights, and human rights.
Guidelines for Managing Equator Principles Financing Cases^[10]	Primarily applies to credit business, for example, considerations such as communication with local residents, adherence to local environmental regulations, and the presence of mitigation plans for potential community health risks. When independent third-party assessments are required, adherence to TNFD-aligned nature-related risk assessments is also mandated to reinforce the financial sector's role in oversight and accountability.
Key Points of Engagement and Voting Operations^[18]	In 2024, the Group expanded engagement topics to include “biodiversity,” aiming to promote positive development among investees and borrowers through active engagement and proxy voting, thereby strengthening the Group's influence.

7

Future Outlook



Future Outlook

August 2024 was the hottest summer ever recorded in the Northern Hemisphere. That same year, the "29th UN Climate Change Conference (COP 29)" was designated the "Climate Finance COP," focusing on climate financing and establishing an annual commitment of US\$300 billion to accelerate the green-energy transition. Meanwhile, the "Kunming-Montreal Global Biodiversity Framework" continued to emphasize the critical role of corporations in biodiversity conservation. Our Group recognizes the integral influence of the financial sector in advancing sustainability and plays a key role in driving net-zero transitions in corporations. In addition to responsible investment and active engagement, we are committed to creating a diverse range of green financial products to meet the growing market demand for sustainable investments. As a member of the Coalition of Movers and Shakers on Sustainable Finance, our Group keeps abreast of international sustainability trends, ensures strategies are aligned with global developments, continues to cultivate sustainability talents, and compiles ESG and climate information. Beyond that, we also manage climate risks through carbon footprint verifications over financial assets, leveraging financial resources to direct industries and society toward a low-carbon future and encourage industries to develop sustainably.

In 2024, our Group achieved two major milestones in climate management. First, we issued the "Statement on Lobbying and Policy Engagement"^[5], affirming that all sustainability initiatives or policy engagements undertaken by the Yuanta Financial Holding Company and its subsidiaries through industry associations must align with the spirit of our "Net-Zero Declaration"^[1] and remain consistent with the principles of the "Paris Agreement." Secondly, we have issued a clear timeline for divestment from carbon-intensive industries in our "Climate Finance Operations Guidelines," explicitly set out a divestment timeline for high-carbon emission industries, such as coal and unconventional oil and gas industries.

As climate risk assessments and management approaches continue to advance within the international community, domestic and foreign competent authorities continue to tighten policies and regulatory requirements. Our Group recognizes the limitations of several forward-looking assumptions and methodologies when assessing the scope of climate-related financial impacts and conducting related impact analysis. As such, we are proactively developing management practices by researching international trends and assessment methodologies to improve our scenario analysis and quantitative model through rolling changes based on practical experiences. In 2024, our Group's internal climate action efforts and implementation results advanced steadily. We managed climate risks through financial asset inventories and internal carbon pricing mechanisms, and formulated low-carbon transition plans to enhance corporate resilience. At the same time, our Group has disclosed all strategies for addressing climate-related risks and opportunities, evaluated their potential financial impacts, and improved related management policies and response measures accordingly. These actions aim to strengthen our risk management capabilities and operational resilience while meeting the growing demands for enhanced disclosure under international guidelines and regulatory expectations.

In summary, our Group leverages the market influence of financial institutions to put together sustainability-related financial products and services, driving society toward sustainable development goals. Through capital allocation via investment and financing activities, we facilitate the sustainable transition of industries. By working collaboratively with stakeholders, we aim to raise climate risk awareness and response capabilities across sectors, build climate resilience, and foster a sustainable environment, ultimately creating long-term value for future generations.

Appendix

Appendix 1 Reference and Data

- ① Recommendations of the Task Force on Climate-related Financial Disclosures (Task Force on Climate-Related Financial Disclosures, 2017)
- ② Recommendations of the Taskforce on Nature-related Financial Disclosures (Taskforce on Nature-related Financial Disclosures, 2023)
- ③ IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (ISSB, 2023)
- ④ IFRS S2 Climate-related Disclosures : <https://www.ifrs.org/projects/completed-projects/2023/climate-related-disclosures/>
- ⑤ Science Based Targets: <https://sciencebasedtargets.org/>
- ⑥ Partnership for Carbon Accounting Financials: <https://carbonaccountingfinancials.com/en/>
- ⑦ Financial Sector Science-based Targets Guidance (Science Based Targets, 2022)
- ⑧ Carbon Disclosure Project: <https://www.cdp.net/en/scores>
- ⑨ RE10X10: <https://cloud.greentw.greenpeace.org/campaign-climate-re10x10>
- ⑩ The Equator Principles: <https://equator-principles.com/>
- ⑪ Principles for Sustainable Insurance: <https://www.unepfi.org/psi/>
- ⑫ Principles for Responsible Investment: <https://www.unpri.org/>
- ⑬ The Working Group I contribution to the Sixth Assessment Report, Climate Change 2021: The Physical Science Basis (Intergovernmental Panel on Climate Change, 2020)
- ⑭ The Global GHG Accounting and Reporting Standard for the Financial Industry (Partnership for Carbon Accounting Financials ,2020)
- ⑮ Additional guidance for financial institutions (Version 2.0): <https://tnfd.global/publication/additional-disclosure-guidance-for-financial-institutions/#publication-content>
- ⑯ Exploring Natural Capital Opportunities, Risks and Exposure, ENCORE: <https://www.encorenature.org/en>
- ⑰ WRI Aqueduct Water Risk: https://www.wri.org/applications/aqueduct/water-risk-atlas/#/?advanced=false&basemap=hydro&indicator=w_awr_def_tot_cat&lat=30&lng=-80&mapMode=view&month=1&opacity=0.5&ponderation=DEF&predefined=false&projection=absolute&scenario=optimistic&scope=baseline&threshold&timeScale=annual&year=baseline&zoom=3
- ⑱ Taiwan Ecological Network <https://conservation.forest.gov.tw/0002174>
- ⑲ Nature-related Financial Risks: a Conceptual Framework to guide Action by Central Banks and Supervisors: https://www.ngfs.net/sites/default/files/medias/documents/ngfs_conceptual-framework-on-nature-related-risks.pdf
- ⑳ Connecting Finance and Natural Capital: A Supplement To The Natural Capital Protocol: https://capitalscoalition.org/wp-content/uploads/2018/04/Connecting-Finance-and-Natural-Capital_Supplement-to-the-Natural-Capital-Protocol-1.pdf

Appendix 2 Climate Policies, Reports and Publications of Yuanta Financial Holdings

- [1] Yuanta Financial Holding Company Net-Zero Declaration: https://www.yuanta.com/Res/Doc/Policies/ES/Net_Zero_Declaratio_EN.pdf
- [2] Yuanta Financial Holding Company Sustainable Finance Guidelines: https://www.yuanta.com/Res/Doc/Policies/ES/Sustainable_Finance_Guidelines_EN.pdf
- [3] Yuanta Financial Holding Company Climate Finance Operations Guidelines: https://www.yuanta.com/Res/Doc/Policies/ES/Climate_Finance_Operations_Guidelines_EN.pdf?123
- [4] Yuanta Financial Holding Company Industry-Specific Environmental and Social Risk Management Rules: https://www.yuanta.com/Res/Doc/Policies/ES/Industry-specific_Environmental_and_Social_Risk_Management_Rules_EN.pdf
- [5] Yuanta Financial Holding Company Statement on Lobbying and Policy Engagement: https://www.yuanta.com/Res/Doc/Policies/ES/Statement_on_Lobbying_and_Policy_Engagement_EN.pdf
- [6] Yuanta Financial Holding Company Board and Functional Committees Evaluation Procedures: https://www.yuanta.com/Res/Doc/Policies/TBAC/Board_and_Functional_Committees_Evaluation_Procedures_EN.pdf
- [7] Yuanta Financial Holding Company Integrity Management Guidelines https://www.yuanta.com/Res/Doc/Policies/CG/Integrity_Management_Guidelines_EN.pdf
- [8] Yuanta Financial Holdings Group Supplier Sustainable Procurement Guidance: https://www.yuanta.com/Res/Doc/Policies/ES/Yuanta_Group_Supplier_Sustainable_Procurement_Guidance_EN.pdf
- [9] Yuanta Financial Holding Company and Subsidiaries Guidelines of Supplier Management: https://www.yuanta.com/Res/Doc/Policies/ES/Guidelines_of_Supplier_Management_EN.pdf
- [10] Yuanta Commercial Bank Company Guidelines for Managing Equator Principles Financing Cases: https://www.yuanta.com/Res/Doc/Policies/ES/Yuanta_Bank's_Guidelines_for_Managing_Equator_Principles_Financing_Cases_EN.pdf
- [11] Yuanta Financial Holding Company and Subsidiaries Environment and Energy and Climate Change Management Policy: https://www.yuanta.com/Res/Doc/Policies/ES/Environment_and_Energy_and_Climate_Change_Management_Policy_EN.pdf
- [12] Yuanta Financial Holdings Sustainability Report 2024: <https://www.yuanta.com/EN/ESG/ESG-Report>
- [13] Yuanta Financial Holding Company Risk Management Policy: https://www.yuanta.com/Res/Doc/Policies/RM/Risk_Management_Policy_EN.pdf
- [14] Yuanta Securities Stewardship: <https://www.yuanta.com.tw/eYuanta/agent/Node/Index?MainId=00409&C1=2018032205866021&C2=2023052904178906&ID=2023052904178906&Level=2&rnd=72994>
- [15] Yuanta Bank Stewardship: <https://www.yuantabank.com.tw/bank/companyGovernance/list5.do>
- [16] Yuanta Life Principles for Sustainable Insurance and Stewardship Report: <https://www.yuantalife.com.tw/EC/operation/index.html>
- [17] Yuanta Funds Stewardship: <https://www.yuantafunds.com/srz>
- [18] Yuanta Financial Holding Company Key Points of Engagement and Voting Operations: https://www.yuanta.com/Res/Doc/Policies/ES/Key_Points_of_Engagement_and_Voting_Operations_EN.pdf

Appendix 3 TCFD Index Comparison Table

Level	Recommended Disclosures for All Sectors	Chapter
Governance	a Describe the board's oversight of climate-related risks and opportunities.	2.1 Board Oversight of Climate and Nature-Related Risks and Opportunities
	b Describe management's role in assessing and managing climate-related risks and opportunities.	2.2 Management of Climate and Nature-Related Risks and Opportunities
Strategy	a Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	3.2 Short-, Mid- and Long-term Risks and Opportunities
	b Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	3.2 Short-, Mid- and Long-term Risks and Opportunities 4.3 Quantitative Financial Analysis of Climate Change
	c Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	3 Climate Transition Strategy 4.3 Quantitative Financial Analysis of Climate Change
Risk Management	a Describe the organization's processes for identifying and assessing climate-related risks	3.1 Climate Risk and Opportunity Management Procedure
	b Describe the organization's processes for managing climate-related risks	4.1 Identify, Measure and Manage Processes
	c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	4.1 Identify, Measure and Manage Processes 4.2 Climate Risk Management for Core Businesses
Metrics and Targets	a Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	5.1 Metrics and Targets for Low-Carbon Operation Management
		5.2 Metrics and Targets for Low-Carbon Transformation Management
		5.3 Metrics and Targets for Climate Opportunity Management
	b Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	5.1 Metrics and Targets for Low-Carbon Operation Management
		5.2 Metrics and Targets for Low-Carbon Transformation Management
	c Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	5.1 Metrics and Targets for Low-Carbon Operation Management 5.2 Metrics and Targets for Low-Carbon Transformation Management 5.3 Metrics and Targets for Climate Opportunity Management

Level	Supplemental Guidance for Banks	Chapter
Strategy	a Banks should describe significant concentrations of credit exposure to carbon-related assets. Additionally, banks should consider disclosing their climate-related risks (transition and physical) in their lending and other financial intermediary business activities	3.2 Short-, Mid- and Long-term Risks and Opportunities 4.2 Climate Risk Management for Core Businesses 4.3 Quantitative Financial Analysis of Climate Change 5.2 Metrics and Targets for Low-Carbon Transformation Management
Risk Management	a Banks should consider characterizing their climate-related risks in the context of traditional banking industry risk categories such as credit risk, market risk, liquidity risk, and operational risk	4.1 Identify, Measure and Manage Processes
Metrics and Targets	a Banks should provide the metrics used to assess the impact of (transition and physical) climate-related risks on their lending and other financial intermediary business activities in the short, medium, and long term. Banks should also provide the amount and percentage of carbon-related assets relative to total assets as well as the amount of lending and other financing connected with climate-related opportunities	5.1 Metrics and Targets for Low-Carbon Operation 5.2 Metrics and Targets for Low-Carbon Transformation Management 5.3 Metrics and Targets for Climate Opportunity Management
Level	Supplemental Guidance for Insurance Companies	Chapter
Strategy	b Insurance companies should describe the potential impacts of climate-related risks and opportunities as well as provide supporting quantitative information where available, on their core businesses, products, and services, including (1) information at the business division, sector, or geography levels (2) how the potential impacts influence client or broker selection (3) whether specific climate-related products or competencies are under development	3.2 Short-, Mid- and Long-term Risks and Opportunities
	c Insurance companies that perform climate-related scenario analysis on their underwriting activities should provide the following information: (1) description of the climate-related scenarios used, including the critical input parameters, assumptions and considerations, and analytical choices (2) time frames used for the climate-related scenarios, including short-, Mid-, and long-term milestones	The Group only has life business. However, due to current methodologies and data availability, it has not yet conducted climate-related scenario analysis for the underwriting activities of the life business. In the future, it will be planned and handled in accordance with the development process of domestic and foreign methodologies.
Risk Management	a Insurance companies should describe the processes for identifying and assessing climate-related risks on re-/insurance portfolios by geography, business division, or product segments, including the following risks: (1) physical risks from changing frequencies and intensities of weather-related perils (2) transition risks resulting from a reduction in insurable interest due to a decline in value, changing energy costs, or implementation of carbon regulation (3) liability risks that could intensify due to a possible increase in litigation	The Group only conducts risk identification and assessment for its life business; as there are no property and casualty insurance operations, no relevant processes for identifying and assessing climate risks on property and casualty insurance and reinsurance portfolio, such as liability risks, physical risks, and transition risks.
	b Insurance companies should describe key tools or instruments, such as risk models, used to manage climate-related risks in relation to product development and pricing. Insurance companies should also describe the range of climate-related events considered and how the risks generated by the rising propensity and severity of such events are managed	The Group runs life business only. Compared with property and casualty insurance business, the impact of climate change on product design or pricing for life insurance is not significant.
Metrics and Targets	a Insurance companies should provide aggregated risk exposure to weather-related catastrophes of their property business	4.3 Quantitative Financial Analysis of Climate Change
	b Insurance companies should disclose weighted average carbon intensity or GHG emissions associated with commercial property and specialty lines of business where data and methodologies allow	5.2 Metrics and Targets for Low-Carbon Transformation Management

Appendix 4 TNFD Index Comparison Table

Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations (Version 1.0) ⁽²⁾	Additional guidance for financial institutions (Version 2.0) ⁽¹⁵⁾	Chapter
Governance		
A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities	No additional guidance for financial institutions	2.1 Board Oversight of Climate- and Nature-Related Risks and Opportunities
B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities	No additional guidance for financial institutions	2.2 Management of Climate and Nature-Related Risks and Opportunities
C. Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities	For more information, please refer to the additional guidance for financial institutions	3.5 Climate and Nature Actions and Engagements
Strategy		
A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term	No additional guidance for financial institutions	6.1 Evaluation of Nature-Related Dependencies & Impacts 6.2 Biodiversity Impact Analysis 6.3 Identification of Nature-Related Risks & Opportunities
B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place	For more information, please refer to the additional guidance for financial institutions	6.1 Evaluation of Nature-Related Dependencies & Impacts 6.2 Biodiversity Impact Analysis 6.3 Identification of Nature-Related Risks & Opportunities
C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios	For more information, please refer to the additional guidance for financial institutions	6.1 Evaluation of Nature-Related Dependencies & Impacts 6.5 Natural Environment Risk Management
D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations	For more information, please refer to the additional guidance for financial institutions	6.1 Evaluation of Nature-Related Dependencies & Impacts 6.2 Biodiversity Impact Analysis

Appendix 4 TNFD Index Comparison Table

Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations (Version 1.0) ^②	Additional guidance for financial institutions (Version 2.0) ^⑤	Chapter
Risk management		
A. (i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations	No additional guidance for financial institutions	6.2 Biodiversity Impact Analysis 6.3 Identification of Nature-Related Risks & Opportunities 6.5 Natural Environment Risk Management
A. (ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s)	For more information, please refer to the additional guidance for financial institutions	6.1 Evaluation of Nature-Related Dependencies & Impacts 6.3 Identification of Nature-Related Risks & Opportunities 6.5 Natural Environment Risk Management
B. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities	No additional guidance for financial institutions	6.5 Natural Environment Risk Management
C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes	For more information, please refer to the additional guidance for financial institutions	6.3 Identification of Nature-Related Risks & Opportunities 6.5 Natural Environment Risk Management
Metrics and targets		
A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process	For more information, please refer to the additional guidance for financial institutions	Continuously improve and update
B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature	For more information, please refer to the additional guidance for financial institutions	6.1 Evaluation of Nature-Related Dependencies & Impacts
C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these	No additional guidance for financial institutions	Continuously improve and update

Appendix 5 IFRS S2 Index Comparison Table

Aspect	S2 recommended disclosures	Chapter
Objective	Item 1 ~ Item 2	Whole report
Scope	Item 3~ Item 4	Whole report
Governance	Item5 ~ Item7	2.1 Board Oversight of Climate- and Nature-Related Risks and Opportunities 2.2 Management of Climate and Nature-Related Risks and Opportunities 2.3 Education & Training
Strategy	Item8 ~ Item9	3.1 Climate Risk and Opportunity Management Procedure
	Item10 ~ Item12	3.1 Climate Risk and Opportunity Management Procedure
		3.2 Short-, Mid- and Long-term Risks and Opportunities 4.3 Quantitative Financial Analysis of Climate Change
	Item13	3.2 Short-, Mid- and Long-term Risks and Opportunities 4.3 Quantitative Financial Analysis of Climate Change
	Item14	3.2 Short-, Mid- and Long-term Risks and Opportunities 4.2 Climate Risk Management for Core Businesses 4.3 Quantitative Financial Analysis of Climate Change
	Item15~ Item21	3.2 Short-, Mid- and Long-term Risks and Opportunities 4.2 Climate Risk Management for Core Businesses 4.3 Quantitative Financial Analysis of Climate Change

Aspect	S2 recommended disclosures	Chapter
Strategy	Item22~ Item23	3.2 Short-, Mid- and Long-term Risks and Opportunities 4.3 Quantitative Financial Analysis of Climate Change
Risk Management	Item24 ~ Item26	3.2 Short-, Mid- and Long-term Risks and Opportunities 4.1 Identify, Measure and Manage Processes 4.3 Quantitative Financial Analysis of Climate Change
Metrics & Targets	Item27 ~ Item28	5.1 Metrics and Targets for Low-Carbon Operation 5.2 Metrics and Targets for Low-Carbon Transformation Management 5.3 Metrics and Targets for Climate Opportunity Management
		3.3 Low-Carbon Operations 3.4 Low-Carbon Transformation 4.3 Quantitative Financial Analysis of Climate Change
	Item29 ~ Item32	5.1 Metrics and Targets for Low-Carbon Operation 5.2 Metrics and Targets for Low-Carbon Transformation Management 5.3 Metrics and Targets for Climate Opportunity Management Appendix
	Item33 ~ Item37	1.3 Science-Based Emissions Reduction Pathway 5.1 Metrics and Targets for Low-Carbon Operation 5.2 Metrics and Targets for Low-Carbon Transformation Management 5.3 Metrics and Targets for Climate Opportunity Management Appendix

Appendix 6 IFRS S2 Industry Index Comparison Table

Investment Banking & Brokerage

Code	Metric	Disclosed information
FN-IB-410a.1	Revenue from underwriting, advisory and securitization transactions incorporating integration of ESG factors, by industry	Yuanta 2024 Sustainability report p.48 Bond Underwriting < Cumulative approval of cases through the Sustainable Finance Guidelines this year > Consulting Services < Cumulative approval of cases through the Sustainable Finance Guidelines this year > Note: The Group has no securitisation business in 2024
FN-IB-410a.2	Number and total value of investments and loans incorporating integration of ESG factors, by industry	Yuanta 2024 Sustainability report p.40,44 Responsible Investment< Cumulative approval of cases through the Sustainable Finance Guidelines this year > Financing < Cumulative approval of cases through the Sustainable Finance Guidelines this year >
FN-IB-410a.3	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	1.3 Science-Based Emissions Reduction Pathway 3.4 Low-Carbon Transformation 4.2 Climate Risk Management for Core Businesses
FN-IB-000.A	Number and value of underwriting, advisory, and securitisation transactions	130 bond underwriting cases, bond underwriting income of 107,745,000 thousand; a total of 102 consultation cases Note: The Group has no securitisation business in 2024
FN-IB-000.B	Number and value of proprietary investments and loans by sector	Yuanta 2024 Sustainability report Appendix p.143 <Total Proprietary Investment and Breakdown > <Total Loan Balance and Corresponding Number of Loans>
FN-IB-000.C	Number and value of market making transactions in fixed income, equity, currency, derivatives, and commodity products	Yuanta 2024 Sustainability report Appendix p.143 <Total Value and Number of Market Making Transactions>

Commercial Banks

Code	Metric	Disclosed information
FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	4.2 Climate Risk Management for Core Businesses 4.3 Quantitative Financial Analysis of Climate Change
FN-CB-000.A	Number and value of checking and savings accounts by segment: personal and small business	Yuanta 2024 Sustainability report Appendix p.144 <Distribution of number of loan accounts and total loan balance by account holder type>
FN-CB-000.B	Number and value of loans by segment: personal, small business, and corporate	Yuanta 2024 Sustainability report Appendix p.144 <Distribution of number of deposit accounts and total deposit balance by account holder type>

Appendix 7 IFRS S2 Disclosure of Financed Emissions

Financed Emissions of Investment Positions (Proprietary Assets)

Year		2024					
Asset Category		Proprietary Assets					
		Equity Investment			Corporate Bonds		
GICS (6 code)		Carbon Emissions		Carbon Intensity (tCO ₂ e/NT\$ million)	Carbon Emissions		Carbon Intensity (tCO ₂ e/NT\$ million)
		Scope 1&2	Scope 3		Scope 1&2	Scope 3	
101010	Energy Equipment & Services	-	-	-	9,934.91	4,270.46	22.45
101020	Oil, Gas & Consumable Fuels	-	-	-	168,851.33	373,307.53	30.52
151010	Chemicals	134.34	277.60	12.25	302,720.84	474,115.97	41.18
151020	Construction Materials	63,463.26	21,584.80	56.68	386,516.55	118,886.76	47.52
151040	Metals & Mining	5,793.57	9,296.67	37.18	147,769.82	146,846.50	39.46
201010	Aerospace & Defense	0.47	0.99	0.22	1,533.38	27,392.19	3.21
201020	Building Products	-	-	-	56.58	7.59	0.34
201030	Construction & Engineering	10.42	239.41	5.09	139.17	8,680.92	6.11
201040	Electrical Equipment	478.76	1,100.08	4.74	382.39	247,675.52	257.39
201050	Industrial Conglomerates	6.36	22.76	8.80	11,673.50	9,026.98	3.57
201060	Machinery	956.10	3,485.87	12.73	82,208.42	577,642.18	320.80
201070	Trading Companies & Distributors	286.94	1,563.80	8.60	15,450.14	314,617.72	57.14
202010	Commercial Services & Supplies	30.15	81.89	4.73	17.68	34.73	0.80
202020	Professional Services	1.48	30.13	4.34	1.82	11.01	0.43
203010	Air Freight & Logistics	-	-	-	1,327.67	3,141.38	12.88
203020	Passenger Airlines	-	-	-	1,247.26	266.73	30.28
203030	Marine Transportation	129.37	46.62	18.54	-	-	-
203040	Ground Transportation	11.35	6.32	1.37	9,509.09	5,399.92	5.01
203050	Transportation Infrastructure	-	-	-	26,487.08	14,497.60	5.57
251010	Automobile Components	336.36	1,261.71	10.37	4,870.88	2,210.97	4.75
251020	Automobiles	-	-	-	472.47	19,841.12	4.05
252010	Household Durables	20.52	63.92	3.18	125.40	7,299.33	41.21
252020	Leisure Products	-	-	-	13.35	28.16	0.35
252030	Textiles, Apparel & Luxury Goods	53.86	315.26	7.01	82.52	1,579.56	4.26
253010	Hotels, Restaurants & Leisure	35.46	175.97	11.92	-	-	-
255030	Broadline Retail	10.59	95.09	3.45	675.68	1,495.14	1.04
255040	Specialty Retail	0.01	5.96	8.42	5.19	158.08	1.43
301010	Consumer Staples Distribution & Retail	11.97	12.30	1.53	4,375.96	132,613.07	23.11
302010	Beverages	-	-	-	3,567.51	20,039.48	2.80
302020	Food Products	276.65	1,807.12	11.30	11,090.78	100,234.99	20.01
303020	Personal Care Products	31.23	118.09	28.28	104.05	3,991.20	3.10

Year		2024					
Asset Category		Proprietary Assets					
		Equity Investment			Corporate Bonds		
		Carbon Emissions		Carbon Intensity (tCO ₂ e/NT\$ million)	Carbon Emissions		Carbon Intensity (tCO ₂ e/NT\$ million)
GICS (6 code)		Scope 1&2	Scope 3		Scope 1&2	Scope 3	
351010	Health Care Equipment & Supplies	346.32	526.88	7.24	28.48	333.89	0.41
351020	Health Care Providers & Services	1.45	3.05	5.36	148.95	1,695.65	0.74
352010	Biotechnology	198.43	752.80	5.59	745.82	3,366.87	0.62
352020	Pharmaceuticals	305.91	1,282.30	3.97	1,287.49	8,214.52	0.86
352030	Life Sciences Tools & Services	0.00	0.01	0.01	96.74	1,442.14	1.54
401010	Banks	148.31	76,240.09	23.19	4,651.34	324,464.98	1.86
402010	Financial Services	222.96	448.69	0.13	949.99	4,069.07	0.43
402020	Consumer Finance	4.02	22.75	1.71	3.69	0.80	0.01
402030	Capital Markets	80.21	72.26	0.06	402.53	2,525.37	0.10
402040	Mortgage Real Estate Investment Trusts (REITs)	0.03	0.18	0.31	-	-	-
403010	Insurance	67.57	14,575.66	9.51	373.01	385,602.42	26.82
451020	IT Services	349.55	2,579.81	1.82	185.66	273.63	0.11
451030	Software	2.31	47.63	0.77	222.72	561.47	0.16
452010	Communications Equipment	38.47	161.85	20.55	788.78	35,598.37	7.89
452020	Technology Hardware, Storage & Peripherals	3,396.91	10,939.56	12.86	1,248.23	102,941.73	6.62
452030	Electronic Equipment, Instruments & Components	736.53	5,056.87	6.68	1,554.67	56,521.01	5.39
453010	Semiconductors & Semiconductor Equipment	3,762.71	11,593.37	4.36	25,718.08	33,041.07	1.81
501010	Diversified Telecommunication Services	492.60	1,224.89	2.46	11,142.84	25,203.63	2.12
501020	Wireless Telecommunication Services	-	-	-	3,471.40	4,915.86	1.45
502010	Media	1.50	2.19	2.43	3,793.74	5,534.43	2.25
502020	Entertainment	29.44	42.93	3.46	199.52	1,280.41	1.63
502030	Interactive Media & Services	-	-	-	378.30	438.29	0.26
551010	Electric Utilities	-	-	-	632,613.94	97,703.11	35.67
551020	Gas Utilities	-	-	-	8,008.50	971.05	16.90
551030	Multi-Utilities	-	-	-	31,578.53	14,856.03	16.31
551050	Independent Power and Renewable Electricity Producers	405.18	49.13	35.86	25,662.72	7,730.70	18.89
601040	Office REITs	-	-	-	76.21	431.34	0.48
601050	Health Care REITs	-	-	-	112.49	50.84	0.40
601060	Residential REITs	-	-	-	20.91	133.41	0.44
601070	Retail REITs	-	-	-	0.07	468.89	1.28
602010	Real Estate Management & Development	0.39	27.26	0.78	71.68	390.18	0.45
Total		82,670.04	167,242.52	10.12	1,946,748.46	3,736,074.00	11.16

Notes: 1. Proprietary assets include investment positions across Yuanta Securities, Yuanta Commercial Bank, Yuanta Life, and Yuanta Futures.
2. Investment positions cover listed and private equities and bonds.

Financed Emissions of Lending Positions

Year		2024		
Asset Category		Commercial Loans		
GICS (6 code)		Carbon Emissions		Carbon Intensity (tCO ₂ e/NT\$ million)
		Scope 1&2	Scope 3	
101010	Energy Equipment & Services	98,007.47	52,523.50	18.76
101020	Oil, Gas & Consumable Fuels	123,026.47	26,476.61	92.76
151010	Chemicals	199,592.89	504,066.28	27.91
151020	Construction Materials	196,304.44	80,138.19	44.71
151030	Containers & Packaging	51,631.84	17,930.20	28.33
151040	Metals & Mining	368,469.12	422,343.33	32.58
151050	Paper & Forest Products	49,215.75	11,561.54	13.31
201010	Aerospace & Defense	1,337.80	966.92	1.55
201020	Building Products	2,910.44	11,381.92	16.33
201030	Construction & Engineering	15,325.07	185,686.55	21.15
201040	Electrical Equipment	4,294.40	30,749.64	8.97
201050	Industrial Conglomerates	3,153.99	16.67	3.96
201060	Machinery	5,099.44	18,320.78	6.42
201070	Trading Companies & Distributors	304.71	3,045.81	3.98
202010	Commercial Services & Supplies	929.17	2,905.23	3.73
202020	Professional Services	113.66	643.36	5.15
203010	Air Freight & Logistics	5,326.71	3,254.64	6.13
203020	Passenger Airlines	53,898.45	14,881.85	15.92
203030	Marine Transportation	57,188.64	27,956.55	17.96
203040	Ground Transportation	47,530.73	26,462.51	10.99
203050	Transportation Infrastructure	19,401.49	10,903.36	26.53
251010	Automobile Components	11,746.95	39,312.06	9.18
251020	Automobiles	1,017.60	324.41	0.58
252010	Household Durables	38,587.08	122,797.05	25.91
252020	Leisure Products	4,979.99	18,134.40	12.63
252030	Textiles, Apparel & Luxury Goods	120,006.01	69,870.05	25.21
253010	Hotels, Restaurants & Leisure	2,027.10	5,752.51	1.62
253020	Diversified Consumer Services	746.62	1,571.84	0.97
255010	Distributors	3,928.90	22,007.24	13.59
255030	Broadline Retail	2,143.72	7,471.52	4.21
255040	Specialty Retail	45,536.33	208,227.61	18.18
301010	Consumer Staples Distribution & Retail	73,941.18	309,437.44	85.86

Notes: 1. Credit assets include credit positions across Yuanta Commercial Bank.

2. Credit positions include short- and long-term commercial loans to listed and private companies.


Year		2024		
Asset Category		Commercial Loans		
GICS (6 code)		Carbon Emissions		Carbon Intensity (tCO ₂ e/NT\$ million)
		Scope 1&2	Scope 3	
302010	Beverages	3,068.14	12,085.17	10.84
302020	Food Products	379,512.60	212,008.09	30.14
302030	Tobacco	2,805.37	11,050.15	94.85
303010	Household Products	353.54	286.21	26.66
351010	Health Care Equipment & Supplies	903.31	2,579.12	3.87
351020	Health Care Providers & Services	10,130.75	21,328.00	15.36
351030	Health Care Technology	4.56	9.61	0.22
352010	Biotechnology	758.76	2,869.42	15.54
352020	Pharmaceuticals	1,296.09	5,433.80	7.83
401010	Banks	2,234.32	309,975.46	12.28
402010	Financial Services	56.22	318.20	0.46
402020	Consumer Finance	38.22	8.30	0.01
402030	Capital Markets	6,443.94	42,750.71	0.65
403010	Insurance	104.41	590.97	15.45
451020	IT Services	361.98	2,576.69	1.51
452010	Communications Equipment	1,850.17	6,618.88	87.22
452020	Technology Hardware, Storage & Peripherals	67,996.96	315,137.54	22.79
452030	Electronic Equipment, Instruments & Components	97,990.84	434,889.24	16.69
453010	Semiconductors & Semiconductor Equipment	44,841.69	63,202.15	5.25
501010	Diversified Telecommunication Services	349.59	509.70	3.18
501020	Wireless Telecommunication Services	4,100.42	5,203.73	1.53
502010	Media	1,356.50	1,977.76	0.98
502020	Entertainment	48.76	71.09	31.54
551040	Water Utilities	36,944.14	4,479.57	13.81
551050	Independent Power and Renewable Electricity Producers	1.15	1.09	0.02
601080	Specialized REITs	226.39	1,281.45	6.92
602010	Real Estate Management & Development	10,222.15	55,221.90	0.61
Total		2,281,725.12	3,769,585.55	12.36


Financed Emissions of Asset Management

Investment Positions <small>Note 1</small>	Percentage of Assets Under Management (AUM) Included in Financed Emissions Calculations (%) <small>Note 2</small>	GHG Emissions(tCO ₂ e)	
		Scope 1&2	Scope 3
	85.7%	5,233,577	24,835,460

Notes: 1. Asset classes under review: including equities, corporate bonds, and sovereign bonds.
2. Total assets under management include mutual funds and discretionary mandates.
3. Managed assets cover the positions of Yuanta Securities Investment Trust.

Appendix 8 TCFD Conformity Statement





Conformity Statement

Climate related Financial Disclosure

This is to confirm that


Yuanta Financial Holding Co., Ltd.	元大金融控股股份有限公司
No. 157, Sec. 3, Ren' ai Rd.	多港
Da' an Dist.	大安区
Taipei City	大安区
106085	仁爱路三段 157 號
Taiwan	106085

Holds Statement Number SRA-TW-808189

As a result of carrying out conformity check process based on TCFD requirement, BSI declares that:

- Yuanta Financial Holding Co., Ltd. follows the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) with Supplemental Guidance for the Financial sector (Banks, Insurance Companies sectors) to disclose climate-related financial information which is clear, comparable and consistent its organizational risks and opportunities as well as its financial impacts. The disclosures cover the four core elements of the TCFD and is prepared based on the seven guiding principles for effective disclosures.
- The maturity model for the Climate-related Financial Disclosures with Supplemental Guidance for the Financial Sector (Banks, Insurance Companies) is **Level-5+: Excellence grade**.
- 涵蓋金融業補充指引(銀行、保險公司)之氣候相關的財務揭露的成熟度模型為[第五級 Plus：優秀]等級。

For and on behalf of BSI



Managing Director BSI Taiwan, Peter Fu

Label issue: 2023-03-17 Expiry date: 2026-05-16

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Statement number: SRA-TW-808189

Location:	Conformity Check Overall Result:
Yuanta Financial Holding Co., Ltd. No. 157, Sec. 3, Ren' ai Rd. Da' an Dist. Taipei City 106085 Taiwan	The maturity model for the Climate-related Financial Disclosures with Supplemental Guidance for the Financial Sector (Banks, Insurance Companies) is Level-5+: Excellence grade.
元大金融控股股份有限公司 臺灣 台北市 大安區 仁愛路三段 157 號 106085	涵蓋金融業補充指引(銀行、保險公司)之氣候相關的財務揭露的成熟度模型為[第五級 Plus：優秀]等級。

Latest issue: 2025-05-17 Expiry date: 2026-05-16

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Yuanta Financial Holdings

