元大金控
Yuanta Financial Holdings

2025 TCFD

Climate and Nature-related Financial Disclosures Report

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Overview

As a member of the financial system, Yuanta Group 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.

Governance

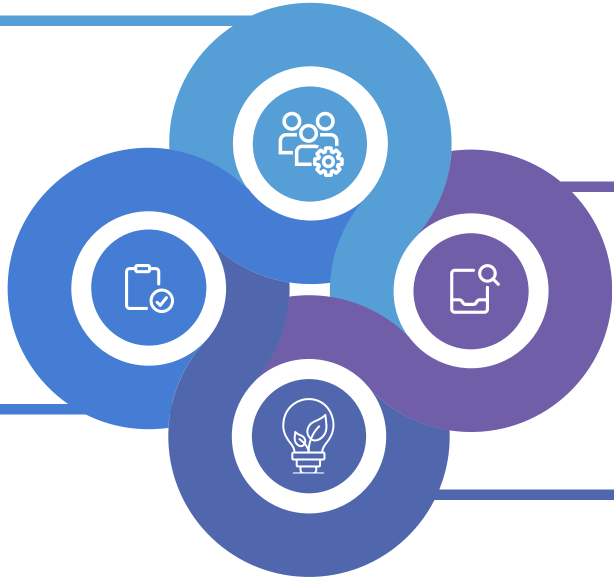
Chapter 2

Set up a comprehensive climate governance structure with the board of directors as the highest governing body under which the “risk management and information security committee” and the “sustainable development committee” exist to oversee and manage climate and nature related risks and opportunities, as well as promoting the overall climate strategies and policies.

Strategies

Chapter 1、Chapter 3

Identify, assess, and manage climate risks and opportunities; set science-based targets, adopt low-carbon strategies to strengthen the Group's operational resiliency, and propel the industry to transit toward a low-carbon future.



Risk Management

Chapter 4

The Group integrated climate risks into existing risk management frameworks and utilized scenario analysis models to quantify the financial impacts of climate-related risks and opportunities, and thereby develop management policies accordingly.

Metrics and Targets

Chapter 1

Set metrics for low-carbon operations and low-carbon transformation targets as well as short-, mid-, and long- term targets for regular tracking and progress disclosure.

Note: For more information on nature-related strategies, risk management, metrics and targets, please refer to Chapter 5.

A Word from the Chairman

Yuanta Financial Holdings
Chairman

"Looking ahead, Yuanta Financial Holdings will continue to follow the highest international sustainability standards, transforming climate risks into transition opportunities."

According to the latest report from the World Meteorological Organization (WMO), 2025 is on track to be the third-warmest year on record. Amid the converging pressures of extreme weather and geopolitical tensions, humanity has entered an era in which disasters have become the norm with "no breathing space"—a situation that constitutes not only an ecological crisis but also a major challenge to national security and social governance.

Marking the tenth anniversary of the Paris Agreement, the focus of global climate governance has shifted from vision to substantive action, accelerating the deep transition of energy systems in response to the imminent global crisis. Taiwan has actively responded to international calls by setting its 2035 Nationally Determined Contribution (NDC) target at a 38±2% reduction from the baseline year (2005), demonstrating its commitment to decarbonization in alignment with international standards. In parallel, the Financial Supervisory Commission (FSC) has launched the "Green and Transition Finance Action Plan," with the goal of achieving NT$6 trillion in green investment and financing by 2030, channeling capital precisely into critical sectors.

As a core engine driving the net-zero transition, the financial industry plays a pivotal role. In 2025, Yuanta Financial Holdings assumed the rotating chair of the Coalition of Movers and Shakers on Sustainable Finance, working with five other financial holding companies to deepen engagement on five core issues and formulate a range of sustainable finance policies and tools, providing strong momentum for industry transformation. Through the rigorously formulated "Climate Finance Operations Guidelines," we have established clear divestment timelines and engagement strategies, providing substantive guidance to high-carbon-emission industries on their path toward net-zero emissions by 2050.

Yuanta Financial Holdings has long been committed to carbon management, having made the A List in the CDP Climate Change assessment for six consecutive years and remained at the Leadership Level for eight consecutive years. Through our "Internal Carbon Pricing" mechanism, we translate climate responsibility into concrete action, setting annual carbon reduction targets for each subsidiary and evaluating the effectiveness of various energy-saving and carbon-reduction projects. In 2025, we achieved a carbon reduction rate of 26.4% compared with the baseline year (2020), thereby enhancing operational efficiency and corporate competitiveness.

To support sustainable industry transition, we have selected the top 60% of high-carbon-emission industries within our investment and financing portfolio for targeted engagement. Through the collective efforts of subsidiaries across the Group, engaged industries have successfully established their 2050 carbon reduction targets, strengthening corporate resilience. Yuanta Bank strictly adheres to the Equator Principles in evaluating project finance, prioritizing support for low-carbon power generation systems and making a key contribution to the energy transition and grid balance.

Looking ahead, Yuanta Financial Holdings will continue to follow the highest international sustainability standards, transforming climate risks into transition opportunities. Through low-carbon operations, sustainable finance, low-carbon supply chains, and sustainability advocacy, we will fully implement Taiwan's four major transition strategies, and—standing shoulder to shoulder with all stakeholders—jointly create a resilient and sustainable future.

About This Report

In response to global trends in climate change and the growing convergence of sustainability disclosure standards, and in alignment with the "Roadmap for Taiwan's Alignment with the IFRS Sustainability Disclosure Standards" issued by the Financial Supervisory Commission (FSC) in August 2024, the Group has prepared this report in accordance with the IFRS Sustainability Disclosure Standards. This provides a structured reporting framework that enhances the transparency and comparability of climate- and nature-related information, responds to the concerns and expectations of stakeholders, improves the quality of sustainability reporting, and helps prevent corporate greenwashing.

The Group regularly discloses its annual climate- and nature-related actions and performance in its "Task Force on Climate- and Nature-related Financial Disclosures Report" and in the "Sustainability" section of the Yuanta Financial Holdings corporate website. As climate change continues to intensify extreme weather events and exert significant impacts on biodiversity, this report is prepared in accordance with the TCFD General Guidance, the TCFD Sector-Specific Supplements for Banks and Insurance, and the TNFD disclosure framework. It systematically assesses the Group's operational impacts on, and dependencies with respect to, climate change and the natural environment, and analyzes related risks and financial impacts. The LEAP (Locate, Evaluate, Assess, Prepare) approach is applied to examine in depth the dependencies and impacts of the Group's investment and financing activities on nature. With reference to IFRS S2 (IFRS Sustainability Disclosure Standard – Climate-related Disclosures) (3), the Group conducts climate resilience assessments and quantifies financial impacts, and reports on its climate transition strategy and performance to ensure the implementation and achievement of its sustainable development goals.

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 2025, 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$). "FHC" refers to Yuanta "Financial Holding Company", and the "Group" refers to Yuanta Financial Holdings and its 8 subsidiaries.

Net-Zero Transition Milestones

2015

- Supported Carbon Disclosure Project (CDP) and replied to the Climate Change Questionnaire

2018

- Imported Task Force on Climate-related Financial Disclosures (TCFD)

2019

- Selected as a constituent of the Dow Jones Sustainability (DJSI) Emerging Markets Index and World Index
- Established "Sustainable Finance Guidelines of Yuanta Financial Holding Co., Ltd."
- The first diversified financials company in Taiwan to sign the Science-Based Targets Initiative (SBTi)(4)
- Imported Internal Carbon Pricing (ICP)

2020

- Yuanta Bank became a member bank of the Equator Principles Association
- Initiated the Group-wide carbon emissions inventory and disclosure of investment and financing assets in 2020 through scientific methods, following the Partnership for Carbon Accounting Financials (PCAF) methodology
- Set Category 1 and 2 SBTs
- Calculated the carbon intensity of the Group's investment and financing positions in accordance with TCFD's disclosure indicators
- The first company in Taiwan's financial industry to sign a renewable energy power purchase agreement (PPA) to use green energy

2021

- The first branch in Taiwan's financial industry to use 100% green electricity

2022

- Set Category 5 SBTs for investment and financing positions
- The first diversified financials company in Taiwan to pass the SBTi science-based targets
- Published the first TCFD report
- Yuanta Securities "Mr. Investor" APP and Yuanta Bank "Mobile Banking" APP passed zero-carbon product verification
- Joined the "Coalition of Movers and Shakers on Sustainable Finance"

2023

- Joined the Partnership for Carbon Accounting Financials (PCAF)(5)
- Completed carbon neutrality inspection: Yuanta Bank "Full Series of Credit Cards"
- Completed carbon footprint verification: Yuanta Securities "Online Investment and Financial Management Services"

2024

- Ranked 1st nationally in the DJSI Diversified Financial Services category for 2 consecutive year, and selected as a constituent of both the Emerging Markets Index and World Index for 6 consecutive years.
- Joined the Task Force on Nature-Related Financial Disclosures (TNFD), becoming one of the global Early Adopter companies
- Joined the Partnership for Biodiversity Accounting Financials (PBAF)
- The GHG inventory has been completed for 102 subsidiaries' overseas locations
- Yuanta Financial Holdings and eight subsidiaries used renewable energy

2025

- Chaired the "Coalition of Movers and Shaker on Sustainable Finance"
- Completed carbon footprint verification for Yuanta Life's mobile application for insurance enrollment
- The TCFD report received the highest-level certification of "Level 5+: Excellence" from the British Standards Institution (BSI) for 3 consecutive years
- Selected as a constituent of the Dow Jones Best-in-Class (DJBIC) Emerging Markets Index and World Index for 7 consecutive years.
- Made the CDP Climate A List and ranked in the Leadership Level for 8 consecutive years

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Climate Transition Plan

1.1 Net-Zero Declaration
1.2 Overview of Strategies
1.3 Metrics and Targets for Low-Carbon Strategies
1.4 Science-Based Emissions Reduction Pathway
1.5 Initiatives & Engagement Actions
1.6 Just Transition

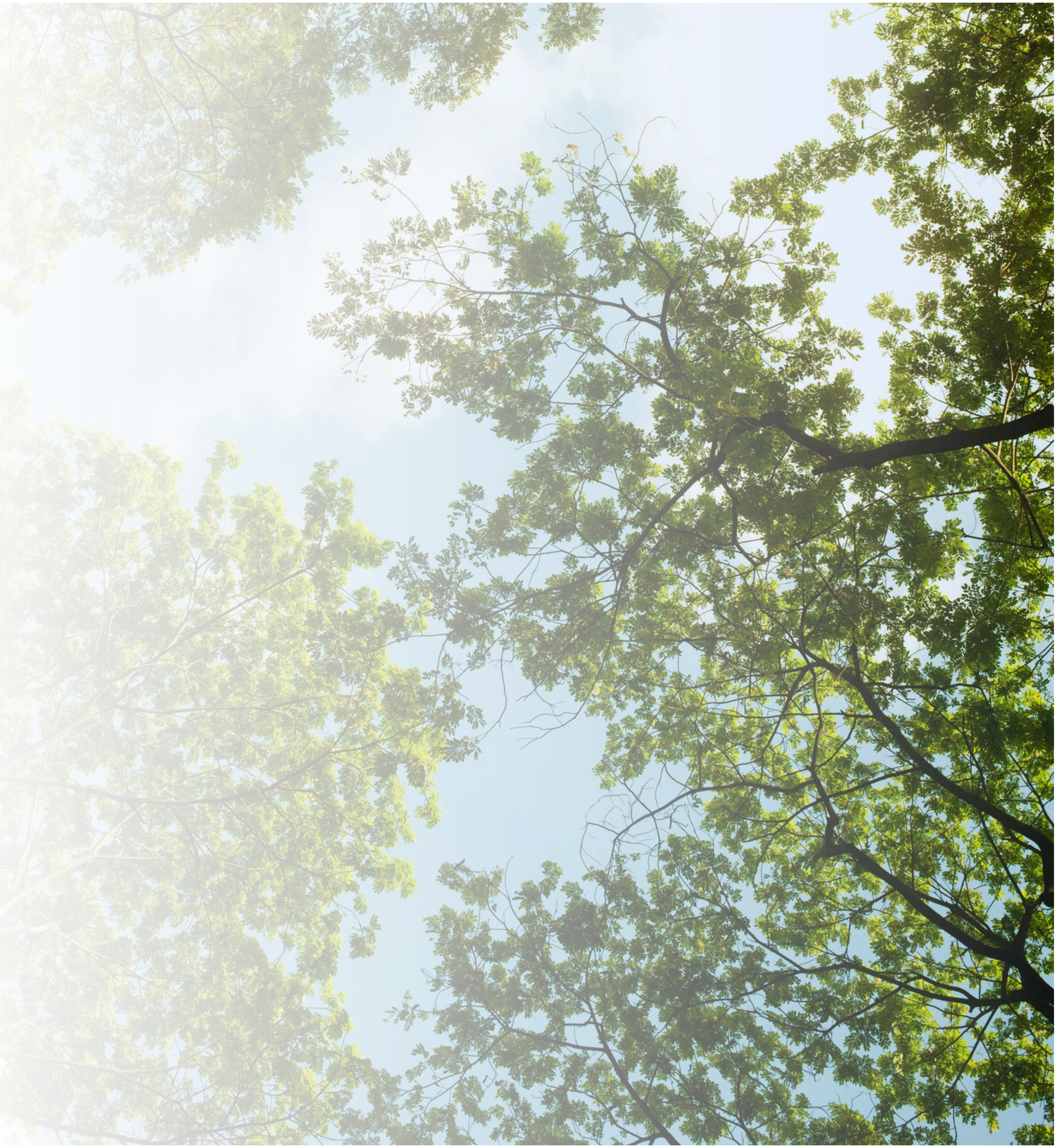
1.1 Net-Zero Declaration

Yuanta Financial Holding Company (FHC) has signed the Science Based Targets initiative (SBTi) net-zero commitment, formalized through the "Yuanta FHC Net-Zero Declaration." [1] The declaration encompasses four key dimensions—low-carbon operations, sustainable finance, low-carbon supply chains, and sustainability advocacy—and the Company actively pursues emission reduction activities, embedding the net-zero transition concept into its daily operations and business decision-making. Through internal policies including the "Sustainable Finance Guidelines" [2] and the "Climate Finance Operations Guidelines," [3] which serve as the core of its transition strategy, the Company is steadily advancing toward a low-carbon, sustainable future, demonstrating its determination to lead the financial industry in the green transition.

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. Our sustainability-related strategies are developed in alignment with a 1.5°C climate transition pathway. In the future, we will continue to align with the latest international net-zero transition trends and guidelines, taking stock of greenhouse gas (GHG) emissions for our own operations and investment/financing assets each year to regularly adjust decarbonization strategies and actions. Concurrently, through the Company’s green capital allocation, we hope to leverage our financial influence as a financial institution to drive low-carbon transformation and just transitions across all industries.

1.2 Overview of Strategies

The Group 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. Adjustments will be made on a rolling basis 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.



Four Dimensions of Strategies

Dimension	Category	Strategy	Actions
Low-Carbon Operations	Category 1	**Direct Emissions Management**	1. Fuel Management: Phasing out outdated vehicles. 2. A.C. systems Upgrades: Prioritizing low-GWP refrigerants.
	Category 2	**Resource Use Efficiency (RUE)**	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. In 2025, all nine of the Group's proprietary buildings in Taiwan received ISO 50001 energy management system certification. 3. Smart Energy Monitoring System(s): Utilizing real-time electricity usage data for electricity management and conserving energy with science-based approaches. 4. Energy Conservation & Emissions Reduction: 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, installed thermal designs in buildings, and installed elevator energy saving systems, etc. We implement various energy-saving and carbon-reduction measures to create a low-carbon workplace.
		Green Buildings	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. 3. Newly built office buildings including Yuanta Life's newly constructed office building on Songjiang Road in Taipei obtained green building certification. By 2050, secure green building labels for all new proprietary buildings.
		Renewable Energy	1. 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. 2. In 2025, used 6.52 million kWh of renewable energy, exceeding target by 2.40 million kWh. Over 30% branches now use renewable energy. In the future, Yuanta will continue to expand renewable energy supply coverage.
	Category 1 & 2	**Carbon Pricing**	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.
	Category 3~5 (C1~C14)	**Green Office**	1. Paper Reduction Measures: Promoting the digitization and paperless transition of internal official documents and operational workflows. 2. Waste Management: Obtaining annual third-party verification for the ISO 14001 Environmental Management System and promoting the principle of circular economy.
Sustainable Finance	Category 3~5 (C1~C14)	**Low Carbon Products & Services**	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. 3. Yuanta Bank's full range of credit cards has achieved carbon neutrality. 4. Continued to optimize suppliers management process with ISO 20400 sustainable procurement guidance.
	Financed Emissions (C15)	**Climate Risk Management**	Climate-related risk factors are incorporated into the review processes for lending, investment, underwriting, and advisory services. Furthermore, climate Value-at-Risk (VaR) monitoring indicators and thresholds have been established.
		Decarbonization Policy	1. Formulated the “Climate Finance Operation Guidelines” to require emission reduction commitments for lending, project finance, equity investment and bond underwriting within the thermal coal and unconventional oil & gas industries, while mandating complete divestment by 2030 and 2035, respectively. 2. Annually reviewed key targets list and strengthened engagement with investment targets to facilitate low-carbon transitions. 3. Gradually reduced current exposure to high-risk sectors such as coal-related, and unconventional oil and gas industries. 4. 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.
		Green Capital	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 (Environmental, Social, and Governance) funds and related products, and directing funds toward sustainable corporations. 3. Sustainability Bond Underwriting & Advisory Services: Assisting in underwriting sustainability bonds and providing advisory services for sustainability-linked convertible bonds.
Low-Carbon Supply Chains	Category 3~5 (C1~C14)	**Supplier Management**	Actively encouraging supply chain to transition toward a low-carbon future through supplier conferences and sustainability ratings.
		Sustainable Procurement	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	Category 3~5 (C1~C14)	**Engagement**	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 excellent suppliers.
		External Communications	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 Metrics and Targets for Low-Carbon Strategies

Low-carbon transition is an integral part of the Group's core sustainability strategy. Through rigorous, systematic, and scientifically managed processes, we continuously optimize our operations to minimize carbon emissions. 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.

◈ Yuanta Group's GHG Emissions

Greenhouse gas emissions (Metric tons CO_2e)	2020	2022	2023	2024	2025	2025 Target	Target Status	2026 Target
Category 1	1,492.17	1,436.98	1,359.64	1,124.75	1,371.00	1,512.68	✓	1,505.12
Category 2 (Location-based)	22,388.12	18,562.91	17,254.23	16,520.81	16,000.36	20,218.36	✓	20,225.94
Category 1&2 (Location-based)	23,620.70	19,999.89	18,613.87	17,645.56	17,371.36	21,731.04	✓	21,731.06
Carbon intensity (Metric tons CO_2e / per NT$1 billion revenue)	206.53	218.57	189.76	146.19	135.27	245.42	✓	240.51
Category 3~5 (C1~C14)[Note 8、9]	-	125,777.62	97,629.53	97,509.17	75,065.07	116,578.17	✓	113,663.71

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 carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).
4. Category 1 GHG emissions mainly come from gasoline and refrigerant. The emission factors are calculated using the Ministry of Environment's *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's *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.
7. The base year for Category 1 and Category 2 greenhouse gas emissions of the Company and its subsidiaries is set as 2020, which has been officially validated by the SBTi.
8. Scope 3 emissions, Categories 3 to 5 GHG emissions (C1–C14), the base year and target year for short-term goals are 2022 and 2026, respectively. The base year carbon emissions were 125,777.62 metric tons of CO_2e, with an absolute emission reduction of 9.6 % by the target year compared to the base year. The Company will continue to enhance its carbon reduction targets and actions in alignment with the Group' s 2050 net-zero emissions pathway and internal strategic planning.
9. Scope 3 emissions, Categories 3 to 5 GHG emissions (C1–C14), have shown a downward trend since 2022, with a significant decrease in 2025 emissions. This was primarily due to the scale of newly added asset investments being substantially smaller than in the previous year, which significantly reduced the calculation base for C2 (capital goods) emissions. Detailed GHG emissions information is provided in Appendix 3.

GHG Emissions from Yuanta Group's Investment and Financing

To better understand the climate impact of our investment and financing 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.

Greenhouse Gas Emissions (Metric tons CO_2e)	2022	2023	2024	2025
Category 5 - GHG Emissions from Investment and Financing Portfolios (C15)	3,536,366.38	3,938,259.58	13,102,322.93	14,622,143.38
Total Emission Intensity (tCO_2e/NT$1 million revenue)	4.38	4.24	7.94	8.20
Data Quality	1.57	1.87	2.71	2.59
Total Investment and Financing Portfolio Coverage (%)	35.14	37.45	59.27	55.98[Note1]

Note: 1. The amount of investment and financing assets included in the calculation accounts for 55.98% of the total aggregate amount of relevant investment and financing items in the balance sheet, including 'financial assets at fair value through profit or loss', 'financial assets at fair value through other comprehensive income', 'financial assets at amortized cost', and 'discounts and loans - net'.
2. Detailed information on the GHG emissions from investment and financing is provided in Appendix 4.

GHG Emissions from Overseas Sites

Overseas Sites' Greenhouse Gas Emissions (Metric tons CO_2e)	2024	2025
Category 1	792.31	1,157.97
Category 2 (Location-based)	4,028.56	4,355.01
Category 1&2 (Location-based)	4,820.87	5,512.98
Data Coverage Rate (%)	100.00	100.00

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

Renewable Energy Use

In alignment with the Group's low-carbon operations strategy, the Group has established short-, medium-, and long-term renewable energy usage targets, with green electricity utilization rate and coverage as key indicators. In addition to actively procuring green electricity, the Group has also begun planning the installation of renewable energy equipment at its own buildings, demonstrating tangible commitment to green buildings and energy efficiency. These efforts have led to a substantial increase in the Group's green electricity consumption and have produced significant carbon reduction outcomes, reflecting our firm commitment to, and concrete results in, the pursuit of sustainable development.

Item	2022	2023	2024	2025
Green Power Wheeling (kWh)	94.59	264.34	528.08	650.33
Direct Green Power Supply (kWh)	-	-	-	1.19
Total Consumption of Renewable Energy (kWh)	94.59	264.34	528.08	651.52

Target (Base Year 2020)	2025 Target	Target Status	2026 Target	2028 Target	2030 Target
Renewable Energy Use	The use of green energy has reached 6% of the base year's electricity consumption (equivalent to approximately 2.40 million kWh).	✓	The use of green energy reaches 11% of the base year's electricity consumption (equivalent to approximately 4.84 million kWh).	The use of green energy reaches 13% of the base year's electricity consumption (equivalent to approximately 5.72 million kWh).	The use of green energy reaches 40% of the base year's electricity consumption (equivalent to approximately 17.60 million kWh).

Water & Waste Management

To ensure environmental sustainability, the Group advocates for water management and waste management. To such ends for water management, we have designed rainwater recycling systems for all new buildings, installed 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, tracking daily waste targets by weight, and advancing circular economy principles. In addition to encouraging employees to bring their own utensils and cups, Yuanta concurrently enhances the recycling of paper containers to further boost waste reduction efficiency. For more information, please refer to 4.2.2 Water & Waste Management in Yuanta FHC's 2025 Sustainability Report.

Target (Base Year 2020)	2025 Target	Target Status	2026 Target	2028 Target	2030 Target
Water Consumption	Water consumption per square meter reduced by 4% compared to base year.	✓	Water consumption per square meter reduced by 4.1% compared to base year.	Water consumption per square meter reduced by 4.3% compared to base year.	Water consumption per square meter reduced by 4.5% compared to base year.
Waste Reduction	Waste per capita reduced by 3% compared to base year.	✓	Waste per capita reduced by 11% compared to base year.	Waste per capita reduced by 12% compared to base year.	Waste per capita reduced by 13% compared to base year.

Targets for Climate Opportunity

At Yuanta, we believe in the values of sustainable development. As such, we continue to expand our influence through sustainable investment and financing around our core strategy of sustainable finance. Under the Group's Sustainable Development Strategy Roadmap, 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 2025.

Target (Base Year 2020)	2025 Target	Target Status
Revenue of ESG-related products/ services	Total sustainable investment / lending amounted to NT$340 billion.	✓
Number of cases adopted "Sustainable Finance Guidelines"	Accumulated a total of 18,000 cases which adopted assessment protocol aligning with "Sustainable Finance Guidelines."	✓
Number of cases adopted "Social and Environmental Risks Assessment”	Completed an accumulation of 1,000 cases that applied "Social and Environmental Risks Assessment.”	✓

Note: The table represents the Group’s "Sustainable Development Strategy Roadmap" from 2021 to 2025.

Strategic Goals for Climate Transition Opportunities

Target	2026 Target	2028 Target	2030 Target
The purchase amount of renewable energy continuous to grow	NT$30.96 million	NT$36.59 million	NT$113 million
Sustainability-linked credit balance continues to grow	NT$43 billion	NT$49.5 billion	NT$57 billion
The balance of green loan continues to grow	NT$62 billion	NT$67.5 billion	NT$73 billion
Number of sustainable development bond underwriting deals	14 cases	17 cases	21 cases
The amount of sustainable investment continues to grow	NT$54.86 billion	NT$59.28 billion	NT$65.61 billion

Note: The goals for 2026 to 2030 represent the targets for the Group’s third five-year plan under the "Sustainable Development Strategy Roadmap"

1.4 Science-Based Emissions Reduction Pathway

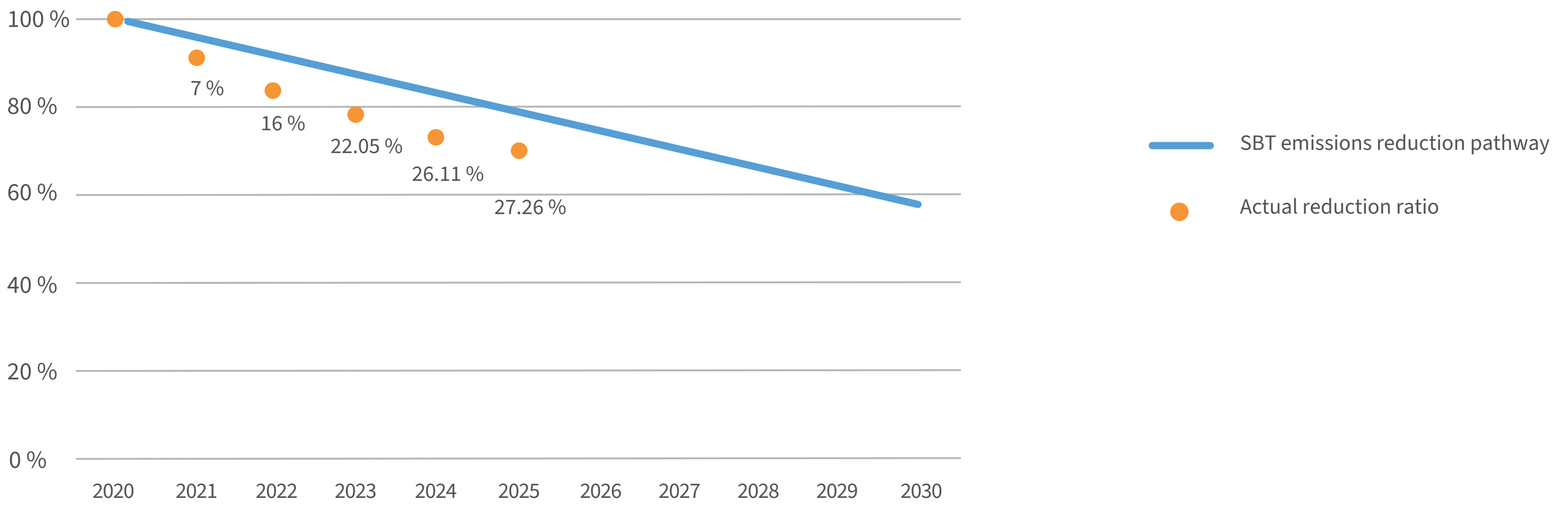
Yuanta FHC is actively working toward our SBTi commitment of net-zero emissions. As such, we continue to monitor Category 1, Category 2, and emissions from investment and financing. As of 2025, we have conducted carbon footprinting for 55.98% of our investment and financing assets, including electricity generation project financing, corporate loans for commercial real estate, listed equities and bonds, long-term corporate loans, etc, detailed information is provided in Appendix 4. 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 more precisely emissions from investment and financing. Furthermore, the Group carries out independent GHG emissions analyses for top seven carbon-intensive industries within our investment and financing portfolios, to track and manage the impacts of climate change. For more information, please refer to Chapter 4.3 Metrics and Targets for Low-Carbon Transformation Management.

Science Based Targets [Note 1]					2025 Target	Progress toward Target	Methodology
Category 1 & Category 2 [Note 2]				2030 absolute GHG emissions reduced 42%, compared to 2020	Reduced 8% absolute GHG emissions compared to 2020	Reduced 27.26% absolute GHG emissions compared to 2020	Absolute Contraction
Category 5 (Investment & financing) [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	27% reduction in GHG emissions per MWh compared to 2019	100% reduction in GHG emissions per MWh compared to 2019	SDA [Note 3]
		Corporate loans	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	34% reduction in GHG emissions per square meter compared to 2019	39% 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	27% reduction in GHG emissions per MWh compared to 2019	27% reduction in GHG emissions per MWh compared to 2019	SDA [Note 3]
			Other long-term 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	34% reduction in GHG emissions per square meter compared to 2019	35% reduction in GHG emissions per square meter compared to 2019	SDA [Note 3]
				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 29% of specific investment portfolios have set SBT	29% of specific investment portfolios have set SBT	38% of specific investment portfolios have set SBT	Portfolio Coverage Engagement
		Listed equity and bonds investment [Note 5]		By 2027, 39% (out of the invested value) of listed equity and bonds investment have set SBT	29% of specific investment portfolios have set SBT	27% 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.

Achievement of SBT Scope 1&2 Reduction Ratio



Yuanta Group's Decarbonization Policies

To proactively monitor climate change risks and manage financing for high-carbon-emission industries, the Company revised the "Climate Finance Operations Guidelines" [3] in 2026. The revisions focus primarily on lending, project finance, bond underwriting business, and equity investments, involving enterprises in the thermal coal and unconventional oil and gas industries, and establish the following engagement actions and divestment strategies to strengthen the management of financing for high-carbon-emission industries and ensure that their operations do not contravene the Group's sustainability principles or carbon reduction transition objectives:

- Complete withdrawal from enterprises engaged in coal-related industries Note 1 by 2030.
- Complete withdrawal from enterprises engaged in unconventional oil and gas industries Note 2 by 2035.

Lending activities and project finance involving enterprises in the thermal coal and unconventional oil and gas industries shall establish emission reduction commitments and publicly disclose them. The Company will continue to monitor domestic and international net-zero policies and methodological trends, evaluate the net-zero transition progress of enterprises in the thermal coal and unconventional oil and gas industries, and enhance corporate emission reductions through review mechanisms, with a view to achieving the 2050 net-zero emissions vision.

In addition, the Company has revised the "Industry-specific Environmental and Social Risk Management Rules," [4] requiring its subsidiaries to incorporate environmental and social factors into transaction decision-making and to integrate them into investment and credit approval processes. The Company has committed to conducting due diligence on industries and activities with high carbon emissions and environmental and social risks prior to engagement, and to monitoring their management practices on an ongoing basis.

- In bond underwriting activities, the Company shall avoid engagement with enterprises in the coal-fired power generation industry, coal-related industries, or unconventional oil and gas industries that are unable to provide improvement actions or plans to address their environmental and social risks Note 3.
- For existing business engagements in the above industries, it is recommended that no additional investment or credit exposure be added.
- For counterparties in the steel manufacturing, plastics raw materials manufacturing, or semiconductor manufacturing industries, the Company shall take into account the sector's environmental and social risks and best practices. Counterparties are required to complete a checklist to assess their adaptive capacity in relation to environmental risks, and to ensure that their operations do not contravene the Group's sustainability principles or carbon reduction transition objectives.

Note: 1. Coal-related industries: Refers to enterprises included in the Global Coal Exit List (GCEL) compiled by the international non-governmental organization Urgewald, which engage in coal-related activities such as coal mining, coal power, and coal-related infrastructure.
2. Unconventional oil and gas-related industries: Refers to enterprises included in the Global Oil & Gas Exit List (GOGEL) compiled by the international non-governmental organization Urgewald, which engage in overall operational and production activities of tar sands, shale oil & gas, liquefied natural gas derived from non-conventional extractions, ultra-deep-water oil & gas, and Arctic oil & gas.
3. Improvement actions or plans include, but are not limited to conducting Task Force on Climate-Related Financial Disclosures (TCFD) reporting, joining the Science Based Targets initiative (SBTi), and proposing energy transition plans and other low-carbon transition measures.

1.5 Initiatives & Engagement Actions

As a member of the Coalition of Movers and Shakers on Sustainable Finance, the Group complies with regulatory policies, supports international initiatives, actively engages with climate change issues, and continues to align with international standards in order to enhance its management of climate-related issues and achieve its sustainable finance objectives. In response to the nation's 2050 net-zero emissions policy, the Group, in accordance with the "Yuanta FHC Statement on Lobbying and Policy Engagement," [5] ensures that its positions in lobbying activities and industry associations are consistent with the Company's stance and with the Paris Agreement. The Group also actively participates in climate and nature-related activities to implement and promote carbon reduction actions, encouraging employees and suppliers to join in these efforts. Furthermore, by hosting sustainability workshops, the Group fosters exchange among industry, government, and academia, and engages in dialogue with scholars, professional institutions, corporate clients, financial industry peers, and the public. Through cross-industry and cross-sector sustainability exchange, we aspire to advance toward sustainable transition for the shared prosperity of all.

◈ International, Governmental, Non-governmental, and Financial Industry Initiatives

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.

RE10x10

The Group supports Greenpeace's "RE10x10 Climate Declaration[8]" 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 2025, 30% of Yuanta operation sites currently use renewable energy. We will continue to expand renewable energy coverage in the future.

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)[7] 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 six consecutive years, and has also made CDP's Supplier Engagement A-List 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 "Net-Zero Promotion 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. In 2025, the Company, in collaboration with the Empowerment and Certification Working Group, completed the formulation of the *Sustainable Finance Certification Promotion Guide*, which serves as an important guideline for promoting employees' attainment of sustainable finance-related certifications across Taiwan's financial industry, and is dedicated to cultivating the nation's sustainable finance talent pool.

1.5°C Climate Action Declaration

As a member of the Chinese National Association of Industry and Commerce, the Group actively supports the "1.5°C Climate Action Declaration," committing to align with the government's 2050 net-zero pathway, to integrate industrial and commercial resources to implement the low-carbon transition, and to realize the Paris Agreement's goal of limiting global warming to 1.5°C.

◈ Value Chain Engagement

The Group attaches great importance to sustainability issues across all stages of the value chain. In addition to carefully selecting suppliers, the Group actively engages with investees and consumers, and—through diverse channels such as supplier ESG forums—encourages customers and industry chain partners to jointly address ESG, climate change, and nature-related issues. Internally, the Group has formulated the "Sustainable Procurement Declaration" and established "Green Procurement Terms and Conditions" under its procurement regulations, giving priority to products bearing environmental, energy-saving, and carbon reduction labels, thereby implementing the green procurement policy. Moreover, the Group actively leads internal and external sustainability communication across the value chain, exerting its green influence through professional training and engagement activities to drive the climate transition.

Value Chain Engagement in 2025	Outcomes in 2025	
Investee Engagements	**18** Investee Engagements	• In 2025, we engaged with 18 key investee companies across industries, including domestic semiconductor, electronic components, steel, and plastics. Following our engagement, 14 companies implemented specific improvement actions, such as increasing the proportion of sustainable products; reducing carbon emission factors by replacing outdated equipment; proposing optimizations for performance evaluation systems; and evaluating emission reduction targets.
Supplier Conferences	**3** Supplier Conferences	• We hosted 3 supplier conferences focusing on the three pillars of ESG, with a total of 102 key suppliers participating. • We also held 4 quarterly procurement meetings to promote the integration of ESG across supplier management and to advocate for sustainable procurement practices. These sessions trained a total of 72 participants, totaling 144 training hours and achieving 100% training coverage.
Carbon Awareness in Customers	**500** million A4 paper saved 18% increase in savings from the previous year	• 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 2025, Yuanta Bank customers collectively saved approximately 500 million sheets of A4 paper by conducting business online, an 18% increase in savings from the previous year.

Civil Society Participation in Climate Action

01 Earth Hour

90

Suppliers to join the initiative

The Group has participated in the world's largest environmental and energy-saving initiative, Earth Hour, for five consecutive years. On the evening of March 22, lights on the Yuanta Financial Plaza were off in sync with the world. To leverage sustainable impact, Yuanta also calls on over 90 suppliers to join the initiative.

02 Watershed Co-Prosperity

3,260 kg

Trash and debris

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 2025, under the initiative, we collected 3,260 kg of trash and debris.

03 Project Blue 1095

895 kg

Trash and debris

For five 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 895 kg of marine debris was collected.

Organizing and Participating in ESG Workshops

ESG Workshops 01

《TNFD Sustainability Standards: Corporate Transition Guidelines》

Sustainable Finance Trends and Regulatory Frameworks

The Company partnered with *Global Views Monthly* to host the ESG Workshop "TNFD Sustainability Standards: Corporate Transition Guidelines." Under the theme "Sustainable Finance Trends and Regulatory Frameworks," the workshop highlighted that environmental issues such as extreme weather and biodiversity loss have become long-term global risks. It also analyzed how the *EU Taxonomy* and the *Sustainable Finance Disclosure Regulation* (SFDR) systematically define sustainable economic activities, setting a benchmark for the global ESG regulatory landscape.

ESG Workshops 02

《Empowering Sustainable Finance: Co-Creating Net-Zero Opportunities》

TNFD's core tool—the LEAP methodology

The Company partnered with *Global Views Monthly* to host the workshop "Empowering Sustainable Finance: Co-Creating Net-Zero Opportunities." Through the TNFD's core tool—the LEAP methodology—and practical cross-company case studies, the workshop guided participants in understanding the dependencies and impacts of their own operations and investment portfolios on nature. It further explained the key implementation points and practical applications of the LEAP methodology, helping enterprises effectively integrate the TNFD framework into their sustainability reports and risk management structures.

1.6 Just Transition

Just Transition Governance

To ensure that the climate transition process takes social dimensions into account, avoid potential social risks, and mitigate impacts on stakeholders, the Group has incorporated "Just Transition" as a key component of its climate transition management. At the investment and financing review stage, the Group assesses potential social risks that investee and borrower companies may face during the climate transition process in accordance with frameworks such as the *Reference Guidelines for the Identification of Sustainable Economic Activities* and the *Equator Principles*. At the engagement stage, in addition to continuously monitoring the climate targets and carbon reduction actions of investees and borrowers, the Group incorporates social dimensions such as human rights and occupational safety into the engagement process, and continues to manage and track implementation outcomes. This is to ensure that, in the climate transition of its own operations and those of its investees and borrowers, the vision of "leaving no one behind" is achieved.

Applicable Processes	Social Impact Identification and Assessment	Just Transition Action and Decision-Making	Tracking Indicators and Management Mechanism
Project Finance	Identify environmental and social risks in accordance with the Equator Principles, taking into consideration social issues that may be adversely affected, including labor rights, community health and safety, and public security.	Incorporate environmental and social risks into pre-lending review; require submission of documents such as the Environmental and Social Management Plan (ESMP) based on case-specific risk levels, and integrate these into lending terms and management requirements. During the reporting year, six project finance cases were evaluated under the *Equator Principles*, of which one was approved and undertaken. The borrower's environmental and social management plans and outcomes are tracked on a regular basis.	Regularly obtain environmental and social risk monitoring reports to facilitate ongoing tracking and post-lending management.
Investment and Financing Assessment	With reference to the *Reference Guidelines for the Identification of Sustainable Economic Activities*, social dimensions such as occupational safety and labor rights are incorporated as evaluation factors in investment and financing assessments, in order to evaluate potential adverse impacts on social issues during the channeling of capital toward low-carbon economic activities.	Evaluation results on social protection–related issues are incorporated into lending/investment review as a basis for designing investment and financing conditions and conducting engagement. Where necessary, counterparties are required to propose improvements or enhance the quality of disclosure. During the reporting year, Yuanta Securities, Yuanta Bank, and Yuanta Life all adopted the second edition of the *Reference Guidelines for the Identification of Sustainable Economic Activities* to assess whether their investment and financing positions align with sustainable economic activities, and incorporated the *Guidelines* as one of the core pillars of corporate engagement.	Periodically review evaluation forms and thresholds, and make rolling adjustments as appropriate.
Post-Loan Management/ Engagement	Identify, during engagement and post-lending management, potential adverse impacts of the climate transition on corporate employees and supply chain workers, along with corresponding remedial measures such as retraining, labor protection, and grievance and remediation mechanisms.	Incorporate social-related issues into the engagement process, including whether employee training, employee reskilling programs, or related adjustment measures (such as grievance mechanisms and rights-related allowances) are provided during the decarbonization process, in order to ensure that employees' livelihoods and labor rights are not harmed by climate transition plans. The Group plans to include Just Transition issues in its engagement themes with high-carbon-emission enterprises, in order to encourage these companies to safeguard the rights and interests of their employees and supply chain workers during the climate transition.	Establish engagement effectiveness tracking indicators and regularly review concrete improvement cases.

Outcomes of Just Transition Engagement

Highlights	Corporate Practices and Transformation	Rationale of Just Transition
Carbon Reduction Technology Transformation and Training Programs	• Establish departmental training programs covering topics such as environment, energy, and occupational safety. • Implement ISO-based systematic management and training, including an Occupational Safety and Health Management System, to safeguard employee safety and foster a safe and healthy workplace environment. • Enhance employee adaptability through internal job rotation mechanisms.	Ensure that no employee is displaced as a result of low-carbon technology upgrades, thereby safeguarding their right to work.
Climate Risks and Labor Rights	• Climate-related risks have been incorporated into TCFD risk identification and monitoring. • Commit that all shift arrangements comply with labor regulations to safeguard employees' rights with respect to compensation, working hours, and health. • Establish communication channels such as complaint hotline.	Ensure that employees' compensation and health are not adversely affected during the transition and adjustment period.

Just Transition Capacity Building

In response to sustainability trends and to enhance competitiveness in product design and sales strategies, employees are required to develop professional competencies in sustainable finance and climate risk management. The Group actively promotes the cultivation of talent in the sustainable finance domain, including building a pool of seed instructors in sustainability, regularly organizing sustainability-related training programs, and establishing an incentive mechanism under the "Basic Competency Test in Sustainable Development" certification, in order to continuously motivate employees to strengthen their sustainability competencies and to support the Group's climate transition strategy and actions.

02

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 and Training

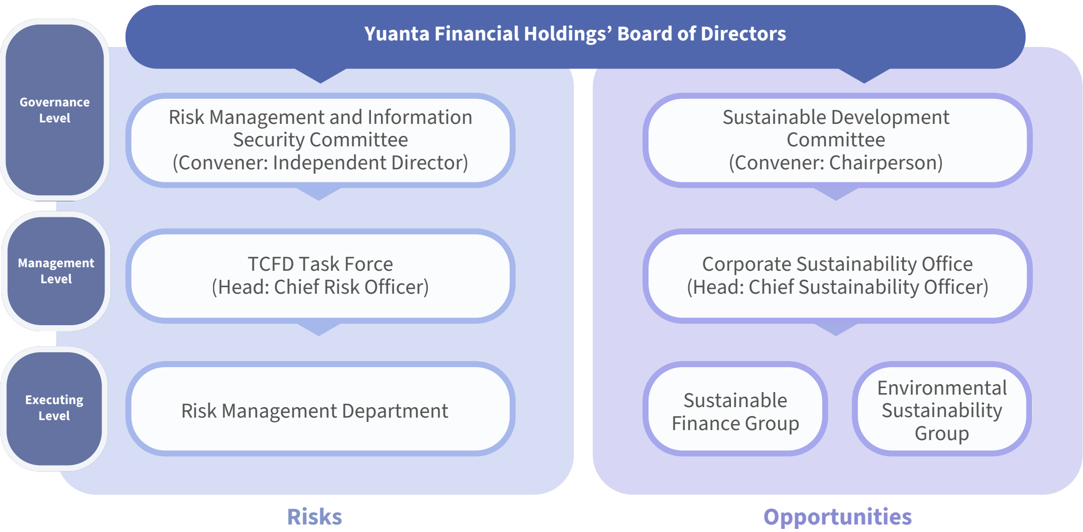
2.4 Major Decisions and Outcomes in Climate and Environmental Governance

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 and Information Security 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 of Directors attaches great importance to climate and nature issues and incorporates them into the core considerations of corporate governance and business strategy in order to improve the management mechanism for climate-related issues. In 2025, the Board agenda included 31 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 and Information Security Committee

2025 convened	Attendance Rate
7 Times	100%

Yuanta FHC's Risk Management and Information Security 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 is required to meet at least once per quarter and regularly submits important proposals to the Board of Directors. The committee's primary responsibilities include reviewing risk management policies and systems, 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, supervising the management of existing or potential risks, and incorporating information security management into its scope of duties. The committee convened seven times in 2025. Each director maintained a 100% attendance rate.

Note: The Company has approved, by resolution of the Board of Directors on June 24, 2026, an amendment to the Committee's Charter, officially renaming the "Risk Management Committee" as the "Risk Management and Information Security Committee."

Sustainable Development Committee

2025 convened	Attendance Rate
5 Times	100%

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, and the committee is required to meet at least twice a year. 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, in order to adapt to domestic and international sustainability trends and adjust the Group's strategic policies on a rolling basis. The committee convened five times in 2025, with 100% attendance by all directors.

2.2 Management of Climate and Nature-Related Risks and Opportunities

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; they review implementation progress and effectiveness, and report to the Risk Management and Information Security Committee and Sustainable Development Committee.

TCFD Task Force

To comprehensively assess the impact of climate change on the Group, 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; 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. The "Sustainable Finance Group" and "Environmental Sustainability Group" have been established under the Office. The Sustainable Finance Group 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 Group 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

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 (including climate issues) linked to incentives and accounting for over five percent (5%) of the assessment weight. For detailed information on how sustainable development objectives are incorporated into the performance evaluation of senior management, please refer to Yuanta 2025 Sustainability Report, CH5.1.4 Remuneration Policy. 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 2025. We hope this top-down approach across the organization can strengthen climate governance in practice.

◈ CEO and Senior Management Performance Appraisal Form

Category		Ratio	Description
Operational Objectives	Financial Objectives	70%	Financial indicators and competitiveness indicators
	Business Objectives		Annual business indicators, risk management indicators, and performance management indicators for reinvested businesses
	Sustainable Development Objectives (>5%)		2021-2025 Sustainable Development Strategy Roadmap for the Group, annual ESG key projects, mid-to-long-term (3-5 years) development goals, and Group's carbon reduction target
Group Objectives		30%	Succession planning team and talent cultivation indicators, compliance with laws and regulations and internal control system management indicators, and Group operation support indicators

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. 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 2025, the Group's directors and supervisors attended 190 hours of training on topics such as "International Trends in Sustainability Governance and Response Strategies for Green Risks (including Sustainability Information)," "Empowering Sustainable Finance – Co-Creating Net-Zero Opportunities," "Sustainability and Climate Change," "Interpreting Taiwan's Sustainability Transition Blueprint," "ESG Corporate Sustainability Training," "CDP Taiwan Press Conference – Strengthening Climate Information Disclosure to Enhance Corporate Climate Resilience," "ESG Sustainability Trends and the Implementation of Responsible Investment – New Global Responsible Investment Trends from a Corporate Governance Perspective," and "Corporate Governance – Sustainable Finance," in order to gain new insights into climate trends and strengthen our oversight responsibilities.

Senior executives are also encouraged to participate in forums and external lectures while undergoing internal climate-related training. 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 Sustainable Development Basic Competency Test, Sustainable Finance Certification - Advanced Competency. In 2025, the Group held a total of 941 training sessions, with 193,830 participants completing training and logging 244,527 training hours.

The Group is committed to deepening its expertise in climate risk assessment, fostering a culture of climate governance, and cultivating sustainability finance talent with forward-looking capabilities, thereby demonstrating the influence and responsibility expected of the financial sector. Through training, the Group enhances its staff's practical ability to apply sustainability finance concepts, enabling them to effectively respond to the risks and opportunities arising from the sustainability transition and equipping them with the professional knowledge needed to guide customers in developing sustainable outcomes, thereby mitigating the adverse impacts of climate change and sustainability-related risks.

◈ Major External Forums Featuring Yuanta 's Senior Executives in 2025

01

Forum panelist

Navigating Sustainability Talent: Forging Corporate Net-Zero Capabilities

1. New Strategies for Sustainability Talent Amid the Corporate Net-Zero Transition and ESG Wave
2. Building a Sustainability Talent Pipeline and Hands-On Capabilities
3. Sustainable Finance Ecosystem – Talent Development
4. ESG Talent Blueprint and the Sustainable Future of Enterprises

02

Forum attendee

2025 ESG Trends Forum – Plastic Reduction Action Under Net-Zero Emissions: How Enterprises Can Balance Climate Change and the Circular Economy

1. The Intertwined Challenges of Net Zero and Plastic Reduction
2. Circular Economy and Climate Change
3. Corporate Actions and Strategies
4. International Trends and Local Practices

03

Forum attendee

2025 Asia-Pacific Sustainability Expo – Sustainability Talent Trends Forum

1. Policy-Driven Trends: Building a Sustainable Finance Cluster in Asia
2. The Era of Sustainable Finance Talent: Capacity Building in Response to Green and Transition Finance
3. NGOs and Sustainable Finance: The Cross-Sector Impact of Civil Society Capacity Building
4. Building Corporate Resilience through Sustainable Finance: Actions and Responsibilities of the Financial Industry
5. Climate Risk Management: New Challenges for Financial Talent

◈ 2025 Group Training Overview · Quantitative Results

941 Training Sessions

193,830 Participants

244,527 Training Hours

◈ Internal Climate-Related Training Programs & Hours with Yuanta's Senior Executives in 2025

Program: International Trends in Sustainability Governance and Response Strategies for Green Risks (including Sustainability Information)

Topics:

- Global Policy and Regulatory Trends
- Sustainability Reporting Disclosure Standards
- Taiwan's Sustainability Policies and Corporate Sustainability Disclosure Requirements
- Legal Risks in Corporate Sustainability Governance and Sustainability Information Disclosure
- Response Strategies for Risk Management in Green and Sustainability Disclosures
- Cross-Domain Integration and Intelligent Governance Practices

3 hours **54** participants

Total training hours: **162 hours**

◈ Sustainability or Climate-Related Certificates

ESG or Sustainability Certificates	No. of Holders
Sustainable Development Basic Competency Test	4,111 Persons
Sustainable Finance Certification - Advanced Competency in Business Development	56 Persons
Sustainable Finance Certification - Advanced Competency in Risk Management	33 Persons
Sustainable Finance Certification - Advanced Competency in Information Disclosure	32 Persons
Corporate Sustainability Manager	10 Persons

2.4 Major Decisions and Outcomes in Climate and Environmental Governance

◈ Established the "Sustainability Information Management Regulations"

To comply with regulatory requirements and to enhance the overall quality of sustainability information (including sustainability reporting), and to ensure that the management of sustainability information meets relevant domestic and international disclosure requirements, the Company's Board of Directors approved the "Sustainability Information Management Regulations" at the ninth meeting of the tenth-term Board on November 21, 2025. The Regulations explicitly require that the Company's operational objectives be aligned with sustainable development goals, and that applicable frameworks, general standards, sector-specific standards, and material issues of concern to stakeholders be referenced and selected as the focus of disclosure, in order to meet the expectations of investors and stakeholders and to further enhance disclosure transparency and international competitiveness.

03

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

3.1 Climate Risk and Opportunity Management Procedure

Climate change presents both risks and opportunities with potential positive and negative impacts on the Company. To enhance business resilience and capability to recover, the Company commits to drive sufficient climate resilience. These efforts are spearheaded by the "Risk Management and Information Security Committee" and the "Sustainable Development Committee" to conduct annual identification and assessment of climate risks and opportunities specifically for our business endeavors, by ensuring that climate-related considerations are fully integrated into the Group strategy. The management process for climate risks and opportunities at Yuanta FHC consists of four steps: identification, assessment, monitoring, and reporting. The responsible units and management measures for each step are outlined in the diagram below.

◈ Climate Risk and Opportunity Management Procedure

01 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-related regulations, guidelines, and reports from international institutions

02 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

03 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

04 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 and Information Security 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

The Group recognizes that climate-related research, scenario analyses, and methodologies continue to evolve. As such, we regularly gather and reference domestic and international information and annually review and update the assumptions and analytical methodologies 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 integrating and evaluating opportunities from market changes. Subsidiaries are also requested to assist in analyzing climate risks and opportunities according to their respective business natures and operational characteristics.

In 2025, we identified six risks and five 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.

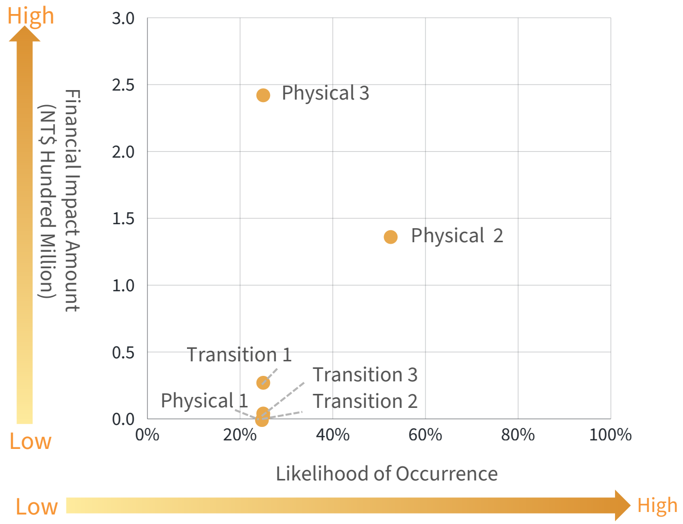
◈ Climate Risks and Opportunities

Type	Item	Description
Risk	Transition 1	Risk of policy-driven decarbonization impacts on investee and financing counterparties
	Transition 2	Risk of policy-driven decarbonization impacts on the Company's own operations
	Transition 3	Sustainability reputation risk
	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	Flooding and rising sea levels
Opportunity	Opportunity 1	Green operations
	Opportunity 2	Green procurement and supplier management
	Opportunity 3	ESG financial products and services
	Opportunity 4	Green lending
	Opportunity 5	Sustainable investment

Climate Risk and Opportunity Matrix

◈ Climate Risks Matrix

With respect to climate risks, although the financial impact of each individual climate risk did not reach the financial materiality threshold, the most material risk is disclosed — namely, "Flooding and Rising Sea Levels" is identified as a material climate risk.



Note:Items with a probability of 50% or higher and an impact amount exceeding NT$1.926 billion are deemed material. Based on the analysis results, no climate risks were assessed as material; however, following evaluation, Physical Risk 3 has been incorporated into the climate risks subject to regular monitoring.

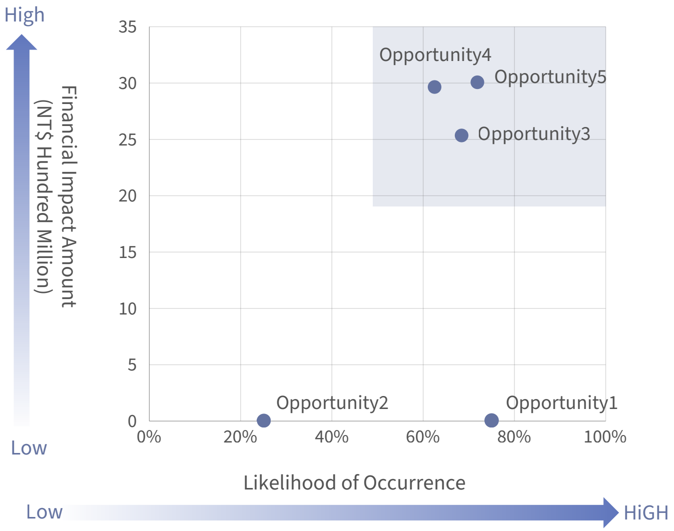
◈ Climate Risk Assessment Form

Rank	Risk	Risk Name	Risk Description	Impact on Value Chain	Assessment Dimensions	Time Frame	Severity of Financial Impact
1	Physical 3	Flooding and rising sea levels	Acute physical risk / Chronic physical risk Flooding and rising sea levels may cause damage to operating sites and real estate collateral, or lead to business interruption, while increasing insurance costs and reducing the value of real estate collateral and investment assets, thereby adversely affecting the Group's financial performance.	Suppliers Our operations Corporate/ Individual customers Investee companies	②、③、⑤	Short-term, Mid-term, Long-term	Low
2	Physical 2	Extreme climate causes investment targets/institutional clients to halt their operations	Acute physical risk / Chronic physical risk Property damage or business interruption to investee or financing counterparties caused by extreme weather may reduce their profitability and debt servicing capacity, in turn leading to impairment of the Group's asset values.	Our operations Corporate customers Investee companies	②、③、⑤、⑥	Long-term	Low
3	Transition 1	Risk of policy-driven decarbonization impacts on investee and financing counterparties.	Policy and Legal Risks / Technology Risk Government decarbonization policies, carbon pricing, or industry transition requirements may increase compliance and decarbonization costs for investee or financing counterparties, potentially resulting in declining profitability, rising credit risk, or lower market valuations, and in turn leading to impairment of the Group's asset values or expected credit losses.	Competent authorities Our operations Corporate customers Investee companies	②、③、⑤、⑥	Mid-term	Low
4	Transition 3	Sustainability reputation risk	Reputation Risk Excessive exposure to high-carbon industries may diminish the credibility of the Company's sustainability commitments, resulting in reputational damage, capital outflows, and divestment by investors, thereby adversely affecting financial performance.	Investors/ Shareholders Our operations Corporate/ Individual customers Investee companies	①、⑤、⑦	Long-term	Low
5	Transition 2	Risk of policy-driven decarbonization impacts on the Company's own operations	Policy and Legal Risks To comply with regulations and meet decarbonization targets, the Group is required to invest in additional decarbonization expenditures, which may increase operating costs and adversely affect financial performance.	Competent authorities Our operations	③、⑤、⑥、⑦	Short-term	Low
6	Physical 1	Increase in insurance premium cost for extreme climate	Chronic physical risk Extreme weather events may have significant impacts on the personal safety of policyholders, potentially leading to injury or death, thereby increasing medical benefit payments and insurance claim payouts, and resulting in higher operating costs for the Group.	Our operations Corporate/ Individual customers	①、⑤	Long-term	Low

Notes: 1. Assessment dimensions: ① Products & Services；② Supply Chain/Value Chain；③ Adaptation & Mitigation Activities；④ R&D Investments；⑤ Operations (including type of operations and locations)；⑥ Acquisitions & Divestments；⑦ Access to Capital.
2. Potentially Affected Areas of the Value Chain: Competent Authorities, Investors/Shareholders, Suppliers, Our operations, Corporate Customers/Individual Customers, and Investee Companies.
3. Time Frame: Short-term: 1-3 years; Mid-term: 3-5 years; Long-term: more than 5 years.
4. Severity of Financial Impact: Yuanta FHC defines the impact levels as low (potential gain or loss reduction of up to NT$642 million); medium (potential gain or loss reduction between NT$642 million and NT$1.926 billion); and high (potential gain or loss reduction of over NT$1.926 billion).

◈ Climate Opportunities Matrix

Based on the financial materiality analysis, "ESG Financial Products and Services," "Green Lending," and "Sustainable Investment" have been identified as material climate opportunities for the Group.



Note: Items with a probability of 50% or higher and an impact amount exceeding NT$1.926 billion are deemed material. Based on the analysis results, Opportunity 3, Opportunity 4, Opportunity 5 are identified as material climate opportunities.

◈ Climate Opportunity Assessment Form

Rank	Opportunity	Opportunity Name	Opportunity Description	Impact on Value Chain	Assessment Dimensions	Time Frame	Severity of Financial Impact
1	Opportunity 5	Sustainable investment	Markets Establish Group-level investment policies and investment strategies aligned with government policies to channel capital toward sustainable enterprises, thereby enhancing operating revenue.	Our operations Investee companies	②、③、⑤、⑥、⑦	Short-term, Mid-term, Long-term	Low
2	Opportunity 4	Green lending	Markets Support customers' low-carbon transition through financing and encourage green consumption among customers, thereby enhancing operating revenue.	Our operations Corporate/Individual customers Investee companies	①、②、③、⑤、⑥、⑦	Short-term, Mid-term	Low
3	Opportunity 3	ESG financial products and services	Products and services Develop and offer ESG-related financial products and services to meet market demand for green finance, thereby enhancing operating revenue.	Our operations Corporate/Individual customers	①、④、⑤	Short-term, Mid-term, Long-term	Low
4	Opportunity 1	Green operations	Resource Efficiency / Energy Source Adopt green building standards for owned premises, utilize renewable energy, transition to energy-efficient equipment, and implement energy management systems in owned buildings to improve energy efficiency, thereby reducing operating costs.	Suppliers Our operations	②、③、⑤	Short-term, Mid-term, Long-term	Low
5	Opportunity 2	Green procurement and supplier management	Resilience Support enterprises that develop low-carbon and sustainable products through green procurement and supplier management, thereby reducing operating costs.	Suppliers Our operations	①、②、③	Short-term	Low

Notes: 1. Assessment dimensions:① Products & Services；② Supply Chain/Value Chain；③ Adaptation & Mitigation Activities；④ R&D Investments；⑤ Operations (including type of operations and locations)；⑥ Acquisitions & Divestments；⑦ Access to Capital.
2. Potentially Affected Areas of the Value Chain: Competent Authorities, Investors/Shareholders, Suppliers, Our operations, Corporate Customers/Individual Customers, and Investee Companies.
3. Time Frame: Short-term: 1-3 years; Mid-term: 3-5 years; Long-term: more than 5 years.
4. Severity of Financial Impact: Yuanta FHC defines the impact levels as low (potential gain or loss reduction of up to NT$642 million); medium (potential gain or loss reduction between NT$642 million and NT$1.926 billion); and high (potential gain or loss reduction of over NT$1.926 billion).

Financial Impact Analysis of Material Climate Change

◈ Material Climate Risks and Opportunities: Financial Impacts & Mitigation

Rank	Risk/ Opportunity	Risk/ Opportunity Name	Progress & Assessment of Mitigation Activities	
			Current	Future
1	Opportunity 5	Sustainable investment	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$84.19 billion, and the investment balance in government policy-supported economic activities and key strategic industries amounted to NT$73.679 billion. For other sustainability-related investment activities during the year, dividend income and interest income from sustainability-related ETF investments totaled approximately NT$66.75 million.	1. In accordance with the Group's "Sustainable Finance Guidelines,"[2] the Group continues to integrate ESG considerations into investment strategies and decision-making processes. Through its investment evaluation mechanism, the Group strengthens the prudent management of higher-risk investment targets and promotes greater attention to governance, environmental, and social risks, thereby embedding sustainable investment in day-to-day operations. 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. The expected financial impact of sustainable investment also includes unrealized gains and losses, dividend income, and interest income; however, due to the high uncertainty in the amounts, a reliable estimate cannot yet be made.
2	Opportunity 4	Green lending	In its lending activities, the Group conducts due diligence and review in accordance with the *Principles for Responsible Banking* (PRB), *Green Loan Principles*, and *Sustainability-Linked Loan Principles* to support customers' low-carbon transition. The total sustainability-related lending balance for the year reached NT$143 billion. Green lending activities include sustainability-linked loans, green lending, electric vehicle loans, and green mortgages. The combined fee income and interest income from these activities totaled approximately NT$2.432 billion.	In accordance with the Group's "Industry-specific Environmental and Social Risk Management Rules"[4], for industries with higher environmental and social risks, ESG checks are conducted prior to execution to assess the management measures and risk responsiveness capability toward environmental and social issues, ensuring that the risk associated with investment decisions remains controlled. The expected financial impact of green lending also includes fee income and interest income; however, due to the high uncertainty in the amounts, a reliable estimate cannot yet be made.
3	Opportunity 3	ESG financial products and services	The Group closely monitors sustainability trends and incorporates them into the development of sustainable products, delivering timely and well-targeted financial products aligned with ESG principles. Sustainability-related financial products and services during the year included the issuance of ETFs and ETNs and other sustainable investment products, sustainability-related futures brokerage, underwriting of sustainability-related bonds and convertible corporate bonds, third-party fund sales, and ESG-themed advisory services. Combined fee income and management fee income from these activities totaled approximately NT$142 million.	The Group will continue to expand the scope of ESG financial products and services, driving growth in management fees, sales commissions, and other related service revenues by promoting the issuance and distribution of ESG-themed products and increasing their market scale and trading volume. At the same time, by enhancing the professional explanation and advisory support for ESG products, the Group aims to further amplify the contribution of ESG financial products and services to overall operating revenue. The expected financial impact of ESG financial products and services also includes fee income and interest income; however, due to the high uncertainty in the amounts, a reliable estimate cannot yet be made.
4	Physical 3	Flooding and sea level rise	1. Implementing 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," and establishing response and recovery mechanisms for emergencies and disaster risks to enhance overall operational resilience. 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," to reduce the potential impact of extreme climate events and disasters on operations. 3. Incorporating environmental and climate-related policies as evaluation criteria in the Yuanta FHC Supplier Evaluation Form, to strengthen the management of climate-related risks among suppliers to mitigate potential financial impacts arising from supply chain disruptions. Losses from physical risks at the Company's operating sites across Taiwan during the year amounted to approximately NT$93,000.	The Group continues to monitor the potential impact of climate events on operations, supply chains, and collateral values, and regularly evaluates the risk status of operating sites, suppliers, and related collateral, adjusting management measures as appropriate to mitigate potential financial impacts arising from business interruption and fluctuations in collateral values. Based on the SSP2-4.5 scenario set out in the Bankers Association's standard version of the "Operational Plan for Domestic Banks Conducting Climate Change Scenario Analysis," expected losses arising from damage to real estate collateral and from business interruption affecting borrowers amounted to approximately NT$966 million.

3.3 Low-Carbon Operations

In response to global climate action, low-carbon operations have been a key element of one of Yuanta Financial Holding Company's (FHC) four sustainability strategic pillars. Following the "Environment and Energy and Climate Change Management Policy[11]," Yuanta Group is committed to environmental and energy management, promoting efficient resource use, reducing greenhouse gas (GHG) emissions, and ensuring environmental protection. As part of Yuanta Group's Corporate Sustainability Office, the "Environmental Sustainability Group" is responsible for developing environmental management systems and coordinating various action plans to promote Yuanta Group's low-carbon initiatives targeting Yuanta operations, including environmental management system certification, energy conservation and carbon reduction actions, green buildings, and the use of renewable energy. Climate management has been further deepened under the planning and leadership of the Environmental Sustainability Group through standardized and systematic management, fostering a low-carbon workplace and enhancing organizational integration. In the future, Yuanta Group will continue to enhance operational resilience and advance climate management.

Management and Certification

In 2023, the Group issued the “Net-Zero Declaration” 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 2025, 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 2025, the quantifiable reduction in paper usage amounted to approximately 507 million 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 3,653.32 metric tons in carbon emissions reduction in 2025. Detailed information can be found in Chapter 4.2 Contribution to the Development of Green Operations - Low-Carbon Operations of the 2025 Sustainability Report.

Low-Carbon Operation Actions	Examples	Amount of Carbon Reduction (tCO_2e)
Energy-saving action plan	LED energy-saving lamp replacement, outdated equipment and systems upgrade, etc.	152.19
Paper reduction measures	Internal e-documents, e-payment slips, tablets for major meetings, Yuanta e-academy, digital services, etc.	3,653.32

Notes: 1. The amount of carbon reduction in 2025 is calculated based on the 2024 electricity carbon emission factor of 0.474 (kg CO_2e/kWh) as announced by the Bureau of Energy of Taiwan’s Ministry of Economic Affairs.
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 CO_2e/500 sheets per pack.

Green Buildings

Considering extreme weather will result in interrupted operation at locations or value loss of self-own assets, the Group is actively strengthening its climate adaptation actions. 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. As of 2025, three proprietary buildings - Yuanta Financial Plaza, Yuantai Plaza, and Yuanta Life Jinxing Building - have secured a Green Building Label from Taiwan’s Ministry of Interior.

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

The Group is actively deploying green energy initiatives in response to the energy transition, and continues to advance towards the Group's established Science-Based Targets (SBT) for carbon reduction. By 2024, the entire Group, including Yuanta FHC and our eight 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 2025, Group-wide renewable energy use reached 6.5152 million kWh or 16.18% of total energy use. The Group will continue to strive toward 100% renewable energy use by 2050. Detailed information can be found in Chapter 4.2 Contribution to the Development of Green Operations - Low-Carbon Operations of the 2025 Sustainability Report.

◈ Carbon Impacts from Renewable Power Purchase Agreements (PPA)

Year	2023	2024	2025	2026 Goal
Renewable Energy Wheeled through PPA (10,000kWh)	264.34	528.08	651.52	484.00
Percentage of Group's Energy Use	7.06	13.64	16.18	10.63
Emissions Reduction (tCO_2e)	1,308.46	2,608.72	3,088.20	2,294.16

Note: The amount of carbon reduction in 2025 is calculated based on the 2024 electricity carbon emission factor of 0.474 (kg CO_2e/kWh) as announced by the Bureau of Energy of Taiwan's Ministry of Economic Affairs.

◈ Renewable Energy

Implementation of Internal Carbon Pricing (ICP)

The Group has formally incorporated an internal carbon pricing mechanism into its operational management to strongly drive the decarbonization transition of its subsidiaries. Through the "shadow price" approach, we evaluate the investments and outcomes of energy equipment procurement and energy efficiency projects. Integrated with the ISO 50001 Energy Management System, this mechanism enables to quantify the carbon reduction benefits.

Considering global carbon pricing trends and estimated carbon costs under the 2050 net-zero emissions scenario, combined with the Group's own decarbonization expenditures, the internal carbon price was initially set at NT$1,500 per metric ton during the 2023 trial period, and was adjusted to NT$2,200 per metric ton in 2025. This adjustment is intended to accelerate decarbonization through financial incentives. Decarbonization outcomes will be assessed annually through annual GHG inventories. From the initial trial of internal carbon pricing at the financial holding level to its Group-wide implementation, cumulative emissions reductions have reached 26.4%. In 2025, the Group reduced carbon emissions by 274.20 metric tons from the previous year, which is a 1.55% reduction and savings of NT$603,200 according to our internal carbon price.

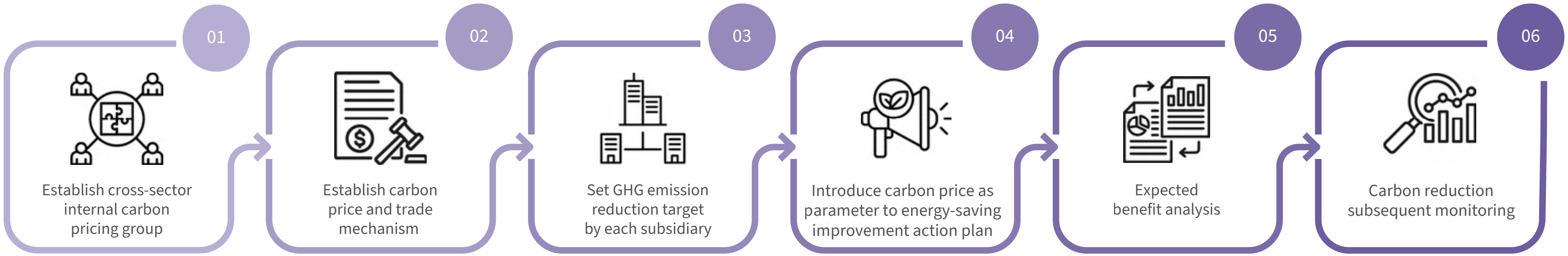
Starting from 2026, the internal carbon price will be adjusted to NT$3,300 per metric ton (approximately equivalent to USD 100 [Note]), reflecting the Group's commitment to the net-zero transition and alignment with international sustainability benchmarks.

Note: USD equivalent is calculated using the highest exchange rate over the past five years (NT$33 to USD 1).

◈ 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.	• 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.	• 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.	• 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.	• 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. Yuanta Life Insurance's "Yuanta iCare" completed carbon footprint verification.

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. A total of 316 metric tons have been utilized and are expected to continue being applied to support carbon neutrality for products such as zero-carbon credit cards and applications, as well as to offset greenhouse gas emissions from operational activities. Through market mechanisms, the Group advances toward net zero while contributing to environmental and economic value.

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. Through green procurement and supplier management, the Group seeks to promote sustainability and prioritize local suppliers in Taiwan.. In 2025, the total amount of green procurement reached NT$409.644 million accounting for 6.75% of the total procurement amount. The Group has been recognized as a "Green Procurement Benchmark Unit" by the Taipei City Government for fifteen consecutive years.

Unit: NT$ thousand

Year	2023	2024	2025
Green Procurement Amount	273,170	298,717	409,644

3.4 Low-Carbon Transformation

To accelerate society's low-carbon transition, the Group aims to leverage its influence by extending decarbonization efforts from internal operations to its external value chain. The Group first puts its own operational green footprint into practice, and then extends the concept of sustainability across its entire financial services value chain. By investing in sustainable industries and launching diverse and differentiated innovative products and services tailored to different businesses, the Group actively directs funds toward the green economy, thereby propelling the industry and customers toward a low-carbon future.
The Group uses the "Sustainable Finance Guidelines"[2] at the financial holding company level as the highest guiding principle when developing and engaging in financial products and services. The Guidelines outline ESG issues of concern and industries we actively support, and require subsidiaries to comply with the relevant rules, integrate sustainability into business planning and corporate operations, and extend it through product and service design.

To further strengthen ESG review mechanisms in investment and lending businesses, Yuanta FHC has also established the "Industry-Specific Environmental and Social Risk Management Rules."[4] Under the Rules, before investing or financing customers in industries with high environmental and social risks, Yuanta FHC is required to have a thorough understanding and assessment of the customers' potential risks and adaptation capabilities.

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.

Underwriting and Consulting Services

- Underwriting of Sustainable Bonds
- ESG Theme Consultation Services

Responsible Investment

- Sustainable Bonds
- Responsible Investment
- Low-Carbon Investment Projects

Responsible Lending

- Sustainable Lending
- Sustainability-Linked Loan
- Low-Carbon Consumer Banking Products

Other Financial Products and Services

- Low-Carbon & Sustainability Products

Nine Product Types

Underwriting and Consulting Services

Underwriting of Sustainable Bonds

- In 2025, Yuanta Securities assisted in underwriting various sustainable bonds, including 25 green bonds for companies like TSMC, Taipower, Far Eastern New Century, and YEEDEX; 4 sustainability bonds for the Land Bank and E. Sun Bank; 1 social bond for the Taiwan Mobile. In total, Yuanta Securities underwrote or assisted in underwriting a total of NT$20.3 billion.
- Sustainable bonds supported by Yuanta Securities accounted for 12.16% 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 2025, Yuanta Securities underwrote 67 sustainable financing projects, accounting for approximately 76% of the total advisory cases.
- In 2025, Yuanta Securities advised around NT$59.3 billion of assets in environmental-friendly, social welfare, and sustainable-related industries.

Responsible Lending

Sustainable Lending

- Yuanta Bank responds to government policies by directing funding toward green sectors. It provides necessary financing to the green electricity and renewable energy industries, while also supporting sustainability-related industries and their 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 2025, Yuanta Bank provided 78 green loans, with a total credit balance of NT$40.7 billion, accounting for 4.86% of the Bank's total corporate loan balance.
- As of the end of 2025, the total amount of green loans, social loans, and sustainability loans provided by Yuanta Bank exceeded NT$190.4 billion, accounting for 22.50% 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 customers' ESG performance and continuously refines its business processes to actively promote SLLs and products. By inviting customers to join in the journey towards sustainability, the bank aims to make industrial transformation more competitive.
- In 2025, Yuanta bank approved 75 SLLs, with a total balance of NT$68 billion, accounting for 8.11% of the total corporate lending. This marks an increase of 2 cases and NT$20.3 billion in balance from 2024.

Low-Carbon Consumer Banking 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. At the same time, to incentivize customers to purchase low-carbon products such as green buildings and hybrid cars, Yuanta Bank launched green building mortgages and new energy vehicle(NEV) 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 NEV dealers, providing exclusive test drive events, fee waivers, and preferential financing schemes for NEV loans. The bank encourages the public to purchase NEVs 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 2025, the total amount of consumer banking products and services related to sustainability accounted for approximately 12.42% of all consumer banking loans.

Responsible Investment

Sustainable Bonds

- As of the end of 2025, Yuanta Bank has issued NT$1 billion in green 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 2025, the total amount of responsible investment by Yuanta Securities, Yuanta Bank, and Yuanta Life amounted to NT$84.19 billion.

Low-Carbon Investment Projects

- To align with global low-carbon economic development trends, the Group actively extends its investment focus to industries with 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 by fostering emerging and rapidly growing key industries within the low-carbon economy, enhancing market confidence, and building a vibrant capital market.

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 2025. Among these, the "Yuanta FTSE4Good TIP Taiwan ESG ETF" Note tracks the "Taiwan Sustainability Index," which not only considers basic performance indicators such as 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 FUNDCLEAR'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 2025, the Group's investment assets with sustainability implications accounted for approximately 55.77% of total assets.

Note: Yuanta FTSE4Good TIP Taiwan ESG ETF. (This fund's dividends may come from the income balancing fund.)

Achievements in Sustainable Finance

Sustainable Lending

Unit: NT$ thousand

Areas of Lending	2023			2024			2025		
	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	80,375,374	904,895,894	8.88	63,714,462	1,004,878,844	6.34	55,999,232	846,107,063	6.62
Loans for Green-Energy and Renewable-Energy Infrastructure	20,971,236		2.32	37,905,451		3.77	27,675,218		3.27
Loans for Circular-Economy Industry	90,784,890		10.03	117,444,169		11.69	105,376,856		12.45
Loans for Low-Carbon Buildings and Infrastructure	8,578,000		0.95	19,761,166		1.97	1,324,700		0.16
Sustainability-Linked Loan	51,980,335		5.74	80,859,840		8.05	92,255,432		10.90
Total	252,689,835		27.92	319,685,088		31.82	282,631,438		22.50

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 Banking Products

Unit: NT$ thousand

Areas of Lending	2023			2024			2025		
	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	3,901,870	142,133,187	2.75	1,394,600	185,439,962	0.75	679,371	137,041,534	0.50
New Energy Vehicle Loan	6,184,860		4.35	9,396,540		5.07	16,340,187		11.92
Total	10,086,730		7.10	10,791,140		5.82	17,019,558		12.42

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	2023	2024	2025
Green Bond	8,840,000	9,920,000	15,401,000
Social Bond	1,475,610	5,550,000	2,200,000
Sustainability Bonds	3,357,930	1,600,000	2,700,000
Sustainability-Linked Bonds	800,000	0	0
Total	14,473,540	21,870,000	20,301,000

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

◈ Investment Products with a Focus on Sustainability

Unit: NT$ thousand

<table>
<tr><th rowspan="2">Categories</th><th colspan="3">2023</th><th colspan="3">2024</th><th colspan="3">2025</th></tr>
<tr><th>Asset Size</th><th>Total Asset</th><th>Proportion to Total Asset (%)</th><th>Asset Size</th><th>Total Asset</th><th>Proportion to Total Asset (%)</th><th>Asset Size</th><th>Total Asset</th><th>Proportion to Total Asset (%)</th></tr>
<tr><td>ESG Integrated</td><td>29,432,933</td><td rowspan="5">1,489,860,084</td><td>1.98</td><td>22,339,761</td><td rowspan="5">2,228,027,600</td><td>1.00</td><td>20,930,954</td><td rowspan="5">2,974,855,703</td><td>0.70</td></tr>
<tr><td>Best in Class</td><td>636,383,564</td><td>42.71</td><td>870,453,322</td><td>39.07</td><td>1,628,334,030</td><td>54.74</td></tr>
<tr><td>Thematic Investing</td><td>10,530,193</td><td>0.71</td><td>9,657,048</td><td>0.43</td><td>9,736,361</td><td>0.33</td></tr>
<tr><td>Others</td><td>95,503,368</td><td>6.41</td><td>217,981,973</td><td>9.78</td><td>0</td><td>0</td></tr>
<tr><td>Total</td><td>771,850,058</td><td>51.81</td><td>1,120,432,104</td><td>50.28</td><td>1,659,001,345</td><td>55.77</td></tr>
</table>

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. Others: Investment products rated five Globes by Morningstar and not classified into the above category.

04

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

Yuanta FHC applies the Enterprise Risk Management (ERM) framework, and in accordance with the three lines of defense principle of risk management, has established a comprehensive risk management system. This system clearly defines the organizational structure, responsibilities, and functions of each line of defense to ensure risk management processes remain effective and functional.

◈ Three Lines of Defense for Risk Management

1st Line of Defense

Each unit is responsible for identifying, managing, designing, and implementing effective internal control procedures for the risks arising from its own day-to-day activities within the scope of its business.

Business of various departments

1. Business authorization management
2. Transaction monitoring and business risk management
3. Legal compliance and internal control system compliance

2nd Line of Defense

Units responsible for compliance, risk management, Information security, and other functions which are independent from the first line of defense and are not part of internal audit shall formulate risk management policies, oversee risk-bearing capability, and report the status of risk management.

Legal Compliance matters — Legal affairs unit / Legal Compliance unit

Information Security matters — Information Security unit

Overall Company Risk Management — Financial risks / Operational risks / Legal and compliance risks / Climate change risks — Risk Management unit

Information Security unit and Risk Management unit — Risk Management and Information Security Committee

Senior Management Team

Board of Directors

3rd Line of Defense

The internal auditing unit shall, with an independent and impartial manner, audit and evaluate the effectiveness of the risk management and internal control systems and provide improvement recommendations appropriately.

Implementation of risk management system — Auditing unit — Audit Committee

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. Each responsible unit shall, in accordance with established risk management procedures, identify, measure, monitor, and report risks, and build corresponding risk management systems, monitoring indicators and thresholds to implement the management of various risks.

We have integrated climate risks into the existing risk management framework, and 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 consistency and appropriateness of our risk management framework.

Scope of Yuanta FHC’s Risk Management System

Financial Risks

- Market risks
- Credit risks
- Market liquidity risks
- Funding liquidity risks
- Asset liability matching risks
- Exposure risks
- Insurance risks
- Process risks

Operational Risks

- Information security risks
- Human resources risks
- Emerging risks
- Integrity management risks
- Reputation risks
- Strategic risks

Legal and Compliance Risks

- Regulatory compliance risks
- Legal risks
- Money laundering and terrorism-financing risks

Climate Risks

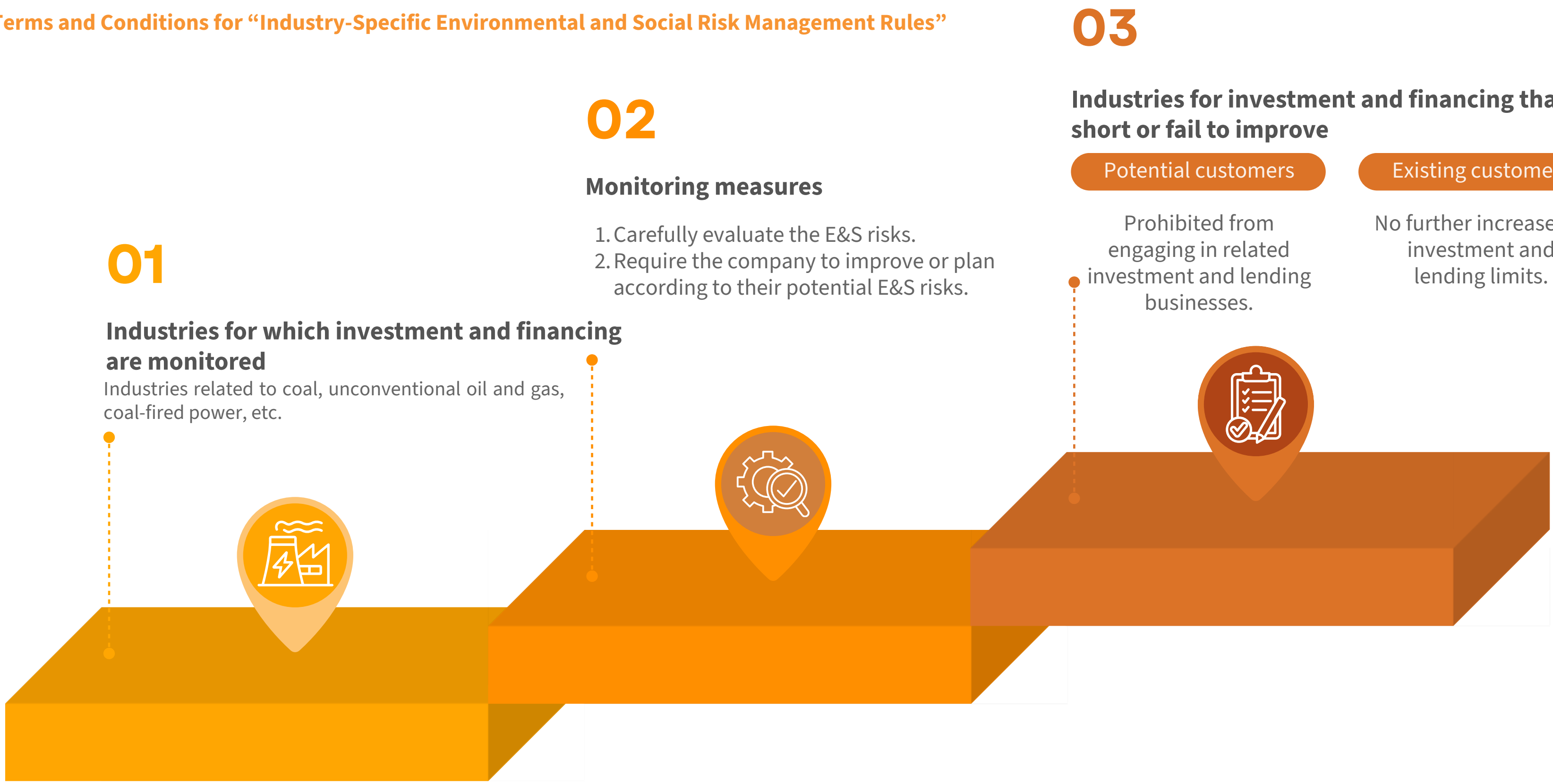
- Climate risks among investment and financing activities
- Operational-related climate risks

Climate Risk Management Mechanism

The Group actively monitors climate risks and financing to carbon-intensive industries. In 2023, the "Climate Finance Operations Guidelines" [3] were formulated to instruct engagement and divestment strategies for corporate financing, 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. Revised again in 2026, the original phase-out timelines for lending business, project financing, bond underwriting, and equity investment related to the coal and unconventional oil and gas industries were brought forward to 2030 and 2035, respectively.

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 customers when they are working with customers 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"

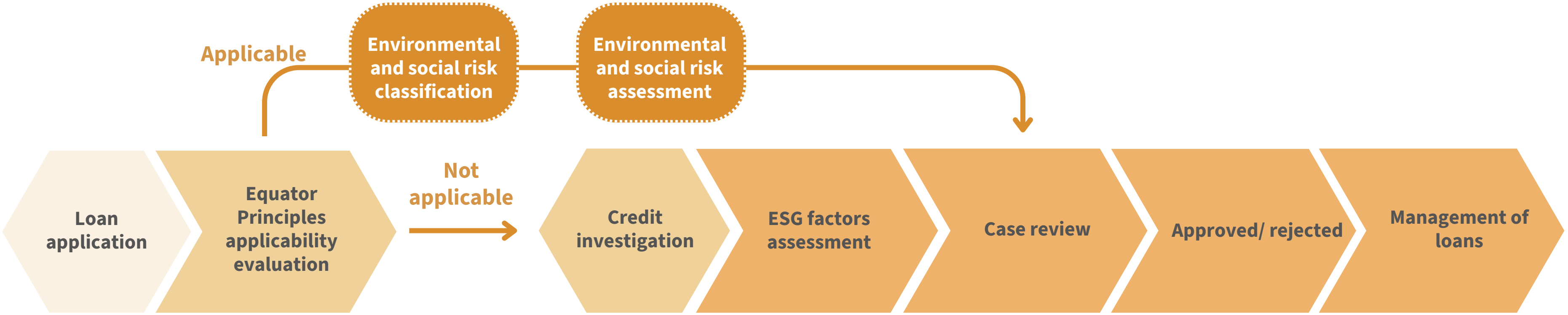


4.2 Climate Risk Management for Core Businesses

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 2025.

Responsible Lending

Responsible Lending Procedure



Responsible Lending Risk Management

Corporate Banking Lending Business

Formulate responsible lending procedures based on the "Sustainable Finance Guidelines[2]" and "Industry-Specific Environmental and Social Risk Management Rules[4]"

Following the Group-level "Sustainable Finance Guidelines[2] ," Yuanta Bank incorporates ESG factors into its lending business review and decision-making processes. When undertaking lending business reviewing, the bank carefully assesses any potential E&S risks in the counterparty or transaction. In addition to adding an E&S review during the Know Your Customer (KYC) and Customer Due Diligence (CDD) processes for enterprises with high climate risks or controversial matters, the bank also requires staff to apply the "Industry-Specific Environmental and Social Risk Management Rules[4]." When dealing with borrowers in high-risk industries, staff shall fill out the "Industry-Specific Environmental and Social Risk Management Checklist" required for their respective subsidiary to examine the potential E&S risks of the counterparty and their E&S risk management measures to ensure related risks are under control.

Project Financing

Formulate the “Guidelines for Managing Equator Principles Financing Cases[9]” based on the Equator Principles[10]
Formulate emissions reduction commitments and divestment strategies based on the "Climate Finance Operations Guidelines[3]"

Regarding project financing, the Group's "Climate Finance Operations Guidelines[3]" explicitly require that project financing projects related to coal and unconventional oil and gas industries must include emission reduction commitments. Yuanta Bank, a subsidiary, has established an "Environmental and Social Risk Team" in accordance with the "Yuanta Bank's Guidelines for Managing Equator Principles Financing Cases[10]" and related operating procedures. This team is responsible for conducting E&S risk assessments, reviews, and monitoring of cases eligible for Equator Principles (EP) [9] lending. When providing financing or related financial advisory services to customers, related units must 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 EP. 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 customers are placing due value on environmental protection and social responsibility. In 2025, Yuanta Bank evaluated a total of six project financing cases. Following the assessment, one case was approved with a loan amount of approximately NT$5,000 million, while the remaining five cases were declined, representing a total declined loan amount of approximately NT$2,500 million. For details of the project financing, please refer to Section 3.1 Sustainable Finance - Supporting Sustainable Economic Development of Yuanta FHC's Sustainability Report 2025.

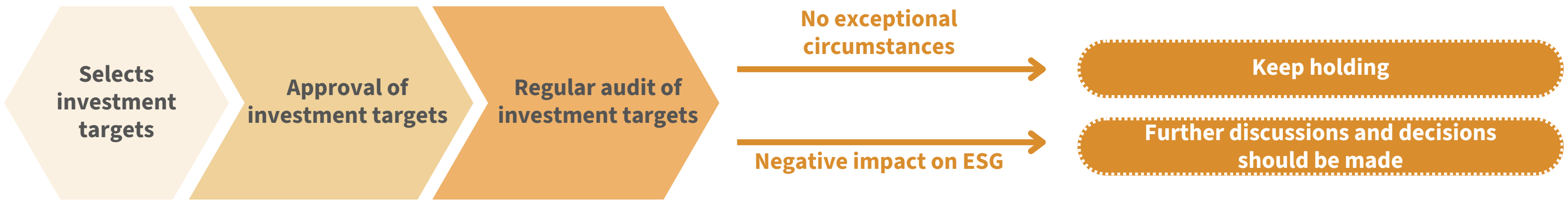
Consumer Banking Lending Business

Develop the risk evaluation process in line with the “Sustainable Finance Guidelines[2]”

When handling personal loans (including auto loans for corporate customers), Yuanta Bank must actively apply the “Assessment Based on Principles for Financial Service Industries to Treat Customers 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 Procedure



Responsible Investment Risk Management

Corporate Banking Investment

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

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 non-governmental organization(Urgewald) 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; we regularly engage with counterparties, and when investment targets are affected by major ESG risks, we 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

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

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.

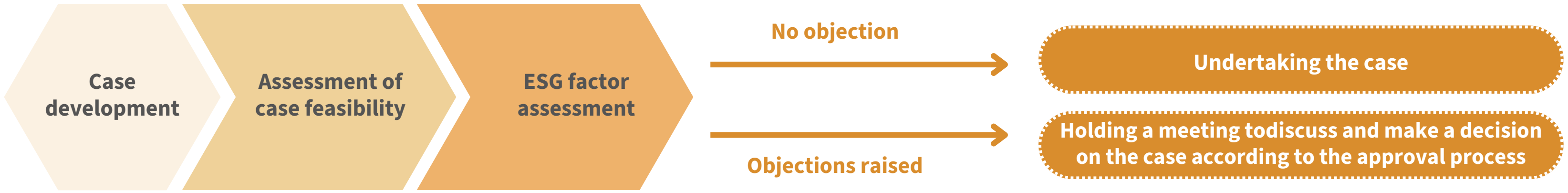
Sustainable Insurance

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

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

◈ Fixed-Income Product Underwriting Procedure



◈ 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"

For bond underwriting, the Group amended the "Climate Finance Operations Guidelines[3]" in 2026 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

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

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 2025.

4.3 Quantitative Financial Analysis of Climate Change

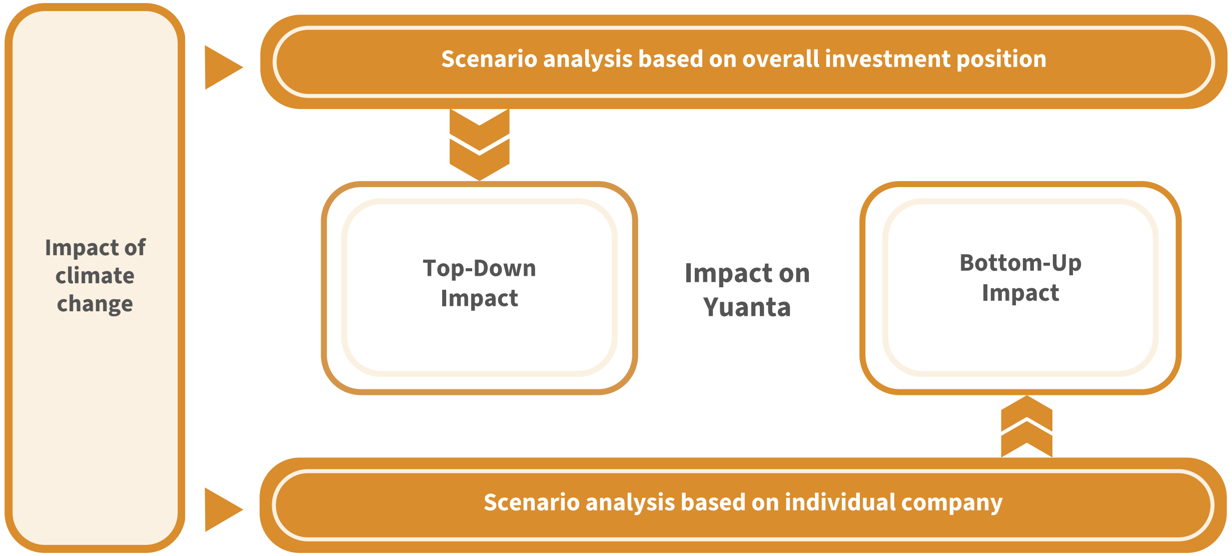
The physical risks, transition risks and opportunities caused by climate change have an impact on the financial institutions' operations, financial performance—including balance sheets, income statements, and cash flow statements—as well as various types of financial risks. In line with TCFD's recommendation on quantifying climate risk targets, the Group continues to improve its quantitative impact analysis of climate change risks and has gradually established a systematic assessment framework. We began by conducting quantitative analysis on the potential impact of transition and physical risks faced by investment and financing counterparties in specific industries. Subsequently, scenario analysis on physical risks was conducted based on the pathway that climate change may pose physical hazards to real estate collaterals and the Group's operational sites, and corresponding risk management measures were developed in accordance with the quantitative results. We continue to reference relevant domestic and international research reports, incorporating environmental and social risk factors across industries, as well as the Group's greenhouse gas inventory results, into the scope of risk level assessment in order to develop quantitative climate risk models while continuously expanding the scope of assessment. Throughout this evolving process, by applying different risk data parameters, we have adjusted the measurement methodologies for equity and obligations to establish a more comprehensive and precise climate-related risk measurement framework.

Starting from 2024, we further introduced an artificial intelligence (AI) model into our quantitative climate risk methodology and developed a new risk measurement mechanism to support internal risk analysis and assessment. In 2025, we continued to enhance the quantitative climate risk model to respond more promptly to risk measurement needs arising from business development. At the same time, by introducing a more comprehensive and systematic operating process, we further strengthened the execution efficiency and system stability of the model.

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

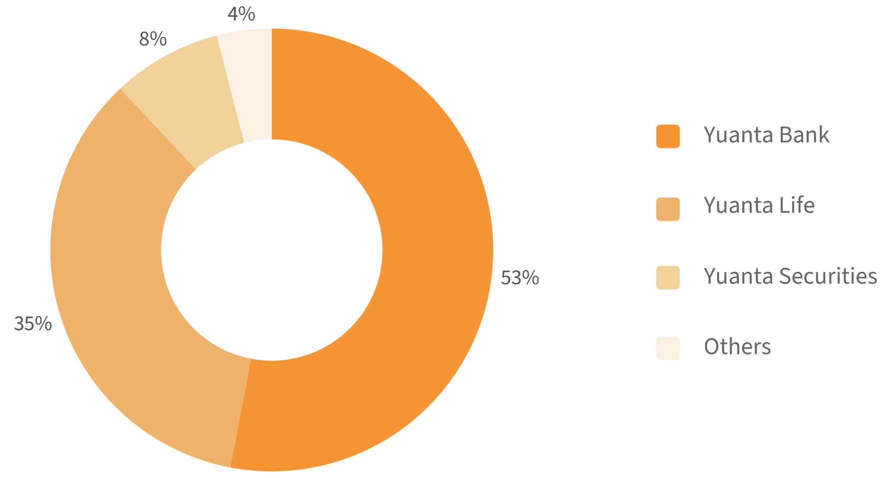
Mid-and long-term investment positions across the whole Group (as of the end of December 2025), which are mainly from three subsidiaries, i.e. Yuanta Bank, Yuanta Life, and Yuanta Securities. The markets of Group investment are mainly in Taiwan, the US, and Australia.

Method of assessment

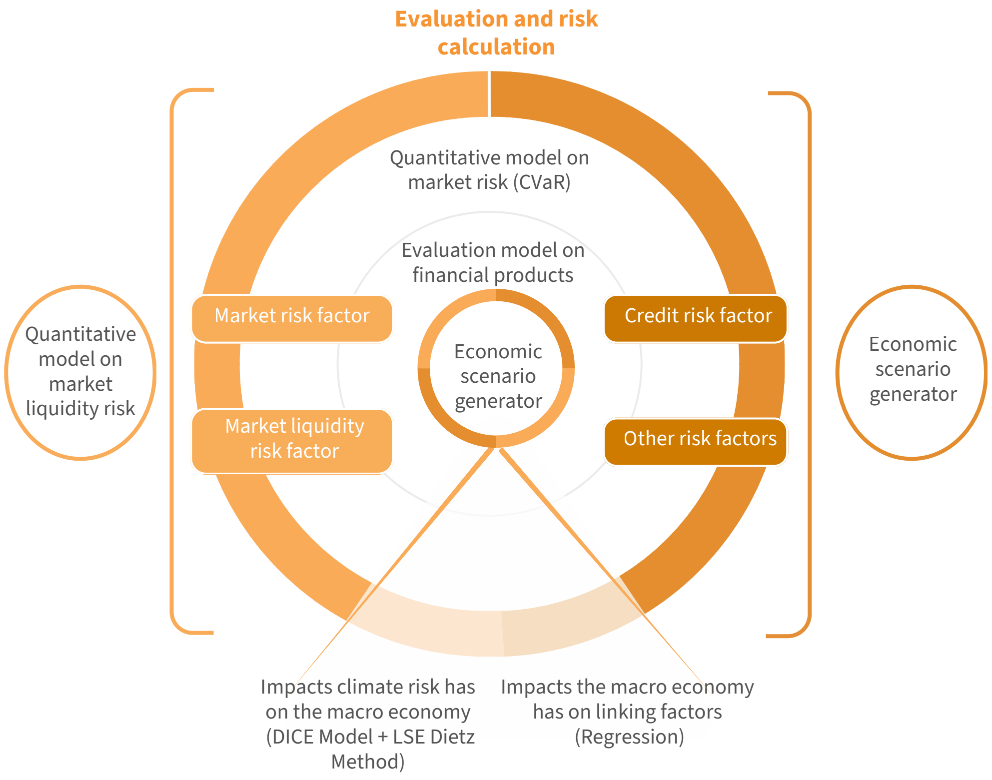
To measure the physical and transition risks caused by climate change, scenario analyses of overall investment positions are based on scenarios provided by the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS). These scenarios serve as benchmarks 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.

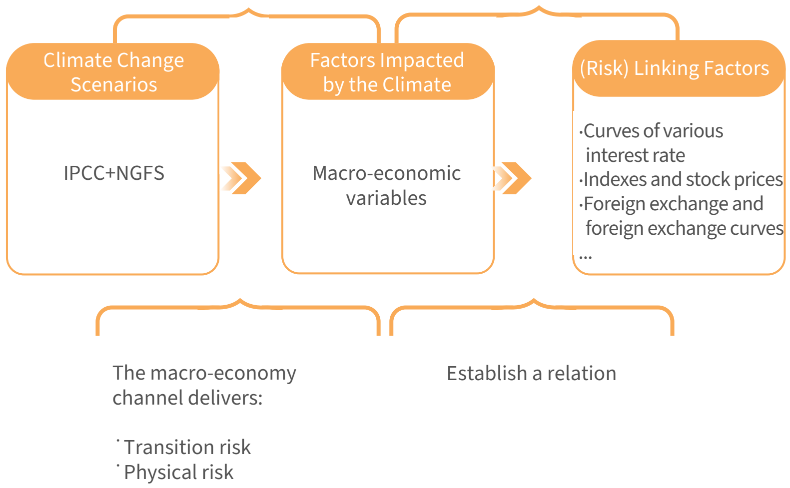
Note: IPCC is an intergovernmental organization affiliated with the UN, responsible for assessing the latest technology and literature related to global climate change. NGFS is composed of central banks and financial regulatory authorities from various countries, established to promote the goals of the 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)[(12)], while transition risks are derived from the NGFS Climate Scenarios Explorer.

01 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℃ 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.

02 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℃ 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.

03 Hot house world

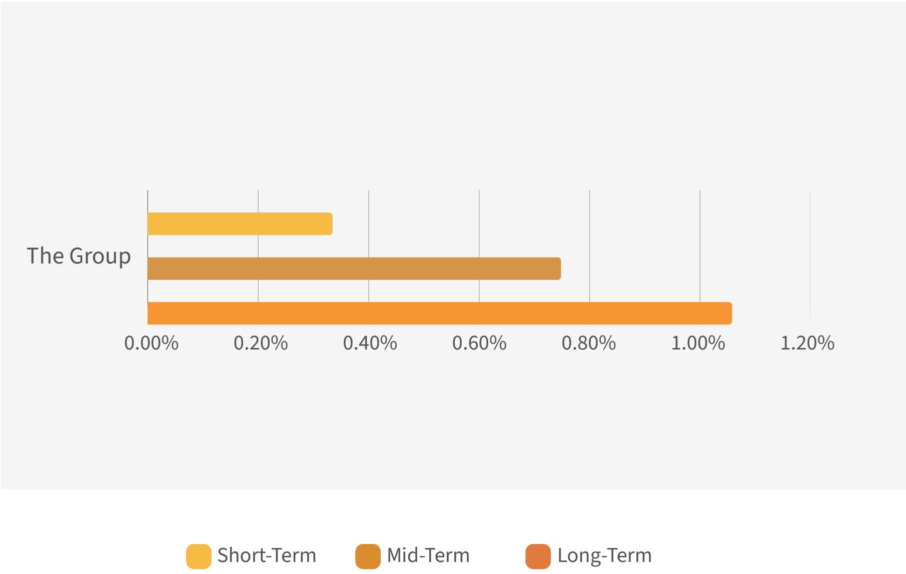
The hot house world scenario is a mix of high physical risks and low transition risks, and is thus represented by the SSP5-RCP8.5, which depicts high GHG emissions. This scenario assumes a 2.4℃ rise in temperature by 2050. The applicable transition risk scenario is the Current Policies scenario. The 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

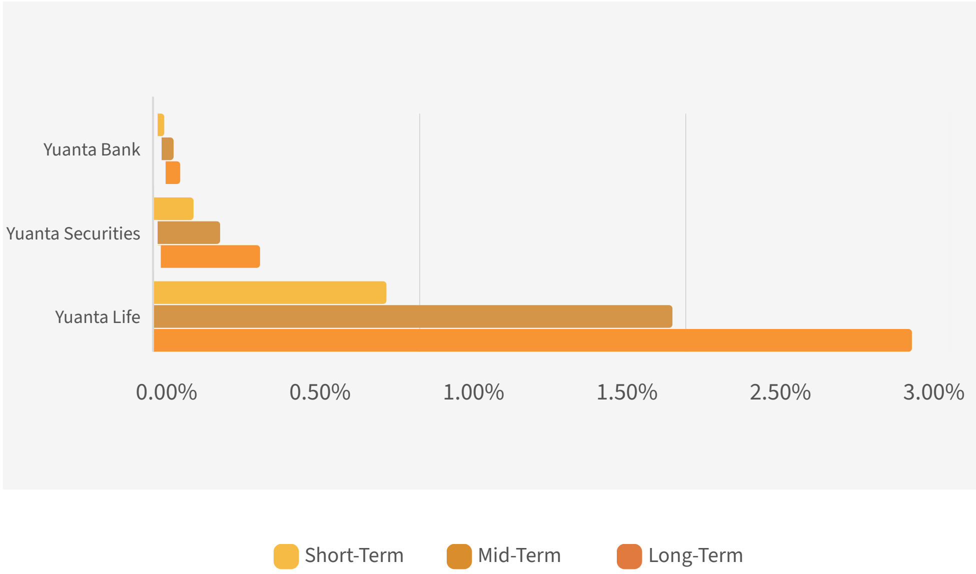


Loss of Market Value /Market Value <The Group>

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 1.06% 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

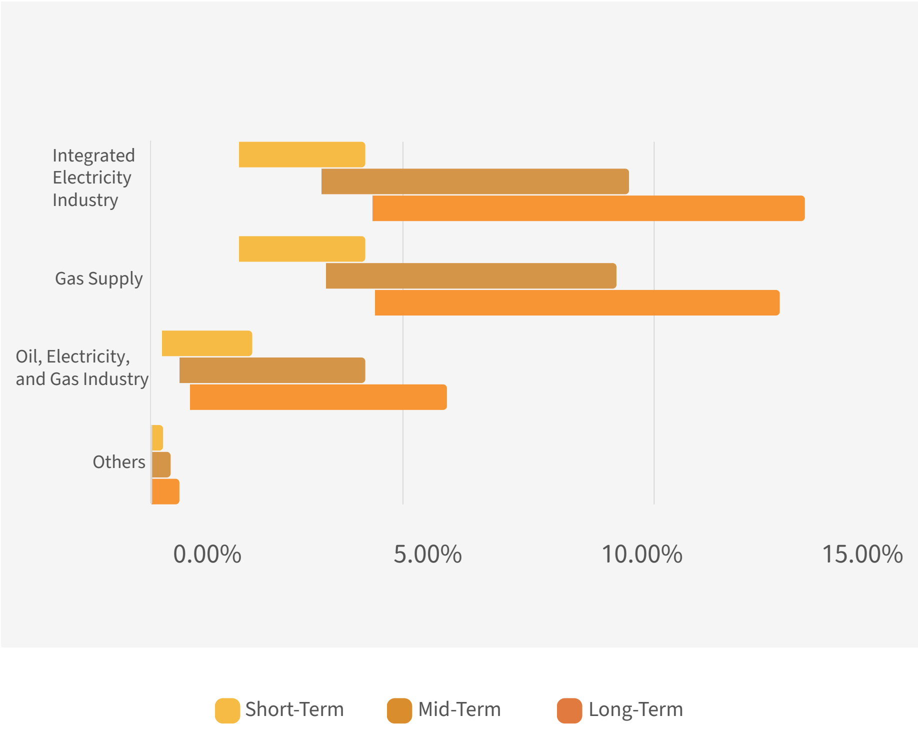


Loss of Market Value /Market Value <The Group's Subsidiaries>

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 2.72% 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 more susceptible to impacts of climate change.

◈ Level of Climate Impact on Investment Positions across Industries



Loss of Market Value /Market Value < Industry Dimension >

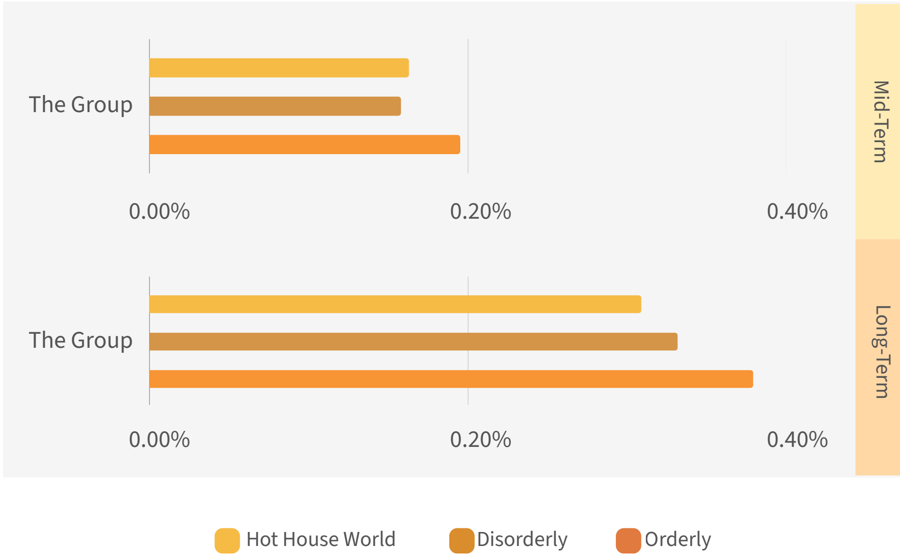
Note: 1. The ratio on horizontal axis is the decrease in market value relative to the variation of reference day market value.
2. Short-term measures 1-year-loss, mid-term measures 5-year-loss, and long-term measures 10-year-loss.
3. The bars in the bar chart represents the possible range of impact under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

Further analysis by industry shows that, among high GHG emission sectors, the Integrated Electricity 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 13.84% 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

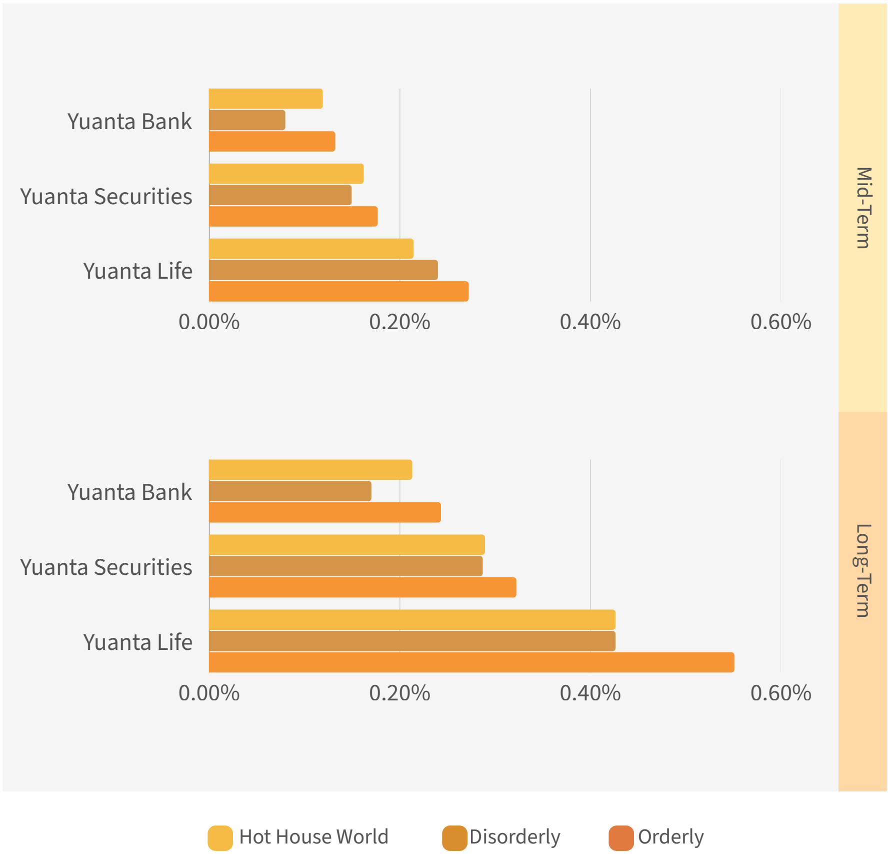


Variation of ECL/Market Value <The Group>

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 0.38% 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

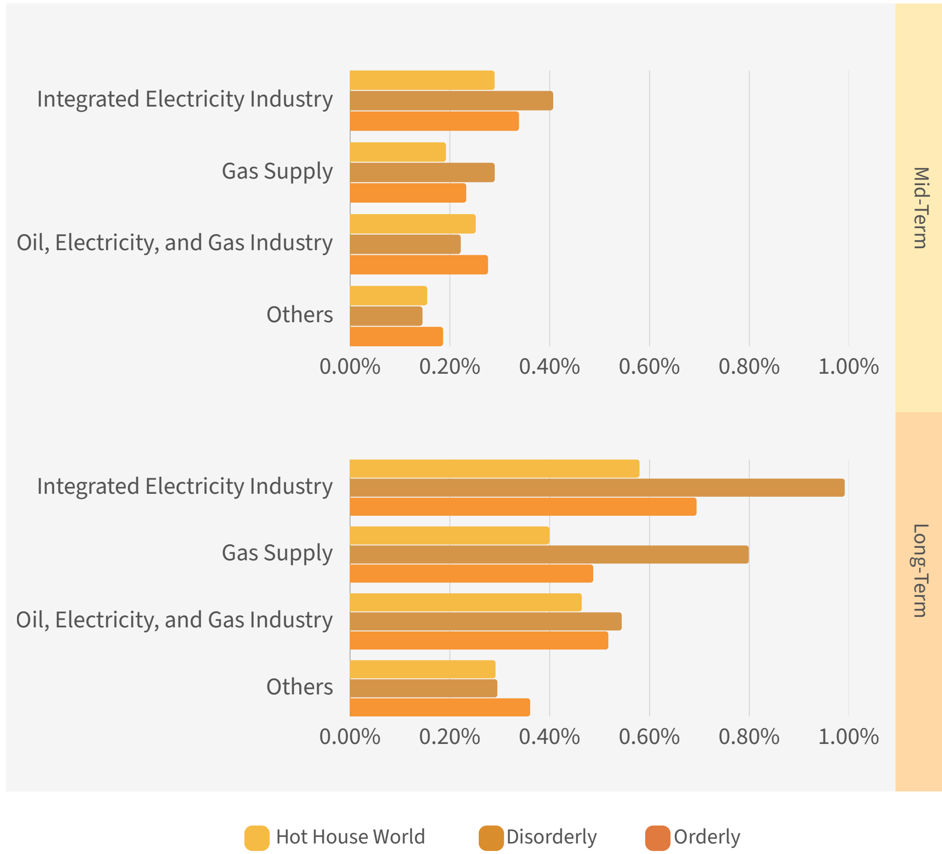


Variation of ECL/Market Value <The Group's Subsidiaries>

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 0.55% 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>

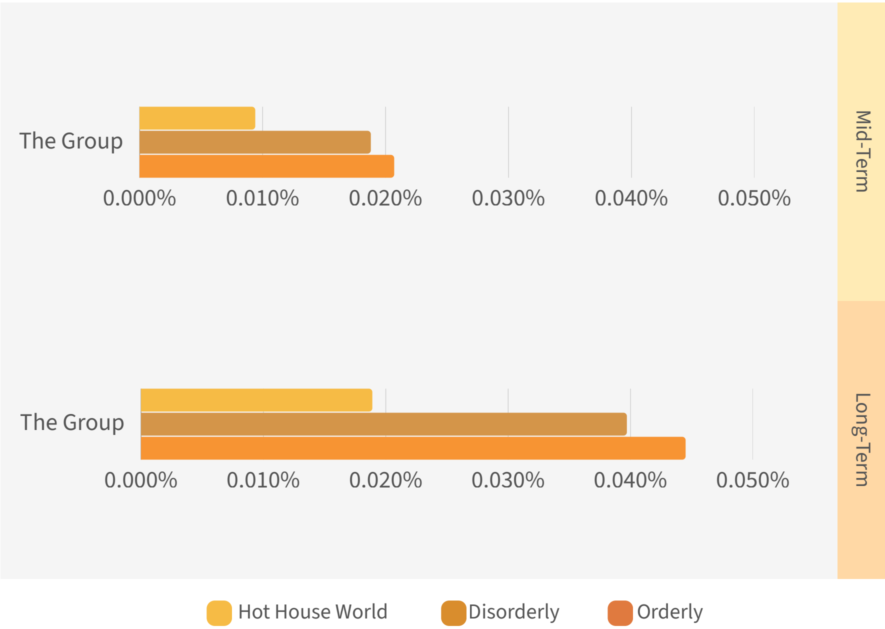
Note: 1. The ratio on horizontal axis is the increase of ECL relative to the variation of reference day market value.
2. Mid-term measures 5-year-loss, and long-term measures 10-year-loss.

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 integrated electricity industry is shown to experience particularly significant impacts, with a long-term increase in expected credit loss of approximately 0.99% 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

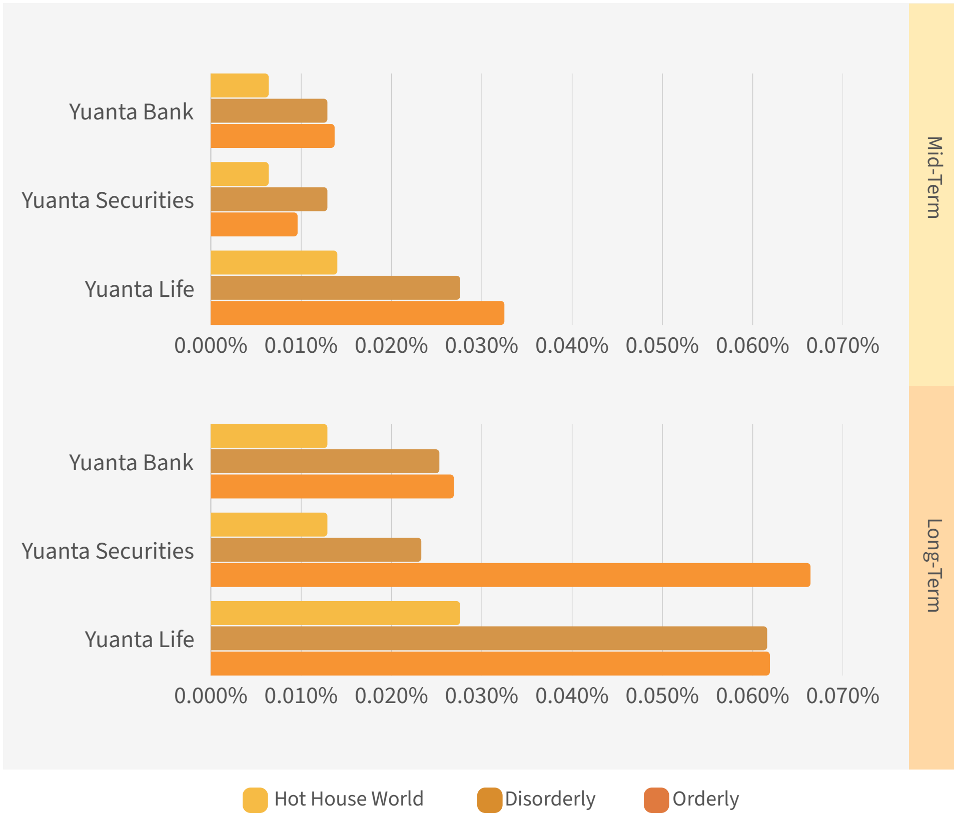


Variation in Potential Loss from Market Liquidity/Market Value <The Group >

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 0.045% 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

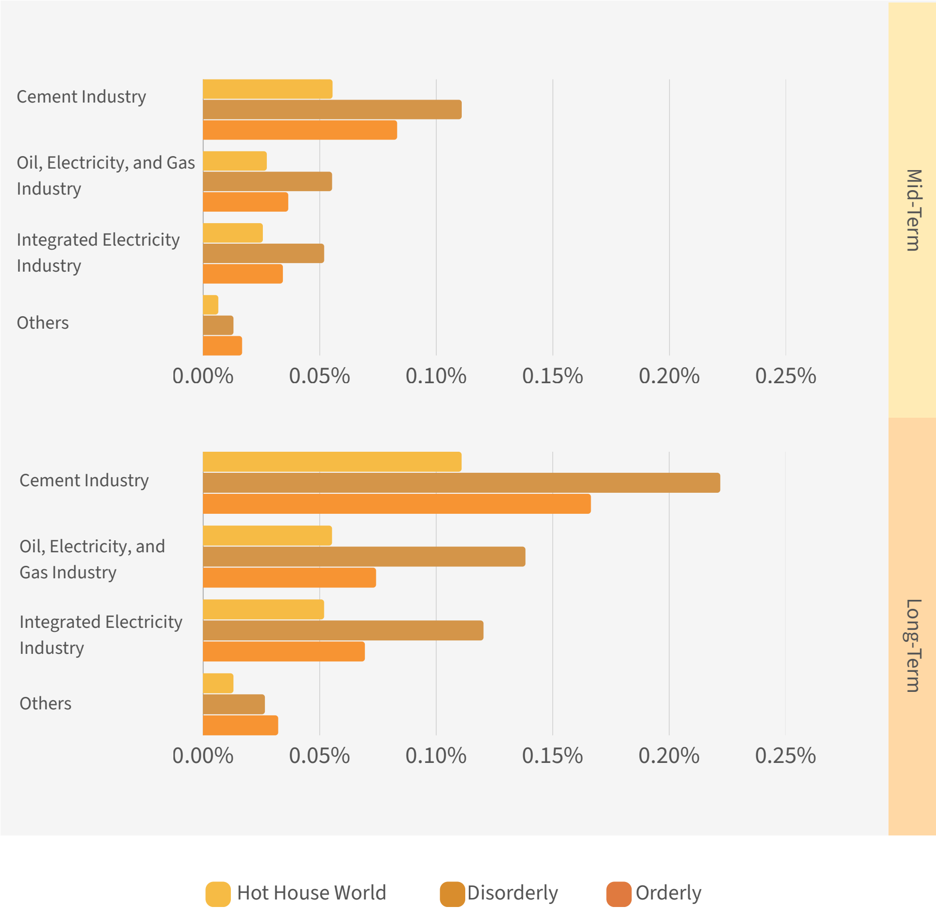


Variation in Potential Loss from Market Liquidity/Market Value <The Group's Subsidiaries >

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 Securities' 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 0.066% of the portfolio's baseline market value. Climate impact may threaten to diminish market liquidity, heightening potential loss from market liquidity. 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 0.22% of the portfolio's baseline market value.

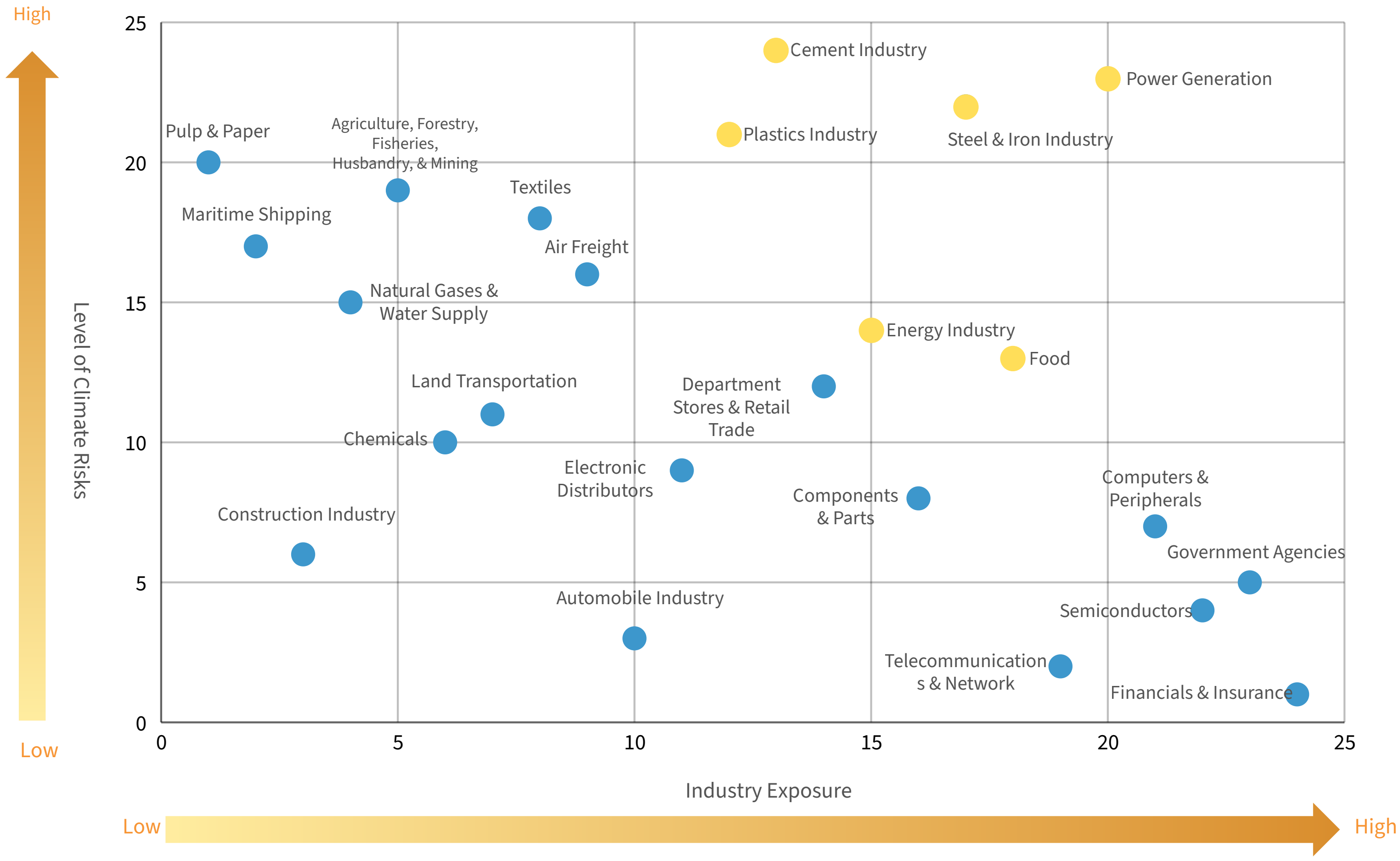
Responding strategy

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 GHG inventory of the Group and results from industry analysis reports by 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 power generation, steel and iron, cement, plastics, energy, and food industry.

◈ Industry-Specific Risk Matrix



Note: 1. Climate risk ratings are determined primarily with reference to the Group's GHG inventory results, and are ranked by GHG emission intensity after being classified according to 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. To integrate Yuanta Group's overall climate change risk management, 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	• Risk of decarbonization policy impacts on investment and financing counterparties • Risk of decarbonization policy impacts on the Group's own operations	Power generation, steel and iron, cement industry, plastics industry, energy industry, and food industry.	Corporate lending position	NGFS Net Zero 2050 (1.5°C)、Well Below 2°C	2030, 2035, 2040, 2045, 2050, 2055	Expected credit loss model
			Equity investment position			Equity valuation model
		The Group	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	Flooding and sea level rise	All	Real estate collateral	Global warming of 2°C and 4°C	2041~2060	(Flooding scenario) Disaster risk model, Expected Loss model
			Supplier operational sites	RCP 2.6, RCP 8.5	2025	
			All operational sites in Taiwan			
Opportunity	Green lending	Steel and iron industry	Heavy electricity users	Regulatory oversight by Ministry of Economic Affairs	2030	Market pricing model

Scenario analysis of transition risks

01 Quantitative assessment of the impact of carbon fees on the corporate banking lending positions

Importance of assessment	In response to government carbon reduction policies, carbon pricing, and industry transition requirements—and given that Taiwan has begun levying carbon fees—borrowers are expected to be affected by carbon fees. To comply with regulatory requirements, borrowers will incur additional costs, which will affect changes in their net worth and increase credit risk (with higher probabilities of default), thereby raising the Group's potential credit losses. Accordingly, it is essential for the Group to effectively estimate changes in the expected credit losses of its borrowers.
Targets of assessment	The six key industries with high climate risks within the Group's corporate banking lending customers at home and abroad.
Method of assessment	Expected credit loss model

◈ 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

(Company RTS carbon emission [Note 1]
− Carbon emission limit in the climate scenario)
× Carbon price estimate in the climate scenario [Note 2]

The difference between a company's RTS carbon emissions and the carbon emission limit in the climate scenario is the "excess emission."

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

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]:
△ PD X LGD X EAD = △ EL
Changes in PD due to the internal credit ratings change, resulting in changes in EL

Notes

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.

Note 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.

Note 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 8.31% 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.

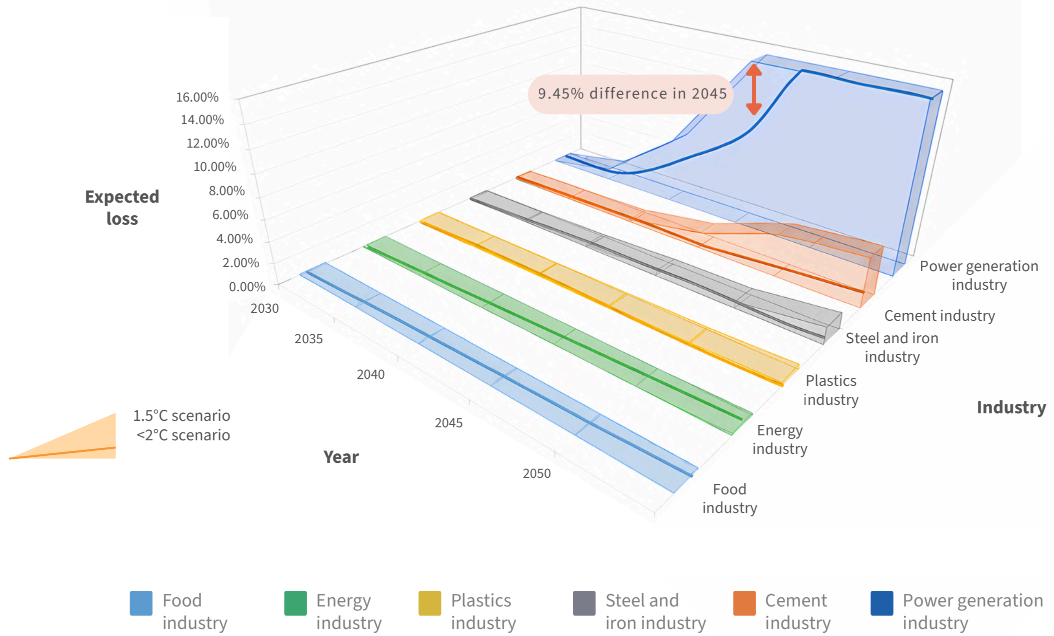
Under the 1.5°C scenario, expected losses could increase by approximately NT$873 million by 2055. The cement and steel industries experience more significant changes in level of impact, with the change in impact level being more significant in the 1.5°C scenario than in the <2°C scenario. Between 2035 and 2045, the power generation 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 power generation industry will only exhibit exponential growth in 2040-2045.

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

One is to observe a specific industry at two points in time. Taking the power generation industry as an example, the difference in the impact curve between the two scenarios in 2035 is 1.17%, and it significantly increases to 9.45% in 2045, which significantly increases the load on the credit risk PD model. Second, for the macro-level, from 2030 through 2055, 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 power generation industry. This was mainly driven by 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 2025) under different climate scenarios.

Responding strategy

Based on the evaluation results, there is no significant difference 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 resources, the Group first targets managing customers 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 customers' capacity to respond to transition risks during credit process, 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[9] to rate project financing loans and manage accordingly and require customers to improve their environmental and social performance. In addition, by actively engaging with customers, the Group expects to prevent the negative financial impact caused by climate change. In the meantime, we employ our power as a financial intermediary to encourage financial service recipients to implement carbon reduction and climate risk management actions, to enhance our customers' resilience to climate risks. The Group will continue to drive low-carbon transition in high-climate-risk industries through our corporate banking customer management mechanism, and help mitigate climate change globally.

Scenario analysis of transition risks

02 Quantitative assessment of the impact of carbon fees on equity investment positions

Importance of assessment	As investees are affected by government carbon reduction policies, carbon pricing, and industry transition requirements—and given that Taiwan has officially begun levying carbon fees—investees are expected to be affected by carbon fees. To comply with regulatory requirements, investees will incur additional costs, which will affect changes in their net worth and result in declines in share prices. Accordingly, it is essential to effectively estimate the expected losses on the Group's overall equity investment positions.
Targets of assessment	The whole Groups' holding of public companies with high climate risks at home and abroad.
Method of assessment	Equity valuation model

◈Equity valuation model

STEP 1 Calculating the additional costs for different time horizons and scenarios

Scenario assumption: Carbon cost companies have to pay without adopting any response measures to regulatory changes

(Company RTS carbon emission [Note 1]
- Carbon emission limit in the climate scenario)
x Carbon price estimate in the climate scenario [Note 2]

The difference between a company's RTS carbon emissions and the carbon emission limit in the climate scenario is the "excess emission."

STEP 2 Changes in net equity due to changes in additional costs

Impact on net equity
= Additional costs or revenue loss x (1-tax rate)

STEP 3 Calculate net equity/ loss ratio in stock price

Impact on net equity/Estimated net equity
= Loss ratio in stock price / Net equity

STEP 4 Calculate the estimated amount of loss for the investment position

Expected loss
= Net equity / Loss ratio in stock price x Position held

Notes

Note 1

The carbon emission growth rate for the industries under the Reference Technology Scenario (RTS) is sourced from the International Energy Agency's (IEA) data. The growth rate factors in key assumptions around technological developments.

Note 2

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) data.

Assessment results

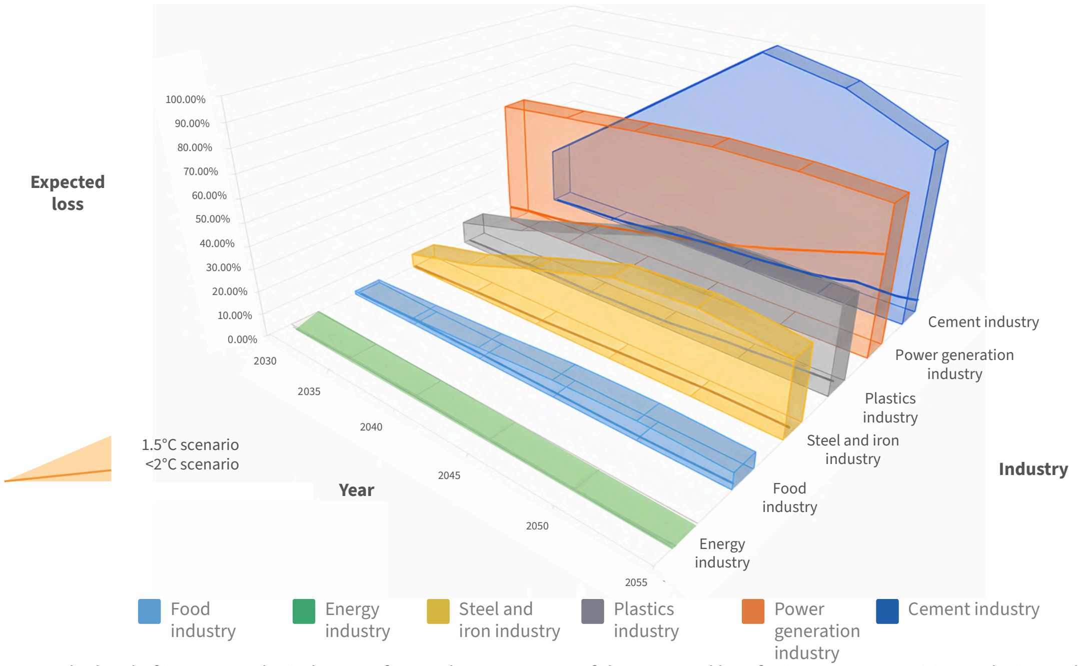
The Group's investment exposure to the six high climate-risk industries accounts for 8.06% of total investments. For this assessment, equity investments were input into the equity valuation model to calculate expected losses from carbon fees under two climate scenarios (1.5°C / <2°C). The results are 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 power generation and cement 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 power generation and cement 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. With improvements in production efficiency and technological advancement, the carbon emissions growth rate of the power generation and cement industries is projected to gradually decline.

CO_2 emissions from the power generation industry have risen rapidly in recent years, with global electricity demand projected to more than double by 2060. Under the <2°C scenario, the power generation industry must achieve net-zero emissions by 2060. To meet this target, coal-fired power plants must be retired ahead of the end of their technical lifespans, the share of renewable energy in electricity generation must increase to over 38%, large-scale grid expansion and upgrades must be undertaken, and the deployment of energy storage systems must be accelerated. Under the 1.5°C scenario, the power generation industry must adopt a more aggressive and accelerated investment trajectory toward decarbonization. For the cement industry, decarbonization in the initial stage will be achieved by expanding the use of low-carbon fuels and avoiding investment in new capacity using low-efficiency processes to reduce carbon emissions. In the long term, investment in low-carbon innovative manufacturing processes will be critical. To achieve emission reduction targets, some capacity will need to be retired or retrofitted before the end of its useful life.

Assuming the government imposes carbon fees on the six high-climate-risk industries, and based on the Group's current equity investment positions in these industries, simulations indicate that by 2030, expected losses under the <2°C scenario would be approximately NT$60 million, while expected losses under the 1.5°C scenario would increase to approximately NT$534 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 for investment positions relative to the amount of risk exposure on the reference date (the end of December 2025) 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 and Information Security 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 Depart will assess the level of exposure such risk has, and report a detail statement of the reason and solutions to the Chairperson of the Board 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, we expect to use the power of the financial market to promote low-carbon transformation for customers, and then contribute to Taiwan's net-zero goals and to global climate change mitigation.

Scenario analysis of transition risks

03 Quantitative assessment 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

◈ Expected green energy cost scenario analysis

STEP 1 **Setting the scenarios of using green energy under different time horizons**

Scenario assumption

- The Group's SBT: With 2020 as the year of reference, the absolute emissions by 2030 is expected to reduce 42%.
- The national goal of 2050 Net-Zero: All locations are expected to use green energy.

STEP 2 **Description of the parameters for calculation**

- The power emissions factor uses the electricity carbon emission factor in 2024 published by the Bureau of Energy, MOEA as its calculation basis.
- Through the ISO 14064-1 greenhouse gas inventory, the Group learned that 90% of its carbon emissions come from purchased electricity in Category 2.

STEP 3 **Estimation of the expected cost of future green energy purchasing**

Expected operational cost
= Power usage of Category 2 X Green energy expected cost
for each unit

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 2025, these costs have reached 26.45 million NT dollars, accounting for 0.02% of operating costs. By 2030, the cost will reach NT$52.9 million, and by 2050 it will reach NT$113 million.

Responding strategy

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

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 introducing an internal carbon pricing management mechanism, implementing the ISO 50001—Energy management system, replacing high energy-consuming equipment, and using intelligent energy-saving systems. We will decrease the consumption of purchased electricity and implement low-carbon operations to lower the impact on the environment.
2. The Group actively plans the proportion of renewable energy usage in 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 resilience in compliance with regulatory requirements.

Physical risk scenario analysis

04 Quantitative assessment of the impact of floods on real estate collateral, all operating sites in Taiwan, and suppliers

Importance of assessment	In recent years, extreme weather has given rise to risks of torrential rainfall–induced flooding and rising sea levels, which may damage operational sites and real estate collateral, increase insurance costs, and reduce the value of real estate collateral and the Group's own real estate, thereby affecting the Group's financial performance. Accordingly, with reference to flood potential maps for townships and districts across Taiwan under the global warming scenarios of 2°C and 4°C, published by the National Science and Technology Center for Disaster Reduction on the Climate Change Disaster Risk Adaptation Platform, the Group has conducted scenario analysis on physical risks related to flood potential. The Group has analyzed the expected loss ratio of real estate collateral located in high flood-risk areas (Level 5) to better understand the potential impact of intensifying climate change on the Group's business and asset values.
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.

Disaster risk model and expected loss model.

STEP 1

Select targets for analysis

- Geographical location of real estate collateral and outstanding balance
- Geographical locations of operating sites and value of proprietary real estate

STEP 2

Map overlay analysis

- Map overlay analysis
  - Reference: Information on typhoon and flood disasters published by the National Science and Technology Center for Disaster Reduction and potential disastrous environmental evaluation
  - Understand the locations of real estate collaterals and operational sites situated in areas with high flood risks

STEP 3

Impact analysis

Calculate the impact under a flood scenario

- Outstanding balance affected/Total outstanding balance*100%
- Number of operational sites affected/Total number of operating sites*100%

STEP 4

Setting of expected loss rate of real estate collaterals

- Average expected loss rate of real estate collaterals without considering climate scenarios
- Expected loss rate of real estate collaterals at high flood risk level

STEP 5

Calculation of expected loss rate of real estate collaterals with high flood risk level

Calculate the expected loss amount based on the increased value of the loss rate and the exposure amount of real estate collaterals with a high flood risk level

Expected loss rate = Expected loss amount / Total exposure x 100%

Assessment results

1. Under Global warming of 2°C scenario, about 0.89% of real estate collaterals are located in areas with high flood risks, accounting for about 2.12% of the total real estate loan amount. The expected loss rate is 0.18% and expected losses may increase by NT$1,550 million, which is still within the controllable range. Additionally, under RCP2.6 scenario, about 0.72% of operating sites across Taiwan and proprietary real estate and all suppliers are not located in high flood risk areas.

2. Under Global warming of 4°C scenario, about 9.28% of real estate collaterals are located in areas with high flood risks, 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. Additionally, under RCP8.5 scenario, 7.21% of operating sites in Taiwan are located in areas with high flood risks, mainly in the southern regions. About 3.59% of suppliers' operating sites are located in areas with high flood risks.

Responding strategy

Based on the assessment results, the Group's climate change business model and corresponding management measures are as follows:

1. The Group has established sound 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," "Crisis Management Policy and Procedures Rules," etc. We can handle and deal with any disasters that occur in the short term.

2. The Group commits to continuously improve energy efficiency and reduce greenhouse gas emissions, and 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, we will 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 to ultimately decrease 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.

Opportunity scenario analysis

05 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 assessment	Market valuation method

Market valuation method

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 funding

- 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 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

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 4 Estimate the additional interest income

Additional interest income
=The Group's market share X Interest rate

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$5.12 billion. After analyzing the market share the Group can realize, it is estimated that this opportunity will bring NT$11.08 million of interest income. This accounts for 0.03% of Yuanta Bank's total discount and loan interest income in 2025.

Responding strategy

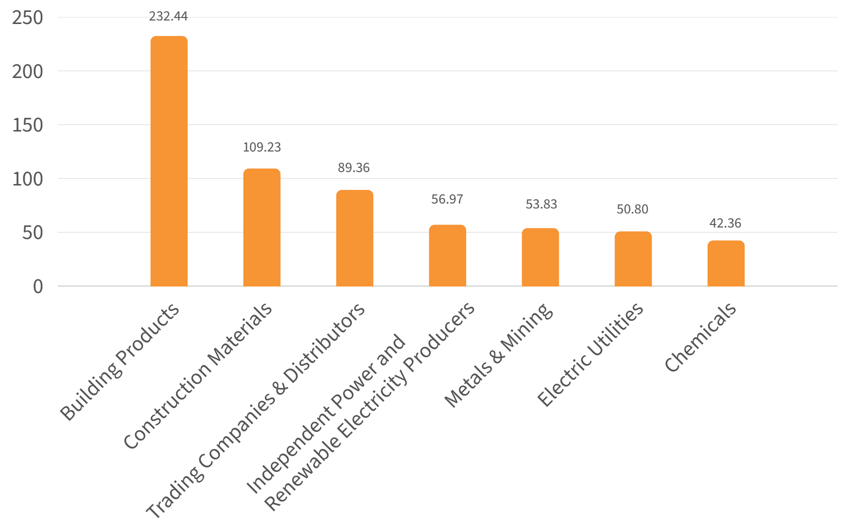
Yuanta Bank issued sustainability bonds on March 21, 2022, June 27, 2024, and March 31, 2025, to support green investment projects, such as the development of renewable energy and energy technology, energy efficiency improvement and energy conservation, greenhouse gas reduction, waste recycling, pollution prevention and control or circular economy, etc., to aid and fund key industries with sustainable initiatives, assist the energy transformation of the customers, and help the growth of sustainable industries with real actions.

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 identified and 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 listed equity and corporate bond investment portfolios identified the top seven high-emission sectors as Building Products, Construction Materials, Trading Companies & Distributors, Independent Power and Renewable Electricity Producers, Metals & Mining, Electric Utilities, and Chemicals. For commercial loan portfolios within financing activities, the top seven high-emission sectors are Independent Power and Renewable Electricity Producers, Construction Materials, Oil, Gas & Consumable Fuels, Food Products, Paper & Forest Products, Metals & Mining, and Energy Equipment & Services. The combined financed emissions from the above-mentioned investment and loan portfolios amounted to approximately 6.4042 million metric tons of GHG emissions. The Group conducts separate GHG emissions analyses for investees and borrowers in high-emission sectors, distinguishing between investments and loans. These analyses support the decarbonization strategies and action plans, and guide dynamic portfolio rebalancing. In parallel, the Group continuously advancing 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 to drive low-carbon transformation.

◈ 2025 Carbon Intensity of Investment Portfolios in Carbon-Intensive Sectors: Listed Equity and Corporate Bonds

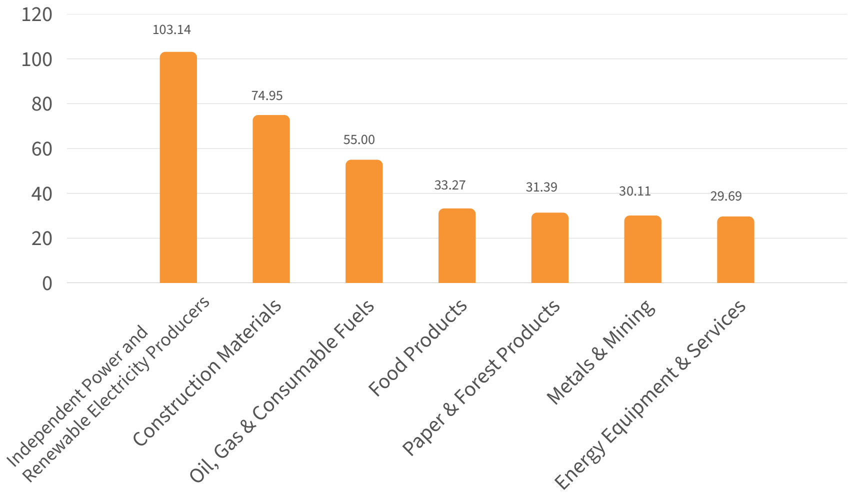
Carbon-Intensive Sectors



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 Partnership for Carbon Accounting Financials (PCAF) methodology recommended by the TCFD guidelines. Formula: Financed emissions of investment/financing portfolio in each industry undertaken by the Company (tCO_2e) / the Company's exposure in each industry (NT$ million) = Carbon intensity of investment/financing portfolio in each industry (tCO_2e / NT$ million).

GICS	Category 1 GHG Emissions (tCO_2e)	Category 2 GHG Emissions (tCO_2e)	Category 3 GHG Emissions (tCO_2e)	Overall GHG Emissions (tCO_2e)	Exposure at Risk Ratio (Exposure at Risk / Total Exposure at Risk)
Building Products	447.00	327.91	427,866.66	428,641.57	0.42%
Construction Materials	1,183,907.49	49,871.80	557,204.60	1,790,983.89	3.70%
Trading Companies & Distributors	11,009.29	1,667.72	739,590.36	752,267.37	1.90%
Independent Power and Renewable Electricity Producers	12,948.51	67.05	3,829.25	16,844.81	0.07%
Metals & Mining	259,017.09	24,085.92	146,526.90	429,629.91	1.80%
Electric Utilities	150,814.23	3,939.11	180,008.62	334,761.96	1.49%
Chemicals	108,532.50	72,251.97	226,031.34	406,815.80	2.17%
Top Seven Overall Data	1,726,676.12	152,211.48	2,281,057.71	4,159,945.31	11.54%

2025 Carbon Intensity of Financing Portfolios in Carbon-Intensive Sectors



Note:1. Industry classification is based on the latest 2023 version of the Global Industry Classification Standard (GICS).
2. Commercial loans include long-term and short-term loans to listed and private companies.
3. The carbon intensity of investment/financing portfolio by industry is calculated based on the Partnership for Carbon Accounting Financials (PCAF) methodology recommended by the TCFD guidelines. Formula: Financed emissions of investment/financing portfolio in each industry undertaken by the Company (tCO_2e) / the Company's exposure in each industry (NT$ million) = Carbon intensity of investment/financing portfolio in each industry (tCO_2e / NT$ million).

GICS	Category 1 GHG Emissions (tCO_2e)	Category 2 GHG Emissions (tCO_2e)	Category 3 GHG Emissions (tCO_2e)	Overall GHG Emissions (tCO_2e)	Percentage (Loan Amount/ Total Loan Amount)
Independent Power and Renewable Electricity Producers	172,422.20	278.93	4.17	172,705.31	0.29%
Construction Materials	154,336.48	8,447.51	69,521.14	232,305.13	0.53%
Oil, Gas & Consumable Fuels	17,862.65	298.51	9,454.74	27,615.89	0.09%
Food Products	318,810.89	106,614.51	220,119.64	645,545.04	3.31%
Paper & Forest Products	105,682.54	15,649.94	46,832.39	168,164.87	0.91%
Metals & Mining	383,377.69	54,656.69	300,913.52	738,947.90	4.18%
Energy Equipment & Services	203,340.09	16,962.38	38,671.76	258,974.23	1.49%
Top Seven Overall Data	1,355,832.54	202.908.46	685,517.38	2,244,258.37	10.79%

05

Nature-Related Financial Disclosures

5.1 Evaluation of Nature-Related Dependencies & Impacts, and Analysis for Nature-Sensitive Areas
5.2 Identification and Management of Nature-related Risks & Opportunities
5.3 Conservation of Natural Environments & Biodiversity

According to a 2026 report released by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), biodiversity loss is emerging as a systemic risk. An estimated USD 7.3 trillion in annual financial flows continue to drive nature loss, posing significant impacts on global economic development. As a leading international sustainability benchmark institution, Yuanta Financial Holding recognized this trend and became an early signatories of the Taskforce on Nature-related Financial Disclosures (TNFD) in 2024, joining the inaugural cohort of TNFD Early Adopters and the Partnership for Biodiversity Accounting Financials (PBAF). The Company has also adopted the TNFD analytical framework to strengthen its governance and management of nature and biodiversity-related issues, proactively identifying and assessing its nature-related dependencies, impacts, risks, and opportunities, and integrating natural capital considerations into its operations and investment and financing decision-making processes. Since 2024, the Company has regularly published reports disclosing the dependencies and impacts of its operations and investment and financing portfolio on natural ecosystems, thereby actively responding to the growing expectations of international markets regarding financial institutions' accountability for natural capital governance.

Yuanta Financial Holdings follows the LEAP methodology (Locate, Evaluate, Assess, and Prepare) recommended by the TNFD as its core analytical framework for identifying, evaluating, and managing nature-related dependencies, impacts, risks, and opportunities. Through these four phases, the Company reviews the connections between its operating activities and natural capital, while strengthening operational resilience and sustainable management capabilities. During the year, the Company further expanded the scope of its nature-related analysis. The nature-sensitive area site analysis was extended beyond existing operating sites to cover the investment and financing portfolio. Deforestation has been identified as a key nature-related risk under international sustainability frameworks and financial initiatives such as the TNFD and SBTi, which recommended it as a disclosure indicator. Consequently, the Group incorporated deforestation risk into the scope of its nature-related impact analysis for investment activities to enhance its capacity to identify, access and manage material nature-related issues. Through the application of the LEAP approach, the Group has gained a clearer understanding of the distribution of nature-related dependencies, impacts, risks, and opportunities, providing an important foundation for subsequent risk prioritization, refinement of management mechanisms, and information disclosure.

LEAP Approach Results and Response Strategies

Locate	Evaluate	Assess	Prepare
• Conduct an overlay analysis of biodiversity hotspots across Yuanta Financial Holdings' operating sites on Taiwan's main island • Select high-nature-dependency and high-impact sectors within the investment and financing portfolio—including equities, corporate bonds, commercial loans, and commercial real estate loans—to perform spatial overlay analysis with water stress and biodiversity hotspots.	• Analyze the investment and financing portfolio to assess the double materiality of sector-specific dependencies and impacts on nature, measuring the degrees of influence across ecosystem services and impact drivers; develop a full-value-chain nature dependency and impact heatmap to evaluate the exposure of own operations, the portfolio, and key suppliers to natural capital. • Identify and compile statistics on investment and financing targets within the 18 nature-sensitive sectors prioritized by the TNFD for the financial sector. • Identify deforestation risks within its investment portfolio.	• Identify potential risks and opportunities arising from nature-related dependencies and impacts and evaluate the potential financial implications on the Group's operations and investment and financing portfolio.	• Formulate nature-related policies, strengthen risk management processes, and enhance internal training and assessment capabilities • Launch the "Yuanta 188 Sustainability Relay Program" to safeguard biodiversity.

5.1 Evaluation of Nature-Related Dependencies & Impacts, and Analysis for Nature-Sensitive Areas

Analysis Process Overview

During the year, the Group deepened its nature-related management. Adhering to the TNFD's LEAP methodology and leverage the ENCORE (14)database, the Group identify priority industries with relatively high dependencies on and impacts on natural capital from a full-value-chain perspective, encompassing its own operations, investment and financing portfolio, and key suppliers. For these highly sensitive industries, the Group further implemented spatial overlay analysis of water stress and biodiversity-sensitive areas to gauge the intensity of environmental impacts at specific geographic sites. Consequently, in response to international sustainability initiatives, the Group incorporated "deforestation risk" into its nature-related impact assessment of investment and financing portfolio. Through this systematic site-based and spatial sensitivity analysis, the Group has achieved a comprehensive understanding of the distribution of nature-related risks and opportunities across its asset portfolio, providing a solid foundation for subsequent refinement of investment and financing management mechanisms and high-quality disclosure.

Evaluation of Nature-Related Dependencies & Impacts

The Group referred to the ENCORE database (14) [Note1] to conduct a systematic analysis of nature-related dependencies and impacts. Following a value-chain perspective, the analysis covered investment and financing portfolio, operations sites, and key suppliers, in order to assess the Group's interactions with natural capital.

In terms of investment and financing portfolio analysis, in 2025 the Group adopted the principle of "double materiality" — covering both financial materiality and materiality of nature-related dependencies and impacts — to analyze positions including equities and corporate bonds, commercial loans, and commercial real estate loans. Based on the GICS industry sector classification [Note2], the results showed that Information Technology, Financials, and Materials were the top three sectors with relatively higher dependencies and impacts on the natural environment.

According to ENCORE(14) definitions, the top three ecosystem service drivers on which the Group depends are Flood Control, Water Flow Regulation, and Water Supply. The top three ecosystem impact divers are Emissions of Toxic Soil and Water Pollutants, Disturbances (e.g., noise and light), and Emissions of GHG (Greenhouse Gas Emissions), reflecting a trends similar to 2024.
In addition, referencing to the TNFD Additional Guidance for Financial Institutions v2.0(15), the Group's analysis indicates that 38.69% of the investment and financing portfolios within the assessment scope fall under nature-sensitive sectors, representing a year-on-year decrease of 1.08%.

To ensure a comprehensive full-value-chain analysis, the Group also assessed the dependencies and impacts of its own operations and supply chain on natural capita. For own operations, the ecosystem service driver with the highest dependency is Local (Micro and Meso) Climate Regulation, while the primary impact drivers are Emissions of Toxic Soil and Water Pollutants, Disturbances (e.g., noise and light), and Area of Land Use.

For key suppliers, the ecosystem service driver with the highest dependency is Storm Mitigation, where the predominant impact driver is Disturbances (e.g., noise and light).
Looking ahead, the Group will continue to deepen its assessment of nature-related dependencies and impacts. By exploring the interrelationships between ecosystem service drivers, impact drivers, and exposed sectors, the Group aims to further refine its decision-making and management mechanisms.

Note: 1. ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) (14)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 (14) 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 (14) database, this year's analysis adopts the GICS version effective from 2018 to 2023.

◈ Group's Heat Map of Dependencies & Impacts of Own Operation ,Key Suppliers , and Financial Assets on Nature

Dependency

GICS Sectors	Other provisioning services - Animal-based energy	Biomass provisioning	Solid waste remediation	Soil and sediment retention	Water purification	Soil quality regulation	Other regulating and maintenance service - Dilution by atmosphere and ecosystems	Biological control	Air Filtration	Flood control	Genetic material	Global climate regulation	Water supply	Nursery population and habitat maintenance	Noise attenuation	Other regulating and maintenance service - Mediation of sensory impacts (other than noise)	Local (micro and meso) climate regulation	Pollination	Storm mitigation	Water flow regulation	Rainfall pattern regulation	Recreation related services	Visual amenity services	Education, scientific and research services	Spiritual, artistic and symbolic services	Investment and financing portfolio
❶ Own Operations																										/
❷ Key suppliers																										100%
• Communication Services																										3.97%
• Consumer Discretionary																										19.76%
• Consumer Staples																										0.32%
• Financials																										0.94%
• Industrials																										17.81%
• Information Technology																										56.82%
• Materials																										0.39%
❸ Investment and financing portfolio																										100%
• Communication Services																										3.05%
• Consumer Discretionary																										4.87%
• Consumer Staples																										4.57%
• Energy																										2.65%
• Financials																										34.74%
• Health Care																										2.75%
• Industrials																										6.40%
• Information Technology																										18.90%
• Materials																										8.32%
• Real Estate																										11.50%
• Utilities																										2.25%

Low High   Low High   Low High

Impact

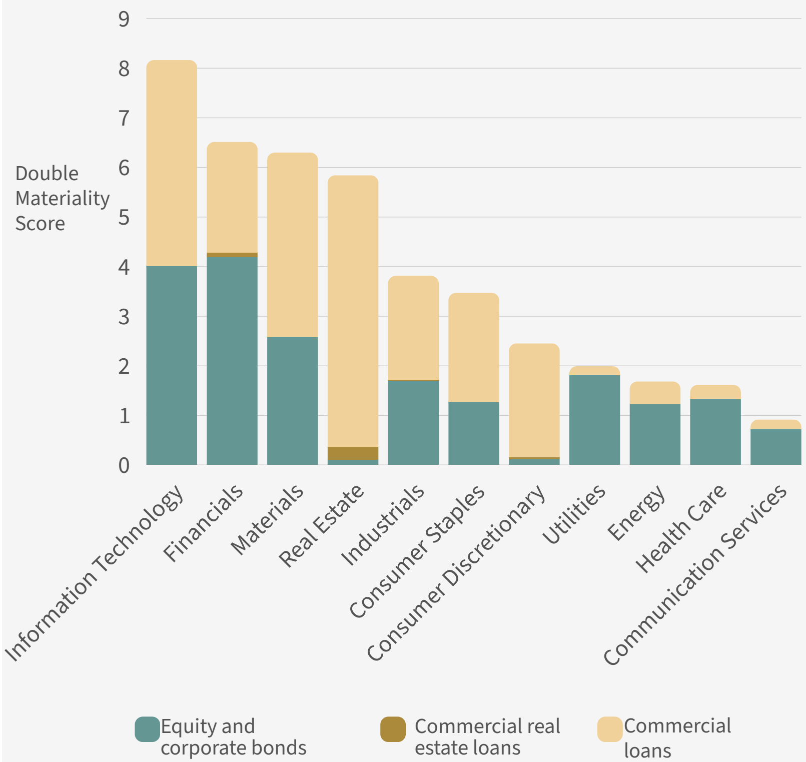
GICS Sectors	Disturbances (e.g noise, light)	Area of freshwater use	Emissions of GHG	Area of seabed use	Emissions of non-GHG air pollutants	Other biotic resource extraction (e.g. fish, timber)	Other abiotic resource extraction	Emissions of toxic soil and water pollutants	Emissions of nutrient soil and water pollutants	Generation and release of solid waste	Area of land use	Volume of water use	Introduction of invasive species	Investment and financing portfolio
❶ Own Operations														/
❷ Key suppliers														100%
• Communication Services														3.97%
• Consumer Discretionary														19.76%
• Consumer Staples														0.32%
• Financials														0.94%
• Industrials														17.81%
• Information Technology														56.82%
• Materials														0.39%
❸ Investment and financing portfolio														100%
• Communication Services														3.05%
• Consumer Discretionary														4.87%
• Consumer Staples														4.57%
• Energy														2.65%
• Financials														34.74%
• Health Care														2.75%
• Industrials														6.40%
• Information Technology														18.90%
• Materials														8.32%
• Real Estate														11.50%
• Utilities														2.25%

Low High Low High Low High

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

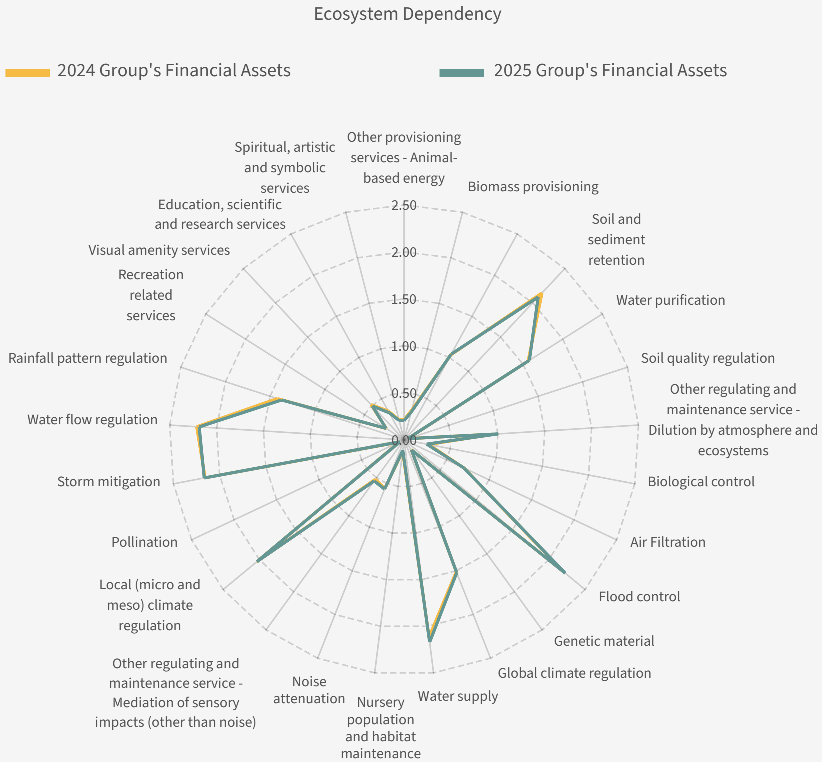
2. The Group defines key suppliers as suppliers whose transaction amounts in the preceding year reached or exceeded a specified threshold and with whom at least one transaction was conducted.

◈ 2025 Ecosystem Dependency: Group's Financial Assets



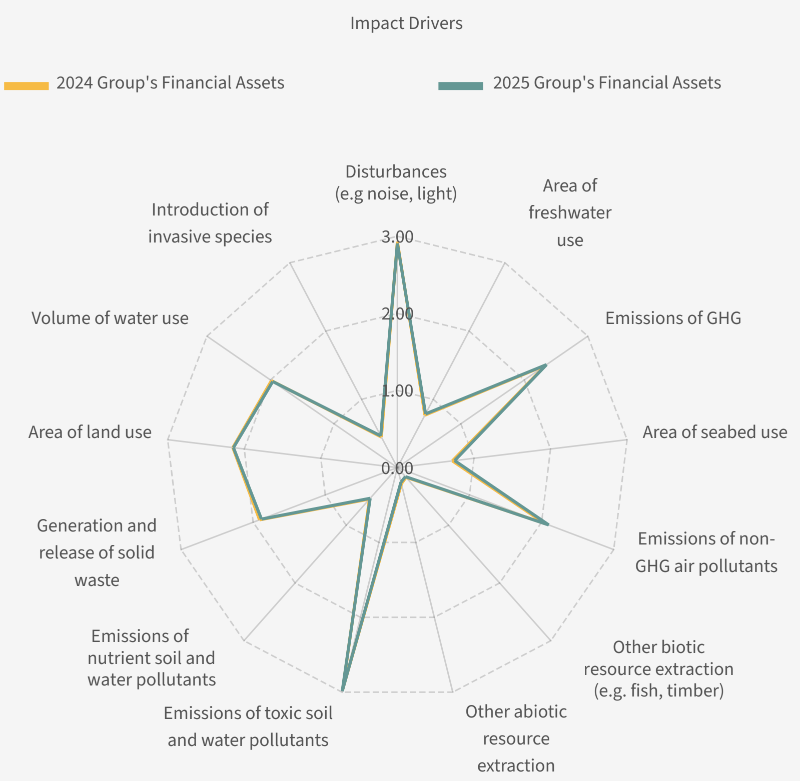
Note: 1. Utilizes the sectors classified under the GICS (Global Industry Classification Standard), which consists of 11 sectors identified by two-digit codes.
2. The qualitative ratings provided by ENCORE[14] for both dependency and impact levels have been converted into quantitative scores for assessment. 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.

◈ 2025 Ecosystem Dependency: Group's Financial Assets



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[14] 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.

◈ 2025 Impact Drivers: Group's Financial Assetss



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 [14] 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.

◈ 2025 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	8.32%
Real Estate	6.74%
Information Technology	5.82%
Consumer Staples	4.57%
Industrials	3.54%
Energy	2.65%
Consumer Discretionary	2.65%
Utilities	2.25%
Health Care	2.14%
Subtotal: Priority Sectors on Nature	38.69%
Subtotal: Other Sectors	61.31%

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.

Analysis for Nature-Sensitive Areas

In accordance with the Locate phase of the "LEAP" methodology, Yuanta Financial Holdings expanded the spatial scope of its nature-related sensitivity analysis during the year. In addition to its own operating sites across Taiwan, the operating sites of investment and financing targets were incorporated into the spatial overlay analysis of nature-sensitive areas.

Regarding investment and financing portfolio analysis, based on the ENCORE [14] analysis results described above, the Group identified the "Materials" sector as having the highest proportion among its nature-related sensitive industries. Accordingly, the Group further analyzed the sector's "biodiversity impacts," "water supply and demand pressure," and "water quality pollution impact" to identify high-sensitivity sites that may involve water stress, ecological conservation constraints, or environmental management requirements, serving as a foundation for subsequent nature-related risk and opportunity assessment. As of the end of 2025, the Group's domestic investment and financing portfolio included a total of 183 enterprises within the "Materials" sector. The Group further compiled the data on their production-related operating sites (i.e., factories) of these targets for inclusion in the analysis [Note].

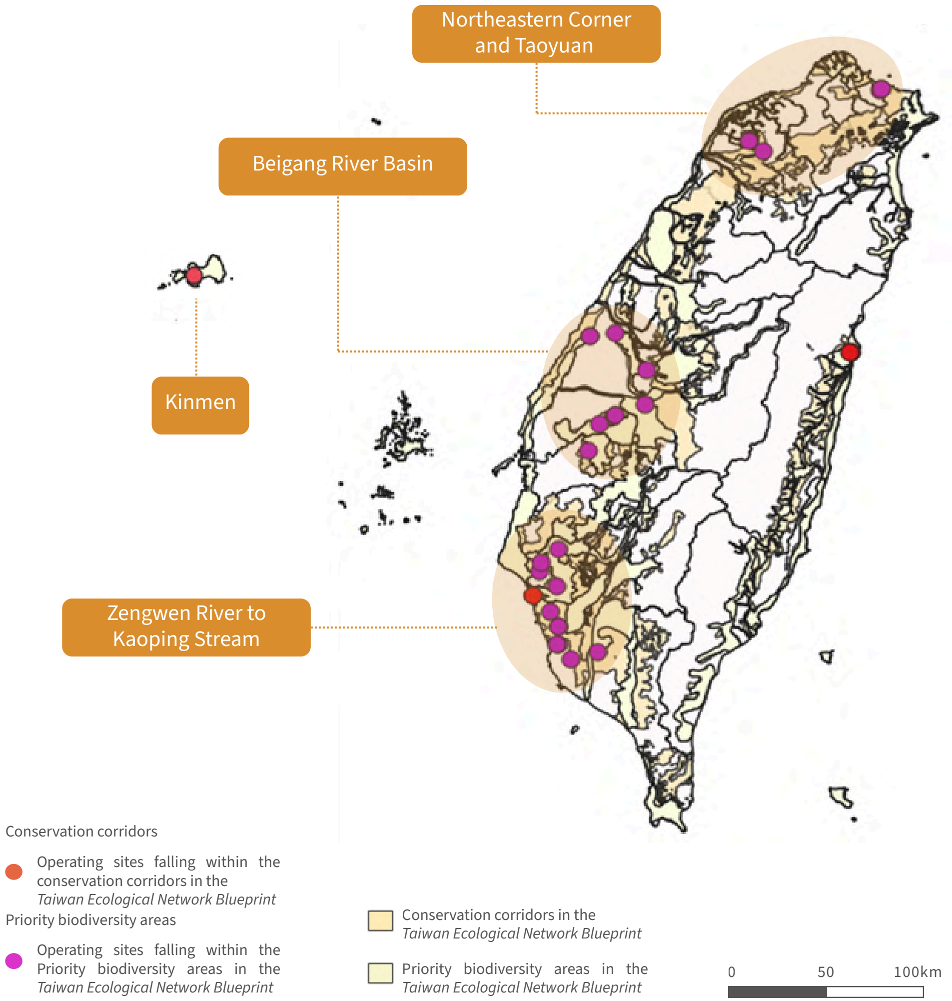
◈ Biodiversity

Yuanta Financial Holdings utilized the regional conservation corridors and priority biodiversity areas defined under the Forestry and Nature Conservation Agency, Ministry of Agriculture's Taiwan Ecological Network Blueprint[16] as its analytical foundation. In addition, five categories of statutory protected areas-Nature Reserves, Forest Reserve, Taiwan Ecological Reserves, Wildlife Refuges, and Major Wildlife Habitats — were included in the scope of analysis. The Company conducted a spatial overlay analysis within its own operating sites and the production sites within its investment and financing portfolio to examine spatial overlaps with areas of high nature-related sensitivity, serving as a reference basis for subsequent risk identification and management assessment.

Note: Data on operating factories was compiled from publicly available sources, including corporate websites, annual reports, and government open data platforms.

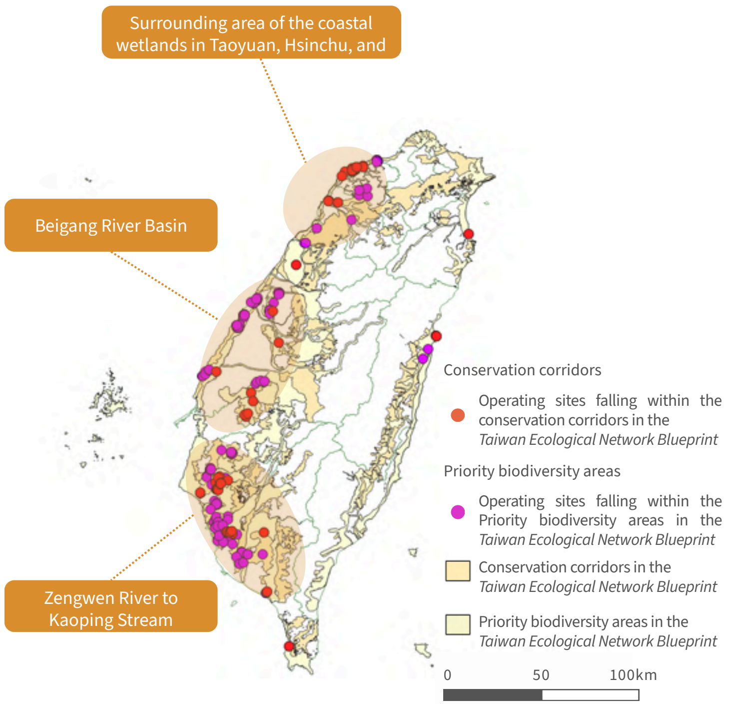
◈ Value Chain: Domestic Operating Sites

None of the Group's domestic operating sites are located within statutorily designated ecological protected areas. Areas designated under the Taiwan Ecological Network Blueprint are primarily concentrated in the Beigang River, the Zengwen River through the Gaoping River watershed, as well as in the Northeast Coast, Taoyuan-Gaorong, and Kinmen wetlands and wildlife hotspots.



◈ Value Chain: Materials Sector in the Investment and Financing Portfolio

Due to the characteristics of national spatial planning and industrial cluster distribution, the materials sectors, by virtue of its production process requirements, highly concentrated in coastal areas, river estuaries, and established industrial zones. Geographically, these sites often overlap with designated areas of concern or ecological connectivity zones under the Taiwan Ecological Network Blueprint. This intersection represents an inherent structural characteristic of industrial layout within natural environmental spatial planning. Influenced by these structural features, the Group's spatial overlay analysis reveals that certain operating sites within our investment and financing portfolio intersect with areas of ecological concern. Specifically, some sites are situated within TEN priority biodiversity areas, while a minimal number fall within regional conservation corridors. In response to these objective environmental conditions, the Group remains committed to advancing natural capital and biodiversity protection. Based on these findings, we will prioritize monitoring investment and financing positions within TEN-related areas and integrate these insights into subsequent industry-specific, nature-related risk assessments and risk prioritization.



◈ Water Resource Stress Analysis

Given that the relatively operational characteristics of financial institutions' sites result in relatively limited water demand and discharge impacts, the water stress analysis focuses primarily on the actual production sites within investment and financing portfolio.

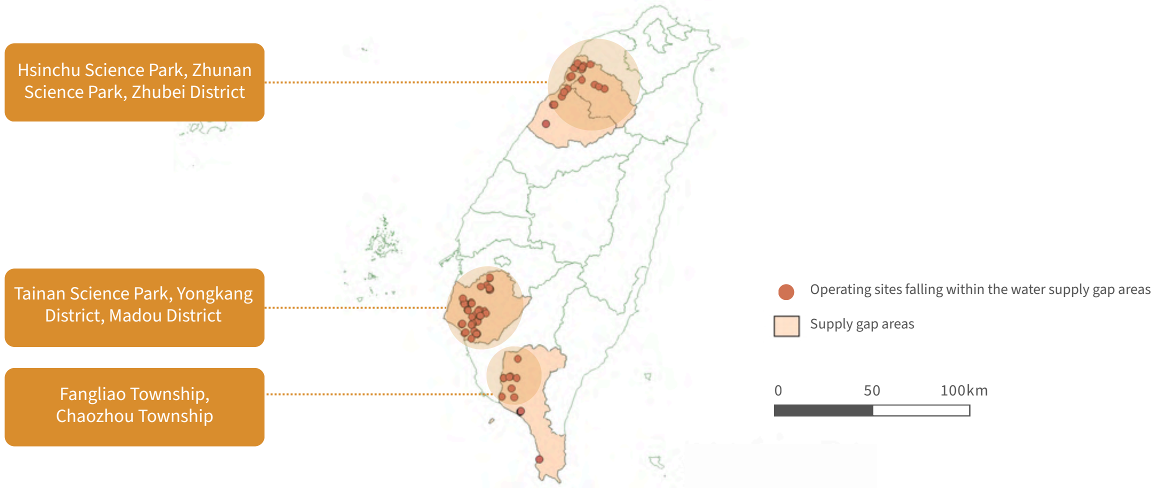
The assessment evaluates water-related resources risk across two primary dimensions: water withdrawal and wastewater discharge. For water withdrawal, the Group utilized the "Basic Plan for Water Resources Management in Every Region of Taiwan[17]" to assess water supply and demand pressures facing these sites. For wastewater discharge, we integrate critical water-related geospatial data, including "Water Quality and Quantity Protection Area[18]", "Reservoir Catchment Sensitive Area: Boundary within the Adjacent 0.5 km Area[19]", "Groundwater Recharge Geological Sensitive Areas[20]", and "National Drinking Water Source Quality Protection Area[21]". Through spatial overlay analysis, we identify the geographical relationships and potential impacts between the sites within the investment and financing portfolio sites and these designated areas.

◈ Value Chain: Materials Sector in the Investment and Financing Portfolio Water Supply Gap

(1) Water Supply Gap

Water resource stress analysis result indicates that water supply gap areas [Note] are major concentrated in Hsinchu, Miaoli, Tainan, and Pingtung. As the western and central-southern regions of Taiwan serve as major manufacturing hubs — and due to structural factors arising from the geographic clustering of industries and the uneven distribution of natural water resources — production sites of the materials sector are more likely to be located in areas with relatively high water supply and demand pressure. These sites account for 21.44% of the total sites within the Groups' investment and financing portfolio. These findings reflect that certain materials sector's production site within the Group's investment and financing portfolio face challenges related to water supply volatility challenge, mirroring the structural imbalance of Taiwan's water resources. Consequently, these factors will gradually be incorporated into the Group's nature-related risk assessment for the relevant industries.

◈ Material Sector Production Sites within the Investment and Financing Portfolio Located in Water Supply Gap Areas



Note: The water supply gap areas are identified based on the supply-demand analysis results outlined in the Basic Plan for Water Resources Management in Every Region of Taiwan[17], approved by the Executive Yuan. Regions with a water shortage level exceeding 14.6% are deemed to be areas with higher supply gap. The water shortage level is calculated as the proportion of the target-year (2036) supply-demand gap to total water demand.

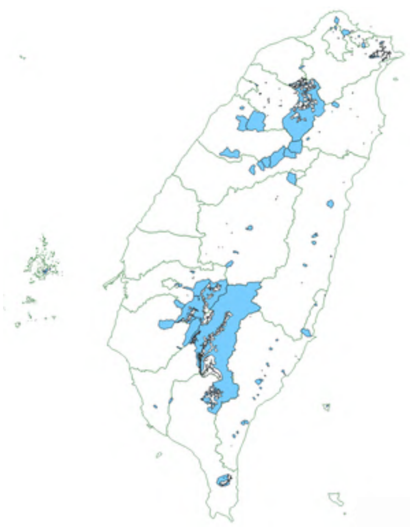
(2) Areas of Important Water Resources:

Regarding the analysis of areas associated with critical water sources, the results indicate sites within the investment and financing portfolios are situated withing "National Drinking Water Source Water Quality Protection Areas[21]." For other water-sensitive areas, the proportion of operating sites within the Group's investment and financing portfolio located in "Water quality and quantity protection area[18]," "Reservoir catchment sensitive area: boundary within the adjacent 0.5 km area[19]," and "Groundwater Recharge Geological Sensitive Areas[20]" was 1.06%, 1.27%, and 1.91%, respectively. Among these, the assessment scope of " Reservoir catchment sensitive area[19]" is based on the "Water Quality and Quantity Protection Areas" and extended outward by a specific distance. Because their spatial boundaries overlap significantly, certain sites are partially double-counted. Overall, the analysis demonstrates that the distribution of materials sector sites within the Group's investment and financing portfolio across critical water resource-related areas is relatively limited. However, considering that these areas involve water quality protection and environmental regulatory requirements, the Group will continue to carefully monitor the operational status of its investment and financing portfolio.

Note: No production sites within the investment and financing portfolio are located within national drinking water source quality protection areas

Material Sector Production Sites within the Investment and Financing Portfolio Located in Sensitive Water Resource Areas

◈ National Drinking Water Source Quality Protection Areas[Note]

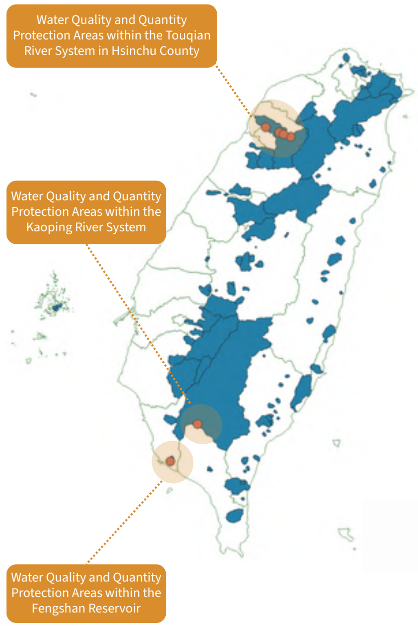


- Operating sites falling within the national drinking water source quality protection areas
- National drinking water source quality protection areas

◈ Water Quality and Quantity Protection Areas

- Operating sites falling within the water quality and quantity protection area
- Water quality and quantity protection area

◈ Reservoir Catchment Sensitive Area: Boundary Within the Adjacent 0.5 km Area



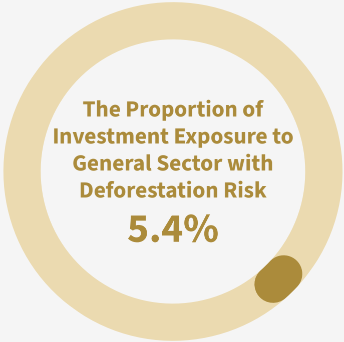
- Operating sites falling within the reservoir catchment sensitive area: boundary within the adjacent 0.5 km areas
- Reservoir catchment sensitive area: boundary within the adjacent 0.5 km areas

◈ Groundwater Recharge Geological Sensitive Areas

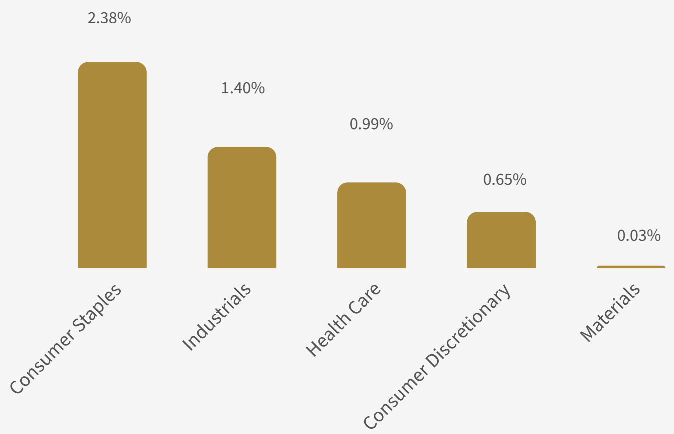
- Operating sites falling within the groundwater recharge geological sensitive areas
- Groundwater recharge geological sensitive areas

Exposure to deforestation risk

◈ The Proportion of Investment Exposure to General Sector with Deforestation Risk



◈ Distribution of Investment Exposure to General Sector with Deforestation Risk



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

To proactively respond to the growing global emphasis on forest protection, Yuanta Financial Holdings has, for the first time this year, followed the recommendations of the SBTi Financial Institutions Net-Zero Standard (FINZ) and adopted the Forest IQ database and its methodology[Note 1] to analyze deforestation-related risks in the Group's equity and corporate bond investment portfolios.

The results indicate that investment exposure to general sectors (Non-financial sector) with deforestation risk is 5.4% of the portfolio. Notably, the consumer staples sector [Note 2] represents the highest exposure at 2.38%.

Definition of Deforestation

According to SBTi Financial Institutions Net-Zero Standard (FINZ)[(22)], Deforestation is defined as the permanent conversion of natural forests or other natural ecosystems (such as grasslands or wetlands) into non-natural uses as a result of the production, processing, or extraction of specific commodities.

Note: 1. Forest IQ[(23)] was jointly developed by nonprofit organizations including Global Canopy, the Stockholm Environment Institute (SEI), and ZSL. It is designed to help banks and asset managers track and reduce deforestation risks within their investment portfolios. The database integrates data from sources such as Forest 500, ZSL SPOTT, CDP, and Deforestation Action. Its assessment scope covers agriculture- and forestry-related commodities — such as palm oil, soy, beef, timber, cocoa, and natural rubber — as well as non-agricultural commodities that pose significant ecosystem conversion risks, such as gold and coal.
2. Utilizes the sectors classified under the GICS (Global Industry Classification Standard), which consists of 11 sectors identified by two-digit codes.

Case Study: LEAP Process Analysis for the Materials Sector

The materials sector is classified as a nature-sensitive industry under the TNFD framework and represents a significant proportion of the Group's investment and financing portfolio, with substantial nature-related substantive risk and portfolio representation. Its production processes involve substantial water withdrawal, water use, and pollutant discharge, which can impact watershed water resources and surrounding ecosystems. If the production sites of investment or financing targets are located in water-, biodiversity-, or land-sensitive areas, stricter regulations, unstable water supplies, rising pollution control costs, or land restrictions could drive up operating costs, increase capital expenditure (CapEx), and trigger business interruption risks. These factors may adversely affect borrowers' debt servicing capacity and overall financial performance, thereby elevating credit, investment, and asset valuation risks for the Group. Consequently, the materials sector has been selected as the primary subject of this assessment, focusing specifically on water- and biodiversity-sensitive areas.

Locate

The Group used the operating sites of production activities in the Materials sector as the scope of analysis, compiling their geographic coordinate information to establish spatial distribution maps as the basis for subsequent analysis of nature-sensitive areas.

Evaluate

The Group integrated national statutory environmental map layers to conduct overlay analysis, and assessed the sector’s nature-related risks through three key indicators:

- Water Supply Risk Areas: Used to identify the instability of water withdrawal at operating sites.
- Water Resource Protection Areas: Used to examine regulatory compliance requirements for operating sites.
- Biodiversity-Sensitive Areas: Used to identify land-use restrictions for operating sites.

Assess

Through cross-referencing site distribution with investment and financing portfolios, the analysis indicates that certain production sites are located in areas of high water stress, facing relatively elevated land use restrictions and water supply instability risks. Based on site distribution and the level of investment and financing portfolios, the Group has identified sites with relatively higher risk and has assessed and prioritized them accordingly, providing a basis for subsequent risk management.

Prepare

The results of this materials sector analysis will be integrated with the existing "Industry-Specific Environmental and Social Risk Management Rules [4] " and relevant management mechanisms, serving as a reference for subsequent risk interpretation, review and assessment, and ongoing management. Furthermore, the Group will continuously refine its analytical methodologies for nature-related issues progressively strengthening its risk identification and management practices for high nature-sensitive sectors.

5.2 Identification and Management of Nature-related Risks & Opportunities

Identification methods and assessment scope

In addition to continuously assessing the natural dependencies and impacts of its asset portfolio, the Group reference nature-related drivers defined by 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. This analysis helps the Group understand the correlation between nature-related issues and the financial sector in a more comprehensive and systematic manner.

For the financial sector, the transmission of nature-related risks and opportunities extends beyond direct operations. These factors can be indirectly reflected through financing and investment activities, financial products and services, and interactions with clients, suppliers, and other stakeholders. These factors may, in turn, affect asset portfolio quality, revenue streams, operating costs, and risk management. Consequently, when identifying nature-related issues, the Group focuses not only the direct impacts involved in its own operations and management processes, but also underscores the indirect impacts transmitted through financial activities and the associated counterparties and their industry activities, in order to capture potential nature-related risks and opportunities.

Overall, nature-related risks and opportunities primarily propagate through two transmission channels. First, nature-related dependencies and impacts may first affect society, corporates, or individuals, and subsequently transmit to financial sector through the products and services of financial institutions. Second, the financial sector's own operational activities may be directly impacted by nature-related factors. Therefore, the Group will integrate these transmission channels into its operational strategies and risk management planning to serve as a cornerstone for subsequent management and mitigation measures.

Major nature-related risks and opportunities

Based on the identification methodologies described above, the Group consolidates the potential impacts of nature-related issues on its investment and financing portfolio as well as its operations, taking into account the characteristics of these issues. These impacts are assessed based on their scope of impact and time horizon, forming the foundation for subsequent management and response actions. Overall, nature-related risks encompass physical risks, transition risks, and systemic risks, while nature-related opportunities encompass business performance and sustainability performance. These risks and opportunities may manifest across credit risk, operational risk, insurance risk, reputational risk, and business opportunities. Conversely, proactively seizing trends such as nature conservation, resource efficiency enhancement, ecosystem restoration, and nature-positive transition will enable the Group to identify emerging risk issues and capture potential business opportunities.

◈ Nature-related Risks

Risks		Potential Impacts	Financial Risks	Impact on Value Chain	Duration of Impact	Response measures
Physical Risks	Acute	• Typhoons, floods, and forest fires can cause habitat destruction, forest degradation, and further trigger pest infestations or ecological imbalances.	Credit Risks、Operational Risks、Insurance Risks	Investment and financing targets, Own operations	Medium Term	The Group follows its existing risk management frameworks to monitor and review relevant risks, while enhancing its response and risk management capabilities for extreme climate events.
	Chronic	• Air pollution, changes in rainfall patterns, and shifts in climate conditions may lead to ecosystem degradation and altered natural resource supply conditions.	Credit Risks、Operational Risks	Investment and financing targets, Own operations	Long Term	The Group monitors long-term environmental and ecological trends and regularly reviews the results of relevant risk assessments.
Transition Risks	Policy and Liability	• Stricter policies and regulations may increase compliance and response costs for businesses, as well as risk of potential litigation and fines.	Credit Risks、Market Risks、Operational Risks	Investment and financing targets, Own operations	Medium Term	The Group keeps developments in nature-related and sustainability regulations under review through its compliance and internal control frameworks and updates its management measures accordingly.
	Technology	• Technological advances may drive the development of new products and services, accelerate the adoption of alternative solutions, and thereby affect the market demand for and competitive landscape of existing products and services.	Credit Risks	Investment and financing targets, Own operations	Long Term	The Group monitors technological and market developments and, aligned with sustainable finance development trends, evaluates adjustment and transition strategies for its products, services, and investment and financing portfolios.
	Market	• Growing market emphasis on sustainability considerations may reshape the demand structure for products and services, thereby increasing the importance of nature-related protection and sustainability practices.	Credit Risks、Market Risks	Investment and financing targets, Own operations	Medium Term	The Group monitors market trends and evolving customer needs, and periodically reviews the direction of its product and service planning.
	Reputational	• Failure to respond promptly to changes in the natural environment may cause negative reputational impact.	Reputational Risks	Own operations	Medium Term	The Group strengthens its corporate governance, internal management systems, and stakeholder engagement mechanisms to mitigate potential reputational risks.
Systemic Risks		• Extinction of critical species or ecosystem collapse can affect business operations and socioeconomic activities, causing systemic impacts.	Credit Risks、Operational Risks	Investment and financing targets, Own operations	Long Term	The Group monitors systemic nature-related risks and progressively integrates them into its investment and financing decision-making and risk assessments processes.

◈ Nature-related Opportunities

Opportunities		Potential Impacts	Impact on Value Chain	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	Medium 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 Products and services	• Raising consumer attention and involvement in nature-related issues can enhance the visibility of products and services. • Developing products or services that avoid or reduce nature-related risks.	Investment and financing targets, Products and services	Medium Term
	Resource efficiency	• Improving resource use efficiency in company operations can reduce dependencies on nature. • Strategically transitioning to or consciously adopting recycled or nature-friendly materials can protect natural resources and generate positive environmental benefits.	Own operations	Medium Term
Sustainability Performance	Sustainable use of natural resources			
	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	Medium Term

Note： Time Frame: Short-term: 1-3 years; Mid-term: 3-5 years; Long-term: more than 5 years.

Nature-related risk management mechanisms

In addition to climate risks, the Group also places emphasis on potential nature-related issues on its operations and business activities. However, compared to climate change, nature-related issues inherently possess higher complex; their risk identification and assessment necessitate a comprehensive consideration of sector characteristics, value chain linkages and geographical location. For the financial sector, since operating sites are predominantly situated in urban commercial districts, the likelihood of causing direct, significant impacts on the natural environment are relatively low. Nevertheless, through investment and financing activities as well as products and services, clients, investee companies and other counterparties may still be exposed to varying degrees of nature-related risks due to their sector characteristics, business models and geographical locations, which may in turn give rise to potential financial impacts on the Group.

Consequently, to reinforce nature-related risk management, the Group continously strengthens the identification and assessment of nature-related factors within its business risk evaluation and monitoring processes. It also adopts the" Avoid, Reduce, Restore and Regenerate, and Transform" as the direction for managing and responding to nature-related risks. For related risk assessments, the Group prudently evaluates national risks, industry risks, and environmental and social risks involved in individual transactions, and use the results as the basis for adjusting portfolio risk control and management measures.

To implement management principles, the Group has established multiple policies and internal rules related to the natural environment, including the Sustainable Finance Guidelines[2], Industry-Specific Environmental and Social Risk Management Rules[4], Key Points of Engagement and Voting Procedures[18], and Supplier Sustainable Procurement Guidance[19] , Guidelines for Managing Equator Principles Financing Cases[10]. Each subsidiary also follows relevant regulations by integrating ESG factors into business processes, continuously conducting risk assessments and monitoring to address potential impacts on the natural environment from business activities, and is committed to creating positive impacts on nature to continuously enhance the sustainability of natural capital.

Management Implementation and Future Refinement Direction

Based on the identification results of this chapter and the Group's current management mechanisms, the Group incorporated nature-related risk considerations into its business assessments, with governance and oversight conducted alongside climate-related issues. Going forward, the Group will prioritize investment and financing protfolio with higher nature-related sensitivity, regularly review the associated risks and opportunities, and adjust internal operating procedures and management measures accordingly to enhance the consistency and effectiveness of identification, assessment and management.

To make management practices more actionable, the Group will progressively advance refinement measures in phases, taking into account internal management maturity, data availability, and external disclosure requirements:

1. Establish principles for prioritizing nature-related risks and opportunities — for example, based on industry/location sensitivity, exposure amount, and impact duration — in order to focus resource allocation.
2. Strengthen mechanisms for tracking management performance by progressively incorporating key indicators and periodic reviews, such as tracking changes in exposure positions and emerging engagement focus areas.
3. Enhance the quality and consistency of disclosure by explaining the linkages between nature-related assessment results and the Group's existing climate risk and ESG investment and financing processes, in order to help stakeholders better understand the Group's relevant actions.

5.3 Conservation of Natural Environments & Biodiversity

The Group continues to focus on nature and biodiversity and has embedded the management of nature-related risks and opportunities within its sustainability governance framework. Following its participation in the first global cohort of TNFD Early Adopters in 2024 and its membership in the PBAF, the Group continued in 2025 to strengthen its capabilities and internal actions, demonstrating its long-term commitment to nature and biodiversity issues.

To strengthen the Group's capacity to address nature-related risks and opportunities, in September 2025 the Company partnered with Global Views Monthly to host an exchange event on sustainability and nature-related issues, focused on the theme "**TNFD: The New Sustainability Standard — A Corporate Transformation Guide.**" The program covered TNFD trends and frameworks, the LEAP assessment methodology, and case studies of nature-related risk management, helping the Group and its industry partners stay abreast of international nature disclosure trends and strengthen organizational responsiveness to nature-related issues.

▲ 2025 ESG Workshop

In terms of concrete actions on natural environment and biodiversity conservation, the Group continued to advance the " **Yuanta 188 Sustainability Activity Relay Program**," under which subsidiaries organize activities related to nature, ecology, and environmental protection across Taiwan based on their respective business characteristics and local conditions, demonstrating the Group's tangible commitment to nature conservation. For example, Yuanta Securities, under the theme "**Plastic-Free New Lifestyle, Low-Carbon New Future**," incorporated environmental protection and biodiversity conservation concepts into its activities through topics such as plastic reduction, low-carbon living, and environmental conservation, encouraging employees to adopt environmentally responsible practices in their daily lives.

Yuanta Life, under the central theme "**Sustainable Living, Green Guardianship in Action,**" organized four ecological tours and seedling cultivation activities in northern, central, and southern Taiwan, with over 500 employees and their family members participating. In addition, Yuanta Life partnered with the Taiwan Cetacean Society to host the "**Cetacean Conservation Exhibition,**" which explored a range of marine conservation issues, including the causes of cetacean and sea turtle strandings and the challenges marine ecosystems face from human activities. For more detailed activity content, please refer to Yuanta FHC 2025 Sustainability report, CH4 Environmental Sustainability Activities and Initiatives.

◄ Yuanta Securities Sustainable Lifestyle Festival

Yuanta Life 188 Sustainability Activity Relay Program ►

Looking ahead, the Group will continue to follow the spirit of the TNFD framework, planning and promoting education, training, advocacy actions, and governance systems related to the natural environment and biodiversity. Through concrete actions, we hope to deepen our colleagues' understanding of nature issues and extend this to suppliers and other stakeholders, jointly exerting the influence of sustainable finance.

06

Future Outlook

6 Future Outlook

In 2025, the 30th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP30) emphasized global climate adaptation goals, increased climate finance for developing countries, and advanced just transition mechanisms, underscoring the urgency of addressing climate change. At the same time, the Kunming-Montreal Global Biodiversity Framework continues to highlight the significant responsibility of enterprises in biodiversity conservation. As a member of the Coalition of Movers and Shakers on Sustainable Finance, the Group actively deploys and exercises its sustainable finance influence by engaging in responsible investment and stewardship, and by developing diversified green finance products to respond to market expectations and demand for sustainable investment. As a leader in corporate net-zero transition, the Group continues to align with international sustainability trends, ensuring that its strategy is consistent with global directions. In terms of capabilities, the Group strengthens sustainability talent development and stays abreast of ESG and climate-related information. In terms of risk management, the Group manages climate risks through financial asset carbon inventory management, internal carbon pricing, and scenario analysis. In terms of capital allocation, the Group channels financial resources to guide industry and society toward a low-carbon transition and to promote the development of green industries.

In 2025, the Group achieved two key advancements in climate management. First, the Group formulated its Sustainable Development Strategy Roadmap for 2026–2030, introducing the concept of "the supporting power of sustainable finance" to reinforce the core theme that "the financial industry channels capital and supports corporate transition.” Second, the Group revised the "Climate Finance Operations Guidelines" to refine its policies on the thermal coal and unconventional oil and gas industries—extending the scope of application to small and medium-sized enterprise financing , equity investment, and bond underwriting business, and bringing forward the divestment timeline—thereby strengthening the management of investment and financing for high-carbon-emission industries.

As international methodologies for climate-related risk assessment and management continue to evolve, and as policy and supervisory requirements from domestic and international regulators become increasingly stringent, the Group acknowledges the limitations of climate-related financial impact assessments and quantitative methodologies, and continues to invest resources in researching international trends and measurement approaches. The Group refines its scenario analysis and financial quantification models, and adjusts them dynamically based on practical experience. In 2025, the Group's internal climate actions and implementation outcomes have advanced steadily. In accordance with the IFRS S2 standard, the Group discloses its strategy for addressing climate-related risks and opportunities, assesses the financial impacts of climate change, and refines its management guidelines and response measures accordingly, thereby enhancing risk management capabilities and operational resilience and fully responding to international guidance and regulatory requirements for strengthened disclosure.

Looking ahead, the Group will continue to leverage its financial influence to embed sustainability principles in investment and financing decisions, financial products and services, and risk management, thereby advancing low-carbon development and sustainable transition. The Group will also deepen collaboration with industry, government, and society at large, strengthen climate risk awareness and resilience, and realize lasting benefits that balance financial performance with sustainable development.

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 S2 Climate-related Disclosures : https://www.ifrs.org/projects/completed-projects/2023/climate-related-disclosures/

(4) Science Based Targets: https://sciencebasedtargets.org/

(5) Partnership for Carbon Accounting Financials: https://carbonaccountingfinancials.com/

(6) Financial Sector Science-based Targets Guidance (Science Based Targets, 2022)

(7) Carbon Disclosure Project: https://www.cdp.net/en/scores

(8) RE10X10: https://cloud.greentw.greenpeace.org/campaign-climate-re10x10

(9) The Equator Principles: https://equator-principles.com/

(10) Principles for Sustainable Insurance: https://www.unepfi.org/psi/

(11) Principles for Responsible Investment: https://www.unpri.org/

(12) The Working Group I contribution to the Sixth Assessment Report, Climate Change 2021: The Physical Science Basis (Intergovernmental Panel on Climate Change, 2020)

(13) The Global GHG Accounting and Reporting Standard for the Financial Industry (Partnership for Carbon Accounting Financials ,2020)

(14) Exploring Natural Capital Opportunities, Risks and Exposure, ENCORE: https://www.encorenature.org/en

(15) Additional guidance for financial institutions (Version 2.0): https://tnfd.global/publication/additional-disclosure-guidance-for-financial-institutions/#publication-content

(16) National Ecological Network Blueprint: https://www.forest.gov.tw/en/TEN

(17) Master Plan of Water Resources Management for Districts in Taiwan: https://www.wra.gov.tw/en/cp.aspx?n=39478

(18) Water Quality and Quantity Protection Area for Tap Water Sources: https://data.gov.tw/en/datasets/25787

(19) Reservoir Catchment Sensitive Area: Within 0.5 km outward from the boundary : https://data.gov.tw/en/datasets/129475

(20) Groundwater Recharge Geologically Sensitive Area:https://data.nat.gov.tw/dataset/45188

(21) Drinking Water Source Water Quality Protection Area: https://data.moenv.gov.tw/en/dataset/detail/GISEPA_P_13

(22) Financial Institutions Net-Zero Standard, FINZ: https://sciencebasedtargets.org/financial-institutions

(23) Forest IQ: https://forestiq.org/

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 Domestic 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 2025:
https://www.yuanta.com/Files/ESGReport/2025/EN/2025_ESG_Report.pdf

[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

[19] Supplier Sustainable Procurement Guidance:
https://www.yuanta.com/Res/Doc/Policies/ES/Yuanta_Group_Supplier_Sustainable_Procurement_Guidance_EN.pdf

Appendix 3 Categories 3~5 Greenhouse Gas (GHG) Emissions

ISO 14064-1: 2018 Categories	GHG Protocol Scope 3 Categories		GHG Emissions (Metric tons of CO_2e) 2024	GHG Emissions (Metric tons of CO_2e) 2025	Statistical Method
Category 3: Indirect GHG emissions from transportation	C4	Upstream transportation and distribution	-	-	Emissions generated by upstream transportation and distribution from product carbon footprint have already been included in purchased goods and services (C1) emissions.
	C6	Business travel	152.92	187.27	Referenced the results obtained from ISO 14064-1 GHG verification.
	C7	Employee commuting	20,226.60	20,702.60	Referenced the results based on the number of employees in 2025 and the emission factor of Quantis WRI Scope3 Tool.
	C9	Downstream transportation and distribution	0.01	0.01	Referenced the results on GHG emissions generated by credit card statements and credit card mailing.
Category 4: Indirect GHG emissions from products used by the organization	C1	Purchased goods and services	21,892.73	26,737.50	Referenced the results based on the economic value of purchased goods and services in 2025 and the emission factor of US EEIO.
	C2	Capital goods	38,442.05	11,081.20	Referenced the results on the amount of capital goods in 2025 calculated by the emission factor of US EEIO.
	C3	Purchased electricity (upstream emissions)	3,304.75	3,802.67	Referenced the results obtained from ISO 14064-1 GHG verification.
	C5	Waste generated in operations	133.79	136.55	Referenced the results obtained from ISO 14064-1 GHG verification.
	C8	Upstream leased assets	11,392.84	10,050.07	Referenced the results obtained by multiplying the total leased floor area to the average EUI of Taiwanese office buildings in 2025 and to the carbon emission factor of electricity in 2024.
Category 5: Indirect GHG emissions associated with the use of products from the organization	C10	Processing of sold products	-	-	Yuanta generated no related emissions during its operations.
	C11	Use of sold products	99.91	70.18	Referenced the results on GHG emissions generated when using credit cards.
	C12	End-of-life treatment of sold products	17.77	12.48	Referenced the results on GHG emissions generated when disposing credit cards.
	C13	Downstream leased assets	1,845.80	2,284.54	Referenced the results obtained by multiplying the total floor area leased out to the average EUI of Taiwanese office buildings in 2025 and to the carbon emission factor of electricity in 2024.
	C14	Franchises	-	-	Yuanta generated no related emissions during its operations.

Note: 1. Categories 3 to 5 are disclosed in accordance with the Scope 3 categories defined by the GHG Protocol.
2. Emissions from purchased electricity (upstream emissions), waste disposal, and business travel are confirmed via ISO 14064-1 external verification.

Appendix 4 Absolute GHG Emissions and Intensity of Investment and Financing

Asset Type	Category	2022	2023	2024	2025	Data Quality
Listed and Private Equity and Corporate Bond Investments	Category 1 & 2 GHG Emissions (tCO_2e)	1,503,131.29	1,707,703.18	2,029,418.50	2,961,891.96	1.74
	Category 3 GHG Emissions (tCO_2e)	-	-	3,903,316.52	4,845,024.45	
	Carbon intensity (tCO_2e/NT$ million)	3.53	3.53	11.11	13.26	
Sovereign Bonds	GHG Emissions including LULUCF (tCO_2e)	-	-	908,364.12	784,145.14	1.00
	GHG Emissions excluding LULUCF (tCO_2e)	1,193,197.55	1,117,944.62	990,633.76	854,602.75	
	Carbon intensity (tCO_2e/NT$ million)	7.54	6.90	5.12	4.88	
Long-Term Commercial Loans	Category 1 & 2 GHG Emissions (tCO_2e)	551,245.34	988,524.70	2,061,599.99	2,405,025.33	2.95
	Category 3 GHG Emissions (tCO_2e)	-	-	3,201,640.98	2,592,881.91	
	Carbon intensity (tCO_2e/NT$ million)	4.17	4.41	12.33	9.64	
Short-Term Commercial Loans	Category 1 & 2 GHG Emissions (tCO_2e)	233,529.96	49,110.41	220,125.13	199,005.40	2.79
	Category 3 GHG Emissions (tCO_2e)	-	-	567,944.56	647,383.13	
	Carbon intensity (tCO_2e/NT$ million)	3.02	1.41	12.54	12.34	
Electricity Generation Project Financing	GHG Emissions (tCO_2e)	42,574.12	48,288.96	-	-	-
Renewable Energy Project Financing	Avoided GHG Emissions (tCO_2e)	1,741.60	3,252.00	1,669.05	-	-
Commercial Real Estate Lending and Investment	Category 1 & 2 GHG Emissions (tCO_2e)	12,688.11	26,687.71	28,233.60	9,242.53	4.00
	Carbon intensity (tCO_2e/NT$ million)	1.06	1.15	0.95	0.47	
Mortgages	Category 1 & 2 GHG Emissions (tCO_2e)	-	-	80,606.64	78,904.54	4.00
	Carbon intensity (tCO_2e/NT$ million)	-	-	0.23	0.22	
Motor Vehicle Loans	Category 1 & 2 GHG Emissions (tCO_2e)	-	-	101,082.89	98,639.00	3.01
	Carbon intensity (tCO_2e/NT$ million)	-	-	1.46	1.36	

Note: 1. Investment and financing GHG emissions: Based on the asset portfolio for the reporting year, the financed greenhouse gas emissions are calculated in accordance with the Greenhouse *Gas Protocol: A Corporate Accounting and Reporting Standard*, and by adopting the methodology recommended in the *Global GHG Accounting and Reporting Standard*[(13)] *for the Financial Industry published by the Partnership for Carbon Accounting Financials (PCAF)*[(5)] in December 2022. The relevant greenhouse gas emissions data used includes external databases, self-collected data, and estimations.
2. GHG intensity of financial assets: In accordance with the recommendations of the TCFD Guidance and adopting the PCAF methodology, the greenhouse gas intensity for each financial asset class is calculated. The calculation formula is: Total financed greenhouse gas emissions undertaken (metric tons of CO_2e) divided by the reviewed exposure of financial assets (NT$ million), which resulting in the GHG intensity of financial assets (metric tons of CO_2e / NT$ million).
3. The company has commissioned KPMG to conduct limited assurance in accordance with TWSAE 3410 issued by the Accounting Research and Development Foundation.

Appendix 5 IFRS S2 Disclosure of Financed Emissions

◈ Financed Emissions of Investment Positions (Proprietary Assets)

Year		2025							
Asset Category		Proprietary Assets							
		Equity Investment				Corporate Bonds			
GICS(6 codes)		Carbon Emissions			Carbon Intensity (tCO_2e/NT$ million)	Carbon Emissions			Carbon Intensity (tCO_2e/NT$ million)
		Scope 1	Scope 2	Scope 3		Scope 1	Scope 2	Scope 3	
101010	Energy Equipment & Services	-	-	-	-	13,440.49	1,514.05	6,476.38	35.38
101020	Oil, Gas & Consumable Fuels	629.58	12.13	216.74	6.15	142,266.33	18,089.94	448,801.51	29.64
151010	Chemicals	148.63	49.54	307.18	15.91	115,363.48	78,039.01	235,463.09	40.65
151020	Construction Materials	103,174.35	4,323.16	55,553.26	111.57	1,080,733.14	45,548.64	501,651.34	109.00
151040	Metals & Mining	1,677.52	3,670.16	10,841.92	58.71	291,442.01	22,499.49	142,878.27	50.60
201010	Aerospace & Defense	1.01	1.13	2.56	0.58	1,303.49	965.75	15,540.83	2.40
201020	Building Products	-	-	-	-	447.00	327.91	427,866.66	232.44
201030	Construction & Engineering	279.06	4.92	3,328.73	19.71	300.22	54.06	11,427.73	8.74
201040	Electrical Equipment	726.55	2,177.37	10,817.56	19.43	3,885.78	4,190.08	20,180.93	25.01
201050	Industrial Conglomerates	-	-	-	-	8,090.35	6,204.89	169,577.56	23.14
201060	Machinery	30.93	97.06	435.22	6.51	354.18	1,254.22	53,624.69	32.53
201070	Trading Companies & Distributors	-	-	-	-	11,009.29	1,667.72	739,590.36	89.36
202010	Commercial Services & Supplies	95.74	9.51	347.21	2.66	11.52	2.18	11.52	0.40
202020	Professional Services	0.31	2.65	2.88	0.50	-	-	-	-
203010	Air Freight & Logistics	-	-	-	-	1,446.46	95.73	3,496.32	15.06
203020	Passenger Airlines	-	-	-	-	2,980.78	24.62	30.28	7.59
203030	Marine Transportation	24,777.40	162.82	9,867.06	25.33	-	-	-	-
203040	Ground Transportation	9.92	1.05	6.11	1.29	9,491.72	993.31	6,035.93	5.79
203050	Transportation Infrastructure	-	-	-	-	10,973.66	2,369.97	7,183.42	4.31
251010	Automobile Components	81.43	400.02	2,086.59	9.97	-	-	-	-
251020	Automobiles	-	-	-	-	60.40	57.87	1,451.88	2.79
252010	Household Durables	6.74	20.30	97.88	17.26	35.65	107.90	12,699.39	30.64
252020	Leisure Products	49.84	41.52	346.08	34.53	15.57	129.76	920.59	8.84

Year		2025							
Asset Category		Proprietary Assets							
		Equity Investment				Corporate Bonds			
GICS(6 codes)		Carbon Emissions			Carbon Intensity (tCO_2e/NT$ million)	Carbon Emissions			Carbon Intensity (tCO_2e/NT$ million)
		Scope 1	Scope 2	Scope 3		Scope 1	Scope 2	Scope 3	
252030	Textiles, Apparel & Luxury Goods	-	-	-	-	73.22	116.00	2,386.97	4.13
253010	Hotels, Restaurants & Leisure	476.41	86.45	3,061.06	7.97	-	-	-	-
255030	Broadline Retail	-	-	-	-	555.10	612.41	1,846.18	1.06
255040	Specialty Retail	183.06	152.28	1,268.14	11.00	0.47	7.84	145.29	1.49
301010	Consumer Staples Distribution & Retail	13.12	45.73	231.53	6.14	1,836.63	2,273.64	162,422.96	32.71
302010	Beverages	-	-	-	-	2,620.31	625.77	29,841.56	3.28
302020	Food Products	-	-	-	-	23,730.21	9,716.62	167,549.31	30.06
302030	Tobacco	-	-	-	-	143.92	229.97	1,715.91	3.12
303010	Household Products	-	-	-	-	59.19	88.61	49.06	0.65
303020	Personal Care Products	0.73	0.61	5.06	5.23	38.39	10.29	3,177.37	3.95
351010	Health Care Equipment & Supplies	10.96	23.08	108.53	1.92	33.07	64.14	772.99	0.55
351020	Health Care Providers & Services	300.24	30.00	695.24	7.02	51.43	118.05	699.17	0.60
352010	Biotechnology	98.30	85.46	681.46	6.47	1,621.41	1,229.54	10,974.19	2.27
352020	Pharmaceuticals	92.65	348.49	1,633.76	4.18	1,552.59	1,119.58	12,872.07	0.98
352030	Life Sciences Tools & Services	0.09	1.52	5.39	0.79	31.99	25.11	823.00	0.98
401010	Banks	20.07	161.18	64,857.21	13.32	1,956.22	3,417.49	559,145.41	3.09
402010	Financial Services	15.17	217.06	1,043.01	0.22	871.06	706.60	6,651.85	0.47
402020	Consumer Finance	0.78	0.72	8.47	0.70	2.35	2.97	1.17	0.01
402030	Capital Markets	5.76	73.28	75.11	0.04	257.87	371.32	3,425.61	0.13
402040	Mortgage Real Estate Investment Trusts (REITs)	0.40	0.37	4.38	0.30	-	-	-	-
403010	Insurance	0.01	0.04	0.02	0.07	916.20	894.84	29,401.06	2.36
451020	IT Services	2.11	215.74	1,402.61	0.90	34.66	115.27	1,430.54	0.27
451030	Software	12.18	11.22	132.49	4.36	59.54	75.40	886.49	0.21
452010	Communications Equipment	4.59	13.76	65.65	6.97	59.74	495.46	37,804.30	5.14
452020	Technology Hardware, Storage & Peripherals	826.96	2,992.35	88,610.66	11.69	192.67	1,543.31	255,786.75	11.79
452030	Electronic Equipment, Instruments & Components	302.24	1,194.37	6,626.05	7.10	175.01	770.56	95,619.56	7.85
453010	Semiconductors & Semiconductor Equipment	424.86	2,177.94	5,502.37	1.31	10,841.33	45,821.93	48,227.96	2.39

Year		2025							
Asset Category		Proprietary Assets							
		Equity Investment				Corporate Bonds			
GICS(6 codes)		Carbon Emissions			Carbon Intensity (tCO_2e/NT$ million)	Carbon Emissions			Carbon Intensity (tCO_2e/NT$ million)
		Scope 1	Scope 2	Scope 3		Scope 1	Scope 2	Scope 3	
501010	Diversified Telecommunication Services	-	-	-	-	1,058.51	7,460.88	25,014.53	2.09
501020	Wireless Telecommunication Services	-	-	-	-	138.63	3,911.98	13,557.92	2.79
502010	Media	0.78	0.02	1.16	1.64	247.49	589.22	7,937.70	1.89
502020	Entertainment	4.76	0.10	7.09	2.67	99.26	61.70	1,286.52	1.66
502030	Interactive Media & Services	-	-	-	-	3.47	28.37	818.94	0.24
551010	Electric Utilities	326.00	2.59	3,281.13	37.57	700,369.69	12,830.80	259,005.98	43.63
551020	Gas Utilities	-	-	-	-	7,918.39	84.89	970.42	20.15
551030	Multi-Utilities	-	-	-	-	43,525.32	351.96	16,422.52	22.55
551040	Water Utilities	-	-	-	-	2,444.51	26.21	299.58	22.10
551050	Independent Power and Renewable Electricity Producers	5,790.93	15.44	1,334.50	56.94	23,825.58	230.31	4,537.46	76.52
601050	Health Care REITs	-	-	-	-	19.53	40.57	80.47	0.36
601060	Residential REITs	-	-	-	-	5.78	5.06	89.18	0.30
601070	Retail REITs	-	-	-	-	0.01	0.05	350.70	1.01
602010	Real Estate Management & Development	0.02	0.79	0.20	0.01	15.56	1,216.15	1,187.84	0.94
Total		140,602.19	18,823.91	274,899.29	11.41	2,521,037.87	281,427.99	4,570,125.16	13.39

Note: 1. Proprietary assets include investment positions across Yuanta Securities, Yuanta Bank, Yuanta Life, Yuanta Futures, Yuanta Funds, Yuanta Venture Capital, and Yuanta Asset Management.
2. Investment positions cover listed and private equities and bonds.

◈ Financed Emissions of Lending Positions

Year		2025			
Asset Category		Commercial Loans			
GICS(6 codes)		Carbon Emissions			Carbon Intensity (tCO_2e/NT$ million)
		Scope 1	Scope 2	Scope 3	
101010	Energy Equipment & Services	203,340.09	16,962.38	38,671.76	29.69
101020	Oil, Gas & Consumable Fuels	17,862.65	298.51	9,454.74	55.00
151010	Chemicals	125,713.64	79,575.91	346,210.76	23.47
151020	Construction Materials	154,336.48	8,447.51	69,521.14	74.95
151030	Containers & Packaging	36,492.37	17,776.66	14,987.77	23.68
151040	Metals & Mining	383,377.69	54,656.69	300,913.52	30.11
151050	Paper & Forest Products	105,682.54	15,649.94	46,832.39	31.39
201010	Aerospace & Defense	26.34	312.31	502.95	1.51
201020	Building Products	1,252.51	1,811.99	7,474.64	11.65
201030	Construction & Engineering	4,503.64	77.32	56,003.14	7.25
201040	Electrical Equipment	355.94	1,822.26	28,945.47	12.72
201050	Industrial Conglomerates	8,173.84	8,628.74	103,450.32	26.72
201060	Machinery	1,574.93	5,463.54	22,132.67	5.81
201070	Trading Companies & Distributors	75.70	195.56	2,773.67	3.96
202010	Commercial Services & Supplies	831.30	601.54	3,430.62	3.17
202020	Professional Services	36.57	33.69	397.71	3.67
203010	Air Freight & Logistics	12,376.43	1,311.60	7,620.74	20.77
203020	Passenger Airlines	217,415.48	1,327.68	43,600.39	24.92
203030	Marine Transportation	51,199.12	336.02	23,781.89	17.19
203040	Ground Transportation	9,487.73	993.54	6,172.38	7.84
203050	Transportation Infrastructure	10,197.84	1,047.33	8,590.72	5.74
251010	Automobile Components	8,663.50	15,712.91	27,402.10	8.36
251020	Automobiles	352.68	832.97	595.78	0.58
252010	Household Durables	18,818.83	9,312.98	123,088.36	20.96
252020	Leisure Products	637.93	820.07	15,306.10	9.03

Year		2025			
Asset Category		Commercial Loans			
GICS(6 codes)		Carbon Emissions			Carbon Intensity (tCO_2e/NT$ million)
		Scope 1	Scope 2	Scope 3	
252030	Textiles, Apparel & Luxury Goods	73,309.93	40,592.15	63,559.76	16.76
253010	Hotels, Restaurants & Leisure	2,632.48	4,147.87	6,477.85	2.44
253020	Diversified Consumer Services	555.83	55.54	1,287.09	0.67
255010	Distributors	899.14	204.74	8,221.26	7.34
255030	Broadline Retail	471.05	3,340.87	4,121.80	2.93
255040	Specialty Retail	11,530.30	2,464.95	77,123.71	6.34
301010	Consumer Staples Distribution & Retail	4,655.79	24,051.47	163,258.80	25.75
302010	Beverages	899.76	3,204.58	15,674.06	8.44
302020	Food Products	318,810.89	106,614.51	220,119.64	33.27
303010	Household Products	112.85	249.19	111.87	19.75
351010	Health Care Equipment & Supplies	1,411.87	665.86	4,356.84	5.36
351020	Health Care Providers & Services	4,813.16	480.91	11,145.47	7.17
352010	Biotechnology	235.93	196.25	1,634.38	11.36
352020	Pharmaceuticals	897.93	1,103.63	5,058.42	3.80
401010	Banks	549.84	1,440.40	114,931.69	3.78
402010	Financial Services	1,220.19	1,072.24	12,856.32	0.80
402020	Consumer Finance	16.22	20.53	8.05	0.01
402030	Capital Markets	4,820.71	4,606.42	73,618.21	0.99
451020	IT Services	189.37	401.06	24,739.83	9.87
451030	Software	0.09	0.77	1.15	0.15
452010	Communications Equipment	138.61	1,724.14	1,136.99	2.22
452020	Technology Hardware, Storage & Peripherals	16,897.82	62,390.83	674,525.81	15.20
452030	Electronic Equipment, Instruments & Components	9,005.73	44,539.02	176,759.34	6.77
453010	Semiconductors & Semiconductor Equipment	3,122.69	36,021.38	215,396.40	9.32
501010	Diversified Telecommunication Services	0.35	7.54	2.55	0.06
501020	Wireless Telecommunication Services	50.55	2,493.85	8,113.67	3.05
502010	Media	911.26	19.58	1,357.16	0.65

Year		2025			
Asset Category		Commercial Loans			
GICS(6 codes)		Carbon Emissions			Carbon Intensity (tCO_2e/NT$ million)
		Scope 1	Scope 2	Scope 3	
502020	Entertainment	13.40	0.29	19.96	1.42
551020	Gas Utilities	4.26	2.02	1,593.59	6.40
551040	Water Utilities	6,504.69	69.74	797.17	13.40
551050	Independent Power and Renewable Electricity Producers	172,422.20	278.93	4.17	103.14
601080	Specialized REITs	81.42	75.01	885.45	3.62
602010	Real Estate Management & Development	3,652.34	3,860.41	43,504.82	0.43
Total		2,013,624.43	590,406.29	3,240,265.04	9.96

Note: 1. Lending assets include lending positions across Yuanta Bank.
2. Lending positions include short- and long-term commercial loans to listed and private companies.

◈Financed Emissions of Asset Management

Investment Positions [Note 1]	Percentage of Assets Under Management (AUM) Included in Financed Emissions Calculations (%) [Note 2]	GHG Emissions(tCO_2e)		
		Scope 1	Scope 2	Scope 3
	86.88%	4,928,592	1,605,703	23,582,767

Note: 1. Asset classes under review include equities, corporate bonds, and sovereign bonds.
2. Total assets under management include Yuanta Securities Investment Trust (Yuanta Funds) mutual funds and discretionary mandates.
3. This GHG inventory follows the PCAF methodology. Other asset classes are excluded as there are no international standards yet. We will track future standards and gradually expand our coverage.

Appendix 6 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	1.3 Metrics and Targets for Low-Carbon Strategies 1.4 Science-Based Emissions Reduction Pathway
	b Disclose Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks	1.3 Metrics and Targets for Low-Carbon Strategies 1.4 Science-Based Emissions Reduction Pathway Appendix
	c Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	1.3 Metrics and Targets for Low-Carbon Strategies 1.4 Science-Based Emissions Reduction Pathway

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	1.3 Metrics and Targets for Low-Carbon Strategies 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
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	1.3 Metrics and Targets for Low-Carbon Strategies Appendix

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, branch, or geography levels (2) how the potential impacts influence customer, reinsurance, 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-, medium-, and long-term milestones	Yuanta Life conducted climate scenario analysis for life insurance business. Given the nature of life insurance products and their relationship to morbidity and medical conditions, the analysis focused on calculating claims cases attributable to climate factors using inputs such as climate change indicators (deviation from historical monthly average temperatures) and the number of extreme temperature event days. Based on the average claim amount for each cause of illness, the potential risk impact of climate factors on claims expenditures through 2030 was assessed. The 2025 analysis indicates that, by 2030, summer average temperature is barely change, while the number of extreme high-temperature events is expected to increase. Winter average temperature is expected to rise, with a slight decrease in extreme low-temperature events. Inputting the foregoing indicators into the model, the projected impact on claim amounts is expected to increase to NT$905,000. The assessment results indicate that the magnitude of impact remains within a manageable range. Going forward, the Company will continue to refine the model and closely monitor changes in the level of impact, formulating appropriate response measures once sufficient sample data and experience have been accumulated.
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	Yuanta Life only conducts risk identification and assessment for its life insurance business; as it has no property and casualty (P&C) insurance business, there are no processes for identifying and assessing liability, physical, and transition risks related to P&C insurance and reinsurance.
	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	Yuanta Life operates only in life insurance and does not engage in property and casualty insurance. As this year's scenario analysis only considers the effects of certain causes of illness and temperature, the model still has room for further development and has therefore not yet been applied in the design or pricing of life insurance products. Going forward, the Company will continue to incorporate additional variables to research the relationship between climate-related events and life insurance pricing.
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	1.3 Metrics and Targets for Low-Carbon Strategies Appendix

Appendix 7 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 organization'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	1.5 Initiatives & Engagement Actions
Strategy		
A. Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium, and long term	No additional guidance for financial institutions	5.1 Evaluation of Nature-Related Dependencies & Impacts 5.2 Identification of Nature-Related Risks & Opportunities
B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization'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	5.1 Evaluation of Nature-Related Dependencies & Impacts 5.2 Identification of Nature-Related Risks & Opportunities
C. Describe the resilience of the organization'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	5.1 Evaluation of Nature-Related Dependencies & Impacts 5.2 Identification of Nature-Related Risks & Opportunities
D. Disclose the locations of assets and/or activities in the organization'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	5.1 Evaluation of Nature-Related Dependencies & Impacts 5.2 Identification of Nature-Related Risks & Opportunities
Risk management		
A. (i) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations	No additional guidance for financial institutions	5.1 Evaluation of Nature-Related Dependencies & Impacts 5.2 Identification of Nature-Related Risks & Opportunities
A. (ii) Describe the organization's processes for identifying, assessing and prioritizing 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	5.1 Evaluation of Nature-Related Dependencies & Impacts 5.2 Identification of Nature-Related Risks & Opportunities
B. Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities	No additional guidance for financial institutions	5.2 Identification of Nature-Related Risks & Opportunities
C. Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes	For more information, please refer to the additional guidance for financial institutions	5.2 Identification of Nature-Related Risks & Opportunities
Metrics and targets		
A. Disclose the metrics used by the organization 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	5.1 Evaluation of Nature-Related Dependencies & Impacts
B. Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature	For more information, please refer to the additional guidance for financial institutions	5.1 Evaluation of Nature-Related Dependencies & Impacts
C. Describe the targets and goals used by the organization 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 8 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-, Medium- and Long-term Risks and Opportunities 4.3 Quantitative Financial Analysis of Climate Change
	Item13	3.2 Short-, Medium- and Long-term Risks and Opportunities 4.3 Quantitative Financial Analysis of Climate Change
	Item14	3.2 Short-, Medium- 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-, Medium- and Long-term Risks and Opportunities 4.2 Climate Risk Management for Core Businesses 4.3 Quantitative Financial Analysis of Climate Change
	Item22~ Item23	3.2 Short-, Medium- and Long-term Risks and Opportunities 4.3 Quantitative Financial Analysis of Climate Change

Aspect	S2 recommended disclosures	Chapter
Risk Management	Item24 ~ Item26	3.2 Short-, Medium- 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	1.3 Metrics and Targets for Low-Carbon Strategies Appendix
	Item29 ~ Item32	1.3 Metrics and Targets for Low-Carbon Strategies 3.3 Low-Carbon Operations 3.4 Low-Carbon Transformation 4.3 Quantitative Financial Analysis of Climate Change Appendix
	Item33 ~ Item37	1.3 Metrics and Targets for Low-Carbon Strategies 1.4 Science-Based Emissions Reduction Pathway

Appendix 9 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 2025 Sustainability report p.54 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 securitization business in 2025
FN-IB-410a.2	Number and total value of investments and loans incorporating integration of ESG factors, by industry	Yuanta 2025 Sustainability report p.44, 50 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	1.4 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 securitization transactions	96 bond underwriting cases, bond underwriting income of 79,558,862 thousand; a total of 88 consultation cases Note: The Group has no securitization business in 2025
FN-IB-000.B	Number and value of proprietary investments and loans by sector	Yuanta 2025 Sustainability report Appendix p.197 <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 2025 Sustainability report Appendix p.197 <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 2025 Sustainability report Appendix p.198 <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 2025 Sustainability report Appendix p.198 <Distribution of number of deposit accounts and total deposit balance by account holder type>

Appendix 10 TCFD Conformity Statement

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Conformity Statement

Climate related Financial Disclosure

This is to conform that	Yuanta Financial Holding Co., Ltd. No. 157, Sec. 3, Ren' ai Rd. Da' an Dist. Taipei City 106085 Taiwan	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
Holds Statement Number	SRA-TW-808191	

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 and 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 and Insurance Companies sectors) 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

Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

Latest issue: 2026-05-29 Expiry date: 2027-05-28

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Statement number: SRA-TW-808191

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 and Insurance Companies sectors) 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: 2026-05-29 Expiry date: 2027-05-28

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The British Standards Institution is independent to the above named client and has no financial interest in the above named client. This Conformity Statement has been prepared for the above named client only for the purposes of verifying its statements relating to its climate related financial disclosures more particularly described in the scope. It was not prepared for any other purpose. The British Standards institution will not, in providing this Conformity Statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used or to any person by whom the Conformity Statement may be read. Any queries that may arise by virtue of this Conformity Statement or matters relating to it should be addressed to the above name client only.
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Appendix 11 Financial Assets GHG Inventory Assurance Statement

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Independent Limited Assurance Report

To Yuanta Financial Holding Co., Ltd.:

We were engaged by Yuanta Financial Holding Co., Ltd.: ("Yuanta Holding") to provide limited assurance over the selected information ("the Subject Matter Information") on the 2025 TCFD Report of Yuanta Holding ("the Report") for the year ended December 31, 2025.

Applicable Criteria of the Subject Matter Information

Yuanta Holding shall prepare the Subject Matter Information in accordance with applicable criteria required by Recommendations of the Task Force on Climate-related Financial Disclosures issued by Financial Stability Board, FSB as set forth in Appendix I.

Management's Responsibilities

Yuanta Holding is responsible for using the applicable criteria to fairly prepare and present the Subject Matter Information. Yuanta Holding is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3410 "Assurance Engagements on Greenhouse Gas Statement" issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of Yuanta Holding;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2025 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Yuanta Holding. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the assurance resulting in this independent auditors' report is Huang, Yu-Ting.

KPMG

Taipei, Taiwan (Republic of China)
Jun 30, 2026

Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.


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Yuanta Financial Holdings