

(VI) Corporate sustainability practices, and deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof

Scope of Assessment	Status		Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and reasons thereof
	Yes	NO	
<p>1. Whether the Company establishes the governance framework dedicated to promoting the sustainability and delegates the full-time (part-time) functional units dedicated to promoting the corporate sustainability; has the Board of Directors authorized the senior management to deal with it; and how the Board of Directors supervise it?</p>	✓		<p>There was no departure in this respect.</p> <p>(1) In November 2018, the Company established the “Corporate Sustainability Committee” (scheduled to be renamed in 2022) subordinated to the Board of Directors, as the unit dedicated to promoting ethical corporate management and sustainability practices. According to Article 2 of the Regulations Governing Establishment of Corporate Sustainability Committee, the Committee must consist of 3–7 members, who must be served by the Company’s directors, and at least a majority of the members must be served by independent directors. The Company’s “Nomination Committee” will review their qualifications and potential conflict of interest. Then the members are appointed upon approval of the Board of Directors, one of whom shall be elected as the convener. The current Corporate Sustainability Committee consists of the Chairman of the Company and four independent directors. The Chairman also serves as the convener of the Committee, and the proportion of independent directors accounts for 80%. In order to practice ethical management and promote corporate sustainability, the Company has established the “Ethical Corporate Management Promotion Center” and “Corporate Social Responsibility Promotion Center” (scheduled to be renamed in 2022) subordinated to the Corporate Sustainability Committee.</p> <p>(2) In order to plan the Group’s sustainability strategic development and practice the result of execution, in 2011, the Company established the “Corporate Social Responsibility Promotion Center” and also seven major functional teams, subject to the nature of the mission, comprising “Corporate Governance,” “Green Business,” “Employee Care,” “Environmental Sustainability,” “Social Participation” and “General Affairs Promotion” consisting of the members served by the</p>

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			<p>cross-department staff from the Company and its subsidiaries. A total of four meetings were convened by the Center to communicate and follow up on the progress of various projects in 2021. The Center would report to the Committee the work plans and execution results thereof on a semi-annual basis, in order to strengthen the Board of Directors' regulations about ethical management and sustainability. Meanwhile, it would amend and review related policies to ensure the validity thereof, on a rolling basis.</p> <p>(3) The Corporate Sustainability Committee held 4 meetings in 2021, and reported the implementation results of sustainable development and future work plans to the Board of Directors. The content of the proposal includes the implementation results of the Corporate Social Responsibility Promotion Center and the Ethical Corporate Management Promotion Center in the first and second half of the year; the company's implementation of integrity management and social responsibility in 2020; the communication of issues concerned by stakeholders; The semi-annual implementation results and progress, etc., and the operation and implementation of the committee will be published on the company's website and the company's annual report.</p> <p>(4) The company's medium and long-term business strategy includes two aspects: business model and sustainable development. The board of directors regularly listens to the report of the management team every year, reviews the implementation of the current year, and conducts strategic review and proposes optimization based on the impact of the current year's environment. practice.</p> <p>The supervision on sustainability is disclosed on the following website: https://www.yuanta.com/EN/IR/Governance/Committees</p>
2. Whether the Company conducts the risk assessment on the environment, society and corporate governance issues related to the Company's operation and adopts related risk	✓	2.	There was no departure in this respect.

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management policies or strategies, and disclose the same on the Company’s website?		<p>stakeholders’ concern about environmental, social and corporate governance issues and the impact posed to the principal business by the senior management’s review on various issues, in order to prepare the matrix chart for major topics. In reference to the SDGs and the Group’s development orientation, Yuanta FHC identified 17 major issues for Yuanta FHC in 2021, and set the short-term, mid-term and long-term targets of the “2021–2025 Group Corporate Sustainability Strategic Roadmap” therefor. Yuanta FHC would also follow up the achievement of targets each year to practice the sustainability management.</p> <p>(2) Yuanta FHC has included climate change in its corporate governance and business strategies as an important part. Meanwhile, pursuant to the materiality principle, Yuanta FHC conducted the related risk assessment on major issues and adopted the related risk management policies or strategies based on the assessed risks, disclosed on the following website: https://www.yuanta.com/TW/ESG/Stakeholder-Engagement/Material-Aspects.</p>		
<p>3. Environmental issues</p> <p>(1) Has the Company established environmental policies suitable for the Company’s industrial characteristics?</p>	✓	3.	<p>(1) Yuanta FHC has set forth the “Environmental Policy” and “Energy and Climate Transformation Management Policy.” In order to improve the environmental sustainability management, the “Environmental Sustainability Team” continues to promote various policies to mitigate the environmental impact and use the best effort to build the enterprise’s green culture, hoping to mitigate the impact posed by the operating process to the environment, by managing the internal energy consumption and GHG emission, continuing to improve the energy utilization efficiency, and proactively procuring the renewal energy.</p> <p>A. The management departments of Yuanta FHC and its subsidiaries have formed the “Environmental Sustainability Team” since 2011, which is responsible for establishing the environmental</p>	There was no departure in this respect.

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		<p>management system, implementing various environment and energy ISO management systems voluntarily, and conducting GHG inspection, promoting energy conservation and carbon reduction proactively, managing energy/resources, water resources and waste with care, and also practicing the green procurement and supply chain management.</p> <p>B. In 2016, the Company set forth the "Environmental Policy" and has the same passed by the Board of Directors. With the standard and systematic management, the Company exerted the power of integration, set the short-term, mid-term and long-term goals under various environmental sustainability indicators, and executed and followed up the same. The "Environmental Sustainability Team" reported the execution result to the Corporate Social Responsibility Promotion Center periodically on a quarterly basis. Then, the Center would report the same to the Corporate Sustainability Committee, in order to continue mitigating the impact posed by the environment in the process of operation and demonstrate the Company's positive attitude toward environmental sustainability in line with the international trend.</p> <p>C. The Company established the environmental management system exclusively applicable to the financial business based on ISO 14001 environment management standard systems, and passed the external certification. Meanwhile, the Company also delivered the ISO 14064-1 Greenhouse Gas Investigation System and ISO 14046 Water Footprint Investigation System into its eight subsidiaries extensively in three steps. In terms of the Group's 319 business locations throughout Taiwan, the coverage rate of such inspection attained 100%. All of the buildings owned by the Group have implemented the ISO 50001 energy management system, respectively, and also passed the external certification.</p>	

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(2) Does the Company endeavor to upgrade the efficient use of available energy, and use environmentally friendly materials?		<p>(2) The Company is used to making every endeavor to promote energy conservation and carbon reduction, managing energy/resource, water resource and waste with care, and also practices green procurement and supply chain management. The specific management practices are stated as follows:</p> <p>A. Environmental policies were drafted or amended per the Company's operating policies, assessment result considered in terms of important environment or the management review resolution.</p> <p>B. Fulfill the "Corporate Sustainability," and establish the Energy and Climate Transformation Management Policy in response to such issues including shortage of international energy and climate transformation, and include corporate sustainability into the Company's management and operations.</p> <p>C. The Company set internal management rules for indoor air conditioning temperature in office that follow Taipei City Government's Self-Government Regulations Governing Energy Saving and Carbon Reduction of Industrial and Commercial Business.</p> <p>D. Review the result about consumption of such energy as water and electricity, on a year basis, in order to realize water conservation, energy conservation, and carbon and greenhouse gas reduction.</p> <p>E. Draft the environmental objective and action plans, set the manners in which various departments should set the objectives, and establish the plan to achieve the environmental objectives.</p> <p>F. Smoking is completely prohibited inside our offices. Smokers must use designated outdoor places. In order to meet regulations we regularly carry out disinfection, rodent and insect control.</p> <p>G. The headquarters building's management committee functions as a dedicated environmental management unit to maintain the environment.</p> <p>(A) Global warming results in increasing frequencies of extreme</p>	

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			<p>weather events and thereby creates a threat to the infrastructure of the financial market. The Company not only pays close attention to the effect caused by changes of climate to operating activities, but also applies multiple tangible safety prevention measures to protect against risks of such changes of climate, including maintenance of fire insurance and additional insurance against the Company's own assets and electronic insurance against information equipment, installation of watertight gates, and periodic maintenance of fire protection, monitoring and back-up supporting equipment, in order to control contingent climate risk and reduce the loss of the Company's operation and equipment.</p> <p>(B)The Company is a financial service business, instead of a manufacturer who is used to discharging massive quantities of greenhouse gas. The primary sources of the Company's emission of greenhouse gas refer to power, water and fuel of transportation means. The Company has conducted an investigation into the emission of greenhouse gases by said energies, and has had the emission of greenhouse gases certified by some external organization since 2015.</p> <p>(C)The Company promotes environmental protection and fulfills the energy saving/carbon reduction measures as its strategies to manage greenhouse gas:</p> <ol style="list-style-type: none"> a. Promote recycling and adopt green procurement. b. Permanently encourage staff to move by stairs instead of elevators if the length of distance is no more than two floors to save power and encourage the partaking of exercise. Elevators are categorized into those exclusive for floors of odd and even numbers separately, so that the energy used by the elevators to stop and open/close the doors may be saved. c. Require that the room temperature at the office premises

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			<p>shall be set as no less than 26°C.</p> <p>d. The areas of sun exposure shall be equipped with window shades to reduce radiant heat.</p> <p>e. Promote that the plugs of OA equipment shall be pulled out, if the equipment will remain inactive permanently, and staff shall turn off the lights immediately before leaving the office.</p> <p>f. Set the PCs in the manner that the screensavers will be activated automatically once the PCs are inactive.</p> <p>g. Reduce water yield of faucets comprehensively, and persuade colleagues to confirm that the faucet is turned off tightly after use.</p> <p>h. Promote videoconferencing to save the staff from consuming the energy used in commuting.</p> <p>i. Plan to replace traditional lighting with LED to save power.</p> <p>j. The communication of official letters, internal and external, has been replaced by an online approval system to save consumption of paper and carbon powder.</p> <p>H. The Company's measures to raise resource utilization efficiency and its use of renewable materials are explained below:</p> <p>(A) We recycle and reuse energy-intensive articles. This includes advocating as well as promoting the recycling and reuse of paper products, the use of recycled paper and resource recycling as well as reporting on execution status.</p> <p>(B) We properly dispose of waste. This includes advocating and promoting waste sorting and reduction, waste water treatment and reporting on the outcome.</p> <p>(C) The Company adopts low-consumption and green OA appliances and devices and procures the products with eco-friendly, energy-conservation and water-conservation logos as the first priority. The office renovation work is primarily required to satisfy the criteria for green construction materials.</p>

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<p>(3) Whether the Company assesses the potential risk and opportunity posed by climate changes to the enterprise, now and in the future, and takes responsive measures related to these issues?</p>		<p>(D) In response to the policy for “Prohibition of Disposable and Melamine Tableware,” employees are encouraged to prepare their own tableware and eco-friendly cups. No disposable cups, such as paper cups, would be provided at any of the Company’s meetings.</p> <p>(E) The Company has been honored by Environmental Protection Administration, Executive Yuan, as the excellent green procurement benchmarking entity for ten consecutive years.</p> <p>(3)</p> <p>A. The Company supports the Task Force on Climate-Related Financial Disclosures (TCFD) actively. As promoted by the “Corporate Sustainability Committee,” the Company has established the “Energy and Climate Transformation Management Policy of Yuanta Financial Holding Co., Ltd. and its Subsidiaries” and conducted the review periodically each year. The Company and its subsidiaries have identified and assessed the related climate risks and opportunities subject to their business characteristics and research and draft responsive strategies and mitigation measures with respect to various risks and opportunities over climate changes.</p> <p>B. The Company discloses the work progress and results by the four major aspects, including governance, strategy, risk management, and indicator & objective, and also enacts and implements countermeasures in order to have the Company’s internal responsive strategies and mitigation measures with respect to various climate risks become more flexible and resilient. Meanwhile, the Company also encourages customers to transform themselves toward the low-carbon industry and utilize their capital to help the global green economic development in order to demonstrate the Company’s determination to boost corporate sustainability.</p> <p>C. The risk management units and sales units of the Company and its subsidiaries would identify and assess the climate-related risks and</p>	

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<p>(4) Whether the Company gathers the statistics about the annual GHG emission, water consumption and gross weight of waste for the past two years, and adopts policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or management of exhaust gas and other waste goods, including reduction target, promotional policy and status of achievement?</p>			<p>opportunities subject to their company size, business characteristics and business strategies, and assess the importance of effect, time period, territory, value chain location and financial effect based on various risks and opportunities, and also draft responsive strategies and mitigation measures therefor.</p> <p>Said detailed information is disclosed in Chapter "Climate-related Risks and Opportunities and Financial Effects" in the CSR Report on the website at: https://www.yuanta.com/Files/ESGReport/2020/EN/2020_CSR_en.pdf</p> <p>(4) A. The Group uses the best effort to achieve the various environmental sustainability targets, and set the following quantitative indicators:</p> <table border="1"> <thead> <tr> <th>Category 1 and Category 2 Carbon Reduction Targets (2017 as the base year)</th> <th>Short-term Goals</th> <th>Mid-term Goals</th> <th>Long-term Goals</th> </tr> </thead> <tbody> <tr> <td></td> <td>1.The carbon emission reduced by 4% per unit of operating revenue in 2021 from the base year. 2.The energy consumption reduced by 3% in 2021 from the base year.</td> <td>1.The carbon emission reduced by 6% per unit of operating revenue in 2023 from the base year. 2.The energy consumption reduced by 5% in 2023 from the base year.</td> <td>1.The carbon emission reduced by 8% per unit of operating revenue in 2025 from the base year. 2.The energy consumption reduced by 7% in 2025 from the base year.</td> </tr> <tr> <td>Waste Reduction Target (2019 as the base year)</td> <td>The quantity per capita reduced by 1% in 2021 from the base year.</td> <td>The quantity per capita reduced by 2% in 2023 from the base year.</td> <td>The quantity per capita reduced by 3% in 2025 from the base year.</td> </tr> <tr> <td>Water Consumption Reduction (2019 as the base year)</td> <td>The water consumption per square meter reduced by 1% in 2021 from the base year.</td> <td>The water consumption per square meter reduced by 2.5% in 2023 from the base year.</td> <td>The water consumption per square meter reduced by 4% in 2025 from the base year.</td> </tr> </tbody> </table>	Category 1 and Category 2 Carbon Reduction Targets (2017 as the base year)	Short-term Goals	Mid-term Goals	Long-term Goals		1.The carbon emission reduced by 4% per unit of operating revenue in 2021 from the base year. 2.The energy consumption reduced by 3% in 2021 from the base year.	1.The carbon emission reduced by 6% per unit of operating revenue in 2023 from the base year. 2.The energy consumption reduced by 5% in 2023 from the base year.	1.The carbon emission reduced by 8% per unit of operating revenue in 2025 from the base year. 2.The energy consumption reduced by 7% in 2025 from the base year.	Waste Reduction Target (2019 as the base year)	The quantity per capita reduced by 1% in 2021 from the base year.	The quantity per capita reduced by 2% in 2023 from the base year.	The quantity per capita reduced by 3% in 2025 from the base year.	Water Consumption Reduction (2019 as the base year)	The water consumption per square meter reduced by 1% in 2021 from the base year.	The water consumption per square meter reduced by 2.5% in 2023 from the base year.	The water consumption per square meter reduced by 4% in 2025 from the base year.
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					<p>In response to the renewable energy consumption</p> <p>1. Two business locations consumed 100% green power in 2021.</p> <p>2. The proportion of green power consumption is increasing by 2% year by year.</p> <p>1. At least four business locations consumed 100% green power in 2023.</p> <p>2. The green power consumption aims to attain 1.50 million kWh cumulatively.</p> <p>The green power consumption attains 2.7 million kWh cumulatively, i.e. 2% of the total energy consumption.</p>																												
<p>The historical environmental data are stated as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Power consumption (kWh)</td> <td>43,984,518</td> <td>41,022,526</td> </tr> <tr> <td>Renewable energy consumption (kWh)</td> <td>510,000</td> <td>527,341</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th>2018 (Base Year)</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>GHG emission (tons) (Categories 1+2)</td> <td>21,512</td> <td>23,880</td> <td>22,254</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th>2019 (Base Year)</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Gross weight of waste (tons)</td> <td>3,730.01</td> <td>691.83</td> <td>661.18</td> </tr> <tr> <td>Water consumption (million liters)</td> <td>188.35</td> <td>194.44</td> <td>173.09</td> </tr> </tbody> </table>					2020	2021	Power consumption (kWh)	43,984,518	41,022,526	Renewable energy consumption (kWh)	510,000	527,341		2018 (Base Year)	2020	2021	GHG emission (tons) (Categories 1+2)	21,512	23,880	22,254		2019 (Base Year)	2020	2021	Gross weight of waste (tons)	3,730.01	691.83	661.18	Water consumption (million liters)	188.35	194.44	173.09	
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			<p>B. The Group has physically practiced sustainability in terms of climate transformation, energy-saving and carbon reduction, and green environmental protection. From 2016 to 2017, it continued to procure the green power accumulated as 1 million kWh. Meanwhile, in 2018 and 2019, it subscribed for 500 Renewable Energy Certificates, respectively, equivalent to the green power of 500,000 kWh. In 2020, it increased the subscription for renewal energy certificate by 2%, namely 510 pcs. The green power and renewal energy certificate procured by it in the past years generated the green power of 2.51 million kWh, corresponding to the absorption of CO2 of 3.4 Daan Forest Parks each year. In June 2021, Yuanta FHC started the green power supply. The four branches of Yuanta FHC's subsidiaries Yuanta Securities and Yuanta Bank were the first to adopt 100% green power in the financial industry. Yuanta Futures, Taichung Branch has completed 100% green power supply in Q1 of 2022, to work with all people to care for the Earth and environmental sustainability.</p> <p>The Group s taken the green building planning into account when constructing its own buildings (including the Yuanta Bank Head Office Building under construction and Tatung Building). The Group will also adopt the same standard planning when constructing any building in the future. The Group takes carbon reduction issues very seriously. Since 2016, it has become a member of the Carbon Disclosure Project (CDP). In 2018 and 2019, it was rated by the CDP as A- for "Leadership," and as A in 2020 and 2021, as the highest rating in the CDP and also ranking the best among peer companies domestically.</p> <p>In addition to dealing with the governmental energy saving/carbon reduction policies and promoting multiple related measures, the Company also defines the goal for energy saving in accordance with the "Regulations Governing Energy Subscribers' Identification of</p>

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			Goals for Energy Saving and Implementation Plan", promulgated by Ministry of Economic Affairs, in order to achieve the power saving rate more than 1% each year from 2015 to 2020 and also to achieve the average power saving rate more than 1% for the five years. The Group continues to invest in energy-conservation lamps and equipment replacement to practice the energy-conservation and carbon-reduction target. In 2020, it has saved power of about 716,000 kWh and, therefore, saved expenses of about NT\$2.43 million through equipment replacement. In 2021, it saved power of about 461,000kWh and, therefore, saved expenses of NT\$1.61million. Accordingly, the overall power conservation rate was about 6.73% in 2021. The accumulated carbon reduction volume satisfied the Group's carbon reduction target. C. The Company establishes the "Environmental Policy" dedicated to fulfilling environmental protection, environmental management and energy saving in 2016. Meanwhile, in order to deal with such issues as shortage of international energy and climate transformation, in 2017, the Company established the "Energy and Climate Transformation Management Policy" to respond to the energy saving and carbon reduction trend actively, and also defined the energy saving objectives and programs to include sustainable operation into the Company's management and operation.
4. Social issues (1) Has the Company established any related management policies and procedures in accordance with the relevant laws and international human rights conventions?	✓	(1) A. In order to maintain and protect the human rights, Yuanta FHC establishes the "Human Rights Policy" in accordance with the human rights protection spirit and basic principles disclosed in the Universal Declaration of Human Rights, United Nations Global Compact and International Labour Conventions, in order to regulate the protection of human rights in workplaces, supply of healthy and safe workplaces and propagation of human rights policies, and	There was no departure in this respect.

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<p>(2) Whether the Company adopts and implements reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflects the operating performance or results to the remuneration to employees adequately, and disclose the same on the Company’s website?</p>			<p>fulfill the responsibility for respecting and protecting human rights. Meanwhile, the Company’s President executed the “Statement of Human Rights” to undertake inclusion of the human rights protection principles and spirit into the enterprise’s value and culture.</p> <p>B. Meanwhile, in order to practice the “Human Rights Policy,” the Company conducts the risk assessment with respect to the potential human rights risk issues to be dealt with by the employees each year, sets forth and adjusts the following management, mitigation, compensation and correction policies based on the assessment results, and discloses the Company’s human rights risk assessment control list, in order to control and mitigate the risk and solidify the Company’s human rights protection policies.</p> <p>C. The Company organizes the “Peaceful Workplace: Human Rights, Laborers’ Interests and Rights, and Prevention of Sexual Harassment” training courses each year, in order to promote to and train all employees about the human rights concept, and the human rights knowledge including the contents of the Company’s human rights policy, statutory laborers’ interests and rights and the Company’s work rules, prevention of sexual harassment and grievance channels, in order to raise all employees’ awareness toward human rights protection and work with them to build a peaceful workplace jointly.</p> <p>(2) A. Yuanta FHC offers a competitive remuneration system, and pays remuneration under multiple packages, including basic pay, allowances, bonuses, festival bonus, employee compensation, and shareholding trust. In order to encourage colleagues to work harder and practice their work performance, Yuanta FHC may provide a group performance bonus subject to the operation performance and earnings achieved by Yuanta FHC, and pay other benefits based on</p>

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			<p>personal performance rating and work performance each year. According to the Articles of Incorporation, if Yuanta FHC has profited at the year’s final accounting, the remuneration to employees shall be 0.01%~0.5% of the remainder, if any, after the profitless accumulated loss.</p> <p>B. The starting salary offered to Yuanta FHC’s new employees is higher than the statutory base pay. The salary is authorized per the personnel’s expertise, job responsibilities and functions. The salary will not vary depending on gender. Yuanta FHC uses its best efforts to build a working environment upholding equal pay for equal work, so as to practice the philosophy of gender equality in employment.</p> <p>C. For the employees’ days off, the Labor Standards Act, Act of Gender Equality in Employment, and Regulations of Leave-Taking of Workers, etc. shall apply.</p> <p>D. Yuanta FHC provides employee benefit measures, including the bonus for three major festivals, birthday gift money, marriage subsidies, maternity subsidies, hospitalization and medical treatment subsidies, funeral subsidies, emergent relief, employee assistance programs (EAPs), scholarship for workers’ children, and social activities, etc.. In order to mitigate the employees’ burden to help them build a sweet home, Yuanta FHC offers the preferential loan interest rate, all-risk group insurance and group annuity policy to the employees in an effort to enable the employees to achieve a perfect balance between their work and life. Further, Yuanta FHC established an employee shareholders’ association in August 2003. When employees set aside a certain amount of money each month for stock purchases, Yuanta FHC will match the employees’ contributions, encouraging employees to be Yuanta FHC’s shareholders.</p> <p>E. In order to take care of the workers’ retirement life, Yuanta FHC has set forth the Pension Management Guidelines pursuant to laws and</p>

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<p>(3) Whether the Company provides the existence of a safe and healthy work environment protection measures, conducts regular health and safety training for employees, and discloses the same on the Company's website?</p>			<p>made monthly contribution equivalent to 2% of the total employees' salary as the pension fund saved in the exclusive account maintained with the Bank of Taiwan. Meanwhile, Yuanta FHC established the Pension Fund Supervisory Committee responsible for auditing the contribution, deposit and expenditure of the pension fund and payment of pension in order to protect the workers' interests and rights. Following the Labor Pension Act promulgation on July 1, 2005, Yuanta FHC has made monthly payments, equivalent to 6% of the insured value maintained by the individual employee into the employee's personal labor pension account.</p> <p>F. The related employee benefit measures are disclosed on Yuanta FHC's website (at https://www.yuanta.com/EN/ESG/Employees/Benefits).</p> <p>(3)</p> <p>A. In order to provide employees and customers with a safe and healthy environment, we continue to promote the workplace environment safety protection, and adopts the Occupational Safety and Health Work Rules, Occupational Safety and Health Management Program, Automated Inspection Program, Implementation Directions for Operating Environment Testing, and Regulations Governing Occupational Safety and Health Training, and publishes and enforces the same, in accordance with the "Occupational Safety and Health Act" and related sub laws.</p> <p>B. Organize the online training courses and disaster prevention drill for the occupational safety and health training and four major programs for occupational safety and health, with respect to new and current employees, pursuant to laws each year. A total of 28 courses were organized in 2021, attended by a total of 7,650 trainees. The total training hours were 8,192 hours.</p> <p>Organize the occupational safety management training, fireproof management personnel training, first-aid personnel training, and</p>

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			<p>disaster and earthquake prevention drill with respect to the occupational safety and health affair managers, fireproof management personnel, security personnel and first-aid personnel, each year in order to mitigate the risk derived from occupational disasters and provide employees with a safety, healthy and sanitary occupational environment. There were a total of 520 trainees in 2021. The total training hours were 3,002 hours.</p> <p>C. Yuanta FHC and its subsidiaries all provide the specialist’s on-site occupational health service, hire specialty occupational safety and health management personnel, dedicated registered nurse and occupational specialist by contract to provide employees with the medical treatment and healthcare information, as well as the health consulting and health promotion services pursuant to laws, and also screen and identify the employees’ occupational health risks which are more likely to derive and plan the occupational disease prevention program based on the indicators including job type, operating environment, age & gender, and health risks each year.</p> <p>D. In order to take care of employees’ and customers’ health, various units all practice the requirements about “installation of prominent non-smoking label at all entrances.” and test the carbon dioxide concentration and lightness at the office premises semi-annually in accordance with the occupational safety and health laws and regulations, and also obtain the “Air Quality Self-Management Certification”. Website: https://www.yuanta.com/EN/ESG/Employees/Health-and-Safety</p> <p>E. In 2020, Yuanta Bank and Yuanta Securities officially passed the ISO 45001 occupational safety and health management system, planned the entire occupational safety and health management development, and promoted a fair environment in the workplace protect employees’ work environment and personal safety. Meanwhile, they renewed the certification in 2021. The Company,</p>

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(4) Has the Company established some effective career development training plan for employees?		<p>together with Yuanta Life, Yuanta Securities Investment Trust and Yuanta Futures, passed the ISO 45001 Occupational Safety and Health Management System certification officially in 2021. The certificate awarded to Yuanta FHC is effective from April 23, 2021 until April 22, 2024. Considering the Group’s safety and health work culture that impresses people so much, it was awarded the “National Excellent Healthy Workplaces” by Health Promotion Administration, Ministry of Health and Welfare in 2021.</p> <p>F. One occupational accident occurred in 2021. One person was injured (ankle accidentally twisted and hurt on the way home from work, already recovered and returning back to work), i.e. 0.58% of the total number of employees. Yuanta FHC has strengthened the publicity of the precautions to be taken when taking public transportation, and strengthened the occupational safety and health awareness of colleagues.</p> <p>(4) The career development training plan for the Company’s employees consists of the following elements:</p> <p>A. Training and development system for diversified talents holding management function and professional function</p> <p>The Company’s management find and reserve the management and professional talents needed by the financial industry and the Group’s development through talent identification, and train talents through orientation training, management and diversified functional courses, assignment of missions, participation in projects, participation in meeting and job rotation. Meanwhile, the Company also encourages its employees to access various financial areas of the Group and learn the diversified functions voluntarily to help the Company and employees respond to the rapid changes in the finance industry and also hold the knowledge, technology and competency keeping up with the time. The training plan in 2021 was primarily based on the Company’s business development in order to promote</p>	

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			<p>the transformation and diversified functional training programs for the Group's personnel, including financial product training, insurance and property management product sales training, accounting for 82.8% of the total training fees. The senior, middle and junior management's training accounted for 12.8% of the total training expenses, and 4.4% of the total training expenses for the orientation training.</p> <p>The Company encourages employees to participate in workshops and training sessions to enhance their competence or reserve the competence needed in the future. The Company will cover the full expenses for courses that are attended upon assignment or approval by the Company. Moreover, the Company encourages employees to attend international financial professional course certification and English proficiency certification by offering incentive bonus.</p> <p>B. Share the digital training platform and promote self-learning</p> <p>The Company communicates tacit knowledge and transfer practical experience via its self-made courses available on the digital learning platform, "Yuanta e-Learning." The digital learning courses added on a weekly basis are intended to communicate the global industrial development trend, case study on enterprises and experience, new knowledge and application of management, and strengths in workplaces, as the important knowledge treasury for the Group's employees to engage in self-learning and develop diversified functions.</p> <p>Based on the thought about learning curation, in line with the hit subjects in the global financial industry and the Group's business focus, the Company releases "Yuanta e-Learning/Learning Weekly" to train employees to maintain their learning motives and habits, urge employees to engage in self-learning "anytime, anywhere, on-demand." to continue enhancing the employees' professional ability and reserve their competitiveness for their future careers.</p>

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<p>(5) Whether the Company complies with the related laws and international practices with respect to customers' health and safety, customers' privacy, marketing and labeling for its products and services, and adopts related consumers or customers protection</p>			<p>C. Provide the chance for post transfer in the Group and encourage trans-disciplinary transfer for development</p> <p>The Company makes good use of the strength in diversified financial industry of its subsidiaries to arrange the intracompany post transfer subject to the operating need periodically, and encourages employees to apply for internal post transfer, so as to boost the exchange of talents in the Group and encourage employees to develop in a diversified manner, drive the reproduction of inter-company success and spread efficiency.</p> <p>D. Fulfillment of Yuanta FHC's internal knowledge management and experience transmission</p> <p>Meanwhile, in order to enable employee training to meet the Group's enterprise culture and practical management needs and to signify senior employees' professional value and contribution, the Group has engaged in promoting the in-house trainer system based on the plentiful experience of in-house staff permanently, so as to fulfill the Company's internal knowledge management and experience transmission. It is also done to help enhance colleagues' professional competency in the area of finance.</p> <p>E. The Group's employee training program 2021 offered a total of 3,332 courses, attended by a total of 326,648 trainees. The total training hours were 519,285 hours. The total employee training budget was NT\$45.15 million. Averagely, each employee accepted the training for 47.0 hours and attended the training for 29.6 counts, and was allocated the training budget, NT\$4,090.</p> <p>(5)</p> <p>A. The Company upholds the ethical and honest enterprise culture and, based on the "Fair Dealing Principles," strengthens the mechanism of communication with customers, perfects the product and service information disclosure, and cares about consumers' interests and rights. The five major subsidiaries (Yuanta Securities, Yuanta Bank,</p>

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policy and complaining procedures?			<p>Yuanta Life, Yuanta Securities Investment Trust and Yuanta Futures) all establish dedicated units under the Fair Dealing Principles, which report the implementation of related policies to the Board of Directors periodically.</p> <p>B. The “Yuanta FHC and Subsidiaries Customer Information Confidentiality Measures” are established in accordance with the “Personal Data Protection Act,” “Cyber Security Management Act,” “Financial Holding Company Act” and “Regulations Governing Cross-selling Among Subsidiaries of Yuanta Financial Holding Co., Ltd.” in order to practice the customer data protection mechanism.</p> <p>C. The five major subsidiaries also established the units in charge of the information security, which shall be responsible for planning, supervising and executing the information security management operations, and reporting the execution of the information security to the Board of Directors to improve the information security regulation and practice the high-standard information security protection, acquire ISO 27001 or BS10012 (Yuanta Securities Investment Trust and Yuanta Futures plan to acquire the certification in May 2022) international personal data & privacy protection certification. Meanwhile, they keep improving the information security operating procedures strictly to manage and protect users’ personal data and privacy, and provide safe services.</p> <p>D. The Company’s subsidiaries value the customers’ interest and right very much, and sufficiently disclose the information to customers and competent authorities honestly per the competent authorities’ requirements whenever any financial instrument hit the market, including the terms and conditions of the instrument, characteristics of the instrument, DM, and various documents to be disclosed per the competent authorities’ requirements. Further, the Company establishes the internal control system and related guidelines with respect to the product design and sale, and helps customers</p>

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	Yes	NO	
<p>(6) Whether the Company adopts any specific suppliers' management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how the policy is implemented?</p>			<p>understand the products rapidly in the form of service attendants' detailed explanation, financial courses organized by various subsidiaries from time to time, and disclosure of the product details and simplified Q&A on the official website and self-media, in order to upgrade the customers' knowledge about financial instruments.</p> <p>E. The Company has set up various public channels, such as the official website, customer service hotline, webpage, and e-mail. The customers may call the phone number, request in person, or in writing or via fax or email, or file a complaint against the consumption dispute with the competent authority or via any other channels. The consulting service is also available to customers at any time to reflect customers' need. The Company also sets forth the internal control system, customer complaint processing procedure and instructions to telephone recording system management, in order to follow up and solve problems effectively, provide customers with the best services and protect customers' rights.</p> <p>(6)</p> <p>A. The Company asks the suppliers to comply with the Ethical Corporate Management Best Practice Principles and the Company. For tangible product suppliers to enter into a procurement contract with the Company, as of June 2013, the Company will ensure they understand the Company's integrity and ethical principles and corporate social responsibility strategies and approaches in accordance with "Ethical Management and Guidelines for Conduct." The Company will also ask them to submit a written undertaking of integrity and ethical proof showing no record of corruption and bribery in order to comply with the integrity and ethical principles and fulfill the sustainability.</p> <p>B. In an effort to make some contribution to environmental sustainability, the Company procures green products as the first priority, primarily the three types of environmental protection</p>

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			<p>product which renders less impact to the environment, namely, "the product which acquires the green mark granted by Environmental Protection Administration, Executive Yuan," "the product which meets the requirements about recycling materials, low pollution, recycling and energy-saving" and "the other product with an identical or similar performance which may increase the social interest or reduce the social cost." Since 2011, the green procurement has been awarded a certificate of gratitude by the Environmental Protection Administration, Executive Yuan for ten consecutive years and Taipei City Government for eleven consecutive years.</p> <p>C. When executing any contract with suppliers, the Company will include the "Supplier Sustainable Procurement Terms" in the contract to ensure that the suppliers will comply with labor and eco-friendly laws and regulations, respect labors' basic human rights, avoid endangering labors' basic rights, and devote themselves to sustain the environment, fulfill the enterprise culture upholding eco-friendly environment, care for the earth, cherish resources, protect the environment and save energy, and concern about the society and environment issues, hoping to exercise the Company's influence and urge the suppliers to fulfill the corporate social responsibility together. In order to establish a more sound "Sustainable Procurement Procedure," the Company took the initiative to implement the ISO 20400 Sustainable Procurement Guideline Standards in 2019 and Yuanta FHC passed the third party's certification in 2020 as the first one to practice the concept about sustainability into the procurement department step by step, affect up-stream suppliers' practices and practice the commitment for corporate sustainability. Meanwhile, in 2020, the ISO 20400 Sustainable Procurement Guideline Standards were extensively implemented in all of the Company's subsidiaries. In 2021, Yuanta FHC and all of the subsidiaries passed the third party's certification.</p>

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	Yes	NO	
5. Whether the Company prepares the report disclosing the Company’s non-financial information, such as the sustainability report, based on the guidelines or directions for preparation of reports applicable internationally? Whether said report has been	✓		<p>The Company uses the best effort to promote the suppliers’ management, exercise the financial industry’s influence, and work with the suppliers to fulfill the sustainability practices.</p> <p>D. The Company has strengthened the risk assessment on suppliers and also practiced the suppliers’ evaluation in two dimensions since 2021, in order to improve the suppliers’ management procedure. Among other things, in order to identify the suppliers’ sustainability risk, the Company distributed the risk self-assessment questionnaire to key suppliers this year. The questionnaire comprehensively covered the three major dimensions, including Environment (E), labor practices and human rights (S) and Corporate Governance (G), in order to precisely control the suppliers’ performance in sustainability. The Company analyzed the self-assessment questionnaire results returned by the suppliers to identify the suppliers with high, middle and low risk, and then conducted the random check in writing and on-site audit on the suppliers with high risk. After that, the Company would provide the suggestions about risk mitigation and remedy measures, and keep following up the improvement made by the suppliers with high risk. In the meantime, in order to verify the suppliers’ overall performance, the Company would conduct the evaluation on key suppliers. Through the annual evaluation, the Company distinguished the suppliers into excellent, qualified and observable ones, and adopted the management policy varying based on the suppliers, in order to continue improving the procurement results and grow with the suppliers, our partners.</p> <p>The Company releases the non-financial information report periodically each year. In June 2021, the Company released the “Yuantia FHC 2020 CSR Report” (hereinafter referred to as the Report), and the relevant public notice was posted in the “Sustainability” section on Yuanta FHC’ website, in Chinese and English languages. It covers the Group’s performance in economy, society and environment in 2020 (from January</p>
			There was no departure in this respect.

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assured or guaranteed by a third-party certification unit?			<p>1, 2020 to December 31, 2020), and management policies and responsive measures against important topics. The Report set the organization bound based on the principles of consolidated statements, covering Yuanta Financial Holdings and its eight subsidiaries. The scope of disclosure focused on the operating activities in Taiwan. The Report was prepared primarily based on the “core” requirements under the GRI, Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and International Integrated Reporting Framework, and also added the SASB-Investment Banking & Brokerage Guidelines. The financial data were prepared based on International Financial Reporting Standards and Regulations Governing the Preparation of Financial Reports by Financial Holding Companies. In respect of environment, the ISO 14001, ISO 14046, ISO 14064-1, ISO 20400 and ISO 50001 were followed. In respect of society, ISO 45001, ISO26000 and ISO27001 were followed. The Report was investigated by BSI, Taiwan Branch based on AA1000 AS:2008 and GRI. Upon investigation, the Report was held satisfying the “core” requirements under GRI and AA1000 Type II guarantee. Meanwhile, subject to the indicators under the SASB-Investment Banking & Brokerage Guidelines, PwC Taiwan provided the limited assurance on the specific SASB key performance information in accordance with the Statement of Taiwan Standards on Assurance Engagements (TWSAE) No. 1, “Other Than Audit & Reviews.”</p> <p>6. If the Company has established corporate social responsibility principles based on “Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the principles and their implementation: There was no departure in this respect.</p> <p>7. Other information material to the understanding of the corporate social responsibility: Please view the “Sustainability” section on the home page of the Company’s website (https://www.yuanta.com/EN/ESG).</p>

Note 1: Pursuant to the materiality principle, the Company conducted the related risk assessment on major issues, and adopted the related risk management policies or strategies as following, based on the assessed risks:

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

Note 2: The Corporate Social Responsibility Promotion Center is identified as Yuanta FHC's unit dedicated to promoting the corporate social responsibility, which governs 7 functional teams. The organizational structure is stated as following:

