



兆豐證券  
Mega Securities



2023

Sustainability Report

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# About this Report

## Reporting Period

The Mega Securities 2023 Sustainability Report (hereafter referred to as “The Report”) discloses the material actions, performance and outcomes of Mega Securities in the environmental sustainability, sustainable finance, social inclusion, and corporate governance aspects, as well the management measures adopted in response to the impacts of material topics between January 1 and December 31, 2023. This Report was the first of its kind to be prepared and published by Mega Securities so there are no restatements of information.

## Reporting Scope

The scope of disclosure for financial data in this report are consistent with the consolidated financial statement of Mega Securities, and encompasses the two Mega Securities subsidiaries of Mega Futures and Mega International Investment Services. The currency used for financial data is the New Taiwan Dollar (NTD) and the data was certified by the accounting firm PwC Taiwan.

The scope of disclosure for non-financial data in this Report is based around the operating activities and services of all Mega Securities operating locations in Taiwan, and does not encompass Mega Securities subsidiaries.

Any inconsistencies between the content of the report and the aforementioned scope will be annotated accordingly.

## Reporting principles

### Standards Body

- United Nations
- The Global Reporting Initiative (GRI)
- Taiwan Stock Exchange (TWSE)
- Taipei Exchange (TPEX)
- Sustainability Accounting Standards Board (SASB)
- Financial Stability Board (FSB)

### Reference Standard

- Sustainable Development Goals (SDGs)
- Sustainability Reporting Standards 2021 (GRI Standards 2021)
- Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
- Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms, Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies
- Investment Banking & Brokerage
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Global Compact (UNGC)

**Note:** The corresponding chapters and pages of the reporting principles can be found in Appendix 8.2: Comparison Table of Sustainability Standards and Indicators.

## Report Quality

Category	Reference Standard	Verification/Assurance Body	Certification Period
Sustainability Information	TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (based on ISAE 3000)	<ul style="list-style-type: none"> <li>KPMG in Taiwan (The independent limited assurance report issued by KPMG can be found under the company's 2023 Sustainability Report (Chinese version)-Appendix 8.3 External Independent Assurance Statement)</li> </ul>	2023
Financial Data	Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant, and Generally Accepted Auditing Standards (GAAS)	<ul style="list-style-type: none"> <li>PwC Taiwan</li> </ul>	2023
Environmental Data	ISO 14064-1:2018 Greenhouse Gases	<ul style="list-style-type: none"> <li>DNV Business Assurance Co. Ltd. (Taiwan) (DNV)</li> </ul>	2023
	ISO 14001: 2015 Environmental Management Systems	<ul style="list-style-type: none"> <li>British Standards Institution (BSI Taiwan)</li> </ul>	2022/9/5~2025/9/4
	ISO 50001: 2018 Energy Management Systems	<ul style="list-style-type: none"> <li>SGS Taiwan</li> </ul>	2022/10/16~2025/10/16
Social Data	ISO 27001:2013 Information Security Management Systems	<ul style="list-style-type: none"> <li>SGS Taiwan</li> </ul>	2023/7/12~2025/10/31
	ISO 22301: Business Continuity Management	<ul style="list-style-type: none"> <li>British Standards Institution (BSI Taiwan)</li> </ul>	2023/12/28~2026/12/27
	ISO 45001:2018 (formerly OHSAS 18001) Occupational Health and Safety Management Systems	<ul style="list-style-type: none"> <li>British Standards Institution (BSI Taiwan)</li> </ul>	2023/2/1~2026/1/31

## Management Process

### Step 1

#### Data collection and compilation

- Data from each department is collected and compiled by working groups reporting to the Sustainable Development Committee.

### Step 2

#### Internal review

- The contents of the Report are consolidated and edited by the Planning Office before being reviewed by the Sustainable Development Committee and submitted to the Mega Securities Board of Directors for approval.

### Step 3

#### External verification

- Independent limited assurance is carried out by KPMG in Taiwan in accordance with TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation. The independent limited assurance report issued by KPMG can be found under the company's 2023 Sustainability Report (Chinese version)-Appendix 8.3 External Independent Assurance Statement.

### Step 4

#### External disclosure and filing

- Once the layout and composition of the Report has been finalized, it is disclosed on the Mega Securities corporate website (www.megasec.com.tw) and TWSE Market Observation Post System (MOPS).

## Feedback

Please do not hesitate to contact us if you have any questions or suggestions regarding the contents or activities in this Report.

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#### Mega Securities Sustainability Section



#### Mega Securities Sustainability Report





## Message from the Chairperson



Chairperson of Mega Securities Co., Ltd.

陳佩君  
Chen Pei-Chun

The world continued to face sustainability crises such as climate anomalies, food crises, and energy crises in 2023. The government responded to the threat of climate change by amending the “Greenhouse Gas Reduction and Management Act” and renaming it as the “Climate Change Response Act” in February 2023. A section dedicated to climate change adaptation was added and the achievement of GHG net-zero emissions by 2050 was explicitly stated. The changes reflected the government's commitment to GHG reduction and spurred private sector participation. The “ESG Sustainable Development Action Plan for TWSE and TPEX Listed Companies” was subsequently issued by the Financial Supervision Committee (FSC) on March 28, 2023, to promote the setting of carbon reduction targets, strategies, and substantive action plans by listed companies. In August 2023, the FSC also introduced three-stage plan for the adoption of IFRS Sustainability Disclosure Standards by listed companies from the 2026 fiscal year onwards. Local companies are continuing to promote sustainable development and commit to net-zero- emissions under the guidance of government policy. The quality of sustainability disclosures is also being strengthened so that all stakeholders can monitor and invest in sustainability-

related topics together. Mega Holdings, the parent company of Mega Securities, joined the Coalition of Movers and Shakers on Sustainable Finance in December 2023 to lend its support to the national net-zero transformation.

Mega Securities has aligned itself with the sustainability policy of Mega Holdings by embracing the values of “respect and inclusion”, “professionalism and trust”, and “integrity and accountability” for developing a business model focusing on sustainable finance that balances economic growth with environmental protection. UN Sustainable Development Goals can also be integrated into the sustainable management goals of Mega Securities to make the most of our financial influence. We are keenly aware of the need for collective consensus and resources to be built from the top-down to promote sustainability. For this reason, the company unit responsible for promotion of sustainability was upgraded from the “Sustainable Development Task Force” to the “Sustainable Development Committee” reporting directly to the Board of Directors in June 2023. The Board of Directors is therefore the top governance and decision-making body for promotion of sustainability in the Company. The Sustainable Development Committee is chaired by

the Director and General Manager, and the Committee Members are made up of the heads of each department. The Committee is responsible planning the sustainability goals and action plans of the Company, embedding sustainability into everyday operations, and raising the sustainability awareness of every colleagues so that they take actions that come from the heart.

### 「Committing to Net-zero Emissions to Achieve Environmental Sustainability」

Environmental changes and the increasing severity of global warming means accelerating the pace of net-zero sustainability is more critical than ever. The Mega Group assigns great importance to global climate change and net-zero transition topics. Our Science-Based Targets (SBT) commitment was submitted at the end of 2023 and approved in June 2024. A carbon reduction roadmap has now been set in accordance with SBT methodology in a bid to realize the goal of net-zero emissions before 2050. Mega Securities is continuing to promote systemic carbon reduction measures such as both “ISO 14001 Environmental Management Systems” and “ISO 50001 Energy Management Systems” certification as well as the Diamond-class Green Building” award “for our Headquarters building. The ratio of green electricity is also being increased every year to fulfill our pledge on environmental sustainability.

### 「Improving Digital Technology to Promote Sustainable Finance」

Mega Securities is actively embracing digital transformation in response to customer requirements in the age of digital finance. Financial technology is integrated into different service scenarios to implement inclusive finance by developing financial products or services suitable for the younger and

older generations. “Mega eStock” for example allows investors to select investment objects based on different wealth management needs and easily build up their portfolios through regular savings plan, dollar cost averaging, scheduled buys and other methods. In 2023, Mega Securities was ranked in the top 25% of large integrated securities firms by the FSC in its 2023 Assessment of the Implementation of Treating Customers Fairly Principles for the third consecutive year, making us the only large securities firms to make the cut for the third time. Additionally, Mega Securities incorporated ESG factors into the decision-making investment and issue of financial products to exert a positive influence through our core financial operations. In 2023, we underwrote the issue of NT\$2.15 billion in sustainable bonds, our balance from domestic and overseas investments in sustainable bonds was \$3.045 billion, and we issued the “Mega TPEx FactSet Semiconductor Climate Net Zero Elite Total Return Index ETN.” This was the first climate-based ETN in Taiwan and it channeled funds from the market into sustainable developments to help businesses respond to the risks and opportunities of climate change. In 2023, Mega Securities was included in the TWSE “List of Companies with Better Institutional Investor Stewardship Disclosures.” Our recognition by TWSE for three consecutive years demonstrated our alignment with the spirit of institutional investor stewardship principles.

### 「Strengthening Talent Development and Implement Employee Care」

Talent has always been valued at Mega Securities. We not only pay attention to the welfare and development of employees but also strive to build a friendly, happy and safe working environment. Mega Securities obtained “ISO 45001 Occupational health and safety management system” certification



in February 2023. Knowing that the building of a safe, health and friendly workplace environment is the responsibility of the management team, we treat every employee with respect and provide them with a safe, healthy and LOHAS working environment through talent cultivation, employee welfare, and employee care. These included education and training for developing different competencies, better-than-statutory employee health exam packages and benefits, continuing to organize Employee Assistance Programs (EAP), as well as using internal employee bulletin boards, regular labor-management meetings, and employee engagement surveys to maintain constructive channels for labor-management communications and mutual create a happy enterprise.

### Greater Financial Inclusion for Mutual Prosperity in the Society

Mega Securities combined our core operations and annual ESG targets on social engagement to launch the “Mega Brings Light to Remote Areas.” To promote financial literacy among students in junior high school and below, the “Financial Literacy Charity Library” , the first library in Taiwan dedicated to financial literacy, was established at Hengshan Junior High School in Hsinchu in 2022. The second “Financial Literacy Charity Library” was established at Datong Elementary School in Tainan City in 2023. Three financial literacy workshops were also organized for elementary and junior high school teachers; for students in senior high school and above, the first “Everything, Everywhere All at Mega Securities” one-day corporate tour was held in 2023. Current junior high school and university students were invited to take part in an one-day financial workshop. For university students and above, we continued to host financial seminars and promoted financial literacy through industry-academia collaboration and internship programs. We also took part in various volunteer activities such as tree planting, coastal clean-up, and supporting charities as part of the Mega Group so that “Mega Brings Light to Remote Areas” can continue to light up every corner of society.

### 「Adhering to Ethical Standards to Practice Corporate Governance」

Mega Securities enforces the value of “Integrity and accountability” by emphasizing ethical operations, compliance, anti-money laundering, and risk management. An open and transparent governance system was established through the professionalism, diversity, and independence of the Board as well as enforcing management accountability. The Ethical Corporate Management Committee reporting directly to the Board of Directors was established to formulate the Company's rules and policies on integrity. Compliance and governance are enforced through three lines of defense. Thanks to the comprehensive risk management mechanism at Mega Securities, we have been rated as a Class 1 (excellent) securities dealer twice in a row by the Taipei Exchange in its risk management evaluation since 2019. We also won the National First Prize in the Outstanding Enterprise category of the National Brand Yushan Award in 2023.

### 「Lighting Up the Future for a Richer Life」

Sustainability is our common goal and the future that we strive together for. Mega Securities will continue to provide the wealth management services and products required to support the lifestyles of different age groups in the sustainable finance aspect, and continue to channel funds towards sustainable development. In terms of environmental sustainability, we will continue to promote net zero and carbon reduction action plans, and encourage our customers to join the net-zero initiative. We can then work together to make changes in our business activities and everyday for a better future. In terms of social sustainability, we will combine our core expertise and everyday operations to continue encouraging proactive social engagement by every employees. This will not only enrich their lives but also exert a positive influence on society. Through ESG sustainability action, we can “Light Up the Future for a Richer Life.”

# Key Sustainability Accomplishments



## Environmental sustainability

- All Mega Securities domestic operating locations passed “ISO 14064-1 Greenhouse gases” certification
- All 24 operating locations north of Hsinchu passed “ISO 14001 Environmental management systems” certification
- “ISO 50001 Energy management systems” certification renewed for Mega Securities Headquarters building
- Mega Securities Headquarters building received Diamond-class Green Building award
- Green electricity was introduced in August 2023. Total green electricity consumption amounted to 730,020 kWh at the end of the year and amounted to 30.52% of total electricity consumption for the year
- To enforce responsible purchasing, \$18,740 thousand in green purchases were made in 2023 and accounted for 9.26% of total purchases of \$202,271 thousand
- “Supplier Sustainability Declaration” was signed by 100% of contract suppliers



## Sustainable Finance

- “ISO 27001:2013 Information Security Management Systems” certification renewed
- Core system for broker business passed “ISO 22301 Business continuity” certification
- Actively promoted “Mega eStock” services providing regular savings plan, dollar cost average, conditional orders for Taiwanese fractional shares, and deposit share services for US shares. There were a total of 30,212 new share plans in 2023.
- Actively promoted the “MegaGo” service that allowed investors to opt for share-based pricing when trading US shares, effectively lowering the cost of investment in US shares for investors
- Total number of Taiwanese share accounts and sub-brokerage accounts opened online reached 29,412, an increase of 46.69% over the 20,050 accounts opened in 2022
- Electronic transactions accounted for 85.31% of total transactions
- Underwrote \$2.15 billion in sustainable bonds in 2023; balance of investment in domestic and overseas sustainable bonds was \$3.045 billion
- Assisted with 4 capital-raising projects for small and medium enterprises, raising a total of \$1.626 billion
- Balance of investments in sustainable development industries defined by the Mega Group amounted to \$10.319 billion and accounted for 31.26% of total self-managed and underwritten investment positions (excluding hedging).
- Investments in self-managed and underwriting of FVOCI share positions in investment objects defined as sustainable shares by the Mega Group accounted for 38.87% of total investment in self-managed and underwritten FVOCI investment positions
- Issued the “Mega TPEX FactSet Semiconductor Climate Net Zero Elite Total Return Index ETN” , the first climate ETN in Taiwan
- Conducted the digitization satisfaction survey, recovered 5,084 survey responses, and found that overall customer satisfaction with the digitization experience of Mega Securities was 86.05%
- Physical attendance at shareholders' meeting or exercising of electronic voting rights was expected at 309 companies, and attended 309 companies for an attendance rate of 100%



## Employee Care

- Passed “ISO 45001:2018 Occupational Health and Safety Management Systems” certification
- Education and training duration amounted to 77,168 hours with total training attendance of 1,517 people. Average hours of training per person was 50.87 hours for an increase of approximately 25% over the 40.81 hours in 2022
- Employee engagement survey was conducted in concert with Mega Holdings. Employee response rate was 98.88% and employee engagement score was 3.89 (out of 5), an improvement over the score of 3.69 in 2022
- Hosted 4 health promoting activities on the topics of “Lung Adenocarcinoma”, “Walking Techniques and Basic Aerobics”, “Stress Relief” and “Slow Jogging”
- Hosted 7 employee healthcare events - “Basic Strength & Conditioning Exercises”
- Hosted 2 female care seminars on the topics “Female Dietary and Nutritional Health - Eat Well to Look Well”, and “Female Cancer Risks and Prevention”
- Childbirth subsidy for employees or their spouses was increased from \$3,600 to \$8,000 per child in 2023. A total of \$107,900 childbirth subsidies were disbursed to 17 people
- \$216,000 in marital subsidy was disbursed to 14 people, an increase of 176.92% over 2022
- Organized free Employee Assistance Program (EAP) for the 4th consecutive year



## Mutual Prosperity

- A total of 4 “University Financial Literacy Seminars” were held in partnership with the Taiwan Academy of Banking and Finance on 1/6 (Brokerage), 3/21 (Financial Business), 5/2 (Brokerage), and 9/26 (Brokerage), with a total student attendance of 271. An “University Financial Literacy Seminar” was organized in-house at Fu Jen Catholic University on 12/7 on the topic of internal bond investment practices and financial career planning that was attended by 85 people
- The 1-day “Everything, Everywhere All at Mega Securities” 1-day financial workshop at Mega Securities Headquarters was held on 9/23. Almost a hundred students registered for the event. On the day, 56 senior high school and university students visited the company and learned about the everyday work of securities firms
- Financial literacy workshops for elementary and junior high school teachers were held on 6/7, 9/13, and 11/2. A total of 3 sessions were held and attended by 98 elementary and junior high school students
- During 2023, 22 university students were offered internships or part-time careers with the Company. Internship agreements were also signed with 8 universities
- Donated \$500,000 in book buying funds to Datong Elementary School in the East District of Tainan City to set up a second Mega Securities Financial Literacy Charity Library
- Participated in coast clean-ups, tree plantings, social welfare and other volunteer 112 times for a total of 401.5 volunteer hours
- Invested \$9.21 million towards mutual prosperity



## Corporate Governance

- The 7 directors and 3 supervisors completed a total of 262.5 hours of continuing education, or an average of 26.25 hours per person
- Established a Compliance Committee reporting directly to the Board of Directors whose main responsibilities include review of proposed improvements for penalties more severe than correction, fines, or other major violations. The Committee is chaired by the Chairperson
- Compliance testing was introduced in 2023 in the form of annual testing and special testing for penalties
- 100% of directors and employees above the grade of manager have signed the “Ethics and Compliance Statement”
- Attendance at internal education and training on ethical management, anti-money-laundering and combating the financing of terrorism was 100%
- Rated as a Class 1 (excellent) a securities dealer twice in a row by the Taipei Exchange in its risk management evaluation since 2019 (evaluation is held once every three years)
- Received a long-term rating of “twAA” and short-term rating of “twA-1+” from Taiwan Ratings with a rating outlook of “Stable”
- In 2023, Mega Holdings was once again chosen as a constituent stock by the “Dow Jones Sustainability Indices (DJSI) for the “Emerging Markets” and “World Index” (Mega Securities included in scope)



# Awards and Accolades



## Awarding Organization

Financial Supervisory  
Commission

Taiwan Stock  
Exchange (TWSE)

Taipei Exchange

Taipei City  
Government

National Enterprise  
Competitiveness  
Development  
Association

Taiwan Institute for  
Sustainable Energy

Commercial Times

## Award

- Recognized by the FSC for the third consecutive time with inclusion in the Top 25% of large integrated securities firms from Assessment of the Implementation of Treating Customers Fairly Principles
- General Manager Wu Ming-Tsung presented with the "Outstanding Entrepreneurial Leadership Award" at the 17th Golden Goblet Awards

- Inclusion in the TWSE "List of Companies with Better Institutional Investor Stewardship Disclosures" for three consecutive years

- No.2 in OTC-Listing Mentoring Performance
- 3rd place in Q1 and 3rd place in Q2 of the "Market Maker Awards" in the OTC Market Maker Program

- "Middle-aged and Older People Friendly Enterprise Certificate"

- National First Prize in the Outstanding Enterprise category of the 20th National Brand Yushan Award (2023)
- "Mega eStock" and "MegaGo" recognized with the "Best Product Award" at the 20th National Brand Yushan Award (2023)

- "Social Inclusion - Gender Equality Leadership Award" - 16th Taiwan Corporate Sustainability Awards

- Trust Awards for "Best Innovation in Wealth Management Trust by Securities Dealer" and "Best Innovation in Securities Trust"

## Key international initiatives and ratings that the Mega Group (including Mega Securities) took part in, signed, or adheres to

### Key Initiatives

SDGs (voluntary adoption), SBTi (commitment made in April 2023, targets passed review in June 2024), CDP (voluntary participation in survey), GRI (compliance with government regulations), TCFD (commitment signed in April 2020), SASB (compliance with government regulations), PRI (voluntary adoption), UNGC (voluntary adoption), CBD (voluntary adoption)

### Key Ratings and Outcomes

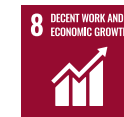
• Dow Jones Sustainability Indices (DJSI)	Constituent stock of the “Dow Jones Sustainability Indices (DJSI) for the “Emerging Markets” and “World Index.”
• S&P Global ESG Score (Corporate Sustainability Assessment (CSA))	85. Scored in the top 5% of the global banking industry and inclusion in the DJSI 2023 Sustainability Yearbook.
• ISS ESG Ratings	C- (A ~ D, A being the best' )
• Moody' s ESG Score	42 (0 ~ 100, with 100 being the best)
• MSCI ESG Ratings	AA (AAA ~ CCC, with AAA being the best)
• Sustainalytics ESG Risk Ratings	12.78 (100 ~ 0, with 0 being the best)
• FTSE Russell ESG Score	3.2 (0~5, with 5 being the best)

# CH1 About Mega Securities

- 1.1 Background
- 1.2 Operational performance



Corresponding United Nations Sustainable Development Goals (SDGs)



Material Topic GRI indicators

- GRI 201 Economic Performance

Corresponding material topics

- Operational Performance

Stakeholders with priority access

- All stakeholders

Mega Securities is a 100% owned security of Mega Holdings. Formerly Barits International Securities made up of International Securities, Barits Securities and Chung Hsing Securities, the company was rebranded as Mega Securities in 2006 as part of the brand consolidation strategy under the Mega Group's financial business master plan. Mega Securities has a paid-in capital of \$11.6 billion and a net worth of \$19.437 billion as of December 31, 2023. The Company has 43 operating locations throughout Taiwan and employs 1,517 full-time employees.

The main business lines of Mega Securities include securities brokerage, wealth management (including trusts), proprietary trading, underwriting, and shareholder services agency. Clients consist mainly of local and overseas institutional investors as well as general investors. Mega Securities is actively developing new types of businesses. In 2010, permission was obtained for offering of trust-based wealth management services to enhance the competitiveness of the wealth management business. In 2013, all branches were given permission to provide trust-based wealth management services; in 2014, permission was granted for the establishment of an Offshore

Securities Unit (OSU) subsidiary for developing the offshore securities business; in 2020, permission was granted for offering high-asset customer services through accepting orders for trading and investment, and trading on the TPEX; in 2021, permission was granted for providing other interest oriented trust for securities.

Mega Securities has also established two other subsidiaries in the form of Mega Futures Co., Ltd. (Mega Futures) and Mega International Investment Services Co., Ltd. (Mega International Investment Services). Mega Futures specializes on domestic/overseas futures option broker and consulting services while Mega International Investment Services focuses on domestic/overseas securities consulting services.

## 1.1 Background

Company name	Mega Securities Co., Ltd
Date established	October 19, 1989
Headquarters address	3F, No. 95 Sec. 2 Zhongxiao E. Rd. Zhongzheng Dist., Taipei City
Chairperson	Chen Pei-Chun
General Manager	Wu Ming-Tsung
No. of employees	1,517 (Note)
Paid-in capital	\$11,600,000 thousand
Total assets	\$94,063,317 thousand
Main services	Main business lines include securities brokerage, wealth management (including trusts), proprietary trading, underwriting, and stock affairs agency. The main sources of revenue in 2023 were securities brokerage, proprietary trading, and underwriting, with each accounting for 63.13%, 21.99%, and 11.54% of operating income respectively.

**Note:** This is the number of current permanent employees at Mega Securities on December 31, 2023 (not including the Chairperson and interns).

## 1.1-1 Business profile

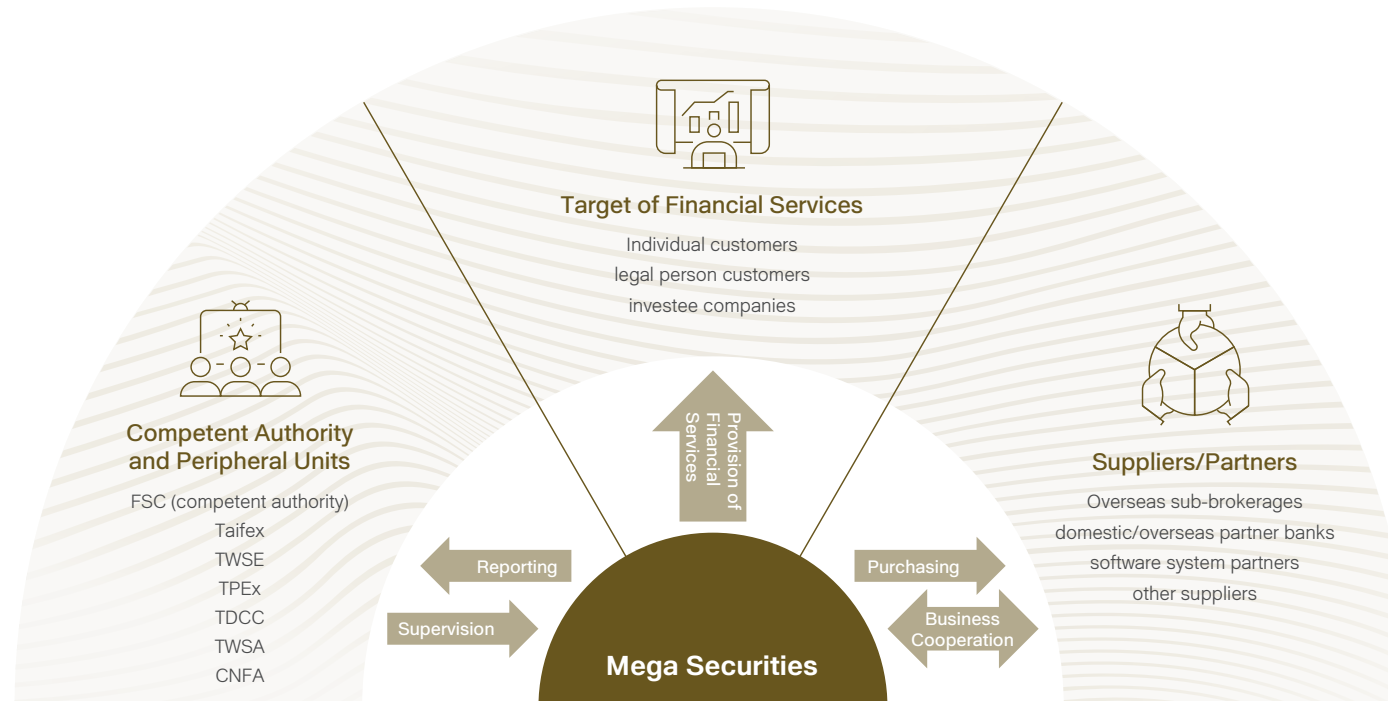
Product lines	Main businesses
Brokerage business	<ul style="list-style-type: none"> <li>Acceptance of brokerage orders for trading domestic and overseas securities (sub-brokerage business)</li> <li>Marketable securities margin trading</li> <li>Lending and borrowing of money in connection with securities</li> <li>Lending and borrowing of money in connection with marketable securities</li> <li>Handling of non-restricted purpose loans</li> <li>Other businesses relating to securities commission agency, brokerage, agency, and other relevant businesses approved by the Competent Authority.</li> <li>Operating of futures introducing broker business</li> </ul>
Wealth management	<ul style="list-style-type: none"> <li>Consulting in connection with asset allocation or financial planning, or services in connection with the sale of financial products..</li> <li>Conducting financial planning and the execution or handling of asset allocation on behalf of the customer by means of a trust</li> </ul>
Capital Market	<ul style="list-style-type: none"> <li>Mentoring of domestic and foreign companies applying for domestic listing on the TWSE or TPEX</li> <li>Handling of capital increase or issuing of convertible company bonds for cash</li> <li>Financial Consulting of financial planning, mergers and acquisitions, public tender offer and other financial consulting</li> </ul>
Stock Affairs Agency Business	<ul style="list-style-type: none"> <li>Proxy solicitation, stock affairs agency, and shareholder inquiry services</li> <li>Public tender offers</li> </ul>
Proprietary Business	<ul style="list-style-type: none"> <li>Proprietary trading of TWSE/TPEX-listed securities</li> <li>Proprietary trading of overseas securities and engaging in hedging transactions of related overseas derivative products</li> </ul>
Bond business	<ul style="list-style-type: none"> <li>Outright purchase of NTD-denominated bonds, conditions precedent transactions, and related interest rate derivative product transactions</li> <li>Outright purchase of foreign currency-denominated bonds, conditions precedent transactions, and related interest rate derivative product transactions</li> <li>Brokerage and underwriting of corporate bonds, financial bonds, international bonds, and asset securitization products</li> </ul>
Financial Products Business	<ul style="list-style-type: none"> <li>Issue and trading of warrant products, structural products, and Exchange-Trade Notes (ETN)</li> <li>Market maker for quality low price issues</li> <li>Strategic trading of ETF, spot shares, and futures options</li> </ul>



## 1.1-2 Subsidiary profile

Company name	Mega Securities Shareholding	Business profile	Business overview
Mega Futures	100%	Mega Futures was established in 1999 and its main business lines include accepting of orders for trading of domestic and overseas futures products, securities trading assistance, and futures consulting. In terms of overseas futures, Mega Futures accepts orders for trading of products in global futures markets such as Singapore, Hong Kong, US, Europe, and Japan.	<ol style="list-style-type: none"> <li>1. In 2023, the futures brokerage business had a market share of 1.37%.</li> <li>2. Mega Futures reported net income of \$55,593 thousand in 2023 for an EPS of \$1.39 and ROE of 7%.</li> </ol>
Mega International Investment Services	100%	Mega International Investment Services was established in 1997. Business lines include consulting on domestic/overseas securities and publication of research reports.	2023 revenue was \$33,186 thousand with an EPS of \$0.01.

## Value Chain Profile



## Membership of associations

Mega Securities promotes the development of the domestic financial industry by actively participating in industry associations as directors/supervisors or sitting on the committees of said associations. Our Chairperson is the President of the Chinese National Future Association (CNFA), Executive Director of the Taiwan Securities Association, and Convener of the Supervisory Committee for the Trust Association of R.O.C. A total of 20 company executives are members of CNFA committees or working groups where they work together to promote the sound development of the financial industry. Mega Securities was the member of 7 associations at the end of 2023.

Membership of associations	Mega Securities Membership of Associations / Key Roles Held by Mega Securities Personnel
Taiwan Securities Association (TWSA)	Members Representative / Chairperson Chen serves as the executive director
Chinese National Future Association (CNFA)	Members Representative / Chairperson Chen Pei-Chun serves as the President
Trust Association of R.O.C.	Members Representative / Chairperson Chen Pei-Chun serves as the executive Supervisor
Taiwan Finance Association	Permanent Institutional Member
Banking Education Association of Taiwan	Permanent Institutional Member
Financial Engineering Association of Taiwan	Permanent Institutional Member
Corporate Operating and sustainable Development Association	Standard Institutional Member

## 1.2 Operational performance

Mega Securities reported a net income of \$2.003 billion in 2023, the third highest in recent years; EPS was \$1.73, the second highest in recent years; ROE was 11.04%, the third highest in recent years. The operational performance of each business is described below.

Business Category	2023 Operational Performance
<b>Brokerage and wealth management business</b>	<ul style="list-style-type: none"> <li>• Brokerage business market share was 2.75% and ranked 10th in the market; financing market share was 5.84% and ranked 5th in the market.</li> <li>• Sub-brokerage business volume was \$112.4 billion, up \$18.7 billion (or 19.96%) from \$93.7 billion in 2022; sub-brokerage market share was 2.55% and ranked 11th in the market.</li> <li>• Average balance of the securities lending and borrowing business was \$8.842 billion and ranked 9th in the market.</li> <li>• Balance of true assets was \$17.7 billion and ranked 4th among securities dealers.</li> <li>• Cumulative transactions for high-asset customer wealth management services amounted to \$3.31 billion and ranked 3rd among securities dealers.</li> </ul>
<b>Capital market business</b>	<ul style="list-style-type: none"> <li>• Filings: Organized 6 IPO cases and ranked 5th; organized 10 SPO cases and ranked 9th.</li> <li>• Listings: Organized 4 IPO cases and ranked 4th; organized 8 SPO cases and ranked 10th.</li> </ul>
<b>Proprietary Business</b>	<ul style="list-style-type: none"> <li>• Agile configuration of transaction and FVOCI positions in response to market developments was leveraged to boost transaction profits while balancing risks. Divided income was also increased by building FVOCI positions based on carefully selected high-yield shares.</li> </ul>
<b>Bond business</b>	<ul style="list-style-type: none"> <li>• The Company was the main underwriter for 2 bond issues and joint underwriter for 20 issues, so we participated in a total of 22 bond issues as main/joint underwriter. Our participation rate of 25.88% was ranked 10th in the market.</li> </ul>
<b>Financial Products Business</b>	<ul style="list-style-type: none"> <li>• Mega Securities served as the liquidity provider for ETF issued by Mega Funds in accordance with Mega Group policy.</li> <li>• We also served as the liquidity provider and market maker for TWSE/TPEX-listed shares in support of competent authority policies, resulting in the award of the “Market Maker Award” in the OTC Market Maker Program during 2023.</li> <li>• Issued the “Mega TPEX FactSet Semiconductor Climate Net Zero Elite Total Return Index ETN”, the first climate ETN in Taiwan</li> </ul>

The same credit ratings as 2022 were obtained by Mega Securities in 2023 from Taiwan Ratings.

Credit Rating Report Date	Credit Rating - Long-term	Credit Rating - Short-term	Rating Outlook
2023/10/30	twAA	twA-1+	Stable

Unit: Thousand NTD

**Economic Value Generated and Distributed by Mega Securities, 2020 ~ 2023**

Item		2020	2021	2022	2023
<b>Direct economic value generated (A)</b>	Income (C)	4,795,909	7,473,107	4,176,752	6,494,623
	Operating cost (D)	1,442,414	1,828,903	1,593,003	2,267,552
	Employee salaries and benefits	2,061,449	2,689,084	1,929,090	2,289,758
<b>Economic value distributed (B)</b>	Donations	600	2,230	1,912	3,427
	Distribution of shareholder dividend	1,076,204	1,910,888	240,733	773,011
	Income tax expenses	238,830	363,765	253,198	205,390
	Subtotal of economic value distributed (B)	4,819,497	6,794,870	4,017,936	4,485,705
<b>Residual economic value (Note 4)</b>	Subtotal of residual economic value (A-B)	-23,588	678,237	158,816	955,485

**Note:** 1. C: Income is total income from the income statement in the Mega Securities 2023 Consolidated Financial Statements.

D: Operating cost = Handling fee expense + underwriting operation handling fee expense + STO administrative expense + Finance costs + Loss from securities borrowing transaction + Futures commission expense + Expense of clearing and settlement + Other operating expenditure + Depreciation and amortization expense + Other operating expense.

2. Mega Securities donations in 2023 were mainly made to educational, cultural, social welfare, and charitable organizations/bodies engaged in social welfare activities. There were no political contributions or other improper donations.

3. Mega Securities received no government grants in 2023.

4. Residual economic value = Direct economic value generated - Economic value distributed. Direct economic value generated is listed as income in this table; economic value distributed included operating cost, employee salaries and benefit expenses, donations, shareholder dividend distributed, and income tax expenditure.

Unit: Thousand NTD

**Mega Securities Financial Performance, 2020 ~ 2023**

Item	2020	2021	2022	2023
<b>Total assets</b>	79,217,420	92,138,726	62,677,530	94,063,317
<b>Total liabilities (before distribution)</b>	61,850,556	72,824,931	45,845,400	74,626,063

Unit: Thousand NTD

Mega Securities Financial Performance, 2020 ~ 2023

Item	2020	2021	2022	2023
Total equity	17,366,864	19,313,795	16,832,130	19,437,254
Net income	1,546,600	2,748,330	603,229	2,002,610
Return on Assets (ROA) (%)	2.09	3.21	0.78	2.56
Return on Equity (ROE) (%)	9.13%	14.99	3.34	11.04
Earnings per Share (EPS) (NTD)	1.33	2.37	0.52	1.73

Note: For more information, please refer to the Mega Securities Consolidated Financial Statements.

Unit: Thousand NTD

2023 Financial Performance of Mega Securities and Subsidiaries

Company	Total assets	Pre-tax income	Net income	Earnings per Share (EPS) (NTD)
Mega Securities	88,338,281	2,195,332	2,002,610	1.73
Mega Futures	7,047,140	68,247	55,593	1.39
Mega International Investment Services	70,105	77	64	0.01

Note: The financial data of the listed companies is for individual entities. For more information, please refer to the individual financial statements of the listed companies.

Unit: Thousand NTD

Mega Securities 2023 Individual Department Incomes

Department	Department Income	Percentage
Brokerage	4,099,992	63.13%
Proprietary Trading	1,427,903	21.99%
Underwriting (incl. stock affairs agency)	749,669	11.54%
Other	217,059	3.34%
Total	6,494,623	100.00%

Note: For more information, please refer to pages 178 ~ 179 of the Mega Securities Annual Report



# CH2 Sustainability Strategy

- 2.1 Sustainable Governance Structure
- 2.2 Sustainability Vision and Strategy
- 2.3 Stakeholders and Material Topics



Corresponding United Nations Sustainable Development Goals (SDGs)



Material Topic GRI indicators

-

Corresponding material topics

-

Stakeholders with priority access

- All stakeholders

## 2.1 Sustainable Governance Structure



General Manager of Mega Securities Co., Ltd.

吳明宗  
Wu Ming-Tsung

In order to promote related affairs, Mega Securities has established the Sustainable Development Committee under the Board of Directors, which is responsible for planning short-, medium and long-term sustainable development goals and implementation plans, and submitting them to the Board of Directors for approval. In order to effectively supervise the promotion of sustainable development, the board of directors of Mega Securities approves important sustainability regulations and regularly tracks the company's implementation on a quarterly basis. Mega Securities discloses the relevant regulations and specific actions of sustainable development in the sustainability report, annual report or official website.

### Words of the Chairman

Under the responsibility and mission of sustainable development of Mega Securities, we will continue to make decisions and innovate with sustainable thinking, incorporate sustainability issues into various operational strategies and daily business, and lead all employees to implement sustainable development plans. At the same time, we will share the concept of sustainability with our value chain partners, jointly plan a new future of net-zero transformation, and realize the vision of sustainable development of Mega Group, and hope to bring positive impact to society.

### Sustainable Development Committee

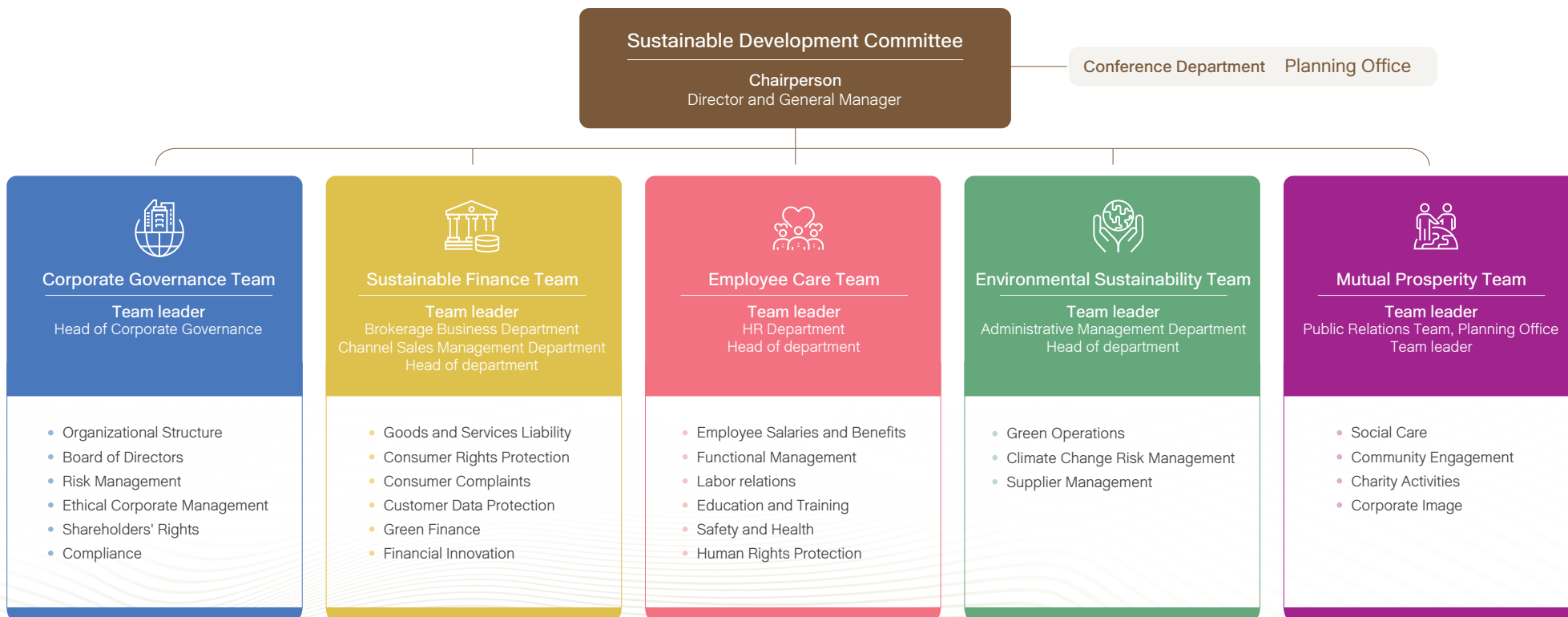
The Sustainable Development Task Force was established by Mega Securities in June 2021. In June 2023, the unit was upgraded to become the Sustainable Development Committee reporting directly to the Board of Directors and the “Sustainable Development Committee Organic Charter” formulated. The Sustainable Development Committee is chaired by the Director and General Manager, with the heads of each department at its members. The Committee oversees 5 working groups (Corporate Governance, Sustainable Finance, Environmental Sustainability, Employee Care, Mutual Prosperity). Each working group is headed by a unit supervisor or above and is responsible for the promotion of related affairs.

The Sustainable Development Committee tracks the progress for each goal on a quarterly basis and reports them to the Board of Directors. Rolling adjustments to sustainable development goals are also made based on sustainable development trends and impact management of material topics. ESG goals for the following year are devised at the end of current year and submitted to the Board of Directors for discussion. Other functional committees involved in the promotion of sustainable development at Mega Securities include the Risk Management Committee responsible for climate risk management, the Fair Customer Treatment Promotion Committee responsible for the planning of Fair Customer Treatment Promotion Plan and Enhancement Measures, as well as the Ethical Corporate Management Committee responsible for evaluating the implementation of ethical corporate management. The Planning Office serves as the conference department for Sustainable Development Committee, the Fair Customer Treatment Promotion Committee, and the Ethical Corporate Management Committee. The conference department for the Risk Management Committee is the Risk Management Office.

#### ◆ Mega Securities Sustainable Governance Structure



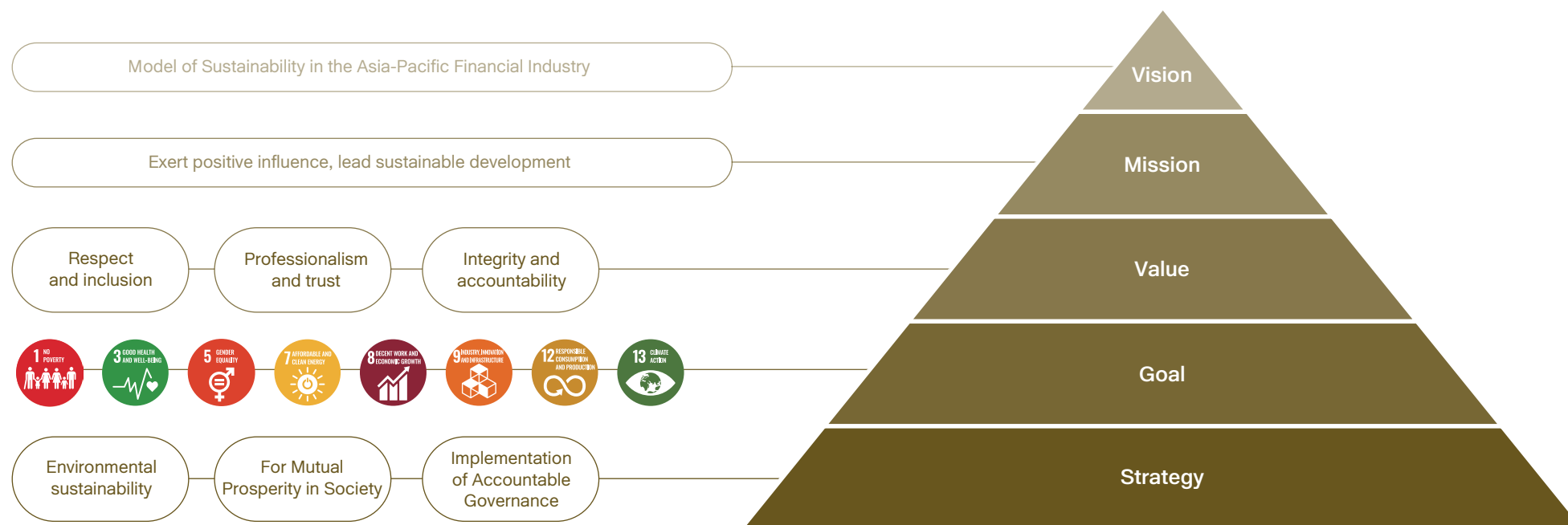
## ◆ Mega Securities Sustainable Development Committee Structure



## 2.2 Sustainability Vision and Strategy

Mega Securities has embraced “Spreading Positive Influence and Leading the Way to Sustainable Development” as our mission in accordance with the Mega Group's vision of becoming “the Sustainability Paradigm of the Financial Industry in Asia Pacific.” We uphold the values of "Respect and Inclusion, Professionalism and Reliability, Integrity and Accountability" in our business activities, and abide by the commitment we make to the environment, society, investors, customers, and company management. We foster a corporate culture of sustainability, cultivate the ESG awareness of employees, and follow the three ESG strategies of "Developing Environmental Sustainability", "Promoting Social Prosperity", and "Implementing Responsible Governance" to realize UN Sustainable Development Goals (SDGs).

### ◆ Mega Group's Sustainable Development Strategy Pyramid
















## Sustainability Strategy Roadmap









Mega Securities focuses on eight SDGs and has developed our own ESG strategy in accordance with the “Sustainable Development Policy” that defines the core sustainability strategy of the Mega Group. The five strategic pillars are used to identify their corresponding sustainability topics. The working groups of the Sustainable Development Committee are responsible for developing the actual promotion plans, key performance indicators, as well as the short-, medium-, and long-term sustainability goals.





## Short, Medium, and Long-term Goals for the Sustainability Strategy Axes


Guiding Principle of Strategic Axis	Corresponding SDGs	Material Topics	Promotion Strategy	2023 Performance	Short-term Goal (2024)	Medium- and Long-term Goals (Up to 2029)
Committing to Net-zero Emissions to Achieve Environmental Sustainability		Climate Action	<ol style="list-style-type: none"> <li>1. Improve employees' understand and professional knowledge of climate change issues.</li> <li>2. Continue to participate in and support environmental sustainability initiatives and activities.</li> <li>3. Coordinate with the Group on the continued achievement of GHG reduction targets. reduce 2024 GHG (Scope 1+2) emissions by at least 10.5% from 2022 levels.)</li> <li>4. Expand "ISO 14064-1 GHG Inventory" certification to all domestic operating locations</li> <li>5. Expand the introduction of "ISO 14001 Environmental Management Systems" to all domestic operating locations</li> <li>6. Renew "ISO 50001 Energy Management Systems" certification for Headquarters building.</li> <li>7. Practice responsible purchasing by giving preference to financial supplies with government approved energy-efficiency marks, environmental protection marks, and green building label. Circular purchasing that promotes the recycling of product resources is also incorporated into the green purchasing process.</li> <li>8. Continue to practice supplier sustainable development management.</li> </ol>	<ol style="list-style-type: none"> <li>1. Online ESG sustainability course held in August 2023. Course covered topics related to climate change and 1,499 people took part.</li> <li>2. Green electricity was introduced at the Headquarters building in August 2023. Total green electricity consumption amounted to 730,020 kWh at the end of the year and amounted to 30.52% of total electricity consumption for the year</li> <li>3. All Mega Securities domestic operating locations passed "ISO 14064-1 Greenhouse gases" certification</li> <li>4. All 24 operating locations north of Hsinchu passed "ISO 14001 Environmental management systems" certification.</li> <li>5. "ISO 50001 Energy management systems" certification renewed for Mega Securities Headquarters building.</li> <li>6. Mega Securities Headquarters building received Diamond-class Green Building award.</li> <li>7. To enforce responsible purchasing, \$18,740 thousand in green purchases were made in 2023 and accounted for 9.26% of total purchases of \$202,271 thousand.</li> <li>8. "Supplier Sustainability Declaration" was signed by 100% of contract suppliers.</li> <li>9. Mega Securities follows the Group strategy. Mega Group submitted its carbon reduction action plan to the SBTi organization for review on November 30, 2023. (Approval was granted in June 2024)</li> </ol>	<ol style="list-style-type: none"> <li>1. Organize at least 1 training session on climate change topics.</li> <li>2. Xinying branch obtained "Green Building Label" in 2024.</li> <li>3. Increase ratio of green electricity at Headquarters building to 60%.</li> <li>4. 80% of company vehicle purchases for the year should be electric vehicles (cars and scooters) or hybrids.</li> <li>5. Renew "ISO 14064-1 GHG Inventory" certification for all domestic operating locations</li> <li>6. "ISO 14001 Environmental Management Systems" certification (including renewal certification) for all domestic operating locations</li> <li>7. "ISO 50001 Energy management systems" certification renewed for Headquarters building.</li> <li>8. Green purchasing to account for 2.5% of total purchasing by amount.</li> <li>9. "Supplier Sustainability Declaration" signed by 100% of contract suppliers.</li> </ol>	<ol style="list-style-type: none"> <li>1. Organize at least 1 training session on climate change topics, and extend invitation to value chain partners.</li> <li>2. Using 2022 GHG emissions (Scope 1 + 2) as the base level, continue to adopt carbon reduction measures to achieve a 42% reduction by 2030, and realize the goal of net-zero emissions by 2050.</li> <li>3. 100% green electricity use at domestic company-owned operating locations by 2030.</li> <li>4. 100% of company vehicle purchases (leases) for the year should be electric vehicles (cars and scooters) or hybrids by 2026.</li> <li>5. Continue to renew "ISO 14064-1 GHG Inventory" certification for all domestic operating locations.</li> <li>6. Continue to renew "ISO 14001 Environmental Management Systems" certification for all domestic operating locations.</li> <li>7. Continue to renew "ISO 50001 Energy Management Systems" certification for Headquarters build and assess the feasibility of expanding the scope of ISO 50001 coverage.</li> <li>8. Green purchasing to account for 3.5% of total purchasing by amount.</li> <li>9. Conduct supplier sustainability self-evaluation survey on a regular basis, and formulate relevant improvement measures.</li> </ol>
						
						



Guiding Principle of Strategic Axis	Corresponding SDGs	Material Topics	Promotion Strategy	2023 Performance	Short-term Goal (2024)	Medium- and Long-term Goals (Up to 2029)
Improving Digital Technology to Promote Sustainable Finance	       	Sustainable Finance	<ol style="list-style-type: none"> <li>Practice responsible investment and increase the ratio of sustainable securities</li> <li>Practice sustainable investment, and increase the value of investments in sustainability bonds (including green bonds, social responsibility bonds and sustainable development bonds).</li> <li>Support Group commitment on SBT by implementing the Scope 3 investment and financing carbon reduction roadmap.</li> </ol>	<ol style="list-style-type: none"> <li>In 2023, sustainability position amounted to \$10.319 billion, or 31.26% of \$33.013 billion, the total position of proprietary trading and underwriting.(excluding hedge position)</li> <li>100% of the offshore funds for listed products have signed the “Principles for Responsible Investment (PRI) or issued a “Responsible Investment Statement.”</li> <li>Net balance of domestic and overseas sustainability bond investments amounted to \$3.045 billion at the end of 2023.</li> </ol>	<ol style="list-style-type: none"> <li>Invest up to \$1.5 billion in sustainability bonds.</li> <li>Annotate and identify the SBT status of investment objects, and compile a SBT object list to implement the Scope 3 investment and financing carbon reduction roadmap.</li> <li>Engage with domestic mentoring and fund-raising customers through sustainability self-assessment surveys to establish the sustainability progress of the investee and facilitate future mentoring on sustainability.</li> </ol>	<ol style="list-style-type: none"> <li>Group SBT reduction targets were approved by SBTi on June 2024. The Group aims to have investment positions with SBTi commitments reach 39.56% of holdings by 2028.</li> <li>Group will continue to promote carbon reduction plans, and is committed to achieving the SBTi-approved short-target by 2030, and develop a carbon reduction roadmap for net-zero by 2050 based on 2022 GHG emissions (Scope 3).</li> <li>Continue to expand the scope of engagement through sustainability self-assessment survey to strengthen the sustainability connector with investee businesses.</li> </ol>
		Information Security	<ol style="list-style-type: none"> <li>Strengthen information security, privacy protection system, and response procedures/mechanisms.</li> <li>Ensure network and information system security, provide customers with secure, automated services, introduce international information security management standards and obtain related certifications.</li> </ol>	<ol style="list-style-type: none"> <li>Core system for broker business passed “ISO 22301 Business continuity” certification.</li> <li>Ongoing “ISO 27001:2013 Information Security Management Systems” certification</li> </ol>	<ol style="list-style-type: none"> <li>Complete 2 social engineering drills (including opening of correspondence, clicking of links, opening of attachments, and successful phishing) with 100% employee coverage.</li> <li>Organize at least one information security awareness and training session for all employees with a completion rate of 100%.</li> <li>Obtain “BS 10012:2017 Personal Information Management Systems” certification for PIMS.</li> </ol>	<ol style="list-style-type: none"> <li>Strengthen information security awareness and training by achieving 100% training completion rate for all employees to reduce risk from potential vulnerabilities and threats, and upgrade the defensive mechanism for the trading system.</li> <li>Continue to comply with international privacy protection trends through international certification. In addition to compliance with the rules of the EU “General Data Protection Regulation (GDPR)” , the updated rules will be progressively implemented in the personal information protection process of business operations.</li> <li>Continue to introduce information security management system standards such as ISO27001, or other systems and standards in the same class or better.</li> </ol>

Guiding Principle of Strategic Axis	Corresponding SDGs	Material Topics	Promotion Strategy	2023 Performance	Short-term Goal (2024)	Medium- and Long-term Goals (Up to 2029)
Improving Digital Technology to Promote Sustainable Finance	  	Customer Relations	1. Organize customer satisfaction surveys to enhance service quality. 2. Refine the implementation of Principle of Fair Customer Treatment “ for the financial services industry.	The FSC announced the results of its 2023 evaluation on “Principle of Fair Customer Treatment” in the securities industry. Mega Securities was listed among the top 25% of large integrated securities firms, making this the third time that we were named as one of the top 25% securities dealers for Fair Customer Treatment by the competent authority.	1. Enforce Fair Customer Treatment training with each employee taking part in at least 3 hours of training each year. 2. Optimize the browsing experience on the corporate website, and enrich the contents of the Friendly Financial Service, Senior Citizens, and Anti-Fraud sections. 3. Continue to improve the service quality of first-tier personnel at each operating location and add more friendly service facilities/equipment. 4. Organize annual channel customer satisfaction surveys.	1. Continue to organize customer satisfaction surveys and progressively improve the overall satisfaction score each year. 2. Organize regular customer relations training, raise awareness of related operating rules, and enhance staff professionalism.
	    	Digital Innovation	Accelerated digital transition through technology in order to boost paperless operations and use of online services.	Mega Securities is promoting digital transition by continuing to streamline the online account opening process, adding new account referrals and opening of additional sub-brokerage accounts online, and planning of new account marketing campaigns. In 2023, 29,412 accounts were opened through digital channels, a 46.69% increase over the previous year.	1. Electronic orders account for 80% of transactions. 2. Continue to improve the customer experience by enhancing the online account opening process and electronic trading platform. 3. Enhance the digital operating process to improve accessibility of financial products and digital services.	Continue to enhance the digital experience to build an ubiquitous financial services that improves the digital financial service experiences and establishes digital technology as the main axis for digital finance development to deliver secure and convenient financial services.

Guiding Principle of Strategic Axis	Corresponding SDGs	Material Topics	Promotion Strategy	2023 Performance	Short-term Goal (2024)	Medium- and Long-term Goals (Up to 2029)
Adhering to Ethical Standards to Practice Corporate Governance	 	Corporate Governance and Ethical Management	<ol style="list-style-type: none"> <li>1. Assist directors with ensuring that they remain up to date on international trends in corporate governance and the latest domestic regulatory changes.</li> <li>2. Strengthen the competency of the directors by continuing to organize performance evaluations for the Board of Directors and functional committees.</li> <li>3. Strengthen professional training for Corporate Governance Officer to provide greater support for directors.</li> <li>4. Practice gender equality, increase female participation in decision-making, and strengthen the Board structure.</li> <li>5. Build a culture of integrity from the top-down to cultivate the values and behaviors of ethical management.</li> </ol>	<ol style="list-style-type: none"> <li>1. The 7 directors and 3 supervisors completed a total of 262.5 hours of continuing education, or an average of 26.25 hours per person.</li> <li>2. “Board of Directors Performance Evaluation Guidelines” formulated and approved by the Board of Directors.</li> <li>3. The Corporate Governance Officer completed 18 hours of continuing education on corporate governance courses.</li> <li>4. 7 directors including 4 female directors. 3 supervisors including 2 female supervisors.</li> <li>5. 100% of directors, supervisors and employees above the grade of manager have signed the “Ethics and Compliance Statement.”</li> </ol>	<ol style="list-style-type: none"> <li>1. Directors engaged in continuing education as required by the “Guidelines and Map of Continuing Education for Directors and Supervisors of Securities Firms.” New directors must complete at least 12 hours continuing education and existing directors must complete at least 6 hours of continuing education including at least 3 hours of ESG-related courses.</li> <li>2. Strengthen professional training for Corporate Governance Officer to provide greater support for directors.</li> <li>3. The Corporate Governance Officer must complete at least 18 hours of continuing education on corporate governance courses.</li> <li>4. Organize at least one ethical corporate management training session for all employees with a completion rate of 95%.</li> <li>5. Signing of “Ethics and Compliance Statement” by directors and employees above the grade of manager.</li> </ol>	<ol style="list-style-type: none"> <li>1. Actively assess an increase of independent directorship to a majority of the Board.</li> <li>2. Increase the ratio of directors from each gender to 40% ~ 50% of total Board membership.</li> <li>3. Strengthen the competency of the directors by continuing to organize annual performance evaluations for the Board of Directors and functional committees, and reporting the outcomes of the evaluations to the Board.</li> <li>4. Strengthen Board supervision on implementation of ethical management by making at least 2 reports on the implementation of ethical management to the Board each year.</li> <li>5. Strengthen classroom and online ethical corporate management training to achieve 100% annual training completion rate for all employees.</li> <li>6. Include employee performance on ethical management into annual performance evaluation metrics and establish reward/disciplinary mechanism linked to compensation.</li> </ol>



Guiding Principle of Strategic Axis	Corresponding SDGs	Material Topics	Promotion Strategy	2023 Performance	Short-term Goal (2024)	Medium- and Long-term Goals (Up to 2029)
Adhering to Ethical Standards to Practice Corporate Governance	 	Compliance	1. Enforce compliance by fostering a top-down compliance culture. 2. Strengthen the effectiveness of the grievance system.	1. Established a Compliance Committee reporting directly to the Board of Directors that is chaired by the Chairperson. The Committee's responsibilities include reviewing the cause analysis and proposed improvements for penalties more severe than corrections, fines, or other major violations. 2. In 2023, a total of 3 penalties were issued by the competent authorities for total fines of \$720,000. Improvements were completed for all of the aforementioned cases. 3. Compliance testing was introduced in 2023 in the form of annual testing and special testing for penalties. The Legal Affairs and Compliance Office carried out compliance testing for 14 units in 2023. Recommendations were made based on the findings and approved by the General Manager.	1. Attend additional compliance training courses in addition to the statutory hours of compliance training. 2. Continue to organize compliance testing. 3. Publication of grievance channels on internal and external websites to strengthen the effectiveness of the grievance system and ensure proper whistleblower protection.	1. Compliance specialists and their supervisors are required to not only complete the statutory hours of training each year but also attend a compliance training course. Employee compliance training courses are also organized on an ongoing basis to strengthen employee compliance knowledge and ability. 2. Continue to strengthen the compliance culture, refine the grievance channels and system, as well as cultivate a corporate culture of transparency and sound management.
				4. Mega Holdings referred 1 grievance case to us for handling. The case was investigated and reviewed in accordance with the Mega Securities "Procedures for the Handling of Grievance Cases."		

Guiding Principle of Strategic Axis	Corresponding SDGs	Material Topics	Promotion Strategy	2023 Performance	Short-term Goal (2024)	Medium- and Long-term Goals (Up to 2029)
<p>Adhering to Ethical Standards to Practice Corporate Governance</p>  		Risk Management		<p>Continue to analyze and apply all kinds of risk and asset liability management information to improve risk management performance.</p> <ol style="list-style-type: none"> <li>1. Encourage employee participation in internal and external risk management training. In 2023, 66,387 hours of risk management training were conducted at Mega Securities and total attendance for risk management training courses was 25,218 person-times.</li> <li>2. In accordance with the "Procedures for the Risk Management Evaluation of Subsidiaries" established by the Mega Group, Mega Holdings also link the number of people who participate in the risk management training at Mega Securities each year to Mega Securities' risk management performance in its annual performance evaluation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Strengthen disclosure of content related to climate change in the TCFD report.</li> <li>2. Continue to organize risk management training courses to raise employee risk awareness.</li> </ol>	<ol style="list-style-type: none"> <li>1. Disclosure of information in accordance in the Annual Report in accordance with the IFRS Sustainability Standards S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and S2 "Climate-related Disclosures."</li> <li>2. Assess the physical and transition risks to investee enterprises from climate change, and continue to assess the potential losses from breach of contract, credit loss, or rating impairment.</li> </ol>
		Operational Performance		<p>Focus on diversification of the securities business, making steady improvements to business operational performance, as well as effectively managing the generation and distribution of economic value.</p> <ol style="list-style-type: none"> <li>1. Brokerage, underwriting and proprietary trading are the core businesses of Mega Securities. The brokerage and underwriting businesses in particular are the dual drivers of profit growth. Proprietary trading is focused on the development of diversified trading strategies. In 2023, the brokerage, proprietary trading and underwriting departments accounted for 63.13%, 21.99%, and 11.54% of the Company' s income. (*Please refer to p.179 of the Mega Securities Annual Report for details)</li> <li>2. Mega Securities reported consolidated net income of \$2,002,610 thousand with an EPS of \$1.73 and ROE of 11.04%.</li> </ol>	<ol style="list-style-type: none"> <li>1. Diversification of handling fee income sources.</li> <li>2. Development of diversified trading strategies.</li> <li>3. Periodic review of financial position and honest reporting of financial performance.</li> </ol>	<ol style="list-style-type: none"> <li>1. Diversification of the brokerage, underwriting, and proprietary trading businesses to steadily improve the Company' s operational performance while adhering to the sustainability strategy.</li> <li>2. Improve business resilience, strengthen the long-term value of the Company, and demonstrate sustainable management ability.</li> </ol>

Guiding Principle of Strategic Axis	Corresponding SDGs	Material Topics	Promotion Strategy	2023 Performance	Short-term Goal (2024)	Medium- and Long-term Goals (Up to 2029)
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1. Manage the Company's absentee rate to ensure stable manpower and keep track employee attendance.
2. Continue to provide employees with various subsidy plans.
3. Regularly organize health and safety seminars/training as well as related health promoting activities.
4. Continue to organize Employee Assistance Programs (EAP)

1. Passed "ISO 45001:2018 Occupational Health and Safety Management Systems" certification
2. Mega Securities employee absentee rate was 0.193%.
3. \$216,000 in marriage subsidy was issued to 14 people; \$107,900 in childbirth subsidy was issued to 17 people.
4. Organized 4 health promoting activities and 2 female care seminars that benefited 204 person times.
5. Organized 4 on-site clinical consultation services that benefited 20 people.
6. Hosted 7 "Basic Strength & Conditioning Exercises" employee healthcare events that benefited 148 person times.
7. Provided free Employee Assistance Programs (EAP).





1. Maintenance of "ISO 45001:2018 Occupational Health and Safety Management Systems" certification
2. Keep employee absentee rate under 0.56%.
3. Organize employee health checkup subsidies.
4. Continue to provide employees with health checkups, marriage and childbirth subsidies.
5. Organize at least 2 health promotion activities (including health seminars) each year.
6. Continue to organize Employee Assistance Programs (EAP).




1. Obtain and maintain "ISO 45001 Occupational Health and Safety Management Systems" certification
2. Continue to organize Employee Assistance Programs (EAP).
3. Provide for better-than-statutory maternal leave/paternal leave days and implement friendly maternal care measures.
4. Continue to provide employees with a variety of subsidy programs including subsidies for employee health checkups, marriages, and childbirth.
5. Organize at least 14 health seminars or related health promoting activities.

Strengthening Talent Development  
Implement Employee Care



Happy Workplace

Guiding Principle of Strategic Axis	Corresponding SDGs	Material Topics	Promotion Strategy	2023 Performance	Short-term Goal (2024)	Medium- and Long-term Goals (Up to 2029)
Strengthening Talent Development Implement Employee Care		Talent Attraction and Development	1. Control average employee turnover and keep turnover within a reasonable range.	1. Total employee turnover of 11.47% was lower than the average total turnover of 13.27% for 17 securities dealers as calculated by the Friendship Association of Personnel Executives at Securities Dealers. Employee turnover was 9.61% after deducting retirements and employees on unpaid leave.	1. Keep total turnover rate under 8%.	1. Continue to organize employee engagement surveys and gradually increase the target survey response rate and employee participation rate each year to over 80%.
			2. Provide fair, reasonable, and competitive salaries benefits as well as create an inclusive and diverse workplace.	2. The Company employed 8 employees with disabilities and exceeded the statutory quota of 5 people.	2. Employ more people with disabilities than required by the statutory quota.	2. In addition to salaries and bonuses, take proper care of employees by also providing better-than-statutory employee benefits and working environments.
			3. Establish proper channels for labor-management communication to boost employee retention and engagement.	3. 4 labor-management meetings were convened during 2023 (3/27, 4/19, 8/29, 12/11)	3. Convene statutory employer-management meetings to maintain harmonious labor relations.	3. Identical compensation for new hires at each grade so that the ratio of compensation for men and women is 1:1.
			4. Continue to organize employee training and provide related training subsidies.	4. Employee engagement survey was conducted in concert with the Mega Group. The employee response rate at Mega Securities was 98.88% and employee engagement score was 3.89 (out of 5), an improvement over the score of 3.69 in 2022.	4. Continue to organize employee engagement surveys with a target survey response rate and employee participation rate of at least 80%.	4. Exceed the statutory quota on hiring of people with disabilities, comply with labor-related regulations as well as international labor rights.
			5. Encourage employees to participate in finance-related professional licensing or qualification exams, and continue to provide related subsidies.	5. Education and training duration in 2023 amounted to 77,168 hours with total training attendance of 1,517 people. Average hours of training per person was 50.87 hours for an increase of approximately 25% over the 40.81 hours in 2022.	5. Employees are to receive an average of 40 hours of training.	5. Organize education and training, competitions, or industry-university collaboration to cultivate financial industry expertise (including FinTech, information security, and ESG).
				6. 11 people applied for the financial licensing exam subsidy and total subsidies amounted to \$34 thousand.		6. Encourage employees to obtain licenses or pass qualification exams, continue to provide related subsidies and boost their career competitiveness.
						7. Increase the number of employee training hours so that each person receives on average at least 50 hours of training each year. Annual ESG training completion rate of employees must also reach 100%.

Guiding Principle of Strategic Axis	Corresponding SDGs	Material Topics	Promotion Strategy	2023 Performance	Short-term Goal (2024)	Medium- and Long-term Goals (Up to 2029)
<p>Forging a Deeper Financial Inclusion For Mutual Prosperity in Society</p>   	—	—	<ol style="list-style-type: none"> <li>1. Organize art and cultural activities, and support local cultural and economic development.</li> <li>2. Formulate volunteer service regulations and strengthen volunteer services.</li> <li>3. Donate the economic resources required for assisting children, youths, older people, and people with disabilities, and promote social assistance programs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Donated \$500,000 in book buying funds to Datong Elementary School in the East District of Tainan City to set up a second Mega Securities Financial Literacy Charity Library, promote reading, and cultivate a healthy understanding of investment and wealth management among elementary and junior school students from an early age.</li> <li>2. Donated \$50,000 in funding to the of the Taiwan Foundation for the Blind Band.</li> <li>3. Participated in the coastal clean-up event organized by the Mega Bank C&amp;E Foundation near the Keelung Ocean Museum. 16 volunteers contributed 64 volunteer hours.</li> <li>4. Participated in the “2023 Taichung Metropolitan Park Guardian of Mt. Dadu Family Tree-planting Event” organized by Mega Insurance and the Taiwan Reforestation Association. 14 volunteers contributed 56 volunteer hours.</li> <li>5. Participated in the Mid-autumn Charity Sale Volunteer event for the Down Syndrome Foundation R.O.C. organized by Mega Charity Foundation. 22 volunteers contributed 78 volunteer hours.</li> <li>6. Mega Securities organized the Everything Everywhere All at Mega Securities financial course for universities and colleges. 52 volunteers contributed 185.5 volunteer hours.</li> <li>7. Donated \$200,000 to the Affiliated Taichung City Zhenlan Children's Home of Dajia Mazu Social Welfare Foundation for looking after disadvantaged children, youth support services, and health/physiotherapy expenses.</li> </ol>	<ol style="list-style-type: none"> <li>1. Sponsorship or organizing of concerts and diversified art and cultural activities.</li> <li>2. Continue to strengthen volunteer service activities.</li> <li>3. Supporting sporting events</li> <li>4. Promotion of ecological sustainability and caring for the disadvantaged through financial assistance or in kind.</li> </ol>	<ol style="list-style-type: none"> <li>1. Cultivation of local art and cultural activities to revitalize local cultural development.</li> <li>2. Continue to support grassroots training of sporting talent, promote the development of Taiwanese sports, and support green competitions for carbon and plastic reduction.</li> <li>3. Promote the establishment of volunteer clubs to encourage greater employee participation, and continuing to visit or provide environmental services at institutions of charities for the disadvantaged to leverage our influence for social welfare.</li> <li>4. Uphold the spirit of philanthropy by continuing to monitor the needs of charity groups and people with disabilities, and providing them with the economic resources they need.</li> </ol>



## 2.3 Stakeholders and Material Topics

### Stakeholder communications

To fulfil our corporate social responsibility and engage in stakeholder communications, Mega Securities has established transparent and open channels of engagement with our stakeholders. Stakeholder opinions are also incorporated into our corporate management approach and business activities to achieve the goal of sustainable management. Key stakeholders were defined by Mega Securities following the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES): Responsibility, Influence, Tension, Diverse Perspectives, and Dependency. A stakeholder identification survey was then answered by 80 people including members of the Sustainable Development Committee, the heads of the five Committee's five working groups, managers at subsidiaries, and colleagues involved with ESG affairs. The 80 responses were used to identify our 7 key stakeholders as customers, Employees & Unions, Government/Competent Authority and Industry Associations, Shareholders and Investors, Suppliers, Communities/Schools and Non-profit Organizations, and the Media. Mega Securities used a variety of communication channels such as our corporate website, questionnaire survey, press releases, and in-house/Group seminars as well as this Report to listen, understand, and respond to the needs of our stakeholders. Sustained communication and engaged was utilized to create mutual benefits and trust. To help stakeholders understand the UN SDGs and our national sustainability policy, Mega Securities hosted 950 employee training sessions (both internal and external training) (see 5.1.5 Talent Development), and 10 classroom and 31 routine anti-fraud awareness events (see 4.3.1 Fair Treatment of Customers). A total of 991 training sessions or activities were therefore held in 2023. Accounting for 105% of the total assets of 94 billion at the end of 2023.

Stakeholders	Implications for the Company	Topic of Concern	Communication Channel and Frequency	Key Communication Accomplishments in 2023
Customer	Listening to the needs of customers, provide quality financial services, and work together with customers to create a sustainable future.	<ul style="list-style-type: none"> <li>Information Security</li> <li>Digital Innovation</li> <li>Compliance</li> <li>Customer Relations</li> <li>Responsible Finance</li> </ul>	<ul style="list-style-type: none"> <li>Periodic               <ul style="list-style-type: none"> <li>Annual customer satisfaction survey</li> <li>Implementation of mystery call mechanism</li> </ul> </li> <li>Ad Hoc               <ul style="list-style-type: none"> <li>Organizing of online/physical investment and wealth management seminars and investment forums</li> <li>News, advertisements</li> </ul> </li> <li>Standing               <ul style="list-style-type: none"> <li>Mega Securities Smart Customer Service (real-time)</li> <li>Provision of online account registration and trading platform (real-time)</li> <li>Mega Securities LINE@ account (real-time)</li> <li>Corporate website, Mega Securities FB fan page, Mega Securities IG, and Mega Securities YouTube (YT) channel</li> <li>Free customer service hotline and customer service e-mail</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Organized a digital customer satisfaction survey that collected 5,084 valid responses with an overall service satisfaction rating of 86.05%. Overall service satisfaction among middle-aged and older customers (over 65) was 88.58%, and overall satisfaction among younger customers (18 ~ 30) was 83.07%.</li> <li>Organized a digital customer satisfaction survey for wealth management staff that collected 2,431 valid responses with an overall service satisfaction rating of 96%. Overall service satisfaction among middle-aged and older customers (over 65) was 97%, and overall satisfaction among younger customers (18 ~ 30) was 95%.</li> <li>Mystery calls were conducted at 43 securities operating locations. 108 staff members were tested to identify the top 10 and bottom 10 operating locations. Additional education was provided to under-performing operating locations.</li> <li>Participated in the TWSE “Glorious 20 ETF Start Your Wealth Journey Expo” and the 2023 “Taipei International Financial Expo” organized by Business Today</li> <li>Organized 4 investment seminars at 3 locations in Taipei, Kaohsiung, and Changhua in partnership with TWSE and TPEx.</li> <li>Organized 21 customer information sessions at all domestic Mega Securities operating locations.</li> <li>1 investment outlook conference was held on the Mega Securities YouTube channel. An offline and online investment outlook conference was also held concurrently.</li> <li>Completed the development of sub-accounts and introduced flash orders for overseas futures on the mobile platform.</li> <li>Mega Securities LINE@ account is followed by 12,864 people, has 68,144 cumulative friends, and has made 126 posts.</li> <li>The Mega Securities Facebook fan page has accumulated 15,000 followers and 70 posts. Mega Securities IG also made 67 posts.</li> <li>In 2023, there were 17 customer complaints and financial consumer disputes. All cases were closed within the given time.</li> </ul>

Stakeholders	Implications for the Company	Topic of Concern	Communication Channel and Frequency	Key Communication Accomplishments in 2023
Employees and Unions	Employees are the Company's most important asset. We look after employee needs, and listen to the voices of unions and employees to strengthen foundations for corporate sustainability.	<ul style="list-style-type: none"> <li>Information Security</li> <li>Corporate Governance and Ethical Management</li> <li>Economic performance</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Periodic <ul style="list-style-type: none"> <li>Health and labor legislation knowledge is disseminated through e-mails twice a month</li> <li>Quarterly labor-management meetings</li> <li>Annual performance evaluations and communication</li> <li>Employee engagement survey</li> </ul> </li> <li>Ad Hoc <ul style="list-style-type: none"> <li>Holding of employee health seminars or activities</li> </ul> </li> <li>Standing <ul style="list-style-type: none"> <li>Hosting of employee bulletin board on intranet</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>"Mega Health" e-newsletters on health knowledge and motivational content were sent a total of 24 times and also reposted to the Health section of the corporate intranet.</li> <li>Hosted 4 labor-management to promote mutual cooperation.</li> <li>The Mega Securities employee engagement survey sampled 1,507 people and average engagement was 3.89 (out of 5)</li> <li>Hosted 4 health promoting activities, 7 "Basic Strength &amp; Conditioning" employee healthcare events, and 2 maternal care seminars.</li> <li>37 posts were made to the employee bulletin board and all have been responded to.</li> </ul>
		<ul style="list-style-type: none"> <li>Responsible Finance</li> <li>Information Security</li> <li>Compliance</li> <li>Corporate Governance and Ethical Management</li> <li>Sustainable Finance</li> </ul>	<ul style="list-style-type: none"> <li>Periodic <ul style="list-style-type: none"> <li>Filing or disclosure of information by the statutory deadlines</li> <li>Attendance at association committees</li> </ul> </li> <li>Ad Hoc <ul style="list-style-type: none"> <li>Policy information conferences or forums</li> <li>Answering surveys from competent authorities and their peripheral units</li> <li>Verification and provision of related information on request for competent authorities and their peripheral units</li> <li>Telephone calls or in-person meetings</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Filing or disclosure of related information as required by law such as Statement on Internal Controls, and Statement on AML/CFT Internal Controls. There were no penalties for violation of filing or disclosure regulations.</li> <li>Assignment of executives to participate in the committees or working groups of industry associations such as the TWSA, CNFA, and Trust Association.</li> <li>Participation in policy information conferences or forums on topics such as ESG policy, assessing the fair treatment of customers, and public hearing on evaluation of sustainable finance in the financial industry.</li> <li>Cooperate with peripheral agencies and industry associations on responding to business surveys. These include survey for AML/CFT risk assessment report and FinTech developments.</li> <li>Cooperated with the audits of competent authorities and peripheral agencies by providing information and responding in a timely manner.</li> </ul>

Stakeholders	Implications for the Company	Topic of Concern	Communication Channel and Frequency	Key Communication Accomplishments in 2023
Shareholders and Investors	Mega Holdings is the sole shareholder of Mega Securities. Sound communications ensure the effective implementation of the Group's business management and sustainability strategies.	<ul style="list-style-type: none"> <li>Corporate Governance and Ethical Management</li> <li>Digital Innovation</li> <li>Operational Performance</li> <li>Climate Action</li> </ul>	<ul style="list-style-type: none"> <li>Periodic               <ul style="list-style-type: none"> <li>Board of Directors meetings are convened every month.</li> <li>Submission of information every year to Mega Holdings to facilitate the preparation of the Sustainability Report.</li> <li>Participate in Mega Holdings meetings in accordance with Mega Holdings regulations on supervision of subsidiaries.</li> </ul> </li> <li>Ad Hoc               <ul style="list-style-type: none"> <li>Reporting of related information based on the supervisory requirements of Mega Holdings.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Convened 12 Board meetings.</li> <li>Actively cooperated with Mega Holdings on the preparation of the Sustainability Report, and providing Mega Holdings with quarterly updates on the implementation of sustainable development goals at Mega Securities.</li> <li>Regular attendance of Mega Holdings meetings including the monthly Mega Holdings Board of Directors meeting, monthly business management meetings, quarterly Sustainable Development Committee meetings, quarterly Risk Management Committee meetings, and quarterly Compliance meetings.</li> <li>Material events and operating risk events were reported to Mega Holdings each month.</li> <li>Routine audits were conducted in conjunction with Mega Holdings every six months.</li> <li>All 12 material contingencies that took place were reported to Mega Holdings in a timely manner and dealt with appropriately.</li> </ul>
Suppliers	Suppliers are important Mega Securities business partners. Mutual survival and prosperity is achieved through our close collaboration.	<ul style="list-style-type: none"> <li>Operational Performance</li> <li>Compliance</li> <li>Corporate Governance and Ethical Management</li> <li>Sustainable Finance</li> <li>Information Security</li> </ul>	<ul style="list-style-type: none"> <li>Periodic               <ul style="list-style-type: none"> <li>Supplier self-assessment surveys are conducted annually</li> <li>Supplier evaluations are conducted annually</li> <li>Supplier ESG seminars are mutual organized with the Mega Group every year</li> </ul> </li> <li>Ad Hoc               <ul style="list-style-type: none"> <li>Inviting suppliers to sign the Sustainability Declaration</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>21 key suppliers were invited to participate in the "Sustainability Self-Assessment Questionnaire Survey" and completed responses were received from 15 suppliers.</li> <li>ESG seminar was mutual organized with the Mega Group and attended by 6 suppliers to Mega Securities.</li> <li>"Supplier Sustainability Declaration" signed by 100% of contract suppliers.</li> <li>Green purchasing amounted to \$18,740,160 (9.26%) where total purchasing amounted to \$202,271,229.</li> </ul>

Stakeholders	Implications for the Company	Topic of Concern	Communication Channel and Frequency	Key Communication Accomplishments in 2023
Communities/ Schools and Non-Profit Organizations	Mega Securities is actively leveraging our core business to cultivate financial talent and boost student understanding of the financial industry.	<ul style="list-style-type: none"> <li>Information Security</li> <li>Corporate Governance and Ethical Management</li> <li>Combating Crime</li> <li>Operational Performance</li> </ul>	<ul style="list-style-type: none"> <li>Periodic <ul style="list-style-type: none"> <li>Promotion of industry-university collaboration programs every year</li> </ul> </li> <li>Ad Hoc <ul style="list-style-type: none"> <li>Promotion of internship programs; hosting of alumni conferences</li> <li>Hosting of social finance seminars</li> <li>Hosting of charity activities or encouraging employees to participate in the Group's volunteer activities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>22 students were offered part-time work or internships with the Company; internship agreements were signed with 8 universities and we 13 internship recruitment information events were held.</li> <li>Hosted 3 alumni conferences.</li> <li>Collaborated with the Taiwan Academy of Banking and Finance to hold 4 "Financial Literacy Seminars for Universities" that were attended by 271 people. A "Financial Literacy Seminar for Universities" was also hosted independently that was attended by 85 people.</li> <li>Hosted 1 financial workshop for senior high school and university students that was attended by 56 people.</li> <li>Hosted 3 finance and wealth management workshops for elementary and junior high school students that were attended by 98 people.</li> <li>Participated in coast clean-ups, tree plantings, social welfare and other volunteer 112 times for a total of 401.5 volunteer hours.</li> </ul>
		<ul style="list-style-type: none"> <li>Operational Performance</li> <li>Compliance</li> <li>Corporate Governance and Ethical Management</li> <li>Sustainable Finance</li> <li>Information Security</li> </ul>	<ul style="list-style-type: none"> <li>Periodic <ul style="list-style-type: none"> <li>Press releases are sent to columns in leading media every month.</li> </ul> </li> <li>Ad Hoc <ul style="list-style-type: none"> <li>Media interviews and promotions</li> </ul> </li> <li>Standing <ul style="list-style-type: none"> <li>Appointment of spokesperson and PR personnel to establish a line of communication</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>A total of 47 press releases were released during the year.</li> <li>Between 2021 and 2023, we were listed in the TWSE "List of Companies with Better Institutional Investor Stewardship Disclosures" for three consecutive years; between 2021 and 2023, we won the "Happy Enterprise - Financial Management and Consulting Industry - Gold Award" presented by 1111 Job Bank; between 2019 and 2023, we rated by the FSC among the to 25% of large integrated securities firms in its evaluation on "Principle of Fair Customer Treatment" in the securities industry three times in a row.</li> </ul>

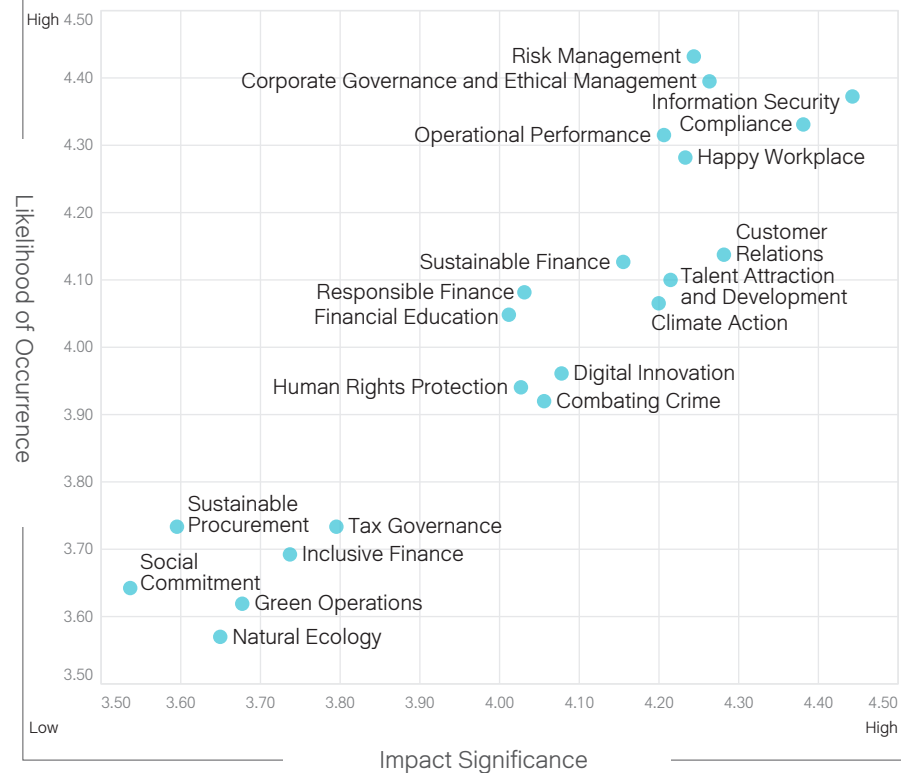


## Material topic identification process

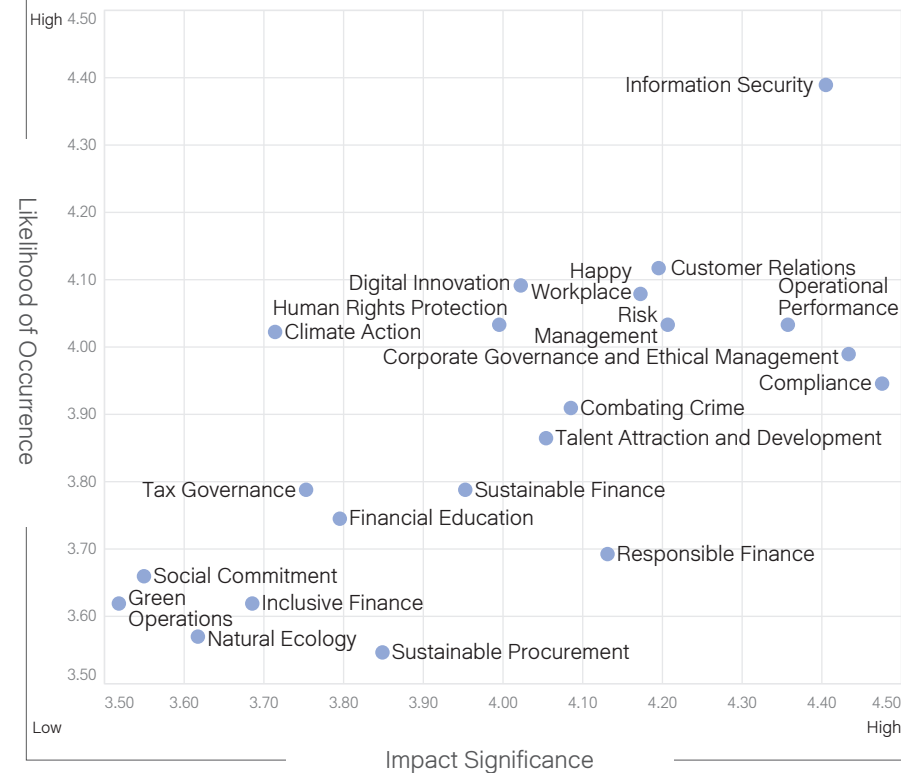
To establish the impact of sustainability topics on stakeholder assessment of Mega Securities and review our sustainability outcomes, Mega Securities engages in stakeholder communication and material topic identification through the following five-step process every year. The financial impact of the top three material topics (Information Security, Corporate Governance and Ethical Management, Compliance) identified as well as climate action topics drawing the most international attention are then assessed;

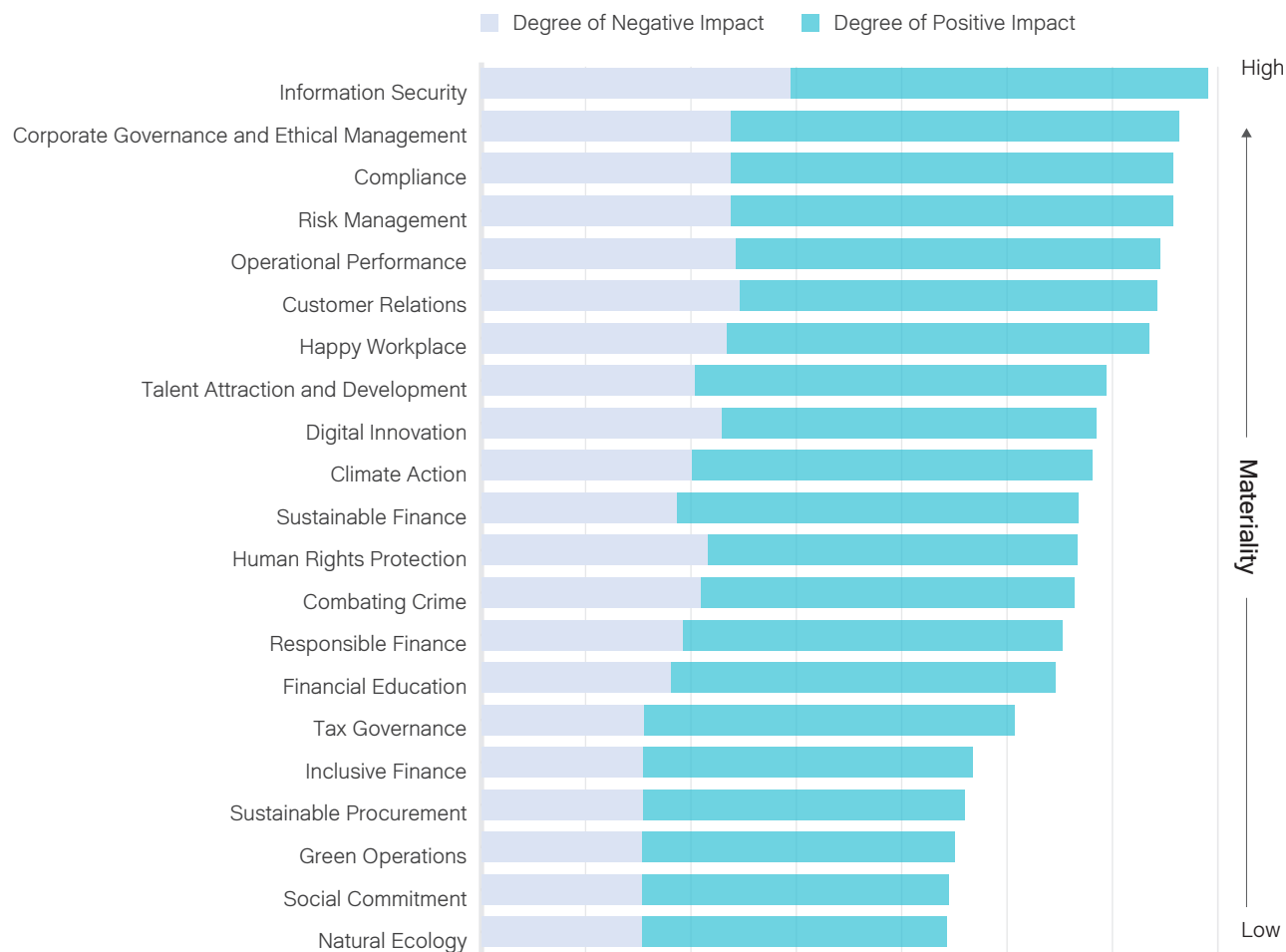
Identification of stakeholders	In accordance with the five principles of Influence, Tension, Responsibility, Dependency and Diverse Perspectives defined by the AA1000 Stakeholder Engagement Standard (AA1000 SES), a questionnaire was distributed to identify the seven key stakeholders: Customers, Employees and Unions, Government/Competent Authorities and Industry Associations, Shareholders and Investors, Suppliers, Communities/Schools and Non-profit Organizations, and the Media.
Gathering of sustainability topics	International sustainability standards such as GRI and TCFD, the UN SDGs, the Mega Securities Core Values and Goals, the topics of concern in the sustainability reports of our domestic/overseas peers and the industry, and sustainability trends, each topic was discussed and assessed by the conference department of the “Sustainable Development Committee.” A total of 21 sustainability topics were compiled after consulting with external consultants.
Assess impact	<p>The Mega Securities Sustainable Development Committee, the head of each working group, managers from subsidiaries and colleagues were surveyed on the impact of sustainability topics. The likelihood and scale of positive/negative impacts on the economy, environment, and society from each sustainability topic were then assessed. A total of 116 valid survey responses were collected.</p> <ul style="list-style-type: none"> <li>• Negative impact: Assessed in terms of severity and likelihood. The negative human rights impact of the topic was also taken into account.</li> <li>• Positive impact: Assessed on the scale, scope, and likelihood of impact.</li> </ul>
Ranking by impact significance	The survey findings were compiled and the scores for positive and negative impacts added together. The score for each topic was then used to rank them by the significance of impact. The rankings were discussed internally by the management. Thresholds were set for material topics based on key industry issues, international trends, and the opinions of external consultants. The eleven sustainability topics of “Information Security”, “Corporate Governance and Ethical Management”, “Compliance”, “Risk Management”, “Operational Performance”, “Customer Relations”, “Happy Workplace”, “Talent Attraction and Development”, “Digital Innovation”, “Climate Action” and “Sustainable Finance” were then designated as the material topics for 2023. The identified topics were reviewed by the General Manager and reported to the Sustainable Development Committee and the Board of Directors.
Confirmation and disclosure of material topics	Company management then followed the relevant reporting requirements for material topics from the GRI Standards to describe the corresponding response strategies, management actions, indicators, and targets in this Report to ensure that the Report provides an appropriate and faithful representation on ESG implementation by the Company.

### Positive Impact Matrix



### Negative Impact Matrix





## Material Topic Impact Management

● Direct impact on the value chain      ● Indirect impact on the value chain

Material Topics and Priority	Impact Description and Reason for Materiality	Value Chain Impact Hotspot			Management Goal and Impact Mitigation Measures	Policy and Commitments	Goals and Tracking/ Evaluation Mechanisms	Corresponding GRI/SASB Standards, TCFD and Special Topics	Corresponding Chapter and Page
		Upstream Suppliers	Company Operations	Downstream Customers					
Information Security	Mega Securities is in the financial services industry. Due to the nature of the industry, there is a greater likelihood of cyber attacks and higher information risk so we are closely regulated by the competent authority. Data leaks may lead to service disruptions, customer complaints, litigation and investigation. These in turn lead to recovery or threat elimination costs, damage to the Company's reputation, as well as undermining of customer, supplier and other stakeholders' confidence in the Company. Based on recent accounting errors due to system problems and the amount of hacker ransoms, the financial impact of a cyber attack is assessed to be in excess of \$15 million (over \$5 million in business losses from system disruption, over \$10 million for ransoms, or system replacement cost).	●	●	●	1. Protection of company secrets and customer privacy through internal policies and the information management system. 2. Conduct annual information security training and social engineering exercises to raise information security awareness and prevent related incidents in order to minimize the impact to stakeholders from data leaks.	The "Information Security Policy" and "Information Security Policy - System Access Controls" and "Regulations on Personal Data File Security Maintenance Plan and Handling of Personal Data After Termination of Services" were defined by Mega Securities. We are also committed to ensuring that all internal regulations on personal data protection are aligned with the latest domestic and overseas legislation to ensure that information security and protection of customer privacy all comply with the requirements of international standards.	1. Continued maintenance and introduction information security management system standards: ISO 27001 certification renewed in 2023. 2. Conduct at least 2 social engineering exercises each year: 100% coverage during employee testing. 3. There were no information security or data leaks during 2023.	GRI 418 Customer Privacy	CH4 Sustainable Finance  CH7 Accountable Governance



Material Topics and Priority	Impact Description and Reason for Materiality	Value Chain Impact Hotspot			Management Goal and Impact Mitigation Measures	Policy and Commitments	Goals and Tracking/ Evaluation Mechanisms	Corresponding GRI/SASB Standards, TCFD and Special Topics	Corresponding Chapter and Page
		Upstream Suppliers	Company Operations	Downstream Customers					
Corporate Governance and Ethical Management	Corporate governance is critical to the Company's brand image, business outcomes and long-term competitiveness. It is also closely monitored by the competent authority. Mega Securities conducts all of our businesses in accordance with the philosophy of ethical and accountable management. Violations of ethical management will not only damage stakeholder trust but increase operational, legal, reputation, and financial penalty risks. Using ethics-related fines that were actually imposed against the Company between 2021 and 2023 as a guide, the financial impact from violations of ethical management for the year may be as high as \$780,000.	●	●	●	1. Strengthen Board of Directors functionality through Board diversification and performance evaluation.	Mega Securities has formulated the "Articles of Incorporation", "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Ethical Corporate Management Procedures and Code of Conduct", "Employee Code of Conduct", "Procedures for the Handling of Grievance Cases" and other regulations to establish a sound corporate governance system and build an ethical culture.	1.Exceed the statutorily required training hours for directors: 100% completion rate in 2023.	GRI 205 Anti-corruption GRI 405	CH7 Accountable Governance
					2. Establish Ethical Management Committee to review the Company's ethical management policy as well as conduct regular evaluations of implementation and risks.		2. Completion of at least 18 hours of training by the Corporate Governance Officer: Target achieved in 2023.	Employee Diversity and Equal Opportunity GRI 415 Public Policy	
					3. Incorporate ethical management into the Company's business strategy and corporate culture through company regulations, training and education.		3.100% of directors and employees above the grade of manager have signed the "Ethics and Compliance Statement": 100% signing rate in 2023.	SASB Business Ethics: ● FN-IB-510a.2 ● FN-IB-510b.4	
							1. Completion rate of Mega Securities annual ethical management training was 99.74%.		



Material Topics and Priority	Impact Description and Reason for Materiality	Value Chain Impact Hotspot			Management Goal and Impact Mitigation Measures	Policy and Commitments	Goals and Tracking/ Evaluation Mechanisms	Corresponding GRI/SASB Standards, TCFD and Special Topics	Corresponding Chapter and Page
		Upstream Suppliers	Company Operations	Downstream Customers					
Compliance	Proper compliance serves as the foundations for building stakeholder trust. Violations of laws or internal regulations may negatively affect business development and generate litigation costs or fines. Using the actual litigation and penalty amounts imposed against the Company between 2021 and 2023 as a guide, the financial impact from violation of the law or internal regulations may be as high as \$3.59 million (\$2.73 million from litigation costs, and \$860,000 from fines).	●	●	●	<p>1. Establish internal control system and regulations based on external standards, and update the Company's internal controls and regulations in a timely manner when new external laws are passed or updated.</p> <p>2. Propose preventive and improvement measures in response to violations, and establish a reporting mechanism for material violations of the law.</p> <p>3. Implement compliance training to enhance employee compliance awareness and prevent compliance risks from negatively impacting on stakeholder rights.</p>	A compliance system has been established by Mega Securities in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" and the relevant laws and regulations governing securities and futures commission merchants. We strive to comply with regulatory and supervisory requirements to reduce potential financial losses as well as impact to the Company's reputation and operations.	<p>1. Completion of statutory training hours by compliance specialists: In 2023, 100% of Mega Securities compliance specialists completed and exceeded their statutory training hours.</p> <p>2. Mega Securities must convene at least 4 compliance management meetings: 5 meetings were convened during 2023 for a completion rate of 100%.</p>	<p>GRI 206</p> <p>Anti-competitive Behavior</p> <p>GRI 416</p> <p>Customer Health and Safety</p> <p>GRI 417</p> <p>Marketing and Labeling</p> <p>SASB Business Ethics:</p> <ul style="list-style-type: none"> <li>● FN-IB-510a.1</li> <li>● FN-IB-510b.1</li> <li>● FN-IB-510b.2</li> <li>● FN-IB-510b.3</li> </ul>	<p>CH7</p> <p>Accountable Governance</p>

Material Topics and Priority	Impact Description and Reason for Materiality	Value Chain Impact Hotspot			Management Goal and Impact Mitigation Measures	Policy and Commitments	Goals and Tracking/ Evaluation Mechanisms	Corresponding GRI/SASB Standards, TCFD and Special Topics	Corresponding Chapter and Page
		Upstream Suppliers	Company Operations	Downstream Customers					
<b>Risk Management</b>	An effective risk detection mechanism must be established and maintained in response to changes in the financial environment as well as the acceleration of industry changes due to developments in digital technology. Mega Securities must follow the supervisory approach of the competent authority to establish effective internal controls and risk measurement/ management mechanism in order to effectively manage operational and emerging risks.	●	●	●	The Risk Management Committee reporting directly to the Board of Directors was established for reviewing risk related policies and targets as well supervising the implementation of risk management operations to ensure the Company's overall risks adhere to the risk management policy defined by the Board.	The "Risk Management Rules" were formulated by Mega Securities to ensure that an effective risk management system is established by the Company. Risk management targets are reviewed and formulated annually to ensure that all operational risks are kept within an acceptable range.	1.Continued evaluation of risk and review of risk control performance: The Risk Management Office provides daily risk monitoring reports and briefs the Risk Management Committee and Board of Directors every two months. 2.Strengthen the identification and management of climate change risk. 3.Carry out physical risk scenario analysis and investment position transition risk.	SASB systemic risk management: ● FN-IB550a.2 TCFD risk management	CH7 Accountable Governance
<b>Operational Performance</b>	Operational performance is affected by traditional factors such as the economy and geopolitics. Effective management of operational performance is therefore a core business responsibility of the Company. Steady profits are essential to realizing the sustainable development of the Company and the achievement of sustainable management goals.	●	●	●	Mega Securities discloses consolidated and individual financial information through the MOPS. Consistent performance is maintained to satisfy the expectations of shareholders and other stakeholders.	We formulate business strategies based on changes in the policies of the competent authority, market and industry, and diversify our business to take advantage of opportunities for profit. We are developing business opportunities in Southeast Asia in response to the government's "New Southbound Policy." We assist Taiwanese businesses in the region through our underwriting business guided by a philosophy of inclusive growth and create value for sustainable corporate development.	Convening of monthly business management meetings, review of operational performance, and honest declarations of financial status: In 2023, Mega Securities reported consolidated net income of NT\$2,002,610 thousand and an EPS of \$1.73.	GRI 201 Economic Performance	CH1 Foreword and About Mega Securities

Material Topics and Priority	Impact Description and Reason for Materiality	Value Chain Impact Hotspot			Management Goal and Impact Mitigation Measures	Policy and Commitments	Goals and Tracking/ Evaluation Mechanisms	Corresponding GRI/SASB Standards, TCFD and Special Topics	Corresponding Chapter and Page
		Upstream Suppliers	Company Operations	Downstream Customers					
Customer Relations	A comprehensive system for Fair Customer Treatment and a sound customer grievances system at Mega Securities ensure that mutual trust is maintained with customers through timely response and proper handling.				Mega Securities provides proactive disclosure and protection of customer rights. Customer satisfaction surveys are also conducted every year to learn about customer experiences. The information is used as a basis for improving related workflows and the design of the trading platform. Internal training on Fair Customer Treatment and friendly financial experience activities are also implemented to promote the philosophy of treating customers fairly.	The “Fair Customer Treatment Promotion Committee Organic Charter” , “Principles of Fair customer Treatment Policy and Strategy” , and “Customer Grievances and Financial Consumer Dispute Handling System Guidelines (including Handling SOP) were formulated by Mega Securities and approved by the Board of Directors. The Fair Customer Treatment Promotion Committee reporting directly to the Board of Directors was also established for promoting Fair Customer Treatment related plans and building a corporate culture that values the protection of financial consumers.	1. Conduct annual customer satisfaction surveys and achieve a satisfaction score of 85%: The 2023 customer satisfaction survey results met the target. 2. Finish processing customer grievances within the given time: The 17 cases of customer grievances and financial consumer disputes in 2023 were all closed within the given time. 3. Completion of at least 3 hours of Fair Customer Treatment training by each Mega Securities employee each year In 2023, each employee completed on average 5.3 hours of Fair Customer Treatment training.	Custom Topics	CH4 Sustainable Finance

Material Topics and Priority	Impact Description and Reason for Materiality	Value Chain Impact Hotspot			Management Goal and Impact Mitigation Measures	Policy and Commitments	Goals and Tracking/ Evaluation Mechanisms	Corresponding GRI/SASB Standards, TCFD and Special Topics	Corresponding Chapter and Page
		Upstream Suppliers	Company Operations	Downstream Customers					
Happy Workplace	Employees are the Company's important asset, and enhancing employee willingness to retention and creating a happy and inclusive environment are the Company's core responsibilities.				Mega Securities has established a safe, friendly, and diverse workplace environment, with fair and legal labor conditions and promotion systems. We have formulated occupational safety and health-related regulations, and used transparent communication channels to enhance labor-management relations.	Mega Securities has established the "Human Rights Policy" and is committed to complying with labor-related laws and regulations and internationally recognized basic human rights. The employment policy does not discriminate against employees based on factors such as gender, age, race, marriage, and religion. We have also established the "Principles for Anti-discrimination and Anti-harassment" to respect the diversity of employees, and eliminate all forms of discrimination and harassment. In terms of occupational safety and health, we have established the "Occupational Safety and Health Managerial Standards" to reduce occupational disasters and Work-related illness, and ensure the provision of a good working environment and physical and mental health for the employees.	1. Continuously provide employees with health checkups, and marriage and childbirth subsidies. 2. Continuously implement the Employee Assistance Program (EAP). 3. At least two health promotion activities (including health lectures) are held every year: in 2023, a total of 13 activities (including lectures) were held.	GRI 201 Economic Performance GRI 401 Employment GRI 403 Occupational Health and Safety GRI 405 Diversity and Equal Opportunity	CH5 Employee Care

Material Topics and Priority	Impact Description and Reason for Materiality	Value Chain Impact Hotspot			Management Goal and Impact Mitigation Measures	Policy and Commitments	Goals and Tracking/ Evaluation Mechanisms	Corresponding GRI/SASB Standards, TCFD and Special Topics	Corresponding Chapter and Page
		Upstream Suppliers	Company Operations	Downstream Customers					
<b>Talent Attraction and Development</b>	Attracting and retaining outstanding talents will bring economic benefits to the Company. As the Company's working model evolves due to the pandemic and the low birth rate, the Company needs to attract outstanding diversified talents through diverse recruitment channels and emphasizing employee benefits.				<ol style="list-style-type: none"> <li>1. Deepen the cultivation in campus talent management and actively conduct the industry-academia cooperation.</li> <li>2. In response to the ESG wave, the Company strengthens the recruitment of talents in three major fields: digital, sustainable, and diversified finance, to enhance the Company's power to embrace the diversified development trend.</li> <li>3. Improve the professional ability of employees by organizing various trainings.</li> </ol>	Mega Securities has established the "Regulations Governing Recruitment and Appointment," "Employee Performance Appraisal Rules," and "Employee Education and Training Regulations" to facilitate the recruitment and retention of outstanding talents. The Company also organizes diverse education and training to assist employees in their career development.	<ol style="list-style-type: none"> <li>1. Set the total turnover rate target: The total turnover rate in 2023 is 11.47%, slightly higher than the Group's target of 8%, but lower than the average total turnover rate of 17 peers of 13.27% in the same period.</li> <li>2. Continuously implement the industry-academia cooperation projects and provide internship or part-time opportunities: in 2023, 22 internship or part-time opportunities were provided, and internship cooperation agreements were signed with 8 universities.</li> <li>3. Continuously organize diverse education and trainings: in 2023, various statutory education and training courses, education and training courses on relevant management skills, and consensus camps for middle and senior executives were organize.</li> </ol>	GRI 401 Employment GRI 404 Training and Education GRI 405 Employee Diversity and Equal Opportunity SASB Diverse Employees ●FN-IB-330a.1	CH5 Employee Care



Material Topics and Priority	Impact Description and Reason for Materiality	Value Chain Impact Hotspot			Management Goal and Impact Mitigation Measures	Policy and Commitments	Goals and Tracking/ Evaluation Mechanisms	Corresponding GRI/SASB Standards, TCFD and Special Topics	Corresponding Chapter and Page
		Upstream Suppliers	Company Operations	Downstream Customers					
Digital Innovation	In the digital financial era and under the influence of COVID-19, the traditional financial product business has been severely impacted. Therefore, Mega Securities is actively developing an online trading platform and optimizing the digital workflows to create new business opportunities for digital group trading and enhance the convenience of financial products and digital services.	●	●	●	Mega Securities actively grasps the development trends of Fintech, develops and optimizes digital services, and enhances service efficiency.	Mega Securities has launched the digital transformation project and has made the development of digital finance as its medium and long-term strategic goal, aiming to provide secure and convenient financial services.	1. Over 70% of the transaction amount is electronically placed: in 2023, the actual transaction amount of electronically placed order was 77.17%. 2. Optimize digital services: in 2023, the digital services, such as "Mega e Stock" and "MegaGo Purchase by Share" were launched.	Custom Topics	CH4 Sustainable Finance
Climate Action	From international trends and domestic policy guidance, the issue of climate change is becoming more and more important, and attracting the attentions of stakeholders. Climate change risks may increase the Company's operating costs and investment and credit risks. Therefore, it is necessary to assess and identify climate-related risks and opportunities, set a net-zero carbon emission goal, and disclose such. The financial impact of climate change was estimated at about NT\$7.49 million with reference to the three major climate risks identified (temperature rise/increased sustainability regulations/customer failure in low-carbon transformation).	●	●	●	Mega Securities incorporates climate risks into its risk management system, identifies risks and opportunities, and regularly implements employee education and training and adopts GHG reduction-related management goals and measures.	In accordance with the "Climate Risk Management Principles" established by the Mega Group, Mega Securities added climate risk management policies to the "Risk Management Policy" and the emerging risks to the Risk Management Rules in 2019, to manage the potential risks resulted from climate change to the Company's operations and finance, and respond to the impacts of climate change.	1. Mega Securities completed the ISO14064-1 greenhouse gas inventory and verification for domestic operating sites: in May 2023, the ISO14064-1 greenhouse gas verification declaration was obtained. 2. Mega Group's green procurement target is 2.2%: Mega Securities' annual procurement volume reached 9.26% in 2023, and the Sustainable Development Committee tracks and monitors the effectiveness.	GRI201 Economic Performance GRI305 Emissions TCFD governance, strategy, risk management, indicators and targets	CH3 Environmental Sustainability CH7 Accountable Governance

Material Topics and Priority	Impact Description and Reason for Materiality	Value Chain Impact Hotspot			Management Goal and Impact Mitigation Measures	Policy and Commitments	Goals and Tracking/ Evaluation Mechanisms	Corresponding GRI/SASB Standards, TCFD and Special Topics	Corresponding Chapter and Page
		Upstream Suppliers	Company Operations	Downstream Customers					
<b>Sustainable Finance</b>	Reduce investment in high carbon-emission industries and increase investment in low-carbon industries, to promote the transformation toward the low-carbon economy, and accelerate the realization of the Paris Agreement where the global warming is controlled under 2 °C and the 2050 net-zero emission vision of Taiwan, to help slow down global warming, reduce risks from climate change.	●	●	●	In response to Mega Group's response to the FSC's "Green Finance 3.0" policy and various requirements of the sustainable finance assessment, Mega Securities plans sustainability related investments, financial products and services, and engages with investees to advocate the links of investees to sustainable finance.	Formulate the "Sustainable Finance Policy," follow the international sustainable finance initiatives and the green finance-related policies of the competent authorities, while increasing investments in low-carbon economy industries and design sustainable financial products.	<ol style="list-style-type: none"> <li>Investment and underwriting of domestic sustainability bonds of NT\$1.5 billion as the target: in 2023, the balance of investments in domestic sustainability bonds is NT\$2.3 billion, and the amount of sustainability bonds underwritten is NT\$2.15 billion, for a total of NT\$4.45 billion.</li> <li>The target set for the allocation of responsible investment assets accounted in the proprietary trading and underwriting (excluding hedging) is 30%: the actual ratio in 2023 is 31.26%.</li> <li>By following the goal set by the Group, investment positions in SBTi will gradually increase, and assist the Group as a whole to reach 39.56% by 2028.</li> </ol>	Inclusion of SASB ESG factors in investment banking and securities: <ul style="list-style-type: none"> <li>● FN-IB 410a.1</li> <li>● FN-IB 410a.2</li> <li>● FN-IB 410a.3</li> </ul> SASB Corporate Operational Indicators: <ul style="list-style-type: none"> <li>● FN-IB-000.A</li> <li>● FN-IB-001.A</li> <li>● FN-IB-002.A</li> </ul>	CH4 Sustainable Finance

# CH3 Environmental Sustainability

- 3.1 Climate Action
- 3.2 Green Operations
- 3.3 Sustainable Procurement
- 3.4 Natural Ecology



2023 became the hottest year in Earth's history on record, and the damage caused by the extreme weather is getting worse. The UN Secretary-General even address the urgency of net-zero carbon reduction with the terms global boiling era and climate collapse, while the World Economic Forum (WEF) released the "Global Risks Report 2024," indicating that the extreme weather events are ranked second in the short-term risks (two years) and first in the long-term risks (ten years); among the top ten long-term risks, the environmental risks accounted for five. In response to the Paris Agreement's vision of limiting warming to 1.5° C by the end of this century, Mega Holdings signed the Science Based Targets initiative (SBTi) commitment in April 2023, promising to set the carbon reduction pathway (approved in June 2024) with the Science Based Targets (SBT), and achieve net zero emissions by 2050. Mega Securities follows Mega Group's SBT carbon reduction and other environmental protection policies, and has passed the certifications of ISO140001, ISO14064-1, ISO50001, while encouraging investees for carbon reduction transformation or to set SBT carbon reduction targets, and responding the Tamsui River Convention to contribute to the water sources in Taiwan. The Company's headquarter building also obtained the green building diamond-grade certification in 2023, hoping to make our living environment better.



Corresponding United Nations Sustainable Development Goals (SDGs)



## Material Topic GRI indicators

- GRI 201: Economic Performance
- GRI 305: Emissions

## Corresponding material topics

- Climate Action
- Corporate Governance

## Stakeholders with priority access

Suppliers, government and competent authorities, shareholders/ investors, employees/union, communities/schools/non-profit organizations

## 3.1 Climate Action

According to the Global Risks Report 2024 released by the World Economic Forum (WEF), five of the top ten global risks in the next decade include five environmental risks, in order of natural disasters and extreme weather, drastic changes in the Earth's ecosystem, reduced biodiversity, shortage of natural resources, and pollution, demonstrating that the climate change is still a harsh global challenge.

Mega Group signed the Task Force on Climate-related Financial Disclosures (TCFD) initiative in April 2020. Mega Securities follows the four core elements and 11 disclosure items of the TCFD framework, clarifying the mechanisms of governance, strategies, and risk management adopted to address climate change issues, and demonstrating our determination to implement climate actions through climate goal setting and regular indicator tracking.

- Status of supervision of climate-related risks and opportunities by the Board of Directors
- Management's role in assessing and managing climate-related risks and opportunities

- Process for identifying and assessing climate-related risks
- Management process for climate-related risks
- How the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management system



- Short, medium, and long-term climate-related risks and opportunities identified by Mega
- Impact of climate-related risks and opportunities on business, strategy, and financial planning
- Resilience of strategy, with consideration for different climate-related scenarios (including a 2° C or lower scenario)

- Disclosure of indicators used to assess climate-related risks and opportunities in line with Mega's strategy and risk management processes
- Disclosure of Scope 1, Scope 2, and (if applicable) Scope 3 greenhouse gas emissions and related risks
- Targets used to manage climate-related risks and opportunities, and performance against those targets

## 3.1.1 Climate governance

### Climate governance operational mechanism

Mega Securities' Board of Directors is the highest governing body for climate change-related issues, and is responsible for supervising and reviewing the Company's climate-related risk policies and management systems. The Risk Management Committee and Sustainability Committee under the Board of Directors are responsible for identifying and managing climate change risks and opportunities.

+ [For the climate governance structure chart, please refer to the aforementioned Section 2.1 Sustainability Governance Structure.](#)

### Sustainable Development Committee

The Sustainability Committee of Mega Securities is composed of the Director concurrent General Manager, and heads of various departments, while chaired by the General Manager. The Committee is responsible for reviewing sustainable finance policies and regulations, deliberating annual environmental sustainability plans such as annual energy use and greenhouse gas reduction targets, as well as the education and trainings for identification and management of risk and opportunities on climate change. At least one meeting is held every quarter, and the meeting minutes and implementation status are reported to the Board of Directors; the dedicated unit for the meeting affairs is the Planning Office. Under the Committee, the Environmental Sustainability Team is responsible for the Company's green operations and climate change risk management, the Sustainable Finance Team is responsible for the Company's green finance business, and the Corporate Governance Team is responsible for the risk management.

### Risk Management Committee

The Risk Management Committee of Mega Securities is composed of the Chairperson, Director concurrent General Manager, the Chief Risk Officer, and other department heads as members, and chaired by the Chairperson. The Committee is responsible for supervising the implementation of risk management business, deliberating the risk management policies, annual risk management objectives, the Articles of Incorporation of the Risk Management Committee, and risk management rules, and reviewing the overall risk appetite or risk limit. The Risk Management Committee convenes at least one meeting every quarter. Extraordinary meetings may also be convened as needed for business needs or for emergencies. The Risk Management Office is responsible for meeting affairs. The implementation of climate change-related financial disclosures is reported in each RMC general meetings, including Mega Securities' holdings of high carbon-emission industries in the proprietary trading and underwriting, and the progress of providing climate risk-related information by Mega Holdings or Taiwan Securities Association. The aforementioned contents are also reported in the board meetings of Mega Securities and its Risk Management Committee meetings.



## Status of Supervision of Climate-Related Risks and Opportunities by the Board of Directors

### Climate-related proposals of the Board of Directors in 2023

1. Proposal to issue the index investment securities with the underlying target as TPEX FactSet Semiconductor Climate Net Zero Elite Total Return Index, which is complied by TPEX and FactSet.
2. Mega Securities' risk management overview and implementation in November and December, 2022, and the minutes of the first regular meeting of the Risk Management Committee in 2023. (including TCFD implementation progress)
3. Mega Securities' risk management overview and implementation in January and February, 2023, and the minutes of the second regular meeting of the Risk Management Committee in 2023. (including TCFD implementation progress)
4. Proposal of amendment to the sustainable financing policy of Mega Securities. (The principles to be complied with risk management are added with the United Nations Convention on Biological Diversity)
5. Mega Securities' risk management overview and implementation in March and April, 2023, and the minutes of the third regular meeting of the Risk Management Committee in 2023. (including TCFD implementation progress)
6. Mega Securities' risk management overview and implementation in May and June, 2023, and the minutes of the fifth and sixth regular meetings of the Risk Management Committee in 2023 (including the TCFD implementation progress / including the climate risk assessment report)
7. Mega Securities' risk management overview and implementation in July and August, 2023, and the minutes of the seventh regular meeting of the Risk Management Committee in 2023. (including TCFD implementation progress)
8. Mega Securities' risk management overview and implementation in September and October, 2023, and the minutes of the eighth regular meeting of the Risk Management Committee in 2023. (including TCFD implementation progress)
9. Establishment of the 2024 annual risk management targets for Mega Securities. (Including the high carbon emission limit of 27% )
10. Establishment of Mega Securities' 2024 ESG promotion plan, specific goals, and medium and long-term goals. (including environmental sustainability-related)

## The management's role in assessing and managing climate-related risks and opportunities

For the climate-related issues at Mega Securities, the Sustainability Committee and the Risk Management Committee under the Board of Directors implement the identification and management of climate change risks and opportunities. The execution units are the Environmental Sustainability Team and Sustainable Finance Team, the Corporate Governance Team, and the Risk Management Office, respectively. The supervisors are the Chair of the Sustainable Development Committee, the General Manager, and the Chief Risk Officer. The main duties of the General Manager are to supervise the promotion of ESG-related policies, supervise and manage the implementation of various sustainability management plans and goals, prevent the occurrence of material sustainability risk events, and manage the contingency plans in case of emergency. The Chief Risk Officer takes charge of the planning of risk management and formulates related policies and regulations, assists and supervises the promotion of risk management-related affairs and manages risk limits, while reporting to the Risk Management Committee or the Board of Directors at least quarterly to fully grasp the Company's overall risk tolerant capabilities and status.

	Risk Management	Promotion of ESG-related policies
Supervision	Chief Risk Officer	General Manager
	<p><b>Risk Management Office</b></p> <p>The Risk Management Office is a cross-functional department responsible for communication and coordination across all departments. It handles matters related to market risk, credit risk, liquidity risk, operational risk, and their connection to climate risk. The office is progressively building and planning climate risk management tasks, which include:</p> <ul style="list-style-type: none"> <li>Collecting and adhering to relevant legal regulations</li> <li>Implementing risk management mechanisms</li> <li>Selecting climate risk models</li> <li>Identifying climate-related risks and opportunities</li> <li>Setting and promoting climate risk management targets</li> <li>Conducting climate change scenario analysis</li> <li>Overseeing climate-related financial risk disclosures</li> </ul>	<p><b>Sustainable Finance Team</b></p> <p>The business scope includes product and service liability, consumer rights protection, consumer complaints, customer data protection, green finance, and financial innovation.</p> <p><b>Environmental Sustainability Team</b></p> <p>The business scope includes green operations, climate change risk management, and supplier management.</p> <p><b>Corporate Governance Team</b></p> <p>The business scope includes organizational structure, the board of directors, risk management, integrity management, shareholder rights, and legal compliance.</p>
Implementation		

## Climate Performance Linkage System

In accordance with the "Sustainable Development Best Practice Principles" (the scope of the Principles is applicable to the overall operating activities of Mega Holdings and its subsidiaries) established by the parent company, Mega Securities, the salary and remuneration policies, and the employee performance evaluation system are closely related to sustainable development. Mega Holdings has established the "Implementation Rules for the Annual Evaluation of Subsidiaries" and the "Procedures for the Risk Management Evaluation of Subsidiaries", which include ESG business and management performance indicators for the subsidiaries of Mega Holdings (including Mega Securities) as an important basis for adjustment of bonuses and remuneration to the chairman and general manager. In 2023, we increased the proportion of climate change related assessments. The ESG management performance was 3%, ESG business performance 2% (growth rate of sustainable development bond investment and underwriting amount), and comprehensive assessment of risk management (active participation in and implementation of work related to the management related to emerging risks (including climate risk)) 5%, and the total impact accounted for 10% of the total score. In the future, we will continue to take a proactive approach to promote the linkage between senior executive performance and sustainability performance, and include ESG performance in all aspects of senior executive performance evaluation indicators.

### 3.1.2 Climate strategy

"Committing to Net-zero Emissions to Achieve Environmental Sustainability;" Mega Securities is committed to comply with the Group's climate policy. In addition to setting the climate goal of net zero emissions by 2050, we have also actively adopted specific action programs to respond to the identified material climate issues. It is hoped that through the research and development of sustainable financial products and services, we can help all stakeholders reduce the impact of climate change, explore new industrial opportunities for enterprises, to slow down the global warming, and promote the society's transformation towards low carbon. Mega Securities has set a short-term goal to help green industry players to obtain the capital needed for operations, and develop digital financial products and services, to reduce carbon emissions in the value chain. In the medium and long-term, we hope to promote environmentally friendly regulations and measures, to guide partner corporates, investors, and consumers value ESG, for reducing investment and financing risks in climate-sensitive industries. In 2024, Mega Group has established the "Management Focuses for the Divestment from the Coal and Non-Conventional Oil and Gas Sectors by Mega Group," proposing a gradual divestment plan for the Group, expecting a complete exit from the coal and non-conventional oil and gas industries by 2040 at the latest.

### Climate risks and opportunities

To control the specific impacts of climate change, Mega Securities collects issues of climate change-related risks and opportunities based on the guidelines issued by TCFD, domestic and foreign climate change research reports, and climate risk assessment reports issued by financial peers, to inventory 9 risks and 9 opportunities impacting the securities business.

## Climate risk identification

### Step 1

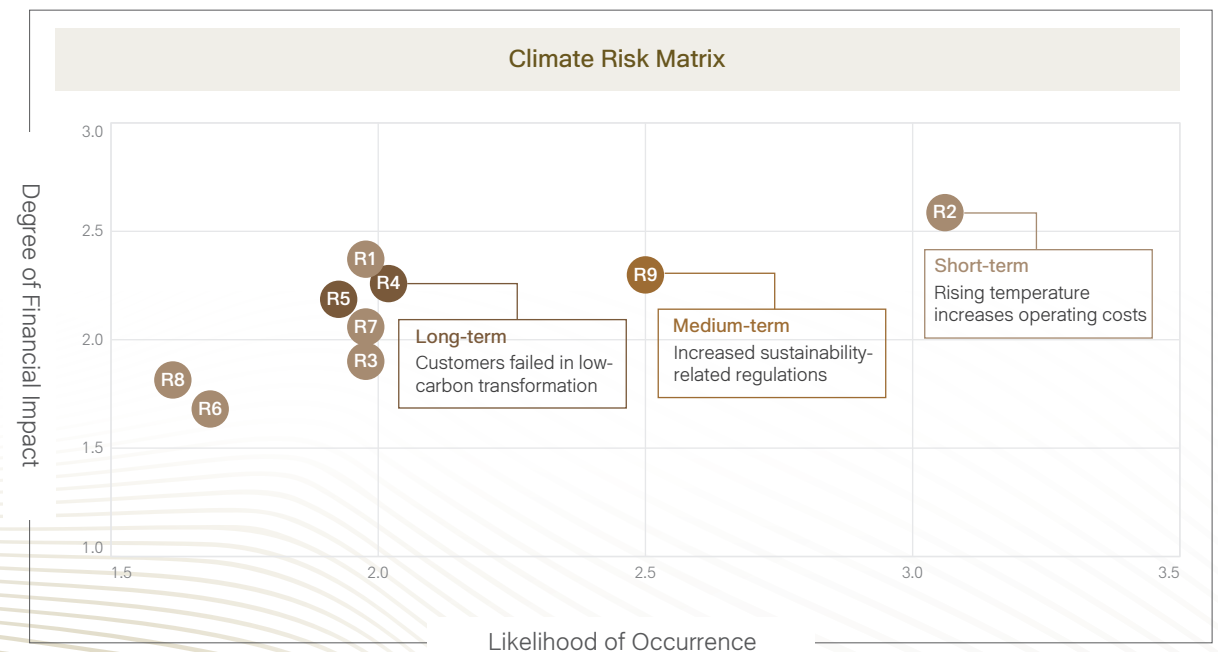
Collect issues of climate change-related risks to inventory 9 risks impacting the securities business.

Code	Type	Issue	Potential financial impact
R1	Physical risk	Property damage from the extreme weather	As global climate change intensifies, the frequency and intensity of extreme climate events increase year by year, and the degree of corporate risk exposure also increases. It may affect direct or indirect operating costs (e.g. business interruption of counterparties of investment and financing, or suppliers) or generated anticipation capital expenditures, resulting in revenue or financial losses.
R2	Physical risk	Rising temperature increases operating costs	Global warming causes irreversible climate events, such as sea level rise. As a result, the operating costs of the Company will increase (such as increased oil, water, and electricity bills), resulting in an increase in the overall operating and labor costs of Mega Securities.
R3	Transformation risks	Changes in customer preferences	Climate change issues lead to changes in customer preferences, resulting in a decrease in demand for existing products and services. If Mega Securities fails to respond in a timely manner and promote green/sustainable products and services, it may lead to customer loss or revenue decline.
R4	Transformation risks	Customers failed in low-carbon transformation	Customer default, credit loss, or impairment of valuation as a result of their failure to implement the low-carbon transformation in a timely manner, resulting in unrecoverable costs.
R5	Transformation risks	Failure to exit the high-carbon assets immediately affects the investment willingness	The proportion of high-carbon assets in financial products of proprietary trading, brokerage, and underwriting under Mega Securities is too high, and not be able to phase-out related position immediately. Investors' investment willingness reduced or capitals are withdrawn, thereby affecting business development.
R6	Transformation risks	Increased concerns of stakeholders	Mega Securities or its clients have negative climate-related news, raising the concerns of stakeholders, and indirectly affecting Mega Securities' reputation.
R7	Transformation risks	Increased costs of GHG emissions	Due to the rise of carbon pricing mechanisms at home and abroad (e.g. the carbon tariffs levied by EU (CBAM), and the "Climate Change Response Act" of Taiwan planning to levy carbon fees), customers in high carbon emission industries, such as electricity, petrochemical, cement, semiconductor, steel, among other industries are affected, indirectly affected the profitability of Mega Securities.
R8	Transformation risks	Reinforcement of reporting responsibilities	Taiwan has gradually strengthened the requirements for climate change information disclosure by TWSE and TPEx listed companies, including requiring the TWSE and TPEx listed companies (and subsidiaries) to disclose climate-related information in 2024, and it is expected to apply the IFRS sustainability disclosure standards in stages starting from 2026. If Mega Securities fails to fulfill its reporting responsibilities, it may result in penalty imposed by the competent authorities or lawsuits, affecting its operations, reputation, and profitability.

Code	Type	Issue	Potential financial impact
R9	Physical risk	Increased sustainability-related regulations	In 2024, Taiwan passed the "Climate Change Response Act," announcing to achieve net-zero emissions by 2050. In the future, climate change regulations may intensify the requirements for all industries to strengthen action plans for climate adaptation and mitigation, such as adopting energy-efficient equipment and strengthening the management framework of climate change risks, procurement of green power, etc.; these will indirectly affect Mega Securities and its value chain partners, and the costs in response to climate mitigation and adaptation increase.

## Step 2

Examine the impacts of climate-related issues one by one through questionnaire surveys, assess the extent of impacts, the likelihood of occurrence, and impact period (short, medium, and long-term) to form a climate risk matrix.



### Step 3

The quantitative analysis and control are conducted for the top three climate risks in terms of the score of likelihood of occurrence multiplied by degree of impact, while taking business relevance and cost-effectiveness of countermeasures into account.

Sorting	Issue	Impact period	Operational, strategic, and financial impacts, as well as the mitigation and adaption plans adopted.
1	<b>R2</b> <b>Rising temperature increases operating costs</b>	Short-term	<ul style="list-style-type: none"> <li>In 2023, the target of green energy consumption in Mega Securities Headquarters was 50%, and this target will be increased to 60% in 2024.</li> <li>In 2023, the Company entered a contract with Tatung Smart Green Power. From August 2023 to the end of the year, the green power consumption in the headquarters was 730,000 kWh. As the difference of electricity tariff between the green power and Taipower is about NT\$2.4 (NT\$3 of Taipower and contracted green power is NT\$5.4), the electricity bills increased by about NT\$1.75 million in 2023, accounting for 0.08% of the 2023 net profit before tax of Mega Securities, and the financial impact on the Company is mild (&lt;0.1%).</li> <li>Based on the power consumption of 3.122 million kWh in 2023, if the green power consumption ratio is 50%, 60%, and 100%, the electricity bill will increase by about NT\$3.74 million, NT\$4.49 million, and NT\$7.49 million, accounting for 0.17%, 0.2%, and 0.34% in the 2023 pre-tax net profit of Mega Securities, respectively, and the impact on the Company's finance is medium (0.1%-1%), and the impact is limited.</li> </ul>
2	<b>R9</b> <b>Increased sustainability-related regulations</b>	Medium-term	<ul style="list-style-type: none"> <li>According to the Articles of Incorporation of the Compliance Officer Coordination Meeting of Mega Securities, when the Compliance Office receives any digital official letter regard the published, added, amended, or abolished external laws and regulation (including the regulations of the competent authority, the related units under the competent authority or associations, or the regulations of Mega Holdings), and report to the compliance officer of the relevant department, the compliance officer of each department shall execute the "Operations Handling Internal Regulations" to determine whether to amend the internal regulations governed by each department. As a principle, the addition of, amendment to, or correction of regulations shall be done within three months.</li> </ul>
3	<b>R4</b> <b>Customers failed in low-carbon transformation</b>	Long-term	<ul style="list-style-type: none"> <li>The risk management target for 2024 is to set the investment limit for high carbon emission industries at 27% of the balance of total investments, and will gradually reduce it to achieve the net zero carbon emission goal by 2050.</li> <li>Mega Holdings signed the Science Based Targets initiative (SBTi) commitment in April 2023, promising to set the carbon reduction pathway, to commit that the Group will achieve 39.56% as the percentage of positions set with SBT targets in 2028; the carbon reduction action plan was submitted to the SBTi organization on November 30, 2023 for review (and approved in June 2024). Mega Securities also cooperates with the Group to run the carbon reduction action plan for Scope 3.</li> </ul>



## Climate opportunity identification

### Step 1

Collect issues of climate change-related opportunities to inventory9 opportunities impacting the securities business.

Code	Type	Issue	Potential financial impact
O1	Market	Diversification of financial assets	In response to climate change issues and trends, increase the diversity of financial assets held, including equities, bonds, energy transitions, etc., and invest in carbon rights and carbon sink market research.
O2	Market	Increase the rating of the Sustainability Index	By actively participating in domestic and international sustainability rating and awards, it is aimed to enhance the corporate sustainability image and enhance relevant actions.
O3	Products and services	Facilitate customers' low-carbon transformation	Establish an ESG communication role for customers; by guiding customers in low-carbon transformation, the negative impact of future climate change risks is reduced, while enhancing Mega Securities' corporate image.
O4	Products and services	Green product and service development	In response to climate change issues and trends, we develop emerging products and services for customers to choose from, and expand markets and businesses to increase revenue and profitability.
O5	Products and services	Strengthen the digital finance	Through digital financial services such as online banking, mobile payment, online order placement, e-forms, and other e-services, we reduce the negative impact of financial services on the environment.
O6	Energy	Improvement of transportation energy efficiency	Reduce the negative impact of transportation on the environment by improving the energy efficiency of our own transportation operations, such as the use of electric vehicles or hybrid vehicles.
O7	Resilience	Expanding the impact of procurement and reducing energy consumption	Prioritize the procurement of equipment and products with low energy consumption and environmental protection labels, to reduce energy consumption costs for operations.
O8	Resilience	Increasing the climate resilience and adaptation of investments	In accordance with the climate goals of Mega Holdings, in terms of investment, we will guide the cash flow to the development of low-carbon technology, energy and equipment, to improve the climate resilience and adaptation degree of the investment targets.
O9	Resource efficiency	Improve energy efficiency of operating sites	Improve the energy efficiency and reduce power purchase costs by using green building materials and installing energy-saving equipment at our operating sites.

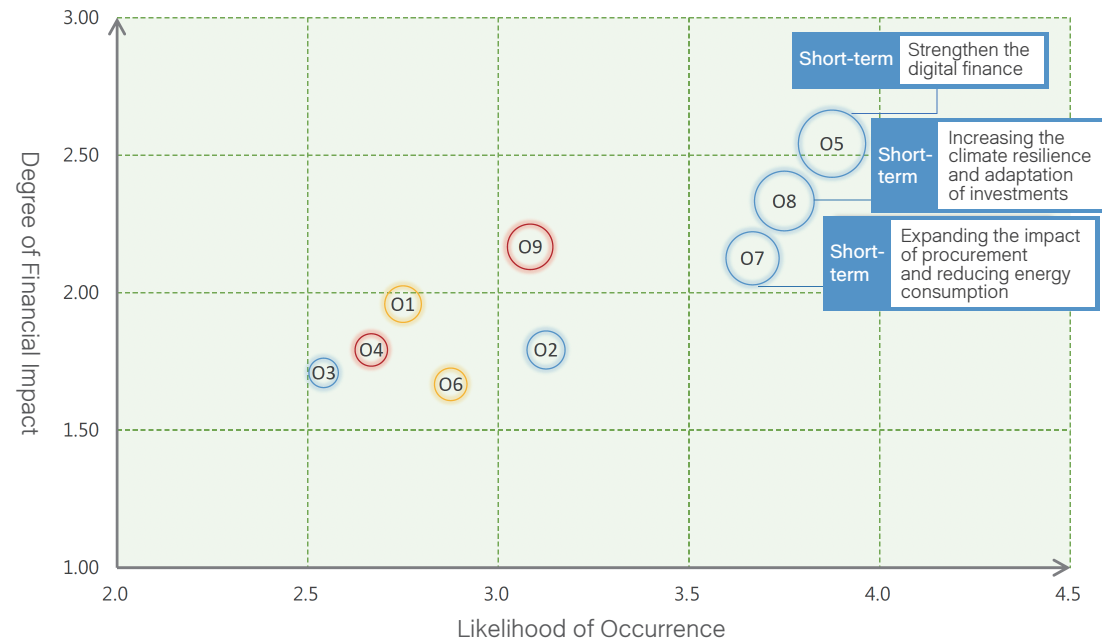
## Step 2

Examine the impacts of climate-related issues one by one through questionnaire surveys, assess the extent of impacts, the likelihood of occurrence, and impact period (short, medium, and long-term) to form a climate opportunity matrix.

## Step 3

The quantitative analysis and control are conducted for the top three climate opportunities in terms of the score of likelihood of occurrence multiplied by degree of impact, while taking business relevance and cost-effectiveness of countermeasures into account.

Climate Opportunity Matrix



Sorting	Issue	Impact period	Operational, strategic, and financial impacts, as well as the mitigation and adaption plans adopted.
1	<b>O5</b> Strengthen the digital finance	Short-term	<ul style="list-style-type: none"> <li>Provide digitized services such as online order placement and e-billing, among other digital financial services, to reduce paper consumption with customers and attract customers in the digital era.</li> <li>In 2023, Mega Securities set the goal for digital order placement to account for 70% of the total trading amount, and to be increased to 80% in 2024. In 2023, the ratio of digital order placement to the transaction value is for 77.17%.</li> </ul>

Sorting	Issue	Impact period	Operational, strategic, and financial impacts, as well as the mitigation and adaption plans adopted.
2	O8 Increasing the climate resilience and adaptation of investments	Short-term	<ul style="list-style-type: none"> <li>Continuously invest in sustainability bonds, including green bonds, social responsibility bonds and sustainable development bonds.</li> <li>Continuously invest in sustainable development fields, including but not limited to bonds, equity investments, and ESG financial products related to green energy, low-carbon, renewable energy, circular economy, and other issues.</li> <li>Active sustainability engagement with investees: in addition to paying attentions to the ESG implementation status of investees, the Company actively enhances investees' sustainable development efforts by exercising voting rights or engaging in appropriate dialogue and interaction with the management of investees.</li> <li>In 2023, the target of investments in sustainability bonds (including green bonds, social responsibility bonds and sustainable development bonds) is NT\$1 billion, and this will be increased to NT\$1.5 billion in 2024; the amount of sustainable bonds underwriting in 2023 is NT\$2.15 billion. The balance of domestic and international sustainability bond investment is NT\$3.045 billion.</li> </ul>
3	O7 Expanding the impact of procurement and reducing energy consumption	Short-term	<ul style="list-style-type: none"> <li>Implement the sustainable development management for the Group's suppliers, conduct supplier sustainability self-evaluation survey on a regular basis, and formulate relevant improvement measures.</li> <li>Regularly communicate with suppliers about ESG-related issues through joint supplier conferences, and require the suppliers to sign the "Supplier Sustainability Declaration."</li> <li>Continuously purchase green products and incorporate circular procurement promoting product resource circulation into the green procurement process.</li> <li>In 2023, the target of purchasing electric vehicles and scooters or hybrid vehicles accounted for 70% of the total number of company vehicles purchased for the year, but the actual proportion was 54.55%, mainly because there was no hybrid model available for the vans to be replaced. It is planned that all new purchases in 2024 will be replaced by leased hybrid vehicles.</li> </ul>

## Climate scenario analysis

Climate scenario analysis is a climate scenario established on assumptions as a procedure for identifying and assessing potential impacts on climate states that may occur in the future within a certain range in the face of uncertainties. It is not intended to provide precise results or predictions, but allowing the Company to explore and understand how various climate-related risks will affect its business, strategy and financial impact over time.

### Physical risk

Mega Securities refers to the climate change stress testing framework and methodology announced by relevant international regulatory agencies, and adopts the warming scenarios RCP2.6 and RCP8.5 defined by the Intergovernmental Panel on Climate Change (IPCC) of the United Nations to simulate the physical risk of Mega Securities operating sites and investment positions.

Source	Description	Pathway adopted	Corresponding to warming at the end of this century
Intergovernmental Panel on Climate Change (IPCC) of the United Nations	<ul style="list-style-type: none"> <li>Focus on physical impacts</li> </ul>	Moderate Pathway: RCP 2.6	~2°C
	<ul style="list-style-type: none"> <li>Simulate future scenarios by different concentrations of greenhouse gases</li> </ul>	Critical Pathway: RCP 8.5	>4°C

Mega Securities has cited the XDI climate risk analysis database recommended by the United Nations Environment Program Finance Initiative (UNEP FI) to export the Percentage of Value at Risk (VaR%) by importing the climate database and damage model, to assess the value of losses resulting from physical disasters that may be encountered by Mega Securities.

#### ◆ Physical Risk Factors

Disaster	Assessment of Disaster Impact Factors
River flooding	Maximum annual 24-hour rainfall
Coastal flooding	Global sea level
Extremely heat	Annual average maximum temperature
Forest wildfires	Forest Fire Weather Index
Wind erosion	Annual maximum wind gust speed
Landslides due to drought	Total annual rainfall
Ice melt	Number of ice melt days
Surface flooding	Total annual rainfall

## 1. Physical risks of operating sites

### (1) Degree of risk impact

Based on the administrative districts, building classification, economic useful years, and construction year of each Mega Securities operating site, the VaRs of 43 operating sites of Mega Securities (including the headquarters building) under RCP2.6 and RCP8.5 are generated, and then evaluated the climate sensitivity levels as shown in the table below:

Hypothetical scenario	Operating sites	Low	Low to Medium	Medium	Medium to High	High
		VaR<0.2%	0.2%<VaR<0.47%	0.47%<VaR<0.73%	0.73%<VaR<1%	VaR>1%
RCP2.6	43	13	27	1	2	0
RCP8.5		7	29	5	2	0

Based on scenarios RCP2.6 and RCP8.5, none of the 43 operating sites of Mega Securities is highly climate sensitive. There are two branches with medium to high climate sensitivity, namely, Yonghe and Hsinchu Branches. The main reason for this is that the stronger rainfall may lead to river flooding. Hsinchu Branch is a self-owned property, and Yonghe Branch is leased.

### (2) Estimated financial impact

Multiply the VaR of each operating site by the asset replacement cost to obtain the average annual cost of damage sustained by Mega Securities:

Hypothetical scenario	Financial loss	Low	Low to Medium	Medium	Medium to High	High
		VaR<0.2%	0.2%<VaR<0.47%	0.47%<VaR<0.73%	0.73%<VaR<1%	VaR>1%
RCP2.6	7.14	0.10	6.88	0	0.15	0
RCP8.5	7.76	0.06	4.63	2.91	0.17	0

Unit: NT\$ million

The financial impacts on Mega Securities under scenarios RCP2.6 and RCP8.5 are NT\$7.14 million and NT\$7.76 million, respectively, and accounting for 0.32% and 0.35% of Mega Securities 2023 net profit before tax of NT\$2,208 million, respectively; the financial impact on the Company is moderate (0.1%-1%), and the impact is limited.

### (3) Response strategies

- A. Mega Securities has formulated the Operating Rules for Corporate Crisis Response Measures, the Operation Continuity Plan, and the Business Continuity Plan to ensure uninterrupted operations of Mega Securities.
- B. In 2023, all of Mega Securities' self-owned assets were insured against building fire insurance; businesses profit-generating, business decoration, and electronic equipment were covered with additional typhoon, flood, and earthquake insurances.

## 2. Physical risk of investment positions

### (1) Distribution of investees

We reviewed the profiles of domestic companies invested by Mega Securities on December 29, 2023, and generated VaRs under RCP2.6 and RCP8.5 according to the administrative districts where their addresses locates, and further assessed their climate sensitivity levels as shown in the table below:

Hypothetical scenario	Number of investees	Low	Low to Medium	Medium	Medium to High	High
		VaR<0.2%	0.2%<VaR<0.47%	0.47%<VaR<0.73%	0.73%<VaR<1%	VaR>1%
RCP2.6	302	81	188	21	12	0
RCP8.5		50	173	64	15	0

Based on scenarios RCP2.6 and RCP8.5, none of the 302 investees of Mega Securities is in highly climate sensitive area. Under scenario RCP2.6, 12 investees are rated as medium to high climate sensitive, and their administrative districts are all located in Zhonghe District, New Taipei City; under scenario RCP8.5, 15 investees are rated as medium to high climate sensitive, with three more investee comparing to RCP2.6. Their administrative districts are located in Daya District, Taichung City.

### (2) Distribution of investment balance

We reviewed the balance of positions invested by Mega Securities in domestic companies as of December 29, 2023. Based on the climate sensitivity level of the administrative districts where the investees are located under scenarios RCP2.6 and RCP8.5, the balance of positions held by Mega Securities is as follows:



Unit: NT\$100 million

Hypothetical scenario	Balance of investee	Low	Low to Medium	Medium	Medium to High	High	Total
		VaR<0.2%	0.2%<VaR<0.47%	0.47%<VaR<0.73%	0.73%<VaR<1%	VaR>1%	
RCP2.6	330.12	67.19	119.73	12.95	1.91	0	201.78
RCP8.5		35.67	126.71	37.00	2.40	0	201.78

Based on scenarios RCP2.6 and RCP8.5, none of the investment positions of Mega Securities is highly climate sensitive. Under RCP2.6, the investment positions in medium to high climate-sensitive areas are NT\$191 million, and NT\$240 million under RCP 8.5, accounting for 0.58% and 0.73% of Mega Securities' total investment balance of NT\$33.012 billion, so the impact is limited.

## Transformation risks

### 1. Scenario assumptions, parameter setting, and assessment scope

#### (1) Scenario assumptions

The climate change scenarios set by the Network for Greening the Financial System (NGFS) are adopted for the analysis, including the orderly transformation, the disordered transformation, and the wayward global warming scenarios, defined as follows:

- Orderly transformation scenario (or orderly scenario): describing the hypothetical situation where the global society adopts an immediate and orderly progressive transformation to achieve specific carbon reduction targets.
- Disorderly transformation scenario (or disorderly scenario): Describing a more drastic transformation scenario where the activation of global transformation implementation is delayed, or the policy implementation encounters more challenges during the process but the carbon reduction targets are still required to be met.
- Global warming out of control scenario (or hot house world scenario): describing the consequences where the medium and long-term climate changes become more severe as the world does not, or barely implement transformational actions.

Type	Scenario	Policy Objectives	Policy Response	Technology Changes
<b>Orderly transition</b>	Zero Carbon Emission by 2050	1.5° C	Quick and Smooth	Fast
<b>Disorderly transition</b>	Slow Transformation	1.8° C	Delay	Accelerating after 2030
<b>Global warming out of control</b>	Policy to maintain the status quo	Below 3° C	None	Slow

## (2) Parameter setting

We used the REMIND-MAgPIE model in IAMs (Integrated Assessment Models) to simulate the calculation of carbon price in 2030 and 2050 under the scenario with NGFS assumptions.

Parameter	Orderly transition		Disorderly transition		Global warming out of control	
	2030	2050	2030	2050	2030	2050
<b>Carbon fee (US\$/ton)</b>	109.97	518.43	0.55	459.07	0.55	2.63

## (3) Scope of assessment

Equity securities is to assess shares measured at fair value through profit or loss or other comprehensive income or the convertible bond positions with conversion value at the end of 2023, excluding the hedging positions. Fixed income securities is to assess bonds measured at fair value through profit or loss or other comprehensive income or the convertible bond positions without conversion value at the end of 2023, excluding the government bonds. The financial industry is excluded because it is not directly impacted by climate change risks.

## 2. Assessment methods

Calculating the possibly increased carbon fee costs due to transformation policies for the investees in the carbon reduction process, thereby affecting the price of securities issued by the investees, to assess the financial impact on Mega Securities. For equity securities, it calculates the net worth of a company after the carbon fee is increased, and the share price with the carbon fee cost is calculated by using the net worth method, and the impact on the finance of Mega Securities is calculated further. For fixed-income securities, the KMV Model is adopted to calculate the market with debts of the investees after adding the carbon fee cost, and the credit risk discount of the investees are calculated with the indebted par value and market value, the impact on the finance of Mega Securities is calculated further. °

### 3. Evaluation results

According to the evaluation process above, the equity and bonds of Mega Securities measured at fair value through profit or loss or other comprehensive income by the end of 2023 are adopted to assess the impact on the finance of Mega Securities under the scenarios of or transformation, disorderly transformation, and wayward global warming by 2030 and 2050.

#### (1) Overall analysis

Under the "orderly" and "disorderly" transformation scenarios by 2050, Mega Securities will suffer relatively large losses. Of which, the loss rates of equity securities are 4.64% and 4.11%, respectively, and the fixed income securities are 0.58% and 0.59%, respectively, and the average loss rate is 1.82%. % and 1.66%; followed by the 2030 orderly transformation scenario, with an average loss rate of 0.53%. °

Base date: 2023/12/29

Security/Scenario	Market value of investment position (NT\$)	Orderly transition		Disorderly transition		Global warming out of control	
		2030	2050	2030	2050	2030	2050
Expected loss on equity securities as a percentage of investment market value	5,347,554,664	1.02%	4.64%	0.01%	4.11%	0.01%	0.02%
Expected loss on fixed income securities as a percentage of investment market value	12,209,763,310	0.32%	0.58%	0.16%	0.59%	0.14%	0.13%
Total	17,557,317,974	0.53%	1.82%	0.11%	1.66%	0.10%	0.10%

#### (2) Industry analysis

##### A. Loss ratio of equity securities

By sector, the investments in equity securities with larger positions at the end of 2023 are the semiconductor, electronics manufacturing, general manufacturing, and service industries; however, the utilities, mining, chemicals, and air freight industries were the ones with the larger loss ratios. Of which, under the orderly and disorderly transformation scenarios by 2050, the loss ratio of utilities is higher than 70%, the mining industry is about 20%, and the chemical industry and air freight industry account for more than 10%. Under the orderly transformation scenario by 2030, the loss ratio of utilities is 15.34%. The chemical industry is the industry with a relatively large investment position by Mega Securities and a relatively high estimated loss ratio.

## B. Loss ratio of fixed income securities

By sector, the investments in fixed income securities with larger positions at the end of 2023 are the electronics manufacturing and semiconductor industries; their loss ratios are relatively higher under the orderly and disorderly transformation scenarios by 2050, where the ratios are 1.13% and 1.07% for the electronics manufacturing, and 1.15% and 1.03% for the semiconductor industry.

## 4. Industry distribution of investment positions and carbon emissions

According to the Management Focuses for ESG Sustainable Development Industries and High-Risk Industries of Mega Group, regarding the high carbon-emission industries, the statistics show that the balance of Mega Securities' investment in the proprietary trading and underwriting positions as of December 29, 2023 is totaled NT\$1.736 billion, accounting for 5.26% of NT\$33.012 billion, the total investment balance of Mega Securities; the carbon emission attributed of high carbon emission industries in Mega Securities' proprietary trading and underwriting properties is 44,630.97 tons/CO<sub>2</sub>e, accounting for 36.95% of 120,775.12 tons/CO<sub>2</sub>e, the total carbon emission attributed to Mega Securities. The statistics are as the table below:

Industry Code	Industry name	Fixed income securities	Equity securities	Total positions	Carbon emissions to be borne by the Company (Unit: tons/CO <sub>2</sub> e)
11700	Petroleum and coal products Manufacturing	501 million	0	501 million	3,898.61
11810	Chemical Materials Manufacturing	100 million	0	100 million	1,149.89
11841	Manufacture of Plastic Materials	0	0	0	0
12331	Cement Manufacturing	0	0	0	0
12411	Smelting and Refining of Iron and Steel	100 million	134 million	234 million	3,699.22
13510	Electricity Supply	901 million	0	901 million	35,883.25
High Carbon-Emission Industries		1.602 billion	134 million	1.736 billion	44,630.97
Total investment		26.546 billion	6.466 billion	33.012 billion	120,775.12 (Note)
Percentage		6.03%	2.07%	5.26%	36.95%

**Note:** The carbon emissions borne by the investment in sovereign bonds of Mega Securities was 40,104.06 tons/CO<sub>2</sub>e, accounting for 33.21% of the carbon emissions of the total investment positions of Mega Securities of 120,775.12 tons/CO<sub>2</sub>e

## Mitigation and adaptation plans

- 1 In October 2021, Mega Securities set the cap percentage for the total costs of marketable securities of high carbon emission industries under proprietary trading and underwriting to the total amount of the marketable securities under proprietary trading and underwriting of Mega Securities is 30%. To cope with the national policy of net-zero by 2050, the percentage was reduced to 28% in 2023, and will be reduced by 1% annually since 2024. The climate change risk is added to the risk management targets in 2024, and includes cap percentage of 27% for the total costs of marketable securities of high carbon emission industries under proprietary trading and underwriting
- 2 In line with Mega Group's decarbonization strategy, since May 2023, Mega Securities will no longer add investment in companies that only extract coal, mines, or in non-conventional oil and gas industries, nor the investment in power plants with coal-fired power accounting for more than 50%. In addition, to further clarify the Group's decarbonization policy, on April 12, 2024, Mega Holdings established the Management Focuses for the Divestment from the Coal and Non-Conventional Oil and Gas Sectors by Mega Group, specifying a gradual divestment plan from coal enterprises (including the power plants generating more than 5% from coal-firing) and non-conventional oil and gas enterprises, and the positions will be zeroed by the end of 2040 at the latest.
- 3 Mega Holdings signed the Science Based Targets initiative (SBTi) commitment in April 2023, promising to set the carbon reduction pathway, to commit that the Group will achieve 39.56% as the percentage of positions set with SBT targets in 2028; the carbon reduction action plan was approved by the SBTi organization in June 2024. Mega Securities has also cooperated with the Group in implementing the carbon reduction action plan for Scope 3 investment positions, if allocated up to 2028, 40.78% shall be held by the Company.

## 3.1.3 Climate Risk Management

### Risk Management Structure

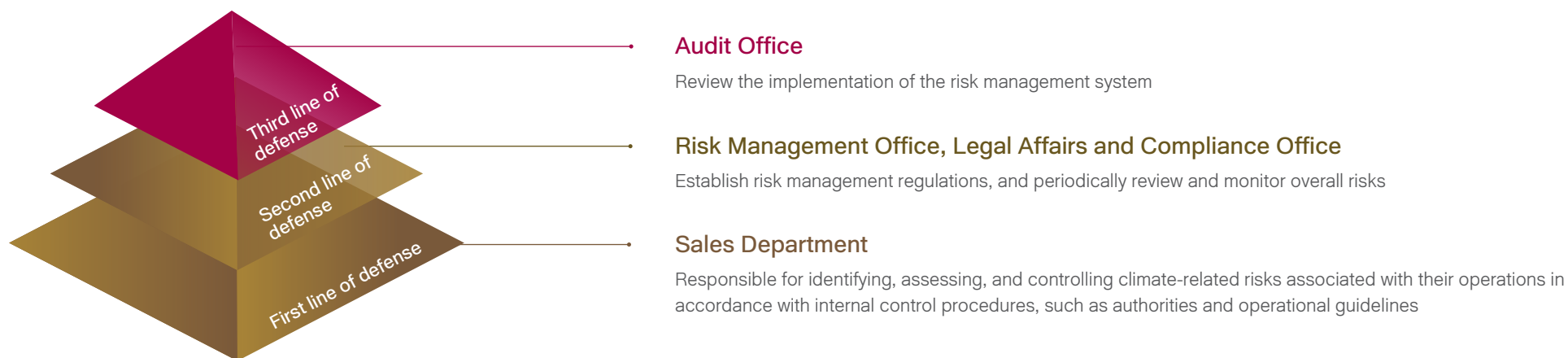
Climate-related risks affect the financial industry ultimately through the impact on the macro-economy and the revenues of entities. The Company has established a comprehensive organizational structure and management regulations for risk management. In addition to traditional market, credit, liquidity, and operational risks, the scope of risks also includes climate, legal, strategic, reputation, and emerging risks. The Company incorporates the climate risk into risk consideration and incorporates its identification, measurement, and management process into the overall risk program to reduce the impact of low-carbon transformation and climate disasters, and to enhance the climate resilience.

### Three-line defense mechanism

Mega Holdings communicates policies to subsidiaries through the risk management unit. Based on the policies, Mega Securities sets risk management objectives, monitoring indicators, risk limits, and implementation measures that are in line with business characteristics. Meanwhile, the business department reviews the correlations between business and climate risks. The Risk Management Office regularly compiles and reports the management implementation status to the Board

of Directors. Mega Securities has established three lines of defense for internal control. Each line of defense has clear organization, responsibilities, and functions to ensure the effective operation of risk management and that the three lines of defense perform their respective duties.

#### ◆ Three-line defense mechanism



#### Business department management

##### First line of defense

When handling relevant business, each business department is responsible for identifying, assessing and controlling climate-related risks faced by its business according to the internal control procedures such as authorization and operating regulations.

#### Risk management and compliance

##### Second line of defense

Establish the independent Risk Management Office and the Legal Affairs and Compliance Office. The Legal Affairs and Compliance Office is responsible for the Company's related business and legal compliance system regulations, and the Risk Management Office is responsible for monitoring and managing climate-related risks for the first line of defense, to review and monitor the overall risk, conduct scenario analysis and stress testing, and take measures against abnormal situations and report to the executives.

#### Internal audit

##### Third line of defense

The Company has set up the independent Audit Office to review the implementation of the risk management system and disclose the facts in the audit report. Any deficiency or abnormalities found during the inspection shall be tracked after being stated in the audit report, and follow-up reports are produced on a regular basis to ensure that relevant departments have taken appropriate improvement measures in a timely manner.



## Climate Risk Identification, Measurement and Management Process

### Overall operational risk of the Company

Traditional Risks	Emerging risk	Other risks
<ul style="list-style-type: none"> <li>Market risk</li> <li>Credit risk</li> <li>Liquidity risk</li> <li>Operational Risks</li> </ul>	<ul style="list-style-type: none"> <li>ESG Risks</li> <li>Climate risk</li> <li>Information Security Risks</li> </ul>	<ul style="list-style-type: none"> <li>Strategic Risk</li> <li>Legal Risks</li> <li>Reputational risk</li> </ul>

### Climate Risk Management Mechanism

In line with the risk management policies and guidelines approved by the Board of Directors of Mega Holdings, the Board of Directors of Mega Securities has approved the amendments to the risk management policies to add climate risk, and added the emerging risks to the Risk Management Rules; the risk management policies of Mega Futures and risk management policies and guidelines of Mega International Investment are both added with the management policies for climate risks.

In line with the Climate Risk Management Principles adopted by the Board of Directors of Mega Holdings, and the Risk Management Best-Practice Principles for Securities Firms by TPEX, the Board of Directors of Mega Securities approved the amendment to the risk management rules, to add the definition of climate risk, and the limit control mechanism for investment in high carbon-emission industries; the subsidiary, Mega Futures also amended the Operational Guidelines for the Use of Self-Owned Funds, specifying that the list of high carbon-emission industries/enterprises disclosed by the Environmental Protection Administration, Executive Yuan shall be excluded when utilizing the self-owned funds; if high carbon-emission industries/enterprises are to be investee, the specific reasons shall be explained.

In line with the Mega Group's Management Focuses for ESG Sustainable Development Industries and High-Risk Industries, in the Administrative Regulations for Promoting the Development of Sustainable Finance of Mega Securities, it is stipulated that the Company shall actively support enterprises with environmental protection or social responsibility, for the high ESG risk industries or counterparties, the investment shall be prohibited, or the pre-investment evaluations and the post-investment control mechanisms shall be taken, with investment limits and monitoring.

## Climate Risk Management Process



### Risk identification

In 2023, based on the Environmental Protection Administration's audit, the Company conducted a carbon emissions inventory and registration for high-carbon-emitting domestic companies. It compiled carbon emission statistics across various industries and selected the top five carbon-emitting industries, classified according to the Executive Yuan's standard industrial classification (amended in 2024).



### Risk measurement

A list of companies within high-carbon-emitting industries is provided to the investment department for consideration during pre-investment evaluations. Additionally, the Company calculates daily the ratio of the total cost of self-operated and underwritten securities from high-carbon-emitting industries to the total cost of self-operated and underwritten securities.



### Risk monitoring

According to the company's "Risk Management Rules," the original investment cost limit for self-operated and underwritten positions in high-carbon-emitting industries was set at 30% of the total self-operated and underwritten positions. In 2023, in line with the national 2050 net-zero carbon emissions policy and Mega Financial Holding's ESG sustainability and high-risk industry management guidelines, the limit was reduced to 28%. In 2024, the limit will be further reduced to 27% and will be incorporated into the Company's 2024 risk management goals, with daily monitoring.



### Risk report

The Company regularly reports various risk indicators and the usage of limits to the Risk Management Committee, the Sustainability Development Committee, and the Board of Directors.

## Climate Risk Management

### Investment management

#### Pre-investment management

In order to implement responsible investment, Mega Securities continuously invests in the field of sustainable development, and supports enterprises that are environmentally friendly, fulfilling social responsibilities, or sustainable governance to raise sustainable capital or make investments. The Company has integrated ESG and climate risk management into the existing investment decision-making process. Before investing, the ESG of investees-to-be shall be carefully assessed. For the enterprises that violate ESG principles and do not have specific improvement plans, the principle is not to invest. If positions are required, due diligence shall be conducted, with enhanced analysis for prudential assessment, and the approval level shall be raised until the general manager for undertaking.

#### Post-investment management

In addition to continuously reviewing the ESG and climate performance of investees, we also actively understand the climate strategies and performance of relevant companies, and assist companies in carbon reduction transformation to ensure the suitability of investment portfolios. The list of said companies with environmental protection or social responsibility, and the list of companies that violating the ESG principles and without concrete improvement plans are regularly updated by Mega International Investment, a subsidiary of Mega Securities, and provided to Mega Securities.

## Restrictions on categories of underlying investments

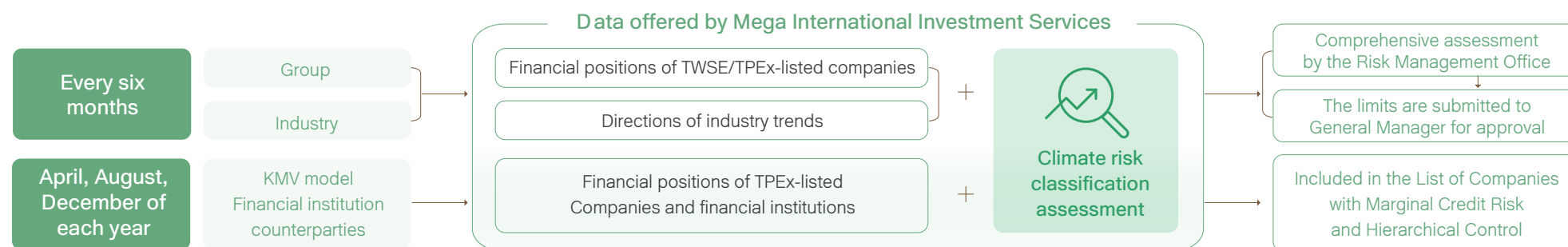
Categorize the industries suitable for investment, screen the companies prohibited from investment, industries or counterparties with high environmental and social impact, and high carbon-emission industries, to establish the control measures and investment limits. For example, Mega Securities' holdings in industries or counterparties with high environmental and social impacts may not exceed 30% of the total amount of securities under proprietary trading and underwriting by Mega Securities; the marketable securities of high carbon-emission industries under proprietary trading and underwriting by Mega Securities shall not exceed 27% of total amount of securities under proprietary trading and underwriting by Mega Securities; the proportion of high carbon-emission industries in the portfolio are decreased gradually.

## Relevant risk management integration

Mega Securities has gradually integrated climate risks into the risk management process pursuant to the risk management policy. Pursuant to the Risk Management Rules, the Risk Management Office re-examines the situation of the Group and the industry every six months. The evaluation opinions are provided by the subsidiary, Mega International Investment. The opinions of the subsidiary, Mega International Investment, include the industry trends and financial positions of the TWSE/TPEX listed companies under the same Group. The climate risk is divided into three levels additionally; Level 1 indicates low or no negative impact on the industry and the Group enterprises; Level 2 indicates medium negative impact; Level 3 indicates high negative impact. Upon the comprehensive assessment, the Risk Management Office reports to the General Manager for approving the investment limits of the Group enterprises and industries.

In addition, in April, August and December of each year, Mega Securities uses the KMV model to calculate the TWSE/TPEX listed companies with theoretical probability of expected default reaching 1%, financial institutions, and counterparties. Upon the consideration of the financial status and climate risks, the subsidiary, Mega International Investment include them in the list of marginal credit risk companies for management by grades.

### ◆ Regular assessments by the Risk Management Office



## Stewardship actions

Mega Securities is mainly engaged in the marketable securities brokerage, proprietary trading, and underwriting business. We have established stewardship principles (including stewardship policy, management policy for preventing conflict of interest, and voting policy) to implement the responsible investment; and we have signed the Compliance Statement for Stewardship Principles as Institutional Investors to comply with the related regulations of the “Stewardship Principles as Institutional Investors,” for fulfilling the responsibilities of asset owner and enhance the long-term value of the Company.

The policies of Mega Securities stipulates the way to perform the stewardship, by engaging in the board meetings and shareholders' meetings of the investees, or visiting the managements of the investees from time to time, among other engagement methods, or via the disclosure of information in the open market, to facilitate the implementation of their sustainable development strategies and disclose the ESG effects in a timely manner, to enhance investment value and reduce investment risks. In addition, we have established the pre-investment assessment and post-investment management mechanisms, actively supported companies with environmental protection or social responsibility, while specifying companies prohibited from investment, industries or counterparties with high environmental and social impact, and high carbon-emission industries, and formulated ESG sustainability risk rating mechanism to control the sustainability risk of the positions held.

## Operational Risk Management

In order to reduce impact of risks such as extreme weather and pandemic on the Company's operations, in addition to regularly reviewing the safety and potential impacts of each operating site or self-owned real estate, flood prevention equipment and backup mechanisms have also been strengthened. Establish a complete notification process pursuant to Business Continuity Management (BCM), and activate relevant emergency response procedures and business recovery operations according to the level of emergency and incidents such as natural disasters.

## Internal carbon pricing

Mega Holdings already resolved in an internal meeting in 2023 that the carbon fee under the NGFS net zero scenario serve as the basis for the Group's internal carbon pricing, and disclosed in the 2023 TCFD Report. The internal carbon pricing will be adjusted dynamically based on the implementation of the SBTi carbon reduction actions. Based on 2022, Mega Securities' greenhouse gas (Scope 1 + Scope 2) emission was reduced about 353.59 tons/CO<sub>2</sub>e at the end of 2023, and with the internal carbon pricing of USD 142 (about NT\$4,363)/ton, it is estimated to save NT\$1,543 thousand. In the future, we will further expand the scope of implementation of internal carbon pricing, such as the carbon risks of investees and suppliers, to guide the low-carbon transformation of the business while continuously reviewing the Group's internal carbon pricing with reference to the global carbon price trends to accurately reflect the external carbon costs.

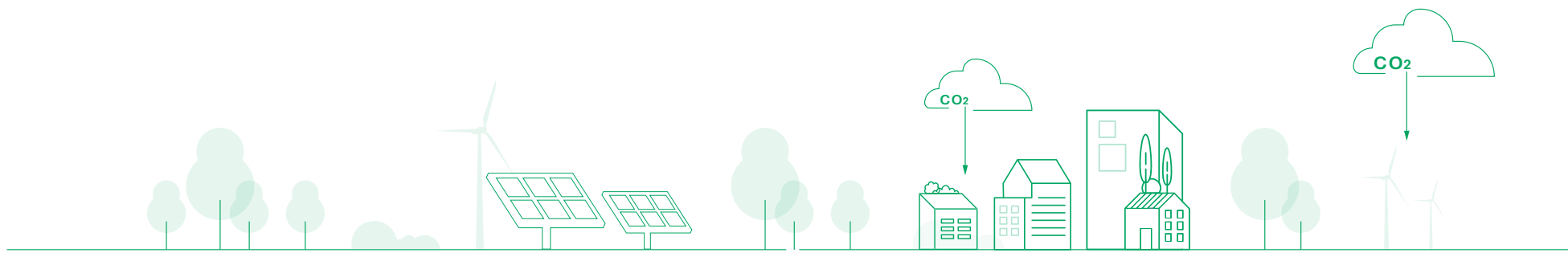
### 3.1.4 Climate indicators and targets

In line with the overall planning of the Group, via the Environmental Sustainability Team under the Sustainable Development Committee, the impacts of operating activities on the natural environment are regularly collected and evaluated, and the annual work implementation plans and related goals are formulated, including climate action-related climate change education and training, obtaining green building labels, using a certain percentage of green power, purchasing or leasing electric vehicles or hybrid vehicles, ISO14064-1 greenhouse gas inventory, ISO14001 certification, ISO50001 certification related to green operations, water reduction, waste reduction, certain proportion of green procurement related to the sustainable procurement, as well as the Sustainability Declaration signed by suppliers, among other plan targets, the target achievement progress are reviewed via the Sustainability Development Committee meeting every quarter, to implement the environmental sustainability management.

+ [for details, please refer to 2.2 Sustainability Vision and Strategy\\_Short, Medium, and Long-Term Goals of Pillars of Sustainability Strategy, and 3.2 Green Operations\\_Energy and GHG Management](#)

Mega Securities calculates greenhouse gas emissions pursuant to the methods specified in the Corporate Standards of the Greenhouse Gas Inventory Protocol. Scope 1, Scope 2 and Scope 3 emissions cover all operating sites of Mega Securities' headquarters and branches, as well as subsidiaries, Mega Futures and Mega International Investment Services. In addition, to support the Paris Agreement's target of temperature raised less than 1.5° C, Mega Holdings signed the Science Based Targets Initiative (SBTi) commitment in April 2023, with reference to the voluntary support to the Partnership for Carbon Accounting Financials (PCAF), for calculating the carbon emissions of investment and financing under Scope 3, ; the Group' s specific carbon reduction goals and pathways are set base on the SBT methodology. The carbon reduction action plans approved the SBTi organization in June 2024 are adopted as the tools to manage and assess the climate change risks; Mega Securities also do the same as the Group's policies and methodologies

+ [For greenhouse gas emissions data, please refer to 3.2.2 Energy and GHG Management and Appendix 8.1.1 Environmental Indicator Data .](#)



## 3.2 Green Operations

### 3.2.1 International standards certification and initiatives

Mega Securities, via the Environmental Sustainability Team under the Sustainable Development Committee, and complying with the “Sustainable Development Policy,” “Codes of Sustainable Development” and the “Operating Procedures for Environmental Sustainability,” to collect and assess impacts of operating activities on the natural environment regularly, and in line with the annual work implementation plans and related targets of Mega Group while reviewing the target achievement progress via the Sustainable Development Committee, to implement the Group's environmental sustainability management. In 2023, no violation to the environment related regulations occurred. Mega Securities supports Mega Group's participation in international ratings, such as SBTi, DJSI, and CDP and initiatives for the targets of carbon, water, and waste reduction. Mega Group also invites a third party to verify and review the status for achievement of the targets.

The Mega Securities Headquarters Building has obtained the Green Building Label diamond grade certification in 2023. In addition, in line with the Group's policy, all operating sites have completed the "ISO14064-1 Greenhouse Gas Inventory," and 24 operating sites north of Hsinchu have obtained the "ISO14001 Environmental Management System" certification. The renewal of the "ISO50001 Energy Management System" certification for the headquarters building is constantly conducted. Pursuant to the Group's reduction strategy, with 2020 as the base year, the total water consumption of all operating sites aims to be reduced by 2.5% by 2025 as the mid-term goal, and achieving the goal of 5% reduction by 2030; the total volume of waste at all operating sites shall be reduced by 5% by 2025, with 2022 as the base year, and 10% reduction by 2030.





Item	Description
ISO 14064-1:2018 Greenhouse Gases Inventory	In 2020, the new version of "ISO 14064-1: 2018" was introduced in line with the Group strategy; as of 2023, the inventory of 43 operating sites in Taiwan has been completed and a verification declaration has been obtained.
ISO 14001: 2015 Environmental Management Systems	The headquarters building obtained the BSI-certified ISO 14001 environmental management system certification in 2022, and the certification for all operating sites north of Hsinchu was completed in 2023. The plan is to complete the introduction of certification for all sites south of Hsinchu in 2024. In the future, it will cover 43 operating sites all over Taiwan, and the validity of the certification is maintained through the annual review process. In 2023, the goal of replacing the air conditioning equipment on the 3rd, 4th, and 5th floors of the headquarters has been completed, and related equipment will be optimized continuously. In 2023, the renewal of the ISO 14001 certification (once every three years) was completed.
ISO 50001: 2018 Energy Management Systems	The headquarters building completed the ISO 50001 energy management system target certification in 2022. In the future, the validity of the certification will be maintained through the annual review process. In 2023, the replacement the air conditioning equipment on the 3rd, 4th, and 5th floors of the headquarters, and 11 refrigerators has been completed. In 2023, the renewal of the ISO 50001 certification was completed (once every three years).
Green Building Label	In 2023, the headquarters building obtained the Green Building Label diamond grade certification via the review meeting of Taiwan Architecture & Building Center; the remaining operating sites are undergoing transformation.

+ For ISO 14001, ISO 14064-1 and ISO 50001 verification certificates, please refer to 8.3 External Independent Assurance Statement .

## 3.2.2 Energy and GHG Management

### Greenhouse Gas Management

In response to the issue of climate change, Mega Securities has followed the Group's strategy to support energy transition policy of Taiwan - developing the "clean energies reducing coal, increasing gas, expanding green, and non-nuclear" to reduce air pollution, and implement energy-saving and carbon reduction. With reference to the SBTi requirements, Mega Group set the Group's greenhouse gas emission target in 2022, with 2022 as the base year, to reduce emissions by more than 10.5% by 2024, 42% by 2030, and achieve net-zero emission by 2050. The Mega Group has also set a target of reducing the total volume of greenhouse gas (Scopes 1+2) by more than 10.5% by 2024, with 2022 as the base year. In 2023, the total volume of greenhouse gas (Scope 1+ 2) of Mega Securities (including subsidiaries) was 3,292.38 tons/CO<sub>2</sub>, a decrease of 353.59 tons/CO<sub>2</sub> (or 9.70%) from 3,645.97 tons/CO<sub>2</sub> in 2022.

+ For more information on greenhouse gas emissions, please refer to Appendix 8.1.1 Environmental Indicator Data.



#### Results of Mega Securities' Carbon Reduction Initiative

##### Reduction measures

Replaced five water chillers with higher efficiency, expecting to reduce 5.06 tons/CO<sub>2</sub>e per year.

Total invested amount (NT\$)

**2,950,000**

Estimated carbon reduction (t/CO<sub>2</sub>e)

**5.06**

## Scope 3 Carbon Emissions of Mega Securities'

Year	2022	2023
Investment emissions (t-CO <sub>2</sub> e)	64,946.24	120,775.12
Carbon footprint of investment (t-CO <sub>2</sub> e) (NT\$ million) (Note 1)	3.33	3.67
Inventory coverage rate (%) (Note 2)	78.09	91.90

**Note:** 1: Carbon footprint of investment = carbon emissions from investment positions/balance of investment positions

2: Inventory coverage rate = balance of investment positions inventoried / sum of accounts of FVPL, FVOCI and accounts with less than 50% ownership by the equity method in the balance sheet.

3: In 2023, carbon emissions from sovereign bond investments to be borne by MEGA Securities is added to Scope 3

## Support International Climate Action Initiatives

On March 25, 2023, the Company supported the "Earth Hour" event of the World Wildlife Fund (WWF), where the signboard lights and other lamps of the operation sites were turned off for one hour in the evening of the event day.

## Procurement of renewable energy certificates

In order to continue the Group's strategy to increase the utilization rate of renewable energy, Mega Securities completed the transaction of renewable energy certificates for the first time in 2023. Through the online platform of the National Renewable Energy Certificate Center, Mega Securities purchased 723 certificates (equivalent to 723,000 kWh of power) from Tatung Forever Energy Co., Ltd. Mega Securities will continuously cooperate with the Group's policies. The goal is to use green power for more than 60% in the headquarters building annually by 2024, 100% of renewable energy at domestic operating sites by 2030, and 100% of renewable energy at the Group's global operating sites by 2050.

+ Please refer to Appendix 8.1.1 Environmental Indicator Data for detailed energy consumption information.

## 3.2.3 Water resource management

Mega Group's "Sustainability Policy" clearly states that the Group shall consider environmental issues such as climate change, and incorporate the environmental sustainability into the strategic objectives of its business management. Items to be promoted include promoting energy-saving and carbon reduction policies, and reducing water, power, and fuel consumption. Mega Group's "Operating Procedures for Environmental Sustainability" clearly stipulate that each company under the Group shall collect the data corresponding to the various environmental indicators set by Mega Holdings, such as energy, water consumption, and waste production, to enter the information management system to facilitate long-term tracking management, while tracking and assessing the implementation of environmental indicators, with linkage to the appraisal and employee performance of subsidiaries. Mega Securities belongs to the financial services industry, and water consumption for its operating activities mainly comes from general domestic water, and thus the impact on the environment is minimal. However, as Taiwan is located in a high water resource stress area, with 2020 as the base year, the water-saving goal is a reduction of 0.5% per year, to achieve the short-term goal of reducing water consumption by 1.5% in 2023 from 2020, the medium-term goal of reducing water by 2.5% in 2025 from 2020, and the long-term goal of reducing water by 5% in 2030 from 2020. The annual water-saving goal plan is approved by the Sustainable Development Committee, with the implementation tracked on a quarterly basis, and reported to the Sustainable Development Committee and

the Board of Directors. The water consumption of Mega Securities in 2023 was 32,204 m<sup>3</sup> (assured by a third party), an increase of approximately 29.82% from 24,806 m<sup>3</sup> in 2020. This is mainly because that after the Covid-19 pandemic, employees returned to the office, and the water consumption returned to norm. The water-saving measures are continuously enhanced, while promoting the importance of treasuring water resources to employees at all operating sites via various channels, improving and optimizing water consumption equipment, such as installing water-saving devices, adjusting the water discharging, and purchasing the equipment with water-saving label as the first priority, to implement water resource management for operations, and expect to achieve the goal of saving water.

+ [Please refer to Appendix 8.1.1 Environmental Indicator](#)

## 3.2.4 Waste Management

Due to the nature of the industry, Mega Securities does not produce physical products, and therefore does not generate toxic waste during operations. In line with the Group's goal, with 2022 as the base year for waste statistics, the short-term goal is to reduce waste by 2% from the base year (2022-2023), the medium-term goal (2022-2025) is reduced by 5% from the base year, and the long-term goal (2022-2030) is reduced by 10% from the base year, while actively promoting resource reuse, waste classification, and recycling. Waste from Mega Securities is commissioned to qualified cleaning companies to dispose. Waste recyclable is forwarded to the qualified resource recycling plants. Garbage is mainly disposed of by incineration. In addition, we have been implementing the waste reduction plan since 2018. The office waste is divided into general waste and resource recycling. Mega Securities has implemented the measure of "cancelling personal trash cans" and implemented the policy of reducing employee's daily waste. The disposable melamine utensil is prohibited, and the promotion of replacing disposable tableware with environmentally friendly containers in the office is strengthened. Meanwhile, through various environmental protection education, trainings and activities, we promote waste reduction management measures to employees, building management, and cleaning companies from time to time, and regularly review waste statistical reports, to keep track of waste data collection status for reporting in the Sustainable Development Committee of Mega Securities every quarter. The total volume of waste in 2023 was 110,244 kg, an increase of 27,855 kg from 82,389 kg in the same period in 2022. The number of visitors to the branches increased mainly due to the lifting of the COVID-19 lockdown measures.

+ [Please refer to Appendix 8.1.1 Environmental Indicator Data for detailed waste information.](#)



## 3.3 Sustainable Procurement

### 3.3.1 Supplier Management


Mega Securities values the collaboration with and growth of suppliers. In order to implement supplier management, the "Regulations of Supplier Sustainable Development Management" ( "the Management Regulations" ) are established, requiring suppliers working with Mega Securities and its subsidiaries to meet regulatory requirements in terms of labor rights and human rights, occupational safety and health, environmental sustainability, and ethical corporate management. Before dealing with Mega Securities and its subsidiaries, the suppliers are assessed for any record of environmental and social impacts, and these suppliers violate the Management Regulations will be avoided. The suppliers are required to sign the "Supplier Sustainability Declaration" when entering contracts; any action involving the matters specified in the Management Regulations will result in terminations or rescission of contract any time, and such supplier will be black-listed. Mega Securities regularly tracks violations by the suppliers. The partners are inquired for any violation of the "Labor Standards Act," "Act of Gender Equality in Employment," "Employment Service Act," "Middle-aged and Elderly Employment Promotion Act," "Occupational Safety and Health Act," "Labor Pension Act," and "Labor Occupational Accident Insurance and Protection Act" through the Inquiry System of Business Unit (Employer) Violating Labor Laws and Regulations by the Ministry of Labor. In 2023, there were no violations of regulations by the suppliers entering contracts with Mega Securities or violation incidents of Mega Securities' "Regulations of Supplier Sustainable Development Management." In 2023, a total of 75 supplier contracts were signed, and 100% suppliers signed the Supplier Sustainability Declaration



## Supplier Sustainability Self-Assessment Questionnaire Survey

In order to strengthen the supply chain management and promote supplier engagement benefits, Mega Securities cooperates with the Group in conducting questionnaire surveys to implement the "Sustainability Self-Evaluation Questionnaire" mechanism for key suppliers. The target respondents are the key suppliers of Mega Securities (transactions amounting to more than NT\$1.5 million in 2023) to investigate their performance in four major aspects: "Labor rights and human rights, environmental sustainability, occupational safety and health, and ethical corporate management." The questionnaires were distributed to the suppliers for assessing their sustainability performance in the previous year on their own, and the performance was rated on a scale of A Level to D Level. In 2023, Mega Securities had 23 key suppliers, and the questionnaires were collected from a total of 15 suppliers. As the results, there are four suppliers of A Level, seven for B Level, two for C Level and two for D level, with the overall collection rate of 65%. The total purchase amount from Mega Securities' key suppliers for 2023 was approximately NT\$154,716 thousand.

### + Supplier Sustainability Self-Assessment Questionnaire

Status of Signed Supplier Sustainability Declaration		Regulations of Supplier
Item	2023	
Number of contracts	(A) 75	
Total contract amount (NT\$)	(B) 174,960,047	
Number of signed "Supplier Sustainability Declaration"	(C) 75	
Contract amount of signed "Supplier Sustainability Declaration"	(D) 174,960,047	
Percentage for the contract amount of signed "Supplier Sustainability Declaration"	(=D/B) 100	
Total procurement amount (NT\$)	(F) 202,271,229	
Percentage of contract amount of signed "Supplier Sustainability Declaration" in the total procurement amount (%)	(=D/F) 86	

Note: The major suppliers with signed purchase contracts are required to sign the declaration.



## Mega collaborates with partners to support “Earth Hour,” as the practice of ESG environmental sustainability.

Case

Mega Group continues the spirit of "ESG Initiative Platform for Public Financial Enterprises" of the Ministry of Finance, by continuously organizing the series of "2023 Supplier ESG Seminar" events, expanding the invitation to the Group's value chain partners to jointly support, and implementing the "Exerting Positive Influence and Leading Sustainable Development" to achieve the goal of "net-zero emissions by 2050." A total of six suppliers of Mega Securities participated in the supplier ESG seminar.

### 3.3.2 Green Procurement

Green procurement refers to adopting the simple and thrift principles in daily life, and reduce environmental impact and promote local business development by purchasing products or services with less impact on the environment. Mega Securities has established the "Regulations for Requisition and Procurement Management," specifying that local products and green procurement shall be prioritized during procurement, and products from suppliers with environmental protection labels shall be adopted. In 2023, Mega Securities' green procurement amount is NT\$18,740,160, and the total procurement amount is NT\$202,271,229; the green procurement accounted for 9.26%, higher than the Group's target of 2.2%. In addition, Mega Group's "Sustainable Development Policy" also specifies to include the circular procurement promoting product resource recycling into green procurement items. The circular procurement methods of Mega Securities include leasing instead of buying, such as the leasing of company cars and photocopiers.

Unit: NT\$

#### 2023 Green Procurement in Mega Securities

Item	Amount	Green Procurement Amount
Category 1/2 Environmental Label	2,591,560	18,740,160
ENERGY STAR	16,148,600	



Unit: NT\$

#### 2023 Green Procurement in Mega Securities

Item	Amount	Green Procurement Amount
Annual Total Procurement Amount	-	202,271,229
Percentage of Annual Green Procurement Amount	-	9.26%

**Note:** Mega Securities complies with the definition of green procurement declaration scope by the Environmental Protection Administration for self-reporting of green procurement by private enterprises and organizations. Taiwan's environmental protection label, first/second/third class environmental protection label, energy-saving label, water-saving label, green building materials label, carbon footprint label, carbon reduction label products, foreign eco-label products that Taiwan has signed a mutual recognition agreement with, ENERGY STAR, FSC and PEFC sustainable forestry labels and other products for the green procurement screening principle.

### Green procurement targets

Short-term	Medium and Long Term
Mega Securities gives priority to products with green label-related certifications in the procurement, and strives to implement local and seasonal consumption to reduce the possible environmental impact during transportation. The goal is to achieve the goal of accounting for 2.5% of the Group's total procurement amount by the green procurement in 2024.	The priority is given to the purchase of green products and services, and the Company cooperates with the government's green procurement plan, to increase the annual green procurement amount to 3.5% of the total procurement amount, while implementing the supplier sustainable development management, with the supplier sustainability self-assessment questionnaires continuously conducted on a regular basis. The related improvement measures are also established, to communicate with suppliers on ESG-related issues both way through a joint supplier conference and make mutual improvements.

## 3.4 Natural Ecology

To support and fulfill the commitment of the United Nation Sustainable Development Goals (SDG 14) for conserving marine ecosystems and SDG 15 for protecting terrestrial ecosystems and biodiversity; in the "Sustainable Finance Policy," "Stewardship Principles," and "Administrative Regulations for Promoting the Development of Sustainable Finance," Mega Securities establishes the investment and post-investment management mechanisms, for the the industries or counterparties with high environmental and social impacts; for these who involve in the environmental pollution incidents making no improvement upon the penalty of the competent authorities, the responsible investment is implemented by not established the position of proprietary trading and underwriting. In response to the Tamsui River Convention in March 2023, we hope to use the Company's influence and employees, to spread the concepts of plastic reduction and green procurement to those around them, hoping to raise the awareness of environmental sustainability in all society. In addition, Mega Securities has organized numerous biodiversity conservation-related activities to lead employees and customers in joint efforts for ecological conservation. Mega Securities has complied with the Group's commitment to incorporate the biodiversity into its operations and business considerations. Currently, all of its operating sites are not located within the boundaries of nature reserves.

### 3.4.1 Taskforce on Nature-related financial disclosures


Mega Group continued its climate-related financial disclosures (TCFD) framework in 2023; by following the Taskforce on Nature-related Financial Disclosures (TNFD) framework regarding the natural environment issues, to analyze the interaction between business activities and the natural environment, and based on the definitions of the four domains, namely land, sea, freshwater, and atmosphere by TNFD regarding the economic activities, to explore the nature-related risks and opportunities caused by dependency and impact. Mega Group is working hard to cope with risk of losing biodiversity, while actively searching the opportunities to create positive impacts to promote a sustainable development model for the harmonious symbiosis between mankind and nature. In line with the Group's policy,



Mega Securities has assisted in the completion of the summarized disclosure of the Group's TNFD-related information in Mega Holdings' 2023 Climate and Natural Environment Report (Link: Mega Holdings ESG Corporate Sustainability (<http://megaholdings.com.tw>)).

+ [Mega Holdings ESG Corporate Sustainability \(http://megaholdings.com.tw\)](http://megaholdings.com.tw)

## Commitment to Biodiversity

Level	Basis	Commitment description
Mega Group	Sustainable Finance Policy	<ul style="list-style-type: none"> <li>Comply with the "Convention on Biological Diversity" (CBD) of the United Nations, support green and sustainable development industries or counterparties: including green buildings and building energy-saving systems and other related construction industries, waste cleaning and recycling, pollution control and carbon sequestration industries, and measures of sustainable agriculture, forestry, and fisher, husbandry, and aquaculture industries</li> <li>Risk framework: the financial holdings and subsidiaries shall gradually incorporate climate change, biodiversity and other ESG-related risk factors into their risk management frameworks.</li> </ul>
	Management Focuses for ESG Sustainable Development Industries and High-Risk Industries	<ul style="list-style-type: none"> <li>Establishment of prohibited undertaking industries or counterparties include gillnetting with nets over 2.5 kilometers in length and commercial lumbering in pristine rainforests, among other activities harmful to ecological sustainability.</li> <li>Determination of high-sensitivity industries or counterparties: for these companies penalized by the competent authorities due to environmental pollution incidents but without improvements, mining and quarrying, wild animal leather and fur treatment, fur trading, and other industries with high negative impacts on biodiversity, the limits and weights are assigned to the investments, while driving the industries and economic activities that contribute to the maintenance of biodiversity for growth.</li> </ul>
	Resolutions adopted by the Sustainable Development Committee	<ul style="list-style-type: none"> <li>None of the domestic and overseas operating site of Mega Group is located in nature reserves, and we undertake that none of domestic and overseas operating sites are located in nature reserves/protected areas, national parks, national nature parks, wildlife reserves, and key wild animal inhabitation environment set up by the countries. The areas affected by operating sites are not the habitats of the species listed in the IUCN Red List or the National Conservation List.</li> <li>It is committed that all new or relocated operating sites are in compliance with Mega Group's principles of biodiversity protection and zero deforestation.</li> </ul>
Mega Securities	Sustainable Finance Policy	<ul style="list-style-type: none"> <li>Comply with the "Convention on Biological Diversity" (CBD) of the United Nations, support green and sustainable development industries or counterparties: including green buildings and building energy-saving systems and other related construction industries, waste cleaning and recycling, pollution control and carbon sequestration industries, and measures of sustainable agriculture, forestry, and fisher, husbandry, and aquaculture industries</li> <li>Risk framework: Climate change, biodiversity and other ESG-related risk factors shall be gradually incorporated into the risk management framework.</li> </ul> <div>  <a href="http://megasec.com.tw">Sustainability Policy of Mega Securities Co. Ltd.pdf (megasec.com.tw)</a> </div>

Level	Basis	Commitment description
Mega Securities	Stewardship Principles	<ul style="list-style-type: none"> <li>Establishment of prohibited undertaking industries or counterparties include gillnetting with nets over 2.5 kilometers in length and commercial lumbering in pristine rainforests, among other activities harmful to ecological sustainability.</li> <li>Industries with environmental and social impacts: for those who do not meet the environmental sustainability screening conditions and without specific improvement plans, the principle is not establishing positions for proprietary trading or underwriting.</li> <li>For high-carbon emission industries: set the proportion of investment limits.</li> </ul>
	Administrative Regulations for Promoting the Development of Sustainable Finance	<ul style="list-style-type: none"> <li>Establishment of prohibited undertaking industries or counterparties include gillnetting with nets over 2.5 kilometers in length and commercial lumbering in pristine rainforests, among other activities harmful to ecological sustainability.</li> <li>Industries with environmental and social impact: for these companies penalized by the competent authorities due to environmental pollution incidents but without improvements, mining and quarrying, wild animal leather and fur treatment, fur trading, and other industries with high negative impacts on biodiversity, the limits and weights are assigned to the investments</li> <li>For high-carbon emission industries: set the proportion of investment limits.</li> </ul>

### 3.4.2 Biodiversity measures

To support and fulfill the commitment of SDG 14 for conserving marine ecosystems and SDG 15 for protecting terrestrial ecosystems and biodiversity, Mega Group has continuously organizes numerous biodiversity conservation-related activities, engaging employees and customers to contribute to the ecological environment jointly. Mega Securities has participated in the "2023 Protect the Dadu Mountain, Parent-Child Tree Planting Activity" in Taichung Metropolitan Park, and the "Coastal Cleanup Activity Around National Museum of Marine Science and Technology" in organize by the Group, and in support of the "Tamsui River Convention" to jointly promote five action plans for restoration of Tamsui River. It is sought to exert and spread the positive power of good circulation and fulfill corporate social responsibility through the influence of enterprises.

## Case

# Mega Securities supports the Tamsui River Convention and participated in the beach cleanup event to protect the environment

By supporting the "Tamsui River Convention" to jointly promote five action plans for restoration of Tamsui River, the Company hopes that for all the plans promoted under the "Tamsui River Convention" or various environmental conservation activities held by the Company sequentially, it is sought to exert and spread the positive power of good circulation and fulfill corporate social responsibility through the influence of enterprises.

+ For Mega Securities' participation in the Group's biodiversity-related activities, please refer to the description in 6.2.3 Sustainable Prosperity and Protection of Ecology.

1. Promote the plastic-reducing lifestyle; by encouraging colleagues to bring their own utensils, mugs, the disposable utensils are reduced, so that "reusable" can replace "disposable."
2. Promote the reduction of bottled water by using environmentally friendly containers for water, and implement the goal of plastic reduction.
3. Promote the green procurement, adopts products from manufacturers with eco-labels, and use eco-labeled hand sanitizer and dishwashing liquid easily biodegradable to protect water resources.
4. Promote the digitization of operating process, products and services to save paper used.
5. Continuously implement garbage classification and resource recycling, and properly dispose of waste.





# CH4 Sustainable Finance

- 4.1 Sustainable Finance
- 4.2 Inclusive finance
- 4.3 Customer Relations
- 4.4 Information Security
- 4.5 Digital Innovation

In order to urge enterprises to value and implement the international trend of ESG sustainable development, Mega Securities signed the "Compliance Statement for Stewardship Principles as Institutional Investors" in September 2018, and planned various sustainability-related investment and other financial products and services, to play an important role as a bridge between the financial industry, environmental protection and economic growth. In 2023, Mega Securities continuously invest in and underwrite sustainability bonds, and continuously issue sustainability-related ETNs to exert positive influence of the financial industry, integrates financial business with sustainability, and implements sustainable finance. In the future, Mega Securities will continuously engage with customers actively, to assist enterprises in net-zero transformation for grasping competitive advantages and lead the sustainable development of enterprises.



Corresponding United Nations Sustainable Development Goals (SDGs)



Material Topic GRI indicators

- GRI 201 Economic Performance
- GRI 418 Customer Privacy

Corresponding material topics

Information Security, Sustainable Finance, Customer Relations, and Digital Innovation

Stakeholders with priority access

All stakeholders



## 4.1 Sustainable Finance

### 4.1.1 Sustainable Finance Management

In response to the domestic and international development trend of sustainable finance, and to develop a business model of mutual prosperity among economic growth, environment and society, Mega Securities cooperates with the Group to participate in major international assessments such as DJSI, MSCI, CDP, etc. and complies with the Sustainable Development Goals (SDGs), Science-Based Reductions Initiative (SBTi), GRI, TCFD, SASB, and other international initiatives in line with the Group. In addition, pursuant to the sustainability-related regulations, such as "Principles for Responsible Investment (PRI)," "IFC Performance Standards & EHS Guidelines," the "Convention on Biological Diversity (CBD)," of the UN, "Stewardship Principles as Institutional Investors," and the "Green Finance Action Plan," the Company have established the "Sustainable Finance Policy" and exert the power of finance to shape the positive influence of a sustainable society through the five compliance principles of sustainable finance.

- Sustainable financial products or services : all departments are encouraged to actively engage in low-carbon investment

and related sustainable financial products, and actively support enterprises with environmental protection, social responsibility, or sustainable governance.

- International initiatives: actively participate in and sign ESG-related international initiatives and principles.
- Operation management: establish and continuously review and revise relevant management mechanisms, while developing and grasping strategies and goals for ESG business opportunities.
- Risk management : incorporate climate change, biodiversity, and other ESG-related risk factors into the risk management framework; identify risks that may affect the sustainable development of the Company, Indicators and targets.
- Sustainable value : actively leading customers, investors, and the general public to create sustainable value.



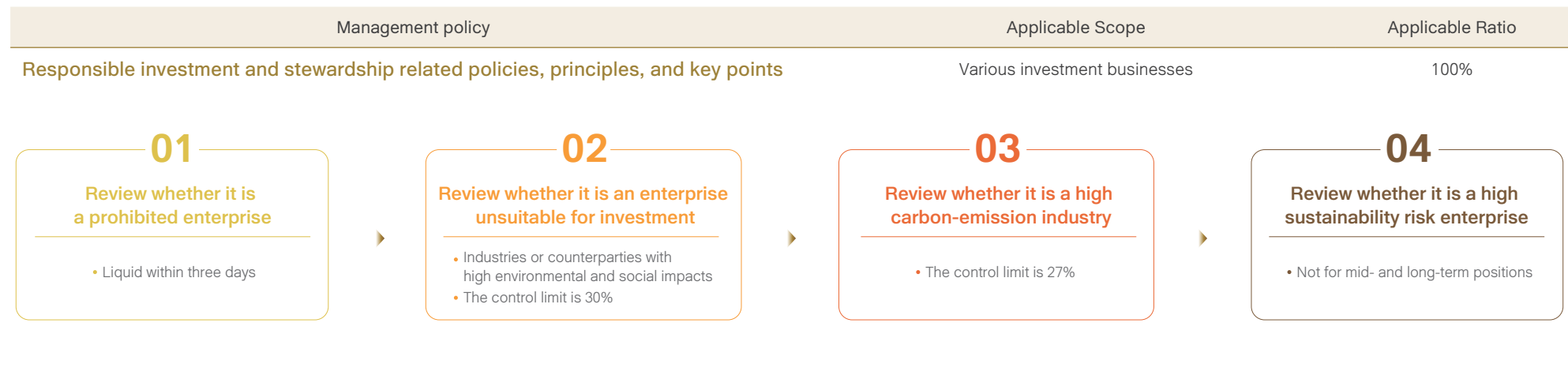
**Mega Securities Co., Ltd.**

Sustainable Finance Policy

### Implementation of Sustainable Finance Policy

Mega Securities is committed to practicing and promoting the spirit of sustainable finance, and has formulated the "Sustainable Finance Policy," "Stewardship Principles," and "Administrative Regulations for Promoting the Development of Sustainable Finance." To implement the responsible investment, and continuously invest in the sustainable development fields (including but not limited to bonds, equity investments, and ESG financial instruments related to green energy, low-carbon, renewable energy, circular economy, and other issues), and support companies with environmental protection, fulfillment of social responsibilities, or

sustainable governance to raise sustainable capital (including but is not limited to the issuance of marketable securities related to issues of green energy, sustainable development and fulfillment of social responsibilities) or investments, seeking to achieve the dual goals of promoting sustainable development and guiding private capital to invest in the real economy through investment and fundraising. In addition, we have established the investment evaluation managerial procedures for high sustainability risk enterprises, including companies prohibited from investment, high environmental and social impact industries or counterparties, and high carbon-emission industries, with sustainability ratings. The investment screening process and control mechanism are as follows:



## Communicate sustainable finance results with customers

Pursuant to Principle 4 of the Compliance Declaration for "Stewardship Principles as Institutional Investors" of Mega Securities, through public channels such as its official website, social media sites, marketing documents/advertising, mobile apps, service/product applications, and seminars, Mega Securities actively communicate with individual customers to help them understand the topics related to environmental, social and governance (ESG) in the business, and through appropriate dialogues and interactions, to communicate with investees to further understand and communicate with its management regarding the risks and strategies facing the industry. In 2023, the method of engagement and interaction with investees mainly included participation in shareholders' meetings, visiting (including routine face-to-face meetings with sponsor brokers), discussion by emails, telephone or video conferences, and attending investor conferences. There were a total of 2,164 engagement, of which, 554 engagements are for ESG issues. The statistics of the methods and times of engagement are as follows:

## I. Statistics on the frequency and methods of engagement in 2023

Method of engagement	Total number of engagement	Engagement of ESG issues	Percentage of ESG engagement
Attending the shareholders' meetings of investees	309	6	1.1%
Visiting (including routine face-to-face meetings with sponsor brokers)	606	248	44.8%
Discussion via e-mail	996	178	32.1%
Telephone or video conferencing	237	119	21.5%
Participate in investor conference	16	3	0.5%
<b>Total</b>	<b>2,164</b>	<b>554</b>	<b>100.0%</b>

## II. The 2023 statistics of ESG issue engagement and engagements in various ESG aspects

In 2023, Mega Securities held a total of 2,164 engagements with investees. Among the engagements, 1,129 items are ESG issues with 554 investees. Among these engagements, the top two ESG issues of investees concerned are “establishing the effective corporate governance framework and strengthening the functions of the Board of Directors” for 207 issues, and 189 for “improving legal compliance.” By the three aspects of E (environment), S (society), and G (governance), the G aspect has the highest number with 819 issues (accounting for 73%), while the E environmental aspect and the S social aspect have 199 issues (18%) and 111 (10%) issues. The proportion and classification of ESG issues engagement by Mega Securities with investees in 2023 are broke down as follows:

Category	E (Environment)		S (Social)		G (Governance)	
	Issue	Times	Issue	Times	Issue	Times
1	Corporate carbon reduction measures and management	91	Create a safe work environment, prevent occupational accidents, and improve labor healthy workforce	44	Establishing the effective corporate governance framework and strengthening the functions of the Board of Directors	207
2	Toxic hazard and waste management	33	Ensure that employees' labor rights without discrimination on the basis of race, gender or any other circumstances.	8	Strengthen the risk management mechanism, to reduce and prevent the occurrence of risks.	79

Category	E (Environment)		S (Social)		G (Governance)	
	Issue	Times	Issue	Times	Issue	Times
3	Increase the proportion of green (environmentally friendly) products	32	Implement employee suitability assessment and talent rating, and strengthen employee career development plans.	15	Improve the effectiveness and efficiency of internal audit	119
4	Green information - paperless or videoconferencing, online education and training	16	Establish the transparent communication channels and encourage employees to participate in and give feedback	3	Emphasize stakeholders' issues of concern and strengthen communication channels (shareholders, employees, customers, community members, suppliers, and competent authorities)	100
5	Green (eco-friendly) care	16	Create a diverse employee benefit system to fulfill employee care responsibilities	26	Improving legal compliance	189
6	Other	11	Other	15	Refine the remuneration system to enhance remuneration competitiveness and incentive effect.	47
7	n/a	-	n/a	-	Comply with the spirit of stewardship (principles for responsible investment), and publish CSR policies; publish CSR reports or sign CSR commitments; formulate and implement fair customer treatment policies (principles)	28
8	n/a	-	n/a	-	Other	50
Times	-	199	-	111	-	819
Weights	-	18%	-	10%	-	72%

### III. Strengthen the engagement with investee regarding carbon reduction and biodiversity

In order to guide enterprises or investors to invest capital in sustainable economic activities or industries, in March 2023, Mega Group held a supplier ESG seminar organized by Mega Holdings and mutual organized by Mega Securities. The seminar covered net-zero transformation issues. In addition to key suppliers, two corporate customers of Mega Securities participated in the seminar, hoping to encourage suppliers and corporate customers to value the sustainability issues and guide the net-zero transformation. Mega Securities held a “Introductory Seminar for Mastering the Investment to Win 2024” December 2023, providing direction of asset allocation for investors, and explaining the five promising investment trends including clean energy (green energy and energy storage), to lead investors to shift capital to sustainability industries. In April 2024, the "ESG Overview and Development Trends and Introduction to Net Zero Transformation" educational training was held, to invite the underwriting counseling customers to participate (three participants in total), where the awareness of ESG development trends and environmental issues such as climate change, net-zero and biodiversity was provided to employees and customers. For the customers for TWSE/TPEX listing under counseling, Mega Securities assisted them to explain the greenhouse gas emissions in the prospectus and appropriately disclose the carbon reduction process according to the current sustainable development regulations during the review process, to comply with requirements of the competent authorities. In the first quarter of 2024, the sustainability self-assessment questionnaires were distributed to the domestic underwriting counseling customers and fundraising customers for engagement. A total of 29 sustainability engagement questionnaires were issued, with the contents including environmental protection issues such as GHG emissions and low-carbon transformation plans (including restrictions and difficulties encountered and response programs), encouragement to join the SBTi, energy management actions, encouragement of compliance with the United Nations Sustainable Development Goals to promote plans and actions for natural ecological protection, and social responsibilities, corporate governance, and other sustainable development, among other sustainability issues, to understand the progress of the sustainable development of the invested businesses, while encouraging customers to engage in the sustainable economic activities defined in the “Reference Guidelines for Recognition of Sustainable Economic Activities,” for facilitating the counseling of sustainable development to customers. In the second quarter, the Company continued the survey engagement on domestic proprietary trading positions, and the scope of questionnaires was expanded, for a total of 226 questionnaires distributed. In addition, in line with the Group's commitment to SBT carbon reduction targets, Mega Securities has selected another 12 investees not yet setting the SBT carbon reduction targets with relatively large positions held for the thematic engagements (SBTi) in the first quarter of 2024. 12 questionnaires were distributed to explain the benefits of joining the SBTi, to guide the investees in net-zero transformation. The engagement questionnaires were also responded by the investees. For example, Company A responded that they will plan to obtain ISO50001 certification; Company B responded that they will invest in low-carbon factories; Company C responded with the plan to install solar power generation equipment; Company D responded with the plan to increase purchases of renewable energy, and Company E responded that they will use green building materials. Some of them also expressed the difficulties encountered during the carbon reduction process. In the future, Mega Securities will continuously engage with investees to understand the implementation status and encourage or assist the corporate sustainable transformation.



## Education and training of sustainable finance

To effectively implement sustainable finance management and actively lead the development of internal sustainable finance talent, Mega Securities budgets the annual education and training budget ( NT\$7,979 thousand in 2023, including sustainable finance-related issues), organizes the education on sustainable finance to employees, and helps employees to transform in a timely manner to cope with ESG development trends. In addition to the relevant in-house education and training courses, employees are also encouraged to participate in external relevant courses or seminars. In 2023, the courses organized included AI thinking and digital transformation, climate change information disclosure, strategy to implement sustainable development transformation, introduction to the GRI Standards for Sustainability Report preparation, carbon rights and carbon pricing, PCAF, ACL data analysis and computer audit, protection and outlook of personal data under the development of digital finance, email alertness test, etc.

### 2023 Sustainable Finance Education and Training Status

• Total hours worked (hours)	26,565
• Number of full-time employees (people)	1,517
• Average training hours per person	17.51
• Session (session)	57

**Note:** The sustainable finance education and training courses include ESG development trends, sustainability principles, climate change, fair customer treatment, ethical corporate management, personal information, information security, among other things.

#### Case sharing

The physical challenged lecturer, Lin, Hsin-Pei, was invited to give a lecture on financial friendly services. By sharing the inconveniences and discriminatory treatment she encountered as a person with disabilities, insights were given to the financial practitioners to reflect on the financial friendly services provided by Mega Securities.

#### Number of trainees: 148

Feedback from colleagues after class: whether they are physically or mentally challenged in need of assistance, or even for all colleagues, customers, and family members around us, we create a better environment and interpersonal relationship with more empathy and warmth, to gradually affect the surrounding and transfer and spread the warmth. Every step is toward the positive direction. Only by taking the first step, we can take the following steps. This is an excellent lecture.





## 4.1.2 Responsible investment

Mega Securities is committed to practicing and promoting the spirit of sustainable finance, and has formulated the "Sustainable Finance Policy," "Stewardship Principles," and "Administrative Regulations for Promoting the Development of Sustainable Finance." To implement the responsible investment, and continuously invest in the sustainable development fields (including but not limited to bonds, equity investments, and ESG financial instruments related to green energy, low-carbon, renewable energy, circular economy, and other issues), and support companies with environmental protection, fulfillment of social responsibilities, or sustainable governance to raise sustainable capital (including but is not limited to the issuance of marketable securities related to issues of green energy, sustainable development and fulfillment of social responsibilities) or investments, seeking to achieve the dual goals of promoting sustainable development and guiding private capital to invest in the real economy through investment and fundraising. In addition, we have established the investment evaluation managerial procedures for high sustainability risk enterprises, including companies prohibited from investment, high environmental and social impact industries or counterparties, and high carbon-emission industries, with sustainability ratings.

### Responsible Investment Regulations of Mega Securities

Mega Securities has established the "Administrative Regulations for Promoting the Development of Sustainable Finance," stipulating that it is advisable to actively support enterprises with environmental protection or social responsibility as defined in the Management Focuses for ESG Sustainable Development Industries and High-Risk Industries of Mega Group; no investment is allowed in the companies prohibited from investment; the principle for controlling industries or counterparties with high environmental and social impact is not to establish the positions under proprietary trading and underwriting, with the total investment amount less than 30% of the total amount of marketable securities of proprietary trading and underwriting. If positions are required, due diligence shall be conducted, with enhanced analysis for prudential assessment, and the undertaking is only allowed when the assessment results showing no material negative impacts, or taking conditional trading to mitigate impacts, with the elevated approval level. The lists are regularly updated by Mega International Investment, a subsidiary of Mega Securities on the 15th day of each month. To control the high carbon-emission industries, the investment limit is 27% (28% in 2023) of the total amount of positions under proprietary trading and underwriting. Where the desired mid-term and long-term positions belong to high carbon-emission industries, the Bloomberg ESG scores of the target shall be checked to see if lower than the peers; no investment will be made if lower than the peers. If positions are required, due diligence shall be conducted, with enhanced analysis for prudential assessment, and the undertaking is only allowed with the elevated approval level. For the investment cases with high sustainability risks, the principle is also not to establish the mid- and long term positions under proprietary trading and underwriting; if positions are required, due diligence shall be conducted, with enhanced analysis for prudential assessment, and the company's risk responding capability and risk mitigation measures shall be explained in the written report; to achieve the Group's SBT carbon reduction targets, the Company shall engage with investees to encourage them to sign the SBTi, and support investees in engaging in the "forward-looking economic activities able to achieve low-carbon or carbon reduction effects defined in the "Reference Guidelines for Recognition of Sustainable Economic Activities" to enhance their capabilities of net-zero transformation.

## Responsible Investment Regulations of Mega Securities

<b>1. Companies prohibited from investing in</b>	<p>(1) Illegal products or activities that violate the laws or regulations of the local country or international conventions and agreements.</p> <p>(2) Products or activities subject to domestic or international bans.</p> <p>(3) These are subject to the sanctions designated by the competent authorities pursuant to the Money Laundering Control Act and the Counter-Terrorism Financing Act.</p> <p>(4) Engaging in the manufacture or trading of drugs, controversial weapons (such as nuclear weapons), illegal weapons and ammunition, illegal gambling (including underground and online), pornography, and gillnetting with net length of more than 2.5 kilometers (inclusive), and commercial lumbering in the pristine rainforests, among other business activities harmful to people and the ecology.</p> <p>(5) If the investee is included in the list of prohibited investment, the investment department shall liquidate the positions within three business days. However, without prejudicing the interest of Mega Securities, the bonds may be held to maturity due to their liquidity.</p>
<b>2. Industries or counterparties with high environmental and social impacts (i.e. enterprise not ideal for investment)</b>	<p>(1) For enterprises violating the ESG principles (not meeting the environmental sustainability screening conditions, social responsibility screening conditions, and corporate governance screening conditions) and without concrete improvement plans, the principle is not to establish proprietary trading positions and underwriting positions. If positions are required, due diligence shall be conducted, with enhanced analysis for prudential assessment, and the undertaking is only allowed when the assessment results showing no material negative impacts, or taking conditional trading to mitigate impacts, with the elevated approval level. If the established position is subsequently deemed not advisable for investment, the Company shall advise or guide the enterprise to make improvements and implement such. If this is not feasible, without prejudicing the interests of Mega Securities, the investment positions are to be exited gradually, or holding the bonds until the maturity by considering the liquidity, as the countermeasure.</p> <p>(2) Positions of industries or counterparties with high environmental and social impact held shall not exceed 30% of the total amount of marketable securities under proprietary trading and underwriting.</p> <p>(3) The industries or counterparties with high environmental and social impact that violate the ESG principles are as follows:</p> <ul style="list-style-type: none"> <li>• These penalized by the competent authority due to involvement of hazardous activities or exploiting labor without improvement.</li> <li>• These penalized by the competent authority due to involvement of environmental pollution, damage to biodiversity, and water and marine resources, among other sustainability incidents without improvement.</li> <li>• These penalized by the competent authority due to violation of ethical corporate management principles without improvement.</li> <li>• Mining and quarrying</li> <li>• Treatment of wild animal leather and fur, and fur trading.</li> <li>• Dyeing and finishing.</li> <li>• Genetic engineering not for healthcare or harmful to human development.</li> <li>• Manufacture of pesticides and environmental medicines.</li> <li>• Chemical products containing heavy metals such as cadmium, mercury, lead, arsenic, and nickel that are harmful to human health.</li> </ul> <p>(The list is provided by the subsidiary Mega International Investment on a regular basis.)</p>

<b>3. High carbon-emission industries</b>	<p>(1) The marketable securities under Mega Securities' proprietary trading and underwriting in industries with high carbon emissions shall not exceed 27% (28% in 2023) of the total amount of marketable securities under proprietary trading and underwriting.</p> <p>(2) Where the desired mid-term and long-term positions under proprietary trading or underwriting belong to high carbon-emission industries, the Bloomberg ESG scores of the target shall be checked to see if lower than the peers; no investment will be made if lower than the peers. If positions of high carbon-emission industries are required, due diligence shall be conducted, with enhanced analysis for prudential assessment, and the undertaking is only allowed with the elevated approval level.</p> <p>(Note: The controlled industries in 2023 are: Other Petroleum and Coal Products Manufacturing, Chemical Material Manufacturing, Raw Plastic Material Manufacturing, Cement Manufacturing, Iron and Steel Smelt, and Electric Power Supply.)</p> <p>(3) Referring to the statistics of high carbon-emission domestic enterprises inventoried and registered by the Ministry of Environment, Executive Yuan, and the greenhouse gas-intensive industries subject to carbon tax under the EU Carbon Border Adjustment Mechanism (CBAM). The industries type is based on the Standard Industrial Classification by Directorate General of Budget, Accounting and Statistics, Executive Yuan. The industry types controlled by Mega Securities are as following: 0500 Extraction of Crude Petroleum and Natural Gas, 1500 Pulp, Paper and Paper Products Manufacturing, 1700 Other Petroleum and Coal Products Manufacturing, 1810 Chemical Material Manufacturing, 1841 Raw Plastic Material Manufacturing, and 2331 Cement Manufacturing, 2410 Basic Iron and Steel Manufacturing, 2420 Basic Aluminum Manufacturing, and 3510 Electric Power Supply (excluding renewable energy).</p>
<b>4. Enterprises with high sustainability risk</b>	<p>In addition to the management mechanisms stipulated for the companies prohibited from investing in, industries or counterparties with high environmental and social impact (i.e. industries or counterparties not advisable for investment), and high carbon-emission industries due to the ESG considerations, for the investment cases with high sustainability risks, the principle is also not to establish the mid- and long term positions under proprietary trading and underwriting. If positions are required, due diligence shall be conducted, with enhanced analysis for prudential assessment, and the undertaking is only allowed with the elevated approval level. The said sustainability risk is these belong to sever risk level (i.e., 40 points or higher) of the Sustainalytics ESG Rating disclosed on the Investor Relation Integrated Platform (IR Platform) of Taiwan Clearing House, or these falling in the lowest 20% (i.e., 81% - 100%) in the Corporate Governance Evaluation disclosed on the IR Platform.</p>
<b>5. Industries with environmental protection and social responsibilities</b>	<p>Mega Securities actively supports the following enterprises with environmental protection or social responsibility as defined in the Management Focuses for ESG Sustainable Development Industries and High-Risk Industries of Mega Group:</p> <p>(1) Solar energy, wind power, geothermal energy, hydropower, ocean energy and other energy industries.</p> <p>(2) Transmission, distribution, and energy storage facilities increasing power generation volume, or renewable power generation volume, and use thereof.</p> <p>(3) Transportation means using electric, hydrogen and other fuels alternative to fossil, passenger and freight system conversion and efficiency improvement, public transportation, etc.</p> <p>(4) Smart network of water monitoring and early warning system, water storage, water circulation treatment, flood control and water saving, and other hydraulic infrastructure.</p> <p>(5) Green buildings, building energy-saving systems or products, among other construction businesses.</p> <p>(6) Energy efficiency, reduction of non-energy GHG, and clean production.</p> <p>(7) Waste cleaning and recycling, and pollution control and carbon sequestration.</p> <p>(8) Information and communication technologies such as optical broadband, data centers, and smart grids.</p> <p>(9) Sustainable measures with verifiable carbon reduction benefits, related to agriculture, forestry, fishery, animal husbandry, and aquaculture.</p> <p>(10) Enterprises with an MSCI level AA or higher, selected in the DJSI, ranked in the top 20% in the Corporate Governance Evaluation, and qualified for the Taiwan Sustainability Classification Standards.</p> <p>(11) Other businesses or activities that contribute to reducing carbon emissions, circular economy, and ESG enhancement.</p>

## Scope of responsible investment

Subclass code	Subclass name	Amount (NT\$ thousand)	Percentage of investment amount
6411	Monetary Intermediation	11,045,001	33.46%
2611	Semiconductor Manufacturing	3,211,423	9.73%
6491	Other Financial Services	2,146,488	6.50%
4100	Architectural Engineering	1,973,295	5.98%
2711	Computer and Peripheral Equipment Manufacturing	1,620,596	4.91%
6421	Holding	1,107,458	3.35%
6700	Real Estate Development	999,999	3.03%
3510	Power and Gas Supply	900,880	2.73%
2630	Printed Circuit Board Manufacturing	704,447	2.13%
1700	Petroleum and coal products Manufacturing	501,403	1.52%
Total amount of investment in the Top 10 Industries		24,210,989	73.34%
Total		33,013,191	100.00%

**Note:** Top ten case amounts disclosed based on the industry standard classification and subclass code announced by the Director, Accounting, Statistics, Director, Statistics and Statistics Division, Executive Yuan, and the case amount by industry type.

## Investment in sustainable development industries

Mega Securities follows the international sustainable finance initiatives, the relevant governmental policies or regulations such as green finance, inclusive financial, promotion programs for six core strategic industries, net zero emissions by 2050, and the Reference Guidelines for Recognition of Sustainable Economic Activities. For the six core strategic industries, 12 key strategic industries, sustainable economic activities and other sustainability industries under the national development trends, supports are provided, seeking to improve the social security and efficiency of energy and resource utilization by investing capital in the enterprises with environmental

protection, social responsibility, or sustainable governance as supports, while encouraging customers or investees to invest capitals in the sustainable economic activities via engagements, to obtain capital investment or business dealings from Mega Securities. Furthermore, Mega Holdings signed the Science Based Targets initiative (SBTi) commitment in April 2023, promising to set the carbon reduction pathway, to commit that the Group will achieve 39.56% as the percentage of positions set with SBT targets in 2028; the carbon reduction action plan was approved by the SBTi organization in June 2024. To achieve the Group's carbon reduction goals, Mega Securities has planned a carbon reduction action plan and actively invests in companies that have passed the SBT carbon reduction target-setting review for constant engagement, while encouraging and guiding enterprises to formulate sustainable transformation plans and specific action plans through investments in active carbon-reduction programs with the funds owned by Mega Securities.

Investment in the six core strategic industries in 2023		
Industry	Description	Investment balance at the end of the year (Unit: NTD thousand)
Information and Digital	Utilize emerging technologies such as 5G, AI, cloud, and Internet of Things(IoT), to improve public's quality of life and other related industries.	1,100,000

Investment in 12 key strategic industries in 2023		
Industry	Description	Investment balance at the end of the year (Unit: NTD thousand)
Power system and energy storage	Classified based on Net zero by 2050 for Taiwan - 12 key strategies for transition	16,834
Zero-waste from the resource recycling (Note)	Classified based on Net zero by 2050 for Taiwan - 12 key strategies for transition	91,879
Carbon Capture, sequestration and storage	Classified based on Net zero by 2050 for Taiwan - 12 key strategies for transition	4,763
Green Finance	Green bonds, etc.	3,045,000
Total investments in 12 key strategic industries		3,158,476

Note: All of them are underwriting counseling customers

#### Status of investment in sustainable industries in 2023 (Note 1)

Industry	Description	Number of investments	Investment balance at the end of the year (Unit: NTD thousand)
<b>Renewable energy</b> (Note 2)	Solar energy, wind power, geothermal energy, hydropower, ocean energy and other energy industries.	2	3,593
<b>Outstanding Sustainability Enterprise</b>	Enterprises with an MSCI level AA or higher, selected in the DJSI, ranked in the top 20% in the Corporate Governance Evaluation.	123	9,537,518
<b>Other businesses or activities that contribute to reducing carbon emissions, circular economy, and ESG enhancement.</b>	Medicare, education, sports and fitness, road engineering, and other social work services, etc.	7	778,059
<b>Total investment in ESG sustainable development industries</b>		132	10,319,170
<b>Balance of total corporate investment (proprietary trading and underwriting positions)</b>			33,013,191
<b>Percentage of ESG sustainability industry investments (%)</b>			31.26%

**Note:** 1. by industry refers to the enterprises with environmental protection or social responsibilities as defined in the "Administrative Regulations for Promoting the Development of Sustainable Finance of Mega Securities."

**Note:** 2. These are the forward-looking economic activities in the "Reference Guidelines for Recognition of Sustainable Economic Activities."

#### Positions held with set SBT carbon reduction targets in 2023

Industry	Number of investments	Investment balance at the end of the year (Unit: NTD thousand)
<b>Balance (market value) of investment positions with set SBT carbon reduction targets</b>	26	1,900,846
<b>The scope of underlying investment type with carbon reduction target to be set as required by SBT (market value) (Note)</b>		20,025,438
<b>Percentage of investment positions with set SBT carbon reduction targets</b>		9.49

**Note:** The sum of market values of the scope of investment positions with carbon reduction target to be set as required by SBT, including TWSE/TPEx listed shares (including preferred stocks/ETF, excluding emerging stocks, and excluding derivative financial products), funds and bonds (including convertible bonds, excluding government bonds, excluding sustainability bonds)



## Assisting SMEs in raising funds

Small and medium-sized enterprises (SMEs) account for more than 98% of all enterprises in Taiwan. In order to assist potential domestic enterprises with continuous upgrades, Mega Securities assisted four SMEs in 2023, namely, Acer Systems, Westact Technology, Biosun International, and Axiata Energy. The enterprise successfully raised funds from the capital market, and the total amount of counseling amounted to NTD 1.627 billion.

Company name	Type	Number of issued shares (shares)	Funds raised in 2023 (NT\$)	Implementation status
Wave Power Technology Inc.	Cash capital increase	3,100,000	395,677,330	Fundraising completed
WASTE RECOVERY TECHNOLOGY INC.	Cash capital increase	3,398,000	433,830,310	Fundraising completed
Bausen Inc	Cash capital increase	3,190,000	245,704,260	Fundraising completed
ATE ENERGY INTERNATIONAL CO. LTD.	Cash capital increase	10,000,000	250,000,000	Fundraising completed
ATE ENERGY INTERNATIONAL CO. LTD.	Convertible corporate bonds	3,000,000	301,500,000	Fundraising completed
<b>Total</b>			1,626,711,900	

**Note:** According to Question 11 of the Q&A of "Regulations Governing the Preparation and Filing of Sustainability Reports by Securities Firms," "SME" is defined in the latest "White Paper for Small and Medium Enterprises" published by the Small and Medium Enterprise Division; unless otherwise stated, the relevant statistics from 2020 are defined based on the 2023 "Criteria for the Recognizing Small and Medium Enterprises" amended on June 24, 2020: the enterprises with paid-in capital less than NT\$100 million, or the full-time employees are fewer than 200.

## Total number, amount underwritten, handling fee income, and distribution by industry for all equity underwriting cases

Industry Category (TICS)	Number of underwriting	Underwriting amount (NT\$ thousand)	Income of service charge (NT\$ thousand)
20 Manufacture of pharmaceuticals and medicinal chemical products	1	1,200	12
21 Rubber Products Manufacturing	1	100,200	57
24 Basic Metal Manufacturing	1	201,000	80

Industry Category (TICS)	Number of underwriting	Underwriting amount (NT\$ thousand)	Income of service charge (NT\$ thousand)
25 Metal Products Manufacturing	2	882,684	4,537
26 Electronics Components Manufacturing	10	649,433	3,723
27 Computers, Electronic and Optical Products Manufacturing	4	431,956	4,280
30 Motor Vehicles and Parts Manufacturing	2	326,400	86
31 Other Transport Equipment and Parts Manufacturing	3	481,677	7,852
33 Other Manufacturing	1	40,000	32
37 Wastewater (Sewage) Treatment	1	305,174	2,976
42 Civil Engineering	2	204,675	4,313
45-46 Wholesale	2	243,492	3,085
50 Water Transportation	2	32,859	120
52 Other Transportation Support	2	22,840	107
56 Catering business	1	170,430	4,200
61 Telecommunications	1	2,445	24
64 Financial Services	1	303,000	75
<b>Full-equity underwriting</b>	<b>37</b>	<b>4,399,465</b>	<b>35,559</b>

**Note:** Disclose the total number of cases and the total amount of each industry based on the industry standard classification and subclass code announced by the Director, Accounting, Statistics, Director, Statistics and Statistics Division, Executive Yuan, and the case amount by industry type.

## ESG Market Making and Transaction Statistics

In 2023, Mega Securities issued a total of 621 warrants on sustainable development-related underlying investments, served as ESG participating broker in two tranches, and 23 high-quality ESG share of market-making.

Product	Quantity	Amount (NT\$ thousand)
Issuance of subscription call warrants	621	3,300,115
ETF participating brokers	2	49,754
Stock market making	23	772,145

### 4.1.3 Diversified sustainable financial products

#### Sustainability Bonds

Mega Securities has cooperated with governmental policies in recent years, to underwrite sustainability bonds continuously. In 2023, a total of six tranches of sustainability bonds were underwritten, including four tranches of green bonds, one tranche of social responsibility bonds, and one tranche of sustainable development-linked bonds, with a total underwriting amount of NT\$2.15 billion. We mainly focus on renewable energy and energy technology development, job creation, and programs reducing or avoiding unemployment caused by the socioeconomic crisis. Mega Securities has also invested in a number of sustainability bond products. As of the end of 2023, the balance of investment in related products exceeded NT\$3 billion.

2023 Sustainability Bond Underwriting Status		
Type of bond	Category	Underwriting amount (Unit: NT\$ thousand)
TSMC 112-1, 112-2, Taipower 112-3, 112-6	Green Bonds	1,900,000
FET 112-1	Social Responsibility Bond	150,000
Hon Hai 112-4	Sustainable Development-Linked Bond	100,000
Total		2,150,000

2023 Sustainability Bond Investment Status		
Category	Number of Cases	Investment balance at the end of the year (Unit: NTD thousand)
Green Bonds	7	1,589,579
Social Responsibility Bond	4	329,103
Sustainable Development Bonds	7	1,127,094
Total	18	3,045,776

## ESG product development

Currently, all products labeled with ESG provided publicly by Mega Securities are ETN, which shall be approved by Taipei Exchange before trading. There is no greenwashing. As the investment in ESG products becomes a trend, in June 2021, Mega Securities issued the ETN, the "TIP Customized TPEX ESG IT Elite Total Return Index" focuses on two key aspects: the electronics industry and sustainable performance. It selects companies that have strong corporate social responsibility scores, as evaluated by the Corporate Sustainability Association, and that have shown positive average return on equity over the past 12 quarters. From these, the top companies by market capitalization are chosen as index components. The index is designed to filter through market trends, sustainability performance, and operational efficiency, blending market opportunities with future trends to fully implement the principles of ESG. This approach is intended to attract investors to companies that prioritize sustainable operations.

Sustainability ETN issued by Mega Securities in 2023	
<b>ETN name</b>	TIP Customized TPEX ESG IT Elite Total Return Index
<b>Date established</b>	June 25, 2021 (maturity: June 24, 2024)
<b>Investment ratio allocation</b>	N/A (the ETN is issued by Mega Securities, not invested)
<b>Investment Objectives and Measurement Standards</b>	It selects companies that have strong corporate social responsibility scores, as evaluated by the Corporate Sustainability Association, and that have shown positive average return on equity over the past 12 quarters. From these, the top companies by market capitalization are chosen as index components.

Affected by global warming, global temperatures continuously reach new highs, and the climate change mitigation has become an urgent issue for countries around the world. Under the trend of net-zero and climate change mitigation, in addition to ESG-integrated products, the sustainability investment markets in the western countries are also shifting towards climate-related products. In an effort to encourage companies to pay closer attention to the impact of climate change on their operations, the Taipei Exchange has collaborated with FactSet to create the "TPEX FactSet Semiconductor Climate Net-Zero Elite Total Return Index", which focuses on climate change issues. The "Mega TPEX FactSet Semiconductor Climate Net-Zero Elite Total Return Index ETN" is linked to this index, making it the first ETN product in Taiwan market to track a climate-themed index. This product is designed to attract investors interested in companies that prioritize climate resilience, contributing to environmental sustainability.

#### Weather ETN issued by Mega Securities in 2023

Name	Mega TPEX FactSet Semiconductor Climate Net Zero Elite Total Return Index ETN
Date established	December 25, 2023
Investment Objectives and Measurement Standards	TPEX FactSet Semiconductor Climate Net Zero Elite Total Return Index is based on the constituent stocks of the TPEX200 Index and uses the T-Risk calculated by climate model of Entelligen to screen or adjust the weight, to select ten constituent stocks, reflecting constituent companies' resilience to cope with climate change.
Performance	The ETN was listed for trading at the end of 2023, and as of January 2024, the ETN was ranked 24th among the outstanding ETNs. It is clear that the ETN of climate-related issues have caught the attention of investors.

## 4.2 Inclusive finance

With the rise of digitization, Mega Securities is committed to optimizing the financial digital experience, and creating ubiquitous services to promote inclusive financing. With the pillars of digital finance development, including "accelerating branch digitization," "enhancing digital financial service experience," and "strengthening digital technology capabilities," the Company makes the financial services both safe and convenient. In recent years, the Mega Group has communicated with stakeholders to understand customer needs, continued to promote the mobilization of various digital services, and obtained related patents, including electronic statements, building accessible websites, developing comprehensive business integration platforms and optimizing online account opening functions. The personalized notifications are sent through social media to notify customers through instant messages. For the financial product transaction service, or applications, with the premise of compliance, customers are encouraged to adopting the online processing, so that the time and costs of application at the customer end are reduced effectively, and the operating efficiency and smart customer service experience are enhanced. Through the regular annual customer satisfaction survey and secret customer surveys, as well as the reviewing mechanism for customer complaint every quarter, the provision of financial products to customers and the performance thereof are tracked regularly.

### Barrier-free website

The Mega Securities' image website has obtained the A-Grade Accessibility Label issued by the Ministry of Digital Development, Executive Yuan. Further more, the wealth management website also features a Financial Friendly Service Section and an Elderly Friendly Section. These sections are designed

to help customers with disabilities or the elderly navigate the site more easily by providing quick links to commonly viewed options, such as the latest news. Additionally, the website provides information on the friendly services currently offered by Mega Securities (such as the option to book sign language services), as well as details on accessibility facilities and equipment at various locations (including accessible parking, elevators, and ramps), making it easier for customers with specific needs to find relevant information.

### Warrant contests

In 2023, Mega Securities participated in the 13th Economic Daily News "Warrant Millionaire Challenge," utilizing the competition, as well as associated lectures, online programs, and informational packages, to promote public knowledge of warrants and achieve the goal of inclusive financial education. Mega Securities won the "Top Performance Award" for its outstanding overall performance, demonstrating the highest total performance among all participating brokerage firms. Also, Banqiao Branch and Zhongxiao Branch won the "Excellent Promotion Performance Award" with the first and second places respectively, while Zhongxiao Branch and Laifu Branch also won the first and second place in the "Excellent Progressing Award," represent Mega Securities' efforts and achievements in promoting warrants, and further demonstrate the affirmation and trust of warrant investors in Mega Securities.

### Fixed time and amount

Mega Securities launched the online account opening platform "E-Open" in January 2022, with the dual-opening function for securities and sub-brokerage accounts. It is equipped with the functions of W8ben (U.S. tax investigation



form for foreigners) online signing, integration of optical character recognition (OCR), and online identity and seal verification service of Mega Bank, to save time and complicated procedures for account opening. In 2023, a total of 16,928 securities accounts and 12,484 sub-brokerage accounts were opened online. In addition, in September 2022, Mega Securities also launched the "Mega eStock" platform to provide share deposit services for fixed time and amount, fixed share, conditional order, and U.S. stock fixed share targeting the fractional shares in the intraday trading, so that retail investors with limited funds or wishing to save shares enjoy a more flexible digital share-deposit experience. As of 2023, the cumulative number of share-deposit plans has reached 30,212.

### Addition of method to bill the service fee of the US stocks

"MegaGo" is a new billing method for the service fee of the US stocks, allowing the investors to pay the service based on the shares when trading the US stocks. The investors may choose between the transaction amount-based or share-based billing, whichever is most economic, to help investors effectively save investment costs in U.S. stocks and solve the pain point of investors in trading U.S. stocks - high transaction costs.

Mega Securities provides flexible and adaptable investment services to help clients navigate the ever-changing financial landscape.

### Inclusive finance lectures

Mega Securities is committed to promoting financial education. In 2023, a series of financial knowledge seminars were held, covering a wide range of financial topics, including investment and wealth management, risk management, financial market trends, fraud prevention, among other things. The participants not only had the opportunities to learn the latest financial trends and investment skills, also interact and exchange with the speakers in-depth to further expand their understanding of the financial market. Mega Securities believes that enhancing the public's knowledge and understanding of financial knowledge, is an important part of promoting the healthy development of finance. Meanwhile, we have also included ESG issues into the scope of education, seeking to guide more investors to focus on sustainable development and socially responsible investment. In the future, Mega Securities will continuously organize more diversified and in-depth financial education activities to make more contributions to society.

+ [Please refer to Appendix 8.2 Sustainability Standards and Benchmark Comparison Table - Sustainability Disclosure Indicators of Securities Firms .](#)

## The Best Product Award of National Brand Yushan Award, “Mega eStock” and “MegaGo”



Case sharing

In 2023, Mega Securities won the Best Product Award for two services - "Mega eStock" and "MegaGo." To help investors resolve the two major pain points of wealth management, namely difficulties of selection and transaction costs, "Mega eStock" helps investors to select stocks according to their financial planning, and by providing fixed time and amount, fixed time and shares, and daily deposit, among other diversified approaches, small investments can also add up to a huge investment. Since its launch, it has accumulated more than 10,000 investors. "MegaGo" is to eliminate the investors' pain point when trading the US stocks, high trading costs. It adds the billing method based on the shares when trading the US stocks. The investors may choose between the transaction amount-based or share-based billing, whichever is most economic, to help investors effectively save investment costs. Mega Securities provides flexible investment services to help customers cope with the evolving financial environment. We also provide other interest oriented trust of marketable securities service to meet the wealth management needs of investors at all stages of the life cycle through asset inheritance planning.

## 4.3 Customer Relations

Mega Securities Co., Ltd.  
Fair Customer Treatment  
Committee Organic Charter



Fair Customer Treatment Policy  
and Strategy



### 4.3.1 Fair customer treatment

#### Fair customer treatment policy and operations

Mega Securities upholds the financial expertise and philosophy of ethical corporate management, taking fair customer treatment as the core value of the corporate culture, while referring to the Financial Consumer Protection Act and the Principles of Fair Customer Treatment, to establish the policy and strategies of fair customer treatment, as well as the annual fair customer treatment plan. Through the implementation of the three lines of defense, namely business department, legal compliance and risk management, and audit, the business departments verify the Principles of Fair Customer Treatment, and the Legal Affairs and Compliance Office issues the supervisory report, to be submitted to the Fair Customer Treatment Promotion Committee and Board of Directors, and the implementation of fair customer treatment plans are reported in board meetings. The Board of Directors implements the accountability system according to the "Plan, Do, Check, Act" (PDCA) management cycle. Through the annual customer satisfaction survey and secret guest survey, customer complaints are reviewed in the meetings of the Fair Customer Treatment Committee on a quarterly basis. The internal regulations are reviewed if any revision is required on a yearly basis. The business departments review the products or services in the internal department meetings regularly and from time to time, to understand the attributes and needs of customers and adjust the design, marketing, channels, and dispute resolution of related financial products and services. Through the fair customer treatment and financial-friendly service seminars, among other training courses, the fair customer treatment is internalized into each employee's mind, to implement the principle of customer fair treatment from top to bottom. In addition, the entire official website of Mega Securities has obtained the certification of Accessibility Label, and in the website, the specific sections of fair customer treatment, financial-friendliness, and age-friendliness are established, so that the protection of the rights and interests of the underprivileged are protected; it also discloses the various friendly measures provided by Mega Securities, while continuously upgrading the barrier-free facilities and equipment of all operating sites to create a financial-friendly environment.


#### The Fair Customer Treatment Committee

Mega Securities' Fair Customer Treatment Promotion Committee is under the Board of Directors, chaired by the General Manager, with the heads of relevant departments as members. Through the participation of all departments, the Committee establishes policies and strategies of fair customer treatment principles, and rules and regulations of consumer dispute handling system, while incorporating related regulations and cases in the regular education and trainings to enhance employees' awareness of financial consumer protection. The Committee meets at least once a quarter, to track and review the implementation of annual plans,

customer complaints and financial consumption disputes, and then submit the meeting minutes and implementation status to the Board of Directors. The overview of implementing policies and strategies of fair customer treatment principles and results of self-assessment results are reported to the Board of Directors before the end of March each year.

### Fair Customer Treatment Education and Training

Mega Securities organizes education and training on fair customer treatment for directors, supervisors, and employees every year, through both physical lectures and online courses at the same time. The courses cover the regulations of fair customer treatment, case studies, the Convention on the Rights of Persons with Disabilities, and simulation courses, to provide employees with diverse learning channels and course types, to enhance employees' awareness of fair customer treatment, while enhancing the empathy for the elderly or physically and mentally challenge, among other disadvantaged groups, thereby improving overall service quality, to elevate the customer satisfaction, and implement the fair customer treatment. In 2023, a total of 4,237 employees participated in the training, and the total training hours were 8,086 hours; the total number of trained directors and supervisors was 16, and the total training hours were 48 hours, with a completion rate of 100%. The education and training courses include thematic courses such as the principle of fair customer treatment in the financial service industry, duty of care and loyalty, case studies of financial consumer disputes and penalties, description of ISO 10002 guidelines for complaints handling and practical training thereof, Convention on the Rights of Persons with Disabilities, dark dialogue workshop, low visually impaired vision experience, and financial friendly seminars.



**Mega Securities was recognized by the "Fair Customer Treatment" Rating of Financial Supervisory Commission for the third time, implementing the attentive ethical service**

The Financial Supervisory Commission announced the results of the 2023 "Fair Customer Treatment" rating in the securities industry. For the first time, the securities industry was divided into large-scale securities firms and other comprehensive securities dealers. Mega Securities was ranked in the top 25% of large-scale securities firms; not only the Company was recognized by the competent authority as one of the top 25% in terms of fair customer treatment for the third time, and it was the only one among large comprehensive securities firms to be included in the list for three consecutive terms.

Highlights

## Financial friendly services

Mega Securities has established comprehensive policies related to financial friendliness, and listed financial friendliness measures in the annual fair customer treatment plan, tracking the implementation on a quarterly basis, with reports in the meetings of the Fair Customer Treatment Promotion Committee and the Board of Directors; before entering contracts with young and elderly customers, the information related to the customer group is fully understood as required by the Company, to ensure the suitability of the product or service for young and elderly customers, with complete explanation of the contents and disclosures of potential risks to them. In addition, the implementation of care for elderly customers by branches is reviewed on a monthly basis. If any branches fails to complete the tasks, the reminder email will be sent notify the branch to complete the task.

Financial Friendliness Related Regulations	Content
<b>Operating procedures of “Know Your Customer” (KYC)</b>	The principle of KYC operation is specified, and the applicable customers include young and elderly people.
<b>Meeting Regulations for Product Review Team under Brokerage Business Department</b>	It is the decision-making unit to handle the new product onboarding, grade investment risk levels of financial products, adjust investment risk levels of financial products, and review the financial products before launch. The applicable customers include young and elderly people.
<b>Rules of Providing Financial Services to Elderly Customers</b>	Specifying the principles shall be followed when providing all financial services elderly customers.
<b>Operating Regulations of Providing Financial Services to Elderly Customers</b>	Specifying the KYC and KYP procedures to be complied with by the elderly customers, care in good faith, and obligations of disclosure and informing. For example, for the financial product transacted by the elderly customers of wealth management and trust business, the customer care and confirmation (telephone interview or interview in person) shall be conducted for any of the following circumstances: elderly customers authorizing or changing a third party to engage in product transaction, elevating the risk level right before purchasing high-risk product, transferring assets with great amounts, to remind them the trading risk and fraud.
<b>Enforcement Rules for Wealth Management and Trust Business Risk Management</b>	Specifying the risk management control of positions and notification for customers, including young and elderly people.
<b>Enforcement Rules for Brokerage Business Risk Management</b>	Specifying the risk control mechanism for the cash equity day trading (also applicable to young people).
<b>Interviews for securities (futures) customer as care with good faith</b>	Specifying that elderly customers are first sampled as the recipients of care.
<b>Regulations of Financial Friendly Services</b>	Specifying that the friendly facilities at the headquarters and branches shall be reviewed and improved every year (once for every six months in practice); employees providing excellent financial friendly services are praised.
<b>Account Opening Contract</b>	Attached with the Risk Precautions.

As of March 2024, 29 of Mega Securities' operating sites are bilingual, accounting for 85.29% of all 34 locations in the six major cities. In the lobby on the first floor of the headquarters includes, the floor guide is in both Chinese and English, and the annual financial reports are translated into English.

To encourage the implementation of fair customer treatment and motivate officers and employees at all levels to actively promote the fair customer treatment, Mega Securities was ranked among the top 25% among large securities firm rated by the competent authority in the 2023 Fair Customer Treatment Rating. The employees of the three-line defense, the top three branches for the financial friendly attitude in the telephone etiquette testing by secret customer, outstanding employees of promoting financial friendly services (Share Agency Department) and the employees successfully preventing fraud (Brokerage Business Department) are rewarded pursuant to the Company' s Employee Reward and Punishment Procedures, to shape the corporate culture emphasizing fair customer treatment.

### Promotion activities for fraud prevention in 2023

Format	Content
<b>10 sessions of physical events</b>	<ul style="list-style-type: none"> <li>A lecture on financial and wealth management training (including fraud prevention) for teachers was held at Hengshan Junior High School in Hsinchu on June 7, 2023, with a total of 23 elementary and junior high school teachers participated.</li> <li>On July 12, 2023, the Company participated in the 2023 "Financial Service Charity Carnival" to promote financial knowledge and prevent financial fraud.</li> <li>A lecture on financial and wealth management training (including fraud prevention) for teachers was held at Datung Elementary School in East District, Tainan City on September 13, 2023, with a total of 46 elementary and junior high school teachers participated.</li> <li>On September 25, 2023, the event of Exploring the Multiverse of Mega Securities (including fraud prevention) was held at the headquarters. A total of 56 high school and college students participated.</li> <li>In 2023 (on January 6, March 21, May 2, and September 26), the Company and the TABF jointly organized four "Financial Knowledge Seminars for Colleges" (including fraud prevention), with 271 participants.</li> <li>On November 2, 2023, a lecture on financial knowledge education for faculty of elementary and junior high schools (including fraud prevention) was held in the headquarters, 29 principals and directors from elementary and junior high schools in Tainan participated.</li> <li>On December 7, 2023, the Company was invited to hold the "Financial Knowledge Seminars for Colleges" (including fraud prevention) at Fu Jen Catholic University, with a total of 85 participants.</li> </ul>
<b>One online session in total</b>	<ul style="list-style-type: none"> <li>In November 2023, one online course on principles of fair customer treatment in financial services (including fraud prevention) was held for all employees.</li> </ul>



Format	Content
31 sessions of media broadcasts (including broadcasts on the official website, social media, or video walls)	<ul style="list-style-type: none"> <li>In 2023, in response to the anti-money laundering promotion required in the letter from the Executive Yuan, the related videos are played in the business venues (the TV walls at the first floor of the headquarters and business halls of branches); of which, three videos include the fraud-prevention (Aunt Shu-Fang, Hsin-Chun Kuo, (real-name system for virtual currency), and Chia-Ling Luo (internet fraud and anti-money laundering). The videos are played once every business day, until December 31, 2023, for a total of 238 trading days)</li> <li>A total of seven fraud prevention videos and messages were added on the wealth management website, and 12 videos and messages on the image website for the whole year, or 365 days.</li> <li>The link to the anti-money laundering promotional video on the wealth management website, which was broadcasted for 365 days.</li> <li>In 2023, three new posts regarding fraud prevention were added to the official Instagram account of Mega Securities (with more than 870 followers), broadcasted for a whole year, or 365 days in total.</li> <li>In 2023, Mega Securities' official Facebook page (with more than 15,000 followers) added four news articles regarding fraud prevention, which were broadcasted throughout the year, for a total of 365 days.</li> <li>In 2023, one new fraud prevention announcement was added to the Mega Securities mobile VIP app, broadcast for the whole year, for a total of 365 days.</li> </ul>

### 4.3.2 Customer complaint management

Mega Securities complies with the Financial Consumer Protection Act, and has established the "Guidelines of Customer Complaint and Financial Consumer Dispute Handling System (including the SOP of handling process)." To improve the efficiency and quality of customer complaint handling, the cases are graded. In principle, the time limit for handling general customer complaints is 10 days, and 20 days for more complex financial consumer disputes. In both cases, the results of customer complaint handling are replied within the time limit. If necessary, the time limit can be extended to 30 days with the consent of the responsible officer. In 2023, there were a total of 17 customer complaints and financial consumer dispute cases, all of which were properly handled and closed.

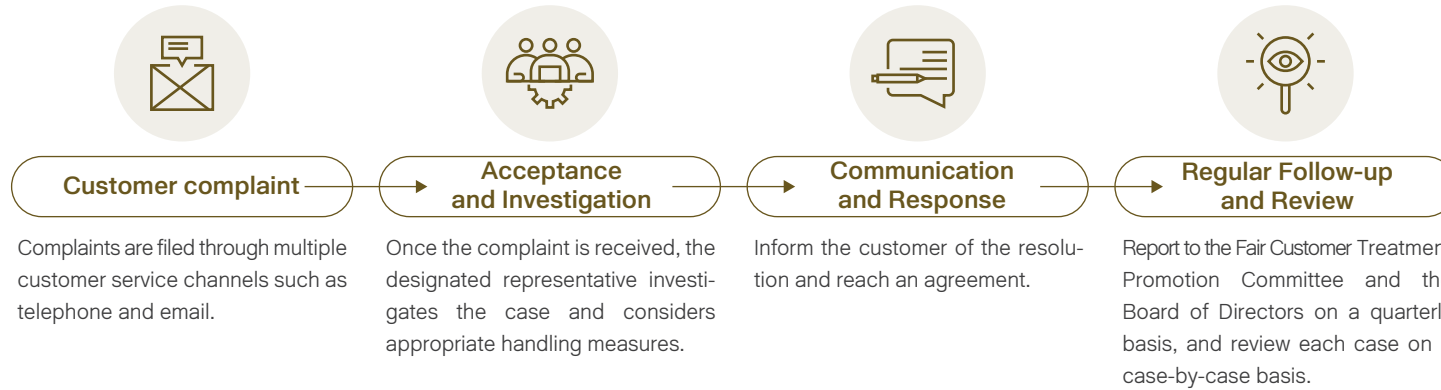
In order to further protect the rights and interests of customers, we regularly report customer complaints and financial consumer disputes to the Fair Customer Treatment Promotion Committee and the Board of Directors, exploring the root causes of customer complaints, reviewing whether customer complaints are handled properly, with the improvement based on the customer feedback, to continuously optimize the service process and improve the service quality.






**Mega Securities Co., Ltd.**

**Guidelines of Customer Complaint and  
Financial Consumer Dispute Handling  
System**

## Process of Filing Customer Complaint



### Contact Channels of Mega Securities for Customer Complaint

-  **Dedicated unit**  
Customer Service Center
-  **Customer service hotline**  
(02)2351-7017
-  **Contact Email**  
<https://www.emega.com.tw/emegaTran/customerService.do>

## Customer Complaint Handling Procedures and Status

The Statistic of Customer Complaints in Mega Securities in the Past Three Years

Item	2021	2022	2023
Customer complaints (including financial consumer disputes) (cases)	12	16	17
Customer complaints resolved (%) (number of cases settled properly / total case number)	100	100	100

Note: No detailed statistics

### 4.3.3 Customer satisfaction

Mega Securities is committed to providing customers with quality financial products and quality services. The real needs of customers are understood via the customer satisfaction surveys, to develop the products and services needed by the customers, enhance the loyalty and trust of customers, and create competitive advantages and corporate value. In 2023, 5,084 valid questionnaires were collected from brokerage customers, and the customer satisfaction reached 86.05%, achieving 86% of the 2023 target. The 2023 satisfaction survey focused on the customers' satisfaction with digital experience in Mega Securities, different from the theme of the 2022 survey. As Mega Securities is still in the process of optimizing the digital experience and accelerating transformation, the digital satisfaction survey dropped slightly by about 3.6% from the service satisfaction of the previous year.

#### Customer Satisfaction of Mega Securities Over the Years

Weighted average customer satisfaction				Satisfaction target
2020	2021	2022	2023	2023
97%	97%	89.65%	86.05%	86%

**Note:** Customer satisfaction = total number of questionnaires with satisfaction / total number of valid questionnaires x 100%

Mega Securities originally conducts the customer satisfaction surveys with the customers having wealth management transactions among all customers. Since 2022, the open-end questionnaires have been adopted, to inform the customers about the customer satisfaction surveys via website announcements and EDM, with the lucky draw event to motivate them join the survey. The questionnaires can be completed through the links on Mega Securities' official website, Mobile VIP, e-commerce website, Mega Winner, Mega Global Wealth Management, and line@. The QR Codes are also provided for over-the-counter customers to fill out the questionnaires with their mobile phones.

For the customer satisfaction survey results, Mega Securities reviews and track such in the meetings of the Fair Customer Treatment Promotion Committee. The feedback was processed and improved, and the relevant measures were adjusted in a timely manner. For example, if customers are not satisfied with the fund subscription deadline, Mega Securities will review the improvement measures in a timely manner.



## 4.4 Information Security

### 4.4.1 Information security management

In order to coordinate information development and information security management matters, and reduce information security risks, Mega Securities has established the "Information Security Policy" and "Information Security Policy - System Access Control" approved by the Board of Directors; in 2023, the Company continuously introduced and obtained the international information security certification ISO 27001 Information Security Management System, and the ISO 22301 certification in the same year. By operating the information security governance, legal compliance, risk control and audit review mechanisms, and in conjunction with the application of technology, we comprehensively enhance the information security protection capabilities. In addition, we have established the "Operating Regulations of Information Security Reporting and Response" to manage information security incidents at different levels (Level 1 to 4). When emergencies such as the information and communication systems compromised by various factors or inappropriate use, the required reporting and responses may be taken to reduce the probability of possible damage, and ensure the normal operation of the Company's information and communication systems.



Mega Securities Co., Ltd.  
Information Security Policy

### Information Security Team

- I. Mega Securities has an information security team (the "information security team" ) composed of personnel from various departments to coordinate and discuss information security policies, plans, resource allocation, and other matters, as well as reporting and response of information security incidents. The information security meetings are held every six months.
- II. The members of the information security team and the division of their responsibilities are as follows:
  1. Person in charge of the information security team: the head of Information Department, responsible for the promotion of information security management affairs and resource allocation, and notifying the General Manager of the Level 3 or Level 4 information security incidents if occur.
  2. Information security team convener: the person in charge of the information security team assigns a personnel of the Information Department to act as the convener, to assist person in charge of the information security team in implementing information security management affairs.
  3. Members of the information security team from each department: The head of each department appoints one person to be a team member (in the case of a business unit, appointed by the head of the business group) to be responsible for various internal affairs to be cooperate d by the department.

## ◆ Management Structure Chart

### Organizational Structure of the Information Security Team

Approval of Information Security Policy | Board of Directors

Information Team Leader | Head of Information Department

Information Team Convener | Information Department Personnel

Member of Information Team | Appointed by the head of each department

## Information security incident reporting process and information security incidents

Where and information security incident falls into the cybersecurity incident defined in Subparagraph 6, Paragraph 1, Article 2 of the “Procedures for Major Incidental Events of Mega Securities,” or the types of material information security incidents specified in Paragraph 3, Article 3 of the Regulations, it is deemed as a material information security incident with the following operations performed:

1. After reporting a material accident, the executive secretary of the Group's Information Security Incident Response Team ( “the CSIRT team” ) shall be notified by phone or other means. Since the next day of reporting, complete the "Guidelines of Group Information Security Incident Response Form" based on "Guidelines of CSIRT Organization Establishment" and send it to the CSIRT Team Executive Secretary.
2. Fill in the "Material Incident Reporting Form" and report it to Mega Holdings before 17:00 on the next working day to the date of occurrence.
3. Information security incidents shall be reported through the securities and futures market information security incident reporting system ( <https://sfevents.twse.com.tw/> ) based on the "Notes for Report and Response of Information Security Incident in the Securities and Futures Markets." These deemed as the material information security incidents specified in Paragraph 3, Article 3 of the Regulations shall perform the following operations pursuant to the “Reporting Procedures to Report Scopes of Material Information Security Incidents by Securities Firms and Other Compliance Required:”
  - (1) Fill out the "Material Information Security Incident Reporting Form for Securities Firms - Preliminary (Formal) Notification" within 30 minutes.
  - (2) After reporting a material information security incident, the detailed information shall be reported to TWSE or TPEX within seven business days in letters, and fill out the "Material Information Security Incident Reporting Form for Securities Firms - Case Closing Notification," including time of occurrence, cause of incident, incident category, impact on securities firm and investors, whether sensitive data has been leaked, handling measures, recovery status, follow-up handling progress of the incident, handling of investor disputes, improvements, and preventive measures.
  - (3) If reporting via letter within seven business days is impossible due to force majeure, the deadline for letter reporting may be postponed after being notified to TWSE or TPEX for record.

In 2023, Mega Securities had no data (including personal data) leakage incidents, and no customer or employee was affected by the information leakage incident, so no fines were paid.

Information leakage incidents	2021	2022	2023
Complaints from external parties that have been substantiated by the organization	0	0	0
Complaints from regulatory authorities	0	0	0
Number of information leakage incidents	0	0	0
Percentage of personal data-related leakage incidents (%)	0	0	0
Number of customers affected by information leakage incidents	0	0	0

### Information Security Improvement Measures

1. The chief information security officer is appointed to oversee information security policy promotion and resource allocation. A Information Security Department has been established under the Information Department, with one information security officer and three information security specialists. Information security meetings are held on a regular basis for planning of the information security system, and monitoring and implementation of information security management.
2. The information security management system is introduced in the core system, certified by an impartial third party (SGS) for ISO 27001, and the validity of the certification is maintained constantly (valid until October 31, 2025).
3. Establish the Data Loss Prevention (DLP) system to monitor and block personal data to reduce the risk of personal data leakage.
4. Automatically compare the program versions of all external trading systems of Mega Securities daily. If there are any abnormalities, the relevant personnel will be notified to take action.
5. Dedicated personnel check regularly whether there are external websites are phishing websites illegally forging the official website of Mega Securities, or counterfeiting apps of Mega Securities. Investors will be reminded of any discovery, and reported to the Financial Information Sharing and Analysis Center (F-ISAC).
6. The information security promotion, education and training are regularly conducted for all employees of the Company, to enhance their information security awareness, including the awareness of in-depth forgery and prevention issues.



7. The social engineering drills are conducted for all employees on a regular basis to improve their information security awareness.
8. The vulnerability of systems and webpages are scanned, and intrusion and penetration testing are conducted on a regular basis to strengthen the security of the Company's information system.
9. The remote backup market simulation tests are conducted regularly to ensure the effectiveness of the backup system.
10. The third-party laboratory information security testing are conducted for the Mega Securities mobile app (Mega Mobile VIP) every year to strengthen the app's information security.
11. The email filtering system (Softnext SPAM SQR) is constructed to strengthen the Company's email information security.
12. The automated management system for endpoint equipment (Security Intelligence Portal; SIP) is established to prevent unauthorized equipment from using the intranet.
13. The personal computer highest permission management system is constructed to centrally manage the highest permission of personal computers at the client end company-wide, to strengthen the Company's information security.
14. The web application firewall (WAF) is constructed to enhance the information security of Mega Securities.
15. The IDS/IPS-intrusion detection and prevention mechanism system is constructed to strengthen the Company's information security.
16. The host privileged account management system is constructed to centrally manage the privileged accounts of each system, for enhancing the Company's information security.

17. The source code security testing tools and third-party component testing tools are purchased to test the applications developed and maintained by the Company. These tools are able to identify potential risks in advance and fix them in a timely manner to strengthen the Company's information security.
18. Every two years, an information vendor is commissioned to conduct a cyber security checkup service, the checkup results help Mega Securities to understand the information security vulnerabilities hidden, and serve as a reference for planning and strengthening information security control in the future.
19. The main information security equipment are introduced into the information security monitoring center (SOC), to strengthen the Company's information security monitoring and defense.
20. The business continuity management system is introduced in the core system, certified by an impartial third party (BSI) for SO 22301, and the validity of the certification is maintained constantly (valid until December 27, 2026).
21. In order to maintain the system stability, the upgrade of the middle office operating system and database (APGW) of the trading system is completed.
22. The construction of a log server is completed for centralized log control.

### Information security management mechanisms and measures

For the cyber threats and risk changes brought by technological developments, Mega Securities continuously reviews the adequacy of relevant regulations and measures, and has established a comprehensive network and computer security protection system. The system vulnerability scanning and patching,

penetration testing, social engineering drills, cybersecurity education and trainings are conducted from time to time every year. Furthermore, through the introduction of ISO 27001 information security management system to verify and establish an SOC (information security monitoring center), ensuring the appropriateness and effectiveness of information security and network risk control. The actual expenditure on information security in 2023 (including hardware, software, and licensing-related expenses) accounted for 5% of the 2023 budget; of which Mega Securities' actual expenditure on the operation of the core operating system and equipment in 2023 accounted for 82.63% of the budget of core operating system and equipment operations.

Information security management measures	Mega Securities' information security management measures in 2023 and their implementation
<b>Information Security Monitoring Center (SOC)</b>	The information security monitoring center (SOC) is established to implement the data protection mechanism, the storage media control mechanism, and IDS information security protection to strengthen information security monitoring and defense.
<b>Vulnerability scanning</b>	The vulnerabilities are scanned regularly every year, and the vulnerabilities are continuously improved and tracked to identify potential cybersecurity threats and vulnerabilities in advance, to strengthen the security protection capability of the cyber system.
<b>Penetration testing</b>	The Company commissions a third-party agency to complete the penetration testing of all external services on a regular basis every year, and no major risks were found after the test.
<b>Social engineering drill</b>	The email social engineering drills are conducted regularly every year, with information security education and training for employees and promotion of information security-related issues, to enhance employees' information security awareness and make them more alert to phishing emails.
<b>Business continuity testing</b>	The business continuity drills are conducted every year, to ensure that critical systems and backup systems can continuously provide key services, and the test results are verified to ensure that the backup mechanism is implemented to ensure normal and continuous system services.
<b>Information security management system</b>	To standardize and internationalize the information security system, Mega Securities has completed the introduction of ISO 27001:2013 information security management systems and third-party verification, with continuous third-party re-certification to maintain the validity of the certificates (please refer to Appendix 8.3 External Independent Assurance Statement)

## Information security education and training

In recent years, the information security has become an ESG focus of the financial industry, and the customer information security protection is a core item in Mega Securities. To ensure that employees are equipped with information security knowledge and raise their awareness, the information security-related education and training are held every six months, and online courses are provided for employees to enhance the information security knowledge for coping with changing information

security issues. In 2023, two sessions of education and training were conducted, with 3,033 person times completing the training, and 9,099 hours of education and training in total, or an three hours of training per employee in average.

#### Other highlights of information security management in 2023

##### Case descriptions

Mega Securities has completed the international information security certifications:

1. The core system for brokerage business passed ISO 22301 (Business continuity management system) certification (valid from 2023.12.28 to 2026.12.27)
2. ISO/IEC 27001:2013 continuous verification (valid from July 12, 2023 to October 31, 2025)

##### Key Performance Outcomes

1. On December 28, 2023, the core system for broker business passed (ISO 22301 Business continuity management system) certification
2. ISO 27001:2013 continuous verification (information security-related management activities, including data center management, network management, and development, maintenance, and management of securities trading middle office system, back office system, front office system, mobile VIP, e-Netcom, Global Money Management, HTS (Home Trading System), Mega Winner, Mega API, Sysjust API, Multi Chart, E Radar, and wealth management systems) (valid from July 12, 2023 to October 31, 2025)

##### Public links to press release/ relevant information)

For details, refer to ISO 22301 and ISO 27001 certifications, and refer to Appendix 8.3 External Independent Assurance Statement for certifications.

## 4.4.2 Customer privacy and personal data protection

Mega Securities has fulfilled its duty to maintain the confidentiality of personal data and customer privacy information, and established the “Personal Data File Security Safeguard Plan and Personal Data Processing Methods after Business Termination,” specifying that the Company collects, processes, and utilize customers’ information, and establishes the measures for customers’ information security management pursuant to the “Personal Data Protection Act,” the “Enforcement Rules of the Data Protection Act,” and the “Regulations Governing Security Measures of the Personal Information File for Non-government Agencies Designated by Financial Supervisory Commission,” among other regulations, while implementing the customer privacy and personal data protection through incorporation of customers’ personal data into the internal control system, conducting employee education and training, as well as regular personal data status inventory, risk assessment, and security maintenance self-assessments.

In addition, in order to become the most trusted partner of customers, Mega Securities has established the "Employee Code of Conduct," "Employee Reward and Punishment Procedures," and "Customer Information Confidentiality Measures of Mega Financial Holding Co., Ltd. and its Subsidiaries" to regulate employees' respect for company information and customer privacy. Information shall be kept confidential and shall not be disclosed except by law or with approval, even after resignation.

If employees violate the provisions of the Principles and the confidentiality measures, their permission to use the Company's information will be terminated immediately. Based on the severity of the violation, such employees will be penalized according to the Company's relevant punishment regulations and held accountable for legal responsibility, to demonstrate the emphasis of Mega Securities on personal data protection and customer privacy.

Mega Securities only allows the government to request customer privacy-related information under lawful circumstances. No other illegal requests for data, no customer data are used for secondary marketing, nor violation incidents of customer privacy rights or loss of customer data.

Customer Data Used for Secondary Marketing Purpose	2021	2022	2023
Number of customers whose data are used for secondary marketing (may be the number of accounts)	0	0	0
Total number of customers (may be the number of accounts)	384,996	408,600	434,115
Percentage of customers whose data were used for secondary marketing (%)	0	0	0

Information security incidents	2021	2022	2023
Total number of information security incidents	0	0	0
Number of customer data loss due to information security incidents	0	0	0
Number of customers affected by information security incidents	0	0	0

#### Implementation of the "Personal Data Protection Education and Training Course" in 2023

Description of the Related Education and Training Courses	Number of courses (sessions)	Number of people trained(person-time)	Total course hours (=number of trainees x number of hours per course)
1. 2023 Online courses on Ethical Corporate Management Best Practice Principles, Personal Data Protection Act, whistleblowing system, and Sexual Harassment Prevention Regulations			
2. 2023 Legal Compliance Seminar_Handling Whistle-Blowing Case and Personal Data Protection	4	1,671	3,479
3. In 2023, the era of strong personal data supervision came.			
4. The value of personal data is maximized through de-identification			

## 4.5 Digital Innovation

Due to the wave of digitization and impacts from COVID-19, Mega Securities applies the Fintech to optimize the financial digital experience, to create ubiquitous services and accelerate inclusive financing. With the pillar of "enhancing digital financial service experience," the Company makes the financial services both safe and convenient. The actions in 2023 were as follows:

### I. In line with the overall plan of the Mega Group, the Finance 3.0 policy was promoted and the e-commerce development was implemented in 2023:

1	The Company started to provide customized e-newsletter subscription service from February 16, 2023. The content of e-newsletter is adjusted according to customers' inventory of stocks, to enhance customers' digital experience.
2	On August 31, 2023, the construction of the certificate optimization project (WebCA) was completed, to adjust the current cumbersome QR code certificate to a smoother and more intuitive application process. On September 2, the new official website was officially launched. In the first phase, the subscription center, the signature and verification services such as wealth management e-newsletters, and application for investment advisory membership are provided. The integration of wealth management trust EC platform, e-internet, eStock, and eRadar are planned subsequently.
3	Collaborating with MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. to plan the application scenario where the customers are provided with Fast Identity Online (FIDO) mechanism with mobile devices.

### II. Continuously building or improving various functions of information systems:

1	In January, permissions are opened to each marketing departments, to introduce the public opinion analysis platform, for analyzing the internet volume of specific topics or keywords, while monitoring the online placement of competing products (peers) to facilitate information capture.
2	We provide the wealth management e-newsletters for customers to subscribe. They can receive stock market trading information, attentive reminders and announcements, to strengthen their grasp of market information, reduce information gaps, and enable them to be aware of risks.
3	On May 16, the "Phase 2 Optimization of Mega eStock" project was launched, adding new functions such as information on US stocks, popular share deposit rankings, and share deposit data analysis.
4	The mobile vehicle function is gradually strengthened. The function of "Foreign Futures Flash Order" of foreign futures was launched on the mobile trading platform on June 16. In October, the optimized functions such as fuzzy search of stocks and futures, and cross-market menu of flash order placement were launched.

5	On July 26, the online sub-account opening function of "E-Open" was launched, with the business activated. In the first half of the year, the optimization of the trading system function was completed, including the functions of foreign futures flash order and exchange rate of online margin swapping on the "Mobile VIP" platform, and the phase 2 optimization of the "Mega eStock" function.
6	The wealth management website of Mega Securities was revised on September 1. The key revisions include the new page design, optimized the financial-friendly section/ stock and after-hours information, revised webpage service certification, and strengthened integration of investment and advisory service.

## Paperless statements

In 2023, the number of electronic transactions is 18,626,022, accounting for 85.31% of the Company's total number of transactions of 21,834,618; the transaction amount of electronic transactions in 2023 is NT\$3,627,774,797 thousand, accounting for 77.17% of the Company's total transaction amount of NT\$4,700,900,034 thousand. There were 650,860 digital statements issued, equivalent to saving 650,860 pieces of paper.

## Account opening through digital channels

1	Mega Securities constantly streamlines the online account opening process, adding new account referrals and opening of additional sub-brokerage accounts online, and planning of new account marketing campaigns. With the hot trading in Taiwan stock market in 2023, 29,412 accounts were opened through digital channels, a 46.69% increase over the previous year.
2	Mega Securities continuously promotes the optimized platform for over-the-counter account opening. The introduction of digital writing tablets, media storage, and digital sign-off significantly shortens the waiting time for over-the-counter account opening and the opening of other accounts. The paperless platform of account opening was completed in 2023, with a total of 3,663 accounts opened.

### Cumulative Number of Accounts Opened by Mega Securities via the Digital Channels in the Past Three Years

Items applied for	2021	2022	2023
Account opening through digital channels	16,528	20,050	29,412

**Note:** Digital channels of account opening include credit account opening/contract renewal/limit adjustment, lending, share borrowing, and financial management.



## Online financial service platform

Mega Securities launched the online account opening platform "E-Open" in January 2022, with the dual-opening function for securities and sub-brokerage accounts. It is equipped with the functions of W8ben (U.S. tax investigation form for foreigners) online signing, integration of optical character recognition (OCR), and online identity and seal verification service of Mega Bank, to save time and complicated procedures for account opening. In 2023, there were a total of 16,928 securities accounts and 12,484 sub-brokerage accounts were opened online (29,412 accounts in total). In addition, in September 2022, Mega Securities also launched the "Mega eStock" platform to provide share deposit services for fixed time and amount, fixed share, conditional order, and U.S. stock fixed share targeting the fractional shares in the intraday trading, so that retail investors with limited funds or wishing to save shares enjoy a more flexible digital share-deposit experience. As of 2023, the cumulative number of share-deposit plans has reached 30,212.



# CH5 Employee Care

5.1 Talent Attraction and Development

5.2 Happy Workplace

5.3 Human Rights Protection

Mega Securities regards employees as an important asset of the enterprise and the foundation of its operational development. In order to realize labor-management harmony and create a partnership of mutual existence, mutual prosperity, and win-win, we provide comprehensive planning and assistance from employee recruitment, development, talent retention, welfare to retirement, to take care of the health of employees and build a happy enterprise.

Since 2023, in order to create a gender-equal, friendly, and happy workplace warmer and more productive, allowing employees or their spouses to have children with peace of mind, the Company provides the female employees or the spouses of male employees with pregnancy expectancy packs and gift boxes for newborn. In the employees' health care serial events, Mega Securities has customized the services for employees with high workload, and proactively cared and tracked the follow-up appointments and medication status of employees individually, as well as imposed work restrictions or adjustment of work style, leaves, or improvement of the work environment, with regular tracking and arrange interviews with physicians. In addition, the headquarters has set up a blood pressure station for employees to measure their blood pressure regularly, and organizes basic muscle strength exercises, for middle-aged and elderly employees to perform basic muscle strength training guided by the professional trainers, to achieve the purpose of building and improving physical function; on Wednesday of the second and the fourth week of every month, the health promotion "Mega Health Protection" is conducted to health knowledge and chicken soup for the soul, which is disclosed in the Health Corner section of the Company intranet at the same time. In the future, Mega Securities will continuously enhance employee care-related measures, implement and optimize maternal care benefits and measures, so that employees can feel the warmth of the Company.



Corresponding United Nations Sustainable Development Goals (SDGs)



## Material Topic GRI indicators

- GRI 201: Economic Performance
- GRI 401: Employment
- GRI 403: Occupational Health and Safety
- GRI 404: Training and Education
- GRI 405: Employee Diversity and Equal Opportunity

## Corresponding material topics

- Talent attraction and development
- Happy workplace

## Stakeholders with priority access

- Employee/union

## 5.1 Talent Attraction and Development

Mega Securities regards employees as an important asset of the enterprise and the foundation of its operational development. We value talent retention and cultivation and have formulated comprehensive human resource management-related regulations. Every year, targeting the talent attraction (e.g., the turnover rate control and competitive salaries), talent development (e.g. employee education and training, subsidies for license), happy workplace (e.g. occupational safety certification, EAPs, various subsidies, and health seminars), and human rights protection (human rights policy, human rights due diligence), among other aspects, we establish promotion plans and specific goals related to human resource, and budget for the human resource management for implementation, to be tracked and reviewed in the Sustainable Development Committee and internal management meetings for implementing sustainable operations.

### 5.1.1 Talent resource and structure

As of the end of 2023, there were 1,517 full-time employees at Mega Securities. Overall, the main workforce was 768 people aged 30 to 50, accounting for 50.63% of all employees; males account for 34.81% and 65.19% for females; managers account for 12.26% of the total employees, of which 51.61% were female managers. Mega Securities has long monitored the issue of "gender equality" and has reviewed the proportion of female employees for the recent three years for maintaining the stability, while the percentage of female managers has shown an increasing trend, demonstrating the results of Mega Securities' efforts in gender equality, while echoing the United Nations Sustainable Development Goals (SDGs) Goal 5: Gender Equality, by supporting gender equality and empowering women with practical actions.

Talent Structure of Mega Securities (full-time employees)			
Type	Group	No. of people	Percentage
Gender	Female	989	65.19%
	Male	528	34.81%
Location	Taiwan	1,517	100%
	Overseas	0	0%
Position	Management roles	186	12.26%
	Non-management roles	1,331	87.74%

#### Talent Structure of Mega Securities (full-time employees)

Type	Group	No. of people	Percentage
Age	Under 29 years old	131	9%
	30-50 years old	768	50%
	Over 51 years old	618	41%
Education level	Ph.D.	2	0.13%
	Master's degree	194	12.79%
	College	1,136	74.88%
	Vocational/ senior high school	185	12.20%

Note: Based on the full-time employees of Mega Securities. [Please refer to Appendix 8.1.2 Social Indicator Data for the detailed employment information.](#)

## 5.1.2 Employee diversity

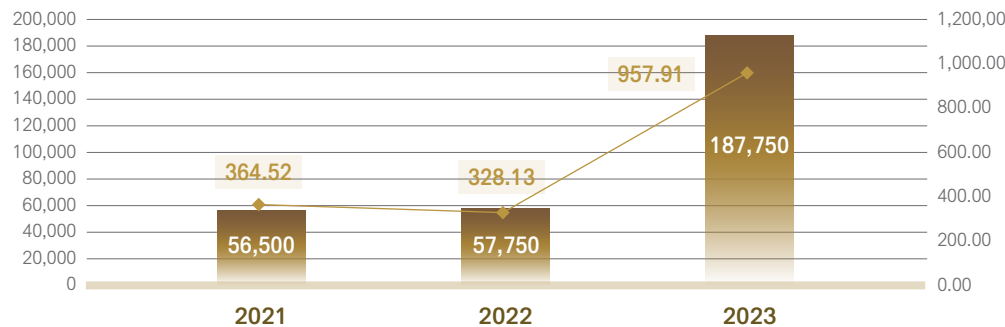
Mega Securities is committed to creating a diverse and equal employment environment, protecting the work rights and interests of different groups, and allowing each employee to fully demonstrate their uniqueness and differences. As of the end of 2023, Mega Securities has hired a total of eight employees with disabilities, higher than the statutory number of employees with disabilities. We will continuously provide suitable vacancies in the future to build a friendly and inclusive workplace. For detailed information on employees with disabilities, [please refer to Appendix 8.1.2 Social Indicator Data.](#)

## 5.1.3 New recruits and resigned employees

In 2023, the number of new employees and the new employment rate were 196 and 12.92%, slightly higher than the previous year. In addition to recruiting talents, Mega Securities also continuously tracks the resignation status of employees; through the analysis of the turnover rate, the Company formulates relevant workplace improvement plans. In 2023, a total of 174 employees resigned, with a severance rate of 11.47%. It is a slight increase in the severance rate from the previous year, due to an increase of 12 retired employees. After deducting employees retired and on leave without pay, the voluntary turnover rate was 9.61%, lower than the previous year. For detailed information on employees, [please refer to Appendix 8.1.2 Social Indicator Data.](#)

#### ◆ Average Recruitment Cost per New Employee

■ Total recruitment cost (NTD) ◆ Average recruitment cost (NTD)



**Note:** Recruitment cost of new recruits = total recruitment expenses of new recruits in the current year/total number of new recruits.



### 5.1.4 Recruitment strategy

In response to the declining birth rate in Taiwan and the increasingly diversified development trend of the financial industry, Mega Securities focuses on recruiting outstanding talents in three major fields: digital, sustainability and diverse finance. Outstanding talents are recruited through diverse recruitment channels, such as the job bank, corporate image website, and the media. Mega Securities actively develops the industry-academia cooperation. During 2023, 22 university students were offered internships or part-time careers with the Company. Internship agreements were also signed with 8 universities

Targeted Talents	Talent Positioning	Recruitment Results
Talents of digital finance	The rapid development of FinTech requires talents with technical expertise and data analysis, to cope with the evolution of FinTech.	In 2023, three new employees were successfully recruited; through campus talent recruitment, the referral by financial professionals, and external selections, the potential IT, information security, and digital talents were discover.

Targeted Talents	Talent Positioning	Recruitment Results
<b>Talents of sustainable development.</b>	To respond to the global needs to social, environmental, and economic challenges, and cooperate the governmental policies, the Company supports the importance of sustainable operation.	In response to the needs of the sustainable finance business, we actively recruited dedicated personnel for sustainable development, to effectively integrate resources and promote corporate sustainability actions; two new employees are successfully recruited.
<b>Diverse financial talents</b>	In response to the globalization of the financial market, talents with cross-cultural and international perspectives are needed to cope with global financial challenges.	For the recruitment of diverse financial talents, in order to strengthen the global positioning and adapting to emerging financial issues, we continuously recruit new financial product development and trading personnel and international sales development personnel.

## Cultivation in campus

To attract outstanding young talents, Mega Securities also actively cooperates with colleges; via providing scholarships, cooperating with colleges in Taiwan to offer financial courses, providing internship and part-time working opportunities for students, and launching the Campus Recruitment Program, the Company promotes the exchanges of theories and practices, cultivate and attract potential financial talents.

Category	Description	Investments and Results
<b>Providing internship and part-time working opportunities</b>	To enable students to understand the professional functions of securities during the summer vacations or semesters, and cultivate talents early to increase their willingness to work in the Company after graduation, Mega Securities actively establishes partnerships with colleges with relevant departments across the country.	<ul style="list-style-type: none"> <li>In 2023, we provided 22 students with internship and part-time working opportunities.</li> </ul>
<b>Provide scholarships/ fellowships</b>	To provide students with opportunities to match with companies before graduation, and enhance the sustainable development of talent cultivation. Establish a cooperative and mutual trusted window through contacting the finance and economic departments in colleges	<ul style="list-style-type: none"> <li>A total of NT\$336,000 was distributed as scholarships/ fellowships.</li> </ul>



Category	Description	Investments and Results
Organizing student visits in corporate	The corporate visit event "Exploring the Multiverse of Mega Securities" was held at the Mega Securities headquarters on September 23. It was organized by Mega Securities and mutual organized by Mega Futures and Mega International Investment, to provide young students with opportunities for more exposure to financial knowledge, products and services in a one-day financial experience. During the visit, not only the highest executives of Mega Securities, Futures, and International Investment explained the characteristics and business overview of the financial industry to the students, but they also led the students to visit the key departments of Mega Securities, including brokerage, bond, proprietary trading, and underwriting one by one, for the students to experience the practice scene of financial workers in person.	<ul style="list-style-type: none"> <li>There were a total of 56 participants in the "Exploring the Multiverse of Mega Securities" on the day of the corporate visit. By upholding the mission of exerting positive influence and leading sustainable development, Mega Securities has listed "social mutual prosperity" as on of its ESG sustainability strategies. Among which, the "inclusive financing" is a very important action pillar. Therefore, in recent years, Mega Securities has continued to exert its core functions, actively cultivated financial talents in a way closer to the needs of society, and fulfilled its social commitment.</li> </ul>
Organize campus finance lectures or career sharing sessions	Mega Securities' lecturers guide young people to learn correct financial knowledge through practical teaching and share their own experiences, and strengthen their awareness of preventing investment fraud. The "Financial Knowledge Seminars for Colleges" are held with the TABF, and the Financial Knowledge Seminars focusing on the practices of investing international bonds are also held.	<ul style="list-style-type: none"> <li>In 2023, Mega Securities and the TABF jointly organized four sessions of "Financial Knowledge Seminars for Colleges," benefiting a total of 271 college students. Furthermore, Mega Securities was also invited to lecture on the practice of international bond investment at Fu Jen Catholic University with 85 students attended.</li> </ul>



Corporate Visit in Providence University



Corporate Visit in Soochow University

## 5.1.5 Talent training

Mega Securities emphasizes the importance to education, training and talent development, and actively strengthens on-the-job training for directors, supervisors and employees. Pursuant to the "Sustainable Development Best Practice Principles" of Mega Holdings (applicable to Mega Securities), sustainable development is incorporated into the Company's operating activities and development directions, and the specific promotion plans for sustainable development are approved, with the education and training to promote sustainable development advisable to be held regularly, or participation in external trainings. The Regulations of Continuing Education Related to ESG of Mega Group also specify the required hours of annual continuing education by directors, supervisors, personnel ranked as manager or above, and general employees (3, 6, and 3 hours, respectively), as well as the extents of the same. Mega Securities budgets the annual education and training budget (NT\$7,979 thousand in 2023), approved by the Board of Directors. The Sustainable Development Committee promotes and coordinates the education and training with relevant departments, and organizes various education and training and voluntary learning in the format of internal or external training according to different functions. In addition to assigning employees to participate in various qualification acquisition and statutory education training courses and statutory education and training courses (including on-the-job trainings of futures, securities, and sub-brokerage, trust, and related pre-job trainings, regulations related to anti-money laundering and counter terrorism financing, Personal Data Protection Act, information security, Ethical Corporate Management Best Practice Principles, Principles for Fair Customer Treatment, Financial Consumer Protection Act, and Volcker Act) as the compliance with the regulatory requirements, through the establishment of digital learning platforms and depending on the business requirements and evolution of financial situations, the Company also arranges lecturers to conduct internal education and training for employees to continue to develop their functions and stimulate their potential. In 2023, Mega Securities conducted a total of 950 sessions of education and training courses, divided into three categories: E (environment), S (social), and G (governance). The total number of training hours for employees was 77,168 hours, and the average training hours for employees was approximately 50.87 hours, an increase of about 25% from the average of 40.81 hours in 2022. Please refer to Appendix 8.1.2 Social Indicator Data for the hours of employees' education and training, and 7.1.2 Operations of the Board of Directors for the hours of education and training for directors and supervisors.

## Functional training

Management training	Professional training	General training	Voluntary learning
<p>Workshops for Middle and Senior Executives:</p> <ol style="list-style-type: none"> <li>1. Consensus Camp</li> <li>2. Course for Middle and Senior Executive - Employee Care and Communication</li> </ol>	<ul style="list-style-type: none"> <li>• Annual training plans: <ol style="list-style-type: none"> <li>1. ESG sustainability courses</li> <li>2. Safety and health education and training</li> <li>3. Information security online education and training</li> <li>4. Principle for Financial Service Industries to Treat Clients Fairly</li> <li>5. Online courses on anti-money laundering and countering terrorism financing</li> <li>6. Education and training of email alertness testing</li> <li>7. Financial Friendliness Service Online Training of the Channel Business Group</li> <li>8. Financial consumer protection_promotion on fair customer treatment to the elderly and mental/physical challenged</li> <li>9. Ethical Corporate Management Best Practice Principles, Personal Data Protection Act, whistleblowing system, and Sexual Harassment Prevention Regulations</li> </ol> </li> <li>• Professional competency training: <ol style="list-style-type: none"> <li>1. Corporate Governance_Competition for Corporate Talent</li> <li>2. Corporate Governance_AI Thinking and Digital Transformation</li> <li>3. Scenario-based online test on brokerage regulations</li> <li>4. ESG fair customer treatment Ethical_Accountability System Seminar</li> <li>5. The online test on the regulations for preventing/avoiding copy trading and conflicts of interest for brokerage business in the first and second half of the year</li> <li>6. Statutory training courses (securities, futures, fund regulations, Money Laundering Control Act, trust, ESG sustainability courses, and wealth management)</li> </ol> </li> <li>• What's New on Financial Regulations: <ol style="list-style-type: none"> <li>1. Business promotion seminar for senior executives of securities brokers and proprietary traders</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Orientation: <ol style="list-style-type: none"> <li>1. Quarterly training for new recruits</li> </ol> </li> <li>• Trainings of labor laws and regulations: <ol style="list-style-type: none"> <li>1. Pushes of labor laws and regulations</li> <li>2. Gender equality promotion</li> <li>3. Online education and training on workplace sexual harassment prevention mechanism</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Digital learning platforms (e.g. Hami Bookstore): <ol style="list-style-type: none"> <li>1. Push of healthcare promotion</li> </ol> </li> <li>• Subsidies for professional license: <ol style="list-style-type: none"> <li>1. Digital learning resources in Hami Bookstore</li> <li>2. Intranet of Mega Securities -168 Elite Academy</li> <li>3. Mega Securities official website (Wealth Management Website) - Online education platform</li> </ol> </li> </ul>

## Subsidies for licenses

Mega Securities encourages employees to participate examinations of relevant professional licenses or qualification, and subsidizes full or partial registration fees and license fees for employees. The related licenses include analyst, accountant, financial planning consultant, financial analyst, financial risk manager, international risk manager, Teachers, etc. In 2023, a total of 11 employees were subsidized for professional license, for NT\$34 thousand. For detailed information on professional license subsidies, [please refer to Appendix 8.1.2 Social Indicator Data.](#)

## Professional talent training program

In order to actively strengthen the education and training of the employees, and provide them with a development environment and resources suitable for their talents and positions, Mega Securities offers lectures from time to time depending on business needs and changes in the financial situation (pushes of labor laws, promotion of health care, and pushes of gender equality promotion, and education and trainings of workplace sexual harassment prevention mechanisms). In addition, Mega Securities also sends employees to participate in professional training courses and explanatory seminars offered by external organizations.

Items of Training Program Outcome	Participants/hours/amount	
Course for Middle and Senior Executive - Employee Care and Communication	Number of trainees	85
	Training hours per person	6
	Expenses invested (NT\$)	311,667
Workshops for Middle and Senior Executives - Workshop of Dialogue with Darkness	Number of trainees	111
	Training hours per person	8
	Expenses invested (NT\$)	1,162,531
ESG Sustainability Course - Accountability System	Number of trainees	138
	Training hours per person	3
	Expenses invested (NT\$)	60,000



Program Description	Training target	Training benefits				
		Number of employees trained in 2023	Cumulative number of employees trained	Number of unit head appointment	Percentage (%)	Trainee satisfaction
<b>Course for Middle and Senior Executive - Employee Care and Communication:</b> To establish the habit of caring for and interactions with employees by the heads of departments and managerial officers of branches every day, increase mutual trust, and improve employees' self-performance and team loyalty.	Middle and senior executives	85	85	85	100	4.67 (out of 5 points)
<b>Workshops for Middle and Senior Executives:</b> To make the officers at all levels company-wide form the loyalty, and work hard for the goals for 2023. It is sought that after participating in the event, officers at all levels can communicate more efficiently and form consensus in the future work, to accelerate the efficiency of team operations, and exert the power of the team.	Middle and senior executives	111	111	103	93	4.83 (out of 5 points)
<b>ESG Sustainability Course - Accountability System:</b> In accordance with the Group's ESG education and training regulations (three hours for directors and supervisors/ six hours for managers/ three hours for general employees), courses of E (environment), S (social) and G (governance) are held every year, and at least one course is about the sustainability trend, to make ESG become a DNA of each employee.	All employees	138	138	87	63	4.5 (out of 5 points)



Course for Middle and Senior Executive - Employee Care and Communication



Workshops for Middle and Senior Executives - Workshop of Dialogue with Darkness



## 5.1.6 Rotation and evaluation

### Performance appraisal

In order to achieve organizational performance goals and explore the potential of employees, Mega Securities has formulated the "Rules of Employee Performance Appraisal" to establish a fair and equal performance appraisal system. Performance appraisal is divided into four categories, namely "goal-oriented management appraisal," "department and team performance evaluation," "agile dialogue," and "ranking appraisal."

Performance Appraisal Mechanism	Mechanism summary	Execution frequency
<b>Goal-oriented management</b>	The employee performance appraisals are conducted at the end of each year. Officers at all levels review the achievement status of goals and key performance indicators, based on their employees' daily work performance, and appraise such individually according to the principles of fairness and equality, with the rigorous operating process. Except for the employees in probation and employees reinstated in the same year, all employees are subject to appraisal, and the performance appraisal results will serve as the basis for employee reward and promotion.	Once a year
<b>Department and team performance evaluation</b>	Departments and teams conduct regular performance evaluations, to improve their management functions and evaluate their operational performance.	Once a year
<b>Agile dialogue</b>	Officers and employees discuss to jointly set work goals; it is required to name(s) of the employees with lower performance achievement rate and poor work performance, and unsuitable employees in the project appraisal form and urge them to improve through continuous conversations.	Four times a year or more
<b>Ranking appraisal</b>	It refers to that in specific businesses, such as wealth management and credit card promotion, the employees are ranked according to their performance in specific services, they are motivated for the better performance via the approach to distribute bonuses based on the ranking.	Once a year

### Internal rotation

The purpose of personnel rotation is to cultivate all-rounded talents in the financial business, increase employees' interest in work, stimulate their work potential, and achieve the goal where the personnel management is suitable for both talents and position. According to the "Regulations Governing the Reappointment of Employees," Mega Securities divides the rotation adopted for employees into two categories: self-initiated transfer and designated transfer. The internal rotation mechanism allows



employees to be suitable for their talents and position, retains outstanding talents, with supports to each other if the business is busy or short manpower. Relevant transfer operations were handled by complying with the "Five Principles of Transfer" stipulated in laws and regulations. In 2023, the ratio to fill internal job vacancy based on the ranking appraisal is 35.5%.

#### Internal promotion and transfer mechanism

Number of internal promotions in the year		52
	Management roles	52
Number of vacancies filled by internal employees of the Group in the year	Non-management roles	35
	Total	87
Total number of vacancies for the year (Note 1)		245
Internal vacancy filling rate (%) (Note 2)		35.5
Internal management vacancy filling rate (%) (Note 3)		21.2
Internal non-management vacancy filling rate (%) (Note 4)		14.3

**Note:** 1. The number of vacancies in the current year includes the number of voluntary transferees and the number of new recruits in the same year.

2. Internal vacancy filling rate (%) = (number of vacancies filled by internal employees in the year/number of all vacancies in the same year) x 100%

3. Internal management vacancy filling rate (%) = (number of management vacancies filled by internal employees in the year/number of all management vacancies in the same year) x 100%

4. Internal vacancy fill rate for non-management positions (%) = (number of non-management vacancies filled by internal employees in the year/number of all vacancies in the same year) x 100%

## 5.1.7 Employee engagement survey

To enhance employee engagement and improve the workplace atmosphere, Mega Securities conducts an annual employee engagement survey. The survey includes the following dimensions: engagement, feeling in the work, willingness to act, and policy atmosphere. The dimensions of each issue are as follows:

<b>Employee engagement survey</b>	Job requirements, contributions made, sense of belonging, opportunities for growth
<b>Feeling in the work</b>	Work engagement, job satisfaction, job competence
<b>Willingness to act</b>	Willingness to work overtime and stay in the Company
<b>Policy atmosphere</b>	Encouragement of expression, positive feedback, reasonable work distribution, adequate training, adequate communication and coordination, harmonious relationship, fair distribution of rewards, accountability, suitable promotion channels, adaptation to job adjustments and regulatory updates, adaptation to generational differences

### Survey results

The engagement survey was conducted by using a 5-point scale. The options on the 5-point scale were Strongly Agree, Agree, Average, Disagree, and Strongly Disagree. For the “actively engaged employees,” the watershed for highly scored group is three points (out of five points), to calculate the highly scored groups in the Company at different dimensions. According to the survey results, the proportion of employees actively participating in the aspect of engagement has increased from 90.6% in 2021 to 95.4% in 2023, indicating that since 2021, employees have actual improvements in terms of job requirements, contributions made, sense of belonging, and growth opportunities.

Item / Year	2021	2022	2023
<b>Number of Replies</b>	1,496	1,470	1,507
<b>Questionnaire coverage rate (%)</b>	100.00	96.33	98.88
<b>Percentage of employees actively participating (%)</b>	90.6	91.1	95.4

Managerial positions have higher scores than non-managerial positions, indicating that the higher the job rank, the higher the engagement scores.

Item / Year		2021		2022		2023	
		Number of samples	Score	Number of samples	Score	Number of samples	Score
Employee engagement survey	Female	984	3.63	966	3.64	966	3.85
	Male	512	3.68	504	3.77	541	3.96
Position	Management roles	200	3.78	211	3.83	217	3.99
	Non-management roles	1,296	3.63	1,259	3.66	1,290	3.87
Total		1,496	3.65	1,470	3.69	1,507	3.89



## 5.2 Happy Workplace

### 5.2.1 Remuneration and benefits

Mega Securities grants different basic salaries to new recruits based on their level of duty, without difference based on factors such as gender, age, race, religion, political stance, marital status, organization affiliation, among other things. The basic salaries of new recruits in the Company comply with the minimum wage standards in Taiwan. Since then, various performance-based bonuses are distributed, with promotions and raised salary based on the performance appraisal every year, to differentiate the remuneration of each employee.

Employees' annual incomes include monthly salary and year-end bonus, performance bonuses and employee remuneration based on the performance of the year are also distributed. The employees with excellent performance will have salary adjustment to retain outstanding talents.

#### Ratio of basic salary and remuneration of women to men

Unit: NT\$

Basic salary			
Employee Category	Female	Male	Pay ratio by gender (female:male)
Management roles	1,402,873	1,434,113	0.98
Non-management roles	837,207	799,288	1.05
Total remunerations			
Employee Category	Female	Male	Remuneration ratio by gender (female:male)
Management roles	2,554,253	2,824,450	0.90
Non-management roles	1,093,649	1,086,768	1.00

**Note:** The calculation is based on the in-service employees of Mega Securities as of December 31, 2023, and annualized relevant remuneration data. The remuneration data is calculated on an accrual basis according to the Taiwan Stock Exchange's salary calculation regulations for full-time employees of non-managerial positions. The basic remuneration information is calculated based on the average figures, and the total remuneration includes the employee's salary, bonus (year-end bonus, performance bonus, and employee remuneration) and overtime wages (including overtime wages for not taking leave).

#### Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Item	2021	2022	2023
Number of full-time employees not in managerial positions	1,354	1,342	1,339
Mean of annual salary for non-managerial full-time employees (NT\$)	1,303,149	983,950	1,122,043
Median of annual salary for non-managerial full-time employees (NT\$)	1,060,630	812,533	941,462

#### Gender differences in the mean and median of employee remunerations and bonuses

Gender difference in the mean of remuneration	14.12%
Gender difference in the median of remuneration	8.84%
Gender difference in the mean of bonus	11.17%
Gender difference in the median of bonus	11.63%

**Note:** 1. Ratio of (male' s data - female' s data)/male data.

2. The calculation is based on the in-service full time employees of Mega Securities for full six months as of December 31, 2023, and annualized relevant remuneration data.

3. The remuneration data is calculated on an accrual basis according to the Taiwan Stock Exchange's salary calculation regulations for full-time employees of non-managerial positions. The remuneration includes the employee' s salary, bonus (year-end bonus, performance bonus, and employee remuneration) and overtime wages (including overtime wages for not taking leave).

In addition to generous salaries, year-end bonuses, performance bonuses, and employee remuneration, Mega Securities also provides excellent employee benefits, including life/medical/disability insurance, maternity leave/paternity leave/family care leave, and consolation and care for retirees, among other retirement programs, as well as the shareholding trust, subsidies to weddings/funerals/celebrations/birth/injuries and illness/travel/clubs, for the comprehensive cares to the employees.

## Support for family and childcare



### Blessings for getting married

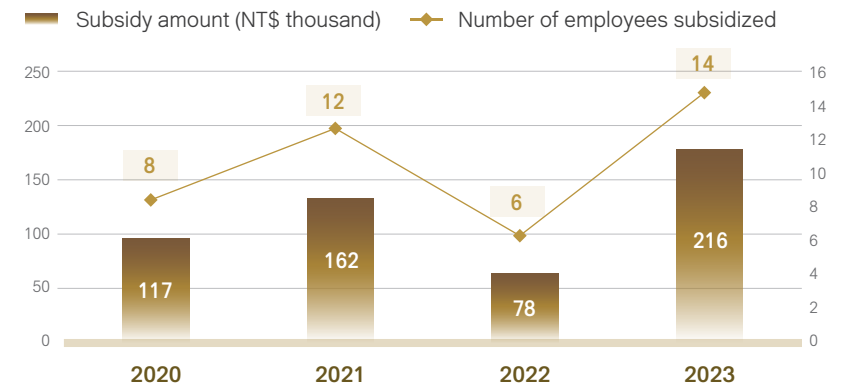
To support the governmental policy of encouraging people of the marriageable age to get married, Mega Securities provides a wedding subsidy of NT\$12,000 per person (superior than the law) to reduce the burden on employees for starting a family. Eight days of marriage leave are given to newly wed employees, and the marriage subsidy has been increased year by year. In 2023, a total of 14 people applied for wedding subsidies, and the amount of subsidies exceeded NT\$216 thousand.



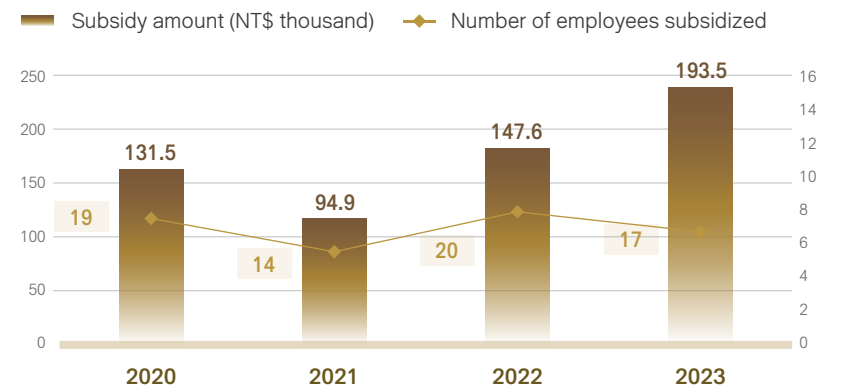
### Provision of birth support

To encourage employees to give birth with peace of mind, and to reduce the burdens during the pregnancy, Mega Securities has established the "Procedures for Cash Gifts from Supervisors for Weddings and Funerals" and the "Regulations of Employee Attendance Management," to provide employees with maternity leave, prenatal checkup leave, and paternity leave; in addition, since 2023, the allowance for each child born to the employee or his/her spouse will be adjusted from NT\$3,600 to NT\$8,000 (17 employees applied in total), and the Employee Welfare Committee will pay an additional NT\$5,000 per child (11 employees applied in total). The total amount was NT\$193,500. Female employees or spouses of male employees who are pregnant for at least six months are given an expectancy packs and gift boxes for newborn, along with greeting cards from the chairperson and the general manager. (Providing childbirth subsidies/health-related guidance and consultation services to pregnant employees /evaluating the working environment of pregnant employees, and adjusting work contents in a timely manner)




### ◆ Wedding subsidy statistics



### ◆ Maternity subsidy statistics





 <p><b>Provision of birth support</b></p>	<p>I. Female employees may apply for maternity leave pursuant to the following regulations:</p> <p>(I) An employee who gives birth with pregnancy over six months, shall be granted maternity leave for eight weeks starting from around the time of the childbirth.</p> <p>(II) An employee having miscarriage with pregnancy over three months, shall be granted maternity leave for four weeks</p> <p>(III) An employee having miscarriage with pregnancy over two months but under three months, shall be granted maternity leave for seven days.</p> <p>(IV) An employee having miscarriage with pregnancy less than two months, shall be granted maternity leave for five days</p> <p>II. Seven days of maternity checkup leave are given to female employees during the pregnancy.</p> <p>III. An employee is given seven day of paternity leave while accompanying the spouse for a pregnancy checkup or childbirth.</p>
 <p><b>Become a supporter of childcare</b></p>	<p>Mega Securities provides employees with a comprehensive parental leave system. For employees who meet the "Act of Gender Equality in Employment" and other relevant regulations, pursuant to the "Regulations of Employee Attendance Management" and the "Regulations for Employee' Unpaid Leave Management," upon full six months of service, the employees are entitled to apply for the unpaid parental leave for each child before three years old, until such child reaches the age of three, but the duration shall not exceed two years. Where two or more children are raised at the same time, the periods of unpaid parental leave shall be aggregated, and the longest duration is two years for the youngest child being raised. The duration of each application shall be no less than six months. However, employees with needs for less than six months may apply to Mega Securities for a period of no less than 30 days, but no more than two applications. Mega Securities has set up breastfeeding rooms in its office building to provide mothers with an independent and comfortable breastfeeding space to reduce inconveniences.</p> <p><b>Providing childcare subsidies/setting up breastfeeding rooms at the workplace</b></p>
 <p><b>Work-life balance</b></p>	<p>Mega Securities has implemented a flexible working hour system. When employees are in need of childcare or elder care, they can flexibly adjust their time to arrive and leave the office. Mega Securities has also formulated the "Regulations Governing the Concurrent Employment or Concurrent Position of Sales Personnel" to provide options for concurrent employment and concurrent positions to sales personnel. In addition, when an employee shall take care of family members in person due to vaccination, serious illness, or other major accident, he/she may apply for the family care leave. The number of days of leave applied is included in the calculation of personal leave, and is limited to seven days in a year. For the calculation of wages during the family care leave, the regulations of personal leave shall apply.</p> <p><b>Flexible working hours / flexible leave</b></p>

## Protection of retirement life

For employee retirement planning, Mega Securities has formulated the "Regulations of Employee Retirement" pursuant to the "Labor Standards Act" and the "Labor Pension Act". In addition, a preferential retirement arrangement is provided for employees whose years of service plus their actual age reach 65 years old. Employees themselves may choose whether to continue to be covered by the group insurance of Mega Securities, but they shall pay the premium in full amount. To increase employees' loyalty to the Company, improve work performance and enhance harmony in labor-management relations, while achieving long-term savings, accumulating wealth, and protecting employees' lives after retirement, the Joint Employee Shareholding Trust Committee of Mega Securities Co., Ltd. was established in 2023, with the

"Joint Employee Shareholding Trust Committee of Mega Securities Co., Ltd." in place. All employees are entitled to the employee shareholding trust benefit policy.

<b>Company's contributions to employee pensions</b>	Except for the appointed managerial officers and those for which the Labor Retirement Act applies, the Company contributes the employee pension every month based on the contribution rate of the year determined by the actuarial net pension cost for the year and within the range of 15% of the total salary, to be deposited in the dedicated account of Labor Retirement Reserve, overseen by the Labor Retirement Reserve Supervisory Committee.
<b>Retirement System under the Labor Standards Act</b>	The Company contributes to the Labor Retirement Reserve Fund on a monthly basis according to the contribution rate estimated in the actuarial report, and has established a Labor Retirement Reserve Fund Supervisory Committee pursuant to the laws and regulations to supervise the contribution and utilization of the reserve fund.
<b>Retirement System under the Labor Pension Act</b>	The Company allocates 6% of personal salary monthly to the individual pension account opened with the Labor Insurance Bureau.
<b>Employee shareholding trusts</b>	In order to effectively cohere employees' loyalty and create a sense of belonging to the Company, as well as implement ESG employee care as a sustainable action, the "Joint Employee Shareholding Trust Committee of Mega Securities Co., Ltd." was established for employees' shareholding trust, and partial trust fund is subsidized by the Company.

## 5.2.2 Occupational health and safety

In order to ensure the safety and health of employees at work, create a healthy and safe work environment for employees, jointly create employee welfare, promote labor-management coordination and harmony, and improve work quality, Mega Securities has established an occupational safety and health management system to enhance the autonomous management, continuously improve occupational safety and health performance, reduce occupational disasters, protect labor safety and health, and establish the Manual of Occupational Health and Safety. Mega Securities has formulated the "Occupational Safety and Health Management Plan" pursuant to "Occupational Safety and Health Act" of Taiwan and other relevant regulations, to identify, assess, and control workplace or occupational hazards, while strengthening the employee safety and health education and training, to reduce and prevent related risks from progressing.

Mega Securities has established the relevant policies and regulations pursuant to ISO 45001 Occupational Safety and Health Management System. In the "Manual of Occupational Health and Safety" of Mega Securities, the guidelines of Occupational health and safety are stipulated, as well as the operating regulations such as "Regulations for Sections of Occupational Health and Safety Organization and Risk Management" and "Regulations for Identifying Occupational Health and Safety Hazards and Risk Assessment."

Mega Securities has established the Occupational Safety and Health Promotion Team, to deliberate and supervise employee health and safety-related plans. The scope of the occupational safety and health management system covers the full-time employees, excluding temp workers from dispatch companies. However, in order to protect the occupational safety of temp employees, Mega Securities has also formulated relevant regulations to govern. For example, in the "Regulations of Safety and Health Management in Operating Environment for Contractors Contracted to Various Business," it is required to specify in the contract terms and conditions, that the contractors shall follow the regulations related to occupational health and safety management of Mega Securities, and sign the Information Sheet of Operating Environment and Hazardous Factors for Contracting/Outsourcing. When Mega Securities outsources various businesses to contractors, the contractors shall be informed in advance of the working environment and potential hazards at the construction site, to ensure the safety and health of workers.

The Mega Securities Headquarters Building passed the "ISO 45001 Occupational Safety and Health Management System" certification in 2023, and plans to expand the scope of the certification every year to apply to all workplaces and cover all employees. Please refer to Appendix 8.3 External Independent Assurance Statement for the detailed certification information.



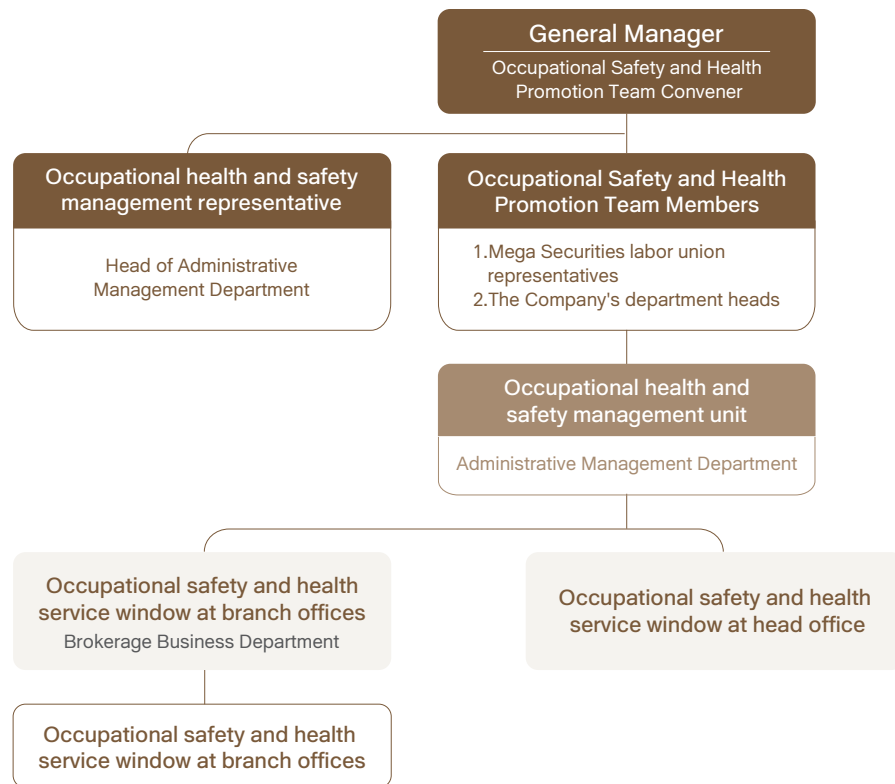
Mega Securities introduced the ISO 45001 management system in early 2023, and established the occupational safety and health promotion team. The General Manager personally supervises the department heads to establish occupational safety and health policies, related systems, and implement the specific measures, to create a safe, healthy, and friendly workplace environment.

### Occupational Health and Safety Promotion Team

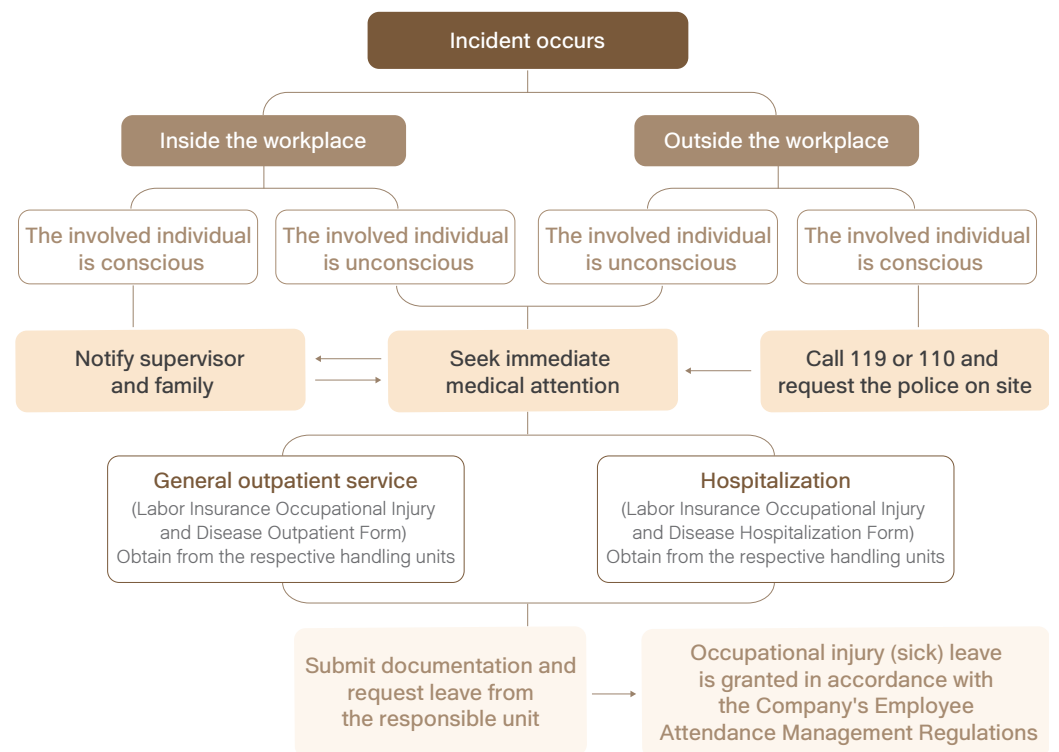
The General Manager of Mega Securities is the convener of the Occupational Safety and Health Promotion Team, and serves as the ex-officio chair of the team meetings. The member of the promotion team consists of four representatives from the labor union of Mega Securities and the department heads of Mega Securities, for discussing, coordinating, and

planning jointly the safety and health regulations, implementing the safety and health education and training programs and management matters. The Occupational Safety and Health Promotion Team convenes at least one meeting every quarter, and may convene meetings at any time as needed. A total of four meetings were convened in 2023.

#### ◆ Occupational Health and Safety Management System Framework



#### ◆ Occupational Disaster Handling Flowchart



## Occupational Health and Safety Training Plan

In response to the "Occupational Safety and Health Act," Mega Securities has deployed security staff or stationed security guards in each office building, and established a 24-hour monitoring system to filter accessing people and handle the emergency situations. Mega Securities promotes various occupational safety and health training programs, including training for occupational safety and health managers, training for fire fighting management personnel, and training for first-aiders, to ensure the implementation of workplace safety. To prevent the occurrence of emergencies, Mega Securities organizes education and training on a regular basis, and organizes fire fighting and disaster prevention training courses every six months, to strengthen employees' ability to handle emergencies through on-site operation and drills. In 2023, there was no penalty incident for Mega Securities by violating the "Occupational Safety and Health Act."

Item	2023		First aid in the workplace and labor safety measures
	No. of people	Total hours	
Training for occupational safety and health manager	73	1,632	<ul style="list-style-type: none"> <li>• Installation of the automated external defibrillator (AED)</li> <li>• Installation of first aid medicine and equipment</li> <li>• Fire and disaster prevention equipment</li> <li>• Fire and disaster prevention drill</li> </ul>
Fire fighting management personnel	6	42	
First aid training	36	186	
Training of ISO 45001 Management Systems	3	18	
General personnel (3-hour statutory occupational health and safety on-the-job education and training once every three years)	1,580	1,580	

## Health promotion and workplace with peace of mind

In order to promote the physical and mental health of employees, build a safe workplace, and prevent the impact on health of employees from the stress of modern life or work, Mega Securities hires a full-time nurse and provides on-site physician services on a regular basis, provides health examination subsidies, and arranges the employee assistance program (EAP), to promote the physical and mental balance and health of employees.

## Workplace Health Promotion Program

Health Solutions	Solution Description	2023 Program Performance
<b>1. Health lectures</b>	The Company regularly organizes health lectures to raise employees' health awareness, and invites relevant professional lecturers to come to the Company to give on-site lectures.	<p>A total of four sessions of the Employee Health Care Lecture Series were held:</p> <ul style="list-style-type: none"> <li>• With the topics of “Lung Adenocarcinoma” , “Walking Techniques and Basic Aerobics” , “Stress Relief” and “Slow Jogging,” benefited 152 participants.</li> </ul> <p>A total of four sessions of the Female Care Lecture Series were held:</p> <ul style="list-style-type: none"> <li>• The topics were “Female Dietary and Nutritional Health - Eat Well to Look Well” , and “Female Cancer Risks and Prevention,” benefited 52 participants.</li> </ul>
<b>2. Psychological counseling (EAP)</b>	Since late 2019, we began to engage a professional psychological counseling agency every year to provide employee with psychological counseling service. The employees may choose among the 0800 counseling phone, e-mail counseling, or one-on-on in-person counseling, to seek the counseling service from the professional psychiatrist, as a channel to relieve stress, communicate, and solve problems.	<ul style="list-style-type: none"> <li>• Number of customers for 0800 counseling services: four</li> <li>• Number of customers for face-to-face counseling: one</li> </ul>
<b>3. Professional health counseling</b>	We hire full-time nurses and provide stationed physician with regular on-site services, including employee health consultation, simple injury and illness treatment, emergency medical treatment, and employee protection plans. Physicians and nurses are regularly invited to provide on-site health counseling services for employees. The nurses plan and execute health lectures and health promotion activities, track and care for employees with high-risk, provide resources related to pregnancy and postpartum care for female employees or spouses of male employee, and conduct regular health promotion and pushes.	<ul style="list-style-type: none"> <li>• Organized four on-site clinical counseling services that benefited 20 people.</li> </ul>
<b>4. Operating environment inspection</b>	In order to maintain a safe workplace environment for employees, and ensure indoor air quality, carbon dioxide detection is carried out on a regular basis pursuant to the law.	<ul style="list-style-type: none"> <li>• Carbon dioxide and illuminance are tested once every six months. Where the measured values of the carbon dioxide concentration were all less than 5000PPM, and the measured values of the general office illumination is above 300 m candela. The measured results meet the legal requirements.</li> </ul>
<b>5. Employee health insurance</b>	<p>All on-service employees are entitled to group insurance (medical insurance and accidental injury insurance).</p> <ol style="list-style-type: none"> <li>1. Medical insurance (NT\$2,500 per day for hospitalization, or NT\$60,000 for medical expenses, NT\$80,000 for surgery expenses, or reimbursed as paid, whichever is better), term life insurance (24 times of the salary)</li> <li>2. Accidental injury insurance (maximum NT\$20,000 per accident), term life insurance (24 times of the salary)</li> </ol>	<ul style="list-style-type: none"> <li>• Total premiums paid in 2023: NT\$12,904,652 for medical insurance and NT\$598,495 for accidental injury insurance;</li> <li>• Number of beneficiaries (as of December 31, 2023) 1,520</li> </ul>



### Safe Workplace Events

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Health lectures</li> <li>• Health checkup (the health checkup of Math Securities is once every two years; for statistics on the number of people undergoing health checkup, please refer to Appendix 8.1.2 Social Indicator Data )</li> <li>• Psychological counseling (EAP)</li> <li>• Physical activities (the theme is "basic muscle strength exercises," as the office work requires sitting for a long time, skeletal muscle problems may be caused. Through basic muscle strength training, the strength and endurance of basic muscle groups may be enhanced, to build a balanced body strength and improve the body functions. A total of seven sessions were conducted, with a total of 148 beneficiaries)</li> <li>• Employee health insurance</li> <li>• Established the breastfeeding rooms (in the headquarters and renovated in 2023, for creating a warm and friendly breastfeeding spaces</li> </ul> | <ul style="list-style-type: none"> <li>• Building a smoking-free workplace</li> <li>• Barrier-free facilities installed</li> <li>• Detection in workplace (Carbon dioxide and illuminance are tested once every six months. Where the measured values of the carbon dioxide concentration were all less than 5000PPM, and the measured values of the general office illumination is above 300 m candela. The measured results meet the legal requirements)</li> <li>• Stationed physicians or on-site counselling service: (organized four on-site counseling services by physicians that benefited 20 people)</li> <li>• Appointment of nurses (the nurses plan and execute health lectures and health promotion activities, track and care for employees with high-risk, provide resources related to pregnancy and postpartum care for female employees or spouses of male employee, and conduct regular health promotion and pushes)</li> </ul> |
|---|---|

## Prevention of occupational disasters

### Four major protection programs

For the four major protection programs (prevention of ergonomic hazards, prevention of abnormal workload-induced disease, prevention of illegal infringement, and maternal health protection) regulated by the "Occupational Safety and Health Act" of Taiwan, Mega Securities uses the digital learning platform to send relevant questionnaires, or on-site visiting inspections for identification of hazards and assessment of risks

#### Four major protection programs



##### Prevention of ergonomic hazards

###### Description

In 2022, Mega Securities conducted a musculoskeletal questionnaire at the time of employees' health checkup. The completion rate of the questionnaire was 99.4%. The on-site physician and nurses visit the working environment and arrange counselling, to provide health guidance and health education information. In 2023, it was planned to stretch for 10 minutes per working day, to reduce musculoskeletal-related problems caused by sitting for a long period.

###### Implementation results

1,254 valid musculoskeletal questionnaires were completed in 2022



##### Prevention of diseases caused by abnormal workload

###### Description

In 2022, Mega Securities conducted a abnormal workload risk assessment questionnaire at the time of employees' health checkup. In 2023, through questionnaire results analysis, the follow-up care and health education information were provided to employees with high risk, and the counselling from on-site physician was arranged, health instruction and health education information were given, and the work suitability was adjusted.

###### Implementation results

1,254 valid abnormal workload risk assessment questionnaires were completed in 2022.



##### Prevention of illegal infringement when performing duties

###### Description

In 2023, Mega Securities introduced the "Program to Prevent Illegal Infringement When Performing Duties" in the quarterly employee education and training courses, and a written statement prohibiting workplace unlawful infringement was posted on the Company's intranet.

###### Implementation results

In 2023, one case of workplace illegal infringement was reported. Upon receipt of the complaint, the ad hoc team and the labor union investigated jointly, and the complainant's seat was changed. The case has been closed.



##### Maternity health protection

###### Description

Mega Securities has combined the Attendance Management System of the Human Resources to create a follow-up care list. The nurses and on-site physicians conduct the follow-up care, and provide information such as health guidance and benefit measures during and after pregnancy, and breastfeeding, to implement the maternal health protection at the workplace.

###### Implementation results

In 2023, 9 pregnant and postpartum female employees and spouses of male employee were cared.

## Work-related injuries

Mega Securities is committed to creating a friendly workplace environment. We continuously optimizes employee health care and workplace safety measures every year, and values the workplace safety. In 2023, the employee's occupational injury rate was 0.33, and the lost days ratio was 0.17. In 2023, where the occupational injury was mainly caused by an employee while performing duties, or the accident occurred on the way between the residence and office and caused injury, the incident investigation mechanism was activated in the both cases, to take the initiative to investigate the causes of the incident and care for their health. Depending on the injury, the assistance to apply for outpatient for occupational injury, hospitalization, claims of injury/illness/disability were given pursuant to the labor insurance relate regulations, and the official injury/illness leave was granted. The nurses tracked the health condition of the employees after the incident, so that the victims really feels the care and love from the Company.

### Statistics of work-related injuries

Item	2023
Occupational injury rate (IR)	0.33
Severe occupational injury rate	0
Percentage of fatalities due to occupational injuries	0
Lost days rate (LDR)	0.17
Absenteeism rate (AR) (%)	0.193

**Note:** 1. Occupational injury rate (excluding personal traffic accidents of employees during commute) = (No. of people injured × 1,000,000)/total No. of hours worked.

2. Percentage of severe occupational injuries (excluding fatalities) = (No. of severe occupational injuries × 1,000,000)/total No. of hours worked.

3. Death rate due to occupational injuries = (Number of fatalities due to occupational injuries × 1,000,000)/total No. of hours worked.

4. Lost days rate = (No. of working days lost × 1,000,000)/total No. of hours worked.

5. Absenteeism rate (%) = (total days absent/total man-days) × 100%.

6. Please refer to Appendix 8.1.2 Social Indicator Data for detailed occupational injury statistics.

## 5.3 Human Rights Protection

To protect the fundamental human rights of employees, suppliers, business partners, and other stakeholders, Mega Securities has established the "Human Rights Policy" by referring to the "Universal Declaration of Human Rights Poster of UN," "Global Compact of UN," "International Labor Organization of UN" and the "United Nations Guiding Principles on Business and Human Rights" and other relevant regulations; the Company is committed to creating a friendly workplace diverse and equal, and promote the sustainable development of society as a whole. By establishing a human rights risk due diligence process, we assess our operations and value chain, to investigate whether there are human rights-related risks to effectively mitigated the potential human rights impacts. In order to embed the concept of human rights protection in the daily operations, Mega Securities conducts human rights education and training for all full-time employees every year.

### Mega Securities launched its first gender equality video



Mega Securities has adhered to the strategic direction of Mega Group, and has long valued employees' welfare, and monitored gender equality, to create a high-quality occupational safety environment. We have highlighted the image of a happy corporate company through gender equality videos, and supported a gender-friendly workplace. We have continuously received recognition from multiple awards; in 2023, the Company won the TCSA Taiwan Enterprise Sustainability Award and the Award for Gender Equality Leadership," and the Gold Award of Happy Enterprise in the 1111 Job Bank for the third consecutive time.

#### Case

**Employee complaint hotline** 02-23278988 ext. 7885

**Employee complaint email** HR7885@megasec.com.tw

#### Human rights issue management guidelines

The Company continuously monitor the international human right trends; by establishing a human rights risk due diligence process, we assess our operations and value chain, and new business relationships, e.g. M&A and joint ventures, to investigate whether there are human rights-related risks to effectively mitigated the potential human rights impacts.



The Company formulates mitigation and improvement measures for the material human rights risks identified, and the compensation for risks that cannot be completely eliminated.



The Company continuously promotes employee human rights education, deepens the employees' awareness of human rights, and understands their rights and complaint filing channels



#### Human Rights Policy



#### Anti-discrimination and Anti-harassment Principles



#### Regulation for Prevention of Sexual Harassment in the Workplace

### 5.3.1 Human rights due diligence

In order to implement human rights risk management, Mega Securities follows the Group's human rights due diligence process to regularly review the human rights risks of Mega Securities, continuously track international human rights trends, analyze human rights issues that are of concern to sustainability rating agencies, and screen the important human rights issues as the main assessment items. The corresponding evaluation mechanism is designed with "employees" and "suppliers" as the main target of investigation. Mitigation and compensatory measures have been formulated for high-risk human rights issues identified in the investigation, and the improvement results are continuously tracked.

#### Human rights due diligence process



#### Plan | Summary of human rights issues

Scope of investigation	Survey respondents	Policies for compliance	Potential human rights issues	Groups covered by human rights risks	Investigation method
Operation of the Company	Employees	Mega Holding's Human Rights Policy Mega Securities' Human Rights Policy Mega Holdings' Anti-discrimination and Anti-harassment Principles	Maternity protection, workplace inclusion and gender equality (including equal pay for equal work), occupational safety and health, overtime working, privacy, freedom of assembly and negotiation, discrimination and sexual harassment	• Employees of the Company	Human rights due diligence for employees

Scope of investigation	Survey respondents	Policies for compliance	Potential human rights issues	Groups covered by human rights risks	Investigation method
Value Chain	Suppliers	Mega Holding's Human Rights Policy Mega Securities' Human Rights Policy Mega Holdings' Anti-discrimination and Anti-harassment Principles Regulations of Supplier Sustainable Development Management of Mega Securities	Child labor, discrimination, forced labor, human trafficking, equal pay for equal work, freedom of association, right to collective bargaining, occupational safety and health, personal data protection and privacy	<ul style="list-style-type: none"> <li>• Children</li> <li>• Women</li> <li>• Indigenous peoples</li> <li>• Migrant workers</li> <li>• Third-party contracted labor</li> </ul>	Supplier Sustainable Development Self-Assessment Questionnaire

## Do | Human Rights Risk Identification

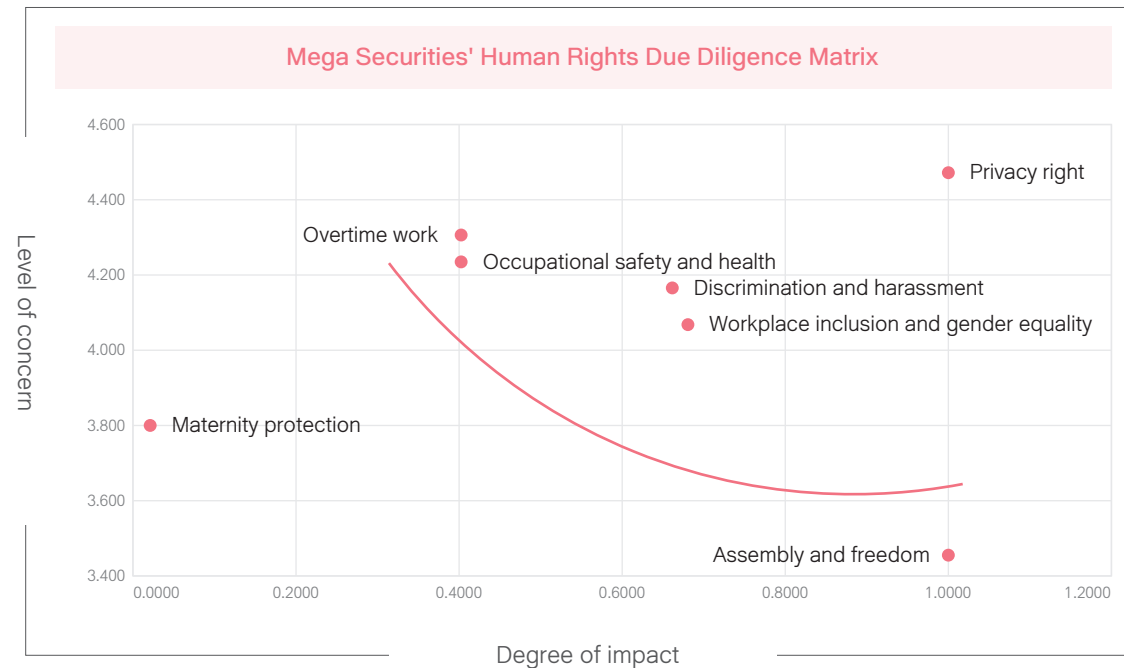
### Employees' human rights risk assessment

In 2023, Mega Securities conducted human rights due diligence on its employees, and identified "workplace inclusion and gender equality," "occupational safety and health," and "overtime working," "privacy right," and "discrimination and harassment" based on the probability of occurrence and severity of each human rights issue, as the high human right risk factors of Mega Securities, while developing the risk matrix of human rights issues for Mega Securities.



## Check & Action | Verification of Identification Results and Compensation for Risk Mitigation

In recent years, Mega Securities has participated in the identification of material human rights issues of Mega Group, reviewed its own operating activities and collected opinions from internal employees on human rights risks. In 2023, through questionnaires, we invited internal employees to conduct human rights due diligence on two aspects: "degree of influence" and "degree of concern". 39 valid questionnaires were collected for drawing the matrix diagram for analysis, and "workplace inclusion and gender equality," "occupational safety and health," "overtime working," "privacy right," and "discrimination and harassment" were the issues with potential risk to Mega Securities' operations, and corresponding human right risk mitigation measures were proposed. Mega Securities' mitigation and compensation measures are applicable to a total of 43 operating sites in Taiwan. In the event of a major human rights incident, compensation measures will be developed according to relevant regulations subsequently.



## Human Rights Assessment of Suppliers

In 2023, the main human right risk factors investigated by Mega Securities to all key suppliers include the labor rights and human rights of the suppliers, "occupational safety and health," while inquiring for any violation of the "Labor Standards Act," "Act of Gender Equality in Employment," "Employment Service Act," "Middle-aged and Elderly Employment Promotion Act," "Occupational Safety and Health Act," "Labor Pension Act," and "Labor Occupational Accident Insurance and Protection Act" by the suppliers through the Inquiry System of Business Unit (Employer) Violating Labor Laws and Regulations by the Ministry of Labor. (please refer to 3.3.1 Supplier Management)

Survey respondents	Total risk ratio (%)	Major risk factors	Risk ratio (%)	Mitigation measures	Compensation measures	Implementation percentage of mitigation and compensation measures
Employees	0.87	Overtime work	0.00	<ol style="list-style-type: none"> <li>1. Reminding employees of monthly attendance through announcements or emails.</li> <li>2. Reminding the off-duty time verbally and systematically, and remind the employees to apply for an extension of working hours in advance and take a 30-minute break if necessary.</li> <li>3. Reminding the officers to allocate work properly, and to advise employees to leave if they stay in the office without overtime required.</li> </ol>	<ol style="list-style-type: none"> <li>1. Provide compensatory leave or overtime wage pursuant to the law.</li> <li>2. Review the overtime status of departments every month.</li> <li>3. Take the initiative to care for the working conditions of employees who often work overtime, and ask their supervisors to make timely adjustments to the work content if necessary.</li> </ol>	100
		Privacy right	0.07	<ol style="list-style-type: none"> <li>1. Establish regulations for protecting privacy rights of employees and customers.</li> <li>2. Employees sign the confidentiality agreement for their clearly understanding of the confidentiality obligation.</li> <li>3. Regularly promote the importance of personal data protection and organize relevant education and training.</li> </ol>	<ol style="list-style-type: none"> <li>1. Pursuant to the Personal Data Protection Act and relevant internal regulations, the emergency notification and contingency measures are adopted.</li> <li>2. For the incidents leaking employee or customer privacy, the punishments linked to remuneration are taken to prevent recurrence.</li> <li>3. Regularly conduct information security audits and internal audits, strictly implement customer privacy right and personal data protection measures, to ensure that the Company's business secrets and customer data are not leaked.</li> </ol>	
		Occupational Health and Safety	0.67	<ol style="list-style-type: none"> <li>1. Establish first aid kits, automated external defibrillator (AED) and other medical devices, and provide programs such as health checkup subsidies and on-site medical care/ stationed physicians.</li> <li>2. Regularly organize occupational health and safety-related education and training (such as firefighting, first aid, health promotion, among other things).</li> <li>3. Regularly test the quality of the workplace environment (such as firefighting safety, air quality, drinking water quality, among other things).</li> </ol>	<ol style="list-style-type: none"> <li>1. Provide employees with regular health checkups or health checkup subsidies.</li> <li>2. The health conditions of employees are tracked by the medical staff and stationed physicians.</li> <li>3. Through the employee engagement survey and psychological counseling service (EAP) project, the employees' thoughts are understood for making appropriate adjustments.</li> </ol>	

Survey respondents	Total risk ratio (%)	Major risk factors	Risk ratio (%)	Mitigation measures	Compensation measures	Implementation percentage of mitigation and compensation measures
Employees	0.87	Discrimination and Sexual Harassment	0.13	1. Establish regulations and complaint handling procedures for the prevention of discrimination and sexual harassment. 2. Regularly organize anti-discrimination and anti-harassment education and training, or promote the same in public areas (e.g. pantry, bulletin board, among other things).	1. Pursuant to the internal regulations related to discrimination and sexual harassment prevention, the emergency notification and contingency measures are adopted. 2. For employees discriminate and sexually harass others, the punishments linked to the remuneration are adopted to prevent recurrence.	100
		Workplace inclusion and gender equality	0.00	1. Establish regulations related to employee diversity and gender equality, including no differential or unfair treatment in employment, remuneration, benefits, and promotions because of personal nationality, race, gender, sexual orientation, age, marital status, and physical or mental disabilities. 2. Regularly organize workplace inclusion and gender equality education and training, or promote the same in public areas (e.g. pantry, bulletin board, among other things).	1. Establish the employee complaint channels and provide a whistle-blowing mechanism for unfair differential treatment. 2. Recruit a certain percentage of disadvantaged groups (including the physically and mentally challenged and indigenous people) as much as possible according to the laws and regulations.	
Suppliers	13.04	Labor rights and human rights	8.70	1. Continuously sign the "Supplier Sustainability Declaration" with suppliers and observe the Mega Securities' human rights policy. 2. Track the supplier's penalties related to labor and environmental safety regulations.	1. Require suppliers to ratify the deficiencies based on the self-evaluation results. 2. The supplier meetings are held every year, and provide relevant education and training to promote the concept of corporate sustainability.	100
		Occupational safety and health	4.35	Through actual interactive surveys (including supplier visits and communication meetings).		

**Note:** 1. Employee human right risk ratio (%) = number of employees affected by risk incidents/total number of employees x 100%.  
 2. Supplier risk ratio (%) = number of key suppliers punished due to labor or environmental safety regulations/total number of key suppliers x 100%.  
 3. The employee human right risk mitigation and compensation measures adopted by Mega Securities cover 43 operating sites in Taiwan, with a coverage rate of 100%.  
 4. Mega Securities' key suppliers are defined as suppliers with a single or cumulative transaction amount of NT\$1.5 million or above in the previous year.

## 5.3.2 Human Right Risk Management

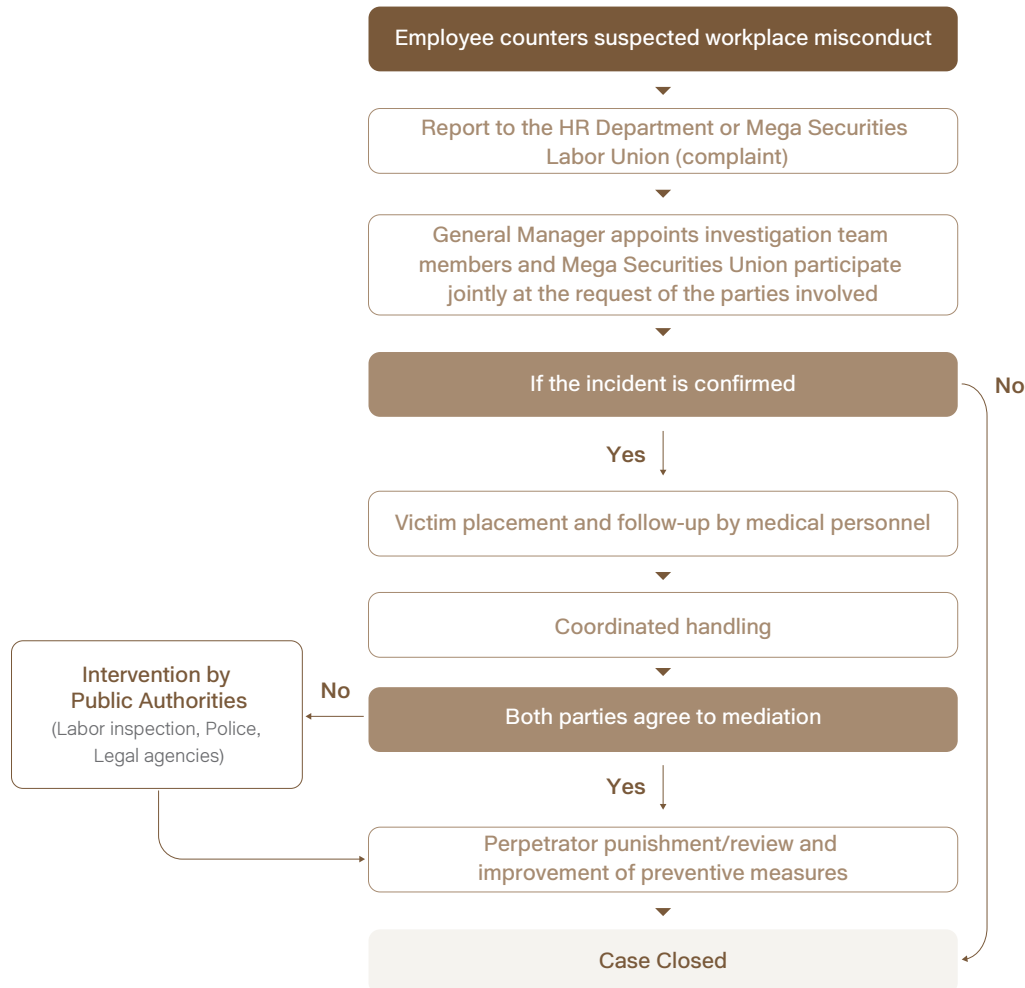
### Education and training of human rights

To embed the concept of human right protection in the daily operations, Mega Securities continuously conducts human right education and training for its employees. The human right courses include illegal infringement, Personal Data Protection Act, ethical corporate management education and training, employees' confidentiality education and training, the theory and practice fair customer treatment in the financial industry, general employee safety and health education and training, and the Act of Gender Equality in Employment, among other things. The Company is committed to creating a diverse, equal, and friendly workplace and promoting the sustainable development of society as a whole. In 2023, a total of 11,793 person times in Mega Securities attended human right-related courses, and the total number of training hours reached 27,456 hours.

### Promotion and maintenance of human rights

To promote and implement gender equality, Mega Securities refers to the spirit of the International Labor Organization Convention (ILO), and complies with the Human Rights Policy and “Anti-discrimination and Anti-harassment Principles” (applicable to all subsidiaries), with the “Human Rights Policy” and the “Regulation for Prevention of Sexual Harassment in the Workplace” established. Mega Securities received one case of workplace illegal infringement reported in 2023. It was investigated jointly by the ad hoc team and the labor union, and the case was properly handled and closed. In addition, Mega Securities has published related programs and complaint filing channel information on the Company's intranet website, to strengthen promotion. If employees encounter illegal infringement, they may file a complaint through the internal employee complaint filing channels, and the employees are ensured to have a better understanding of workplace illegal infringement prevention and countermeasures.

## ◆ Reporting process for illegal infringement



## Labor relations

In order to promote labor-management harmony, enhance business development, and protect employees' labor rights, the "Enterprise Labor Union of Mega Securities Co., Ltd" was founded in August 2017 by employees, with the directors (supervisors) and member (representative) meetings. Mega Securities and the enterprise labor union of Mega Securities convene regular labor-management meetings consisting of six representatives from each party. They exchange opinions on various issues, and conduct thorough communication. Through other communication platforms, such as setting up the union-specific section on the Company's intranet, conversations with the labor union directors and supervisors from time to time, to strengthen the stability of labor-management relations. Mega Securities is currently actively negotiating the collective bargaining agreements with the enterprise labor union of Mega Securities, to agree with the labor conditions related to the issues of benefits, working hours, leaves, employment, transfer and dismissal, retirement and compensations, health and safety, etc., to ensure that the rights and interests of employees are protected by labor-related laws and regulations, to promote the harmonious labor-management relation and create a win-win situation for labor and management. In addition, to implement our commitment to the employees' right to work, whenever units are added, relocated, or merged due to organizational adjustment, employees are informed of the change in advance. If any employee has no suitable job due to the changed business nature, or indeed incompetent to his/her job, the Company will notify the termination of the labor contract at least 10 to 30 days in advance based on the time limit set by the "Labor Standards Act."



# CH6 Mutual Prosperity in Society

6.1 Financial Education

6.2 Social commitment

Mega Securities firmly believes that the sustainable management is the long-term approach to corporate operation. We uphold the Mega Group's sustainability spirit, and take creating a full range of positive influence in the financial industry as the mission, to continue the four pillars of social mutual prosperity, namely "Equal Rights," "Service and Care," "Cultivating Sports," and "Environmental Protection" to respond to the Sustainable Development Goals (SDGs) of the United Nations, thereby exerting a positive influence on society. To implement the Mega Group's four major pillars of social mutual prosperity, Mega Securities, through the resources and power of itself and "Mega Charity Foundation" and the "Mega Bank Culture and Education Foundation" under Mega Group, provides the care and assistance to the groups in need in the society from the aspects of financial education, care to disadvantaged, supports to sports and arts/culture, and social welfare, seeking to spread love to every corner through volunteer participation and corporate calls.



Corresponding United Nations Sustainable Development Goals (SDGs)



Material Topic GRI indicators

-

Corresponding material topics



-

Stakeholders with priority access

Community/School/Non-Profit Organization



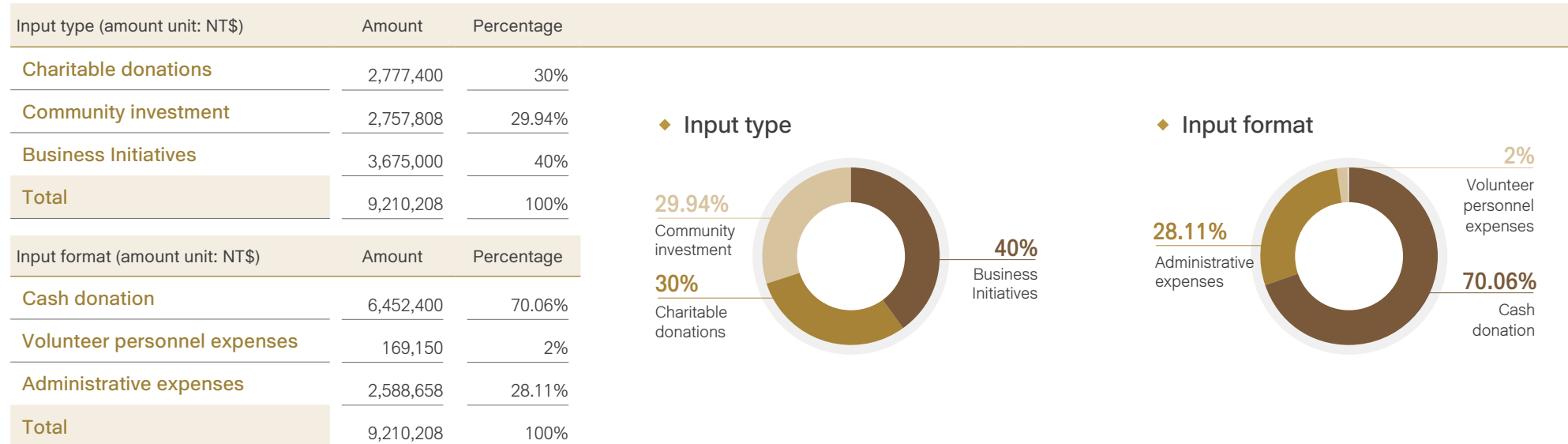
## Pillars and performance of social mutual prosperity strategies

Pillars of social mutual prosperity strategies	Linking to the SDGs	Social influence	Commercial benefits and social and environmental benefits
Equal Rights	  SDG 4 Quality Education SDG 8 Decent Work and Economic Growth	<ul style="list-style-type: none"> <li>Enhance the financial literacy of the general public.</li> <li>Cultivate potential financial talents.</li> <li>Provide opportunities for disadvantaged groups to obtain financial knowledge education.</li> </ul>	<ul style="list-style-type: none"> <li>A total of 52 news releases published</li> <li>18 event sponsored/ organized</li> <li>Reached 98 existing/potential customers</li> <li>The knowledge of inclusive financing promoted to the disadvantaged groups for 510 people.</li> <li>Total number of interns/part-time workers from colleges: 22</li> </ul>
Service Care	  SDG1 No Poverty SDG10 Reduced Inequalities	<ul style="list-style-type: none"> <li>Provide necessary resources and assistance to disadvantaged groups.</li> </ul>	<ul style="list-style-type: none"> <li>Employee volunteer input hours for 96 hours</li> <li>The number of employee volunteers reached 30.</li> </ul>
Cultivating Sports	 SDG4 Quality Education	<ul style="list-style-type: none"> <li>Support the development of domestic arts and culture.</li> </ul>	<ul style="list-style-type: none"> <li>One event sponsored/ organized</li> </ul>
Environmental Protection	 SDG13 Climate Action	<ul style="list-style-type: none"> <li>Support the high-quality agricultural products in Taiwan, and reduce the imbalance between production and sales.</li> <li>Raise the public's awareness of environmental protection, and conserve the earth's natural ecology.</li> </ul>	<ul style="list-style-type: none"> <li>Employee volunteer input hours for 120 hours</li> <li>The number of employee volunteers reached 30.</li> <li>Six news releases published</li> </ul>

## Influence assessment

Mega Securities, through the Social Mutual Prosperity Team under the Sustainable Development Committee, formulates the annual work implementation plans and goals, and is committed to social investment and public welfare activities to expand social influence. Mega Securities regularly reviews the promotion and execution performance of each strategic pillars, and continues the four major dimensions of social mutual prosperity. By referring B4SI (Business for Social Impact) assessment framework, the community investment assessment is conducted, while reviewing the input format and types of each pillar. The formats of input include "cash donation," "in-kind donation," "volunteer personnel expenses," and "administrative expenses;" the types of activities joined include "charitable donation," "community investment," and "business initiative." Based on the statistics of the above items, the social influence and benefits of Mega Securities are effectively tracked and evaluated. In 2023,

Mega Securities made a social investment of NT\$9.21 million, supported by 112 volunteers with 401.5 hours of volunteer service, organized 30 events, and reached a total of 18,510 people. Mega Securities is committed to various public welfare activities, seeking to help the groups in need with the social resources more efficiently via the corporate influence and call.



Proportion of investment in the strategic pillars of social mutual prosperity (Amount: NT\$)	Amount	Percentage
Equal Rights	6,946,008	75%
Service Care	1,817,200	20%
Cultivating Sports	250,000	3%
Environmental Protection	197,000	2%
<b>Total</b>	<b>9,210,208</b>	<b>100%</b>

## 6.1 Financial Education

### Equal Rights

In 2023, we invested

**NT\$6,946,008**

to organize

**17 events**

reaching

**510 people**

### 6.1.1 Equal Rights

Mega Securities upholds the mission of exerting positive influence and leading sustainable development, cultivates deeply in financial education, and is committed to popularizing correct financial knowledge and concepts, and strengthening the protection of people's livelihood. In the era of massive frauds, preventing and understanding fraud methods is better way to reduce the occurrence of financial frauds than punishment. By organizing various financial knowledge seminars and activities, the Company promotes the prevention of investment fraud, shares the correct concepts of investment and wealth management with students and children at all levels, and raises the public's awareness of anti-fraud. In 2023, numerous financial seminars were held for elementary and junior high school teachers, attracting over 100 of them to listen on-site. The sales officers shared the concepts of wealth management and asset allocation through case studies and practical explanations, to convey the correct and practical concepts of wealth management and asset allocation approaches, so that teachers may apply the correct financial concepts and risk awareness to classroom they teach, thereby developing the elementary and junior high school students with the healthy and correct concepts for investment and financial management from an early age. This corresponds to the UN SDG4, "Quality Education," to reduce the gap between the rich and the poor, and improve the welfare of the whole people.

Mega Securities deeply involves with the related departments, institutes, and clubs in every colleges in Taiwan for the non-campus visiting event. In 2023, the corporate visit event "Exploring the Multiverse of Mega Securities" was held for young students, to provide them with one-day financial experience by arranging students visiting the business environment in real. They visited the major departments of Mega Securities, including brokerage, bond, proprietary trading, and underwriting, for them to experience the practical site of financial jobs. The "Financial Knowledge Seminars for Colleges" were organized to teach young students how to allocate funds effectively, while reminding students to avoid settlement by breaching contract and prevention of various financial investment frauds through practical investment experience, personal investment insights, and various practical cases. The students not only plan the risks in the future, they also have the basic understanding and knowledge of financial wealth management, for their healthy concepts of investment and wealth management. Mega Securities is committed to promoting financial education and cultivating outstanding talents. In the future, we will continuously deepen campus

operations, plan industry-academy collaborations and internship programs, to create more diverse learning opportunities and create an financially equal and friendly environment together with the whole society.

Strategic pillars	Stakeholders	Key influence	Commercial benefits and social and environmental benefits	Expenses invested (NT\$)
4.2 Inclusive financing education	School children	By donating \$500,000 in book buying funds to Datong Elementary School in the East District of Tainan City, the Love Library of Financial and Wealth Management was set up, with NT\$25,000 for the public welfare wall of the Love Library; NT\$20,000 was donated to Hengshan Junior High School in Hsinchu County, to promote reading, and cultivate a healthy understanding of investment and wealth management among junior high school students from an early age.	<ul style="list-style-type: none"> <li>Two news releases published</li> <li>One event sponsored/organized</li> </ul>	545,000
	College student	<p>Mega Securities upholds the mission of exerting positive influence and leading sustainable development, to organize the finance course, "Financial Knowledge Seminars for Colleges" in colleges, helping students to plan the risks of investment and wealth management in advance, and establish the sound concept of investment and wealth management. In recent years, Mega Securities has continued to exert its core functions, actively cultivated financial talents in a way closer to the needs of society, and fulfilled its social commitment.</p> <ul style="list-style-type: none"> <li>In 2023, Mega Securities organized the Everything Everywhere All at Mega Securities financial course for universities and colleges. 52 volunteers contributed 185.5 volunteer hours, and 56 students participated.</li> <li>The Company and the TABF jointly organized four "Financial Knowledge Seminars for Colleges" in January, March, May and September, with 271 participants.</li> <li>In December, the Company organized an "Financial Knowledge Seminars for Colleges" at Fu Jen Catholic University on the topic of internal bond investment practices, attended by 85 students.</li> </ul>	<ul style="list-style-type: none"> <li>Four news releases published</li> <li>Six events sponsored/organized</li> <li>The knowledge of inclusive financing promoted to the disadvantaged groups for 412 people.</li> </ul>	111,350
	Teachers	<ul style="list-style-type: none"> <li>Through teacher workshops, the financial literacy of teachers are enhanced, and help teachers to integrate the basic financial concepts and risk awareness into teaching. The 2022 lecture on financial and wealth management training for teachers was held at Hengshan Junior High School in Hsinchu County with 23 elementary and junior high school teachers participated in total; the "Financial and Wealth Management Workshop for Teachers of Elementary and Junior High School in Tainan City" was held in Datong Elementary School in East District, Tainan City, with a total of 46 elementary and junior high school teachers participated. In addition to the assistance for teachers to integrate the basic financial concepts and risk awareness into teaching, the inclusive financing is implemented.</li> <li>The Company held a financial literacy seminar specifically for elementary and middle school educators, with 29 principals and directors from Tainan City schools in attendance. The seminar aimed to support educators in integrating basic financial concepts and risk awareness into their teaching curricula.</li> </ul>	<ul style="list-style-type: none"> <li>Reached 98 existing/potential customers</li> <li>Three events sponsored/organized</li> <li>The knowledge of inclusive financing promoted to the disadvantaged groups for 98 people.</li> </ul>	26,475

Strategic pillars	Stakeholders	Key influence	Commercial benefits and social and environmental benefits	Expenses invested (NT\$)
4.2 Inclusive financing education	Public	<ul style="list-style-type: none"> <li>Advocated financial literacy and financial fraud prevention at the "2023 Financial Services Charity Carnival" hosted by the Kaohsiung City Government and the Taiwan Federation of Financial Services Industries .</li> <li>The Company and Mega Group participated in the "Financial Expo" organized by Business Today, with an investment and wealth management service experience zone set.</li> <li>The Company held the "2024 Global Economic Trends &amp; Investment Outlook Briefing," to promote investment and financial knowledge, for enabling investors to grasp new investment directions in advance. More than 11 pieces of information were disclosed during the event.</li> <li>Cooperated with the Taiwan Securities Association, to provide a column of "Financial Weekly - Investment Viewpoint" on the Liberty Times with 12 news articles.</li> </ul>	<ul style="list-style-type: none"> <li>46 news releases published</li> <li>Three events sponsored/organized</li> </ul>	2,398,183
	Employees	The labor education event organized by the labor union of Mega Holdings was subsidized, and the labor education events and film appreciation were held as feedback to the union members.	-	60,000
Internship and part-time working opportunities	College student	<p>In order to deepen financial basic education, in 2023, Mega Securities provided opportunities of apprenticeship to 22 college students, including:</p> <ul style="list-style-type: none"> <li>three college students worked part-time in the Share Agency Department, and one college student worked part-time in the Brokerage Business Department.</li> <li>The "Rising Stars" event was held in cooperation with colleges in Northern, Central and Southern Taiwan, and ten college students were provided to learn professional financial knowledge, with practical learning in branches.</li> <li>One student from Ming Chuan University was provided for an internship in the Compliance Office; two students from Takming University of Science and Technology were given the internship in the E-commerce Department; four graduate students from the Institute of Industrial Economics, Central University were provided with the internships in the Brokerage Department (Channel Management Department) Share Agency Department, Capital Market Business Department (Counseling Department I), and Legal Affairs and Compliance Office, respectively, and one student from Tamkang University was provided with the internship in the Brokerage Business Department (E-commerce Department).</li> </ul>	<ul style="list-style-type: none"> <li>Total number of interns/part-time workers from colleges: 22</li> </ul>	130,000



Strategic pillars	Stakeholders	Key influence	Commercial benefits and social and environmental benefits	Expenses invested (NT\$)
Sponsorship to financial events	Public	<ul style="list-style-type: none"> <li>Mega Securities participated in the 14th Economic Daily News "Warrant Millionaire Challenge," with NT\$1.5 million of expenses, and the 14th "King of the Warrant Contest" organized by the Commercial Times with NT\$1.125 million of expenses; by utilizing the competition, as well as associated lectures, online programs, and informational packages, the Company promotes the knowledge of warrants to the public, and achieve the goal of inclusive financial education.</li> </ul>		
		<ul style="list-style-type: none"> <li>We sponsored the "Masters Forum" jointly organized by Financial Holding and Economic Daily News for NT\$600,000. The winner of the 2022 Nobel Prize in Economics, Douglas W. Diamond, was invited to give a lecture on "Banking and the Financial Crisis" in Taiwan, with a symposium with domestic experts.</li> <li>We sponsored the Financial Journal of the Economic Daily News for the "2023 Asia Pacific Summit for Social Innovation," to promote financial knowledge, with a total of NT\$350,000 invested. In order to analyze the enterprise strategic shift and sustainable intelligence model, the Company sponsored NT\$100,000 to the "2023 Annual Meeting of the Institute of Directors - Corporate Future in a War Situation."</li> </ul>	<ul style="list-style-type: none"> <li>Three events sponsored/organized</li> </ul>	3,675,000



Mega Securities is committed to providing students with the basic knowledge of financial management. We held the "Financial Knowledge Seminars for Colleges" at Taipei City University of Science and Technology. In a casual and easy-to-understand way, the stock trading and how to effectively allocate funds were introduced, and about 100 students participated in the event. Also through practical case sharing, the participants also reminded potential financial investment frauds, so that students not only had a basic understanding of financial risks, but also established the concept of healthy investment.



## 6.2 Social commitment

### 6.2.1 Service and Care

Mega Securities has long monitored the disadvantaged groups in society. Through the strength of itself and its two major foundations, the Mega Charity Foundation and the Mega Bank Culture and Education Foundation, we give hands to those in need, to engage in volunteer activities and sponsor various foundations to implement the spirit of "No Poverty" and "Reduced Inequalities" in SDGs, leveraging the corporate influence and the power of social care, seeking to support and accompany the underprivileged whenever they need help. In addition, with employees participating in volunteer activities, people and affairs around us are cared for, and love and care are conveyed.

#### Service and Care

In 2023, a total of  
**NT\$1,817,200**  
was invested

sponsoring/organizing a total of  
**7 events**

with 30 volunteers contributing  
**96 hours**

Strategic pillars	Stakeholders	Key influence	Commercial benefits and social and environmental benefits	Expenses invested (NT\$)
Care for the disadvantaged	Public	<ul style="list-style-type: none"> <li>Donated \$200,000 to the Affiliated Taichung City Zhenlan Children's Home of Dajia Mazu Social Welfare Foundation for looking after disadvantaged children, youth support services, and health/physiotherapy expenses.</li> <li>The Company donated NT\$400,000 to the Taiwan Foundation for Disaster Relief of the Ministry of Health and Welfare in support of the devastating earthquake in Turkey.</li> <li>Donated NT\$50,000 to the Renai Culture and Education Foundation, to assist in the construction of the future classrooms at the National Hemei Experimental School, for supporting students with physical and mental disabilities, and provide learning resources to promote the development of special education.</li> <li>Donated NT\$300,000 to the Taiwan Foundation for the Blind, for the "Young EYE with Dreams - Program of White Cane Aid for the Blind," to assist the elderly vision impaired to overcome the restrictions of disability and aging, while enhancing the overall "financial friendliness" awareness company-wide, and optimized the "fair customer treatment" service.</li> <li>Donated NT\$826,400 to the Down Syndrome Foundation for the expenses of sports equipment required by the foundation in the new facility completed in 2024, "Full-time Residential Institution for the Physically and Mentally Challenged - Hsinyen Park of Happy Forever Home, Taipei City Yangming Home for the Disabled," to protect the health of young underprivileged group.</li> <li>Participated in the volunteer event in the Mid-Autumn Festival Charity Sale of Down Syndrome Foundation organized by Mega Charity Foundation. A total of 24 volunteers joined for a total of 84 hours of volunteer work, to implement ESG with practical actions, and exert corporate influence and the power of social care, for the social mutual prosperity and creating a cycle of love.</li> <li>Participated in the volunteer event for organizing second-hand resources of the Step30 international ministries, sponsored by Mega Charity Foundation. A total of six volunteers contributed 12 hours of volunteer work.</li> </ul>	<ul style="list-style-type: none"> <li>Employee volunteer input hours for 96 hours</li> <li>The number of employee volunteers reached 30.</li> <li>Seven events sponsored/organized</li> </ul>	1,817,200



In response to the advent of a super-aging society and the increasing number of visually impaired elderly people in Taiwan, Mega Securities has collaborated with the Taiwan Foundation for the Blind, to organize the experiential education courses as visually impaired for employees in the headquarters; also the "Financial Friendly Service Guidelines" were launched to guide employees in learning the correct way to help the "visually impaired." The "Young EYE with Dreams - Program of White Cane Aid for the Blind" was also supported to enhance the overall "financial friendliness" awareness company-wide.

## 6.2.2 Cultivating Sports

Mega Securities deeply cultivates arts and culture, by supporting the Band of Blind under Taiwan Foundation for the Blind and donating the local fireworks, the Company is committed to spreading love and culture. We actively support the development of arts and culture. By sponsoring the performance of bands under foundations, we the society with social culture; meanwhile, by donating the national and local activities, we promote national and traditional culture, demonstrate our care for the local communities, and continuously strive to reflect Mega Securities' core values of social responsibility and cultural heritage.

In 2024, Mega Securities continuously supports arts, culture and sports events. The Company sponsored the East Coast Land Art Festival for NT\$500,000 in 2024, to support the Tourism Administration of the Ministry of Transportation and Communications in jointly promoting local art, for arts to take root in life. This event invited many artists and art groups to incorporate the local community resources in Taitung, for organizing diverse art events; we sponsored NT\$300,000 to the "Hockey Team of Pinghe Elementary School, Changhua City" to compete in the "2024 California Cup International Field Hockey Tournament," as the specific support to the sports culture among schoolchildren in Taiwan, and the contribution the development of sports and the cultivation of sports talents in Taiwan. The team competed against a total of 150 teams from 18 countries, and won the tournament again for the fifth consecutive victory.

### Cultivating Sports

In 2023, we invested

**NT\$250,000**

to organize

**3 events**

reaching

**18,000 people**

Strategic pillars	Stakeholders	Key influence	Commercial benefits and social and environmental benefits	Expenses invested (NT\$)
Arts and cultural education	Public	<ul style="list-style-type: none"> <li>The Company supports local arts and cultural events and sponsored the National Day fireworks event in Taichung with NT\$200,000.</li> <li>Donated NT\$50,000 to the Band of Blind under Taiwan Foundation for the Blind, and arranged for the band to perform in the 2023 year-end party of Mega Securities to implement its care in the community.</li> <li>Mega Group and the Ministry of Finance jointly organized the "2023 Road Run of Uniform Invoice Cup."</li> </ul>	<ul style="list-style-type: none"> <li>Three events sponsored/ organized</li> </ul>	250,000



Mega Group and the Ministry of Finance jointly organized the "2023 Road Run of Uniform Invoice Cup," which attracted 18,000 runners, including the passionate participation of the Chairperson of Mega Securities. In addition to the road running, a number of promotional booths and the roadblock challenge activities were set up on-site, not only to create an atmosphere of social mutual prosperity, but also allow the public to show their love by donating uniform invoices.

## 6.2.3 Environmental Protection

Mega Securities actively promotes and implements ESG, and fulfills its corporate social responsibility. Every year, we take concrete actions to protect coast, mountains, and environment of Taiwan, including participating in beach cleaning and restoration, participating in tree planting events, supporting the Tamsui River Convention, and cooperating with the "Earth Hour" event to promote energy and carbon reduction, by turning off the sign lights, shop window lights, decorative lights and other lamps at operating sites for one hour in the evening of the event day. Through various environmental restoration activities and policy promotion, we hope to inspire the public to care for tree planting and the environment. Mega Securities has taken concrete actions to support farmers in Taiwan. In 2023, we purchased fresh local agricultural products such as domestically produced atemoya, and donated them to children and youth public welfare groups, to help the production and sales balance, while supporting local agricultural products and bringing happiness to children in need, for warming each corner of the society with the sweetness of hard-working. Mega Securities has long supported local farmers when there was an imbalance between production and sales in agriculture and fisheries, and become a reliable force for farmers, while sharing the virtue of Taiwanese local agricultural products with stakeholders in the society.

### Environmental Protection

In 2023, a total of  
**NT\$197,000**  
was invested

sponsoring/organizing a total of  
**3 events**

with 30 volunteers contributing  
**120 hours**

Strategic pillars	Stakeholders	Key influence	Commercial benefits and social and environmental benefits	Expenses invested (NT\$)
Protect the Earth's ecology	Public	<ul style="list-style-type: none"> <li>Mega Securities supported the Coastal Cleanup Activity Around National Museum of Marine Science and Technology organized by the Mega Bank Culture and Education Foundation, to protect the environment and implement ESG with concrete actions. 16 volunteer joined for total 64 volunteer hours.</li> <li>Participated in the "2023 Taichung Metropolitan Park Guardian of Mt. Dadu Family Tree-planting Event" with Mega Insurance and the Taiwan Reforestation Association, to promote the forest restoration and contribute to the green earth. 14 volunteers contributed 56 volunteer hours.</li> </ul>	<ul style="list-style-type: none"> <li>Employee volunteer input hours for 120 hours</li> <li>The number of employee volunteers reached 30.</li> <li>Two events sponsored/ organized</li> </ul>	51,000
Support local agriculture		<ul style="list-style-type: none"> <li>Mega Securities takes concrete actions to support farmers in Taiwan, assist in balancing production and sales, and support domestic agriculture. In 2023, fresh local agricultural products such as domestically produced atemoya, and donated the products to the Eden Foundation, Childre Are Us Foundation, Down Syndrome Foundation, Harmony Homes all over Taiwan, Bethany Children's Home, and Yi-Kuang Orphanage. Mega Securities has long supported local farmers when there was an imbalance between production and sales in agriculture and fisheries, and is happy to share the virtue of Taiwanese local agricultural products with stakeholders in the society.</li> </ul>	<ul style="list-style-type: none"> <li>Six news releases published</li> <li>One event sponsored/ organized</li> </ul>	146,000





By ordering 100 boxes of pineapples, Mega Securities donated them to Harmony Homes, Bethany Children's Home, and Yi-Kuang Orphanage. In addition to supporting the fruit farmers with action for the harvest of domestically produced pineapples, Mega Securities also actively participates in social welfare by continuously caring for the health of children and youth, and care of elderly.

In 2024, Mega Securities continuously takes concrete actions to protect the environment. To support the World Environment Day, Mega Financial Group held a mountain cleaning event in North, Central and South Taiwan on May 25, 2024, calling on 200 volunteers from the financial holdings and its subsidiaries to participate. The General Manager of Mega Securities led the senior executives to participate in the mountain cleanup and natural ecology education activities in Datun Nature Park in the Northern District of Taichung. Through mountain cleanup event, they learned to protect mountain forests and natural ecology in Taiwan, and safeguard the sustainability of the mountain forest environment.

# CH7 Accountable Governance

- 7.1 Corporate Governance and Ethical Management
- 7.2 Risk Management
- 7.3 Legal Compliance
- 7.4 Combating Crime

Mega Securities was awarded as the Outstanding Broker for Stewardship for three consecutive years, clearly demonstrating the recognition for the continuous enhanced efforts of Mega Securities in governance. Mega Securities upholds the spirit of implementing and improving corporate governance, to emphasize the ethical management, legal compliance, anti-money laundering, and risk control. Through the professionalism, diversity, and independence of the directors, Mega Securities has established a safe and sound business environment and an open and transparent governance system, to provide the management team with comprehensive decision-making advice. In the current environment full of uncertainties, including environmental issues such as climate change and energy shortages, or social issues such as COVID-19, the US-China conflict, and the Ukraine-Russia war, Mega Securities has responded to various ESG risks very prudentially, by showing strong resilience and courage to embrace various challenges, in line with the Mega Group's sustainability goals, to move forward.



Corresponding United Nations Sustainable Development Goals (SDGs)



## Material Topic GRI indicators

- GRI 205: Anti-corruption
- GRI 206: Anti-competitive Behavior
- GRI 405: Employee Diversity and Equal Opportunity
- GRI 415: Public Policy
- GRI 417 Marketing and Labeling

## Corresponding material topics

- Corporate governance and ethical corporate management
- Legal compliance
- Risk management

## Stakeholders with priority access

- All stakeholders



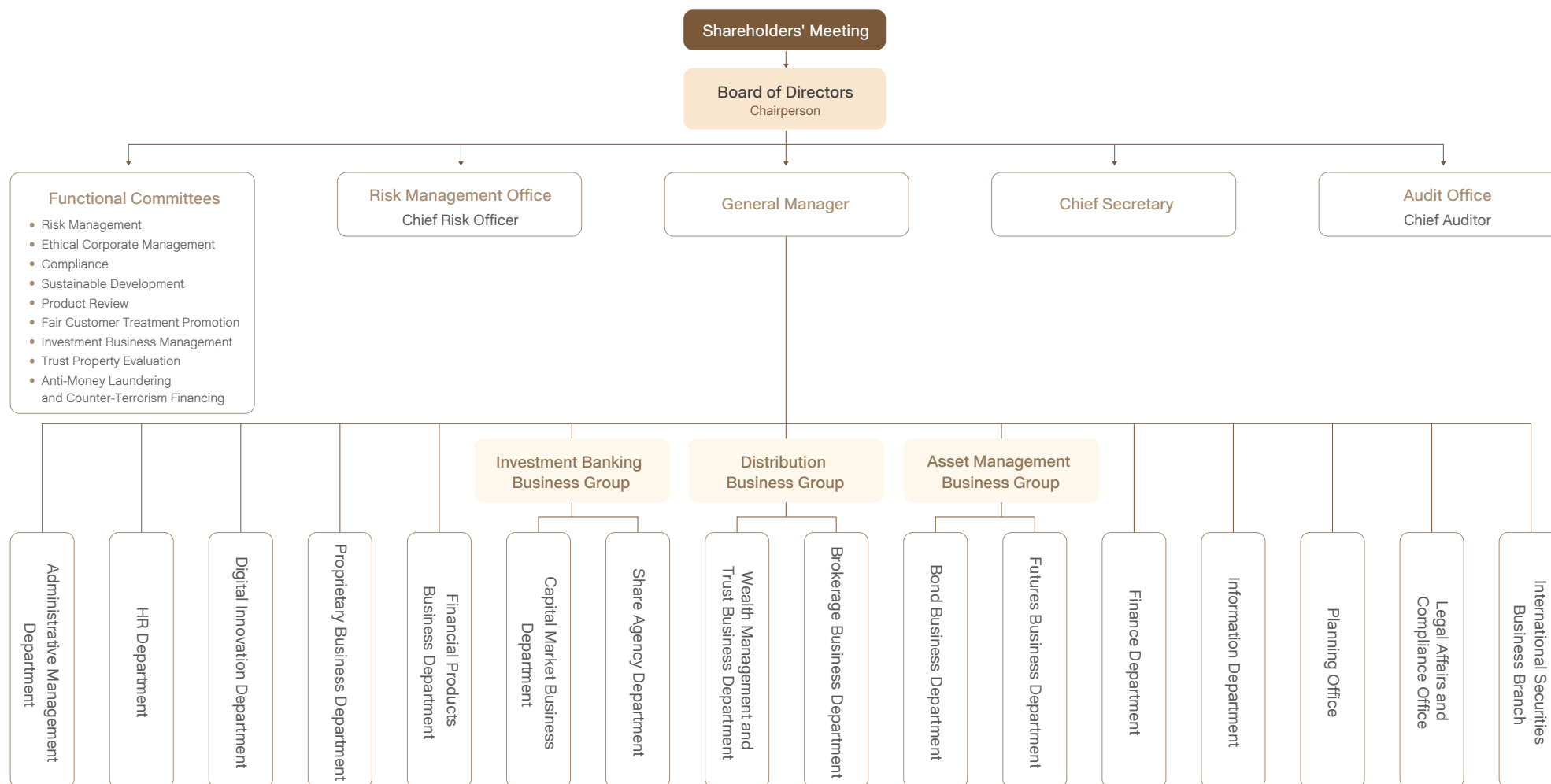
## 7.1 Corporate Governance and Ethical Management

### 7.1.1 Corporate Governance Structure

Mega Securities is an investee 100% owned by Mega Holdings. It has a complete corporate governance structure. According to the Company Act, all powers of shareholders' meetings are exercised by the Board of Directors, which is the highest governance body of the Company. In addition to exercised the power of the shareholders' meeting to deliberate the dividend distribution, the Articles of Incorporation and key regulations, and other major issues or decisions, the Board of Directors also conduct business pursuant to laws and regulations, including deliberating and approving the Company's business plan, annual financial report, and semi-annual financial report, and evaluating the effectiveness of the internal control system, appointment/dismissal of accountants, and appointment and dismissal of managerial officers, among other proposals The Board of Directors has also established the Risk Management Committee, the AML/CFT Committee, the Trust Property Review Committee, the Product Review Committee, the Investment Business Management Committee, the Ethical Corporate Management Committee, the Fair Customer Treatment Promotion Committee, the Compliance Committee, and the Sustainable Development Committee, to assist the Board of Directors in deliberating various proposals for ensuring the quality of the Board's decision-making.

Committee Name	Member Composition	Authorities	Meeting frequency
<b>Board of Directors</b>	All seven directors (two independent directors included)	<ul style="list-style-type: none"> <li>I. Establishment of an effective and appropriate internal control system.</li> <li>II. Selection and supervision of managerial officers.</li> <li>III. Review of the Company's management decisions and business plans, and supervision of the implementation.</li> <li>IV. Review of the Company's financial goals and supervision of the achievement.</li> <li>V. Supervision of the Company's operation results.</li> <li>VI. Performance appraisals and remuneration standards for managerial officers and sales personnel.</li> <li>VII. Supervision and handling of the risks faced by the Company.</li> <li>VIII. Ensure that the Company complies with relevant laws and regulations.</li> <li>IX. Planning of the Company's future development.</li> <li>X. Establishment and maintenance of the Company's image and fulfillment of social responsibilities.</li> <li>XI. Appointing professionals such as accountants or lawyers.</li> <li>XII. Protection of the rights and interests of investors.</li> </ul>	<p>At least once every quarter</p> <p>(A total of 12 meetings were convened in 2023, and the overall attendance rate of directors including attendance by proxy reached 100%, and the overall in-person attendance rate reached 95%)</p>

## ◆ Corporate Governance Structure Chart



## Information on the Committee

Committee Name	Member Composition	Authorities	Meeting frequency
<b>Risk Management Committee</b>	The Committee is chaired by the Chairperson. The other members are composed of the General Manager, Chief Risk Officer, heads of the Finance Department, Legal Affairs and Compliance Office, Risk Management Office, Brokerage Business Department, Capital Market Business Department, Bond Business Department, Financial Commodity Business Department, Wealth Management and Trust Business Department, Futures Business Department, and Proprietary Business Department.	<ul style="list-style-type: none"> <li>I. Supervising the implementation of risk management operations.</li> <li>II. Reviewing the risk management policies, annual risk management objectives, the Charter of the Risk Management Committee, and the Risk Management Rules, among other regulations.</li> <li>III. Deliberating the overall risk appetite or risk limit.</li> <li>IV. Deliberating the solutions and improvement measures for exceeding the overall risk appetite or risk limit.</li> <li>V. Reviewing other important risk management matters.</li> </ul>	At least once every quarter (A total of nine meetings were held in 2023, and the attendance rate of members including the attendance by proxy reached 99.15%)
<b>Trust Property Review Committee</b>	An independent director serves as the convener, and the members are the other two independent directors, the Chief Risk Officer, and the heads of the Legal Affairs and Compliance Office and the Bond Business Department.	Reviewing whether the utilization of the trust property complies with laws and regulations, while conforming to the trust agreement through an ex-post review mechanism.	At least once every quarter (A total of four meetings were held in 2023, and the attendance rate of members including the attendance by proxy reached 100%)
<b>Product Review Committee</b>	An independent director serves as the convener, and the members are the other two independent directors, the General Manager, the Chief Risk Officer, and the heads of Finance Department, Legal Affairs and Compliance Office, Bond Business Department, Brokerage Business Department, and Wealth Management and Trust Business Department.	Before Mega Securities is commissioned or sells any offshore structured products, review the products in advance.	Held from time to time as needed based on the product launch (A total of four meetings were held in 2023, and the attendance rate of members including the attendance by proxy reached 100%)

Committee Name	Member Composition	Authorities	Meeting frequency
<b>AML/CFT Committee</b>	<p>The AML/CFT Committee has one chair, on deputy chair, nine members, and one director general.</p> <p>I. The General Manager chairs and convenes the Committee.</p> <p>II. The officer dedicated to AML/CFT in Mega Securities is the deputy chair.</p> <p>III. The members are composed of heads of the Brokerage Business Department, Capital Market Business Department, Bond Business Department, Financial Commodity Business Department, Wealth Management and Trust Business Department, Share Agency Department, Information Department, Administrative Management Department, and HR Department.</p> <p>IV. The head of the Anti-Money Laundering Team of the Legal Compliance Office is the director general.</p> <p>The committee members may designate dedicated AML/CFT personnel from various departments to participate in the meeting as necessary. The Risk Management Office, Audit Office, and subsidiaries of Mega Securities shall appoint personnel to participate in the non-voting role.</p>	<p>The duties of the AML/CFT Committee are as follows:</p> <p>I. Supervising the execution of anti-money laundering (AML) and counter-terrorism financing (CTF) activities by relevant units.</p> <p>II. Reviewing and analyzing the causes and improvement plans for any penalties imposed on Mega Securities by regulatory authorities for AML and CTF violations.</p> <p>III. Evaluating the adequacy of the control measures of Mega Securities in light of industry penalty cases or other significant AML and CTF matters.</p> <p>IV. Reviewing reports on the execution of AML and CTF activities.</p> <p>V. Reviewing and approve important AML and CTF regulations and methodologies that Mega Securities is required to report to the board of directors.</p> <p>VI. Reviewing and approving any AML and CTF-related matters that need to be submitted to the Board of Directors for approval.</p>	<p>I. Regular meetings: at least once every quarter</p> <p>II. Special meetings: when any material AML/CFT incident occurs, and a special meeting is required to be convened, such meeting shall be convened (A total of four meetings were held in 2023, and the attendance rate of members including the attendance by proxy reached 98%)</p>

Committee Name	Member Composition	Authorities	Meeting frequency
<b>Legal Compliance Committee</b>	The Committee is chaired by the Chairperson, and the General Manager serves as the deputy chair. The members are composed of the Chief Risk Officer, the heads Brokerage Business Department, Capital Market Business Department, Bond Business Department, Financial Commodity Business Department, Wealth Management and Trust Business Department, Futures Business Department, Proprietary Business Department, Share Agency Department, Information Department, Administrative Management Department, Finance Department, Planning Office, Legal Affairs and Compliance Office, and HR Department. The Audit Office and subsidiaries participate the meeting in a non-voting capacity.	<ul style="list-style-type: none"> <li>I. Deliberating relevant reports on regulatory compliance risk management.</li> <li>II. Deliberating the important regulations of the compliance system that must be submitted to the board of directors according to laws and regulations.</li> <li>III. Deliberating the analysis of the causes of the above disciplinary actions or fines imposed by the competent authority against Mega Securities, and the improvement plans.</li> <li>IV. Deliberating the analysis of the causes and improvement plans for major regulatory violations or instances where the Company's rating has been downgraded by the financial competent authority.</li> <li>V. Reviewing the summary reports of compliance testing results related to any penalties imposed by competent authorities on Mega Securities.</li> <li>VI. Evaluating the adequacy of Mega Securities' control measures in light of industry penalty cases or other significant regulatory compliance matters.</li> <li>VII. Deliberating the report on the implementation of the compliance system.</li> <li>VIII. Deliberating other important issues or matters related to the implementation of sustainable development.</li> <li>IX. Supervising the implementation of the above-mentioned matters.</li> </ul>	At least once every quarter (A total of five meetings were held in 2023, and the attendance rate of members including the attendance by proxy reached 99%)
<b>Investment Business Management Committee</b>	The Chairperson serves as the chair and convener of the meeting, with two independent directors, the General Manager, and the Chief Risk Officer of the Risk Management Committee serving as members.	Deliberating the major change in business plans such as the acquisition and disposal of equity in investment business, increase or decrease of capital in subsidiaries, the appointment of equity representatives of investees, and the relevant management regulations of investment business.	At least once every month (A total of 13 meetings were held in 2023, and the attendance rate of members including the attendance by proxy reached 100%)

Committee Name	Member Composition	Authorities	Meeting frequency
<b>Fair Customer Treatment Promotion Committee</b>	The General Manager chairs the Committee. The other members are composed of heads of the Brokerage Business Department, Financial Commodity Business Department, Bond Business Department, Wealth Management and Trust Business Department, Capital Market Business Department, Share Agency Department, Legal Affairs and Compliance Office, Planning Office, Information Department, and HR Department.	<ul style="list-style-type: none"> <li>I. Deliberating the implementation of the fair customer treatment self-assessment form of Mega Securities regarding fair customer treatment related regulations, promotion plans, and evaluation mechanism to be submitted to the Board of Directors.</li> <li>II. Regularly assessing the implementation of fair customer treatment by relevant departments, the results of self-inspections, the implementation of promotion plans, and reviewing customer complaints and financial consumer disputes.</li> <li>III. Promote and coordinate relevant departments to organize education and training and follow the principle of fair customer treatment.</li> <li>IV. Other important issues or matters related to fair customer treatment.</li> </ul>	At least quarterly (A total of 9 meetings were held in 2023, and the attendance rate of members including the attendance by proxy reached 100%)
<b>Ethical Corporate Management Committee</b>	The General Manager serves as the chairperson. The other members are composed of heads of the Chief Risk Officer and the Brokerage Business Department, Financial Commodity Business Department, Bond Business Department, Wealth Management and Trust Business Department, Capital Market Business Department, Proprietary Business Department, Futures Business Department, Information Department, Administrative Management Department, Finance Department, Share Agency Department, Legal Affairs and Compliance Office, Planning Office, and HR Department.	<ul style="list-style-type: none"> <li>I. Assist in incorporating integrity and ethical values into the Company's business strategies, and formulate relevant preventive measures to ensure that ethical corporate management is in compliance with laws and regulations.</li> <li>II. Regularly analyze and assess the risk of unethical conduct within the business scope, formulate a plan for preventing unethical conduct accordingly, and establish related standard operating procedures and conduct guidelines for each plan.</li> <li>III. Plan internal organization, establishment, and responsibilities, and arrange mutual supervision and checks and balances for business activities within the scope of business with higher risk of unethical conduct.</li> <li>IV. Promote and coordinate ethics policy promotion training.</li> <li>V. Examine the grievance system to ensure the effectiveness of its implementation.</li> <li>VI. Assist the Board of Directors and management in auditing and assessing whether the preventive measures established for the implementation of ethical corporate management are operating effectively, and evaluating the compliance status of relevant business processes on a regular basis and producing reports.</li> </ul>	At least once a year (A total of 3 meetings were held in 2023, and the attendance rate of members including the attendance by proxy reached 100%)



Committee Name	Member Composition	Authorities	Meeting frequency
<b>Sustainable Development Committee</b>	The General Manager serves as the chairperson. The other members are composed of heads of the Chief Risk Officer and the Brokerage Business Department, Financial Commodity Business Department, Bond Business Department, Wealth Management and Trust Business Department, Capital Market Business Department, Proprietary Business Department, Information Department, Administrative Management Department, Finance Department, Share Agency Department, Legal Affairs and Compliance Office, Planning Office, and HR Department.	<ul style="list-style-type: none"> <li>I. Review the sustainable development plan of Mega Securities in line with the planning of the Sustainable Development Committee of Mega Holdings.</li> <li>II. Deliberate Mega Securities' sustainable financial policies or relevant regulations.</li> <li>III. Regularly assess the risks of environmental, social, and corporate governance issues related to the Company's operations, and propose response plans for submission to the Board of Directors.</li> <li>IV. Regularly assess the operational continuity and resilience of core operating systems and equipment, and propose response plans for submission to the Board of Directors.</li> <li>V. Regularly evaluate the effectiveness of sustainable development plans, projects, and activities.</li> <li>VI. Promote and coordinate relevant departments to organize education and training and implement sustainable development-related affairs.</li> <li>VII. Deliberate other important issues or matters related to the implementation of sustainable development.</li> </ul>	At least quarterly (A total of 3 meetings were held since the establishment of the Sustainable Development Committee in June 2023, and the attendance rate of members including the attendance by proxy reached 100%. The Sustainable Development Committee was formerly known as the Sustainable Development Task Force and a total of 3 meetings were held from January to June 2023)

## 7.1.2 Status of the Operation of the Board of Directors

### Director Election

Mega Securities is a 100% invested subsidiary of Mega Holdings. Directors and supervisors are appointed by Mega Holdings. Mega Securities currently has seven directors (including two independent directors) and three supervisors, with a term of office of three years, in compliance with the number of directors and supervisors; the number of independent directors shall not be less than two and the number of directors shall not be less than one-fifth of the number of directors as stipulated in the Articles of Incorporation.

### Independence of Directors

In order to facilitate independent directors to exercise their powers objectively, the "Corporate Governance Best Practice Principles" of Mega Securities stipulate that independent directors may not serve more than three consecutive terms in order to prevent their independence from being reduced due to long tenure. Neither of the two current independent directors has served for more than three consecutive terms. . Mega Securities emphasizes the independence of directors. The Chairman and General Manager are not held by the same individual, nor are they related to each other as spouses or relatives of first degree. The directors are also not related to each other as spouses or relatives of second degree. The independent directors have the independence required by the competent authority, and do not concurrently serve as a director (including independent director) or supervisor in more than five companies.

To ensure the independence of directors, all positions concurrently held by a director of Mega Securities are in compliance with the requirements of the competent authority. Among them, Wu Ming-Tsung' s serving as the director

and general manager of Mega Securities is in compliance with the "Regulations Governing Responsible Persons and Associated Persons of Securities Firms" , none of the other directors serve as a manager of Mega Securities, meeting the independence criteria.

Mega Securities and its subsidiaries report the major deficiencies and improvements made by domestic and foreign regulatory authorities and internal and external audit reports, as well as major operational and business matters, to the Board of Directors to keep abreast of the timeliness of responding. In addition, Mega Securities has set clear regulations on the recusal of directors. The directors also exercise a high degree of self-discipline. When a motion proposed by the Board of Directors involves an interest in the directors or the legal entity they represent, they must explain the important content of the interest at the current Board meeting and recuse themselves from discussion and voting, and must not exercise voting rights on behalf of other directors.

### Diversity of Directors

Mega Securities values the diversity of its directors. Our directors have backgrounds in finance, economics, accounting, finance, law, information security, digital finance, and corporate sustainability, equipped with professional industry experience and professional knowledge. The policy on Board diversity is specified in the "Corporate Governance Best Practice Principles" of Mega Securities. The diversity of Board members takes into account the Company' s operation, business model, and development needs.

The current (12th term) Board of Directors of Mega Securities consists of seven directors (including two independent directors). As of the end of December 2023, four of the seven directors are women, accounting for 57% of the total members, exceeding the target of 33% (one-third).

## Information on Director Independence and Diversity

Name	Job Title	External Independence Assessment	Nationality	Gender	Date of Appointment	Term of office (year)	Age	Professionalism									
								Ability to make operational judgements	Ability to perform accounting and financial analysis	Ability to operate and manage	Ability to manage crises	Expertise in securities and derivatives	Knowledge of international markets.	Ability to lead	Risk management knowledge and ability	Ability to make decisions.	Ability to manage ESG development
<b>Chen Pei-Chun</b>	Chairperson	Note	Republic of China	Woman	2016/11/23	7.1	> 50	●		●	●	●	●	●	●	●	●
<b>Huang, Yih-Ray</b>	Independent Director	Note	Republic of China	Man	2018/10/29	5.2	> 50	●	●	●	●	●	●	●	●	●	●
<b>Hsu Chin-Ling</b>	Independent Director	Note	Republic of China	Woman	2017/2/22	6.9	> 50	●	●			●				●	●
<b>Wu Ming-Tsung</b>	Director and General Manager	Note	Republic of China	Man	2021/12/29	2	> 50	●	●	●	●	●	●	●	●	●	●
<b>Ting Han-Yin</b>	Director	Note	Republic of China	Woman	2017/3/29	6.8	> 50				●			●	●		●
<b>Kuo, Ing-Jun</b>	Director	Note	Republic of China	Man	2021/12/29	2	> 50	●	●	●	●			●	●	●	●
<b>Chang Chia-Lin</b>	Director	Note	Republic of China	Woman	2020/9/1	3.4	> 50				●			●	●		●
<b>Liu Yu-Chun</b>	Supervisor	Note	Republic of China	Woman	2018/10/29	5.2	> 50	●	●	●			●	●	●	●	●
<b>Tsai, Shueh-Yun</b>	Supervisor	Note	Republic of China	Woman	2021/12/29	2	> 50	●	●	●	●	●	●	●	●	●	●
<b>An, Lan-Jong</b>	Supervisor	Note	Republic of China	Man	2020/4/29	3.8	> 50	●	●	●	●	●	●	●	●	●	●

**Note:** The Board of Directors of Mega Securities adopts a single-track system. The external independence assessment of directors is based on the following criteria. Each director and supervisor meets each of the following criteria two years before the election or during the term of office:

- (1) Not an employee of Mega Securities or an affiliated company.
- (2) Not a director or supervisor of Mega Securities or an affiliated company.
- (3) Not a natural-person shareholder who holds 1% or more of the total number of issued shares of Mega Securities in the name of the person's spouse, underage children, or in another person's name, or is one of the top 10 shareholders of Mega Securities.

- (4) Not a manager listed in (1) or a spouse, relative within the second degree of kinship listed in (2) and (3), or direct relative within the third degree of kinship.
- (5) Not a director of a corporate shareholder that directly holds 5% or more of the total number of issued shares of Mega Securities, that is among the top five in shareholding, or that designates its representative to serve as a director or supervisor of Mega Securities in accordance with Article 27, paragraph 1 or 2 of the Company Act.
- (6) Not a director, supervisor, or employee of another company where the number of seats on the Board or more than half of the voting shares of Mega Securities is controlled by the same person.
- (7) Not a director, supervisor, or employee of a company or institution that is the same person or spouse as the chairman, general manager, or person in equivalent position of Mega Securities.
- (8) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution that has financial or business dealings with Mega Securities.
- (9) Not a person providing audit or related professional services for Mega Securities or any of its affiliated companies with a cumulative amount of remuneration received exceeding NTD 500,000.
- (10) Not a person that is related to a director as spouse or is a relative of second degree.
- (11) Does not meet any of the conditions specified in Article 30 of the Company Act.
- (12) Not elected as a government or corporate representative according to Article 27 of the Company Act.

For details on the independence of directors, please refer to the 2023 annual report of Mega Securities. ([2023 Annual Report.pdf \(megasec.com.tw\)](https://megasec.com.tw))

## Continuing education for directors

In response to international corporate governance and the development trend of legal compliance, money laundering prevention, ethical management, fair treatment of customers, and sustainable operations, as well as the latest laws and regulations, Mega Securities offers a variety of external institutions to provide Board members with continuing education courses. By doing this, we aim to strengthen the ability of our directors in the course of performing their duties so they are equipped with the required capabilities keep pace with the times. When taking office or during their term of office, Board members shall continue to participate in the continuing education courses held by designated institutions and organizations as specified in the "Guidelines and Map of Continuing Education for Directors and Supervisors of Securities Firms" and the "Guidelines and Map of Continuing Education for Directors and Supervisors of the Futures Industry". The topics of the continuing education courses cover risk management, business, commerce, accounting, law, corporate social responsibility, or sustainable development. The Group's annual ESG-related course training procedures also stipulate that directors and supervisors take at least 3 hours of continuing education. In 2023, the seven directors of the 12th Board received a total of 104 hours of training, with an average 14.86 training hours per person, in line with the "Guidelines and Map of Continuing Education for Directors and Supervisors of Securities Firms" and the "Guidelines and Map of Continuing Education for Directors and Supervisors of the Futures Industry". Both Guidelines stipulate that the total number of hours of continuing education at designated institutions should be 59 hours, with an average 8.42 training hours per person. The Company's average hour was more than the requirements(6 hours). The courses for directors include corporate governance, money laundering prevention, risk management, internal control, ESG sustainability, and legal risks, aimed to strengthen the professional functions of directors and supervisors and optimize corporate governance. The directors' continuing education status in 2023 is also disclosed on the Market Observation Post System and the Company's website.

## Board Performance Evaluation

As a means to implement corporate governance and enhance the functions of the Board of Directors, Mega Securities established the "Board of Directors Performance Evaluation Guidelines" in 2023, which have been disclosed on the official website. The Board of Directors, functional committees, and all Board members are evaluated every year. The performance evaluation of the Board of Directors and functional committees are conducted by an external professional independent institution or a team of experts and scholars at least every three years. The 2023 directors' performance assessment results are also disclosed on the official website. ([Results of the 2023 Board Performance Evaluation of Mega Securities Co., Ltd.pdf \(megasec.com.tw\)](#))



**Board Performance Evaluation  
Guidelines**



**Directors' continuing education status**



**Directors' performance assessment  
results**

## 7.1.3 Remuneration and Shareholding Policy

### Remuneration Policy for Directors (Including Independent Directors)

Type of Personnel Item	Directors and supervisors
<b>Remuneration policy</b>	In accordance with the spirit of corporate governance, directors, supervisors and independent directors are paid corresponding remunerations in accordance with the supervisory and management responsibilities assigned by the shareholders' meeting.
<b>Remuneration standards and packages</b>	Directors and supervisors are paid transportation expenses according to the actual needs for performing their duties, and remuneration to independent directors is paid monthly.
<b>Remuneration determination procedure</b>	<ol style="list-style-type: none"> <li>1. The remuneration to the chairman is based on the "Salary Standards for Chairmen and General Managers Assigned or Recommended by the Ministry of Finance to Public and Private Companies and Their Invested Companies", stipulated by the Ministry of Finance with Letter Tai-Cai-Ku-Zi-09903506650 dated March 23, 2010.</li> <li>2. The remuneration to independent directors is subject to the "Remuneration Criteria for Independent Directors", stipulated by Mega Holdings with Letter Zhao-Guan-Zi-No.0990011483 dated September 30, 2010.</li> <li>3. Earnings distribution is subject to a resolution by the shareholders' meeting. The dividend distribution record date shall be determined by the shareholders' meeting or authorized to be determined by the Board of Directors.</li> </ol>

## Remuneration policy for senior management

Mega Securities has established salary rules for employees by grade. The salary of managers is determined based on the internal salary range, external market salary surveys, and the median salary as the basic positioning. The remuneration paid is based on the management responsibilities of the managers, while considering the factors of attracting and retaining professional management talent, providing relatively reasonable remuneration for the positions, and evaluating the performance of the managers (including financial and non-financial indicators) on a regular basis. In addition, the distribution of performance bonus is determined based on the evaluation results. In fact, the payment of variable remuneration is determined based on the Company's operating performance. The remuneration to the general manager is based on the "Salary Standards for Chairmen and General Managers Assigned or Recommended by the Ministry of Finance to Public and Private Companies and Their Invested Companies", stipulated by the Ministry of Finance with Letter Tai-Cai-Ku-Zi-09903506650 dated March 23, 2010. In terms of non-financial indicators, the assessment items for the chairman and general manager of Mega Securities by the parent company Mega Holdings and the assessment items for the executive level of Mega Securities both include sustainability performance. They are described as follows:

- In accordance with the "Sustainable Development Best Practice Principles" (the scope of the Principles is applicable to the overall operating activities of Mega Holdings and its subsidiaries) established by the parent company, Mega Securities, the salary and remuneration policies, and the employee performance evaluation system are closely related to sustainable development. Mega Holdings has established the "Implementation Rules for the Annual Evaluation of Subsidiaries" and the "Procedures for the Risk Management Evaluation of Subsidiaries", which include ESG business and management performance indicators for the subsidiaries of Mega Holdings (including Mega Securities) as an important basis for adjustment of bonuses and remuneration to the chairman and general manager. In 2023, we increased the proportion of climate change related assessments. The ESG management performance was 3%, ESG business performance 2% (growth rate of sustainable development bond investment and underwriting amount), and comprehensive assessment of risk management (active participation in and implementation of work related to the management related to emerging risks (including climate risk)) 5%, and the total impact accounted for 10% of the total score. In the future, we will continue to take a proactive approach to promote the linkage between senior executive performance and sustainability performance, and include ESG performance in all aspects of senior executive performance evaluation indicators.
- Starting from December 2022, the annual appraisal items of the department heads and branch managers of the departments related to Mega Securities' three lines of defense for fair hospitality business will include the performance of customer fairness treatment. The extent of the impact accounts for 1-5% of the total appraisal scores according to the importance of each department. The appraisal items include the ability to properly handle customer complaints, conduct the review of fair treatment of customers, and actively propose measures to enhance fair treatment of customers, which are adopted by the Fair Customer Treatment Promotion Committee.



- Starting from 2023, Mega Securities has reviewed the annual ESG promotion plan's KPI achievement status for each department in charge on a quarterly basis, and reported to the Sustainable Development Committee and the Board of Directors. At the end of the year, the achievement of KPIs is used as a reference for evaluating the annual performance of each department head. In the future, we will continue to actively promote the mechanism to link the performance of senior executives with sustainable performance, and include the performance of all ESG aspects in the evaluation indicators of senior executives.

In addition, the ESG item (completion of ESG education and training), accounting for 2% of the total evaluation score, is also included in Mega Securities' annual performance evaluation for general employees.

### Basic remuneration information

Mega Securities approves bonuses every year based on the Company's overall operating performance and employee performance evaluation results. The average remuneration adjustment in 2023 (excluding the employee with the highest remuneration) was 13.08%, the median salary adjustment for 2023 (excluding the employee with the highest remuneration) was 13.58%, and the annual increase of the employees with the highest remuneration was -34.52%.

Item	2022	2023
Average remuneration of all employees excluding the highest paid employee (NTD)	1,063,515	1,223,600
Median remuneration of all employees excluding the highest paid employee (NTD)	850,959	984,695
Annual total remuneration of the highest paid employee (NTD)	14,370,721	10,683,043
Annual total compensation ratio (average) (Note 2)	14	9
Annual total compensation ratio (median) (Note 3)	17	11

**Note:** 1. The annual total remuneration of the highest paid employee was calculated in accordance with the Salary Calculation Rules for Full-time Employees in Non-Managerial Positions announced by the Taiwan Stock Exchange.

2. The annual total compensation ratio (average) is the annual total remuneration of the highest paid employee/the average of remuneration of all employees excluding the highest paid employee

3. The annual total compensation ratio (median) is the annual total remuneration of the highest paid employee/median of the remuneration of all employees excluding the highest paid employee

## 7.1.3 Ethical Corporate Management

### Ethical Corporate Management

In order to establish a good corporate governance system and foster a culture of integrity, Mega Securities has adopted the "Ethical Corporate Management Best Practice Principles", "Ethical Corporate Management Committee Charter", "Ethical Corporate Management Procedures and Code of Conduct", "Ethical Code of Conduct", "Procedures for the Handling of Grievance Cases" for the management of anti-corruption, fair trade, donations, conflicts of interest, and business secrets. Mega Securities has established the Ethical Corporate Management Committee under the Board of Directors. The main duties of the Committee are to assist the Board of Directors and management in auditing and assessing the implementation of ethical corporate management. The Ethical Corporate Management Committee reports to the Board of Directors once a year on the implementation of the Ethical Corporate Management Best Practice Principles. In 2023, there were 0 cases reported to Mega Securities through grievance channels and 0 cases substantiated after investigation (referring to cases that met the scope of acceptance and found violations after investigation); 1 case was transferred to Mega Holdings for processing. The investigation results were reported to the Board of Directors of Mega Securities on April 26, 2023, with a letter issued to Mega Holdings. In 2023, there were 2 cases of violations of Article 18, paragraph 2 of the Regulations Governing Responsible Persons and Associated Persons of Securities Firms. All cases with higher risk of dishonesty as defined in Article 3 of "Ethical Corporate Management Procedures and Code of Conduct" were addressed and improved.

During Mega Securities' annual self-evaluation of the Ethical Corporate Management Best Practice Principles, the Company requires directors, senior managers, and managers with 6th grade or higher to sign the Statement of Compliance with Ethical Corporate Management Policy. In 2023, the signing rate was 100%. Any employee who violates the policy will be punished according to the "Employee Reward and Punishment Procedures" depending on the severity of the case. We will also strengthen the implementation of relevant education and training and other improvement measures to prevent similar negative incidents from happening again. In addition, in conjunction with the internal control and audit mechanism, the ethical management policies, prevention plans, operating procedures, and consequences of unethical conduct are promoted from time to time to embed the concept of ethical management as part of the company culture.

Mega Securities has established the "Guidelines for the Management of External Donations and Sponsorships", which prohibit Mega Securities from making political donations and explicitly limit donations to government agencies and charitable organizations registered with the competent authorities or established according to laws.



**Ethical Corporate  
Management Best Practice  
Principles**



**Ethical Corporate  
Management Procedures and  
Code of Conduct**



**Ethical Code of Conduct**

#### Implementation of Ethical Corporate Management Best Practice Principles by Business Partners of Mega Securities

	Scope of Coverage	Signing of the Statement	Provision of education and training
<b>Mega Securities</b>	100%	100% (Target: Directors, supervisors, and managers with 6th grade or higher)	100% (Target: Full-time employees)
<b>Business partners (including contractors, suppliers, and service providers)</b>	100%	100%	100%

**Note:** The "Ethical Corporate Management Best Practice Principles include anti-corruption and fair trade, and all directors have received education and training on the ethical corporate management.

#### 2023 Anti-corruption Communication and Training

Director	Number of directors	Number of trainees	Percentage covered	Total training hours
-	7	7	100%	69
Employees	No. of employees	Number of trainees	Percentage covered	Total training hours
<b>Management roles</b>	186	186	100%	683
<b>Non-management roles</b>	1,331	1,327	99.7%	2,775
<b>Total</b>	<b>1,517</b>	<b>1,513</b>	<b>99.74%</b>	<b>3,458</b>

**Note:** 1. As of December 31, 2023, the number of trainees was 1,520 (the number of full-time employees was 1,517, plus the chairman and 2 interns)

2. The coverage rate of non-management roles was not 100%, mainly due to some employees were unable to complete the relevant education and training before December 31, 2023, but subsequently completed the relevant education and training in 2024.

## 2023 Code of Conduct Communication and Training for Employees

No. of employees covered by the Code of Conduct		
<b>Management roles</b>		186
<b>Non-management roles</b>		1,331
<b>Total</b>		<b>1,517</b>
Training type	Total training hours	Total No. of people trained (person-time)
<b>Internal training</b>	3,450	1,658
<b>External training</b>	8	2
<b>Total</b>	<b>3,458</b>	<b>1,660</b>

### Grievance system

Mega Securities has established the "Procedures for the Handling of Grievance Cases", under which the Audit Office is responsible for accepting grievance cases. The Audit Office has also set up a dedicated grievance hotline, a grievance email, and protection measures for whistleblowers. Employees and outsiders of Mega Securities can report violations of the law or regulations to the department accepting the grievance case through internal and external reporting channels directly. If the reported misconduct is verified to be true, the relevant departments will review the internal control system and operating procedures, and propose improvement measures to prevent similar negative incidents from recurring. If the whistleblower has made concrete contributions to the Company, he/she will be rewarded as appropriate. In addition, if the reported misconduct is investigated and reveals any major violation or the possibility of causing major damage to the Company, the Investigation Department shall immediately prepare a report and submit it to the Board of Directors. A case classified as a major incidental event or a violation of law will be handled in accordance with the "Procedures for Major Incidental Events" of Mega Securities, notified or reported to

the relevant authorities. In addition, the "Procedures for the Handling of Grievance Cases" also clearly stipulate that after a grievance case is accepted, it shall be treated as a confidential file, and the identity of the whistleblower and the content of the report shall be kept confidential. The information that could reveal the identity of the whistleblower shall not be leaked. The whistleblower shall not be dismissed, demoted, or subject to salary reduction or impairment of his/her rights covered by law, contract, or custom. There should not be any other unfavorable disciplinary action imposed against the whistleblower. The reporting channels of Mega Securities are as follows:



Grievance email

[whistle@megasec.com.tw](mailto:whistle@megasec.com.tw)
[whistle@megasec.com.tw](mailto:whistle@megasec.com.tw)

(02) 3322-7254

### Procedures for the Handling of Grievance Cases

## Grievance procedures

According to Article 7 of Mega Securities' "Procedures for the Handling of Grievance Cases", all grievance cases shall be handled according to the following procedures:

- I. After a grievance case is accepted, it shall be treated as a confidential document.
  - II. Acceptance of the grievance case and investigation process; relevant personnel handling or participating in the grievance case shall recuse themselves if there is a conflict of interest. The scope of stakeholders is as follows:
    - (I) Spouse, relatives within the third degree of kinship by blood, or relatives within the second degree of kinship.
    - (II) A parent or family member who is not currently living with the concerned party.
    - (III) Having common interests or potential joint interests with the concerned party.
  - III. Grievance involving general employees shall be reported to the chairperson. The report receiver shall designate personnel to investigate the relevant facts immediately, and may request relevant departments or subsidiaries to investigate or assist in handling if necessary. The investigation report shall be submitted to the chairperson.
  - IV. If the grievance involves a director, supervisor, or supervisor at or above the managerial level, it shall be reported to all independent directors. Independent directors may designate internal departments of the Company or have external professionals conduct investigation. The investigation report shall be submitted to the independent directors, reviewed by the supervisors, and reported by the Investigation Department to the Board of Directors.
  - V. When conducting face-to-face interviews or written interviews with the respondent and relevant personnel, the Investigation Department shall abide by the following principles:
    - (I) Face-to-face interviews shall be held in private, and written interviews shall be handled in the form of confidential documents.
    - (II) The Investigation Department shall keep the case under investigation confidential and inform the interviewee of the obligation to keep the case confidential.
    - (III) The interview shall be recorded in writing and signed by the interviewer.
    - (IV) The Company shall adhere to the strictest distinctions in the interview process or in the content of written interviews, and avoid coercion or inducement.
  - VI. If it is confirmed that the respondent has violated relevant laws and regulations or the Company's rules, the respondent shall be requested to immediately cease the relevant act and appropriate actions shall be taken depending on the severity of the case. If necessary, the Company may claim for damages through legal procedures to protect the Company's reputation and equity.
  - VII. The reporting process, the investigation process, and the investigation results of Mega Securities shall be retained in written or electronic files for at least seven years. If the reported case involves litigation, relevant data shall be retained until the conclusion of the litigation.
  - VIII. The department accepting the grievance case shall notify the whistleblower in writing or by other means of the outcome of the handling of the reported case.
- If the investigation of an independent director is appointed by an external professional according to the provisions of subparagraph 4 of the preceding paragraph, the department accepting the grievance case shall request the chairperson's approval for the appointment. The relevant expenses shall be borne by Mega Securities.

## Whistleblower policy and procedures

According to Article 9 of Mega Securities' "Procedures for the Handling of Grievance Cases", Mega Securities shall take the following protection measures for whistleblowers:

- I. The identity of the whistleblower and the content of the report shall be kept confidential, and information sufficient to identify the whistleblower shall not be leaked to prevent unfair treatment or retaliation.
- II. The whistleblower shall not be dismissed, demoted, or subject to salary reduction or impairment of his/her rights covered by law, contract, or custom. There should not be any other unfavorable disciplinary action imposed against the whistleblower.

## 7.2 Risk Management

### 7.2.1 Implementation of Risk Management

#### Risk Management Structure

To supervise the effectiveness of the risk control mechanism, Mega Securities has the Board of Directors as the highest decision-making unit for risk management. The Board of Directors is responsible for approving risk management policies and procedures, overall risk appetite, and appointing the Risk Management Committee to supervise daily risk management affairs. The Risk Management Committee has been established under the Board of Directors to supervise the establishment of the risk control mechanism and ensure the implementation of the risk management policy. The convener of the Committee is the chairperson. The other members are composed of the Director and General Manager, the Chief Risk Officer, and other department heads. The Committee is responsible for supervising the implementation of risk management business, deliberating the risk management policies, annual risk management objectives, the Articles of Incorporation of the Risk Management Committee, and risk management rules, and reviewing the overall risk appetite or risk limit. The Risk Management Committee convenes at least one meeting every quarter, and the meeting minutes shall be reported to the Board of Directors. Extraordinary meetings may also be convened as needed for business needs or for emergencies. The Risk Management Office is responsible for meeting affairs.

#### Risk management measures

For Mega Securities, the risk management policy is approved by the Board of Directors, which clearly defines the risk management objectives and regularly monitors the implementation. The Board of Directors also approves the risk management rules to address major financial and non-financial risk categories, such as market, credit, liquidity, operational, climate, and others according to the three lines of defense mechanism of the business departments, the Risk Management Office, the Legal Affairs and Compliance Office, and the Audit Office. We have defined the management principles for the six risk types, and regularly review the risk management mechanism, risk appetite, and risk management priority through assessment reports, scenario analyses, and stress tests to establish response strategies, control objectives, internal control systems, and procedures. The procedures and clear attribution of responsibilities can be incorporated by each business department into individual management regulations to effectively manage the Company's various operational and sustainability risks. In addition, in order to effectively respond to the risks brought about by climate change, Mega Financial Holdings has incorporated climate change risk management into the risk management policies and guidelines. Mega Securities has also been approved by the Board of Directors to add a climate risk management policy to its risk management policy and add the emerging risks to its risk management rules.





### Risk management education and training

Mega Securities encourages employees to participate in internal and external risk management-related education and training in accordance with the Group's policy. By doing this, we are able to enhance employees' risk awareness and establish a risk management culture to facilitate the effective implementation of risk management policies. In addition, in accordance with the "Procedures for the Risk Management Evaluation of Subsidiaries" established by the Group, the number of people who participate in the risk management education and training of Mega Securities each year will be correlated with their performance. In 2023, a total of 25,218 person-times from Mega Securities participated in risk management-related training courses, and the total number of training hours reached 66,387 hours. The topics included laws and risk trends and aspects related to anti-money laundering (AML) and counter-terrorist financing (CFT), climate change information disclosure for the securities industry, and low-carbon transformation path planning - carbon rights and carbon pricing.

## 7.2.2 Emerging Risk Assessment and Response

As the financial environment becomes increasingly complex, in addition to the existing risk assessments, Mega Securities also incorporates emerging risks into the scope of risk management. Questionnaires were distributed to each department to assess major emerging risks, and major emerging risks were listed as important issues in Mega Securities' risk management, and major risk issues (including emerging risks) were monitored.

### STEP 1

#### Risk identification

For the definition and scope of emerging risks, the five categories of economic (A), environmental (B), geopolitics (C), social (D), and technology (E) in the Global Risks Report 2023 of the World Economic Forum (WEF) were referred to, and 25 emerging risk factors were identified.

### STEP 2

#### Risk assessment

A questionnaire was used to evaluate the risk factors according to "likelihood of occurrence" and "degree of impact". The top three "risk sensitivities" (likelihood of occurrence and degree of impact) in each category were selected, totaling 15 emerging risk factors, creating an emerging risk matrix.

### STEP 3

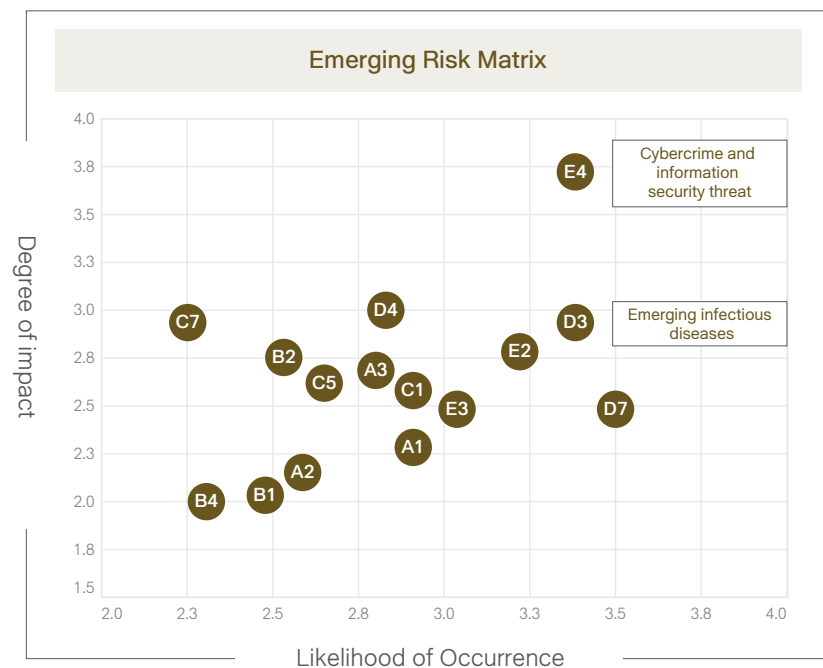
#### Risk response

In response to the above selection of the top two emerging risks in the next 3 to 5 years, namely "cybercrime and information security threats" and "emerging infectious diseases", relevant countermeasures are proposed.

### STEP 4

#### Risk report

The identification results of emerging risks are reported and disclosed in the Sustainability Report.



Risk type	Emerging risk factors	Likelihood of occurrence (1-5)	Degree of impact (1-5)	Risk sensitivity = Likelihood of occurrence x Degree of impact (1-25)	Ranking by risk type
<b>A</b> Economic risk	A1 Emerging debt crisis	2.85	2.31	6.57	2
	A2 Industry or supply chain adjustment	2.54	2.15	5.47	3
	A3 Illegal economic activities	2.85	2.62	7.44	1
<b>B</b> Environmental risk	B1 Climate adaptation or mitigation failure	2.46	2.08	5.11	2
	B2 Natural disasters and extreme weather	2.54	2.77	7.03	1
	B4 Natural resource crisis	2.38	2.00	4.77	3
<b>C</b> Geopolitical risks	C1 Geopolitical conflicts	2.85	2.62	7.44	1
	C5 Weapons of mass destruction threat	2.62	2.62	6.84	2
	C7 Terrorist attack	2.31	2.92	6.75	3
<b>D</b> Social risk	D3 Emerging infectious diseases	3.38	2.92	9.89	1
	D4 Misinformation and false information	2.85	3.00	8.54	3
	D7 Shortage of human resources	3.46	2.54	8.79	2
<b>E</b> Technology risk	E2 Digital gap and incomplete service	3.31	2.77	9.16	2
	E3 Information monopoly	2.92	2.46	7.20	3
	E4 Cybercrime and information security threat	3.38	3.69	12.50	1

Risk factors	Emerging infectious diseases	Cybercrime and information security threat
<b>Risk description</b>	<p>The global impact of the pandemic has increased the possibility of large-scale emerging infectious diseases with shortened cycles, resulting in an impact on Mega Securities due to social unrest.</p> <ul style="list-style-type: none"> <li>Normal scenario: There is no significant threat to emerging infectious diseases of Mega Securities over the next 3 to 5 years. <ol style="list-style-type: none"> <li>The company operates normally, and the system recovery time is less than the tolerable interruption time (4 hours).</li> <li>Employee mental health, and the employee turnover rate is maintained within 12%.</li> <li>The operation of the investment company and customer repayment are normal, and there is no investment or credit loss.</li> </ol> </li> <li>Extreme scenario: There are multiple outbreaks of emerging infectious diseases (such as new variant viruses) in the next 3 to 5 years, and the occurrence cycle is shortened to once a year, affecting Mega Securities. <ol style="list-style-type: none"> <li>Operations are interrupted for more than 4 hours due to an outbreak of a disease.</li> <li>Employees may suffer from mental health damage due to being infected, and the employee turnover rate may reach 15%.</li> <li>The operation of the investment company or the non-performing loan repayment of customers may cause investment and credit losses up to 10% of the net worth.</li> </ol> </li> </ul>	<p>With the development of network technology, the world faces high information security risks. As a result, Mega Securities may be affected by hacker attacks.</p> <ul style="list-style-type: none"> <li>Normal scenario: There is no significant threat to the information security of Mega Securities over the next 3 to 5 years. <ol style="list-style-type: none"> <li>Social engineering drills are held at least twice a year to raise employees' information security awareness and prevent personal information from leaking.</li> <li>Vulnerability scans are performed every year to make improvements based on vulnerabilities to prevent system disruption due to hacker intrusions.</li> <li>Penetration tests are conducted twice a year to continuously strengthen the information security system to prevent financial losses caused by hacker invasion.</li> </ol> </li> <li>Extreme scenario: Mega Securities suffers from repeated hacker attacks and ransomware implantation over the next 3 to 5 years, resulting in system interruption, financial losses, and leakage of personal information. <ol style="list-style-type: none"> <li>Less than twice a year of social engineering drills may result in insufficient information security awareness among employees and lead to personal information leakage.</li> <li>Failure to perform vulnerability scans every year may lead to vulnerabilities that may be exploited by hackers to conduct attacks and cause system disruptions.</li> <li>Penetration tests conducted less than twice a year may indicate insufficient system protection, which may lead to financial losses due to hacker attacks and ransomware implantation.</li> </ol> </li> </ul>

Risk factors	Emerging infectious diseases	Cybercrime and information security threat
Impact on Mega Securities	<p>Multiple outbreaks of emerging infectious diseases over the next 3 to 5 years may lead the government to adopt a lockdown policy, hinder economic development, and cause long-term health damage, causing Mega Securities to face:</p> <ol style="list-style-type: none"> <li>1. Operational interruption: Due to the impact of an outbreak of a disease, the service capacity of physical operating sites may be reduced or temporarily closed, while digital services such as websites or apps may also be overloaded due to the rapid increase in demand for contactless services, and operations may be interrupted for more than 4 hours.</li> <li>2. Mental health damage: Performance pressure and remote working cause confusion between work and daily life, resulting in increased long-term psychological pressure on employees of Mega Securities, contributing to a decrease in work efficiency and an increase in the turnover rate, which exceeds 15%.</li> <li>3. Investment and credit losses: The situation of an outbreak of a disease is higher than expected, affecting the operations of the investment company and customers' repayment ability, resulting in investment losses of Mega Securities or customer defaults. In extreme cases, the loss may be over 10% of Mega Securities' net worth.</li> </ol>	<p>Repeated hacker attacks over the next 3 to 5 years may cause system interruption, financial loss, and leakage of personal information, and expose the Group to:</p> <ol style="list-style-type: none"> <li>1. Leakage of personal data: Due to insufficient information security education and training for employees, hackers may intrude into the Company's system and network through phishing emails and steal customers' personal data, causing Mega Securities to face claims from customers and penalties from the competent authorities.</li> <li>2. System disruption: A hacker attack may result in disruption or temporary closure of core systems, servers, websites, and other services. As a result, Mega Securities cannot operate normally, leading to an operating loss of over NTD 5 million.</li> <li>3. Financial loss: As a result of ransomware implanted by hackers, Mega Securities may face a ransom of more than NTD 10 million, or be forced to replace related information system equipment, resulting in a significant increase in costs.</li> </ol>

Risk factors	Emerging infectious diseases	Cybercrime and information security threat
Countermeasures	<ol style="list-style-type: none"> <li>1. Uninterrupted operations plan: Mega Securities has launched an uninterrupted operations plan; a continuous operation and system recovery team has been formed to conduct drills at least twice a year to ensure its ability to respond in the event of a crisis.</li> <li>2. Enhanced health protection: Mega Securities offers employees care leave and isolation leave to reduce the risk of the spread of infectious diseases in the workplace.</li> <li>3. Control and manage high-risk industries susceptible to an outbreak of a disease: Mega Securities monitors the status of various industries on a daily basis to avoid excessive concentration in the industry and ensure that liquidity is not in jeopardy. For the establishment of industry quotas, in addition to considering the market value of the industry and the credit status of the listed companies, we also request Mega International Investment Services to evaluate industry trends. To reflect the global economy, corporate operations, and market information in a timely manner, Mega Securities makes rolling adjustments to industry quota every six months for control. In December 2023, the risk exposure of Mega Securities to the tourism and department store sector susceptible to COVID-19 was NTD 581 million, or 3.06% of net worth, and within the 30% limit.</li> </ol>	<ol style="list-style-type: none"> <li>1. Enhance information security awareness: To raise colleagues' awareness of information security and prevent personal data leakage due to phishing emails, Mega Securities conducts social engineering drills at least twice a year. To reduce information security risks, Mega Securities conducts a personal data inventory every year to protect the rights and interests of customers.</li> <li>2. Continuity testing: In order to provide comprehensive and uninterrupted services, Mega Securities conducts annual vulnerability scanning and business continuity drills every year to ensure that important systems can continue to provide services and the effectiveness of the backup system. Security incident notification and response drills are also performed to restore normal operations as soon as possible.</li> <li>3. Strengthen the information security system: In order to strengthen the information security defense capability, Mega Securities conducts two penetration tests every year, and has introduced the ISO27001 information security management system and built the information security monitoring center.</li> </ol>



## 7.2.3 Capital Adequacy Management and Level 3 Asset Management

### Capital adequacy management

In order to effectively manage the capital adequacy ratio of Mega Securities, the Capital Adequacy Management Rules of Mega Securities have been formulated in accordance with the requirements of the Risk Management Rules. According to the Capital Adequacy Management Rules, the authorized capital adequacy ratio of Mega Securities shall not be less than 150%, and the capital adequacy ratio target and early warning indicators are listed as annual risk management objectives. The monitoring results are reviewed regularly and reported to Mega Holdings. In addition, to establish a capital adequacy assessment process and maintain an appropriate proprietary capital structure, while taking into account business development and risk control to improve the efficiency of capital utilization, Mega Securities has formulated the Capital Adequacy Management Enforcement Rules to implement the capital strategies of senior management. The relevant information is reported to the competent authority.

#### 1. Objectives of capital management

Mega Securities adopts the advanced method to calculate the capital adequacy ratio in cooperation with the competent authorities, and regularly calculates and reports the capital adequacy ratio of Mega Securities in accordance with the Regulations Governing Securities Firms. The management objective of Mega Securities' capital adequacy ratio shall not be less than 250%. When the early warning value of 270% is reached, it is necessary to convene the Risk Management Committee to discuss the proprietary positions held by the business departments and make adjustments. The capital adequacy ratio will be adjusted to exceed the warning indicators.

#### 2. Capital management policies and procedures

Evaluate the overall risk tolerance and the suitability of risk management by calculating the operating risk equivalent amount (including credit risk, market risk, and operational risk equivalent amount) and qualified capital, which are used as the basis for adjusting risk positions and risk management policies.

#### 3. Capital adequacy ratio

The capital adequacy ratio of Mega Securities as at December 31, 2023 and 2022 were 349% and 459%, respectively.

#### 4. Market risk management policies

To effectively control market risks, the Company plans the authorized limits, loss limits, risk value limits, and other related quantitative indicators of each department and product line based on the capital adequacy ratio, and controls the limits of various market risks through the risk management system. Each department conducts operations (or disposes of) according to the Market Risk Enforcement Rules to effectively control market risks.

According to the characteristics of the overall position and each product line of Mega Securities, early warning and loss stop mechanisms shall be defined in the Risk Management Rules, and appropriate Risk Management Enforcement Rules shall also be established for each department. The content should include the authorization structure and report of each level, the process and operation content, transaction scope, market risk measurement method, market risk limit and

approval level, and handling method for exceeding the limit, etc., and are implemented.

Assess the product lines that need to be hedged, and check daily whether the operation is within the scope of authorization. In addition, in response to emergencies, the Company conducts hedging operations for interest rate and equity derivatives to reduce position losses caused by abnormal market fluctuations. The Risk Management Office analyzes data such as various financial instrument positions, assessed gains and losses, analysis of sensitive risk factors, and stress testing on a regular or unscheduled basis, and reports to the chairman and the general manager as a reference for business decision-making.

#### (1) Measurement techniques and limits of market risk

We establish a quantitative risk model to measure risks. In addition to the basic position/nominal limit and profit/loss information, the model also covers risk factor analysis and VaR calculation and management. To effectively control market risks, the Company plans the authorized limits, loss limits, risk value limits, and other related quantitative indicators of each department and product line based on the capital adequacy ratio, and controls the limits of various market risks through the risk management system. Each department conducts operations (or disposes of) according to the Market Risk Enforcement Rules to effectively control market risks.

#### (2) Sensitivity analysis

In addition to stress testing, sensitivity analyses of changes in various market risk factors can be conducted for each product line of the Company's proprietary parts, and simulate and assess the impact on the overall net asset value when there is a change of 1% in foreign exchange rates, 1% in interest rates and 1% in stock prices.

### Valuation process for level 3 fair value

For Mega Securities to carry out fair value valuations for Level 3 financial instruments, the valuation department must first confirm with the Verification Department about the valuation model, parameters used, parameter sources, and calculation methods. Moreover, whether the data sources are independent and reliable must be confirmed and unscheduled calibration performed, with evaluation model, and adjustment of parameters and calculation methods adjusted to ensure that the evaluation results are reasonable. (For relevant details, please refer to pages 152-157 of the 2023 annual report of Mega Securities.)

## 7.3 Legal Compliance

### 7.3.1 Compliance Management Mechanism

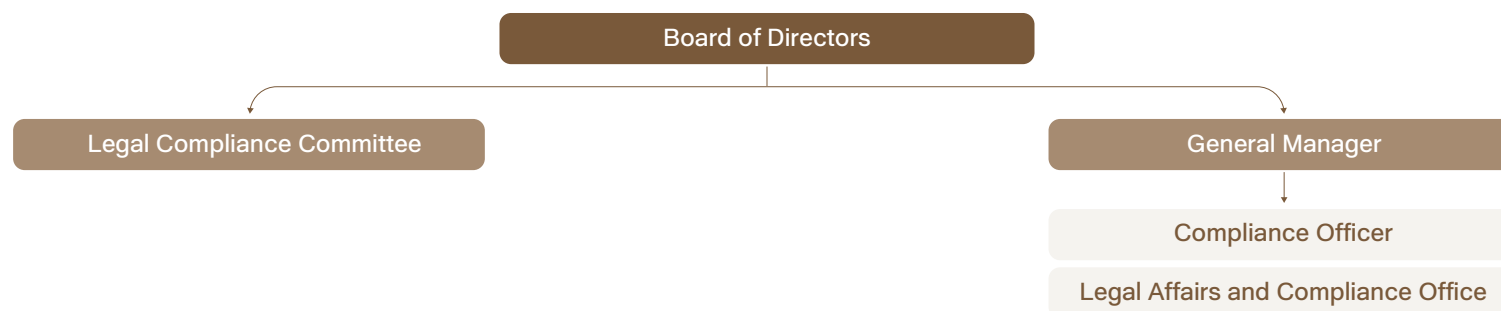
Mega Securities has established its compliance system in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" of the FSC, and designated the Legal Affairs and Compliance Office as the dedicated department in charge of the planning, management, and execution of the compliance system. The head of the Legal Affairs and Compliance Office is appointed by the Board of Directors to be the head of the Company's compliance affairs and is responsible for the overall management of compliance affairs and reporting to the Board of Directors and the supervisors every six months. In the event of a major violation of law or a downgrade from the competent authority, the compliance officer shall immediately notify directors and supervisors and report the compliance matter to the Board of Directors.

The Board of Directors has also established the Compliance Committee, chaired by the chairperson of the Board, and the Legal Affairs and Compliance Office as the dedicated department to effectively implement the promotion and execution of Mega Securities' compliance system. By doing this, we are able to achieve the goal of independent identification, assessment, and monitoring of compliance. In 2023, 5 Compliance Committee meetings were held.

#### Legal compliance education and training

To raise awareness of compliance risks and establish a culture of compliance to facilitate the effective implementation of company policies, Mega Securities encourages employees to participate in various internal and external compliance education and training. In 2023, Mega Securities provided a total of 76,654 hours of compliance training for 26,550 employees.

## ◆ Compliance management structure



### Duties of the Committee are as follows:

- Review relevant reports on regulatory compliance risk management.
- Review and approve important regulations and methodologies related to regulatory compliance that must be submitted to the Board of Directors.
- Analyze the causes and improvement plans for any penalties imposed on the Company by regulatory authorities, including corrective actions and fines.
- Analyze the causes and improvement plans for major regulatory violations or instances where the Company's rating has been downgraded by financial regulators.
- Review summary reports of compliance testing results related to any penalties imposed by regulatory authorities.
- Evaluate the adequacy of the Company's control measures in light of industry penalty cases or other significant regulatory compliance matters.
- Review reports on the execution of the regulatory compliance system.
- Review other important regulatory compliance-related issues or matters.
- Oversee the implementation of the above-related matters.

### The Legal Affairs and Compliance Office is responsible for the following compliance matters:

- Compliance Committee's conference affairs department
- Establish and maintain clear and appropriate systems for regulatory communication, coordination, and communication
- Ensure that all operational and management regulations are updated in accordance with relevant laws and regulations, so that all business activities comply with legal requirements.
- Oversee and ensure that each department regularly conducts self-assessments of compliance
- Implement appropriate and relevant legal training to personnel across departments
- Address any other matters required by regulatory authorities

## 7.3.2 Penalties

In 2023, Mega Securities was notified of a total of 3 fines by the competent authorities, with a total fine of NTD 720,000. Relevant measures have been implemented to strengthen control and prevent similar incidents from recurring. Mega Securities has set the materiality threshold to refer to a disciplinary action of warning or higher by the competent authority, a single fine of NTD 1 million or higher, or compliance with the “Significant Penalties as Stipulated in the Measures for Handling Significant Penalties for Violations of the Financial Services Act by the Financial Supervisory Commission”. In 2023, there were no penalties for reaching the material threshold and no incidents related to anti-competitive behavior, anti-trust, and monopoly. There were no violations of information, labeling, and marketing communication incidents or voluntary regulations related to products and services.

Case description	Fines	Other penalties	Improvement measures
Keeping blank power of attorney signed by clients in advance, accepting customers to place orders through social media software (Line) in violation of regulations, and having loans with customers.	NTD 480,000	Correction; The sales personnel suspended business execution for one year.	<ol style="list-style-type: none"> <li>1. Strengthen the function of the second line of defense and track the improvement of disciplinary cases.</li> <li>2. Examine whether the internal management measures of each department are reasonable and effective in reducing compliance risks.</li> <li>3. The deficiencies are listed as internal audit items that are handled daily.</li> </ol>
Accepting client's full authority to buy and sell securities in terms of type, quantity, price, and purchase or sale.	-	Correction; The sales personnel and the immediate supervisor were dismissed from duty and the accreditation terminated.	<ol style="list-style-type: none"> <li>1. Issue a report on improvement and preventive measures.</li> <li>2. The deficiencies are listed as internal audit items that are handled daily.</li> </ol>
Custodianship of settlement funds for clients, provision of settlement services, and loaning of funds with clients	NTD 240,000	Correction; the sales personnel suspended business execution for three month.	<ol style="list-style-type: none"> <li>1. Randomly conduct telephone recordings of sales personnel and conduct customer goodwill care interviews.</li> <li>2. The deficiencies are listed as internal audit items that are handled daily.</li> </ol>

### 7.3.3 Audit System

In accordance with the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" issued by the Financial Supervisory Commission, Mega Securities has appointed a Chief Auditor under the Board of Directors. An Audit Office has also been set up with a number of auditors to assist the Board of Directors and management in auditing and evaluating the effectiveness of the internal control system. The internal audit unit reports to the Board of Directors every year to discuss the annual internal audit plans (including securities and futures business) of the headquarters and branches, handles the audit plans of subsidiaries, and strengthens the risk assessment-based audit plan in accordance with the abovementioned standards. The internal audit unit plans to faithfully disclose in the audit report any deficiencies and anomalies found in the internal control system in an audit, and follows up after the report has been reviewed to ensure that relevant units have taken appropriate improvement measures in a timely manner. After completion, the audit report is submitted to the independent directors and supervisors for review by the end of the month, and the General Auditor will attend the Board meeting regularly to report the audit business report.

#### Test status

Status of audit professional licenses obtained or relevant tests passed at the end of 2023	
Title of test or license	Number of people passing
Banking Internal Control and Internal Audit	43
Internal Auditor	1
Computer Auditor	0
International Internal Auditor	0
Internal Auditor Qualifications	189
Accountant	3



## 7.4 Combating Crime

### 7.4.1 Management Mechanism for Combating Crime

Mega Securities complies with the regulations of the competent authorities and the requirements of the Mega Group to implement the “Money Laundering Control Act”, the “Counter-Terrorism Financing Act”, and the “Regulations Governing Anti-Money Laundering of Financial Institutions”, and supervises all departments to implement prevention and control measures. Mega Securities supervises all departments to implement prevention and control measures. Operations related to AML/CFT include customer due diligence, transaction monitoring, and education and training. At Mega Securities, we have established a money laundering prevention monitoring and list screening system, and provide comprehensive training for money laundering prevention personnel.

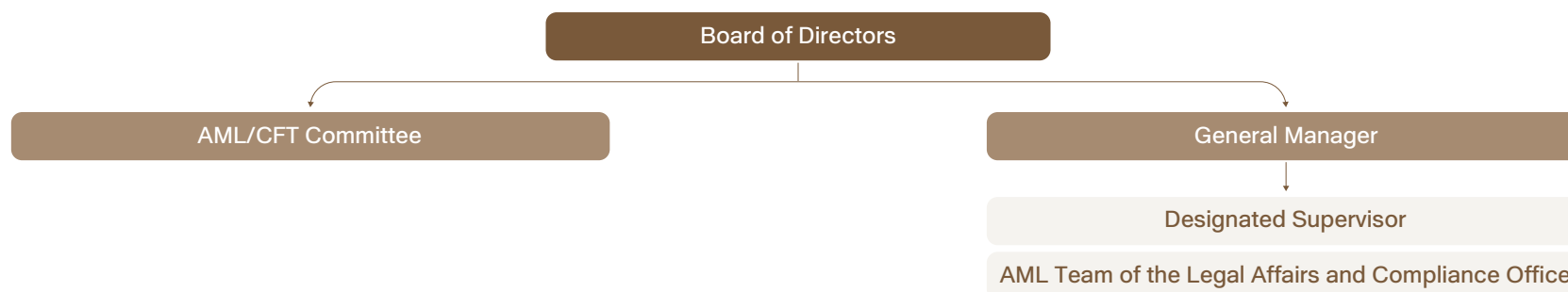
To supervise and manage the AML/CFT business of each department, Mega Securities has established the AML/CFT Committee, which is under the Board of Directors and chaired by the general manager. Regular committee meetings are held every quarter to review important regulations and AML/CFT-related matters that require review or approval by the Board of Directors. Regulations and AML/CFT-related matters that do not require approval of the Board of Directors are approved by the general manager according to the hierarchical responsibility chart. The scope of the Committee's supervision includes overseeing the implementation of various matters related to AML/CFT, reviewing the disciplinary actions taken by the competent authority against Mega Securities due to matters related to AML/CFT, and analysis of the causes of the disciplinary actions or fines imposed by the competent authority. The Committee is also responsible for reviewing the adequacy of Mega Securities' control measures and the implementation of various AML/CFT-related matters, such as penalties imposed by peers or other important AML/CFT-related matters. The relevant results are reported to the Board of Directors, and a total of 4 meetings were held in 2023.



According to the provisions of the hierarchical responsibility chart, the general manager of Mega Securities is responsible for supervising each department to carefully evaluate and review the implementation of the internal control system for AML/CFT, and approve important regulations and AML/CFT regulations that are not required to be submitted to the Board of Directors. In 2023, a total of 18 AML/CFT procedures were approved; adjustments made to various 2023 threshold parameters of AML/CFT transactions; 2023 annual AML/CFT legal compliance test report compiled; and counter-terrorist financing compliance testing for each business department and subsidiary for 2025 planned.

The Board of Directors has appointed the compliance officer to also serve as the dedicated head of AML/CFT. In addition to reporting to the Board of Directors and the supervisors on the implementation of AML/CFT every six months, the compliance officer is also responsible for coordinating and supervising the prevention and control of AML/CFT. The compliance officer reports suspected AML/CFT transactions to the Ministry of Justice Investigation Bureau. In order to effectively supervise and manage the implementation of Mega Securities' AML/CFT operations, the managers and department heads of each branch act as the supervisors. In addition, dedicated personnel have been designated in the headquarters, the Planning Office and the Legal Compliance Office for the implementation of AML/CFT-related operations of Mega Securities.

## ◆ Anti-crime management framework



### Duties of the Committee are as follows:

- Supervise the execution of anti-money laundering (AML) and counter-terrorism financing (CTF) activities by relevant departments.
- Review and analyze the causes and improvement plans for any penalties imposed on the Company by regulatory authorities for AML and CTF violations.
- Evaluate the adequacy of the Company's control measures in light of industry penalty cases or other significant AML and CTF matters.
- Review reports on the execution of AML and CTF activities.
- Review and approve important AML and CTF regulations and methodologies that the Company is required to report to the board of directors.
- Review and approve any AML and CTF-related matters that need to be submitted to the Board of Directors for approval.

### The duties of the AML Team of the Legal Affairs and Compliance Office are as follows:

- Handle administrative tasks related to the AML/CFT Committee.
- Conduct compliance testing activities.
- Conduct information sharing operations.
- Establish and maintain name databases.
- Implement national risk classification management.
- Manage risk appetite limits.
- Monitor and report suspected money laundering or terrorist financing transactions.
- Handle reporting related to counter-terrorism financing.
- Manage scenario rules for suspected money laundering or terrorist financing transaction patterns.
- Conduct comprehensive money laundering and terrorist financing risk assessment reports.
- Plan anti-money laundering and counter-terrorist financing education and training programs.
- Evaluate personnel involved in anti-money laundering and counter-terrorist financing activities.
- Address other regulatory compliance matters as required.

## 7.4.2 Anti-crime Measures

Mega Securities has formulated and announced 22 AML/CFT internal rules. In order to supervise each department's AML/CFT operations, Mega Securities regularly conducts compliance tests and legal compliance risk self-assessments, and has designated dedicated personnel in each department to assist in the department's AML/CFT operations.

In accordance with domestic laws and regulations, group consistency standards, and with reference to the Forty Recommendations of the Financial Action Task Force (FATF), each subsidiary has established a sound organizational structure and policies and procedures to effectively identify and assess various money laundering and terrorism financing risks, and to identify higher money laundering threats and vulnerabilities for control, in order to implement the requirements of international regulations. The implementation procedures include physical and non-physical customer due diligence (CDD), review of terrorism lists, review and monitoring of lists of politically exposed persons (PEPs), and participation of senior management in auditing clients with high money laundering and terrorism risks. The subsidiaries also communicate with each other through the AML/CFT Committee on the implementation of AML/CFT matters, and regularly share and collect the list of high-risk customer lists and suspected AML/CFT transaction reporting and de-identification cases through the information sharing area set up by the Group.

### 2023 implementation of anti-crime measures

Measures	Implementation status
<b>Institutional Risk Assessment (IRA)</b>	The Company performs a company-wide risk assessment for money laundering, terrorism financing, financing of militia, and sanctions at least once a year. As well as this, we conduct quantitative and qualitative analyses of the results of the risk assessment, and compile a risk assessment report, internal control assessment items, and improvement plan timelines, which are deliberated by the AML/CFT Committee prior to reporting to the Board of Directors.
<b>Establishment of an AML system</b>	To identify and control money laundering threats and vulnerabilities, Mega Securities has implemented various anti-money laundering systems, including transaction monitoring and list scanning, to prevent money laundering and terrorism financing.
<b>Customer identity due diligence</b>	<p>We have established the "Customer Due Diligence Procedures", "Procedures for Identification and Control of PEPs", and "Name and Title Verification Procedures" for the identification of customers, counterparties and related persons as well as comparison with the counter-terrorism list. Regular audits are conducted according to the risk level. In addition, Mega Securities performs centralized audits by the Compliance Office and reports to the Ministry of Justice Investigation Bureau if there are clients who meet the criteria of suspected money laundering and terrorism after approval by the dedicated supervisor.</p> <p>We have formulated the "Procedures for Identification and Control of PEPs" and "Procedures for Creation of Money Laundering and Terrorism Financing List Databases". After comparing with the purchased databases, those who do not fall under PEPs as defined by Mega Securities are included in the whitelist database. PEPs and their related parties that are known to have been shared by the Mega Group or discovered through customer due diligence conducted by our business units not included in the Mega Securities database should be included in the PEP database.</p>

## 2023 implementation of anti-crime measures

Measures	Implementation status
Identification, regular review, and monitoring of policies for high-risk customers such as PEPs	We have established the "Customer Due Diligence Procedures", "Procedures for Identification and Control of PEPs", and "Name and Title Verification Procedures" for the identification of customers, counterparties and related persons as well as comparison with the counter-terrorism list. If the client is identified as a PEP or has other high-risk factors, the PEP should be approved by a higher level supervisor according to the "Client Risk Rating and Classification Procedures", and his/her review frequency should be subject to once a year. In accordance with the "Procedures for Ongoing Monitoring of Accounts and Transactions and Reporting of Suspected Money Laundering or Terrorist Transactions", if the transaction monitoring of this account is an account type, it should be carried out once every business day.
Suspicious Transaction Report (STR) Centralized Project	Any obvious abnormality found in the client's business by the business departments should be reported to the supervisor and the head of the headquarters and then to the Legal Compliance Office, which will be reviewed and reported to the Ministry of Justice Investigation Bureau after approval by the dedicated supervisor. Mega Securities performs centralized audits by the Compliance Office and reports to the Ministry of Justice Investigation Bureau if there are clients who meet the criteria of suspected money laundering and terrorism after approval by the dedicated supervisor.
Application of Regtech	Transaction monitoring system (including RPA application and tableau), AML self-assessment system, list database establishment system (including whitelist database, PEP database, material and negative news database, country risk rating database, and customer database under investigation by external authorities).

Mega Securities is committed to AML/CFT. Every year, we invite internal and external experts to provide education and training and related lectures on money laundering prevention. This includes physical lectures, digital learning, video training, etc., further enhancing the professional knowledge and skills of AML/CFT personnel. In 2023, the completion rate of the personnel who should have completed the statutory hours of the training rate reached 100%.

## 2023 Anti-crime-related education and training

Training type	Total training hours	Total No. of people trained (person-time)
Provision of online courses and self-evaluation	3,567	2,989
Face-to-face training provided by compliance/legal affairs personnel	493	493
Face-to-face training provided by an external professional company	2,442	369
Mandatory participation in the annual refresher training program	3,960	1,320



#### Status of anti-crime licenses obtained or relevant tests passed at the end of 2023

Title of test or license	Number of people passing
Certified Anti-Money Laundering Specialist (CAMS)	10
Test for Money Laundering Prevention and Counter-Terrorist Financing Professionals	247





# CH8 Appendix

- 8.1 Sustainability Data
- 8.2 Sustainability Criteria and Index Comparison Table
- 8.3 External Independent Assurance Statement

## 8.1 Sustainability Data

### 8.1.1 Environmental Indicator Data

#### Energy consumption

Energy type	Item	2021	2022	2023
General electricity	Consumption (kWh)	6,235,359	5,779,218	5,880,271
	Expenditure (NTD)	25,689	23,175	25,084
	Energy consumption (GJ)	22,452	20,810	21,174
Green power	Consumption (kWh)	-	55,618	723,000
	Expenditure (NTD)	-	118,683	3,705
	Energy consumption (GJ)	-	200	2,603
Gasoline	Quantity used (liters)	12,551	27,327	8,763
	Expenditure (NTD)	787	863	270
	Energy consumption (GJ)	410	892	286
Natural gas	Consumption volume (m³)	-	-	-
	Expenditure (NTD)	-	-	-
	Energy consumption (GJ)	-	-	-
Diesel (mobile)	Quantity used (liters)	-	-	399
	Expenditure (NTD)	-	-	11
	Energy consumption (GJ)	-	-	14
Diesel (fixed)	Quantity used (liters)	-	-	239
	Expenditure (NTD)	-	-	7
	Energy consumption (GJ)	-	-	8
Liquefied petroleum gas (LPG)	Quantity used (kg)	-	-	-
	Energy consumption (GJ)	-	-	-

Energy type	Item	2021	2022	2023
Total energy consumption (GJ)	-	21,903	23,917	
Per-capita energy consumption (total calorific value (GJ)/person)	-	14.65	15.77	
Energy intensity (Gross calorific value (GJ)/Net income NTD 1 million)	-	5.24	3.68	

- Note:** 1. The data scope of energy consumption includes all operating sites in Taiwan, subsidiaries Mega Futures and Mega International Investment Services. The energy consumption figures of Mega Holdings, as assured by Deloitte Taiwan, include the above data of Mega Securities.
2. Total electricity expenses are calculated based on the average electricity prices from the "2018 Energy Statistics Handbook - List of Electricity Prices over the Years" published by the Bureau of Energy, Ministry of Economic Affairs.
3. The energy consumption calculation factors (calorific value) are based on the "Energy Product Unit Calorific Value Table (2018 Edition)" published by the Bureau of Energy, Ministry of Economic Affairs. Automotive gasoline at 7,800 kcal/liter, natural gas at 8,000 kcal/cubic meter, diesel fuel at 8,400 kcal/liter, and liquefied petroleum gas (LPG) at 6,635 kcal/liter; and each kilocalorie is calculated at 4.187 joules.
4. Mega Securities and its subsidiaries do not produce or sell energy, so the value of electricity, heating, cooling, and steam sold is 0.
5. Emissions per capita = total energy consumption / number of full-time employees in the scope of the inventory. There were 1,517 regular employees of Mega Securities (including the headquarters and branches) and all subsidiaries.

## Water withdrawal

Unit: million liters

Total water withdrawal in the past three years				
Item	Source	2021	2022	2023
Water withdrawal	Third-party water	33.033	28.532	32.204
Water withdrawal per capita	(Water supply company)	0.022	0.019	0.021

- Note:** 1. The data on the total amount of water withdrawal is based on the actual month of water consumption, covering all 43 operating sites in Taiwan (excluding the same address). The water consumption is mainly for the daily needs of employees and water for cooling and air conditioning. The water intake data of the Mega Group, which is subject to limited assurance by the accounting firm, includes the above data from Mega Securities.
2. The water used is entirely fresh from the government's Water Supply Department ( $\leq 1,000$  mg/L total dissolved solids), and there is no groundwater pumping or water supply in other ways. All wastewater used is discharged into sewers.
3. According to the World Resources Institute (WRI) water risk assessment tool, all of Mega Securities' operating sites in Taiwan are located in low-medium water stress risk areas.
4. The total number of employees as of 2023/12/31 is 1,517, and the water consumption data collection period is from 2023/1/1 to 2023/12/31.

## GHG emissions

Item/Year	By company	2021		2022		2023	
		Total emissions	Intensity	Total emissions	Intensity	Total emissions	Intensity
<b>Direct GHG emissions (Scope 1)</b>	<b>Total</b>	<b>380.15</b>	<b>0.053</b>	<b>100.00</b>	<b>0.074</b>	<b>46.93</b>	<b>0.045</b>
	Mega Securities	29.59	0.004	22.36	0.006	19.02	0.003
<b>Direct GHG emissions (Scope 1) - Self-owned company vehicles</b>	Mega Futures	-	-	1.54	0.004	1.64	0.006
	Mega International Investment Services	-	-	0.98	0.026	1.05	0.032
	Mega Securities	350.56	0.049	73.50	0.019	25.22	0.004
<b>Direct GHG emissions (Scope 1) - Other</b>	Mega Futures	-	-	0.99	0.003	-	-
	Mega International Investment Services	-	-	0.64	0.017	-	-
	<b>Total</b>	<b>3,130.35</b>	<b>0.435</b>	<b>3,545.97</b>	<b>2.770</b>	<b>3,245.45</b>	<b>2.551</b>
<b>Energy Indirect GHG Emissions (Scope 2)</b>	Mega Securities	3,130.35	0.435	3,387.83	0.869	3,099.09	0.494
	Mega Futures	-	-	96.48	0.279	89.29	0.328
	Mega International Investment Services	-	-	61.66	1.623	57.07	1.729
<b>Total Scope 1+2 emissions</b>	<b>Total</b>	<b>3,510.50</b>	<b>0.488</b>	<b>3,645.97</b>	<b>2.845</b>	<b>3,292.38</b>	<b>2.596</b>
<b>Other indirect GHG emissions (Scope 3)</b>	<b>Total</b>	<b>1,281.86</b>	<b>0.178</b>	<b>1,565.29</b>	<b>0.643</b>	<b>121,400.90</b>	<b>19.753</b>
	Mega Securities	584.04	0.081	594.77	0.095	577.54	0.092
<b>Other indirect GHG emissions (Scope 3) - Upstream of purchased electricity</b>	Mega Futures	-	-	17.26	0.063	17.97	0.066
	Mega International Investment Services	-	-	11.03	0.334	11.49	0.348

Item/Year	By company	2021		2022		2023	
		Total emissions	Intensity	Total emissions	Intensity	Total emissions	Intensity
Other indirect GHG emissions (Scope 3) - business travel	Mega Securities	9.80	0.001	10.53	0.002	18.78	0.003
	Mega Futures	-	-	-	-	-	-
	Mega International Investment Services	-	-	-	-	-	-
Other indirect GHG emissions (Scope 3) - investment	Mega Securities	688.03	0.096	931.71	0.148	120,775.12	19.244
	Mega Futures	-	-	-	-	-	-
	Mega International Investment Services	-	-	-	-	-	-
No. of operating sites verified by a third party		43		43		43	
Third-party verification coverage rate (%)		100		100		100	

**Note:** 1. Mega Securities obtained a total of 723 Renewable Energy Certificates (T-RECs) in 2023, and the total emissions measured on the Location Base were 3,292.38 tons of CO<sub>2</sub>e.

2. In 2021 and 2022, the external verification unit was SGS Taiwan; in 2023, the external verification unit was DNV GL Business Assurance Co., Ltd.

3. The GHG calculated are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFCs.

4. The scope of inventory and verification of Scope 3 investment includes all investments in 2023, and companies that had been held for more than one year and on the list of the Ministry of the Environment in 2022.

5. Due to the characteristics of the financial industry, the net income is used as the denominator for the calculation of the emission intensity.

## Total amount of waste

Unit: kg

Total waste in the past three years				
Year		2021	2022	2023
Direct disposal	General domestic waste (non-recyclable)	13,488	53,100	81,430
	Food waste	-	4,363	2,049
	<b>Subtotal of direct disposals</b>	13,488	57,463	83,479
Resource recycling (reuse)	Paper containers, waste paper	11,171	23,987	23,912
	Iron and aluminum cans	92	170	527
	Plastic	124	498	1,901
	Glass	-	-	149
	Batteries	-	-	14
	Fluorescent tube lights	189	271	262
	<b>Subtotal for recycling (reuse) of resources</b>	11,576	24,926	26,765
<b>Total</b>		<b>25,064</b>	<b>82,389</b>	<b>110,244</b>

**Note:** 1. Inventory conducted in 2023 and 2022 covered all global operating sites; inventory conducted in 2021 covered only the headquarters (Mega Securities Building).

2. Mega Securities mainly operates offices and does not generate any hazardous waste.

3. All waste is disposed of off-site. General domestic waste is mainly treated by incineration, and food waste is treated by incineration, feed and compost.



## 8.1.2 Social Indicator Data

### Statistics on global employment in the past three years

Item	No. of employees in 2021	No. of employees in 2022	No. of employees in 2023
Full-time employees	Female	993	990
	Male	497	505
	Taiwan operating sites	1,490	1,495
	Overseas operating sites	0	0
	Subtotal	1,490	1,495
Non-full time (dispatched) employees	Female	0	0
	Male	0	1
	Subtotal	0	1
Total	1,490	1,496	1,518

**Note:** 1. Manpower dispatched is the driver of a manager. The driver is responsible for the pick-up and drop-off of a manager.

2. Both full-time and non-full-time employees of Mega Securities are employees of the Taiwan operating sites.

3. In 2023, Mega Securities had another 10 workers who are not employees, including interns, contractors' cleaning personnel, and the contractors' security personnel.

### Statistics on global woman full-time employees in the past three years

Item	2021		2022		2023	
	No. of people	Percentage in this category	No. of people	Percentage in this category	No. of people	Percentage in this category
Total No. of woman employees	993	67%	990	66%	989	65%
Woman supervisors	93	49%	95	51%	96	52%

Item	2021		2022		2023	
	No. of people	Percentage in this category	No. of people	Percentage in this category	No. of people	Percentage in this category
Woman senior executives (Deputy General Manager and above)	2	22%	2	29%	1	17%
Woman mid-level supervisors (unit supervisors)	28	33%	31	36%	36	38%
Woman entry-level supervisors (non-unit supervisors)	63	67%	62	66%	59	69%
Woman supervisor of revenue generating functions (sales department)	78	51%	81	52%	85	53%
No. of woman employees in science, technology, engineering, and mathematics (STEM)-related roles	40	39%	30	38%	75	51%

**Note:** 1. Revenue-generating functions are calculated by business unit, excluding support units such as human resources, legal compliance, and audit.

2. Jobs related to science, technology, engineering, and mathematics (STEM) are counted as jobs involving statistics, mathematics, and actuarial, such as financial instrument issuance departments, IT departments, etc.

3. Please refer to 5.1.1 Human Resources and Structure.

### Statistics on global full-time employees with disabilities in the past three years

Item		2021		2022		2023	
		No. of people	Percentage in this category	No. of people	Percentage in this category	No. of people	Percentage in this category
Gender	Female	3	0.30%	3	0.30%	3	0.30%
	Male	4	0.80%	5	0.99%	5	0.95%
Age	Under 29 years old	-	0.00%	-	0.00%	-	0.00%
	30-50 years old	5	1.42%	6	1.85%	5	1.71%
	Over 51 years old	2	0.85%	2	0.80%	3	0.98%

Item		2021		2022		2023	
		No. of people	Percentage in this category	No. of people	Percentage in this category	No. of people	Percentage in this category
Region	Taiwan operating sites	7	0.47%	8	0.54%	8	0.53%
	Overseas operating sites	-	-	-	-	-	-
Position	Management roles	2	1.06%	2	1.07%	2	1.08%
	Non-management roles	5	0.38%	6	0.46%	6	0.45%
Total		7	0.47%	8	0.54%	8	0.53%

Note: Please refer to 5.1.2 Employee Diversity

### Statistics on nationality of global full-time employees in the past two years

Nationality	2022				2023			
	No. of employees	As a percentage to all employees	No. of supervisors	As a percentage to all supervisors	No. of employees	As a percentage to all employees	No. of supervisors	As a percentage to all supervisors
Taiwan	1,308	100%	187	100%	1,330	99.9%	186	100%
Malaysia	0	0%	0	0%	1	0.1%	0	0%
Total	1,308	100%	187	100%	1,331	100%	186	100%

Note: Please refer to 5.1.2 Employee Diversity

## Statistics on global new employees in the past three years

Item		2021		2022		2023	
		No. of people	Percentage	No. of people	Percentage	No. of people	Percentage
Gender	Female	94	61%	84	48%	91	46%
	Male	61	39%	92	52%	105	54%
Age	Under 29 years old	56	36%	68	39%	91	46%
	30-50 years old	85	55%	93	53%	92	47%
	Over 51 years old	14	9%	15	8%	13	7%
Region	Taiwan operating sites	155	100%	176	100%	196	100%
	Overseas operating sites	0	0%	0	0%	0	0%
Total		155	100%	176	100%	196	100%

**Note:** Please refer to 5.1.3 New Recruits and Resigned Employees.

## Statistics on global employee resignations in the past three years

Item		2021		2022		2023	
		No. of people	Percentage	No. of people	Percentage	No. of people	Percentage
Gender	Female	79	59%	87	53%	90	52%
	Male	56	41%	77	47%	84	48%
Age	Under 29 years old	26	19%	41	25%	50	29%
	30-50 years old	79	59%	83	51%	80	46%
	Over 51 years old	30	22%	40	24%	44	25%

Item		2021		2022		2023	
		No. of people	Percentage	No. of people	Percentage	No. of people	Percentage
Region	Taiwan operating sites	135	100%	164	100%	174	100%
	Overseas operating sites	0	0%	0	0%	0	0%
Total		135	100%	164	100%	174	100%

Note: Please refer to 5.1.3 New Recruits and Resigned Employees.

### Statistics on education and training of global full-time employees in the last three years

Unit: hours

Item		2021		2022		2023	
		Total training hours	Training hours per capita	Total training hours	Training hours per capita	Total training hours	Training hours per capita
Gender	Female	32,398	32.63	40,752	41.16	47,500	48.03
	Male	16,987	34.18	20,266	40.13	29,668	56.19
Position	Management roles	8,992	47.58	9,537	51	13,025	70.03
	-Senior executive	413	45.89	408	58.29	537	89.50
	-Mid-level executives	4,857	56.48	4,903	57.01	6,857	72.18
	-Junior level supervisor	3,722	39.60	4,226	44.96	5,631	66.25
	Non-management roles	40,393	31.05	51,481	39.36	64,143	48.19
Type	Internal training	8,190	5.50	11,610	7.77	19,419	12.80
	External training	41,195	27.65	49,408	33.05	57,749	38.07
Total		49,385	33.14	61,018	40.81	77,168	50.87

Note: 1. The average training hours per person is the total training hours of each item divided by the total number of participants. The number of training hours per person in a training type is the total number of training hours divided by the total number of employees.

2. Please refer to 5.1.5 Talent Training.

## Statistics on professional license subsidies for full-time employees in the past three years

Item		2021		2022		2023	
		No. of people	Total amount (NTD thousand)	No. of people	Total amount (NTD thousand)	No. of people	Total amount (NTD thousand)
Gender	Female	0	0	29	64	8	26
	Male	0	0	14	41	3	8
Position	Management roles	0	0	0	0	0	0
	Non-management roles	0	0	43	105	11	34
Total		0	0	43	105	11	34

Note: Please refer to 5.1.5 Talent Training.

## Statistics on childcare leave of full-time employees in the last three years

Item	2021		2022		2023		
	Total	Female	Male	Total	Female	Male	Total
No. of employees entitled to parental leave in the current year	15	9	8	17	6	10	16
No. of employees who actually took unpaid parental leave in the current year	2	5	1	6	1	-	1
No. of employees due for reinstatement in the current year	2	5	-	5	3	-	3
No. of employees actually reinstated in the current year	2	3	-	3	2	-	2
Reinstatement rate (%)	100.0	60.0	-	60.0	66.7	-	66.7
No. of employees actually reinstated in the previous year	6	1	-	1	3	-	3
No. of employees who remained in service 12 months after reinstatement in the previous year	5	1	-	1	3	-	3
Retention rate (%)	83.3	100.0	-	100.0	100.0	-	100.0

Note: 1. Reinstatement rate (%) = (No. of employees actually reinstated in the current year/No. of employees due for reinstatement in the current year) x 100%.

2. Retention rate (%) = (No. of employees who remained in service 12 months after reinstatement in the previous year/No. of employees actually reinstated in the previous year) x 100%.

3. In 2021, there was no separate statistics on the number of women and men taking parental leave, so the aggregate data is disclosed.

4. Please refer to [5.2.1 Remuneration and Benefits](#).



## Statistics on health checkup of full-time employees

Item		2022
Item	Female	958
	Male	464
Age	Under 39 years old	280
	40 to 49 years old	629
	Over 50 years	513
Region	Taiwan operating sites	1,422
	Overseas operating sites	-
Total		1,422

Note: A health checkup is conducted once every two years. The most recent checkup was 2022. [Please refer to 5.2.2 Occupational Health and Safety.](#)

## Statistics on occupational injuries of global full-time employees in the past three years

Item			2021	2022	2023
Occupational injury gender	Female		9	10	-
	Male		4	3	1
Injury category	Injury while on duty or in the workplace	Severe occupational injury	-	-	-
		Recordable occupational injury	-	-	-
	Traffic accidents during work commute	Severe occupational injury	-	-	-
		Recordable occupational injury	13	13	1
Total No. of people injured			13	13	1
No. of fatalities caused by occupational injuries			-	-	-

Item	2021	2022	2023
Total working days	246	248	247
Total No. of hours worked (hours)	2,932,320	2,966,080	2,997,592
No. of working days lost	249.88	166.50	0.5
Occupational injury rate (IR)	4.43	4.38	0.33
Percentage of severe occupational injuries (excluding fatalities)	-	-	-
Percentage of fatalities due to occupational injuries	-	-	-
Lost days rate (LDR)	85.21	56.13	0.17

**Note:** 1. Occupational injury rate (excluding personal traffic accidents of employees) = (No. of people injured × 1,000,000)/total No. of hours worked.  
2. Percentage of severe occupational injuries (excluding fatalities) = (No. of severe occupational injuries × 1,000,000)/total No. of hours worked.  
3. Death rate due to occupational injuries = (Number of fatalities due to occupational injuries × 1,000,000)/total No. of hours worked.  
4. Lost days rate = (No. of working days lost × 1,000,000)/total No. of hours worked.  
5. Absenteeism rate (%) = (total days absent/total man-days) × 100%.  
6. Please refer to [5.2.2 Occupational Health and Safety](#).

### Statistics on absenteeism rate of global full-time employees in the past three years

Item	2021	2022	2023
Total days absent	2,474	3,319.38	722.25
Absenteeism rate (AR) (%)	0.675	0.895	0.193
Employee data coverage rate (%)	100	100	100

**Note:** 1. Absenteeism rate (%) = total days absent/ total working days × 100%.  
2. The total days absent includes the total number of days lost due to various forms of absence, including work-related leave, illness, menstrual leave, minor illnesses (such as the common cold, fever, influenza), and personal leave and sick leave for undisclosed reasons; excluding scheduled or permitted absences (e.g. family care leave, festivals and holidays, training, maternity leave, paternity leave, marriage leave, bereavement leave, official leave).  
3. Please refer to [5.2.2 Occupational Health and Safety](#).

## 8.2 Sustainability Criteria and Index Comparison Table

### GRI Standards Index

Mega Securities has covered the content of the period from January 1, 2023 to December 31, 2023 in accordance with the GRI standards. As there were no applicable GRI Industry Standards issued at the reporting time of this Report, we used GRI 1: Foundation 2021 for the preparation of the Sustainability Report.

Disclosure Item		Corresponding Chapter	Page No.
<b>GRI 2 General Disclosures (2021)</b>			
2-1	Organizational details	1.1 Background	11
2-2	Entities included in the organization' s sustainability reporting	About this Report	1
2-3	Reporting period, frequency and contact point	About this Report	1
2-4	Restatements of information	About this Report (there was no restatement of information in this annual report)	1
2-5	External assurance	About this Report	1
		8.3 External Independent Assurance Statement	242
2-6	Activities, value chain and other business relationships	1.1 Background	11
		3.3 Sustainable Procurement	80
2-7	Employees	8.1 Sustainability Data	210
2-8	Workers who are not employees	8.1 Sustainability Data	210
2-9	Governance structure and composition	2.1 Sustainable Governance Structure	19
		7.1 Corporate Governance and Ethical Management	173
2-10	Nomination and selection of the highest governance body	7.1 Corporate Governance and Ethical Management	173
2-11	Chair of the highest governance body	7.1 Corporate Governance and Ethical Management	173
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Governance Structure	11
		3.1 Climate Action	51
2-13	Delegation of responsibility for managing impacts	1.1 Sustainable Governance Structure	11
		3.1 Climate Action	51

Disclosure Item		Corresponding Chapter	Page No.
<b>GRI 2 General Disclosures (2021)</b>			
2-14	Role of the highest governance body in sustainability reporting	About this Report	1
		2.1 Sustainable Governance Structure	19
		3.1 Climate Action	51
2-15	Conflicts of interest	7.1 Corporate Governance and Ethical Management (Please refer to page 60 of the Annual Report)	173
2-16	Communication of critical concerns	2.1 Sustainable Governance Structure	19
		7.1 Corporate Governance and Ethical Management	173
2-17	Collective knowledge of the highest governance body	7.1 Corporate Governance and Ethical Management	173
2-18	Evaluation of the performance of the highest governance body	7.1 Corporate Governance and Ethical Management	173
2-19	Remuneration policies	7.1 Corporate Governance and Ethical Management	173
2-20	Process to determine remuneration	7.1 Corporate Governance and Ethical Management	173
2-21	Annual total compensation ratio	7.1 Corporate Governance and Ethical Management	173
2-22	Statement on sustainable development strategy	Message from the Chairperson	3
2-23	Policy commitments	7.1 Corporate Governance and Ethical Management	173
		7.2 Risk Management	190
		5.3 Human Rights Protection	152
2-24	Embedding policy commitments	7.1 Corporate Governance and Ethical Management	173
		5.3 Human Rights Protection	152
2-25	Processes to remediate negative impacts	5.3 Human Rights Protection	152
		7.2 Risk Management	190
2-26	Mechanisms for seeking advice and raising concerns	7.1 Corporate Governance and Ethical Management	173
2-27	Compliance	7.3 Legal Compliance	199
2-28	Membership associations	1.1 Background	11
2-29	Approach to stakeholder engagement	2.3 Stakeholders and Material Topics	33
2-30	Collective bargaining agreements	5.3 Human Rights Protection	152

## Material Topics

Disclosure Item	Corresponding Chapter	Page No.
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## GRI 3 Material Topics (2021)

3-1	Process to determine material topics	2.3 Stakeholders and Material Topics	33
3-2	List of material topics	2.3 Stakeholders and Material Topics	33
3-3	Management of material topics	2.3 Stakeholders and Material Topics	33

## Operational Performance

## GRI 201 Economic Performance (2016)

201-1	Direct economic value generated and distributed	1.2 Operational performance	15
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## Climate Action

## GRI 201 Economic Performance (2016)

201-2	Financial implications and other risks and opportunities due to climate change	3.1 Climate Action	51
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## GRI 305 Emissions (2016)

305-1	Direct (Scope 1) GHG emissions	3.1 Climate Action 8.1 Sustainability Data	51 210
305-2	Energy indirect (Scope 2) GHG emissions	3.1 Climate Action 8.1 Sustainability Data	51 210
305-3	Other indirect (Scope 3) GHG emissions	3.1 Climate Action 8.1 Sustainability Data	51 210
305-5	Reduction of GHG emissions	3.1 Climate Action 3.2 Green Operations 8.1 Sustainability Data	51 76 210

## Sustainable Finance

Custom Topics	4.1 Sustainable Finance	89
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## Customer Relations

Custom Topics	4.3 Customer Relations	109
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Material Topics		
Disclosure Item	Corresponding Chapter	Page No.
Information Security		
<b>GRI 418 Customer Privacy (2016)</b>		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.4 Information Security	116
Digital Innovation		
Custom Topics	4.5 Digital Innovation	123
Talent Attraction and Development		
<b>GRI 401 Employment (2016)</b>		
401-1 New employee hires and employee turnover	5.1 Talent Attraction and Development	127
	8.1 Sustainability Data	210
<b>GRI 401 Employment (2016)</b>		
404-1 Average hours of training per year per employee	5.1 Talent Attraction and Development	127
	8.1 Sustainability Data	210
405-1 Diversity of governance bodies and employees	5.1 Talent Attraction and Development	127
	7.1 Corporate Governance and Ethical Management	173
	8.1 Sustainability Data	210
Happy Workplace		
<b>GRI 201 Economic Performance (2016)</b>		
201-3 Defined benefit plan obligations and other retirement plans	5.2 Happy Workplace (For details on the 2023 benefit plan, please refer to p.41 of the consolidated financial report of 2023 Q4)	140
<b>GRI 401 Employment (2016)</b>		
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Happy Workplace	140



## Material Topics

Disclosure Item	Corresponding Chapter	Page No.
<b>GRI 405 Employee Diversity and Equal Opportunity (2016)</b>		
405-2 Ratio of basic salary and remuneration of women to men	5.2 Happy Workplace	140
<b>GRI 403 Occupational Health and Safety (2018)</b>		
403-1 Occupational health and safety management system	5.2 Happy Workplace	140
403-2 Hazard identification, risk assessment, and incident investigation	5.2 Happy Workplace	140
403-3 Occupational health services	5.2 Happy Workplace	140
403-4 Worker participation, consultation, and communication on occupational health and safety	5.2 Happy Workplace	140
403-5 Worker training on occupational health and safety	5.2 Happy Workplace	140
403-6 Promotion of worker health	5.2 Happy Workplace	140
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Human Rights Protection	152
403-8 Workers covered by an occupational health and safety management system	5.2 Happy Workplace	140
403-9 Work-related injuries	5.2 Happy Workplace	140
	8.1 Sustainability Data	210
<b>Corporate Governance and Ethical Management</b>		
<b>GRI 205 Anti-corruption (2016)</b>		
205-2 Communication and training about anti-corruption policies and procedures	7.1 Corporate Governance and Ethical Management	173
205-3 Confirmed incidents of corruption and actions taken	7.1 Corporate Governance and Ethical Management	173
<b>GRI 405 Employee Diversity and Equal Opportunity (2016)</b>		
405-1 Diversity of governance bodies and employees	5.1 Talent Attraction and Development	127
	7.1 Corporate Governance and Ethical Management	173
	8.1 Sustainability Data	210
<b>Risk Management</b>		
Custom Topics	7.2 Risk Management	190

## Material Topics

Disclosure Item	Corresponding Chapter	Page No.
Compliance		
<b>GRI 206: Anti-competitive Behavior (2016)</b>		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	7.3 Legal Compliance (no such incident this year)	199
<b>GRI 417 Marketing and Labeling (2016)</b>		
417-2 Incidents of non-compliance concerning product and service information and labeling	7.3 Legal Compliance (no such incident this year)	199
417-3 Incidents of non-compliance concerning marketing communications	7.3 Legal Compliance (no such incident this year)	199

## General Topics

Disclosure Item	Corresponding Chapter	Page No.
<b>GRI 302 Energy (2016)</b>		
302-1 Energy consumption within the organization	3.2 Green Operations	76
	8.1 Sustainability Data	210
<b>GRI 303 Water and Effluents (2018)</b>		
303-3 Water withdrawal	8.1 Sustainability Data	210
<b>GRI 305 Emissions (2016)</b>		
305-1 Direct (Scope 1) GHG emissions	8.1 Sustainability Data	210
305-2 Energy indirect (Scope 2) GHG emissions	8.1 Sustainability Data	210
305-3 Other indirect (Scope 3) GHG emissions	8.1 Sustainability Data	210
305-5 Reduction of GHG emissions	3.2 Green Operations	76
	8.1 Sustainability Data	210
<b>GRI 306 Waste (2020)</b>		
306-3 Waste generated	3.2 Green Operations	76
	8.1 Sustainability Data	210

General Topics		
Disclosure Item	Corresponding Chapter	Page No.
306-4 Waste diverted from disposal	3.2 Green Operations 8.1 Sustainability Data	76 210
306-5 Waste directed to disposal	3.2 Green Operations 8.1 Sustainability Data	76 210
<b>GRI 308 Supplier Environmental Assessment (2016)</b>		
308-1 New suppliers that were screened using environmental criteria	3.3 Sustainable Procurement	80
<b>GRI 402: Labor/Management Relations (2016)</b>		
402-1 Minimum notice periods regarding operational changes	5.3 Human Rights Protection	152
<b>GRI 403 Occupational Health and Safety (2018)</b>		
403-1 Occupational health and safety management system	5.2 Happy Workplace	140
403-2 Hazard identification, risk assessment, and incident investigation	5.2 Happy Workplace	140
403-3 Occupational health services	5.2 Happy Workplace	140
403-4 Worker participation, consultation, and communication on occupational health and safety	5.2 Happy Workplace	140
403-5 Worker training on occupational health and safety	5.2 Happy Workplace	140
403-6 Promotion of worker health	5.2 Happy Workplace	140
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Human Rights Protection	152
403-8 Workers covered by an occupational health and safety management system	5.2 Happy Workplace	140
403-9 Work-related injuries	5.2 Happy Workplace 8.1 Sustainability Data	140 210
<b>GRI 404 Training and Education (2016)</b>		
404-1 Average hours of training per year per employee	5.1 Talent Attraction and Development 8.1 Sustainability Data	127 210
404-3 Percentage of employees receiving regular performance and career development reviews	5.1 Talent Attraction and Development	127

## General Topics

Disclosure Item		Corresponding Chapter	Page No.
<b>GRI 405 Employee Diversity and Equal Opportunity (2016)</b>			
405-1	Diversity of governance bodies and employees	5.1 Talent Attraction and Development	127
		7.1 Corporate Governance and Ethical Management	173
		8.1 Sustainability Data	210
405-2	Ratio of basic salary and remuneration of women to men	5.2 Happy Workplace	140
<b>GRI 406 Non-discrimination (2016)</b>			
406-1	Incidents of discrimination and corrective actions taken	5.3 Human Rights Protection	152
<b>GRI 414 Supplier Social Assessment (2016)</b>			
414-1	New suppliers screened using social standards	3.3 Sustainable Procurement	80
414-2	Negative social impacts in the supply chain and actions taken	3.3 Sustainable Procurement	80

## SASB Sustainability Accounting Standards

### SASB Investment Banking & Brokers (FN-IB)

Disclosure Topic	Indicator Code	Metric	Corresponding Chapter/Description	Page No.
<b>Diverse workforce</b>	FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	8.1.2 Social Indicator Data	215
<b>Incorporation of ESG factors into investment banking and securities businesses</b>	FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	4.1.2 Responsible investment	95
	FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	4.1.2 Responsible investment	95
	FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	4.1.1 Sustainable Finance Management 4.1.2 Responsible investment	89 95
<b>Business ethics</b>	FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	7.3.2 Penalties	201
	FN-IB-510a.2	Description of whistleblower policies and procedures	7.1.3 Ethical Corporate Management	186
<b>Professional integrity</b>	FN-IB-510b.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	7.3.2 Penalties	201
	FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	7.3.2 Penalties No professional integrity-related mediation or arbitration has occurred with Mega Securities	201
	FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	7.3.2 Penalties No professional integrity-related mediation or arbitration has occurred with Mega Securities	201
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	7.1.3 Ethical Corporate Management	186

#### SASB Investment Banking & Brokers (FN-IB)

Disclosure Topic	Indicator Code	Metric	Corresponding Chapter/Description	Page No.
<b>Operational Risk Management</b>	FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Mega Securities is a securities business and therefore not applicable for this indicator.	
	FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	For details, please visit Mega Securities Image Website → Corporate Governance → Status of risk management	
<b>Employee motivation and risk taking</b>	FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	1. Please refer to "5.2.1 Remuneration and Benefits" for details. 2. Failure to apply the remuneration claim clause to the senior management of Mega Securities 3. For more details, 2023 Mega Securities Annual Report, pp. 273-274	
	FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	Failure to apply the remuneration claim clause to the senior management of Mega Securities	
	FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	7.2.3 Capital Adequacy Management and Level 3 Asset Management	197
<b>Activity Indicator</b>	FN-IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions	4.1.2 Responsible investment	95
	FN-IB-000.B	(1) Number and (2) value of proprietary investments and loans by sector	4.1.2 Responsible investment	95
	FN-IB-000.C	(1) Number and (2) value of market making transactions in (a) fixed income, (b) equity, (c) currency, (d) derivatives, and (e) commodity products	4.1.2 Responsible investment	95



## "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Climate-Related Information for Listing in Attachment 2"

Articles of Incorporation	Corresponding Chapter	Page No.
As stipulated in Article 2, listed companies shall disclose climate-related information in a special chapter:		
1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and the management.	3.1.1 Climate governance	52
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short-, medium-, and long-term).	3.1.2 Climate strategy	55
3. Describe the financial impacts of extreme climate events and transitional actions.	3.1.2 Climate strategy	55
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.1.3 Climate Risk Management	69
5. If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be explained.	3.1.2 Climate strategy	55
6. If there is a transformation plan in place to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transformational risks.	3.1.2 Climate strategy	55
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be described.	3.1.3 Climate Risk Management	69
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if carbon offsets or Renewable Energy Certificates (RECs) were used to achieve the relevant goals, it should be explained the source and quantity of carbon reduction credits or the quantity of Renewable Energy Certificates (RECs) that were exchanged.	2.2 Sustainability Vision and Strategy	22
	3.1.4 Climate indicators and targets	75
	3.2.2 Energy and GHG Management	77
9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and specific action plans		
9-1 The Company's greenhouse gas inventory and assurance situation in the last two years, stating the greenhouse gas emissions (ton CO <sub>2</sub> e), intensity (ton CO <sub>2</sub> e/million yuan), and data coverage in the last two years. A description of the assurance for the most recent two years, including the assurance scope, assurance institutions, assurance criteria, and assurance opinions.	3.1.4 Climate indicators and targets	75
9-2 Greenhouse gas reduction goals, strategies, and specific action plans. Specify the base year and data for greenhouse gas reduction, reduction goals, strategies, and specific action plans, and the status of goal achievement.	8.3 External Independent Assurance Statement	242

## UNGC United Nations Global Compact

Disclosure Item	Corresponding Chapter	Page No.
<b>Human rights</b>	Businesses should support and respect internationally proclaimed human rights	5.3 Human Rights Protection 152
	Guarantee not to be complicit in human rights abuses	
<b>Labor Standards</b>	Enterprises should support freedom of association and effectively recognize the right to collective bargaining	5.1 Talent Attraction and Development 127
	Eliminate all forms of forced and compulsory labor	
	Effectively abolish child labor	5.3 Human Rights Protection 152
	Eliminate discrimination in employment and occupation	
<b>Environment</b>	Businesses should support a precautionary approach to environmental challenges	3.1 Climate Action 51
		3.2 Green Operations 76
	Enterprises should take measures to fulfill more corporate environmental responsibilities	3.2 Green Operations 76
		3.3 Sustainable Procurement 80
	Encourage the development and diffusion of environmentally friendly technologies	4.5 Digital Innovation 123
<b>Anti-corruption</b>	Enterprises should strive to oppose all forms of corruption, including extortion and bribery	7.1 Corporate Governance and Ethical Management 173

## TCFD Climate-related Financial Disclosures

Level	Disclosure Item	General industry indicators	Corresponding Chapter	Page No.
<b>Governance</b>	a	Describe the board's oversight of climate-related risks and opportunities	3.1.1 Climate governance	52
	b	Describe management's role in assessing and managing climate-related risks and opportunities		
<b>Strategy</b>	a	Describe the short-, medium- and long-term climate-related risks and opportunities identified by the organization	3.1.2 Climate strategy	55
	b	Describe the impact of climate-related risks and opportunities on the organization's business, strategic, and financial planning		
	c	Describe the organization's strategic resilience and consider physical climate risks under different climate-related scenarios (including 2° C or more severe scenarios).		
<b>Risk Management</b>	a	Describe the organization's process for identifying and assessing climate-related risks.	3.1.3 Climate Risk Management	69
	b	Describe the organization's process for managing climate-related risks.		
	c	Describe how the process for identifying, assessing and managing climate-related risks is integrated into the organization's overall risk management system.		
<b>Indicators and targets</b>	a	Disclose the indicators used by the organization to assess climate-related risks and opportunities in accordance with its strategy and risk management process.	2.2 Sustainability Vision and Strategy	22
	b	Disclosure of Scope 1, Scope 2, and Scope 3 (if applicable) greenhouse gas emissions and related risks	3.1.4 Climate indicators and targets	75
			8.1.1 Environmental Indicator Data	210
	c	Describe the objectives used by the organization to manage climate-related risks and opportunities, and the performance of the objectives.		

## Sustainability Disclosure Indicators for Securities Firms

Serial number	Indicators
I.	Number of data breach incidents, percentage of personal data breach incidents, number of customers affected by data breach incidents
II.	The number and amount of funds assisted for Small and medium-sized enterprises (SMEs) to raise funds in the capital market
III.	Number of participants in financial education for disadvantaged groups lacking securities services
IV.	Products or services designed by each operating business to create environmental or social benefits

### I. Sustainability disclosure indicator for securities firms - information leakage

Sustainability disclosure indicator for securities firms - information leakage	
information leakage	2023
Complaints from external parties that have been substantiated by the organization	0
Complaints from regulatory authorities	0
Number of information leakage incidents	0
Percentage of personal data-related leakage incidents (%)	0
Number of customers affected by information leakage incidents	0

**Note:** The assurance indicator refers to the sustainability disclosure indicator number 1 of securities firms in accordance with the "Regulations Governing the Preparation and Filing of Sustainability Reports by Securities Firms." (The independent limited assurance report issued by KPMG can be found under the company's 2023 Sustainability Report( Chinese version)-Appendix 8.3 External Independent Assurance Statement)

### II. Number and amount of funds assisted for SMEs to raise funds in the capital market

Small and medium-sized enterprises (SMEs) account for more than 98% of all enterprises in Taiwan. In order to assist potential domestic enterprises with continuous upgrades, Mega Securities assisted four SMEs in 2023, namely, WAVE POWER TECHNOLOGY, WASTE RECOVERY TECHNOLOGY, Bausen Inc., and ATE ENERGY INTERNATIONAL. The enterprise successfully raised funds from the capital market, and the total amount of counseling amounted to NTD 1.626 billion.

Company name	Type	Number of issued shares (shares)	Funds raised in 2023 (NT\$)	Implementation status
Wave Power Technology Inc.	Cash capital increase	3,100,000	395,677,330	Fundraising completed
WASTE RECOVERY TECHNOLOGY INC.	Cash capital increase	3,398,000	433,830,310	Fundraising completed
Bausen Inc.	Cash capital increase	3,190,000	245,704,260	Fundraising completed
ATE ENERGY INTERNATIONAL CO. LTD.	Cash capital increase	10,000,000	250,000,000	Fundraising completed
ATE ENERGY INTERNATIONAL CO. LTD.	Convertible corporate bonds	3,000,000	301,500,000	Fundraising completed
<b>Total</b>				<b>1,626,711,900</b>

**Note:** According to Question 11 of the Q&A of "Regulations Governing the Preparation and Filing of Sustainability Reports by Securities Firms," "SME" is defined in the latest "White Paper for Small and Medium Enterprises" published by the Small and Medium Enterprise Division; unless otherwise stated, the relevant statistics from 2020 are defined based on the 2023 "Criteria for the Recognizing Small and Medium Enterprises" amended on June 24, 2020: the enterprises with paid-in capital less than NT\$100 million, or the full-time employees are fewer than 200. (The independent limited assurance report issued by KPMG can be found under the company's 2023 Sustainability Report (Chinese version)-Appendix 8.3 External Independent Assurance Statement)

### 3、Number of participants in financial education for disadvantaged groups lacking securities services

**Note:** 1. A total of 4 "University Financial Literacy Seminars" were held in partnership with the Taiwan Academy of Banking and Finance on 1/6 (Brokerage), 3/21 (Financial Business), 5/2 (Brokerage), and 9/26 (Brokerage), with a total student attendance of 271. (Note 1)

2. The 1-day "Everything, Everywhere All at Mega Securities" 1-day financial workshop at Mega Securities Headquarters was held on 9/23. Almost a hundred students registered for the event. On the day, 56 senior high school and university students visited the company and learned about the everyday work of securities firms. (Note 1) (Link: <https://www.megasec.com.tw/emega/news/in.do?id=20230925102009292991>)

3. On 12/7, Invited to organize an "University Financial Literacy Seminar" at Fu Jen Catholic University on the topic of internal bond investment practices and financial career planning that was attended by 85 people. (Note 1)

4. On 6/7, the Company held a financial literacy workshop for elementary and middle school teachers at Hengshan Junior High School in Hsinchu County for 2022 for a total of 23 teachers. The workshop aimed to help teachers integrate basic financial concepts and risk awareness into their lessons, further promoting inclusive financial education. (Note 2)

5. On 9/13, the Company held a financial literacy workshop for elementary and middle school teachers at Datong Elementary School in the East District of Tainan City for a total of 46 teachers. The workshop aimed to assist teachers in integrating basic financial concepts and risk awareness into their lessons, further promoting inclusive financial education. (Note 2)

6. On 11/2, the Company held a financial literacy seminar specifically for elementary and middle school educators, with 29 principals and directors from Tainan City schools in attendance. The seminar aimed to support educators in integrating basic financial concepts and risk awareness into their teaching curricula. (Note 3)

#### Industry-academia collaboration

In response to the declining birth rate in Taiwan and the increasingly diversified development trend of the financial industry, Mega Securities focuses on recruiting outstanding talents in three major fields: digital, sustainability and diverse finance. Mega Securities actively develops the industry-academia cooperation. During 2023, 22 university students were offered internships or part-time careers with the Company. Internship agreements were also signed with 8 universities

**Note:** 1. The assurance indicator refers to the sustainability disclosure indicator number 3 of securities firms in accordance with the "Regulations Governing the Preparation and Filing of Sustainability Reports by Securities Firms."

2. Mega Securities has partnered with the Taiwan Reading Culture Foundation to target schools with fewer resources as part of their cooperation efforts. They have organized financial literacy seminars for teachers and established "Libraries of Love" to promote financial literacy and risk awareness.

3. In light of the rapidly evolving nature of fraud schemes, Mega Securities is assisting teachers in strengthening basic financial literacy and risk awareness, integrating these concepts into their teaching curricula by organizing financial literacy seminars to enhance educators' understanding of financial matters. (The independent limited assurance report issued by KPMG can be found under the company' s 2023 Sustainability Report (Chinese version)-Appendix 8.3 External Independent Assurance Statement)

#### IV. Products or services designed by each operating business to create environmental or social benefits (The independent limited assurance report issued by KPMG can be found under the company' s 2023 Sustainability Report (Chinese version)-Appendix 8.3 External Independent Assurance Statement)

##### All sustainability bonds underwritten by Mega Securities in 2023

Bond type	Item
Green bonds (GBP-compliant bonds)	Bond name
	1. TSMC 112-1
	2. TSMC 112-2
	3. TPC 112-3
	4. TPC 112-6
Social responsibility bonds (SBP-eligible bonds)	Number of Cases
	4
	Amount (NTD thousand)
	1,900,000
	Bond name
	FET 112-1
	Number of cases (cases)
	1
	Amount (NTD thousand)
	150,000



Bond type	Item
Sustainability bonds (bonds in compliance with GBP, SBP, and SBG)	Bond name
	N/A
	Number of cases (cases)
	N/A
	Amount (NTD thousand)
	N/A
Sustainability-linked bonds (bonds in compliance with SLB)	Bond name
	Hon Hai 112-4
	Number of cases (cases)
	1
	Amount (NTD thousand)
	100,000

#### ESG ETN issued by Mega Securities in 2023

In an effort to encourage companies to pay closer attention to the impact of climate change on their operations, the Taipei Exchange has collaborated with FactSet to create the "TPEX FactSet Semiconductor Climate Net-Zero Elite Total Return Index", which focuses on climate change issues. The "Mega TPEX FactSet Semiconductor Climate Net-Zero Elite Total Return Index ETN" is linked to this index, making it the first ETN product in Taiwan market to track a climate-themed index. This product is designed to attract investors interested in companies that prioritize climate resilience, contributing to environmental sustainability.

ETN name	Mega TPEX FactSet Semiconductor Climate Net Zero Elite Total Return Index ETN
ETN ticker	Mega Semiconductor Climate N
Stock Code	020041
ETN Category	Domestic Component ETN
Date established	December 25, 2023
Maturity date	December 24, 2028, or the next business day if the maturity date is a non-business day.
Investment ratio allocation	N/A (the ETN is issued by Mega Securities, not invested)
Underlying Index	Mega TPEX FactSet Semiconductor Climate Net-Zero Elite Total Return Index ETN
Links to Public Information	<a href="https://www.tpex.org.tw/web/etn/etn_specification_domestic_detail.php?l=zh-tw&amp;code=020041">https://www.tpex.org.tw/web/etn/etn_specification_domestic_detail.php?l=zh-tw&amp;code=020041</a>

The "TIP Customized TPEX ESG IT Elite Total Return Index" focuses on two key aspects: the electronics industry and sustainable performance. It selects companies that have strong corporate social responsibility scores, as evaluated by the Corporate Sustainability Association, and that have shown positive average return on equity over the past 12 quarters. From these, the top companies by market capitalization are chosen as index components. The index is designed to filter through market trends, sustainability performance, and operational efficiency, blending market opportunities with future trends to fully implement the principles of ESG. This approach is intended to attract investors to companies that prioritize sustainable operations.

ETN name	Mega TIP Customized TPEX ESG IT Elite Total Return Index
ETN ticker	Mega TIP TPEX ESG ITE Total Return Index
Stock Code	020026

<b>ETN Category</b>	Domestic Component ETN
<b>Date established</b>	June 25, 2021
<b>Maturity date</b>	June 24, 2024, or the next business day if the maturity date is a non-business day.
<b>Investment ratio allocation</b>	N/A (the ETN is issued by Mega Securities, not invested)
<b>Underlying Index</b>	TIP Customized TPEx ESG IT Elite Total Return Index
<b>Links to Public Information</b>	<a href="https://www.tpex.org.tw/web/etn/etn_specification_domestic_detail.php?l=zh-tw&amp;code=020026">https://www.tpex.org.tw/web/etn/etn_specification_domestic_detail.php?l=zh-tw&amp;code=020026</a>

Barrier-free website	Remarks
<b>Business profile</b> <ol style="list-style-type: none"> <li>The Mega Securities website (Corporate Site) has obtained the Accessibility Level A certification issued by the Ministry of Digital Affairs, Executive Yuan.</li> <li>The Mega Securities website (Wealth Management Site) also features a Financial Friendly Service Section and an Elderly Friendly Section. These sections are designed to help customers with disabilities or the elderly navigate the site more easily by providing quick links to commonly viewed options, such as the latest news. Additionally, the website provides information on the friendly services currently offered by Mega Securities (such as the option to book sign language services), as well as details on accessibility facilities and equipment at various locations (including accessible parking, elevators, and ramps), making it easier for customers with specific needs to find relevant information.</li> </ol>	<ul style="list-style-type: none"> <li>Mega Securities Corporate Site <a href="https://www.megasec.com.tw/index.do">https://www.megasec.com.tw/index.do</a></li> <li>Mega Securities Wealth Management Site - Financial Friendly Service Zone <a href="https://www.megasec.com.tw/emegaTranAccessibility/index.do">https://www.megasec.com.tw/emegaTranAccessibility/index.do</a></li> <li>Mega Securities Wealth Management Site - Elderly Friendly Section <a href="https://www.megasec.com.tw/emegaTranAccessibility/ageFriendly.do">https://www.megasec.com.tw/emegaTranAccessibility/ageFriendly.do</a></li> </ul>
Warrant Competition	Remarks

<b>Business profile</b> <ol style="list-style-type: none"> <li>Mega Securities participated in the 13th Economic Daily News "Warrant Millionaire Challenge," utilizing the competition, as well as associated lectures, online programs, and informational packages, to promote public knowledge of warrants and achieve the goal of inclusive financial education.</li> <li>Mega Securities earned several accolades in the 13th Economic Daily News Warrant Millionaire Challenge, including the Top Performance Award, Outstanding Promotion Award, and Most Improved Award: <ol style="list-style-type: none"> <li>(1) Mega Securities won the Top Performance Award for its outstanding overall performance, demonstrating the highest total performance among all participating brokerage firms.</li> <li>(2) The Banqiao and Zhongxiao branches of Mega Securities secured first and second place in the Outstanding Promotion Award category.</li> <li>(3) The Zhongxiao and Laifu branches of Mega Securities earned first and second place in the Most Improved Award category.</li> </ol> </li> <li>These awards reflect Mega Securities' dedicated efforts and achievements in promoting active account holders and showcase the trust and recognition that warrant investors have in Mega Securities.</li> </ol>	<ul style="list-style-type: none"> <li>Mega Securities Corporate Website   Event Highlights (<a href="https://www.megasec.com.tw">megasec.com.tw</a>)</li> </ul>
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DCA		Remarks
Business profile	<p>1. Mega Securities launched the online account opening platform "E-Open" in January 2022, with the dual-opening function for securities and sub-brokerage accounts. It is equipped with the functions of W8ben (U.S. tax investigation form for foreigners) online signing, integration of optical character recognition (OCR), and online identity and seal verification service of Mega Bank, to save time and complicated procedures for account opening. In 2023, the platform saw a total of 16,928 new securities accounts and 12,484 new sub-brokerage accounts opened.</p> <p>2. In September 2022, Mega Securities launched the "Mega eStock " platform to provide share deposit services for fixed time and amount, fixed share, conditional order, and U.S. stock fixed share targeting the fractional shares in the intraday trading, so that retail investors with limited funds or wishing to save shares enjoy a more flexible digital share-deposit experience. As of 2023, the cumulative number of share-deposit plans has reached 30,212.</p>	<ul style="list-style-type: none"> <li>Mega Securities Attracts Eyeballs at the "Mega eStock " and "MegaGo Share Purchase" events <a href="https://money.udn.com/money/story/5618/7378371">https://money.udn.com/money/story/5618/7378371</a></li> </ul>
	<p><b>Addition of method to bill the service fee of the US stocks</b></p> <p>"MegaGo" is a new billing method for the service fee of the US stocks, allowing the investors to pay the service based on the shares when trading the US stocks. The investors may choose between the transaction amount-based or share-based billing, whichever is most economic, to help investors effectively save investment costs in U.S. stocks and solve the pain point of investors in trading U.S. stocks - high transaction costs.</p> <p>Mega Securities provides flexible and adaptable investment services to help clients navigate the ever-changing financial landscape.</p>	<ul style="list-style-type: none"> <li>Mega Securities' Four Advantages in US Stock Trading - Securities - Commercial Times (ctee.com.tw)</li> <li>Mega Securities Corporate Website   Latest News (megasec.com.tw)</li> </ul>

## 8.3 External Independent Assurance Statement

### Third Party Verification Certificate for Sustainability Information



ISO 14001: 2015 Environmental Management Systems



ISO 50001: 2018 Energy Management Systems



ISO 14064-1:2018 Greenhouse Gases



ISO 27001:2013 Information Security Management Systems



ISO 22301 Business Continuity



ISO 45001:2018 Occupational Health and Safety Management System



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