

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/CO₂, a decrease of 353.59 tons/CO₂ (or 9.70%) from 3,645.97 tons/CO₂ 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/CO₂e per year.

Total invested amount (NT\$)

2,950,000

Estimated carbon reduction (t/CO₂e)

5.06

Scope 3 Carbon Emissions of Mega Securities'

Year	2022	2023
Investment emissions (t-CO ₂ e)	64,946.24	120,775.12
Carbon footprint of investment (t-CO ₂ 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 m³ (assured by a third party), an increase of approximately 29.82% from 24,806 m³ 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.](#)

