

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"> • Children • Women • Indigenous peoples • Migrant workers • Third-party contracted labor 	Supplier Sustainable Development Self-Assessment Questionnaire

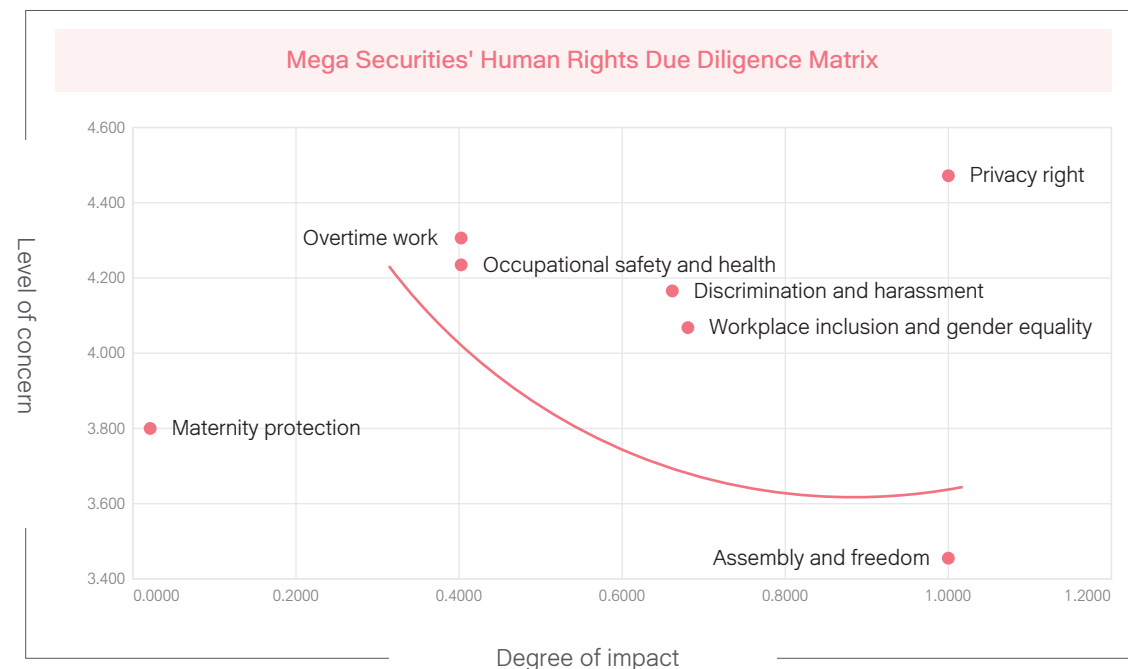
Do | Human Rights Risk Identification

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"> 1. Reminding employees of monthly attendance through announcements or emails. 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. 3. Reminding the officers to allocate work properly, and to advise employees to leave if they stay in the office without overtime required. 	<ol style="list-style-type: none"> 1. Provide compensatory leave or overtime wage pursuant to the law. 2. Review the overtime status of departments every month. 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. 	100
		Privacy right	0.07	<ol style="list-style-type: none"> 1. Establish regulations for protecting privacy rights of employees and customers. 2. Employees sign the confidentiality agreement for their clearly understanding of the confidentiality obligation. 3. Regularly promote the importance of personal data protection and organize relevant education and training. 	<ol style="list-style-type: none"> 1. Pursuant to the Personal Data Protection Act and relevant internal regulations, the emergency notification and contingency measures are adopted. 2. For the incidents leaking employee or customer privacy, the punishments linked to remuneration are taken to prevent recurrence. 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. 	
		Occupational Health and Safety	0.67	<ol style="list-style-type: none"> 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. 2. Regularly organize occupational health and safety-related education and training (such as firefighting, first aid, health promotion, among other things). 3. Regularly test the quality of the workplace environment (such as firefighting safety, air quality, drinking water quality, among other things). 	<ol style="list-style-type: none"> 1. Provide employees with regular health checkups or health checkup subsidies. 2. The health conditions of employees are tracked by the medical staff and stationed physicians. 3. Through the employee engagement survey and psychological counseling service (EAP) project, the employees' thoughts are understood for making appropriate adjustments. 	

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

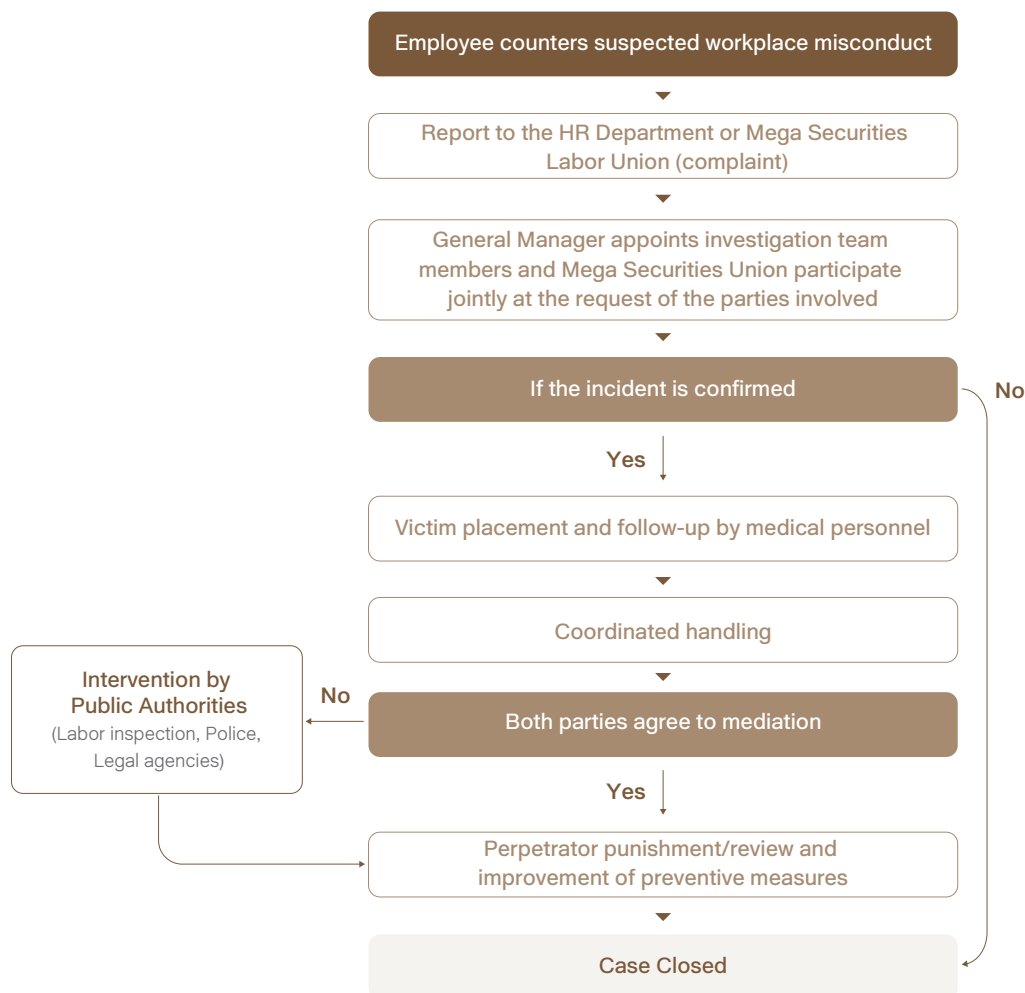
Education and training of human rights

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."