

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"> 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 Risk framework: the financial holdings and subsidiaries shall gradually incorporate climate change, biodiversity and other ESG-related risk factors into their risk management frameworks.
	Management Focuses for ESG Sustainable Development Industries and High-Risk Industries	<ul style="list-style-type: none"> 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. 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.
	Resolutions adopted by the Sustainable Development Committee	<ul style="list-style-type: none"> 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. It is committed that all new or relocated operating sites are in compliance with Mega Group's principles of biodiversity protection and zero deforestation.
Mega Securities	Sustainable Finance Policy	<ul style="list-style-type: none"> 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 Risk framework: Climate change, biodiversity and other ESG-related risk factors shall be gradually incorporated into the risk management framework. <div>  Sustainability Policy of Mega Securities Co. Ltd.pdf (megasec.com.tw) </div>

Level	Basis	Commitment description
Mega Securities	Stewardship Principles	<ul style="list-style-type: none"> 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. 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. For high-carbon emission industries: set the proportion of investment limits.
	Administrative Regulations for Promoting the Development of Sustainable Finance	<ul style="list-style-type: none"> 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. 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 For high-carbon emission industries: set the proportion of investment limits.

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.

