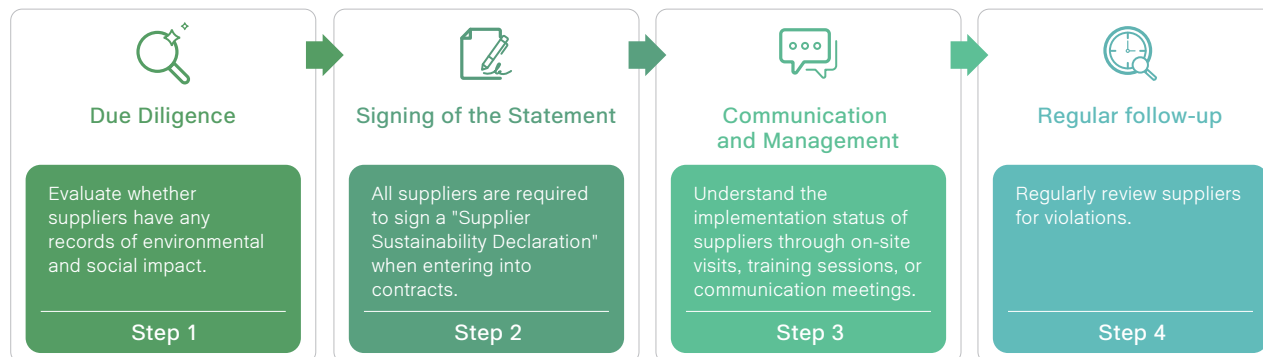


## 3.3 Sustainable Procurement

### 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 2024, there were no violations of regulations by the suppliers entering contracts with Mega Securities or violation incidents of Regulations. In 2024, a total of 136 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 (those with transactions amounting to more than NTD 1.5 million in the year) and aim 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 to assess their sustainability performance in the previous year on their own, and performance was rated on a scale of A Level to D Level. In 2024, the survey of key suppliers by Mega Securities and its subsidiaries covered 26 companies (the survey period was 2023), and 26 questionnaires were collected. The results were: 12 suppliers of A Level, 11 of B Level, two of C Level, and one of D level. The total purchase amount from Mega Securities' key suppliers for 2023 was approximately NTD 195,618 thousand.

+ (Supplier Sustainability Self-Assessment Questionnaire)

+ Supplier Self-Evaluation Questionnaire of Mega Securities Co., Ltd.

## 2024 Status of Signed Supplier Sustainability Declaration

## Regulations of Supplier Sustainable Development Management

Item	Year	2024
Number of contracts	(A)	158
Total contract amount (NT\$)	(B)	206,763,227
Number of signed "Supplier Sustainability Declaration"	(C)	158
Contract amount of signed "Supplier Sustainability Declaration"	(D)	206,763,227
Percentage for the contract amount of signed "Supplier Sustainability Declaration"	(=D/B)	100%
Total procurement amount (NT\$)	(F)	327,144,576
Percentage of contract amount of signed "Supplier Sustainability Declaration" in the total procurement amount (%)	(=D/F)	63.20%



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

## Highlight



## The 3rd "Supplier ESG Seminar" was held by the Mega Group in collaboration with value chain partners

Continuing the spirit of the "ESG Initiative Platform for Public Financial Enterprises" of the Ministry of Finance, the 3rd "2024 Supplier ESG Seminar" was held in the afternoon of March 20, 2024, with the theme of "Circular Economy x Low-Carbon Transformation", hosted by the chairman of the Group and guided by the Financial Supervisory Commission. Also, Deloitte Taiwan was invited to speak on supplier sustainability management, with the aim of helping implement the mission of "leading sustainable development through positive influence" to achieve the goal of "net zero by 2050". A total of eight key suppliers of the Company 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 2024, Mega Securities' green procurement amount was NTD 69,826,500, and the total procurement amount was NTD 310,444,533; the green procurement accounted for 22.49%, higher than the Group's annual target of 2.5%. 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.

#### Green procurement targets

Short-term	Medium and Long Term
Mega Securities gives priority to products with green label-related certifications in its procurement, and strives to implement local and seasonal consumption to reduce the possible environmental impact during transportation. The goal is for green procurement to account for 2.7% of the Group's total procurement amount by 2025.	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.

Unit: NT\$

2024 Green Procurement in Mega Securities and its subsidiaries		
Item	Amount	Green Procurement Amount
Category 1/2 Environmental Label	45,346,150	
ENERGY STAR	26,626,400	72,735,540
Other Procurement Amount (e.g., Carbon Footprint, Carbon Reduction Labels, Etc.)	762,990	
Annual Total Procurement Amount		327,144,576
Percentage of Annual Green Procurement Amount		22.23%

**Note:** Mega Securities and its subsidizes comply with the definition of green procurement as defined by the Environmental Protection Administration for the self-reporting of green procurement by private enterprises and organizations. Taiwan's carbon footprint label, carbon reduction label products, foreign eco-label products of which Taiwan is a signatory, ENERGY STAR, FSC and PEFC sustainable forestry labels, and other products for the green procurement screening principle.