By the end of 2025, the balance of investments in sustainable development industries accounted for **52.35%** of the proprietary trading and underwriting total position (excluding hedging).

At the end of 2025, the balance of domestic and foreign sustainable bonds reached **$3.799** billion (including green bonds of NT$2.196 billion, sustainability bonds of NT$1.136 billion, social bonds of NT$0.300 billion, and sustainability-linked bonds of NT$0.167 billion).

As of the end of 2025, the SBT setting by the investment target reached **35.78%**.

In 2025, a total of **251** sustainability self-assessment questionnaires were sent to investee companies for engagement, with 22 responses received.

In 2025, SBT engagement was conducted with a total of **39** investee companies, with nine responses received.

4.1 Sustainable Finance and Responsible Investment

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 co-prosperity among economic growth, environment and society, Mega Securities cooperates with Mega Group to participate in major international assessments such as DKBIC, 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 relevant bylaws or regulations and exert the power of finance to shape the positive influence of a sustainable society through the five compliance principles of sustainable finance.

In addition, to enhance the disclosure quality of sustainability information, the Company has established the "Anti-Greenwashing Declaration" and continued to refine its internal management mechanism. For example, the Company's "Administrative Regulations for Promoting the Development of Sustainable Finance ", explicitly stipulating the principles that should be complied with when making sustainability-related declarations and the management and supervision mechanisms. The Company's "Procedures for Management of Advertising, Business Solicitation and Business Promotional Activities" clearly stipulate that greenwashing behaviors must be checked when the Company's advertisement or marketing content involves "green" or "sustainability". In addition, the Company's sustainability report is discussed and approved by the Board of Directors to strengthen the management mechanisms for sustainability disclosure.

Implementation of Sustainable Finance Policy

Mega Securities is committed to practicing sustainable finance, leveraging its financial intermediation function to guide capital toward a low-carbon economy. We support enterprises that prioritize environmental protection, social responsibility, or robust sustainable governance in their sustainable financing and investment activities. By employing this dual approach to investment and financing, we actively drive sustainable development.

At the same time, the Company has established investment prohibitions and evaluation management procedures for high environmental and social impact industries or entities, coal and non-conventional oil and gas sectors, and high-carbon industries. Furthermore, the Company has strengthened the control of high sustainability risk targets through a sustainability risk rating mechanism to ensure that capital allocation aligns with sustainable value.

Communicate sustainable finance results with customers

Mega Securities firmly believes that communication is the key to the sustainable transformation of capital markets. Therefore, we engage with various stakeholders and fulfill our stewardship responsibilities as an institutional investor:

- For individual clients, we are committed to implementing financial inclusion and sustainable finance education, helping customers understand ESG through a variety of channels.
- For corporate clients, we actively engage and interact with investees. Our engagement methods primarily include participating in shareholders' meetings, conducting visits (including lead underwriter's routine advisory meetings), engaging in email discussions (including questionnaires), holding phone or video conferences, and attending investor conferences.

I. Statistics on the frequency and methods of engagement in 2025

In 2025, a total of 1,591 engagements were conducted with investees, of which 289 involved ESG issues. The engagement methods and frequency statistics are as follows:

Method of engagement	Total number of engagement	Engagement of ESG issues	Percentage of ESG engagement
Attending the shareholders' meetings of investees	410	3	1.0%
Visiting (including routine face-to-face meetings with sponsor brokers)	352	79	27.3%
Discussion via e-mail (including questionnaires)	557	168	58.2%
Telephone or video conferencing	256	36	12.5%
Participate in investor conference	16	3	1.0%
Total	1,591	289	100.0%

II. The 2025 statistics of ESG issue engagement and engagements in various ESG aspects

In 2025, Mega Securities engaged with investees a total of 1,591 times. Among these engagement activities, those related to ESG issues totaled 856 items across 289 companies. The top two ESG issues of concern regarding investees were "improving legal compliance" with 111 items, followed by "establishing an effective corporate governance structure and strengthening board functions" with 75 items.

By the three aspects of E (environmental), S (social), and G (governance), the G aspect has the highest number with 368 issues (accounting for 43%), while the E aspect and the S aspect have 268 issues (31.3%) and 220 (25.7%) issues. The proportion and classification of ESG issues engagement by Mega Securities with investees in 2025 are broke down as follows:

E (Environmental)

	Issue	times
1.	Carbon reduction	74
2.	Biodiversity conservation	23
3.	Water resources	32
4.	Circular economy (resource recycling and reuse)	34
5.	Toxic hazard and waste management	32
6.	Increase the proportion of green (environmentally friendly) products	27
7.	Those penalized by the competent authority due to environmental pollution incidents and have not yet made improvement.	23
8.	Other environmental issues	23
	Times|	268
	Weights|	31.3%

S (Social)

	Issue	times
1.	Create a safe work environment, prevent occupational accidents, and improve labor healthy workforce	51
2.	Ensure that employees' labor rights without discrimination on the basis of race, gender or any other circumstances.	31
3.	Implement employee suitability assessment and talent rating, and strengthen employee career development plans.	31
4.	Establish the transparent communication channels and encourage employees to participate in and give feedback	30
5.	Create a diverse employee benefit system to fulfill employee care responsibilities	29
6.	Those penalized by the competent authority due to involvement in hazardous activities or exploiting labor and have not yet made improvement.	25
7.	Other social issues	23
	Times|	220
	Weights|	25.7%

G (Governance)

	Issue	times
1.	Establishing the effective corporate governance structure and strengthening the functions of the Board of Directors	51
2.	Strengthen the risk management mechanism, to reduce and prevent the occurrence of risks.	31
3.	Improve the effectiveness and efficiency of internal audit	31
4.	Emphasize stakeholders' issues of concern and strengthen communication channels (shareholders, employees, customers, community members, suppliers, and competent authorities)	30
5.	Improving legal compliance	29
6.	Comply with the spirit of stewardship (principles for responsible investment), and: (1) publish CSR policies; (2) publish CSR reports or sign CSR commitments; (3) formulate and implement fair customer treatment policies (principles)	25
7.	Those penalized by the competent authority due to a violation of ethical corporate management principles without improvement.	23
8.	Other governance issues	
	Times|	220
	Weights|	25.7%

III. Strengthen the engagement with investees regarding carbon reduction (including the Reference Guidelines for Recognition of Sustainable Economic Activities) and biodiversity

Engagement Target or Type	Content
Group Supplier ESG Seminar	In March 2025, an ESG lecture for suppliers was held by Mega Group and co-organized by the Mega Securities. The lecture covered issues of sustainable supply chain trends and sustainability transformation. In addition to key suppliers, two corporate customers of Mega Securities participated in the lecture, hoping to urge suppliers and corporate customers to pay attention to sustainability issues and guide net zero transformation.
Client and Supplier ESG Seminar	In May and December 2025, Mega Securities organized two "Net-Zero Transition Workshops" for clients (including those in high-carbon-emission industries and companies subject to or not yet subject to the Taiwan Sustainable Taxonomy 2.0) and their suppliers (a total of 44 client and supplier organizations, with 65 participants in total). The course content covered topics such as corporate net-zero trends (e.g., the Reference Guide for the Identification of Sustainable Economic Activities), how to conduct carbon inventories and practical exercises, biodiversity, Taiwan's 12 key strategies for net-zero transition, and corporate carbon reduction standards—such as SBT.
General Sustainability Self-Assessment Questionnaire	In 2025, Mega Securities issued sustainability self-assessment questionnaires to domestic underwriting advisory clients, financing clients, and domestic investees to conduct engagement. The questionnaire covered environmental issues such as GHG emissions, low-carbon transition plans (including encountered restrictions, difficulties, and response plans), climate change adaptation plans (including specific action plans), and energy management actions, as well as sustainability issues such as social responsibility and corporate governance. These efforts aimed to understand the sustainable development progress of clients and investees and encourage them to join the SBTi, prioritize biodiversity, and follow the United Nations SDGs (including SDG 14 and SDG 15) by promoting plans and actions for the conservation of natural ecosystems. Furthermore, the Company encouraged these entities to refer to the climate change adaptation guidelines announced by the Ministry of Economic Affairs for their adaptation plans, invest in sustainable economic activities as defined in the second edition of the "Reference Guidelines for Recognition of Sustainable Economic Activities" issued by the FSC, and provided them with the FSC's "recommended coverage for transition plans" to assist in their low-carbon transition. In 2025, a total of 251 ESG engagement questionnaires were sent out, resulting in 22 responses. Many of these included positive feedback. For instance, Company A reported adopting a climate change adaptation plan and taken appropriate measures to mitigate the risks associated with biodiversity loss ; Company B noted ongoing procurement of energy-saving equipment; Company C identified potential disaster impacts and corresponding countermeasures; Company D planned to develop green products; and Company E implemented recyclable and reusable cabinet designs. Some companies also highlighted challenges in the decarbonization process, such as rising costs due to the pass-through of upstream transition expenses, the financial burden of replacing legacy equipment with carbon-reduction alternatives, and the extended timelines required for low-carbon product development. These insights serve as a valuable reference for Mega Securities in its future efforts to provide guidance to its clients.
SBT Engagement	In line with the Group's commitment to the SBTs, in 2025, Mega Securities conducted thematic engagements with investees that held larger positions and had not yet set SBTs (including investees with higher natural risks) to explain the benefits of joining SBTi and guide them toward net-zero transformation through continuous education and promotion. In 2025, a total of 39 questionnaires were issued and nine responses were received.
Engagement with high sustainability risk entities (Source: TDCC ESG IR Platform)	The "Administrative Regulations for Promoting the Development of Sustainable Finance" of Mega Securities specifies that if the investor relations risk rating of an enterprise disclosed on the IR Platform of Taiwan Depository & Clearing Corporation is rated as a severe risk level (i.e., a score of 40 points or above), the corporate governance rating disclosed by the IR platform is in the bottom 20% (i.e., 81-100%), or the Taiwan sustainability rating disclosed by the IR platform is rated as D (i.e., 96-100%), it is deemed a high sustainability risk level company. If the Business Department intends to invest in an enterprise with a high sustainability risk rating, it must explain the enterprise's risk response ability and risk mitigation measures of the enterprise and increase the approval level. For certain companies with high sustainability risk ratings, Mega Securities conducted engagement in 2025 and received positive responses, which served as the basis for investment. For example, Company A, whose sustainable finance evaluation score fell into Grade D, responded that it had established a risk management committee and a sustainable development committee under the Board of Directors; Company B, whose Sustainalytics ESG risk score was 40 points or higher, responded that its GHG emissions intensity in 2024 was lower than the industry average.
Collaborative Engagement	In 2025, Mega Securities and Mega Group (Mega Bank and Mega Funds) jointly engaged one investee. The engagement topics included SBT, the second edition of the Sustainable Economic Activities Reference Guidelines, ISO 50001, and biodiversity, to which the engaged company responded positively. Although the company falls within the scope of the semiconductor industry under the Reference Guidelines for Sustainable Economic Activities, its principal products have not yet met the relevant eligibility criteria, primarily due to the specialized nature of its product specifications and business growth profile. Following the engagement, ongoing monitoring was conducted. In 2026, the company indicated that it would instead identify and disclose other economic activities that qualify under the Guidelines and continue progressing toward obtaining recognition as a green enterprise by the competent authority in the future.

In the first half of 2026, Mega Securities adjusted its ESG engagement questionnaire topics in response to sustainability trends. These adjustments include encouraging clients to follow the TNFD framework, providing sample transition plans for companies applicable to but not yet in compliance with the Taiwan Sustainable Taxonomy 2.0, and offering the "Climate Change Adaptation and TCFD Case Handbook for the Manufacturing Industry" to those to whom the guidelines do not apply. The firm will continue its ESG engagement actions for domestic investees held by its proprietary trading and underwriting units. As of May 31, 2026, a total of 276 ESG engagement questionnaires gad been sent to investees.

Furthermore, the third net-zero transition workshop will be held on May 25, 2026, to further introduce identification assessment tools and transition plan generation tools to customers that are eligible for but do not yet comply with the Taiwan Sustainable Taxonomy 2.0 (such as the semiconductor industry and the computer and peripheral equipment manufacturing industry).

Highlight

Mega Securities Hosted the Net-Zero Transition Workshop Series—Session 1 (2025.05.15)

To help partners address the challenges of climate change, Mega Securities held a "net-zero transition workshop" in May 2025, inviting 26 clients and suppliers, and over 40 participants to join the event.

The course provided an in-depth analysis of net-zero trends, such as SBTs and biodiversity, with a focus on GHG inventory and decarbonization strategy.

Through practical guidance, participants simulated carbon emissions calculations, which enhanced their understanding of and confidence in carbon footprint inventory. This initiative assisted clients and suppliers in implementing transition actions aligned with the "Reference Guidelines for Recognition of Sustainable Economic Activities", leveraging financial institution influence to drive green competitiveness among partners.

Mega Securities Held the Net-Zero Transition Workshop Series—Session 2 (2025.12.04)

To further enhance the sustainable competitiveness of corporate clients and suppliers, Mega Securities held its second "net-zero transition workshop" of 2025, following the inaugural carbon footprint inventory course.

The course centered on key carbon reduction priorities and the application of quantitative methods. The session provided an in-depth analysis of the government's "12 key strategies" and assisted in establishing science-based targets (SBTs), supplemented by industry case studies to illustrate the critical steps of carbon reduction.

Education and training of sustainable finance

Mega Securities is committed to the development of internal sustainable finance talent. For 2025, the Company allocated an education and training budget of NT$13,882 thousand (including sustainable finance-related topics). In addition to organizing internal training courses, the Company also encourages employees to participate in external courses or seminars.

In 2025, the course offerings included a net-zero transition workshop, a biodiversity TNFD workshop, a GHG management module, ISO 14064-1, sustainable disclosure, sustainable risk management, climate change, ESG environmental education, carbon pricing development trends and financial decision-making, and sustainable finance and financial regulation seminars.

2025 Sustainable Finance Education and Training Status of Mega Securities and Its Subsidiaries

Total hours worked	34,560
Number of full-time employees (people)	1,636
Average training hours per person	21
Session (session)	91

Note: Sustainable finance education and training courses encompassed climate and environment-related topics, fair treatment of customers, ethical management, personal data protection, digitalization, and information security.

Stewardship Principles

Coal and Non-conventional Oil and Gas Business Control Guidelines

4.1.2 Responsible investment

Responsible Investment Regulations of Mega Securities

Mega Securities has integrated ESG assessment mechanisms into its investment and underwriting businesses in accordance with Mega Group regulations. The Company has formulated responsible investment regulations, including the "Sustainable Finance Policy", "Stewardship Principles", and "Administrative Regulations for Promoting the Development of Sustainable Finance", and the “Coal and Non-conventional Oil and Gas Business Control Guidelines”. Through these frameworks, Mega Securities actively supports enterprises committed to environmental protection or social responsibility, manages investments in industries with high environmental and social impacts, and maintains a clear list of prohibited investment enterprises.

Management Policy	Applicable Scope	Applicable Ratio
Responsible investment and stewardship related policies, principles, and key points	Various investment businesses	100%

STEP 1 Review whether the company is prohibited from investment (liquidate holdings within 3 business days)

STEP 2 Review whether the company is unsuitable for investment (industries or entities with high environmental and social impacts) (liquidate holdings within 25 % business days)

STEP 3 Review whether the company is in the coal or non-conventional oil and gas sectors (avoid investment) (position or sales to be reduced to 0 by the end of 20400)

STEP 4 Review whether the company is a high-carbon emitter (capped at 25 %)

STEP 5 Review whether the company poses high sustainability risks (exclude from medium- to long-term positions)