



2023

履行盡職治理
報告書

INVESTMENT
STEWARDSHIP
ANNUAL REPORT

Table of Contents

I. SinoPac Securities and Responsible Investment	2
1. About SinoPac Securities.....	2
2. Process of responsible investment.....	3
3. Establish a responsible investment team.....	4
II. Incorporation of ESG Assessment and Investment Process	5
1. Decision-making process of incorporating ESG into the investment analysis	5
2. List of controversial and sensitive investments and evaluation of risk measurement.....	6
3. Observation and evaluation of the information from the investee ESG, ESG rating status of Portfolio.....	7
III. Performance Status of Stewardship	9
1. Compliance statement and explanations of objection.....	9
2. Stewardship effectiveness evaluation.....	9
3. Invest internal resources to implement stewardship.....	9
4. Status of shareholders present, votes and proxy votes.....	10
IV. Summary of Corporate Negotiation Activities	14
1. Statistics of corporate negotiation.....	14
2. Evaluation of the interaction and negotiation with the investee companies.....	16
3. Follow the Stewardship policy to implement corporate negotiation and interaction, etc.....	16
4. Status of corporate negotiation.....	17
5. Execute the ESG sustainability issues questionnaire for investee companies.....	20
6. Institutional investor cooperation action.....	24
7. Advocate organization participation.....	26
V. Management of Conflicts of Interest	27
VI. Conclusion	27
VII. Contact Information of SinoPac Securities	28

I. SinoPac Securities and Responsible Investment

1. About SinoPac Securities

SinoPac Securities, established in 1988 and the first among its peers to list on Taiwan’s TPEX market, is a fully-owned subsidiary of SinoPac Financial Holdings Company Limited (SinoPac Holdings). SinoPac Securities’ service scope spans broking, proprietary trading, underwriting, fixed income, new financial products, etc. SinoPac Securities is a major integrated securities firm in Taiwan with a paid-in capital of NT\$16.212 billion and 47 service locations, and the business rankings are among the leading positions in the industry.

Aside from the domestic market, SinoPac Securities has also been aggressively deploying overseas with business locations in Hong Kong, Shanghai, and London to provide an optimized financial services integration platform. As an innovator in the industry, SinoPac Securities fully embraces the digital finance revolution. Through effective branding and development strategies, SinoPac Securities aims to be a digital leader in the securities industry and the first choice for seamless wealth management services, in accordance with the mission to be a premier integrated financial services provider.

Looking towards the future, SinoPac Securities shall continue to reinvent and innovate the business, strengthen its compliance and risk management, implement strict risk controls, engineer financial products as per market demand, expand the scale of our “digital finance” offerings, provide specialty products and services, and maintain the optimal asset allocation in agreement with shifting economic trends. SinoPac Securities upholds the vision of “Fulfillment of a Beautiful Life Through Finance” and emphasizes human values, professionalism, and the principles of good faith when providing clients with sound financial solutions.

As an asset owner, SinoPac Securities not only abides by the "Stewardship Principles for Institutional Investors," but also complies the " Guidelines on Responsible Investment Management " formulated by the parent company, SinoPac Holdings. We strive to bring the influence of being an institutional investor and enhance investment value. Incorporate sustainability issues, including environment, social, and governance (ESG), into long-term investment considerations to enhance the overall interests of company and its shareholders, and promote the development of a healthy system into the capital market.

SinoPac Securities Business Scope



2. Process of responsible investment

SinoPac Securities signed the compliance statement of the "Stewardship Principles for Institutional Investors" in July 2018, and then updated and released the latest compliance statement in September 2020. In addition, we followed "Guidelines on Responsible Investment Management" from SinoPac Holdings to establish "SinoPac Securities Corporation Guidelines on Responsible Investment Management" in December 2019, referring to "The Principles for Responsible Investment" (PRI) from United Nations, and in accordance with the "United Nations Sustainable Development Goals" (SDGs). In 2020, we established "SinoPac Securities Corporation Stewardship Policy" to concretely show that as an asset owner implements the sustainable operation and stewardship goals, and bring the positive influence as an institutional investor.

In 2021, the "SinoPac Securities Corporation Guidelines on Responsible Investment Management" and "SinoPac Securities Corporation Stewardship Policy" was revised, and sensitive industry projects was added to the "SinoPac Securities Corporation Guidelines on Responsible Investment Management", including: oil and gas industry, thermal power generation industry, etc., and add ESG risk inspection process for different asset classes of stocks and bonds, high carbon emission industry evaluation guidelines and related evaluation forms. In addition, in the Stewardship Policy, the content of conflict of interest management types and specific requirements are added, covering: between the company and customers, between the company and employees, between employees and customers, between the company and other investee companies, between the company and affiliated companies, etc., and the addition of standards for communication with the investee's management level before shareholders' meetings, etc. In 2022, the "SinoPac Securities Corporation Guidelines on Responsible Investment Management" was revised, and sensitive industry items to be added, including high-carbon-emission industries such as cement and concrete manufacturing and iron, steel and other metal manufacturing. In 2023, it was further added that no new project investments related to fuel coal and unconventional oil and gas would be undertaken. In addition, investment restrictions on domestic enterprises engaged in fuel coal mining and power generation commercial activities. Moreover, cooperating with SinoPac Holdings, SinoPac Securities formulated the "Sustainable Finance Policy", clearly defining controversial and sensitive industries and distinguishing sensitive economic activities from sensitive industries.

In response to "Stewardship Principles for Institutional Investors," SinoPac Securities has disclosed the voting results of investees' shareholders' meetings from 2019 and compiled the "Stewardship Report" from 2020. We regularly disclose the latest results of the performance status of stewardship in the first quarters in each year, and update in the section of stewardship on the official website. The section is provided for customers, investors and the general public with access.

Process of Responsible Investment in SinoPac Securities

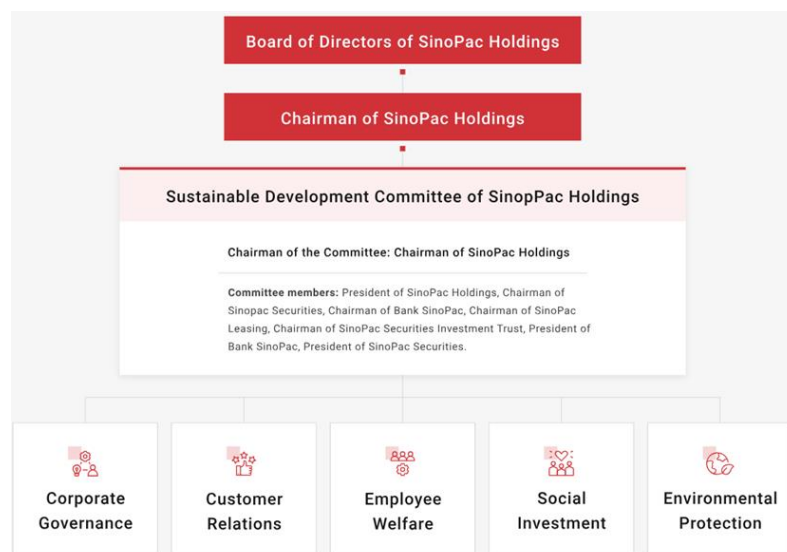


3. Establish a responsible investment team

SinoPac Holdings established a "CSR Promotion Core Group" in 2015 to actively organize CSR related affairs. In 2018, in addition to formulating the "Principles of Corporate Social Responsibility," we also actively responded to international sustainability trends and implemented social corporate responsibilities in the financial industry. "Sustainable Development Committee" was officially established in 2018 to emphasize the integration of the financial industry to promote sustainable development. Based on the four sustainable missions of "integrity and solidity, eternal wealth, environmental sustainability, and social prosperity," also taking the three major aspects of environment (E), society (S), and governance (G) as the foundation, we proposed the five eternal principles of "beautiful and honest life," "beautiful and rich life," "beautiful and affectional life," "beautiful and balanced life," and "beautiful and vivid life." We formulated sustainable development blueprints and short, medium and long-term key work plans based on the five axes to specifically respond to the customers, shareholders and society, and fulfill corporate social responsibilities.

The "Sustainable Development Committee" in SinoPac Holdings is led by the parent company and carried by subsidiaries to implement corporate social responsibility and corporate governance policies. Under the committee, there are five established promotion groups including corporate governance, customer relations, employee care, social participation, and environmental sustainability. In the customer relations group, the introduction of responsible investment, the development of green financial products, and the promotion of ESG are listed as important work goals. SinoPac Securities also serves as an important member of the relevant working group. In the field of social participation, SinoPac Securities have encouraged colleagues and promoted various public welfare activities for years. We also assist in care activities such as remote and disadvantaged groups, and under the call of the environmental sustainability group, we participate in environmental protection activities initiated by the parent company.

Organizational Structure of "Sustainable Development Committee" in SinoPac Holdings



SinoPac Securities also manages the risks and impacts of the company's operating activities on the economy, environment and society, and effectively promotes various policies and plans for the sustainable development of SinoPac Financial Holdings. In November 2022, set up the "Sustainable Development Promotion Team" of SinoPac Securities, responsible for the proposal and implementation of sustainable development policies, systems and related management plans. The general manager serves as the convener, and the committee members are the directors of business divisions and managers designated by the general manager. There are five working groups, including corporate governance, customer relations, employee care, environmental sustainability, and social participation, to coordinate with each unit to promote sustainable development activities, the Customer Relations Working Group is responsible for promoting important work objectives such as introducing responsible investment, developing green financial products, and promoting ESG. The "Sustainable Development Promotion Team" of SinoPac Securities holds quarterly meetings, which may be held as needed, and reports on performance and planning to the board of directors on a quarterly basis.

Organizational Structure of "Sustainable Development Promotion Team " in SinoPac Securities



II. Incorporation of ESG Assessment and Investment Process

1. Decision-making process of incorporating ESG into the investment analysis

In order to strengthen the handling of investment and asset management business. Follows SinoPac Securities' "Guidelines on Responsible Investment Management," incorporating ESG assessment into the investment process:

- (1) In the investment appraisal process, based on known information, due diligence and prudent assessment should be conducted, referring to related organizations and professional institutions such as International Finance Corporation, The World Bank, United Nations, etc. The guiding principles and standards include ESG considerations into the risk assessment.
- (2) In the process of investment decision-making, we refer to the ESG scoring mechanism of professional institutions, ESG-related benchmark index stocks, or other ESG-related external resources or tools to strengthen the pre-investment assessment.

For example:

Corporate governance evaluation results, component stocks of the "Taiwan Sustainability Index" compiled by Taiwan Index Company and TSE Russell, perpetual bond, S&P Global ESG Rank, Sustainalytics Risk Scores, and MSCI ESG Rating would be referenced and taken into consideration as conducting investment analysis.

- The ESG risk review process could be bypassed for perpetual bonds, constituent stocks of the "Taiwan Sustainability Index", or stocks in the top 5% of corporate governance evaluation results.
 - The ESG risk assessment must be performed when any of the following conditions are not met: S&P Global ESG Rank >30, Sustainalytics Risk Scores<40, or MSCI ESG Rating >B.
- (3) Support thematic investments that are conducive to the development of ESG issues, invest in industries or investment targets that focus on ESG issues, or increase green bond investment.
 - (4) It is prohibited to undertake project investments related to fuel coal (Note 1) and unconventional oil and gas (Note 2).
 - (5) For domestic enterprises engaged in fuel coal mining and power generation (Note 3): No additional investment funds will be provided to new customers engaged in fuel coal mining and power generation commercial activities (unless the funds are specifically used to provide renewable energy or carbon reduction transformation), existing customers who are engaged in fuel coal mining and power generation business activities must promise not to expand new coal-fired power generation units, or their parent company or enterprise group that has control over them must promise to establish a science-based reduction target (science-based target, SBT), only then can undertake the work

Note 1: Including fuel coal mining, power generation, processing, trade, transportation and logistics, equipment manufacturing, infrastructure, etc.

Note 2: Including the extraction, processing and manufacturing (including the extraction of liquid natural gas (LNG) from the above sources), exploration and expansion plans of shale oil and gas, tar sands, deepwater drilling, coalbed methane, polar oil and gas, and heavy crude oil, as well as the basis to support the above activities facility.

Note 3: Domestic enterprises refer to companies whose company registration place is in Taiwan, including overseas companies whose ultimate parent company is registered in Taiwan or has actual control. Companies that do not fall within the above definition are overseas enterprises.

- (6) If OCI and the positions acquired due to underwriting business (emerging stock, current increase, and CB), the investment amount in a single company exceeds NT\$300 million (inclusive), and during the investment period, SinoPac Securities know that the investee company had major abnormalities or special circumstances involving ESG, relevant units must discuss countermeasures and report to the board of directors.

2. List of controversial and sensitive investments and evaluation of risk measurement

Follow the United Nations "Principals of Responsible Investment" and refer to the " Guidelines on Responsible Investment Management" of SinoPac Holdings and the " Guidelines on Responsible Investment Management" of SinoPac Securities. If we are aware that we should exclude involvement in controversial industries such as prostitution, controversial weapons, etc. As for sensitive industries, such as oil and gas industry, thermal power generation industry, gambling, unhealthy food, toxic radioactive substance, non-medical treatment, harmful human genetic engineering, non-adhesive asbestos fiber and Polychlorinated biphenyls (PCBs) manufacturing, we should be carefully evaluated to avoid major adverse effects on the sustainable development of ESG.

In addition to reviewing whether it is a controversial or sensitive industry, and through company visits, refer to the "Annual Corporate Governance Evaluation" conducted by TWSE, TPEX, and the Securities and Futures Institute, and TDCC IR platform etc. related information, and execute ESG risk inspection process for different asset classes, continue to conduct comprehensive risk assessment of the investee company.

(1) OCI Taiwan stock investment:

- The top 5% companies in the annual corporate governance evaluation of listed companies conducted by the Securities and Futures Institute or the constituent companies of the "Taiwan Sustainability Index" co-edited by Taiwan Index Companies and FTSE Russell are exempt from ESG risks. Inspection process.
- The newly added OCI stocks that do not meet the preceding paragraph need to go through the ESG risk inspection process, and the stocks that do not meet the ESG rating standards need to complete the stock ESG risk assessment form, and the transaction authorized quota for medium and low risk stocks is limited.
- If the new target is the oil and gas industry and thermal power generation industry, the total carbon emissions and the carbon emissions per revenue should be assessed in accordance with the high carbon emission industry assessment guidelines.

(2) OCI Overseas stock investment:

- Newly purchased OCI stocks need to go through the ESG risk inspection process, and stocks that do not meet the ESG rating standards need to complete the stock ESG risk assessment form, and the transaction authorized quota for medium and low risk stocks is limited.

(3) OCI Bond investment:

- If the target is a perpetual bond, it must not go through the ESG risk inspection process.
- The issuing company or parent company of the newly added OCI bond that is not a perpetual bond needs to go through the ESG risk inspection process, and the bonds that do not meet the ESG rating standards need to complete the bond ESG information disclosure assessment form.

(4) Underwriting emerging stock investment (general board and PSB strategic new board):

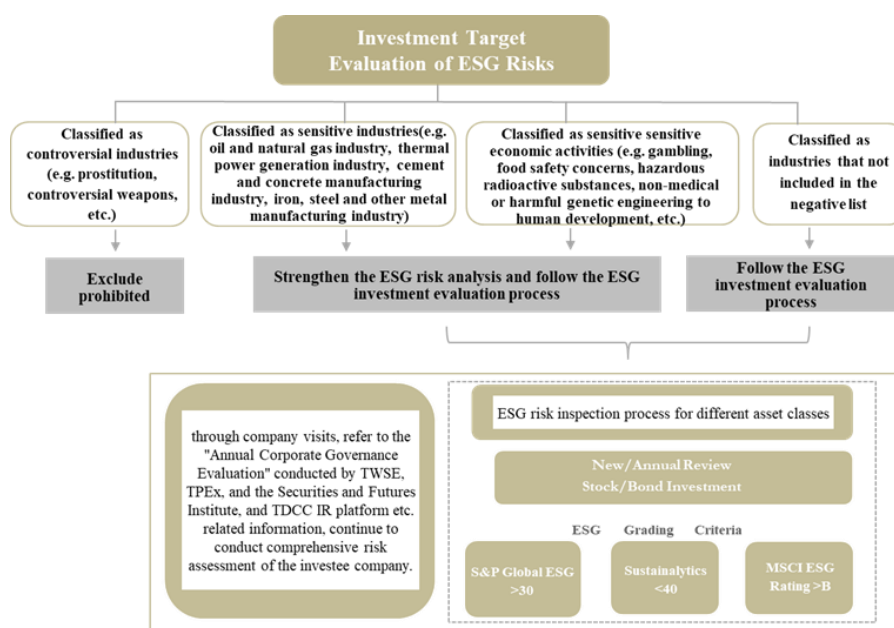
- Newly subscribed emerging stocks need to go through the ESG risk inspection process, and those whose subscription costs exceed a certain amount need to complete the stock ESG risk assessment form.

(5) Underwriting TWSE and TPEX listing investment (current increase and CB, etc.):

- Newly subscribed current increase and CB etc. need to go through the ESG risk inspection process, and those whose subscription costs exceed a certain amount and do not meet the ESG rating standards that need to complete the stock ESG risk assessment form.

- If the cost of new subscription current increase and CB etc. exceed a certain amount and belong to the oil and gas industry and thermal power industry, the total carbon emissions and carbon emissions per revenue should be assessed in accordance with the high carbon emission industry assessment guidelines.

Risk Evaluation Process of SinoPac Securities ESG Investment



3. Observation and evaluation of the information from the investee ESG, ESG rating status of Portfolio

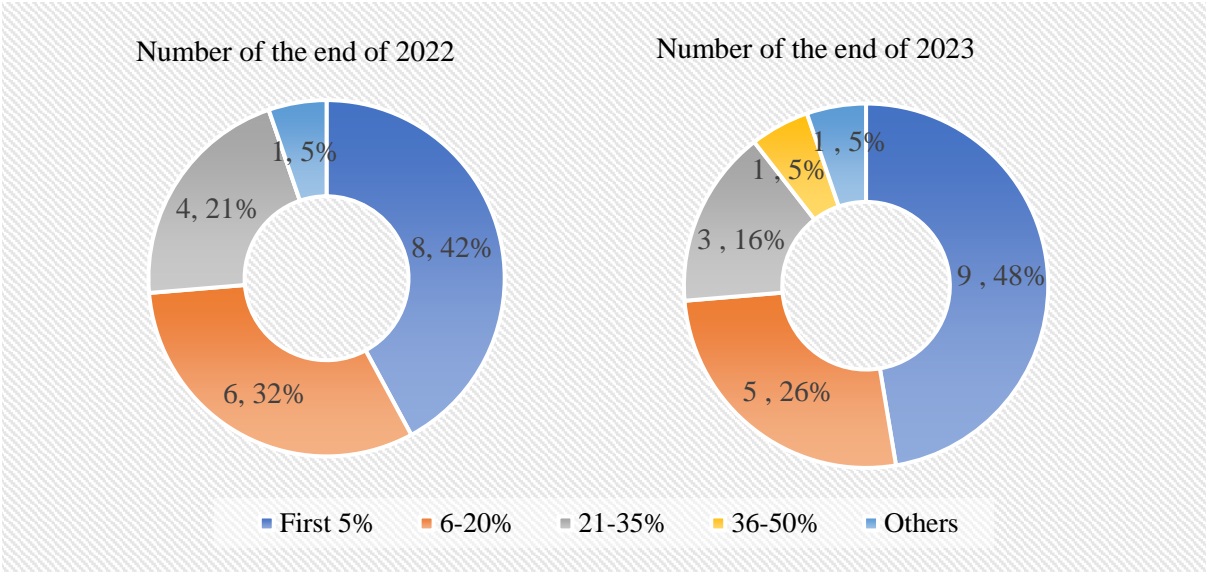
In addition to the prior ESG investment assessment and risk evaluation for investment targets, we will continue to monitor the existing investment targets, and regularly review whether the target company continues to appropriately disclose and provide information on ESG issues and information. This includes whether the targets issue CSR reports, the contents of the reports, and important ESG issues. Also promptly address the release schedule of the CSR report, the promotion of ESG issues and urge improvements.

Besides, SinoPac Securities also implements the pre-examination and post-tracking of the investment ESG performance. Based on the results of 928 listed companies on TWSE and 734 listed companies on TPEX of " 2022 Corporate Governance Evaluation of Listed Companies " conducted by the Securities and Futures Institute, and entrusted by TWSE and TPEX, examining the level of evaluation results of SinoPac Securities' long-term investment stocks at the end of 2022 and 2023. Considering the financial performance of investment targets and ESG-related non-financial indicators, the overall number of investors remains unchanged and the value of stock holdings increases compared with 2022, In 2023, there are 9 companies in the top 5% of corporate governance evaluations, accounting for about 48%, an increase from 42% in 2022, and the top 20% of corporate governance evaluations accounted for nearly 75%. In addition, the market value of companies holding the top 5% of corporate governance evaluations has increased compared with the end of 2022, accounting for about 63%, and has also increased from 45% in 2022, and the top 20% of corporate governance evaluations accounted for nearly 85%.

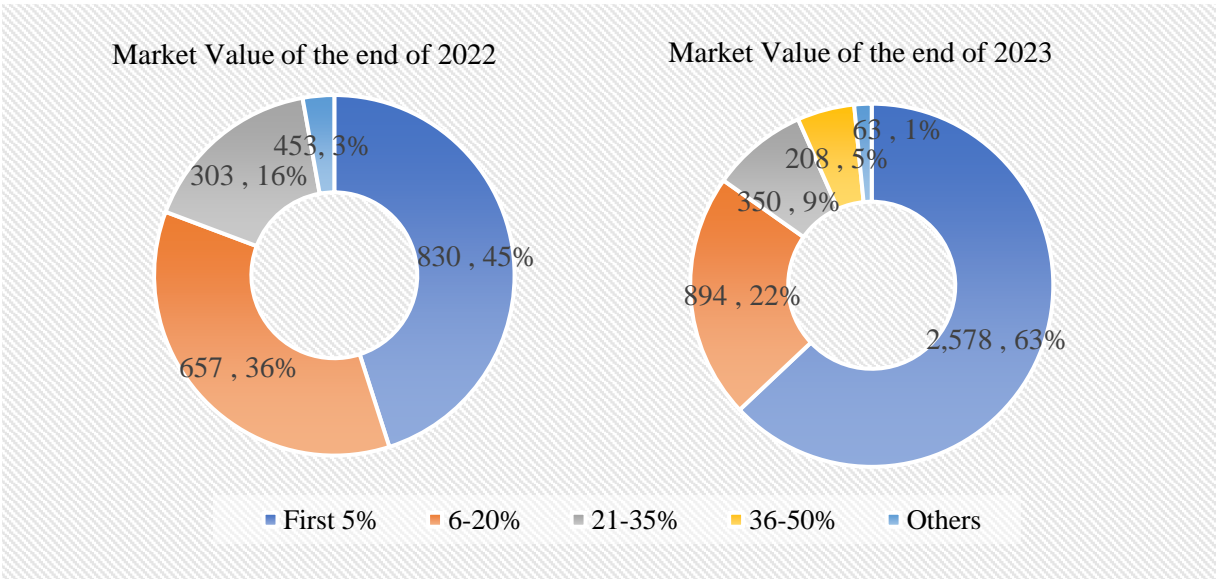
Distribution of corporate governance evaluation rating for long-term investment stocks

investee companies	First 5%		6-20%		21-35%		36-50%		Others		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
The end of 2022	8	42%	6	32%	4	21%	-	-%	1	5%	19	100%

The end of 2023	9	48%	5	26%	3	16%	1	5%	1	5%	19	100%
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Market Value (NTD million)	First 5%		6-20%		21-35%		36-50%		Others		Total	
	Market Value	%	Market Value	%	Market Value	%	Market Value	%	Market Value	%	Market Value	%
The end of 2022	830	45%	657	36%	303	16%	-	-%	52	3%	1,842	100%
The end of 2023	2,578	63%	894	22%	350	9%	209	5%	63	1%	4,094	100%



III. Performance Status of Stewardship

1. Compliance statement and explanations of objection

SinoPac Securities has signed the "Stewardship Principles for Institutional Investors" compliance statement in 2018 and completed the latest version of the statement update in September 2020, in order to better implement and exert the professional and influence of institutional investors, and also improve asset owner responsibility of the industry. Furthermore, it also enhances the long-term interests of company and shareholders to fully implement the spirit of responsible investment.

✓ As of the end of December 2023, there has been no unfulfilled principle in SinoPac Securities' compliance statement in the "Stewardship Principles for Institutional Investor".

2. Stewardship effectiveness evaluation

SinoPac Securities' stewardship report has been reviewed by the Legal & Compliance Division and published on official website after approval by the President. The establishment of relevant systems is gradually improving, and the implementation also had preliminary results. The brief list is as follows:

- (1) Under the leadership of the customer relations group of the "Sustainable Development Committee" of SinoPac Holdings, we will introduce responsible investment, develop green financial products, and promote ESG etc.
- (2) The stewardship statement has been signed and disclosed.
- (3) The stewardship policy, the conflict of interest management policy, and the voting policy have been formulated and disclosed, and timely review whether relevant policies need to be revised.
- (4) Continue to have dialogues and interactions with the investee company, and the attendance rate of shareholders' meetings in person reaches 100%.
- (5) In 2020, the survey questionnaire on climate change issues sent to the investee companies for the first time, and added topics on social (human rights) and corporate governance in 2022, and added topics on biodiversity in 2023 to understand the investee companies' awareness of international climate-related initiatives and sustainability-oriented management status, and all the responding companies expressed their willingness to participate in the forums or activities related to sustainability held by the company, which shows that the investee companies are paying more and more attention to sustainability issues.
- (6) Expose the situation of performing stewardship on the official website by user-friendly interface and provide relevant contact information to facilitate investor feedback.

3. Invest internal resources to implement stewardship

In addition to invest resources of related manpower, systems, and consulting companies by SinoPac Securities to implement stewardship, the 100% owned subsidiary SinoPac Securities Investment Services also actively invests resources to promote ESG. The 2023 costs are listed in the following table:

Invest Resources	Demand Content	Executive Instructions	Manpower and Cost Estimation
Negotiate with the investee company	Manpower of Principal Investment and Derivatives Division, Investment Banking Division, Fixed Income Division	1. Interaction and negotiation with the investee company 2. Evaluation and attendance of shareholders' meeting	The manpower requirement is about 91 man-days

Voting at the shareholders' meeting	Manpower of President office	1.Execution of electronic voting for shareholders' meeting 2.Analysis and collation of shareholders' meeting proposals 3.Statistics and disclosure of voting record 4.Attend shareholders meeting	The manpower requirement is about 80 man-days
Money laundering prevention	Manpower of Legal & Compliance Division	Prevention of Anti-Money laundering and countering the financing of terrorism etc.	The manpower requirement is about 50 man-days
ESG Database	Database system	Bloomberg ESG rating database	Cost about NTD 1.62 million
ESG research report	Database system and Manpower of SinoPac Securities Investment Services	1.Build the ESG evaluation system and PCAF financial carbon emissions database 2.Writing ESG research reports	Cost about NTD 1.16 million The manpower requirement is about 600 man-days
ESG Forum	Manpower of SinoPac Securities Investment Services	Holding ESG-related investment forums	The manpower requirement is about 30 man-days
ESG development and ESG promotional activities	Manpower of External consultant Activity cost	1.Consultancy services to improve the effectiveness of ESG projects 2.Sustainability-related publicity activities	1.Cost about NTD 0.62 million 2.Cost about NTD 1.32 million
ESG education training	Manpower of participating units	1. 【ESG Lecture】 2. 2023 SinoPac Net Zero commitment and office environmental protection and energy saving promotion 3. Guarding the Black-faced Spoonbill 4. Junior supervisor training courses	A total of 3,083 people participated in education and training, with a total of 2,014.55 hours 1.579 persons/919.75 hours 2.2,364 persons /472.8 hours 3.78 persons /126 hours 4.62 persons /496 hours

4. Status of shareholders present, votes and proxy votes

In 2023, SinoPac Securities has attended 1,133 shareholders' meetings of domestic invested companies (including extraordinary shareholders' meetings). Voting rights were exercised by physical attendance at 9 and electronic voting at 1,124. The attendance rate was 100%, and the proxy attendance rate was

0%. A total of 4,761 proposals were voted, of which 4,752 cases were in favor, 2 case was opposed, and 7 cases were abstained.

Statistics on attendance of shareholders' meeting



In the stewardship policy formulated by SinoPac Securities in 2020, for the investee companies which SinoPac Securities holds adopting electronic voting at a shareholders' meeting, electronic voting shall be used to exercise voting rights; for the investee companies which SinoPac Securities holds less than 300,000 shares not adopting electronic voting at a shareholders' meeting, SinoPac Securities is not subject to the restrictions of Article 20, Paragraph 2 of the "Regulations Governing Securities Firms" and may elect not to appoint personnel to attend said meeting; for the investee companies which SinoPac Securities holds more than 300,000 shares not adopting electronic voting at a shareholders' meeting, SinoPac Securities should assign internal personnel to attend the shareholders' meeting in person to exercise voting rights. If SinoPac Securities hold the stock exceeds one year and more than 5% of the investee company's outstanding shares, SinoPac Securities' investment team should communicate with the investee company's management before the shareholders' meeting and exercise the voting rights of the shareholders' meeting after evaluation.

For those attending to the shareholders' meeting of the investee company, in principle, SinoPac Securities supports proposals made by the board of directors or candidates for directors and supervisors of the companies whose shareholding percentage meets the standards specified in Article 26 of the Securities and Exchange Act. But may not absolutely support proposals made by the management. Specific principles: Principle of support: Proposals made and corporate financial reports submitted by the companies ranking among top 5% in the annual corporate governance evaluation; Principle of objection: Proposals that violate major climate-related issues; Principle of objection or abstention: Where the management of the company has conducted business in unsound operations, which is likely to damage the rights and interests of the company or its shareholders, or the company is imposed with penalties by relevant competent authorities for violation of sustainable development principles in the aspects of environment, society, and corporate governance and other material circumstances. The implementation in 2023 is as follows:

Supported proposals are as follows:

Attending the shareholders' meeting of the Corporate Governance Evaluation top 5% companies		Number of supported proposals of financial report
Number of companies	Number of supported proposals	
78	387	1,084

Opposed proposals are as follows:

Types	Number of opposed proposals	Expatiation
Proposals that violate major climate-related issues	0	No proposal of this type of the shareholders' meeting of the invested company in 2023

Opposed or abstained proposals are as follows:

Types	Number of opposed proposals	Expatiation
Proposals (proposed by the board) of directors of non-issuing companies whose shareholding ratio meets the standards stipulated in Article 26 of the Securities and Exchange Act	2	Based on the fact that SinoPac Securities is a professional investment institution, after evaluation, we support the proposal of the company's board of directors in principle. Therefore we have opposed from voting for the proposal of profit distribution and transfer of surplus to capital increase distribution of shareholders.

Types	Number of abstained proposals	Expatiation
Proposals (proposed by the board) of directors involving disputes over company management rights and non-issuing companies whose shareholding ratio meets the standards stipulated in Article 26 of the Securities and Exchange Act	7	Regarding the proposals of shareholders' meeting of the investee company, after evaluation, Since SinoPac Securities is a professional investment institution and should not be involved in company management right disputes. Therefore, we have abstained from voting for director re-election, shareholders' proposals for mergers and acquisitions, and asset sales, etc..

Based on the professional judgments of institutional investors, SinoPac Securities is not absolutely support and agree with the various proposals put forward by the investee company. Each proposal is evaluated internally, and if necessary, there may be inquiries and discussions with the investee company before the shareholders' meeting, and the vote will base on SinoPac Securities' operating interests, shareholder value, and ESG principles.

For the standards for major resolutions of shareholders' meetings, refer to Article 172 of the Company ACT, which stipulates that resolutions must be stated in the meeting notice and cannot be proposed by temporary motions, including the election or removal of directors and supervisors, changes to the articles of association, capital reduction, application for suspension of public issuance, directors' permission to compete, transfer of surplus to capital, transfer of reserves to capital, company dissolution, merger, split, or Article 185, Paragraph 1, the conclusion, modification or termination of a contract for the leasing of the entire business, entrusted operation or regular joint operation with another person, the transfer of all or a major part of the business or property, the transfer of the entire business or property of another person, and with major impact on operations. Therefore, the relevant proposals mentioned in Article 172 and Article 185, Paragraph 1 of the Company ACT are factors for determining major proposals. If we are not satisfied with the outcome of the proposal, the follow-up action plan includes the possibility of re-evaluating the shareholding situation, or possibly at the company's next annual shareholders' meeting, carefully evaluate whether to oppose or abstain from voting on relevant proposals or director elections involving relevant matters. There are total of 1,847 major motions in 2023. And the status of support, opposition and abstention is as follows:

Number of supported proposals	Expatriation 說明
1,839	In principle, SinoPac Securities supports proposals made by the board of directors or candidates for directors and supervisors of the companies whose shareholding percentage meets the standards specified in Article 26 of the Securities and Exchange Act.

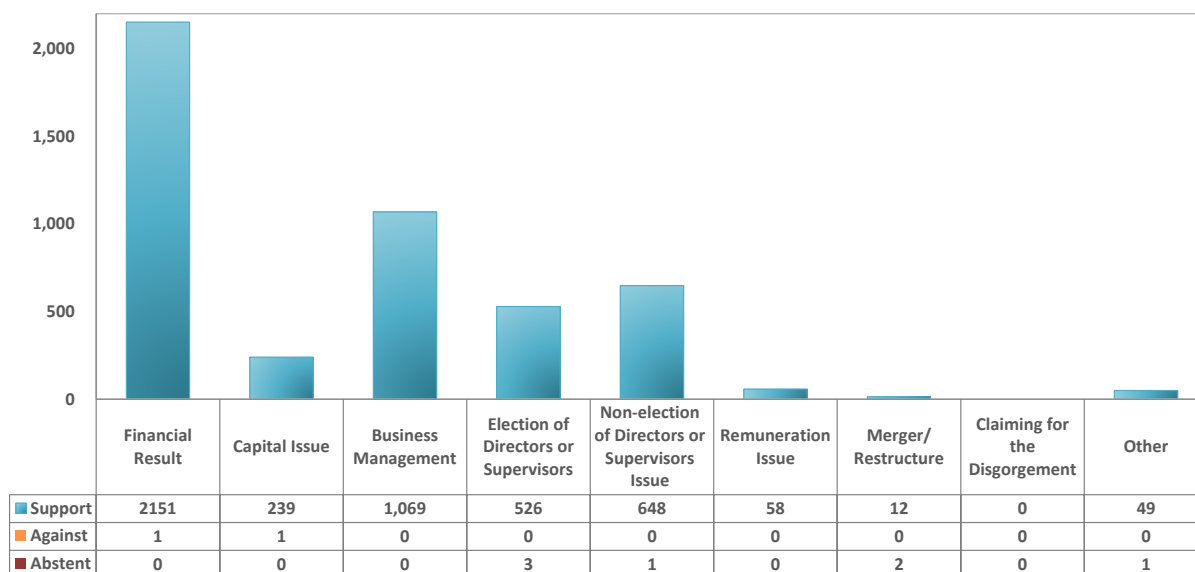
Number of Opposed proposals	Expatriation 說明
1	This case is the shareholder's own proposal to transfer surplus to capital increase. As SinoPac Securities is a professional investment institution, after evaluation, we support the proposal of the company's board of directors in principle, therefore we have opposed from voting for it. In this case, it was found that the number of opposing votes at the company's shareholders' meeting accounted for 77.58% of the voting rights of shareholders present, and the proposal was not passed.

Number of abstained proposals	Expatriation 說明
7	<ul style="list-style-type: none"> • As SinoPac Securities is a professional investment institution, it has been assessed that the shareholders of A company proposed to re-elect directors (including independent directors), remove new directors (including independent directors) and their representatives due to the lack of or disputes in the company's internal control system. We should not be involved the proposals that due to the company disputes of corporate governance. Therefore, we have abstained from voting for these 2 proposals. • As SinoPac Securities is a professional investment institution, it has been assessed that the director election cases of B and C companies involved disputes over management rights, and we should not support a specific camp. Therefore, we have abstained from voting for these 2 proposals. • As the shareholders of D, E and F companies proposed on their own initiative to restart the implementation of mergers and major asset disposal cases, after evaluation, SinoPac Securities supported the proposal of the company's board of directors in principle. Therefore, we have abstained from voting for these 3 proposals.

For domestic investee companies, SinoPac Securities does not use proxy research and proxy voting related services. SinoPac Securities will implement the interaction and negotiation responsibilities of institutional investors in person.

- ✓ As of the end of December 2023, SinoPac Securities has attended 1,133 domestic shareholders' meetings of the investee companies. Each proposal is evaluated internally without using proxy research and proxy voting services, and SinoPac Securities has attended or participated in voting at shareholders' meetings in person.

Classification statistics of shareholders' meeting voting proposals



SinoPac Securities exercises the voting rights of holding stocks, and the responsibility department handles the approval procedures of the assignment of attendees and how to exercise voting rights according to the content of the proposal, and clearly states the instructions for exercising the voting rights of each proposal; the appointment letter or the electronic voting record shall be kept for reference by the responsibility department.

Operation process of SinoPac Securities attending investee company's shareholders' meeting

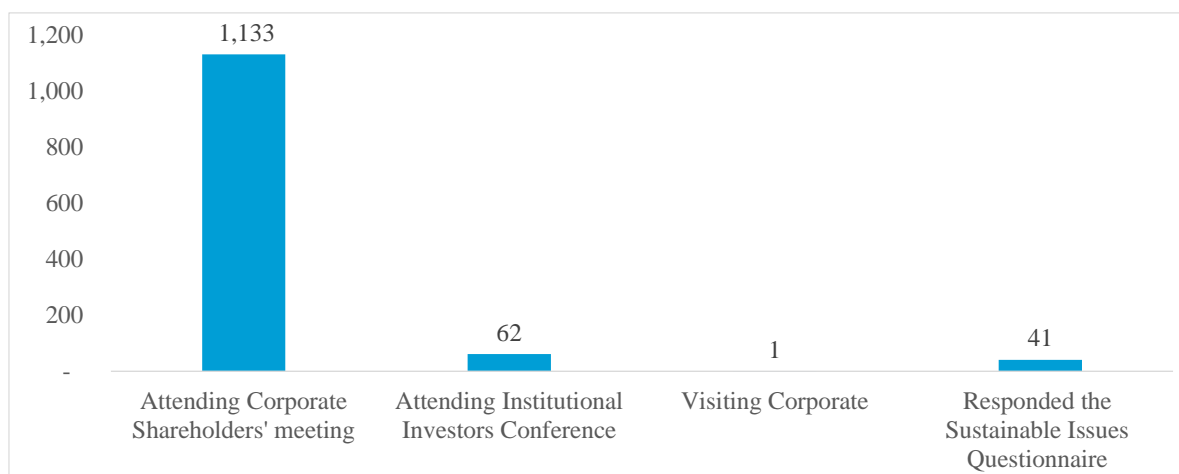


IV. Summary of Corporate Negotiation Activities

1. Statistics of corporate negotiation

SinoPac Securities actively engages in conversations and interactions with investee companies by attending the investee companies' shareholders' meeting in person, institutional investors conference, and visiting investee companies. SinoPac Securities has attended 1,133 shareholders' meetings of domestic invested companies (voting rights were exercised by physical attendance at 9 and electronic voting at 1,124), 62 institutional investors conferences, and visited investee companies 1 time, and 41 companies responded to the sustainable issues questionnaire in 2023.

Statistics of SinoPac Securities corporate negotiation



Statistics of ESG issues negotiation

ESG	Negotiation method	Issues	Number
(E) Environment	Questionnaire	Focus on Sustainable Development Goals, SDGs	41
		Measured Greenhouse Gas Emissions Inventory	35
		Has not Measured Greenhouse Gas Emissions Inventory	6
		Established a Greenhouse Gas Reduction Target	27
		Has not Established a Greenhouse Gas Reduction Target but Plans To Do So in the Future.	14
		Has Implemented (been Implementing) or Commitments Responded (been Responding) to Eps, RI, CDP, TCFD etc.	33
		Invested in Implementing Specific Actions in Mitigating and Adapting to Climate Change	40
		Invested in Implementing Specific Actions in Biodiversity	24
(S) Social	Exercising voting rights at shareholders' meeting (proposal)	Employee Benefits Related	58
	Questionnaire	Focus on Sustainable Development Goals, SDGs	30
		Established the Human Rights Policy	31
		Identified and Prioritized Human Rights Risks	17
	Has Implemented to Respected workplace human rights, provided a healthy and safe workplace, Respected freedom of association and collective bargaining, Protected Privacy, Protected Human dignity, Protected Rights to life and personal safety etc.	41	
(G) Governance	Exercising voting rights at	Capital Issue	2,402
		Election of Directors or Supervisors etc.	1,174

	shareholders' meeting (proposal)	Business Management	1,069
	Questionnaire	Focus on Sustainable Development Goals, SDGs	33
		Has Implemented to the diversification of board members, strengthening duties functions and independency of independent directors and audit committees	41
		Has Implemented to strengthen board duties and functions and implement accountability of the board of directors etc.	29
		Disclosed Sustainability Report	30
		No Disclosed Sustainability Report	11

✓ In 2023, SinoPac Securities has attended 1,133 corporate shareholders' meetings, 62 institutional investors conferences, and visited investee companies 1 time, and 41 companies responded to the sustainable issues questionnaire.

2. Evaluation of the interaction and negotiation with the investee companies

SinoPac Securities follows and implements the "Stewardship Governance of Institutional Investors" commitment. The key points of evaluating the interaction and negotiation with the investee company are as follows:

- Issue: It mainly focuses on fundamental financial and operational information, news information, industrial development information, development of new technologies, major environmental protection actions, social responsibility, labor rights, corporate governance, and impact of climate change issues.
- Track: For ESG risk issues, SinoPac Securities will evaluate whether to continue to track the target by focusing on industry trends, company news, financial and operational overviews or other relevant information. If decides to continuously track the target, we will observe the feedback and improvement of the relevant ESG risk issues of the investee company and evaluate whether the investee company meets the relevant ESG issues through relevant major news or CSR report disclosure information. If the investee company is involved in a decision that contradicts the ESG issue, SinoPac Securities' investment team will actively communicate and interact with the investee company, and as a basis for deciding to reduce or temporarily stop buying, etc. after careful evaluation.

3. Follow the Stewardship policy to implement corporate negotiation and interaction, etc.

SinoPac Securities' stewardship policy related stewardship actions include: (1) Continue to observe the investee company; (2) Appropriate dialogue and interaction with the investee company; (3) The investment evaluation process includes ESG evaluation, etc.

SinoPac Securities actively implements relevant negotiating actions for the investee companies. The implementation overview is described as follows:

- (1) Actively grasp investment decision-making information: In order to ensure that sufficient information is obtained, SinoPac Securities evaluates the nature, time and degree of negotiation with the investee company as a good basis for investment decision-making; the main items that pay attention to the investee company include corporate news, quarterly financial reports, industry overview, business strategies, environmental protection practices, social responsibility, labor rights and corporate governance etc. issues.
- (2) Negotiation actions: SinoPac Securities' regular negotiation and interaction activities with the investee company, such as teleconferences, personal visits, participation in analyst meeting, attendance at shareholders' meetings or extraordinary shareholders' meetings on major issues, etc., and at the same time exercise voting rights by attending shareholders' meetings, dialogue and communicate with the business class, actively grasp the business risks, opportunities and response

strategies, and strive for the positive influence of the investee company in the long-term business value.

- (3) ESG-related assessment: SinoPac Securities and the investee company negotiated for the purpose of demonstrating the spirit of due diligence and actively safeguarding shareholders' rights and interests. The selection of investment targets also follows SinoPac Securities' " Guidelines on Responsible Investment Management" and incorporates ESG issue assessment into important considerations, such as eliminate controversy and improve the pre-investment review process for sensitive industries, etc.
- (4) Stewardship: Continue to pay attention to and review whether the investee company has violated ESG-related issues, and disclosed the voting status of the shareholders' meeting every year.

4. Status of corporate negotiation

- Negotiation case

Case1

Item	Content
Background	We invested in Case1 company, which is an important domestic leading food factory with stable dividend distribution and is a constituent stock of the Taiwan Sustainability Index. However, Case1 company has not yet joined the SBT carbon reduction plan, so we discussed carbon reduction related issues with them when we visited on site.
Stewardship assessment	Case1 company has compiled a sustainability report and formulated annual management goals for energy conservation and carbon reduction. In 2023, the average annual energy saving rate of each main plant will be >1%, and the scope 1/2 greenhouse gas emission density will decrease by 1.5% annually. In 2025, Scope 1/2 greenhouse gas emissions decreased by 38% compared with 2005.
Content of communication and negotiation	When we visited Case1 company on site, they explained its short- and medium-term carbon reduction goals in the sustainability report, and their Xinshi plant and Taichung plant have built biogas power generation and solar power generation respectively to increase the use of renewable energy, and some convenience stores have built PET bottle recycling machines to assist in waste recycling.
Impact on the investee company	During the visit, we stated that our direction is to promote investee companies to join the SBT carbon reduction plan, and let the investee companies realize that investors are committed to promote ESG and carbon reduction trends. Case1 company stated that they will also actively plan future ESG development paths after comprehensive consideration.
Follow-up tracking and impact on investment decisions	Case1 company is an excellent company with long-term profits and stable dividend distribution. We will continue to maintain good interactions with the management and continue to track and pay attention to their carbon reduction target progress and other ESG-related issues. Case1 company is the our long-term investment observation target.

Case2

Item	Content
Background	We invested in Case2 company, which is a leading domestic ODM foundry and is a constituent stock of the Taiwan Sustainability Index. Case2 company has also promised to introduce SBT to reduce carbon emissions. We asked about the progress of their commitment of 2032 carbon reduction target at their shareholders' meeting.

Stewardship assessment	Case2 company has compiled a sustainability report and committed to reducing carbon emissions by 4.2% every year. By 2032, the carbon reduction in Scope 1 and Scope 2 will be reduced by 42% compared with 2022, and in Scope 3 by 25%. In 2030, Case2 group will use 50% renewable energy, and to achieve carbon neutrality by 2050.
Content of communication and negotiation	When we participated in the shareholders' meeting of Case2 company, Case2 company stated that they would submit a "carbon reduction plan proposal" to the SBTi organization for review at the end of the year. They expected to be recognized by the SBTi organization in Q1~Q2 of 2024, and would carry out execution and inspection work based on approved carbon reduction plans.
Impact on the investee company	During the visit, we stated that our direction is to promote investee companies to join the SBT carbon reduction plan, and let the investee companies realize that investors are committed to promote ESG and carbon reduction trends. Case2 company is also pleased that investors have noticed their ESG efforts and detailed explain the follow-up SBT audit plan and the use of renewable energy.
Follow-up tracking and impact on investment decisions	Case2 company is an excellent company with long-term profits and stable dividend distribution. We will continue to maintain good interactions with the management and continue to track and pay attention to their SBT achievement progress and other ESG-related issues. Case2 company is our long-term investment observation target.

• Speech at shareholders' meeting

Investee company	speech	Investee company response
S1	Ask about applying for SBT commitments, setting future net-zero emission targets, and specific countermeasures to face physical climate risks (such as sea level rise and heavy rainfall flooding risks) of S1 company.	According to the parent company commitment to participate in SBT carbon reduction, and submitted to SBTi for review in May 2023. S1 company cooperated with the parent company to set carbon reduction targets based on the SBTi 1.5 degree path standard, and set 2022 as the base year. And through TCFD analysis, the physical risk to climate is mainly drought. SOPs have been written and drilled for this risk, and emergency alternative water sources have been found. The physical risk impact is limited.
S2	Ask about main results of net-zero emissions work in the past year, whether the goal of achieving net-zero emissions in 2050 remains unchanged, and whether there are plans to join the science-based reduction target initiative of S2 company.	Launched an inventory of S2 company main operating locations, and obtained ISO 14064 verification. The main strategy is to actively deploy net-zero emissions contributions in line with the requirements of upstream and downstream customers and original manufacturers. For individual initiatives (SBTi), S2 company also carefully consider the actual situation and cooperation with upstream and downstream customers and original manufacturers. Once customers and original manufacturers have relevant needs, S2 company will actively cooperate and invest.
S3	Ask about the progress of committing to introduce the SBT scientific carbon reduction method and achieving the 2032 carbon reduction target, and using	According to SBTi's carbon reduction path, S3 company will complete the GHG emissions survey in three areas of the group in Q2-Q3 of 2023. In Q3-Q4 of 2023, they will conduct a year-by-year substantive carbon reduction plan based on the carbon emissions survey results and submit "Carbon Reduction Planning

50% of renewable energy in 2030 of S3 company.

Proposal" to the SBTi organization for review at the end of 2023, and looking forward to being recognized by the SBTi organization in Q1-Q2 of 2024. In addition, the Chongqing Manufacturing City has achieved nearly 60% renewable energy use by purchasing green certificates, and the Shanghai Manufacturing City has obtained environmental rights by investing in renewable energy power plants, reaching 20% renewable energy use in 2022.

• Speech at investor conference

Investee company	speech	Investee company response
I1	Ask about net zero policy and progress of I1 company.	I1 company has joined RE100 in 2022 and has set energy-saving goals. By 2040, they will completely use renewable energy.
I2	Ask about carbon reduction commitment of I2 company.	I2 company joined SBTi in 2022 and signed the SBTi carbon reduction commitment. their Vietnam production center has launched a solar photovoltaic system and will gradually increase the proportion of renewable energy.
I3	Ask about any plans to join SBT to reduce carbon emissions of I3 company.	I3 company stated that they have no SBT plan, but plan to join RE100. Subsequently, we did not see any information related to joining RE100 on I3 company's website, so we sent another email to inquire about the relevant information. For the sustainable development of environment and enterprises., we encourage investee companies to join SBTi carbon reduction target setting. We recommended I3 company can evaluate and consider joining. I3 company has responded to continuous planning and strives to join RE100, and take "sustainable development to create the future" as an important outlook for recent development. I3 company has actively carried out temperature inventory operations, and will also be incorporated our suggestions into their planning.
I4	Ask about sustainable development practices of I4 company.	I4 company stated that they have independent wind power turbines to generate green electricity for their own use.
I5	Ask about sustainable development practices of I5 company.	I5 company stated that they committed to building a sustainable value chain, designing products with high added value and high carbon reduction potential in materials, and strengthening research on industrial symbiotic resources through technical cooperation with suppliers. And they propose plans including the development of sustainable plastics from marine waste, technology to optimize process resource utilization, and the use of high proportions of post-consumer recycled materials in products. For each new generation products, they set a more stringent carbon footprint target than the previous generation.

• Visit company

Investee company	speech	Investee company response
C1	Ask about sustainable development practices of C1 company.	C1 company stated that in terms of food manufacturing, the greenhouse gas intensity will be reduced by 1% annually, and the 2030 goal of carbon emissions will be reduced by 38% since 2005. In addition, biogas power generation has been built at the Xinshi main plant, solar power generation has been built at the Taichung plant, and PET bottle recycling machines have been installed at 7-11 stores.

5. Execute the ESG sustainability issues questionnaire for investee companies

SinoPac Securities echoes the sustainable development goals of the United Nations, combines the core functions of sustainable finance, strives to enhance customers' sustainable awareness, and joins hands with stakeholders to participate in sustainable actions. Through questionnaire surveys, work together with the investee companies to promote sustainable development, identify climate risks and strengthen climate resilience, and continue to communicate/negotiate with stakeholders.

In December 2023, SinoPac Securities conducted an online questionnaire survey to the companies which we have subscribed the positions of listed companies and unlisted companies with a share capital of more than 1 billion of underwriting current increase, CB, and initial listing cases, and the companies of OCI investment (until November 2023). Total of 48 copies were sent and 41 copies were returned. This questionnaire includes initiatives, net zero and greenhouse gas information disclosure, environmental actions, social actions, corporate governance actions etc., and add implement biodiversity of environmental aspect, according to the statistics of the companies that responded to the questionnaire, 100% agree to arrange employees or invite stakeholders to participate in internal and external lectures and education and training related to sustainability, so as to continuously improve the climate awareness of employees and stakeholders. Other statistical summary of the responses to the questionnaire is as follows:

[Initiative] 93% of the interviewed companies' Board of Directors have incorporated sustainable development as a factor in operational/business decisions, and among these issues, the highest of environmental aspect is greenhouse gas emissions 93%, and of the social aspect is Occupational safety 90%, and of the corporate governance aspect is board diversity 93%. In terms of promoting sustainable development, the highest percentage of responses to the Sustainable Development Goals (SDGs) awareness survey was for the <SDG12 : Responsible Consumption and Production> 80%, <SDG13: Climate Action> 78%, and <SDG8: Employment and Economic Growth> 73%, and other responses are shown in Figure 2.

Figure I: Percentage of boards of directors that have incorporated sustainability (ESG) issues into operational/business decision.

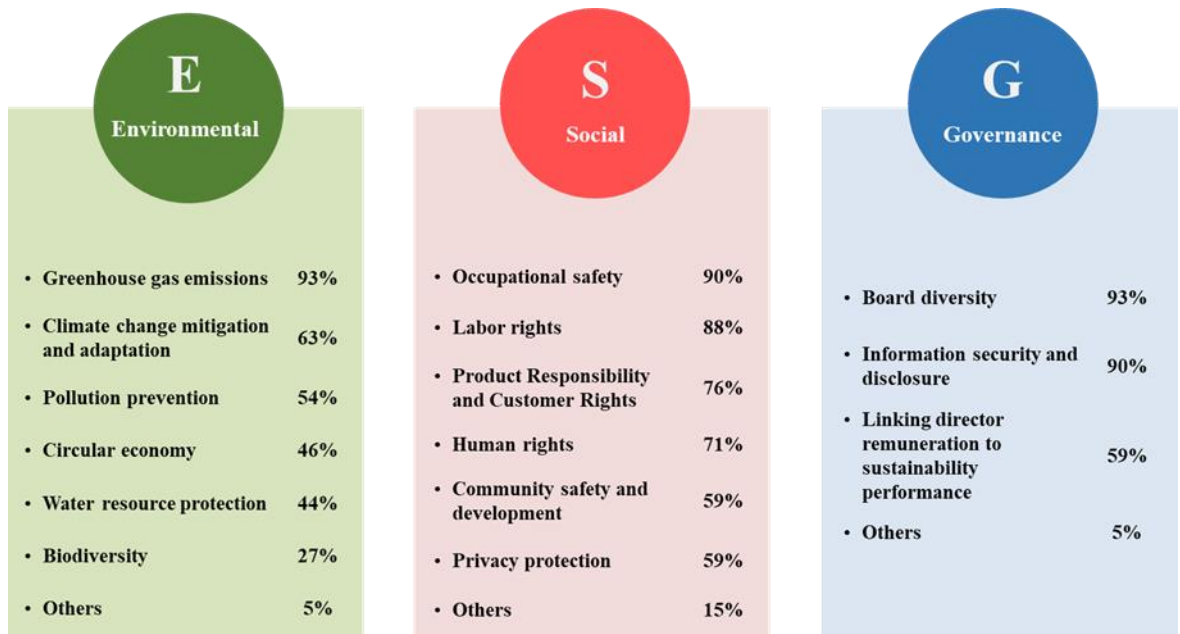
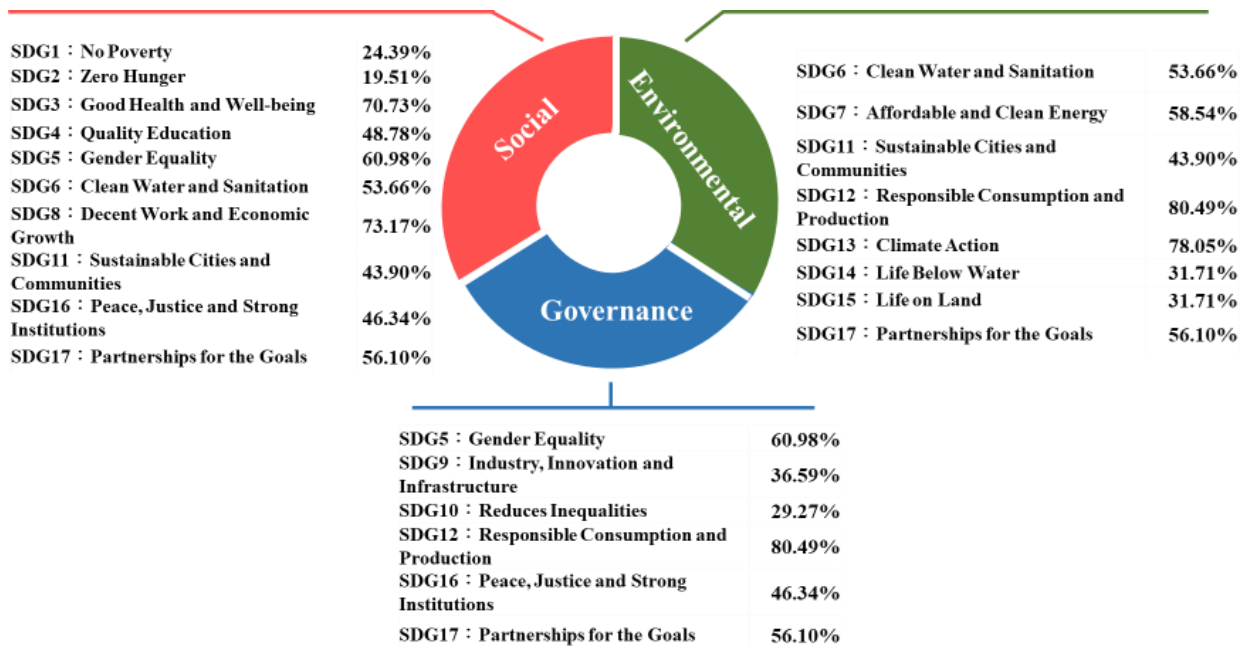


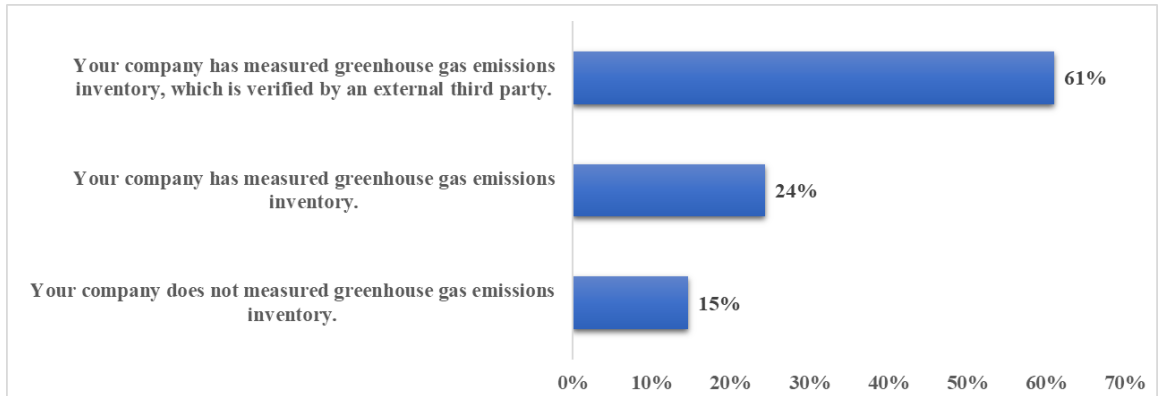
Figure 2: Percentage of awareness of environmental, social and corporate governance in relation to corporate concerns about sustainable development goal.



Note: Sustainable Development Goals (Sustainable Development Goals, SDGs), the same goal will appear in the environment, society or corporate governance at the same time.

[Net Zero and Greenhouse Gas emission Disclosure] According to the survey results, 61% of enterprises have checked their greenhouse gas emissions and have been verified by external third parties (see Figure 3), of which 56% have established greenhouse gas reduction targets.

Figure 3: Net Zero and Greenhouse Gas emission Disclosure



[Environment Actions] According to the survey results, in the part of enterprises to mitigate and adapt to climate change, 63% of enterprises have introduced ISO certification (see Figure 4). Among the specific behaviors that have been invested to mitigate and adapt to climate change, companies have invested 78% in low carbon/emissions reduction/energy saving (e.g., buildings, office equipment, etc.), and 78% in recycling, waste reduction, and waste emission (e.g., paperless, water resources, etc.). In terms of invested in implementing specific actions in biodiversity, 41% of companies have no relevant investment (see Figure 5), and all below 30% of invested in life below water life/ on land, species conservation matters, and organized biodiversity charitable activities or customer care activities, and shows that Taiwanese companies still need to pay more attention to biodiversity issues.

Figure4: Commitments that companies have implemented (ongoing) policies or responded to in order to mitigate climate change

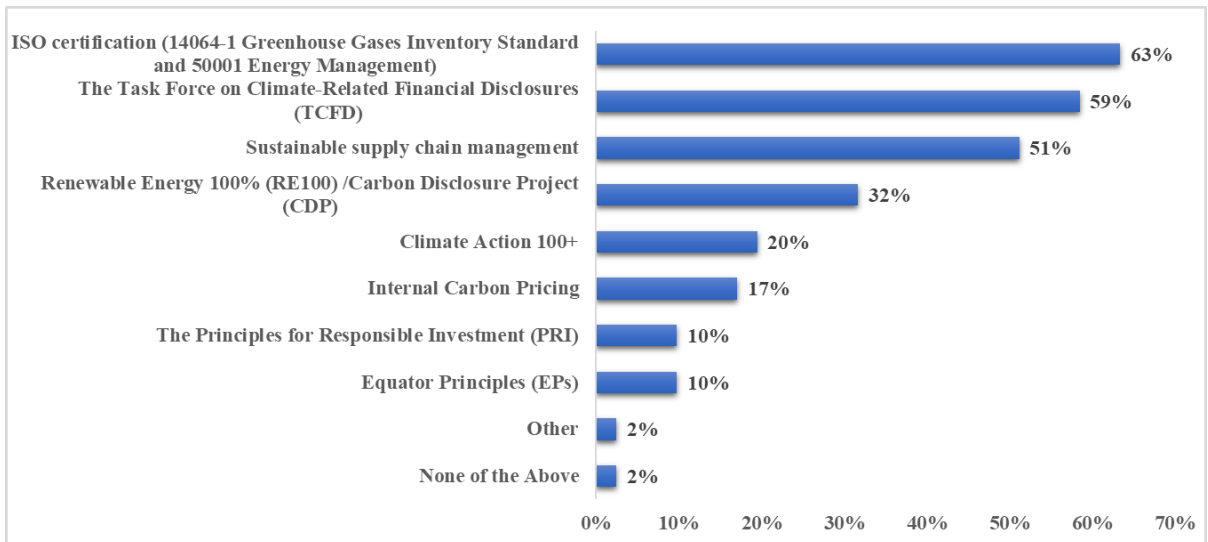
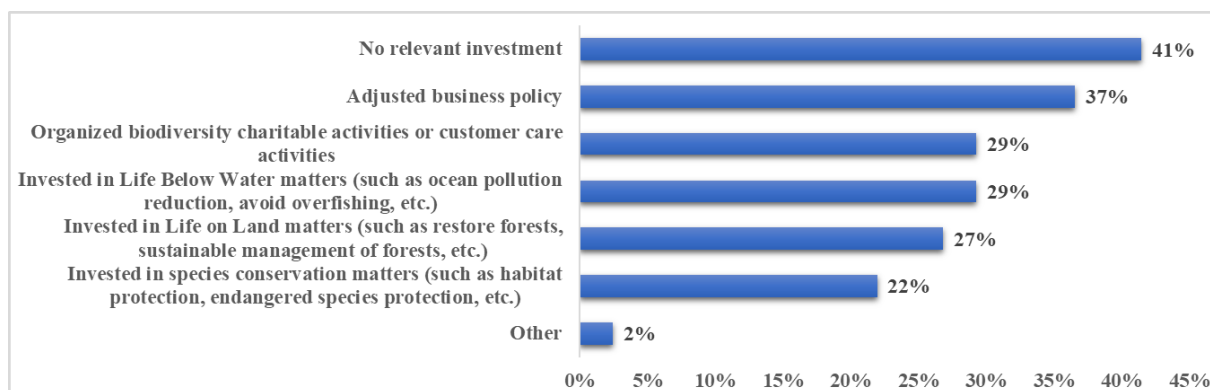
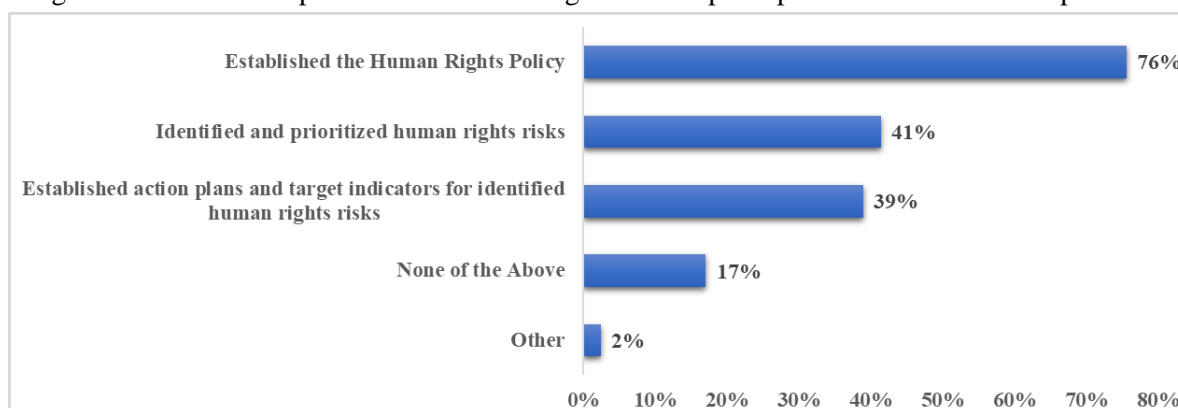


Figure5: Invested in implementing specific actions in biodiversity



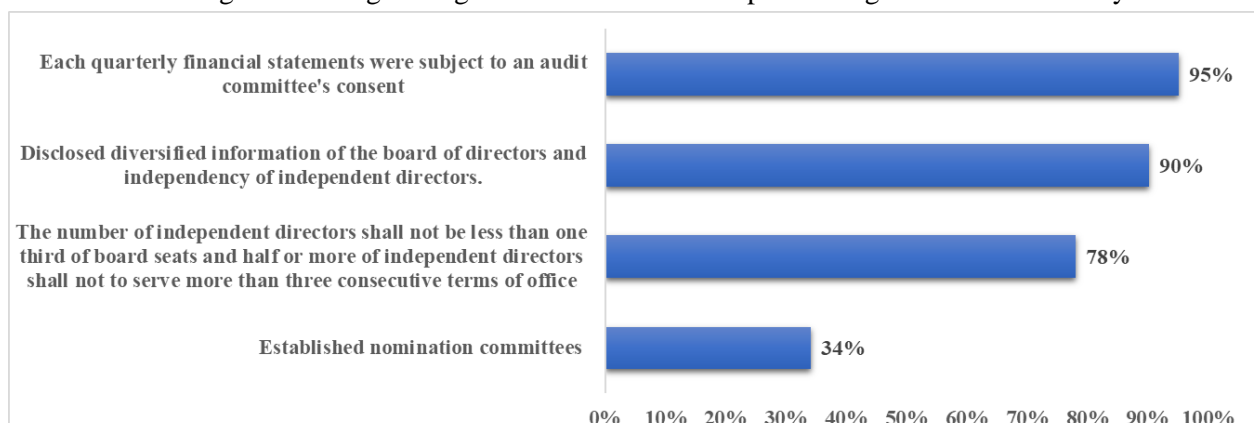
[Social Actions] According to the survey results, 76% of the companies have established human rights policies (see Figure 6), and 97% of the companies have implemented, safety and health in the workplace, and 100% of the companies have provided a healthy and safe workplace, and 85% of the companies have respected workplace human rights.

Figure 6: International promotion of human rights related principles of labor conditions protection



[Corporate Governance Actions] According to the survey results, 95% of the companies have implemented the principle of disclosing the diversity information of the board of directors and the independence of the independent directors, and 90% of the companies have disclosed diversified information of the board of directors and independency of independent directors. (see Figure 7). In terms of strengthening board functions and implementing board accountability, 95% of companies have provided diversified director's training programs and set up a corporate governance director, 90% of companies have acquired directors and supervisors liability insurance, 78% of companies have conducted a performance review on functional committees.

Figure 7: strengthening board functions and implementing board accountability



6. Institutional investor cooperation action

SinoPac Holdings has devoted in promoting ESG and implementing stewardship governance investments for years. Combines internal and external resources to hold ESG lectures every year. In response to different risk topics, we invite experts in industry, government and institution, financial peers, listed companies, and colleagues within the group. Conducts research and discussion on highly relevant topics in the financial industry, and shares industry practices. SinoPac Holdings is a rock member of the Business Sustainability Development Association of the Republic of Taiwan (BCSD Taiwan), and the chairman serves as the association's executive supervisor, and supporting the association in promoting various international sustainability initiatives and providing timely policy suggestions, and became one of the founding members of "Taiwan Sustainable Finance Promotion Platform" and "Nature and Biodiversity Initiative Platform" in 2021 and 2022. SinoPac Holdings hopes to accelerate the realization and development of sustainable finance through relevant knowledge sharing, capacity building and experience learning, as well as assisting enterprises to improve their resilience in the face of natural risks.

SinoPac Bank participated in Taiwan Sustainable Finance Forum and promoted the establishment of the "Taiwan Sustainable Finance Promotion Platform," also as the founding members of the "Taiwan Sustainable Finance Promotion Platform" of BCSD Taiwan. SinoPac SITC is the first investment company to use the perpetual index investment pool from TIP to issue the first ESG Taiwan stock active fund, and issue ESG Taiwan stocks ETF that become the first Taiwanese stocks ESG-themed fund with both active and passive products. And ESG Global Digital Infrastructure Fund be issued to extend ESG product investment overseas and create the first product in Taiwan that combines ESG and digital infrastructure themes. They hope to arouse the attention of the investing public on ESG investment issues, and then promote the investee companies to implement environmental protection, social responsibility and corporate governance, so as to achieve a comprehensive increase in investment value.

SinoPac Securities has promoted ESG investment forums since 2016. And held large-scale "ESG Investment Forum" publicly every year, invited legal person customers and other stakeholders to participate the forum, and jointly mastered the development of international climate-related issues and understood the responsible investment in domestic and foreign trends. In May and November 2023, SinoPac Securities will jointly host the online Taiwan Corporate Day 2023 with the TWSE and TPEx respectively. SinoPac Inv. Service focus on explaining the current situation of domestic and foreign perpetual funds, recent major regulations, and introduce how to adopt this year's latest IFRS sustainable disclosure standards to Taiwanese companies. And held ESG online lecture, " peek into the future - carbon rights" by SinoPac Inv. Service, focusing on domestic and foreign carbon-related regulations, the current status of carbon information disclosure, and carbon simulation scenarios. Also at the first quarter industrial investment forum, introduce important domestic and foreign sustainable regulations/codes, etc..

SinoPac Holdings and its subsidiaries use their own advantages and resources to support government policies and develop sustainable finance for a long time. Through the practice of sustainable finance, we enhance our competitive advantages, and also bring positive contributions to the economy, society, and the environment. Clarify the current situation and identify the needs of the financial market, promote sustainable financial development, and expand various business opportunities.

Participate in ESG seminars and forums held by SinoPac Holdings Group in 2022

Date	Issue	Participating external institution	Number of participants
2023/3/16	SinoPac Securities First Quarter Investment Forum- The ESG session was led by SinoPac Inv. Service on "The Current Situation and Trends of Sustainable Investment in 2023 – How	➤ Investment trust, bank and other foreign-funded legal institutions	17

Investors and Companies Respond to Climate Change Law"			
2023/4/18	ESG Lecture -"Building financial resilience through natural capital"	<ul style="list-style-type: none"> ➤ NTU ➤ WBCSD ➤ Ernst & Young Global Limited ➤ BCSD ➤ CDP Taiwan 	188
2023/5/9-5/12	SinoPac Securities and the TWSE jointly organized the online Taiwan Corporate Day 2023- The ESG session was led by SinoPac Inv. Service on " The trend of delivering material ESG factors to meet investor needs "	<ul style="list-style-type: none"> ➤ TWSE ➤ Foreign-funded legal institutions, listed and OTC companies 	59
2023/5/12	ESG online lecture -led by SinoPac Inv. Service on " peek into the future - carbon rights"	<ul style="list-style-type: none"> ➤ Financial peers, listed and OTC companies 	172
2023/7/25	2023 Sustainability Foresight Forum- Discuss the theme of "Sustainability is Action - Key Strategies for New Taiwan"	<ul style="list-style-type: none"> ➤ Climate Change Administration, Ministry of Environment ➤ Industrial Technology Research Institute ➤ Delta Electronics 	289
2023/11/6-11/23	SinoPac Securities and the TPEX jointly organized the online Taiwan Corporate Day 2023- The ESG session was led by SinoPac Inv. Service on " How Taiwanese Companies Adopt IFRS Sustainability Disclosure Standards "	<ul style="list-style-type: none"> ➤ TPEX ➤ Foreign-funded legal institutions, listed and OTC companies 	38
2023/11/21	ESG Lecture –"Linking Finance and Natural Capital Forum"	<ul style="list-style-type: none"> ➤ NTU Biodiversity Research Center ➤ BCSD ➤ Deloitte & Touche ➤ Taiwan Academy of Banking and Finance ➤ INA Energy 	213



7. Advocate organization participation

In addition to holding relevant forums, SinoPac Holdings also actively participates in various advocacy organizations. In 2018, it joined the "Republic of China Business Sustainability Association (BCSD)", which is one of the global partners of the World Sustainable Development Association WBCSD and has been following the sustainability issues of the WBCSD initiative for a long time, and actively communicating with regional partners to enable Taiwanese companies to follow the international sustainability trend.

V. Management of Conflicts of Interest

SinoPac Securities is engaged in securities brokerage, proprietary trading, and underwriting business. In order to ensure the overall interests of SinoPac Securities' fund providers and SinoPac Securities has a significant impact on the invested company. We established a conflict of interest management system to ensure that the responsible personnel and all employees performing the business from the customers or the shareholders are based on the best interests of using funds. When there is a conflict of interest (or there is a risk of occurrence), the interests of the customer and the shareholders should be prioritized, and the situation of the conflict of interest that may occur should be properly considered. Appropriate management methods include education promotion, firewall, division of powers and responsibilities, supervision and control, reasonable salary, and personnel punishment, etc. For internal personnel who may use the information from their duties or business, including information about SinoPac Securities or customers trading or about to trade certain securities, futures or derivative products, to benefit themselves or their related parties, SinoPac Securities not only implement propaganda and internal audits, but also established the "Regulations Governing Insiders of Trading", and the internal personnel transaction account control measures and inspection procedures have different specifications according to their duties, including restriction of transaction targets, regular review and update of internal personnel account and control list, regular production of abnormal reports of comparison with internal personnel account and proprietary account transaction, and review by supervisors, etc., in order to avoid the occurrence of internal personnel and their related parties transactions involving undisclosed information and conflicts of interest with SinoPac Securities or other customers.

In 2021, the content of conflict of interest management types and specific requirements are added, covering: Between the company and customers, decisions and actions that are detrimental to other customers, shareholders or interested parties, such as business execution, self-operation and underwriting business, and self-operation and brokerage business, where conflicts of interest may occur due to information asymmetry. Between the company and employees, decisions and actions that are detrimental to customers, shareholders or interested parties, such as when employees are performing business, they may conflict with the company's interests due to their knowledge of the business content. Between employees and customers, decisions and actions that are detrimental to other customers, shareholders or interested parties, such as when employees are performing business, they may conflict with the company's interests due to their knowledge of the business content. Between the company and other investee companies, decisions and actions that are detrimental to customers, shareholders or interested parties. Between the company and affiliated companies, decisions and actions that are detrimental to customers, shareholders or interested parties.

SinoPac Securities attaches great importance to the ethics of all colleagues, implements internal control, and avoids the occurrence of various conflicts of interest between the Company and its employees, and customers or beneficiaries. There have been no major conflicts of interest in the past year.

- ✓ As of the end of December 2023, there have been no major conflicts of interest incidents in SinoPac Securities.

VI. Conclusion

SinoPac Securities encourage the investee company to improve the quality of corporate governance through attention, dialogue, and interaction with the investee company as an institutional investor. In recent years, we follow the United Nations "Responsible Investment" principle, carrying the ESG investment spirit forward to promote the sound development of industry, economy and society. Following the vision of "Financial Achievement for a Better Life," SinoPac Securities serves as the leader in the promotion of responsible investment by SinoPac Holdings, and looks forward to serving customers, shareholders, investee companies and their relevant personnel, and the overall financial market through the promotion of sustainable finance and the delivery of ESG investment philosophy. Together we can create a future of long-term value and wealth.

VII. Contact Information of SinoPac Securities

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SinoPac Securities Stewardship and Responsible Investment Website	https://securities.sinopac.com/en/seGovern/202009301316527330000000000035.html