



2024

履行盡職治理
報告書

INVESTMENT
STEWARDSHIP
ANNUAL REPORT

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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\$16.6 billion and 44 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 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 2024, the "SinoPac Securities Corporation Guidelines on Responsible Investment Management" was revised, incorporating high climate-risk industries into the category of sensitive industries, the ESG risk assessment form was added climate risk evaluation questions. And the decarbonization policy was enhanced about added to prohibit underwriting fixed-income products for coal mining and power generation, and added business restrictions on overseas investments in coal mining and power generation, as well as domestic and overseas investments in unconventional oil and gas sectors that have not yet been included in the decarbonization scope, and added whether it meets any of the criteria outlined in the Taiwan Sustainable Taxonomy, and evaluation items related to biodiversity to the ESG risk assessment form.. Furthermore, the "SinoPac Securities Corporation Stewardship Policy" was revised to strengthen the prevention of conflicts of interest or improper transactions in domestic equity investments., and the revisions included principles for "managing conflicts of interest between affiliated companies and clients" and voting support/opposition guidelines categorized by three ESG factors, also supplemented with specific examples, and additionally specify the prioritized ESG issues and stakeholders to be considered for engagement, as well as the handling principles when engagement activities do not meet the expected goals.

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

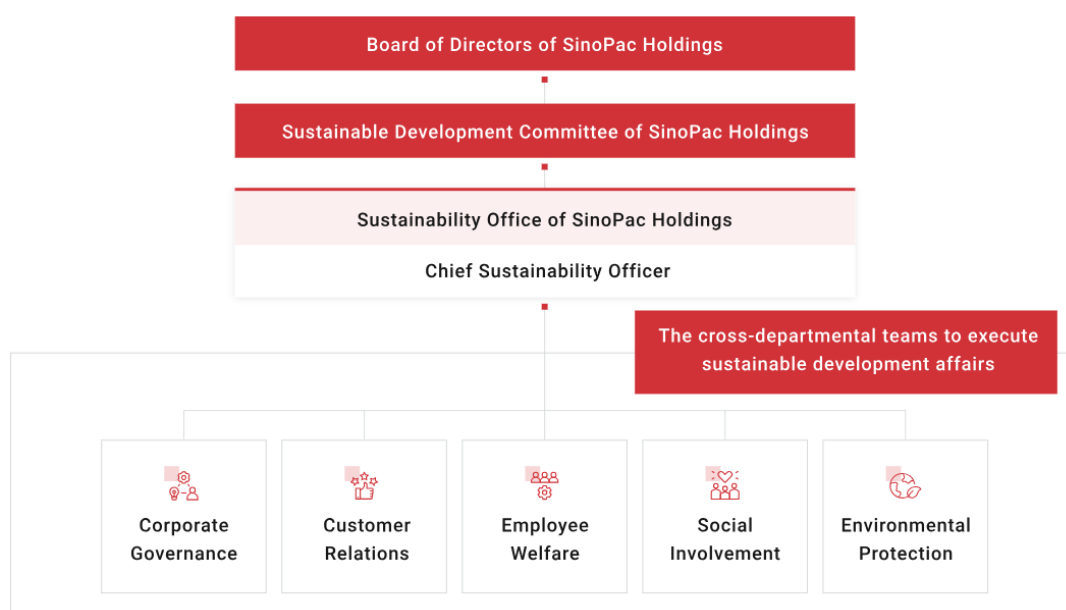


3. Establish a responsible investment team

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) No new overseas investments in coal mining or coal-fired power generation, as well as no new domestic or overseas investments in unconventional oil and gas projects, and existing positions will not be renewed upon expiration, unless one of the following five conditions is met:

1. The funds are explicitly allocated for renewable energy or carbon reduction transition purposes.
2. The entity itself, its parent company, or its corporate group has committed to SBT.
3. A commitment must be made not to expand coal-fired power generation units.
4. The entity itself, its parent company, or its corporate group has already set a net-zero target for 2050.
5. The country of a state-owned enterprise (an enterprise in which the central government holds more than 50% of shares or exercises control) has announced a net-zero target. However, if the

net-zero target is set later than 2050 and the investment is for non-trading purposes, the maturity date of the investment must not exceed December 31, 2050.

- (7) For underwriting fixed income business: No longer underwriting enterprises related to coal mining and coal-fired power generation, as well as overseas enterprises related to unconventional oil and gas projects (Note 3), unless the funds are explicitly allocated for renewable energy or carbon reduction transition purposes, the enterprise commits not to expand coal-fired power generation units, or the enterprise itself, its parent company, or its corporate group commits to establishing SBT.

Note 1: Includes coal mining, power generation, processing, trading, transportation and logistics, equipment manufacturing, and infrastructure.

Note 2: Includes the extraction, processing, and manufacturing of shale oil and gas, tar sands, deepwater drilling, coalbed methane, polar oil and gas, and heavy crude oil (including the refining of liquefied natural gas (LNG) from the aforementioned sources), as well as exploration and expansion projects, and infrastructure supporting these activities.

Note 3: Domestic enterprises refer to companies registered in Taiwan, including foreign companies whose ultimate parent company is registered in Taiwan or exercises actual control. Companies not defined as such are considered overseas enterprises.

- (8) 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. And should review whether there is any negative news or ESG factors related to climate change, human rights, and corporate governance. For sensitive industries, such as the oil and gas industry, thermal power generation industry, cement and concrete manufacturing industry, iron, steel, and other metal manufacturing industries, which are high-carbon emission industries. Oil and gas industry, metal mining industry, power generation industry, chemical materials manufacturing industry, agriculture, forestry, fishery, and animal husbandry industry, traditional manufacturing - automobile and motorcycle manufacturing industry, traditional manufacturing - metal and metal products manufacturing industry, cement industry, shipping industry, other utilities, aviation industry, which are high climate risk industries. And sensitive economic activities, such as gambling, food safety concerns, hazardous radioactive materials, non-medical or harmful human development genetic engineering, non-bonded asbestos fibers, and polychlorinated biphenyl (PCB) manufacturing, etc. We should be carefully evaluated to avoid major adverse effects on the sustainable development of ESG.

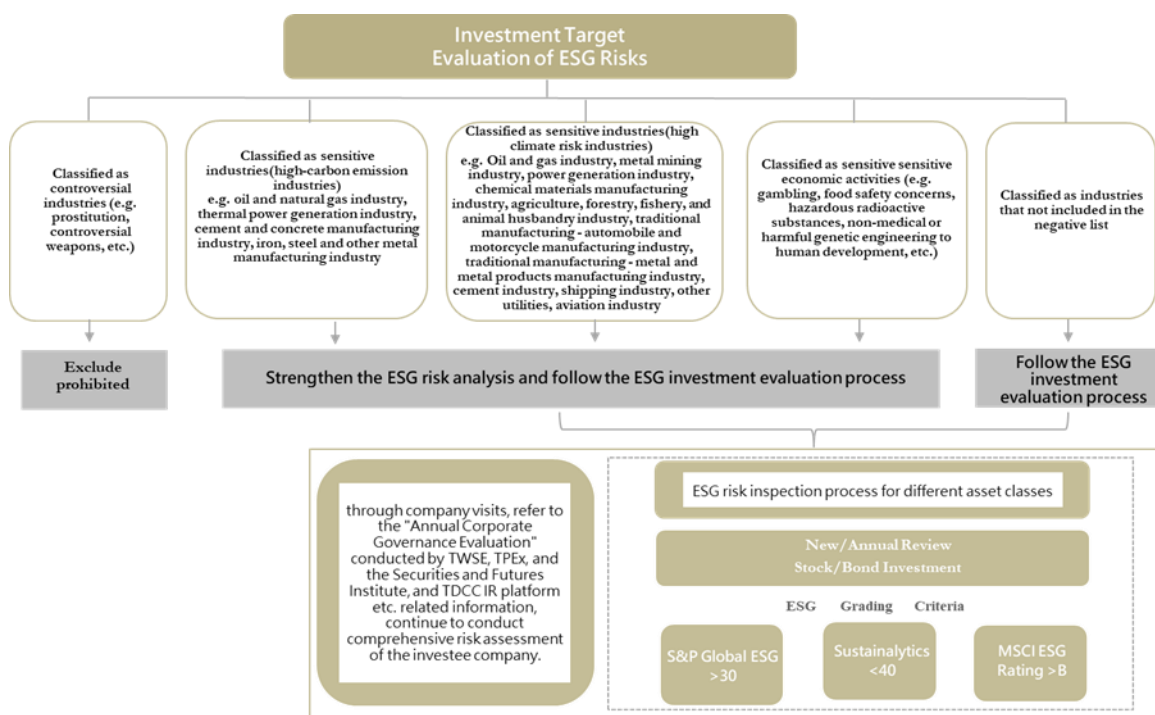
In addition to reviewing whether it is a controversial or sensitive industry, and through company visits, refer to the "Annual Corporate Governance Evaluation" conducted by TWSE, TPEX, and the Securities and Futures Institute, and TDCC IR platform etc. related information, and execute ESG risk inspection 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 the Sustainability bonds recognized by the Taipei Exchange, Bloomberg ESG project category indicator bonds, sovereign bonds, local government sovereign bonds, or supranational organization bonds, 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 the Sustainability bonds recognized by the Taipei Exchange, Bloomberg ESG project category indicator bonds, sovereign bonds, local government sovereign bonds, or supranational organization bonds, need 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



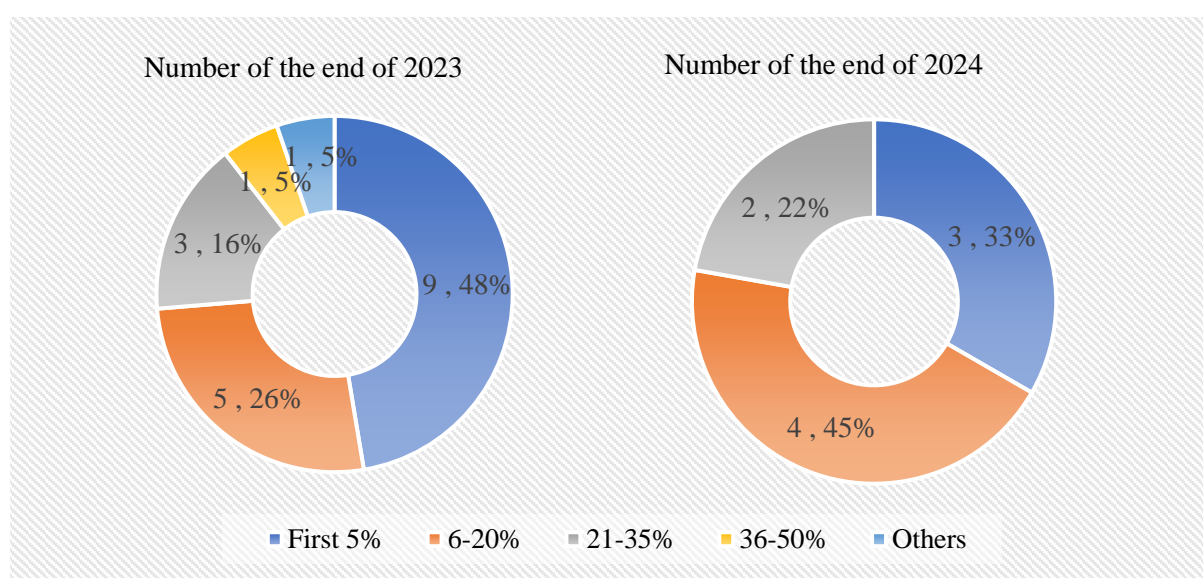
3. Observation and evaluation of the information from the investee ESG, ESG rating status of Portfolio

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.

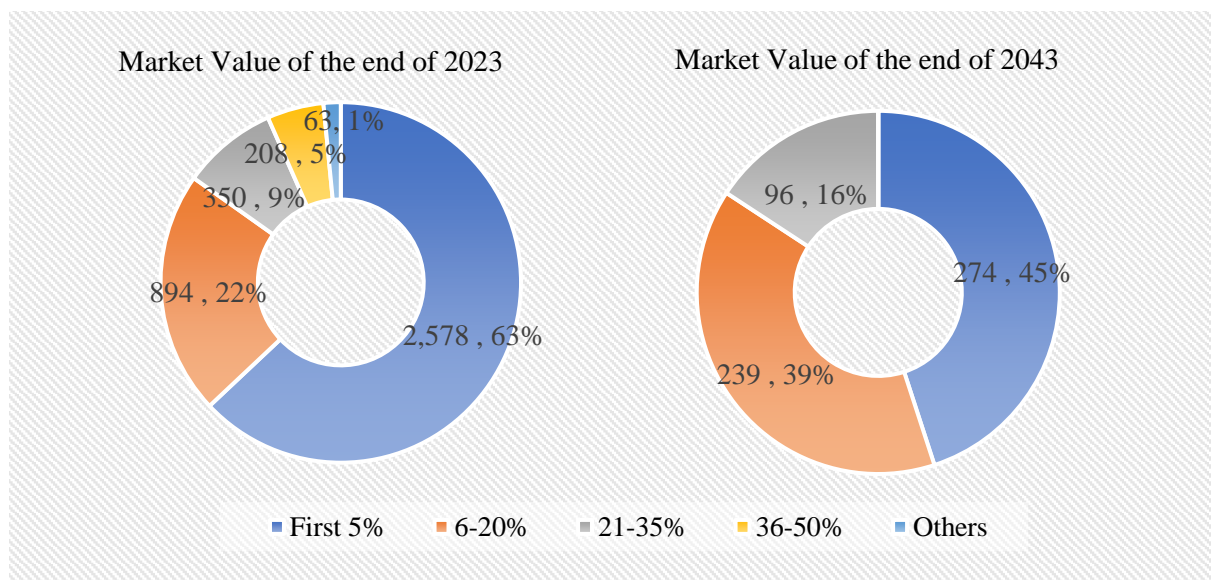
Besides, SinoPac Securities also implements the pre-examination and post-tracking of the investment ESG performance. Based on the results of 952 listed companies on TWSE and 754 listed companies on TPEx of " 2023 Corporate Governance Evaluation of Listed Companies " conducted by the Securities and Futures Institute, and entrusted by TWSE and TPEx, examining the level of evaluation results of SinoPac Securities' long-term investment stocks at the end of 2023 and 2024. Considering the financial performance of investment targets and ESG-related non-financial indicators, the overall number of investors decreases and the value of stock holdings decreases compared with 2023, In 2024, there are 3 companies in the top 5% of corporate governance evaluations, accounting for about 33%, and the top 20% of corporate governance evaluations accounted for over 75% which has increased compared with 2023. In addition, the market value of companies holding the top 5% of corporate governance evaluations accounting for about 45%, and the top 20% of corporate governance evaluations accounted for nearly 84%.

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

Investee Companies	First 5%		6-20%		21-35%		36-50%		Others		Total	
	Num ber	%	Num ber	%	Num ber	%	Num ber	%	Num ber	%	Num ber	%
The end of 2023	9	48%	5	26%	3	16%	1	5%	1	5%	19	100%
The end of 2024	3	33%	4	45%	2	22%	0	0%	0	0%	9	100%



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 2023	2,578	63%	894	22%	350	9%	209	5%	63	1%	4,094	100%
The end of 2024	274	45%	239	39%	96	16%	0	0%	0	0%	609	100%



According to SinoPac Securities' "SinoPac Securities Corporation Guidelines on Responsible Investment Management", we should reference and utilize the rating mechanisms of professional institutions, such as S&P Global ESG Rank, Sustainalytics Risk Scores, and MSCI ESG Rating to review the ESG risks of OCI stock and OCI bond investment positions and ensure that the holdings meet the standards of S&P Global ESG Rank >30, Sustainalytics Risk Scores <40, or MSCI ESG Rating >B.

By the end of 2023 and 2024, all OCI stock holdings meet at least one of the following criteria: S&P Global ESG Rank >30, Sustainalytics Risk Scores <40, or MSCI ESG Rating >B. By the end of 2024, 99% of the number of OCI bond holdings and 97% of the market value of these holdings meet at least one of the following criteria: S&P Global ESG Rank >30, Sustainalytics Risk Scores <40, or MSCI ESG Rating >B, and both proportions show an increase compared to the end of 2023.

- OCI stock

Investee Companies / Market Value (NTD million)	Total		S&P Global ESG Rank >30		Sustainalytics Risk Scores <40		MSCI ESG Rating >B		not meet any rating score in the left column	
	Number	Market Value	Number	Market Value	Number	Market Value	Number	Market Value	Number	Market Value
2023 年底	19	4,094	19	4,094	11	2,558	10	2,393	0	0
2024 年底	9	609	9	609	9	609	9	609	0	0

- OCI bond

Investee Companies / Market Value (NTD million)	Total		S&P Global ESG Rank >30		Sustainalytics Risk Scores<40		MSCI ESG Rating >B		not meet any rating score in the left column.	
	Number	Market Value	Number	Market Value	Number	Market Value	Number	Market Value	Number	Market Value
2023 年底	41	7,435	35	5,972	32	5,557	32	5,456	5	1,455
2024 年底	75	10,669	52	7,605	55	7,426	41	5,450	1	327

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 2024, 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 102 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 90 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 690 man-days
ESG Database	Database system	Bloomberg ESG rating database	Cost about NTD 1.79 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 0.86 million 2.Cost about NTD 2.88 million
ESG education training	Manpower of participating units	1.ESG Forum (Chunghwa Telecom's "Empowering ESG for Collective Good. A New Vision for Sustainability" and Global Views Magazine's "Looking at the Future of Sustainability from COP29," etc.) 2.Sustainable Finance Manager Certification Program, Mid-level Management Training Program, etc. 3. Corporate Sustainability Education and Training,	A total of 5,784 people participated in education and training, with a total of 1,016.04 hours 1.931 persons/1361.08 hours 2.105 persons /999 hours 3.4748 persons /7800.32 hours

4. Status of shareholders present, votes and proxy votes

In 2024, SinoPac Securities has attended 1,284 shareholders' meetings of domestic invested companies (including extraordinary shareholders' meetings). Voting rights were exercised by physical attendance at 5 and electronic voting at 1,279. The attendance rate was 100%, and the proxy attendance rate was 0%. A total of 5,048 proposals were voted, of which 5,044 cases were in favor, and 4 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. If an investee company proposes ESG resolutions to achieve positive goals in environmental, social, governance, or sustainable operations (the scope includes but is not limited to enhancing corporate governance, climate transition actions, reducing greenhouse gases, compensation policies, employee care, etc.), such resolutions will generally be supported in principle. The specific principles are as follows:

- Voting Guidelines for Governance Factors:

Support principles: (1) Proposals from companies ranked in the top 5% in the annual corporate governance evaluation. (2) Proposals related to financial reports. (3) Proposals for dividend distribution, capital increases, capital reductions to offset losses, or refunding capital at reasonable ratios. (4) Proposals for director elections under the nomination system. (5) Proposals to establish an audit committee to replace supervisors.

For proposals related to director elections of companies involved in governance controversies or the management has demonstrated poor practices that may harm the company or shareholder interests, SinoPac Securities will abstain or vote against such proposals.

- Voting Guidelines for Environmental Factors:

Support principles: (1)Climate transition proposals with reasonable integrity.(2)Proposals aimed at reducing greenhouse gas emissions in operations and supply chains, enhancing the protection of natural resources, and preserving biodiversity and ecosystems.

SinoPac Securities oppose proposals that violate major climate-related issues (e.g., investments causing significant environmental pollution, expansion of high-pollution production lines, or issues causing irreversible and permanent impacts on the natural environment and ecosystems). If the company is found to have committed major environmental violations and is penalized by relevant authorities, SinoPac Securities will evaluate whether to abstain or vote against such proposals.

- Voting Guidelines for Social Factors:

Support principles: (1)Issuance of employee stock options at prices below market value.(2)Transfer of treasury shares to employees at prices below the actual average buyback price.(3)Proposals that reasonably care for employees and fulfill corporate social responsibility.

If there are major violations of social-related issues (e.g., illegal employment of child labor, forced labor, major occupational accidents, workplace safety incidents, strikes, or protests by stakeholders) and the company is penalized by relevant authorities, SinoPac Securities will evaluate whether to abstain or vote against such proposals.

The board of directors of an investee company plays a leading and supervisory role in corporate governance. Key responsibilities of the board include setting and reviewing the company's long-term strategic direction, operational performance, and the accuracy of disclosed operational information., and proposed resolutions should align with the best interests of the company and all shareholders to achieve the goal of sustainable operations. SinoPac Securities carefully reviews significant events involving the investee company in recent years (e.g., penalties, news events, advocacy, and corporate governance evaluations) and casts votes of approval, abstention, or opposition based on the voting principles for governance, environmental, and social factors. Our voting principles are aligned with the goal of enhancing the long-term value of the investee company.

The implementation in 2024 is as follows:

Supported proposals are as follows:

Items	Number of Supported Proposals
Top 5% in Corporate Governance Evaluation The 2024 Corporate Governance Evaluation has not yet been announced; the 2023 list will be used as the basis.	387
Financial Report Proposals	1,084
Proposals for Profit Distribution or Loss Compensation	1,234
Proposals for Capital Increase, Capital Reduction to Offset Losses, or Refund of Capital	14
Director Elections under the Nomination System	497
Proposals to Establish an Audit Committee to Replace Supervisors	No proposals of this type.
Proposals for Climate Transition, Reducing Greenhouse Gas Emissions in Operations and Supply Chains, Enhancing Natural Resource Protection, and Preserving Biodiversity and Ecosystems	No proposals of this type.
Approval of Issuing New Shares with Restricted Employee Rights	45
Approval of Issuing Employee Stock Options Below Market Price	7
Approval of Transferring Treasury Shares to Employees Below the Actual Average Buyback Price	No proposals of this type.

Opposed or abstained proposals are as follows:

Type	Number of Opposed or Abstained Proposals	Explanation
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	One proposal involves a shareholder suggesting an amendment to the company's Articles of Incorporation regarding the method of dividend distribution. However, the company's current practices do not violate any legal regulations. Another proposal involves a shareholder suggesting legal action against one of the independent directors. After evaluation, the decision was made to generally support the company's board of directors' proposal, therefore, abstention votes were cast.
Proposals related to the election of directors in a company with existing governance disputes, or concerns about the management's improper operations that may harm the company or shareholders' interests.	2	These two proposals stem from the company's ongoing management disputes, shareholders requested an extraordinary general meeting to conduct an early and comprehensive re-election of directors. As SinoPac Securities is a professional investment institution, and inappropriate to get involved in management disputes. After evaluation, abstention votes were cast for the director election and the proposal to lift the non-compete restrictions on directors.
Violation of major climate-related issues (e.g., investments causing significant environmental pollution, expansion of high-pollution production lines, or issues causing irreversible and permanent impacts on the natural environment and ecosystems), as well as violations of major environmental-related incidents that result in penalties imposed by relevant regulatory authorities.	0	No proposals of this type.
Violation of major social-related incidents (e.g., illegal employment of child labor, forced labor, major occupational accidents, workplace safety incidents, strikes, or protests by stakeholders) that result in penalties imposed by relevant regulatory authorities.	0	No proposals of this type.

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 1,754 major motions in 2024. And the status of support, opposition and abstention is as follows:

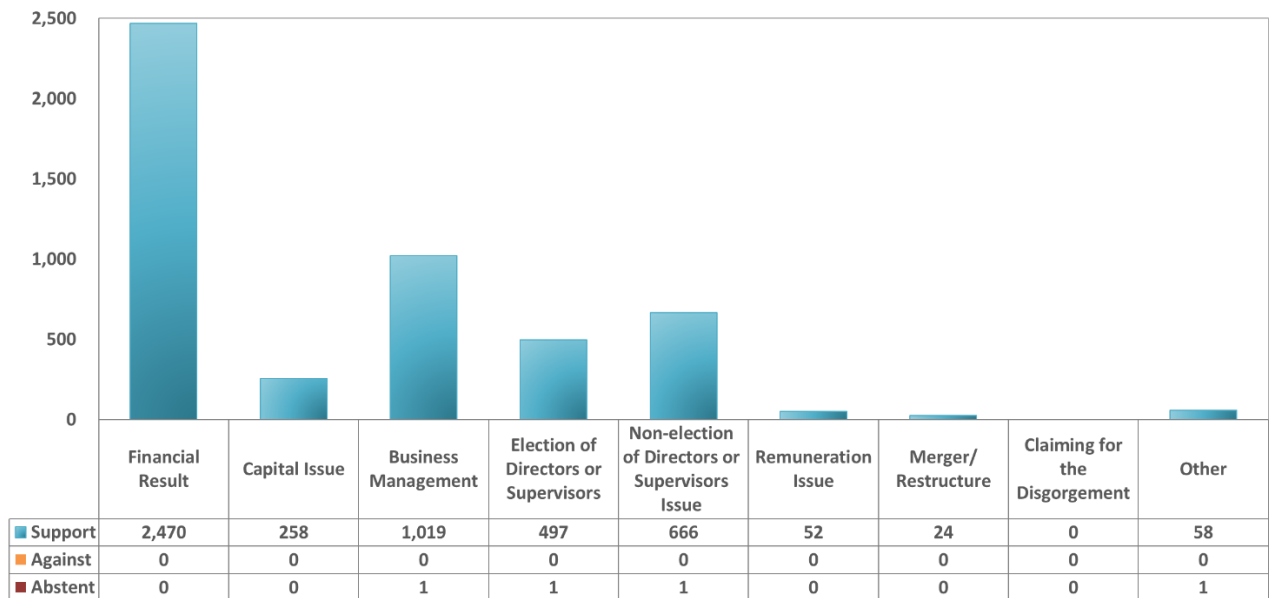
Number of supported proposals	Expatiation 說明
1,751	In principle, SinoPac Securities supports proposals made by the board of directors or candidates for directors and supervisors of the companies, and proposals on profit distribution, capital increase or decrease, and the election of directors and supervisors, whose shareholding percentage meets the standards specified in Article 26 of the Securities and Exchange Act.

Number of abstained proposals	Expatiation 說明
3	<ul style="list-style-type: none"> As SinoPac Securities is a professional investment institution, After evaluating the director election proposal of A company, it was determined that the case involves management disputes, and SinoPac Securities is inappropriate to support any specific faction. Therefore, abstention votes were cast for the director election and the proposal to lift the non-compete restrictions on directors. Upon review, it was found that the A company's shareholders' meeting had re-elected the directors, however, for the proposal to lift the non-compete restrictions on directors, 30.10% of the voting rights of shareholders present opposed the motion, and the proposal was not approved after voting. A shareholder of B company proposed an amendment to the B company's Articles of Incorporation, arguing that Article 18, Paragraph 4 deprives shareholders of the right to propose the distribution of year-end earnings as cash dividends. Based on SinoPac Securities is a professional investment institution, and after evaluation, the content of this provision complies with Article 240, Paragraph 5 of the Company Act, and we support the proposal of the company's board of directors in principle; therefore, an abstention vote was cast. Upon review, it was found that 39.54% of the voting rights of shareholders present at the B company's shareholders' meeting opposed the motion, and the proposal was not approved after voting.

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.

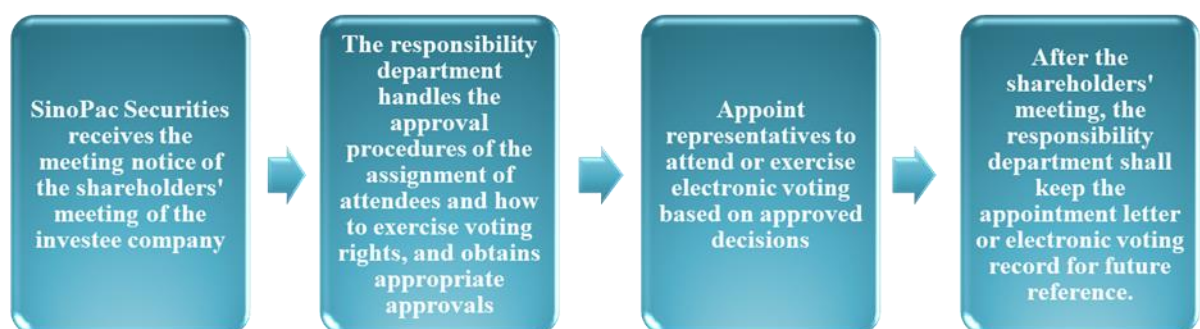
- ✓ As of the end of December 2024, SinoPac Securities has attended 1,284 domestic shareholders' meetings of the investee companies. Each proposal is evaluated internally without using proxy research and proxy voting services, and SinoPac Securities has attended or participated in voting at shareholders' 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



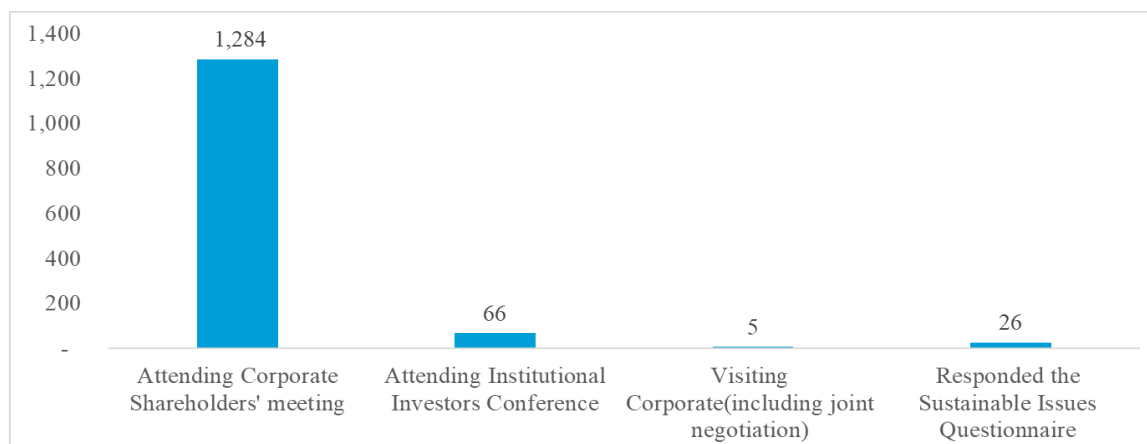
IV. Summary of Corporate Negotiation Activities

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 1,284 shareholders' meetings of domestic invested companies (voting rights were exercised by physical attendance at 5 and electronic voting at 1,279), 66 institutional investors conferences, and visited investee companies (including joint negotiation) 5 time, and 26 companies responded to the sustainable issues questionnaire in 2024.

Statistics of SinoPac Securities corporate negotiation



Statistics of ESG issues negotiation

ESG	Negotiation method	Issues	Number
(E) Environment	Questionnaire	Measured Greenhouse Gas Emissions Inventory	19
		Has not Measured Greenhouse Gas Emissions Inventory	7
		Established a Greenhouse Gas Reduction Target	16
		Has not Established a Greenhouse Gas Reduction Target	10
		Energy management measures have been implemented, such as recording the company's/plant's total electricity consumption, total water usage, and total waste quantity etc.	26
		Actions have been taken to support sustainable development and mitigate climate change, such as focusing on Sustainable Development Goals (SDGs), participating in global initiatives (e.g., RE100 or Climate Action 100+), engaging in Carbon Disclosure Projects (CDP), following the Task Force on Climate-related Financial Disclosures (TCFD), and obtaining external third-party verifications for carbon emissions, environmental management, occupational safety, or energy management (e.g., ISO certifications) etc.	26
		Invested in Implementing Specific Actions in Mitigating and Adapting to Climate Change	26
		Invested in Implementing Specific Actions in Biodiversity	26
(S) Social	Exercising voting rights at shareholders' meeting (proposal)	Employee Benefits Related	52

(G) Governance	Questionnaire	Established the Human Rights Policy	21
		Identified and Prioritized Human Rights Risks	12
		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.	26
	Exercising voting rights at shareholders' meeting (proposal)	Capital Issue	2,752
		Election of Directors or Supervisors etc.	1,165
		Business Management	1,020
	Questionnaire	The board of directors and independent director management have been established, including regulations on the number of independent director seats and consecutive reappointments	24
		A nomination committee has been established	5
		A corporate risk management mechanism has been implemented	15
		Information on directors' remuneration is transparent and reasonably determined	18
		An internal control system and operational procedures for sustainable information management have been established	21
		Disclosed Sustainability Report	18
		No Disclosed Sustainability Report	8

- ✓ In 2024, SinoPac Securities has attended 1,284 corporate shareholders' meetings, 66 institutional investors conferences, and visited investee companies (including joint negotiation) 5 time, and 26 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.

The above-mentioned negotiation actions with the investee company include, but are not limited to, asset categories such as stocks, bonds, real estate, and private equity funds ect..

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.

The above-mentioned negotiation actions with the investee company include, but are not limited to, asset categories such as stocks, bonds, real estate, and private equity funds ect..

4. Status of corporate negotiation

- Negotiation case

Case1(Stock)

Item	Content
Background	SinoPac Securities has invested in J1 company, a leading domestic electronic product assembly manufacturer. J1 company has a stable dividend payout and is a constituent of the Taiwan Sustainability Index. SinoPac Securities participated in the physical corporate joint consultation meeting organized by Sinopac Securities Inv. Service. The topics discussed included the Convention on Biological Diversity, hazardous substance replacement plans, supplier ESG performance evaluation, and human rights management. Participants included SinoPac Securities' proprietary trading department traders, J1 Company's spokesperson and executive director of the Sustainability Committee, senior investor relations manager, and representatives from various domestic financial institutions.

Stewardship assessment	J1 company has prepared a sustainability report and passed the SBTi near-term targets. The group's medium- and long-term goal is to achieve net-zero greenhouse gas emissions by 2050, using 2020 as the base year. The targets include a 21% reduction by 2025, a 42% reduction by 2030, and a 63% reduction by 2035. By 2030, the proportion of green electricity usage will exceed 50%.
Content of communication and negotiation	During the negotiation process, J1 company explained its initiatives under the Convention on Biological Diversity: it is currently conducting research and evaluation on TNFD disclosure in collaboration with CTBC Bank and National Taiwan Normal University. Regarding the hazardous substance replacement plan, the group has established a hazardous substance management system and a chemical management committee, achieving 100% identification of chemicals used within the group. For supplier ESG performance evaluation, audits have been completed for 200 suppliers, covering over 80% of procurement based on purchase amount. Next year, the audit results will be more practically applied in procurement evaluations, aiming to provide incentive measures for suppliers. In terms of human rights management, the company has set targets such as FR (Frequency Rate of disabling injuries) ≤ 0.14 cases per million work hours, SR (Severity Rate of disabling injuries) ≤ 6.88 days per million work hours, and zero chemical-related occupational injuries. Audit results indicate areas for improvement in labor and human rights aspects, but no major deficiencies or zero-tolerance incidents were found.
Quantitative Goals	Whether greenhouse gas emissions are being reduced annually according to set targets, the timeline for TNFD disclosure under the Convention on Biological Diversity, and the progress of hazardous substance replacement implementation.
Impact on the investee company	As an industry-leading enterprise, J1 company's active involvement in ESG initiatives and proactive participation in various advocacies can set an example, driving the entire supply chain towards positive development, enhancing the group's overall image, and attracting more international investors. The negotiation process can improve transparency in decision-making, allowing stakeholders to understand the reasons and background behind certain decisions, thereby increasing their satisfaction and support. J1 company hopes ESG is not just a cost but also an opportunity. Future priorities will focus on forward-looking industries such as electric vehicles, batteries, energy storage, and smart cities, ultimately bringing long-term financial benefits and positive environmental impacts.
Follow-up tracking and impact on investment decisions	J1 company is a high-quality enterprise with long-term profitability and stable dividend payouts. Moving forward, we will maintain good interactions with the management team and continue to monitor the company's ESG-related initiatives. J1 company remains a long-term investment target for SinoPac Securities.

Item	Content
Background	SinoPac Securities has invested in J2 company, a leading domestic semiconductor packaging and testing manufacturer. J2 company has not yet joined the SBTi carbon reduction program. Therefore, from the perspective of SinoPac holdings was selected as the joint consultation target. During an on-site visit, discussions were held with J2 company regarding carbon reduction-related topics. Participants in the joint consultation included representatives from SinoPac Bank and SinoPac Securities, along with external consultants, who engaged with J2 company's CFO, compliance officers, and investor relations personnel. The discussion focused on J2 company's progress in achieving its 2030 carbon reduction commitments.
Stewardship assessment	J2 Company has prepared a sustainability report, committing to a 15% reduction in Scope 1 and Scope 2 carbon emissions by 2030 compared to 2018 levels. J2 company also aims to achieve 15% renewable energy usage by 2030 and 100% renewable energy usage by 2050.
Content of communication and negotiation	During the on-site visit to J2 Company, the consultation process confirmed J2 company's status regarding greenhouse gas inventory, verification, and public disclosure. Discussions also covered the setting of reduction targets, emission trends, management responsibilities, and transition strategies. It was noted that J2 company has established a solid foundation for carbon management. J2 company plans to gradually implement measures in line with the regulatory roadmap and is willing to allocate resources for low-carbon transition. However, resources are relatively limited. J2 company expressed interest in learning more about the green energy solutions introduced by SinoPac, aiming to jointly enhance long-term value. The negotiation successfully achieved its intended goals. SinoPac Securities will continue to monitor J2's greenhouse gas emissions and transition strategy implementation progress as a reference for future investment adjustments.
Quantitative Goals	Whether the usage of renewable energy increases year by year.
Impact on the investee company	During the visit, SinoPac Securities emphasized the importance of encouraging investee companies to join the SBTi carbon reduction program as part of our efforts. This helps the target company recognize investors' commitment to promoting ESG and carbon reduction trends. J2 company stated that advocating for SBTi science-based carbon reduction targets is part of its medium- and long-term plans and will continue to update its progress. Monitoring the target company's green energy usage and carbon reduction progress can directly or indirectly support renewable energy development, enhance brand reputation, and promote sustainable development. This not only attracts environmentally conscious customers and boosts employee morale but also ensures compliance with regulatory requirements, ultimately leading to long-term financial benefits and positive environmental impacts.
Follow-up tracking and impact on investment decisions	According to J2 company's sustainability report, J2 company has implemented energy-saving measures, resulting in a total electricity savings of 17,240,951 kWh, with an overall energy-saving rate of over 1%. The absolute greenhouse gas emissions for Scope 1 and Scope 2 decreased by 17.37% compared to 2020, meeting annual targets. J2 company is a high-

quality enterprise with long-term profitability and stable dividend payouts. Moving forward, we will maintain good interactions with the management team. J2 company remains a long-term investment target for SinoPac Securities.

Case3(Bond Underwriting)

Item	Content
Background	SinoPac Securities promoted sustainable development bonds to V3 company and introduced relevant regulations, qualification criteria, and application processes. V3 company is Taiwan's largest supplier of grain-based nutritional products and places great importance on corporate sustainability issues. Participants in this meeting included the manager of our Debt Capital Markets Department and the finance manager of V3 company, along with relevant colleagues.
Stewardship assessment	Since 2017, V3 company has been preparing corporate social responsibility reports in accordance with the Taiwan Stock Exchange's "Regulations Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies." Starting in 2021, V3 company has engaged external accountants to conduct assurance procedures on specific performance indicators disclosed in its "Sustainability Report" and issue reports.
Content of communication and negotiation	SinoPac Securities recommended green bonds, social responsibility bonds, and sustainability-linked bonds to V3 company. We provided detailed explanations of the features of various sustainable development bonds, the scope of funding use, regulations, issuance processes, and related costs for V3 company's reference, evaluation, and feedback.
Quantitative Goals	V3 company has set 2023 as the baseline year for the group's greenhouse gas inventory. Its short-term goal for 2024 is CDP carbon disclosure and implementing carbon emission controls to reduce emissions. The medium- and long-term goals for 2025-2029 include reducing carbon intensity by 3% in 2026 and by 10% in 2029. In 2023, V3 company achieved energy-saving and carbon reduction results, including saving 7,984.06 kWh of electricity, 13,937.30 tons of water, 84.68 kWh of natural gas, and reducing carbon emissions by 4,103.22 tons per year compared to 2022.
Impact on the investee company	V3 company's sustainability efforts encompass the three ESG dimensions and various stakeholders. These efforts include improving energy-saving, carbon reduction, and water resource recycling rates, continuously investing in food safety and health, implementing sustainable supply chain management, extending the sustainable value chain across upstream, midstream, and downstream operations, adhering to principles of integrity in business practices, and creating a safe and happy workplace environment. Through this ESG interaction opportunity, the financial industry and V3 company's sustainability strategies are linked, creating a win-win situation for all parties.
Follow-up tracking and impact on investment decisions	V3 company decided not to issue sustainable development bonds in the debt capital market at this time. SinoPac Securities will continue to monitor V3 company's progress on sustainability indicators, update new trends in sustainable development, and retain opportunities for future business collaboration.

Case4 (Bond Underwriting)

Item	Content
Background	SinoPac Securities assisted V4 company in issuing green bonds and provided guidance on relevant regulations and application processes. V4 company has responded to the government's green energy development policy by investing in the offshore wind power equipment engineering industry. Participants in this meeting included representatives from our Investment Banking Division and the finance manager of V4 company, along with relevant colleagues.
Stewardship assessment	V4 company has prepared a sustainability report and continues to see strong potential in the green energy industry. Through professional technology and resource integration, the company undertakes steel structure engineering for offshore wind power foundations, contributing to energy transition efforts.
Content of communication and negotiation	The meeting primarily focused on introducing the regulations, issuance process, and related costs of green bonds, providing V4 company with information to evaluate whether it has green projects and funding needs suitable for issuing green bonds.
Quantitative Goals	Whether the planned number of wind power equipment installations and capacity are completed on schedule.
Impact on the investee company	During the visit, SinoPac Securities emphasized that promoting the issuance of green bonds and investing in related types of bonds is a key focus for us. Although the cost of issuing green bonds is higher than regular corporate bonds, it provides funding for green transitions, enhances company's image, and offers investors more diversified investment options. This accelerates positive changes in society and the environment.
Follow-up tracking and impact on investment decisions	According to V4 company's sustainability report, V4 company plans to improve production processes and increase production equipment to enhance production flexibility and efficiency. Our company will continue to monitor the progress of V4 company's renewable energy business development. As a high-quality enterprise with long-term profitability and stable dividend payouts, V4 company remains a long-term partner for SinoPac Securities, and we will maintain good interactions with V4 company's management team.

• Speech at shareholders' meeting

Investee company	speech	Investee company response	Progress of negotiation
S1	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, inquired about the investee company's timeline for achieving the SBT 1.5°C target, its short- and long-term goals, as well as its future plans for the	The Corporate Sustainability Development Officer of S1 company responded, with attendees including the General Manager and relevant management personnel. S1 company stated that it had already applied for and received approval in 2019 to achieve a 39% SBT carbon reduction target by 2025 under the 2°C scenario. They	Through negotiation between SinoPac Securities and the invested company, the invested company is facing the proposed

	proportion of renewable energy usage in the short, medium, and long term.	further mentioned that after successfully applying for net-zero emissions by 2050 and passing the review of short-term targets, they would make an official announcement. As of 2023, the renewable energy usage rate has reached 28%, and the company plans to continue purchasing renewable energy, aiming to achieve 100% renewable energy usage by 2040.	issues and is drafting corresponding measures. Relevant actions will continue to be implemented to achieve the agreed goals.
S2	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, inquired about the investee company's renewable energy usage target of achieving 60% of electricity consumption from renewable energy by 2030, the current proportion of renewable energy usage, and the specific measures to be taken in the next three years.	The Chairman (Board Chair) designated the Chief Financial Officer to respond, with attendees including the General Manager and relevant management personnel. According to the group's 2023 greenhouse gas inventory report, the current proportion of electricity consumption from renewable energy is 42.34%. To achieve the 60% renewable energy target by 2030, the group plans to take the following measures over the next three years: continuously increasing the installation of internal photovoltaic power generation systems, signing more long-term Power Purchase Agreements (PPAs) for green electricity, and purchasing renewable energy certificates (such as IREC certificates) across various production regions.	Through negotiation between SinoPac Securities and the invested company, the invested company is facing the proposed issues and is drafting corresponding measures. Relevant actions will continue to be implemented to achieve the agreed goals
S3	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, inquired about the investee company's current plans for SBTi carbon reduction targets as outlined in its sustainability report, whether the company plans to increase the proportion of renewable energy usage, and its future plans for using recycled materials.	The summary was presented by the chairman (chairman of the board), with attendees including the general manager and relevant management personnel. S3 company is currently expanding greenhouse gas audits across all factories. It is expected to complete the greenhouse gas audits in Taiwan by 2025, in mainland China by 2026, and in Southeast Asia by 2027. This will help understand the carbon emissions of the entire group's factories, enabling the clear establishment of SBTi carbon reduction targets, with plans to apply for and announce SBTi carbon reduction goals by 2028.	Through negotiation between SinoPac Securities and the invested company, the invested company is facing the proposed issues and is drafting corresponding measures.

S3 company is currently focused on achieving a continuous annual electricity saving of 1%, with the solar energy system at the Free Trade Zone expected to be contracted by the end of 2024. The plan for 2025 is to start green energy procurement, aiming for 10% renewable energy by 2030. The current use of recycled materials depends on customer demand and policy relaxation; since the products are food-grade packaging materials, there are stricter laws and regulations. S3 company has successfully developed low-carbon circular products, such as 30%-100% rPET preforms and 50% rPET label products. It hopes that Taiwan will soon allow the use of rHDPE bottle caps in beverage production, so that beverage bottles, labels, and caps can all enter the existing and well-established recycling system domestically, truly achieving circular sustainability.

• Speech at investor conference

Investee company	speech	Investee company response	Progress of negotiation
I1	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, inquired about the investee company's net-zero policy and progress.	The IR representative responded that I1 company joined RE100 in 2022 and has set energy-saving targets. The renewable energy usage rate reached 40% in 2023, with a goal of 50% by 2024. I1 company aims to achieve net-zero emissions by 2050.	Through negotiation between SinoPac Securities and the invested company, the invested company is facing the proposed issues and is drafting corresponding measures. Relevant actions will continue to be implemented to achieve the agreed goals
I2	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, inquired whether the investee	The attending management responded that the company does plan to proceed with the application. They emphasized that I2 company is already disclosing carbon emissions earlier than government-mandated timelines and that excelling in ESG performance is a	Through negotiation between SinoPac Securities and the invested company, the invested company acknowledged the

	company plans to apply for SBTi carbon reduction certification in the future.	key goal for I2 company.	existence of the discussion topic.
I3	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, inquired about the investee company's net-zero policy and progress.	The Chairman responded that I3 company's new facility has adopted rooftop solar power. In the short term, the electricity generated will be sold to Taiwan Power Company, and once capacity is fully established, it will be transitioned for self-use. Additionally, I3 company's sustainability report mentions that purchased energy will use 2020 as the baseline year, with a target to reduce electricity consumption to 95% of 2020 levels by 2025 and to 90% by 2030 (reducing the proportion of purchased energy). I3 company is also conducting rolling assessments of the need to replace lighting equipment in office spaces and regularly reviewing and evaluating old air conditioning systems for potential replacement.	Through negotiation between SinoPac Securities and the invested company, the invested company is facing the proposed issues and is drafting corresponding measures.

• Visit company

Investee company	speech	Investee company response	Progress of negotiation
V1	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, inquired about the investee company's ESG-related initiatives.	The IR Manager responded that V1 company prioritizes installing solar panels at its facilities. They have signed a contract with the Industrial Technology Research Institute (ITRI) to secure an NT\$18 million subsidy as part of a two-year collaboration project with a total investment of over NT\$40 million to review energy-consuming equipment. V1 company also noted that its operations in Thailand, which export to Europe and Japan, face stricter requirements. They are using the existing practices in Thailand as a reference for planning similar initiatives in Taiwan.	Through negotiation between SinoPac Securities and the invested company, the invested company is facing the proposed issues and is drafting corresponding measures.
V2	SinoPac Securities' negotiation personnel, serving as the manager of the Debt Capital Markets Department,	The Finance Manager responded that V2 company currently has no plans to issue sustainability bonds in the debt capital market. However, V2 company remains committed to its sustainability strategy. It has designated 2023 as the baseline year	Through negotiation between SinoPac Securities and the issue company, the issue company is facing the proposed

	recommended green bonds, social responsibility bonds, and sustainability-linked bonds to V2 company.	for the group' s greenhouse gas inventory. The short-term goal for 2024 is to disclose carbon data through CDP and implement carbon emission controls to reduce emissions. For the medium- to long-term goals (2025–2029), V2 company aims to reduce carbon intensity by 3% by 2026 and by 10% by 2029.	issues and needs to consider planning.
V3	SinoPac Securities' negotiation personnel, from the Investment Banking Division, introduced the regulations and issuance process of green bonds, assisting the issuer in evaluating whether to issue green bonds to secure funding for renewable energy development.	In response to the group's sustainability strategy, the issuer plans to increase investments in a wind power company to support the construction of related wind power facilities. V3 company will further assess the need to issue green bonds.	Through negotiation between SinoPac Securities and the issue company, the issue company is facing the proposed issues and is drafting corresponding measures. Relevant actions will continue to be implemented to achieve the agreed goals. The issuer successfully completed the issuance of green bonds in 2024.

- Joint negotiation

Investee company	Topics	Investee company description
J1	SinoPac Securities participated in the in-person Corporate Engagement Conference organized by Sinopac Inv. Service. The negotiation topics included the Convention on Biological Diversity, hazardous substance phase-out plans, supplier ESG performance evaluations, and human rights management. Attendees included SinoPac Securities' proprietary trading department trader, the spokesperson and Sustainability Committee Executive Director, a senior investor relations manager of J1 Company, and representatives from various domestic financial institutions.	Currently, the group is collaborating with CTBC Bank and National Taiwan Normal University to research and evaluate TNFD (Taskforce on Nature-related Financial Disclosures) reporting. The group has established a hazardous substance management system and a Chemical Management Committee to achieve 100% identification of chemicals used within the group. It has also completed audits of 200 suppliers, covering over 80% of procurement spending. The group has set targets such as maintaining a Frequency Rate (FR) of disabling injuries at or below 0.14 cases per million work hours, reducing the Severity Rate (SR) of disabling injuries to at or below 6.88 days per million work hours, and achieving zero occupational injuries related to chemical substances.

J2	SinoPac Holdings selected J2 company as a joint negotiation target and conducted an on-site visit to discuss carbon reduction-related topics. The joint negotiation team included representatives from SinoPac Bank, SinoPac Securities, and external consultants, who engaged with J2 company's CFO, compliance personnel, and investor relations team. The team inquired about the J2 company's progress toward achieving its 2030 carbon reduction commitment.	J2 company already has a solid foundation in carbon management, and in terms of data inventory and verification, it will be gradually implemented in accordance with the timeline outlined in the roadmap provided by the regulatory authorities. Besides, J2 company is willing to allocate resources for low-carbon transformation, though resources are relatively limited, has expressed interest in exploring the green energy solutions introduced by SinoPac, aiming to jointly enhance long-term value and successfully achieved the intended objectives.
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SinoPac Securities' underwriting business explains to issuing companies the features of various sustainable development bonds, the scope of fund usage, regulations, issuance processes, and related costs. We encourage companies to raise funds for sustainable transformation and development through the issuance of sustainable development bonds. One company is still considering the need to issue sustainable development bonds, while another is set to complete the issuance of Taiwan's first convertible corporate bond recognized as a sustainable development bond by the Taipei Exchange in 2024, using a competitive auction method. Additionally, we have engaged in discussions with companies in which we hold long-term investments in OCI stocks. As shown in the table below, we proposed six discussion topics to the invested companies, with six companies acknowledging the existence of these topics, five companies beginning to formulate response strategies, and two companies achieving the agreed-upon goals through ongoing actions. After a comprehensive evaluation of the investment positions, there were still changes in holdings post-discussion. As of the end of April 2024 (the point in time when the company was still held), the total market value of inventory was NT\$4,089 million. The proportion of inventory market value for companies at each discussion stage was 26%, 26%, 22%, and 13%, respectively.

Negotiation Stage	Number of Companies	Proportion of Asset Scale (Total Inventory Market Value)
Stage 1: Proposed negotiation topics to the invested companies	6	26%
Stage 2: Invested companies acknowledged the existence of the negotiation topics	6	26%
Stage 3: Invested companies formulated response strategies for the topics	5	22%
Stage 4: Invested companies took actual measures and achieved negotiation goals	2	13%

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 2024, 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 2024). Total of 34 copies were sent and 26 copies were returned. This questionnaire includes sustainability initiatives, net zero and greenhouse gas information disclosure, environmental actions, social actions, corporate governance actions, and by referencing international sustainability evaluation trends and the assessment criteria of domestic regulatory authorities, therefore added the topics related energy management measures, understand the sustainable actions taken by customers, and financial products or services required. According to the survey responses from enterprises, over 80% have established dedicated ESG/sustainability units and continuously collect and acquire knowledge related to promoting sustainable development through various channels, and nearly 70% expect financial institutions to provide forums or seminars on net-zero or sustainability-related topics. Other statistical summary of the responses to the questionnaire is as follows:

[Sustainable practices] 100% 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 and energy management 88%, and of the social aspect is Occupational safety and labor rights 92%, and of the corporate governance aspect is Information security and disclosure 92%. In terms of promoting sustainable development and mitigating climate change. The actions taken in response to enterprises' statistics show that the highest proportions are in the following order: attention to Sustainable Development Goals (SDGs) at 96%, and obtaining external third-party verification for carbon emissions, environmental management, occupational safety, or energy management (e.g., ISO certification) at 65%, 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.

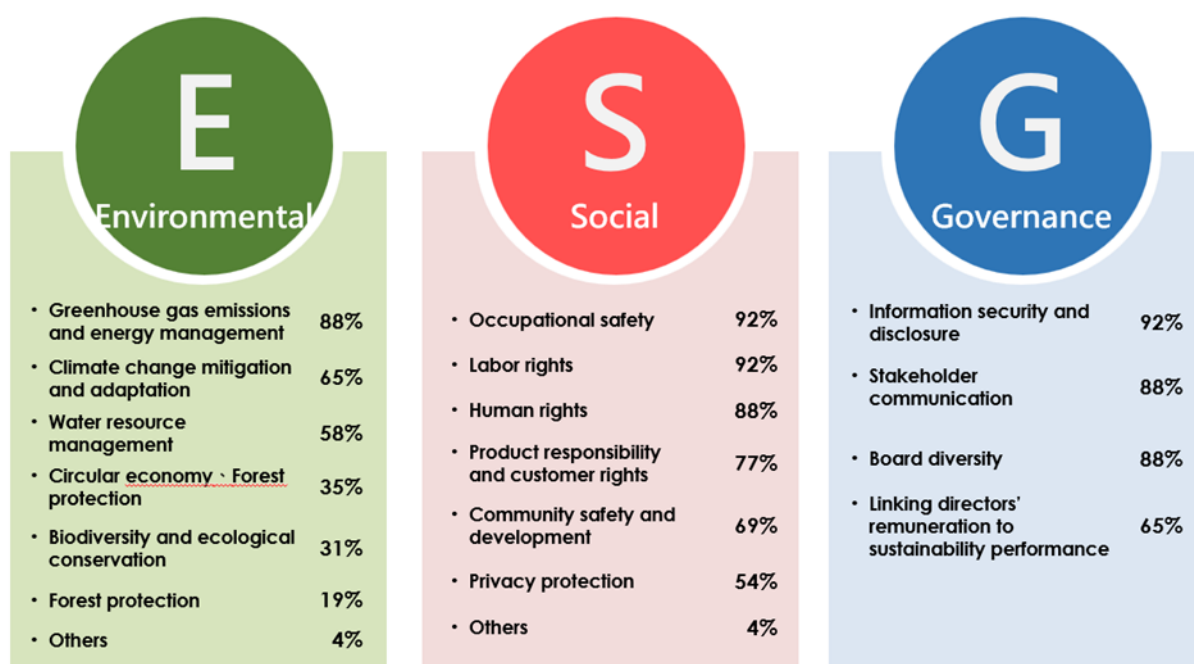
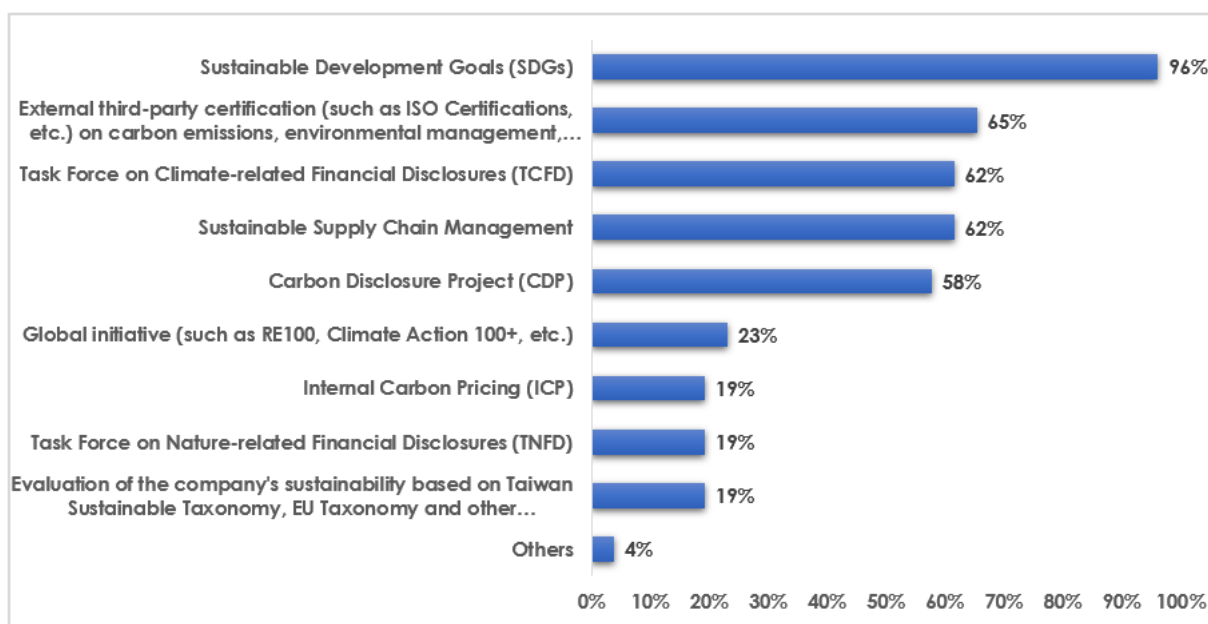
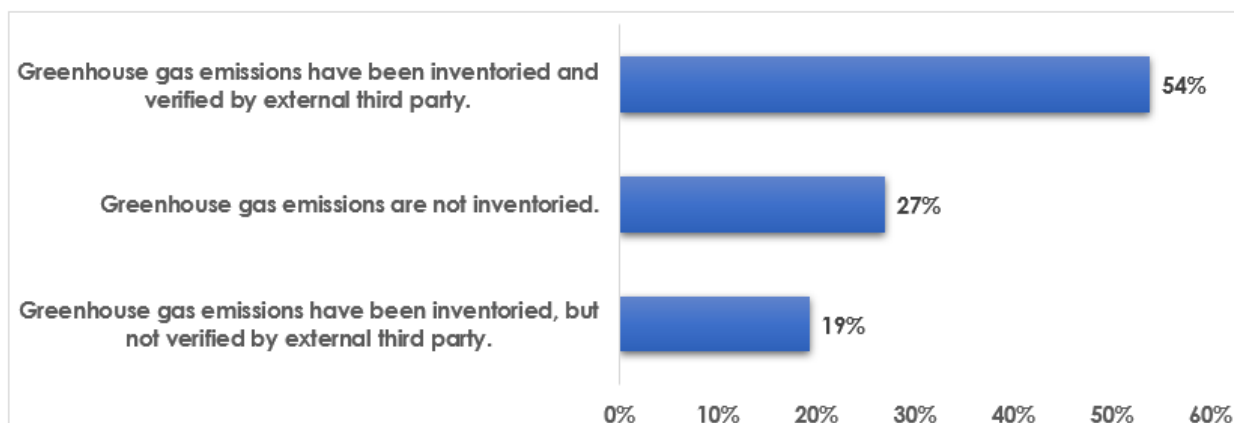


Figure 2: Percentage of awareness of environmental, social and corporate governance in relation to corporate concerns about sustainable development goal.



[Net Zero and Greenhouse Gas emission Disclosure] According to the survey results, 54% of enterprises have checked their greenhouse gas emissions and have been verified by external third parties (see Figure 3), of which 62% 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, 92% of enterprises have implemented circular recycling to reduce waste and emissions (e.g., paperless operations, water resource management, etc.). Additionally, 85% of enterprises have invested in low-carbon initiatives, emission reduction, energy-saving measures, and pollution prevention efforts (e.g., building infrastructure and office equipment upgrades) (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, 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. (see Figure 5)

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

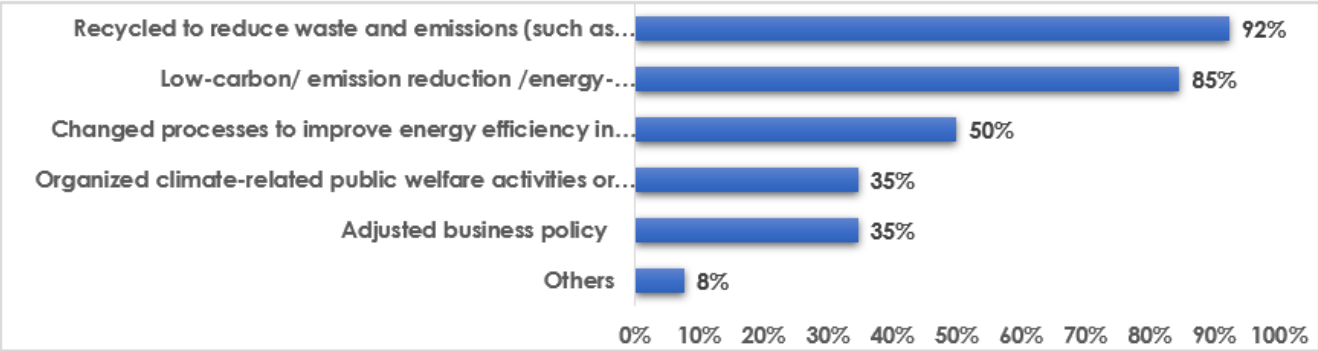
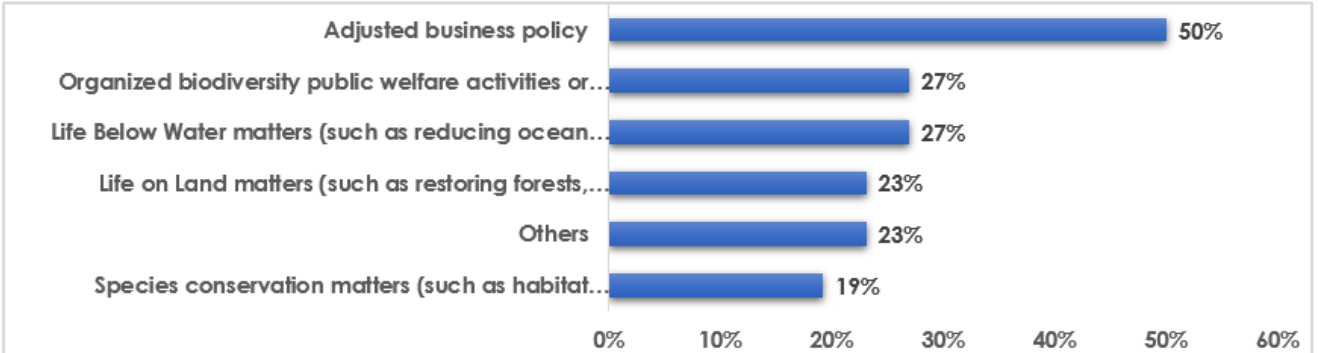


Figure5: Invested in implementing specific actions in biodiversity



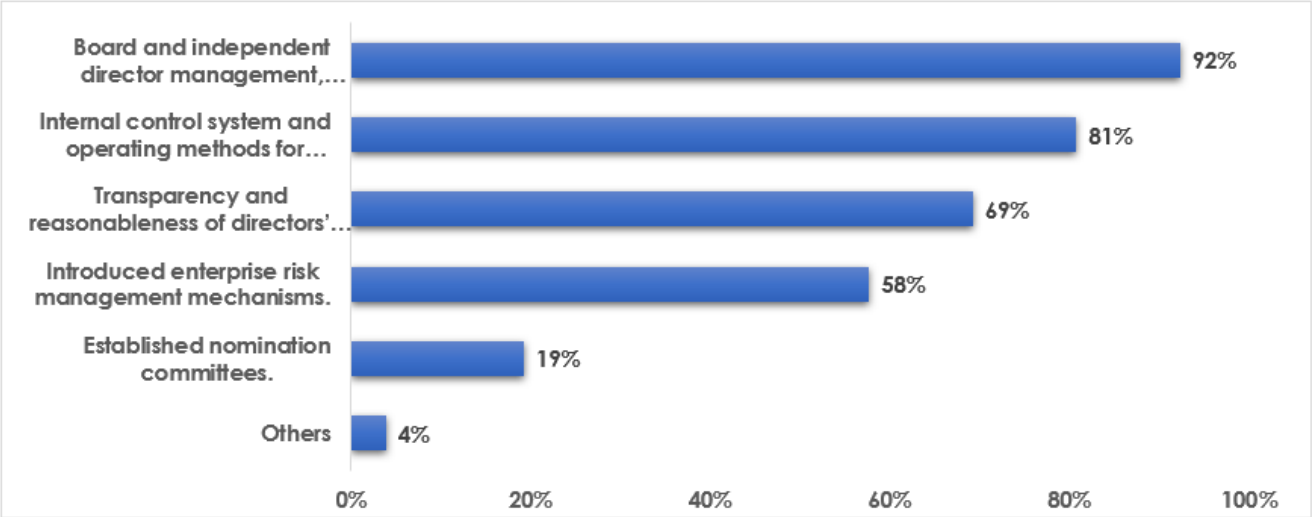
[Social Actions] According to the survey results, 81% of the companies have established human rights policies (see Figure 6), and 100% of the companies have respected workplace human rights, 92% of the companies have implemented, safety and health in the workplace,

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



[Corporate Governance Actions] According to the survey results, 92% of enterprises have implemented board of directors and independent director management, including regulations on independent director seats and consecutive reappointments. Additionally, 81% of enterprises have established internal control systems and operational procedures for sustainable information management (see Figure 7). Regarding the enhancement of ESG information disclosure, 70% of enterprises have published sustainability reports, with 54% of them verified or assured by third parties.

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 sustainability-related issues and understood the responsible investment in domestic and foreign trends. In 2024, SinoPac

Securities and the Taiwan Stock Exchange will jointly host the Taiwan Corporate Day 2024, and the event will focus on driving ESG transformation in Taiwan's capital market, and the risks and opportunities for investors and corporations in facing carbon fee implementation, with insights provided by the Taiwan Stock Exchange and SinoPac Inv. Service. Additionally, an ESG Forum will be co-hosted with the Taiwan Corporate Sustainability Association and introduced the "SinoPa^{c+} Corporate Sustainability Evaluation System." that aims to help businesses address carbon anxiety and serve as an investment assessment tool in a low-carbon economy by SinoPac Inv. Service. Furthermore, during the first-quarter Industry Investment Forum, the impact of carbon fee implementation on corporations will be analyzed, along with how investors can fulfill their fiduciary governance responsibilities effectively.

SinoPac Holdings has selected J2 company as a joint negotiation partner, and discussed by Sinopac Bank, Sinopac Securities, and external consultants, engaged in with J2 company's CFO, Compliance Manager, and IR team. During the discussions, we assessed the company's current status regarding greenhouse gas inventory, verification, and public disclosure, confirmed emission reduction targets and trends, clarified management responsibilities and transformation strategies, and identified that J2 company already has a solid foundation in carbon management, and in terms of data inventory and verification, it will be gradually implemented in accordance with the timeline outlined in the roadmap provided by the regulatory authorities. Besides, J2 company is willing to allocate resources for low-carbon transformation, though resources are relatively limited, has expressed interest in exploring the green energy solutions introduced by SinoPac, aiming to jointly enhance long-term value and successfully achieved the intended objectives. SinoPac Securities will continue to monitor the company's greenhouse gas emissions and the progress of its transformation strategies, using this information as a reference for future adjustments to investment positions.

Sinopac Securities also participated in the joint negotiation meeting organized by SinoPac Inv. Service, which was attended by multiple financial institutions. During the meeting, the spokesperson of J1 company, who also serves as the Executive Director of the Sustainability Committee and Senior Manager of Investor Relations, provided a focused explanation on J1 company's efforts in biodiversity, human rights, and supply chain management. Regarding the Convention on Biological Diversity initiatives, J1 company is currently collaborating with CTBC and National Taiwan Normal University to conduct research and evaluation on TNFD (Taskforce on Nature-related Financial Disclosures) reporting. For the hazardous substances phase-out plan, the group has established a hazardous substances management system and a Chemical Management Committee, achieving 100% identification of chemicals used within the group. In terms of ESG performance evaluation for suppliers, J1 company has audited 200 suppliers, covering over 80% of procurement value. For human rights management, J1 company has set targets such as maintaining a Frequency Rate (FR) of disabling injuries at less than or equal to 0.14 cases per million working hours, reducing the Severity Rate (SR) of disabling injuries to less than or equal to 6.88 days per million working hours, and achieving zero occupational injuries related to chemical exposure, audit results indicate that there are areas for improvement in labor and human rights aspects, but no major deficiencies or zero-tolerance incidents were identified.

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 2024

Item	Topic	Participants	Number of Participants
ESG Forum	<p>SinoPac Holdings collaborates with BCSD Taiwan to host the event.</p> <p>Theme: [Guidelines for Climate and Nature Positive Actions in Industries]</p> <p>Event Focus: Centered on "Climate X Nature," the forum targets industries with significant impact on climate and nature, such as energy, construction, and textile materials. Experts from academia, research institutions, and industry will be invited to discuss the challenges these industries face in achieving climate net-zero and nature-positive goals, as well as actionable pathways. Through collective wisdom and practical discussions, the forum aims to identify solutions for climate and nature-positive initiatives.</p>	<p>Financial industry peers, experts from academia, government, and industry, directors, executives, and employees of Sinopac Financial Holdings and its subsidiaries.</p>	173 people
Taiwan Corporate Day 2024	<p>Sinopac Securities collaborates with the Taiwan Stock Exchange to host the event.</p> <p>Theme: The Taiwan Stock Exchange and SinoPac Inv. Service respectively presented on [Driving ESG Transformation in Taiwan's Capital Market] and [Risks and Opportunities for Investors and Corporations in Facing Carbon Fee Implementation].</p> <p>Event Focus: This online investment promotion event targets European institutional investors, inviting several outstanding listed companies to participate. The event aims to introduce the ESG transformation in Taiwan's capital market and the impact of carbon fee implementation, highlighting the ESG strengths of Taiwan's capital market.</p>	<p>Foreign institutional investors, listed companies, Supervisors, and Colleagues</p>	36 people
ESG Forum	<p>Sinopac Securities, SinoPac Inv. Service, and BCSD Taiwan jointly host</p> <p>Theme: [Facing the Era of Carbon Pricing: Strategies for Investors and Enterprises]</p> <p>Event Focus: The event invites representatives from the Securities and Futures Bureau, carbon trading platforms, institutional investors, and publicly listed companies to engage in discussions. The focus will be on carbon risks and opportunities. SinoPac Inv. Service share insights on the creation of the "SinoPac+ Corporate Sustainability Evaluation</p>	<p>Experts from Industry, Government, Academia, Supervisors, and Colleagues</p>	147 people

System," which aims to help enterprises address carbon anxiety and explore investment opportunities in a low-carbon economy, and serves as an investment evaluation tool in the era of low-carbon economics.

2024 Q4	Hosted by SinoPac Inv. Service	Institutional	5 people
Industry	Theme: [Carbon Pricing Driving Industry	Representatives	
Investment	Net Zero: Responsible Governance Leading		
Forum	Transformation] Event Focus: The forum will analyze how carbon fee implementation impacts enterprises and how investors can fulfill their responsibilities in responsible governance. It aims to align with the Financial Supervisory Commission's "Green and Transition Finance Action Plan," driving industry net-zero transformation and co-creating a sustainable future with enterprises.		

ESG Forum - Building financial resilience through natural capital



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. Moreover, SinoPac Securities is a subsidiary of a financial holding company, and when reporting financial and business information to the parent company in accordance with the group's risk management regulations, the report content avoids the prior disclosure of information such as "transaction targets", "transaction buy/sell direction", and "transaction prices" to prevent conflicts of interest and strengthen the management of conflicts of interest between related parties and clients.

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.

Conflict of Interest Management Scenarios and Specific Requirements Include:

- (1) Decisions and actions that are detrimental to other clients, shareholders, or stakeholders must not be made for the benefit of the company and a specific client. For example, in the execution of business, conflicts of interest may arise due to information asymmetry in proprietary trading versus underwriting business or proprietary trading versus brokerage business.
- (2) Decisions and actions that are detrimental to clients, shareholders, or stakeholders must not be made for the benefit of the company and its employees. For instance, employees, while performing their duties, may encounter conflicts of interest with the company due to their knowledge of business details.
- (3) Decisions and actions that are detrimental to other clients, shareholders, or stakeholders must not be made for the benefit of employees and specific clients. For example, employees, while performing their duties, may encounter conflicts of interest with clients due to their knowledge of business details.
- (4) Decisions and actions that are detrimental to clients, shareholders, or stakeholders must not be made for the benefit of the company and other invested companies.
- (5) Decisions and actions that are detrimental to clients, shareholders, or stakeholders must not be made for the benefit of the company and its affiliated enterprises.

(6) Personal trading activities of the company's responsible persons, employees, and their related parties must strictly comply with relevant laws and the company's "Work Rules" and "Internal Personnel Trading Management Regulations."

✓ As of the end of December 2024, 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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Customer Services	Customer Service: (02)8173-5300 Email: service.sec@sinopac.com https://www.sinotrade.com.tw/CSCenter/CSCenter_13_6
SinoPac Securities Stewardship and Responsible Investment Website	https://securities.sinopac.com/en/seGovern/2020093013165273300000000000035.html