



**2025**  
履行盡職治理  
報告書

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INVESTMENT  
STEWARDSHIP  
ANNUAL REPORT

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## I. SinoPac Securities and Responsible Investment

### 1. About SinoPac Securities

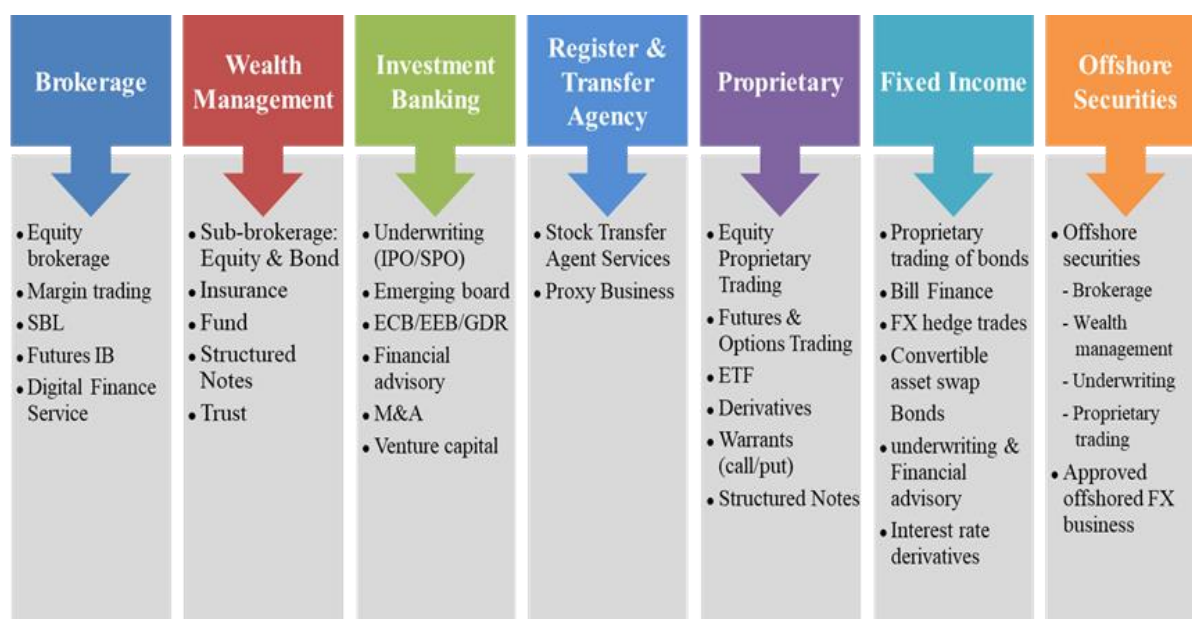
SinoPac Securities, established in 1988 and the first among its peers to list on Taiwan’s TPEX market, is a fully-owned subsidiary of SinoPac Financial Holdings Company Limited (SinoPac Holdings). SinoPac Securities’ service scope spans broking, proprietary trading, underwriting, fixed income, new financial products, etc. SinoPac Securities is a major integrated securities firm in Taiwan with a paid-in capital of NT\$16.9 billion and 45 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 2025, the "SinoPac Securities Corporation Guidelines on Responsible Investment Management" was further revised. In alignment with the amendments to the Financial Holding Company's Carbon Reduction Statement, SinoPac Securities Corporation no longer differentiates between domestic and overseas companies involved in thermal coal or unconventional oil and gas in investment and fixed-income underwriting businesses, and business restrictions shall be applied uniformly to such entities regardless of whether they are domestic or overseas, with clearly defined criteria governing permissible engagements.

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

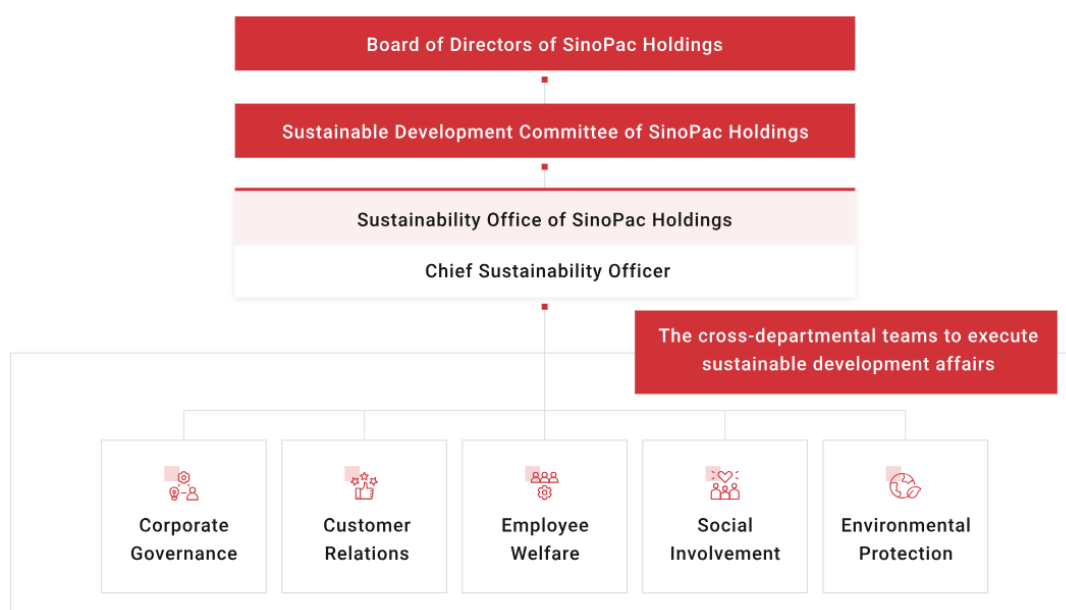


### **3. Establish a responsible investment team**

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) Prohibits engagement in thermal coal mining, power generation, processing, trading, transportation and logistics, equipment manufacturing, and infrastructure development. Also prohibits the extraction, processing and manufacturing (including liquefied natural gas (LNG) derived from the aforementioned sources), exploration, as well as expansion projects related to unconventional oil and gas which includes shale oil and gas, oil sands, deepwater drilling, coalbed methane, Arctic oil and gas, and heavy crude oil etc., and project investment activities in infrastructure supporting the aforementioned activities. Existing exposures will not be renewed upon maturity.

(5) No new investment positions, including active investment, passive investment, or third-party managed investments, shall be established with either existing or new clients involving thermal coal-related or unconventional oil and gas-related companies. Existing exposures will not be renewed upon maturity, unless any one of the following four conditions is met:

(1) The funds are explicitly allocated for renewable energy or decarbonization transition purposes; or

(2) The entity, its parent company, or its corporate group has committed to establishing Science-Based Targets (SBT); or

(3) The entity, its parent company, or its corporate group has established a net-zero target by 2050 and a corresponding transition plan; or

(4) The entity is a state-owned enterprise (with more than 50% government ownership or under government control), and its country has announced a net-zero target; if the country's net-zero target year is later than 2050 and the investment is not for trading purposes, the maturity date of the investment shall not exceed December 31, 2050.

Entities under conditions (2), (3), and (4) must not have any expansion plans related to thermal coal.

(6) No longer undertake fixed-income underwriting activities for thermal coal or unconventional oil and gas related companies, unless any one of the following three conditions is met:

(1) The funds are explicitly allocated for renewable energy or decarbonization transition purposes; or

(2) The entity is a domestic company, and it, its parent company, or its corporate group has committed to establishing Science-Based Targets (SBT); or

(3) The entity is a state-owned enterprise of Taiwan (with more than 50% government ownership or under government control).

Entities under conditions (2) and (3) must not have any expansion plans related to thermal coal.

Domestic companies refer to companies registered in Taiwan, including offshore companies whose ultimate parent company is registered in Taiwan or is effectively controlled in Taiwan.

Companies not meeting the foregoing definition are considered overseas companies.

(7) 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.

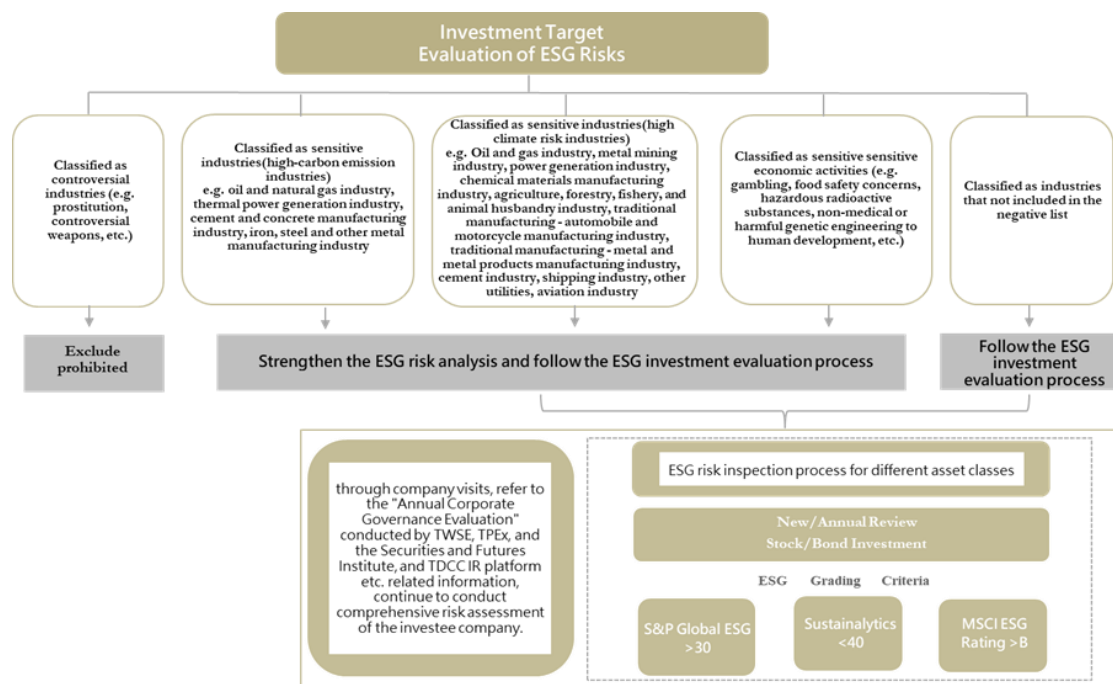
In addition to reviewing whether it is a controversial or sensitive industry, and through company visits, refer to the "Annual Corporate Governance Evaluation" conducted by TWSE, TPEX, and the Securities and Futures Institute, and TDCC IR platform etc. related information, and execute ESG risk inspection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

If any one of the following criteria is not met—S&P Global ESG Rank > 30, Sustainalytics Risk Scores < 40, or MSCI ESG Rating > B—an ESG risk assessment shall be conducted. Among these, the S&P Global ESG Rank is primarily derived from the Corporate Sustainability Assessment (CSA) questionnaire, which is tailored to different industries, and the weighting of scores is determined based on the degree of impact and likelihood of ESG factors on future industry growth and profitability. Sustainalytics Risk Scores are intended to assess a company's exposure to ESG risks and its ability to manage such risks, identify material ESG issues specific to each industry, and consider the potential impact of these issues on the company's financially material performance and reputation. The MSCI ESG Rating methodology is financially oriented, assigning different weightings according to industry characteristics to ensure that the rating results reflect industry-specific attributes. The assessment focuses on the ESG risks and opportunities faced by a company, measured through "Exposure" and "Management." SinoPac Securities conducts a comprehensive assessment of investee companies by incorporating ratings from external rating agencies, covering financially material risks and opportunities, together with its internally developed ESG risk assessment framework, which also includes a review of financially material factors, such as whether there have been environmental penalties; whether the company has been subject to suspension of operations, business shutdown, or forced closure ordered by competent authorities; whether its plants or operating sites are located in high physical risk areas (e.g., flood-prone regions); whether significant occupational accidents or strikes have occurred; and whether the responsible person has been indicted for offenses such as corruption or embezzlement. Investment in high-risk equities and bonds is prohibited. For emerging stock market listings and fundraising cases, enhanced analysis and explanatory documentation shall be prepared and submitted to a meeting for approval to determine whether to proceed.

(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

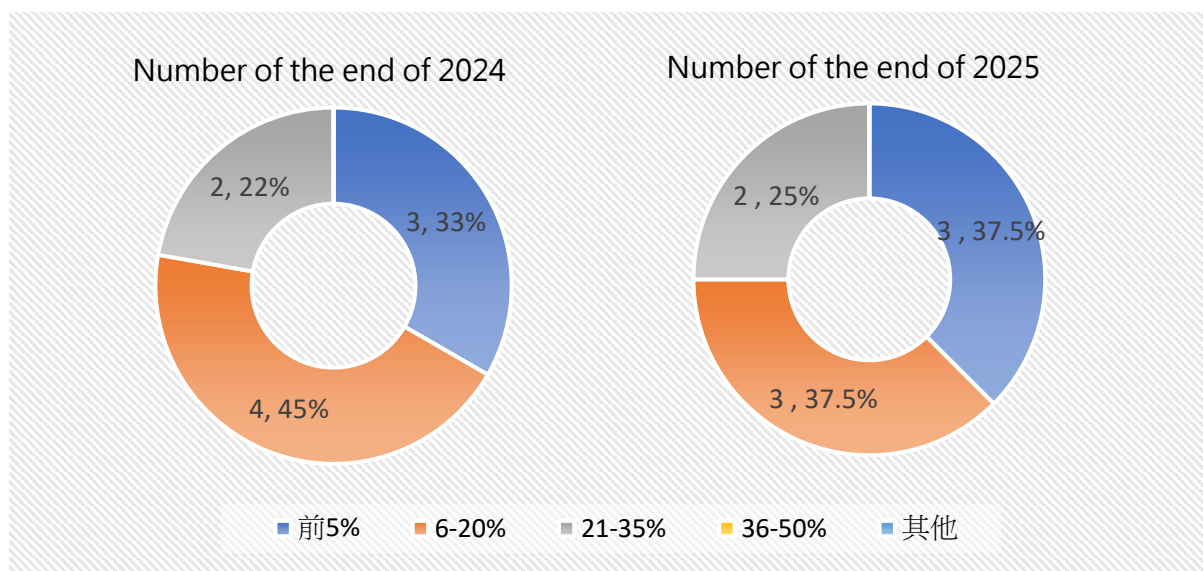


### 3. Observation and evaluation of the information from the investee ESG, ESG rating status of Portfolio

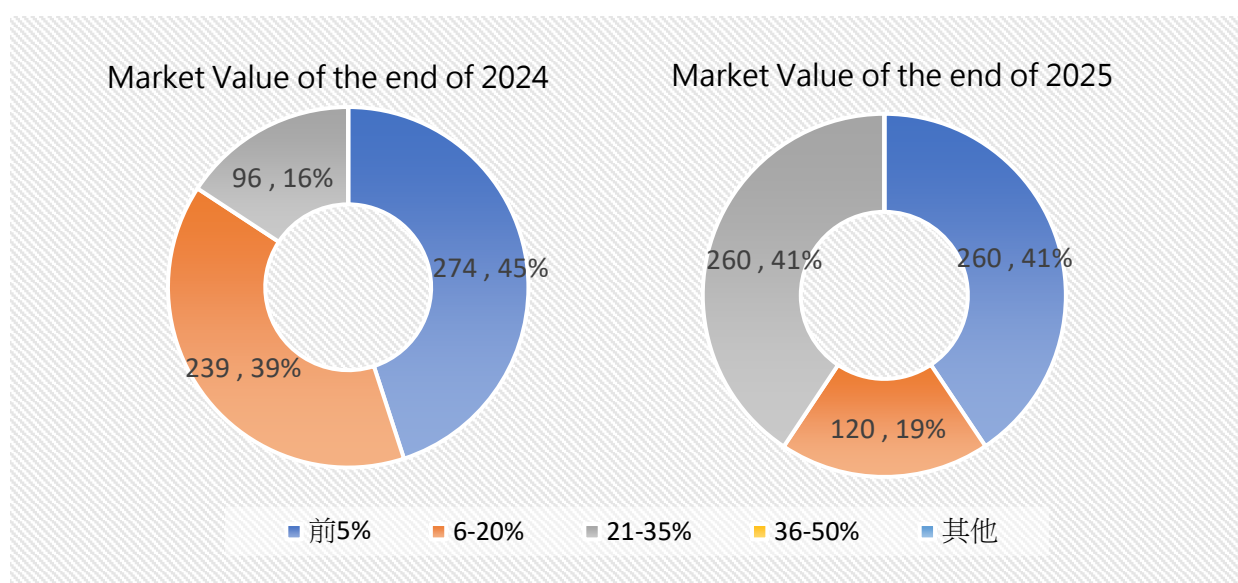
In addition to the prior ESG investment assessment and risk evaluation for investment targets, we will continue to monitor the existing investment targets, and through regular reviews of publicly disclosed information whether the target company continues to appropriately disclose and provide information 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. And we shall, during the investment period, continuously monitor material news, quarterly financial performance, future industry outlook, the company's medium- to long-term business strategies, significant environmental protection initiatives, social responsibility and labor rights, and corporate governance issues, and shall engage with management through unscheduled visits, investor conferences, participation in annual general shareholders' meetings, or extraordinary shareholders' meetings convened for material agenda items. Besides, SinoPac Securities also implements the pre-examination and post-tracking of the investment ESG performance. Based on the results of 976 listed companies on TWSE and 773 listed companies on TPEX of "2024 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 2024 and 2025. 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 increases compared with 2024, In 2025, there are 3 companies in the top 5% of corporate governance evaluations, accounting for about 37.5%, which has increased compared with 2024. In addition, the market value of companies holding the top 5% of corporate governance evaluations accounting for about 41%, and the top 20% of corporate governance evaluations accounted for nearly 60%. And over the past two years, we have not invested in any companies ranked below 36% of the corporate governance evaluations.

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

Investee Companies	First 5%		6-20%		21-35%		36-50%		Others		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
<b>The end of 2024</b>	3	33%	4	45%	2	22%	0	0%	0	0%	9	100%
<b>The end of 2025</b>	3	37.5%	3	37.5%	2	25%	0	0%	0	0%	8	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	%
<b>The end of 2024</b>	274	45%	239	39%	96	16%	0	0%	0	0%	609	100%
<b>The end of 2025</b>	260	41%	120	18%	260	41%	0	0%	0	0%	641	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 2024 and 2025, 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. Also the all OCI bond 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 increased compared to the end of 2024.

- 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
The end of 2024	9	609	9	609	9	609	9	609	0	0
The end of 2025	8	641	8	641	8	641	8	641	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
The end of 2024	75	10,669	52	7,605	55	7,426	41	5,450	1	327
The end of 2025	25	4,243	12	2,186	19	3,030	8	1,565	0	0

### 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 119 man-days

Voting at the shareholders' meeting	Manpower of President office	<ol style="list-style-type: none"> <li>1.Execution of electronic voting for shareholders' meeting</li> <li>2.Analysis and collation of shareholders' meeting proposals</li> <li>3.Statistics and disclosure of voting record</li> <li>4.Attend shareholders meeting</li> </ol>	The manpower requirement is about 51 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 1.82 million
ESG research report	Database system and Manpower of SinoPac Securities Investment Services	<ol style="list-style-type: none"> <li>1.Build the ESG evaluation system and PCAF financial carbon emissions database</li> <li>2.Writing ESG research reports</li> </ol>	<p>Cost about NTD 1.16 million</p> <p>The manpower requirement is about 600 man-days</p>
ESG Forum	Manpower of SinoPac Securities Investment Services	Holding ESG-related investment forums	The manpower requirement is about 65 man-days
ESG development and ESG promotional activities	Manpower of External consultant Activity cost	<ol style="list-style-type: none"> <li>1.Consultancy services to improve the effectiveness of ESG projects</li> <li>2.Sustainability-related publicity activities</li> </ol>	<ol style="list-style-type: none"> <li>1.Cost about NTD 0.45 million</li> <li>2.Cost about NTD 4.70 million</li> </ol>
ESG education training	Manpower of participating units	<ol style="list-style-type: none"> <li>1. ESG Forum (Mackay Memorial Hospital – “Blueprint and Pathways for Shaping a Sustainable Healthcare Environment”, National Development Council – “Advancing Taiwan’s New AI Strategy and Blueprint for Smart Sustainable Development” etc..)</li> <li>2. Securities EMBA (ESG Activities), Advanced Certification Training</li> </ol>	<p>A total of 7,800 people participated in education and training, with a total of 16,829 hours</p> <p>1.811 persons/843 hours</p> <p>2.122 persons /729 hours</p> <p>3.6,867 persons /15,257 hours</p>

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Program in Sustainable Finance etc.

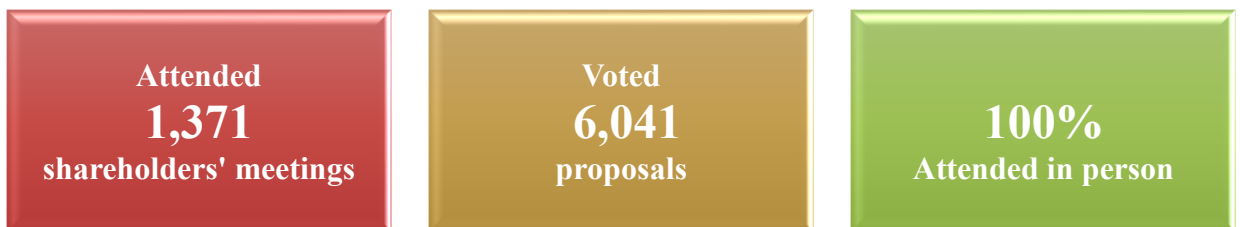
3. Online Courses:  
"SinoPac on Sustainability",  
"Sustainability I DO Commitment"

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#### 4. Status of shareholders present, votes and proxy votes

In 2025, SinoPac Securities has attended 1,371 shareholders' meetings of domestic invested companies (including extraordinary shareholders' meetings). Voting rights were exercised by physical attendance at 6 and electronic voting at 1,365. The attendance rate was 100%, and the proxy attendance rate was 0%. A total of 6,041 proposals were voted, of which 5,966 cases were in favor, and 7 cases were opposed, 68 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 2025 is as follows:

Supported proposals of Top 5% in Corporate Governance Evaluation

Type	Number of Meetings	Number of Supported Proposals
TWSE-Listed	49	245
TPEX-Listed	35	152

\*The 2025 Corporate Governance Evaluation has not yet been announced; the 2024 list will be used as the basis.

Supported proposals are as follows:

Items	Number of Supported Proposals
Financial Report Proposals	1,297
Proposals for Profit Distribution or Loss Compensation	1,276
Proposals for Capital Increase, Capital Reduction to Offset Losses, or Refund of Capital	199
Director Elections under the Nomination System	559
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	61
Approval of Issuing Employee Stock Options Below Market Price	3
Approval of Transferring Treasury Shares to Employees Below the Actual Average Buyback Price	3
Except for proposals submitted by the board of directors of the aforementioned issuers in which the shareholding ratios meet the thresholds prescribed under Article 26 of the Securities and Exchange Act, all other proposals are those submitted by the board of directors and for which has no material adverse events.	2,568

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	9	<p>(1) Two cases involved proposals submitted by shareholders of the issuing company to convene a shareholders' meeting, proposals including the re-election of directors, and the lifting of non-compete restrictions for newly appointed directors, and their representatives. After evaluation, we supported the proposals put forward by the board of directors and therefore cast abstention votes.</p> <p>(2) In Seven cases, the election of directors of the issuing company involved both board-nominated and shareholder-nominated candidates. After evaluation, we supported the director candidates nominated by the board of directors in principle and therefore voted against proposals to lift non-compete restrictions for shareholder-nominated director candidates.</p>
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.	66	<p>(1) In eleven cases, the Company expressed disagreement with the issuing companies' treatment principles regarding equity-type securities. After evaluation, the Company cast abstention votes on related proposals, including those concerning the establishment of a new company through share conversion.</p> <p>(2) In three cases, the issuing companies were involved in legal disputes concerning management or exhibited frequent changes and instability in management. After evaluation, there was insufficient information to clearly assess the</p>

		<p>management risk of these companies; therefore, the Company cast abstention votes on proposals such as the lifting of directors' non-compete restrictions, disposal of real estate, and amendments to operational procedures.</p> <p>(3) In fifty-two cases, the primary reason was the issuing companies' weak financial conditions or operational decline, which raised concerns about their business sustainability. After evaluation, there was insufficient information to adequately assess the financial risks and governance stability of these companies. Therefore, the Company cast abstention votes on proposals such as the lifting of directors' non-compete restrictions, private placements of securities, amendments to articles of incorporation or operational procedures, and other related proposals.</p>
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 evaluating whether to oppose or abstain from voting on relevant proposals or director elections involving relevant matters. There are total of 2,840 major motions in 2025. And the status of support, opposition and abstention is as follows:

Number of supported proposals	Expatriation
2,796	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 opposed proposals	Expatriation
7	In principle, the Company support proposals or director candidates submitted by the board of directors of issuing companies in which the shareholding ratios meet the thresholds prescribed under Article 26 of the Securities and Exchange Act. In the case of 春○ Company, the election of directors involved both board-nominated and shareholder-nominated candidates. After evaluation, the Company supported the candidates nominated by the board of directors in principle and therefore voted against proposals to lift non-compete restrictions for shareholder-nominated director candidates. It was subsequently noted that, at the shareholders' meeting of the said company, certain candidates were not elected as directors or independent directors; accordingly, the relevant proposals were no longer subject to further deliberation.

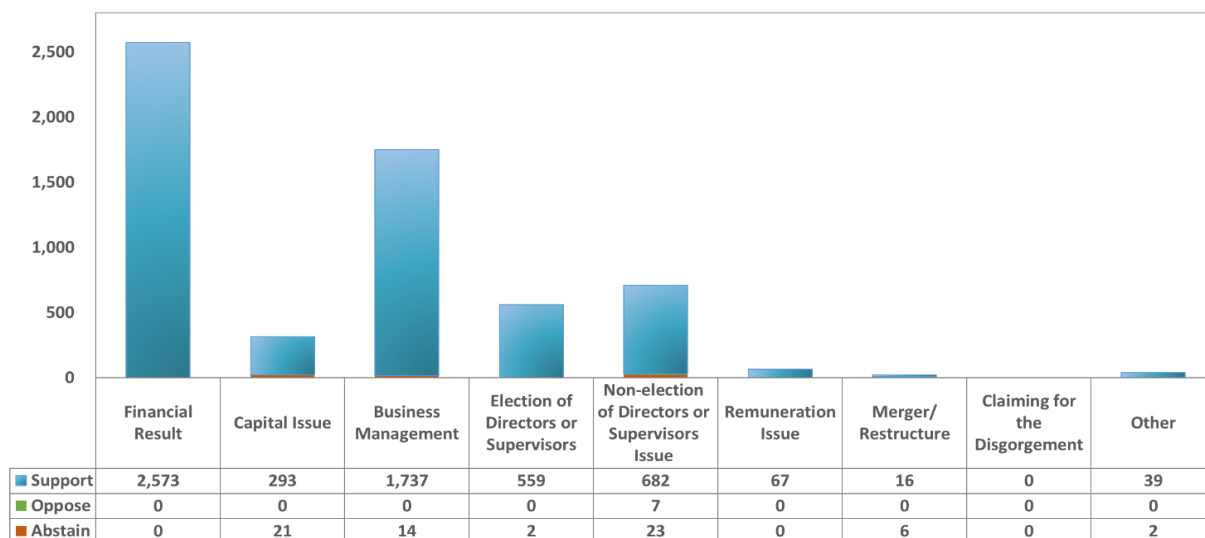
Number of abstained proposals	Expatriation
37	<ul style="list-style-type: none"> <li>• In principle, we support proposals or director candidates submitted by the board of directors of issuing companies in which the shareholding ratios meet the thresholds prescribed under Article 26 of the Securities and Exchange Act. In the case of 泰○ Company, shareholders convened a shareholders' meeting and proposed matters including the re-election of directors and the lifting of non-compete restrictions for newly appointed directors and their representatives. After evaluation, the Company supported the proposals submitted by the board of directors in principle and therefore cast abstention votes on 2 proposals at the said shareholders' meeting. It was subsequently confirmed that the company had completed the election of directors and that the proposals were duly approved at the shareholders' meeting.</li> <li>• 聯○ Company planned to establish a new company through share conversion. As the Company expressed disagreement with the treatment principles regarding equity-type securities, after evaluation, it cast abstention votes on a total of 5 related proposals at the company's shareholders' meeting. It was subsequently confirmed that the company had completed the election of directors and that the proposals were duly approved at the shareholders' meeting.</li> </ul> <p>Among the investee companies, 27 companies were identified as having issues such as weak financial conditions, frequent and unstable changes in</p>

	<p>management, or involvement in legal disputes. After evaluation, there was insufficient information to adequately assess these companies' financial risks, governance stability, or management risks. Accordingly, the Company cast abstention votes on a total of 30 related proposals at the shareholders' meetings of these companies, including proposals on the lifting of directors' non-compete restrictions, disposal of real estate, amendments to operational procedures, and other matters. It was subsequently confirmed that, at the shareholders' meetings of these companies, except for the 誠○ Company's proposal for the private placement of securities, which was approved by resolution to be postponed, the remaining 29 proposals were all approved.</p>
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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.

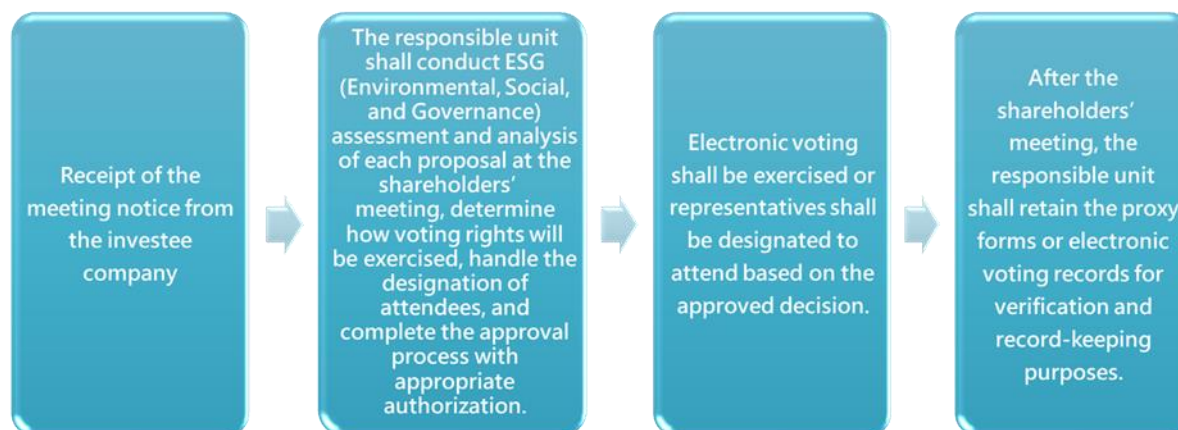
- ✓ As of the end of December 2025, SinoPac Securities has attended 1,371 domestic shareholders' meetings of the investee companies. Each proposal is evaluated internally without using proxy research and proxy voting services, and SinoPac Securities has attended or participated in voting at shareholders' 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

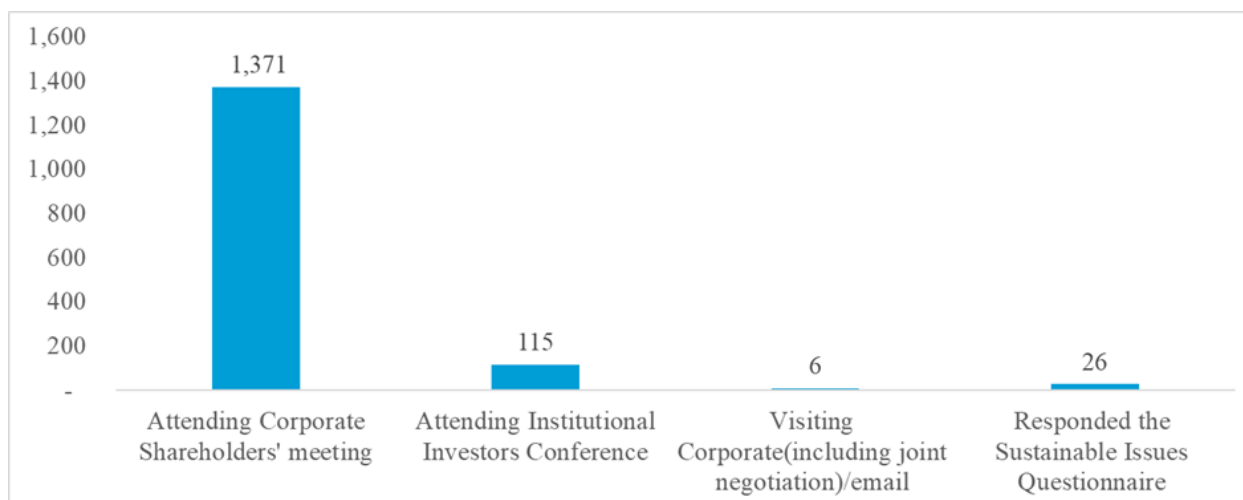


## IV. Summary of Corporate Negotiation Activities

### 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 1,371 shareholders' meetings of domestic invested companies (voting rights were exercised by physical attendance at 6 and electronic voting at 1,365), 115 institutional investors conferences, and visited investee companies (including joint negotiation)/email 6 time, and 26 companies responded to the sustainable issues questionnaire in 2025.

#### Statistics of SinoPac Securities corporate negotiation



Statistics of ESG issues negotiation

ESG	Negotiation method	Issues	Number
(E) Environment	Questionnaire	Measured Greenhouse Gas Emissions Inventory	20
		Has not Measured Greenhouse Gas Emissions Inventory	6
		Established a Greenhouse Gas Reduction Target	20
		Has not Established a Greenhouse Gas Reduction Target	6
		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	25
(S) Social	Exercising voting rights at shareholders' meeting (proposal)	Employee Benefits Related	67
	Questionnaire	Established the Human Rights Policy	20
		Established employee career development and training programs, and disclose their content and implementation outcomes	18
		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
(G) Governance	Exercising voting rights at shareholders' meeting (proposal)	Capital Issue	2,909
		Election of Directors or Supervisors etc.	1,273
		Business Management	1,751
	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
		Established a Board-level Sustainability Committee	14
		Established nomination committees	8
		A corporate risk management mechanism has been implemented	13

	Information on directors' remuneration is transparent and reasonably determined	8
	An internal control system and operational procedures for sustainable information management have been established	19
	Disclosed Sustainability Report	21
	No Disclosed Sustainability Report	5

- ✓ In 2025, SinoPac Securities has attended 1,371 corporate shareholders' meetings, 115 institutional investors conferences, and visited investee companies (including joint negotiation)/email 6 time, and 26 companies responded to the sustainable issues

## 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 etc..

## 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 etc..

#### 4. Status of corporate negotiation

- Negotiation case

Case1 (Stock)

Item	Content
<b>Background</b>	鴻O Company is a leading domestic electronics assembly manufacturer with stable dividend distributions and is a constituent of the Taiwan Sustainability Index. The Company participated in an in-person institutional joint engagement meeting organized by SinoPac Inv. Service. The engagement topics included greenhouse gas reduction and waste management, supplier management, and disclosure of revenue from sustainable economic activities. Participants in the engagement included the Company's proprietary trading desk trader, the spokesperson and Executive Officer of the Sustainability Committee, the Senior Investor Relations Manager of 鴻O Company, and representatives from multiple domestic financial institutions.
<b>Stewardship assessment</b>	鴻O Company has published a sustainability report and has had its near-term targets validated by the SBTi. The Group has set a medium to long-term target to achieve net-zero greenhouse gas emissions by 2050, using 2020 as the base year, with reduction targets of 21% by 2025, 42% by 2030, and 63% by 2035. 鴻O Company officially joined the RE100 initiative in July 2024, committing to achieving 100% renewable electricity use by 2040.
<b>Content of communication and negotiation</b>	During the engagement process, 鴻O Company explained that its renewable electricity usage ratio had reached 67% in 2024. This achievement was primarily driven by multiple initiatives, including improvements in production efficiency, the introduction of smart manufacturing, and investments in renewable energy, enabling the Company to surpass its original milestone target of 50% renewable electricity usage by 2030 ahead of schedule. Some major suppliers have also committed to higher proportions or even 100% renewable energy usage, achieving their renewable energy goals ahead of schedule. Through the combined efforts of its own operations, supply chain, and upstream and downstream partners, the Company is accelerating the adoption of renewable energy and carbon reduction to ensure long-term competitiveness and stable business relationships. In terms of supplier management, 82% of dispatched suppliers have completed contract conversions or supplemental agreement signings. For those that have not yet completed the process, the main reasons relate to suppliers located in certain overseas regions or those of smaller scale, which require additional time for processing, as well as case-by-case reviews in accordance with local labor regulations and employment practices. The Company's ultimate objective of achieving 100% contract conversion remains unchanged, and latest progress will continue to be disclosed in its sustainability reports. Regarding disclosure of revenue from sustainable economic activities, the Company will progressively expand its disclosures in response to

	regulatory requirements. It has also acknowledged the information expectations of financial institutions arising from sustainable finance assessments and will incorporate these into its future planning. Depending on regulatory developments and internal readiness, the Company will strengthen related disclosures in phases going forward.
<b>Quantitative Goals</b>	Whether greenhouse gas emissions are reduced year by year in accordance with the established targets, whether the achievement rate of renewable electricity usage improves annually, whether 100% of dispatched supplier contract conversions have been completed, and whether revenue from sustainable economic activities will be disclosed in future sustainability reports.
<b>Impact on the investee company</b>	As an industry-leading company, 鴻O Company is well positioned to set a leading example by actively investing in ESG initiatives and proactively participating in various sustainability-related commitments, thereby driving positive transformation across the entire supply chain, enhancing the Group's overall corporate image, and attracting more international investors. Engagement enhances transparency in the decision-making process by enabling stakeholders to better understand the rationale and context behind the Company's decisions, thereby increasing their satisfaction and support. 鴻O Company hopes that ESG is not only as a cost but also as a business opportunity. Its future focus will include forward-looking industries such as electric vehicles, batteries, energy storage, and smart cities, ultimately generating long-term financial returns and delivering positive environmental impact.
<b>Follow-up tracking and impact on investment decisions</b>	鴻O Company is a well-performing enterprise with a track record of long-term profitability and stable dividend distribution. The engagement has achieved its intended objectives and has further advanced 鴻O Company's emphasis on ESG. Going forward, 鴻O Company will continue to maintain sound interactions with management and closely monitor and follow up on ESG-related issues. 鴻O Company remains a long-term investment target by SinoPac Securities.

#### Case2(Stock)

Item	Content
<b>Background</b>	東O Company is a leading domestic enterprise in heavy electrical equipment, home appliances, information technology, and energy businesses. The Company has not yet joined the SBTi decarbonization initiative. Participants in the joint engagement included our proprietary trading desk trader, representatives from Bank SinoPac, SinoPac Futures, and multiple domestic financial institutions. The engagement involved discussions with 東O Company's spokesperson and corporate governance officer, focusing on topics such as the renewable energy usage planning, its timeline for submitting carbon reduction targets to the SBTi, and the progress in setting targets for the use of recycled materials.
<b>Stewardship assessment</b>	東O Company has published a sustainability report and announced a target to reduce operational carbon emissions by 50% within ten years in 2021.

<b>Content of communication and negotiation</b>	<p>During the engagement process, 東O Company stated that it has set a target for 2030 for electricity generated from its self-installed solar power systems to reach 30% of the Group’s total electricity consumption. In 2025, approximately 2.5 MW of additional solar power generation facilities will be installed at two sites in Taiwan, with the proportion expected to exceed 18% in 2025. They plan to evaluate in 2026 whether to submit its carbon reduction targets to the SBTi for validation and has already initiated preparatory work over the past two years. The latest results are expected to be disclosed in 2026 through public channels, including reports and its website. At present, the use of recycled materials primarily focuses on internal recycling of motor metals and external recycling of household appliances. They have not yet established overall targets for the use of recycled materials but will continue to monitor relevant international and domestic developments, such as the Global Plastics Treaty and Taiwan’s 2050 Circular Economy Blueprint.</p> <p>In early 2025, they announced its ESG strategic pillars in alignment with its BBS (Business to Business to Sustainability) philosophy. Among these, the environmental pillar places particular emphasis on low-carbon and circular initiatives, with circularity identified as a key focus for future advancement.</p>
<b>Quantitative Goals</b>	<p>Whether renewable energy usage increases year by year, whether there is continued planning to submit carbon reduction targets to the SBTi, and whether the use of recycled materials continues to be advanced.</p>
<b>Impact on the investee company</b>	<p>東O Company, as an industry-leading enterprise with extensive upstream and downstream suppliers and customers across its value chain, can enhance overall ESG awareness within the industry through its planning and execution of ESG initiatives.</p> <p>Monitoring the investee company’s use of renewable energy and progress in carbon reduction can directly or indirectly support the development of renewable energy, enhance brand reputation, and promote sustainable development. This not only attracts environmentally conscious customers and boosts employee morale but also ensures regulatory compliance, ultimately generating long-term financial returns and positive environmental impact.</p>
<b>Follow-up tracking and impact on investment decisions</b>	<p>東O Company is a well-performing enterprise with a track record of long-term profitability and stable dividend distribution. The engagement has achieved its intended objectives and has further advanced 東O Company’s emphasis on ESG. Going forward, 東O Company will continue to maintain sound interactions with management and closely monitor and follow up on ESG-related issues. 東O Company remains a long-term investment target by SinoPac Securities.</p>

Case3(Stock)

Item	Content
<b>Background</b>	<p>台O Company is the largest manufacturer of plastic raw materials in Taiwan, with PVC production capacity ranked among the global leaders. The Company participated in an in-person institutional joint engagement meeting organized by SinoPac Investment Advisory. The engagement topics included the internal carbon pricing mechanism and future plans for communicating ESG issues with institutional investors. Participants in the engagement included our proprietary trading desk trader, a Senior Investor</p>

	Relations Manager of 台O Company, and representatives from multiple domestic financial institutions.
<b>Stewardship assessment</b>	台O Company has published a sustainability report and, in January 2023, obtained SBTi validation, becoming one of the first petrochemical companies in Taiwan to pass the official review under the Science Based Targets initiative (SBTi). 台O Company has set a target to reduce greenhouse gas emissions by 40% by 2030 compared to the 2020 baseline and to achieve carbon neutrality by 2050.
<b>Content of communication and negotiation</b>	<p>During the engagement process, 台O Company explained that, in order to enhance each plant's awareness of greenhouse gas emissions and strengthen the implementation of carbon reduction efforts, it has promoted an internal carbon pricing mechanism since 2022. 台O Company has also assessed the linkage between carbon emissions and financial impacts, using this as an important basis for advancing internal projects. In 2024, the internal carbon price is set at NTD 100 per ton of CO<sub>2</sub>e, while a price of NTD 1,500 per ton of CO<sub>2</sub>e applies to emissions exceeding the prescribed limits. Through its internally developed greenhouse gas calculation system, 台O Company incorporates monthly carbon costs (including excess emission costs) into operational performance evaluations, thereby reinforcing greenhouse gas reduction efforts across its plants.</p> <p>台O Company indicated that, in addition to in-person engagement meetings, institutional investors may also refer to its official website and reports to better understand its ESG-related initiatives. This engagement marked the first occasion on which we communicated exclusively with investors on ESG topics, and similar engagements are expected to continue in the future.</p>
<b>Quantitative Goals</b>	台O Company has designated 2020 as the base year for its greenhouse gas inventory. It has set a short-term target for 2025 to reduce greenhouse gas emissions by 20% compared to the base year, a medium-term target for 2026–2030 to reduce emissions by 40% compared to 2020, and aims to achieve carbon neutrality by 2050.
<b>Impact on the investee company</b>	台O Company as an industry leader, given the characteristics of the petrochemical sector, can generate a greater overall impact on carbon reduction through its ESG planning and execution. Gaining an understanding of and monitoring its carbon reduction frameworks and tools also helps promote 台O Company's continued implementation of decarbonization initiatives, enhance brand reputation, and advance sustainable development. This not only attracts environmentally conscious customers, boosts employee morale, and ensures regulatory compliance, but also ultimately delivers long-term financial returns and positive environmental impact.
<b>Follow-up tracking and impact on investment decisions</b>	台O Company is a well-performing enterprise with a track record of long-term profitability and stable dividend distribution. The engagement has achieved its intended objectives and has further advanced 台O Company's emphasis on ESG. Going forward, 台O Company will continue to maintain sound interactions with management and closely monitor and follow up on ESG-related issues. 台O Company remains a long-term investment target by SinoPac Securities.

## Case4(Bond Underwriting)

Item	Content
<b>Background</b>	We promoted sustainable development bonds to 佳O Technology Company and introduced the relevant regulations, eligibility criteria, and application procedures. 佳O Technology Company is an environmental technology firm focused on resource recycling and regeneration, aiming to reduce environmental burdens and advance the sustainable development and utilization of resources, and is a representative company of Taiwan's green circular economy. Participants in this meeting included a Manager from our Debt Capital Markets Department, as well as the Chief Financial Officer of 佳O Technology Company and relevant personnel.
<b>Stewardship assessment</b>	佳O Technology Company prepared and filed its 2022 Sustainability Report for the first time in 2023 in accordance with the Taiwan Stock Exchange's "Regulations Governing the Preparation and Filing of Corporate Social Responsibility Reports by Listed Companies." Starting from 2024, 佳O Company has engaged an external accounting firm to perform a limited assurance engagement on the "specified performance indicators" disclosed in the report and to issue an independent assurance report.
<b>Content of communication and negotiation</b>	We recommended green bonds, social responsibility bonds, and sustainability-linked bonds to 佳O 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 佳O Company's reference, evaluation, and feedback.
<b>Quantitative Goals</b>	<p>In terms of Scope 1 reduction, 佳O Technology Company has referenced the government's energy-saving and carbon reduction policy of "adopting high-efficiency equipment and accelerating the replacement of outdated equipment." Taking into account the anticipated implementation of domestic carbon fee regulations and the increasing maturity of the carbon trading market, 佳O Company prioritizes the adoption of low-carbon equipment when expanding new plants and facilities, and has replaced fuel oil boilers with natural gas boilers to reduce greenhouse gas emissions.</p> <p>In 2024, the energy sources used across 佳O Technology Company's plants mainly included purchased electricity, fugitive emissions, fuel for official vehicles, and fuel for forklifts, all of which are non-renewable energy sources. At the Environmental Technology Plant, Scope 1 emissions in 2024 amounted to 196.4423 metric tons of CO<sub>2e</sub>, accounting for 18.28% of the total Scope 1 and Scope 2 emissions, while Scope 2 emissions totaled 878.0514 metric tons of CO<sub>2e</sub>, representing 81.72%. Compared to the previous year, total Scope 1 and Scope 2 emissions increased by 17.54 metric tons of CO<sub>2e</sub>.</p> <p>At the Guanyin Plant, Scope 1 emissions in 2024 reached 3.5386 metric tons of CO<sub>2e</sub>, accounting for 9.32% of the combined Scope 1 and Scope 2 emissions, while Scope 2 emissions were 34.4234 metric tons of CO<sub>2e</sub>, representing 90.68%. Compared to the previous year, total Scope 1 and Scope 2 emissions increased by 0.625 metric tons of CO<sub>2e</sub>.</p>
<b>Impact on the investee company</b>	佳O Technology Company conducted a comprehensive prioritization and selection based on "stakeholder concern level × assessment of actual or potential corporate impacts," identifying seven material sustainability topics—namely operational performance, information security, waste management, occupational safety and health, regulatory compliance,

corporate governance, and risk management—as key focus areas for its sustainability management, and managing and responding to these topics in accordance with the relevant disclosure standards under the GRI Standards. Through this ESG engagement, the Company has connected the sustainable development strategies of the financial sector with those of 佳O Technology Company, thereby creating a mutually beneficial outcome.

**Follow-up tracking and impact on investment decisions**

The engagement achieved its intended objectives, including the introduction of various sustainable development bonds. However, 佳O Company decided not to issue sustainable development bonds in the debt capital market at this time. We will continue to monitor the development of 佳O Technology Company’s sustainability indicators and stay updated on emerging sustainability trends, thereby preserving opportunities for future business collaboration.

• Speech at shareholders' meeting

Investee company	speech	Investee company response	Progress of negotiation
神O	SinoPac Securities’ negotiation personnel, serving as traders in the Proprietary Trading Department, inquiring about the target to achieve a 20% emissions reduction by 2030: what are the planned carbon reduction measures over the next five years? Additionally, are suppliers required to implement corresponding decarbonization plans?	The Chairman (the Chair of the Board) responded, with attendees including the President and relevant management personnel. 神O Company’s revenue has maintained continuous growth over the past several years, resulting in an overall increase in carbon emissions. Over the next five years, 神O Company will focus on eight key areas to advance emission reduction measures, with an emphasis on energy transition, energy efficiency, and energy creation. These include: Enhancing manufacturing processes, improving equipment renewal and upgrades, introducing smart control systems, optimizing equipment operations, reducing material usage, Recovering and reusing energy, developing low-carbon products, and increasing the use of renewable energy, with progress to be reviewed on a regular basis. At present, regulatory authorities and customers primarily require carbon reduction in Scope 1 and Scope 2 emissions, while Scope 3 emissions related to suppliers are not yet subject to mandatory requirements. In response, 神O Company has already implemented and monitored its own carbon reduction initiatives	Through negotiation between SinoPac Securities and the invested company, the invested company is facing the proposed issues.

		and proactively engaged with customers to understand their expectations, and will continue to enhance its efforts in the coming years.	
仁O	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, inquired about has investee company incorporated biodiversity conservation into its sustainability policies, and has it established and implemented localized biodiversity protection measures within its own operational scope?	The Chairman (Chair of the Board) designated the relevant manager to respond, with attendees including the President and other management personnel. 仁O Company places a high level of importance on biodiversity issues. The Board of Directors has approved a "Biodiversity and No Deforestation Policy," which covers areas such as ecological conservation, no-deforestation commitments, nature-related risk identification, and stakeholder engagement. 仁O Company has also conducted a comprehensive assessment of nature-related risks across all its owned operational sites in accordance with the Taskforce on Nature-related Financial Disclosures (TNFD) framework, systematically evaluating risks related to climate impacts, water dependency, and land use, and has publicly disclosed the relevant results. In terms of practical actions, since 1996, the Company has adopted Taipei Zhouzai No. 2 Eco Park as an urban ecological stepping-stone site, achieving top rankings in Taipei City's air quality improvement zone evaluations. Following the completion of its Beitou-Shilin Technology Park headquarters, the Company has also committed to delivering a net positive impact on biodiversity at the site. At the international level, 仁O Company has also participated in initiatives such as tropical rainforest conservation projects in Brazil.	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
遠O新	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, inquired	The Chairman (Chair of the Board) designated the Executive Vice President of the Research and Development Center to respond, with attendees including	Through negotiation between SinoPac Securities and

<p>about the investee company’s research and development and operational outcomes over the past year in relation to low-carbon alternative materials, and its plans for the next three years?</p>	<p>the President and other management personnel. 遠O新 Company stated that its low-carbon raw materials are primarily sourced from recycling, and it has fully implemented a comprehensive “land, sea, and air” recycling program. In addition to being reprocessed into fibers, recycled PET bottles can also be directly converted back into new PET bottles and further applied to high-end products. As demonstrated during the meeting, footwear developed in collaboration with a French brand uses high-strength recycled PET materials for both the upper and midsole, which has been highly popular and sold out in markets such as Europe, Japan, and China. Looking ahead, 遠O新 Company will continue to enhance recycling technologies, expand application areas, and develop innovative materials, such as converting carbon monoxide and carbon dioxide into usable materials for application in footwear and apparel manufacturing. 遠O新 Company has already obtained multiple customer certifications and will further expand its market presence and product applications in the future.</p>	<p>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</p>
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• Speech at investor conference

Investee company	speech	Investee company response	Progress of negotiation
群O	<p>SinoPac Securities’ negotiation personnel, serving as traders in the Proprietary Trading Department, inquired about the investee company’s net-zero planning and progress in the use of renewable energy?</p>	<p>The spokesperson responded 群O Company has committed to achieving RE100 by 2030, and as of 2024, it has already attained 50% renewable electricity usage, primarily through the purchase of green electricity in China and the adoption of solar power generation. 群O Company is also currently implementing internal carbon trading. In addition, 群O Company’s Sustainalytics ESG Risk Rating improved from 14.3 to 13.1 in 2024.</p>	<p>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</p>

大〇大	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, inquired the investee company's key priorities for net-zero initiatives in the current year?	The attending management responded that, as a distribution business is not a high carbon-emitting industry, 大〇大 Company aligns with net-zero requirements from upstream and downstream supply chains and customers. Its primary focus is on reducing carbon emissions from warehouses and office buildings, implementing energy management practices, setting annual targets for electricity and water conservation, and continuously increasing the use of renewable energy.	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
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• Email

Investee company	speech	Investee company response	Progress of negotiation
宏〇	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, Follow-up on the progress of engagement from the 2024 shareholders' meeting, and inquired the investee company on the commissioning status of the solar power generation system at Wuqi Free Trade Zone plant, whether the 2025 green electricity procurement plan has been initiated, and the potential impact on profitability from the carbon fee to be imposed by the Ministry of Environment starting in 2026?	The IR Manager responded that宏〇 Company plans to install a 1,600 kWp solar power generation system in 2024, which is expected to be completed and connected to the grid by the end of 2025, with power supply commencing in 2026. The annual power generation of the Free Trade Zone plant is estimated at approximately 1.82 million kWh, accounting for about 11.1% of the plant's annual electricity consumption (16.45 million kWh) and approximately 2.8% of the annual electricity consumption of Taichung Plant II (66.18 million kWh). 宏〇 Company originally planned to initiate its own renewable energy procurement program in 2025. However, following receipt of an official notice from the central authority in 2024 requiring compliance with the "large electricity user" regulations in 2025—including the installation of a required capacity of 1,483.5 kW (approximately 1.8 million kWh per year)—senior management resolved to prioritize the construction of a 1,600 kWp rooftop solar power system at the Free Trade Zone plant to meet regulatory requirements. 宏〇 Company also plans to progressively procure approximately 2.75 million kWh of carbon-free	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

renewable energy during the period from 2026 to 2030 to supply Taichung Plant II. On May 29, 2025, the Company submitted its voluntary emission reduction plan (technology benchmark-based reduction) for Taichung Plant II via the carbon fee reporting platform. Between August 6 and September 17 of the same year, the plan completed document review, preliminary review, and submission of supplementary materials to the Climate Change Administration. It is expected that by April 30, 2026, 宏O Company will declare and pay the carbon fee at a preferential rate of NTD 100 per ton. The estimated carbon fee for 2025 is approximately NTD 1 million (based on emissions of around 35,000 tons for Taichung Plant II), representing 0.034% of the 2024 consolidated net income after tax, and therefore not constituting a material impact.

統O超	SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, in 2024, several sustainability target management indicators were not met, particularly in terms of electricity intensity, greenhouse gas emissions intensity, and the proportion of single-use plastic packaging materials. What are the corresponding measures, and what is the expected achievement rate for this year?	The IR Manager responded that the convenience store business has continued to expand its store network in recent years. As a result, electricity consumption, greenhouse gas emissions, and fresh food packaging usage have all increased alongside revenue growth and store expansion. In terms of managing electricity consumption and greenhouse gas emissions, in addition to existing in-store energy-saving strategies, 統O超 Company is actively increasing the use of renewable energy. In recent years, it has integrated group resources to identify sites suitable for green electricity deployment. In 2025, it officially initiated green electricity wheeling arrangements, and as of the first half of the year, 159,000 kWh of renewable electricity had already been used. Regarding the management of single-use plastic packaging, the continued growth in fresh food products has resulted in a slower pace of reduction. In addition to existing plastic reduction	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
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		<p>strategies, 統O超 Company continues to improve packaging for fresh food products. For example, in 2025, adjustments to salad lid designs have reduced 13.74 metric tons of plastic as of the first half of the year, and the use of rPET materials has been expanded across more product categories.</p>	
遠O	<p>SinoPac Securities' negotiation personnel, serving as traders in the Proprietary Trading Department, inquired whether renewable energy targets can be achieved; the progress of developing self-built green energy power plants; the current effectiveness of base station energy-saving initiatives; whether carbon emissions per unit of revenue can maintain a declining trend over the next three years; and whether smart sustainability and smart application businesses are assessed as qualifying for sustainable economic activities?</p>	<p>The IR Manager responded that 遠O Company has fully initiated relevant energy-saving measures and renewable energy adoption plans. The proportion of renewable energy usage is targeted to reach 5% of total electricity consumption in 2025 and is expected to be achieved as scheduled. In accordance with its annual planning objectives, 遠O Company continues to promote action plans for the development of self-built solar power plants, with ongoing progress control and performance tracking. Based on current implementation results, the 2025 targets for self-built solar power plants are expected to be achieved on schedule. For base station energy-saving initiatives, performance is managed using "kilocalories per one million kWh per gigabyte of traffic" as a key indicator, aligned with the GSMA base station energy efficiency metrics. Assuming no significant fluctuations in revenue per unit, and based on historical electricity consumption trends and the increasing proportion of renewable energy usage, carbon emissions per unit of revenue are expected to continue declining over the next three years. This projection is based on the continued implementation of energy-saving measures and the progressive increase in renewable energy usage. 遠O Company has adopted sustainability taxonomy standards in accordance with Taiwan's "Sustainable Economic Activities Reference Guidelines (Second Edition)," and has conducted an assessment and identification of applicable items</p>	<p>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</p>

within its smart sustainability and smart application businesses, confirming that they qualify as sustainable economic activities.

• Joint negotiation

Investee company	Topics	Investee company description
鴻○	<p>SinoPac Securities participated in an institutional joint engagement meeting organized by SinoPac Inv. Service. The engagement topics included greenhouse gas reduction and waste management, supplier management, and disclosure of revenue from sustainable economic activities. Participants in the engagement included our proprietary trading desk trader, the spokesperson and Executive Officer of the Sustainability Committee of 鴻○ Company, a Senior Investor Relations Manager, and representatives from multiple domestic financial institutions.</p>	<p>鴻○ Company stated that its renewable electricity usage ratio reached 67% in 2024, primarily driven by multiple initiatives, including improvements in production efficiency, the implementation of smart manufacturing, and investments in green energy, thereby achieving its original milestone target of 50% renewable electricity usage by 2030 ahead of schedule. In terms of supplier management, 82% of dispatched suppliers have completed contract conversions or supplemental agreement signings. Regarding the disclosure of revenue from sustainable economic activities, 鴻○ Company will progressively expand its disclosures in the future. In response to information expectations from financial institutions arising from sustainable finance assessments, 鴻○ Company will strengthen related disclosures in phases.</p>
東○	<p>SinoPac Securities participated in an institutional joint engagement meeting organized by SinoPac Inv. Service. The engagement topics included renewable energy usage planning, the timeline for submitting carbon reduction targets to the SBTi, and the progress in setting targets for the use of recycled materials. Participants in the engagement included our proprietary trading desk trader from, Bank SinoPac, SinoPac Futures, and multiple domestic financial institutions, who engaged in discussions with 東○ Company's spokesperson and corporate governance officer.</p>	<p>東○ Company stated that it has set a target for 2030 for electricity generated from its self-installed solar modules to reach 30% of the Group's total electricity consumption. In 2025, approximately 2.5 MW of solar power generation capacity will be added at two sites in Taiwan, with the proportion expected to exceed 18% in 2025. 東○ Company plans to evaluate in 2026 whether to submit its carbon reduction targets to the SBTi for validation, and preparatory work has already been initiated over the past two years. At present, the Company has not yet established overall targets for the use of recycled materials, but it will continue to monitor relevant international and domestic developments, such as the Global Plastics Treaty and Taiwan's 2050 Circular Economy Blueprint.</p>
台○	<p>SinoPac Securities participated in an institutional joint engagement meeting organized by SinoPac Inv. Service. The engagement topics included the internal carbon pricing mechanism and future planning for</p>	<p>台○ Company stated that it has implemented an internal carbon pricing mechanism since 2022 and has assessed the linkage between carbon emissions and financial impact as a key basis for advancing internal projects. This engagement marked 台○ Company's</p>

<p>communication with institutional investors on ESG-related issues. Participants in the engagement included our proprietary trading desk trader, a Senior Investor Relations Manager of 台O Company, and representatives from multiple domestic financial institutions.</p>	<p>first ESG-focused communication session exclusively with investors, and similar sessions will continue to be held in the future.</p>
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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. Additionally, for long-term equity investments (OCI equity holdings), SinoPac Securities conducts engagement with investee companies. Based on a comprehensive evaluation and review of investment positions, the holdings may still fluctuate monthly, the table below is calculated as of the end of July 2025 (a point at which five investee companies were under engagement), with a total portfolio market value of NT\$4,384 million. Engagement topics were raised with all five investee companies, and related actions have been continuously implemented, achieving the intended engagement objectives. The market value of these engaged companies accounted for 40% of the portfolio at each stage. (Supplementary disclosure: In addition to the five aforementioned investee companies under engagement, as of the end of March 2025, we held positions in two other engagement targets. For one of these, the engagement progress was at the stage of acknowledging the existence of the engagement issue, accounting for 25% of the total portfolio market value of NT\$1,337 million as of the end of March; for the other, concrete actions had been taken and the engagement objectives were achieved, accounting for 26%. Furthermore, as of the end of December, SinoPac Securities held a position in one additional engagement target, for which concrete actions had been taken and the engagement objectives were achieved, representing 5% of the total portfolio market value of NT\$641 million as of the end of December.)

Negotiation Stage	Number of Companies	Proportion of Asset Scale (Total Inventory Market Value)
Stage 1: Proposed negotiation topics to the invested companies	5	40%
Stage 2: Invested companies acknowledged the existence of the negotiation topics	5	40%
Stage 3: Invested companies formulated response strategies for the topics	5	40%
Stage 4: Invested companies took actual measures and achieved negotiation goals	5	40%

## 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 2025, 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 2025). Total of 28 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, including 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, approximately 70% have established dedicated ESG/sustainability units, while over 80% of companies have continuously collected and developed knowledge related to sustainable development through various channels. Most of them also expect financial institutions to provide funding, as well as forums or seminars on net-zero and 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 92%, and of the social aspect is Occupational safety 92%, and of the corporate governance aspect is Board diversity and Information security and disclosure 92% (Figure 1). 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 58%, 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.

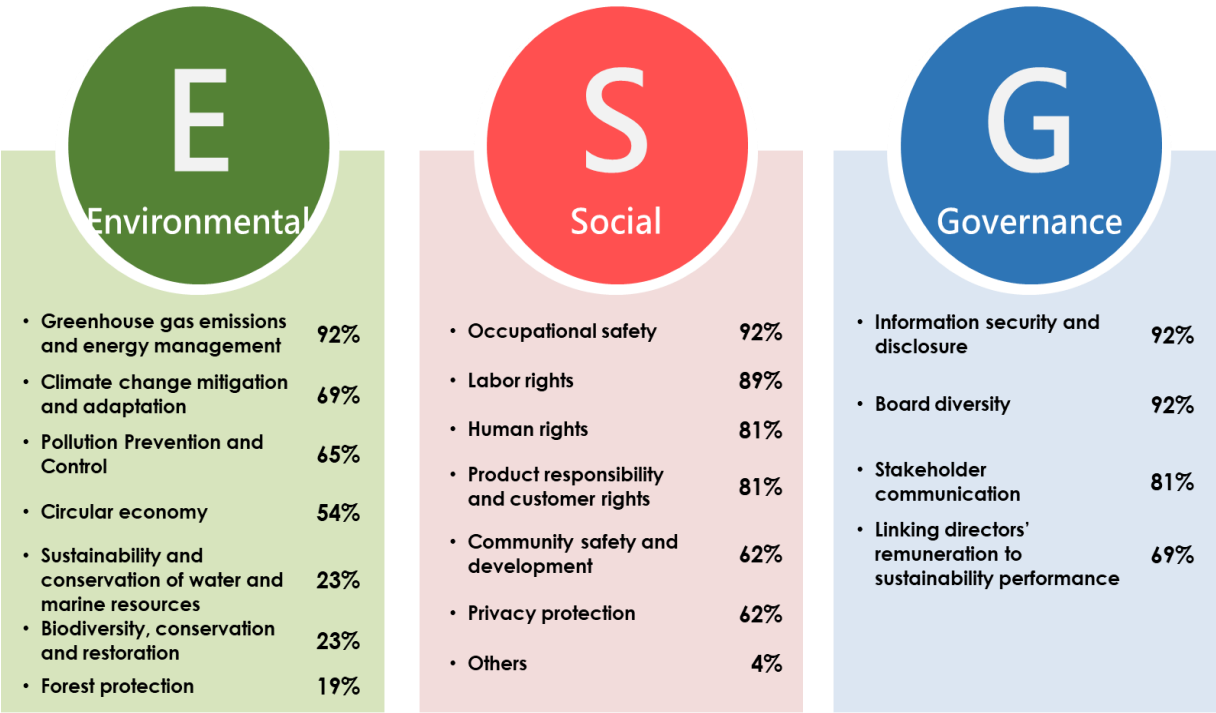
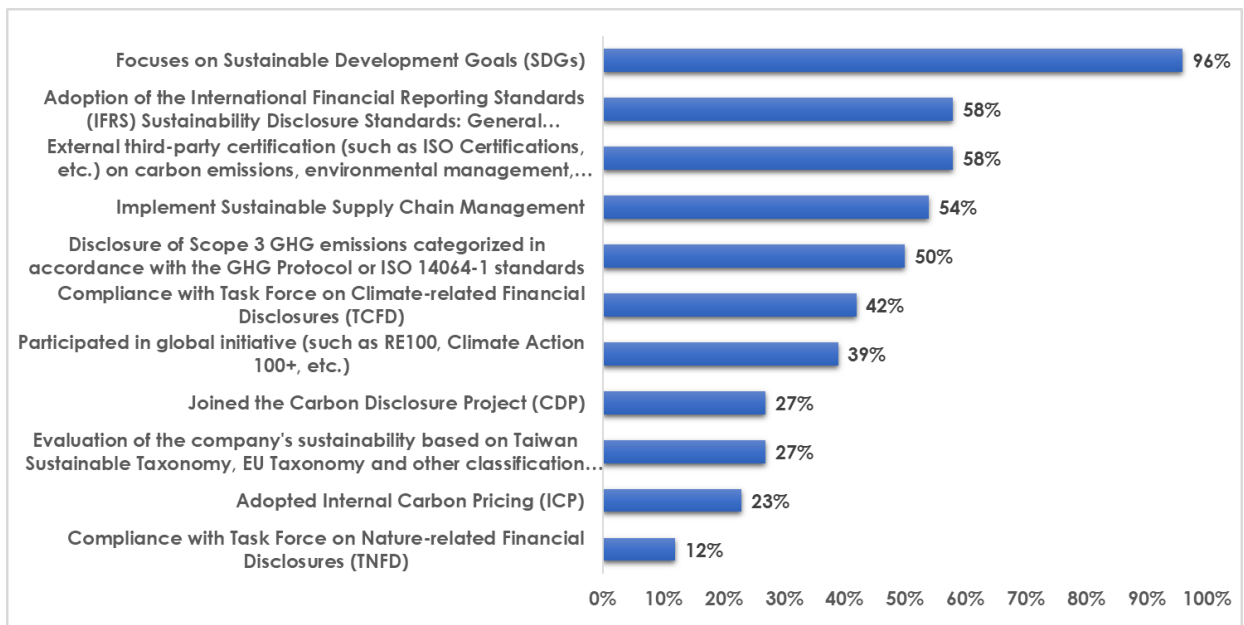
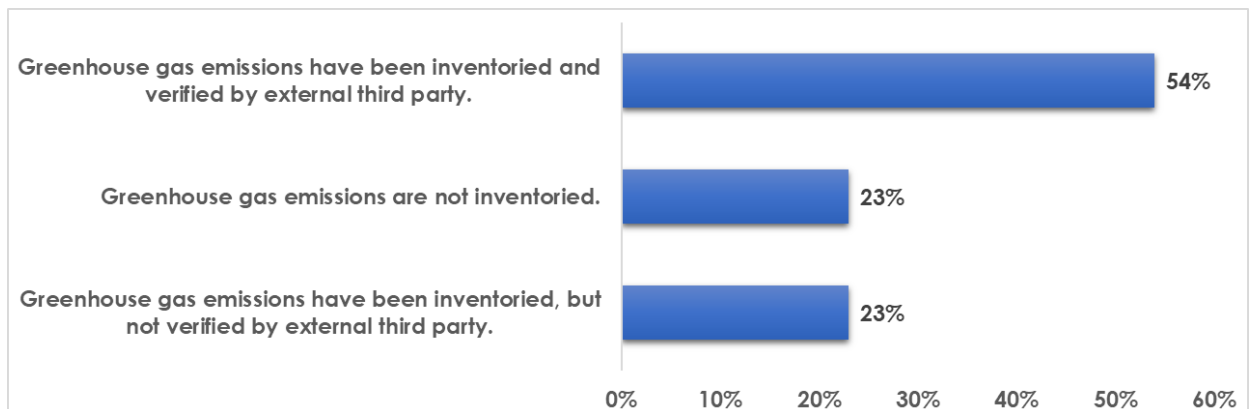


Figure 2: Percentage of awareness of environmental, social and corporate governance in relation to corporate concerns about sustainable development goal.



**[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 77% 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, 89% of enterprises have implemented circular recycling to reduce waste and emissions (e.g., paperless operations, water resource management, etc.). Additionally, 81% of enterprises have invested in low-carbon initiatives, emission reduction, energy-saving measures, and pollution prevention efforts, and changes in processes, to improve energy efficiency in production and/or service processes. (see Figure 4). In terms of biodiversity conservation, the proportion of engagement in terrestrial ecosystem-related enterprises has increased to 54%, while the proportions of engagement in marine ecosystems, species conservation, and the establishment of biodiversity-related KPI indicators remain below 30%, 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

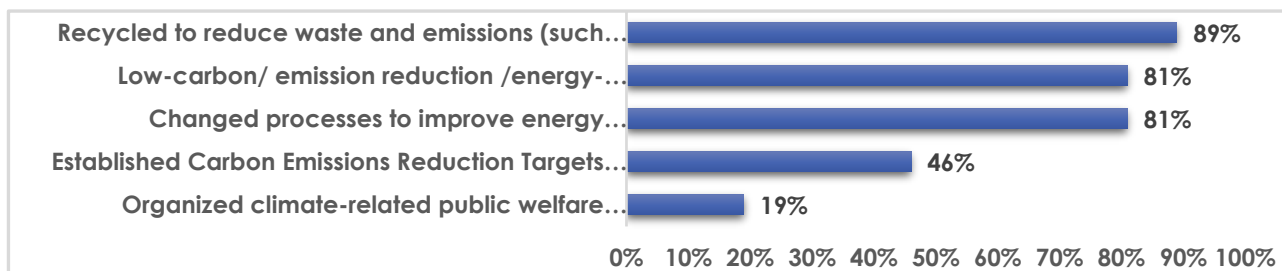
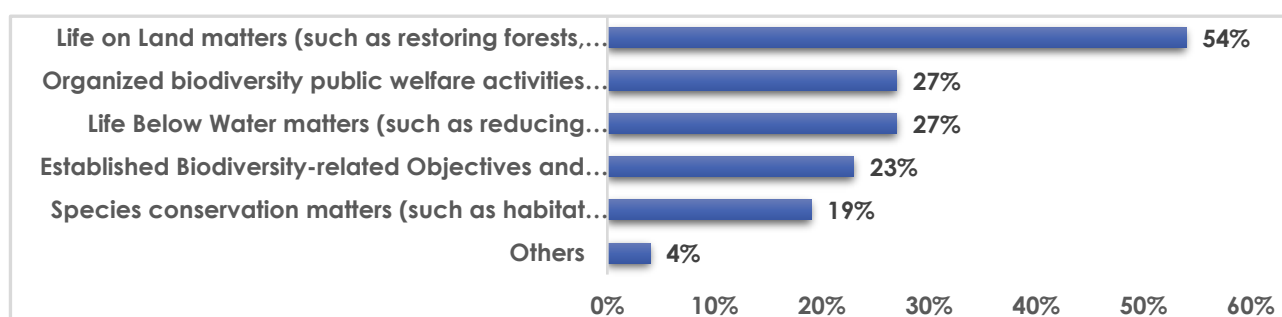
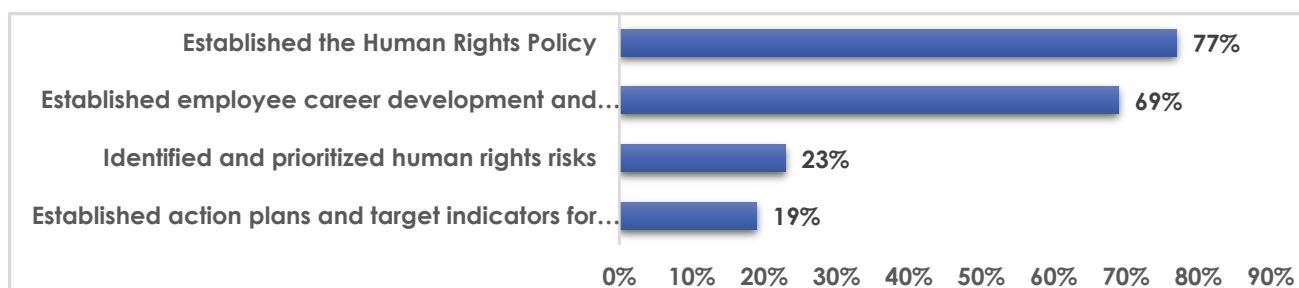


Figure5: Invested in implementing specific actions in biodiversity



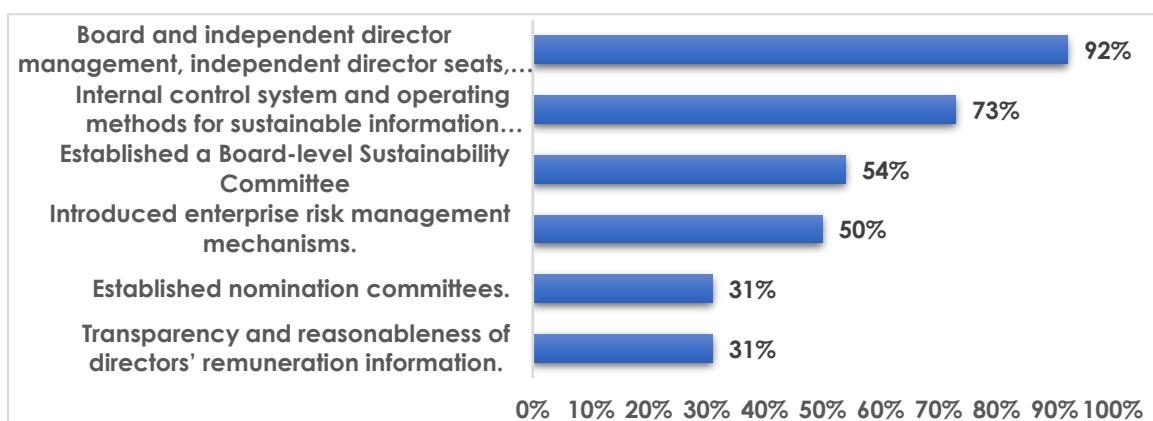
**[Social Actions]** According to the survey results, 77% of the companies have established human rights policies (see Figure 6), and respect for workplace human rights and the provision of safe and healthy working environments have been implemented in 92% of the initiatives already carried out.

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, 73% of enterprises have established internal control systems and operational procedures for sustainable information management (see Figure 7). Regarding the enhancement of ESG information disclosure, 80% of enterprises have published sustainability reports, with over 50% of them have been either verified/assured by third parties or approved by the Board of Directors.

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" 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 2025, SinoPac Securities, in collaboration with the Taiwan Stock Exchange, co-hosted Taiwan Corporate Day 2025. During the event, the Taiwan Stock Exchange and SinoPac Inv. Service jointly highlighted the impact of institutional investor engagement, analyzing the objectives companies aim to achieve through engagement and how ESG can be leveraged to enhance international visibility and sustainable competitiveness. In addition, an ESG forum was co-organized with the BCSD Taiwan, where SinoPac Inv. Service provided an in-depth analysis of the policy dimension underpinning net-zero carbon emissions and sustainable development, and examined how, through collaboration and communication in the engagement process, companies and investors can jointly embark on a journey toward achieving win-win outcomes.

SinoPac Securities through participation in institutional joint engagement meetings organized by SinoPac Inv. Service, the meeting focused on core topics including renewable energy, decarbonization pathways, circular materials, supply chain management, and ESG information disclosure. 鴻 O

Company has achieved its 2030 interim target of 50% renewable electricity usage ahead of schedule, with its renewable electricity usage reaching 67% in 2024, and has completed contract conversions for over 80% of its dispatched suppliers. 東 O Company is actively expanding its solar power capacity, with renewable energy expected to account for over 18% in 2025, and plans to evaluate submission of SBTi targets in 2026. 台 O Company has implemented internal carbon pricing since 2022 and strengthened its communication with investors on ESG-related issues. Overall, the investee companies have demonstrated progress in energy transition, supply chain management, and sustainability disclosures, contributing to enhanced corporate resilience and information transparency. The engagement has achieved its intended objectives. SinoPac Securities will continue to monitor ESG-related issues of investee companies as a reference for future adjustments the investment positions.

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 2025

Item	Topic	Participants	Number of Participants
ESG Forum	<p>SinoPac Financial Holding collaborates with the Business Council for Sustainable Development Taiwan (BCSD Taiwan) to host the event.</p> <p>Theme: "Advancing Toward a Global Circular Vision: The GCP Framework and the Path of Circular Practices in Taiwan's Industries."</p> <p>Event Focus: Focused on promoting the adoption of the Global Circular Protocol (GCP). Targeting three representative industries in Taiwan—electronics, textiles, and chemicals—a series of stakeholder engagement activities and practical reviews were conducted to explore the current state of circular economy practices within these sectors, as well as the extent to which circular principles and design have been applied in their products and services. Through practical discussions, the initiative aims to establish a reference foundation that integrates both theoretical and practical value.</p>	Financial industry peers, experts from government, industry, and academia, as well as directors, management, and employees of the financial holding company and its subsidiaries.	191 people
Taiwan Corporate Day 2025	<p>Sinopac Securities collaborates with the Taiwan Stock Exchange to host the event.</p> <p>Theme: "The Impact of Institutional Investor Engagement: Practices in the Taiwan Market."</p> <p>Event Focus: Focused on the influence of institutional investor engagement, analyzing the objectives companies seek to achieve through engagement and how ESG can be</p>	Listed and TPEX-listed companies, institutional investors, Supervisors, and Colleagues	11 people

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leveraged to enhance international visibility and sustainable competitiveness. It also shared SinoPac Securities' experience in assisting companies and institutional investors in deepening engagement communication by launching a specialized "institutional investor engagement" service. Acting as a bridge between both parties, the service supports institutional investors in fulfilling their stewardship responsibilities while enabling companies to effectively communicate their ESG strategies.

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ESG Forum	<p>Sinopac Securities, SinoPac Inv. Service, and BCSD Taiwan jointly host</p> <p>Theme: "Green and Transition Finance: Policies, Practices, and the Future of Green Securities"</p> <p>Event Focus: Leading speakers from industry, government, and academia were invited to provide in-depth analysis of the policy dimension underpinning net-zero carbon emissions and sustainable development, as well as to examine how, in the course of engagement between companies and investors, collaboration and communication can help jointly embark on a path toward achieving win-win outcomes.</p>	Experts from Industry, Government, Academia, Supervisors, and Colleagues	123 people
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ESG Forum - Advancing Toward a Global Circular Vision: The GCP Framework and the Path of Circular Practices in Taiwan's Industries



**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 2025, 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

Service Contents	Contact Information
Relevant Contents in Performance of Stewardship Report	Name: Christina Chen Tel: (02)2382-3450 Email: <a href="mailto:christina.chen@sinopac.com">christina.chen@sinopac.com</a>
Investor Services for Investee Companies or Other Institutions	Listed Company Name: Claire Chang Tel: (02)8954-2175 Email: <a href="mailto:claire816.chang@sinopac.com">claire816.chang@sinopac.com</a>  Listed Company at Emerging Stock Market Name: Joyce Lo Tel: (02)2316-5511 Email: <a href="mailto:joyce.sd@sinopac.com">joyce.sd@sinopac.com</a>
Customer Services	Customer Service: (02)8173-5300 Email: <a href="mailto:service.sec@sinopac.com">service.sec@sinopac.com</a> <a href="https://www.sinotrade.com.tw/CSCenter/CSCenter_13_6">https://www.sinotrade.com.tw/CSCenter/CSCenter_13_6</a>
SinoPac Securities Stewardship and Responsible Investment Website	<a href="https://securities.sinopac.com/en/seGovern/202009301316527330000000000035.html">https://securities.sinopac.com/en/seGovern/202009301316527330000000000035.html</a>