



2023

YUANTA FUTURES

Sustainability Report



Yuanta
Futures

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About the Report

Reporting Period

The data and content in this report primarily cover the period from January 1, 2023, to December 31, 2023.

(To provide a comprehensive presentation of specific project and activity performance, some content may encompass periods before January 1, 2023, or after December 31, 2023.)

Report Boundaries and Scope

The report's scope of disclosure is primarily focused on Taiwan-based operations and activities, accounting for 98.05% of Yuanta Futures' consolidated revenue in 2023. If there are specific disclosure requirements, the relevant data and paragraphs will specify the detailed scope and calculation methods. The environmental performance and data primarily focus on the Taipei head office, while the social welfare performance includes the Yuanta Foundation. The first chapter on economic performance includes data from both Taiwan and Yuanta Futures (Hong Kong) Limited. The fourth chapter contains employee statistics and training-related data, all disclosed within the scope of Taiwan. All financial data in the report is presented in New Taiwan Dollars. If there is any re-editing or special disclosure requirement of information, the scope definition and calculation methods will be indicated in the relevant data and sections.

Report Authoring Principles

This report has been prepared in accordance with the GRI Standards published by the Global Reporting Initiative (GRI), and the information disclosure in the report also complies with the Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies. The disclosure in the report also takes into consideration the guidelines of the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) framework.

Report Publication

Yuanta Futures annually undergoes review by the board of directors and regularly publishes sustainability reports. The complete disclosure can be found on the official website of Yuanta Futures.

The previous report was issued in June 2023.

Report Assurance

The report has been verified by BSI Taiwan, and the report is compliant with GRI Standards 2021 and AA1000 Type I moderate-level assurance. An independent assurance opinion statement is attached at the end of the report. In accordance with R.O.C. Statement of Auditing Standards No. 1, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", PwC Taiwan has provided limited assurance report and subject matter summary. An accountant's independent limited assurance report and a summary of the assurance items are attached at the end of the report.

Contact Information

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Message from the Chairman

In 2023, the fog of the COVID-19 pandemic is gradually lifting, and the global economy is experiencing accelerated growth in the digital sector, igniting widespread interest in generative AI. This surge in enthusiasm has led to a sharp increase in investment activity around related targets. However, ongoing conflicts such as the Ukraine-Russia war and the Israel-Palestine conflict, alongside factors like the technology trade war and inflation, continue to impact the global economy, resulting in sustained volatility and heightened risk aversion. Consequently, there has been a notable uptick in demand for hedging and trading in the futures market. Global futures and options trading volume reached a record high in 2023, totaling 137.4 billion contracts, marking a 63.8% increase compared to the previous year's 83.9 billion contracts.

In the midst of global political and economic turmoil, the demand for derivative financial products in the domestic market has increased significantly. Futures and options play an important role in hedging transactions and stabilizing the financial market. Since 2020, the trading volume of futures in Taiwan has exceeded 300 million contracts for four consecutive years. It is also evident that small and diversified futures products have become two major development trends in the futures industry, indicating the rich momentum and active development of potential products in Taiwan's futures market. Yuanta Futures has been actively strengthening various management practices with its steadfast approach to operations. In 2023, the Company achieved an after-tax net profit of NT\$1.853 billion, reaching a new record high and ranking first among the 14 specialized futures companies in Taiwan. It also achieved post-tax EPS of NT\$6.39 and post-tax ROE of 13.53%, demonstrating excellent operational performance.

Yuanta Futures has also aligned itself with the priorities highlighted by financial regulatory institutions to ensure good business performance. In the area of financial technology, the company actively cooperates with the Financial Supervisory Commission's "FinTech Development Roadmap 2.0" and "The Core Principles of Using Artificial Intelligence (AI) in the Financial Industry". This includes strengthening cybersecurity networks, optimizing operational systems, and seizing opportunities for digital financial development and expanding digital platform channels. In terms of sustainable development, the regulators have introduced the "Sustainable Development Action Plan for TWSE and TPEx Listed Companies" for 2023. In addition, the government has initiated the assessment of sustainable finance and the gradual alignment of Taiwan's capital market with IFRS sustainability disclosure standards. The next challenges for the financial industry will be to support the transition to net-zero transformation and implement climate risk strategies. Yuanta Futures will continue to embrace the trend of sustainable development and promote environmental, social and corporate governance measures, while considering both business growth and corporate sustainability prospects.

In-depth Integration of Sustainable Development of Future Business

The Company is dedicated to the concept of "sustainable finance" and is actively enhancing ESG (Environmental, Social, and Governance) considerations in its daily operations. Currently, it offers products such as TAIEX Taiwan Sustainable Futures, EUREX European ESG Futures, and CME Small S&P 500 Sustainable Index Futures. Among these, TAIEX Taiwan Sustainable Futures recorded a trading volume of 8,780 contracts in 2023, ranking first among specialized futures traders. In terms of sustainable investment, the Company has established the "Marketable Securities Mid and Long-Term Investment Guidelines" along with related regulations. It meticulously assesses the ESG performance of investment targets and prioritizes those that support industries with promising prospects for sustainable development. This initiative aligns with the global financial market's growing allocation of funds towards low-carbon economic activities.

In order to provide customers with more secure transaction services, our Company will cooperate with Yuanta Financial Holdings to implement "Yuanta FIDO Identity Authentication" in August 2023, in response to the Financial Supervisory Commission's theme business of "Digital Identity Authentication and Authorization". This system will be complemented by Yuanta Futures' OCR automatic recognition, RPA automated process robots, iTRADER trading experts, and other digital financial technologies, with the aim of enhancing customer convenience and satisfaction. Recognizing the rapid development of financial technology, our company is actively improving information security and intellectual property expertise. Since 2022, we have obtained the annual verification of the international standard "BS10012 (PIMS) Personal Information Management System", and since 2021, we have achieved the A-level verification of the Taiwan Intellectual Property Management System (TIPS) for three consecutive years. These efforts demonstrate our commitment to personal information protection and intellectual property management, as well as our strengthened business resilience and risk resistance capabilities.

Environmental Sustainability Performance

Yuanta Futures is actively implementing the Group's green energy policy and aims to use green electricity in all of its business location in Taiwan by 2023. This initiative will make Yuanta Futures the leader in the futures industry in the use of green energy. Since 2015, our company has implemented various verification systems, including ISO 14064-1 Greenhouse Gas Inventory, ISO 14001 Environmental Management System, ISO 20400 Sustainable Procurement Guidance, and ISO 14046 Water Footprint Inventory. These efforts demonstrate our commitment to energy conservation and carbon reduction.

Yuanta Futures has been organizing beach cleaning activities for several years. Since 2020, it has also responded to the signing of the Tamsui River Covenant - Doing Something for Tamsui River by CommonWealth Magazine, and continued to hold river cleaning activities in the Wazihwei Nature Reserve on the Tamsui River. The company has also invited its suppliers to participate. In addition, Yuanta Futures contributed to INRAA's "Stop the Burning of Rice Straw Environmental Project" by donating 20 hectares of farmland to help farmers implement sustainable rice straw recycling. Through practical actions, Yuanta Futures promotes the concept of environmental sustainability and works with customers and suppliers to create a greener future.

Social Sustainability Performance

Yuanta Futures prioritizes customer experience in its services. Every quarter, the Fair Customer Service Committee is convened to ensure fair treatment of customers. In the second quarter of 2023, Yuanta Futures will comply with the Financial Supervisory Commission's revised "Principle for Financial Service Industries to Treat Clients Fairly" and make necessary adjustments to relevant regulations. In addition, to protect the financial transaction rights of various groups, Yuanta Futures has expanded its range of user-friendly financial services. This includes the promotion of service counters that prioritize customer satisfaction, gender-inclusive restrooms, the implementation of web accessibility test codes for seamless communication, and a variety of elderly care services. These initiatives are all aimed at upholding the principle of fair customer service.

The Company has been actively promoting various social and educational initiatives. This year, we are continuing our support for the activities of the Yuanta Foundation. In addition to donating NT\$4 million to the foundation, we have also actively encouraged our employees to participate in the Yuanta Happiness Day and contribute to the Rui Zhi Foundation's Family Support Program. Furthermore, we have collaborated with several domestic universities to organize forex trading competitions, campus events, and lecture courses, aimed at providing students with accurate options concepts and realizing the vision of inclusive finance. Through these efforts, we are also nurturing future talents in the financial industry on campuses.

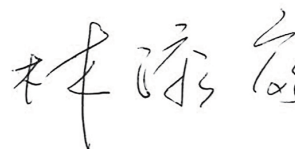
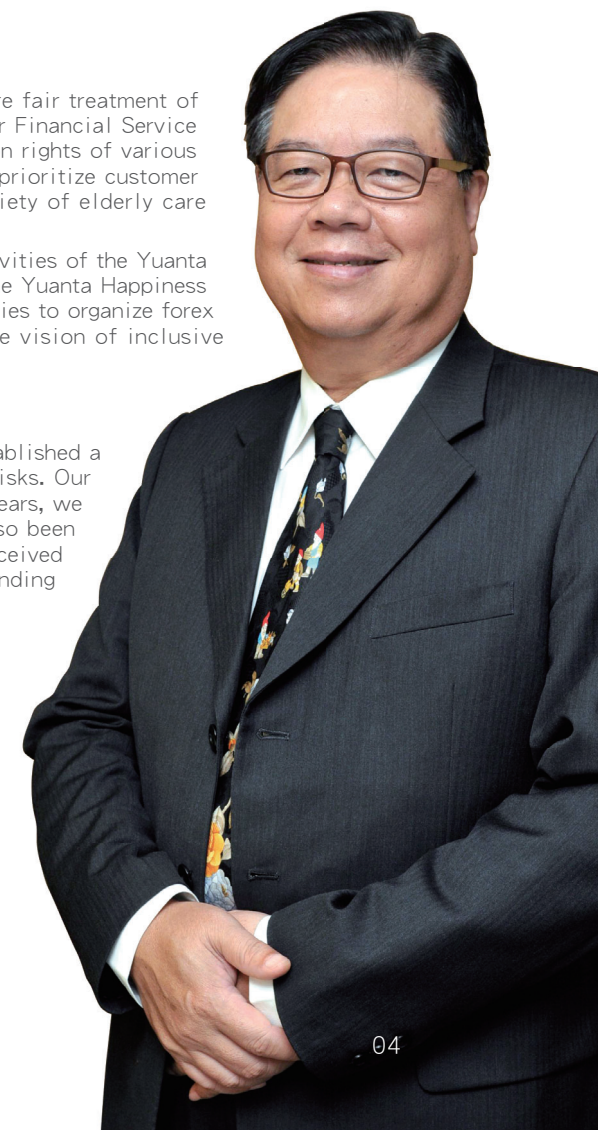
Governance Sustainability Performance

As the leading brand in Taiwan's futures market, Yuanta Futures upholds the highest principles of integrity in its operations. We have established a rigorous corporate governance system, implemented internal controls, complied with laws and regulations, and effectively managed risks. Our excellent governance performance has been recognized by domestic and international corporate governance awards. For ten consecutive years, we have been ranked in the top 5% for corporate governance in the Taiwan Stock Exchange - Corporate Governance Evaluation. We have also been named the number one futures company in the TOP 5000 Large Taiwanese Companies for eleven consecutive years. In addition, we have received the ESG Platinum Award from The Asset for four consecutive years. We are proud recipients of the 17th Golden Goblet Award for Outstanding Risk Management, Outstanding Financial Innovation, Outstanding Green Finance in the Futures Industry and Outstanding Futures Talent.

Outlook 2024 "Building New Possibilities, Embracing Sustainability"

Looking ahead to 2024, Yuanta Futures, with its core business philosophy of "Building New Possibilities, Embracing Sustainability" will continue to expand its operations in the Asia-Pacific region. It will utilize its resources to explore potential customers in Southeast Asian countries and expand its overseas profit engine. At the same time, through continuous innovation and progress, it will weather market fluctuations with long-term and stable financial capabilities. It will continue to instill a risk management mindset in its employees and uphold the core values of corporate governance. While maintaining business competitiveness, it will actively promote investment in green finance and sustainable operations, and strive to become a leading practitioner of sustainable finance in the Asia-Pacific region.

Yuanta Futures
Chairman

Important Achievements and Sustainable Outcomes in 2023

Yuanta Futures as a leading futures brand in Taiwan values the importance of transparent operations, rigorous corporate governance, and internal controls; also, taking into account the R&D capabilities and innovation, striving to provide investors with the best futures trading platform services, and adhering to the core value of the brand in order to become the brand benchmark in the Asian financial market.

In 2023, we achieved significant accomplishments and received recognition from various sectors of the market. The key achievements are as follows:

January	<ul style="list-style-type: none"> Awarded with the honor of The Asset ESG Corporate Awards - 2022 ESG Platinum.
April	<ul style="list-style-type: none"> Received the distinction for achieving the 9th corporate governance "OTC company top five-percent performance," maintaining a top 5% ranking for nine consecutive years and standing as the only futures company in Taiwan recognized with this accolade.
July	<ul style="list-style-type: none"> No. 1 in futures companies amongst the TOP 5000 large corporations in Taiwan.
August	<ul style="list-style-type: none"> On the winner list of "the 9th Diamond Award" of Taiwan Futures Exchange, the winning futures broker in trading volume for eight consecutive terms, and awarded with the "Futures Market Promotion Diamond Award" by other juridical institution.
September	<ul style="list-style-type: none"> The company was awarded with the "Outstanding Risk Management Award," "Outstanding Financial Innovation Award," "Outstanding Green Finance Award - Futures category," and "Outstanding Futures Talent Award" at the 17th Golden Goblet Award. Ranked 4th on CommonWealth Magazine's "Excellence in Corporate Social Responsibility" Rising Star List for six consecutive terms, the one and only futures merchant on the list. We also achieved 5th place for the first time in the Rising Star category of the "CommonWealth Talent Sustainability Award" by CommonWealth Magazine. The company was awarded with the "Investment Awards - 2023 Best Futures Merchant" by The Asset. Received an excellent domestic long-term credit rating of "AA-(twn)" and a domestic short-term credit rating of "F1+(twn)" from Fitch Ratings and a prospect of "stable". The company was awarded with the "Digital Innovation Gold Award" and "Digital Information Security Gold Award" by the Commercial Times. First year of preparing the English version of the report, we became the first futures company to publish an English version of the sustainability report.
October	<ul style="list-style-type: none"> Signed the "Tamsui River Covenant" in response to the urge of CommonWealth Magazine and supported clean river movement in the Tamsui River Wazihwei Nature Reserve.
November	<ul style="list-style-type: none"> The company was awarded with the 2023 Taiwan Corporate Sustainability Awards (TCSA) "Sustainability Report - Finance and Insurance Silver Award," "Talent Development Leadership Award," and "Gender Equality Leadership Award". Ranked the top 10% of the "Outstanding Enterprises for Disclosure of Occupational Health and Safety Indicators in Corporate Sustainability Reports" by the Occupational Safety and Health Administration of the Ministry of Labor.
December	<ul style="list-style-type: none"> Obtained Level-A certification of the Industrial Development Bureau, Ministry of Economic Affairs - Taiwan Intellectual Property Management System (TIPS).

Five Major Dimensions Of Sustainability Performance

Finance



- Net income: NT\$1.853 billion, the highest of the futures brokerage, and set a new record high over the years
- Net EPS: NT\$6.39
- Net ROE: 13.53%
- The market share of futures brokerage was 22.58%, the market share of option brokerage was 15.55%, and the market share of foreign futures was 26.77%

Customer



- Digital active customers: The number of new accounts using electronic statements for the year was 11,385, out of a total of 11,688 new accounts opened. The proportion of new accounts using electronic statements reached a high percentage of 97.41%

Employee



- The total expenditure on employee welfare amounts to NT\$965 million, with an average welfare expenditure per employee reaching NT\$2.43 million

Environment



- Yuanta Futures collaborated with the group to procure green energy certificates, and a total of 563,000 kWh worth of renewable energy certificates had been procured. This initiative aims to continuously improve energy efficiency in our operations
- As of 2023, Yuanta Futures has introduced ISO 14001, ISO 14064-1, ISO 20400, ISO 14046 management system verification

Society



- Arranges a variety of public welfare activities, and invites suppliers to initiate the collection of necessities and cash to be donated to East Africa. Collects second-hand books to be donated to schoolchildren, and volunteers at the "1919 Food Bank" to help pack and deliver supplies to under privileged families
- In 2023, the company donated NT\$4 million to the "Yuanta Foundation," and actively participated in various cultural, educational and social welfare activities
- In line with the effort of Yuanta Financial Holdings, we became the first financial institution in Taiwan to be certified as a "Dementia-friendly Financial Institution.;" also, collaborated with Ruizhi Foundation to jointly organize dementia elderly care activities.
- In 2023, in response to the "Tamsui River Covenant Do one thing for Tamsui River" initiated by CommonWealth Magazine, the company organized a river cleanup event. It was a collaborative effort involving our management, employees, and their families. We also invited multiple suppliers to participate in the event
- In response to the INRAA's calling of stop burning rice straw for environmental protection in the "Taiwan Good Air and Better Field" program, the company pledged 20 hectares of farmland, which can help reduce 180 metric tons of carbon emissions and help farmers substantiate the sustainable cycle of rice straw to fields, so that it can be decomposed into soil organic fertilizer on site after harvest

A person in a dark blue suit is sitting at a dark, perforated metal table. They are holding a tablet with both hands. A glowing blue wireframe globe is superimposed over the tablet screen. The background is a blurred office environment.

Chapter

01

COMPANY PROFILE &
SUSTAINABLE DEVELOPMENT

1-1 BRAND INTRODUCTION

Yuanta Futures is a futures commission merchant specializing in brokerage, proprietary trading, consultation, and leverage transaction merchant; it offers various services including hedging, speculation, arbitrage, etc. There were no significant changes in the number of operating bases, organizational structure, organizational ownership, or supply chain of the Company during the operation period in 2023. In addition, Yuanta Futures complies with the laws and regulations for the sale of products and services. No products or services were prohibited in Taiwan in 2023. However, due to the differences in market regulations between Taiwan and Hong Kong, the Company's products available for sale in both markets are subject to adjustment in accordance with local regulations. The following are The Company's principal business activities:



Name	Yuanta Futures Co., Ltd.	Capital Stock	NTD\$ 2,899,762,880
Date of Establishment	1997	The number of employees	396 ^{Note}
The Date of OTC	11 / 28 / 2007	Industry	Financial Business
Head Office	2F. (Part), 3F, 4F, 5F, No. 77, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City	Stock Code ASD	6023

Note: This refers the number of employees of Yuanta Futures in Taiwan in 2023.

■ Operating Performance in 2023

Unit: NTD thousand (unless otherwise specified)

	Items	Amount	
		2022	2023
Direct Economic Value	Brokerage	3,859,473	3,200,814
	(Losses) gains on trading of securities	-88,117	-50,775
	Clearance fee from consignment	37,221	35,363
	Securities commission revenue	13,585	15,533
	Others (including other gains and losses)	1,352,297	2,920,022
	Subtotal of direct economic value	5,174,459	6,120,957
Economic Value Distributed	Operating costs	2,897,695	2,863,010
	Employee wages and benefits	850,134	965,357
	Social Welfare	4,165	5,730
	Political donations	0	0
	Pay dividends ^{Note2}	724,941	1,449,881
	Pay income tax expenses	164,360	396,449
	Fines	0	120
	Subtotal of distributed economic value	4,641,295	5,680,547
	Economic value Retained ^{Note3}	533,164	440,410

Note1: The financial information disclosed in this table is compiled from the consolidated financial statements of Yuanta Futures for the past two years.

Note2: The 2023 surplus distribution is scheduled to be sent to the shareholders' meeting on May 27, 2024 for discussion.

Note3: Retained value = Direct economic value - Distributed economic value

1-2 Brand Vision and Management Philosophy

Yuanta Futures considers "customer needs" as its core philosophy, and focuses on capturing market opportunities for customers and pursuing long-term maximum value for shareholders, with "SMART" as its corporate mission, including assisting customers in seizing global opportunities, managing the risk for customers, providing high-quality analysis with experience, reinforcing customers' investment portfolios by programming, and tailoring customers' options solutions.

1-3 Overseas and Domestic Service Network

Yuanta Futures provides the most complete channel services in the Asian market, with a total of 246 business bases in Taiwan, including 5 FCM bases^{Note1}, 148 Yuanta IB bases^{Note2}, and 93 external IB bases, making it the most comprehensive service network in the industry^{Note3}. In addition, the Company has cultivated Hong Kong (1 overseas base in Hong Kong) and China markets over the years and has successively obtained INE overseas crude oil and Dalian Commodity Exchange's secondary agency of iron ore to provide traders with various investment opportunities and customized services such as serving the real economy. Yuanta Futures has the largest number of 16 international exchange memberships in the industry, integrating global futures and options products, and providing traders with 24-hour professional services with zero time difference across countries.

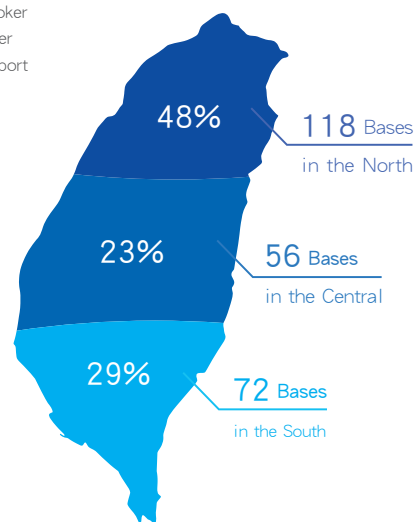
Note1: FCM, Futures Commission Merchant, futures broker

Note2: IB, Introducing Broker, futures introducing broker

Note3: Please refer to the Company's 2023 Annual Report for detailed service bases.

Yuanta Futures' Domestic Service Bases

A total of **246** bases in Taiwan (Hualien and Kinmen are included in the central Taiwan)



1-4 Yuanta Futures' Sustainable Management Policy

While pursuing professional futures management and creating economic value, Yuanta Futures also strives for sustainable corporate development. The Company follows the "Sustainable Development Best Practice Principles" and "Sustainable Development Policies and Management Rules" established by Yuanta Financial Holdings, the "Sustainable Development Goals (SDGs)" of the United Nations, and incorporates the concept of sustainable management into its operating principles and service management model. We actively promote sustainable corporate activities through the five major aspects of "ethical Corporate governance," "Customer rights," "Employee care," "Environmental sustainability," and a "Social welfare".

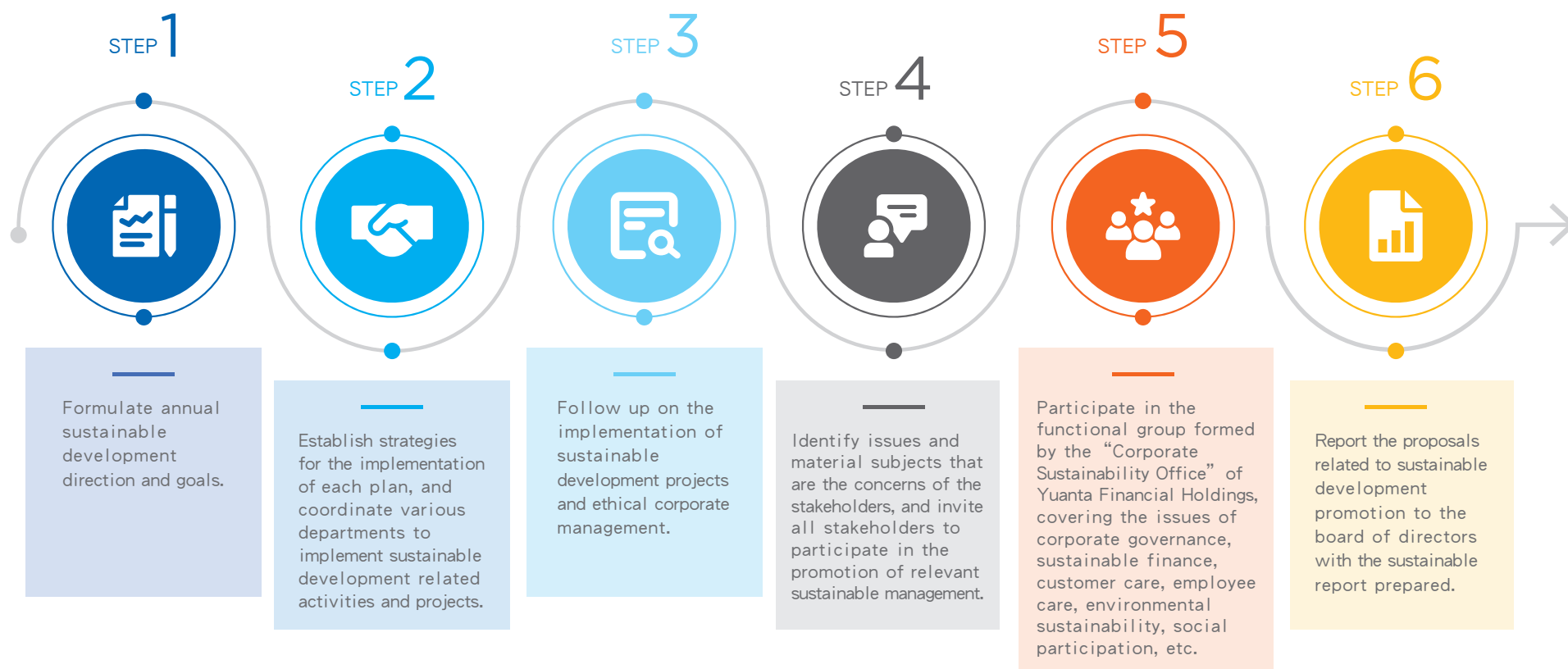
Seven Major Guidelines on Sustainable Management



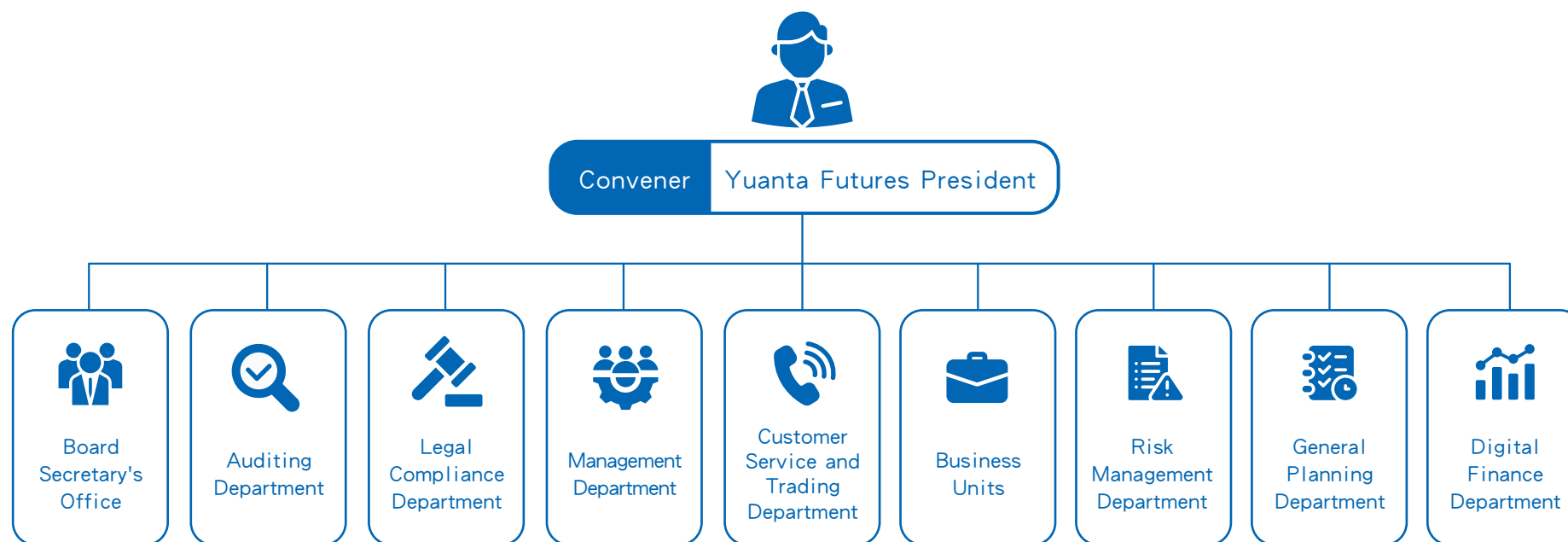
1-5 Corporate Sustainability Promotion and Implementation Mechanism

In order to realize the vision of sustainable development and incorporate the concepts of environmental, social and corporate governance (ESG) into our corporate culture and operating strategies, the Company has formulated a "Specific Sustainability Promotion Plan" to realize the goal of sustainability and to continuously promote the implementation of the concept of corporate sustainability by assigning the heads of various departments of the Company to set up a sustainable development promotion team. The President is the convenor of the group and is responsible for managing the Company's economic, environmental, and social activities. Each department head is responsible for the promotion of related matters and the General Planning Department is responsible for the coordination and promotion of these matters, and the President or the Chief Planning Officer will report to the Board of Directors on a regular basis to facilitate the Board of Directors' oversight of the operation of the Company's sustainability strategy.

■ The main work plans and responsibilities of the company's sustainable development promotion group are as follows:



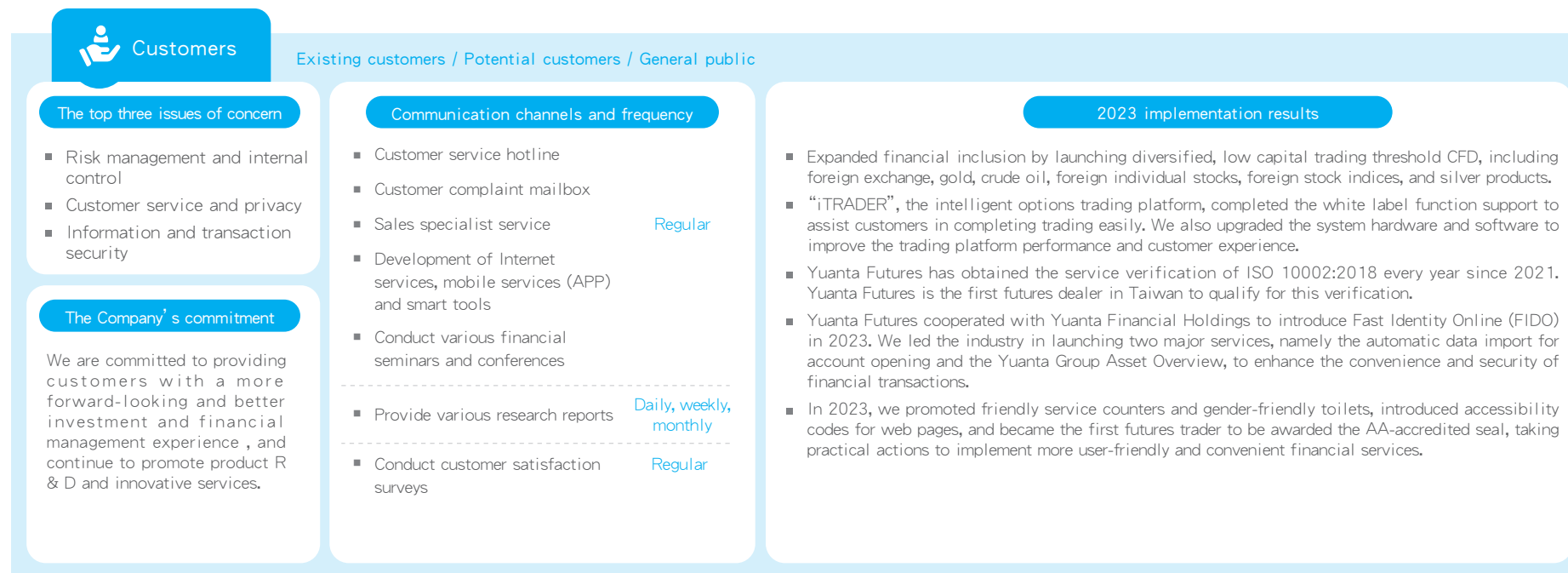
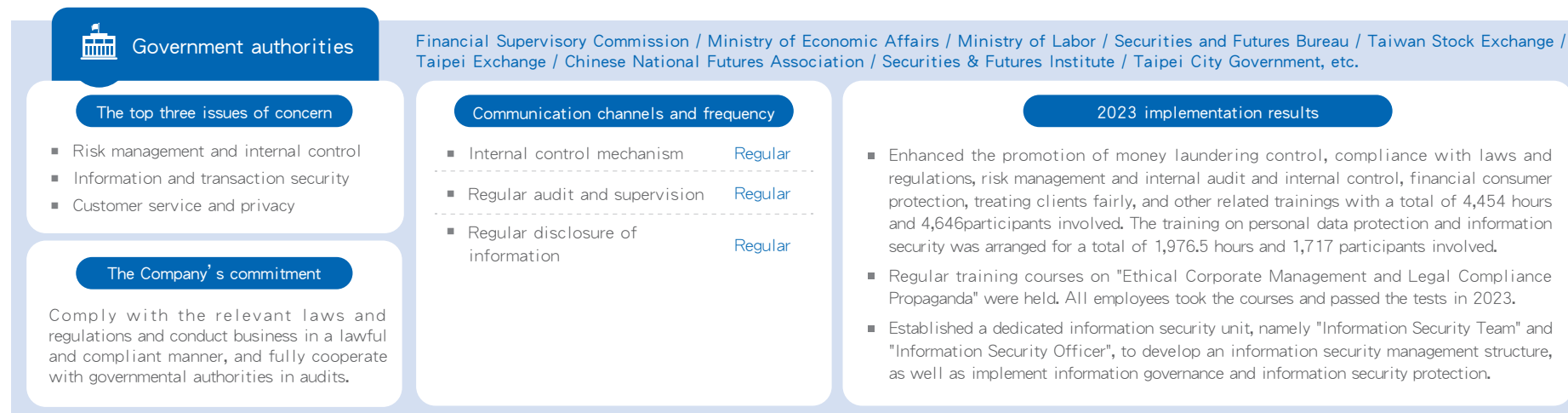
■ Organizational Structure of the Sustainable Development Promotion Team



1-6 Stakeholders' Issues of Concerns and Communication Channels

Stakeholders' issues of concern are selected based on Yuanta Futures' industry characteristics, international trends, and competitive development. The questionnaire is designed in accordance with the AA1000 SES principles and then submitted to members of the Sustainable Development Promotion Team and relevant department heads for scoring. The final results are then discussed by the Sustainable Development Promotion Team and seven categories of stakeholders are formally identified: government authorities, customers, employees, shareholders and investors, media, community and local groups, suppliers, and partners.

The purpose of the Company's stakeholder engagement is to regularly evaluate the significance and impact of corporate governance, economic, environmental, and social issues on stakeholders, formulate sustainable management guidelines related to key issues from the perspective of stakeholders, incorporate them into daily operation management and annual plans, hold regular meetings to track and adjust and revise them as appropriate, and incorporate the evaluation results into important corporate operations. We continue to communicate with stakeholders to reach an effective agreement. The Company regularly reports to the Board of Directors on matters related to stakeholders each year. The reporting for 2023 was successfully completed, and the matters reported and resolved at the Board of Directors meeting were referred to each responsible unit for implementation.





Employees

Labor of labor meetings / New employees / Current employees / Departed employees / Retired employees / Campus Interns

The top three issues of concern

- Risk management and internal control
- Economic performance
- Customer service and privacy
- Taxation
- Financial Inclusion and Education

The Company's commitment

Treat our employees as family members, establish an equal treatment and non-discriminatory working environment, and protect and promote the rights and interests of employees in the hope of becoming a model of a happy enterprise.

Communication channels and frequency

- | | |
|------------------------------|-----------|
| ■ Employee Welfare Committee | Regular |
| ■ Employee complaint mailbox | |
| ■ Labor-Management meeting | Annually |
| ■ Education and Training | Irregular |
| ■ Employee opinion survey | |

2023 implementation results

- The Group is one of the constituent stocks of the "Taiwan HC 100 Index", which shows the Group's commitment to pay its employees reasonably and reward employees with profits.
- The Company has introduced the ISO45001 Occupational Health and Safety Management System in 2021 to initiate a comprehensive occupational safety management with the safety and health work code reported lawfully. The Company had reported zero occupational accidents in 2023.
- The Company not only provides regular health examinations every two years for in-service staff but also offers psychological counseling and assessment. We also invite doctors or medical professionals to hold health seminars and introduce Employee Assistance Programs (EAP) to teach employees proper health knowledge.
- We plan a series of training programs for new employees and participate in cross-subsidiary training to foster common competitiveness and create a smooth communication and transfer mechanism within the Group.
- We participated in 18 campus expos and 7 presentations (out of a total of 25) and collected 878 resumes. We continued to actively collaborate with schools on industry-academia cooperation and successfully recruited 40 students to join the Company's internship programme.



Shareholders and Investors

Top ten shareholders and directors / General shareholders / Corporate shareholders

The top three issues of concern

- Financial product innovation and services
- Economic performance
- Customer service and privacy

The Company's commitment

Implement corporate governance, strictly supervise and manage the Company's finance, internal control, legal compliance, and risk control in pursuit of sound profitability.

Communication channels and frequency

- | | |
|---|-----------|
| ■ Set up Chinese and English websites and "Stakeholders" section | Regular |
| ■ Convene shareholders' meeting | Annually |
| ■ Publish annual report and sustainability report | |
| ■ Convene Board of Directors' meetings | Monthly |
| ■ Disclose the latest information on the MOPS and the Company's website | |
| ■ Participate in investors' conferences of the Taipei Exchange | Irregular |
| ■ Conduct two-way communication with institutional investors | |

2023 implementation results

- The five-year EPS from 2019 to 2023 were NT\$4.89, NT\$4.23, NT\$2.97, NT\$3.95 and NT\$6.39, respectively.
- Awarded with the honor of the corporate governance evaluation "OTC company top five-percent performance" for 10 consecutive years (from 2015 to 2024)
- The Company was assigned a long-term credit rating of "twAA-" and a short-term credit rating of "F1+" with a "stable" outlook by Fitch International Credit Rating.
- The Company was selected as the "Taiwan Large Corporation Top 5000", and ranked first in the futures industry for 11 consecutive years.
- The Asset Magazine awarded the "2023 Best Futures Dealer Award" and "ESG Corporate Awards Platinum Medal."

Media

The top three issues of concern

- Legal compliance
- Risk management and internal control
- Corporate governance and ethical corporate management

The Company's commitment

Information about the Company's operations and activities is regularly disseminated through the media to help investors better understand the futures markets and the Company's current status.

Communication channels and frequency

- Press conference
 - Media advertising
 - Major news release
- Irregular

2023 implementation results

- Maintained good relations with the media and established smooth communication channels.
- A total of 38 major news were released in 2023.
- By integrating an excellent future trading advisor team and the interface of the outstanding IT platform, the Company has intensified strategic marketing activities, and enhanced media exposure to increase the visibility of the brand of the Company to the investors, and effectively enlarge the market size.

Community and local organizations

Residents around the operation bases / Community residents / Public welfare organizations

The top three issues of concern

- Information and transaction security
- Energy and climate change
- Social welfare

The Company's commitment

Lead employees to participate in charity activities to care for the community and the underprivileged. At the same time, we also provide opportunities for talent development, i.e., actively promoting financial knowledge.

Through the establishment of the "Environment and Energy Management" project team, we are responsible for setting up an internal greenhouse gas inventory management system and implementing regular inventory operations; implementing waste management through the "3R Management Measures"; and introducing ISO 14046 water footprint verification.

Communication channels and frequency

- Arrange investment management education seminar
 - Campus activities
 - Cooperation with public welfare organizations
 - Community and disadvantaged care and visits
 - Charity blood donation
 - Public donation
 - Organize and support social welfare, academic, arts and environmental activities
 - Participate in public and association organizations
- Irregular
Annually
Irregular
Annually
Irregular
Regular

2023 implementation results

- The Company donated a total of NT\$4 million to the Yuanta Cultural and Educational Foundation to promote various cultural, educational, and social welfare activities.
- The Company donated a total of NT\$1,150,000 million to "Yuanta-Polaris Research Institute" to support the research of the macroeconomy of Taiwan and other major nations, finance, and instruments, and shared the research results with the community.
- The Company donated NT\$375,000 as a fund for public interests for financial services for the year 2023. That was recognized as a very significant event for the corporate social responsibility (CSR) of financial institutions.
- The Company was the first to receive the "Dementia Friendly Financial Institution" certification, and jointly organized dementia care activities with the Social Welfare Foundation of Wisdom, engaging employees and suppliers, setting up "community care and concern bases" and implementing the "Yuanlai Warmers" project to expand its practical action to the community. In 2023, we made a donation to promote the "Wisdom Family Support Programme".
- The Group received an A grade of "Leadership Level" from the International Carbon Disclosure Project (CDP).



Suppliers and Partners

Collaborating suppliers, contracting firms

The top three issues of concern

- Risk management and internal control
- Customer service and privacy
- Financial Product Innovation and Services
- Information and transaction security

The Company's commitment

Include local manufacturers in the green supply chain and promote sustainable environmental policies together with the manufacturers, hoping to fulfill our responsibility for environmental sustainability.

Communication channels and frequency

- | | |
|--|-----------|
| ■ Bargaining meeting | Irregular |
| ----- | |
| ■ Establish procurement management methods and principles | |
| ■ Establish the Regulations Governing the Acquisition or Disposal of Assets Regulations Governing the Acquisition or Disposal of Assets. | |
| ■ Prioritize the procurement of environmentally and socially friendly products | Regular |
| ■ Require suppliers to sign ethical corporate management commitments and incorporate CSR provisions into contracts | |

2023 implementation results

- Invited suppliers to sign the "Human Rights and Environmental Sustainability Commitment Letter".
- Established the "Directions for Supplier Management" to effectively manage the suppliers of the Company and investees, improve procurement quality, and advocate CSR together with suppliers. We have also disclosed these Directions on the corporate website.
- The Company has dealt with suppliers pursuant to the "Ethical Management Best-Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" of Yuanta Financial Holding Co., Ltd. to avoid dealing with anyone with any unethical act committed, and conduct all commercial activities with a fair and transparent practice.

Note: The top three sustainability issues of concern to stakeholders in this table are compiled from the average scores of questionnaires of stakeholders' responses to the sustainability issues. If there are more than three issues, it means that some of the sustainability issues have the same average score. Therefore, they are presented simultaneously.

1-7 Summary of Major Themes of Yuanta Futures

The Company values the voices of its stakeholders and conducts the identification of material topics through communication with customers, government authorities, employees, media, shareholders and investors, community and local groups, suppliers, and partners. The evaluation process and the material topics identified are as follows:

- **Identification:** This report is based on international standards such as GRI standards, TCFD, and SASB standards, and takes into consideration the organizational context, peer company situation, industry characteristics, and media coverage of the Company and Yuanta Financial Holdings. After review by the Sustainable Development Promotion Team and discussion with the assistance of external consultants, 20 key sustainability issues are selected, categorized into 21 positive impacts and 16 negative impacts."

*Impacts are further divided into two categories based on the likelihood of occurrence: actual and potential. Those that have occurred are classified as actual impacts, while those that have not yet occurred but have the potential to occur are classified as potential impacts.

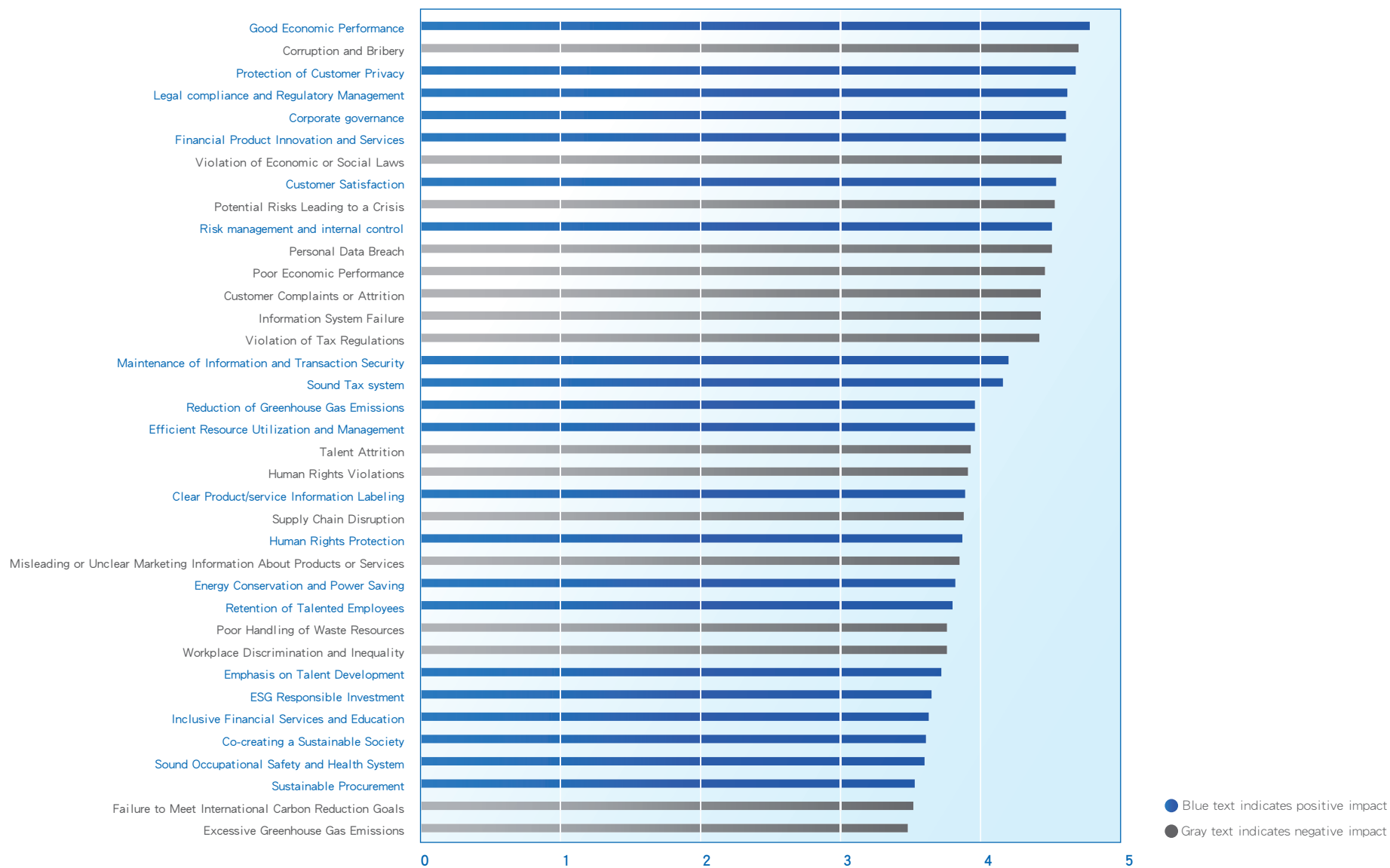
- **Analysis:** Questionnaires are sent to members of the Sustainable Development Promotion Team and relevant department heads to evaluate the impact in four aspects, including economy, environment, society (people), and corporate governance.
- **Ranking and Confirmation:** Based on the results of the previous questionnaire, the impact scores of the material topics were calculated as follows, and after discussions between members of the sustainable development promotion team and external consultants, the reports were prioritized according to the average score. For impacts with an impact level of 4 or higher, the corresponding sustainability theme was listed as a material topic*, and considering the importance attached to the response to climate risk in Taiwan and abroad in recent years, "energy and climate change" was also listed as one of the material topics; based on the above results, a total of seven material topics were screened in 2023.

*The Company classifies the degree of impact of a material topic as 1 to 5, with a score of 4 or more representing a high or very high degree of impact, and determines that it is a topic that requires the Company's special attention, and confirms that it has been proposed as a material topic after discussion by the Company's sustainable development promotion team.





Sustainability Issues	Positive Impact		Negative Impact	
Corporate governance	Corporate governance	●	Corruption and Bribery	▲
Legal compliance	Legal compliance and Regulatory Management	●	Violation of Economic or Social Laws	●
Risk management and internal control	Risk management and internal control	●	Potential Risks Leading to a Crisis	▲
Economic Performance	Good Economic Performance	●	Poor Economic Performance	▲
Customer service and privacy	Customer Satisfaction	●	Customer Complaints or Attrition	▲
	Protection of Customer Privacy	●	Personal Data Breach	▲
Tax	Sound Tax system	●	Violation of Tax Regulations	▲
Financial Product Innovation and Services	Financial Product Innovation and Services	●	-	-
Water and Effluents	Efficient Resource Utilization and Management	●	Poor Handling of Waste Resources	▲
Emissions	Reduction of Greenhouse Gas Emissions	●	Excessive Greenhouse Gas Emissions	▲
		●	Failure to Meet International Carbon Reduction Goals	▲
Energy and climate change	Energy Conservation and Power Saving	●	-	-
Employee Attraction and Retention	Retention of Talented Employees	●	Talent Attrition	▲
Talent Cultivation and Development	Emphasis on Talent Development	●	-	-
Friendly and Excellent Work Environment	Sound Occupational Safety and Health System	●	Workplace Discrimination and Inequality	▲
Inclusive Finance	Inclusive Financial Services and Education	●	-	-
Sustainable Finance	ESG Responsible Investment	●	-	-
Information and Transaction Security	Maintenance of Information and Transaction Security	●	Information System Failure	▲
Human Rights	Human Rights Protection	●	Human Rights Violations	▲
Supplier Management	Sustainable Procurement	●	Supply Chain Disruption	▲
Marketing and Labeling	Clear Product/service Information Labeling	●	Misleading or Unclear Marketing Information About Products or Services	●
Social Welfare	Co-creating a Sustainable Society	●	-	-

● Actual Impact ▲ Potential Impact

Impact Level



Material Topics and Impact Boundaries

Material Topics	Materiality and Impact Description	GRI Specific Topics	Corresponding Sections	Impact Aspects		Value Chain Impacts							
				Environment	Society	Yuantia Futures	Customer	Government Authorities	Media	Shareholders and Investors	Community and Local Groups	Suppliers and Partners	
 Risk management and internal control	The global financial environment is becoming increasingly complex, and the risks involved in the financial industry become diversified and intensified. Through the three lines of defense for risk management, the Company can effectively diversify, transfer or reduce risks to achieve a win-win-win situation for customers, shareholders and employees, thereby bringing positive feedback to the Company's operations.	Self-developed topics	CH2-4	●	●	●	●	●		●			
 Customer service and privacy	From the perspective of customer needs, the Company provides diversified and innovative products to strengthen communication with customers, cultivate a sense of trust and adhesion, and continue to provide attentive and thoughtful services. At the same time, with the development of Internet technology, a sound information security and personal data protection mechanism are also the key to stabilize business operations and avoid negative economic and human rights impacts.	GRI 418-1	CH3-3		●	●	●			●			○
 Corporate governance and ethical corporate management	Good corporate governance and ethical corporate management are the foundation of the Company's operations. In particular, the financial industry plays an important role in maintaining the stability of the financial environment and the liquidity of commercial capital. Therefore, we are committed to sound management, decision-making supervision, and professional and honest operations, which are key to gaining the trust of stakeholders and exert a positive impact on business activities.	GRI 205-1、205-2、205-3	CH2-2 CH2-3	●	●	●	●	●		●			○
 Legal compliance	Good legal compliance is an important foundation for enterprises to gain the trust of stakeholders. In order to reduce legal compliance risks and ensure that the Company operates in compliance with relevant laws and regulations, it is necessary to strengthen employees' awareness of legal compliance and maintain an effective and appropriate internal control system in an attempt to promote sound operations and reduce the risk of penalties.	Self-developed topics	CH2-3	●	●	●	●	●		●			○
 Information and transaction security	The financial trading environment is becoming more dependent on the Internet due the technology advancement. The diversified services also bring the impact of information security risks to customers and shareholders. The Company aims to provide stable and secure information services, and considers "protecting information assets" and "maintaining business continuity for sustainable business operation" as our information security sustainability goals.	GRI 418-1	CH3-3		●	●	●			●			○
 Taxation	Tax policy compliance and effective management of tax risks are the foundation for sound business operations. The Company follows Yuanta Financial Holdings' tax governance policies, conducts regular tax planning and filing, and cooperates with laws and regulations governing taxation of the competent authorities to ensure that tax work is carried out in compliance with regulations and avoid negative impacts on the Company's economic performance.	GRI 207-1、207-2、207-3、207-4	CH2-6		●	●		●		●			
 Energy and climate change	In order to properly manage the risks associated with extreme weather events and the transformation to a low-carbon economy, the risk of climate change is required to be incorporated into operational decision-making of the financial industry in order to identify and manage risks. Also, the Company observes the crisis of global warming and resource depletion, and fully responds to the trend of energy conservation and carbon reduction with adequate mitigation and adaptation plans implemented.	GRI 305-1、305-2、305-3	CH5-1 CH5-5	●	●	●							○
 Marketing and Labeling	To provide customers with safe and secure transaction information, we follow the regulations for products, advertising, and marketing labels so that traders can have correct, secure and fair information.	GRI 417-1、417-2、417-3	CH2-3 CH3-3		●	●	●	●		●			

● Direct impact ○ Impact due to business relationship

*No new material topic for 2023. Although "Marketing and labelling" was not selected as a material topic for 2023 based on the impact rating, it was still proposed as a material topic after discussion by the team. "Energy and climate change" was proposed in consideration of the importance attached to climate risk response both domestically and internationally in recent years. In addition, economic performance, financial product innovation and services, and staff attraction and retention are the topics of the Company's long-term stable operation, and the results have been presented in the Company's annual report and sustainability report over the years. Although they have been excluded from the material topics from 2022 onwards, the relevant contents have been retained in the report to respond to them.

Material Topics Management Guidelines And Operating Performance

Risk management and internal control

Commitment	We follow the risk management policy of Yuanta Financial Holdings and the relevant regulations of the Futures Exchange, and jointly establish a risk control and internal audit mechanism.	Responsible Unit	Auditing Department Risk Management Department
Policy	Risk Management Best-Practice Principles For Futures Commission Merchants of Taiwan Futures Exchange Risk Management Policies of Yuanta Futures	Communication Channel	TEL: (02)2546-0373 Suggestions and complaint mailbox: auditcomm.brk@yuanta.com
Management Method	Risk identification, risk measurement, risk control and overall risk assessment are conducted through three lines of defense.	2023 Goals	Continuously improve climate risk management, develop climate change scenario analysis module, and improve financial impact assessment of risks and opportunities.
Evaluation Mechanism	Sensitivity analysis and value-at-risk (VaR) model, Yuanta Financial Holdings' credit rating system, and annual limits for various types of risks.	2023 Performance and Results	Achieved. 2023 TCFD climate-related financial risks and opportunities are disclosed in Chapter 5 of this report.
		2025 Goals	Continuously improve climate risk management, develop climate change scenario analysis module, and improve financial impact assessment of risks and opportunities.

Customer service and privacy

Commitment	From the perspective of customer needs, we strengthen customer communication, enhance the protection of consumer rights and interests, cultivate customer trust and adhesion, and continue to bring thoughtful and warm services to our customers.	Responsible Unit	Each business unit, CustomerService / TradingDepartment
Policy	Principle for Financial Service Industries to Treat Clients Fairly Customer Dispute Handling Regulations of Yuanta Futures Operating Rules for Customer Complaint Handling of Yuanta Futures Information Security Policy	Communication Channel	Customer service mailbox: futures@yuanta.com Customer service hotline: 02-2326-1000 or 0800-333-338
Management Method	Through the "Eight Senses and Eight Practices" service concept, we proactively handle customer complaints and continue to create services that meet customers' needs. To ensure the privacy of customer information, we regularly maintain an information security management system and obtain third-party certification.	2023 Goals	Customer satisfaction is at 95.5%. Obtained ISO 10002 certification for the complaints management system.
Evaluation Mechanism	Customer satisfaction surveys, average customer response rate, Number of customer data leakage	2023 Performance and Results	Achieved. In 2023, customer satisfaction reached 97.63%. Achieved. In 2023, we obtained ISO 10002:2018 certification for our complaint management system.
		2025 Goals	Customer satisfaction is at 96%. Continue to obtain ISO 10002 certification for our complaint management system every year.

Corporate governance and ethical corporate management

Commitment	The Board of Directors gives top priority to the interests of the Company and all shareholders, provides strategic guidance to the Company's operations, and supervises the management's operational performance.	Responsible Unit	BOD Secretary's Office General Planning Department
	At the same time, based on the philosophy of ethical, transparent and responsible management, we have established good corporate governance and risk control mechanisms, and are committed to establishing a corporate culture and management system of ethical corporate management to create a business environment for sustainable development.		
Policy	Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies Corporate Governance Best-Practice Principles for Futures Commission Merchants Ethical Corporate Management Best Practice Principles for TWSE/TPEX listed Companies Procedures for Ethical Management and Guidelines for Conduct of Yuanta Financial Holdings	Communication Channel	Spokesperson: Senior Vice President Liang-Hui Yuan TEL: (02)2717-6000 #7470 Suggestions and complaint mailbox: auditcomm.brk@yuanta.com Reporting hotline: (02)5580-5230, (02)2546-0373
Management Method	In order to effectively prevent operational risks, we have established directors and independent directors to regularly supervise and review the results of the Company's operations and plan future directions. Through the design and regular training of the code of conduct related to ethical corporate management, we cultivate employees' recognition of the culture of ethical corporate management and the ethical corporate management principles of the Company.	2023 Goals	Consistently ranked in the top 5% of OTC companies.
Evaluation Mechanism	This includes the evaluation of the effectiveness of the Board of Directors, the performance evaluation system of the Board of Directors, the further education of the Board of Directors, and the performance evaluation system of the Functional Committees. Convene the Ethical Management Committee's meeting at least once a year. Report annually to the Board of Directors on the "Annual Corporate Governance Operation and Performance of Ethical Corporate Management" and disclose the information on the official website and in the annual report.	2023 Performance and Results	Achieved. Ranked in the top 5% of OTC companies for the year 2023, an honour achieved for the 10th consecutive year.
	Establish risk assessment measures against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and prepare audit plans.	2025 Goals	Consistently ranked in the top 5% of OTC companies.

Legal compliance

Commitment	We comply with all business-related laws and regulations, and set up a comprehensive reporting system and investigation mechanism.	Responsible Unit	Auditing Department Compliance Department
Policy	Law compliance manual Regulations Governing the Implementation of Whistleblowing System	Communication Channel	Reporting hotline: (02)2546-0373 Reporting mailbox: auditcomm.brk@yuanta.com
Management Method	In order to effectively reduce the occurrence of violations of laws and regulations, a legal compliance manual is prepared for the reference of managers and employees. The company has established Regulations Governing the Implementation of Whistleblowing System. A reporting email and hotline are published on our official website, allowing anyone to report suspected criminal activity, fraud, or legal violations by our employees.	2023 Goals	A self-assessment of legal compliance is conducted every six months, and the results of the assessment are reported to the Board of Directors.
Evaluation Mechanism	Self-assessment of legal compliance is conducted every six months	2023 Performance and Results	Achieved. In 2023, reports on the implementation of legal compliance were presented to the Board of Directors in March and August.
		2025 Goals	Conducted every six months.

Information and Transaction security

Commitment	We have established various information security policies based on the protection of shareholders' rights and interests, with the objectives of "protecting information assets" and "maintaining business continuity for sustainable business operation".	Responsible Unit	IT Department
Policy	Information Security Incident Notification and Emergency Response Procedures ISO 27001: Specification for Information Security Management Systems (ISMS) Information Security Policy Information Security Management Guidelines Information Security Incident Notification and Emergency Response Procedures	Communication Channel	Customer service mailbox: futures@yuanta.com free customer service hotline: 0800-333-338
Management Method	We introduce information security-related systems and platforms to ensure a sound internal information security structure; conduct information security education and training for all employees; and conduct information security checks and risk management to identify weaknesses and information security threats in order to achieve the goal of strengthening the organization's internal information security structure.	2023 Goals	Continuously obtain ISO 27001 information security management system certification annually.
Evaluation Mechanism	Vulnerability scans, penetration tests, and various information security tests and assessments are conducted regularly by a third-party trustworthy unit.	2023 Performance and Results	Achieved. In 2023, ISO 27001:2022 Information Security Management System certification has been completed.
		2025 Goals	Continuously obtain ISO 27001 information security management system certification annually.

Taxation

Commitment	The Company complies with the regulations in its place of operation and is committed to implementing tax compliance and effective tax risk management in order to improve its tax management system and tax governance culture.	Responsible Unit	Accounting Department
Policy	Tax Governance Policy of Yuanta Financial Holdings	Communication Channel	TEL: (02)2546-0373 Suggestions and complaint mailbox: auditcomm.brk@yuanta.com
Management Method	Through the Accounting Department and PwC Taiwan, we ensure the proper operation of taxation. Tax information is ultimately disclosed in the financial statements, which are certified by the accounting firm, through various public channels.	2023 Goals	Report financial and tax information annually in accordance with tax laws and regulations, and have it certified by an external accounting firm.
Evaluation Mechanism	The Accounting Department performs self-assessment of internal control once a year and self-checking of legal compliance twice a year.	2023 Performance and Results	Achieved. 2023 Annual Financial Report has been published on the Company's official website.
		2025 Goals	Report financial and tax information annually in accordance with tax laws and regulations, and have it certified by an external accounting firm.

Energy and Climate Change





Commitment	As a member of the financial system that the society relies on, we have an obligation to disclose the climate risks we face and adopt proactive strategies, and leverage capital influence to drive the value chain towards the ultimate goal of net zero carbon emissions.	Responsible Unit	Risk Management Department / Management Department General Planning Department
Policy	Energy and Climate Change Management Policy of Yuanta Financial Holdings	Communication Channel	TEL: (02)2546-0373
Management Method	The Risk Management Department of the Company participates in Yuanta Financial Holdings' Task Force on TCFD to facilitate the Group's comprehensive management of climate-related issues and impacts, identify climate-related risks and opportunities, as well as evaluate, analyze, monitor, and formulate adaptative strategies and indicators.	2023 Goals	The Carbon Disclosure Project (CDP) has consistently received an A-Leadership grade for its work.
Evaluation Mechanism	The responsible units shall report to the Audit Committee and the Board of Directors in accordance with their respective authorities and responsibilities in order to control the progress and effectiveness of implementation.	2023 Performance and Results	Achieved. In 2023, Yuanta Financial Holding Group was awarded "Leadership Level" A by the Carbon Disclosure Project (CDP), an international organization, which demonstrates that the Group's efforts have been highly recognized by international professional organizations.
		2025 Goals	The Carbon Disclosure Project (CDP) has consistently received an A-Leadership grade for its work.

Marketing and Labeling

Commitment	In order to provide customers with safe and secure transaction information, we follow the regulations for products and advertising and marketing labels so that traders can have correct, secure and fair information.	Responsible Unit	Each business unit Customer Service Trading Department General Planning Department
Policy	Regulations Governing the Advertisements and Solicitation or Promotional Activities Conducted by the Financial Services Enterprise of the FSC	Communication Channel	Customer service mailbox: futures@yuanta.com and free customer service hotline 0800-333-338
	Rules Governing the Advertisements and Solicitation or Promotional Activities Conducted by Members and Futures Trust Sales Organizations of the Chinese National Futures Association	2023 Goals	Continuously promote the correct concept of Internet publicity, and all business associates must sign the Internet law compliance agreement.
	Management Guidelines for Advertisements and Solicitation or Promotional Activities of Yuanta Futures Management Guidelines for Advertisements and Solicitation or Promotional Activities of Yuanta Futures	2023 Performance and Results	Leveraged trading staffs were fined NT\$120,000 by the FSC for providing bearish and bearish recommendations to clients. The Company has punished the offending staffs and strengthened staffs' awareness of the law and the examination of their internet business activities. For more details, please refer to Chapter 2 of this report.
Management Method	In order to avoid misleading the judgment of financial traders, information about the Company's products, services, and marketing activities are clearly indicated on the MOPS and publications in accordance with regulations to protect the judgment of financial traders and maintain fair futures trading.	2025 Goals	Continuously promote the correct concept of Internet publicity, and all business associates must sign the Internet law compliance agreement.
Evaluation Mechanism	In accordance with the laws and regulations set by the competent authorities, the association and Yuanta Futures' internal regulations, we provide relevant information or explanations on our official website and marketing and promotional publications. The Company also operates as a leverage trader. New products are subject to the approval of the President before launch or undertaking.		

*Yuanta Futures follows the Yuanta Financial Holding Group's strategy of promoting sustainability in five areas: corporate governance, customer rights and interests, employee care, environmental sustainability and social welfare. Some of the performance indicators are in line with Yuanta Group's objectives.

1-8 Participation in Domestic and International Organizations

Participation in Public Associations or Organizations		Participation Method
 Futures Industry Association	FIA Asia Association Futures Industry Association	Member
 台湾期货交易所 TAIWAN FUTURES EXCHANGE	Taiwan Futures Exchange	Director
	Chinese National Futures Association	Executive Director and Director Convener of the Leverage Trading Committee Member of various business committees (Brokerage Business Committee, Proprietary Business Committee, Advisory Business Committee, Cross-Strait Affairs Committee, Managerial Business Committee, Trust Business Committee, International Affairs Committee, Audit Committee, Disciplinary Committee, Finance Committee, Education and Training Committee, Leverage Trading Committee, Anti-Money Laundering and Legal Compliance Business Committee, Electronic Business Committee, Sustainable Development Committee, Procurement Committee)
	Carbon Disclosure Project (CDP)	Participate in with the Group to measure and manage greenhouse gas emissions in order to reduce the impact of climate change

A close-up photograph of two men in business suits shaking hands. The man on the left is wearing a dark suit and a light blue shirt. The man on the right is wearing a blue suit and a white shirt. They are both wearing wristwatches. The background is blurred, showing other people in suits and a cityscape.

Chapter

02

**CORPORATE GOVERNANCE &
ETHICAL MANAGEMENT**

As the first leading futures brand in Taiwan to be listed on the TPEX, we have long been implementing the highest standards of corporate governance. Based on the philosophy of honest, ethical, transparent and responsible management, we have established good corporate governance and risk control mechanisms to create a business environment for sustainable development. Since 2015, the Company has been awarded the "Top 5% of TPEX Listed Companies in Corporate Governance Evaluation" by the Taiwan Stock Exchange for ten consecutive years, making it the only futures dealer in Taiwan to receive this honor for ten consecutive years, which fully demonstrates the high recognition by the competent authorities for the Company's corporate governance.

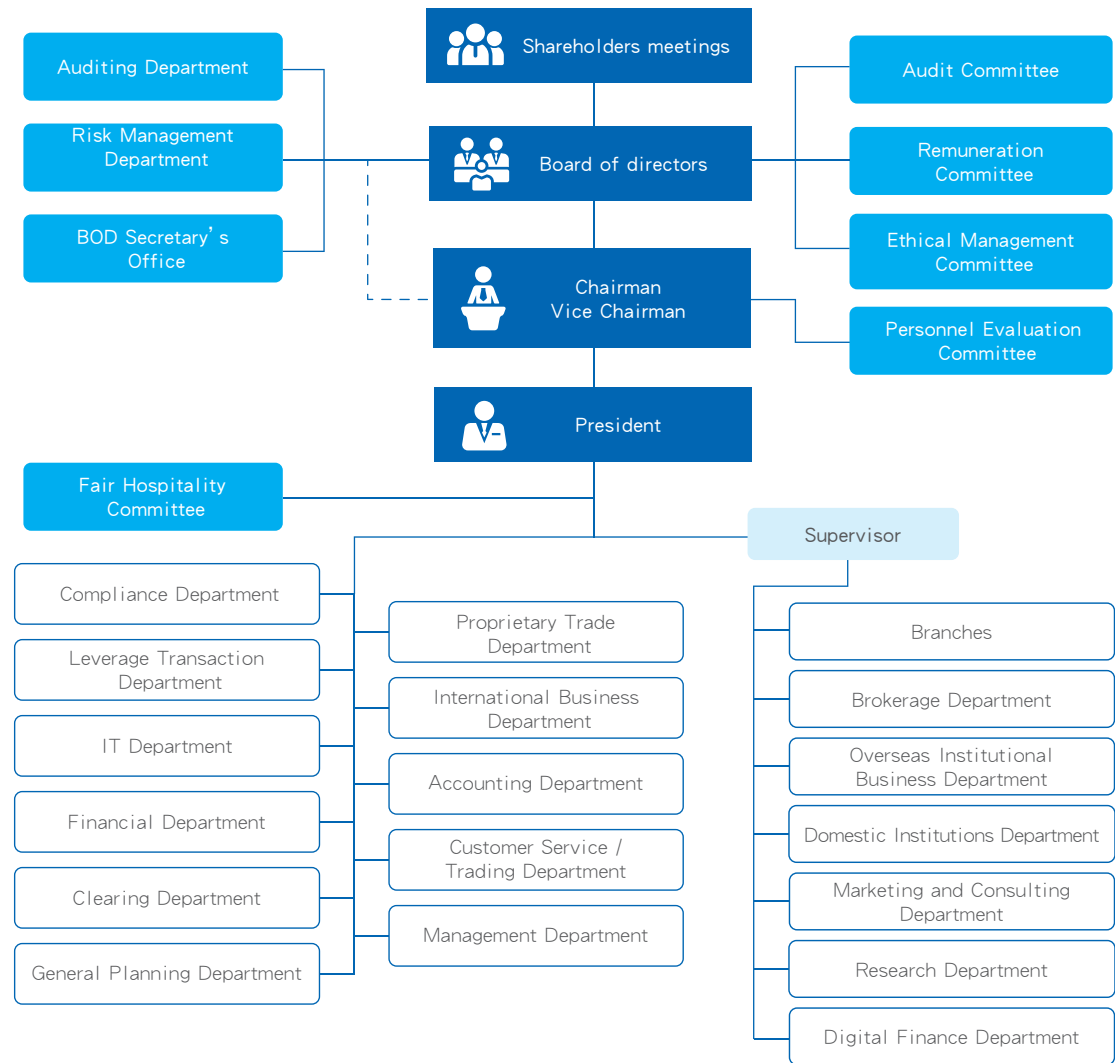
2-1 Corporate Governance

The Board of Directors is the core and highest governance body of the corporate governance. The Code of Corporate Governance practices are based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the "Corporate Governance Best-Practice Principles for Futures Commission Merchants", and are implemented upon approval of the Board of Directors.

The Board of Directors gives top priority to the interests of the Company and all shareholders, provides strategic guidance to the Company's operations, and supervises the management's operational performance. The Chairman of the Board and the President of the Company are not the same person. The Audit Committee, Remuneration Committee, Ethical Management Committee, Internal Audit Department, Risk Management Department, and the BOD Secretary's Office are established under the Board of Directors to assist the Board of Directors in its supervisory duties, and are responsible for discussing important issues such as economic, environmental, and population impacts. In addition, the President leads the management teams, including the Legal Compliance Department, the International Business Department, the Domestic Institutions Department, the Proprietary Futures Trading Department, and the General Planning Department, to effectively execute various corporate governance and operational activities to create maximum benefits for shareholders.

2-1-1 Organization and Shareholders Structure

■ Company Structure

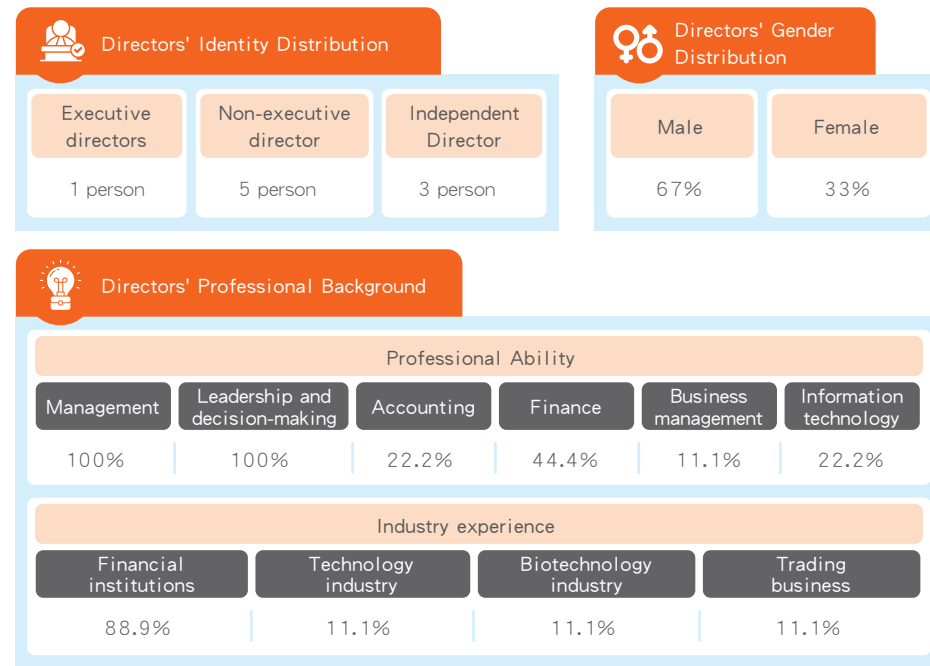


2-1-2 Board of Directors and Functional Committees

■ Board Member Diversity

The Company intends to have matters handled in accordance with the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and Article 20 Section 3 of “Corporate Governance Best-Practice Principles”. The composition of Board members should be diversified. The diversification should not be limited to the standards with the following two aspects: Basic conditions and values (including gender, age, nationality, and culture) and professional knowledge and skills (including professional background of law, accounting, industry, finance, marketing or technology).

The Company currently has a Board of Directors consisting of nine members, containing six directors, including the Chairman and Vice Chairman, and three independent directors. Please see the following table for the composition of our staff. In terms of professional background, the Board of Directors is composed of multi-disciplinary professionals with multi-industry experience. The three independent directors have professional backgrounds in finance, information technology, trading and accounting.



Note: The total sum is greater than 100% as each director has different professional capabilities

■ Board of Directors Election System and Authorities

The election of the Company's directors is based on a nomination system. The shareholders' meetings consider the candidates for the succession of the Company's directors, who have a wide range of professional expertise (such as legal, accounting, industrial, financial, marketing, technology or ESG development) as well as industry experience. Independent directors are elected for a three-year term and are eligible for re-election, after taking into account their professional capabilities and independence. The total shareholdings of all directors are in accordance with the regulations of the securities regulatory authorities. All directors come from the financial, industrial or academic areas and have professional backgrounds and rich experience in management, finance and accounting, crisis management, futures and derivatives, and international finance, respectively. The current Board of Directors convened an annual shareholders' meeting on July 5, 2021 to elect the eleventh term of directors and independent directors, effective from July 5, 2021 to July 4, 2024.

The authorities of the Board of Directors of the Company mainly include the following

1. Establish an effective and appropriate system of internal control.
2. Select and supervise managers.
3. Review the Company's management decisions and operating plans and oversee their implementation.
4. Review the Company's financial objectives and monitor the achievement.
5. Monitor the results of the Company's operations.
6. Oversee and manage the risks faced by the Company.
7. Ensure that the Company complies with relevant regulations.
8. Plan the future direction of the Company.
9. Establish and maintain the Company's image and social responsibility.
10. Appoint experts such as accountants or lawyers.
11. Protect the rights and interests of futures traders.
12. The remuneration structure and system of directors and the performance evaluation and remuneration standards of managers and sales staff.

■ Board of Directors

Title	Name	Major career (academic) achievements	Current duties in The Company and in other companies
Corporate shareholder	Yuanta Financial Holding Co., Ltd.	-	-
Chairman	Tien-Fu Lin	<ul style="list-style-type: none"> • President of Yuanta Securities Co., Ltd. • Vice Chairman of Yuanta Securities Finance Co., Ltd. • Director and Presiden of Fuh Hwa Securities Investment Trust Co., Ltd. • Director and Executive Vice President of Yuanta Core Pacific Securities Co., Ltd. • Chairman of Ding Fu Securities Co., Ltd. • Director of Yuanta Financial Holding Co., Ltd. • Yu Da High School of Commerce and Home Economics • Completed the Accounting Practice course of the Accounting Advanced Class 52 and Intermediate Accounting course of Class 57 arranged by the Center for Public and Business Administration Education, National Chengchi University (NCCU CPBAE). 	<ul style="list-style-type: none"> • Chairman of the Company, • Director of Yuanta Securities Co., Ltd., • Independent director of TTY Biopharm Company Limited, • Supervisor of GreTai Securities Market
Vice Chairman	Pin-Cheng Chen	<ul style="list-style-type: none"> • Director of KGI Futures Co., Ltd. • President of KGI Securities (Thailand) Co., Ltd. • Chairman of Grand Cathay Futures Co., Ltd. • President of Grand Cathay Securities Corporation • Director and President of Grand Cathay Securities (Hong Kong) Corporation • Chairman of United Overseas Bank (Hong Kong) • MBA, Syracuse University, USA 	<ul style="list-style-type: none"> • The Company's Vice Chairman; • Director of Yuanta Securities Co., Ltd.; • Director of Alcor Micro, Corp.; • Director of Yuanta International (Singapore) Company; • Director of Taiwan Futures Exchange
Director	Hsiao-Ling Chou ¹	<ul style="list-style-type: none"> • Vice Chairman of Yuanta Futures Co., Ltd. • Director, Yuanta Futures (HK) Co., Limited • Director and President of Polaris Futures Co., Ltd. • Director of Connection Labs Ltd. • Director and Vice President of Oversea-Chinese Banking Corporation Limited • President of Brokerage Department, Polaris Securities Co., Ltd. • Master, Banking and Finance, National Taiwan University 	<ul style="list-style-type: none"> • Vice Chairman of the Company, • Chief Executive Officer of the Corporate Finance Division of Yuanta Financial Holdings Co., Ltd., • Director of Yuanta Commercial Banking Corporation; • Director of Yuanta Venture Capital Co., Ltd., • Director of Yuanta One Venture Capital Co., Ltd., • Director of Taiwan Futures Exchange Co., Ltd., • Director of Yuanta Foundation, • Independent Director of LUO LIH-FEN Holdings Co., Ltd.

Title	Name	Major career (academic) achievements	Current duties in The Company and in other companies
Director	Wei-Chen Chang	<ul style="list-style-type: none"> Vice President of Yuanta Securities Co., Ltd. MBA, Tulane University, USA 	<ul style="list-style-type: none"> Vice President of the Department of Juridical Person of Yuanta Financial Holdings Vice President of Yuanta Bank
Director	Kuo-Tsun Hsu	<ul style="list-style-type: none"> Executive Vice President, Yuanta Futures Co., Ltd. Vice President of Polaris Futures Co., Ltd. Master, Banking and Finance, National Taiwan University 	<ul style="list-style-type: none"> The Company's President Director of Yuanta International (Singapore) Company
Director	Mei-Ling Kuo	<ul style="list-style-type: none"> Manager of Syscom Computer Engineering Company Executive Vice President of Capital Securities Corporation Executive Vice President, Yuanta Securities MBA, National Chengchi University 	<ul style="list-style-type: none"> Manager of Yuanta Financial Holding Co., Ltd.; Manager of Yuanta Commercial Banking Corporation; Director of Yuanta Securities Co., Ltd.
Director	Wen-Ching Chiu ²	<ul style="list-style-type: none"> Vice Presidents and Chief Secretary of the Board of Directors of Yuanta Securities Co., Ltd. Chief Legal Officer of Yuanta Financial Holdings Co., Ltd. Department of Law, National Chengchi University 	<ul style="list-style-type: none"> Manager of Yuanta Financial Holding Co., Ltd. Manager of Yuanta Commercial Banking Corporation Director of Yuanta Commercial Banking Corporation
Independent Director	Yu-Chun Wu	<ul style="list-style-type: none"> Master Degree of Executive Master Business Management, National Taiwan University Auditor of the Taxation Administration, Ministry of Finance, R.O.C. Director, Deputy Director, and Chief Secretary of the Securities and Futures Bureau of the Financial Supervisory Commission President of GreTai Securities Market Chairman of MasterLink Investment Consulting Co., Ltd. Independent Director of Taiwan Mask Corporation Independent Director of Chun Zu Machinery Industry Co., Ltd. Supervisor of Browave Corporation 	<ul style="list-style-type: none"> Independent Director of Yuanta Securities Co., Ltd.; Director of Browave Corporation; Independent Director of Jing-Jan Retail Business Co., Ltd.
Independent Director	Hui-Erh Yuan	<ul style="list-style-type: none"> PwC Partnership Accountant Chairman of PwC Taiwan Director of the Taipei Certified Public Accountants Association of the Republic of China Master of Accounting, University of Central Missouri Master of Business Administration, University of Illinois, USA 	<ul style="list-style-type: none"> Independent Director of Yuanta Life Insurance Company, Director of Sheng Yen Education Foundation, Supervisor of Dharma Drum Mountain Buddhist Foundation

Title	Name	Major career (academic) achievements	Current duties in The Company and in other companies
Independent Director	An-Pin Chen ³	<ul style="list-style-type: none"> • Emeritus Professor, Department of Information Management and Finance, National Chiao Tung University • Director of Innovation Research Center of National Chiao Tung University • Assistant Dean of the College of Management, National Chiao Tung University • Chairperson of the Department of Information Management and Finance, National Chiao Tung University • Chief Executive Officer of National Chiao Tung University, EMBA • Chair of the Graduate Institute of Information Management, National Chiao Tung University • Adjunct Associate Professor, Department of Finance, National Taiwan University • Ph.D. in Industrial and Systems Engineering, University of Southern California 	<ul style="list-style-type: none"> • Independent Director of Yuanta Securities Co., Ltd. • Supervisor of Tian Mei Rubber Co., Ltd.

Note 1 : Former Vice Chairman Ms. Hsiao Ling Chou resigned on March 23, 2023, and the Board of Directors elected Mr. Pi n Cheng Chen as Vice Chairman on March 31, 2023 for a term of office from April 1, 2023 to July 4, 2024.

Note 2 : Yuanta Financia l Holdings Co., Ltd. reassigned natural person representative Ms. Wen Ching Chiu on April 1, 2023 for a term of office from April 1, 2023 to July 4, 2024.

Note 3 : One independent director, Mr. An Pin Chen, was selected in the regular shareholders' meeting on May 24, 2023 for an office term from May 24, 2023 to July 4, 2024.

■ Recusal of the Board of Directors' Interests

In order to strictly comply with the system of recusal of directors' interests under the Company Act, the Company formulated the “Codes of Ethics” to establish that when the Company's directors or managers take advantage of their positions and authorities to involve themselves or their spouse, parents, children, or relatives within the second degree of kinship, and the affiliated enterprise at which a director, supervisor, or managerial officer works in business interactions with the company, they shall declare initially the information, and comply with a legitimate and appropriate means to handle or avoid the conflict of interest. The Company established a sound management mechanism and implemented in the internal control and external business activities to enhance the effect of the ethical corporate management. During Board of Directors and shareholders' meetings, if conflicts of interest involving directors and managers arise, the Board proactively requests individuals with conflicts of interest to temporarily excuse themselves from the room. This is done in accordance with guidelines aimed at avoiding conflicts of interest.

At the same time, the Company has formulated relevant regulations such as “Audit Committee Charter”, “ Rules of Procedure for Board of Directors Meetings,” and “ Codes of Ethics,” etc. For the recusal of relevant corporate personnel (including directors) due to conflicts of interest, prohibition against disclosure of confidential information, Prohibition against insider trading, and Non-disclosure agreement, they shall be handled under relevant regulations.

■ Directors' ongoing education

Information regarding Directors' on-going education in the fields of corporate governance, finance, business, commerce, accounting, legal, AML/CTF courses or fair treatment to customers subjects have already been disclosed on the "Corporate Governance Section of the Market Observation Post System" (<https://mops.twse.com.tw/mops/web/index>).

There are 9 current directors in 2022. The average training hours for each existing director is 14.3 hours, which is higher than the 6 hours recommended in Article 4 of the "Implementation measures of advanced study of directors and supervisors". The onw new directors in 2023 have also completed the 12 hours of training in accordance with the regulations.

Continuing education of the directors in 2023:

Title	Name	Organizer	Course name	Training Hours
Chairman	Tien-Fu Lin	Taiwan Securities Association	Trend and Development of Applicable Laws Governing AML/CFT at abroad	3
			Net zero carbon emissions and corporate governance	3
			The new era of artificial intelligence : Opportunities and challenges of Taiwan, and ESG investment principles and strategies	6
			The pros and cons of emerging information security technology to financial digital innovation	3
		Taiwan Academy of Banking and Finance (TABF)	Discussing the principle of friendly service and financial exploitation based on the principle of fair treatment	3
Vice Chairman	Pin-Cheng Chen	Corporate Governance Association in Taiwan	Shareholders' meetings, management rights, and equity strategies	3
		Institute for Financial Law and Crime Prevention	Anti-money laundering and counter terrorism financing practices and directors' legal obligations and responsibilities propaganda	3
		Taiwan Securities Association	Net zero carbon emissions and corporate governance	3
			The pros and cons of emerging information security technology to financial digital innovation	3
		Taiwan Academy of Banking and Finance (TABF)	Discussing the principle of friendly service and financial exploitation based on the principle of fair treatment	3
Director	Kuo-Tsun Hsu	Institute for Financial Law and Crime Prevention	Anti-money laundering and counter terrorism financing practices and directors' legal obligations and responsibilities propaganda	3
		Taiwan Securities Association	Financial Consumer Protection Act and fair treatment of customers	3
			Net zero carbon emissions and corporate governance	3
		Accounting Research and Development Foundation of the R.O.C.	The 2023 ESG Summit Carbon Inventory and Carbon Management	3
Director	Mei-Ling Kuo	Institute for Financial Law and Crime Prevention	Anti-money laundering and counter terrorism financing practices and directors' legal obligations and responsibilities propaganda	3
		Taiwan Securities Association	Financial Consumer Protection Act and fair treatment of customers	3
			Net zero carbon emissions and corporate governance	3
			The pros and cons of emerging information security technology to financial digital innovation	3

Title	Name	Organizer	Course name	Training Hours
Director	Wei-Chen Chang	Taiwan Securities Association	Financial Consumer Protection Act and fair treatment of customers	3
			Net zero carbon emissions and corporate governance	3
			The pros and cons of emerging information security technology to financial digital innovation	3
		Taiwan Academy of Banking and Finance (TABF)	Risk-oriented Anti-Money Laundering Trend and Impact	3
Director	Wen-Ching Chiu	Institute for Financial Law and Crime Prevention	Anti-money laundering and counter terrorism financing practices and directors' legal obligations and responsibilities propaganda	3
		Taiwan Securities Association	Financial Consumer Protection Act and fair treatment of customers	3
			Net zero carbon emissions and corporate governance	3
			The pros and cons of emerging information security technology to financial digital innovation	3
		Taiwan Academy of Banking and Finance (TABF)	The impact of Chat GPT on financial industry and the response strategies	3
Independent Director	Yu-Chun Wu	Institute for Financial Law and Crime Prevention	Anti-money laundering and counter terrorism financing practices and directors' legal obligations and responsibilities propaganda	3
		Taiwan Securities Association	Financial Consumer Protection Act and fair treatment of customers	3
			Net zero carbon emissions and corporate governance	3
			The pros and cons of emerging information security technology to financial digital innovation	3
		Securities and Futures Development Foundation	Technical development and application opportunities of ChatGPT	3
Independent Director	Hui-Erh Yuan	Corporate Governance Association in Taiwan	AI Applications, Law and Audit	3
			How can companies implement energy conservation and carbon reduction to improve company profits?	3
Independent Director	Hui-Erh Yuan	Institute for Financial Law and Crime Prevention	Anti-money laundering and counter terrorism financing practices and directors' legal obligations and responsibilities propaganda	3
		Taiwan Securities Association	Financial Consumer Protection Act and fair treatment of customers	3
			Net zero carbon emissions and corporate governance	3
			The pros and cons of emerging information security technology to financial digital innovation	3

Title	Name	Organizer	Course name	Training Hours
Independent Director	An-Pin Chen	Institute for Financial Law and Crime Prevention	Anti-money laundering and counter terrorism financing practices and directors' legal obligations and responsibilities propaganda	3
		Taiwan Securities Association	Financial Consumer Protection Act and fair treatment of customers	3
			Net zero carbon emissions and corporate governance	3
			The pros and cons of emerging information security technology to financial digital innovation	3
Former Director	Hsiao-Ling Chou	Institute for Financial Law and Crime Prevention	Anti-money laundering and counter terrorism financing practices and directors' legal obligations and responsibilities propaganda	3

■ Implementation and Operations of the Functional Committees

Committee	 Remuneration Committee	 Audit Committee	 Ethical Management Committee	 Fair Hospitality Committee
Main responsibilities	The members are two independent directors of the Company, who establish and regularly review the policies, systems, standards and structure for performance evaluation and remuneration of directors and managers of the Company in accordance with the principles, and regularly evaluate and establish the remuneration of directors and managers of the Company.	Substitute the functions of the supervisors in monitoring the financial business, internal control, legal compliance and the control of potential risks of the Company.	Assist the Board of Directors and management in supervising the implementation of the operating procedures and preventive mechanisms established for ethical corporate management, and formulate anti-corruption measures in accordance with laws and regulations in order to improve ethical corporate management.	In accordance with the resolutions and instructions of the Board of Directors, supervise all departments to promote and implement the principle of treating clients fairly to enhance the protection of consumer rights and interests.
Operation	A total of 8 meeting was convened in 2023, with an average attendance rate of 100%.	A total of 16 meeting was convened in 2023, with an average attendance rate of 100%.	A total of 1 meeting was convened in 2023, with an average attendance rate of 100%.	A total of 4 meeting was convened in 2023, with an average attendance rate of 100%.

Board of Directors' meetings are routinely held to discuss material topics. The contents of the Board of Directors' meetings are calculated and consolidated. Among the 14 Board of Directors' meetings held in 2023, all resolutions are related to the material topics listed in this year's report, with corporate governance and ethical corporate management accounting for the largest number, followed by risk management and internal control, legal compliance.

■ Performance Evaluation System for the Board of Directors and Functional Committees

A total of 14 Board of Directors' meetings were convened in 2023, with an average attendance rate of 100%. The Company has established the "Performance evaluation rules of the Board of Directors and functional committee" to evaluate the performance of the Board of Directors and functional committees annually in accordance with the evaluation procedures and indicators as stipulated in Article 6 and Article 8, while incorporating corporate governance, sustainable management and development. Performance evaluation of the Board of Directors is conducted by external professional and independent organizations or experts and scholars every three years. The evaluation results and improvement plans are reported to the Board of Directors and Functional Committees.



the Board



Board Members



the Audit Committee

Performance Evaluation Items

- The level of participation in the company's operations
- Improvement of the decision making quality of the board of directors
- Composition and structure of the board of directors
- Election and continuous education of directors
- Internal control

- Mastering the company's goals and tasks
- Cognition of the responsibilities of the directors
- The level of participation in the company's operations
- Internal relationship management and communication
- Professional and continuous education of directors
- Internal control

- The level of participation in the company's operations
- Cognition of the responsibilities of the audit committee
- Improvement of the decision-making quality of the audit committee
- The composition of the audit committee and the election of members
- Internal control

■ Directors, President's and Vice Presidents' Remuneration Policies

The Company places emphasis on the manager's overall contribution to the Company and value creation, and sets annual work targets according to respective duties. The policies, systems, standards and structure of managers' remuneration shall be considered by the Remuneration Committee and submitted to the Board of Directors for approval of the manager's remuneration level. Reasonable remuneration shall be set in line with corporate governance and sustainable operation and development.

Position	Explanation of Remuneration Policy
Director ∨ Independent Director	Independent Directors receive monthly pay at fixed amounts; those who attend Board of Directors meetings will also receive attendance fee. Other forms of remunerations to Directors is provided according to the Articles of Incorporation. The Board of Directors is authorized to determine remuneration levels for each Director based on the their involvements and contributions to the Company's operations, in reference to peer standards. Attendance fee can also be made depending on their actual attendances to the Board of Directors meetings.
Chairman ∨ Vice Chairman	As a guideline, salaries to the Chairman and Vice Chairman shall be set between 50% to 200% of the President's salary. The actual multiple is subject to the Remuneration Committee meeting and Board of Directors' approval. The other remunerations and benefits shall be determined by the Remuneration Committee and the Board of Directors after considering the personal performance, corporate operational performance, and the reasonableness of future risks; also, taking into account the general remuneration standard of the industry. The resignation and retirement payment to the Chairman and Vice Chairman is to be determined in accordance with the Company's Articles of Incorporation and the pension plan for the Chairman and Vice Chairman. The Board of Directors is authorized to have it determined depending on their participation in the Company's business operation, their contribution, and the general remuneration standard of the industry.
President ∨ Managers	The Company has a President and several managers whose appointment, dismissal and remuneration are determined in accordance with Article 29 of the Company Act. Their remuneration is based on their functions and general salary levels, which is paid with reference to annual performance appraisals and submitted to the Board of Directors for approval.

The resignation and retirement payment to the Chairman and Vice Chairman is to be determined in accordance with the company's Articles of Incorporation and the pension plan for the Chairman and Vice Chairman. The Board of Directors is authorized to have it determined depending on their participation in the Company's business operation, their contribution, and the general remuneration standard of the industry.

Directors' and Senior Management's Remuneration

Unit : thousand dollars

Title	Directors' remuneration				Remuneration as an employee			Total
	Remuneration (Note 1)	Pension	Remuneration to directors (Note 2)	Fees for services rendered (Note 3)	Salaries, bonuses, special allowances etc (Note 4)	Pension	Remuneration to employees (Cash + Stock) (Note 5)	
Chairman	75,000	0	0	240	0	0	0	75,240
Vice Chairman	15,000	0	0	208	0	0	0	15,208
Director	6,539	0	0	866	19,984	0	16	27,405
Independent Director	4,651	0	0	554	0	0	0	5,205

Unit : thousand dollars

Title	Salary (Note 6)	Pension	Bonuses (Note 7)	Remuneration to employees (Cash + Stock) (Note 8)	Total
Presidents Vice Presidents	16,872	0	54,727	122	71,721

The calculation principles for the remuneration amounts of the Board members in this table are based on their actual starting dates in the respective fiscal year. For detailed information, please refer to pages 40-49 of Yuanta Futures' 2023 Annual Report. The amounts disclosed in the table refer to remuneration paid by Yuanta Futures Co. Ltd., excluding remuneration from other companies reported in the financial statements.

Note 1: Refers to Director's remuneration in the latest year (including salaries, work subsidies, severance pay, various bonuses and incentives etc).

Note 2: The remuneration amounts refers to the amounts allocated to directors approved by the Board of Directors in the latest fiscal year.

Note 3: Refers to expenses incurred for directors in the most recent year for services rendered (including traveling subsidies, special subsidies, various forms of subsidies, accommodation, company car, and other supplies in kind).

Note 4: Remunerations received by directors who have also worked in the capacity as employees (including the position of President, Vice President, managers, and employees), including salaries, subsidies, severance pay, bonus, awards, traveling subsidy, special subsidy, different forms of subsidies, accommodation, company car, and other supplies in kind.

Note 5: For the directors who are also employees of the Company in the most recent year with remuneration received, the remuneration amount to employees resolved in the board meeting in the most recent year should be disclosed. If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year.

Note 6: Refer to salaries, position allowances, and severance pay for the Presidents and Vice Presidents in the most recent fiscal year.

Note 7: Refer to the remuneration amounts for various bonuses, awards, traveling subsidies, special subsidies, various forms of subsidies, accommodation, company cars, and other forms of compensation provided to the Presidents and Vice Presidents in the latest year.

Note 8: Refer to the employee remuneration amounts allocated to the President and Vice President in the most recent year approved by the Board of Directors. If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year.

2-2 Ethical Corporate Management

The Company has the Ethical Management Committee organized to establish a business culture of ethical management and to substantiate ethical management; also, has the “Rules Governing the Establishment of Ethical Management Committee” setup in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” of Taiwan Stock Exchange; also, complies with the “Ethical Management Best-Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” of Yuanta Financial Holdings.



■ Enforcement and Implementation of Ethical Corporate Management

1 Ethical Corporate Management Best-Practice Principles and Procedures for Ethical Management and Guidelines for Conduct

In order to prevent dishonesty, the Company expressly prohibits bribery and accepting bribes, illegal political contributions, improper charitable donations and the offering of unreasonable gifts, hospitality or other improper benefits. In addition, all procurements are handled in accordance with the “Procedures for Ethical Management and Guidelines for Conduct” of Yuanta Financial Holdings. In addition, a disciplinary and complaint system for violations of the ethical corporate management regulations is clearly defined, and information on the title, name, date of violation, content of the violation, and handling of the violation is immediately disclosed on the Company's internal website. The Company establishes risk assessment measures against unethical conduct, analyzes and assesses on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and prepares audit plans and other operations in accordance with its “Directions for Potential Risk Assessment of Unethical Conduct of Yuanta Futures Co., Ltd.”

2 Ethical Corporate Management of its Business Partners

In order to understand the ethical corporate management status of business partners, the Company requests vendors to provide the “Statement of Commitment to Integrity and Ethical Conduct” and business transaction information and check the website of the Judicial Yuan whether they have previous records of taking bribes and providing illegal political donations. Vendors are asked to follow relevant regulations on issues such as environmental protection, safety or health, and labor human rights.

3 Ethical Corporate Management Education and Training

The Company arranges regular training courses on "Ethical Corporate Management and Legal Compliance Propaganda" every year. All employees are required to participate in the training. The pass rate of examinations was 100% in 2023. The education and training aims to ensure that employees have correct knowledge and basic judgment on relevant laws and regulations and ethical behavior. All directors of our Company have completed the anti-money laundering course to acquire the necessary knowledge in the fight against corruption, as required by the financial regulators.

4 Ethical Corporate Management Supervision and Prevention

The Company established the “Ethical Management Committee”. The committee has committee members who are the department heads of the Regulatory Compliance, Risk Management, Comprehensive Planning, Management and others. The committee holds meeting at least once a year to assist the board and management to audit and evaluate whether the preventive measures established by the ethics management are working effectively. The committee regularly evaluates the compliance of the business process and produces reports to further enhance the sound management of the Company's ethics management.

■ Whistleblower System and Investigation Mechanism

In order to establish an honest and transparent corporate culture and understand the potential negative impact of the Company on the external environment, the Company has established a "report of illegal acts or events" and set up a comprehensive reporting channel, including the dedicated hotline, e-mail, and receiving addresses through the official website and the "Whistleblower System" section of the Company's website, in order to promote sound management and establish an honest and transparent corporate culture.

Whenever unethical behavior is discovered or received from the Company's staff, the investigation unit will follow the investigation procedures and submit a written report to the supervisor, the Audit Committee and the Board of Directors. If found to be true, it will be immediately stopped or prevented, or other emergency measures will be taken in accordance with relevant regulations. After a penalty proposal is confirmed, the related units will be required to submit a written review report, and the investigation unit shall follow up the improvement until completion. The Company also specifies the confidentiality provisions related to the whistleblower system. The personnel handling the whistleblower cases are required to issue a written confidentiality statement to protect the whistleblower from being improperly dealt with as a result of the whistleblowing.

2-3 Legal Compliance and Internal Control and Audit System

Yunta Futures complies with the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets". Through the establishment of the Company's Internal Audit Department, we ensure that the operations are in compliance with the regulations of the competent authorities. The Internal Audit Department is an independent unit under the Board of Directors, with a supervisor and a suitable and appropriate dedicated internal auditor depending on the size, business conditions and management needs. The Internal Audit function of the Company conducts audits on the internal control system and the accounting system in accordance with the annual audit plan for assurance of compliance, and compiles all the audit findings into reports to present to the Auditing Committee and the Board. (The results of the internal audit in 2023 showed that there was no case in violation of the regulations related to ethical corporate management). The system assists the Board of Directors and managers in checking and reviewing the deficiencies of the internal control system, measuring the effectiveness and efficiency of operations, and providing timely suggestions for improvement to ensure the continuous and effective implementation of the internal control system and serve as a basis for review and revision.

To prevent any form of bribery and corruption, the Company regularly analyzes and evaluates business activities that present a higher risk of dishonest behavior in its operations. Areas of focus include bribery and accepting bribes, improper charitable donations and sponsorships, and making illegal political contributions. There are a total of 12 audit areas. Each control area will be assessed separately based on the nature of the business, the impact and likelihood of occurrence, the effectiveness of controls, and any remediation actions or plans. In 2023, the head office and all branches completed the 2022 Dishonest Behavior Risk Assessment Operation. Each unit evaluated the check items and consolidated the self-assessment results into a risk distribution chart. The overall potential risk to the company in 2022 is low, and a corruption risk assessment was conducted in coordination with the Audit Committee. There were no incidents of corruption in 2023.

■ Operation of Internal Audit Organization

1

Preparation and Implementation of the Annual Audit Plan

The annual audit plan is prepared in accordance with the internal audit implementation rules and risk assessment results, and reported to the Board of Directors for approval. The plan is executed in accordance with the relevant regulations of the competent authorities, and the audit report and related information are kept for at least five years.

2

Report to the Board of Directors and Audit Committee

The audit supervisor shall attend the Board of Directors' meeting and the Audit Committee's meeting to report on the execution of auditing. The audit report and tracking report shall be submitted to the independent directors for review after presented. If the audit reveals any major violations or significant losses, the audit report shall be presented immediately and reported to the independent directors and the competent authorities.

3

Self-inspection and Supervision of the Internal Control System

The internal audit unit shall supervise each unit and subsidiary to conduct self-assessment at least once a year. The results after review, together with the internal control deficiencies and anomalies found by the audit unit, will serve as the main basis for the Board of Directors and the President to evaluate the effectiveness of internal control and issue a statement, which shall be kept for at least five years.

4

Improvement and Tracking of Deficiencies

Internal control deficiencies and anomalies are disclosed in the audit report and are tracked after the report is reviewed to confirm that appropriate improvement measures have been taken by the relevant units. All matters corrected or penalized by the competent authorities are considered as significant events internally, which will be confirmed in detail immediately and corrected actively. In fiscal 2023, there was one violation of the internal control system. For more information on recent cases and remediation efforts, please see the table below and page 121 of our 2023 Annual Report.

Year	Deficiencies	Contents of the punishment	Improvement measures
2023	The company's leverage trader's salesperson was involved in providing bullish and bearish advice on the future trends of gold and foreign exchange prices to clients;	A fine in the amount of NT\$120,000 was imposed by the Financial Supervisory Commission.	The offenders had been punished. The personnel had been educated about the legal compliance and the review of salespersons' online business activities had been reinforced.
2022	The company failed to report a litigation process arising from the futures transactions within the prescribed time limit.	The Financial Supervisory Commission had requested the company to perform corrective action.	Enhanced the law awareness of personnel, and reviewed the litigation declaration process with a control mechanism established.

Note: According to regulations of the Securities and Futures Bureau, any fine amount exceeding 480,000 is classified as a major violation. The Company has not incurred any major regulatory violations in the past two years.

In 2023, the Company held several educational and training courses related to internal control and internal audit to continuously improve the knowledge of legal compliance of all employees:

Participants	Organizer Course	Course name	Hours	persons
All employees	Yuanta E-Academy online education and training	Core Values/Legal Compliance Self-Evaluation/Money Laundering Prevention/Information Security/Personal Data Protection Act/Whistleblower System/Stakeholders/Safe Workplace/Financial Consumer Protection Act/Ethical Management and Regulations/TIPS/ES-G/Intellectual Property/Fairness Treatment, and other education and training	0.5~2	9,072 persons
All employees	Yuanta Futures Co., Ltd.	Education Training for Anti-Money Laundering, Countering the Financing of Terrorism, and Non-proliferation Counter-Proliferation Financing	0.5	838 persons
Senior manager	Institute for Financial Law and Crime Prevention	Anti-money laundering and counter terrorism financing practices and directors' legal obligations and responsibilities propaganda	3	7 persons
AML Supervisor/ designated personnel	Chinese National Futures Association	Analysis and Case Study on AML/CFT Conference	3	14 persons
AML Supervisor/ designated personnel	Securities and Futures Development Foundation	Anti-money laundering and countering the financing of terrorism on-job workshop	12	24 persons
AML Supervisor/ designated personnel	Taiwan Securities Association	Anti-money laundering and countering the financing of terrorism on-job workshop	3	1 persons
AML Supervisor/ designated personnel	Securities and Futures Development Foundation	Acquisition of AML/CTF qualifications	12	6 persons

2-4 Risk Management

The risk management of the Company is pursued in accordance with the Risk Management Policy of Yuanta Financial Holdings and the requirements of “Risk Management Best-Practice Principles For Futures Commission Merchants” of Taiwan Futures Exchange. The Company has established a "Risk Management Policy" to regulate the purpose, scope, authority and responsibility of risk management and the system to be adopted, serving as the basis for the Company's risk management. Chapter 5 of this report discusses climate risk management.

■ Risk Management Organization Structure

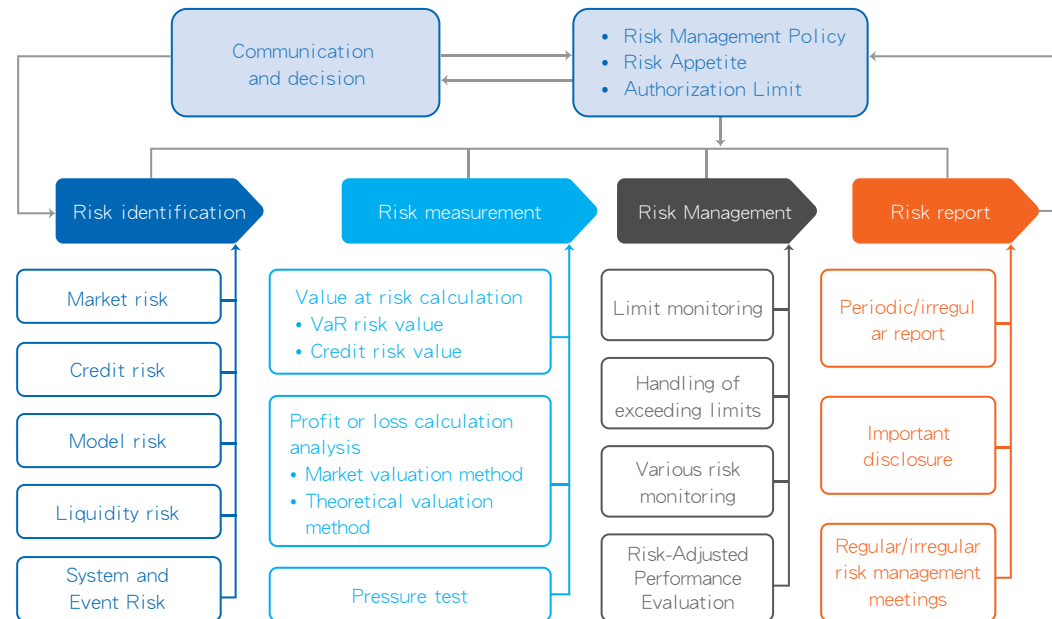
The risk management organization of the Company includes the Board of Directors, Audit Committee, Internal Audit Department, Risk Management Department, Legal Compliance Department, and all business units to collective form three layers in risk management.



■ Risk Management Procedures

The risk management procedures of the Company is divided into four main steps: Risk identification, risk measurement, risk management and risk reporting to ensure that all risks within the Company are effectively managed.

Risk identification is the process of identifying various risks in the operating process through business or product analysis, summarizing risk factors, establishing appropriate risk indicators and standards, and measuring risk through sensitivity analysis and value at risk (VaR) models. The annual limits for each type of risk are reviewed by the Audit Committee and approved by the Board of Directors, and then controlled by the Risk Management Department, which is independent of the business units. In addition, risk management performance is reported to the Audit Committee and the Board of Directors on a regular basis. Various risk management reports are used to assist senior management in making decisions and achieving immediate risk management.



2-5 Investor Relations Maintenance

In order to keep investors and all stakeholders informed of Yuanta Futures' operations, and enable stakeholders to seek policy and practical advice on the organization's responsible business practices, and to raise concerns about the organization's business practices, the Company has set up on its official website a special section to inform shareholder about financial and stock information, as well as established a contact window and a suggestion and complaint box to facilitate communication between the Company and its stakeholders.

■ The items for investor relations maintenance are as follows:

Item	Description
Establish free customer service hotline: 0800-333-338 and customer service mailbox: futures@yuanta.com	Stakeholders can make suggestions and raise concerns through this channel
A "Shareholders' Section" is available on the Company's	Information on shareholders' meeting, stock price, ex-rights and ex-dividend over previous years, credit rating, major company information and investors' conferences
An "Investors' Section" is available on the Company's website	It contains answers to questions, compiles FAQs from investors, discloses the communication with stakeholders, and provides contact information for stock agents.
Information disclosure on the MOPS	Provides information on investor rights and interests, such as stock allotments and dividends payments, etc.
A contact window for investors (shareholders) is available on the Company's website: Investor contact / Spokesperson KarenYuan@yuanta.com	A spokesperson and an acting spokesperson serve as a channel of communication between the Company and stakeholders. Shareholders and investors can provide their opinions through the channel to facilitate adequate communication between the Company and stakeholders.
Organize investment and wealth management seminars and forums	Assist investors to improve their financial knowledge and construct correct investment concepts

2-6 Tax Governance

■ Tax Governance Policy

In order to implement tax compliance, effectively manage tax risks, strengthen and implement corporate sustainable development goals, and enhance shareholder value, the Company follows Yuanta Financial Holding's "Tax Governance Policy" to improve its tax management system and tax governance culture. Relevant tax planning and periodic reporting as well as the preparation and reporting of financial statements are performed by the Accounting Department.

Yuanta Futures implements tax governance in accordance with the following principles:

Principles of the Policy	Description
Legal compliance	Comply with the tax regulations and the spirit of legislation of each country in which we operate, complete tax reporting and tax payment in accordance with the law, and fulfill our social responsibility as a tax payer.
Tax structure	We will not use tax avoidance as the main or sole purpose of rent planning and organizational restructuring.
Economic substance	<ul style="list-style-type: none"> When conducting tax planning, we will not intentionally transfer profits or organizational structure to the blacklisted countries listed by the Organization for Economic Cooperation and Development (OECD) and the European Union, or countries or regions with low tax burden outside overseas (e.g., tax havens) as defined by domestic Income Tax Act. Transactions with related parties must comply with the principles of regular transactions. The pricing should reflect the economic substance in compliance with the OECD and the laws and regulations of the countries in which we operate to prepare relevant instruments for transfer pricing in order to comply with the transfer pricing regulations.
Risk control and management	<ul style="list-style-type: none"> Tax planning should be in accordance with the principles of sustainable development and risk management in order to protect shareholders' rights and interests and create shareholder value. In order to reduce the domestic and overseas tax risks of the Company and its subsidiaries, the Accounting Department should actively participate in the discussion of important or special tax issues between the Company and its subsidiaries due to differences in tax opinions and planning. If necessary, external professional advisors may be appointed or consulted to effectively manage tax risks and assess countermeasures.
Active communication	Maintain good communication with tax authorities in a timely manner and provide practical views and experience in the industry to help improve the tax environment and the national tax system.
Information transparency	Comply with financial reporting standards and other relevant laws and regulations, and regularly disclose tax information in financial reports and other public information to ensure that tax information is transparent and open.
Talent cultivation	Continue to cultivate and strengthen tax professional functions through education and training and participation in various tax seminars.

■ Tax Audit and Risk Management

Through the Accounting Department and PwC Taiwan, Yuanta Futures ensures the proper operation of taxation. In order to manage tax risks, the Accounting Department of the Company performs a regular annual internal control self-assessment and two regular annual legal compliance self-audits to ensure that all taxes are reported and paid in accordance with regulations. Tax information is ultimately disclosed in the financial statements, which are certified by the accounting firm, through the official website, annual report and other various public channels. The Company has also set up a whistleblower mailbox and hotline to enable stakeholders to report tax irregularities or unethical matters.

■ Stakeholder Communication and Management of Tax Issues

Yuanta Futures' direct influence on tax compliance is the governmental authorities. The Company's tax reporting and payment operations are conducted in accordance with the law. If there is any uncertainty about the applicable tax laws and regulations, we will take initiative to contact the government authorities to discuss the appropriate actions. In the event of a tax audit, we will prepare relevant information for auditing immediately upon receipt of notification.

■ Net Income, Net income Before Tax, and Income Tax Payment for 2023 by Tax Jurisdiction

(Unit: NTD thousand, person)

tax jurisdiction	Unrelated Party's Revenue	Related Party's Revenue	The Sum of Revenue	Profit before tax	Paid Tax	Current tax	Number of employees	Tangible asset
Yuanta Futures Co., Ltd.	5,561,742	595,623	6,157,365	2,286,740	396,449	434,021	417	781,848
SYF Information Co., LTD.	7	2,519	2,526	2,182	0	0	0	0
Yuanta Futures (HK) Co., LTD.	207,659	21,810	229,469	68,552	0	0	26	9,760

Details: The difference between "income tax paid" and "current income tax" is mainly due to the tax exempt income in accordance with tax regulations and underestimation of income tax in prior years.

Note: The number of employees shown in this table includes employees who were previously employed in 2023, so it may differ slightly from the total number of employees as of December 31, 2023, which is 396.

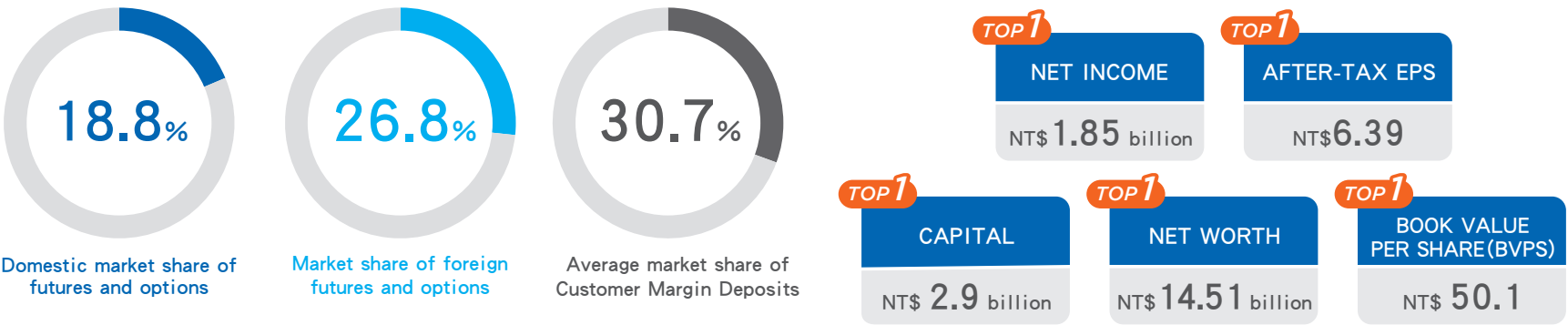
A hand holding a smartphone is the central focus, with various futuristic digital overlays. A cluster of glowing blue cubes is prominent in the upper right, with binary code (0s and 1s) floating around them. Several circular icons are visible: a globe, an atom-like structure, a padlock, and a network diagram. The background is a dark blue with a hexagonal pattern. A large orange and white curved shape is at the bottom.

Chapter

03

INNOVATIVE GOODS &
MULTIPLE SERVICES

Yuanta Futures has long been committed to the futures industry. It is the largest futures dealer in Taiwan and the leading brand in Taiwan's futures industry, with outstanding performance in all financial and business indicators significantly ahead of the industry. In addition to continuing to strengthen its management, Yuanta Futures continues to refine its R&D and innovation capabilities in order to provide customers with a more diversified investment horizon and professional services, offering traders the best futures trading experience.



3-1 Financial Innovation Products and Services

Yuanta Futures is a futures commission merchant specializing in brokerage, proprietary trading, consultation, and leverage transaction merchant; it offers various services including hedging, speculation, arbitrage etc. As a result, the Company has no significant upstream or downstream supply chain relationships. The more common types of business partners or suppliers include information, renovation, office equipment, consulting (labor), stationery printing, media advertising, gifts, and others.

▼ Major Businesses of Yuanta Futures :

Futures brokerage	Proprietary futures trading	Futures consultation	Leverage Transaction Merchants
Consigned trading of futures and options contracts over Taiwan Futures Exchange. Consigned trading of U.S., Singaporean, Japanese, Hong Kong, and European futures and options.	The company engages in domestic and international futures trading and domestic and international securities trading as announced by regulatory authorities, using its own funds. It also conducts business activities in proprietary information system research and development.	Provide research analysis or recommendation opinions on transactions or investments related to projects announced or approved by regulatory authorities. Publish books related to futures and organize various futures training activities.	We can issue various transaction of leverage contracts businesses, such as forward contracts, options contracts, exchange contracts, and contracts for difference. Currently, we have introduced products such as foreign currency margin and structured products, etc.

■ Digital Finance

Yuanta Futures has been actively building a digital financial environment in recent years, and has set up the Digital Finance Department responsible for the planning and integration of related businesses. In response to environmental protection, we continue to promote various online financial services. Traders can open accounts, change information, sign, and apply for e-statements through the online services provided by Yuanta's official website in one stop, fulfilling Yuanta Futures' commitment to environmental sustainability.

Online account opening statistics for the past three years
(including digital channels such as the Internet and mobile APPs)

Year	2021	2022	2023
Annual number of new accounts (online)	4,450	5,299	6,342
Annual number of new accounts (physical + online)	15,478	13,385	11,688
Percentage (%)	28.75%	39.59%	54.26%

Statistics of new accounts using e-statements in the past three years

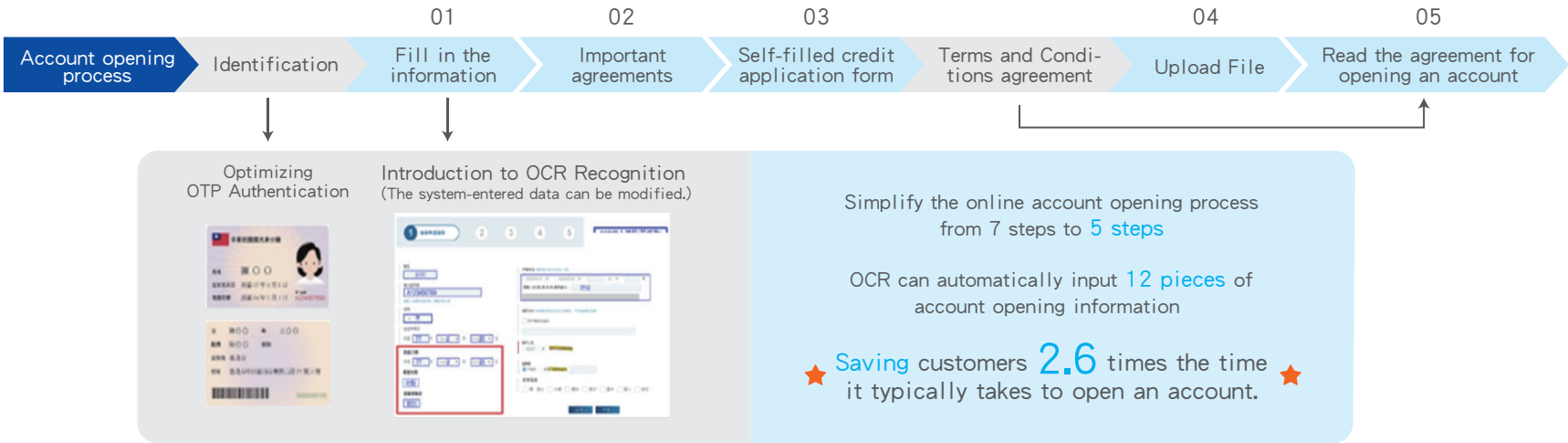
Year	2021	2022	2023
Number of new accounts using e-statements	14,820	12,919	11,385
Annual number of new accounts	15,478	13,385	11,688
Percentage (%)	95.75%	96.52%	97.41%

Note: Due to the first level 3 alert for the domestic pandemic outbreak in 2021, most people were less likely to open accounts at physical locations, resulting in a significant increase in online account opening and e-statement applications.

Yuanta Futures is continuously improving its digital financial services with a focus on customer centricity. By simulating various customer scenarios, it provides a range of online account opening services for both domestic and international futures/options traders and leveraged traders. In addition, it has implemented tools such as Optical Character Recognition (OCR) and Robotic Process Automation (RPA) to significantly reduce the time required for manual verification and reduce customer waiting time, thereby improving overall operational efficiency. To enhance the convenience and security of financial transactions, in 2023, Yuanta Futures actively cooperated with the Group to introduce the FIDO authentication mechanism (in conjunction with the Financial Supervisory Commission's digital identity authentication and authorization trial) to streamline the account opening process and personal data authorization through identity verification. This eliminates the cumbersome process of filling out extensive account opening information in the past and accelerates the efficiency of account opening operations. As a result, customers can enjoy the highest quality options trading smart ecosphere at Yuanta Futures.

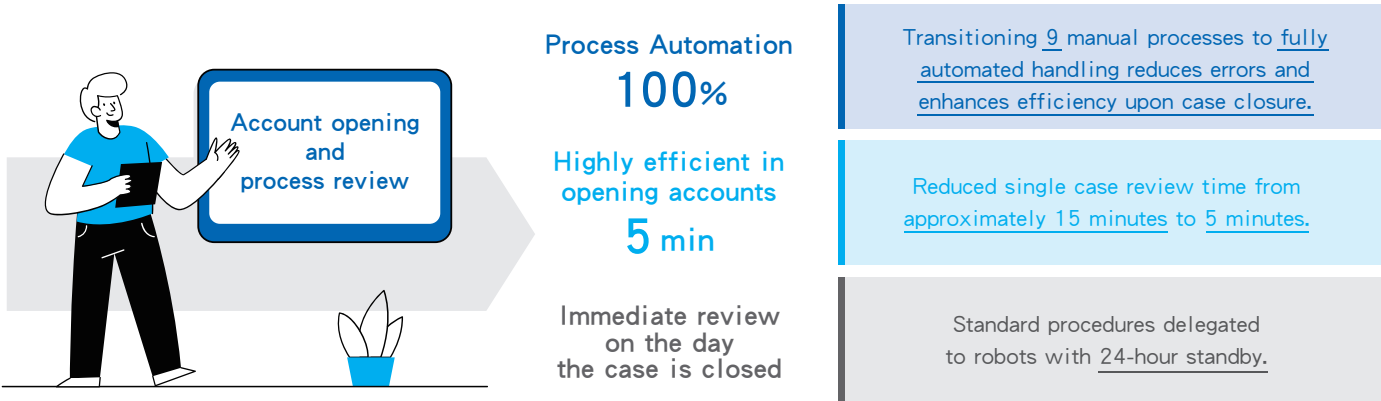
Digital Financial Application - OCR Automatic Recognition

Optical Character Recognition (OCR) technology has been fully implemented in the account opening process. This technology enables computer scanning systems to recognize text in images and automatically enter the data in the required format. By eliminating the need for customers to manually enter information, this technology reduces the error rate associated with manual data entry and improves the efficiency of the account opening process compared to the previous manual entry process.



Digital Financial Application - RPA Automated Process Robot

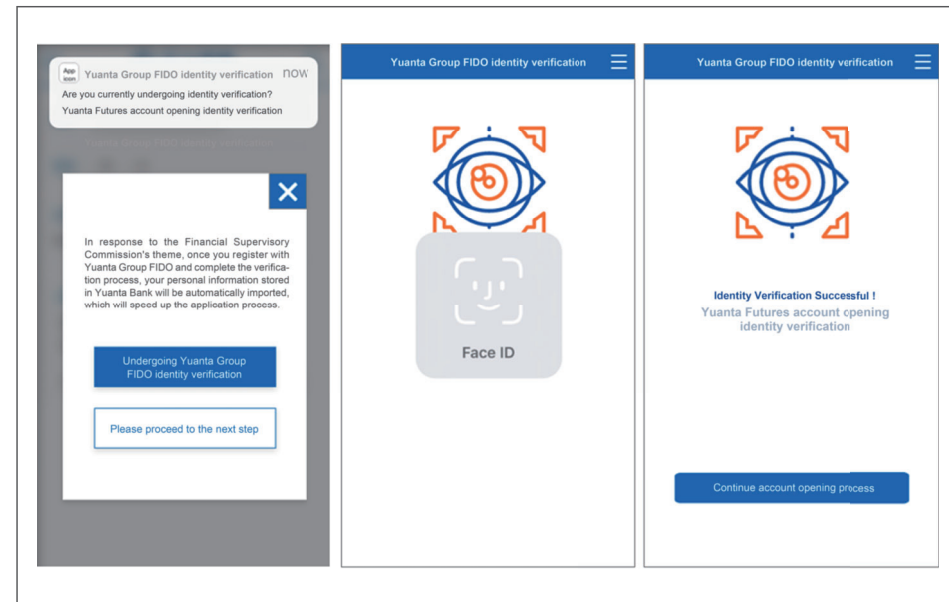
Yuanta Futures has implemented Robotic Process Automation (RPA) in its account opening process. This technology helps account opening personnel in quickly verifying account opening operations and reducing errors in manual data entry. As a result, the review speed of online account opening cases is accelerated, leading to improved overall service satisfaction and operational efficiency.



Yuanta FIDO Data Sharing and Identity Authentication System

In response to the Financial Supervisory Commission's initiative on "Digital Identity Authentication and Authorization," Yuanta Financial Holdings will debut the "Yuanta FIDO Data Sharing and Identity Authentication System" in August 2023. This system adopts the financial FIDO technology standard developed by the Financial Action Identity Recognition Alliance and pioneers two major services: automated data import for account opening and an overview of Yuanta Group's assets. Users can access detailed asset information across 'Banking, Securities, Life Insurance, Futures, and Investment Trust' through specific Yuanta Group apps, mitigating the risks and inconveniences associated with data input errors. Simultaneously, it addresses the limitations and risks inherent in traditional password-based identification systems by leveraging public key cryptography and biometric authentication technology to bolster security and enhance the user experience.

*Yuanta Mobile Banking App, Yuanta Securities Investment Mr. Investment App, Yuanta Life iCare App, Yuanta Fund Mr. Fund App.



iTRADER Trading Expert

With the core concept of "focusing on customer experience", Yuanta Futures has built "iTRADER Trading Expert", which is an innovative integration of cloud intelligence service that provides 24-hour intelligent strategy trading services. It is the industry's first self-developed options computer order software with multi-task functions on one screen, custom template assembly functionality, as well as exclusively developed line drawing trading technique and effective cloud order functions, etc. In addition, it enhances the application of program trading, improves the accuracy of backtesting, provides traders with the most suitable trading strategies, and provides an user-friendly interface.

With the significant growth of financial technology mentioned above, Yuanta Futures has also recognized the importance of "intellectual property protection" and "financial patents" as crucial issues. Since 2021, it has achieved TIPS A-level certification for three consecutive years, establishing itself as a leading futures broker in Taiwan.



iTRADER Integration Architecture

3-2 Research Upgrades and Diversified Reporting Channels

The Company's research department continues to refine its research reports and focuses on financial innovation, digital content development, and digital platform promotion. We also respond to overseas clients' needs by regularly providing the Hong Kong futures weekly trading report, Hang Seng futures after-hour trading report, and overseas product futures weekly trading report. For corporate customers, we continue to enhance industry corporate visits, provide feedback on analysts' viewpoints, customized research reports, and strategic modeling to enhance the value of Yuanta Futures' professional research.

By optimizing the readability and diversity of research reports, we provide traders with more timely research information through community posts, videos, audio, and other means. Prepare customized industry and corporate project briefings for corporate customers; provide strategic hedging and forward-looking analysis to have futures services extended to industry and corporate physical economy services.

■ Research Reports

The "Key Research Reports Section" of Yuanta WinTech Website publishes over 200 research reports each month. The Yuanta Futures research team provides in-depth analysis of eight categories of dynamics and regularly releases key information according to the categories, including recent popular topics, forecasts of important events, quarterly investment outlook, individual product trends and fundamental analysis, and economic data analysis to assist traders in capturing investment opportunities.



COMPREHENSIVE MARKET ANALYSIS

Futures Research Reports

Based on domestic and international commodities, we conduct analysis and research in three areas: fundamental analysis, technical analysis and market sentiment analysis. We offer both regular and ad-hoc research reports.



Domestic commodities

- Impact of Ex-Dividend on Individual Stocks
- Stock Futures Daily Report
- Daily Report on Securities and Futures Options

International commodities

- After-Hours Daily Report on Foreign Goods
- International Commodity and Financial Trader Report
- Futures Curve Report
- Raw Materials and Crop Growth Report
- Asian Futures Daily Report

3-3 Customer Service and Rights and Interests Protection

From the perspective of customer needs, our Company has been continuously implementing the BS 10012:2017 Personal Information Management System (PIMS) international standard certification since 2021 to ensure the full protection of customer rights. In addition, we are dedicated to customer relationship management, providing considerate and customized services.

■ Principle for Financial Service Industries to Treat Clients Fairly

Yuanta Futures adheres to the spirit of providing "thoughtful services" and implements the principle of treating clients fairly with customer experience as the core. In order to implement the principles, the Company completed the organization and operation details of the Treating Clients Fairly Committee in 2019 and established the committee. The committee holds quarterly meetings to optimize the principle of treating clients fairly and strengthen consumer rights protection. In the second quarter of 2023, the Financial Supervisory Commission revised the "Principles of Fair Treatment of Customers in the Financial Services Industry." Our Company will comply with the updated policies and strategies outlined in the "Principle for Financial Service Industries to Treat Customers Fairly."



In the scope of our business, we are enhancing friendly financial services for all demographics. In 2023, we officially launched measures such as friendly service counters and gender-friendly restrooms. At the same time, in line with the Financial Supervisory Commission's promotion of the "Accessible Communication Environment Action Plan," our company has implemented accessibility codes for our website and became the first futures firm to receive the "AA Level Certification Stamp," providing a friendly financial website experience for people with disabilities, further promoting a more humane and convenient financial service environment. For elderly or mobility-impaired customers, we also offer the following services to ensure fair treatment.



Accessible facilities

- All five branch offices are equipped with accessible facilities and are staffed by dedicated personnel.
- Special production manuals for setting up accounts for vulnerable and special customers to enhance internal staff education and training



Official Website Services

- Establishing a Financially Friendly Service Section
- Establishment an Anti-Fraud Section
- The text can be enlarged by adjusting the zoom button



Elderly Care Services

- The account opening counter provides magnifying glasses and reading glasses.
- Obtaining the government-issued certification badge for 'Dementia-Friendly Financial Institutions'
- In order to comply with regulations, we have implemented account opening and transaction control measures specifically for elderly customers. Additionally, we conduct regular due diligence investigations for customers who are 70 years old and above.

Customer Risk Management

The Company attaches great importance to risk management in customer transactions and actively implements customer care. We make every effort to ensure that operational processes are compliant and efficient, and utilize the Company's accumulated risk management techniques and expertise to improve risk management and customer experience. We offer the following services and integrate 24-hour customer service to provide global online services.

Transaction Settlement

- Exchange Rate Comparison by Intelligent Program on Wednesday
- Customer Credit Limit Control
- KYC Anti-Money Laundering System
- Real-time Alert on Equity Numbers
- Optimizing Partial Offset

Risk Control

BEFORE

Analysis and Review of Customer Transaction Patterns

MIDDLE

Real-time control for sales representatives, providing early customer alerts

AFTER

Fully optimized version representing the entire industry, eliminating the warehouse program, and implementing real-time margin call

Information Integration

- Backend Account System Capacity Tripled
- Rapid DMA Connection
- High-Speed Market System
- Development of an Intelligent Investment Platform
- 360-Degree Cybersecurity Protection

Customer Satisfaction

Yuanta Futures strives to protect the rights and interests of customers. We take a positive attitude in facing customer problems and understanding the causes of customer complaints. Through horizontal contact and communication between departments, we track and evaluate whether customers are satisfied with the results of customer complaints. In addition, through education and training courses and daily guidance from supervisors, we strengthen our communication and handling skills in dealing with customers. Since 2021, Yuanta Futures has been annually obtaining the service verification for the "ISO 10002:2018 Customer Grievance Management System," making it the first futures broker in Taiwan to pass this verification. We expect to strengthen the analysis of the causes of customer complaints through independent third-party certification, improve customer satisfaction in all aspects, and demonstrate a high standard of service quality.

Customer Satisfaction						
Satisfaction Survey	2021 Goals (%)	2021 (%)	2022 Goals (%)	2022 (%)	2023 Goals (%)	2023 (%)
Yuanta Futures Customer Satisfaction	95.00	97.16	95.00	98.12	95.50	97.63



■ Personal Information Protection Policy

Yuanta Futures was certified by the International Assurance Standard "BS10012 (PIMS) :2017 Personal Information Management System" in 2022 for the first time. In order to implement personal information protection, Yuanta Futures has established six operating rules and regulations related to "personal information protection", including "Personal Data Protection Policy", "Personal Data Management Measures", "Personal Data Management Regulations", "Personal Data Protection Team Implementation and Operation Regulations", "Procedures for the Exercise of the Personal Data Rights" and "Procedures for the Establishment of a Personal Data Inventory and Impact Analysis". In addition, the Company has set up a cross-unit "Personal Data Protection Team" as a dedicated unit to conduct annual risk assessments of the security of personnel information and personal data inventory to protect customers' rights and interests and fulfill our duty to protect the confidentiality of customers' personal information, providing stable, safe and convenient financial services.

■ Information Security Management Mechanism

Yuanta Futures has established an "Information Security Policy" as the basis for establishing an information security management system and setting up related information security management regulations and procedures. In order to achieve the objectives of "protecting the security of information assets" and "maintaining business continuity for sustainable operation", The ISO 27001:2022 Information Security Management System (ISMS) certification was also completed in 2023 and has been certified by the British Standards Institution (BSI) to comprehensively strengthen the Company's information security and personal data protection mechanism to protect the rights and interests of customers' transactions. There were no data breaches for Yuanta Futures in 2023. The percentage of data breaches involving personally identifiable information out of total data breaches for Yuanta Futures was 0% in 2023. There were no holders affected by data breaches for Yuanta Futures in 2023.

The traditional transactions and service patterns are affected by the emerging Internet technology. The mission is to enhance staff occupational functions and crisis awareness, and to improve information security management mechanism through regular review and information security management specifications update in order to comply with laws and regulations and the latest information security requirements and standards, and to respond to information security threat attacks, backup drills, education and training, etc. To ensure the continuous operation of the Company and strengthen the resilience of our information systems and information security, our Company has been implementing a core accounting system replacement project since 2018, with an investment of approximately NT\$120 million. The project was approved by the Board of Directors in the same year. Thereafter, we have been conducting regular evaluations of core operating systems and equipment expenses on an annual basis to ensure the stability of our systems and protect the rights of our customers. For 2023, approximately NT\$90 million has been allocated for the maintenance and operation of core operating systems and equipment. Our planning for information security enhancement is as follows



1. Construction of the Information Security and Event Management(SIEM) platform:

Construct the SIEM active analysis management system that can collect information equipment logs comprehensively. The effort of setting alarm indicators and applying the system data correlation analysis capabilities can greatly help shorten manual work and reduce event misjudgments, and achieve rapid detection and response to new types of attacks and threats.



2. Introduce an endpoint security protection system:

In order to detect malicious programs in time and automatically defend attacks, an "Endpoint Detection and Response" (EDR) system will be constructed to analyze users' behavior through the monitoring software installed on each terminal computer in order to prevent the risks of malicious programs or latent attacks by hackers induced by Internet access in order to improve the security protection capabilities of endpoints.



3. Construction of the host security protection system:

In order to enhance the anti-virus protection mechanism of non-Windows operating systems and arrange compensatory measures when the system and application system fail to correct vulnerabilities in time, it is important to enhance the host's ability to defend against exploiting attacks through virtual patch protection technology.



4. Introduce a risk-based vulnerability management system:

In order to quickly grasp vulnerability and ensure that the processing personnel will be informed automatically of the new vulnerability discovered by scanning, a vulnerability repair management system is introduced to manage vulnerability and to notify the asset management personnel automatically and correspondingly, grasp the timing of vulnerability repairs, and utilize automated process and screen important vulnerability for repair to reduce the chance of system vulnerability being exploited by hackers and cause information security threats.



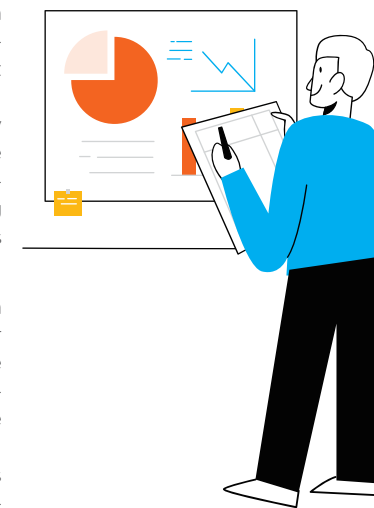
5. Conduct information security check and risk evaluation:

In accordance with the securities and futures dealer information security protection standards and self-discipline standards announced by the Chinese National Futures Association, various information security check operations are executed. They include information security diagnosis and compliance review, which are intended to find weaknesses and information security threats, thereby achieving the purpose of strengthening the organization's internal information security structure.

■ Marketing and Labeling

To protect the rights and interests of customers, the Company's marketing and labeling measures are in accordance with the "Regulations on Advertising and Sales Promotion Activities in the Financial Services Industry" of the FSC, the "Regulations on Advertising and Sales Promotion Activities of Members and Futures Trust Fund Sales Organization" of the Chinese National Futures Association, and the "Management Guidelines on Advertising and Sales Promotion Activities" of the Company. The Company's products, marketing activities and services shall avoid misleading financial consumers' judgment, shall clearly indicate relevant information on the MOPS and publications, and shall comply with the principles of ethical conduct, ethical principals, and the spirit of protecting financial consumers to maintain fair futures trading. The Company provides relevant information or explanations on its official website and marketing publications, and complies with the 22 information and disclosure principles and 3 reasonable explanation rules in accordance with the Company's "Management Guidelines on Advertising and Sales Promotion Activities". In 2023, our Company complied with all marketing and communication regulations. For details on violations related to product and service information and labeling, please refer to Chapter 2 of this report, page 36.

The Company also operates as a leverage trader. In accordance with the Company's "Management Guidelines on the Review of the Transaction of Leverage Contracts", the Company shall conduct a review of new products prior to the issuance, initial trading, or underwriting (hereinafter collectively referred to as pre-issuance) of new products. The review procedures of the pre-issuance of new products include: ① The leverage trader prepares the prospectus and customer notices, and the business unit fills out the "Transaction of Leverage Contract Review and Inspection Form", which states the product nature, management strategy and business policy, and protection of customer rights and interests. ② The executive vice president or above shall be the convener and convene the dedicated business unit, Risk Management Department, and Legal Compliance Department to form a product review team and hold a review meeting to review the product nature, protection of customer rights and interests, management strategy and business policy, risk management, and compliance with laws and regulations one by one. ③ After compiling the review opinions, it is reported to the President for approval before undertaking or authorization.



3-4 Financial Inclusion

In response to the FSC and Yuanta Group's financial inclusion policy, the Company ensures that the disadvantaged and low-income people and micro, small and medium-sized enterprises have access to new financial services, eliminating the lack of services that are common in rural areas or among economically vulnerable groups. The core concepts of financial inclusion include the three aspects of Access, Usage, and Quality. Yuanta Futures strives to integrate the concept of financial inclusion into the development of related products and services by combining its core functions in order to achieve the long-term development goal of realizing the vision of inclusive finance.



CFD PRODUCTS

In 2021, Yuanta Futures was approved by the competent authorities to launch the CFD products. In addition to the existing foreign exchange, gold and crude oil, CFD products for foreign stock index, individual stocks (foreign) and silver have been added, and the smallest-scale foreign index commodities in Taiwan have been introduced, which can be traded in the international market at a minimum of around NT\$300, enabling people with mediocre incomes to participate in the bulk option market in order to achieve the long-term development goal of increasing the population's participation in the financial market.



Financial Education Activities

With the increasing diversity of financial services and products, in order to reduce information asymmetry and enhance fairness and transparency, the Company has organized various financial knowledge courses through various channels in recent years, including the "National Colleges and Universities Transaction of Leverage Simulation Competition" with Fu Jen Catholic University in 2023. Through industry-academia cooperation, we promote financial knowledge on campus, and nurture and encourage students to participate in the CFD market with creativity.

3-5 Sustainable Finance

Yuanta Financial Holdings is a member of the Sustainable Leaders Alliance, working with the industry to advance five key initiatives: green procurement, information disclosure, investment and financing, external promotion, and international alignment. Our goal is to support Taiwan's goal of achieving net-zero emissions by 2050. Yuanta Financial Holdings is at the forefront of sustainable development, demonstrating excellence in corporate governance, information transparency, green energy operations, and sustainable awards within the futures industry.

In the last few years, the global financial markets have also recognized the importance of implementing sustainable investment. Yuanta Futures, with its expertise and influence, is actively promoting sustainable social development.

- The Company complies with the Group's "Sustainable Financial Guidelines" and has established the "Marketable Securities Mid and Long Term Investment Guidelines" and the "Operational Guidelines for Environmental, Social, and Corporate Governance (ESG) Investment Evaluation in the Proprietary Trade Department." ESG factors are integrated into daily operations and decision-making processes. ESG risks are assessed before investment decisions are made, and efforts are made to support proactive industries. Additionally, the Company also follows the Group's "Industry-Specific Environmental and Social Risk Management Guidelines" to regulate the avoidance of doing business with certain companies. In 2023, the Company's medium- and long-term investments amounted to a total of NT\$904 million, of which 100% of the total investment amount was in compliance with the Principles for Sustainable Investment. In addition, the Company has no revenue from underwriting and securitization transactions due to the relevant regulations, and only provides research and analysis opinions or recommendations on transactions or investments related to projects announced or approved by the competent authorities. The Company's income from consultancy amounted to NT\$9.51 million in 2023.
- In March 2021, the Company exclusively launched the Europe 600 ESG futures and continued to develop the "FTSE4GOOD" on the Taiwan Futures Exchange in an effort to promote the concept of ESG sustainable investment. The turnover of "FTSE4GOOD" is 8,780 lots in 2023. This turnover represented the largest market share among the futures companies. This effort underscores our commitment to advancing the concept of ESG sustainable investment.

Amount and Percentage of Sustainable Investment		
Investment Industry	Investment Amount (NT\$100 million)	Investment Percentage
Computer and peripheral equipment manufacturing	0.47	5.2%
Communication Network	1.41	15.6%
Shipping	3.03	33.5%
Semiconductor	4.13	45.7%
Amount of investment meeting the Principles for Sustainable Finance	9.04	100%





Chapter

04

EMPLOYEE CARE &
DEVELOPMENT

4-1 Basic Human Rights Protection of Employees and Employment Structure

■ Human Rights Protection

In order to protect and safeguard basic human rights, Yuanta Futures recognizes and supports the spirit and basic principles of human rights protection disclosed in the “Universal Declaration of Human Rights”, the “United Nations Global Compact”, the “International Labour Convention”, and other international human rights conventions to fulfill the responsibility of respecting and protecting human rights and comply with the labor-related laws and regulations of the Company's location. Yuanta Futures’ human rights policy is as follows.

Human Rights Policy of Yuanta Futures



Protect human rights at the workplace

Prohibit forced labor, child labor, sexual harassment, and other human rights violations, and do not treat employees differently or discriminate against employees in any way due to any factor, in order to ensure the protection of employees' human rights at the workplace and provide a respectful and equal workplace environment.



Provide a healthy and safe workplace

Comply with relevant laws and regulations on occupational safety and health, take care of the physical and mental health of employees through safety and health work, education and training, employee health checkups or health promotion activities, improve and enhance the safety and health conditions of the workplace environment, and reduce the risk of occupational disasters.



Implement equal pay for equal work

Salaries are paid to employees without discrimination against gender or sexual orientation. Employees are paid the same salary for the same work or value. However, this is not the case for legitimate reasons of the lengthen of work, rewards and punishments, performance, or other reasons not based on gender or sexual orientation.



Support freedom of association

Respect the right of employees to form and join various clubs and organizations, and provide appropriate and diversified activities to enhance the work-life balance of employees.



Promote harmonious labor and employer relations

Care about and manage issues related to employees' labor rights and interests, and implement communication between employers and employees to protect and enhance employees' rights and interests through regular labor-management meetings and providing channels for employees to propose complaints or suggestions.



Personal information protection

Comply with laws and regulations regarding personal information protection, ensure that the collection, processing, and use of personal information comply with legal requirements, and protect and safeguard the rights and interests of personal information.








Human rights policy promotion

In addition to supporting and practicing human rights protection, we have established the "Human Rights and Environmental Sustainability Provisions" to encourage our partners, including suppliers, to work together to pay attention to human rights issues and manage relevant risks.

Note: Please refer to the official website of Yuanta Futures for the complete Human Rights Policy: https://www.yuantafutures.com.tw/csr_07

In order to substantiate the “Human Rights Policy,” the Company identifies risk and formulates corresponding management measures for human rights issues, regularly evaluates the effectiveness of implementation and adjusts management measures based on the assessment results in order to control and mitigate risks, and refine the Company’s human right protection in various issues. In 2023, the human rights risk assessment rating was low. Yuanta Futures will continue to follow the human rights policy of Yuanta Financial Holdings.

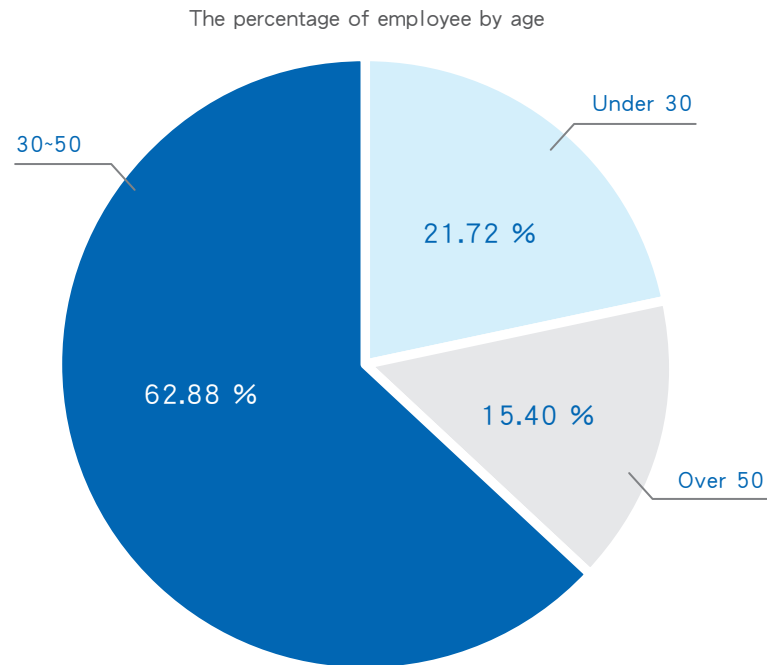
Human Rights Risk Assessment and Management Table of Yuanta Futures

 Issues	 Targets of Assessment	 Source of Risks	 Management Measures	 Percentage of Human Rights Risk in 2023 (%)
Workplace inclusion	Disabled staff	<ul style="list-style-type: none"> Interview during recruitment 	<ul style="list-style-type: none"> Ensure the control and management of the number and proportion of employees with physical and mental disabilities Set up a friendly space for employees with physical and mental disabilities 	1.01%
Occupational safety and health	All employees	<ul style="list-style-type: none"> Workplace during the period of exercising duties 	<ul style="list-style-type: none"> Protect the health and safety of employees, prevent occupational disasters, and regularly monitor the workplace environment to ensure workplace safety Regularly implement labor safety and health education and training for to raise employees’ awareness of hazards Regularly educate employees about life, diet, exercise and health promotion, and hold relevant seminars Organize fitness tests and health promotion activities for employees Regularly invite special hospital doctors to provide health consultation services 	
Discrimination and sexual harassment	All employees	<ul style="list-style-type: none"> During the recruitment interview (between the interviewing supervisor and the job applicant) Interaction between supervisor and employee or between employees 	<ul style="list-style-type: none"> Ensure the compliance with laws and regulations such as non-discrimination Provide an equal workplace environment by explicitly prohibiting discrimination and sexual harassment in work rules and related regulations Regularly organize sexual harassment prevention courses to enhance the concept of gender equality for supervisors and employees Provide relevant complaint channels for employees to express opinions immediately Establish a sexual harassment complaint handling committee to handle relevant cases fairly 	
Working hours	All employees	<ul style="list-style-type: none"> Labor shortage or short-term increase in business volume When meeting the needs of specific activities 	<ul style="list-style-type: none"> Ensure the compliance with the labor laws and regulations, which are clearly defined in the work rules and relevant regulations Continuously promote the Company's normal working hours and extended working hours regulations We have established an attendance and overtime management mechanism to assist employees and supervisors in controlling working hours and extended working hours 	
Labor disputes	All employees	<ul style="list-style-type: none"> Differences in awareness and poor communication between employers and employees 	<ul style="list-style-type: none"> Ensure the compliance with the labor laws and regulations, which are clearly defined in the work rules and relevant regulations Conduct regular labor - management meet in gsand communicate with employees properly to ensure smooth labor-management relations Conduct regular labor law courses to help employees understand their labor rights and assist supervisors in understanding labor laws and regulations in order to establish appropriate management concepts 	

Note: Percentage of human rights risk (%) = Number of employees identified with risks / Total number of employees during the year



■ Employee Structure

Yuanta Futures is based in Taiwan and recruit mainly Taiwanese employees. 100% of the senior management are Taiwanese. As of December 31, 2023, the total number of full-time employees was 396. The Company strives for a balanced employee structure, with 50.76% of male employees and 49.24% of female employees, of which the percentage of middle and senior female supervisors accounted for over 40%. The Company has work rules reported lawfully and disclosed on the Company's internal website, held labor-management meetings regularly, and actively recruited handicapped and aboriginal people to show respect for internationally recognized principles of basic labor rights.





Note: The average age of employee is 40

The number of gender representation for managerial position and non-managerial position

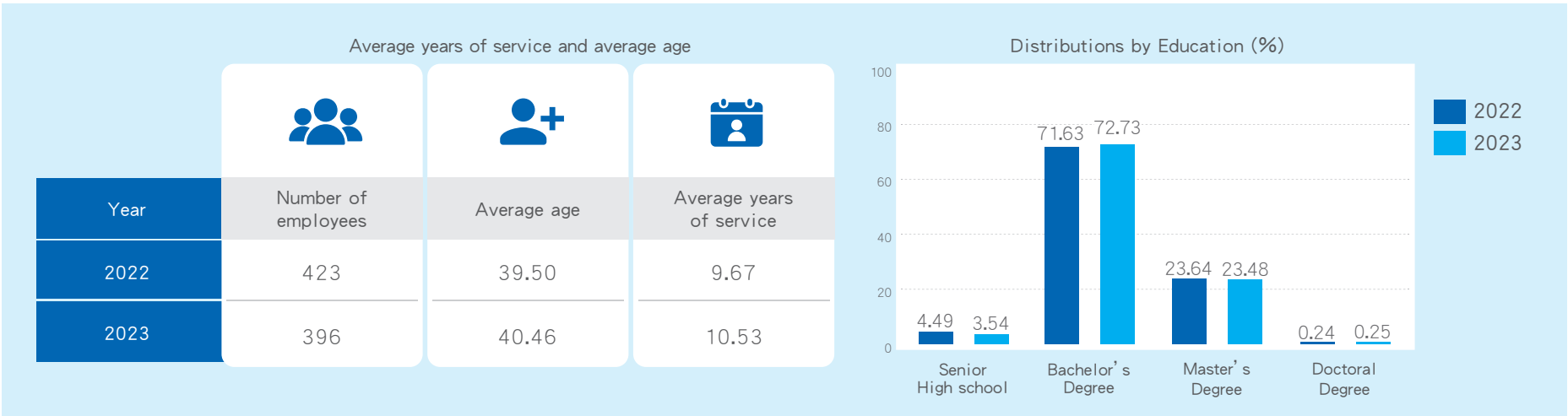
		
	managerial	non-managerial
Male	33	168
Female	28	167

Note: "Management position" refers to a position with departmental management responsibilities and the authority to make decisions on internal matters within the department.

Total number of employees classified by region and employment contract type (excluding part-time employee)

		
	Full-time	Temporary
Male	201	1
Female	195	2

The number of employees, average years of service, average age, and academic background in the last 2 years



Statistics of full-time employees in 2023

Statistics of new full-time employees											
Category	Male			Male Total	Female			Female Total	Total Number of New Employee Hires	Total Number of Employee	Percentage of New Employees Hires In 2023
	Under 30	30 - 50	Over 51		Under 30	30 - 50	Over 51				
Number of Employee	19	6	2	27	8	8	1	17	44	396	11.11 %

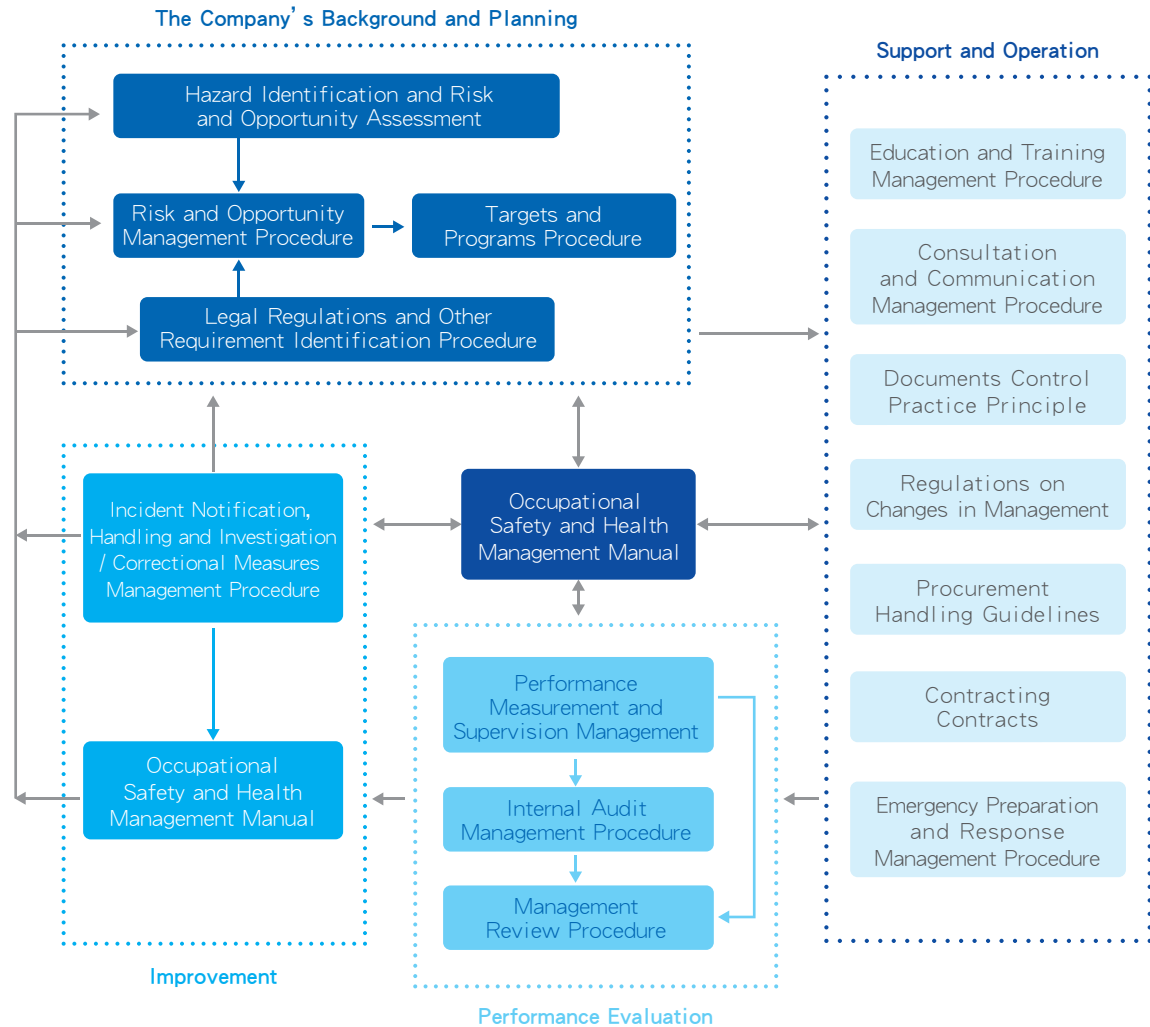
Statistics of departing full-time employees											
Category	Male			Male Total	Female			Female Total	Total Number of Employee Turnover	Total Number of Employee	Percentage of Employee Turnover In 2023
	Under 30	30 - 50	Over 51		Under 30	30 - 50	Over 51				
Number of Employee	17	20	3	40	14	8	1	23	63	396	15.91 %

4-2 Safe and Secure Working Environment and Protection

4-2-1 Occupational Safety and Health Management

In order to systematize the Company's occupational safety and health management activities, we have introduced the ISO 45001:2018 occupational safety and health management system since 2021, and have established the "Occupational Safety and Health Management Manual" and "Occupational Safety and Health Policy", as well as a Certified Administrator of Occupational Safety and Health affairs-Class A and several First Aid Personnel. In addition to complying with laws and regulations, we also ensure compliance with the Company's occupational safety and health policy, conduct regular monitoring and measurement, and continuously improve occupational safety and health performance and achieve occupational safety and health goals. The Company conducts internal and external audits and follow-up corrections every year, and convenes "Annual Occupational Safety Management Review Committee Meetings". Quarterly labor-management meetings are also convened to discuss relevant occupational safety and health management issues. The meetings are attended by the employer, including the President, executive vice president, department heads, and Certified Administrator of Occupational Safety and Health affairs-Class A and several First Aid Personnel, as well as labor representatives. We will also keep records of our deliberations, coordination and recommendations on safety and health-related matters and make public announcements.

The operation of our occupational safety and health management system is summarized as follows. Except for the "Hazard Identification and Risk and Opportunity Assessment Procedures", which are only participated by employees, all other procedures are negotiated and communicated between employers and employees.









4-2-2 Safe Working Environment and Employee Care System

The Company has established the relevant Occupational Safety and Health Regulations in accordance with the Occupational Safety and Health Policy and issues of concern of the stakeholders to conduct a comprehensive occupational safety and health management. The Company also provides occupational compensation and related insurance payments to colleagues for any incident that occurred during their reporting to work and getting off work. The Company had reported zero occupational accident in 2023, which was disclosed on the Company's internal website.

In addition to the physical work environment, our company also cares for the holistic health of employees, providing comprehensive insurance and medical care support. In 2023, we were honored with the Ministry of Labor's Sustainable Report award for outstanding occupational health and safety performance, offering employee benefits that exceed regulatory requirements. We are committed to creating a safe and happy corporate environment.

Working environment and employee personal safety

Item	Content
 Entrance Security	<ul style="list-style-type: none"> Our office building has Strict access control monitoring system during the daytime and the night time. The access to the Company's building is controlled by security personnel during the day, night, and holidays so to secure the safety of the office.
 Equipment maintenance and inspection	<ul style="list-style-type: none"> According to the provision of the "Regulations Governing Building Public Safety Inspection Certification and Declaration," an external professional company should be mandated to perform a building safety inspection every two years. According to the provisions of the Fire Services Act, an external professional company should be mandated to conduct inspections and reporting of firefighting equipment every year. According to the company's labor safety and health work rules, the water dispenser equipment should undergo maintenance once a month, and the filter should be replaced and water quality should be tested every three months.
 Prevention and response actions	<ul style="list-style-type: none"> The company has formulated the "Directions for Attendance Management during Natural Disasters or Other Incidents," "Directions for Filing Material Contingencies," and "Safety and Health Work Rules" to prepare disaster prevention and rescue precautions and accident and occupational disaster notification procedures in advance. The responsibilities and tasks of personnel at all levels of the company before and after responding to material events such as natural disasters, material injuries, and other major emergencies are clearly regulated. The company has one Level-A labor safety and health manager, one nurse, and several first aid personnel assigned to maintain the safety and health of the employees at the workplace and promote safety and health services.
 Physical health	<ul style="list-style-type: none"> Health checkup: The Company provides regular health check-ups for employees (regardless of age) every two years, and for special cases (including those over 65 years of age) once a year. Working environment hygiene: smoking completely prohibited in business areas, and seminar tours are arranged, the office environment is regularly cleaned and disinfected.
 Mental health	<ul style="list-style-type: none"> Education and Training: Stress (emotion) management course, communication skills course, and innovative thinking course are arranged, feature seminars for employees' mental accommodation and strengthening competence are held, and e-learning is provided. Expression of opinions: Set up an Employee Assistance Areas (EAPs) to provide employees with diversified physical and mental balance assistance, such as psychological consultation, mental prevention and treatment, safe workplace, care consultation, and legal consultation forums. Sexual harassment prevention: Ratify the "Guideline on sexual harassment prevention, complaint, and discipline."
 Insurance and medical condolences	<ul style="list-style-type: none"> The Company provides labor insurance (covering occupational injuries insurance) and health insurance for employees as required by law. The Company finds the other insurance company to provide employees and their dependents accident insurance, medical insurance cancer insurance, etc. at preferential rates. The Company have all employees insured against accidents on duty with insurance coverage NT\$15 million as the compensation for employees or the heirs due to work related disabilities or death. Provide preferential allowance and subsidies for injuries and death of the employee as well as injuries and death of the employee's spouse and children.

※Please refer to the official website of Yuanta Futures for the complete details of work environment and employee safety related regulations.

4-3-2 Educating: Talent Development

■ Talent Cultivation Goals

The Company bases the 2023 development strategy and operational objectives on it, the core theme of objectives “Ethical Governance, Creating Wealth and Sustainability” and combined the Group’s stabilizing the core and driving growth,” and the comprehensive development strategies and enterprise sustainable development to promote the three projects of cultivating international operation talent, financial digital talent, and succession teams to fulfill individual development needs, enhance the managerial functions and professional capabilities of the supervisors and employees, stimulate the potential of employees, and cultivate talent.

■ Education and Training

In order to enhance employees' professional knowledge, skills, efficiency, and work quality, we have established the following Education Policy in conformity to human resource requirements. The total amount for education and training in 2023 reached NT\$ 1,776,009. In order to improve the professionalism of internal audits, auditors are required to participate in internal audit workshops as well as external conferences. Financial staff are also required to attend training courses organized by the competent authorities and other relevant units.

Promote the training of money laundering prevention, legal compliance, risk management and internal audit and internal control, financial consumer protection, fair treatment, intellectual property, ESG, and other related training continuously. A total of 4,454 hours of training were provided to 4,646 participants, accounted for 25.46% of the total training hours. Personal data protection and information security related training was with a total of 1,976.5 hours provided to 1,717 participants, accounted for 11.30% of the total training hours. In addition, the company had based on the operational development strategy to cultivate new recruits and financial professionals, and to propagandize corporate social responsibility, ethical management, and other organizational cultural values with a total of 4,012.57 hours provided to 6,605 participants, accounted for 22.94% of the total training hours.

Employee Education and Training Management Guidelines



The average number of training hours per employee per year (by gender)

Gender	2022		2023	
	Number of person	Average hour	Number of person	Average hour
Male	215	40	201	40.61
Female	208	40	195	42.00

The average number of training hours per employee per year (by employee category)

Category	2022		2023	
	Number of person	Average hour	Number of person	Average hour
Managerial position	59	46	61	48.67
Non-managerial position	364	39	335	39.95

Note: 'Management position' refers to individuals who have departmental management responsibilities and decision-making authority over internal matters within the department.

The employee trainings of the company in 2023 are as follows:

Participants	Organizer	Course name	Hours	Persons
All employees	Yuanta E-Academy online education and training	Core Values / Legal Compliance Self-Evaluation / Money Laundering Prevention / Information Security / Personal Data Protection Act / Whistleblower System / Stakeholders / Safe Workplace / Financial Consumer Protection Act / Ethical Management and Regulations / TIPS / ESG / Intellectual Property / Fairness Treatment, and other education and training	0.5 - 2	9,072
Reserve supervisors	Yuanta Financial Holding Co., Ltd.	Yuanta MBA - Section supervisor training	90	2
Department Head / Management Trainee	Yuanta Futures Co., Ltd.	Supervisor training course	2.5 - 3	27
Senior manager	Yuanta Financial Holding Co., Ltd.	Financial Consumer Protection Act and fair treatment of customers	3	7
All employees	Yuanta Futures Co., Ltd.	Education Training for Anti-Money Laundering, Countering the Financing of Terrorism, and Non-proliferation of Nuclear Weapons	0.5	838
Senior manager	Institute for Financial Law and Crime Prevention	Anti-money laundering and counter-terrorism financing practices and directors' legal obligations and responsibilities propaganda	3	7
AML Supervisor / Designated personnel	Chinese National Futures Association	Analysis and Case Study on AML/CFT Conference	3	14
	Securities and Futures Development Foundation	Anti-money laundering and countering the financing of terrorism on-job workshop	12	24
	Taiwan Securities Association	Anti-money laundering and countering the financing of terrorism on-job workshop	3	1
	Securities and Futures Development Foundation	Acquisition of AML/CTF qualifications	12	6
Registered practitioners	Chinese National Futures Association	On-the-job training programs for futures salespeople (including futures/consultation/proprietary trading/leverage business)	3 - 15	229
	Taiwan Securities Association	On-job training for securities salespersons (including general, intermediate, and advanced)	15	32
All personnel	Securities and Futures Development Foundation	Mandatory orientation for new entrants (including securities and futures / consulting / and leverage)	5 - 12	54
Brokerage Department / Leverage Trading Department	Taiwan Securities Association	61-hour On-the-job training programs for derivative financial instruments related personnel	61	7

Participants	Organizer	Course name	Hours	Persons
Personnel from the Proprietary Trade Department / Brokerage Department / Leverage Transaction Department / Channel and Consulting Department / Risk Management Department / Audit Department / Clearing Department / Legal Compliance Department	Taiwan Securities Association	On-the-job training programs for derivative financial instruments related personnel	6	129
IT Department	Yuanta Financial Holding Co., Ltd.	Information security functional training	2 - 3	31
Incoming employees	Yuanta Financial Holding Co., Ltd.	Training of occupational safety and health for the new entrants	3	29
Incoming employees	Yuanta Futures Co., Ltd.	Education and training for new recruits/e-courses for new recruits	4 -10	79

Note: The training figures for incoming employees refer to the total number of individuals trained in a unified batch by Yuanta Financial Holdings Group. This includes newly hired personnel spanning from the fourth quarter of 2022, hence differing from the data of 44 new hires in 2023.

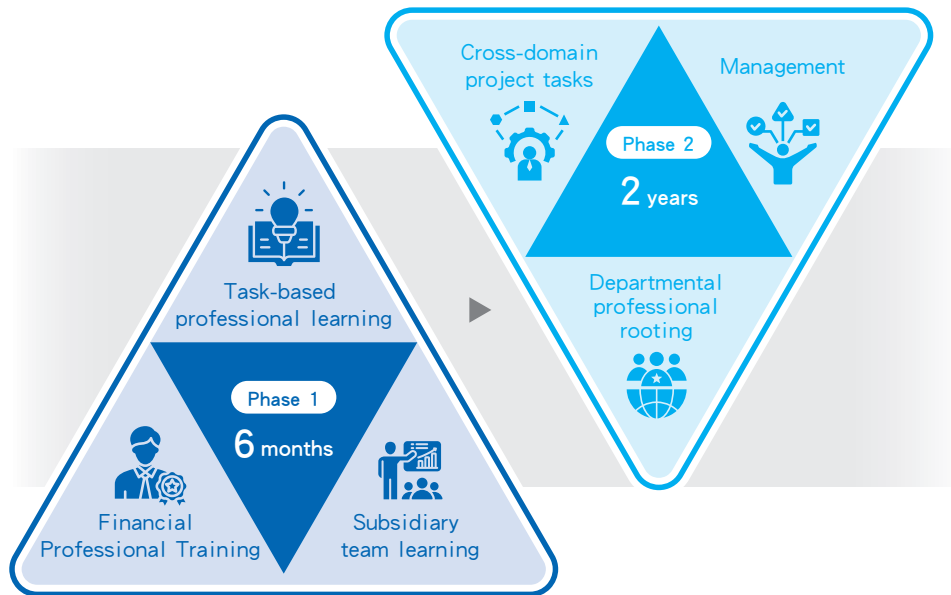
Employees' certification

Certificate and license name	2022	2023	Certificate and license name	2022	2023
Futures Practitioner, China	23	22	Derivative financial instruments salespeople	27	27
Futures Practitioner, Hong Kong	4	5	Structured instruments salespersons	98	94
Futures Associated Persons	332	328	Investment insurance salespersons	19	20
Futures Trading Analyst	26	27	Certified Financial Planner	28	26
Securities sales personnel	184	191	Wealth management salespersons	79	24
Senior securities sales personnel	123	125	Bills personnel	3	3
Certified Securities Investment Analyst	7	7	Certified Life Insurance Representative	54	53
Certified Securities Investment Trust and Consulting Professional	60	62	Certified Property Insurance Representative	27	26
CFP Certified Financial Planner	3	2	Corporate Sustainability Manager	0	0
CAMS Certified Anti-Money Laundering Specialists	2	2	Nurses	1	1
Certified Information Systems Auditor (CISA)	0	0	Domestic lawyers	1	1
Trust Personnel	75	73	Domestic accountants	1	1
The bank's internal controls and internal auditors	24	24			

■ Management Associate Program (hereinafter referred to as MA)

Following the Group's corporate system, education and training system, and career development plan, Yuanta Futures continues to conduct the MA every year to build up successful teams and quality partners. Highlights of the MA include the following:

1. Every year, the Company organizes with the Group to hold large-scale recruitment activities, such as campus career expos and job briefings.
2. We provide a total of 2.5 years of collective training for the MA, including professional training courses and rotational internships, to lead MAs to quickly capture the core business and accumulate practical experiences.
3. During the training period, the Company arranges coaches to provide professional guidance and human resources mentorship to help MAs acquire financial practices, accelerate the development of a professional managerial mindset, and invite senior executives to serve as mentors in an attempt to enhance career visibility and broaden horizons.

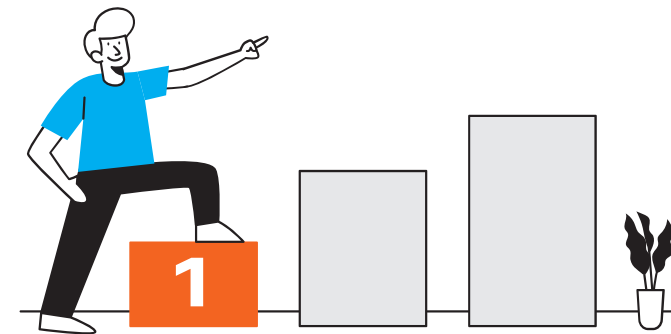


■ Implementation of Successors Training

Based on key talent's professional qualifications, work performance, development potential, corporate core value inclination, and personal development willingness, the Company develops deputy supervisors by arranging them to participate in important meetings regularly and serve as the substitute of the main managerial officers for a diversified development in order to understand the Company's overall development strategy in-depth, cross-company communication and coordination mechanism, decision-making and thinking, policy implementation operations, and other management practices, as well as enhance the level of thinking and execution that the management should have. Therefore, the "successor training" is incorporated as an important indicator of supervisor performance assessment. The Company regularly measures the development achievements and succession maturity of each vice supervisor.

■ Implementation of supervisor's cross generation communication and leadership cultivation

The company plans to reshape the management mentality and learn new management skills in order to enhance the functional productivity of the new generation. Therefore, a series of courses are arranged, covering all aspects from mentality awareness, infrastructure of cross generation management, to daily communication and teamwork in order to help supervisors become more confident in leading and driving colleagues to achieve goals. Three courses by external instructors are planned: "Cross generation understanding and cognition," "Cross generation performance management," and "Cross generation leader communication." A total of 77 intermediate level and senior level managers participated with an average of 9.43 satisfaction scored. Solve work problems through the combination of theory and practice with an approach starting from the easy one to difficult one.



4-3-3 Applying: Full Utilization of Talent

Yuanta Futures not only makes good use of the resources of Yuanta Financial Holdings, but also provides employees with opportunities to transfer between subsidiaries and rotate within the Company, so that each employee's expertise can be fully utilized and outstanding employees can be retained. The Company also places emphasis on on-the-job training for employees, adopting "learning by doing" as the cultivation concept, providing multiple learning resources and channels to encourage employees to learn on their own and enhance personal performance and potential, together with systematic job rotations to cultivate future talent.

■ Evaluation and Performance Appraisal Tracking and Reward Mechanism

The performance management system of Yuanta Futures is based on the "Performance Management Regulations" of Yuanta Futures. The PDCA quality management cycle is used as a framework to evaluate the performance of employees during the year and improve the overall operating efficiency by setting targets at the beginning of the period, reviewing performance feedback during the period, and following up on improvements at the end of the period. The evaluation results are used as a reference for human resources decision-making such as performance bonuses, promotion and salary adjustments, and talent cultivation.

Yuanta Futures conducts performance appraisals for all employees every six months. The percentage of employees who received regular performance appraisals in 2023 was 100%. All employees of the Company are subject to performance appraisal, excluding: ① work-study students, probationary employees, and employees on fixed-term contracts; ② employees who resign or retire during the appraisal, however, employees who are transferred to financial holdings, companies directly owned by financial holdings or the Company and their investees with controlling shareholdings shall complete the performance evaluation for the period of employment before the effective date of resignation; ③ new employees who have worked for less than one month, employees who have resumed employment after leave without pay, and employees who have been transferred from financial holdings, companies directly owned by financial holdings or the Company and their investees with controlling shareholdings; ④ employees who have been reported to the Chairman for approval through a project.

4-3-4 Retaining: Retaining Talent with Care

■ Reasonable Compensation

The Company provides a fair, reasonable, and competitive salary system. It provides annual promotions and salary raise to outstanding employees according to the employee performance management rules; also, appropriates performance bonuses according to the Company's annual operating results, as well as the employee's performance evaluation and job performance.

Salary of Full-Time Employees Not Holding Supervisory Positions




Item	2022	2023	Compared to the previous year (Presented in absolute figures or percentage)
Number of full-time employees (People)	368	367	Average annual number of employees increased by 1 person
Average salary of full-time employees (NTD thousand)	1,244	1,418	Average annual salary increased by 174
Median salary of full-time employees (NTD thousand)	1,054	1,233	Average median salary increased by 179

Note: Full-time employees excluding managerial and deputy managerial positions, such as executives and supervisors.

■ Excellent Benefits

The Company provides a diversified welfare system, and is a happy enterprise that values the importance of a healthy and friendly workplace, provides various convenient measures, and offers employees with comprehensive care and protection. In 2023, we spent more than NT\$965 million on employee benefits, with the average costs of benefits per employee of more than NT\$2.43 million. (Note: These figures are calculated based on the consolidated financial statements of the Yuanta Financial Holdings Group.)

Company's various employee welfare measures and employee rights protection measures.

 Employee Welfare Committee	 The Company provides	 Government Regulations
<ul style="list-style-type: none">• Birthday, Maternity, marriage, and funeral subsidies• Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival gifts• Children's education subsidies• Emergency aid• Group recreation and tourism	<ul style="list-style-type: none">• Group accident insurance• Year-end bonus• Remuneration to employees (according to the Company's Articles of Association)• Monthly pension contributions in accordance with the Labor Standards Act• Shareholding trusts• Annual health check-up	<ul style="list-style-type: none">• Mandatory participation in the Labor and Health Insurance Schemes• Compensation for occupational hazards according to the Labor Standards Act• Any other requirements under the Labor Standards Act, the Labor Insurance Act, and the National Health Insurance Act

Health Workplace Promotion Measures

Item	Content
Arrange health competitions	Encourage employees to lose weight, lose fat, and gain muscle, and substantiate a healthy and happy workplace and maintain sustainable business operations by practicing “diet management,” “exercise management,” and “healthy lifestyle habits.”
Promote work life balance plan	In order to establish a friendly workplace environment and achieve physical and mental balance, the company focuses on two practices: “employee stress relief” and “retirement preparation, adjustment, and assistance for middle aged and elderly employees” so that colleagues can work with peace of mind and efficiency, and corporate competitiveness and productivity can be improved. Also, submit an application to the Ministry of Labor for the “Work Life Balance Subsidy Program.”
Promote the protection of middle aged and elderly workers	The company appreciates the importance of employees and has the “Adaptable Work Plan for the Middle aged and Elderly People” stipulated to cooperate with the government in encouraging the employment of middle aged and elderly workers and improving the utilization of human resources. The company has also implemented an employee assistance plan to enhance occupational safety and health management measures, to prevent occupational disasters from occurring, and to take care of middle aged and elderly colleagues.
Care for maternal health	Care for maternal health: Provide “Mommy Baby Bag” to pregnant women and new moms, take care of the needs of female colleagues during postpartum breastfeeding and childbirth; arrange “Go Mommy and Daddy” health lectures to help new parents work together in building up and maintaining a good family relationship. The company’s breastfeeding room setup was certified as “excellence” by the Department of Health, Taipei City

■ Retention Policy on Parental Leave

The Company provides employees with a marriage and childcare system, subsidies, and care plans that are superior to regulations, including physiological leave for women, maternity leave, paternity leave, family care leave, and parental leave without pay. The Company also assists employees in returning to work upon expiration of parental leave without pay and have signed service agreements with childcare providers to offer preferential childcare services for employees. We help employees balance work and family, and retain talent through a diverse and flexible benefits system.

The percentage of Yuanta staff in reinstatements and retaining after parental leave in 2023

Item	The aggregate total of Yuanta staff entitled to paternity leave	The aggregate total of Yuanta staff in reinstatements after parental leave in 2023 (A)	The aggregate total of Yuanta staff in substantial reinstatements after parental leave in 2023 (B)	Reinstatement percentage (%) (B/A*100)	The aggregate total of Yuanta staff in substantial reinstatements after parental leave in 2022 (C)	The aggregate total of Yuanta staff still on the job within 12 months after reinstatements in 2022 (D)	Retaining percentage (%) (D/C*100)
Female	11	5	4	80%	2	2	100%
Male	16	0	0	0	0	0	0
Total	27	5	4	80%	2	2	100%

Note: Regarding parental leave benefits for employees, our company accommodates based on individual needs and preferences.

■ Retirement System

The Company encourages employees to save for the long term and plan ahead for retirement. The Company complies with the Labor Standards Act by contributing 2% of employees' salaries as pension into dedicated accounts opened under the Bank of Taiwan. The Labor Standard Act came into effect on 1 July 2005, and mandated a defined contribution plan. After its implementation, employees were given the option to choose between the pension scheme made available under the "Labor Standards Act", or the pension scheme under the new "Labor Standard Act" while carrying forward their years of service into the new scheme.

In line with the Group's policy, Yuanta Futures has established a long-term systematic service plan. In addition to providing individual employee counselling services, Yuanta Futures also provides corresponding service plans for different management issues in the organization, including psychological counselling, legal counselling, medical prevention and treatment, and care counselling, etc. Employees can receive assistance through this service system if they have any emotional anxieties in the face of the retirement issue. In addition, through courses, lectures and games, employees can get in touch with and accept pre-retirement preparations from the beginning of their mindset and awareness.

Name of Lecture	Date	Content
Retirement Career Planning Seminar	2023/8/15	A psychologist was invited to give a seminar on career planning for retirement. The seminar explored how to prepare for various aspects of life before retirement from the perspectives of financial security, healthcare, psychology and society.
Retirement Health Talks	2023/9/15	Experienced doctors were invited to promote daily health care knowledge and concepts, in the hope that retiring staff can make adequate health preparations for the "next stage of life".

■ Employee Stock Ownership Trust

Since August 2003, Yuanta Financial Holdings has established the Employee Stock Ownership Association, in which the employees of the Group contribute a fixed amount every month and the Company allocates the same amount to reward them for holding shares and becoming shareholders of the Company. Employee stock ownership not only enhances employees' financial security after retirement or resignation and accumulates future retirement assets, but also enhances employees' sense of cohesion and self-worth, creates a diversified welfare mechanism, attracts and retains outstanding talent, and shares the Company's operating achievements.



Chapter

05

CLIMATE CHANGE RISKS
MANAGEMENT & GREEN ACTION

A number of environmental issues arise due to global economic development, and rapid social and environmental advancement. Among the 17 SDGs launched by the United Nations, 6 of them are directly related to the environment, facilitating the international community and enterprises to gradually pay attention to environmental protection issues. In order to implement environmental protection and green initiatives in our operations, Yuanta Futures has established various policies and guidelines to manage environmental systems, climate risks, water resources and waste, and green supply chains, as well as continues to promote measures to reduce environmental impacts and actively fulfill our commitment to environmental sustainability. Meanwhile, in 2023, the Company did not encounter any significant fines or non-monetary penalties for violating environmental laws and regulations.

5-1 Climate Change Risks Disclosure

In recent years, the risks and unpredictability associated with the intensification of climate change have gradually increased. Yuanta Futures has incorporated environmental and climate change issues into its risk management policy and has followed the Yuanta Financial Holding Group's climate risk management mechanism, and the Risk Management Department participates in the Yuanta Financial Holding Group's TCFD team to further review and assess the impacts of climate change on the Company's finances in order to enhance continuously our company's management of climate risks and reduce the potential operational impacts of climate change.

■ Governance

Responsible Unit	Board of Directors	The Board of Directors is the highest governance unit for climate-related issues of the Company and is responsible for supervising and managing climate-related risks and opportunities, as well as promoting the Company's overall climate strategy and policy. It incorporates climate issues into corporate governance and management strategy, and incorporates sustainable performance and reward mechanisms into the annual performance evaluation of each unit, so that climate risk management is integrated into our organizational culture.
	Audit Committee	The Audit Committee of the Company is composed of all independent directors. The main responsibilities are to assist the Board of Directors in supervising the implementation of the climate-related risk management system, deciding annual risk limits, monitoring indicator thresholds, ensuring that risk management is compatible with the Company's policies, operations and development to help the Company achieve its objectives.
	Sustainable Development Promotion Team	The sustainable development promotion group is convened by the President. The planning department is responsible for organizing and promoting the Company's sustainable development; Also, supervising the implementation of each unit, and reporting the implementation of sustainable development to the Board of Directors every year.
	Risk Management Department Management & Department General Planning Department	It is responsible for the implementation of internal operations and energy climate targets, and reports to the Audit Committee and the Board of Directors on responsible matters in order to control the progress and effectiveness of implementation. The Risk Management Department of the Company participates in Yuanta Financial Holdings' Task Force on TCFD established in 2021, which was formed by the Risk Management Department of Yuanta Group, to facilitate the Group's comprehensive management of climate-related issues and impacts, identify climate-related risks and opportunities, as well as evaluate, analyze, monitor, and formulate adaptation strategies and indicators.
	Climate Change Related Financial Disclosure Project Team	In response to Yuanta Financial Holdings' climate risk management mechanism, the Company established a Task Force on Climate-Related Financial Disclosure to study the "Climate-related Financial Disclosure Recommendation" issued by the International Financial Stability Board that requires enterprises to provide stakeholders with relevant and reliable financial measurement information, and to develop and adapt responsive strategies and adjustment measures through the identified climate change related risks and opportunities.

■ Strategy

The company bases business characteristics on its identification to identify the climate risks and opportunities every year. The relevant considerations include the classification of climate risks and opportunities recommended by TCFD, impact path, impact time and geographical scope, impact on value chain position, and financial impact. The company analyzes climate-related financial impacts at different time and under different scenarios from the aspect of “Top Down” (scenario analysis of the overall investment position) and “Bottom Up” (scenario analysis of individual firm) and also the company has countermeasures and strategies formulated for seven risks and seven opportunities identified in 2023 according to the length of time and the scale of the impact, respectively.

Yuanta Futures Climate-Related Financial Impact Analysis Methodology

Item \ Scenario Analysis	Scenario analysis of the overall investment position (Top Down)	Scenario analysis of individual firm (Bottom Up)	
		Transformation Risk Scenario Analysis ¹	Physical Risk Scenario Analysis ²
Object of assessment	The company's not-held-for-trade investment position.	Issuing companies of the equity investment positions in high climate risk industries in Taiwan and abroad that are held by the company.	All business offices of the company located nationwide in Taiwan.
Assessment method	Climate Valuation at Risk (VaR) Method.	Stock price valuation model	Disaster risk model.
Assessment of climate scenarios	The four “climate scenarios” (SSP1-RCP2.6, SSP2-RCP4.5, SSP3-RCP7.0, SSP5-RCP8.5) in IPCC “The Sixth Assessment Report, AR6.”	Incorporate the asset positions of the six major industries in the equity investment position into the stock price valuation model to calculate the expected loss amount affected by the carbon fee under the two scenarios (1.5°C/<2°C).	-
Assessment results	<ul style="list-style-type: none"> The company's investment positions are mainly maintained in Taiwan, and the ratio of the investment in industries with high greenhouse gas emissions to the overall investment position is insignificant. Further analysis results indicate that although the company's equity investment objects are industries with high greenhouse gas emissions, they are not more affected by climate changes than other industries. 	<ul style="list-style-type: none"> Among the company's equity investment positions, only the iron and steel and plastic industries belong to the aforementioned six major industries with risk exposure, and there are more significant changes in the degree of impact as time goes by. Of which, the change in the impact of 1.5°C scenario is more significant than that in the <2°C scenario. According to the further analysis, the asset scale of iron and steel is relatively small, and the industrial impact ratio (the ratio of the expected loss amount of the industry divided by the asset scale of the industry) in the 1.5°C scenario and the time scale of 2050 does not exceed 0.2%; therefore, the impact of climate change is relatively insignificant. 	The company has only one office in Taiwan located in the high flood risk area by the end of this century, mainly in central and southern Taiwan.

Note 1: Quantitative assessment of equity investment positions impacted by carbon fees.

Note 2: Quantitative assessment of the impact of flooding on all business offices nationwide in Taiwan.

1. Climate Related Opportunity

Opportunities	Financial impact	Countermeasures
The attempts of the operating stations in improving energy efficiency	Improve energy efficiency and reduce operating costs by adopting green buildings, using renewable energy, switching to energy saving equipment, and introducing energy management systems.	Cooperate with the Group's policy of introducing ISO 50001 energy management system, acquiring renewable energy certificates, directly purchasing renewable energy (green power transfer), obtaining green office buildings certificates, and actively switching to energy saving lamps and water saving equipment.
Green Procurement and Supplier Management	Support enterprises with low carbon and sustainable instrument through green procurement and supplier management in order to reduce operating costs.	Establish various supplier agreements, and continue to regulate suppliers in the contract signed in accordance with the "Statement of Ethical Conduct Commitment" and "Supplier Sustainable Procurement Clause." The "Green Procurement Clauses" is included in the procurement regulations. The company cooperates with the Group's policy to incorporate the aforementioned contracts into the procurement process comprehensively.
Develop and promote low carbon products and services	Promote low carbon products and services to meet investor needs and to increase operating income.	Introduce the concept of sustainability to existing financial products, promote sustainable financial products with investors jointly, expand the scale of sustainable products, meet customer investment needs, and introduce funds into sustainable and green energy enterprises.
Discuss and agree the concept of sustainable and green consumption with customers	Make good use of financial products and service platforms, discuss and agree with customers on the concept of sustainable and green consumption in a diversified manner, and increase operating income.	Encourage customers to respond to energy conservation and carbon reduction or to make green investments through multiple channels, such as the official website and APP. Discuss and agree with the investing juridical person verbally or in a meeting to implement ESG actions actively.
Sustainable investment	Formulate investment related policies, actively direct funds inflow to sustainable enterprises, and increase operating income.	Initiate investments in accordance with the "Sustainable Finance Standards" and "Environmental and Social Risk Management System by Industry" formulated by Yuanta Financial Holdings Group. The investing units have also formulated relevant specification and indicators to introduce ESG concepts into the investment process.
Cooperation with government agencies	Grasp sustainable development trends in real time and develop new markets and business opportunities for related businesses by participating in relevant organizations of competent authorities and industry associations.	Actively participate in the formulation of sustainability policies of the competent authorities with relevant suggestions proposed so as to grasp the development trends of sustainable businesses in various industries. Also, cooperate with the parent company, Yuanta Financial Holdings, to be selected as a member of the "Sustainable Finance Pioneer Alliance" and respond to the national policy and increase the amount of investment and financing in specific industries Zero Emission Pathway and Strategy, in order to guide the industry's net zero emission transformation.
Natural Disaster Crisis Management and Alarm Measures	Formulate and ensure the effectiveness of adaptative measures, provide stable services for all businesses, enhance customer trust, and reduce operating losses.	The company is equipped with uninterruptible power supply equipment, backup servers, remote backup, and other mechanisms, regularly conducts disaster contingency plan to ensure the normal operation of equipment and mechanisms in an emergency.

2. Climate Related Risk

Risk	Financial impact	Countermeasures
Carbon reduction policy and regulatory response costs - investment	Additional carbon reduction cost may incur to the invested company due to stricter regulations or lack of transformation technology, causing profit drop, stock price drop, or credit risk increase to customers, thus resulting in a reduction in the company's assets.	Observe the trend of international carbon tax and carbon related laws and regulations continuously, and enhance negotiation and cooperation with the invested company with high carbon emitting.
Carbon reduction policy and regulatory response costs - proprietary operations	Using renewable energy as a carbon reduction measure to meet the goal and comply with domestic policies and regulations may incur additional costs and cause the company's operating costs to go up.	Observe and participate in the renewable energy market continuously, and actively improve the energy efficiency of operating bases and reduce the consumption of non renewable energy.
Industrial green energy and environmental protection transformation cost	Additional cost may incur to the invested company due to transformation, or a reduction in revenue and profits may occurred to customers due to a delay in transformation, causing stock prices to fall or credit risks to increase, thus resulting in a reduction in the company's assets.	Observe the market demand for low carbon transformation continuously, and assist the invested company in low carbon transformation.
The investment in highly polluting industries has impacted the company's reputation.	The company's goodwill is jeopardized by the negative news about the high polluting companies that the company invested. Under the circumstance, investors withdraw their investments causing damage to the company's goodwill and stock price.	Enhance the review of, control over, and negotiation and cooperation with the invested company with high pollution, and actively become a sustainable financial institution and establish a positive social image through independent initiatives or engaging in international actions.
The invested company's business operation is disrupted by extreme weather.	The invested company suffers property loss or operation interruption due to extreme weather, causing the reduction of the company's assets.	Enhance due diligence investigation on invested companies, and understand the resilience of business partners against extreme weather.
Flooding causes damage and loss to the operation base and collateral.	Flooding resulting from extreme weather had led to business interruption of the company's operating bases or a price drop of the company's property thus affecting the company's profit or loss and the decrease of income or assets.	Take the factor of flooding into consideration for the operation of the operating bases and proprietary property investment.
Rising sea levels cause loss of operating base and collateral.	The climate change causes a rising sea level, resulting in a business interruption of the subsidiary's operating bases or the price drop of the proprietary properties, thus affecting the company's profits and losses.	Operating bases and proprietary property investments will be handled with the factors causing sea level to rise due to climate change taken into consideration.

■ Climate Risk Management

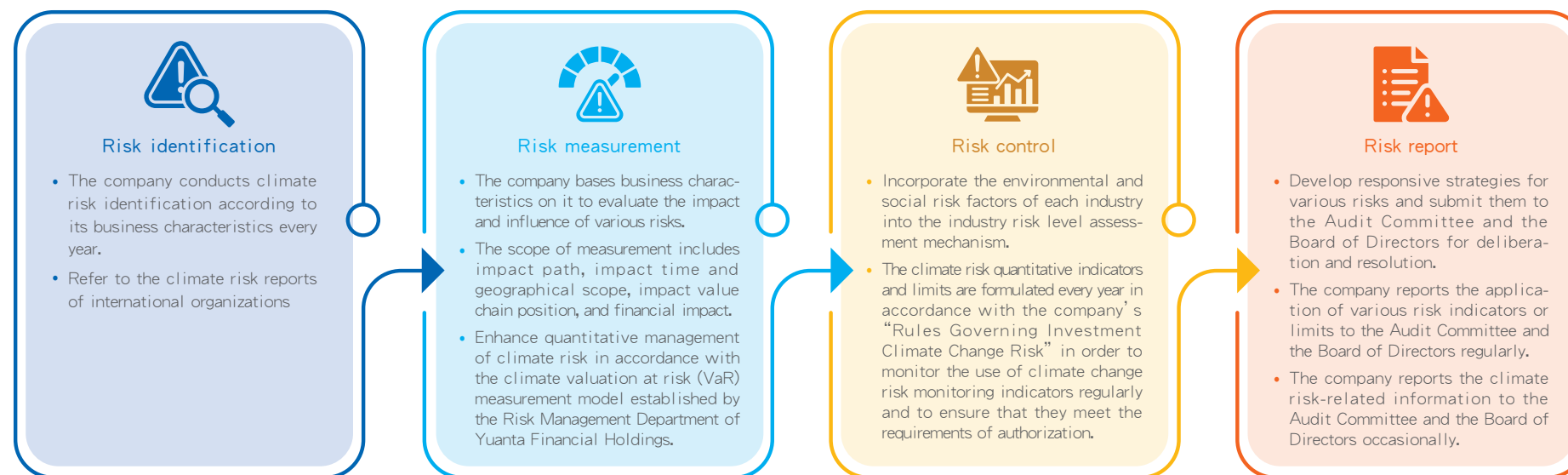
Climate risk leads to investment risks, extreme weather events, and risks associated with low carbon transition to a significant extent. It may also disrupt the Company's business activities, cause property damage, and affect the value of the Company's assets. In this regard, Yuanta Futures considers climate change as a strategic business risk and incorporates its identification, assessment, and management into the Company's overall risk framework. The Company's approach to climate risk management is as follows.

1. Inclusion of Climate Risk in the Risk Management Framework

In line with Yuanta Financial Holdings' policy, the Company has established a complete risk management organizational structure, policies and management regulations, and integrated the concept of climate risk into various risk management, details of which are publicly available on the official website of Yuanta Financial Holdings (<https://www.yuanta.com/tw/ir/Governance/Risk-Management>).



2. Climate Risk Management Procedures



3. Adaptation and Mitigation of Climate-Related Risk Exposure

To effectively address the impact of climate risks on the company's trading activities, we have collaborated with Yuanta Financial Holding's risk management department and external consultants to discuss and evaluate these risks. As a result, we have developed the Yuanta Financial Holding Industry-specific Climate Risk Assessment Tool and produced industry-specific climate risk identification results. Based on these results, Yuanta Futures will formulate relevant management strategies to mitigate or control the risks associated with the company's trading activities.

■ Targets and Objectives

In line with the Group's policy, Yuanta Futures has established an environmental management system for the financial industry in accordance with the ISO 14001 Environmental Management System. Yuanta Futures has set short-, medium-, and long-term targets for greenhouse gas emissions, waste reduction, water consumption reduction, and renewable energy response. The Company implements corporate environmental operations through a sustainable management system. Please refer to the following table for the short-, medium-, and long-term key targets for environmental protection of the Company.

Environmental goal	Short-term goal	2023 Achievements	Mid-term goal	Long-term goal
Category I and II carbon reduction targets (2017 is the base year)	Reduce carbon emissions per unit of revenue by 4% in 2023 compared to the base year.	Reduce consumption by 21.26% in 2023 compared to the base year, which has been achieved.	Reduce carbon emissions per unit of revenue by 6% in 2026 compared to the base year.	Reduce carbon emissions per unit of revenue by 8% in 2027 compared to the base year.
Waste reduction goal (2019 is the base year)	Reduce the volume by 1% per capita in 2023 compared to the base year.	Reduce consumption by 12.35% in 2023 compared to the base year, which has been achieved.	Reduce the volume by 2% per capita in 2026 compared to the base year.	Reduce the volume by 3% per capita in 2027 compared to the base year.
Water consumption reduction (2019 is the base year)	Reduce water consumption by 1% per square meter in 2023 compared to the base year.	Reduce the volume by 2.85% in 2023 compared to the base year, which has been achieved.	Reduce water consumption by 2.5% per square meter in 2026 compared to the base year.	Reduce water consumption by 4% per square meter in 2027 compared to the base year.
Respond to renewable energy use.	100% green electricity for each operating site in 2023; the proportion of green electricity usage will increase by 2% annually.	In 2023, 5 locations achieved 100% use of green energy, representing a 13.63% increase compared to 2022, thereby meeting the goal.	There will be at least four business offices with green power in use by 2026. The cumulative green electricity usage target has reached 1.5 million kWh.	The use of green electricity reached the target of 2.7 million kWh, accounted for 2% of the total energy consumed.

Note: The above targets are performance targets of Yuanta Group.

5-2 Greenhouse Gas Inventory and Energy Management

■ Greenhouse Gas Inventory

Here at Yuanta amidst financial services, the key sources for greenhouse gas discharge are mainly power, water consumption and fuel for transportation. In response to the International Carbon Disclosure Project (CDP), the Company collaborated with the group to try hard to monitor the discharge of greenhouse gas. Starting from 2017 as the base year, the Company has introduced the ISO 14064-1 Greenhouse Gas Inventory and officially outsourced outside institutions to verify greenhouse gas discharge. The Company intends to count the greenhouse gas emissions every year and apply such statistics to control greenhouse gas emissions in the future.

The Company's Greenhouse Gas Emission Statistics for 2022 and 2023 by Category

Yuanta Futures GFG Emissions		
	2022 (tons of CO ₂ e)	2023 (tons of CO ₂ e)
Direct Emissions		
Category 1: Direct GHG Emissions and Removals	73.37	31.0136
Indirect Emissions		
Category 2: Indirect GHG Emissions by imported energy	594.9	499.1717
Category 3: Indirect Emissions by transportation	1.05	17.2631
Category 4: Indirect Emissions by use of product	110.44	105.0368
Total Emissions	779.76	652.4852

- The Company had no greenhouse gas emissions from biofuel in 2022 and 2023.
- The organizational boundary of this report is the headquarters and domestic branches of Yuanta Futures Co., Ltd., which consists of 6 units. The method of setting the organizational boundary for greenhouse gas emissions is based on the operation control method, and 100% of the emission sources covered by the organizational boundary are owned and controlled by the Company.
- The types of gases included in the greenhouse gas emissions calculation are CO₂, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.
- Direct greenhouse gas emissions and removal (CAT1): Including three types of emissions: Mobile combustion sources (such as gasoline official vehicles), stationary combustion sources (diesel emergency generators), and fugitive emission sources (such as CO₂ fire extinguishers, septic tanks, and equipment using HFCs refrigerants).
- Indirect greenhouse gas emissions include the following category:
 - Indirect greenhouse gas emissions caused by input energy (CAT2): e.g., input electricity (purchased electricity).
 - Indirect greenhouse gas emissions caused by transportation (CAT3): employee business trips.
 - Indirect greenhouse gas emissions arising from the products used by the Company (CAT4): purchased electricity, waste disposal.
- The Company's base year is 2021, and the total carbon emissions for the base year amounted to 852.37 tons.
- The global warming potential (GWP) values of various greenhouse gases in the IPCC's sixth assessment report in 2021 are adopted.
- The Company's greenhouse gas emission calculation method mainly uses the GHG Emissions Registry Guidelines. Emission factors mainly refer to the latest emission factors published by the Ministry of Environment or relevant competent authorities, such as the Ministry of Environment's Greenhouse Gas Emission Factor Management Table (version 6.0.4) and the electricity emission factors announced by the Bureau of Energy, Ministry of Economic Affairs. The electricity carbon emission factor used for 2023 is 0.495 kgCO₂e/kWh, while the factor for 2022 is 0.509 kgCO₂e/kWh.

■ Carbon pricing mechanism

The boundary of Yuanta Group's internal carbon price mechanism is mainly based on Category 1 and Category 2 greenhouse gas emissions. The company adopts the shadow price model to assist each subsidiary in assessing the benefits of energy-saving and carbon-reduction projects, and has it linked to ISO 50001 energy management system to realize synergy. Incorporate the input and output of each energy-saving improvement action plan into the carbon price parameter for calculation in order to have the carbon reduction benefit quantified and priced. Progress from a pure economic consideration (input costs of equipment, manpower, etc.) to environmental impact consideration; furthermore, comprehensively calculate the return on investment or cost-effectiveness of the action plan, and combine the internal carbon price with the carbon reduction objectives of each unit to review the annual carbon reduction performance of each unit. The incorporation of the carbon price factor into daily operations will help promote the implementation of more energy-saving and carbon-reduction projects, and make related purchasing decisions more sustainable.

■ Renewable Energy Certificate Subscription

Yuanta Futures follows the "Environmental Policy" and "Energy and Climate Change Management Policy" established by Yuanta Financial Holdings as the principles of internal energy management within the Company. Yuanta Futures cooperates with the Yuanta Group in subscribing to green energy certificates in 2023, the subscribed green electricity and renewable energy certificates amounted to 277,000 kWh. From 2018 to 2023, the total subscription of green electricity and renewable energy certificates accumulated to 563,000 kWh. Moreover, to enhance environmental performance, Yuanta Futures achieved a milestone in December 2023 by transitioning all operational sites in Taiwan to green electricity supply, marking the broadest deployment of green electricity among futures industry players. Together, we strive for the sustainability and conservation of the Earth and environment.

■ Energy Conservation Regulations

In 2023, the total electricity consumption of Yuanta Futures Headquarters and each branch office amounted to 1,207,325 kWh. The Company continues to promote energy conservation regulations through regular supervisory meetings and employee education to enhance employees' awareness of energy conservation, carbon reduction, and environmental protection. The regulations on energy conservation policy of the Company are as follows:

Air conditioning equipment	Computer equipment and lighting	Office machines and photocopying paper	Others
<ul style="list-style-type: none"> For entire Yuanta office premises, the average room temperature is set never below 26°C. Turn off the air conditioning after using the meeting room and working hours. Split-type air conditioners can be turned on only at night during overtime to avoid fully activation. 	<ul style="list-style-type: none"> Turn off personal electrical equipment after working hours, or turn off the power of "monitors" if there is a need for transactions. Turn off the lights in the office area after using the conference room or working hours. Turn off the lights in the pantry and toilets at night and during overtime on holidays. 	<ul style="list-style-type: none"> Fax machines and multifunctional office machines are set to automatically enter standby power saving mode and shut down before working hours to reduce power consumption. Repeated use of paper and double-sided printing of non-essential documents. 	<ul style="list-style-type: none"> At sunshine spots, we installed sun shade curtains to minimize solar radiation. The water flow from the faucets is fully adjusted and the energy-saving sensor faucets are replaced. Promote video conferencing, and save energy consumption from commuting. Promote online signing of electronic official documents to reduce paper and toner consumption. Paper recycling is handled by the building's waste contractor and then sent to YFY Packaging Inc. for reuse. The elevators are programmed for odd and even numbered floors separately to save the energy consumption of docking and opening and closing doors.

5-3 Waste and Water Resources

■ Waste Management

Yuanta Futures strives to promote waste recycling and reduction by implementing the "3R management measures", and the waste management principles of Reduce, Reuse, and Recycle. The Company also carefully selects various waste treatment companies to ensure a legal waste disposal process. The Company's waste mainly comes from general household waste. The relevant waste management measures are as follows:

1. Continue to promote the waste reduction and recycling classification system, and manage waste according to general waste, recyclable waste, and food waste.
2. General waste is transported to incineration plants by qualified waste removal companies, while recyclable waste and food waste are notified to recycle companies for removal.
3. In 2023, the total weight of general waste was 13.85 tons, the total weight of recyclable waste was 5.51 tons, and the total weight of food waste was 1.45 tons.

■ Water Resources Management

In 2023, the Company consumed 4,145,000 m³ of water, 100% of which was fresh water. The main operating areas in Taiwan are supplied by the Taiwan Water Corporation. The Company's water resources are provided to employees and customers in all office buildings and service locations. All used waste water is legally discharged to the sewers. In order to save water resources, we not only conduct regular education and training and communication with our employees to encourage water conservation but also replace water-consuming equipment in offices, business premises, or factories to avoid water wastage. The Company introduces ISO 14046 - Environmental management - Water footprint - A practical guide for SMEs to achieve water efficiency management through comprehensive inventory.

5-4 Green Supply Chain

■ Supply Chain Partner Commitment Signing and Management

Yuanta Futures supports enterprises that provide low-carbon and sustainable instrument through green procurement and supplier management. We also work with suppliers to promote sustainable environmental policies and invite suppliers to sign the "Human Rights And Environmental Sustainability Commitment Letter", which is regularly reviewed every year, resulting in an overall compliance rate of 100%. In addition, we have added green procurement provisions to our procurement management guidelines to practically integrate with suppliers to fulfill green procurement, hoping that green procurement can lead to green production and promote environmental protection. Since 2020, the Company has also required all suppliers to include a "agreement" in procurement contracts. In addition, to implement sustainable procurement and strengthen supply chain management, the Company has completed the introduction of ISO 20400 Sustainable Procurement Guidance.

■ Green Procurement

In order to implement green procurement, Yuanta Futures prioritizes the procurement of products or resources with government-approved environmental protection labels, energy and water conservation labels, and other environmentally friendly products, as well as office renovation projects that comply with green building materials. In addition, since the 2020 edition of sustainability reports, we have been using FSC-certified environmentally friendly paper materials and printing with environmentally friendly soy ink.

With respect to personnel training, we continue to promote the concept of "green procurement" to all employees and conduct education and training for procurement personnel and exchange of relevant information in order to implement green procurement decision-making that is beneficial to products or services. Through procurement and business cooperation, we continue to promote the concept of environmental sustainability and green consumption to our suppliers through the use of various environmental labels as supply materials, and encourage partners to follow the concept together in order to build a wider market for green consumption. The total amount of the Company's 2023 purchases with domestic and foreign energy efficiency labels was \$107,690,000.

5-5 Environmental Conservation and Protection

■ Tamsui River Convention - Beach Cleanup Campaign

The Tamsui River is the third largest river in Taiwan, but it has been polluted for a long time. Yuanta Futures has signed the "Tamsui River Convention - Do One Thing for Tamsui River" initiated by CommonWealth Magazine in 2020 to do its best to protect the environment, and invite several suppliers to join us in making a contribution to the earth. In 2023, one beach clean-up activity was held in Taipei's Bali North Seawall Beach and one in Kaohsiung's Cijin, with a total of 111 participants, picking up a total of 2,378.5 kilograms of large and small-scale marine waste, advocating for and fulfilling the commitment to beach clean-up through actual beach clean-up actions, in hopes of contributing to Taiwan's ecological environment, echoing World Earth Day 2023, and preserving the beautiful rivers and streams for future generations.



A photograph of several hands of different skin tones reaching from the top and sides to hold a single, bright red heart in the center. The hands are cupped together, creating a sense of unity and care. The background is a plain, light beige color.

Chapter

06

**SOCIAL INVOLVEMENT &
PUBLIC WELFARE ACTION**

In line with Yuanta Financial Holdings' social care philosophy of "taking from the society and giving back to the society", Yuanta Futures is deeply involved in the areas of "Financial Inclusion · Innovative Development", "Disadvantaged Support and Child Care", "Medical Care and Elderly Care", striving to bring our employees together to promote various public welfare and educational activities. The Company has been responding to the mobilization and preparation of the "Yuanta Foundation" for many years. Yuanta Futures donated NT\$ 4 million to the Yuanta Cultural and Educational Foundation in 2023. We also called on the employees of our subsidiaries throughout Taiwan to participate in the activities, aiming to exert a positive influence in Taiwan. In addition, the company also donated NT\$375,000 to sponsor the "Financial Services Industry Education Public Welfare Fund" activity organized by the Taiwan Financial Services Roundtable in 2023, continuing its commitment to fulfilling corporate social responsibility in the financial industry.

Academic Education - Financial Inclusion Knowledge

In response to the financial inclusion policy of the competent authorities, Yuanta Futures not only continues to develop convenient financial services and products but also promotes options knowledge through industry-academia cooperation. Over the years, Yuanta Futures has signed industry-academia cooperation plans with leading colleges and universities in Taiwan, organized seminars and courses, and provided internship opportunities to promote the correct concept of options trading and cultivate future financial talent. The Company had donated NT\$1.15 million in 2023 to "Yuanta-Polaris Research Institute" to support the academic research institute studying the macroeconomy of Taiwan and other major nations, finance, and instruments, to implement important annual plans, and to share the research results with the community.

■ Cooperation with Fu Jen Catholic University to Hold the "Foreign Exchange Simulation Trading Competition"

In 2023, Yuanta Futures cooperated with Fu Jen Catholic University to hold the 17th "Foreign Exchange Simulation Trading Competition". A total of 2,046 students participated in the competition. These students are from 67 colleges and universities across Taiwan. We also arranged a "Creative Clip Competition", offering a total prize of nearly NT\$150,000. The competition has also introduced a programming group trading category in line with the Ministry of Education's initiative to promote programming education in universities. This category enables students with a basic understanding of programming to apply a broader range of investment skills. It offers an opportunity for students from all colleges and universities in Taiwan to gain firsthand experience of real-time changes in the financial market and develop an understanding of the market through algorithmic trading. The contestants attempted to apply the theories learned in class to the actual investment trading environment. The creative clip competition encouraged students to share their knowledge of foreign exchange trading in a vivid and lively manner.



■ Involving in Industry-Academic Cooperation with Various Colleges and Universities

Yuanta Futures arranged campus cultivation with a focus on three directions in 2023, namely the "International Broker and International Backstage Personnel Recruitment Program" that the company voluntarily applied to join, and the "Campus Financial Promotion and Intern Recruitment Plan" arranged by cooperating with schools, and the "From Campus to Workplace Create Future Activities with Futures" arranged with the Chinese National Futures Association jointly. The company went to schools to recruit and to promote employer's brand. Through a total of 18 campus expositions and 7 briefing sessions, we successfully recruited 40 students to join the company's intern program. We also launched the "2023 Gathering of Stars" campus recruitment program. This program is the first of its kind in which professional managers directly impart practical experience through a mentorship system. The goal of this program is to cultivate young students to obtain financial certifications and seamlessly transition to employment upon graduation.

Social Participation

■ Employees' Participation in Various Activities of the "Yuanta Cultural and Educational Foundation"

The employees of Yuanta Futures actively participate in public welfare activities. In 2023, the total number of hours of service as a volunteer of the Yuanta Cultural and Educational Foundation reached 285 hours. In addition, 2023 marked the 12th year of the "Yuanta Happiness Day" event, this year, we organized a series of activities to introduce students to financial and technological literacy. These activities included hands-on experience in saving money and financial education at National Taiwan University, guided tours and DIY workshops at the National Museum of Natural Science, and the opportunity to experience VAR (Virtual and Augmented Reality) equipment and learn about virtual customer service at Pingtung University. Through these activities, our goal is to support and guide rural students to grow and pursue their dreams with warmth and enthusiasm.

■ Cooperation with the Social Welfare Foundation of Wisdom in Holding Elderly Care Activities

Yuanta Futures has long been concerned about the disadvantaged groups and has actively responded to the Group's policy, striving to enhance the disadvantaged-friendly services. In 2021, Yuanta Futures and Yuanta Financial Holdings participated in the Ministry of Health and Welfare's "2018-2025 Dementia Care Policy Framework and Action Plan 2.0" and became the first financial institution in Taiwan to obtain the Dementia Friendly Financial Institution certification mark. In addition to making donations, in 2023 Yuanta Futures accompanied elderly people with dementia to play board games as a way to interact and introduce themselves and their interests. The activity began with warm-up interactions, followed by two different types of board games. Finger exercises that stimulate brain activity and movement were also included. Caregivers who participated in the activity could also use board games to spend time with their loved ones with dementia at home.



■ Delivering supplies to homes to ensure a cozy winter

Since December 2023, Yuanta Futures has partnered with the Chinese Christian Relief Association's Corporation Aggregate of The Resurrection Food Bank Holistic Care Association /1919 Service Center to participate in the "1919 Food Bank" material transportation charity event. Every two months, they personally deliver two months' worth of supplies to families in need, ensuring a continuous supply of warmth and nourishment. As of November 2023, they have successfully completed six consecutive deliveries, actively engaging with communities and providing care at local sites.

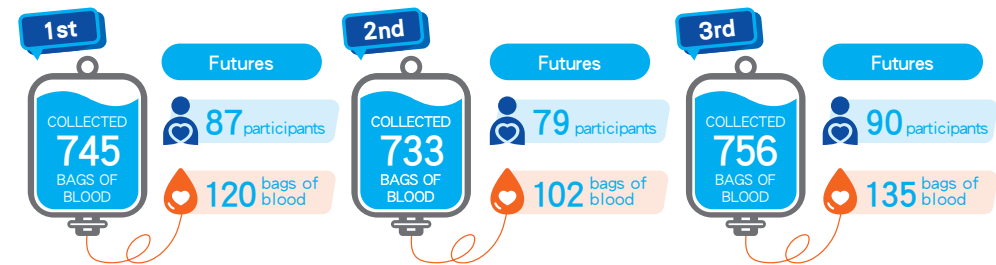


■ Employees' Active Participation in the "Yuanta Blood Donation Day"

According to statistics from the Taiwan Blood Services Foundation, the volume of blood donations from young people has been steadily declining over the past 10 years. Inventories of almost all blood types are currently below the safe storage threshold of 7 days, especially during the cold winter season. This further reduces the public's willingness to donate blood. The Company actively responded to the Yuanta Financial Holdings' "Yuanta Blood Donation Day". The Company's Chairman Tien-Fu Lin, Vice Chairman Hsiao-Ling Chou, and President Kuo-Tsun Hsu led the employees of Yuanta Futures to participate in the event and invited the public and suppliers to donate blood together. The event is now in its 13th year, and the 8th recognition by the Taiwan Blood Service Foundation for an "Outstanding Blood Donation Organization".



2023 YUANTA BLOOD DONATION DAY



■ "Yuanta's Donation to East Africa" Campaign

The Company called on employees to collect and donate used clothes, shoes, bags, and funds to East Africa in the hope to send our love to other countries. The funds were used to build wells in the region to provide residents with clean drinking water and supplement local education resources. The clothes and shoes helped children to prevent sand flea bites. A total of 786 used clothes, shoes, and bags were donated in 2023, totaling 3,943 donations. Our suppliers have also begun to join the campaign.



Environmental Protection

■ In response to the "The Taiwan Good Air Cultivation and Welfare Field Public Action" campaign by INRAA.

To support farmers in implementing the sustainable practice of returning rice straw to the fields, our Company has contributed 20 hectares of farmland to the "Stop Burning Rice Straw Environmental Project." This initiative aims to reduce carbon emissions by 180 metric tons by allowing the rice straw to decompose on-site and serve as organic fertilizer for the soil. Additionally, it helps address the air pollution crisis caused by burning rice straw, positioning Taiwan as a leading advocate for "Zero Rice Straw Burning" in Asia.

■ Responding to the "Taipei Technology Cup Run for Earth" Event

In response to the concept of taking action to protect the earth on Earth Day on April 22, a total of 71 employees and their family members of the Company participated in the "Taipei Technology Cup Run for Earth" on April 16, 2023, advocating participation in outdoor activities to reduce electricity consumption and achieve the goal of corporate sustainable development, while getting closer to the nature and strengthening the body.



■ Responding to the "Earth Hour" Campaign

In response to the "Earth Hour" campaign, the Company turned off the lights for one hour at 8:30 p.m. on March 24, 2023, to exert our influence by encouraging people to "turn off the lights for one hour and go outdoors for one hour" and joining in the efforts to turn off the lights, reduce carbon emissions, and protect the earth.



Appendix 1: GRI Standards

Using statements	Yuanta Futures has reported the information cited in this GRI content index 2021 for the period from Jan 1, 2023 to Dec. 31 2023 with reference to the GRI Standards.
Application of GRI 1	GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

GRI Standards	Disclosure Items	Chapter	Page Number
2-1	Organizational details	1-1 Brand Introduction	08
		1-3 Overseas and Domestic Service Network	10
2-2	Entities included in the organization's sustainability reporting	About report	02
2-3	Reporting period, frequency and contact point	About report	02
2-4	Restatements of information	About report	02
2-5	External assurance	About report	02
2-6	Activities, value chain and other business relationships	1-1 Brand Introduction	08
2-7	Employees	4-1 Basic Human Rights Protection of Employees and Employment Structure	54
2-8	Workers who are not employees	Our company primarily employs non-employee workers, including interns and contractors (cleaning staff and security personnel). In 2023, we had a total of 39 interns and 7 contractors. *Our office is located in the Yuanta Building, which we share with Yuanta Securities and Yuanta Financial Holdings. The number of contractors is calculated based on the proportion of office space occupied by each company.	-
2-9	Governance structure and composition	1-5 Corporate Sustainability Promotion and Implementation Mechanism	11
		2-1 Corporate Governance	25
		2-1-2 Board of Directors and Functional Committees	26
2-10	Nomination and selection of the highest governance body	2-1-2 Board of Directors and Functional Committees	26
2-11	Chair of the highest governance body	2-1 Corporate Governance	25
2-12	Role of the highest governance body in overseeing the management of impacts	1-5 Corporate Sustainability Promotion and Implementation Mechanism	11
2-13	Delegation of responsibility for managing impacts	1-5 Corporate Sustainability Promotion and Implementation Mechanism	11

GRI Standards	Disclosure Items	Chapter	Page Number
2-14	Role of the highest governance body in sustainability reporting	About report	02
2-15	Conflicts of interest	2-1-2 Board of Directors and Functional Committees	26
2-16	Communication of critical concerns	2-1-2 Board of Directors and Functional Committees	26
2-17	Collective knowledge of the highest governance body	2-1-2 Board of Directors and Functional Committees	26
2-18	Evaluation of the performance of the highest governance body	2-1-2 Board of Directors and Functional Committees	26
2-19	Remuneration policies	2-1-2 Board of Directors and Functional Committees	26
2-20	Process to determine remuneration	2-1-2 Board of Directors and Functional Committees	26
2-21	Annual total compensation ratio	Due to the sensitive nature of compensation information, it will be categorized as Undisclosed Information for this fiscal year.	-
2-22	Statement on sustainable development strategy	Chairman's Message	03
2-23	Policy commitments	2-2 Ethical Corporate Management	35
		2-3 Legal Compliance and Internal Control and Audit System	36
		4-1 Basic Human Rights Protection of Employees and Employment Structure	54
2-24	Embedding policy commitments	2-2 Ethical Corporate Management	35
		2-3 Legal Compliance and Internal Control and Audit System	36
		4-1 Basic Human Rights Protection of Employees and Employment Structure	54
2-25	Processes to remediate negative impacts	2-3 Legal Compliance and Internal Control and Audit System	36
2-26	Mechanisms for seeking advice and raising concerns	1-6 Stakeholders' Issues of Concerns and Communication Channels	12
		2-5 Investor Relations Maintenance	39
		4-2 Safe and Secure Working Environment and Protection	58
2-27	Compliance with laws and regulations	2-3 Legal Compliance and Internal Control and Audit System	36
2-28	Membership associations	1-8 Participation in Domestic and International Organizations Participation of International Parties	23
2-29	Approach to stakeholder engagement	1-6 Stakeholders' Issues of Concerns and Communication Channels	12
2-30	Collective bargaining agreements	The Company has not established an union and has yet established a collective bargaining agreement	-

GRI 3: Material Topics 2021

GRI Standards		Disclosure Items	Chapter	Page Number
3-1		Process to determine material topics	1-7 Summary of Major Themes of Yuanta Futures	16
3-2		List of material topics	1-7 Summary of Major Themes of Yuanta Futures	16
3-3		Management of material topics	1-7 Summary of Major Themes of Yuanta Futures	16
GRI Standards		Disclosure Items	Chapter	Page Number
Material Issues				
Internal Control and Risk Management				
Material Issues Identified by Yuanta Futures		-	2-4 Risk Management	38
Customer Privacy 、 Information and transaction security				
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3-3 Customer Service and Rights and Interests Protection	47
Corporate Governance & Integrity Management				
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	2-3 Legal Compliance and Internal Control and Audit System	36
	205-2	Communication and training about anti-corruption policies and procedures	2-2 Ethical Corporate Management	35
	205-3	Confirmed incidents of corruption and actions taken	2-3 Legal Compliance and Internal Control and Audit System	36
Compliance with applicable laws and regulations				
Material Issues Identified by Yuanta Futures		-	2-3 Legal Compliance and Internal Control and Audit System	36
Tax				
GRI 207: Tax 2019	207-1	Approach to tax	2-6 Tax Governance	40
	207-2	Tax governance, control, and risk management	2-6 Tax Governance	40
	207-3	Stakeholder engagement and management of concerns related to tax	2-6 Tax Governance	40
	207-4	Country-by-country reporting	2-6 Tax Governance	40

GRI Standards	Disclosure Items	Chapter	Page Number
Energy and Climate Change			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	5-2 Greenhouse Gas Inventory and Energy 74
	305-2	Energy indirect (Scope 2) GHG emissions	5-2 Greenhouse Gas Inventory and Energy 74
	305-3	Other indirect (Scope 3) GHG emissions	5-2 Greenhouse Gas Inventory and Energy 74
Marketing and Labeling			
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	3-3 Customer Service and Rights and Interests Protection 47
	417-2	Incidents of non-compliance concerning product and service information and labeling	2-3 Legal Compliance and Internal Control and Audit System 36
	417-3	Incidents of non-compliance concerning marketing communications	3-3 Customer Service and Rights and Interests Protection 47
GRI Standards	Disclosure Items	Chapter	Page Number
Other Topic standards			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4-1 Basic Human Rights Protection of Employees and Employment Structure 54
	401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	4-2-1 Occupational Health and Safety Management 4-3-4 Retaining: Retaining Talent with Care 58 65
	401-3	Parental leave	4-3-4 Retaining: Retaining Talent with Care 65
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4-2-1 Occupational Health and Safety Management 58
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4-3-2 Educating: Talent Development 61
	404-2	Programs for upgrading employee skills and transition assistance programs	4-3-2 Educating: Talent Development 4-3-4 Retaining: Retaining Talent with Care 61 65
	404-3	Percentage of employees receiving regular performance and career development reviews	4-3-3 Applying: Full Utilization of Talent 65

Appendix 2: SASB Standards

Aspect	Topic	Code	Page Number	Note
Human Capital	Percentage of gender and racial / ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-IB-330a.1	56-57	
Incorporation of Environmental, Social, and Governance Factors in Investment Banking and Brokerage Activities	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of ESG factors, by industry	FN-IB-410a.1	52	
	(1) Number and (2) total value of investments and loans incorporating integration of ESG factors, by industry	FN-IB-410a.2	52	
	Description of approach to incorporation of ESG factors in investment banking and brokerage activities	FN-IB-410a.3	52	
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-IB-510a.1	-	In 2023, Yuanta Futures has no monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.
	Description of whistleblower policies and procedures	FN-IB-510a.2	35	
Professional Integrity	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	FN-IB-510b.1	-	For details, please refer to the Company's 2023 Annual Report (EN) P118-120, P180-182
	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	FN-IB-510b.2	-	For details, please refer to the Company's 2023 Annual Report (EN) P180-182
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	FN-IB-510b.3	-	For details, please refer to the Company's 2023 Annual Report (EN) P180-182
	Description of approach to ensuring professional integrity, including duty of care	FN-IB-510b.4	35-37	

Aspect	Topic	Code	Page Number	Note
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	FN-IB-550a.1	-	The Company is not a systemically important bank.
	Description of approach to incorporation of results of mandatory and voluntary stress test into capital adequacy planning, long-term corporate strategy, and other business activities	FN-IB-550a.2	38 69-73	
Employee Incentives & Risk Taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	FN-IB-550b.1	-	Information about this indicator will be further disclosed in the future
	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	FN-IB-550b.2	-	No clawback provisions apply to the Group's senior management.
	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	FN-IB-550b.3	-	For details, please refer to the Company's 2023 Consolidated Financial Statement (EN) P62-P67
Activity Metrics	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions	FN-IB-000.A	52	
	Number and value of proprietary investments and loans by sector	FN-IB-000.B	52	
	Number and value of market making transactions in derivatives (futures / options / warrants)	FN-IB-000.C	-	Information about this indicator will be further disclosed in the future

Appendix 3: Accountants' Limited Assurance Report



Independent Limited Assurance Report

To Yuanta Futures Co., Ltd.

We have been engaged by Yuanta Futures Co., Ltd. ("Company") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2023 Sustainability Report (hereinafter referred to as the "Identified Key Performance Indicators") and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" on page 90 to 91 of the Sustainability Report. The scope of the Identified Key Performance Indicators is set out in the "Scope and Boundary" on page 02 of the Sustainability Report.

The respective applicable criteria referred to above are the Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies and related laws and regulations, the latest edition of the GRI Sustainability Reporting Standards (GRI Standards) and the GRI Sector Disclosures published by the Global Reporting Initiative (GRI) and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported (hereinafter referred to as the "Applicable Criteria").

Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

Inherent Limitation

Certain subject matter information assured involves non-financial data which is subject to more inherent limitations than financial information. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

Compliance of Independence and Quality Management Requirement

We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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Our firm applies the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of the Republic of China. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes, and the relevant internal controls relating to the preparation of the aforementioned information, to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed analytical procedures on the Identified Key Performance Indicators and performed substantive testing on a selective basis, including inquiries, observation, inspection, and reperformance to obtain evidence for limited assurance.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the Applicable Criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the Applicable Criteria have been subsequently modified.

Lo, Chiao-Sen

For and on behalf of PricewaterhouseCoopers, Taiwan

August 29, 2024

According to “Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies” Article 4 Paragraph 1 (“Rules”) emphasizing the information disclosure and statement of summary.

No.	Subject Matter Information	Page	Applicable Criteria
1.1	There were no data breaches for Yuanta Futures in 2023.	50	In accordance with “Operational Guidelines for Circulating Reports on the Information and Communication Security Related Events Occur in Securities and Futures Markets”, Yuanta Futures uses the information and communication-security-related events notification systems to report relevant events to the competent authority (Securities and Futures Bureau) and check whether these events involve data breaches or not. The total number of data breaches of Yuanta Futures is counted in 2023. The data breach is based on whether the data leak of Yuanta Futures and the data breach violate the policies of Yuanta Futures of non-disclosure and information security.
1.2	The percentage of data breaches involving personally identifiable information out of total data breaches for Yuanta Futures was 0% in 2023.	50	In accordance with “Operational Guidelines for Circulating Reports on the Information and Communication Security Related Events Occur in Securities and Futures Markets”, Yuanta Futures uses the information and communication-security-related events notification systems to report relevant events to the competent authority (Securities and Futures Bureau) and check whether these events involve data breaches or not. And in accordance with “Regulation on Personal Information Management”, the percentage of data breaches involving personally identifiable information out of total data breaches for Yuanta Futures is calculated in 2023. Note: “Personal data” in accordance with “Personal Information Working Guidelines” refers to a natural person’s name, date of birth, ID Card number, passport number, features, fingerprints, marital status, family information, education background, occupation, contact information, financial conditions, data concerning a person’s social activities, special personal information and any other information that may be used to directly or indirectly identify a natural person.

No.	Subject Matter Information	Page	Applicable Criteria
1.3	There were no holders affected by data breaches for Yuanta Futures in 2023.	50	In accordance with “Operational Guidelines for Circulating Reports on the Information and Communication Security Related Events Occur in Securities and Futures Markets”, Yuanta Futures uses the information and communication-security-related events notification systems to report relevant events to the authority (Securities and Futures Bureau) and check whether these events involve data breaches or not. Number of account holders affected by data breaches of Yuanta Futures is counted in 2023.
2	In 2023, Yuanta Futures cooperated with Fu Jen Catholic University to hold the 17th “Foreign Exchange Simulation Trading Competition”. A total of 2,046 students participated in the competition.	79	The number of applicants to the 17th “Foreign Exchange Simulation Trading Competition” events which was held by Yuanta Futures in cooperation with Fu Jen Catholic University in 2023. Note: According to FAQs of “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”, disadvantaged groups are those without adequate banking services with reference to the definition of SASB. Disadvantaged groups include but not limited to students, teenagers, new immigrants, the elderly, minorities, low-income households, and those considered to be appropriate by the financial and insurance companies.
3	The turnover of “FTSE4GOOD” is 8,780 lots in 2023.	52	The turnover of the trading brokerage services for “FTSE4GOOD” provided by Yuanta Futures in 2023.
4	Yuanta Futures donated NT\$4 million to the Yuanta Cultural and Educational Foundation in 2023.	79	The total amount of donations from Yuanta Futures to Yuanta Cultural and Educational Foundation in 2023.
5	Yuanta Futures cooperates with the Yuanta Group in subscribing to green energy certificates in 2023, the subscribed green electricity and renewable energy certificates amounted to 277,000 kWh.	75	Yuanta Futures subscribed to green energy power and obtained the power generation degree of the renewable energy certificates issued by the Bureau of Standards, Metrology and Inspection, M.O.E.A. and the National Renewable Energy Certification Center.

Appendix 4: Independent Assurance Opinion Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

2023 YUANTA FUTURES Sustainability Report

The British Standards Institution is independent to Yuanta Futures Co., Ltd. (hereafter referred to as Yuanta Futures in this statement) and has no financial interest in the operation of Yuanta Futures other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Yuanta Futures only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Yuanta Futures. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Yuanta Futures only.

Scope

The scope of engagement agreed upon with Yuanta Futures includes the following:

1. The assurance scope is consistent with the description of 2023 YUANTA FUTURES Sustainability Report.
2. The evaluation of the nature and extent of the Yuanta Futures' adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the 2023 YUANTA FUTURES Sustainability Report provides a fair view of the Yuanta Futures sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Yuanta Futures and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Yuanta Futures' efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Yuanta Futures' description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to Yuanta Futures' policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 4 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that Yuanta Futures has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Yuanta Futures' inclusivity issues.

Materiality

Yuanta Futures publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Yuanta Futures and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Yuanta Futures' management and performance. In our professional opinion the report covers the Yuanta Futures' material issues.

Responsiveness

Yuanta Futures has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Yuanta Futures is developed and continually provides the opportunity to further enhance Yuanta Futures' responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Yuanta Futures' responsiveness issues.

Impact

Yuanta Futures has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Yuanta Futures has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the Yuanta Futures' impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

Yuanta Futures provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the Yuanta Futures' sustainability topics. However, the future report will be improved by the following areas:

- It is encouraged to consider referring to international peers' practices to meet the requirements of the standards for disclosing the GRI 2-21 annual total compensation ratio, thus enhancing the credibility and transparency of the sustainability report.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the Yuanta Futures' chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:


Peter Pu, Managing Director BSI Taiwan



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2024-06-20

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