



Decarbonization



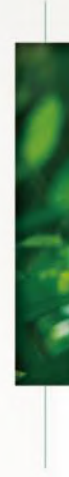
Digitalization



Empowerment



Connection



2023 SUSTAINABILITY REPORT

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About This Report

The Sustainability Report published in 2024 is the first publication of Fubon Securities Co., Ltd. (hereinafter referred to as Fubon Securities). Going forward, Fubon Securities will be publishing a sustainability report annually to inform all stakeholders about the Company's goals, actions, and relevant information in corporate governance, environmental sustainability, and social commitments, presenting the Company's sustainability achievements and progress.

Reporting Period

The "2023 Sustainability Report" (hereinafter referred to as this Report) aligns with the financial statement reporting period, covering the Company's actions and performance in ESG aspects for the year 2023 (from January 1, 2023, to December 31, 2023), as well as the management of and response to significant topics. To provide a comprehensive view of the performance, some contents also include information prior to 2023.

Reporting Boundary

The disclosure boundary of this Report focuses on all operational sites of Fubon Securities in Taiwan, covering a total of 56 branches, excluding subsidiaries. The financial data disclosed in the report is consistent with the Company's consolidated financial statements. Unless otherwise specified, all amounts are in New Taiwan Dollars. Any discrepancies in the scope will be specifically explained in the report.

Reporting Guidelines

The following are the principles and standards followed in the preparation of this Report. The GRI indicators index, SASB standards index, and table of corresponding SDGs can be found in the appendix.

Principles and Regulations	Issuer
GRI Standards 2021 for Sustainability Reporting	Global Reporting Initiative (GRI)
Investment Banking & Brokerage Standards	Sustainability Accounting Standards Board (SASB)
Climate-related Financial Disclosure Recommendations	Task Force on Climate-related Financial Disclosures (TCFD)
Sustainable Development Goals (SDGs)	United Nations (UN)
Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms	Taipei Exchange (TPEX)

Report Management

The structure and overall planning of this Report are coordinated by the ESG secretariat. The significant topics for 2023 were reported at the ESG Task Force meeting, submitted to the Sustainability Development Committee for discussion, and approved by the Board of Directors. The information in the Report is provided by the six working groups with the assurance of the heads of these groups. The content of this Report and the Company's relevant information are reviewed by the heads of the task forces and the responsible unit supervisors, submitted to the Sustainability Development Committee for confirmation of completeness and accuracy, and then discussed and approved by the Board of Directors. After review by the Board of Directors, this Report is published by the Chairman under the authorization of the Board.

Report Assurance and Verification

The information and statistical data disclosed in this Report are collected by the Company or sourced from publicly available government information and competent authority filings. The financial data is audited by KPMG Taiwan. The sustainability indicators required by the "Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms" are also verified by KPMG in accordance with the guidelines for assurance engagements other than audits or reviews of historical financial information described in TWSAE3000 standards issued by the Accounting Research and Development Foundation in Taiwan (stipulated in accordance with ISAE3000 standards), and an independent limited assurance report is issued.

This Report is the Company's first compilation; therefore, no information has been recompiled.

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Fubon Securities
Official Website



Sustainability Section



2023 Sustainability
Report

Chairman's Message

In 2023, high temperatures frequently broke records, with the Copernicus Climate Change Service (C3S) of the European Union confirming that 2023 was the hottest year on record for global average temperatures. The World Economic Forum (WEF) highlighted in its Global Risks Report released in January 2024 that extreme weather events are among the top five risks, with the top four global long-term risks all closely related to the climate and environment.

In response to the pressing issue of global climate change, Fubon Securities, along with its parent company, Fubon Financial Holdings, has been promoting the Run For Green™ ESG initiative aimed at exerting corporate sustainability influence from both financial and non-financial perspectives. Furthermore, Fubon Securities follows Fubon Financial Holdings' ESG Visioning blueprint, implementing sustainability through four key strategies: decarbonization, digitalization, empowerment, and connection. The United Nations Sustainable Development Goals (SDGs) are also integrated into our business development strategies and core business decision-making as we promote medium and long-term ESG goals and action plans. These plans include assisting clients in sustainable transformation, providing optimal financial services, creating a friendly and healthy workplace, and connecting positive societal forces.

In 2023, Fubon Securities participated in the climate risk scenario analysis project organized by the Taiwan Securities Association and submitted a climate change scenario analysis report. Our report was selected as an exemplary model of transformation risk scenario analysis among peers, leading the industry in enhancing attention and management of climate risks. Additionally, in an effort to enhance sustainability governance, Fubon Securities established the Sustainable Development Committee under the Board of Directors, dedicated to the promotion of sustainable development. In the same year, Fubon Securities received the highest honor in Taiwan's securities industry, the "Golden Goblet Award - Outstanding ESG Sustainability Award." Being the first securities firm to earn this distinction indicates our exceptional achievements in sustainability practices.

Implementing Sustainability Concepts, Enhancing Financial Influence

In April 2023, Fubon Securities completed the merger with Jih Sun Securities and has since seen significant growth across various business operations. The merger optimizes capital efficiency, expands the Company's customer base, increases cross-selling opportunities, and provides customers with more diverse and convenient financial services, further enhancing to exert financial influence.

Furthermore, Fubon Securities continues to promote digital innovation, actively catering to the needs of younger customers. In July 2023, we partnered with LINE Bank, marking the first collaboration between a domestic securities firm and a 100% internet-only bank that created a digital financial ecosystem tailored to digital-native customers while achieving financial inclusion.

In July 2023, Fubon Securities launched the industry's first cross-product "ESG zone," introducing ESG ratings for Taiwan stocks, US stocks, overseas bonds, and funds. Combined with regular fixed quota business, it invites investors to attain success in both "investment" and "sustainability."

Fubon Securities also actively fulfills its corporate social responsibility and implements the treating customers fairly principles. In 2023, it was awarded the highest honor by the Financial Supervisory Commission in the "Treating Customers Fairly Principles Evaluation," ranking in the top 25%. Through consistently exerting its financial influence, Fubon Securities guides companies toward sustainable development, interacts actively with investee companies, and assists in their green transformation. Our efforts and significant achievements in responsible investment and stewardship earned recognition as an "2023 Best List of Institutional Investors for the Disclosure of Stewardship Information" from the Taiwan Stock Exchange for the second consecutive year.

Consistent Green Actions Towards Sustainable Operations

In response to climate change and the global trend of greenhouse gas reduction, Fubon Securities continues to update energy-saving equipment, striving to build a low-carbon operating model by setting greenhouse gas reduction targets and conducting annual ISO 14064 greenhouse gas inventories. In addition to investing in energy-saving equipment, in July 2023, Fubon Securities installed solar panels at its Chiayi branch. A total of 14,500 kWh was generated by the end of 2023, reducing carbon emissions by 7 tons CO₂e. The operational carbon emissions in 2023 decreased by 17% compared to the baseline year, showcasing significant results.

On top of external sustainability advocacy, Fubon Securities internalizes sustainability empowerment by promoting mandatory ESG training for all employees. Training course contents include international sustainability requirements and trends, the role of the financial industry in ESG, and sustainable financial influence. In 2023, in a consistent effort to enhance the sustainability expertise among the staff, employees were encouraged to obtain the Sustainable Finance Manager Certification, and all of those who participated in the first certification training program passed the certification exam.

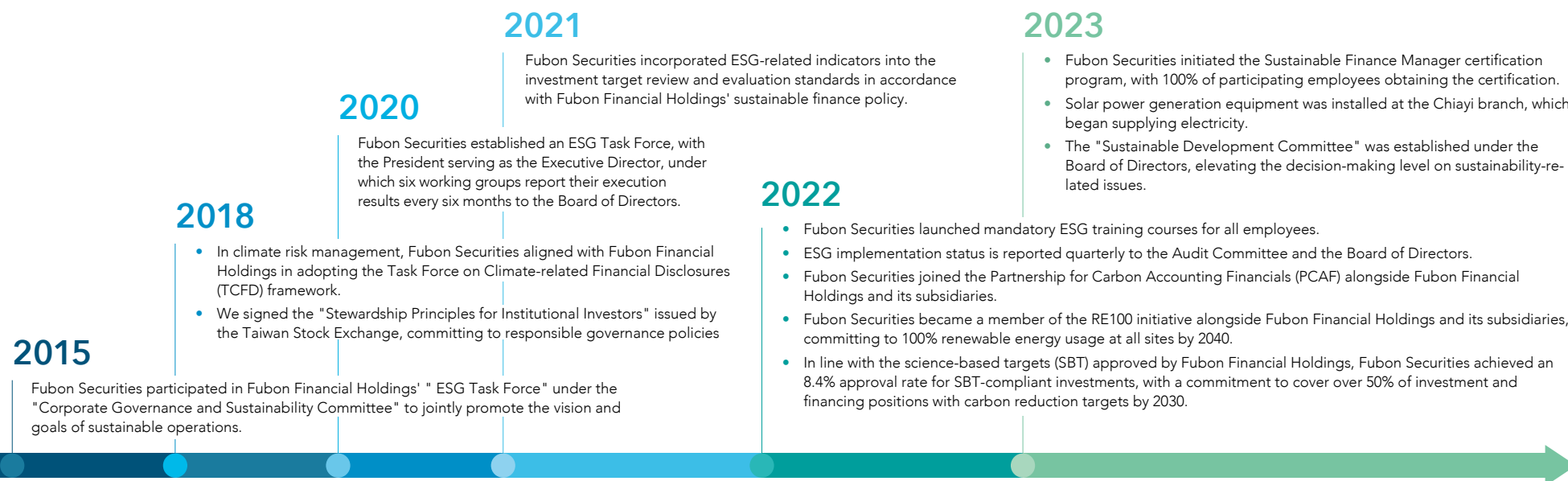
Aspiring into the future, Fubon Securities will continue to strengthen responsible investment strategies and actions, promote sustainable investment products, guide and assist investee companies in implementing ESG management, deepen engagement in digital innovation, achieve financial inclusion, and create fair and friendly financial services, steadily striving towards the goal of sustainable operations.

Chairman

程明乾



Sustainable Development Milestones



Sustainability Outcomes



Environment

- Replaced non-energy-efficient equipment at operational sites, saving nearly **500,000 kWh** annually.
- Achieved a **73%** participation rate in underwriting green bonds.
- Invested **NT\$8.399 billion** in low-carbon investments, green energy technology investments, and green bond investments.
- In adherence to Scope 3 carbon reduction targets, **18%** of investment positions have committed to carbon reduction and set SBTs this year.
- Actively underwriting IPOs and SPOs of companies that contribute to "providing products and services that mitigate climate change or environmental risks," with relevant cases accounting for **51%** of total underwriting IPOs and SPO cases this year.



Society

- Donated nearly **NT\$30 million** to charitable causes.
- Provided over **NT\$2 million** in childbirth subsidies and nearly **NT\$4 million** in childcare subsidies.
- Launched an **"ESG zone"**, offering ESG ratings for investment products, including Taiwan stocks, US stocks, overseas bonds, and funds.
- Investment knowledge videos on the YouTube channel garnered **4.656 million** views.
- Promoted financial education** by organizing financial literacy activities and English financial education programs for children.



Governance

- Achieved annual revenue and net profit growth of **15%** and **59%**, respectively, compared to the previous year.
- Established a counterfeit incident response team, which reported and took down **18** counterfeit websites this year.
- Maintained the validity of the **ISO 27001** information security certification.
- Information security personnel obtained a total of **18** international information security professional certifications.
- Included the **"ESG Visioning Project"** items in the performance evaluation forms for all employees.

Recognition and Honors Received in 2023



General Achievement

- Securities & Futures Institute **Golden Goblet Award**: Outstanding ESG Sustainability Award
- Business Today **2023 Wealth Management Banks and Securities Evaluation**: First Place in Best Wealth Management Securities Brokerage, First Place in Best Sales Team, First Place in Best Customer Trust, Second Place in Best Customer Satisfaction, Second Place in Wealth Increase, Third Place in Best Product, and Third Place in Best Risk Control
- Wealth Magazine **2023 Wealth Management Awards**: Best Securities Wealth Management, Best Securities Service, Best Securities Digital Finance, Best Securities Financial Service Innovation, Best Securities Audiovisual Marketing
- The Global Economics **The Global Economics Awards 2023**: Best Brokerage House
- Global Business Magazine **Global Business Magazine Awards 2023**: Best Brokerage House Taiwan
- Global Banking & Finance Review **The Next 100 Global Awards 2023**
- Brands and Business Magazine **Best Brokerage House Taiwan 2023**



Corporate Governance

- Taiwan Stock Exchange: **2023 Best List of Institutional Investors for the Disclosure of Stewardship Information**
- Taiwan Institute for Sustainable Energy **2023 Taiwan Sustainable Investment Award**: Model Award for Institutional Influence
- Commercial Times **2023 Digital Finance Awards**: Gold Award for Digital Information Security



Shared Prosperity with Society

- Financial Supervisory Commission **Top 25% Securities Firms in the 2023 Treating Customers Fairly Principles Evaluation**
- Sports Administration, Ministry of Education **2023 Sports Promoter Award**: Gold Award for Sponsorships, Award for Long-term Sponsorships
- Taiwan Institute for Sustainable Energy **2023 Taiwan Sustainable Investment Award**: Bronze Level Recognition for Case Influence in ESG Innovation, **2023 Taiwan Corporate Sustainability Awards**: Innovative Growth Leadership Award
- Commercial Times **2023 Digital Finance Awards**: Excellence Award for Digital Service, Excellence Award for Digital Inclusion
- Daily View **2023 Electronic Word-of-Mouth Award**: Strategic Excellence Award in Digital Securities



About Fubon Securities

Basic Information of Fubon Securities

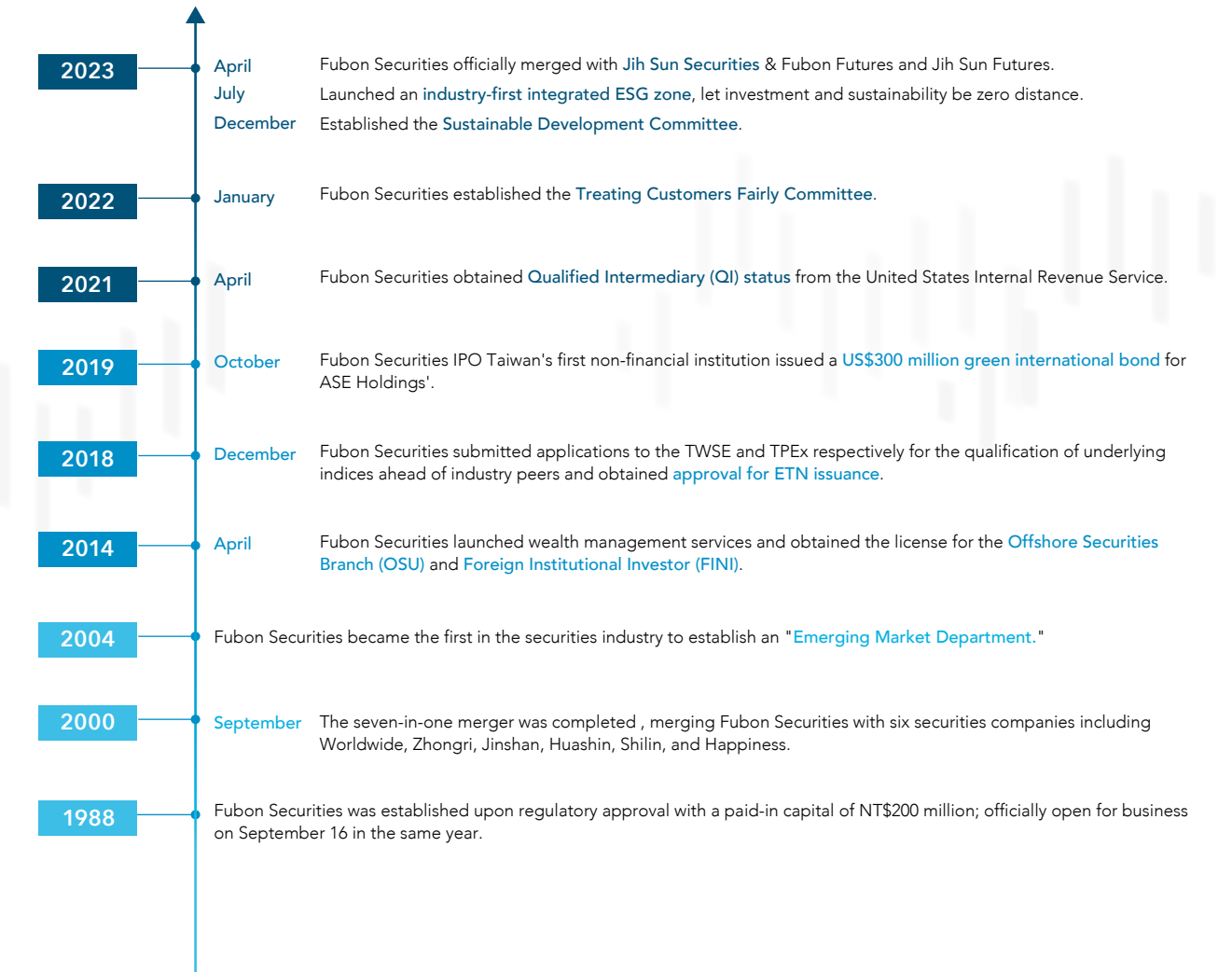
- Company name: Fubon Securities Co., Ltd.
- Headquarters: 3F~4F, No.169, Section 4, Ren'ai Road, Da'an District, Taipei City
- Date of establishment: July 11, 1988
- Chairman: Leo Cheng
- President: Michael Kuo
- Industry: Securities industry*
- Paid-in capital: NT\$ 16,258,551,000
- Total assets: NT\$ 243,639,827,000
- Operational locations: 56 branches
- Number of employees: 2,737

* The business activities of the Company span five areas: securities brokerage, futures trading assistance, concurrent proprietary trading of securities-related futures, trusts, and concurrent securities investment advisory business.

Operational Locations

Taipei City	New Taipei City	Taoyuan, Hsinchu, Miaoli	Taichung, Changhua, Nantou	Yunlin, Chiayi, Tainan	Kaohsiung, Pingtung	Keelung, Yilan, Hualien, Taitung
9	8	11	10	7	6	5

Company Chronicle



Financial Data of Affiliated Enterprises in 2023

Unit: 1,000 NTD/ Foreign dollar

Subsidiary	Business Focus	Total Assets	Profit After Tax	Earnings Per Share
Fubon Futures Co., Ltd.	Increase market share through synergistic product strategies	32,412,454	309,803	1.48
Fubon Securities Investment Services Co., Ltd.	Provide customers with real-time, accurate, and comprehensive professional investment reports	232,018	1,390	0.15
Fubon Securities Venture Capital Co., Ltd.	Establish an investment banking service value chain with a focus on late-stage and pre-IPO investment strategies	352,586	(12,598)	(0.42)
Fubon Mintou Venture Capital Co., Ltd.	Identify and invest in high-quality, competitive enterprises with complementary industrial advantages between Fujian and Taiwan	198,206	303	0.02
Fubon Investment Holding (BVI) Ltd.	Serve as a foreign investment holding company managing overseas subsidiaries	USD 26,357,706	USD 1,127,935	USD 0.04
JS Cresvale Securities International Ltd.	Expand international business and increase the number of overseas operational sites	HKD 108,361,838	HKD 1,353,906	HKD 0.01

Primary Business Overview

Business Type	Services
Brokerage	Trading in Taiwan stocks, margin trading, non-restricted purpose loan, two-way securities lending for individuals, regular fixed quota business, domestic and inter-national futures and options, etc.
Wealth Management	Provision of various wealth management products including sub-brokerage over-seas products, funds, bonds, structured products, and insurance products, as well as asset allocation and investment portfolio recommendations
Proprietary Trading	Using proprietary funds to engage in transactions of listed and over-the-counter stocks and bonds, as well as other securities and futures, options approved by regu-latory authorities, bearing profit and loss risks
International Securities (OSU)	Commissioned trading of foreign currency securities, foreign currency financial products approved by regulatory authorities, sales of foreign currency corporate bonds and other debt instruments, securities-related loans, and the provision of account custody, agency, and advisory services
Financial Trading	Issuance of call (put) warrants, structured products, and equity derivatives
Investment Banking	Advisory services for companies applying for public offerings, registration on the emerging stock market and listing on the stock exchange, underwriting and selling securities, raising and planning company funds, etc.
Stock Affairs Agency	Agency services on client equity management, convening shareholders' meetings, proxy solicitation, and the planning, execution, and management of business tax and dividend distribution-related matters

Business Performance in 2023

Fubon Securities reported an annual revenue of NT\$18,760,503 thousand and a net profit after tax of NT\$7,054,085 thousand for 2023. Following the successful merger with Jih Sun Securities in April 2023, the Company's various business sectors have observed significant growth. The business performance for each business sector in 2023 is as follows.

Brokerage	- Spot market share: 7.56%, ranked third in the market. - Margin trading market share: 9.56%, ranking moved up to second. - Securities lending market share: 17.08%, firmly in third place. - Average balance of non-restricted purpose loan: NT\$13.2 billion, ranked third in the market.
Wealth Management	- Trading amounts for overseas stocks and bonds reached NT\$419.4 billion and NT\$40 billion, respectively, representing a growth of 36% and 110% compared to 2022. - Fund subscription amount: NT\$12.1 billion, a 119% increase compared to 2022. - Structured product trading amount: NT\$22.1 billion, a 77% increase compared to 2022.
Financial Trading	- Emerging stock market-making market share: 20.18%, ranked second in the market. - Number of issued warrants: 2,206, a 25% increase compared to 2022, with the volume of struc-tured products maintaining a top-two market position. - NTD bond underwriting market share: 12.60%, a 2.04% increase compared to 2022.
Investment Banking	Total underwriting amount (including IPOs and SPOs): NT\$13.16 billion, with 20 lead-managed cases, holding a market share of 9.19%, firmly ranked third in the market.

Financial Performance

Unit: 1,000 NTD

Item		2023
Direct Economic Value	Commission Net Income	12,894,629
	Interest Net Income	2,536,027
	Investment and Transaction Net Income	3,013,274
	Other Net Income/Loss	316,573
	Subtotal of Direct Economic Value	18,760,503
Distributed Economic Value	Distributed Economic Value	8,493,590
	Employee Salaries and Benefits	6,143,169
	Donations to Government Agencies	0
	Donations to School Foundations	0
	Social Welfare	28,552
	Dividends Paid	2,647,141
	Income Tax Expenses	706,531
	Political Donations	0
	Fines	0
	Subtotal of Distributed Economic Value	18,018,983
Retained Economic Value ^{Note}		741,520

Note: Retained economic value = Direct economic value – Distributed economic value.

Financial Information

Item	2023
Total Assets (1,000 NTD)	243,639,827
Net Profit After Tax (1,000 NTD)	7,054,085
Earnings Per Share (NTD)	4.34
Return on Equity (%)	11.63

Tax Governance

Fubon Securities adheres to the "Accounting Operational Management Guidelines for Subsidiaries of Fubon Financial Holdings" for its tax operations. The Company also follows the "Tax Governance Policy for Fubon Financial Holdings and Subsidiaries" and the "Tax Operations Management Rules for Fubon Financial Holdings and Subsidiaries" to ensure compliance with external regulations in its tax operations and tax risk management. This approach aims to implement sustainable corporate development and fulfill the Company's commitment to corporate social responsibility.

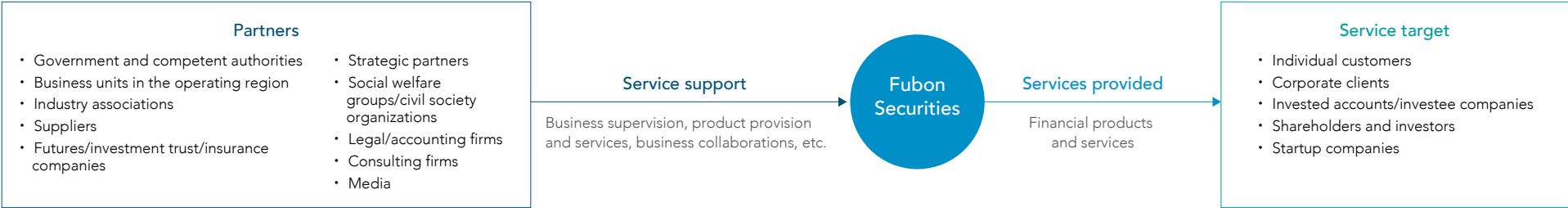
Policy principle	Description
Regulatory Compliance	Fubon Securities fully understands and complies with the tax regulations in the jurisdictions where it operates. When interpreting tax laws, both the literal meaning and legislative intent are considered to ensure accurate tax calculations and timely filing and payment of taxes. In alignment with Fubon Financial Holdings' "Tax Operations Management Rules," Fubon Securities regularly fills out the "Periodic Tax Inspection Form" to assess its compliance with tax regulations and the impact of new laws, thereby managing potential tax risks.
Talent Development	Fubon Securities' tax personnel participate in quarterly tax courses or regulatory update briefings organized by Fubon Financial Holdings, external consultants, or tax firms. This enhances their tax expertise for tax-related operations.
Information Transparency	Fubon Securities discloses all tax information as legally required, ensuring compliance with regulations for all types of tax filings. The Company files taxes on time, responds to inquiries from tax authorities, and provides necessary information, fulfilling its social responsibility as a taxpayer.
Risk Control	Fubon Securities has established a tax risk management mechanism that carefully evaluates changes in local and international tax regulations, and appropriate measures and strategic adjustments are adopted accordingly. All major decision-making considers tax risks and impacts. For uncertain or complex tax issues, the Company consults professional advisors for tax opinions and informs the Accounting and Tax Management Department of Fubon Financial Holdings. As needed, it communicates with tax authorities to reduce uncertainties in tax risk.
Honest Communication	Fubon Securities maintains open and honest communication with tax authorities in the regions where it operates. The Company also provides industry insights to help improve the tax environment and systems.
Tax Consultation	For tax issues, new product types, and significant new transactions, various departments of the Company discuss and evaluate the tax impacts with the tax unit.

Tax Information

Unit: 1,000 NTD

Item	2023
Net Profit Before Tax	7,760,616
Income Tax Expenses	706,531
Income Tax Paid	1,135,807

Operational Supply Chain



Participation in Industry Associations

Fubon Securities is actively involved in various industry associations, sharing its experiences as it engages in sustainable finance-related affairs to promote the advancement of the entire industry. The Company's executives serve as standing directors of the Sustainable Development Committee, as well as conveners of the New Financial Products Committee and the Legal Affairs and Regulatory Compliance Committee of the Taiwan Securities Association. They drive discussions and work execution within these associations. In 2023, the Company promoted several initiatives with an expenditure of NT\$15,692,382 to support financial industry policy research.

Industry Association	Initiative	Description
New Financial Product Committee of the Taiwan Securities Association	Promotion of warrant hedging tax reduction	- To invigorate the warrant market, efforts were made to reduce the securities transaction tax for hedging stocks bought and sold in warrant hedging accounts. - On April 21, the Legislative Yuan passed the amendments to the Securities Transaction Tax Act, reducing the securities transaction tax rate for warrant hedging stocks to 0.1% starting on November 10, for a period of five years.
New Financial Product Committee of the Taiwan Securities Association	Promotion of the permission for securities firms' warrant hedging accounts to participate in convertible bond primary market auctions	- The primary market auction prices for convertible bonds are usually lower than market prices. Allowing warrant hedging accounts to participate in these auctions enables the acquirement of lower-cost hedging positions, thereby reducing risk and increasing profitability. - On November 15, the Taiwan Stock Exchange issued Letter No. 1120206259, permitting warrant hedging accounts to participate in primary market auctions for convertible bonds, effective on November 16.
Legal Affairs and Regulatory Compliance Committee of the Taiwan Securities Association	Strengthening compliance education and training for securities practitioners to implement ESG and sustainable development endeavors	- Suggestions were made to include courses on regulatory compliance in the pre-employment and on-the-job training for securities practitioners, such as personal data protection, information security, labor laws, and legal responsibilities of practitioners. - This initiative was approved by the "Securities and Futures Institute" and the "Taiwan Securities Association" and will be implemented in April 2024.
Sustainable Development Committee of the Taiwan Securities Association	Participation in the climate risk scenario analysis project of the working group	- We provided suggestions on scenario analysis parameters and models to be used. - We developed a consistent climate change scenario analysis model and submitted a climate change scenario analysis report to the association, which was adopted as a model for transition risk scenario analysis.
Sustainable Development Committee of the Taiwan Securities Association	Participation in the climate-related financial disclosure reporting project of the working group	- The scope of investment and financing targets to be included in the financial carbon emissions of investment portfolios (Scope 3) was formulated, the coverage rates were calculated according to the defined scope, and the disclosure and verification timeline was planned. - TCFD climate scenario analysis guidelines and Scope 3 greenhouse gas emissions research report guidelines and examples were developed.

The industry associations Fubon Securities participated in 2023 are as follows.

- Chinese National Association of Industry and Commerce
- Taiwan Securities Association
- Chinese National Futures Association
- Trust Association of R.O.C.
- Securities Investment Trust & Consulting Association of the R.O.C.
- Taiwan Stock Affairs Association
- Taiwan Corporate Governance Association
- Banking Education Association of Taiwan
- Financial Planning Association of Taiwan
- Taiwan Listed Companies Association
- Financial Governance and Legal Compliance Institute of the Republic of China
- Securities HR Managers Association



Sustainable Development

Highlights

- Among the 15 ESG quantitative indicators in 2023, a total of 13 indicators have an achievement rate of more than 100%.
- The Sustainable Development Committee has been established under the board of directors, with an independent director serving as the convenor, to enhance the company's sustainable governance.
- Actively explain the company's sustainable promotion and actions to stakeholders through diverse media.
- Confirm 9 material topics and 6 general topics, formulate sustainable development strategies and set short, medium and long-term goals for each major theme.



1.1 Sustainability Planning

In adherence to the new ESG Visioning blueprint outlined by Fubon Financial Holdings in 2021, Fubon Securities formulated strategies in four aspects: decarbonization, digitalization, empowerment, and connection. We also incorporated the United Nations Sustainable Development Goals (SDGs) into our development strategy and core business decisions, promoting the Company's mid to long-term ESG goals and action plans.

In December 2023, the Company established the "Sustainable Development Committee," which reports to the Board of Directors quarterly. Under this committee, there are six sustainability working groups led by the President, hereinafter referred to as the ESG Task Force. The task force coordinates and promotes the Company's set sustainability commitments and goals, as well as key short, medium, and long-term work plans. By setting and tracking the achievement of quantitative indicators, the Company demonstrates its commitment to sustainability.

Sustainability Strategy and Focus

Fubon Securities upholds Fubon Financial Holdings' core corporate values of "Integrity, Sincerity, Professionalism, and Innovation," building a corporate culture rooted in integrity. To implement good corporate governance, the Company continuously enhances compliance efficiency, ensuring all business operations are conducted with integrity and in accordance with laws and regulations. An information security system is in place to safeguard customer rights and ensure stable operations, and a "Risk Management Policy" has been formulated with "Identification, Measurement, Management, and Supervision" as the framework for risk management, effectively enhancing risk governance and promoting sustainable financial transformation. The Company aims to create long-term value for investors and all stakeholders through good corporate governance and integrity while leveraging its core financial functions to promote various sustainable action plans, thus exerting a sustainable impact.

Sustainability Strategy	Implementation Focus	Sustainability Issues Fubon Securities Addressed in 2023	Corresponding SDGs
 Decarbonization ▶	Assisting clients with sustainable transformation To achieve net-zero carbon emission goals, Fubon Securities reduces the environmental footprint of its business operations and formulates sustainable financial policies to guide the green transformation of industries. Responsible investment strategies and action plans are further enhanced by incorporating ESG-related indicators of investment targets into evaluation criteria. Through the influence of capital, the Company aims to guide enterprises in addressing climate change and prioritizing sustainable development.	- Green finance - Climate change action - Green operation and goals	   
 Innovation ▶	Providing optimal financial services Fubon Securities offers innovative financial services and experiences through mobilization and digitalization, catering to the diverse investment and wealth management needs of clients. In the face of financial technology innovations, the Company continues to enhance the application of artificial intelligence and big data. The rights of financial consumers are prioritized as we provide friendly financial services and deepen customer relationships and loyalty.	- Customer relationship management - Financial technology and innovation	 
 Empowerment ▶	Creating a friendly, healthy, and happy workplace Fubon Securities fosters an atmosphere of diversity, respect, and harmonious communication. We continuously promote talent development, attraction, and retention plans in a healthy and safe work environment. Human capital is one of the important assets for Fubon Securities' sustainable operations. Through biennial employee opinion surveys, we understand key internal issues and employees' engagement with the Company.	- Talent development and retention - Healthy workplace - Diversity, equality and human rights	   
 Connection ▶	Connecting positive social forces Fubon Securities utilizes its financial capabilities to eradicate poverty, promote financial inclusion, and reduce the wealth gap, aspiring to stabilize society as a financial service provider. We also encourage employees to participate in public welfare activities and offer opportunities and platforms for personal growth through diverse initiatives. By linking positive forces through Fubon Financial Holdings' foundations and Fubon Securities' public welfare platform, the Company seeks to make a positive impact and drive social change.	- Financial inclusion - Social welfare development	   

Sustainability Goals

In accordance with the four sustainability strategies, Fubon Securities has set 20 sustainability goals with quantitative evaluations to promote sustainability endeavors. The targets and performance in 2023, as well as targets for 2024, are as follows.

Decarbonization

Assisting clients with sustainable transformation

Innovation

Providing optimal financial services



Empowerment

Creating a friendly, healthy, and happy workplace

Connection

Connecting positive social forces

Sustainability Indicator for Decarbonization	Corresponding Sustainability Issue	Target for 2023	Performance in 2023	Execution Status	Target for 2024
Green Bond Underwriting Participation Rate (%)	Green finance	31	73	★	33
Underwriting Rate of Environmentally Sustainable Companies (%)		43	51	★	44
Proportion of Listed Products Meeting ESG Ratings		85	93	★	85
Taiwan Stock Regular Fixed-amount Investment (%)		89	92	★	91
U.S. Stock Regular Fixed-amount Investment (%)		88	92	★	89
Overseas Bonds (%)		40	40	★	50
Funds (%)	Climate change action	6.7	8.399	★	6.3
Green Finance (billion NTD)		Reduced by 12.6	Reduced by 17	★	Reduced by 16.9
Operational Carbon Reduction (%; 2020 as baseline year)					
Sustainability Indicator for Empowerment	Corresponding Sustainability Issue	Target for 2023	Performance in 2023	Execution Status	Target for 2024
Employee Engagement Survey - Score	Development and retention	N/A (The survey is conducted biennially.)		-	78
Employee Engagement Survey - Participation Rate (%)				-	83
Total No. Times Employees Participated in Wellness and Health-related Activities	Healthy workplace	11,000	13,251	★	12,000
Sustainability Indicator for Digitalization	Corresponding Sustainability Issue	Target for 2023	Performance in 2023	Execution Status	Target for 2024
Customer Satisfaction (%)	Customer relationship management	88	78	●	89
Ratio of Intelligent Customer Service to Human Customer Service	Financial technology and innovation	3.4 : 1	3.7 : 1	★	3.6 : 1
E-trading Account Share of Natural Persons' Domestic Securities Trading Accounts (%)		83	83.1	★	84
Proportion of Active Overseas Stock Electronic Accounts (%)		98.5	98.8	★	98.5
Informative Videos (Cumulative Number)		(New indicator in 2024)			220
Patents (Cumulative Number)					33
Sustainability Indicator for Connection	Corresponding Sustainability Issue	Target for 2023	Performance in 2023	Execution Status	Target for 2024
Records of Attendance for Financial Education	Social welfare development	700	632	●	750
Records of Volunteer Participation		500	526	★	600
Cumulative No. of People on Regular Savings Investment Plans	Financial technology and innovation	(New indicator in 2024)			126,000

Note: 1. The current target for 2024 is adjusted in October 2023. If a certain indicator significantly surpasses its target, the Company will adjust the target values for subsequent years on a rolling basis.

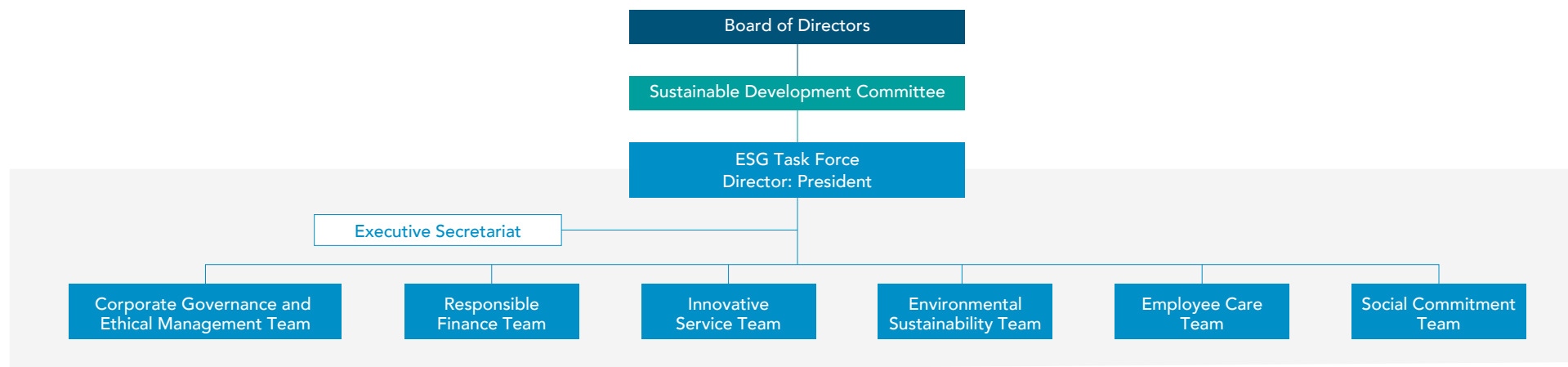
2. Definition of status symbols: ★ indicates surpassing, with an achievement rate over 100%; ● indicates an achievement rate below 100%.

1.2 Sustainable Operation

To strengthen sustainable operations and implement sustainable development and the sustainable management philosophy of Fubon Securities, Fubon Securities, based on the "Corporate Governance Best-Practice Principles for Securities Firms" and the "Corporate Governance Guidelines," approved the "Sustainable Development Committee Organizational Charter" in October 2023 through the Board of Directors. Following the board meeting in December of the same year, the "Sustainable Development Committee" was officially inaugurated under the Board of Directors. The establishment of the Sustainable Development Committee elevates the decision-making level on sustainability-related issues and enhances the Company's sustainable governance.

Sustainable Governance Organization

The Sustainable Development Committee consists of four members, including three independent directors and one director, with an independent director serving as the convener and chairperson of the committee. The "Sustainable Development Committee Organizational Charter" stipulates that at least one member should have the relevant background required by the committee. The current members possess expertise in risk management, financial technology, and e-commerce.



The "ESG Task Force" under the Sustainable Development Committee is led by the President as the chief executive, with the Performance Management and Planning Department serving as the secretarial unit to coordinate and promote sustainable development affairs. The ESG Task Force comprises six working groups, each responsible for one of the six primary areas of focus: corporate governance and ethical management, responsible finance, innovative services, environmental sustainability, employee care, and social commitment. The conveners of each working group are department-level or above supervisors from relevant units approved by the Chairman.

Note: The Company's ESG Task Force was established in July 2020 and participates in Fubon Financial Holdings' Corporate Governance and Sustainability Committee, working together to promote Fubon Financial Holdings' sustainable management vision and goals.

Sustainable Development Management

Responsible for the execution of corporate sustainability-related matters, the ESG Task Force is required to report on implementation progress quarterly and establish an annual execution plan each year. Both the quarterly reports on progress results and the annual execution plan must be reviewed by the Sustainable Development Committee and then submitted to the Board of Directors.

1.3 Stakeholder Communication

To ensure consistent alignment with international sustainability trends and focus on sustainability issues in the securities industry, Fubon Securities refers to the categories of stakeholders identified by both domestic and international peers, as well as that of Fubon Financial Holdings. Internal opinions are also considered in the Company's identification of seven primary stakeholders: government/competent authorities, investors (parent company)/rating agencies, employees, customers, suppliers, media/general public, and NGOs/NPOs.

Stakeholder Communication Channels and Achievements

Fubon Securities values the expectations and needs of each stakeholder by communicating with them and responding to substantial issues they care about through diverse channels. In addition to regularly disclosing information to competent authorities, the Company actively explains its sustainability actions and initiatives to stakeholders through various mediums, including annual reports, sustainability reports, stewardship reports, press releases, and the sustainability section on the official website. On the Company's official website, we also provide convenient service channels, including the mailbox and hotlines to facilitate contact and consultation with stakeholders, thereby enhancing bilateral communication.

Stakeholder	Communication Channel	Communication Frequency	Communication Efforts in 2023
Government/ Competent Authorities	Various meetings	Monthly	- We regularly participated in the Securities, Futures, Trust, and Investment Trust Associations' committee meetings, forums, and briefings. - We participated in the Securities Association's Sustainable Development Committee working group, offering assistance in the preparation of an advisory report on climate-related financial disclosures for securities firms.
	Information and assessment reports requested by competent authorities	Occasional	
	Official document correspondents through mail, email, or phone communication	Occasional	
Investors (Parent Company)/ Rating Agencies	Earnings announcement	Monthly	- We participated in investors conference and shareholders' meeting held by our parent company. - We continue to obtain international credit ratings. - We signed the Stewardship Principles for Institutional Investors compliance statement issued by TWSE. - We disclosed a stewardship report and participated in the evaluation of the Best List of Institutional Investors for the Disclosure of Stewardship Information.
	Fubon Financial Holdings investors conference	Quarterly	
	Fubon Financial Holdings shareholders' meeting	Annual	
	Information requested by domestic and foreign rating agencies	Occasional	
	Inquiries from external institutions	Occasional	
Employees	District department/branch monthly meeting	Monthly	- We engaged in employee opinion exchange monthly through district department/branch meetings. - We held four labor-management meetings and four employee welfare committee meetings. - We continue to implement subsequent action plans based on results of the employee opinion survey.
	Labor-management meeting/employee welfare committee meeting	Quarterly	
	Employee opinion survey	Biennial	
	Employee complaint section	Permanent	
Customers	Customer satisfaction survey	Annual	- The overall satisfaction rate is 78%. - The net promoter score is 30.3.

Stakeholder	Communication Channel	Communication Frequency	Communication Efforts in 2023
Customers	0800 customer service hotline, smart customer service, customer service mailbox	Permanent	- We received 138,000 calls via the 0800 customer service hotline. - We employed smart customer service to enhance service capacity, achieving a service capacity that is 3.7 times that of human customer service. Customer satisfaction stands at 87.9%. - The customer service mailbox processes each customer email within an average of one business day. - We held 164 investment prospect sharing sessions, with over 50,000 records of attendance.
	Official website, friendly financial service section, social media	Permanent	
	Fubon e-Trading, Fubon e01, Fubon Online	Permanent	
	Investment prospect sharing session	Occasional	
Suppliers	Fubon Financial Holdings supplier meeting/supplier evaluation/ESG education and training	Annual	We invited suppliers to participate in ESG education and training, supplier evaluation and supplier meeting held by Fubon Financial Holdings.
	Signatory of the "Supplier Standard of Conduct Pledge"	Occasional	
Media/ General Public	Official website	Permanent	- We released 162 posts on our Facebook page. - We released 31 press statements and was covered in various media outlets in 565 articles. - We launched 172 "Fubon Investment Strategy" podcast episodes focused on daily stock market analysis, garnering 554 thousand listens in total. - We uploaded 75 videos on our YouTube channel, garnering 4.656 million views in total.
	Press release	Occasional	
	Social media	Occasional	
	Audio and video platforms	Occasional	
	Media and public inquiries	Occasional	
NGOs/NPOs	Activities organized by Fubon Charity Foundation and Fubon Cultural & Educational Foundation	Occasional	- We donated NT\$28,552,086 to social welfare causes through institutions such as the Fubon Charity Foundation, Fubon Cultural & Educational Foundation, World Vision Taiwan, and Taiwan Reforestation Association. 27 public welfare ambassador projects were approved by the Fubon Charity Foundation. 562 of our employees participated in charity activities as volunteers.
	Community service/charity activities	Occasional	
	Press release/official website/social media	Occasional	

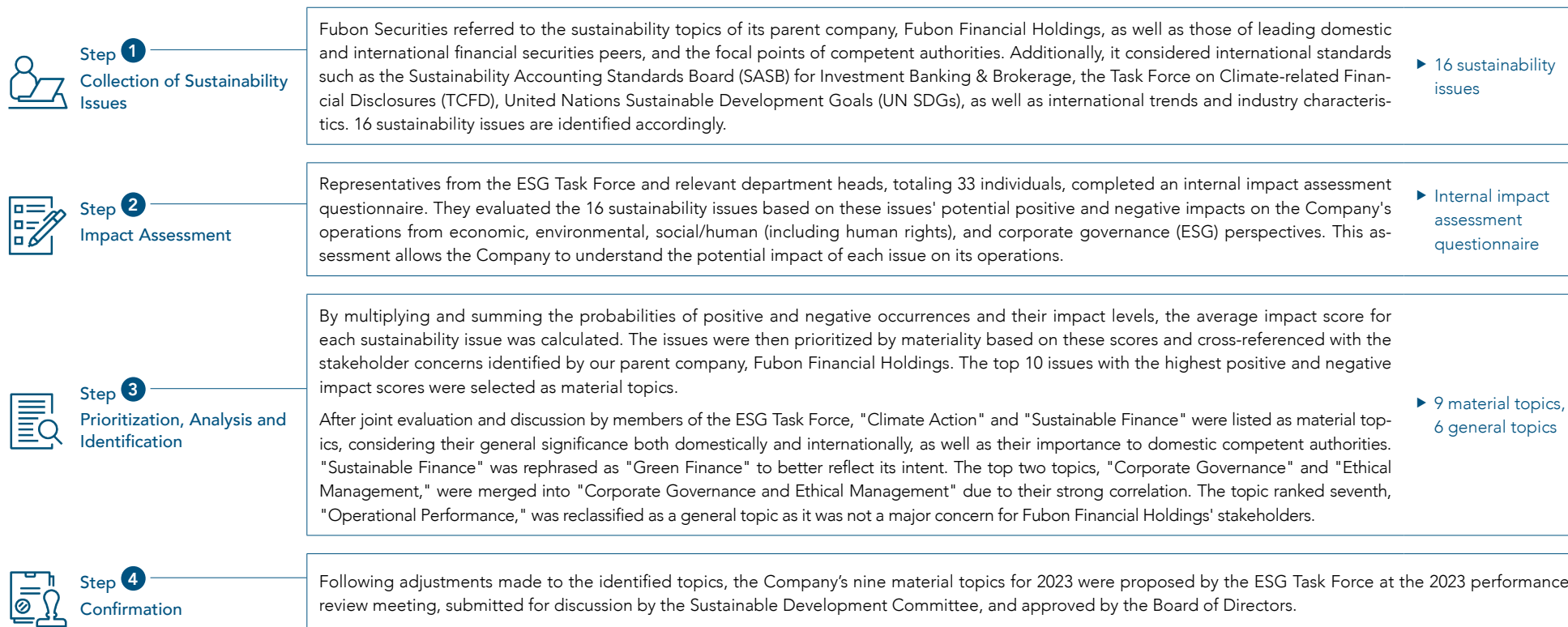
1.4 Material Topic Analysis and Management Guidelines

The 2023 Sustainability Report is the first such report prepared by Fubon Securities. It is based on the results of an internal impact assessment questionnaire and Fubon Financial Holdings' external stakeholder attention. Following discussions with the ESG Task Force representatives and relevant department heads, the material topics and general topics for the 2023 Sustainability Report were determined with a comprehensive understanding of the Company's business development, operational goals, sustainability strategies, and various key performance highlights, as well as taking into account the Company's characteristics and features.

Materiality Assessment Process

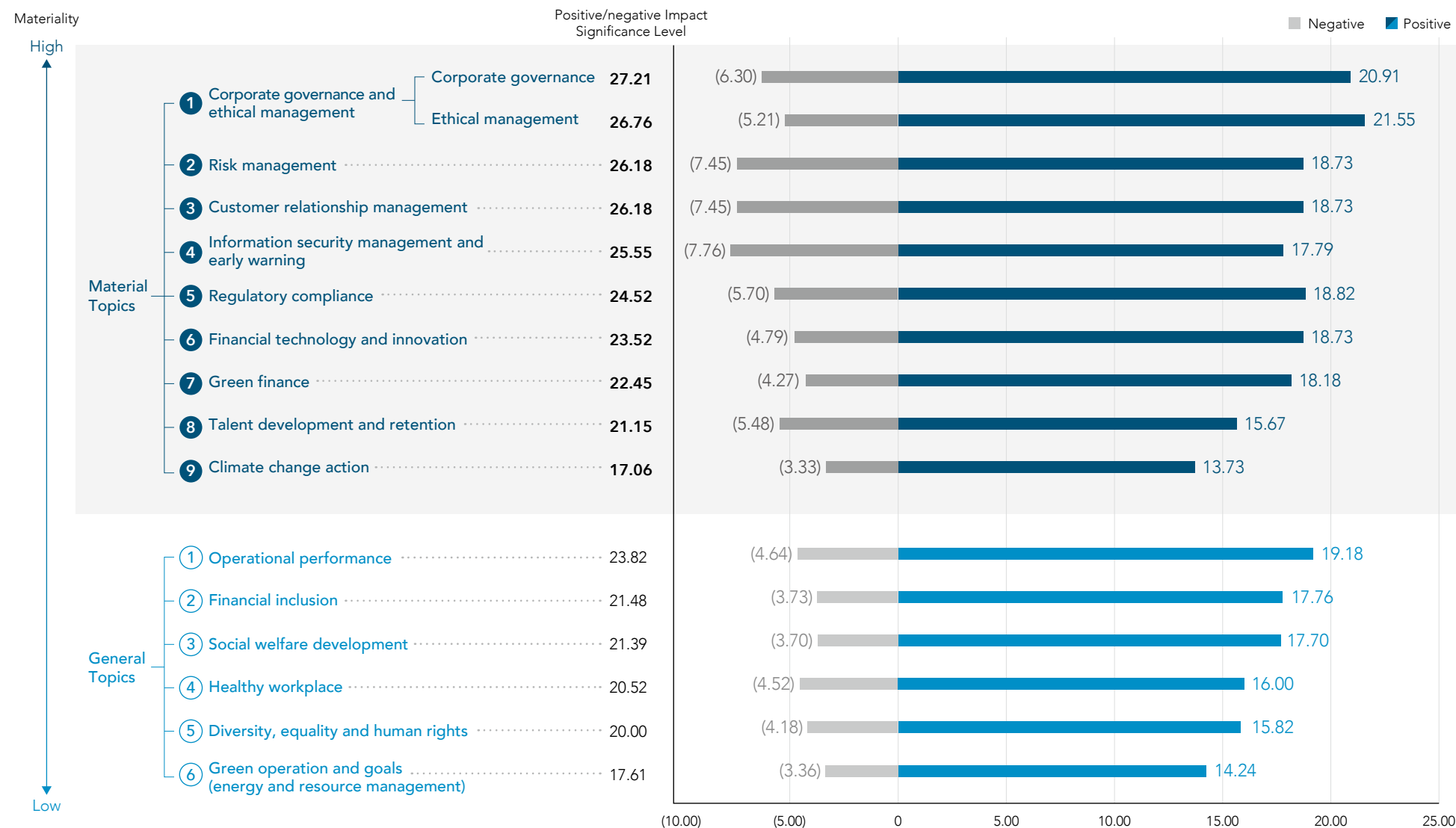
Fubon Securities has selected nine material topics for 2023, following the 2021 edition of the GRI Sustainability Reporting Standards through the four steps as follows.

Materiality Identification Procedure



After the identification process and subsequent analysis and adjustments, the sustainability issues have been consolidated and categorized into nine material topics and six general topics, which serve as the foundation for this Report.

Internal Impact Ranking of Sustainability Issues



Material Topic Management



Material Topic ① Corporate Governance and Ethical Management

Significance to Fubon Securities	Good corporate governance and ethical management practices create long-term value for customers, investors, and all stakeholders while fulfilling social responsibilities.	
Impact Description	Inadequate corporate governance may lead to damage to investors' rights or involvement in scandals detrimental to the Company's reputation. Dishonest behavior can result in corporate losses or penalties from regulatory authorities, damaging the Company's image and negatively impacting sustainable development.	
Sustainability Strategy (Management Guidelines)	- We adhere to important corporate governance regulations, such as the "Corporate Governance Guidelines," and follow the "Code of Ethical Conduct for Insiders of Fubon Financial Holding Co., Ltd. and Its Subsidiaries," guiding internal behavior in accordance with ethical standards. - We conduct ethical management advocacy and training, continuously implement mechanisms for assessing the risk of dishonest behavior, regularly conduct self-assessments of control implementation, and monitor key risk indicators.	
Policy and Commitments	- Corporate Governance Guidelines - Ethical Management Operating Procedures and Conduct Guidelines - Work Rules	
Goals of Short-/Mid-/Long-term	Short-term (2024) Include ESG performance targets in all employees' performance evaluation forms, with unit supervisors and employees conducting annual performance assessments based on the set indicators.	Mid-term (2027), Long-term (2030) - Continuously implement a diversification policy for the composition of the Board of Directors while ensuring their professionalism. - Continuously strengthen the functions of the Board of Directors.
Evaluation Mechanism	- In accordance with the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries' Policy for Appointing or Recommending Directors and Supervisors of Invested Companies" and the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries' Guidelines for Appointing or Recommending Directors and Supervisors of Invested Companies," the Company conducts an annual performance evaluation of the Board of Directors. - In addition to the appointment of independent directors, the Company has established the Audit Committee and Sustainable Development Committee and appointed corporate governance supervisors as well to further support directors in their exercise of duty.	
Extend of Reporting	<u>2.1 Corporate Governance</u> <u>2.2 Ethical Management</u>	



Material Topic ② Risk Management

Significance to Fubon Securities	To effectively manage various risks, considering overall business strategies and risk tolerance, relevant risk control mechanisms are established to keep risks within the tolerable range.	
Impact Description	The establishment of a comprehensive risk management mechanism enables effective management of various risks to ensure smooth operations. If risks cannot be kept within the tolerable range, it may lead to operational losses or penalties from regulatory authorities, resulting in negative impacts.	
Sustainability Strategy (Management Guidelines)	The Company has established various risk management policies and mechanisms under a three-line defense framework for risk management. Regular and special risk management reports and statements are provided to senior management and reported to the Asset Liability and Risk Management Committee and the Board of Directors to ensure the effective operation of the risk management system.	
Policy and Commitments	Risk Management Policy	
Goals of Short-/Mid-/Long-term	Short-term (2024) To ensure the effective operation of the risk management system, follow risk management regulations and the operational guidelines for various products, set various risk limits, and effectively reduce operational risks.	Mid-term (2027), Long-term (2030) Continuously refine risk management practices by conducting climate risk scenario analyses and other assessments to enhance our ability to proactively assess and manage the impacts of climate and emerging risks, develop appropriate response measures, and regularly submit emerging risk and climate change assessment reports to the management.
Evaluation Mechanism	Through audits by internal and external audit units, we check compliance with various regulations and the implementation of internal control systems. Moreover, supervisory mechanisms such as financial inspections by competent authorities, risk evaluations, and assessments by external credit rating agencies are in place to regularly or irregularly review the Company's risk management operations.	
Extend of Reporting	<u>2.4 Risk Management</u>	



Material Topic ③ Customer Relationship Management

Significance to Fubon Securities	The Treating Customers Fairly Principles serve as a value system and code of conduct by which all staff of the Company strictly abide. By strengthening employee compliance with regulations related to financial consumer protection, we promote the sustainable operation and development of the enterprise.	
Impact Description	- Fair customer treatment requires financial institutions to invest more resources and effort in managing customer relationships, thereby building customer trust and loyalty. - From the customer's perspective, it is essential to fully understand their needs, provide comprehensive information, and establish communication mechanisms to ensure that their rights are protected.	
Sustainability Strategy (Management Guidelines)	- We have established standardized complaint handling procedures, regularly track the handling status, and ensure that each complaint is properly addressed through an independent case closure mechanism. - Timely and smooth communication channels are provided, including the customer service hotline, e-mailbox, and complaint channels, to gather customer feedback.	
Policy and Commitments	- Policy for the Treating Customers Fairly Principles - Employee Code of Conduct for Compliance with the Treating Customers Fairly Principles	- Customer Complaint Management Guidelines - ISO10002 Operational Guidelines for Customer Complaint Organization and Management
Goals of Short-/Mid-/Long-term	Short-term (2024) - Continuously optimize customer satisfaction with complaint handling processes. - Include the implementation of fair customer treatment as a performance evaluation indicator for branch managers and sales personnel. - Regularly collect complaint data to identify potential areas for improvement.	Mid-term (2027), Long-term (2030) Continuously enhance customer satisfaction, maintaining an overall satisfaction rate of 90%.
Evaluation Mechanism	Enhance the oversight frequency and significance level of the "Treating Customers Fairly Committee," with the President serving as the convener. The execution results will be regularly reviewed by the Sustainable Development Committee and then reported to the Board of Directors.	
Extend of Reporting	<u>3.3 Customer Relationship Management</u>	



Material Topic ④ Information Security Management and Early Warning

Significance to Fubon Securities	Through a comprehensive information security system, deepened security governance, enhanced security resilience, and the implementation of a collaborative defense framework, we aim to elevate overall information security maturity to the highest level in support of the continuous development of our organization and businesses.	
Impact Description	Information security is the foundation of information services, which are crucial for maintaining customer transactions. An unstable foundation will directly impact the entire securities trading mechanism.	
Sustainability Strategy (Management Guidelines)	The Company strengthens overall information security defense through actions as follows: - Emphasizing a culture of information security within the organization - Establishing comprehensive information security regulations - Enhancing information security capabilities - Strengthening financial information security protection	
Policy and Commitments	- Information Security Policy - Information Security Operational Guidelines - Information Security Monitoring and Inspection Operational Directives	- Supply Chain Risk Management Operational Directives - Information Business Continuity Management Operational Directives - Cyber System Security Defense Baseline Operational Directives - Establishment of the Cyber Security Inspection Mechanism Operational Directives for Securities Firms
Goals of Short-/Mid-/Long-term	Short-term (2024) - Continuously utilize third-party testing platforms to conduct external information service security checks, aiming for scores above 90. - Conduct maturity assessments of information security governance via external professional consultants and make adjustments based on their recommendations.	Mid-term (2027) - Strengthen and enhance supplier management by organizing information security training and social engineering exercises for suppliers. - Improve the maturity level of information security governance.
		Long-term (2030) Participate in cybersecurity competitions to enhance the ability to respond to security incidents.
Evaluation Mechanism	We hire external consultants to conduct information security assessments annually, regularly perform information security maturity evaluations, and present an annual comprehensive information security execution report to the Board of Directors.	
Extend of Reporting	<u>2.5 Information Security Management and Early Warning</u>	



Material Topic 5 Regulatory Compliance

Significance to Fubon Securities	Employees well-versed in the various regulations related to their work and compliance with legal standards in all operational activities reduce the risk of penalties, stabilize market order, and protect the rights and interests of stakeholders.		
Impact Description	- Failures in regulatory compliance practices can result in non-compliance with regulatory standards, potentially leading to corporate losses or increased risk of penalties from regulatory authorities, thereby harming stakeholders' interests. - Illegal activities by the Company or its employees can also damage the Company's reputation and brand image, negatively impacting sustainable development.		
Sustainability Strategy (Management Guidelines)	We actively enforce legal compliance through the establishment of a compliance system based on the three lines of defense in internal controls. Keeping abreast of regulatory developments in the financial industry helps the Company implement and promote business operations while adhering to emerging regulatory issues, thus achieving the goal of sustainable operation.		
Policy and Commitments	- Regulatory Compliance Guidelines - Compliance Risk Management and Assessment Guidelines - Fubon Securities Co., Ltd. and Its Subsidiaries Anti-Money Laundering and Counter-Terrorist Financing Policy and Procedures		
Goals of Short-/Mid-/Long-term	Short-term (2024) → Mid-term (2027), Long-term (2030) - Continuously conduct education and training on topics such as regulatory compliance, corporate governance, and ethical management for relevant employees to deepen compliance awareness. - Establish a compliance management system to assist in compliance operations. - Continuously monitor and understand regulatory trends in the financial industry, such as fair customer treatment, outsourcing operations, and accountability systems; also conduct internal training and promotional courses on these topics.		
Evaluation Mechanism	- We conduct compliance execution evaluations for each unit annually. Supervisors of the units that receive the lowest two ratings are required to propose improvement plans and timelines. - Business units must conduct at least one self-assessment of securities compliance risks every six months.		
Extend of Reporting	2.3 Regulatory Compliance		



Material Topic 6 Financial Technology and Innovation

Significance to Fubon Securities	We enhance the digital experience at every customer touchpoint by simplifying complex processes, offering a diverse product platform, and providing intelligent customer service for quick resolutions. Through self-produced multimedia programs on various platforms, we help customers strengthen their financial literacy and resilience to financial risks, embodying the spirit of financial inclusion throughout their entire investment journey.		
Impact Description	Recognizing the widening wealth gap and generational differences, the Company bears a strong social responsibility to help address these significant issues. Therefore, we leverage advanced data and digital technologies to realize financial inclusion.		
Sustainability Strategy (Management Guidelines)	From the customer's perspective, we provide friendly financial services. Driven by an altruistic intent, we promote financial education for all through various channels, pioneering among peers with the launch of a securities investment podcast and continuous production of videos and investment research reports. This approach ensures diverse communication through videos, audio, images, and text, embodying friendly service. Under the KYC principle, we use big data and intelligent analysis to explore customers' potential needs and offer value-added services to all customer segments, fully implementing the treating customers fairly principles.		
Policy and Commitments	- Policy for the Treating Customers Fairly Principles - Media usage Management Guidelines	- External Website Management Guidelines - Fubon Financial Holding Co., Ltd. and Its Subsidiaries Official Website Visual Management Guidelines	Advertisement Planning, Media Advertisement and Announcement Management Guidelines
Goals of Short-/Mid-/Long-term	Short-term (2024) → Mid-term (2027) → Long-term (2030) - Optimize the online services for regular fixed-amount investments, helping customers quickly identify suitable investment targets to achieve financial inclusion. - The cumulative number of people on regular savings investment plans for the year reaches 126,000. - Increase the total number of patents by 35%, demonstrating a strong commitment to providing customers with an excellent service experience. - Enhance the reach of financial services. - Increase the usage rate of electronic statements. - Continuously develop the "Online with Offline" model to provide all customer segments with timely, considerate, personalized and differentiated services. - Utilize AI model technology to add value to data, perform customer segmentation and precise labeling, design appropriate communication content, and automate real-time communication while ensuring a personalized service experience.		
Evaluation Mechanism	- The Digital Finance Department reports the progress of various digital-related tasks monthly. - The execution results of innovative services are reported at the ESG Task Force meetings quarterly, and after review by the Sustainable Development Committee, they are submitted to the Board of Directors.		
Extend of Reporting	3.2 Financial Technology and Innovation		



Material Topic 7 Green Finance

Significance to Fubon Securities	Fubon Securities plays a key role in helping customers achieve net-zero carbon emission goals. We leverage our financial influence to guide enterprises by strengthening responsible investment strategies and action plans. We also augment the impact of ESG investments through the promotion of sustainable products.
Impact Description	In promoting the development of sustainable finance in alignment with international trends, ESG considerations are incorporated into investments, product development, and services. Investment targets with excellent ESG performance are selected as we promote sustainable products. Leveraging our financial influence, we encourage investee companies to set sustainability goals, promote green energy development, and support industries and companies with better ESG performance, thereby creating a positive sustainable impact.
Sustainability Strategy (Management Guidelines)	- We consider ESG factors in the investment decision-making process, which involves evaluating and analyzing whether target companies fulfill their commitments to environmental protection, social responsibility, and corporate governance. - We introduce a variety of financial products that meet ESG investment criteria and assist investors in selecting suitable ESG investment targets, guiding them to leverage their financial influence. - We support the listing and public fundraising of enterprises that contribute to mitigating climate change or environmental risks. Through IPO advisory services, we encourage investee companies to formulate sustainable development and net-zero transformation plans and specific action measures. High carbon-emitting companies are encouraged to propose carbon reduction measures.
Policy and Commitments	- Fubon Financial Holding Co., Ltd. and Its Subsidiaries Sustainable Finance Policy - Stewardship Principles for Institutional Investors Compliance Statement - Product Inspection Regulations
Goals of Short-/Mid-/Long-term	Short-term (2024) → Mid-term (2027), Long-term (2030) - In line with Fubon Financial Holdings' net-zero carbon emission targets and green finance goals, all business units are attentive to ESG issues and corporate social responsibility. They investee companies to fulfill their environmental protection and social sustainability responsibilities. - Continuously monitor market changes and customer needs to assess the addition of new investment products that meet ESG standards. - Actively participate in shareholder meetings of investee companies, achieving a 100% voting rate, and enhancing the transparency of information for equity underwriting clients. - Plan medium to long-term engagement paths, design appropriate engagement methods and voting policies, and strengthen communication with investee companies through deep engagement. - Continuously monitor market changes and customer needs to assess the addition of new investment products that meet ESG standards.
Evaluation Mechanism	- The three-line defense mechanism for ESG investments is implemented, which includes pre-investment review, investment evaluation and analysis, and post-investment tracking. Additionally, we strengthen communication with investee companies on ESG issues. - We track the annual green finance investment target achievement and the short, medium, and long-term key work plans each quarter. The execution results are reported, which will be reviewed by the Sustainable Development Committee and then submitted to the Board of Directors.
Extend of Reporting	<u>3.1 Green Finance</u>



Material Topic 8 Talent Development and Retention

Significance to Fubon Securities	To enhance corporate operational performance and achieve sustainable development goals, we implement the necessary education and training as required by relevant regulations. Furthermore, we plan talent development programs based on job roles, business needs, and career development requirements to expand ESG participation and cultivate sustainable finance talents.
Impact Description	In the face of declining birthrates, which may lead to talent attrition and a loss of market competitiveness, we offer student internship programs to improve workplace adaptability and nurture outstanding talent. By implementing talent retention measures, we aim to achieve a positive cycle of talent retention, contributing to the stable development of the Company.
Sustainability Strategy (Management Guidelines)	- Various education and competency development programs are launched, such as the leadership development program for managers, digital technology talent development program, and ESG training program. - By maintaining competitive market salaries, linking performance evaluations with rewards, and offering transparent promotion pathways, we attract outstanding talent and motivate high-performing employees.
Policy and Commitments	- Education and Training Management Guidelines - Performance Evaluation Policy - Promotion and Salary Adjustment Management Principles - Incorporation of sustainability issues and ESG-related training into existing professional competency enhancement training
Goals of Short-/Mid-/Long-term	Short-term (2024) → Mid-term (2027) → Long-term (2030) - Maintain employee engagement scores above 77. - Achieve 100% coverage in employee education. - Set sustainability-related indicators in performance evaluations. - Develop diverse recruitment strategies. - Analyze medium to long-term workforce needs to establish long-term plans for talent attraction and retention. - Establish preventive and adaptive plans for human rights risk mitigation. - Enhance employee communication to improve employee retention rates. - Strengthen the talent pool at different management levels and build robust human capital to ensure organizational sustainability. - Design sustainability-linked long-term incentive compensation. - Create a diverse and inclusive workplace.
Evaluation Mechanism	Employee surveys are conducted every two years to understand internal key issues and employees' engagement with the Company. Based on survey results, we analyze and understand internal employee opinions, develop improvement measures, and use these findings as a reference for continuous enhancement.
Extend of Reporting	<u>5.2 Talent Development and Retention</u>



Material Topic 9 Climate Change Action

Significance to Fubon Securities	To reduce the environmental footprint of our operations, we strengthen responsible investment strategies and action plans, guiding enterprises to respond to climate change and prioritize sustainable development. Understanding climate risks and opportunities will enhance our interaction with customers, providing sustainable products to help them transition to a low-carbon economy gradually.	
Impact Description	Climate-related risks and opportunities will be crucial in the future. If our investment and financing targets are in industries with high carbon emissions, it is essential to stay abreast of short, medium, and long-term risks to determine how to protect or reallocate capital, thereby reducing the risk level of the investment and financing portfolio and adjusting the risk profile.	
Sustainability Strategy (Management Guidelines)	Our climate management mechanisms are consistently enhanced as we integrate coherent strategies and build management capabilities to guide future business directions. Risks and opportunities are continuously assessed to adapt and transform our existing investment and financing portfolio.	
Policy and Commitments	- Participation in Fubon Financial Holdings' project for adopting science-based targets (SBT) for carbon reduction - Gradual achievement of carbon reduction goals according to Fubon Financial Holdings' overall carbon reduction pathway	Fubon Financial Holding Co., Ltd. and Its Subsidiaries Sustainable Finance Policy
Goals of Short-/Mid-/Long-term	Short-term (2024), Mid-term (2027) - Reduce the impact of operations on the climate environment by setting reduction targets for carbon emissions and energy use and continuously implementing relevant management measures, including operational carbon reduction and setting key investment and financing criteria. - Achieve carbon reduction goals step by step according to the SBTs set by Fubon Financial Holdings with a strategic focus on decarbonization; set green finance investment targets (NT\$6.3 billion by 2024; NT\$8.8 billion by 2027), including investments in low carbon, green bonds, and green energy technology to guide capital flow towards low-carbon pathways. - Continuously promote ESG-related products to customers through targeted communication.	Long-term (2030) - Consistently achieve Fubon Financial Holdings' SBTs and long-term green finance investment targets (NT\$11.9 billion by 2030) and regularly review achievement status. - Design appropriate engagement methods and voting policies to guide enterprises in responding to climate change and prioritizing sustainable development. - Plan the verification schedule for Scope 3 investment and financing carbon emissions.
Evaluation Mechanism	- We regularly track the global list of companies with set/committed SBTs, review the achievement of engagement ratio targets in investment positions, and adjust the investment and financing portfolio accordingly. - The Company's climate risk management information is reviewed and disclosed annually in our Sustainability Report.	
Extend of Reporting	<u>4.1 Climate Change Action</u>	



2

Sustainability
Governance

Highlights

- In line with the sustainable development trend of enterprises and improve the professionalism of the board of directors, all directors will receive **144 hours** of training in 2023, of which a total of **67 hours** will be spent on sustainability topics.
- Establish a linkage mechanism between employee compensation performance measurement indicators and the four ESG strategies, and set a weight of at least **5%**.
- Selected by the Taiwan Stock Exchange the "Institutional Investor with excellent Due Diligence and Corporate Governance Best List of Institutional Investors for the Disclosure of Stewardship Information" for two consecutive years.
- Strengthen the integrity behavior of colleagues. In 2023, a total of **3,000 people** will participate in the "Integrity Management and Behavior Guidelines" online course, with a total of **750 hours** of training and a **100%** completion rate.
- There are no cases of major deficiencies in violation of laws and regulations or penalties imposed by the competent authorities, nor are there any incidents involving anti-competitive behavior, anti-trust and monopoly behavior.
- **Screen out the top three emerging risks** in 2023, which are debt crisis, inter-state conflict, national disintegration or severe instability, and establish control mechanisms and response measures for each emerging risk to monitor the impact that emerging risks may have on the company.
- Obtained the **BS 10012: 2017 certification for Personal Information Management Systems (PIMS) from the British Standards Institution (BSI)**, improved the company's personal information protection system, and strictly protected customer privacy.
- In 2023, Fubon Securities did not experience any information security breaches, personal data violations.



Fubon Securities has established the "Corporate Governance Guidelines" to continuously strengthen the culture of sustainable corporate governance under a comprehensive governance framework. This framework addresses key areas, including ethical management, risk management, regulatory compliance, and information security, effectively supervising corporate activities and enhancing the Company's competitiveness, thereby creating a favorable business environment and achieving the goal of sustainable corporate development.

In 2023, Fubon Securities was once again listed among the "Institutional Investor with excellent Due Diligence and Corporate Governance Best List of Institutional Investors for the Disclosure of Stewardship Information" by the Taiwan Stock Exchange. This recognition highlights the Company's proactive efforts in implementing stewardship governance and related information disclosure.

2.1 Corporate Governance

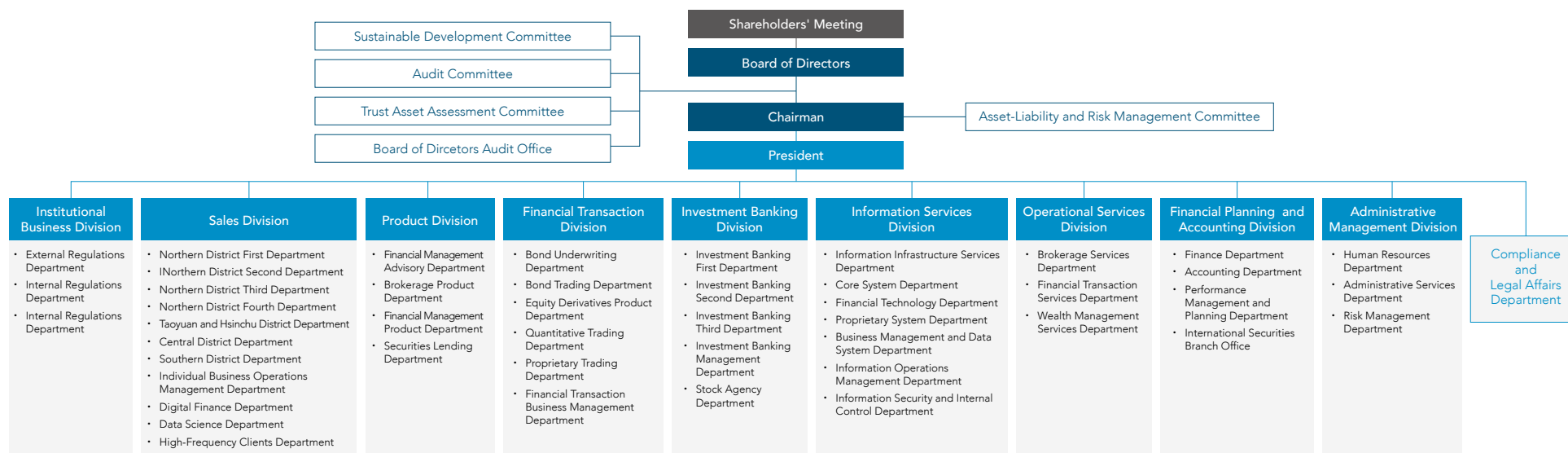
Board Structure and Operation

Board Structure and Attendance

The selection and appointment of directors for Fubon Securities is conducted in accordance with the Company's "Articles of Incorporation," with direct appointments made by the parent company, Fubon Financial Holdings, in accordance with the Financial Holding Company Act. The Articles of Incorporation stipulate that each term of the Board of Directors lasts three years, and directors may be re-elected for consecutive terms. The current Board, which is the 14th, serves from June 9, 2023, to June 8, 2026, and is composed of six directors and three independent directors. The Articles of Incorporation also mandate that the number of independent directors shall not be fewer than three and must constitute at least one-fifth of the total board seats. Currently, independent directors make up 33% of the Board.

The Company has established the "Rules of Procedure for Board of Directors Meetings" to ensure a sound governance system for the Board, enhance supervisory functions, and strengthen management capabilities. These rules primarily regulate the content of board meetings, operational procedures, matters to be recorded in minutes, public announcements, and other compliance requirements. The rules also require that the Board meets at least once every quarter. In 2023, the Company held 14 board meetings, with an overall director attendance rate of 97.8% (100% including proxy attendance).

Fubon Securities Co. Ltd. Organizational Chart



Functional Committees under the Board of Directors

To enhance the supervisory functions of the Board of Directors, Fubon Securities has established two functional committees under the Board: Audit Committee and Sustainable Development Committee. These committees assist the Board in reviewing various proposals to ensure the effective execution of corporate governance functions and to improve the quality of decision-making on these proposals. The annual financial report and the second-quarter financial report, audited and certified by external auditors, are submitted to the Board for discussion and resolution only after approval by the Audit Committee.

Committee	Members	Primary Duties	Meeting Frequency	Meetings Held in 2023
Audit Committee	It is composed entirely of independent directors, totaling three members.	- Formulate or amend internal control systems; assess the effectiveness of internal control systems. - Review significant transactions involving assets or derivative products. - Supervise the adequate presentation of financial statements. - Review the issuance or private placement of equity-related securities. - Appoint, dismiss, or determine the remuneration of certifying accountants. - Appoint or dismiss the heads of finance, accounting, or internal audit. - Review major changes in accounting policies or estimates. - Review matters involving conflicts of interest for directors	At least once per quarter	The committee held 13 meetings in total, with an attendance rate of 100%.
Sustainable Development Committee	It is composed of four directors, three of whom are independent directors.	- Establish sustainability strategies and specific implementation plans. - Supervise the execution of sustainability-related matters. - Oversee the implementation of the Treating Customers Fairly Principles and review assessment results. - Review cases of managerial accountability.	At least once per quarter	The committee held one meeting ^{Note} with an attendance rate of 100%.

Note: Fubon Securities' Sustainable Development Committee was established on December 21, 2023.

Board Professionalism and Diversity

To ensure diversity in the composition of the Board while ensuring its professionalism, Fubon Securities has outlined a diversification policy in its "Corporate Governance Guidelines," which include criteria such as basic qualifications, professional knowledge, and skills. Leveraging the diverse backgrounds and age ranges of board members, the Company intends to enhance collective decision-making and strengthen the Board's functions, thereby achieving corporate governance goals.

Fubon Securities' Board members possess a wide range of expertise, including accounting, finance, business, investment and mergers and acquisitions, e-commerce, and marketing, coupled with extensive industry experience. The average age of the board members is 60, with director ages spanning from 30 to 80 years old. This ensures that the latest advancements in financial technology and industry best practices are well represented on the Board, which facilitates the Company's sustainable operation and diverse development.

Board Independence

To ensure the independence of Board operations, Fubon Securities explicitly states in its "Corporate Governance Guidelines" that more than half of the Board seats must be held by directors who are not related by marriage or within the second degree of kinship. Additionally, when a director is involved in transactions, loans, or other legal acts with the Company, members of the Audit Committee shall represent the Company in such matters.

To ensure that independent directors can exercise their powers objectively and to prevent long tenures from diminishing their independence, the Company's "Corporate Governance Guidelines" stipulate that independent directors shall not serve for more than three consecutive terms. Furthermore, it is recommended that independent directors should not serve as directors or supervisors (including independent directors) for more than five companies concurrently, and they must maintain independence within their scope of duties, without any direct or indirect conflicts of interest with the Company. Currently, we have three independent directors, making up one-third of the Board, and none have served more than three consecutive terms.



For details on Board members, please refer to Fubon Securities 2023 Annual Report.

Name	Job Title	Gender	Age			Industry Experience		Professional Knowledge and Skills								Number of Concurrent Positions Held at Other Listed Companies as Independent Director
			31-40	51-60	Over 61	Financial Industry	Other Industries	Accounting	Finance	Business	Investment and M&A	Financial Technology	Risk Management	Operations Management	E-commerce/marketing	
Leo Cheng	Chairman	Male		●		●	●		●	●	●			●	●	0
Jerry Harn	Director	Male			●	●	●		●	●	●		●	●		0
Ming M.C. Lee	Director	Male		●		●	●	●	●	●			●	●		0
Douglas Tsai	Director	Male	●			●	●			●	●	●		●	●	0
GordonYeh	Director	Male			●	●	●		●	●	●		●	●		1
Michael Kuo	Director	Male			●	●	●		●	●	●			●	●	0
Mao-Wei Hung	Independent director	Male			●	●	●		●	●	●	●	●			2
Hsien-Wei Chen	Independent director	Male			●	●	●		●	●	●	●	●			0
Wen-Hsuan Hou	Independent director	Male		●			●	●	●	●			●	●		0

Conflict of Interest Mechanism for Directors

According to Fubon Securities' "Rules of Procedure for Board of Directors Meetings," directors are required to maintain a high level of self-discipline. When a proposal on the Board's agenda involves a conflict of interest between the director (or the legal entity they represent) and the Company, the director must disclose the significant details of this conflict during the meeting. If the conflict is deemed detrimental to the Company's interests, the director is prohibited from participating in the discussion and voting on the matter and must recuse themselves from the proceedings, and he is not to act as a proxy to vote on behalf of other directors in such situations. Directors are also expected to exercise self-discipline and refrain from inappropriately supporting each other. If the director's spouse, relatives within the second degree of kinship, or companies controlled by the director have a vested interest in matters discussed in the meeting, it is considered that the director themselves has a conflict of interest in that matter.

Furthermore, the Company's "Rules of Procedure for Board of Directors Meetings" explicitly define the conditions under which directors must recuse themselves. The procedures for shareholders, directors, and other interested parties to request a director's recusal from specific proposals are also outlined in the rules, including the qualifications of the applicant, the application process, the review procedures, and the deadlines and methods for responding. Whether the director in question should recuse themselves is determined by a Board resolution, and the director may not participate in or vote on the proposal before this resolution is made.

Strengthening Corporate Governance

Corporate Governance Officer

Since 2019, Fubon Securities has appointed a Corporate Governance Officer, a role currently held concurrently by the head of the Compliance and Legal Affairs Department. The Corporate Governance Officer is responsible for overseeing all corporate governance-related matters, assisting the Board of Directors in various governance tasks to strengthen corporate governance practices and ensure the effective operation and supervisory functions of the Board.

Key responsibilities of the corporate governance officer:

- Handle matters related to the convening of Board and shareholder meetings in accordance with the law.
- Prepare the minutes of Board and shareholder meetings.
- Assist directors with their onboarding and ongoing education.
- Provide directors with the information necessary to perform their duties.
- Assist directors with regulatory compliance.
- Manage other matters stipulated in the Company's Articles of Incorporation or contracts.

Board Communication

The Company's Board of Directors met 14 times in 2023. The important reports and matters discussed in the year are as follows.

Department	Communication Frequency	Key Content
Finance	Quarterly	• Consolidated financial statements for the first and third quarters
	Every six months	• Individual and consolidated financial statements for the first half of the year
	Annual	• Annual individual and consolidated financial statements
Regulatory Compliance	Every six months	• Report on the implementation of the compliance system (including the compliance risk management report) • Report on the implementation of anti-money laundering (AML) and counter-terrorism financing (CTF) operations
	Annual	• Comprehensive AML and CTF risk assessment and preparation of a risk assessment report • Issuance of the internal control system statement for AML and CTF
	Occasional	• Compilation of revisions to internal control systems by various departments • Incidents where the Company is involved in significant law violation or is downgraded in rating by regulatory authorities
Risk Management	Quarterly	• Execution status of risk management operations
	Annual	• Establishment of annual market risk limits • Report on emerging risks and climate change assessments
	Occasional	• Amendments to or introduction of rules and regulations at the Board level
Human Resources	Annual	• Distribution of employee compensation
	Occasional	• Proposals for significant organizational or personnel changes • Proposals for consultant appointments • Amendments to the "Guidelines for Directors' Remuneration"
IT services	Annual	• Overall report on the implementation of information security, including the operational continuity of core business systems
	Occasional	• Information security policies, information security budget allocation, and reports on significant cybersecurity incidents
Internal Audit	Bimonthly	• Report on the execution of internal audit operations and findings from external inspections
	Annual	• Assessment results of the Company's internal audit operations by Fubon Financial Holdings' Audit Division • Internal control system statements prepared by each department based on their self-assessment of the design and effectiveness of internal control systems • Annual audit plan
	Occasional	• Amendments to the implementation rules for internal audits • Amendments to or introduction of important rules and regulations
Sustainable Development	Quarterly	• Report on the execution of ESG Task Force • Report on the implementation of fair customer treatment practices

Continuing Education for Directors

To align with corporate sustainability trends, enhance the professionalism of the Board, and strengthen corporate governance functions, Fubon Securities regularly arranges for directors to participate in relevant courses and lectures. In 2023, all directors collectively completed 67 hours of continuing education on sustainability-related topics and 77 hours on other professional subjects, totaling 144 hours.

As of the end of 2023, all serving directors have completed more than 9 hours of continuing education, meeting the requirements set by the Taiwan Securities Association under the "Implementation Guidelines and Roadmap for Directors and Supervisors' Training of Securities Firms."

Aspect	Sustainability-related Courses
Environment	• Promoting Green Transition: Moving Towards Net-Zero Carbon Emissions • TCFD Report Preparation: Key References • Discussion on Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading • Global Net-Zero Emissions Impact and ESG Actions
Society	• Key New Issues of the Treating Customers Fairly Principles – Sustainability in Digital Finance and Consumer Protection • The Investor Mindset: Corporate Sustainable Transition from the Perspective of ESG Investment and Financing • ESG Investment Principles and Strategies
Governance	• Risks and Opportunities for Businesses Presented by Climate Change • Director Roles and Compliance Responses to the Challenges of Management Rights under Corporate Governance 3.0 • Analysis of the Latest Corporate Governance Policies, Regulations, and Common Deficiencies • ESG Sustainable Finance Initiative – Strengthening Digital Resilience and Developing Corporate Cybersecurity Strategies

Board Performance Evaluation

In adherence to the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Policy for Appointing or Recommending Directors and Supervisors of Invested Companies" and the Company's "Corporate Governance Guidelines," Fubon Securities conducts annual performance evaluations of the Board of Directors and its functional committees. To ensure corporate governance and enhance the Board's functions. At the end of each year, directors undergo a performance evaluation for the previous year based on various indicators by completing self-assessment and peer review questionnaires, of which the results are compiled and analyzed. Within three months after the beginning of the following year, the Board convenes to review and discuss the findings, with a focus on making improvements. These evaluations serve as a reference for determining remuneration and for adjustments to the composition of the Board.

▶ Board Member Performance Evaluation

Mechanism	Self-assessment	Peer Review
Evaluation Criteria	- Attendance at Board meetings (excluding proxy attendance) - Understanding and participation in agenda discussions prior to meetings - Interaction with the management team - Compliance with laws, regulations and practice guidelines - Contribution to enhancing corporate governance - Participation in continuing education in corporate governance-related courses - Understanding of the Company, the management team, and the industry in which the Company operates - Other items specified by competent authorities or the Board	- Other directors' understanding and participation in agenda discussions prior to meetings - Other directors' interaction with the management team - Operation of the Board and its functional committees - Other directors' compliance with laws, regulations and practice guidelines - Other directors' understanding of the Board's functions and roles - Whether other directors fully exercise their powers and functions as directors - Whether other directors are actively working to enhance corporate governance - Other directors' understanding of the Company, the management team, and the industry in which the Company operates - Other items specified by competent authorities or the Board

Remuneration Policy

For details on the remuneration provided to the directors, CEO, deputy CEOs, and consultants of Fubon Securities in the most recent year, as well as the distribution of employee compensation, please refer to pages 40-58 of the 2023 Annual Report.

Remuneration Policy for Directors and Independent Directors

Fubon Securities has established the "Guidelines for Directors' Remuneration," which clearly define the remuneration of directors as encompassing director fees, bonuses, and attendance fees. Unless otherwise stipulated by law, remuneration should be provided in accordance with these guidelines. Apart from the Chairman, Vice Chairman, independent directors, and directors who regularly engage in the Company's business operations, other directors do not receive remuneration. If the Chairman, Vice Chairman, independent directors, or any directors who regularly engage in business operations are appointed, dismissed, or resign during the month, their remuneration will be calculated and paid on a pro-rata daily basis.

Remuneration Policy for Senior Management Personnel

The Company's remuneration for senior management includes annual salary, variable bonuses, retirement pensions, and employee compensation. The remuneration is determined by considering factors such as seniority, title, performance, responsibilities, and individual contributions of the senior management personnel. It also takes into account the Company's long-term stable development and risk tolerance. A linkage mechanism is in place between performance evaluations and remuneration, with assessments based on the actual performance against the set objectives for senior management.

Clawback Policy

Fubon Securities has a clawback policy in place. To prevent business risks arising from misconduct that may lead to foreseeable or actual losses for the Company, the Company reserves the right to reclaim all or part of the remuneration based on related risk reports submitted by the Risk Department.

Performance Measurement Indicators for Remuneration

The Company has established a linkage mechanism between bonuses and performance indicators. In accordance with the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Performance Evaluation Policy," the annual performance targets for Fubon Securities' CEO and senior executives are categorized into two main areas: key business indicators and leadership qualities, accounting for 70% and 30% of the evaluation, respectively. The key business indicators include financial performance metrics such as revenue and profitability, as well as the effectiveness of promoting and executing the four ESG strategies of Fubon Financial Holdings—"Decarbonization, Digitalization, Empowerment, Connection"—with a minimum weight of 5%.

Indicators and Weight		Description
Key Business Indicators (70%)	Company development strategy, business operation, and financial performance	- Financial performance indicators: Profit or loss before tax, profit or loss after tax, return on equity after tax, net income - Relative financial performance indicators: Market share of spot trading, market share of margin trading, average balance of securities lending, average balance of non-purpose loans, domestic and international funds performance, structured products performance, overseas equity and bond investment performance
	ESG promotion and implementation (at least 5%)	Long-term goals for decarbonization, digitalization, empowerment, and connection are set based on the responsibilities of the six working groups. - Decarbonization: Green bond underwriting participation rate, underwriting rate for environmentally sustainable companies, Proportion of listed products meeting ESG ratings, green finance and operational carbon reduction initiatives - Digitalization: Customer satisfaction, account opening satisfaction, ratio of intelligent customer service to human customer service, E-trading Account Share of Natural Persons' Domestic Securities Trading, proportion of active overseas stock electronic accounts - Empowerment: Employee Engagement Survey-Score, Employee Engagement Survey -Participation Rate, Total No. Times Employees Participated in Wellness and Health-related Activities - Connection: Records of attendance for financial education, Records of volunteer participation
	Regulatory compliance/ risk control and internal audit and control	For instance, regulatory compliance, risk management, and internal audit and control-related policy planning and execution.
	Leadership Qualities (30%)	Integrity, professionalism, communication skills, decision-making capabilities, team motivation, innovation, positive mindset, etc.

The following chart describes the composition of the Company's senior management personnel remuneration.

Category	Bonus and Special Disbursement	Salary	Retirement Pension	Employee Compensation
Percentage (%)	64.24	31.73	3.86	0.17

ESG Performance and Reward System

In Fubon Securities' board performance evaluation, both the directors' self-assessments and peer reviews include ESG-related assessment indicators such as the "Board's emphasis on and concrete actions in promoting sustainable development, ethical management, and the treating customers fairly principles." For management positions, responsibilities related to "ESG promotion and implementation" are incorporated into the "key business indicators," with specific metrics and weights set accordingly. The Company follows the "Performance Evaluation and Compensation Policy for Managers of Fubon Financial Holding Co., Ltd. and Its Subsidiaries" to determine the annual performance bonuses based on the Company's profitability and individual performance.

2.2 Ethical Management

Ethical Management Structure and Policy

Ethical Management Organization

Fubon Securities' Corporate Governance and Ethical Management Task Force is responsible for overseeing issues related to ethical management. The task force reports quarterly to the Board of Directors on relevant implementation status, demonstrating the Company's strong commitment to implementing ethical business practices.

Ethical Management Philosophy and Policy

Fubon Securities upholds Fubon Financial Holdings' core corporate values of "Integrity, Sincerity, Professionalism, and Innovation," with "Integrity" considered key to sustainable corporate operations. To cultivate a corporate culture of ethical business practices and deepen the principles of integrity, transparency, and accountability, Fubon Securities follows the "Ethical Management Best Practice Principles" and the "Ethical Management Operating Procedures and Conduct Guidelines" set by Fubon Financial Holdings. By establishing sound operating models and risk management mechanisms, we strive to create a sustainable business environment.

Implementation of Ethical Management

In fulfilling the commitment and philosophy of ethical management, all directors of Fubon Securities have signed the "Ethical Management Statement," which prohibits activities including bribery, accepting bribes, providing illegal political contributions, making improper charitable donations or sponsorships, offering unreasonable gifts, hospitality, or other undue benefits, intellectual property rights infringement, engagement in unfair competition, and actions that harm stakeholders

through products or services. To ensure that directors fully understand the "Ethical Management Best Practice Principles" and pertinent regulations, the Company regularly provides directors with promotional materials on ethical management and guidelines.

Fubon Securities also adheres to the "Code of Ethical Conduct for Insiders of Fubon Financial Holding Co., Ltd. and Its Subsidiaries," which outlines rules for preventing conflicts of interest, avoiding opportunities for personal gain, responsibilities for confidentiality, fair trading, protection and proper use of company assets, compliance with laws and regulations, handling situations where the Company faces significant harm, encouraging the reporting of any illegal activities or violations of this code, as well as disciplinary measures.

The Company follows the "Donation Policy of Fubon Financial Holding Co., Ltd. and Its Subsidiaries," which stipulates that donations to related parties and significant donations to non-related parties must be approved by the Board of Directors and disclosed as material information following the Board meeting. Therefore, the Company compiles and reports the donation activities of the previous year to the Board by the first quarter of each year, with the details disclosed in the annual report. Moreover, to ensure proper oversight of every donation, Fubon Securities implemented the "Fubon Securities Co., Ltd. (Adopted from Fubon Financial Holding Co., Ltd. and Its Subsidiaries) Donation Procedure Management Regulations" in May 2020. This policy provides a clear management mechanism for reviewing donation procedures and tracking the use of donated funds.

Ethical Management Risk Assessment

Fubon Securities conducts regular assessments to determine whether unethical behavior occurs in daily operations by evaluating the implementation of operational risk controls and key risk indicators across various departments. In 2023, risk assessments for unethical behavior at both the headquarters and all branch offices were carried out. The results showed no instances of unethical behavior, indicating a low risk of unethical behavior within the Company's overall operation.

Ethical Management Education and Training

To enhance the awareness of ethical behavior among all employees and reinforce the integration of ethical practices into daily work, Fubon Securities regularly organizes education and training on the "Ethical Management and Conduct Guidelines."

Ethical Management Evaluation Mechanism

Fubon Securities' board performance evaluation includes an assessment of "the Board's emphasis on and concrete actions in promoting sustainable development, ethical management, and the treating customers fairly principles." In addition to the "integrity" item in the all-staff performance evaluation, the Company refers to "internal audit and control operational indicators" to measure employee performance in areas such as "violations of internal audit and control, regulatory compliance, and operational risk," "annual regulatory compliance execution assessments," and "annual audit project reviews." The



"Ethical Management and Conduct Guidelines" Training Courses in 2023
3,000 participation records
750 hours of combined training duration
 100% completion rate

evaluation results are linked to target achievement rates and performance bonuses according to the "Performance Evaluation Policy" as a way to reinforce employee ethical behavior and regulatory compliance.

Breach of Ethical Business Practices

In 2023, Fubon Securities did not encounter any cases related to corruption, fraud, market manipulation, insider trading, or violations of the Fair Trade Act. There were also no instances of employees or business partners being penalized or having their business relationships terminated due to breaches of ethical business practices.

Whistleblowing Mechanism

Whistleblowing System Policy

Fubon Securities has established the "Whistleblowing Handling Guidelines" at the board level in accordance with the "Guidelines for Establishing Internal Control Systems for Service Enterprises in the Securities and Futures Market" and by referencing the "Whistleblowing Handling Policy" of its parent company, Fubon Financial Holdings. This policy encourages anyone who discovers potential criminal activity, fraud, or legal violations by the Company's responsible persons or employees to report these issues via the whistleblower mailbox on the Company's website.

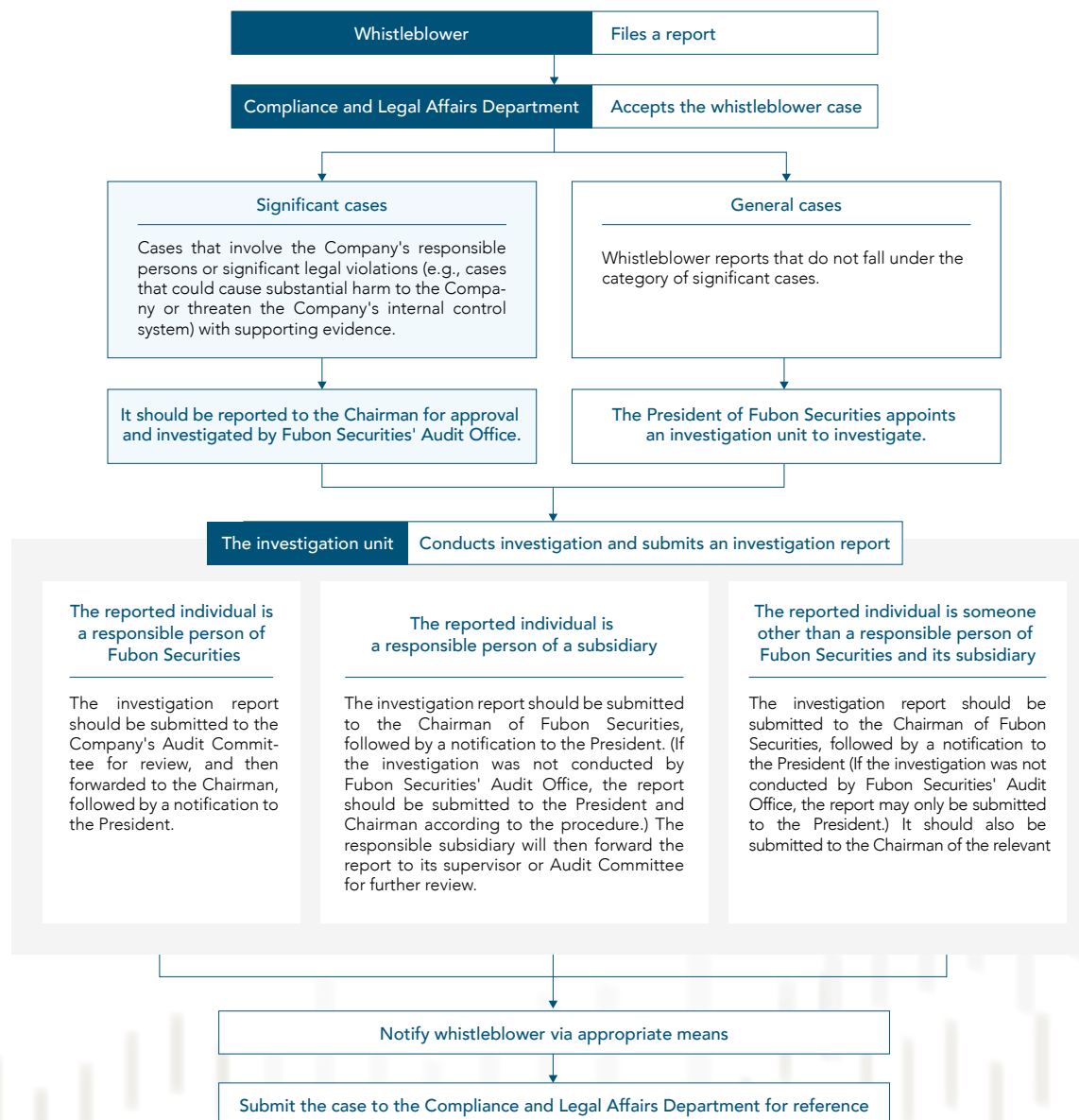
Unit Responsible for the Whistleblowing System

The unit responsible for handling whistleblower cases at Fubon Securities is the Compliance and Legal Affairs Department. The investigation unit for whistleblower cases is determined based on the severity of the case (significant or general). If the whistleblower report involves the Company's responsible persons or contains significant legal violations with supporting evidence, such as causing significant harm to the Company or threatening the internal control system, the "Audit Office" will be in charge of the investigation. For other general cases, the President will designate the investigation unit and assign a specific department or appoint at least a three-member independent investigation committee to conduct the investigation.

Investigation Procedure and Handling Process

Upon receiving and accepting a whistleblower report, the following investigation procedure will be initiated. The investigation unit must submit an investigation report within three months from the day it is assigned or the investigation committee is formed. If the investigation cannot be completed within this period due to case complexity or other factors, a three-month extension may be granted upon approval, but only one extension is allowed.

Investigation Procedures for Reporting and Accepting Cases



If the investigation unit discovers any significant violations or if the Company is at risk of sustaining substantial damage during the investigation, a report in writing must be prepared immediately and sent to the independent directors. In cases where the whistleblower report involves a significant incident or illegal activity, the matter should be reported or filed with the relevant competent or judicial authorities.

▶ Number of Cases Accepted in 2023 and Their Handling

Category	Number of Cases	Under Investigation	Number of Cases Closed
Corruption/Bribery	0	0	0
Conflicts of Interest	0	0	0
Personal Data Protection (Customer Privacy Data Leakage)	0	0	0
Discrimination or Harassment	0	0	0
Money Laundering	0	0	0
Insider Trading or Violation of Fair Trade	0	0	0
Others	12	0	12

Note: "Others" include cases such as customer complaints, employee behavior management, cases irrelevant to the group's business or involving external impersonation, inquiries, and suggestions.

After classifying the cases according to the Whistleblowing Handling Guidelines, 10 customer complaint cases were transferred to the Business Operations Management Department for handling, one employee grievance case was transferred to the Human Resources Department, and one accepted case was processed as follows.

Source	Category	Handling Method
Internal	Personnel violation of rules	- An investigation team appointed by the President, consisting of members from the Business Operations Management, Human Resources, and Audit Departments, conducted an investigation. The case was closed on March 24, 2023. - The reported individual received the following disciplinary actions: the responsible person of the branch was issued two warnings, and the branch finance manager received one warning.

Whistleblower Protection Mechanism and Conflict of Interest Avoidance

In accordance with the "Whistleblowing Handling Guidelines," Fubon Securities mandates that from the moment the designated handling unit receives a whistleblower case, all individuals involved or aware of the case (including but not limited to those handling the case) must maintain the confidentiality of the case details, the identity of the whistleblower, and the identity of the reported individual. Any breach of confidentiality will result in disciplinary action in accordance with the Company's internal regulations. Furthermore, the Company is prohibited from dismissing, demoting, reducing the salary of, or otherwise retaliating against the whistleblower or infringing upon their legal, contractual, or customary rights as a result of their reporting.

Personnel handling the case must request recusal from the case under the following circumstances and provide reasons, facts, and justification to the Company's designated handling unit:

1. If the personnel or their spouse, relatives within the third degree of kinship, or relatives by marriage within the second degree of kinship are the whistleblower or the reported individual, or if they have a vested interest in the case.
2. If there are specific facts that indicate a potential bias in the execution of their duties.

Promotion and Incentive Measures for the Whistleblowing System

Fubon Securities conducts annual training sessions on the "Whistleblowing Handling Guidelines" to educate and inform all employees about the guidelines and relevant policies. Moreover, according to the "Whistleblowing Handling Guidelines," if a whistleblower report is found to be true and is considered significant, the Company may reward the whistleblower at its discretion.

"Whistleblowing Handling Guidelines" Training Courses in 2023
2,918 employees participated
 Average of 1 hour of training per person
 100% completion rate



2.3 Regulatory Compliance

Regulatory Compliance Structure and Management Mechanism

Unit Responsible for Regulatory Compliance

Fubon Securities has a "Compliance and Legal Affairs Department" that reports to the President, with a designated Chief Compliance Officer responsible for overseeing regulatory compliance matters. This officer supervises the implementation of the Company's regulatory compliance system, coordinates disputes over legal interpretation among departments, and manages regulations related to anti-money laundering (AML) and counter-terrorism financing (CTF). The officer is required to report on the Company's compliance status and present a regulatory compliance risk assessment report to the Board of Directors and the Audit Committee at least every six months. If the Chief Compliance Officer identifies any significant legal violations or if the Company's rating is downgraded by competent authorities, the officer must promptly notify the directors and report compliance issues to the Audit Committee and the Board of Directors.

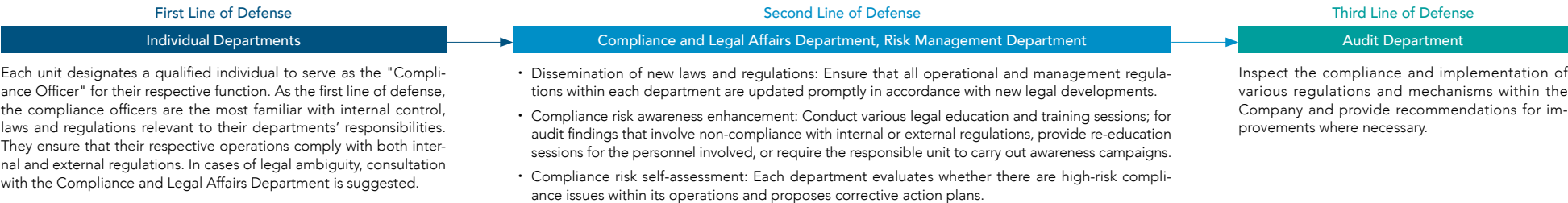
Regulatory Compliance System

The Company abides by its "Regulatory Compliance Guidelines" and the "Regulatory Compliance Risk Management and Assessment Guidelines" to regulate key aspects of compliance operations. These

guidelines include the establishment of a clear and appropriate system for the dissemination, consultation, coordination, and communication of laws and regulations, ensuring that all operational and management regulations are updated in line with relevant laws and regulations; ensuring that all business activities comply with legal requirements, overseeing the periodic self-assessment of compliance by each department, providing appropriate legal training to staff, supervising domestic and international branches to ensure compliance with the laws and regulations of their respective locations, and guiding foreign branches in collecting local financial regulations and establishing mechanisms for self-assessment and monitoring of compliance risks.

In accordance with the "Regulatory Compliance Guidelines," the Company has developed a compliance system based on the three lines of defense framework to effectively manage compliance risks and strengthen the Company's regulatory compliance system and management mechanisms. Compliance with both international and domestic laws and regulations is ensured to prevent any harm to the Company's overall operation.

Three Lines of Defense of Legal Compliance System



Case Management System for Violations

To effectively manage compliance risks that arise from business operations, Fubon Securities has established a reporting and management mechanism for incidents of legal violations. Differentiated management is implemented based on the severity of the violation, aiming to prevent the recurrence of any legal violations that could impact the Company's operations.

The following outlines the management approach according to the severity of the violation:

Immediate Reporting	Regular Reporting	Special Reports
In cases of fines imposed by the Financial Supervisory Commission or significant legal violations, the incident must be immediately reported to the Compliance and Legal Affairs Department. The Compliance and Legal Affairs Department will then inform the Company's decision-making units and Fubon Financial Holdings' Compliance Department of the incident's summary, impact, and corrective measures taken. This ensures that the Company and the board members of Fubon Financial Holdings are promptly alerted to any compliance risks.	The Chief Compliance Officer is responsible for compiling a report on the execution of the regulatory compliance system every six months and presenting it to the Audit Committee and the Board of Directors. This report includes an overview of any penalties imposed and the corrective actions taken, enabling the Board to monitor the effectiveness of the Company's compliance operations based on changes in compliance risks.	For significant legal violations, the department involved must submit a report to the most recent Audit Committee and Board of Directors meeting. Relevant documentation will also be provided to Fubon Financial Holdings, where the Compliance Department will present it to Fubon Financial Holdings' Audit Committee and Board of Directors at the next meeting. The involved department is also required to conduct a special report analyzing the causes, potential impacts, corrective actions, and recommendations regarding the significant legal violation. This allows both Fubon Securities and Fubon Financial Holdings' Boards to oversee the management and effectiveness of the regulatory compliance system.

Compliance Status in 2023

In 2023, Fubon Securities did not experience any significant deficiencies or incur any heavy or minor fines from competent authorities due to violations of laws or regulations. Neither were there any incidents involving anti-competitive behavior, antitrust issues, or monopolistic practices.

Note 1: Significant legal violations include: (1) Significant penalties announced on the websites of the various bureaus of the Financial Supervisory Commission (FSC). (2) Incidents deemed significant legal violations by competent authorities and required to be reported to the Board of Directors. (3) Fines of NT\$1 million or more imposed by domestic authorities other than the FSC or tax authorities. (4) Disciplinary actions leading to the dismissal or suspension of directors, supervisors, or senior executives (including vice presidents). (5) Fines of NT\$3 million or more imposed by overseas competent authorities, or any form of negotiation, settlement, or compensation with competent authorities due to legal violations amounting to NT\$3 million or more. (6) Recurrence of the same violation within one year of the issuance of a penalty notice by the same competent authority for a previously fined deficiency, resulting in another fine by the same authority.

Note 2: Competent authorities refer to central government agencies, special municipalities, county and city governments, and financial organizations (such as the Taiwan Stock Exchange, Taiwan Futures Exchange, and Taipei Exchange), as well as financial self-regulatory organizations (such as the Securities Association) that exercise public authority.

Professionalism of Compliance Personnel

Regarding the professionalism of compliance personnel, the first line of defense consists of departmental compliance officers well-versed in the internal controls and legal regulations relevant to their department's operations. The second line of defense refers to personnel in the Compliance and Legal Affairs Department, who are required to hold qualifications such as the Securities Specialist and Futures Specialist licenses. The third line of defense, the internal audit team, includes one certified internal auditor and two certified information systems auditors with international certification. In addition, Fubon Securities encourages employees to obtain professional certifications. As of the end of 2023, seven employees in the Compliance and Legal Affairs Department passed the Certified Anti-Money Laundering Specialist (CAMS) exam, and one passed the Certified Global Sanctions Specialist (CGSS) exam.

Cumulative number of certificates obtained in 2023
7 CAMS, 1 CGSS

Anti-Money Laundering (AML), Counter-Terrorism Financing (CTF), and Counter-Proliferation Financing (CPF)

Management Policies and Systems

Fubon Securities follows the "Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Securities and Futures Business and Other Financial Institutions Designated by the Financial Supervisory Commission" and the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries AML and CTF Policy" for the establishment an effective AML, CTF, and CPF mechanism. We have developed procedures and adopted Fubon Financial Holdings' guidelines as follows to maintain financial order and prevent money laundering, terrorism financing, proliferation financing, and other crimes.

The Company adopts the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries AML and CTF National/Regional, Industry, Product, Service, and Customer Risk Assessment Guidelines" to ensure a consistent evaluation approach across risk factors related to countries/regions, industries, products, services, and customers. In addition, the Company has implemented the "AML and CTF Information Sharing Procedures" adopted from Fubon Financial Holdings and its subsidiaries to establish a group-level AML and CTF plan. This enhances the AML and CTF mechanisms, thereby effectively preventing the occurrence of related incidents.

Fubon Securities' regulations	Regulations adopted from Fubon Financial Holdings
• AML and CTF Operating Procedures • AML and CTF Precautionary Measures • AML and CTF Plan • Name and Entity Verification Guidelines	• AML and CTF Information Sharing Procedures • AML and CTF National, Regional, Industry, Product, Service, and Customer Risk Assessment Guidelines • Cross-Check Platform Operating Rules for Existing Customers

Comprehensive Money Laundering and Terrorism Financing Risk Assessment

In accordance with the "AML and CTF Operating Procedures," Fubon Securities regularly conducts a comprehensive risk assessment for money laundering and terrorism financing and prepares a risk assessment report. This process ensures that management is timely and effectively informed of the overall money laundering and terrorism financing risks the Company faces, enabling them to decide on appropriate countermeasures. The following three-step process is practiced to manage money laundering and terrorism financing risks, ensuring a thorough understanding of the distribution of these risks and actively fulfilling legal and policy requirements.

Three Steps of Money Laundering and Terrorism Financing Risk Control



AML Management Framework

Assessment	Institutional Risk Assessment (IRA) for Money Laundering and Terrorism Financing	
Assessment Frequency	At least once a year	
Objective	Allow management to timely and effectively understand the overall money laundering and terrorism financing risks the Company faces, thereby enabling them to decide on appropriate risk mitigation measures based on the assessment results.	
Reporting and Communication	To parent company, Fubon Financial Holdings	We regularly participate in the quarterly meetings and specialized management meetings convened by Fubon Financial Holdings.
	To subsidiaries	We hold the "Regulatory Compliance and Anti-Money Laundering Implementation Status Meeting" quarterly and conduct on-site inspections annually.
	To the Board of Directors	The AML Officer reports to the Board on the Company's AML and CTF operations semiannually.
	To various departments	The implementation status across various departments is understood through the IRA survey. If weakness is found in execution, the formulation of enforcement measures is demanded.
Supervision and management	1. In alignment with the parent company, Fubon Financial Holdings, monthly risk management reports are prepared to monitor changes in relevant risk data. 2. Risk management reports for internal use are produced quarterly, utilizing relevant data and key risk indicators to monitor whether the risks remain within acceptable limits.	

Regulatory Compliance and AML Education and Training

To enhance employees' awareness of regulatory compliance, Fubon Securities conducts both regular and special compliance education and training. Regular courses are provided online at least once a year, while special courses include thematic lectures and advocacy sessions for violation cases and regulatory compliance practices. This year's compliance topics covered in the training included "Prevention of Transaction Disputes or Fraud Cases," "Protection of Elderly Customers," and "Treating Customers Fairly Principles (including the Financial Consumer Dispute Resolution Mechanism)," along with the sharing of relevant regulations and case studies. For employees who violate regulations, the Compliance and Legal Affairs Department conducts "Re-education Sessions (with assessments)" to ensure that they possess accurate regulatory compliance concepts.

Personnel responsible for AML operations, including dedicated staff, senior managers, and supervisory managers of domestic business units, are required to obtain professional qualifications. They also need to attend at least 12 hours of refresher courses each year provided by institutions recognized by the Financial Supervisory Commission. Directors, independent directors, the President, compliance personnel, internal auditors, and sales personnel are provided with annual AML and CTF education and training tailored to their specific roles as well. This ensures that they understand their AML and CTF responsibilities and are equipped with the necessary expertise to fulfill these duties.

The Company also tailors AML training courses to the different business roles of its employees. In 2023, Fubon Securities held six training sessions, and Fubon Financial Holdings invited our employees to participate in eight "Fubon AML Academy" sessions, totaling 14 sessions.



Regulatory Compliance Training Courses in 2023

2,710 employees participated
678 hours of training in total
 100% completion rate

AML Training Courses in 2023

5,252 employees attended
 Accumulative training hours amount to
12,695 hours
 Average of 4.69 hours of training per person
 100% completion rate

2.4 Risk Management

Risk Management Structure and Policy

Risk Management Organization

Through appropriate allocation of responsibilities and professional division of labor, a top-down risk management culture is upheld at Fubon Securities to effectively integrate risk management practices, fully leverage the auditing and supervisory functions of risk management, and ensure the effectiveness of the risk management system. The Board of Directors serves as the highest decision-making body for risk management, responsible for approving risk management-related regulations, reviewing risk management reports, and overseeing the implementation of various systems to ensure the realization of the Company's risk management strategy and the achievement of sustainable business objectives.

Fubon Securities' independent risk management organization comprises the Asset-Liability and Risk Management Committee (hereinafter referred to as the "Risk Management Committee"), the Personal Data Protection Supervisory Committee, and the Risk Management Department. The responsibilities of these three functions are as follows:



Asset-Liability and Risk Management Committee

It generally convenes monthly. This committee oversees the overall risk management of the Company and its subsidiaries, including the supervision of market risk, credit risk, operational risk, liquidity risk, asset-liability risk, and capital adequacy.



Personal Data Protection Supervisory Committee

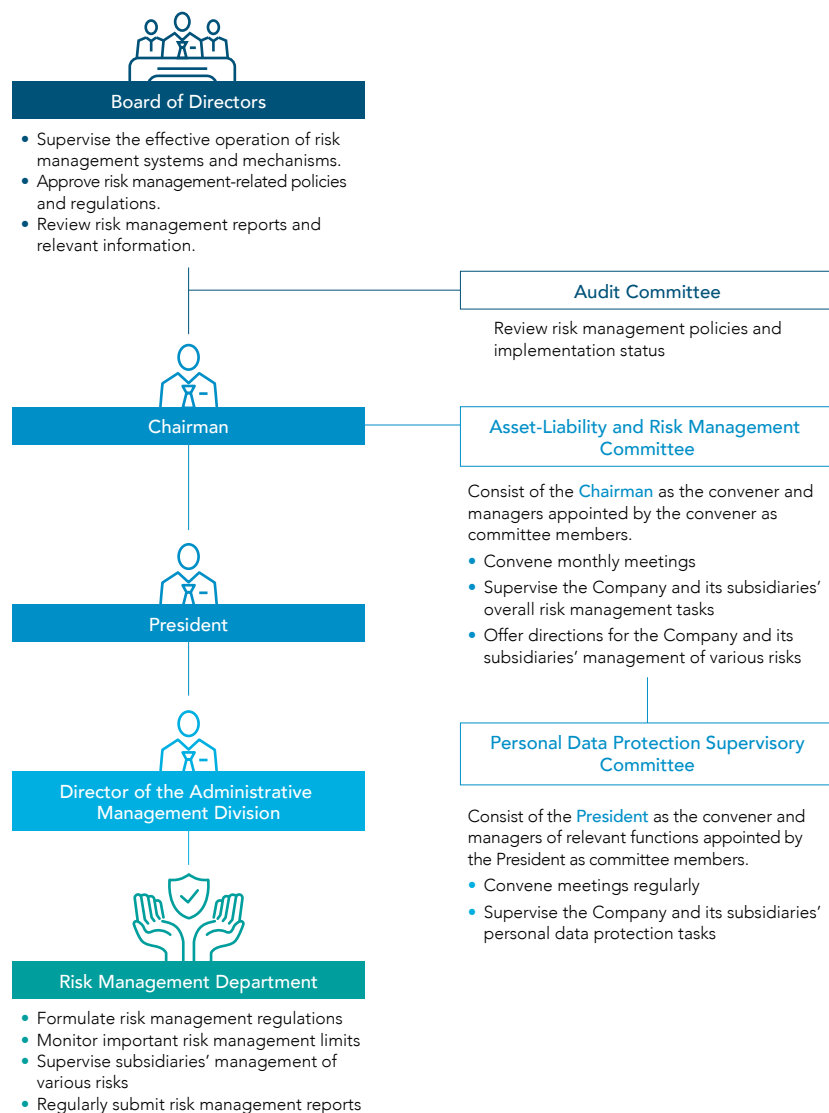
Established under the Risk Management Committee, this committee generally meets quarterly or submits written reports. It supervises the management of important personal data protection for the Company and its subsidiaries.



Risk Management Department

This department is responsible for risk management-related tasks, including planning risk management systems and risk control mechanisms, setting risk limits, and monitoring various business exposure situations.

Risk Governance Structure



Risk Management Policy

Fubon Securities follows the "Risk Management Policy" as the primary guiding principle for risk management. A comprehensive risk management system and management mechanisms are in place, outlining risk management guidelines, measures, and procedures to identify, measure, monitor, and control all risk-related matters. Furthermore, management principles and response strategies are formulated for major financial and non-financial risks (such as market risk, credit risk, liquidity risk, operational risk, legal risk, investment activity risk management, emerging risks, and climate risks) to effectively manage and mitigate the impact of these risks.

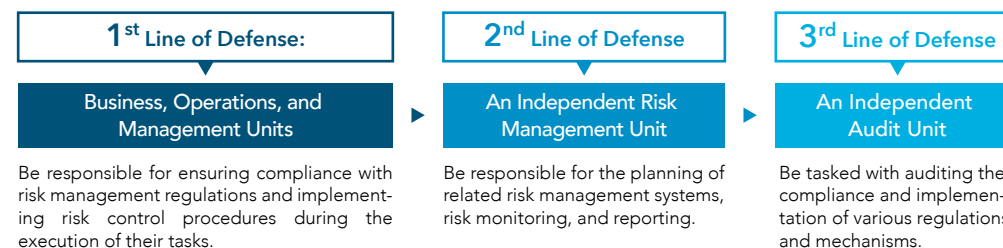
The "Risk Management Policy" covers the following four aspects:

① Risk management culture ② Risk management organization ③ Risk management processes ④ Risk appetite.

Risk Management Mechanism

In accordance with the "Risk Management Policy" and relevant regulations, the Company carries out its risk management tasks through an independent three-lines-of-defense risk management mechanism, which operates with comprehensive coordination across departments to strictly monitor the potential risks in daily operations and various business activities. The execution status of risk management operations is reported monthly to the Asset-Liability and Risk Management Committee and quarterly to the Board of Directors to ensure the effective operation of the risk management system and the implementation of the Company's risk management practices.

Three Lines of Defense in Risk Management



Risk Appetite

Risk appetite refers to the level of risk that Fubon Securities is willing to accept within its overall risk tolerance in order to achieve its operational objectives. It is represented by indicators such as the capital adequacy ratio. The Risk Management Department reviews the risk appetite indicators annually. If there are any additions or revisions, they are first submitted to Fubon Financial Holdings' Risk Management Committee for review, and then reported for approval according to the Company's regulations on hierarchical responsibilities. The risk appetite indicators are monitored every six months and must be reported to Fubon Financial Holdings' Risk Management Committee.

Risk Management Identification, Response and Reporting Mechanism

According to Fubon Securities' "Risk Management Policy," the risk management system covers various risks, including market risk, credit risk, liquidity risk, operational risk, and legal risk Note. The management measure mechanisms, response measures, risk management report coverage for various risks, and their frequency are detailed in the table below.

Risk Type	Management and Measurement Mechanism	Response Measures	Risk Management Reporting
Market Risk	Fubon Securities has established comprehensive risk management policies and control measures for financial trading products under four categories: interest rates, exchange rates, equity securities, and commodities. The market risk management process is independently executed by the middle-office management unit, which handles risk identification, risk measurement, limit monitoring, risk reporting, and fair market value evaluation reporting. There is also a well-established firewall mechanism between the front, middle, and back offices.	A position and profit/loss limit management mechanism and stop-loss regulations are in place to effectively manage trading positions and profit/loss conditions. The middle office monitors market risk limits daily, including the measurement of risk factor sensitivities such as Delta, Vega, DV01, and others, to manage positions, control profit/loss, and handle over-limit exception management procedures. In collaboration with Fubon Financial Holdings' Risk Control Division, the Company continuously enhances the application of market risk value systems and relevant control measures to execute market risk control more effectively.	- Market risk limits are monitored daily and reported to the business units and relevant management. - Regular monthly reports on the usage of risk limits are presented to the Risk Management Committee to assist management in making informed investment decisions. - The usage of market risk limits and stress test results of are reported to the Board of Directors quarterly.
Credit Risk	Fubon Securities monitors and manages credit risk for proprietary positions, underwriting positions, firm commitment positions, and asset swap positions through credit risk monitoring and credit rating management. The objective of credit risk management is to optimize the balance between risk and return by using credit risk management tools to identify, measure, manage, and monitor various credit risks. This ensures the effectiveness of credit risk identification, measurement, and monitoring functions in accordance with the established credit risk management policies and regulations.	A counterparty credit risk management mechanism is in place, which evaluates the credit ratings, financial statements, and other relevant financial information of counterparties to manage exposure limits. Additionally, a concentration management mechanism addresses different risk types such as country risk, industry risk, and position concentration to enhance the effectiveness of credit risk management.	- Daily monitoring of counterparty credit risk and tracking of the counterparties' credit ratings is conducted. - Monthly reports on country risk and industry risk are presented to Fubon Financial Holdings and Fubon Securities' Risk Management Committee to keep track of position statuses.
Liquidity Risk	Liquidity risk is divided into two main categories: market liquidity risk and funding liquidity risk. - Market liquidity risk: It is integrated into the market risk model, where market liquidity risk factors are considered in the risk value calculation to accurately reflect the risk associated with liquidating positions. - Funding liquidity risk: This involves diversifying counterparties among financial institutions and employing multiple fundraising channels. Depending on business needs, the Company proactively plans to manage daily cash flow requirements effectively.	The Company has established and implemented control measures for liquidity risk across all business activities. The strategy for managing liquidity risk focuses on securing stable, low-cost, and sufficient funds to support asset growth and repay maturing liabilities, thereby reducing the risk of cash flow gaps. The amount and timing of funding needs across various departments are also considered to ensure effective cash management. In case of abnormal or emergency situations requiring liquidity adjustments, actions are taken in accordance with the procedures outlined in the Company's "Emergency Liquidity Management Guidelines."	- Daily management and monitoring of liquidity risk is conducted, including maintaining appropriate levels of funds, managing cash flow and liquidity, and monitoring liquidity risk indicators and limits. - Monthly review of market liquidity risk management indicators is conducted, with the results provided to Fubon Financial Holdings' Risk Control Division. - Regular stress testing is conducted, and emergency response strategies are in place.
Operational Risk	Fubon Securities' strategy for managing operational risk is based on the "Operational Risk Management Rules," which aim to proactively and effectively identify, measure, control, and monitor various operational risks inherent in all products, services, operations, and systems, and appropriate risk mitigation measures are adopted accordingly. Each department, depending on its business nature, establishes key risk indicators for operational risk and conducts self-assessments to evaluate effectiveness and implementation. Based on the results of these self-assessments, which highlight existing and potential operational risks, as well as trends and correlations in risk occurrences, the Company takes effective corrective actions to manage, reduce, or eliminate these risks.	To enhance the identification and control of operational risks, the Company continues to provide education, training and awareness programs for its branches. For operational risks in business and transaction processes, appropriate control mechanisms are established based on the "Operational Risk Management Rules" and the "Operational Risk Implementation Guidelines." We also continue to promote control self-assessments, while implementing enhanced management and regular tracking and review of risks identified as yellow or red in severity.	- Operational risk management information is reported monthly to the Risk Management Committee. - A quarterly operational risk management report is prepared and submitted to Fubon Financial Holdings' Risk Control Division for review and record-keeping.
Emerging Risk	In response to emerging risks, Fubon Securities follows the "Emerging Risk Management Guidelines" established by Fubon Financial Holdings and adopts a continuous risk management cycle that includes risk identification, risk measurement, risk response, risk monitoring, and risk reporting. The Company regularly identifies potential risks, assesses the likelihood and impact of these risks, and determines the emerging risks that require attention. This process is carried out in accordance with Fubon Financial Holdings' "Emerging Risk Management Guidelines" and relevant regulations.	Each year, the Company considers global emerging risk factors highlighted by the World Economic Forum (WEF) and definitions provided by the Dow Jones Sustainability Index (DJSI). The Company's business development and future outlook are also taken into account in the evaluation and determination of key emerging risks based on business relevance, vulnerability, and impact.	Risk response measures are developed in response to the identified emerging risks, which are first reported to the Risk Management Committee and then submitted to Fubon Financial Holdings' Risk Control Division for further review.
Climate Risk	Climate change imposes various short, medium, and long-term impacts on the financial industry's business operation, investment, and financing activities. The identified physical and transition risk factors can be linked to existing risk categories and integrated into the current risk management framework for proper monitoring and management of climate-related risks.	In light of the potential impact of climate change on environmental ecosystems and economic industries, and the significant influence it may have on corporate business development, Fubon Securities follows the "Climate Change Management Guidelines" and relevant regulations set by Fubon Financial Holdings to enhance management of climate-related risks.	- The climate risk management execution plan and results are reported to the Board of Directors quarterly. - The Company annually identifies potential risks, assesses the likelihood and impact of these risks, and determines key climate change risks that require attention. Response measures for these risks are developed and presented to the Risk Management Committee and then submitted to Fubon Financial Holdings' Risk Control Division for further review.

Note: Legal risk refers to the potential losses that could arise if the Company fails to comply with government regulations, or if contracts are rendered invalid due to lack of legal enforceability, acts beyond authority, omissions in terms, or inadequate regulations. Fubon Securities manages legal risk in accordance with the "Operational Risk Management Rules," the "Operational Risk Management Guidelines," and relevant regulations.

Emerging Risk Management

Emerging Risk Identification Process

Fubon Securities follows the "Emerging Risk Management Guidelines" established by Fubon Financial Holdings. Each year, the Company considers global emerging risk factors identified by the World Economic Forum (WEF) and the definitions provided by the Dow Jones Sustainability Index (DJSI). By evaluating business relevance, vulnerability, and impact, the Company identifies emerging risks that require long-term attention, analyzes the potential impact of these risks, and formulates risk mitigation and response measures accordingly.

Impact of Emerging Risks and Response Measures

In 2023, Fubon Securities identified the top three emerging risks as debt crisis, interstate conflict, and national disintegration or severe instability. For each of these emerging risks, the Company has established control mechanisms and response measures to effectively monitor and manage the potential impact and effects these risks could have on the Company.

Risk	Risk Type	Risk Description	Impact on Business Operation	Response Measures
Debt Crisis	Economic risk	A debt crisis occurs when corporations or governments face difficulties in repaying accumulated debts, leading to widespread bankruptcies, insolvency, liquidity crises, or defaults and sovereign debt crises.	• A debt crisis can intensify volatility in financial markets (stocks, bonds, and foreign exchange), potentially leading to losses in the Company's investment portfolio. • An international debt crisis can spread panic, increasing global financial market fluctuations and the probability of economic recession. This can negatively affect the debt repayment ability of invested companies and investors, raising the risk of default. • Political and economic instability can increase investment risks, resulting in client losses, reduced trading activity, and diminished willingness to trade. This could lead to a decline in the brokerage income, thereby impacting corporate revenue. • Currency exchange risks can increase the cost of capital in global financial markets, further exacerbating the financial strain.	• Risk Management Department: (1) In the event of significant changes in a country's political situation or social unrest, the Risk Management Department activates the off-hours financial market alert mechanism to monitor key international financial markets outside of Taiwan's business hours. The department promptly assesses position risks and implements relevant risk mechanisms in accordance with Fubon Financial Holdings' "Significant Market Risk Event Notification Management Guidelines" and "Significant Credit Risk Event Notification Procedures" to respond to significant unexpected financial events, thereby reducing potential risk impacts on the Company. (2) The department monitors daily profit and loss changes in held positions using asset valuation, early warning indicators, and value-at-risk (VaR) calculations. It reports the market risk management execution to the Asset-Liability and Risk Management Committee monthly and conducts quarterly stress tests under various risk scenarios to determine the maximum tolerable loss. (3) The department manages and sets trading limits according to Fubon Financial Holdings' country and international organization risk grading table. It monitors the risk exposure of various countries monthly and tracks changes in positions. • Finance Department: Regularly review the liquidity gap limits in fund allocation to ensure adequate liquidity management. • Proprietary Trading Units: Develop a diversified market strategy to reduce reliance on any single country or region, thereby mitigating concentration risk. • All Departments: Engage in external seminars or forums to increase cross-disciplinary exchange opportunities and stay informed of the latest developments and trends in the macroeconomic environment.
Interstate Conflict	Geopolitical risk	Interstate conflict refers to bilateral or multilateral military confrontations between countries, which can manifest as cyber attacks, proxy wars, or outright warfare.	• Interstate conflicts can severely affect global supply chains. Regional conflicts may lead to sustained sanctions by countries worldwide, impacting commodity and energy prices. This can result in persistent inflation across nations, increasing operational and investment risks for businesses. • Heightened geopolitical tensions, especially in regions supplying critical resources, can trigger inflation surges. This not only causes significant drops in financial asset prices but also erodes investor and consumer confidence as conflicts escalate. The increased probability of economic recession can affect the debt repayment capabilities of invested companies and investors, elevating default risks and adversely impacting the Company's profitability. • The global economic environment, influenced by overlapping factors, can lead to extreme fluctuations in financial markets. Such volatility can increase trading losses and default rates among securities clients, reduce trading volumes, and diminish order placement willingness due to market uncertainties, thereby decreasing the Company's income from brokerage fees. • International conflicts can disrupt market settlement timelines, complicate cross-border fund transfers, and heighten foreign exchange risks.	
National Disintegration or Severe Instability		Geopolitical tensions might lead to the disintegration of states due to weakened institutions, the erosion of the rule of law, internal unrest, military coups, or severe regional or global instability.		

Crisis Management Response Mechanism

In accordance with its "Business Crisis Response Measures Regulations," Fubon Securities has created a framework for responding to business crises. Specific contingency plans are developed for different types of business crises, ensuring that, in the event of a significant crisis, all departments can continue to operate, thereby minimizing harm and losses to the Company and ensuring business continuity while protecting the interests of shareholders and other stakeholders.

Risk Management Education and Training

To foster a risk management mindset among employees and embed risk control concepts into daily operations and decision-making, Fubon Securities has designed appropriate risk management education and training programs for employees at different levels. These programs aim to enhance employees' awareness of risks and their professional capabilities in managing them. We also regularly conduct basic training on the "Personal Data Protection Act," covering the rules for the collection, processing, and use of personal data.



Risk Management Education and Training Programs in 2023

3,013 employees participated

1,507 hours of training in total

100% completion rate

2.5 Information Security Management and Early Warning

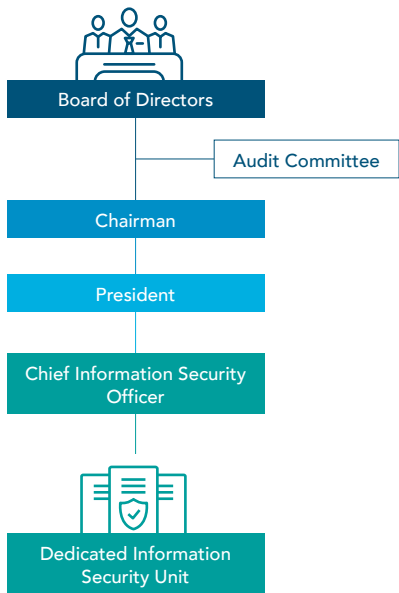
Information Security Management Organization and Strategy

Information Security Governance Structure

Fubon Securities established a dedicated information security unit in 2018, responsible for planning, overseeing, and executing information security management operations. This unit manages the overall governance of information security, the operation of security systems, and the response to security incidents. These efforts not only effectively enhance the Company's information security protection capabilities but also fulfill the commitment to protecting customers' personal data, thereby safeguarding customer rights and privacy. The Company, together with Fubon Financial Holdings and its subsidiaries, has formed an Information Security Advisory and Joint Defense Team to share intelligence and coordinate response measures, thereby strengthening the mechanisms for information sharing and incident response. We participate in Fubon Financial Holdings' monthly "Information Security Monthly Meeting," which is attended by senior information security officers across the group. This meeting reviews the overall defense-in-depth framework of the Fubon Group and facilitates the exchange of information security issues among the subsidiaries, maximizing the effectiveness of the group's joint defense strategy.

In alignment with the Financial Supervisory Commission's "Financial Cybersecurity Action Plan," we designated the

▶ Information Security Organizational Chart



position of Chief Information Security Officer (CISO) in 2021. The CISO is responsible for coordinating the promotion of the Company's information security policies, managing resource allocation, and enhancing the execution and response capabilities related to information security issues. The CISO reports on information security execution to the Board of Directors annually and provides monthly updates on information security affairs to the Chairman and the President during the IT monthly meetings.

Information Security Management Policy

Fubon Securities adopts the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Information Security Policy" as the standard for implementing various security measures in information security management. This policy is designed to protect the Company from intentional or accidental internal and external threats, ensuring the confidentiality, integrity, and availability of critical company information. Under this policy, all employees have a clear set of guidelines to follow, which effectively reduces the potential impact of information security incidents while safeguarding the rights of customers and all stakeholders, ultimately supporting the goal of sustainable corporate operations.

Information Security Management Strategy

Following the designation of the Chief Information Security Officer (CISO) position in 2021, Fubon Securities has initiated a series of information security management strategies. The key aspects and descriptions of these strategies are as follows.

Strategic Aspect	Description
Cultivating an Information Security Culture	Fubon Securities places great emphasis on fostering an organizational culture centered on information security. The position of Chief Information Security Officer (CISO) has been designated at the vice president level under the President's oversight. This role is responsible for effectively executing and promoting information security strategies, as well as overseeing the implementation of various information security affairs.
Establishing an Information Security Organization	In April 2023, the Company underwent an organizational restructure and expanded its workforce, upgrading the information security unit to a department-level entity to strengthen the capacity of the dedicated information security unit. Additionally, information security control officers have been appointed within each department to assist in the execution and promotion of information security tasks.
Enhancing Information Security Professional Competence	Employees are encouraged to participate in professional training courses and obtain relevant certifications, and they are expected to apply the professional skills acquired from these courses to work, thereby improving the Company's overall information security management capabilities.
Strengthening Financial Information Security Protection	- Building a "defense-in-depth framework" - Enhancing endpoint detection and response mechanisms - Implementing the concept of zero-trust networking - Establishing a joint defense mechanism with Fubon Financial Holdings

In 2023, Fubon Securities conducted an evaluation of its information security governance maturity, with the overall assessment resulting in an "Intermediate" level. Based on this evaluation, the dedicated information security unit will continue to enhance the information security management system, further strengthening the security of information systems and network environments to provide customers with stable and uninterrupted services.

Information Security Action Plans and Outcomes

Fubon Securities launched four information security action plans in 2023, with specific results summarized in the table below.

Action Plans	Outcomes
Risk Management Enhancement	- Annual assessments of core operating systems and equipment are conducted, with results reported to the Board of Directors. - No major information security incidents occurred in 2023.
Alignment with Laws and Regulations	- Daily operations were conducted in accordance with the internal control system guidelines issued by competent authorities, ensuring compliance with relevant laws and regulations. - The validity of ISO 27001 certification was maintained.
Information Security Awareness Enhancement	2,866 training sessions were held this year, including comprehensive courses and specialized information security training for dedicated managers and staff. - Regular annual reports on the overall execution of information security were provided to the Board of Directors.
Defense-in-depth Consolidation	- Internal and external defense mechanisms were built based on the international standard defense-in-depth framework by the National Institute of Standards and Technology (NIST) to enhance information security protection capabilities. - An Endpoint Detection and Response (EDR) system was adopted to improve overall endpoint visibility.

Internal Defense Actions

In 2023, Fubon Securities planned and executed four internal defense actions to proactively address potential and emerging information security threats.

Defense Actions	Description
Building a "Defense-in-depth Framework"	We constructed a comprehensive defense mechanism based on the NIST international standard defense-in-depth framework, which includes both internal and external defense mechanisms (such as DDoS protection, IPS, WAF, firewalls, and antivirus software) and internal and external monitoring mechanisms (including vulnerability scanning, penetration testing, endpoint detection and response, and log monitoring platforms). This allows for comprehensive monitoring of hacker intrusion activities, thereby enhancing information security protection capabilities.
Enhancing Endpoint Detection and Response Mechanisms	We strengthened endpoint detection and response mechanisms by implementing an endpoint detection and response (EDR) system. Utilizing AI-driven models, this system improves overall endpoint visibility, deepens protection, and conducts event correlation analysis, enabling precise identification of unknown risks.
Implementing The Concept of Zero-Trust Networking	To strengthen access control, we introduced the concept of zero-trust networking. This involves dual-factor authentication for remote connections, which grants access to company resources only after successful identity verification. Subsequent measures are in place to further expand the scope of implementation, including device identification and trust inference, to fully deploy the zero trust network mechanism and meet the cybersecurity requirements of digital transformation.
Joint Defense Mechanism with Fubon Financial Holdings for Information Security	We established a joint defense mechanism for information security in collaboration with Fubon Financial Holdings and its subsidiaries. Through intelligence sharing, the Company developed threat indicators and analyzed attack methods to achieve a synergistic, rapid response to information security incidents.

Fubon Securities places a strong emphasis on the effectiveness of information security implementation. After completing the action plans and internal defense actions, the Company evaluates information security effectiveness using third-party assessment platforms. Every year, an external consulting team is engaged to conduct a security health check. In 2023, the information security assessment platform Black Kite evaluated 20 aspects of Fubon Securities' information security, resulting in an excellent score of 98 out of 100.

Adoption of International Information Security Management Standards

• Information Security Management System

In response to the rapid development of technology and the associated information security risks and cyber threats, Fubon Securities adheres to domestic and international information security regulations in its daily operations and implemented the ISO 27001 Information Security Management System (ISMS). This system effectively institutionalizes and standardizes internal information security processes, thereby reducing the likelihood of related security risks. The ISO 27001 recertification is completed every three years, and the Company undergoes an audit by an international third party every six months to maintain the validity of its certification and the effectiveness of its security protection system. The current certificate is valid until March 14,2027.

• Business Continuity Management Mechanism

Fubon Securities has adopted the ISO 22301 Business Continuity Management (BCM) system in 2021 and plans to undertake an ISO 22301 certification project in 2024, with the goal of obtaining certification by the first quarter of 2025. By adopting ISO 22301, the Company set out to establish a robust incident response mechanism to enhance its defense and response capabilities. This ensures that in the event of a major incident, the Company has effective recovery plans and alternative solutions in place, allowing it to continue providing services to customers and avoid operational disruptions that could harm customer interests.

System Backup Drills

Drill	Information system recovery backup drill	DDoS drill
Objective	Validate the backup mechanisms for local and remote systems	Quickly restore services following a DDoS attack
Content	Backup drills for 34 core systems	Traffic cleansing with ISP partners
Frequency	Twice a year	Once a year
Outcome in 2023	A total of 68 drills were conducted, all meeting expected outcomes	The drill met expected outcomes.

Off-Site Backup Drills

Fubon Securities has the "Emergency Response Measures for Various Disasters" in place, which ensure that in the event of a disaster caused by natural or human factors, remote work or a secondary backup office can be swiftly activated to maintain normal business operations. The Company regularly tests or conducts onsite drills of the backup mechanisms each year to ensure their effectiveness. This ensures that in the event of severe operational disruption, the Company's external services remain uninterrupted, safeguarding customer interests and minimizing the impact of the disaster.

Investment in Information Security Resources

To strengthen information security protection and establish a comprehensive governance system, Fubon Securities allocates a budget for various information security measures, including the acquisition of new systems, optimization of existing security systems, and training for professional staff. In 2023, the Company allocated 10.2% of its total IT budget to information security expenditures.

Protection of Customer Personal Data and Trade Secrets

In 2023, Fubon Securities secured an information security protection policy from Fubon Insurance with a total coverage of USD 1 million. It offers protection against privacy and confidentiality breaches, cybersecurity incidents, business interruption losses, and digital forensics, effectively mitigating or reducing the risk of business interruptions and liabilities arising from customer or third-party damages. Moreover, by the end of 2023, Fubon Securities obtained the BS 10012:2017 certification for Personal Information Management Systems (PIMS) from the British Standards Institution (BSI), and we will continue to undergo annual certification reviews to ensure the validity of the certificate

Fostering Information Security Awareness

Information Security Education and Training

Fubon Securities organizes various information security training sessions and lectures for employees, offering diverse courses annually to enhance the overall security awareness and defense capabilities of the workforce. These trainings emphasize the importance of personal data protection, helping employees adapt to the ever-changing landscape of information security challenges. For information security officers and specialized staff, the Company provides targeted professional education and training to strengthen their expertise and mindset in information security, thereby enhancing the resilience of the Company's information security governance.

Type	General Information Security Education and Training	Professional Information Security Education and Training	
Target	All managers and employees	IT Department staff	IT Department managers
Training Objective	Enhance information security awareness among employees	Strengthen information security awareness among IT personnel	Enhance IT managers' competence in information security and risk management
Course Content	- Information security regulatory advocacy - Financial information security action plan - Supplier information security management - IoT security - Prevention of deepfake scams (involving deepfake fraud cognition)	- Security software development - Information security crisis handling and response	- IoT and supply chain information security management - Digital resilience and information security governance in the context of ESG sustainable development - Financial could application trends and risk management - Zero-trust network deployment
Course Format	Online, self-directed learning	Online, self-directed learning	Physical, four sessions
Results	- Total number of people trained: 2,866 - Average training hours received per person: 3 - Completion rate: 100%	- Total number of people trained: 248 - Average training hours received per person: 2 - Completion rate: 100%	- Total number of people trained: 32 - Average training hours received per person: 16 - Completion rate: 100%

Information Security Management Expertise

Fubon Securities encourages employees to actively participate in professional training courses and obtain certifications in information security protection. This initiative aims to enhance employees' expertise and capabilities in information security, thereby strengthening the Company's overall defense mechanisms. By the end of 2023, our employees have obtained 19 certifications across nine different information security specializations.

Information Security Certifications		Number of Certification Holders
ISO 27001 LA	ISO 27001 Lead Auditor	8
CEH	Certified Ethical Hacker	3
CHFI	Computer Hacking Forensic Investigator	2
BS10012	Lead Auditor for BS10012 Personal Information Management System	1
CISM	Certified Information Security Manager	1
CISSP	Certified Information Systems Security Professional	1
CTIA	Certified Threat Intelligence Analyst	1
ECIH	EC-Council Certified Incident Handler	1
ISO 22301	Lead Auditor for ISO 22301 Business Continuity Management System	1

Social Engineering Drills

Fubon Securities conducts social engineering drills every two months by sending phishing emails to all employees to test and improve their ability to recognize malicious emails. This practice helps prevent large-scale data breaches that could occur if such emails are clicked. In 2023, we conducted a total of six drills, with the results comprehensively reported to management while additional training was provided to employees who did not pass the drill, aimed at enhancing their awareness of information security and reducing the risk posed by phishing emails.

Information Security Incident Handling

Handling Mechanism

In the event of a significant information security incident, Fubon Securities follows the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Information Security Incident and Business Continuity Management Procedures" to identify the root cause of the incident and implement appropriate corrective or response measures. After the incident is resolved, the Company reviews the handling process to identify any areas for improvement and refines the procedures to prevent future occurrences.

Information Security Incidents

In 2023, Fubon Securities did not experience any information security breaches, personal data violations, or data leaks. No customers were affected by data breaches, and no fines were incurred due to such incidents. We remain committed to consistently enhancing our customer information protection measures to prevent future information security incidents, hence ensuring the protection of customer rights from any potential harm.

3

Sustainable Finance and
Innovative Services

Highlights

- Implementing responsible investment, the green bond underwriting participation rate reached 73%; IPO/SPO sustainability consulting service value reached **NT\$10,150,397 thousand**, an increase of **102%** over the previous year.
- In order to protect the rights and interests of shareholders and achieve the spirit of due diligence, the company participated in **1,252 meetings** of the invested companies; attendance rate of shareholders' meetings: **100%**.
- Develop financial innovation patents and provide innovative services, accumulating **31 patent rights**; leading the industry, it cooperates with LINE Bank, a pure online bank, to launch a one-stop bilateral account opening service, and the application process can be completed in as fast as **3 minutes**.
- Launch an integrated "**ESG Section**" to provide investors with cross-product ESG scores. The proportion of products on the shelves that meet the ESG criteria **exceeds 100%**.
- Ranked among the "**Top 25% Practitioners**" in the 2023 Treating Customers Fairly Principles Evaluation by FSC; and obtained **ISO 10002 Customer Complaint Quality Management System Certification**.
- The official website set up an **anti-fraud area** and successfully blocked **2 fraud cases**; established a response team for counterfeiting cases and completed **18 reports** of counterfeit websites and removed them from the shelves.



3.1 Green Finance

Principle for Sustainable Finance

Fubon Securities adheres to the "Fubon Financial Holding Co., Ltd. and Subsidiaries Sustainable Finance Policy" established by its parent company, as well as the "Stewardship Principles for Institutional Investors" issued by the Taiwan Stock Exchange Corporation. Also, in alignment with the United Nations Principles for Responsible Investment (PRI), environmental, social, and corporate governance (ESG) considerations are integrated into its business operations. These commitments are reflected in the Company's existing internal policies and regulations as outlined below.

Note: Fubon Securities has signed this compliance statement in November 2018.

Policy and Regulation	Sustainability Considerations
Fubon Securities Co., Ltd. Corporate Governance Guidelines	- The pursuit of sustainable development and profitability must consider the interests of stakeholders while incorporating ESG factors into corporate management principles and operational activities. - A governance framework is established to promote sustainable development with a dedicated or concurrent unit designated to oversee its implementation. - Directors and supervisors' knowledge of sustainability are strengthened through continuing education and training programs. - An annual sustainability report for the preceding year is prepared in accordance with the "Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms."
Fubon Securities Co., Ltd. Risk Management Policy	- Emerging risks and climate change risks are managed in accordance with relevant standards and regulations. - ESG factors are integrated into the risk management of investment activities.
Fubon Securities Co., Ltd. Proprietary Trading Procedures for Securities	Investment analysis reports must consider ESG factors.

Implementing Responsible Investment

Fubon Securities consistently leverages its financial influence to implement responsible investment. By integrating ESG into its investment decision-making process, the Company evaluates and analyzes whether the target companies fulfill their environmental protection, social responsibility, and corporate governance commitments. Moreover, post-investment follow-up reviews are conducted through exercising shareholder activism.

Moreover, in accordance with the "Fubon Financial Holding Co., Ltd. and Subsidiaries Sustainable Finance Policy" established by our parent company, Fubon Securities actively assists companies that contribute to mitigating climate change or environmental risks by facilitating their listing and

public fundraising. Through IPO advisory services, attending shareholder meetings, exercising voting rights, and engaging in constructive dialogue, the Company encourages enterprises to formulate sustainability development plans and net-zero transition strategies, particularly urging high-carbon-emitting companies to implement measures to reduce greenhouse gas emissions.

Summary of RPI Implementation

Six PRI	Implementation Results
Incorporate ESG Issues into Investment Analysis and Decision-making Processes	- For investment positions, Fubon Securities has established the "Proprietary Trading Procedures for Securities," which requires ESG factors to be included in the pre-investment analysis reports. Additionally, the ESG ratings of held positions are regularly reviewed post-investment. - For underwriting positions, prior to taking on any underwriting cases, an evaluation of the company's financials, business operations, performance and outlook, industry status, and prospects, as well as any significant violations of ESG principles is conducted.
Incorporate ESG Issues into Ownership Policies and Practices	- The "Guidelines for the Management of Personal Transactions by Investment Management Employees" have been established, stipulating that employees involved in investment management must avoid conflicts of interest between their personal investments and financial management activities of the Company. - Regulations for participating in voting at shareholders' meetings have been established to implement shareholder activism. We focus on the operating conditions of the invested companies and engage in corporate governance through attending shareholders' meetings, exercising voting rights, and appropriate interaction with invested companies. - In accordance with the "Stewardship Principles for Institutional Investors" issued by the Taiwan Stock Exchange, we disclose a summary of voting activities annually and engage in dialogue with invested companies on ESG issues. Shareholder meeting attendance rate in 2023: 100%
Seek Appropriate Disclosure on ESG Issues by Investee Entities	- For companies hosting IPOs and SPOs underwritten by Fubon Securities, we urge them to promote and emphasize sustainable development and assess whether their efforts are adequately disclosed in their prospectuses. - For currently held investment positions, if the invested companies violate ESG principles, no additional investments will be made.
Promote Acceptance and Implementation of The PRI within the Investment Industry	We engage in interactions and communications with invested companies through face-to-face meetings, phone calls, emails, and other means, encouraging them to recognize the importance of ESG and integrate it into their operations.
Work Together to Enhance Effectiveness in Implementing the PRI	- We participate in ESG-related courses and forums organized by external organizations and collaborate with competent authorities and the Securities Association to discuss issues pertinent to sustainable development. - Following Fubon Financial Holdings' practice, we join or evaluate participation in international sustainability initiatives and organizations.
Report Respectively On Activities And Progress Towards Implementing The Pri	Each quarter, the implementation status of responsible investment is reported to the Board of Directors to ensure that management is fully informed and aware of the progress.

Responsible Investment Strategy

Fubon Securities incorporates PRI in all its investment activities, with specific practices and decision-making processes in place. The following is an introduction to the responsible investment mechanism and targets for underwriting and proprietary investments.

• Underwriting

Since 2020, the Company has established short, medium, and long-term targets for the "Green Bond Underwriting Participation Rate" and the "Underwriting Rate of Environmentally Sustainable Companies," integrating its sustainability philosophy into its advancement of underwriting business.

► ESG Considerations Integrated into Underwriting Decision-making

Decision-making Process	ESG Risk Assessment Method	Sustainability Performance Evaluation of Invested Companies
At the initial stage of undertaking an underwriting case, the evaluation of the issuing company includes not only the company's financials, business operations, performance and outlook, industry position, and prospects but also any significant violations of ESG principles. For instance, the advised company is required to disclose matters related to corporate governance, social responsibility, and environmental sustainability when providing supplementary explanations on its financial and business operations.	- If significant negative ESG-related issues are identified in the issuing company, such as significant labor disputes, environmental pollution, litigation, irregular transactions, or violations of integrity principles by directors and managers, these matters will be carefully evaluated based on their severity before deciding whether to proceed with the underwriting. - When reviewing matters that may disqualify a company from listing, we assess whether there are any major labor disputes or environmental pollution issues that could significantly impact the company's financial and business operations, as per Article 9, Paragraph 1, Subparagraph 3 of the "Taiwan Stock Exchange Corporation Supplementary Provisions for the Review of Securities Listings." - In terms of corporate governance, we also check compliance with Article 9, Paragraph 1, Subparagraph 8 of the "Taiwan Stock Exchange Corporation Rules Governing the Review of Securities Listings" and the corresponding supplementary provisions under Article 15. If any of these issues are present, we will verify whether corrective actions have been taken or are underway. If no improvement has been made, a corrective plan must be proposed.	When providing advisory services to an invested company in applying for stock listing or OTC listing, we help the invested company conduct self-assessments based on various corporate governance evaluation indicators. If any indicators are not met, the company must develop a corrective plan. The evaluation indicators are as follows: (1) Shareholder rights (2) Board functions (3) Supervisor functions (4) Information transparency (5) Internal control and auditing systems (6) Business strategy (7) Stakeholder and social responsibility.

• Proprietary Investment

For bond and stock investment positions, the Company has established an ESG management mechanism for responsible investment in 2022. ESG considerations are integrated into the policies and related procedures for the proprietary trading of securities as the Company actively participates in low-carbon investments, green energy technology investments, and green bond investments. Additionally, regular reviews are conducted to avoid investing in industries and companies that have a significant adverse impact on environmental or social sustainability.

► ESG Considerations Integrated into Proprietary Trading Decision-making

Decision-making Process	ESG Risk Assessment Method				
Fubon Securities implements ESG investment through a three-line defense approach: First line (review): Examination of the negative list Second line (assessment): Evaluation and analysis of whether invested companies fulfill their ESG responsibilities Third line (monitoring): Regular post-investment review of whether the invested companies continue to meet ESG criteria. In the event of ESG-related news involving invested companies, we proactively inquire and seek to understand the situation to enhance communication.	Pre-investment Checks		Post-investment Review		
	Establishment of ESG Investment Risk Indicators	Establishment of a Negative List	Establishment of an ESG Asset Pool of Domestic Equities	Bonds in Proprietary Investments	Stocks in Proprietary Investments
	ESG assessments are conducted based on sustainability reports and other relevant content, with findings disclosed in the investment analysis report.	Targets that do not meet the ESG rating standards as defined by the Company's policies are subject to exception management, requiring approval from authorized supervisors for investment.	Stocks included in the asset pool must have a CMoney ESG rating of level 4 or above.	Regular review of the ESG ratings of held bonds is conducted to ensure that they meet the established ESG requirements. If a bond's ESG rating falls below the required standard, it will be managed as an exception.	Regular review of the held stocks is conducted, aiming to achieve the 2030 target for green finance investment amounts.

• Favorable, Excluded and Specific Industries

Exclusion	Favorable Targets			Specific Industries
Controversial industries, such as pornography, controversial arms and weapons.	Low-carbon investment	Green energy technology investment	Green bond investment	The Company carefully evaluates industries such as power plants, coal mining, cement, petrochemicals, and steel in accordance with the "Fubon Financial Holding Co., Ltd. and Subsidiaries Sustainable Finance Policy." If any controversial issues are identified, these industries are excluded from investment.
	Foreign stock and bonds in the MSCI ACWI Low Carbon Target Index constituents.	Green and renewable energy industries, information and digital industries under the scope of the "six core strategic industries"	Domestic or foreign green bonds that are recognized by the Taipei Exchange or that comply with the Green Bond Principles (GBP) established by the International Capital Market Association (ICMA).	

Responsible Investment Performance in 2023

• Underwriting Sector

▶ Accumulative Number of Cases and Amount Underwritten for Sustainable Companies

Department	Underwriting (Equity and Other Securities, Fixed Income)									Total number of cases underwritten for environmentally sustainable companies (A)	Total number of cases underwritten by the Company (B)	Underwriting rate for environmentally sustainable companies (A+B) (%)	2023 Target (%)	2023 Performance (%)
Industry	Electronic components	Others	Finance and insurance	Iron and steel	Computer and peripherals	Automotive	Biotechnology and medicine	Communications network	Industry other than the above mentioned					
Number of Cases	11	2	1	2	2	2	3	3	12	38	75	51	43	51
Amount (1,000 NTD)	4,882,160	1,320,000	1,125,000	800,000	535,000	420,400	397,700	230,110	440,027	10,150,397	-			

Note: Underwriting rate for environmentally sustainable companies=Total number of cases underwritten for environmentally sustainable companies ÷ Total number of cases underwritten by the Company. The definition of "contributing to environmental sustainability" is defined as achieving a CMoney ESG score of 7 or above.

▶ Underwriting Performance for Sustainability Bonds

Bond Type	Purpose of Fund	Expected Social and Environmental Benefits upon Issuance	2022		2023	
			Number of cases	Amount (1,000 NTD)	Number of cases	Amount (1,000 NTD)
Green Bond	- Planning for green buildings, wastewater treatment systems, new plant expansion, and upgrading/replacement of old facilities - Repayment to green project loans - Financing for renewable energy projects	- Green buildings can reduce resource consumption during both the construction and the operational phases. - Reduction of pollution from landfill or incineration of waste, reuse of waste produced by semiconductor manufacturing, and reduction of water pollution - Reduction of greenhouse gas emissions, thereby mitigating the impact of climate change - Increased renewable energy generation	9	4,830,000	8	6,790,000
Social Responsibility Bond	- Communication equipment and data system upgrades - Infrastructure development, social housing construction, startup loans - Health and medical care initiatives	- Improved speed and stability of communication data - Enhanced quality of living environments, promotion of housing justice, increased funding for youth entrepreneurship - Advancement of medical care development in urban and rural areas	1	200,000	6	3,300,000
Sustainable Bond	Renewable energy and energy technology development, waste recycling and treatment, social housing, entrepreneurship loans	Development of sustainable energy, reduction of natural resources consumption, housing, increased funding for youth entrepreneurship	3	1,300,000	1	600,000
Sustainability-linked Bond	Repayment of short-term debts	Reduction of greenhouse gas emissions, increased use of green power	0	0	1	400,000

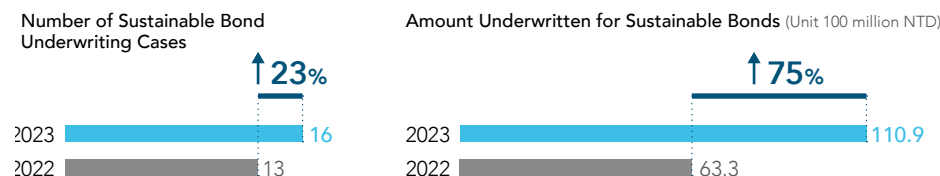
Note: The amount is the balance at the end of the year.

▶ Overview of Sustainability Bond Underwriting in 2023

Type	Number of Cases	Underwriting Amount (1,000 NTD)	Proportion to Total Bond Underwriting Value (%)	2023 Target	2023 Performance
Green Bond (A)	8	6,790,000	7.48		
Social Responsibility Bond	6	3,300,000	3.64		
Sustainable Bond	1	600,000	0.66	-	-
Sustainability-linked Bond	1	400,000	0.44		
Sum	16	11,090,000	12.22		
Number of Green Bonds Issued in 2023 at the Taipei Exchange (B)	11	-	-	-	-
Participation Rate in Underwriting Green Bonds (A+B) (%)	73	-	-	31	73

The "participation rate in underwriting green bonds" is a sustainability indicator under the Company's "decarbonization" strategy. It refers to the proportion of green bonds underwritten by the Company during the year relative to the total number of green bonds issued at the Taipei Exchange. This indicator depends on the annual issuance volume of green bonds at the Taipei Exchange. Given market demand, the Company aims to underwrite at least 30% of the green bonds issued each year.

▶ Participation in Underwriting Sustainable Bonds in the Past Two Years



Fubon Securities offers underwriting services for green bonds. In 2023, the Company participated in a total of eight green bond issuances, including those by TSMC, Taipower, UMC, and Crédit Agricole, which accounted for 73% of the green bond issuances in the market. We also underwrote sustainable bonds for Taiwan Cooperative Bank and sustainability-linked bonds for Hon Hai Technology, totaling approximately NT\$7.8 billion. The funds raised through these bond issuances were allocated to industries related to renewable energy and energy technology development, energy efficiency improvements, energy conservation, greenhouse gas reduction, and waste recycling or reuse. Moreover, we also assisted in the issuance of six social responsibility bonds for Far EasTone, Taipei Fubon Bank, and E.Sun Bank, generating positive social impacts, such as supporting affordable social housing, enhancing social and economic development, and promoting housing justice. Going forward, Fubon Securities will continue to underwrite sustainable bonds, leveraging its social influence to contribute to sustainable development.

In 2023, Fubon Securities offers underwriting services for green bonds which accounted for **73%** of the green bond issuances in the market. The value of sustainability consulting services for IPO/SPO which is a **102%** compared to the previous year.

• Performance in ESG-Themed Consulting Services

In the sustainability consulting services provided to issuing companies for their IPO/SPO processes, the Company not only examines the financials, business operations, performance and outlook, industry position, and prospects of these companies but also engages in sustainability-related interactions and discussions. Through these efforts, we assist issuers in consistently enhancing their practices in environmental friendliness, social equity, and corporate governance. In 2023, the value of sustainability consulting services for IPO/SPO reached NT\$10,150,397 thousand, which is a 102% growth compared to the previous year.

Industry	2022			2023		
	IPO/SPO Sustainability Consulting Service Value (1,000 NTD)	Total Consulting Service Value ^{Note 1} (1,000 NTD)	Proportion to Total Consulting Service Value (%)	IPO/SPO Sustainability Consulting Service Value (1,000 NTD)	Total Consulting Service Value ^{Note 1} (1,000 NTD)	Proportion to Total Consulting Service Value (%)
Environmental Friendliness	2,434,889	14,280,204	17.05	7,752,035	17,110,667	45.31
Social Equity	2,764,406		19.36	4,039,200		23.61
Corporate Governance	3,433,049		24.04	6,025,397		35.21
Sum ^{Note 2}	5,013,886		35.11	10,150,397		59.32

Note 1: The total consulting service value is defined as the total underwriting amount.

Note 2: Double counting for the same issuing company across different industry types, specifically in the areas of environmental friendliness (E), social equity (S), and corporate governance (G) has been deducted from the sum of IPO/SPO sustainability consulting service value.

• Proprietary Investment

One of the sustainability indicators under the "decarbonization" strategy is "Green Finance." In accordance with Fubon Financial Holdings' criteria, sustainability investment encompasses three key areas: low-carbon investments, green bonds, and green energy technology. In 2023, Fubon Securities invested a total of NT\$8.399 billion in green finance, significantly exceeding the established target.

▶ Sustainability Themes in Proprietary Investment

Investment Action Plan		Type of Investment	Responsible Investment Amount (1,000 NTD)		2023 Performance	2023 Target
			2022	2023		
Invest in Drug Development and Biotechnology Industries	Drug Development and Biotechnology Industries	Equity	-	1,595	-	-
Invest in Green Finance	Low-carbon Investments	Equity/bond	2,334,492	5,166,714	8.399 billion	6.7 billion
	Green Bonds	Bond	-	922,628		
	Green Energy Technology	Equity	1,227,825	2,309,021		
Invest in Taiwanese companies with excellent ESG performance, ESG-themed funds, the six core strategic industries, public investment, and long-term care businesses in line with government policies	ESG High-performance Screening	Equity/bond	3,206,820	3,399,119	-	-
	Six Core Strategic Industries, Public Investments, and Long-term Care Businesses	Equity/bond	3,730,760	4,446,645		

Note: In accordance with Fubon Financial Holdings' sustainability investment disclosure standards, the investment amounts in the statistics were calculated at cost based on the criteria as follows.

A. Low-carbon investments: Investments in foreign stocks/bonds that are constituents of the MSCI ACWI Low Carbon Target Index.

B. Green bonds: Domestic and foreign bonds recognized by the Taipei Exchange as green bonds or those that comply with the Green Bond Principles (GBP) established by the International Capital Market Association (ICMA).

C. Green energy technology: Green and renewable energy industries, information and digital industries under the scope of the "six core strategic industries."

D. ESG high-performance screening: Domestic investment positions included in the Dow Jones Sustainability World Index or the Dow Jones Sustainability Emerging Markets Diversified Index.

E. Six core strategic industries, public investments, and long-term care businesses: Domestic investment targets in the six core strategic industries or the telecommunications industry (non-six core strategic industries) as announced by the competent authority.

SBT Implementation Results

Fubon Securities, in alignment with the Science Based Targets initiative (SBTi) Project of Fubon Financial Holdings, has conducted an inventory of its investment portfolio. Each quarter, the Company provides the Financial Trading Department and Investment Banking Department with a list of companies that have set SBT targets, as disclosed on the SBT website, for reference in investment evaluations. We also regularly track the proportion of carbon reduction targets in Scope 3 investment positions. The Company utilizes the SBT portfolio coverage to calculate the proportion of its investment portfolio that includes companies with established SBTs. The goal is to achieve 100% SBT coverage by 2040, with interim targets set every five years as the Company regularly monitors the achievement rate of SBT coverage within its portfolio.

In 2023, the proportion of Scope 3 investment positions that have committed to and completed SBT settings was 18%.

Engagement Action

Each year, the Company interacts with its invested companies through conference calls, site visits, participation in investor conferences, annual general meetings, or significant extraordinary shareholder meetings to gain a deeper understanding of the risks and strategies faced by the industries in which these companies operate. We also communicate with management to safeguard shareholders' rights and uphold the principles of diligent governance. If an invested company significantly violates corporate governance principles or risks harming long-term shareholder value on specific issues, the Company may periodically inquire with the management about how these issues are being addressed and may consider joining forces with other investors to express concerns collectively.

Additionally, to ensure that engagement activities align with policy objectives, the Company evaluates the need for engagement, reviews engagement activity data, and strengthens the planning of engagement activities.

Diligent Voting Policy

In accordance with Principle 5 of Fubon Securities' "Institutional Investor Stewardship Principles," the Company actively exercises its voting rights on held stocks to safeguard the best interests of the Company and its shareholders. Internal decision-making processes for attending shareholders' meetings, as well as the standard operating procedures for designating representatives to attend and vote at shareholder meetings are enforced, and the voting policy is formulated in compliance with relevant regulations. When exercising voting rights, responsible units should carefully consider whether the proposals align with ESG principles. If any proposal violates ESG principles, the responsible unit may vote against it or abstain, following their evaluation.

Evaluation of Engagement Activities

To ensure that invested companies comply with listing requirements, the Company conducts evaluations across various aspects, such as operational risks, business/inventory/

performance overviews, financial ratio analysis, endorsements and guarantees, commitments and loans, regulatory compliance, disqualification clauses, and ESG performance. During the evaluation process, we also guide invested companies in making necessary improvements.

Engagement Activities and Cases in 2023

In 2023, the Company regularly or occasionally conducted site visits to the issuers it advises to review their business and financial conditions, regulatory compliance, internal audits and controls, and corporate governance practices. We also stay engaged with them through attending shareholders' meetings, email discussions, phone (or video) conferences, and participation in investor conferences. In 2023, we engaged with 54 companies through a total of 1,252 engagement activities.

Note: This included 28 shareholders' meeting attendances, 578 site visits, 520 email communications, 116 phone calls or videoconferences, and 10 investor conference attendances.

Engagement Case A

Engagement Target	CH Biotech Co., Ltd (hereinafter referred to as CH)
Primary Engagement Reason and Objective	Fubon Securities served as the lead underwriter for CH's IPO application, providing comprehensive guidance, consulting services on stock issuance, fundraising, and financial advisory, ultimately assisting CH in going public and securing medium to long-term funding, and we also continue to support CH in its sustainability pursuits.
Issues and Scope of Engagement	Key engagement activities included conducting site visits to review CH's business and financial status, regulatory compliance, internal audit and control systems, and corporate governance operations. We also engaged in interactions and discussions on issues relevant to sustainable development, such as significant labor disputes, major environmental pollution incidents, litigation matters, significant irregular transactions, and breaches of integrity by directors, supervisors, or managers.
Impact on Engagement Target	Through sustainability-related interactions and engagements, we assisted CH in establishing the following measures: - CH adopted the "Corporate Governance Best Practice Principles" and the "Sustainable Development Best Practice Principles" to ensure the effective implementation of corporate governance. An Enterprise Sustainability Task Force was established under the President's Office to coordinate the formulation and execution of sustainability policies, systems, management guidelines, and specific initiatives, with regular reporting to the board of directors. In the future, a dedicated unit for promoting sustainable development may be established based on actual operational needs. - Given that CH's main product is plant growth regulators (PGRs), climate change poses significant impacts on the company's product sales. It designated the Chairman's Office as the highest authority for climate change management, closely monitoring trends in major international conferences and policy changes related to climate change. The R&D department conducts long-term assessments of climate impacts on various regions, such as agricultural damage surveys that analyze the effects of climate adversity on different crops across U.S. states. This helps evaluate and develop new products based on actual market needs, allowing CH to aid agricultural production in combating climate challenges. - CH referenced the Global Reporting Initiative (GRI) standards for sustainability reports, commissioned independent and credible SGS verification, and prepared its sustainability report.
Impact on future investment decisions after interacting and engaging with the invested company	Through its interactions and engagements with CH, Fubon Securities helped CH become the first agricultural biotech company to list on the Innovation Board with its IPO successfully completed on December 21, 2023. CH's sustainability efforts are expected to have positive impacts on its future operational growth, providing a valuable reference for Fubon Securities' evaluation of future SPO projects.

Engagement Case B

Engagement Target	Arch Meter Corporation (hereinafter referred to as Arch Meter)
Primary Engagement Reason and Objective	Fubon Securities served as the lead underwriter for Arch Meter's IPO application, providing comprehensive guidance and consulting services on stock issuance, fundraising, and financial advisory, ultimately assisting Arch Meter in going public and securing medium to long-term funding, and we also continue to support Arch Meter in its sustainability pursuits.
Issues and Scope of Engagement	Key engagement activities included conducting on-site visits to review CH's business and financial status, regulatory compliance, internal audit and control systems, and corporate governance operations. We also engaged in interactions and discussions on issues relevant to sustainable development, such as significant labor disputes, major environmental pollution incidents, litigation matters, significant irregular transactions, and breaches of integrity by directors, supervisors, or managers.
Impact on Engagement Target	Through sustainability-related interactions and engagements, we assisted Arch Meter in establishing the following measures: 1. Arch Meter adopted the "Corporate Governance Best Practice Principles" and the "Sustainability Best Practice Principles" to ensure the effective implementation of corporate governance. After its stock listing, Arch Meter implemented these principles, including the planning and promotion of a sustainability governance framework, sustainability policies, and sustainability promotion plans, with regular reporting to the Board of Directors on their implementation. 2. In accordance with the National Development Council's "Taiwan 2050 Net-Zero Emissions Pathway" and the Financial Supervisory Commission's "Sustainable Development Roadmap for Listed Companies," Arch Meter has elevated its carbon neutrality targets to the regulatory level, which imposes strict requirements on domestic companies. One of the key initiatives approved by the Executive Yuan is the Advanced Metering Infrastructure (AMI) Plan, which encourages large enterprises to lead the way in this transition as the market demand for power monitoring and energy management systems continues to grow. Amid the trend of replacing traditional meters with smart meters, Arch Meter, being one of the five qualified suppliers approved by Taipower for smart meters, leverages its expertise in power measurement, monitoring, and system integration to help commercial and industrial power users and system integrators establish comprehensive energy management systems. Additionally, with the rapid development of the electric vehicle industry, Arch Meter will develop power measurement and leakage detection modules for charging stations to comply with relevant new regulations, thereby supporting charging station operators in creating compliant charging devices.
Impact on Future Investment Decisions after Interacting and Engaging with the Invested Company	Through interactions and engagements with Arch Meter, Fubon Securities assisted the company in completing its IPO and listing on successfully January 29, 2024. Arch Meter's sustainability efforts are expected to positively impact its future operational growth, providing a valuable reference for Fubon Securities in assisting and guiding other enterprises to meet international carbon reduction and sustainability standards.
Follow-up Efforts by Fubon Securities	Although our direct involvement with Arch Meter in IPO advisory services has concluded, we will continue to monitor Arch Meter's ESG performance and progress in sustainability development. From an underwriting business perspective, we will remain in contact with Arch Meter for follow-up, using this as a reference for evaluating future SPO projects.

Sustainable Financial Products and Services

ESG Financial Product Management and Review

Fubon Securities offers financial products and services centered on fair treatment of customers, establishing a foundation of trust with clients. The goal to meet the diverse needs of different types of customers guides the design, marketing, and provision of financial products and services.

Product and Service Provision Principles

- Financial products or services should be provided based on principles of fairness, reasonableness, mutual benefit, and integrity, fulfilling the obligations of a good administrator.
- When offering financial products and services, considerations should be made for elderly customers, people with disabilities, and other vulnerable groups. The Company should proactively plan and implement fair treatment measures to promote financial inclusion.
- In advertising, business solicitation, or promotional activities, there must be no falsehood, fraud, concealment, or other misleading practices, and the truthfulness of advertising content must be ensured.
- Before entering into a contract with financial consumers providing financial products or services, the principles of fairness, reasonableness, mutual benefit, and integrity must be upheld, and the suitability of the product or service for the consumer should be ensured.
- Personnel providing financial products and services must meet the qualification requirements established for each respective product or service and undergo regular or special training.
- Regular reviews should be conducted to ensure that the proportion of financial products listed meets ESG rating standards.

ESG Investment Products

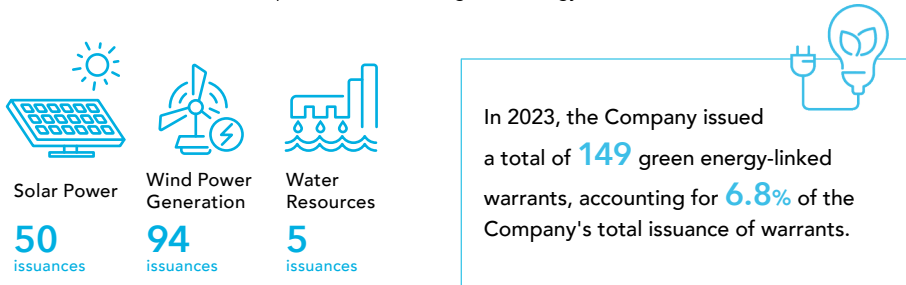
- **Regular Fixed-Amount Investment Products that Meet ESG Rating Standards**
Fubon Securities actively selects and promotes sustainable investment products featuring high ESG ratings, including regular fixed-amount investment plans for Taiwan and U.S. stocks, overseas bonds, and funds. The "proportion of regular fixed-amount investment products in Taiwan and U.S. stocks listed meeting ESG rating standards" is one of the sustainability indicators under the "decarbonization" strategy. In 2023, all regular fixed-amount investment products listed in Taiwan and U.S. stocks exceeded the set targets.

Item	Regular Fixed-amount Investment in Taiwan Stocks	Regular Fixed-amount Investment in U.S. Stocks
Number of Products that Meet ESG Rating Standards	94	44
Total Number of Products Listed	101	48
Proportion of Products Listed that Meet ESG Rating Standards (%)	93	92
2023 Target (%)	85	89
2023 Performance (%)	93	92

Note: Definition of meeting ESG rating standards: For regular investment plans in Taiwan stocks, it refers to investments that meet a CMoney ESG score of 7 or above; for regular investment plans in U.S. stocks, it refers to investments that meet an LSEG ESG rating of B or above.

• Green Energy-Linked Warrant Products

In response to the steadily increasing market interest in sustainability-related products, Fubon Securities has issued warrant products linked to green energy.



• Measures to Prevent Greenwashing

The Company's product listings follow the "Fubon Securities Co., Ltd. Product Review Operating Procedures." Before a product is listed, a product review committee meeting is held to review all relevant aspects of the product and make a decision on whether it should be approved for listing. The ESG section on our official website provides information on high-quality investment targets, including Taiwan stocks, U.S. stocks, overseas bonds, and funds, all of which meet ESG rating standards. This allows customers to easily filter and select investment targets in alignment with ESG principles.

The promoted products meet ESG standards based on information collected by external research organizations, from which models are established for quantitative analyses of enterprises. This serves as the basis of the Company's review mechanism, ensuring that the products genuinely reflect our commitment to ESG principles, thereby eliminating concerns about greenwashing. The references for each product are listed as follows, demonstrating the Company's commitment to implementing and promoting truly ESG-compliant products.

Taiwan Stocks	Comprehensive ESG scores by CMoney
U.S. Stocks and Overseas Bonds	ESG scores by LSEG Data
Funds	Regulations announced by competent authorities, ESG-relevant content publicly disclosed in fund prospectuses and investor brochures
Regular Fixed-amount Investment Targets in Taiwan Stocks	ESG scores are included as a criterion in the product review standards, and the targets that meet ESG standards are published in the ESG section of the official website for customer reference.

Promoting Sustainable Financial Development

Sustainable Finance Education and Training

Fubon Securities is committed to providing comprehensive sustainable finance education and training to its employees, enhancing their knowledge of sustainable finance. This internal focus drives the Company's transition towards sustainable development for consistent growth in adherence to the core concepts of sustainable finance.

Training Course	Corporate Governance—Practical Review and Key Considerations for IPO Application
Recipient	71 employees at the Investment Banking Department
Training Hours	213
Training Cost	30,000
Course Description	In response to the Taipei Exchange's promotion of the practical aspects of IPO application reviews, the course explains the latest revisions and key implementation points, including the evaluation and adjustment of review procedures in alignment with sustainable development transformation strategies.

Promoting Customer Engagement

To promote Fubon Securities' sustainability initiatives to investors and the general public, as well as fulfill the Company's corporate sustainability and social responsibility, an ESG section has been established on the official website, which encompasses "ESG Investment" and "Fubon Sustainability." ESG-related content is also featured in advertisements to educate the public about sustainable finance. In addition, an ESG-themed ETF ranking list has been added to attract customer interest and encourage investments aligned with ESG principles.

ESG Investment Zone	Fubon Sustainability Section
Zero Distance between Investment and Sustainability - Provision of public, transparent ESG information for investor reference - Display of ESG ratings for investment products in Taiwan stocks, U.S. stocks, overseas bonds and funds - Introduction to ESG investments - Videos about ESG investments: Fubon Trends Talk - ESG investment reports: Fubon Strategic Guide	- Display of the sustainable development blueprint - Detailed disclosures of sustainability-related issues

Fubon Securities' official website also provides links to pages such as "Customer Data Confidentiality Measures," "Stewardship Principles for Institutional Investors" and "Financial Investment Fraud Prevention Section." These resources make it easier for investors to stay abreast of information security, personal data protection measures, and investment fraud prevention, thereby increasing awareness of financial fraud prevention.

3.2 Financial Technology and Innovation

Financial Innovation Services

Fubon Securities continuously enhances the practicality and usability of its overall digital experience by initiating iterative optimizations across various trading platforms. We collaborate with Taipei Fubon Bank and LINE Bank to jointly promote a digital financial ecosystem, offering a more streamlined account opening and trading experience that enables customers to enjoy seamless financial services. To provide customers with 24/7 service access, Fubon Securities has integrated digital finance with a humanized approach in its smart customer service chatbot to meet the consultation needs of digital-savvy customers. In 2023, the intelligent chatbot was used 518,062 times, with a service capacity 3.7 times greater than that of human customer service.

On the AI application front, the Company has built a strong foundation in data governance as it consistently enriches data depth. AI modeling techniques are utilized to enhance data value through customer segmentation and precise tagging. By conducting in-depth data analysis of customer behaviors, the Company identifies advanced customer needs and designs appropriate communication content, delivering automated push notifications via multiple channels such as applications, email, and LINE. This approach continues to deepen the application of AI technology in providing personalized online services.

Innovative FinTech Tools

- **Trading System**
 - **Stock Market Data App—"Fubon Smart Stock"**

With a vast array of financial products available, investors often need to spend significant time learning professional knowledge, gathering and organizing data on individual stock fundamentals, technical analysis, and market indicators. This can be particularly daunting for the younger generation and small investors. To help investors with efficient stock selection according to their personal needs, the Company launched the "Fubon Smart Stock " at the end of 2021. It is a tool offering KYC-based stock selection, three major stock selection strategies, and a variety of indicator-based selections, enabling investors to quickly choose stocks based on their investment profile, thus overcoming investment barriers. We have been consistently optimizing this app and promoting its use, with nearly 20,000 users on the platform by the end of 2023.
- **Service System**
 - **Smart Customer Service System**

The smart customer service system presents frequently asked questions and answers in an interactive format, assisting human agents by filtering out routine queries. By integrating AI and machine learning, the system continually improves, accurately interpreting customer intentions and providing correct solutions. The intelligent chatbot operates without time or location constraints, thereby establishing a model where customers can access services at any time, offering 24/7 support.

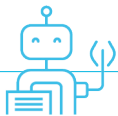
Among the innovative applications introduced in 2023, an extensive collection of "graphic card quizzes" that direct users to popular Q&A topics is the standout feature. This function actively guides customers through menu selections, narrowing the scope of their inquiries and simplifying content. Customer needs are met promptly as the accuracy of responses is significantly improved. The "ratio of smart customer service to human customer service" is one of the sustainability indicators under the "digitalization" strategy. By the end of 2023, the service capacity of the smart customer service system was 3.7 times that of human customer service, with a total of 518,000 user interactions, which exceeded the target set for 2023.

- **Account Opening System**
 - **End-to-End Online Account Opening Service**

In collaboration with Taipei Fubon Bank, Fubon Securities launched a service that allows customers to open both bank accounts and securities accounts at once, catering to the market demand for one-stop financial solutions. Through system integration, customers can conveniently complete the account opening process on a single platform through simplified steps that save time and increase efficiency. The intuitive interface and clear guidance enhance the user experience, enabling customers to easily complete the account opening process while also fostering closer connections and cooperation between banking and securities institutions.
- **Cross-Industry Alliances**
 - **Building a Digital Financial Ecosystem for Digital-Native Customers in Partnership with LINE Bank**

Recognizing that younger generations are inclined to take their first steps into securities investment through diverse ecosystems, the Company proactively developed a "purely digital" financial ecosystem to enhance inclusive scenarios in finance. Leading the industry, the Company partnered with LINE Bank, the largest online-only bank in Taiwan, in launching a one-stop dual account opening service. Through data sharing and automated system integration, the process of opening accounts online has been streamlined, allowing customers to complete the application for a LINE Bank securities settlement account and a securities account in as little as three minutes. This collaboration makes it easier for young people to start investing.
- **Customer Service**
 - **Digital Business Card System with Intelligent Management**

The "Digital Business Card System with Intelligent Management", in addition to enabling sales staff to directly share personal information (profile, contact information, and certifications), also includes a built-in account opening link that directly guides customers through the online account opening process. This helps sales staff enhance the quality of customer service. Moreover, customers can easily add the sales representative as a contact with a single click and use the integrated Map function to navigate to Fubon Securities' service locations.



By the end of 2023, the service capacity of the smart customer service system was **3.7 times** that of human customer service, with a total of **518,000 user interactions**.

► Sustainability Indicator - Digitalization

	2023 Target	2023 performance
Ratio of Intelligent Customer Service to Human Customer Service	3.4 : 1	3.7 : 1

• Intelligent Digital Advertisement Management System

The “Intelligent Digital Advertisement Management System”, in conjunction with LINE community interactions, enables the delivery of various personalized information to customers, such as special offers, short investment videos, and financial seminars. Some of the information comes with links to order placement, providing customers with convenient access. In 2023, sales staff used the Sales Toolbox to access related information 9,011 times, providing nearly 3,000 services per month.

Innovative AI Application Tools

AI Application Tools	Category	Function and Application	Practical Benefits
AI Smart Decision-making for Customer Relationship Management	Data platform	Centered on the customer journey, the tool leverages AI intelligent decision-making based on machine learning and deep learning. It has systematically established nearly 40 AI models and more than 2,000 tags across various customer management scenarios to meet the continuously evolving customer needs. This function has been particularly effective in accurately identifying customers with needs in highly popular overseas bonds.	This model increases the hit rate by 70% compared to standard models.
Hyper-Personalization Service	Messaging push notification platform	Using underlying AI big data models and customer digital trajectory calculations, this tool analyzes customer needs and preferences. It designs dozens of customized message content types, including customer account details, research reports, and promotional information, integrating machine learning, deep learning, and straight-through processing (STP).	Each customer receives personalized messages.
Customer Group Observatory	Data platform	This customer segmentation and data analysis platform uses built-in multidimensional customer tags to self-combine and filter, targeting specific customer groups and tracking them with key indicators. It provides visualized charts comparing against the entire population to analyze customer group profiles and quickly identify target groups.	By the end of 2023, the platform had established nearly 350 different dimension tags, effectively enabling customer group selection.

Innovative Patent Applications

Fubon Securities is committed to developing financial innovation patents to promote sustainable finance, provide innovative services, and contribute to the advancement of the financial industry and society. As of the end of 2023, the Company holds a total of 31 innovation patents, 10 of which were newly added in 2023.

Among the 10 newly added digital finance and digital technology patents in 2023, there is one invention patent and nine utility model patents.

Patent Type	Title	
Invention Patent	Reasonable stock valuation calculation device	
Utility Model Patent	- Cloud smart trading system - Mobile financial secretary system - Online chatbot customer service system - Intelligent stock image recognition and selection system	- Financial statement optimization system - Intelligent dividend system - Stock health check system - Stock trend profit-locking system - Modular quick order placement system

31 innovation patents in 2023



Digital Services

In recent years, the widespread use of smartphones for stock trading and the trend of younger investors entering the Taiwan stock market have led to a significant increase in account openings among those under the age of 30, now representing over 40% of new accounts. Dedicated to creating a diverse and seamless digital investment journey in response, Fubon Securities has been deepening its existing services with a focus on enhancing the digital investment experience for customers. We offer a one-stop online account opening platform that allows customers to open accounts for securities, futures, sub-brokerage, and trust services in just five minutes. Furthermore, the platform is compatible with 40 financial institutions, enabling customers to directly link their trading accounts. In 2023, new features such as "Online Profile Update" and "Online Document Signing" were added, significantly enhancing convenience.

For the widely popular Taiwan stock market services, our "Online App" provides a variety of value-added stock selection services, such as financial statement scoring and stock valuation features. These tools simplify complex financial data into easily understandable quantitative figures and graphics, allowing investors to quickly assess a stock's investment value and compare it with other stocks in the same industry. Additionally, the app offers personalized services via the "Personalized Notification Center," where investors can subscribe to key economic data, pre-market news, company interview summaries, research reports, and more. This provides investors with easy access to important market information to support their investment decisions promptly.

In the wealth management sector, Fubon Securities offers digital investment channels for a wide range of financial products, including funds, bonds, structured products, and regular investment plans for Taiwan and U.S. stocks. Investors can access these investment opportunities through the Company's various digital platforms.

Electronic Trading and Online Account Opening Proportions

Under the "digitalization" strategy, the "E-trading Account Share of Natural Persons' Domestic Securities Trading Accounts" and the "proportion of active overseas stock electronic accounts" are two key sustainability indicators, and both met their targets for 2023.

Year	2023
Electronic Order Transaction Amount (1,000 NTD)	10,384,830,929
Total Transaction Amount for the Year (1,000 NTD)	12,934,679,478
Average Proportion of Transactions via Electronic Orders (%)	80

Note: Average proportion of transactions via electronic orders = Electronic order transaction amount for the year ÷ Total transaction amount for the year

Item	Electronic Accounts for Taiwan Stock Investors		Electronic Accounts for Overseas Stocks	
	2023 Target	2023 Performance	2023 Target	2023 Performance
Active Accounts in Electronic Transactions	-	663,900	-	43,141
Total Active Accounts in Transaction	-	798,758	-	43,675
Proportion of Electronic Accounts (%)	83	83.1	98.5	98.8

Note: Proportion of electronic accounts = Total active accounts in electronic transactions for the year ÷ Total active accounts in transaction for the year.

Multimedia Services

The Company offers a diverse range of multimedia content to help all customer segments acquire investment knowledge in the most time-efficient and effective manner. This includes the "Fubon Learning Bar" tailored to the young, the in-depth and professional "Fubon Trends," and the "Fubon Investment Strategy Podcast" suitable for those with busy lifestyles. By providing differentiated multimedia materials, the Company meets the varying needs of various customer groups and fulfills its mission of promoting financial education through online multimedia broadcasts.

▶ Digital Audio and Video Service Results in 2023

Fubon Trends Talk Podcast	Fubon Securities YouTube Channel Subscription	Fubon Securities YouTube Video Views
554 thousand listens	29,540 subscribers	4.656 million views

Financial Inclusion

Odd-Lot Trading

Fubon Securities offers odd-lot trading services during and after market hours on various electronic platforms, which significantly lowers the entry barriers for small investors in the Taiwan stock market and embodies the spirit of financial inclusion. In 2023, the total odd-lot trading volume reached NT\$117.205 billion, with a total of 9,573,585 transactions.

Item	2023		
	Intraday	After-hours	Sum
Number of transactions	8,950,533	623,052	9,573,585
Total investment amount for the year (100 million NTD)	1,084.90	87.15	1,172.05

Regular Fixed-Amount Stock Transactions

Fubon Securities offers a regular fixed-amount investment plan for purchasing Taiwan stocks (including ETFs), enabling investors to participate in the Taiwan stock market through a steady and disciplined approach, thereby mitigating price risks and averaging costs. With a minimum monthly investment of just NT\$1,000, even novice investors and small investors can easily start accumulating wealth. In 2023, transactions under NT\$3,000 accounted for 66% of all transactions deducted, representing a 30% increase compared to the previous year.

Monthly review meetings are held for regular fixed-amount investment products to ensure the suitability of the investment offerings. As of the end of 2023, the available investment options for regular stock investments included 85 ETFs, 101 individual stocks, and five investment portfolios, catering to the diverse financial needs of investors.

Regular Fixed-Amount Fund Transactions

In 2023, Fubon Securities expanded the options for deduction dates for its regular investment fund plans, allowing investors to spread out their investments according to their needs. Additionally, we offer discounts for handling fees at times to encourage digital transactions, furthering the spirit of financial inclusion. In 2023, transactions under NT\$3,000 accounted for 57% of all transactions deducted, representing a 2% increase compared to the previous year.

Regular Fixed-Amount U.S. Stock Transactions

To bridge the generational gap, the Company offers a convenient overseas investment environment for small investors, allowing them to participate in U.S. stock investments with a low entry threshold of just NT\$1,000. Moreover, there is no minimum handling fee for purchasing overseas stocks, which significantly lowers the barriers to investing abroad. The regular fixed-amount investment plans for U.S. stocks now include 48 listed individual stocks. In 2023, transactions under NT\$3,000 accounted for 57% of all transactions deducted, representing a 150% increase compared to the previous year. Notably, the number of NT\$1,000 deduction transactions grew 41 times compared to the previous year.

On top of the regular investment plans for U.S. stocks, there are no minimum transaction fees for seven other overseas markets, which is favorable particularly to small investors. Furthermore, the electronic trading platform for overseas bonds has reduced the minimum investment threshold for some products from the original US\$10,000 to US \$1,000, making it easier for more investors to access high-quality international bonds.

Item	2023		
	Regular Fixed-Amount Stock Transactions	Regular Fixed-Amount Fund Transactions	Regular Fixed-Amount U.S. Stock Transactions
Number of Accounts with Scheduled Deductions	117,286	13,845	7,698
Percentage of Deductions under 3,000 NTD (%)	66	57	57
Total Investment Amount for the Year (100 million NTD)	144.23	13.05	1.5

Collaborating with Investors on Attaining Sustainable Investments

When selecting products for listing, regular contributions to Taiwanese stocks, U.S. stocks, funds, and overseas bonds must meet ESG rating standards above a certain level as determined by professional institutions. In 2023, Fubon Securities established a section dedicated to ESG products on its official website, providing investors with ESG ratings for various products. Among the 101 individual Taiwanese stocks listed for regular contributions, 94 meet the C Money ESG score of 7 or above, accounting for 93%. For U.S. stocks, out of the 48 listed for regular contributions, 44 meet the LSEG ESG Scores of B score or above, accounting for 92%. Of the 59 overseas bonds listed, 54 meet the LSEG ESG Scores of B score or above, accounting for 92%. Out of the 25 listed funds, 10 qualify as ESG funds according to the Fund Information Observation Station, representing 40%.

Financial Friendly Services

Committed to promoting fair treatment of customers and financial inclusiveness, Fubon Securities has created a convenient financial environment for diverse customer groups and launched services and initiatives catering to the genuine needs of disadvantaged groups, combining technology with warm services to bridge the digital financial gap for elderly and disabled customers. These efforts help reduce information inequality and unequal opportunities, fulfilling the responsibility of financial institutions to provide friendly financial services.

Financial Friendly Initiatives

Item	Service	Positive Impact and Function
Financial Friendly Service Section	Visually and hearing-impaired individuals can access this section to understand in advance whether the environmental measures at service locations meet their needs. This section complies with the NCC-certified "Accessibility Label 2.0."	It ensures that disadvantaged and disabled groups fully enjoy basic rights and equal and reasonable access to financial services.
Fubon Investment Strategy – Podcast on Daily Stock Market Analysis	The podcast, launched in collaboration with Fubon Securities Investment Services, allows investors to quickly grasp market analysis in an audible format before the market opens daily.	- It reduces the risk of reading text during commutes. - It provides a solution for those who have difficulty reading.
Toll-free Senior Hotline	Leading the industry, this line is designed for customers aged 65 and above, allowing them to quickly connect with the appropriate channel and dedicated service personnel without navigating through multiple menu layers. Their inquiries will be directly handled by experienced senior customer service staff.	- Pressing the * key directly connects to a dedicated service representative, without the need to input personal information first. - Customer satisfaction in 2023: 99.5%.
Friendly Service Locations	Each service location offers reading glasses and business card-sized magnifiers for elderly customers and provides sign language translation services. In 2023, 11 branches nationwide implemented the "I Serve You" fast-track counter, providing investors with prompt handling of five services (passbook updates, basic information changes, transaction record printing, password reissue, and buy/sell limit adjustments) daily from 11 AM to 2 PM. It is expected to be expanded to all branches nationwide in 2024.	- This facilitates proper service for elderly or other customers in need. - Customers' needs for simple services are quickly met, saving them time and improving their satisfaction and future usage.
Multilingual Services	Bilingual (Chinese and English) and multilingual (Taiwanese) services are provided at the counter, via customer service phone, and through the customer service email.	This allows us to serve diverse groups, eliminating communication barriers in financial services and reducing the possibility of information asymmetry.
Anti-Fraud Section on the Official Website	Established in 2023, this section actively assists customers in preventing fraud to enhance the security of financial flows and protect legitimate economic activities.	- It provides timely announcements and proactive reminders. - Various types of fraud prevention information are available. - It offers relevant anti-financial fraud resources for inquiries.

Dissemination of Financial Knowledge

Fubon Securities is dedicated to creating a transparent environment for financial products and services. Through hosting free online and offline investment and financial management seminars, financial trend forums, and launching video programs on our YouTube channel, we comprehensively educate different groups on the professional knowledge required for investment and financial management, promoting the spread and exchange of financial knowledge among the public, thereby helping customers better understand the financial markets, enhance their investment capabilities, and improve their financial literacy.

Financial Knowledge Promotion Initiatives	Target	Detail
Knowledge Promotion for Young Individuals	Students	- Number of events: 1 - Participation: 67 students - Objective: Enable young individuals to learn about securities and relevant trends, accumulate financial knowledge and start investing and managing personal finances early. - Content: Introduce innovative service applications in the securities industry via the "Financial Holdings Business Management Practices" course organized by Fubon Financial Holdings in collaboration with the Department of Finance, National Taiwan University.
Investment And Financial Management Customer Orientation	Customers	- Number of events: over 150 - Participation: over 50,000 participants - Objective: Assist customers in making wise financial decisions, establish customer trust and enhance information transparency. - Content: Product and service promotion, including platform tutorial, Taiwan stocks lectures, wealth management, sub-brokerage, futures, etc.
Fubon Trends Forum	Customers	- Event location: Taipei, Hsinchu, Taichung, Kaohsiung - Participation: 385 people - Objective: Assist customers in grasping market trends and investment opportunities in advance. - Content: Overall economic prospects for 2024, investment opportunities and asset allocation in a high-interest environment
Fubon Securities Youtube Channel	Investors	- Target audience: Various groups - Number of new videos produced in 2023: 75 - Thematic series: (1) Essential Guide to Easy Trading (2) Advanced Industry Investment Trends (3) Solutions to Investment Pain Points (4) Tips for Platform Navigation - Objective: Offer investors comprehensive information needed in investment and financial management.

3.3 Customer Relationship Management

Fubon Securities places great importance on customer rights. With the "Treating Customers Fairly (TCF) Principles" at the core of its business operations as the code of conduct for customer service, the Company enhances employees' awareness of customer protection and compliance with relevant regulations, thereby promoting sustainable operation and corporate development.

In 2021, the Company established the Fair Customer Treatment Committee, a dedicated unit responsible for handling issues related to fair customer treatment. The implementation of the TCF principles by various departments is supervised by the Compliance and Legal Affairs Department, which identifies and addresses potential violations, and reports to the Board of Directors annually. To further enhance the frequency and level of supervision, we established the Sustainable Development Committee in December 2023. Following this, the Fair Customer Treatment Task Force reports quarterly to the Sustainable Development Committee on the implementation of the TCF principles.

Implementation Results in 2023

Fubon Securities received the highest honor as one of the "Top 25% Practitioners" in the 2023 Treating Customers Fairly Principles Evaluation by FSC. The key implementation results of the year are as follows.



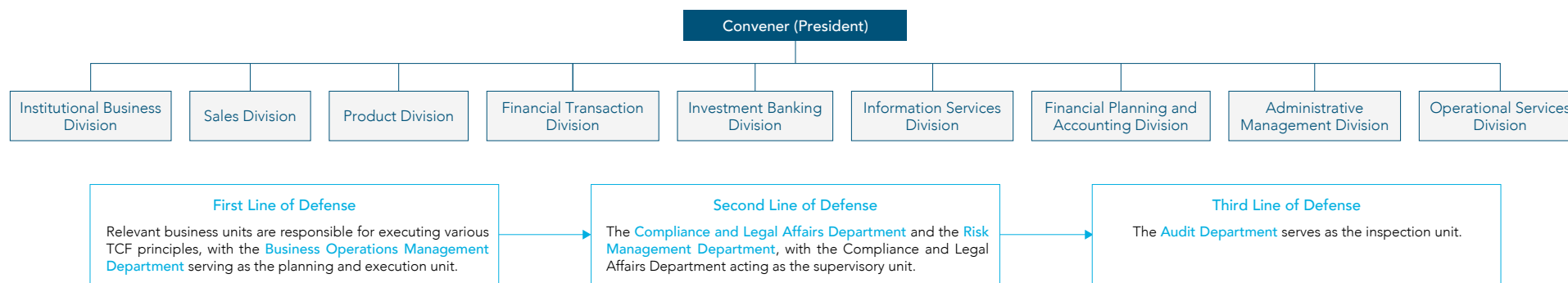
Ranked among the "Top 25% Practitioners" in the 2023 Treating Customers Fairly Principles Evaluation by FSC.

Implementation Results		Detail
1	Obtainment of ISO 10002 Certification for Complaint Quality Management System	A standardized complaint handling process and tracking schedule was established while ensuring that every customer complaint is properly addressed through an independent case closure mechanism.
2	2023 Digital Finance Award for "Digital Information Security" by the Commercial Times	Customers are provided with secure and reliable trading services.
3	Formulation of Guidelines for the Accountability System on Material Issues	An accountability system for material issues such as information security, fair customer treatment, and regulatory compliance was established in accordance with the "Plan, Do, Check, Act (PDCA)" management cycle.
4	Formulation of Handling Procedures for Counterfeit Cases	The most rapid and effective mechanism is implemented to mitigate the negative impact of such cases.
5	Dedicated Section on the Merger of Fubon Securities and Jih Sun Securities	Customers are provided with information on changes in their rights due to the merger.
6	Anti-fraud Section on the Official Website	We actively assist customers in preventing fraud, enhancing financial flow security, and protecting legitimate economic activities.
7	Friendly Service Environment Provided Across Service Locations	Fubon Securities is the first securities firm to offer sign language translation services.
8	Services and Products Planned for the Elderly	A toll-free senior line for customers aged 65 and above was launched, ensuring appropriate risk tolerance and product allocation for elderly customers.
9	Care Measures for Elderly Customers Purchasing High-risk Investment Products	For customers aged 65 and above purchasing overseas bonds or structured products, a dedicated staff member explains the investment risks to ensure that customers understand the investment risks, and they are required to sign a declaration form. The first transaction each year is followed by a service call with a record kept. For customers aged 80 or above, a re-assessment of their risk profile is conducted to ensure they can continue trading.
10	Friendly Onboarding Journey for New Customers	Lively and engaging video tutorials are offered catering to the young and more digital nature of new investors.
11	Annual Mystery Shopper Evaluation	Service gaps are identified to improve customer satisfaction.
12	Structured Trading Platform	We provide investors with the most convenient and diversified domestic structured product trading platform.
13	New Personalized Messaging Service	Launched on the e-Service app, it offers differentiated services based on customer attributes and investment behaviors.
14	QR Codes in Shareholders' Meeting Notices	This quickly guides customers to the stock service agent section on the official website, enhancing service efficiency and convenience.
15	Year-round Fubon Intelligent Customer Service	A quick access menu was introduced for popular questions related to the merger, as well as a knowledge base and a quick access menu with image cards.

Treating Customers Fairly (TCF) Principles Policy and Organizational Structure

In addition to implementing the "Treating Customers Fairly Principles for Financial Service Industries" set by the FSC, Fubon Securities has also established the "Fubon Securities Co., Ltd. Treating Customers Fairly Principles Policy" and the "Fubon Securities Co., Ltd. Treating Customers Fairly Principles Strategy," which outline specific regulations for the implementation of core business strategies for employees to follow and execute. Moreover, the TCF Principles policy and strategies, along with internal compliance regulations and codes of conduct, are incorporated into training programs. They are also an integral part of the internal control and audit systems, ensuring the establishment and execution of the TCF Principles.

► Treat Customers Fairly Organizational Structure



Fair Customer Treatment Education and Training

In accordance with the "Treating Customers Fairly Principles Policy," the Company is required to conduct at least three hours of fair customer treatment advocacy and personnel training each year to establish a corporate culture that prioritizes the protection of financial consumers and to enhance employees' awareness of fair customer treatment and compliance with relevant regulations. In 2023, a total of five fair treatment-related training sessions were held, with 10,020 records of attendance. The total training hours amounted to 14,602.5 hours, and the completion rate for the required trainees was 100%.

No.	Course Topic	Records of Training Attendance	Training Hours	Completion Rate (%)
1	Treating Customers Fairly Principles (including the Friendly Financial Service Guidelines)	2,941	5,882.0	100
2	Fair Customer Treatment Education and Training - Rights Protection for Senior Customers	2,774	5,548.0	100
3	Service Etiquette Training	680	1,360.0	100
4	Customer Handling Key Advocacy	1,810	905.0	100
5	ISO 10002 Complaint Quality Management International Standards Advocacy	1,815	907.5	100
Sum		10,020	14,602.5	100

Note: 1. Training hours = Records of training attendance x Training hours
2. Completion rate = Number of people trained ÷ Number of people required to receive training

Customer Satisfaction Action Plan

To enhance customer satisfaction, Fubon Securities implemented three key projects in 2023 as follows.

Project	Content	Outcome
Customer satisfaction survey for account opening	Branch offices fill out the SQI service quality self-assessment form monthly.	Implementation rate reached 97%.
Mystery shopper evaluation	We engaged professional consulting firms to conduct on-site and telephone inspections on the 59 branches and stock agent departments across Taiwan.	Evaluation results: On-site service score: 86.1 Telephone service score: 84.2
Provision of professional financial knowledge - Fubon Securities Investment Services membership	The information for securities customers to join the Fubon Securities Investment Services membership for free is fully disclosed on our website, trading platform, and social media channels to ensure that every customer, regardless of their asset level, can enjoy investment consulting services and access professional reports.	Since its launch at the end of 2023, 3,129 customers have become members by the first quarter of 2024.

To enhance service quality and address customer feedback, the Company conducts annual customer satisfaction and net promoter score (NPS) surveys aimed at improving service quality through customer feedback. In 2023, the overall customer satisfaction rate was 78%. Although this did not meet our target, it was an improvement over the previous year. The NPS was 30.3 points,

showing a significant improvement compared to last year. The Company will continue to conduct customer satisfaction surveys and mystery shopper evaluations, with a goal of achieving a 90% customer satisfaction rate by 2030. Driven by a customer-first mindset, we are committed to actively monitoring customer opinions and taking concrete actions.

▶ Customer Satisfaction

2023 Target	2023 Performance
88%	78%

Customer Complaint Mechanism

In 2023, Fubon Securities introduced a customer complaint analysis dashboard that visually presents real-time customer complaint patterns. A monthly customer complaint report is submitted to the Customer Complaint Committee for review. The Company's "Customer Complaint Management Guidelines" outline the customer complaint handling process as follows.

Procedure	Responsible Unit	Handling Method
Step 1	Receiving Unit	Based on the content of the customer complaint, the receiving unit fills out the "Customer Complaint Handling Form" and reports it to the Business Operations Management Department.
Step 2	Receiving Unit	The Business Operations Management Department identifies the responsible unit and notifies the handling unit.
Step 3	Handling Unit	The handling unit communicates with the customer to understand the complaint, properly processes the customer complaint, and completes the "Customer Complaint Handling Form" and the "Treating Customers Fairly Principles Checklist." After obtaining the necessary approvals based on the delegated authority, the documents are submitted to the Business Operations Management Department.
Step 4	Coordination Unit	The "Customer Complaint Handling Form" and the "Treating Customers Fairly Principles Checklist" for the complaint case are signed off according to the delegated authority and submitted to the Business Operations Management Department. The Business Operations Management Department, upon receiving the above documents, verifies the case history and the progress of the customer complaint handling. Once it is confirmed that no further follow-up actions are required, the case is closed. After case closure, a copy of the "Customer Complaint Handling Form" is provided to the handling unit for record-keeping.

Customer Complaints Overview in 2023

Responsible Unit	Business Operations Management Department and Digital Finance Department	
Customer Complaint Channel	Hotline: 0800-073-588, 02-8178-3018	
Number of Customer Complaints	68 cases	
Handling Status	100%	
Corrective Measures	Causes of customer complaints are compiled and categorized monthly and advocated through real-time EDMs and morning briefings to avoid the reoccurrence of similar complaints.	
Investment and Performance	Dedicated staff for the 0800 hotline service	16 full-time customer service staff
	Service capacity of the 0800 hotline	13.8 calls

Customer Care

In terms of customer care, in addition to the execution of regular annual projects, Fubon Securities took special measures in response to the 2023 merger with Jih Sun Securities. A merger section was established on the official website, along with an internal feedback community, to promptly address concerns regarding the differences in trading mechanisms and systems between the two companies, thereby minimizing the impact of the merger.

Item	Measures Implemented in 2023
Caring for Customer Investment Positions	- Real-time information such as market analysis, trading strategies, and financial report highlights is provided to help customers stay informed about market trends. - Customer orientations are held to offer insights into industry trends, introduce popular investment targets, and provide tax planning consultations. - If a customer's investment portfolio incurs losses beyond a certain threshold, a friendly reminder is issued along with the necessary assistance offered.
Senior Care Measures	- A "Personal Visit Form" was introduced to the care interview process, offering a paper form for elderly customers who visit the branch in person, which is more convenient for seniors to fill out compared to online forms. - A dedicated senior hotline is provided to strengthen relationships with elderly customers.
Sign Language Interpretation Service	In collaboration with the Taiwan Sign Language Interpreters Association, we launched sign language interpretation services across 56 branches nationwide, making Fubon Securities the first securities firm to offer sign language interpretation services.

Financial Anti-Fraud Measures

Anti-Fraud Mechanism and Organizational Structure

Fubon Securities follows the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Counterfeit Case Handling Procedures," which allows for the most rapid and effective response in cases of various counterfeit incidents or fraudulent activities carried out under the guise of company personnel. When such cases occur, they are handled by a cross-departmental counterfeit case response team. The team reports the incident through official channels, requests the takedown of fraudulent content, issues clarifications, and conducts subsequent case follow-ups.

Anti-Fraud Section on the Official Website

In 2023, an anti-fraud section was established on Fubon Securities' official website. It reminds investors to stay vigilant before making any investment or financial decisions, emphasizing the importance of being aware of risks and ensuring that investments or transactions are conducted through legitimate financial institutions. By enhancing anti-fraud awareness, we urge investors to safeguard their rights and assets.



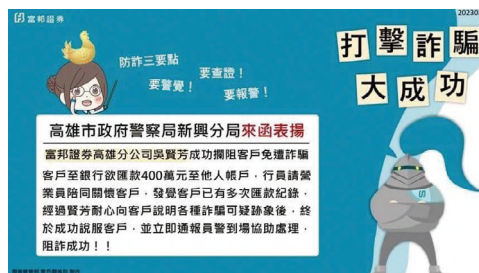
Successfully intercepted **2 fraud cases**, loss amount involved **9.52 million NTD** in 2023.

Customer Care Mechanism for Counter Services

In light of the frequent occurrence of financial fraud cases, the Company has established a customer care mechanism for counter services. If staff members suspect that a customer may be the target of fraud, they are instructed to notify the customer's family or friends, or seek assistance from the police, to prevent the customer from suffering financial losses due to fraud.

In 2023, the Company's branches successfully intercepted two fraud cases, and two branch employees were commended by the police authorities. The Company publicly recognized these two employees as well, awarding them a commendation. All staff members remain vigilant and careful at all times, ensuring greater protection of customers' assets.

Number of Fraud Cases Prevented	Loss Amount Involved in Fraud Cases Prevented	Number of Employees Commended by Police Authorities
2	9.52 million NTD	2



Customer Information and Privacy Protection

To reduce operational risks and ensure the security and management of personal data files, Fubon Securities is committed to preventing the theft, alteration, damage, loss, leakage, or misuse of personal data, and the protection of the rights of individuals whose data is processed. The protection and management of personal data by Fubon Securities are governed by the "Personal Data Protection Management Policy" and the "Personal Data File Security Maintenance and Post-Business Termination Personal Data Processing Guidelines," which the Company consistently adheres to. In 2023, the Company obtained the BS10012:2017 Personal Data Protection Management Certification from the British Standards Institution (BSI).

0 complaints related to personal data cases were reported in 2023.



Personal data protection statement



Link to personal data protection policy

Personal Data Protection Management Organization and Mechanism

In ensuring personal data protection, the Company has established the "Personal Data Protection Supervisory Committee" under the "Asset and Liability and Risk Management Committee." This committee oversees the operation of the Company's personal data protection management system, and the Risk Management Department reports quarterly to the "Personal Data Protection Supervisory Committee" on the execution of personal data protection. Each unit, in its daily management and operations, adheres to the principles of "Plan-Do-Check-Act (PDCA)" to ensure compliance with information security and personal data protection laws and regulations.

Regulations Governing Personal Data Protection

- Fubon Securities Co., Ltd. Customer Data Sharing Management Policy
- Fubon Securities Co., Ltd. Personal Data Protection Management Policy
- Fubon Securities Co., Ltd. Personal Data File Security Maintenance and Post-Business Termination Personal Data Processing Guidelines
- Fubon Securities Co., Ltd. Operational Risk Management Implementation Measures

Handling of Customer Information and Privacy Incidents

According to the Company's "Personal Data File Security Maintenance and Post-Business Termination Personal Data Processing Guidelines," the unit where the incident occurs is responsible for the investigation of the incident and the collection of digital and paper evidence. If it is confirmed to be a personal data incident, the unit must promptly mitigate the damage to the individual concerned and, in accordance with relevant personal data protection laws and regulations, notify the individual involved in the breach and the measures taken in response. In addition, the notification records must be kept, and a consultation service hotline should be made available for the individual to inquire and seek assistance.

In addition, if the incident is classified as a significant or major personal data incident, the incident management unit must immediately notify the convener and deputy convener of the Personal Data Emergency Incident Response Team to hold a meeting, coordinate, and track the improvement measures. If the incident meets the reporting standards of the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Major Incident Reporting Guidelines" or qualifies as a major personal data incident, it must be reported to the relevant authorities as legally required.

Fubon Securities reported no customer information or privacy incidents in 2023.

Personal Data Protection Training Courses

In 2023, the Company conducted a personal data protection training course with a 100% completion rate, averaging 0.5 hours of training per participant.

Course Theme	Number of People Trained	Training Hours	Completion Rate
Personal Data Protection Act	2,736	1,368	100%

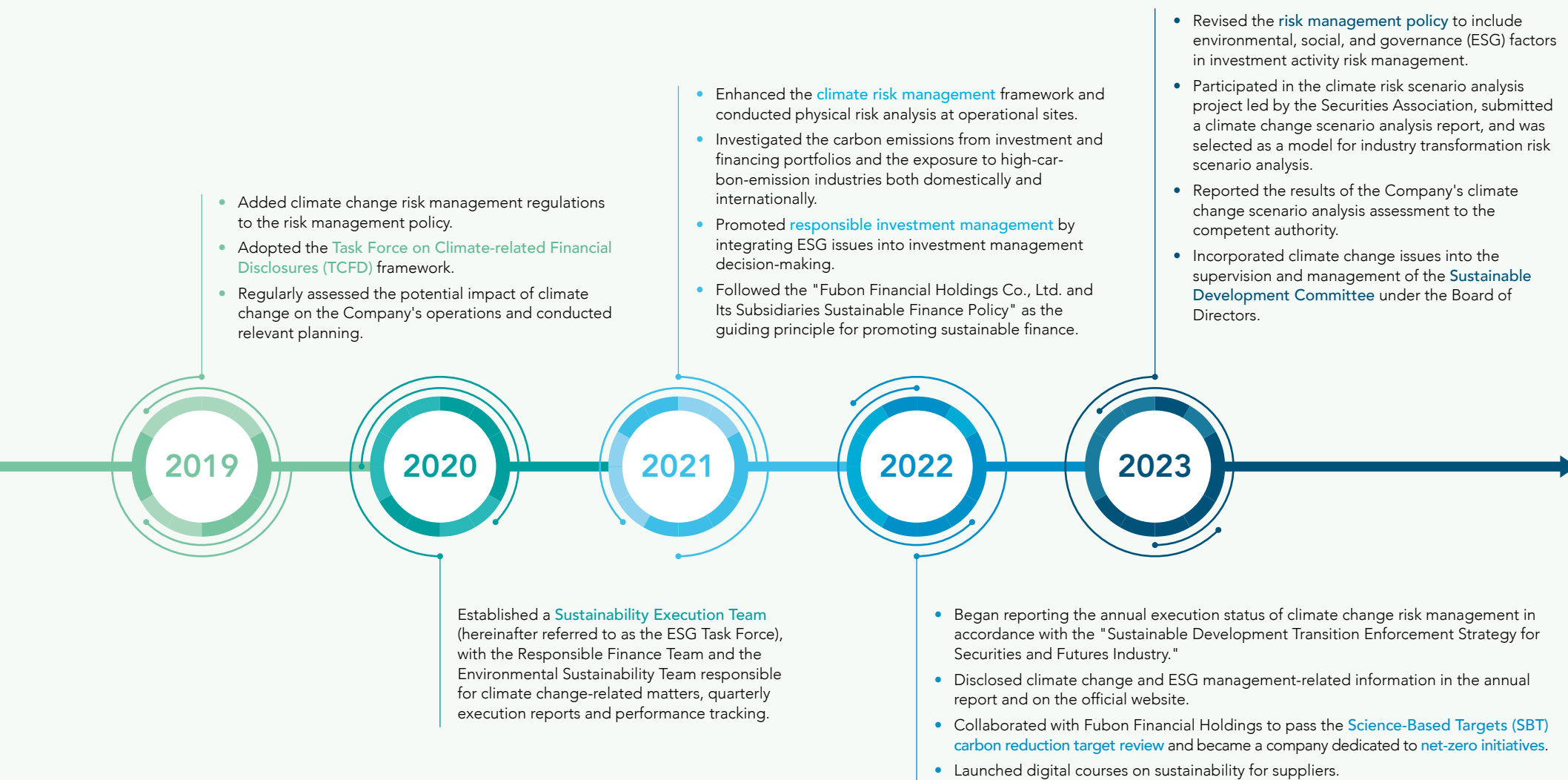
4 Sustainable Environmental Action

Highlights

- Incorporated climate change issues into the supervision and management of the **Sustainable Development Committee** under the Board of Directors.
- Set key investment and financing goals. Among them, the investment amount of green finance (including low-carbon investment, green energy technology investment and green bonds) reached **NT\$ 8.399 billion**.
- Participated in the **climate risk scenario analysis project led by the Securities Association**, submitted a climate change scenario analysis report, and was selected as a model for industry transformation risk scenario analysis.
- **ISO 14001 Environmental Management System, ISO 50001 Energy Management System, ISO 14064-1 Greenhouse Gas Inventory** and other international standard certifications.
- Actively promote and implement waste reduction. The per capita waste reduction will reach **92.2%** in 2023, and the target achievement rate is **33 times**.
- Installed solar photovoltaic panels at the Chiayi branch, generating **14,579 kWh** of electricity, with a total carbon reduction of **7.21 tons**; purchased **400,000 kWh** of renewable electricity, and will consume approximately **180,000 kWh** of electricity in 2023, with a total carbon reduction of **89.9 tons**.
- Follow the financial control supplier selection policy, establish a joint management mechanism, and identify and select **40** key ESG suppliers for cooperation in 2023.
- Actively implement green procurement. Green procurement will account for **10.3%** of total procurement in 2023.



Key Sustainability Actions over the Years



4.1 Climate Change Action

Climate Change Management Policy

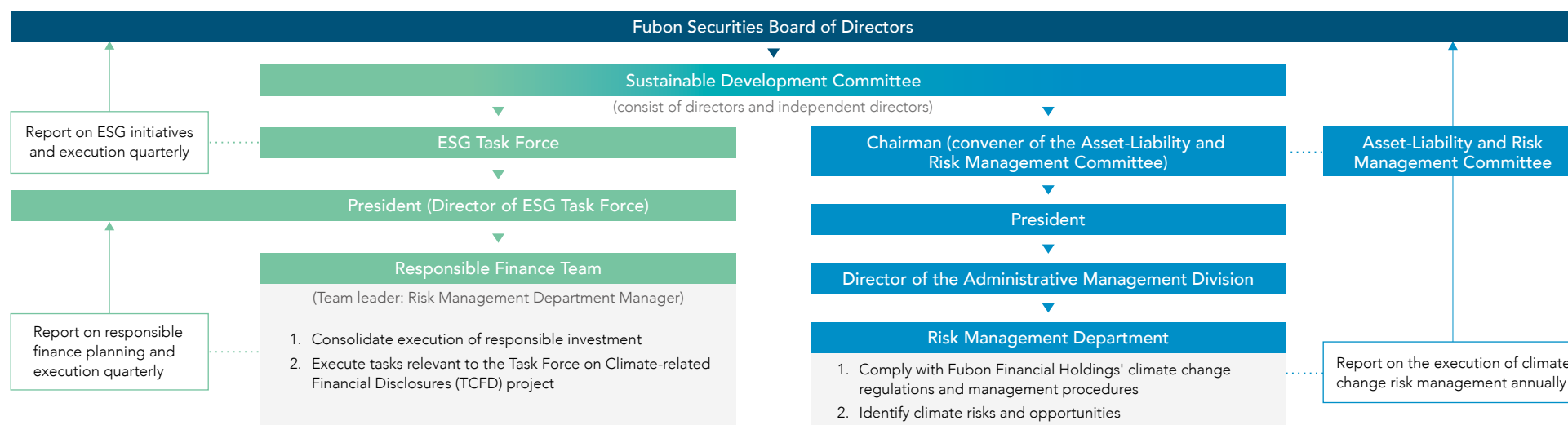
Recognizing the potential impacts of climate change on environmental ecosystems and the Company's business development, Fubon Securities has taken steps to strengthen its focus on and management of climate change. In 2019, Fubon Securities integrated the "Fubon Financial Holdings Co., Ltd. and Its Subsidiaries Climate Change Management Guidelines" into its "Fubon Securities Co., Ltd. Risk Management Policy" in alignment with the Fubon Financial Holdings' adoption of the Task Force on Climate-Related Financial Disclosures (TCFD) framework issued by the Financial Stability Board (FSB). This framework helps identify climate risks and opportunities and corresponding measures, thereby enhancing resilience against climate risks and improving the ability to seize business opportunities. Meanwhile, the Company actively promotes various environmental protection, energy-saving, and carbon reduction initiatives, reduces greenhouse gas emissions, and advocates for green financial services.

Furthermore, in adherence to the "Fubon Financial Holdings Co., Ltd. and Its Subsidiaries Sustainable Finance Policy," Fubon Securities implements the Principles for Responsible Investment (PRI) and incorporates environmental, social, and governance (ESG) factors into the investment management process. The performance of investment targets in terms of environmental protection, social responsibility, and corporate governance is evaluated and analyzed. In underwriting and IPO advisory services, the Company assists enterprises contributing to mitigating climate change or environmental risks in getting listed, encouraging companies to formulate sustainable development and net-zero transition plans with concrete action strategies. We also support high-emission companies in proposing measures to reduce greenhouse gas emissions.

In further strengthening the implementation of PRI, the Company is committed to achieving net-zero emissions by 2050, in line with the science-based carbon reduction targets (SBT) approved by the Science Based Targets initiative (SBTi) for Fubon Financial Holdings in September 2022. Moving forward, we will establish annual carbon reduction plans in alignment with Fubon Financial Holdings' overall carbon reduction roadmap, gradually achieving these reduction targets and leveraging the Company's role as a financial institution to guide capital flows towards low-carbon pathways.

Climate Governance

Climate Governance Structure



Climate Governance Responsibilities

• Board of Directors' Oversight

The Board of Directors is responsible for overseeing the implementation of climate change risk-related plans. They regularly review the execution results presented by the ESG Task Force to stay informed about the climate risks and opportunities identified and compiled by the Risk Management Department. The Board makes timely management decisions to mitigate the impact of climate change on the Company and ensures that climate change is considered in the business strategy.

• President's Responsibilities

The President serves as the head of the ESG Task Force, responsible for setting the annual execution plan and convening team members quarterly to report on execution results. The President effectively manages the actual implementation of sustainability goals, ensures that all employees are fully committed to executing the plans, and guarantees the effectiveness and reasonableness of the execution plans.

• Risk Management Department

The Risk Management Department coordinates and compiles the execution status of responsible investment and is responsible for the Task Force on Climate-Related Financial Disclosures (TCFD) project. It reports the climate change risk assessment to the Asset-Liability and Risk Management Committee annually and submits reports to the Board of Directors.

• Responsible Finance Team

The Responsible Finance Team is in charge of the promotion of sustainable finance, as well as the establishment and management of climate change regulations. They coordinate the assessment process of climate-related risks and opportunities, conduct materiality identification, and report information related to climate risks and opportunities. The team also handles carbon audits, impact assessments, and strategy formulation for investments and financing. Execution results are reported quarterly through the ESG Task Force and submitted to the Board of Directors.

• Environmental Sustainability Team

The Environmental Sustainability Team is responsible for creating a low-carbon operating environment, promoting greenhouse gas reduction and renewable energy, and setting environmental sustainability goals. These goals include reducing operational carbon emissions, electricity and water usage, printing paper consumption, and per capita waste. The team regularly tracks and manages these goals and reports the operational carbon reduction execution results to the ESG Task Force.

Internal Incentive Mechanism Linked to Climate

To deepen climate change risk management and continuously promote the goals of sustainable corporate development, the Company incorporates quantitative ESG indicators into the annual performance goals for all employees. The evaluation weight for these indicators is set at a minimum of 5% to 10% and is linked to the reward and compensation system. This ensures the effective implementation of various ESG initiatives and the consistent promotion of business sustainability. For the Company's Chairman, President, and senior executives whose roles are related to ESG promotion or execution, the weight of their annual ESG goals is no less than 5%. This reinforces the advancement and execution of various ESG actions.

Climate Risk Management

Fubon Securities has included climate change-related risks in the Company's overall risk management framework, based on the three lines of defense for climate risk established by Fubon Financial Holdings. This multi-layered approach to managing climate risk encompasses risk identification and measurement, risk monitoring and reporting, and independent supervision by the internal audit units to ensure compliance with regulations and the effective implementation of risk management practices. This approach reinforces the Company's internal control system and facilitates comprehensive risk management.

To address the potential impacts of climate change on environmental ecosystems, economic industries and the Company's business development, Fubon Securities regularly reviews and assesses the risks, opportunities, and related effects that climate change may have on its operations. Informed by international climate-related information and trends, the Company strives to strengthen its focus on and management of climate change.

Climate Risk Management Procedure



Risk and Opportunity Identification

The Risk Management Department initiates the Fubon Securities climate change management evaluation annually in accordance with Fubon Financial Holdings' "Climate Change Management Guidelines." Impact assessments are conducted based on the TCFD risk items provided by Fubon Financial Holdings, and physical and transition risks, as well as climate opportunities are identified accordingly.



Risk and Opportunity Measurement

Risks and opportunities are identified across three dimensions: potential vulnerability, impact, and likelihood.



Risk and Opportunity Monitoring

We identify significant climate change risks and opportunities annually, analyze their potential impact on the Company, review the existing risk response mechanism, and formulate short, medium and long-term risk management measures accordingly.



Risk and Opportunity Report

The analysis results and proposed risk management measures are reported to Fubon Securities' Asset-Liability and Risk Management Committee and subsequently submitted to Fubon Financial Holdings' Risk Management Department.

Climate Risk Response Strategy and Monitoring Procedures

To consistently improve climate change management and strengthen climate resilience, Fubon Securities follows the TCFD framework to regularly identify and assess significant climate change risks and opportunities. This approach aligns with the global capital market's transition towards a low-carbon economy and addresses external stakeholders' demand for transparent climate-related disclosures. Internally, the Company conducts annual assessments of the impact of physical risks on company-owned buildings and those of its subsidiaries in the event of extreme weather events. Various disaster emergency response measures are also formulated to prevent financial losses.

• Investment Strategy

Fubon Securities recognizes that climate risks in the financial industry can lead to financial impacts on clients. To further strengthen the climate resilience of its investments, the Company considers ESG factors in its investment and underwriting activities, following the Sustainable Finance Policy established by Fubon Financial Holdings. While protecting and reallocating capital to mitigate operational losses, we also focus on the market transition driven by the demand for sustainable products and services, learn to innovate, and seize low-carbon opportunities, thereby continuously increasing revenue and creating new value.

• Regular Monitoring Measures

The Company has included climate change issues in its risk management reports, which are reviewed annually by the Asset-Liability and Risk Management Committee and then submitted to the Board of Directors.

In terms of evaluating investment portfolios, Fubon Securities continues to promote and underwrite companies that contribute to environmental sustainability and assist enterprises in issuing green bonds. In adherence to Fubon Financial Holdings' Responsible Investment and Sustainable Finance Policy, the Company remains adjusting and strengthening its responsible investment strategies and action plans, gradually increasing the proportion of responsible investments with a focus on ESG issues and the fulfillment of corporate social responsibility by participating in green bond investment subscriptions.

Climate Strategy

Fubon Securities follows the "Climate Change Management Guidelines" established by Fubon Financial Holdings and applies FSB's TCFD framework introduced by Fubon Financial Holdings. We use the TCFD risk list to identify climate risks and opportunities, formulate corresponding measures, and regularly assess high and low-carbon industries within our business operations to enhance resilience against climate risks and improve the grasp of business opportunities. In addition, the Company actively promotes various environmental protection, energy-saving, and carbon reduction initiatives, reduces greenhouse gas emissions, and advocates for green financial services.

Identification of Climate Risks and Opportunities and Materiality Ranking

Fubon Securities categorizes climate change-related risks into "physical risks" and "transition risks" based on TCFD's list of risks and discussions referencing climate-related information from both domestic and international sources. Physical risks refer to immediate and long-term physical impacts caused by extreme weather events, while transition risks arise from changes in policies, regulations, technology, market dynamics, and reputation, leading to direct or indirect impacts. Each year, the Company identifies and assesses significant climate change risks and opportunities, with analysis conducted on their potential impacts and corresponding risk response measures. These findings are reported to the Risk and Asset-Liability Management Committee and the Board of Directors.

For the annual evaluation of climate risk materiality, assessments are conducted based on potential vulnerability, potential impact, and likelihood. The materiality is measured using a risk matrix, and the risks are then ranked according to their scores. For both transition risks and physical risks, the most significant risks are identified, with explanations provided of their potential financial impacts on the Company and the corresponding response strategies. The top three opportunities are also identified, with short, medium, and long-term business strategies, their financial impacts on the Company, and the implementation status of these strategies outlined.



► Identification of Climate Risks, Potential Impact and Response Strategy

Risk Type	Risk	Impact Period	Impact Area	Response Strategy
Transition Risk	Reputation	Industry stigmatization	- In compliance with government low-carbon policies and energy-saving initiatives, the Company needs to increase expenditures on purchasing energy-saving and carbon-reduction products and equipment. - To align with the government's ongoing promotion of ESG issues and related policies, the Company needs to hire external consultants for specific projects, leading to increased staffing and operational costs.	- Driven towards low-carbon operations, implement policies such as indoor temperature control, turning off lights when not in use, and waste recycling; digitize meeting materials and documents to reduce paper usage while promoting the use of electronic statements to achieve paperless operations. - Continuously focus on ESG issues and promote responsible investment in alignment with Fubon Financial Holdings' TCFD and SBT project implementations and more comprehensively integrate ESG considerations into investment management decision-making. - Disclose climate change and relevant information externally through sustainability reports, annual reports, related publications, and the Company's website.
			If negative feedback arises from media and competent authorities regarding low-carbon and ESG issues, it could damage the Company's reputation, lead to the loss of business opportunities, and result in potential financial losses.	- Simplify processes such as branch account opening and limit applications in a continuous effort to promote digitization and paperless operations. - Invest in low-carbon/alternative energy industries and green bonds, promote ESG products, green underwriting and support for renewable energy; promote corporate sustainability goals through sustainable finance investments/underwriting/products and professional services. - Make investments following Fubon Financial Holdings Sustainable Finance Policy standards for entry and divestment from high-carbon-emission industries, leveraging the positive influence of financial institutions to guide capital towards supporting low-carbon transitions.
Physical Risk	Immediate risk	Increased severity of extreme weather events – flooding, heavy rainfall	- The Company's premises and assets face risks such as flooding, power outages, transportation disruptions, and building damage, leading to risks of operational disruption. - Damage to the information center could result in data loss or transmission errors and affect customer service provision.	- Activate the backup mechanism according to various disaster emergency response plans to protect customer interests and minimize financial losses to the Company. - Assess the need to switch to backup servers depending on the situation to maintain services for customer transaction needs.
			More funds will need to be invested in strengthening building resilience, establishing backup systems, and repairing/rebuilding damaged facilities, leading to increased capital and operational costs.	- Conduct a Business Impact Analysis (BIA) annually to assess potential impacts on business operations and strengthen the Company's ability to respond to disastrous incidents. - Regularly conduct disaster evacuation drills to ensure that the Company can maintain operations during disruptions caused by disasters. - Consider relocation plans for branches with a preference for establishing offices on floors above the second level. - Arrange relevant insurance to cover potential losses to operational equipment caused by extreme weather events.
	Long term	Changes in rainfall (water) patterns and extreme changes in climate patterns – drought	Short to medium and long term	

Note: Short term is 1 to 3 years, medium term is 3 to 5 years, and long term is 5 to 10 years.

► Identification of Climate Opportunities and Business Strategy

Climate Opportunity Type	Climate Opportunity	Short, Medium and Long-term Strategy for the Opportunity			Impact Period	Response Strategy and Implementation Status	
Product and Services	- New product development and service development and innovation - Business activity diversification	- Develop green financial services linked to renewable energy, leverage emerging technologies to reduce the carbon footprint associated with services, and offer customers more environmentally conscious and responsible services. - Provide diverse products and services to achieve financial inclusion, alleviate financial inequality, and promote social equity and justice. - As consumer awareness of environmental responsibility increases, emphasize Fubon Securities' green initiatives, efforts to reduce environmental impact, and commitment to achieving net-zero carbon emissions in external advertising; also monitor the impact of customer demand for low-carbon products and services on its operations.			Short to medium and long term	Short-term - Plan an ESG section on the Company's website and link it to the regular investment platform, enhancing investors' understanding of ESG-related products while providing convenient investment channels. - Select investment targets with good ESG performance and promote sustainable products. - Continue to support companies contributing to products and services that mitigate climate change or environmental risks in getting listed. - Focus on ESG issues and fulfill corporate social responsibility by participating in green bond investments.	Medium to long-term - Continue expanding electronic financial services to meet customers' diverse investment needs. - Utilize fintech, big data, and artificial intelligence to provide low-carbon products and services catering to consumer needs. - Plan to continuously promote electronic services to reduce manual operations, thereby implementing a paperless policy.
Market	Entering new markets	Short-term Incorporate the Company's execution of ESG initiatives and climate change responses into investment considerations.	Medium-term Continue to identify industries related to various ESG themes and focus on companies that address ESG issues and fulfill corporate social responsibility; participate in low-carbon investments and green energy technology investments.	Long-term Align with Fubon Financial Holdings' green finance goals by gradually increasing investments in low-carbon industries, green energy technology, and green bonds, as well as the proportion of participation in green bond underwriting projects.			

Note: Short term is 1 to 3 years, medium term is 3 to 5 years, and long term is 5 to 10 years.

Climate Change Scenario Analysis

• Scope of Scenario Analysis

To assess its capability for climate change risk management, the Company conducted a scenario analysis to evaluate potential impacts by dividing investments into domestic and international equity portfolios, as well as domestic and international bond portfolios. This analysis also aims to enhance the disclosure of relevant climate change information.

The Company's climate scenario analysis methodology adopts two parameters, carbon pricing and inflation rate, from five parameters provided by the Securities Association, which include carbon pricing, GDP growth rate, long-term interest rate, unemployment rate, and inflation rate. In addition to using Taiwan's carbon pricing data provided by the Securities Association, the Company also collected and applied actual carbon pricing data from countries covered by its portfolio using the NGFS Phase 3 REMIND MAGPIE model.

• Scenario Analysis for Domestic and International Equity Investment Portfolios

At the end of 2023, Fubon Securities conducted a scenario analysis on 443 equity investments measured at fair value through profit or loss or other comprehensive income, excluding hedged positions, with a total investment amount of NT\$22,502 million.

• Market risk scenario analysis results: stock price loss rate, expected loss amount

The additional costs that the Company's equity investment targets would face due to carbon pricing are calculated using carbon price data from the climate scenario analysis model adopted by the Securities Association. Considering the impact of the inflation rate on the stock price loss rate, the Company comprehensively estimates the stock price loss rate and expected loss amount for its equity investment portfolio.

Under the premise that carbon pricing is considered and inflation rate parameters are not, the orderly transition scenario ^{Note1} results in higher losses than the disorderly transition ^{Note2} and current policy scenarios ^{Note3}, primarily due to the influence of carbon pricing parameters set in the scenarios. When both carbon pricing and inflation rate parameters are considered, under the current policy scenario, the stock price loss rate for the domestic and international equity portfolio is 5.94% in 2030, with an expected loss amount of NT\$1,336 million. In 2050, the stock price loss rate is 8.88%, with an expected loss amount of NT\$1,999 million, which is higher than in the orderly and disorderly transition scenarios. This indicates that under the current policy scenario, a sharp increase in inflation would result in more significant impacts on companies, consequently affecting the asset value of the equity investment portfolio.

Note 1: Orderly transition scenario: This scenario selects the physical scenario SSP1-RCP2.6, which represents low greenhouse gas emissions. It corresponds to the "Net Zero 2050" scenario of an aggressive and orderly transition. It assumes that government carbon reduction policies are implemented swiftly and smoothly, with carbon prices rising moderately. The pace of technological change is the fastest among the three scenarios, and the adoption of carbon reduction technologies is the highest.

Note 2: Disorderly transition scenario: This scenario also selects the physical scenario SSP1-RCP2.6, representing low greenhouse gas emissions. It corresponds to the "Delay Transition" scenario of a delayed transition. It assumes that government carbon reduction policies are delayed, with no significant adjustments to carbon pricing initially, followed by a rapid increase. The pace of technological change is initially slow but then accelerates quickly, with the adoption of carbon reduction technologies being the second highest among the three scenarios.

Note 3: Current policy scenario: This scenario selects the physical scenario SSP5-RCP8.5, which represents high greenhouse gas emissions. It is the scenario where no significant adjustments are made, with the assumption that government policies remain unchanged, with no significant adjustments to carbon pricing. The pace of technological change is the slowest, and the adoption of carbon reduction technologies is the lowest among the three scenarios.

• Credit risk scenario analysis results: probability of default (PD) and expected loss (EL)

The analysis evaluated the market price changes of equity targets after considering carbon pricing and calculated the relationship between market value fluctuations and default rates. Using the price-to-book ratio method, the financial impact on the equity investment portfolio due to climate scenarios was estimated, which was then used to project changes in the probability of default (PD) and expected loss (EL) related to credit risk.

Under the premise that carbon pricing is considered and inflation rate parameters are not, the expected loss under the orderly transition scenario is higher than under the disorderly transition and current policy scenarios, primarily due to the influence of carbon pricing parameters set in the scenarios. When both carbon pricing and inflation rate parameters are considered, under the current policy scenario, the expected credit risk loss for domestic and international equity portfolios is NT\$1,084 million in 2030 and NT\$1,595 million in 2050. These figures are higher than those in the orderly and disorderly transition scenarios, indicating that under the current policy scenario, a sharp increase in inflation would result in more significant impacts on companies, leading to a rise in expected credit risk losses.

• Scenario Analysis for Domestic and International Bond Investment Portfolios

At the end of 2023, Fubon Securities conducted a scenario analysis on 161 bond positions measured at fair value through profit or loss or other comprehensive income, with a total investment amount of NT\$33,839 million.

• Market risk scenario analysis results: rating changes and price fluctuation proportion, expected loss amount

The analysis used external credit rating downgrade methods to evaluate the relationship between bond ratings and price changes under climate stress scenarios. It assessed how the credit ratings and values of bond targets would change under different climate stress scenarios.

Under the premise that carbon pricing is considered and inflation rate parameters are not, the expected losses under the orderly transition scenario are higher than under the disorderly transition and current policy scenarios, primarily due to the influence of carbon pricing parameters set in the scenarios. When both carbon pricing and inflation rate parameters are considered, under the current policy scenario, the bond value impairment rate is 5.11% in 2030, with an expected loss amount of NT\$1,728 million. In 2050, the bond value impairment rate is 7.12%, with an expected loss amount of NT\$2,408 million. These figures are higher than in the orderly and disorderly transition scenarios, indicating that under the current policy scenario, a sharp increase in inflation would lead to more significant impacts on companies, consequently affecting the asset value of the bond portfolio.

- Credit risk scenario analysis results: probability of default (PD) and expected loss (EL)

The analysis evaluated the transition risks of the countries and industries of bond investment targets to calculate the probability of default (PD) under climate stress scenarios. Whereas, the loss given default (LGD) was calculated using an adjustment factor under climate stress scenarios. Under the premise that carbon pricing is considered and inflation rate parameters are not, the expected losses under the orderly transition scenario are higher than under the disorderly transition and current policy scenarios, primarily due to the influence of carbon pricing parameters set in the scenarios. When both carbon pricing and inflation rate parameters are considered, under the current policy scenario, the expected credit risk loss for the domestic and international bond portfolio is NT\$2,019 million in 2030 and NT\$3,014 million in 2050. These figures are higher than those in the orderly and disorderly transition scenarios, indicating that in a scenario where global warming is uncontrolled, a sharp increase in inflation would result in more significant impacts on companies, leading to a rise in expected credit risk losses.

• Physical Risk Analysis

In addition to assessing potential impact through the aforementioned transition risk analysis, Fubon Securities also evaluates the financial impact of long-term climate changes and extreme weather events on its operations. The risk of flooding and landslides at 70 of the Company's office buildings and operational sites was analyzed to determine the repair costs associated with asset damage caused by these events.

Under the SSP126 scenario for 2030, the expected losses from flooding and landslides total NT\$3.21 million, with flooding losses amounting to NT\$2.28 million. The most affected area is Luodong in Yilan County, primarily due to the higher likelihood of flooding in that region. Landslide-related losses are estimated at NT\$0.94 million, with the most significant impact expected at the Neihu site in Taipei City, which faces a higher probability of extreme rainfall events and higher asset repair costs. Under the SSP585 scenario for 2050, the total expected losses from flooding and landslides increase to NT\$3.88 million, with flooding losses amounting to NT\$2.87 million. The most affected area is Hualien City in Hualien County, where there is a higher likelihood of flooding and associated asset repair costs. Landslide-related losses are estimated at NT\$1.01 million, with the Neihu site in Taipei City again being the most affected due to a higher probability of landslide events and higher asset repair costs.

► Physical Risk Analysis Results of Operational Sites

Unit:10,000 NTD

Physical Risk Analysis Results – Expected Loss under Various Scenarios									
Disaster	Baseline Period	Scenario SS126		Scenario SSP245		Scenario SS370		Scenario SS585	
		2030	2050	2030	2050	2030	2050	2030	2050
Flooding	156.69	227.79	218.10	190.83	229.65	186.52	185.85	181.54	286.92
Slope Disaster	93.70	93.70	86.37	79.71	84.30	86.84	72.14	73.36	101.17
Total	250.39	321.49	304.48	270.54	313.95	273.36	258.00	254.91	388.09

• Climate Risk Response and Management Measures Based on Scenario Analysis Results

Fubon Securities has developed risk response and control measures based on climate scenario analysis results. The physical risks faced by the Company's operational sites and investment portfolios are relatively few. Nonetheless, potential negative impacts are closely monitored. Meanwhile, we will increase awareness of carbon reduction target-setting through education and training internally and engage actively in external policy dialogue with invested companies to mitigate transition risks. For domestic and international equity and bond investment portfolios, when considering carbon pricing scenarios combined with inflation rate scenarios, the most significant impact is observed in the 2050 scenario, where a sharp increase in inflation under an uncontrolled global warming scenario poses the greatest challenge. To mitigate the impact of climate transition risks, the Company will continue to deepen its climate change response efforts and strengthen its risk control mechanisms.



Climate Indicators and Goals

Operational Greenhouse Gas Inventory

Greenhouse Gas Emissions		2020 (Baseline Year)	2021	2022	2023	2023 Target	2024 Target ^{Note 6}
Operational Emission	Scope 1	541	452	481	221	533	530
	Scope 2	Baseline by Region	7,832	7,436	8,257	6,591	6,408
		Baseline by Market	7,832	7,436	8,257	6,501	6,408
	Total Volume of Greenhouse Gas Emissions (Sum of Scope 1+ Scope 2)	Baseline by Region	8,373	7,888	8,738	6,812	6,938
		Baseline by Market	8,373	7,888	8,738	6,722	6,938
	Carbon Intensity	Baseline by Region	0.53	0.331	0.56	0.38	-
		Baseline by Market	0.53	0.331	0.56	0.38	-
	Per Capita Emission	Baseline by Region	2.507	2.64	2.95	2.48	-
		Baseline by Market	2.507	2.64	2.95	2.44	-

Note: 1. Starting from the baseline year, operational emissions data include Jih Sun Securities' data. Fubon Securities' Scope 1 and 2 emissions are verified by the BSI ISO 14064-1 standards, while Jih Sun Securities' data is self-reported.
2. The revenue used to calculate carbon intensity starting in 2020 includes the combined revenue of Fubon Securities and Jih Sun Securities. Similarly, the number of employees used to calculate per capita emissions includes the total number of employees from both companies starting in 2020.
3. Greenhouse gas emissions are measured in metric tons of carbon dioxide equivalent (tCO₂e), with total greenhouse gas emissions being the sum of Scope 1 and Scope 2 emissions.
4. Carbon intensity = tCO₂e ÷ Net million revenue
5. Per capita emissions = tCO₂e ÷ Number of employees
6. The Company is continuously promoting reductions in Scope 1 and 2 emissions and has set a reduction target for 2024, aiming to decrease total operational emissions by 16.9% compared to the baseline year of 2020.
7. The Company began purchasing green electricity in 2023.

Investment/Financing Greenhouse Gas Inventory

Asset Type	2022		2023	
	Financial Carbon Emissions	Carbon Footprint	Financial Carbon Emissions	Carbon Footprint
Bond Investment	104,492	4.65	612,734	11.55
Equity Investment	20,338	1.85	17,917	0.78
Sum	124,830	3.73	630,650	8.29

Note: 1. Financial carbon emissions are measured in metric tons of carbon dioxide equivalent (tCO₂e).
2. Carbon footprint = Financial carbon emissions (tCO₂e) ÷ Investment amount (million).
3. Derivative financial instruments were not included in the asset types for 2023.

Key Investment and Financing Objectives

In alignment with Fubon Financial Holdings' SBT project for carbon reduction, Fubon Securities audits investment portfolio data. Each quarter, the Responsible Finance Team uses the SBT portfolio coverage to calculate the proportion of the portfolio held by companies

that have set SBTs. The goal is to achieve 100% SBT setting by 2040, with five-year phased targets for portfolio alignment. The list of companies with SBT targets set, as disclosed on the SBT website, is used as a reference for investment evaluations, and the Company regularly tracks the proportion of Scope 3 investment portfolios that meet carbon reduction targets.

Additionally, in adherence to Fubon Financial Holdings' green finance indicators set internally, the Company has strengthened its auditing process and gradually increased the amount of responsible investment. The balance of green finance investments grew from NT\$3.562 billion in 2022 to NT\$8.399 billion in 2023, with both the green finance indicators and green bond underwriting targets meeting the set objectives.



The balance of green finance investments in 2023
8.399 billion NTD
Percentage of green bond underwriting **73%**

Low-carbon Indicators	2022	2023	2025 Target	2027 Target	2030 Target
Green Finance (100 million NTD)	35.62	83.99	69	88	119
Percentage of Green Bond Underwriting (%)	56.3	73	34	38	45

4.2 Green Operation and Goals

Low-Carbon Initiatives

In response to climate change and the global trend of reducing greenhouse gas emissions, Fubon Securities is committed to creating a low-carbon operating environment. Since 2016, the Company has adhered to the "Climate Change Management Guidelines" established by Fubon Financial Holdings and issued an "Environmental Policy Statement" with environmental improvement goals set along with consistent energy-saving and carbon-reduction efforts. The main directions include:

1. Conducting annual greenhouse gas inventory certification and implementing measures to reduce greenhouse gas emissions.
2. Strategically upgrading energy-saving and water-saving equipment, enhancing energy-saving awareness, and reducing unnecessary electricity and water usage through management practices.
3. Installing solar power generation equipment and purchasing renewable energy.
4. Implementing waste sorting to reduce the production of waste.
5. Purchasing products with energy-saving, eco-friendly, and green building material certifications.
6. Regularly conducting environmental awareness campaigns to deepen employees' understanding of environmental sustainability.

Adoption of System Certification

Environmental Management	Since 2019, we have adopted the ISO 14001:2015 Environmental Management System certification from the British Standards Institution (BSI). The latest certification is valid until 2025.
Energy Management	Since 2021, we have adopted the ISO 50001:2018 Energy Management System certification from BSI. The latest certification is valid until 2024.
Greenhouse Gas Management	Since 2018, we have been conducting annual investigations for greenhouse gas inventories certified under ISO 14064-3:2006 and ISO 14064-1:2018. The latest certification under ISO 14064-3:2019 and ISO 14064-1:2018 standards was completed in 2023.

Reducing operational carbon emissions is one of the sustainability indicators of the "de-carbonization" strategy. The Company's target for reducing non-renewable electricity usage is set based on the baseline year of 2020. Through the collective efforts of all employees, we achieved an actual carbon reduction of 17% in 2023, exceeding the target.

Operational Carbon Reduction

Unit: %

2023			2024	2027	2030
Performance	Target	Achievement Rate	Target	Target	Target
12.6	17	135	16.9	29.5	42.2

Note: The calculation method involves multiplying the electricity consumption in kilowatt-hours of all operational sites in Taiwan by the conversion factor published by the Energy Administration, Ministry of Economic Affairs, for the previous year to obtain the carbon dioxide equivalent (CO₂e).

Energy Consumption Statistics

Energy Type		2020 (Baseline Year)	2022	2023	2023 Target
Non-renewable Energy	Non-renewable Electricity (Purchased Externally) (Kilowatt-hour)	15,497,518 ^{Note 3}	16,222,096	13,133,545	13,389,856
	(CO ₂ e)	7,888.24	8,257.05	6,501.10	6,627.98
	Gasoline ^{Note 1} (Liter)	113,137	91,530	10,984	97,750
	(Kilowatt-hour)	1,025,617	829,743	99,573	886,133
	Diesel Fuel ^{Note 1} (Liter)	3,969	1,870	1,801	3,429
	(Kilowatt-hour)	38,748	18,254	17,583	33,478
	Natural Gas (Cubic meter)	0	0	0	0
	(Kilowatt-hour)	0	0	0	0
Total Non-renewable Energy Consumption (Kilowatt-hour)		16,561,883	17,070,093	13,250,701	14,309,467
Renewable Energy	Energy Intensity ^{Note 2} (GJ/net million revenue)	3.78	3.93	2.66	-
	Purchased Renewable Electricity (Kilowatt-hour)	0	0	181,623	200,000
	Self-generated Renewable Electricity (Kilowatt-hour)	0	0	14,579	15,000
	Total Renewable Energy Consumption (Kilowatt-hour)	0	0	196,202	215,000

Note 1: Calculation basis: The calorific value for vehicle-use gasoline is 32.635 MJ/L, and for diesel fuel, it is 35.146 MJ/L. 3.6 MJ equals 1 kWh. For 2023, the gasoline energy equivalent is calculated as 10,984×32.635÷3.6 = 99,573, and the diesel energy equivalent is 1,801×35.146÷3.6 = 17,583.

Note 2: Energy intensity = total non-renewable energy consumption (GJ) ÷ net million revenue. Net million revenue refers to the revenue figures in the individual financial reports. Prior to the Fubon Securities and Jih Sun Securities' merger, figures from the pro forma financial reports were used. Energy intensity for 2023 = Total non-renewable energy consumption ÷ Fubon Securities revenue = [(13,133,545×3,600,000) /1,000,000,000] ÷[17,786,369,000÷1,000,000] = 2.66.

Note 3: The carbon emission factor for non-renewable electricity is based on the coefficients published by the Energy Administration, Ministry of Economic Affairs. The coefficient for the baseline year (2020) is 0.000502 kg CO₂e/kWh, the coefficient for 2022 is 0.000509 kg CO₂e/kWh, and the coefficient for 2023 is 0.000495 kg CO₂e/kWh.

Note 4: The statistics are prepared as per the data listed in the ISO 14064-1 greenhouse gas inventory report.

Internal Carbon Pricing

Fubon Securities follows Fubon Financial Holdings' internal carbon pricing strategy. Through the "Carbon Reduction Benefit Assessment Program for Equipment Procurement," the Company enhances the carbon reduction benefits of company equipment, preemptively aligning with the Scope 2 implicit pricing model and responding to international trends and regulatory expectations. The cost-effectiveness of carbon reduction for purchased electrical equipment is evaluated using the following methods:

- Calculate the carbon reduction cost (carbon price) of the equipment and compare it with the average carbon reduction cost (average carbon price) of similar equipment.
- Carbon price = Net cost of equipment investment ÷ Estimated carbon reduction over its useful life
Average carbon price = Total net cost of investment in similar equipment over the years ÷ Total estimated carbon reduction over their useful life

The Company has begun purchasing equipment with lower power consumption, such as energy-efficient lighting. In 2023, a total of 1,255 non-energy-efficient lights were replaced across various branches, with an estimated annual energy savings of 155,500 kWh, reducing carbon emissions by 76.97 tons.

Using an average electricity price of NT\$4 per kWh, the carbon price (i.e., the cost per ton of carbon reduction) is calculated as: $[(1,225 \text{ lights} \times \text{NT\$}850) - (155,500 \text{ kWh} \times \text{NT\$}4 \times 5 \text{ years of useful life})] \div (76.97 \text{ tons of carbon reduction per year} \times 5 \text{ years of useful life}) = \text{NT\$} -5.4 \text{ thousand/ton}$. The estimated electricity savings over the useful life of the equipment are greater than the installation costs, resulting in a carbon price lower than the average carbon price for the year, which was NT\$3.0 thousand/ton, indicating excellent carbon reduction efficiency.

Proactive Investment in Renewable Energy

Reduction of Grey Power

Fubon Securities is committed to gradually reducing its operational carbon emissions and achieving annual grey power reduction targets through a three-pronged approach: self-initiated energy-saving measures, the procurement of renewable electricity, and the installation of solar panels.

Grey Power Reduction

2023			2024	2027	2030
Target	Performance	Achievement Rate	Target	Target	Target
13.6	15.3	112	18.1	31.7	45.4

Unit: %

The management measures for reducing grey power consumption include:

1. Gradually replacing equipment in branches with energy-efficient alternatives and reducing the leasing of office floors.
2. Purchasing renewable energy.
3. Installing renewable energy facilities.

Procurement of Renewable Electricity

In 2023, the Company procured 400,000 kWh of renewable electricity, with actual consumption from July to December totaling 181,623 kWh, resulting in a total carbon reduction of 89.9 tons. It is estimated that the cumulative procurement of renewable energy in 2024 will reach approximately 800,000 kWh, with a total carbon reduction of 396 tons. In the future, we will continue to set carbon reduction and grey power reduction targets according to the Company's operational needs, as well as increasing the purchase of renewable energy.

Solar Panel Installations on Company-Owned Assets

In 2023, the Company installed solar power generation equipment at its Chiayi branch, with an installed capacity of 67.2 kW. This self-generated power system, which began operation in October

2023, produced a total of 14,579 kWh by December 31, resulting in a carbon reduction of 7.21 tons. Following the Chiayi branch, we plan to install solar power generation equipment at the Zhudong branch in 2024, with a capacity of 31.4 kW. The estimated annual power generation is 32,772 kWh, with a total carbon reduction of 16.22 tons.

Implementation of Carbon Reduction Projects

Paperless Project

Reducing the use of photocopy paper is one of the goals of the "decarbonization" visioning strategy. Fubon Securities set a target to reduce A3 and A4 paper usage by 12% in 2023 and by 25% by 2030, based on 2019 usage levels. In 2023, the actual volume of photocopy paper used was 36,301 packs, a reduction of over 29% compared to 51,528 packs in 2019. This reduction saved over 7.6 million sheets of paper, achieving a target completion rate of 242%.

Photocopy Paper Reduction Goal

2023			2024	2027	2030
Target	Performance	Achievement Rate	Target	Target	Target
12	29	242	16	22	25

Unit: %

The paper-saving management measures and actions implemented are listed in the table below.

Measure	Concrete Action
Paperless Administrative Practices	All internal communications, official documents received from competent authorities, and external correspondence are electronic.
Paperless Meetings	Meeting materials are provided in electronic formats, internal meetings (including Board of Directors and Audit Committee meetings) are conducted using tablet computers, and the use of video conferencing for meetings is prioritized.
Paperless Business Practices	Customers are encouraged to opt for electronic statements; we also promote digital services such as the "Online Broker Statements," "Online Account Opening System," and "Online Credit Limit Adjustment System."
Paperless Archives	Paperless administrative processes are launched, replacing hardcopy documents with electronic files for record-keeping.
Photocopy Paper Management	In addition to advocating for double-sided printing, dual monitors are provided based on departmental needs to eliminate the need for printing documents during administrative tasks, and the procurement and usage of photocopy paper is monitored and manager monthly.



In 2023, solar panel installations on company-owned assets produced a total of **14,579 kWh**



Grey power reduction achievement rate of **112%** in 2023



Photocopy paper reduction achieving rate of **242%** in 2023



The Company procured **400,000 kWh** of renewable electricity in 2023

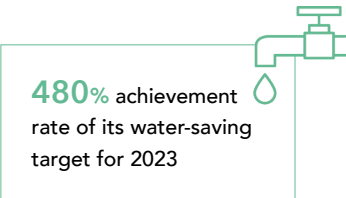
Water Resources Management Initiatives

In response to the potential risks of water scarcity due to climate change, Fubon Securities has implemented several water resource management initiatives, including:

- ongoing installation of water-saving devices, including dual-flush toilets and faucets in restrooms and pantries with water-saving valves.
- In some buildings, the condensate from air conditioning units is collected on various floors, which is then repurposed for garden irrigation, maximizing wastewater reuse.
- The Company remains attentive to internal water usage and regularly promotes water-saving measures. During the peak water usage period in summer, employees are reminded to conserve water. Water consumption in office buildings is also included as a criterion in environmental protection competitions. Through quarterly environmental assessments, water usage statistics are analyzed. Any abnormal increases are investigated, and improvement plans are formulated and implemented accordingly.

Under the "decarbonization" strategic vision, the Company has delivered an impressive 480% achievement rate of its water-saving target for 2023, thanks to the proactive water-saving strategies and the commitment of employees to sustainability practices.

The baseline year for water resource management is 2020, with a water-saving target of 4.5% set for 2023.



Water Use Statistics

Item	2020 (Baseline Year)	2021	2022	2023	2023 Target
Water Use from Tap Water (cubic meter (m³))	85,029	78,754	67,258	66,667	81,203
Water Consumption Per Person ^{Note 1} (cubic meter/person)	25.46	24.84	22.71	24.24	24.31

Note 1: The number of people used in the calculation for 2023 is 2,750.
 Note 2: The statistics are prepared as per the data listed in the ISO 14064-1 greenhouse gas inventory report.

In 2023, the Company saved water by 21.6%, representing a 480% achievement rate.

▶ Water Conservation Unit: %					
2023			2024	2027	2030
Performance	Target	Achievement Rate	Target	Target	Target
4.5	21.6	480	6	8.5	10

Water resources management measures implemented include:

- Replacing energy-saving air conditioning units at consolidated and some existing sites.
- Replacing old toilets and fixtures, and enhancing water-saving facilities during renovations.
- Continuously promoting water conservation awareness among employees.
- Monitoring and addressing abnormal water use and implementing improvement plans.

Waste Management Initiatives

In line with its commitment to environmental sustainability, Fubon Securities actively promotes and implements waste reduction in daily operations. This includes periodic electronic direct mails produced to reinforce waste sorting awareness. Steam boxes, microwaves, and water dispensers are available in office spaces, encouraging employees to bring their meals and use reusable utensils. Additionally, employees are encouraged to bring their water bottles to meetings, as the Company no longer provides bottled water. Employees are also urged to properly sort and recycle waste, with regular weighing and tracking of waste quantities to monitor the effectiveness of waste reduction efforts across various sites.

Starting in 2023, we have intensified the environmental advocacy at branch offices, encouraging customers to reduce the use of disposable items and to engage in thorough recycling practices. These waste reduction initiatives have yielded significant results, with the achievement rate of 936.7%.



Waste Production Volume	2021 (Baseline Year)	2022	2023
Total Waste Volume (A) (Ton)	230	203	125.9
Recyclable Waste Volume (B) (Ton)	129	109	62.6
General Business Waste Volume ^{Note 1} (C=A – B) (Ton)	101	94	63.3
General Business Waste Volume Per Capita (Ton/person)	0.032	0.032	0.023

Note 1: All general business waste is handled by commissioned waste treatment service providers through incineration with heat recycling.
 Note 2: The number of people used in the calculation for 2023 is 2,750.
 Note 3: The statistics are prepared as per the data listed in the ISO 14064-1 greenhouse gas inventory report.

In 2023, we achieved a remarkable per capita waste reduction of 28.1%, with an achievement rate of 936.7%, demonstrating outstanding effectiveness.

▶ Reduction in Wwaste Generated Per Capita Unit: %					
2023			2024	2027	2030
Performance	Target	Achievement Rate	Target	Target	Target
3	28.1	936.7	4	6	7.5

Waste reduction management measures include:

- Banning the use of disposable chopsticks and polystyrene in office spaces.
- Excluding plastic water cups from the procurement system.
- Continuously enforcing the green procurement policy by purchasing products with energy-saving, eco-friendly, and green building material certifications.
- Implementing specific measures to enforce waste sorting, effectively minimizing waste generation while maximizing resource recycling.

4.3 Sustainable Supply Chain

Fubon Securities actively integrates sustainability principles into various aspects of its operations and takes concrete actions to implement them. In its supply chain system, the Company leads suppliers towards a path of collective sustainability. We also adhere to Fubon Financial Holdings' Supplier Selection Policy to establish a joint management mechanism for continued collaboration on relevant operations.

Supplier Management Policy

For supplier management, Fubon Securities adheres to the "Fubon Financial Holdings and Its Subsidiaries Electronic Procurement and Supplier Management Guidelines." These guidelines stipulate that suppliers must not be sanctioned targets under Taiwan's "Counter-Terrorism Financing Act" or identified or investigated as terrorists or terrorist organizations by foreign governments or international organizations as referred by the competent authorities. Companies must undergo verification to confirm their legal establishment, normal operation, lawful tax payment, good credit standing, and absence of default risk before qualifying as a supplier for the Company.

To promote the sustainable development of suppliers, the Company follows the "Fubon Financial Holdings and Its Subsidiaries Supplier Sustainable Development Code." This code requires the Company's suppliers to comply with legal regulations in areas such as labor rights and human rights, labor health and safety, environmental protection, and the prohibition of dishonest behavior. Suppliers must also sign the "Supplier Standard of Conduct Pledge," committing to all relevant regulations of Fubon Securities. New suppliers are required to complete the "New Supplier Sustainability Risk Self-Assessment Checklist" to allow the Company to assess their ESG implementation.

In 2023, the electronic procurement system of Fubon Financial Holdings included a total of 1,695 suppliers, covering six categories: information equipment/services, construction and renovation, office equipment, printed materials, labor services, and general supplies. Fubon Securities identified and selected 40 key suppliers from this pool.

ESG Selection Criteria for New Suppliers

Environmental protection (E)	Society (S)	Corporate Governance (G)
Suppliers shall pay close attention to environmental protection, covering aspects such as the management and restriction of toxic substances, wastewater and solid waste disposal, air emissions, environmental permits and reporting, pollution prevention, and energy conservation. Suppliers should take concrete actions to reduce harm to the natural environment and fulfill their corporate social responsibility.	Suppliers shall respect labor rights and human rights, addressing key areas such as anti-discrimination, prohibition of harsh treatment and harassment, prohibition of forced labor, elimination of child labor, regulation of working hours, provision of fair wages and benefits, and support for freedom of association. Suppliers should also provide multiple channels for workers to file complaints and offer necessary remedies. Suppliers shall ensure the health and safety of workers, including aspects like occupational safety, industrial hygiene, prevention of occupational injuries and illnesses, and overall worker health and safety.	Suppliers shall comply with principles of integrity. Any dishonest behavior is strictly prohibited. Under no circumstances should suppliers offer or promise to provide commissions, kickbacks, or any improper benefits, whether directly or indirectly, in response to requests or as part of any agreement. Suppliers are also prohibited from engaging in any other actions that violate trust, are illegal, or go against fiduciary duties.

Supplier Evaluation and Procurement Mechanism

Fubon Financial Holdings' electronic procurement system serves as a platform for suppliers to access information on open tenders and participate in bidding. This platform is also used to conduct online corporate social responsibility (CSR) training for suppliers, which is mandatory before they take part in procurement activities. To manage supplier service quality and encourage the continuous improvement of sustainability practices, Fubon Financial Holdings has implemented a reward and penalty management mechanism based on suppliers' contract performance records and adherence to the aforementioned guidelines. Suppliers with poor performance records or significant violations of the guidelines may face downgrading or suspension, while those with excellent performance records or CSR implementation may see an enhancement in their partnership status.



Education, Training and Engagement

Supplier Education and Training

Since 2022, Fubon Securities has been offering sustainability education and training courses to suppliers through the electronic procurement system. Following the 2022 digital course titled "From Corporate Carbon Inventory to Taiwan's Path to Net-Zero Emissions by 2050," the 2023 theme focused on "How to Implement Supplier Sustainability Management." This course set out to educate suppliers on the importance of supplier sustainability management, practical strategies and action plans for businesses of different sizes, including the establishment of relevant management mechanisms and implementation of annual evaluations. These efforts help strengthen the understanding of ESG issues among upstream and downstream suppliers, fostering a comprehensive sustainable development supply chain.

Supplier Evaluation

In July 2023, Fubon Financial Holdings selected qualified suppliers and invited them to complete an online assessment questionnaire through the electronic procurement system. The questionnaire was designed based on standards and guidelines such as PAS 7000 for supply chain risk management, GRI Standards, ISO 20400, and the OECD's supply chain management guidelines. The responses were then reviewed through a written evaluation process. The response rate in 2023 is 98%.

Each year, Fubon Financial Holdings conducts an ESG evaluation of suppliers, joining forces with suppliers to promote sustainable transformation. For key suppliers, supplier engagement is conducted through on-site audits in batches each year to examine the suppliers' actual ESG practices and verify the assessment results of reports submitted.

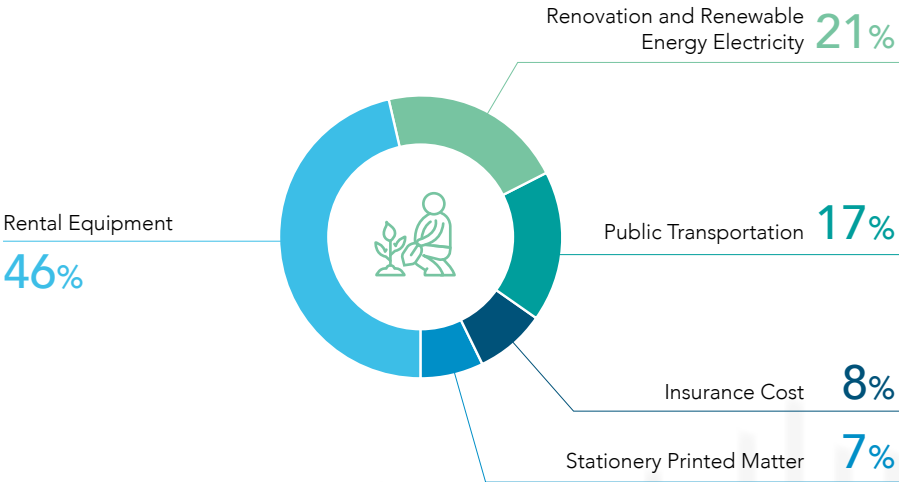
Supplier Exchange Conference

Fubon Securities actively promotes the concept of corporate sustainable development and conveys our ESG goals and expectations to partnering suppliers. We encourage suppliers to place importance on sustainability issues in a joint effort to fulfill corporate social responsibility. On December 26, 2023, Fubon Financial Holdings and its subsidiaries held the "Supplier ESG Exchange Conference," where suppliers who excelled in the ESG evaluation and those who made outstanding improvements received commendations. Feedback on the evaluation results and optimization suggestions were provided to the suppliers at the conference as well. Additionally, Fubon Financial Holdings' Chief Information Security Officer shared insights on "Collaborative Information Security and Mutual Benefit," discussing the current challenges in the cybersecurity environment and the information security requirements that Fubon Group expects from its suppliers. This session helps suppliers enhance their awareness of information security management with ESG considerations in mind and seek improvement in sustainability practices.

Green Procurement

Fubon Securities is committed to practicing green procurement by carefully selecting procurement items to minimize the environmental impact of its purchasing activities. When making procurement decisions, the Company prioritizes environmentally friendly products with certifications for eco-friendliness, energy efficiency, carbon reduction, water conservation, green building materials, the Energy Star label, and sustainable forestry label by the Forest Stewardship Council (FSC). By doing so, we actively contribute to a sustainable supply chain. Going forward, the Company plans to gradually increase the proportion of green procurement as it integrates sustainability strategies into procurement practices to achieve its sustainable development goals.

2023 Sustainable Procurement Overview



Green procurement amount **71,707,646 NTD** in 2023
10.3% of green procurement out of total procurement (695,989,047 NTD)

5

Sustainable Workplace
and Career

Highlights

- We attach great importance to the right of gender equality at work. The ratio of men to women in management positions is **51:49**, which is an equal proportion.
- There is a **labor-management committee** that holds labor-management meetings every quarter to promote labor-management relations.
- Investment of **NT\$ 3.58 million** in employee sustainable development and transformation training, accounting for **29%** of the total education and training expenses; sustainable financial manager certificate course, **100%** of colleagues who participated in the course obtained the professional certificate.
- The employee stock ownership trust plan has a provision amount of **NT\$ 57.76 million**; long-term bonuses of **NT\$ 3.74 million** are issued to employees who have served for 10 years or multiples thereof.
- More than **NT\$ 11 million** in childbirth, childcare, and education subsidies were distributed, and the crude birth rate reached **8.4%**, which is **1.4 times** the crude birth rate in Taiwan as a whole.
- Regularly implement health examinations every two years that exceed the frequency and items of the law. The examination rate of all employees is **86.02%**, and health talks are held based on the results of the health examinations.
- Formulate **occupational safety and health policies**, promote employee protection measures, and strengthen occupational safety education and publicity to protect the safety and health of colleagues.
- Identify **major human rights issues** related to employees and follow-up management methods to ensure that all major issues are properly followed up and continuously monitored.
- Establish a "**Human Rights Remedy Management Plan**" and a "**Human Rights Related Complaint Mechanism**" so that all employees can be treated fairly and with dignity.



Fubon Securities values gender equality in the workplace, providing employees with fair and reasonable treatment, diverse employment opportunities, and career development. The Company is committed to gender equality in salary, benefits, promotion opportunities, and retirement benefits by actively promoting gender equality measures. We foster an atmosphere of diversity, respect, and harmonious communication while continuously advancing talent development, attraction, and retention programs to create a healthy and safe work environment. Moreover, through the employee engagement survey conducted every two years, we understand key internal issues and employee satisfaction with the Company.

5.1 Diverse Workplace

Workforce Overview

Fubon Securities follows the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Recruitment, Selection, and Employment Management Principles" for its recruitment and employment operations. When hiring employees, the Company adheres to labor-related laws and regulations set by the competent authorities, including the "Labor Standards Act," "Employment Service Act," "Act of Gender Equality in Employment," and "People with Disabilities Rights Protection Act." As of the end of 2023, the Company has a total of 2,750 employees, including 2,737 full-time employees, three non-guaranteed-hours employees, and ten temporary employees.

Employee Composition

• By Contract Type

Employee Category	Number of People	Percentage (%)
Full-time Employee	2,737	99.53
Non-guaranteed Hours Employee	3	0.11
Temporary Employee	10	0.36
Sum	2,750	100.00

Note: Employee category definitions:

- Full-time employee: An employee whose daily working hours meet or exceed the maximum working hours as required by local regulations. According to Taiwan's Labor Standards Act, the normal working hours for workers should not exceed eight hours per day. Therefore, a full-time employee is defined as one who works eight hours per day.
- Non-guaranteed hours employee: An employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but may be required to be available for work as needed.
- Temporary employee: An employee who has signed a contract with a specified duration (i.e., a fixed-term contract). This contract expires at a designated time or ends upon the completion of a specific task or event that has an evaluation timeline (e.g., the end of a work project or the return of the employee whose position was being temporarily filled). Examples include interns, part-time/hourly-based workers, and massage therapists.

• By Gender

In terms of gender distribution among employees, male employees account for about one-third, while female employees make up approximately two-thirds. This demonstrates the Company's commitment to implementing gender equality policies in its recruitment and employment practices.

Employee Category	Male		Female	
	Number of People	Percentage (%)	Number of People	Percentage (%)
Full-time Employee	958	35.00	1,779	65.00
Non-guaranteed Hours Employee	0	0	3	100.00
Temporary Employee	0	0	10	100.00
Subtotal	958	34.84	1,792	65.16

• By Job Level

Job Category	Male		Female	
	Number of People	Percentage (%)	Number of People	Percentage (%)
Management	177	51.30	168	48.70
Non-management	781	32.65	1,611	67.35
All Staff	958	35.00	1,779	65.00

Note: Employee category definitions:

- Management refers to personnel at the rank of section chief and above (including the CEO).
- Non-management refers to all employees who are not in management positions, i.e. those below the rank of section chief..

• By Region

As of the end of 2023, the number of full-time employees by region in Taiwan are as follows.

Region	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan	Sum
Full-time employee	2,100	279	317	41	2,737

• Non-Employee Workers

In addition to the employees mentioned above, the Company hires two non-employee workers who are dispatched personnel.

Employee Category	Male	Female	Sum
Dispatched Personnel	0	2	2

Diverse Employees

To promote a culture of diversity and inclusion, Fubon Securities ensures that employment decisions are never based on social or physiological factors and is committed to creating a friendly and happy workplace environment. As of the end of 2023, the Company employed 28 individuals with disabilities and one foreign national. Going forward, the Company will continue to offer suitable job opportunities to disadvantaged groups, respecting their employment rights.

• **Composition of Female Employees**

The Company places great emphasis on the development and training of female employees in the workplace. We foster a diverse pool of female talent in a gender-friendly workplace to enhance the Company's competitiveness. As of the end of 2023, women held 49% of management positions.

Category	Female	
	Number of People	Percentage (%)
Employee	1,779	65.00
Non-management Employees	1,611	67.35
Management Positions	168	48.70
Junior Management Positions	152	52.41
Mid-to-senior Management Positions	16	29.09
Steam-related Departments	275	15.46

Note: 1. Junior management refers to section chiefs; Mid-to-senior management refers to department heads (including) up to the President.
2. STEAM stands for Science, Technology, Engineering, Arts, Mathematics. This category refers to employees who apply their expertise in these areas to their work.
3. Fubon Securities' STEAM employees are primarily distributed across the Digital Finance Department, Financial Engineering System Planning Section, Investment Banking Department, Information Services Department, Data Science Department, Finance Department, Accounting Department, Performance Management and Planning Department, Risk Management Department, High-Frequency Information Systems Section, and Program Trading Section.

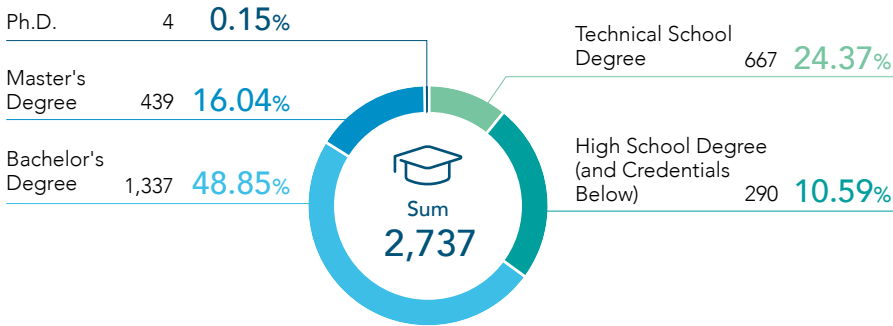
• **Employment of Persons with Disabilities**

Fubon Securities encourages the employment of persons with disabilities, providing them with a platform to showcase their talents while ensuring their employment rights. In 2023, we exceeded regulatory requirements by hiring more employees with disabilities than mandated.



• **Academic Credentials of Full-Time Employees**

Unit: people



New Hire and Turnover Statistics of Full-Time Employees in 2023

Newly Hired Full-Time Employees

Unit: people

Gender	Under 30 Years Old	30 to 50 Years Old	Over 51 Years Old	Sum	Total Number of New Hires	Total Number of Employees	New Hire Proportion
Male	38	46	8	92	180	2,737	6.58%
Female	41	46	1	88			

Turnover of Full-Time Employees

Unit: people

Gender	Under 30 Years Old	30 to 50 Years Old	Over 51 Years Old	Sum	Total Employee Turnover	Total Number of Employees	Employee Turnover Proportion
Male	28	56	51	135	356	2,737	13.01%
Female	26	96	99	221			

New Hire and Turnover of Full-Time Employees by Region

Unit: people

Region	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan	Sum
New Hire	154	14	11	1	180
Resignation/termination	253	62	36	5	356

5.2 Talent Development and Retention

Recruitment Strategy and Activities

Diverse Recruitment Channels

Fubon Securities attracts well-rounded talent through diverse recruitment channels and social media promotion to enhance competitiveness, strengthen the Company's talent structure and expand its human capital. The recruitment channels and outcomes for 2023 are as follows.

Recruitment Channels	104 Platform	Fubon Employee Referral	Headhunting Firms	Fubon Financial Holdings' Website	Industry Peer Referral	Job Transfer	Others
Number of Recruitments	50	65	4	18	3	20	20

Talent Recruitment Activities

In response to the evolving financial industry landscape and digital development trends, the Company actively engages with academic institutions, discovering financial and digital talent through industry-academia collaborations, including courses, lectures, internship programs, and corporate visits. In 2023, Fubon Securities participated in National Taiwan University's Campus Job Fair to promote various job openings and Management Associate Program recruitment to the younger generation. The Company aims to attract like-minded young talents to grow alongside the organization and achieve the goal of sustainable corporate development.

Compensation System

The compensation structure for all employees at Fubon Securities includes fixed compensation and variable compensation, which includes performance bonuses. To reward current employees and appeal to more outstanding talent, annual salary adjustments are made based on the Company's performance for the year and by referencing market salary levels to ensure competitive compensation. The average annual salary increase in 2023 was 3.1%.

Female to Male Compensation Ratio

Job Level	Compensation Category	2023
Vice president and executives above	Base salary	84 : 100
	Base salary + bonuses	76 : 100
Managerial position (excluding positions above vice president)	Base salary	77 : 100
	Base salary + bonuses	75 : 100
Non-management	Base salary	89 : 100
	Base salary + bonuses	97 : 100

Salary of Full-Time Non-Management Employees

Weighted Average Number of People (people)	Weighted Average (NTD)	Weight Median (NTD)
2,697	1,575,498	1,254,897

Annual Total Compensation Ratio

	2023
Total annual compensation of the person with the highest compensation in the Company to the median total annual compensation of all employees	16 : 1
Total annual compensation increase rate of the person with the highest compensation in the Company to the median total annual compensation increase rate of all employees	15 : 1

Talent Retention Incentive System

Fubon Securities has implemented the following incentive measures to boost employee morale and continuous efforts towards business goals, actively retaining talent to enhance human capital and invite them to prosper alongside the Company.

Incentive Measures	Eligibility	Execution Method	2023	
			Number of people	Amount
Stock Ownership Trust	Employees can freely apply to join after the probationary period.	The Company allocates a corresponding amount of funds (company contribution) based on the employee's job title, which is combined with the employee's self-contributed amount (employee contribution) to purchase company stock. The higher the job title, the greater the company's contribution. ^{Note}	2,185 (participation rate: 79.6%)	Total contribution: 57.76 million NTD
Awards for Long-tenured Employees	Employees with 10 years of service or multiples thereof	The Company follows the "Fubon Financial Holdings Rules on Incentives for Long-tenured Employees," offering up to seven days of service leave and a maximum reward of 100,000 NTD to employees with 10 years of service or multiples thereof.	152	Total distribution: 3.74 million NTD
Bonus Deferral Policy	Talented personnel crucial to organizational development	The Company follows the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Bonus Deferral Policy," which specifies the criteria, proportion, duration, method, and clawback mechanism for deferred bonuses. The deferral rate for key talents is over 30%, with deferred bonus units calculated based on the Company's common stock closing price and settled proportionally over three years, with yearly settlements upon maturity.	-	-

Note: Company contribution: The Company matches the employee contribution amount, with proportional payout based on participation period. Payout proportions for 2 and 4 years are 75% and 100%, respectively. Employee contribution: A fixed amount contributed monthly by the participant based on their job title.

Employee Communication

Committed to creating a respectful, communicative, and friendly workplace environment, Fubon Securities provides various communication channels to gather diverse opinions from employees, which serve as references for systematic improvement. At the same time, we ensure that communication with employees is regular and effective so that employees' rights and opinions are valued, promoting harmonious labor relations and an ideal working atmosphere for employees.

Employee Engagement Survey

To effectively understand employees' thoughts, how they identify with the Company, as well as suggestions for improving company policies, Fubon Securities conducts an employee opinion survey every two years. The feedback collected is discussed with various departments to develop action plans, fostering a sustainable corporate environment for prosperity shared among the Company and its employees.

As the Company values employee feedback, under the "Empowerment" sustainability strategy, the "Engagement" and "Participation Rate" of the employee opinion survey are listed as corresponding sustainability indicators, with specific annual targets. The most recent employee engagement survey was completed in the third quarter of 2022, with a participation rate of 80% and an employee engagement score of 70 points. "Engagement" reflects employees' commitment to and identification with the Company, pertaining to their self-recognition of active engagement, work support, and health. The survey structure covers aspects such as work experience, organizational operations, strategic priorities, and talent management, encompassing a total of 20 topics and one open-ended question. The results of the employee engagement survey are summarized in the table above.

Three key issues were identified from this engagement survey, which led to the launch of action plans in 2023. These plans were discussed with relevant departments as part of the employee engagement improvement initiatives. The details of the improvement plans are as follows.

Employee Engagement Improvement Plan

Plan	内容
Enhancing Compensation and Benefits	- The revision of the bonus system will be communicated and explained through labor-management coordination meetings. Online sessions will also be held to directly engage with sales personnel, fostering a shared understanding between the sales team and the Company. - Annual salary adjustments consider market salary levels, individual annual performance evaluations, and internal company regulations within the budget for salary increases. In addition, employee benefits will be consistently enhanced, including initiatives like the Happy Cafeteria, employee fitness center, childcare subsidies for employees' children, and increased meal allowances, all aimed at boosting employee well-being and happiness.

Year	2022-2023
Total Number of Survey Recipients	1,569
Number of Respondents	1,255
Response Rate (%)	80
Overall Engagement	70

Note: The survey employed a five-point scale (Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree). An engagement score of 70 points indicates that 70% of the surveyed employees selected the first two options (Strongly Agree or Agree), representing the sum of positive feedback.

Plan	内容
Talent Cultivation Plan	- The Company plans common courses and provides project-based training, offering both in-person and online educational training sessions to enhance employees' professional skills. Efforts are also made to further promote training course content, ensuring that employees have timely and comprehensive access to these courses. - Through rewards and subsidies for certifications, employees in relevant fields are encouraged to further develop their professional competencies. To support employees' diverse development, the Company also plans subsidies for certifications aligned with overall corporate development strategies, which are available to employees regardless of their job category or position.
Work Environment Optimization	- The smoking area is relocated to a less trafficked area to prevent non-smoking employees from being exposed to secondhand smoke. - Environmental safety is enhanced by the consistent strengthening of cleanliness and dryness in public areas, laying down non-slip mats, and maintaining a safe and comfortable working environment.

Labor-Management Interaction

- Labor-Management Committee**
Fubon Securities has a Labor-Management Committee, which holds meetings every quarter in accordance with the "Implementation Guidelines for Labor-Management Meetings." Since 2006, the Company has been convening labor-management meetings, and the committee is currently in its 6th term. The term of the labor-management representatives is four years. In this term, there are a total of ten representatives, with five company-appointed management representatives and five labor representatives elected by all employees. Regular labor-management communication is aimed at strengthening cooperation and promoting harmonious labor relations.

Each quarterly labor-management meeting covers announcements and discussion items, with topics listed as follows:

Announcements	Discussion Items
- Implementation status of resolutions from the previous meeting - Labor dynamics: number of workers, changes in labor, turnover rate, etc. - Production information: business production plans, business overview, market conditions, etc. - Labor-related matters: activities, welfare projects, improvement of the working environment, etc.	- Labor-management relation coordination to promote cooperation - Working conditions - Planning of labor benefits - Work efficiency improvement - Selection and dismissal of labor-management meeting representatives - Operation of labor-management meetings

- Collective Agreement**
Since 2011, employees of Fubon Securities have been eligible to join the union of Fubon Financial Holdings. On October 3, 2019, the Company further signed a collective agreement with the Fubon Financial Holdings Union. As of the end of 2023, a total of 1,963 employees have joined the union with a participation rate of 71%.

• Minimum Notice Period for Operational Changes

If the Company ceases operations, transfers ownership, incurs losses, changes the nature of its business, or if an employee is deemed incapable of performing their duties, the Company will issue a notice of termination within the time-frames stipulated by the "Labor Standards Act."

Years of Service	Where a worker has worked continuously for more than three months but less than one year	Where a worker has worked continuously for more than one year but less than three years	Where a worker has worked continuously for more than three years
Notice Period	Ten days' notice	Twenty days' notice	Thirty days' notice

Talent Cultivation

Fubon Securities follows the ESG Visioning blueprint of Fubon Financial Holdings, which outlines four sustainability strategies: "Decarbonization, Digitalization, Empowerment, and Connection." The "Empowerment" strategy focuses on creating a friendly, healthy, and happy workplace. Through talent development and cultivation, the Company aims to nurture and retain talent, ensuring that they can contribute to the Company while enjoying opportunities to fully leverage their potential.

The Company has a comprehensive training system in place, offering employees diverse and professional training courses. It actively plans for employees to participate in various financial professional lectures, digital technology courses, and ESG sessions, covering themes such as sustainable impact, sustainable finance, and green operations. The goal is to not only enhance employees' professional competencies but also internalize ESG practices as the cornerstone of corporate sustainable development.

Diverse Education and Training

The Company places great emphasis on the career development of its employees. We actively plan a variety of professional skill training courses and encourage employees to continually advance their professional skills, without being limited to their areas of expertise, to adapt to the current digital trends and the rapidly changing environment of the financial industry.

The education and training courses and outcomes organized by Fubon Securities for various target groups in 2023 are as follows.



Education and Training
total **343,201** hours in 2023

Target	Training Course	Content			Outcomes
Board Directors	- Statutory courses - Management training - Sustainability courses	Courses on the legal obligations and responsibilities of directors	- Director Roles and Compliance Responses to the Challenges of Management Rights under Corporate Governance 3.0 - Industry Change, Opportunities, and Challenges in Light of Generative AI		Training outcomes are compliant with relevant laws for continuous education. Total training hours for all directors: 144 hours
		Courses on ESG sustainability and responsibilities	- ESG Sustainable Finance Initiative – Strengthening Digital Resilience and Developing Corporate Cybersecurity Strategies - ESG information disclosure trends and regulations		
Senior Executives	Management training	- Change leadership - Performance management	- Labor laws and management practices - NTU Leadership Refinement Program		The NTU Leadership Refinement Program proposed two applied research projects addressing unresolved company issues. Total training hours for all senior executives: 3,021 hours
All Staff	Regulatory compliance courses	Personal Data Protection Act	Money Laundering Control Act	Financial Consumer Protection Act	Overall course satisfaction: 4.6 out of 5 Total training hours for all staff: 180,545 hours
	Professional skills training	Presentation design	Project proposal	SQL and database applications	
	Sustainability courses	ESG Visioning Project	Treating Customers Fairly Principles (including the Friendly Financial Service Guidelines)		
Financial Industry Practitioners	Statutory pre-employment/on-the-job/qualification training	- Securities on-the-job training - Futures on-the-job training	- Financial management on-the-job training - Trust on-the-job training		Total training hours for all relevant practitioners: 159,491 hours
	Business personnel training	Retirement planning	Tax planning		

Diverse Dimensions of Training

Our training covers common courses for basic competencies, thematic courses that meet individual business responsibilities, and ESG sustainability courses. Additionally, we also have digital platforms that offer diverse learning topics, enabling employees to complete mandatory training on the platform and explore a variety of learning resources to enhance their abilities comprehensively.

Training Dimension			Description
Professional Courses	Common courses		- Various statutory pre-employment/on-the-job/qualification training - Regulatory compliance and information security courses
	Thematic courses		Various common courses and project-based training based on the Company's business development and the needs of each position and career development
	Sustainability Courses	Lessons on ESG, ESG Visioning Project	- To foster consensus among employees on ESG and understand the core values of the group's sustainability - To integrate sustainability concepts into daily business activities
Self-directed Learning	Digital Platforms	Fubon Academy, Hahow	- Online courses on diverse topics, including financial expertise, business management, workplace skills, language proficiency, regulatory compliance, etc. - To enhance employees' willingness to engage in self-directed learning

Education and Training Outcomes over the Past Two Years

With a great emphasis placed on education and training, the Company invests substantial resources annually to develop diverse competencies among employees. Below is key information on the Company's education and training efforts.

Item	2022	2023	Increase/decrease Rate (%)
Total Number of Courses	433	425	-1.85
Training Hours	97,129	180,545	85.88
Records of Training Attendance	50,185	101,189	101.63
Training Expenses (1,000 NTD)	5,699	12,276	115.41
Number of Employees	1,787	3,096	73.25
Average Hours of Training Received Per Person	54.35	58.32	7.29
Average Number of Training Sessions Received Per Person	28.08	32.68	16.38
Average Training Cost Per Person (NTD)	3,189	3,965	24.33

Note: Training hours and attendance numbers are cumulative data for the entire year (including training records of employees who left in 2023). The number of employees includes both the number of employees at the end of 2023 and those who left during the year.

Sustainability Training

- Implementing Internal ESG Capacity Building**

Since 2022, the Company has regularly provided all employees with sustainability training and has made it a mandatory course for new employees. The training covers topics such as international sustainability requirements and trends, green finance, the role of the financial industry in ESG, and the impact of sustainable finance. The goal is to enhance the professional knowledge of all employees regarding ESG issues, ensuring they understand how to integrate their work with ESG industry trends and embody core sustainable values. Through actively organizing ESG courses, the Company strengthens the sustainability mindset of all employees and builds a comprehensive talent pool, thereby enhancing corporate competitiveness.

Target	Course Title	Training Hours	Number of People Trained
New staff	Lessons on ESG	1.25	168
All staff	ESG Visioning Project	0.50	2,798
- Sustainable Finance Manager**

To enhance the core capacity of sustainability expertise, Fubon Financial Holdings planned a certification course for Sustainable Finance Managers with a training project launched in May 2023. The total training duration amounted to 440 hours. All employees from the task forces under Fubon Securities' Sustainable Development Committee who participated in the course successfully obtained the certification. This initiative successfully cultivated professional sustainable finance talents, enabling them to fulfill the functions of brokerage counseling and financial advisory, which assists enterprises in promoting sustainable transformation through the provision of sustainable financial services.

Future Financial Talent Development

Fubon Securities integrates practical experience with theoretical knowledge through industry-academia collaboration, such as corporate internships and training projects. This helps students quickly connect with the workplace and attracts well-rounded talents to join the Company, strengthening the Company's human capital and enhancing its competitiveness in response to the rapidly changing financial environment and digital transformation trends. In the future, we will continue to expand partnerships with university departments through industry-academia collaboration, offering diverse corporate internship opportunities and actively supporting the "empowerment" aspect of Fubon Group's sustainability strategy.

Industry-academia Collaboration Measures	Description	Outcomes
Corporate Internship	We provide internship opportunities for senior students majoring in finance-related fields. The first quarter of each year involves a survey of internship interest across universities, and by the second quarter, the list of accepted interns and their assigned branches is finalized. ^{Note}	In 2023, 30 interns were accepted, all of whom reported for duty.
Intern Training Project	Through practical business introductions from brokerages, students gain an understanding of the current domestic and international financial markets and learn about the front and back-office operations of securities, gaining a comprehensive view of the securities business. Those who perform exceptionally during the internship, obtain relevant certifications, and pass assessments will be given priority for employment in the second semester of their senior year.	In 2023, 10 students were given priority for employment.

Note: Partnering universities in 2023: Chihlee, Takming, Minghsin, Overseas Chinese, Huwei, and Fo Guang Universities.

Talent Development

Fubon Securities has a comprehensive talent development system that provides employees with excellent resources for further education and a conducive learning environment. In addition, it is integrated with a well-structured promotion mechanism and performance evaluation management system. This ensures that employees can continuously adapt to changes in the environment and business operations and enhance their professional skills with a clear direction for their career development.

Employee Sustainability Transformation Plan

Through strategic talent development plans, the Company aligns with sustainability trends and employee needs, actively reserves diverse potential leaders, enhances the quality of talent, deepens the professional perspectives of employees, stimulates innovative thinking, and strengthens the application of digital technology. Assisting employees in sustainable transformation is key to our steady progress toward sustainable operations.

In 2023, the Company invested **NT\$3,580,772** in employee sustainability transformation education and training, accounting for **29%** of the total training expenses.



Development Plan	Target	Content	Operational Benefits	Outcomes
ESG Training Program	New staff and all staff	In 2023, the "Lessons on ESG" training series was provided for new employees, while the "ESG Visioning Project" was offered to all employees.	Consistently enhance employees' awareness of sustainability to implement Fubon Financial Holdings' ESG policies.	"Lessons on ESG" had a total of 168 participants; "ESG Visioning Project" had a total of 2,798 participants.
Management Associate Program	New graduates	Each year, the Company recruits new generation talents from various fields, arranging systematic and diverse training content and rotational internships, with senior executives serving as mentors, providing strategic and managerial insights from multiple perspectives, and offering timely guidance and feedback to help MAs become well-rounded financial professionals in a short period.	Provide a comprehensive and in-depth experience that contributes to the cultivation of financial elites and management talents. The courses also cover sustainable finance, enriching the Company's human capital in financial expertise.	In 2023, a total of 16 MAs participated in the program.
Data Analyst Training Program	Managers and general employees	"NTU Information Management and Business Data Analysis" and "SQL and Database Applications" are arranged to continuously develop business data analysis capabilities for managers and general employees.	Understand the methods and possibilities of applying data to business decisions, comprehend data analysis principles and application scenarios for accurate data interpretation; acquire basic SQL programming syntax, understand the Company's database environment structure, and apply the acquired skills to daily tasks for quick data extraction and identification of anomalies and key points.	In 2023, four employees completed the "NTU Information Management and Business Data Analysis" course; 29 employees completed the "SQL and Database Applications" course.
Digital Technology Training Program		Diverse digital information courses on big data, AI, and fintech are planned.	Enhance managers' and employees' understanding of digital transformation and knowledge, stay abreast of fintech applications and digital development trends, and effectively improve financial service efficiency.	In 2023, the courses had 2,533 records of attendance.
Leadership Development Program	Managers at all levels	Diverse business management courses and lectures on trends and topical issues are planned.	Assist managers at all levels in maintaining diversified and positive management models, continually refining leadership and decision-making thinking.	In 2023, the courses and projects had 522 records of participation.
NTU Leadership Refinement Program		In collaboration with NTU, the Company organizes the "Refined Management and Practices Workshop," which integrates management theory and practice, supplemented with case discussions, providing managers with cross-disciplinary learning opportunities to broaden their perspectives.	Enable managers to learn from innovative business models, apply multi-angle thinking in leadership and management decision-making, and enhance strategic planning and leadership capabilities.	In 2023, nine managers completed the training.

New Talent Survey

To retain outstanding new talent, the Company conducts the "Young Talent—Employee Care Survey" targeting management associates and young employees. Below is an introduction to the survey and the survey outcomes in 2023.

- Target: ①Management associates who have been employed for one or two years, ②Young employees under the age of 35 onboarded in the previous year.
- Purpose: To understand the actual work situation and adaptation of employees and help supervisors grasp the status of employees and provide timely guidance or assistance.
- Survey dimensions: job content, workload, workplace environment, work willingness.

▶ Outcomes of the 2023 Employee Care Survey

Target	Statistical Results	Response Strategies
Management Associates (MA)	• "Job Content" had the highest agreement level, indicating that supervisors and MAs clearly communicated job responsibilities and reached a consensus, with MAs able to competently handle their current job content. • "Workload" had the lowest agreement level.	• Increase pre-communication or the use of diverse tools and resources to improve the achievement of work goals and execution efficiency. • MAs should directly communicate with their supervisors when faced with problems or difficulties.
Employees Onboarded in the Previous Year	• "Workplace Environment" had the highest agreement level, showing that employees get along well with surrounding coworkers and supervisors, and can receive support whenever needed. • "Workload" had the lowest agreement level, indicating that employees are still learning to balance work and life.	• Employees should feel free to express concerns, and supervisors and colleagues will provide timely assistance and feedback.

Career Development Mechanism

For the development of well-rounded talent in the financial sector, the Company follows the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Personnel Rotation and Transfer Management Guidelines" and the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Promotion and Salary Adjustment Management Guidelines." Through personnel rotation and other methods, the Company provides a platform for employees to showcase their talents, thereby stimulating employee potential, developing diverse skills, and enhancing ability and efficiency at work, ultimately maximizing the utilization of human resources.

There are two approaches to internal development opportunities, internal promotion and internal transfer. The mechanisms are explained as follows.

- **Internal promotion:** For employees with outstanding performance and substantial work experience whose professional knowledge and skills meet the Company's needs, appropriate internal promotions are offered to recognize their efforts and motivate them.

- **Internal transfer:** The Company has created an excellent environment for career development by offering opportunities for employees to develop their careers, gain work experience and foster their diverse skill sets. Employees are encouraged to apply for "cross-department" and "cross-group" transfers, which not only enhance organizational efficiency but also promote talent exchange within the Fubon Group, maximizing human resource synergy across the group.

Employee Promotion Statistics

Year	Number of employees by the end of the year	Number of Employees Promoted			
		Male	Female	Subtotal	Percentage (%)
2022	1,641	83	185	268	16.33
2023	2,737	92	151	243	8.88

Note: There has been a decline in the percentage for 2023 than 2022 because the total number of employees increased following the merger with Jih Sun Securities in 2023.

Employee Transfer Statistics

Year	Number of Employees by the End of the Year	Number of Employees Transferred within Fubon Securities				Number of Employees Transferred within Fubon Group			
		Male	Female	Subtotal	Percentage (%)	Male	Female	Subtotal	Percentage (%)
2022	1,641	37	44	81	4.94	14	12	26	1.58
2023	2,737	82	111	193	7.05	3	2	5	0.18

Performance Evaluation

Fubon Securities follows the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Performance Evaluation Policy," which requires all regular employees to undergo an annual performance review. Annual goals are set based on the category of the evaluation subjects and the nature of the employee's work.

Performance evaluation dimensions	Weight
Personal Goals	70%
Workplace Behavior	30%

For personal goal setting, at least 10% must be related to ESG and sustainability indicators. The achievement of employees' annual performance goals is used as a reference for annual salary adjustments, bonus distribution, and promotions. In 2023, 100% of the employees were subjected to performance reviews.

Performance Evaluation Timeline

Evaluation Phase	Personnel Involved	Performance Evaluation Process Description
Beginning of the Year	All employees and direct supervisors	Employees complete personal goal-setting by the end of March each year and discuss them with their direct supervisor. The annual performance evaluation content is agreed upon by both parties.
Mid-year	Direct supervisors conduct interviews with employees.	During the mid-year evaluation, the supervisor discusses the employee's work performance, provides feedback, and records it in the performance evaluation form. For underperforming employees, improvement plans should be developed.
End of the Year	All employees conduct self-evaluation and direct supervisors conduct the evaluation of employees.	At the end of the year, employees conduct a self-assessment of their goal achievement and workplace behavior. The supervisor then conducts a performance rating and interview, providing feedback and suggestions on outstanding performance or areas for improvement, which are recorded in the annual performance review.

5.3 Employee Benefits and a Healthy and Safe Workplace

Committed to providing comprehensive care for its employees and the promotion of healthy lifestyles, Fubon Securities organizes numerous activities each year, such as hiking, club events, wellness workshops, fitness exercises, and employee travel activities, all aimed at balancing employees' physical and mental health. In 2023, these activities had 13,251 records of attendance cumulatively. The Company also plans various sports courses annually and arranges for professional coaches to assist employees in physical training, promoting a culture of fitness among staff. Our efforts have been consistently awarded the Ministry of Education's "Sports Enterprise Certification." In addition, in response to rising prices, we increased the meal allowances for employees in 2023.

In 2023, Employee health promoting activities had **13,251 records of attendance cumulatively**



Diverse Employee Benefits

Employee Welfare Committee

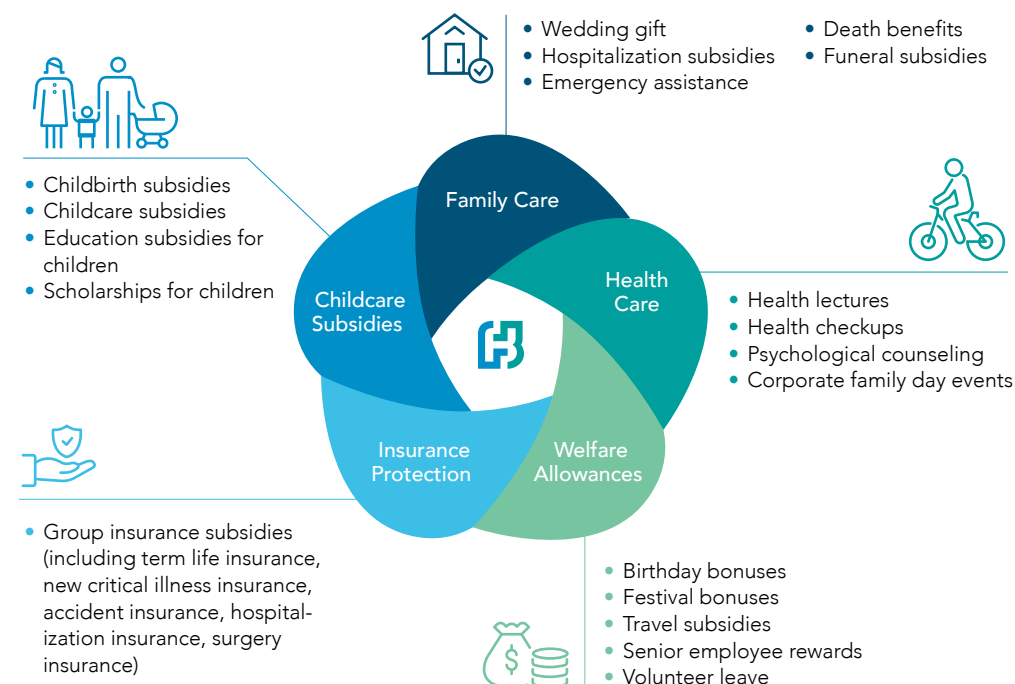
Fubon Securities has an Employee Welfare Committee in place, which oversees and promotes employee welfare-related matters. Welfare meetings are held quarterly in accordance with the Company's "Employee Welfare Committee Organizational Regulations."

Since 2006, the Company has been holding welfare meetings, with 2023 marking the 12th term. The term for labor-management representatives is three years. The current committee consists of 17 representatives: five company-appointed management representatives and 12 labor representatives elected by all employees. Through regular meetings, the committee discusses, formulates, and improves welfare measures to enhance employee well-being in a harmonious workplace environment.

In 2023, the Company held four Employee Welfare Committee meetings to actively plan and promote employee welfare initiatives, covering employee welfare topics such as the distribution of Lunar New Year bonuses, education subsidies for employees' children, the handling of employee welfare funds following the merger with Jih Sun Securities, and the review of new club applications.

Diverse Benefits System

Fubon Securities attaches great importance to ensuring the rights and benefits of its employees. In addition to complying with relevant legal requirements, the Company has established various benefit measures to meet employee needs. Employees are entitled to labor insurance, health insurance, various group insurance plans, and pensions as required by law. They also receive subsidies for childbirth, marriage, travel, and more, as well as several types of leave that exceed the requirements of the Labor Standards Act. The Company strives to offer the most comprehensive care for employees.



To increase the birth rate, the Company provides maternity leave, paternity check-up leave, and paternity leave that are more generous than those mandated by the Labor Standards Act. Additionally, the Company offers a birth subsidy of NT\$100,000 per child and a childcare subsidy of NT\$15,000 per year for each child aged 0 to 6. In 2023, the Company spent over NT\$11 million on childbirth and childcare subsidies and scholarships for employees' children. The annual crude birth rate among our employees reached 8.4‰, which is 1.4 times the national crude birth rate in Taiwan.

In 2023, the employee annual crude birth rate, which is **1.4 times** the national crude birth rate in Taiwan.



► Benefits Exceeding the Labor Standards Act's Requirements

Item	Maternity Leave	Parental Check-up Leave and Paternity Leave	Funeral Leave
Fubon Securities' Benefits	10 weeks	8 days	12 days
Labor Standards Act Requirements	8 weeks	7 days	8 days

Unpaid Parental Leave and Return to Work Statistics

Fubon Securities attaches great importance to gender equality in the workplace. In addition to complying with the "Gender Equality in Employment Act" by providing parental leave and ensuring that employees on parental leave without pay retain their benefits, the Company has also allocated nursing rooms in its office buildings. These initiatives help create a friendly and supportive workplace environment where employees' need for child-care support is fully addressed.

Item	Male	Female	Sum
Number of Employees Eligible for Parental Leave	40	69	109
Number of Employees Who Took Parent Leave in the Year	3	12	15
Number of Employees Who Should Return to Work in the Year (A)	1	12	13
Number of Employees Who Returned to Work in the Year (B)	1	11	12
Return-to-work Rate (B)/(A) (%)	100	91.67	92.31
Number of Employees Who Returned to Work in the Previous Year (C)	0	4	4
Number of Employees Who Remain Employed 12 Months after They Returned to Work in the Previous Year (D)	0	4	4
Retention Rate (D)/(C) (%)	-	100	100

Note: 1. Return-to-work rate = (Number of employees who returned to work in the year/Number of employees who should return to work in the year)x100%
2. Retention rate = (Number of employees who remain employed 12 months after they returned to work in the previous year/Number of employees who returned to work in the previous year)x100%

A Healthy and Safe Workplace

Fubon Securities is committed to establishing a high-quality and safe workplace environment. In accordance with the Occupational Safety and Health Act, the Company has developed several occupational safety and health policies, including the "Plan to Prevent Unlawful Harm in the Workplace," "Ergonomic Hazard Prevention Plan," "Plan to Prevent Illness Caused by Abnormal Workloads," and the "Maternal Health Protection Plan." By actively promoting various employee protection measures, the Company strives to ensure the safety and health of all employees and to prevent any risks in the workplace that could endanger them.

The Company fulfills its commitment to employee workplace safety and rights by enhancing employee awareness of occupational safety through various safety and health lectures and activities. Additionally, free psychological and legal counseling services are provided to help employees resolve issues and alleviate stress, safeguarding their physical and mental well-being.

Furthermore, the Company adheres to Fubon Financial Holdings' "Supplier Sustainable Development Code of Conduct," which requires suppliers to commit to the protection of workers' health and safety. This includes ensuring occupational safety, industrial hygiene, occupational injury and illness prevention, and compliance with relevant labor safety and health laws. The Company aspires to lead suppliers in prioritizing workers' rights and fostering a safe and positive working environment, thereby building a culture of sustainable corporate governance together.

Employee Health Risk Prevention Plans

The Company has established various prevention plans to manage and monitor risks that could potentially harm the health and safety of its employees. Appropriate care measures are provided to reduce the likelihood of occupational hazards and health risks, ensuring a healthy and safe workplace where employees can perform their duties at ease.

Plan	Description
Plan to Prevent Unlawful Harm in the Workplace	Each department regularly completes hazard identification and risk assessments for the prevention of unlawful harm in the workplace, evaluating whether there are any related potential risks. This is to establish a workplace culture that is safe, dignified, free from discrimination, respectful, inclusive, and provides equal opportunities.
Ergonomic Hazard Prevention Plan	Through a preliminary survey of musculoskeletal symptoms, workers who are at risk of existing or potential ergonomic hazards are identified. These workers are then scheduled for consultations with designated occupational health physicians for health guidance, thereby safeguarding employee health and well-being.
Plan to Prevent Illness Caused by Abnormal Workload	Based on the results of overload assessment questionnaires and health checks, safety and health measures are provided for workers subjected to abnormal workloads, such as shift work, night work, or long hours. These measures aim to prevent the onset of cerebrovascular and cardiovascular diseases due to excessive fatigue, ensuring the physical and mental health of employees.
Maternal Health Protection Plan	Appropriate consultations and measures are provided to female employees during pregnancy, postpartum, and breastfeeding periods to ensure their health.
Follow-up for Abnormal Health Check Results	For employees with abnormal health check results, medical guidance and improvement suggestions are provided through healthcare professionals. The subsequent improvement progress is tracked to prevent the onset of various diseases.

Health Risk Mitigation, Prevention Measures and Effectiveness

The Company conducts health check-ups every two years, with a frequency and scope that exceed legal requirements. In 2023, the participation rate of all employees in these check-ups was 86.02%. Health consultations were organized based on the health check results. Additionally, using the "Workload Risk Grading Table," we identified the "three highs" (high blood pressure, high blood sugar, and high cholesterol) as moderate-risk health issues and provided corresponding improvement measures to promote employee health.

Hazard Prevention	Impact Level	Prevention Plan/improvement Measures	Effectiveness
Three Highs	Moderate risk	- Continue to offer health check-ups for all employees. - Continue to provide health reminders based on health check results. - Offer health guidance and consultations conducted by the Company's nurses in collaboration with contracted occupational health service physicians.	For 267 employees (15.7%) identified with moderate to high risk in the 2023 health check reports, tiered care is implemented in 2024.

Employee Assistance Program

Fubon Securities values the physical and mental health of its employees. In 2023, four employee assistance programs (EAP) were implemented to help employees manage work-related stress and resolve difficulties encountered in daily life. These programs aim to help employees achieve a balance between work and life, thereby promoting their overall well-being.

Item	Records of Use/participation	Total Hours	Invested Budget (NTD)
Health Checkup	2,492	9,968.0	9,613,060
Health Consultation and Online Lectures	269	133.0	45,045
Psychological Counseling	27	22.5	102,030
Friendly/health Promoting Activities	59	5.0	-

Friendly and Health-Promoting Activities

"Total No. Times Employees Participated in Wellness and Health-related Activities" is one of the sustainability indicators under the "Empowerment" strategy. The Company organizes a variety of sports and health activities, providing employees with multiple options to balance their physical and mental health. In 2023, we organized hiking, various club activities, wellness workshops, fitness exercises, and employee travel events, with a total participation record of 13,251.

Sustainability Indicator - Empowerment	2023 Target	2023 Performance
Total No. Times Employees Participated in Wellness and Health-related Activities	11,000	13,251

Occupational Injury Statistics

In 2023, the Company had no incidents of employee injury or death due to occupational hazards.

Occupational Safety and Health Education and Training

To actively safeguard the safety and health of employees, Fubon Securities, in accordance with relevant legal requirements, provides occupational safety and health training for new employees upon onboarding. In addition, the Company arranges for all employees to participate in an "Annual Occupational Safety and Health" training session each year. These initiatives aim to deepen employees' understanding of workplace safety and health, enhance their ability to manage their health autonomously, and raise awareness of occupational safety risks, effectively preventing the occurrence of occupational hazards.

▶ Training Results

Course Theme	Records of Attendance	Number of Sessions	Total Hours
Occupational Safety and Health Training for New Employees	168	12	457
Annual Occupational Health and Safety Training	2,723	1	2,723

5.4 Human Rights

Human Rights Commitment

Dedicated to upholding basic human rights and eliminating any acts that infringe upon or violate these rights, Securities strictly adheres to relevant national labor laws and the "Human Rights Policy" established by Fubon Financial Holdings in its efforts to foster a human rights protection environment based on protection, respect, and remedy. The Company supports and follows the United Nations' Universal Declaration of Human Rights, the Global Compact, the International Labour Organization Conventions, the Principles for Responsible Investment, the Equator Principles, and local laws, ensuring that all employees are treated fairly and with dignity.

The "Human Rights Policy" applies to the following three target groups:

- Company employees and interns
- Suppliers and their employees: This covers first-tier suppliers and contractors who have direct business dealings with Fubon Securities.
- Partners and their employees: This includes general customers, corporate clients, investment targets, credit clients, and local communities.

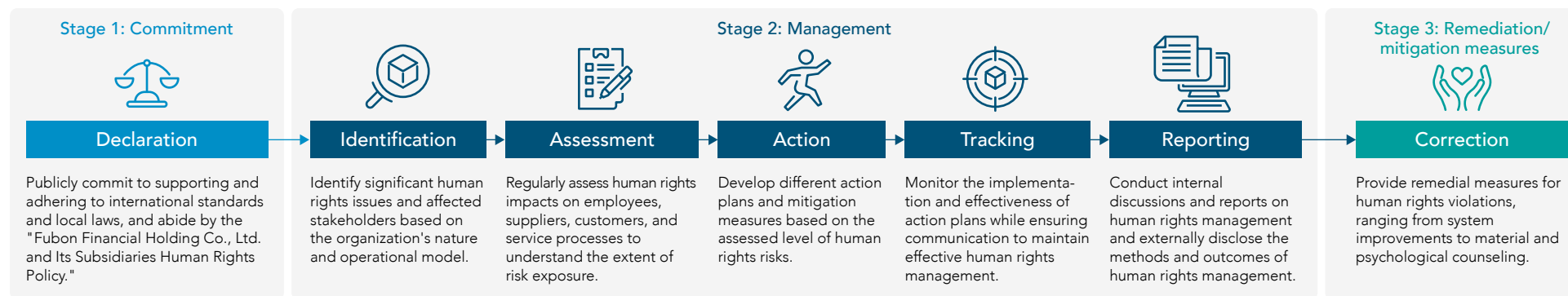


For details on the human rights commitment concerning suppliers and partners and their employees, please refer to Fubon Financial Holdings' Human Rights Policy.

Human Rights Management

Human Rights Due Diligence Management Process

In accordance with the reporting framework of the United Nations Guiding Principles on Business and Human Rights, Fubon Securities has established a human rights due diligence process to effectively manage human rights risks.



Human Rights Management - Employees

Following the human rights due diligence management process, the Company has identified significant human rights issues that concern its employees and the subsequent management methods listed below. This ensures proper follow-up and continuous supervision of these significant human rights issues.

Fubon Securities' Role	Significant Issues	Affected Group	Management Approach	Risk Level
Employer	Workplace health	Employees working long hours and those with "self-perceived musculoskeletal discomfort"	Ergonomic hazard self-assessment questionnaire, with subsequent hazard grading and recommended actions based on results.	Medium
	Forced labor	All employees	1. Regular monthly review of overtime in each department, with supervisors adjusting work as needed. 2. Abnormal workload and risk investigation.	Medium
	Workplace safety	All employees	Statistics on occupational injury/death incidents	Medium
	Workplace equality - Discrimination and unlawful harm in the workplace	All employees	1. Employee complaints and feedback mechanism 2. Investigation of unlawful workplace harm 3. The Company refers to market salary standards and sets a salary structure based on the skills and experience required for the position, striving to maintain salary fairness.	Medium
	Harassment	All employees	Sexual harassment case establishment	Medium
	Maternity protection	Pregnant or postpartum (within one year) female employees, at second or third risk level	Telephone interviews or surveys	Low
	Child labor	None	Not applicable	-
	Freedom of assembly and collective bargaining	All employees	1. Employees can freely decide whether to join a union based on personal preference. 2. Labor-management meetings are held quarterly.	Low

Human Rights Remediation Management Plan

Issue	Mitigation Measures	Remedial Measures
Forced Labor (Excessive Working Hours)	- The "Work Rules" specify that normal working hours should not exceed 8 hours per day and 40 hours per week. - A monthly review of overtime is conducted in each department, with supervisors assisting employees with longer working hours to appropriately adjust their workload. - Overtime must be approved by the employee and comply with legal requirements. - The attendance system has a maximum monthly overtime limit of 46 hours in accordance with the Labor Standards Act.	Employees working more than eight hours a day are entitled to apply for overtime pay or compensatory leave.
Harassment (Including Sexual and Non-sexual Harassment), Discrimination, Unlawful Harm in the Workplace	- An employee complaint section is available on the intranet, allowing employees to voice concerns through multiple channels such as a complaint hotline, fax, and e-mailbox. - The sexual harassment prevention course is mandatory for all employees. The training completion rate in 2023 is close to 100%. - The "Plan to Prevent Unlawful Harm in the Workplace" is regularly implemented. Planning and control measures are prioritized for high-risk targets along with regular reviews and reassessments conducted.	In 2023, one complaint or feedback case from an employee was established. It was resolved in accordance with the Company's employee complaint and handling procedures.
Workplace Health	- The "Occupational Safety and Health Management Plan" is established in accordance with the "Occupational Safety and Health Management Regulations," outlining procedures for investigating and handling occupational injury, health hazards, illnesses, and accident cases. - Health check-ups are provided for all employees every two years to help them monitor their health status. - Quarterly on-site physician services are arranged to provide health consultations for employees.	- Notification and follow-up consultations for health check items showing abnormal results are conducted by the Company's partnering hospital. - Health lectures and health-promoting activities are organized based on employee needs.
Workplace Safety	- The "Occupational Safety and Health Management Plan" is established in accordance with the "Occupational Safety and Health Management Regulations," outlining procedures for investigating and handling occupational injury, health hazards, illnesses, and accident cases. - General labor health education and training are conducted annually. - External monitoring of the working environment is conducted every six months. - Annual fire and evacuation drills are carried out. - Promotion of four primary safety plans: (1) Maternal Health Protection Plan for Female Employees, (2) Plan to Prevent Unlawful Harm in the Workplace, (3) Ergonomic Hazards Prevention Plan, (4) Plan to Prevent Illness Caused by Abnormal Workloads.	Compensation and relief are provided according to the "Work Rules" in cases of occupational injury.

Human Rights Complaint Mechanism

Fubon Securities is committed to providing a friendly and harassment-free service environment, aiming to eliminate any potential sexual harassment incidents that employees might encounter during their duties. Appropriate preventive, corrective, and disciplinary measures are adopted accordingly. In adherence to the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Sexual Harassment Prevention Complaint Investigation and Disciplinary Measures," Fubon Securities has established a complaint mechanism that protects employees from harassment.

Complaint Channels

If employees encounter harassment incidents, they can file a complaint with the "Sexual Harassment Complaint Handling Committee" through the dedicated complaint hotline, fax, or email, as outlined in the "Fubon Financial Holding Co., Ltd. and Its Subsidiaries Sexual Harassment Prevention Complaint Investigation and Disciplinary Measures."

In addition to adhering to the handling measures stipulated by Fubon Financial Holdings, the Company has established a Sexual Harassment Complaint Handling Committee in March 2024. This committee consists of seven members with a three-year term. One member serves as the chairperson (currently held by the Director of the Administrative Management Department) and chairs the meeting. The remaining members are appointed by the President based on their knowledge, experience, or position, and experts and scholars may be invited to serve as committee members as needed. According to the regulations, female members of the committee must constitute at least half, and male members at least one-third.

Education, Training and Prevention

To enhance employee awareness of sexual harassment prevention measures and complaint channels, Fubon Securities requires all new employees to participate in online sexual harassment prevention courses. For existing employees, the Company effectively uses various meetings and training courses to convey information, conduct educational training, and promote the prevention of sexual harassment, reinforcing employees' understanding of these important concepts.



Sustainable Social Welfare Development

Highlights

- Continue to promote financial education through the Social Welfare Island Tour, benefiting a total of **632 people**.
- Continue to promote financial English education for children. As of the end of 2023, a total of **5 episodes** have been produced and broadcast, with a cumulative number of unique listens reaching **513,000 times**.
- Use the Fubon Charity and Culture and Education Foundation as a public welfare platform to invest in charity activities for different age groups, and donate more than **NT\$ 25 million** to Fubon Charity and Fubon Culture and Education.
- Actively promoted colleagues to participate in charity activities. A total of **526 colleagues** served as volunteers, with a total of **3,170 hours** of service.
- Long-term sponsorship of many Taiwanese athletes and sports events, with a total of **16 sponsorship** cases in 2023, with a total sponsorship amount of more than **NT\$ 35 million**.
- Continue to target music, Chinese film support and other activities for sponsorship. In 2023, a total of **13 projects** will be sponsored, with a total sponsorship amount of nearly **NT\$ 2 million**.



6.1 Social Welfare Vision and Strategy

Driven by an “action-oriented” philanthropic philosophy, Fubon Securities continues to promote public welfare and give back to society by delivering care and support to those in need. The Company's social welfare efforts focus on three main areas: education promotion, care for the underprivileged, arts and sports. The education promotion aspect encompasses financial inclusion, health promotion, and education for children and youth.

Three Key Areas of Social Welfare Actions

Area of Focus	Target Group	Development Priorities
Education Promotion	- Rurale areas - General public - Children and youth	- Convey financial knowledge and concepts, helping people of all ages to become familiar with financial services and achieve financial inclusion. - Actively promote financial education through various communication channels, including physical events, online videos, and podcasts.
Care for the Underprivileged	- Disadvantaged groups - Local communities	- Encourage employees to participate in charitable proposals through the Fubon Charity Foundation, creating opportunities for employees to lead social welfare projects voluntarily. - Plan themed social welfare activities for communities and groups.
Arts and Sports	- Taiwanese cinema - Classical music - Sports activities	Collaborate with Fubon Financial Holdings in sponsoring arts and sports, directing funds to support film production, music events, and sports competitions that require financial support.

Under the "Connection" sustainability strategy, Fubon Securities has set two sustainability indicators: "records of participation in financial education promotion" and "records of volunteer participation." For details on "Financial Education Promotion," please refer to chapter 6.2 on Education Promotion under Social Welfare Achievements. In terms of meeting the target for "records of volunteer participation," the Company actively encourages employee participation by planning volunteer incentive programs that reward employees who organize or participate in social welfare activities, thereby increasing their willingness and motivation to engage in such activities. In 2023, the records of volunteer participation grew by nearly 20% compared to the previous year (2022), with a total of 3,170 hours contributed.

Sustainability Indicator - Connection	2023 Target	2023 Performance
Records of Attendance for Financial Education	700	632
Records of Volunteer Participation	500	526

► Outcomes

In 2023, the records of volunteer participation grew by nearly **20%** compared



6.2 Social Welfare Achievements

Education Promotion

Social Welfare Island Tour

The Social Welfare Tour embarked from Keelung, stopping at various locations including Taipei, New Taipei, Zhudong, Taichung, Changhua, Huwei, Taitung, and Hualien. Over the course of the year, 12 public welfare events were held, with nine of these events utilizing a series of engaging, educational, and entertaining financial interactive activities to promote correct financial practices and anti-fraud awareness.

Location	Number of Participants	Number of Volunteers	Number of People Receiving Financial Education	Partner
Keelung	60	13	47	Zuntou Elementary School, Tongxiao Township, Miaoli County
Taipei	420	10	120	Taiwan Hope in Love Children Care Association
Taipei	500	10	90	Taiwan Spinocerebellar Ataxia Association
Taipei	150	10	140	Fubon Guardians G! POP Family Day Event POP
New Taipei	52	10	42	Chinese Childrenhome & Shelter Association
Hsinchu (Zhudong)	72	9	63	Datung Elementary School, Hsinchu County
Taichung	73	10	63	Shenzhun Junior High School, Taichung City
Taichung	50	10	40	Taichung Children's Home
Changhua	40	10	-	Wan He Elementary School, Changhua County
Yunlin (Huwei)	40	13	27	Huwei Long Love Orphanage
Taitung	100	10	-	Chulai Elementary School in Bunun Community, Taitung County
Hualien	40	10	-	Hualien Bethesda Home for Challenged Children and Adults
Sum	1,597	125	632	



► Outcomes

Number of participants: **1,597**

Number of participants of financial education activities: **632**

Number of volunteers: **125**

► Social Welfare Island Tour

Taipei



Taiwan Hope in Love Children Care Association*



Taiwan Spinocerebellar Ataxia Association*



Fubon Guardians G! POP Family Day Event POP*

Keelung



Zuntou Elementary School, Tongxiao Township, Miaoli County*

New Taipei



Chinese Childrenhome & Shelter Association*

Taichung



Shenzhun Junior High School, Taichung City*



Taichung Children's Home*

Zhudong



Datung Elementary School, Hsinchu County*

Hualien



Hualien Bethesda Home for Challenged Children and Adults

Changhua



Wan He Elementary School, Changhua County

Yunlin



Huwei Long Love Orphanage*

Taitung



Chulai Elementary School in Bunun Community, Taitung County



感謝熱情的志工們踴躍地跑來，參與11月26日首次舉辦的部落文化教育成果展，為孩子們的幸福付出努力，讓家了這塊部落文化教育活動，繼續發揮許多愛心的地方，相信只要堅持不懈，一定能為偏鄉的弱勢家庭帶來更多正面的影響，為社區帶來長遠教育和文化的豐盛成果。

* Financial education activities

English Financial Education Series for Children

Building on the project from 2022, Fubon Securities continued its partnership with well-known podcast creators in 2023 to produce a program that integrates financial literacy, bilingual education, and vocabulary explanations into original stories, promoting English financial education for children.

Episode Content

No.	Content
Episode 1	The Annual Best Candy Factory Competition—What is ESG?
Episode 2	Where Did All the New Year's Lucky Money Go? Little Andy, Where's Your Lucky Money?
Episode 3	Benny the Bear's Blueberry Juice Stand—What is a Stock?
Episode 4	Smart Saving Techniques - Andy Saves His Money Wisely
Episode 5	New Year, New Hope, The Good Steward of Allowance

Outcomes

5 episodes were produced and aired. Cumulative number of first-time listens reaches 513,000.



English Storytelling
Apple Podcast



English Storytelling
YouTube Channel

Infinite Possibilities of Love

Fubon Securities collaborated with the Taiwan Organ Sharing Registry and Patient Autonomy Promotion Center, as well as the Health and Welfare Policy Research Center of Taipei Medical University, to jointly promote information on health, wellness, and sustainability. This initiative was promoted on the Company's Facebook fan page, garnering up to 7,000 likes, over 5,000 comments, and 2,200 shares. In 2024, the Company plans to release several promotional videos on its YouTube channel, leveraging corporate influence to connect social forces and extend the impact of love.



Care for the Underprivileged

Granting Wishes for Children's Future

Children from economically disadvantaged families in remote areas often have limited resources. Their wishes are simple and pure, perhaps just a set of watercolor supplies, but these small wishes can open up infinite possibilities for their futures. Since 2013, Fubon Securities has partnered with the Fubon Charity Foundation to collect these wishes from students through partnering schools each year. Employees then fulfill these wishes through donations of supplies or small monetary contributions, spreading love and ensuring that these Children's Day gift wishes come true. Over the nearly five years from 2019 to 2023, more than 11,000 children's wishes have been fulfilled, including 2,181 wishes in 2023. As in previous years, the gifts were delivered to children across Taiwan in April.

Outcomes

Donated
1,912 gifts

Donated
196,000 NTD

Total investment amounts to
approximately 1 million NTD



Year	2019	2020	2021	2022	2023	Sum
Number of Wishes Granted	2,420	2,336	2,470	1,984	2,181	11,365



In April 2023, Fubon Securities' volunteers, along with players from the Fubon Guardians baseball team, delivered gifts to Datong Elementary School in Hsinchu. The event also featured financial literacy education to help cultivate proper financial concepts among the students.

Social Welfare Ambassador Program

Each year, the Fubon Charity Foundation organizes the "Social Welfare Ambassador Program," providing employees with a platform to actively care for and assist socially disadvantaged groups or address social issues. This initiative helps identify more social welfare targets and social enterprises in need of support. It also encourages employees to engage more actively in the foundation's philanthropic activities through policy advocacy and organizational mobilization. This way, every employee has the opportunity to become a Fubon Social Welfare Ambassador.

In 2023, under the Social Welfare Ambassador Program, 27 proposals submitted by Fubon Securities employees were selected, resulting in a total of NT\$1.35 million in grants for 27 charitable organizations. The beneficiaries spanned all age groups, and the project types were diverse, ranging from educational, caregiving, sports, health, music, and arts initiatives, to empowerment training, rehabilitation, and emotional regulation programs that support self-sufficiency. There were also projects focused on environmental conservation and restoration.

Outcomes



39 applications, resulting in a total of 1.35 million NTD for 27 approved proposals and approval rate 69%.



Company volunteers, in collaboration with the Canlove Social Service Association, visited the indigenous communities in Haiduan Township, Taitung County. Through the activities, the indigenous children were able to showcase the singing skills they had learned and celebrate together with their elders. The program also included a forest experience and creative handcraft activities aimed at boosting the children's confidence.

Arts and Sports

Arts and Cultural Activities

Fubon Securities continues to sponsor activities focused on music and Taiwanese cinema, including films such as "On The Train," which tells the history and stories of the construction of the South-Link Line, and the Taiwanese New Year film "Scamsgiving." In addition, the Company promotes quality arts and cultural education by sponsoring various classical music performances and productions by the Paper Windmill Theatre.

Sports Sponsorship

In sports, both domestically and internationally, the Company has long-term sponsorships for a number of Taiwanese athletes. It helps them gain international exposure and encourages Taiwan's promising talents to take on the world stage. We also sponsor various sports events, including marathons, baseball, basketball, and golf, as well as youth baseball teams in schools, nurturing potential athletes and continuously injecting positive energy into Taiwan's sports scene.

Outcomes

Sponsored 16 projects, total sponsorships amount to over 35 million NTD.

Sponsorship areas: Films, music, performing arts, marathons, baseball, basketball, golf, and athletes.



Fubon Securities has been the title sponsor of the Fubon Guardians "Fubon Securities GPOP Music Festival" for five consecutive years, demonstrating its commitment to the development of domestic sports.



Fubon Securities supports the growth of professional sports in Taiwan by investing substantial resources annually to provide fans with the best possible viewing experience.

Outcomes



Sponsored 13 projects, total sponsorships amount to nearly 2 million NTD.

Nature and Environment



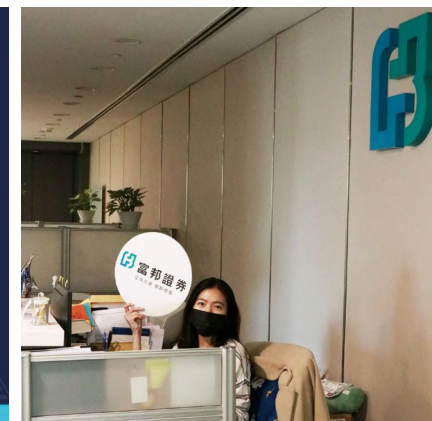
Earth Hour

Initiated by the World Wide Fund for Nature (WWF) in 2007, the "Earth Hour" event has evolved into a global carbon reduction initiative in which participants from 192 countries and regions, along with over 18,000 world landmarks, voluntarily "turn off the lights for one hour" on the last Saturday of March each year. This act symbolizes a collective commitment to reducing carbon emissions. Since 2014, Fubon Securities has actively supported the "Earth Hour" initiative, and in 2023, it further engaged its Facebook fan page to rally more participants, using its positive brand influence to promote the message of valuing Earth's resources and protecting the environment.

In addition to this annual event, the Company practices daily carbon reduction by turning off the outdoor landscape lights and business signage at all branches and office buildings across Taiwan after business hours. These actions demonstrate the Company's commitment to corporate social responsibility and its proactive efforts to leverage corporate influence for environmental stewardship.



The Fubon Marathon made its fifth appearance in 2023, with a special focus on environmental awareness, inviting Fubon fans from its domestic and international fan pages to join in a relay of posts, rallying Fubon supporters to collectively pay attention to carbon reduction issues affecting our planet.



Urban-Rural Exchange Activity

To engage children from rural areas in a broader range of experiences and information, the Company organized a two-day event with a one-night sleepover for 47 teachers and students from Zhuntou Elementary School in Tongxiao Township. Including visits to the Keelung National Museum of Marine Science and Technology, Chaojing Park for a beach cleanup, Xinzhuang Baseball Stadium, and the Taoyuan Disaster Prevention Education Center, the itinerary centered on energy conservation, carbon reduction, and environmental conservation, promoting sustainability concepts.



Through two days and one night of urban and rural exchange activities, the concept of environmental sustainability was introduced to school children and financial knowledge was promoted.

Appendix



Appendix 1. Sustainable Finance Performance

▶ Total Underwriting Value and Corresponding Number of Underwriting Cases in 2023

Unit: 1,000 NTD

Category		Number	Value
Undewriting	Equity	75	17,110,667
	Fixed Income	57	90,760,000

▶ Total Proprietary Investment Scale and Corresponding Number of Investments as of December 31, 2023

Unit: 1,000 NTD

Business Category	Industry	Number	Total Investment Value by the End of the Year
Proprietary Investment (Bonds)	Central Government Agencies	1	99,687
	Automotive	1	93,934
	Oil, Gas and Electricity	10	3,765,694
	Finance and Insurance	28	5,559,352
	Shipping	1	92,698
	Plastics	1	451,040
	Electronics - Semiconductor	3	499,256
	Electronics - Computers and Peripherals	2	588,113
	Sum	47	11,149,774
Proprietary Investment (Securities)	Iron and Steel	1	4,242
	Computers and Peripherals	3	414,758
	Semiconductor	7	1,987,643
	Electronic Components	1	128,535
	Other Electronics	1	44,730
	Communications Network	2	2,306,061
	Finance	1	60,911
	Biotechnology and Medicine	1	1,608
	Sum	17	4,948,488

▶ Total Loan Balance and Corresponding Number of Loans as of December 31, 2023 Unit: 1,000 NTD

Business Category	Number	Total Investment Value by the End of the Year
Financing	221,855	32,000,386
Securities Lending	15,766	6,451,278
Unrestricted Loans	11,501	14,952,865
Sum	249,109	53,324,452

Note: For unrestricted loans, one loan account is counted as one case.

▶ Total Value of Market Making Transactions and Corresponding Number of Cases in 2023

Unit: 1,000 NTD

Market Making Target	Number	Value
ETF	190	217,036,200
ETN	5	396,151
Warrant ^{Note}	2,206	25,031,249

Note: The number of warrants is the number of issuances in 2023.

Appendix 2. GRI Standards Index

1. The statement of use: The 2023 Fubon Securities Sustainability report followed GRI Universal Standards 2021. The report disclosure period as of January 1, 2023.
2. GRI used: GRI 1: Basics 2021.
3. Applicable GRI industry codes: GRI has not yet published industry codes for its industry.

GRI Standards	Disclosures	Extend of Reporting and Explanatory Notes	Page Number
GRI 2: General Disclosures 2021	Organization and Reporting Practices		
	2-1 Organizational details	About This Report	02
	2-2 Entities included in the organization's sustainability reporting	About This Report	02
	2-3 Reporting period, frequency and contact point	About This Report	02
	2-4 Restatements of information	Not applicable as this is the first sustainability report prepared by Fubon Securities.	-
	2-5 External assurance	About This Report	02
	Activities and Workers		
	2-6 Activities, value chain and other business relationships	About Fubon Securities	06
	2-7 Employees	5.1 Diverse Workplace	71
	2-8 Workers who are not employees	5.1 Diverse Workplace	71
	Governance		
	2-9 Governance structure and composition	2.1 Corporate Governance	23
	2-10 Nomination and selection of the highest governance body	2.1 Corporate Governance	23
	2-11 Chair of the highest governance body	2.1 Corporate Governance	23
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Sustainable Operation	13
	2-13 Delegation of responsibility for managing impacts	1.2 Sustainable Operation	13
	2-14 Role of the highest governance body in sustainability reporting	About This Report 1.1 Sustainability Planning	02 11
	2-15 Conflicts of interest	2.1 Corporate Governance 2.2 Ethical Management	25 28
	2-16 Communication of critical concerns	2.1 Corporate Governance	26
	2-17 Collective knowledge of the highest governance body	2.1 Corporate Governance	25
	2-18 Evaluation of the performance of the highest governance body	2.1 Corporate Governance	27
	2-19 Remuneration policies	2.1 Corporate Governance	27
	2-20 Process to determine remuneration	2.1 Corporate Governance	27
	2-21 Annual total compensation ratio	5.2 Talent Development and Retention	73

GRI Standards	Disclosures	Extend of Reporting and Explanatory Notes	Page Number
GRI 2: General Disclosures 2021	Strategy, Policy and Practices		
	2-22 Statement on sustainable development strategy	Chairman's Message	03
	2-23 Policy commitments	2.2 Ethical Management	28
		3.1 Green Finance	41
		3.3 Customer Relationship Management	53
		4.1 Climate Change Action	58
		4.2 Green Operation and Goals	65
		5.4 Human Rights	81
	2-24 Embedding policy commitments	2.2 Ethical Management	28
		3.1 Green Finance	41
		3.3 Customer Relationship Management	53
		4.1 Climate Change Action	58
		4.2 Green Operation and Goals	65
		5.4 Human Rights	81
	2-25 Process to remediate negative impacts	2.2 Ethical Management	29
		3.3 Customer Relationship Management	54
		5.3 Employee Benefits and a Healthy and Safe Workplace	80
		5.4 Human Rights	83
	2-26 Mechanisms for seeking advice and raising concerns	2.2 Ethical Management	29
	2-27 Compliance with laws and regulations	2.3 Regulatory Compliance There were no violations of laws and regulations in 2023.	31
	2-28 Membership associations	About Fubon Securities	09
	Stakeholder Engagement		
	2-29 Approach to stakeholder engagement	1.3 Stakeholder Communication	14
	2-30 Collective bargaining agreements	5.2 Talent Development and Retention	74
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.4 Material Topic Analysis and Management Guidelines	15
	3-2 List of material topics	1.4 Material Topic Analysis and Management Guidelines	16
	3-3 Management of material topics	1.4 Material Topic Analysis and Management Guidelines	17
	GRI 200: Economic Topics		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About Fubon Securities	08
	201-2 Financial implications and other risks and opportunities due to climate change	4.1 Climate Change Action	61

(Continue)

GRI Standards	Disclosures	Extend of Reporting and Explanatory Notes	Page number
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	<u>5.3 Employee Benefits and a Healthy and Safe Workplace</u> Details on the defined benefit plan, defined contribution plan, and related information for 2023 can be found on pages 189-192 of the 2023 Annual Report.	79
	201-4 Financial assistance received from government	There is no financial assistance received from the government in 2023.	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	<u>2.2 Ethical Management</u>	28
	205-2 Communication and training about anti-corruption policies and procedures	<u>2.2 Ethical Management</u>	28
	205-3 Confirmed incidents of corruption and actions taken	<u>2.2 Ethical Management</u> There were no confirmed incidents of corruption and actions taken in 2023.	29
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<u>2.3 Ethical Management</u> There were no such legal actions in 2023.	31
GRI 207: Tax 2019	207-1 Approach to tax	<u>About Fubon Securities</u>	08
GRI 300: Environmental Topics			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<u>4.2 Green Operation and Goals</u>	65
	302-2 Energy consumption outside of the organization	<u>4.2 Green Operation and Goals</u>	65
	302-3 Energy intensity	<u>4.2 Green Operation and Goals</u>	65
	302-4 Reduction of energy consumption	<u>4.2 Green Operation and Goals</u>	66
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	<u>4.2 Green Operation and Goals</u>	67
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<u>4.1 Climate Change Action</u>	64
	305-2 Energy indirect (Scope 2) GHG emissions	<u>4.1 Climate Change Action</u>	64
	305-3 Other indirect (Scope 3) GHG emissions	<u>4.1 Climate Change Action</u>	64
	305-4 GHG emissions intensity	<u>4.1 Climate Change Action</u>	64
	305-5 Reduction of GHG emissions	<u>4.2 Green Operation and Goals</u>	65
GRI 306: Waste 2020	306-3 Waste generated	<u>4.2 Green Operation and Goals</u>	67
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	<u>4.3 Sustainable Supply Chain</u>	68
GRI 400: Social Topics			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<u>5.1 Diverse Workplace</u>	72
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<u>5.3 Employee Benefits and a Healthy and Safe Workplace</u>	79
	401-3 Parental leave	<u>5.3 Employee Benefits and a Healthy and Safe Workplace</u>	80

GRI Standards	Disclosures	Extend of Reporting and Explanatory Notes	Page number
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	<u>5.2 Talent Development and Retention</u>	75
	402-2 Hazard identification, risk assessment, and incident investigation	<u>5.3 Employee Benefits and a Healthy and Safe Workplace</u>	80
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	<u>5.3 Employee Benefits and a Healthy and Safe Workplace</u>	81
	403-4 Worker participation, consultation, and communication on occupational health and safety	<u>5.3 Employee Benefits and a Healthy and Safe Workplace</u>	81
	403-5 Worker training on occupational health and safety	<u>5.3 Employee Benefits and a Healthy and Safe Workplace</u>	81
	403-6 Promotion of worker health	<u>5.3 Employee Benefits and a Healthy and Safe Workplace</u>	81
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<u>5.3 Employee Benefits and a Healthy and Safe Workplace</u>	81
	403-9 Work-related injuries	<u>5.3 Employee Benefits and a Healthy and Safe Workplace</u>	81
	404-1 Average hours of training per year per employee	<u>5.2 Talent Development and Retention</u>	76
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	<u>5.2 Talent Development and Retention</u>	75
	404-3 Percentage of employees receiving regular performance and career development reviews	<u>5.2 Talent Development and Retention</u>	78
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<u>2.1 Corporate Governance</u> <u>5.1 Diverse Workplace</u>	25 71
	405-2 Ratio of basic salary and remuneration of women to men	<u>5.2 Talent Development and Retention</u>	73
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	<u>5.4 Human Rights</u>	83
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	<u>4.3 Sustainable Supply Chain</u>	68
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	<u>3.1 Green Finance</u>	46
	417-2 Incidents of non-compliance concerning product and service information and labeling	There were no incidents of non-compliance in 2023.	-
	417-3 Incidents of non-compliance concerning marketing communications	There were no incidents of non-compliance in 2023.	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<u>There were no such violations in 2023.</u>	39

Appendix 3. United Nations Sustainable Development Goals Reference Table

SDGs	Sustainability Issues	Extend of Reporting	Page Number	SDGs	Sustainability Issues	Extend of Reporting	Page Number
 1 No poverty	Financial inclusion	3.2 Financial Technology and Innovation	48	 10 Reduced inequalities	Information security management and early warning	2.5 Information Security Management and Early Warning	37
 3 Good health and well-being	Healthy workplace	5.3 Employee Benefits and a Healthy and Safe Workplace	79	 12 Responsible consumption and production	–	4.3 Sustainable Supply Chain	68
 4 Quality education	Social welfare development	6.2 Social Welfare Achievements	85	 13 Climate action	Climate change action, green operation and goals	4.1 Climate Change Action 4.2 Green Operation and Goals	58 65
 5 Gender equality	Corporate governance and ethical management	2.1 Corporate Governance	23	 16 Peace, justice and strong institutions	Regulatory compliance	2.3 Regulatory Compliance	30
	–	5.1 Diverse Workplace	71		Risk management	2.4 Risk Management	33
 8 Decent work and economic growth	Talent development and retention	5.2 Talent Development and Retention	73		Information security management and early warning	2.5 Information Security Management and Early Warning	37
	Healthy workplace	5.3 Employee Benefits and a Healthy and Safe Workplace	79	 17 Partnerships for the goals	Financial inclusion	3.2 Financial Technology and Innovation	48
 9 Industry, innovation and infrastructure	Green finance	3.1 Green Finance	41		–	4.3 Sustainable Supply Chain	68
	Financial technology and innovation	3.2 Financial Technology and Innovation	48		Social welfare development	6.2 Social Welfare Achievements	85

Appendix 4. SASB-brokerage-standard

Topic	Code	Disclosure Metric	Extend of Reporting	Page Number	Explanatory Notes
Employee Diversity & Inclusion	FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	5.1 Diverse Workplace	71	
Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	FN-IB-410a.1	Revenue from underwriting, advisory and securitisation transactions by industry	3.1 Green Finance	43	
	FN-IB-410a.2	Number and total value of investments and loans incorporating integration of environmental, social and governance (ESG) factors, by industry	3.1 Green Finance	44	
	FN-IB-410a.3	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment banking and brokerage activities	3.1 Green Finance	42	
Business Ethics	FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	2.2 Ethical Management 2.3 Regulatory Compliance	29 31	Fubon Securities was not involved in any acts of fraud, insider trading, anti-competitive behavior, antitrust or monopolistic practices, malpractice, market manipulation, or other violations of financial industry regulations in 2023.
	FN-IB-510a.2	Description of whistleblower policies and procedures	2.2 Ethical Management	29	

(Continue)

Topic	Code	Disclosure Metric	Extend of Reporting	Page Number	Explanatory Notes
Professional Integrity	FN-IB-510b.1	Number and percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	3.3 Customer Relationship Management	54	Fubon Securities had no records of employees being subject to investment-related investigations, private civil litigations, or other regulatory proceedings in 2023.
	FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care	-	-	Fubon Securities was not involved in any mediation or arbitration cases related to professional integrity in 2023.
	FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	-	-	Fubon Securities was not involved in any mediation or arbitration cases related to professional integrity in 2023.
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	2.2 Ethical Management	28	
Systematic Risk Management	FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score	Not applicable to the securities industry	-	
	FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	2.4 Risk Management	35	
Employee Incentives & Risk Taking	FN-IB-550b.1	Percentage of total remuneration that is variable for material risk takers (senior management)	2.1 Corporate Governance	27	
	FN-IB-550b.2	Percentage of variable remuneration of material risk takers (senior management) to which claw-back provisions were applied	2.1 Corporate Governance	27	
	FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	-	-	Please refer to pages 202-208 of Fubon Securities 2023 Annual Report for related information.
Activity Metrics	FN-IB.000.A	Number and value of underwriting, advisory and securitisation transactions	Appendix 1 Sustainable Finance Performance	91	
	FN-IB.000.B	Number and value of proprietary investments and loans	Appendix 1 Sustainable Finance Performance	91	
	FN-IB.000.C	Number and value of market making transactions in fixed income, equity, currency, derivatives, and commodity products	Appendix 1 Sustainable Finance Performance	91	

Appendix 5. Sustainability Disclosure Metrics for Securities Companies

Code	Metric	Extend of Reporting/explanatory Notes	Page Number
1	Number of information leakage incidents, proportion of incidents related to personal data, number of affected customers due to information leakage incidents	2.5 Information Security Management and Early Warning	39
2	Number of cases and amount of capital raised to assist small and medium-sized enterprises in the capital market	The Company did not undertake any fundraising cases for small and medium-sized enterprises in 2023.	-
3	Number of participants in financial education provided to disadvantaged groups lacking securities services	3.2 Financial Technology and Innovation 6.2 Social Welfare Achievements	51 85
4	Products and services designed by each business operation to create environmental or social benefits	3.1 Sustainable Finance 3.2 Financial Technology and Innovation	43 49

Appendix 6. Accountant's Limited Assurance Report



安侯建業聯合會計師事務所

KPMG

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Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
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Independent Limited Assurance Report

To Fubon Securities Co., Ltd.:

We were engaged by Fubon Securities Co., Ltd ("Fubon Securities") to provide limited assurance over the selected information attached as Appendix I ("the Subject Matter Information") on the 2023 Sustainability Report of Fubon Securities ("the Report") for the year ended December 31, 2023.

Applicable Criteria of the Subject Matter Information

Fubon Securities shall prepare the Subject Matter Information in accordance with applicable criteria required by Article 2 of Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms ("the Rules") as set forth in Appendix I.

Management's Responsibilities

Fubon Securities is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. Fubon Securities is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of Fubon Securities;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is 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 a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2023, includes the disclosures of non-financial information that involved significant judgments, assumptions, and interpretations by the management of Fubon Securities. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the criteria applied after the issuance date of this report.

The engagement partner on the assurance resulting in this independent auditors' report is Lee, Feng Hui.

KPMG

Taipei, Taiwan (Republic of China)

July 22, 2024

Notes

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

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Appendix 1: Summary of the Subject Matter Information

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1.	2.5 Information Security Management	- Information Security Incidents - In 2023, Fubon Securities did not experience any information security breaches, personal data violations, or data leaks. No customers were affected by data breaches, and no fines were incurred due to such incidents. We remain committed to continuously enhancing our customer information protection measures to prevent future information security incidents, hence ensuring the protection of customer rights from any potential harm.	The Rules Appendix 1-2 No. 1 Number of information leakage incidents, proportion of incidents related to personal data, number of affected customers due to information leakage incidents
2.	NA	Fubon Securities did not undertake any fundraising cases for small and medium-sized enterprises in 2023.	The Rules Appendix 1-2 No. 2 Number of cases and amount of capital raised in assist small and medium-sized enterprises in the capital market
3.	3.2 Financial Technology and Innovation	- Financial knowledge promotion initiatives: - Knowledge promotion for young individuals - Target: students - Detail: - Number of events: 1 - Participation: 5 students - Objective: Enable young individuals to learn about securities and relevant trends, accumulate financial knowledge and start investing and managing personal finances early. - Content: Introduce innovative service applications in the securities industry via the "Financial Holdings Business Management Practices" course organized by Fubon Financial Holdings in collaboration with the Department of Finance, National Taiwan University. - With nine events utilizing a series of engaging, educational, and entertaining financial interactive activities, Fubon Securities promoted correct financial practices and anti-fraud awareness. - Outcome: > 132 people participated in financial education activities	The Rules Appendix 1-2 No. 3 Number of participants in financial education provided to disadvantaged groups lacking securities services

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1.	2.1 Green Finance	- Underwriting Performance for Sustainability Bonds: - Green bond: - Purpose of fund: - Planning for green buildings, wastewater treatment systems, new plant expansion, and upgrading/replacement of old facilities - Payment to green project loans - Financing for renewable energy projects - Expected social and environmental benefits upon issuance: - Green buildings can reduce resource consumption during both the construction and the operational phases - Reduction of pollution from landfill or incineration of waste, reuse of waste produced by semiconductor manufacturing, and reduction of water pollution - Reduction of greenhouse gas emissions, thereby mitigating the impact of climate change - Increased renewable energy generation - Social responsibility bond: - Purpose of fund: - Communication equipment and data system upgrades - Infrastructure development, social housing construction, student loans - Health and medical care initiatives - Expected social and environmental benefits upon issuance: - Improved speed and stability of communication data - Enhanced quality of living environments, promotion of housing justice, increased funding for youth entrepreneurship - Advancement of medical care development in urban and rural areas - Sustainable bond: - Purpose of fund: - Renewable energy and energy technology development, waste recycling and treatment, social housing, entrepreneurship loans - Expected social and environmental benefits upon issuance: - Development of sustainable energy, reduction of natural resources consumption, housing, increased funding for youth entrepreneurship	The Rules Appendix 1-2 No. 4 Products and services designed by each business operation to create environmental or social benefits

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1.	2.1 Green Finance	- Reduction of greenhouse gas emissions, increased use of sustainable energy: - Investment of green-term bills - Payment of social and environmental benefits upon issuance - Reduction of greenhouse gas emissions, increased use of sustainable energy: - Green bond: - Number of cases: 8 - Underwriting amount: 6,790,000 (unit: 1,000 NT\$) - Proportion to total bond underwriting value: 7.48% - Social responsibility bond: - Number of cases: 6 - Underwriting amount: 3,300,000 (unit: 1,000 NT\$) - Proportion to total bond underwriting value: 3.64% - Sustainable bond: - Number of cases: 1 - Underwriting amount: 690,000 (unit: 1,000 NT\$) - Proportion to total bond underwriting value: 0.66% - Sustainability-linked bond: - Number of cases: 1 - Underwriting amount: 400,000 (unit: 1,000 NT\$) - Proportion to total bond underwriting value: 0.44% - Sum: - Number of cases: 16 - Underwriting amount: 11,090,000 (unit: 1,000 NT\$) - Proportion to total bond underwriting value: 12.22% - Note: The amount is the balance at the end of the year 2023. - Fubon Securities offers underwriting services for green bonds. In 2023, the Company participated in a total of eight green bond issuances, including those by TSMC, Taipower, UMC, and Galfab. AgriTech, which accounted for 73% of the green bond issuances in the market. We also underwrote sustainable bonds for Taiwan Cooperative Bank and sustainability-linked bonds for Blue Sun Technology, and also, respectively, NT\$2.4 billion.	

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1.	2.1 Green Finance	- The funds raised through their bond issuances were allocated to industries related to renewable energy and energy technology development, energy efficiency improvements, energy conservation, greenhouse gas reduction, and waste recycling or reuse. Moreover, we also assisted in the issuance of social responsibility bonds for Far Eclatone, Taipei Fubon Bank, and E-Sun Bank, generating positive social impacts, such as supporting affordable social housing, enhancing social and economic development, and promoting housing justice. Going forward, Fubon Securities will continue to underwrite sustainable bonds, leveraging its social influence to contribute to sustainable development. - Performance in ESG-Themed Consulting Services: - In the sustainability consulting services provided to issuing companies for their IPO/SPC processes, the Company not only examines the financials, business operations, performance and outlook, industry position, and prospects of these companies but also engages in sustainability-related interactions and discussions. Through these efforts, we assist issuers in consistently enhancing their practices in environmental friendliness, social equity, and corporate governance. In 2023, the value of sustainability consulting services for IPO/SPC reached NT\$10,180.97 thousand. - Industry (unit: 1,000 NT\$), total consulting service value: 17,110,667 - Environmental friendliness: - IPO/SPC sustainability consulting service value: 7,722,015 - Proportion to total consulting service value: 45.13% - Social equity: - IPO/SPC sustainability consulting service value: 4,039,200 - Proportion to total consulting service value: 23.61% - Corporate governance: - IPO/SPC sustainability consulting service value: 6,625,297 - Proportion to total consulting service value: 35.24% - Sum	

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1.	2.2 Financial Technology and Innovation	- IPO/SPC sustainability consulting service value: 10,150,397 - Proportion to total consulting service value: 59.32% - Note 1: The total consulting service value is defined as the total underwriting amount. - Note 2: Double counting for the same issuing company across different industry types, specifically in the area of environmental friendliness (E), social equity (S), and corporate governance (G) has been deducted from the sum of IPO/SPC sustainability consulting service value. - Electronic Trading Proportion: - Electronic order transaction amount (in thousands): 10,384,805.29 - Total transaction amount for the year (in thousands): 12,934,679,478 - Average proportion of transactions via electronic orders: 80% - Note: Average proportion of transactions via electronic orders = Electronic order transaction amount for the year / Total transaction amount for the year - Proportion of electronic accounts = Total active accounts in electronic transactions for the year / Total active accounts in transactions: 798,758 / 663,980 - Proportion of electronic accounts: 83% - Note: Proportion of electronic accounts = Total active accounts in electronic transactions for the year / Total active accounts in transactions for the year 2. The active accounts above are electronic accounts for Fubon stock investors.	

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Appendix 7. External Assurance Statement



Opinion Statement




By Royal Charter

Greenhouse Gas Emissions
Verification Opinion Statement

This is to verify that: Fubon Securities Co., Ltd.
3F, 4F,
No. 169, Section 4, Renai Road
Daan Dist.
Taipei City
106431
Taiwan

富邦綜合證券股份有限公司
台灣
台北市
大安區
仁愛路4段169號3、4樓
106431

Holds Statement No: GHGEV 804616

Verification opinion statement

As a result of carrying out verification and validation procedures in accordance with ISO 14064-3:2019, it is the statement for mixed engagement including reasonable assurance for verification activity as well as validation and agreed-upon procedures (AUP) contains the following:

- The Greenhouse Gas Emissions with Fubon Securities Co., Ltd. for the period from 2023-01-01 to 2023-12-31 was verified and validated.
- The verified organization-level greenhouse gas emissions include direct greenhouse gas emissions 220.5144 tonnes of CO₂ equivalent and indirect greenhouse gas emissions from imported energy 6,591.0086 tonnes of CO₂ equivalent.
- Fubon Securities Co., Ltd. has defined and explained its own process and pre-determined criteria for significance of indirect Greenhouse Gas Emissions and quantify and report these identified significant emissions accordingly.



Managing Director BSI Taiwan, Peter Pu

For and on behalf of BSI:

Originally Issue: 2024-05-06 Latest Issue: 2024-05-06

Page: 1 of 4

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The British Standards Institution is independent to the above named client and has no financial interest in the above named client. This Opinion Statement has been prepared for the above named client only for the purposes of verifying its statements relating to its carbon emissions more particularly described in the scope. It was not prepared for any other purpose. The British Standards Institution will not, in providing this 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 Opinion Statement may be read. This Opinion Statement is prepared on the basis of review by The British Standards Institution of information presented to it by the above named client. 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 Opinion Statement or matters relating to it should be addressed to the above named client only.
Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
BSI Taiwan is a subsidiary of British Standards Institution.

ISO 14064-1 Organization Greenhouse Gas Inventory



Certificate of Registration




By Royal Charter

ENERGY MANAGEMENT SYSTEM - ISO 50001:2018

This is to certify that: Fubon Securities Co., Ltd.
2F, 3F, 5F, 6F,
No. 169, Sec. 4, Renai Rd.
Daan Dist.
Taipei City
10686
Taiwan

富邦綜合證券股份有限公司
臺灣
台北市
大安區
仁愛路四段169號
2、3、5、6樓
10686

Holds Certificate No: **ENMS 699087**

and operates an Energy Management System which complies with the requirements of ISO 50001:2018 for the following scope:

The provision of securities services.
The main energy uses include: electricity for lighting, office equipment and air conditioning.
提供證券服務



Chris Cheung, Head of Compliance & Risk - Asia Pacific

For and on behalf of BSI:

Original Registration Date: 2018-10-27 Effective Date: 2021-10-27
Latest Revision Date: 2021-07-25 Expiry Date: 2024-10-26



ANAB
ACCREDITED

Page: 1 of 2

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This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract.
An electronic certificate can be authenticated [online](https://www.bsi-global.com/ClientDirectory).
Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +886 (02)6596-0333.
Taiwan Headquarters: 2nd Floor, No.37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

ISO 50001 Energy Management System



ISO 14001 Environmental Management System



ISO 27001 Information Security Management System



ISO 10002 Complaint Quality Management System



BS 10012 2017 Personal Data Protection Management System



Fubon Securities

