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Yuanta FHC Ranked No. 1 in DJSI Diversified Financials for 3 Times, with Outstanding Sustainability Performance, and Remained on DJSI Double-Lists for 6th Consecutive Year

The Dow Jones Sustainability Indices (DJSI), the world's most significant and credible indices, were released on December 16, Taipei time. Yuanta Financial Holding Company (FHC) has been selected as a constituent of the Dow Jones Sustainability World Index and Dow Jones Sustainability Emerging Markets Index for six consecutive years. Yuanta FHC has stood out from more than 600 companies around the world and has won the first place for three times in the S&P Global Corporate Sustainability Assessment (CSA) in the group of Diversified Financial Services and Capital Markets, which is ranked alongside the organizer, S&P Global Inc., and UBS.

The DJSI use the three major frameworks of environment, society, and governance (ESG) to design questionnaires based on different industries, proactively inviting qualified companies to enter the selection process, and annually adjusting the questions and scoring methodology in response to international trends. Yuanta FHC's performance in this evaluation was excellent in criteria topics such as Occupational Health and Safety, Materiality, Policy Influence, and Human Rights, with nearly 80% of the topics ranking in the top one percent (1%) of the group. Yuanta FHC continues to refine and put relevant actions into practice. For example, in the area of employee care, we have formulated Yuanta Group's Occupational Safety and Health Policy to strengthen management effectiveness, build a disaster-free workplace environment, and safeguard the safety and health of employees, suppliers, contractors, and other co-workers.

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In order to implement procurement risk control, Yuanta FHC continues to optimize supplier self-assessment mechanism, which is divided into six categories: human rights, labor practices, consumers, integrity management, environment, and health and safety. Each of Yuanta Group's subsidiaries has fully imported the ISO 20400 sustainable procurement guidelines and obtained the certification, so as to manage and evaluate suppliers in a systematic manner and strengthen the resilience of the supply chain.

Yuanta FHC utilizes financial influence to engage with stakeholders and strives to assist customers in transforming into a low-carbon and zero-carbon economy. A subsidiary, Yuanta Funds, acts as an institutional investor and engages with investee companies to help set clear carbon reduction targets and climate change improvement plans. Yuanta Bank promotes sustainability-linked loans and encourages corporations to use their capital for green operations, echoing the "climate finance" issue that attracted the most attention at the United Nations Climate Change Conference (COP29), which just ended last November.

In addition to actively engaging with stakeholders, Yuanta FHC has also carried out corporate carbon management. Yuanta FHC introduced an internal carbon pricing mechanism as early as 2020, and is the first financial institution in Taiwan to explicitly price greenhouse gas emissions by "internalizing external costs." Furthermore, Yuanta FHC has been selected as one of the *Financial Times* 2024 Asia-Pacific Climate Leaders and *Business Weekly's* 2024 Carbon Competitiveness 100 this year, translating carbon reduction actions into corporate competitiveness.

As a member of the Sustainability National Team's Coalition of Movers and Shakers on Sustainable Finance, Yuanta FHC took over the role as the chairman of the third coalition this month and made three major sustainability pledges, including net-zero emissions, sustainable finance, and talent cultivation. We continue to work hard to promote ESG, shoulder the responsibility of being a sustainability leader in Taiwan,

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and bring positive influence to the society.