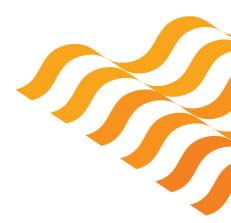


PRESIDENT SECURITIES CORPORATION

2023 SUSTAINABILITY REPORT



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Sustainable Operation 2 Corporate
Governance

 $3^{\,\text{Sustainable}}_{\,\text{Finance}}$

4 Employee Care

5 Environmental Protection

About This Report

Since President Securities Corporation (hereinafter referred to as "PSC") prepared the first ESG Report in 2010, we have published the sustainability report for 15 consecutive years. In the future, we will sustain our efforts in publishing the annual sustainability report.

The 2022 sustainability report was published in August 2023, and the 2023 sustainability report was published in August 2024. The 2023 sustainability report contains information on PSC's efforts in corporate governance, environment, and society throughout 2023 (January 1 to December 31) to disclose various sustainability plans to our stakeholders.

Report Boundaries and Scope

The disclosures in this report mainly cover districts in Taiwan where PSC's primary operations are located. Hence, the data disclosed are based on PSC's operations in Taiwan. Subsidiaries are not covered. The reporting scope of the environmental performance under ISO 14064-1 Greenhouse Gas Inventory standards includes PSC and its four main subsidiaries, PSC Venture Capital Investment, President Insurance Agency, President Capital Management, and President Futures. Relevant statistics are based on international standards, and all financial figures are in the unit of New Taiwan dollars (NTD).

Editorial Principles

This report is prepared in accordance with the guidelines and indicators set out in the GRI Standards released in 2021 by the Global Sustainability Standards Board (GSSB).

Published by	Guidelines adopted
Global Sustainability Standards Board (GSSB) GRI standards 2021 for global reporting initiative	
	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
Taiwan Stock Exchange Corporation	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
	Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms
United Nations	Sustainable Development Goals (SDGs)
Sustainability Accounting Standards Board (SASB)	Investment Banking & Brokerage
Financial Stability Board (FSB)	Task Force on Climate-Related Financial Disclosures (TCFD)

Reporting Quality Management

The data and texts of this report were compiled by each department, reviewed and approved by the head of each department to confirm the completeness and correctness of the data and contents, and then submitted to the Sustainable Development Team, which then examined the data and wrote and revised this report with reference to outside experts' suggestions. After the contents of this report was completed, it was reviewed by the manager and head of each department. After a third-party verification agency provided an assurance report, it was sent to the President and the Chairman for review and presented to the Board of Directors for approval before publication. The quality of disclosure is ensured through a rigorous procedure.

Each unit submitted the performance data for the year, and its Collection supervisor conducted preliminary review of the data and submitted it to the Sustainable Development Team. The Sustainable Development Team composed texts based on the Editing information and data provided by each operational unit and opinions of outside experts. • Internal units: Data and contents disclosed in the report were reviewed by the responsible individuals and head of each department to ensure completeness and correctness. Review • External units: We commissioned PwC Taiwan to perform assurance engagement in accordance with provisions of TWSAE 3000 for "Assurance Engagements Other than Audits or Reviews of Historical Financial Information." **Publication** The report was published upon the approval of the Board of Directors.





Sustainable Operation

2 Corporate Governance

3 Sustainable Finance

4 Employee Care

Statement of External Assurance

Standards adopted	Standards adopted
Independent limited assurance in accordance with the TWSAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" The Assurance Report is attached as an appendix to this report.	PwC Taiwan
- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	
ISO 14001 Environmental management system	SGS Taiwan
ISO 14064-1 Organization greenhouse gas inventory	DNV Taiwan
ISO 27001 Information security management system	BSI Taiwan

Contact Information

Public Affairs Division, Management Department, President Securities Corporation



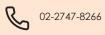
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Feedback



Chairman

Chairman's Message

In 2023, the negative impact of high inflation and high interest rates on the real economy became increasingly evident. Several community banks in the U.S., including Silicon Valley Bank, experienced liquidity crises due to deposit outflows, leading to their collapse. In Europe, Credit Suisse suffered massive losses, and despite emergency loans from the Swiss National Bank, investor confidence could not be restored. As a result, UBS Group AG acquired Credit Suisse under the Swiss government's arrangement. In China, the collapse of the real estate bubble put several real estate companies in financial crises, leading to bankruptcies and market turbulence.

Domestically, in response to the weakening demand in global terminal markets, manufacturers continue to adjust inventories, resulting in a slowdown in exports and investments. According to data released by the Directorate-General of Budget, Accounting, and Statistics (DGBAS) in May, Taiwan's annual economic growth rate in 2023 fell to 1.28%. However, Taiwan's stock market was driven by the rise of artificial intelligence and high-performance computing applications, causing the Taiwan Stock Exchange Capitalization Weighted Stock Index to rise by 26.8% throughout the year. The average daily trading volume in the listed and OTC markets also increased from NT\$305.2 billion to NT\$359 billion, a growth of 17.6%.

Benefiting from the simultaneous rise in stock prices and trading volume, PSC's performance was outstanding, with an after-tax net profit of NT\$2,878,951,000 in 2023, and earnings per share of NT\$1.98. While pursuing business growth, PSC upholds the sustainable business philosophy of "You care, we act!" and continuously engages with stakeholders. Our sustainability strategy and vision are embodied in the "CORE" framework, focusing on Comfortableness, Opportunities, Responsibility, and Equality, to maximize the value of corporate sustainable development. In 2023, PSC's sustainability efforts were recognized with the Taiwan Corporate Sustainability Awards (TCSA), where it received the Excellent Sustainable Companies Award in the Premier Sustainability Performance Award category.

In terms of responsible management, PSC has established a stewardship policy that integrates environmental, social, and corporate governance (ESG) considerations into its investment evaluation process. PSC continues to monitor the sustainability strategies of its investee companies and engages in appropriate dialogue and communication, thereby facilitating the sustainable development of these companies. Our initiatives were recognized with the Excellent Securities Firm honor in the Taiwan Stock Exchange's 2023 evaluation of institutional investors' stewardship information disclosure.

In customer service, PSC adheres to the treating customers fairly principles and strives to achieve financial inclusion. To enhance services for elderly customers, all branches are equipped with assistive tools such as reading glasses and magnifying glasses for customer use, and a dedicated senior citizen service hotline is available, allowing elderly customers to access assistance through phone keypads. Additionally, PSC regularly conducts wellness checks for elderly customers, reminding them to be aware of fraud risks. In 2023, PSC collaborated with the Digital Humanitarian Association on supporting elderly health and investment fraud prevention efforts to improve fraud awareness among financially vulnerable groups.

Regarding employee care, PSC values its employees as important assets, and the Company spares no effort in supporting their development. Recruitment, promotions, and compensation are provided without discrimination based on gender, age, race, marital status, religion, or political affiliation. PSC is committed to fostering a more diverse, equitable, and inclusive workplace. With an average employee age of over 45, PSC has implemented age-friendly measures, providing annual health check-ups and having doctors on-site regularly to help employees monitor their physical and mental health. We also encourage work-life balance by offering travel subsidies each year, allowing employees to take vacations and spend time with their families.

On environmental protection, PSC began implementing ISO 14064 Greenhouse Gas Inventory in 2019 and expanded the investigation scope to cover its subsidiaries in Taiwan in 2023. Based on inventory results, PSC identifies sources of carbon emissions and improvement measures will be implemented progressively to achieve the government's goal of net-zero carbon emissions by 2050. Additionally, starting in 2023, PSC has conducted Scope 3 financial carbon inventories in accordance with PCAF standards and disclosed the results in its TCFD report.

In line with its corporate culture of giving what we have taken from society back to society, PSC has, since 2008, collaborated with the Taiwan Fund for Children and Families on the "PSC Scholarships and Grants for Elementary School Students from Economically Disadvantaged Families," helping underprivileged students in their pursuit of education. By 2023, the program had supported 11,475 high school, junior high school, and elementary school students from economically disadvantaged families. In addition, this year PSC produced a short film, Listen, Dreams Are Dancing! It documents the journey of students who received help in pursuit of their dreams and giving back to society, encouraging children facing adversity to bravely chase and realize their dreams.

Going forward, PSC will continue to strive for excellence in order to achieve sustainability goals, providing customers with high-quality products and services, strengthening corporate governance, safeguarding stakeholders' rights, and placing importance on environmental protection and care for disadvantaged groups.



Important ESG Performance

Top 20% Securities Firm

Top 20% in the securities industry in the 1st Sustainable Finance Evaluation in 2023 Corporate Governance Evaluation 6%~20%

Top 6%~20% in the 10th Corporate Governance Evaluation in 2023

Taiwan's Excellent Sustainable Companies Award

Excellent Sustainable Companies Award in the Premier Sustainability Performance Award category at the 16th Taiwan Corporate Sustainability Awards (TCSA) in 2023

Gold Award of the Corporate Sustainability Reporting Awards

Gold Award of the Corporate Sustainability Reporting Awards in the Finance and Insurance Industry Group at the 16th Taiwan Corporate Sustainability Awards (TCSA) in 2023

Judges' Award

The 7th PwC's Sustainable Impact Awards in 2023



nvironment

ISO 14064-1

Completed the ISO 14064-1 Organizational Greenhouse Gas Inventory and Certification ahead of schedule in 2023 for PSC and its subsidiaries.

ISO 14001

Obtained the ISO 14001 Environmental Management System to enhance the Company's environmental management policy.

• Adherence to 1.5°C Warming Limit

Received the "adherence to the 1.5°C warming limit" by CommonWealth Sustainability Association.

Social

Best Public Welfare Promotion

Won the Best Public Welfare Promotion, Best Wealth Appreciation, and Best Print Marketing Awards at the 2023 Wealth Magazine's Wealth Management Awards.

Commitment to CHR

Won the Commitment to Corporate Health Responsibility launched by Common Health Magazine in 2023.

Governance

List of Companies with Better Institutional Investor Stewardship Disclosure

Partook in the TWSE rating for companies with better stewardship disclosure and was included in the list of companies with better institutional investor stewardship disclosure 2023.

Aligning with Global Standards

Since the 2021 sustainability report, adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework and the Sustainability Accounting Standards Board (SASB) standards to enhance the disclosure of corporate sustainability information.



Sustainable Operation

 $2^{\,\text{Corporate}}_{\,\text{Governance}}$

3 Sustainable Finance

nvironment

• Echoing Green Office Practices

Voluntarily practiced 26 green office measures initiated by the Ministry of Environment to promote a carbon reduction and net-zero lifestyle.

• Green Spending

The Company's green spending in 2023 amounted to NT\$ 22,591,679.

Supplier Social Responsibility Commitment Statement

The percentage of PSC's suppliers signing the commitment in 2023 reached 95.93%.

Energy Efficiency Enhancement

Continue to replace outdated air conditioning systems and energy-saving lighting, established an energy management system to monitor air conditioning electricity usage and enhance energy monitoring.

• Paper Use Reduction

Implemented a paper use reduction plan in 2023, saving 933,060 sheets of paper.

• Lights off for 1 Hour

Has responded to World Earth Day since 2008 by turning off lights at business halls for one hour at noon to reduce energy consumption and carbon emissions, to respond to energy conservation and environmental protection with practical actions

International Meatless Day

Encouraged employees to have one vegetarian meal per week to GO GREEN and reduce carbon emissions together, thereby contributing a part to the environment on Earth.

Social

Bronze Medal of TTQS

We were also awarded the Bronze Medal of TTQS Assessment organized by the Ministry of Labor and have won six silver medals and seven bronze medals since 2009 as the only company in the securities industry that has been recognized for 13 consecutive years.

Gold Award of the Happy Enterprise Awards

Awarded the Gold Award of the Happy Enterprise Awards by 1111 Job Bank in 2023.

Charity Scholarships and Grants of NT\$ 2.5 Million

Has worked with the Taiwan Fund for Children and Families in 2001 to help children from disadvantaged families go to school, benefiting a total of 11,475 disadvantaged children.

Investment Fraud Prevention

Collaborated with the Digital Humanitarian Association on supporting elderly health and investment fraud prevention efforts to improve fraud awareness among financially vulnerable groups.

Friends of Sustainability Game

Launched an interactive game titled "Friends of Sustainability Battle," allowing the public to learn about PSC's sustainability efforts.



Futures Diamond Awards

The 9th Futures Diamond Awards - Diamond Award for Securities Trading Volume.

Best Customer Satisfaction Award

Awarded first place in Best Customer Satisfaction Award and third place in Best Wealth Appreciation Award in the 17th Wealth Management Banks and Securities Evaluation by Business Today.

Warrant Issuance

Second place in TWSE – Weight Efficiency Award Fourth place in TWSE – Weight Excellence Award Third place in TWSE – Weight Growth Award Second place in TPEx - Warrant Momentum Award

ISO 27001

Continue to obtain the ISO 27001 Information Security Management System recertification.

Credit Rating

Rated by Taiwan Ratings at "twA" long-term and "twA-1" short-term with outlook as "stable".

About PSC

Basic Information on PSC _____

Date of establishment

December 17, 1988



Branches in Taiwan

31 (headquarters included)



Capital

NT\$ 14.558 billion



Address of the head office

No. 8, Dongxing Road, Songshan District, Taipei City



Number of employees

1,412 (including overseas ones)



Stock code

2855



Investees

5 local ones and 4 in mainland China and overseas



Number of shareholders

57,857 (as of December 31, 2022)



Operational sites





Sustainable Operation 2 Corporate Governance

3 Sustainable Finance

4 Employee Care

5 Environmental Protection

6 Social Care

Appendix

Overview of the Company

PSC was founded in 1988 by the parent company, Uni-President Enterprises Corp., in conjunction with many well-established businesses. After years of development, PSC has grown into an enterprise with a number of business groups. PSC's business groups include President Futures Corporation, President Capital Management, Uni-President Assets Management, President Securities (Hong Kong) Limited, President Insurance Agency, Uni-President Insurance Agency, and Tong Zheng Venture Capital Co., Ltd. We have registered outstanding performance in different financial fields and provide customers in Taiwan and Hong Kong with a wide range of products and services, thereby gaining investors' recognition and trust. The brand "President" enjoys a high reputation in Taiwan's financial market after years of operations.

"Providing professional and thoughtful services" has been PSC's corporate mission. Adhering to the parent company Uni-President's entrepreneurial spirit "good quality, good credit, good services, and affordable price", we have occupied a stronghold in the financial securities industry by providing the most professional services and the most thoughtful services, while giving back to our customers as securities professionals.

PSC's Equi	ties and Business	Investments

Major shareholders' shareholdings		PSC's business groups	
Company	Holding Percentage	Company	Main Business
Uni-President Enterprises Corp.	28.678%	President Futures Co., Ltd	Futures brokerage and proprietary trading
Kai Nan Investment Co., Ltd	2.902%	Uni-President Assets Management Corp.	Securities investment trust
President Chain Store Corporation	2.785%	President Insurance Agency Co., Ltd	Insurance agent
Tainan Spinning Co., Ltd	2.342%	President Capital Management Corp.	Securities investment and consulting
Eternal Materials Co., Ltd	2.291%	PSC Venture Capital Investment Company Limited	Consultation of investment management and venture capital; other unprohibited or unrestricted businesses beyond the permit
Kao Chyuan Investment Co., Ltd	2.265%	President Securities (Hong Kong) Limited	Securities proprietary, brokerage, underwriting, and consulting

Milestones of PSC

Busi Start-up	1988	Completed registration	Completed establishment registration on December 17. President Securities Corporation was formerly known as President Securities Co., Ltd.
Business rt-up Period	1989	The Company was renamed	The Company was renamed President Securities Corporation on March 4 and officially launched business on April 3.
Offering Public	1999	Approved to be listed on TPEx	The application for listing on TPEx was approved in February.
	2002	Listed on TWSE	Officially transferred to be listed on TWSE in September.
Busine	2003	Obtained the license for commodities	Obtained the license for structured commodities in July and the license for central government bond dealers in September.
ss Expans	2006	Obtained the license for commodities	Obtained the license for wealth management business in February.
Business Expansion Period	2008	Established the Xiamen Representative Office	Established the Xiamen Representative Office on August 22.
	2010	Obtained the FSC's approval	Obtained the FSC's approval to run a trust business concurrently in September.
	2013	Established PSVC	Established a subsidiary, PSC Venture Capital Investment Company Limited, in October.
D.	2014	Launched international securities business	Launched international securities business in July.
Digital Transition Period	2018	Obtained approval for running an employee stock ownership trust business	Obtained approval for running a employee stock ownership trust business.
ition Perio	2020	Approved to establish Jin Yuan President Securities Corporation Limited	Officially launched Jin Yuan President Securities Corporation Limited, the first cross-strait joint venture securities firm.
<u> </u>	2021	Conducted capital increase	Conducted capitalization of earnings, with the share capital after capital increase reaching around NT\$14.558 billion.
	2022	Actively launched financial products	Actively launched ETN products, with the second largest number of listed ETNs; launched Podcast program "President News for Investors"; updated the electronic trading app "e-trading".



Sustainable Operation $2^{\,\text{Corporate}}_{\,\text{Governance}}$

 $3^{\,\text{Sustainable}}_{\,\text{Finance}}$

4 Employee Care

5 Environmental Protection

6 Social Care

Appendix

Introduction to Main Businesses

PSC offers a variety of financial products and professional services. Over years of dedication in the financial product market, we have been actively developing various products and services to promote professional financial services to every customer.

rofessional financial services to every customer.								
Business	Service	es	Business features					
IIII Brokerage	 Accept orders from clients to buy/sell listed securities and forward to TWSE for execution. Accept orders from clients to buy/sell listed securities and forward to TPEx for execution. Manage custodial services for clients. 	Securities borrowing and lending business.	 We provide a variety of stock market monitoring and order placing platforms to serve a wide range of clients. We market a variety of products combined to provide clients with a full range of financial management services. 					
Proprietary trading	Trading of publicly listed securities on the TWSE and TPEx, using President Securities' own funds. Trade futures and options trading.	Expand international investment business involving legally-permitted overseas spot/futures market research and investments.	Excel at adopting trading strategies flexibly.Traders are highly skilled with a brand effect.					
S -S-Bonds	 Use own capital to trade domestic and foreign corporate and government bonds in the OTC market. Offer tendering services of Taiwan government bonds. Repo and Reverse-Repo transactions. Trade overseas and domestic convertible bonds. Underwriting in domestic and foreign bond markets. 	 Trading of domestic and foreign government bonds and corporate bonds with clients. Trading, designing, and selling interest rate structured products. Designed Bond Exchange-Traded Notes. 	The Fixed Income Department's business mainly focuses on proprietary trading of bonds, along with bond sales and underwriting and issuance of structured products.					
Quantitative trading	Trading of foreign futures and options and market making as permitted by Taiwan Futures Exchange and laws and regulations.	ETF arbitrage, market making, liquidity provision, and issuance and trading of structured products.	 The profit ranks among the best of brokers' futures proprietary trading departments. We will undertake new products depending on the competent authority's permission in the future. 					
Capital market	 Assist domestic and foreign companies in applying for public offering or listing on TWSE or TPEx in Taiwan. Conduct assessments before undertaking cash capital increase projects. Undertake conversion of domestic and foreign corporate bonds and issuance of global or Taiwan depositary receipts. 	 Provide professional advice on mergers or acquisitions. Issue a professional evaluation opinion on matters, such as supplementary public offering for private placement, treasury shares, or cash capital increase or employee stock warrants. Provide other underwriting and consultation services. 	 We have advised companies to go public and raise funds successfully. We serve a reliable market maker and service provider in the market value chain at the same time. 					
Shareholder services	 Act as an agent for the general shareholder services for publicly listed companies. Assist companies in organizing shareholders' meetings. Handle ex-dividend, ex-right, and dividend payout operations. 	 Issue and send annual tax bills. Check shareholders or relevant matters as required by laws and regulations. 	Coordinate shareholder services on behalf of publicly listed companies.					
Financial products	Issue call (put) warrants (including contract-based warrants) and callable bull/bear contracts. Trade structured products. Engage in convertible bond asset swap.	 Trade equity derivatives. Engage in exchange traded notes (ETN). Engage in other derivatives as approved by the competent authority. 	 We provide better services to investors with excellent market-making quality. We focus on the development of the self-media teaching contents, making it easier for novice investors to understand the ENT investment, to continue to differentiate ourselves from other competitors and expand the market scale of our new products. 					
Wealth management and trust business	 Provide consultation services for asset allocation or financial planning or sell financial products. Allocate assets in the form of a trust for clients. Coordinate the development and planning of funds, securities, and structured products for domestic and foreign products on the trust platform. 	 Conduct employee stock ownership trust business. Conduct wealth management business for high-networth clients. 	We have developed an asset allocation and wealth management platform for all products through the wealth management and trust business.					



Sustainable Operation

2 Corporate Governance

 $3^{\,\text{Sustainable}}_{\,\text{Finance}}$

Employee

Operational Supply Chain

As a professional securities company, PSC not only provides services to meet the various customer needs in funding in accordance with the structure of the securities market but also adheres to relevant regulations and accepts supervision from the government and regulatory authorities. Simultaneously, the Company maintains cooperative relationships with suppliers and business partners. Such practices involve PSC's operational supply chain. While PSC provides customers with high-quality services based on the supply chain, we integrate our sustainability principles into the supply chain as well. In the pursuit of operational development, the Company also strives to balance sustainability in practices and progress, aiming to create shared prosperity for the Company, society, and the environment.

Operational support

- Government and regulatory authorities
- Suppliers
- Strategic partners
- · Charity groups/ private organizations
- Media

Operational supervision, provision of products and services, commercial collaboration,





The provision of financing/ investment,

financial products and services, fundraising, etc.

Service targets

- Financial institutions
- Government agencies
- Individuals and legal entities
- Individuals and legal entities
- Shareholders and investors

Sustainable Development Strategies

- Invite suppliers to sign the social responsibility commitment statement.
- Incorporate the signing of the social responsibility commitment statement as a supplier evaluation indicator.
- Develop green finance 2.0 plan to include policies on anti-corruption, human rights enforcement, and anti-money laundering.
- Mobilize customers, employees, and suppliers to participate in charitable activities.
- Implement principles of treating customers fairly.
- Protect customer rights in accordance with the pertinent mechanisms of the Financial Ombudsman Institution under the Financial Consumer Protection Act.

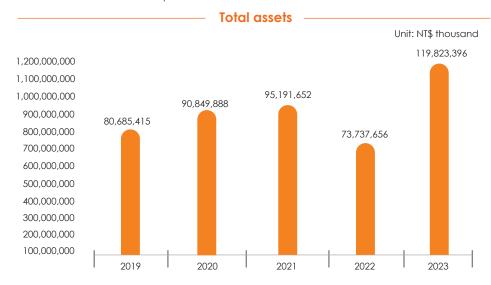
Participation in Domestic and Overseas **Organizations**

Organization Title	Membership Status	Position
Taiwan Securities Association	Member	Managing director Convenor of the Proprietary Trading Business Committee Convenor of the Wealth Management Committee
Chinese National Futures Association	Member	Supervisor
Trust Association of Republic of China	Member	-
Taiwan Stock Affairs Association (TWSAA)	Member	-
Taiwan Chamber of Commerce Xiamen	Member	-
The Securities Futures and Funds Association of Xiamen	Member	-

Operational Performance and Vision

Annual Operating Performance

PSC will continue to integrate all internal resources as we strive to improve our financial performance, such as profitability and operating performance to meet stakeholders' expectations for return on investment, while creating a FinTech-based environment, integrating relevant businesses, and upgrading digital business, to move toward digital finance 3.0. Please refer to PSC's annual report for more details of financial information.

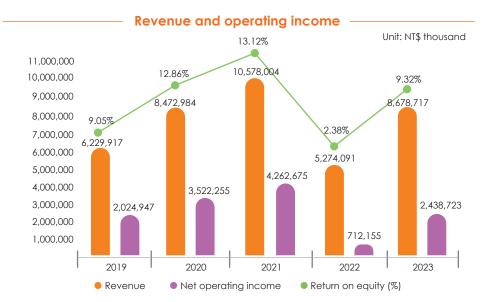


2023 Taiwan Ratings' evaluation results



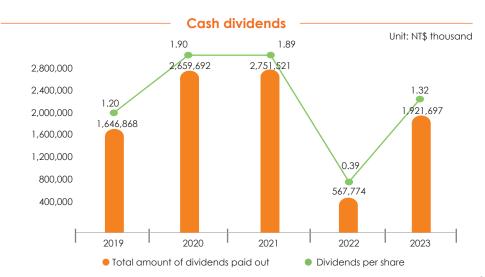
Revenue and operating income

In 2023, the Company's annual operating revenue was NT\$ 8,678,717,000, the operating income NT \$2,438,723,000, the net non-operating income NT\$ 681,049,000, the net income before tax NT\$ 3,119,772,000, and the net income after tax NT\$ 2,878,951,000, and the net income after tax per share NT\$ 1.98.



Cash dividends

PSC's dividend payout policy is to maintain the soundness of the Company's long-term financial structure and stabilize the momentum for our continuous business growth in the coming years to maximize shareholder benefits. Except for the 2008 financial crisis, PSC has distributed cash or stock dividends to shareholders every year. In 2023, the Board of Directors of PSC approved to pay out a cash dividend of NT\$ 1.32 per share, amounting to a total cash dividend of NT\$ 1,921,697,373.



Proportion of operating revenue

Unit: NT\$ thousand

Item	2021			2022			2023	
	Operating revenue	Percentage (%)	Opera	ting revenue	Percentag	e (%)	Operating revenue	Percentage (%
Brokerage	5,547,961	52.45%	3,	,709,607	70.34%	,	4,200,038	48.40%
Proprietary trading	4,604,856	43.53%	1,	,388,875	26.33%	,)	4,026,257	46.39%
Underwriting	425,188	4.02%	1	175,609	3.33%		452,422	5.21%
Total Operating revenue	10,578,004			5,274,091			8,678,717	
	Item			202	1		2022	2023
	Return on assets (ROA; %)			4.3	8		1.02	3.70
	Return on equity (ROE; %)			13.1	3.12		2.38	9.32
Profitability	Profit margin (%)			37.88		13.83	33.17	
	Earnings per share (EPS; NTD)			2.75		0.50	1.98	
	Operating revenue			10,578,004			5,274,091	8,678,717
	Operating costs			6,315,329			4,561,936	6,239,994
Operating performance	Operating income			4,262	675		712,155	2,438,723
	Operating revenue per employee (Note 1)			7,454	.55		3,667.66	6,146.40
	Operating income per employee (Note 1)			3,004.00		495.24		1,727.14
	Taiwan Ratings' evaluation results			3,615,086			2,141,940	2,772,591
Economic value	Expenditure paid to inve	stors and lenders		2,187	848	2,915,039		1,441,605
distributed	National expenditure pa	id to the government		626,184			184,510	241,301
	Community investment			5,605		2,762		3,384
Government subsidies				24,876		23,217		21,859
Retained economici value	e (Note 2)			4,143,	282		29,840	4,219,836

Note 1: The number of employees is the average number of employees disclosed in the annual report at the shareholdeers meeting, which is 1,419 in 2021, 1,438 in 2022, and 1,412 in 2023.

Note 2: Retained economic value = "Direct economic value generated" - "economic value distributed". The direct economic value generated is the net income in this table, while the economic value distributed includes operating costs, employee salary and benefits, payments to stakeholders, payments to the government, and community investments.

Business Vision

PSC's Business Vision



- Continue to enhance the electronic order placement business and integrate the functions of the trading platform.
- Provide clients with a more secure electronic trading solution to ensure the immediacy and correctness of orders placing, developing an advantage in electronic trading.
- Continue to develop a global trading platform to provide clients with more international and diverse choices



Underwriting

Aim to provide integrated services for investment banks in Greater China and seek and motivate high-quality overseas companies to list their stocks in Taiwan to raise funds in the future, thereby adding to the momentum of the securities market.



Proprietary trading

Consider various variables and risks, maintain a rigorous research approach to explore the fundamental essence of events and develop appropriate investment strategies; operate prudently without haste, aiming to generate greater profits.



Financial products

- Provide diverse and customized financial products depending on clients' needs as per the permissions of competent authorities in the future.
- Reinforce hedging trading skills and risk control models to reduce risks and stabilize profits.
- Expand overseas derivatives business to increase revenue from diverse sources when the competent authority is gradually lifting its restrictions on the international securities business.



Wealth management

- Increase the product lines of the wealth management platform and provide clients with more options in asset allocation.
- Respond to market fluctuations by issuing major information updates and commentary, showing care and safeguarding clients' assets.

Future Development Strategy

Facing the future full of opportunities and challenges, PSC will continue to make unremitting efforts to respond to the important issues about which stakeholders are concerned, adopt a long-term and stable business strategy as always, and implement various mechanisms for risk and internal control management to reinforce the Company's business foundation and competitiveness of various businesses. While expanding overseas niche markets, we are enhancing our domestic services, with the aim of providing a wide range of high value-added financial services beyond clients' expectations, thereby maximizing the values for the Company and our shareholders.

Development strategy

- · Cultivate R&D talents
- Implement risk management
- Strengthen information system
- Improve the quality of human resources
- Integrate securities business







Develop

diverse

products

Upgrade the order placing system

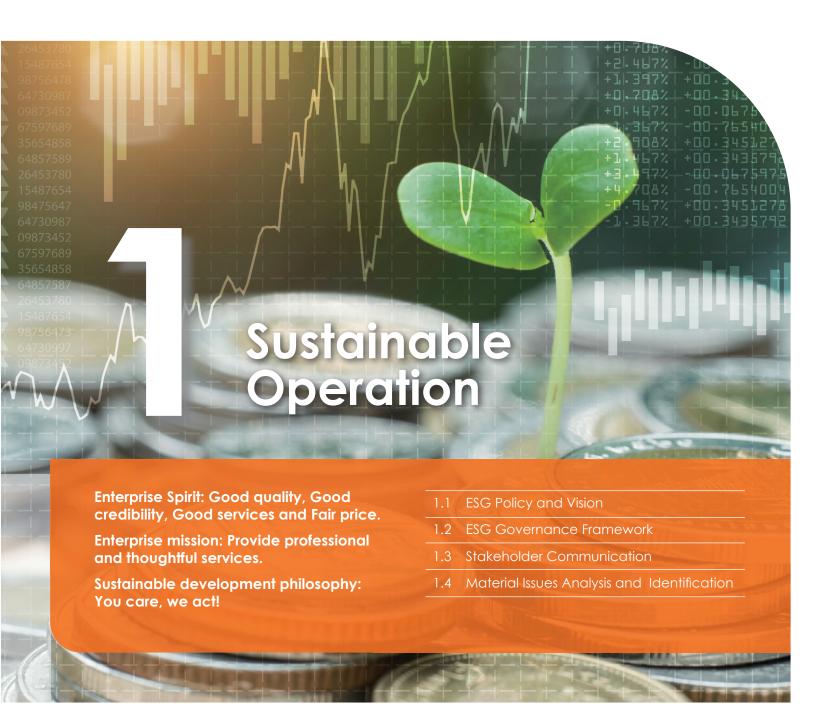


Stabilize proprietary trading profit



Expand overseas markets







Sustainable Operation $2^{\,\text{Corporate}}_{\,\text{Governance}}$

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Milestones of ESG Events

2011	Published PCS's first CSR Report in 2010
2012	Formulated the Corporate Social Responsibility Best Practice Principles
2013	Ranked 9th in the medium-sized enterprises at the Excellence in Corporate Social Responsibility Awards organized by the CommonWealth Magazine
2015	 Ranked 12th in the medium-sized enterprises at the Excellence in Corporate Social Responsibility Awards organized by the CommonWealth Magazine Obtained assurance for the first report from a third-party certification agency
2016	Ranked 14th in the medium-sized enterprises at the Excellence in Corporate Social Responsibility Awards organized by the CommonWealth Magazine
2017	 Ranked 15th in the medium-sized enterprises at the Excellence in Corporate Social Responsibility Awards organized by the CommonWealth Magazine
2018	Formally established a CSR Team
2020	Completely revised PSC's CSR website Won the Gold Award of the Corporate Sustainability Reporting Awards at the Taiwan Corporate Sustainability Awards (TCSA) Won the Bronze Award at the 4th PwC's CSR Impact Awards Conducted ISO 14064-1 Greenhouse Gas Inventory at the head office for the first time
2021	 Adopted a responsible investment policy for financial sustainability Adopted the ISO 14001 Environmental Management System Won the Taiwan's Excellent Sustainable Companies Award in the Premier Sustainability Performance Award category and the Gold Award of the Corporate Sustainability Reporting Awards for two consecutive years at the Taiwan Corporate Sustainability Awards (TCSA) Won the Bronze Award at the Taiwan Sustainability Action Awards (TSAA) Ranked 3rd in the Best Sustainability Award at the 15th Best Wealth Management of Banks and Securities organized by Business Today
2022	 Obtained ISO 14001 certification for environmental management system Awarded Taiwan's Top 100 Sustainable Companies Awards and the Gold Award of the Corporate Sustainability Reporting Awards for three consecutive years at the Taiwan Corporate Sustainability Awards (TCSA) Ranked 3rd in the Best Sustainability Award at the 16th Best Wealth Management of Banks and Securities organized by Business Today
2023	 Awarded Top 20% securities firms in the 1st Sustainable Finance Evaluation in 2023 Awarded Taiwan's Excellent Sustainable Companies Award at the Taiwan Corporate Sustainability Awards (TCSA) Awarded the Gold Award of the Corporate Sustainability Reporting Awards in the Finance and Insurance Industry Group at the Taiwan Corporate Sustainability Awards (TCSA) Awarded the Judge's Award at the 7th PwC's Sustainable Impact Awards

1.1 ESG Policy and Vision

In response to the opportunities and challenges brought forth by changes in the financial industry, PSC will consistently enhance our business strategies. With the ESG concept of "You care, we act!" at the center, we have striven to achieve the goal of sustainable financial development and transformation through continuous communication with stakeholders and growth.

We have integrated the UN SDGs: No Poverty, Decent Work And Economic Growth, "Quality Education, and Gender Equality, and PSC's CORE business advantages: Comfortableness, Opportunity, Responsibility, and Equality, and put them into practice in the environmental, social, and governance (ESG) aspects, as per which we have formulated a management approach to PSC's a sustainability policy. With that, we strive to give back to society and maximize the Company's values, thereby creating a sustainable and beautiful world.



Four Major Goals of PSC's Sustainable Development Policy

Core Values

Comfortableness

We provide immediate assistance to socioeconomically disadvantaged groups, so that they can get out of poverty and live a prosperous life.

Opportunity

We, as a member of the financial industry, have made unremitting efforts to improve financial performance and financial inclusion to fulfill our social responsibility.

Responsibility

We respond to local needs and take the cultivation of financial talents as PSC's social responsibility.

Equality

We continue to advance gender equality in the workplace and empower women with the same rights.

Corresponding SDGs



- PSC's Actions
- Provide a friendly financial services section to reduce the difficulties and frustrations of online applications, allowing
 more customers to enjoy convenient access to financial services via the Internet.
- Launched the PSC Scholarships and Grants for Elementary School Students from Economically Disadvantaged
 Families with the Taiwan Fund for Children and Families in 2008 to support disadvantaged students.



- Established a diverse and equal work environment, including equal employment, female care, a sexual harassment complaint mechanism, and an employee grievance mechanism.
- Protect workers' rights and interests and take care of workers' occupational health and safety.
- Provide employees with group insurance, employee stock ownership trust, emergency relief measures, and other benefit measures.
- Provide equal health care services and benefit measures to all employees in the Company.



EDUCATION

- Has consistently engaged in industry-academia collaboration in response to local needs for the cultivation of financial talents since 2007, working with many universities and colleges to provide students with opportunities for internship in the Company.
- Has received visits by various college and university students for industry-academia collaboration, with the number
 of visiting schools as high as 40 since 2009.
- Sponsor 14 colleges and universities in Taiwan in holding financial education, mock trading competitions, career lectures, and academic seminars.
- Organize mock trading competitions and financial management camps to bridge the gap between academic learning and business practices, helping students establish the correct concepts of investment and financial management.



GENDER EQUALITY

- Ensure no difference in employee recruitment, promotion, salary, and dismissal due to gender; established an internal gender equality website to provide information on comfortable breastfeeding rooms, application methods, and relevant information to all employees, thereby ensuring that employees enjoy a quality work environment where gender equality is guaranteed. In addition, the Company has formulated the sexual harassment complaint investigation and response regulations and set up a sexual harassment complaint response committee, which is responsible for sexual harassment complaints, investigation, and resolution to prevent sexual harassment and protect victims' rights and interests, thereby providing an environment free from sexual harassment.
- Provide female employees with miscarriage prevention leave, which is better than the fully paid abortion leave
 under the Act of Gender Equality in Employment, to provide a flexible work schedule in alignment with employees'
 needs for childcare. Employees on unpaid parental leave can be reinstated without difficulties, and female
 employees are supported to apply for menstrual leave and family care leave.
- Adopt a recruitment diversity policy for all directors, managers, and general employees.

1.2 ESG Governance Framework

Sustainable Development Team

PSC attaches great importance to sustainable development and adheres to the operational guidelines and business philosophy based on "You care, we act!" Since 2010, dedicated personnel at the Administration Department has been responsible for coordinating and communicating with the Company's promotion units of corporate governance, customer service, employee care, environmental protection, and social engagement to address issues concerning the Company's sustainable development. In addition, implementation units are in charge of investigating and collecting issues of stakeholder concern while related personnel perform their job duties. After integrating internal and external suggestions, the department formulates and implements policies, systems, or relevant management guidelines and specific implementation plans pertaining to corporate sustainability. PSC first formulated and announced the "Sustainable Development Best Practices Principles" after it was approved by the Board of Directors in 2002. (For details of the Sustainable Development Best Practices Principles, please go to "Section for Mandated Disclosures" on the PSC official website.) In the following years, the Company regularly revised the Sustainable Development Best Practices Principles in accordance with external regulations to ensure its effectiveness.

In 2018, PSC formally established the Sustainable Development (CSR) Team, with the head of the Sustainable Development (CSR) Team as the convener, consisting of the task forces of corporate governance, customer service, employee care, environmental protection, and social engagement.

The team holds meetings regularly four times a year. It sets targets, implements control measures, and reviews performance for each category at the meetings and submits the meeting minutes to the President and the Chairman. The sustainability implementation results from relevant departments are compiled and reported to the Board of Directors quarterly. The report includes: (1) identification of key sustainability issues and formulation of action plans in response, (2) revision of goals and policies related to sustainability issues, and (3) monitoring status of the implementation of sustainability initiatives, along with planning and evaluation results. Additionally, the sustainability performance for the year is compiled into a sustainability report, which is published after being approved by the Board of Directors.

Sustainable Development Team Structure The report is published after being **Board of Directors** approved by the Board of Directors. Chairman The implementation results are compiled into the report and submitted to the Chairman upon completion. President Meeting resolutions and team Sustainable performance checks are regularly **Development Team** presented to the President. Corporate **Environmental** Customer Social **Employee** Governance Protection **Engagement** Care Team Team Team Team Team President Office Public Affairs Brokerage Human · General Compliance Department Resources Affairs Division Division Division Customer Service Division · Branches Human Risk Control Office Center General Affairs Resources · Branches · Information System Division Division Department Branches Proprietary Trading/ **Underwriting Unit** Tasks Tasks Tasks Tasks Tasks Regulatory Green ·Charity · Client rights Labor rights compliance participation · Personal data Benefit policy procurement · Industry-· Risk management protection Safe workplace · Eneray academia · Internal control conservation · Featured services Gender collaboration · Information equality · Energy · Trading security · Charity disclosures Health care conservation donations · Responsible initiatives · Support for the Investment disadvantaged ·Sports sponsorship



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1.3 Stakeholder Identification and Communication

PSC places great importance on the demands, expectations, and concerns of its stakeholders. The Company is committed to providing a variety of communication channels to maintain strong relationships with our stakeholders. Through open and effective communication, we identify operational opportunities and address existing issues, thereby sustaining the Company's competitive advantage.

Stakeholder Identification

Identify PSC's "You" and "Care"

In accordance with the five principles under the AA1000SES Stakeholder Engagement Standard, PSC considered factors in five aspects, influence, tension, responsibility, dependency, and diversity perspectives, as well as the Company's practical experiences engaging in dialogues with various stakeholders, PSC has identified six groups of stakeholders, namely investors, employees, suppliers, customers, competent authorities, and communities/NGOs.

We have maintained positive interaction with the above six groups of stakeholders and set up a Stakeholders section on the Company's official website to disclose our sustainable achievements in recent years. We have service emails and hotlines in place for various groups of stakeholders, managed by dedicated personnel as a communication channel with stakeholders. Such personnel regularly report on the communication with each stakeholder to the Board of Directors.

Communication Channels and Frequency

How"We act"

	iow we uci					
	Stakeholders	Importance	Material issues	Communication channels	Communication frequency	Communication results in 2023
		Employees are PSC's most critical asset. Pay attention	Risk control and management, corporate	Employee suggestion mailbox	Regular	• In 2023, we subsidized departments' gathering events in the amount of
	to employees' needs, listen to their voices attentively, care about their career development, and create an enterprise where they work happily and unleash their potential.	governance and ethical management, innovative	Employee grievance mailbox	Regular	 NT\$ 3,500 per person, enabling employees to socialize with each other. A total of 21 cases were filed by employees through suggestion, proposal, and grievance channels in 2023. 	
		care about their career	out their career digital finance, customer privacy protection and information security, ppily and unleash digital finance, customer privacy protection and information security, customer services,	Employee Message Board	Regular	 In 2023, we held four labor-management meetings to engage in open
		an enterprise where they work happily and unleash		Employee seminars	Regular	labor-management dialog openly.
				Release of internal news and information	From time to time	 A total of 1,081 employees participated in the annual health examination for branches across Taiwan, with the participation rate of 76.6%. The click-through rate for seventeen articles in the Employee Message
				Personnel Review Committee	From time to time	Board reached 6,650. • We held many talks with the President to communicate with employees.
				Meetings with the President	From time to time	
				Family Day	From time to time	

Stakeholders	Communication channel	Contact person
Investors		Spokesperson: An Chi-Li, Vice President
Competent authorities	investor@uni-psg.com	Acting Spokesperson: Chen Nai-Chen, Senior Assistant Vice President
Employees	hr@uni-psg.com	Ms. Wu, Management Department
Suppliers	ga@uni-psg.com	Ms. Lin, General Affairs Division
Clients	info-center@uni-psg.com 02-8172-4668	Ms. Chen, Customer Service Center
Communities/	pr@uni-psg.com	Ms. Chen, Management Department



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Appendix

Stakeholders	Importance	Material issues	Communication channels	Communication frequency	Communication results in 2023	
			Investor mailbox	Regular		
			Announce company information on the official website	From time to time		
ſĤſ	Investors are the most strong backing of PSC.	Risk control and management, corporate	The Investor section set up to enable investors to access transparent and public information	Regular	We held four online quarterly investor conferences to communicate directly with the investors. The Company's profit and loss statement is regularly announced. In 2023, we released a total of 27 pieces of material information in Chinese	
(C) III (C)		governance and ethical management	The spokesperson responds to investors' questions	From time to time	and English to communicate with investors. • We held a PSC shareholders' meeting on May 31, 2023 to directly	
Investors			Announce operating and financial performance	Monthly	communicate with shareholders.	
			Release material information in both Chinese and English	From time to time	100	
			Investor conferences	Quarterly	2	
			Client service hotline and email	Regular	We held a total of 181 investment seminars of different scales, with about 14,062 participants.	
0 ~	Providing professional and thoughtful services" is	Customer privacy protection and	Monthly statements	Monthly	We held a total of four investment forums with about 800 participants. In 2023, our customer service hotline received a total of 51,311 effective calls,	
(Logill	our promise to clients. To meet clients' needs, PSC is constantly improving the quality of our products and services.	information security, innovative digital finance, customer services, sustainable finance	Hold investment and wealth management seminars	From time to time	with a monthly average of 4,275 calls. In 2023, there were 21 consumer dispute cases, all of which were	
Clients			Hold a large investment outlook meeting per year	Annually	completed prior to the deadline specified by the Financial Ombudsman Service within 30 days. • A customer satisfaction survey was conducted with 1,927 respondents,	
			Client satisfaction survey	Monthly	achieving a 99.25 satisfaction score.	
	PSC adheres to the principle of ethical management and works with suppliers	Risk control and management, corporate governance and ethical	Price negotiation meetings	From time to time	 As high as 95.93% of the overall suppliers signed the Supplier Corporate Social Responsibility Commitment. 97 price negotiation meetings were held. 	
Suppliers	in a fair and transparent manner to grow together.	management	Tender briefing	From time to time	The signing rate of the environmental safety and health commitment was 100%.	
	PSC is a highly legal	is a highly legal Risk control and		From time to time	 We completed a total of 21 questionnaires on exchange business. In 2023, a total of 1,693 people received on-the-job training on securities, futures, and wealth management and have successfully obtained or renewed 	
Competent	financial institution and strictly abides by the competent authorities' policies.	management, corporate governance and ethical management, sustainable finance	Cooperate with the general and ad-hoc inspections by competent authorities	From time to time	 their licenses. We followed up on the securities and futures laws and regulations that applied to each department on a monthly basis and kept abreast of the progress of each unit's update of internal operations or management regulations. 	
authority	policies.	sosialitable linarice	Cooperate with the supervision and the audit by competent authorities and provide relevant information	From time to time	 In 2023, we released 67 pieces of information on law violation and punishment cases to raise employees' awaren. Relevant responsible units replied to the Financial Supervisory Commission and relevant securities institutions by email or in writing. 	
	Communities and NGO groups are PSC's good partners to fulfill corporate	roups are PSC's good		From time to time	 In 2023, we organized the love spreading event for the 23rd year and donated NT\$ 2.5 million in scholarships to help the disadvantaged children sponsored by the Taiwan Fund for Children and Families go to school. We collaborated with the Digital Humanitarian Association on investment 	
Communities/ NGO	social responsibility together.		Volunteer Day	Annually	fraud prevention advocacy for the elderly in 2023. • We contributed to campaigns initiated by the President Enterprises Foundation for Social Welfare and Charity by mobilizing employees to participate in volunteer services such as gift wrapping.	



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1.4 Material Issues Analysis

Identification Process for Material Issues

In accordance with the GRI Universal Standards 2021, the Company has identified 8 material issues for PSC's sustainable development through the following steps.

Collection of sustainability issues 14 issues

PSC considered various sustainability issues, including those in the domestic and international financial securities industry, trends in the domestic financial industry, and specific topics related to the financial sector. Among the considerations, we identified 14 sustainability issues and conducted internal impact assessments through the Sustainability Development Team.

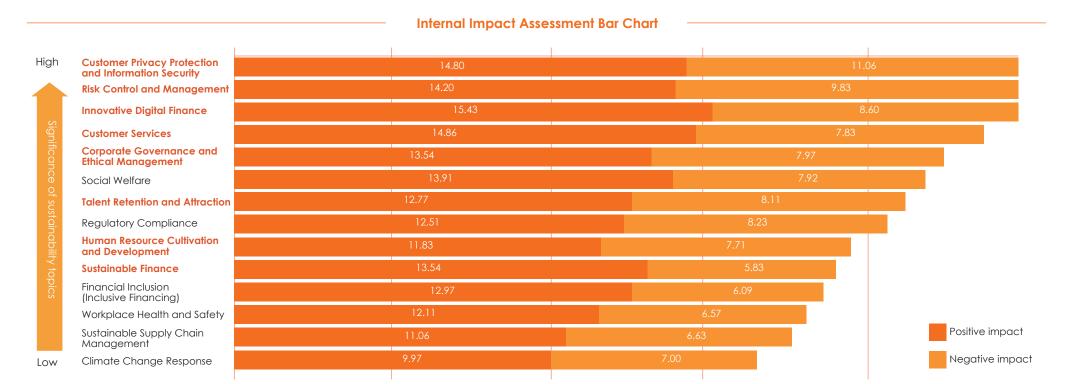
Impact assessment 35 questionnaires

- The Sustainability Development Team, in collaboration with 51 senior managers, completed an internal impact assessment questionnaire. This questionnaire, designed from the perspective of PSC internal operations, assessed the probability and magnitude of both positive and negative impacts of the 14 sustainability issues on the environment (environmental), society and human rights (social), and corporate governance (governance). A total of 35 valid questionnaires were collected with an effective response rate of 69%.
- Based on results of the questionnaires, the Sustainability Development Team analyzed the impact levels of various sustainability issues within the Company. These issues were then ranked based on their impact levels, providing insights into the significance of each issue for PSC.

Confirmation of material issues 8 issues

The Sustainability Development Team, after conducting assessments and discussions, as well as considering external expert opinions, industry trends, the focus of domestic peers, and the level of internal concern regarding sustainability issues, has ultimately decided to prioritize the top 6 sustainability issues in terms of impact as material issues. Two additional topics, "Sustainable Finance" and "Human Resource Cultivation and Development" were added to the list of material issues. Therefore, the 8 material issues selected for PSC's 2022 Sustainability Report are "Customer Privacy Protection and Information Security," "Innovative Digital Finance," "Risk Control and Management," "Customer Services," "Corporate Governance and Ethical Management," "Talent Retention and Attraction," "Sustainable Finance," and "Human Resource Cultivation and Development."

Since short, medium, and long-term goals, along with evaluation mechanisms, were already established for the eight selected material issues in 2022, no new material issues were identified for this year. Instead, we continued to track the progress of the goals set in 2022 for these issues.



Material Issue Impact Description

Aspect	Material Issues	Corresponding SDGs	Operational Significance	Positive/Negative Impact	Corresponding Chapter
Corporate Governance	Customer privacy protection and information security	-	In the era of financial digitization, PSC is committed to continuously enhancing its information security systems and management mechanisms, as well as employee awareness in the field, steadfastly safeguarding the security of information transmission and the confidentiality of personal information for its customers. This commitment ensures that customers can enjoy convenient financial services worry-free.	Enhancing the information security protection network and establishing a comprehensive information security management mechanism ensures effective operations and continuous improvement of related measures to reduce cybersecurity risks and prevent the leakage of customer privacy or general information. In the event of information leakage, theft, loss of customer data, or violations of the Personal Data Protection Act, the Company may face service disruptions, reputational damage, legal risks, and potential liability.	2.5 Information Security and Customer Privacy Protection



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Aspect	Material Issues	Corresponding SDGs	Operational Significance	Positive/Negative Impact	Corresponding Chapter
Financial Services	Innovative digital finance	8 DICENT HORK AND TOO CONTROL OF	In response to the transformation of financial markets and the evolving service demands related to new types of trading, PSC is committed to developing digital online services that integrate trading systems for securities, futures, options, emerging stocks, subbrokerage, and overseas futures, providing customers with more convenient and swift trading options. This approach also helps conserve resources, resulting in positive benefits for both customer interests and environmental sustainability.	Developing innovative financial products will continuously enhance the Company's product offerings and market competitiveness. Additionally, digitizing internal processes or providing online services to customers improves operational efficiency and simultaneously achieves carbon reduction. Failure to continuously optimize products and services, and thus not responding to market demands in a timely manner, may lead to a loss of competitive advantage and customer attrition.	3.2 Innovative Digital Finance
Corporate Governance	Risk control and management	16 MADE RISTRE RESTRICTIONS RESTRICTIONS	To ensure that the Company can actively engage in business development and continuously improve profitability within a robust and effective risk management framework, PSC's Risk Management Committee regularly reviews the Company's exposure to risks and oversees the implementation of risk management policies.	A proper risk management mechanism can reduce the Company's operational risks, minimize potential impacts during unexpected events, and enable timely adoption of appropriate countermeasures for a swift recovery. Without proactive risk management, the Company may be exposed to unbearable risks, potentially leading to financial losses, operational disruptions, or even cessation of business operations.	2.4 Risk Management and Crisis Response
Financial Services	Customer services	8 DECISIT WHOSE AND COMMITTEE STORYTH	With a strong emphasis on the rights and interests of financial consumers, PSC is dedicated to serving customers based on principles of treating customers fairly, and collects customer suggestions and feedback through various communication channels. After internal assessment, adjustments are made to enhance future service improvements, aiming to deepen customer loyalty and enhance brand reputation and image.	A comprehensive customer communication mechanism enables the Company to promptly understand customer needs and respond appropriately, ensuring that customer rights are protected and service quality is enhanced, thereby fostering greater customer loyalty. Failure to uphold fair customer treatment or to respond to their needs in a timely manner may result in poor service, damaging the Company's reputation and customer rights, which could lead to a loss of customer trust and eventual attrition.	3.3 Customer Relations and Services
Corporate Governance	Corporate governance and ethical management	16 PAGE METE AND STRONG INSTITUTIONS	Good corporate governance is fundamental to business operations. It significantly impacts the overall functioning and performance of a company and is subject to strict supervision by competent authorities. PSC adheres to the principle of steady operations, safeguarding shareholder rights while also considering the interests of other stakeholders. Additionally, upholding the spirit of ethical service and sustainable development, PSC requires its senior management and employees to adhere to the Company's Ethical Management Best Practice Principles, setting a good example and avoiding any actions that may harm the Company's reputation or brand image, including fraud, illegal activities, or unethical behavior.	Proper planning of business strategies, effective oversight of their execution, and ensuring transparency in providing relevant information contribute to the Company's long-term development and help gain the trust and favor of investors; the implementation of ethical business practices helps stabilize market order and protects the rights of stakeholders. If the corporate governance mechanisms are not effectively implemented, or if the management of ethical codes and conduct is inadequate, it could lead to market failures, significant errors, or dishonest behavior, resulting in the poor protection of stakeholder rights.	Corporate Governance Sthical Management and Codes of Conduct Regulatory Compliance
Employees and Social Welfare	Talent retention and attraction	5 COMPA B SECONT MORE AND 10 MERCATURES CONTINUED AND CONTINUES CONTIN	PSC strives to ensure employee rights and promote employee retention through generous employee benefits, including favorable working hours, leave policies, allowances, and employee insurance. We are committed to mutual growth and progress with our employees. Additionally, we conduct various recruitment efforts and collaborate with academia and industry to attract and retain talented individuals to ensure corporate competitiveness.	Human capital is a vital asset for the sustainable operation of a business. Attracting top talent, both domestically and internationally, can enhance productivity and increase the Company's competitive advantage. Poor management, however, can negatively impact talent recruitment and retention, leading to talent loss and labor shortages. Additionally, it may result in labor disputes, ultimately damaging the Company's brand image.	4.1 Talent Retention and Attraction



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Corresponding **Corresponding SDGs Material Issues** Aspect **Operational Significance** Positive/Negative Impact Chapter In response to sustainable development trends. Incorporating various ESG risk factors into business PSC will continue to develop financial products decisions and investment strategies not only helps that include ESG elements, implement responsible manage the Company's risk exposures but also directs investment policies, and integrate sustainable values capital toward green and sustainability projects. This into daily operations and business development, accelerates the sustainable transformation of industries, 3.1 Sustainable and Financial Sustainable finance aimed at bringing sustainable benefits to society or the leveraging financial influence to promote a more Responsible Investment Services environment and enhancing the long-term value of sustainable society. Failure to consider sustainabilityrelated issues could result in significant potential risks or the Company's operations. negative impacts on both environmental and social aspects. In response to the transformation of the financial Through a systematic training program to actively industry and changes in business models. PSC will develop internal talent, the Company helps employees continue to promote various forms of education acquire the necessary professional skills and address and training to cultivate diverse talents, enhance the challenges posed by digital transformation. This employees' professional knowledge and skills, and approach can mitigate the impact of external factors, **Employees** Human resource 4.2 Human Resource maintain organizational competitiveness. These efforts provide customers with more professional services. and Social cultivation and will have positive impacts on employees' career and enhance employee productivity and operational Cultivation and development and corporate sustainability. performance. If the Company neglects talent Welfare development Development development and cultivation, leading to employees being unable to apply their skills effectively, it will not only impact the Company's business performance but also have a negative effect on the industry's talent environment.

Management Guidelines for Material Issues

Material Issue	20
Malerial 1330	æ

Customer privacy

protection and

information

security

Policy and Commitments

PSC's Information Security Division has established comprehensive information security regulations, including information security policies and management procedures. Information security mechanisms are implemented in accordance with these policies to rigorously safeguard customer information. Meanwhile, internal control systems are regularly updated to ensure that our information security policies remain in alignment with the evolving operating environment in the market.

Course of Action

PSC has established an "Information Security Incident Reporting and Response Management Procedure" along with related handling protocols to address information security incidents or personal data breaches. We also regularly conduct information system backup drills to enhance the internal awareness of information security within the organization.

Short-term Goal (within a year)

1.0 incidents of customer

privacy violations or loss of customer data.

2. 100% completion rate for training on information security and email social engineering.

2. Assess the f

ion 3.0 cases of 4.100% com

(within 3-5 years) (within 3-5 years)

Mid-term Goal

- Further obtain ISO/IEC 27001 certification for information security management system.
- Assess the feasibility of adopting ISO 22301 standards for business continuity management.
- 3.0 cases of information security breaches by hackers.

Objectives Set

Mid-term Goal

 100% completion rate for training on information security and email social engineering.

Evaluation Mechanism

We conduct information security and social engineering awareness training and social engineering drills annually to enhance preparedness, instill and strenathen information security awareness within the organization. We will also continue to promote information securityrelated knowledge to reduce non-compliance rates for social engineering email drill exercises.

Material Issues

Policy and Commitments

In response to the increasing adoption of mobile devices and digital trading, PSC is committed to developing a trading platform that integrates digital development and social media. Existing systems and interfaces will be enhanced and upgraded based on suggestions from various stakeholders and customer demands to cater to customer expectations for easy operation and use.

Course of Action

Since its establishment, the Digital Finance Department of PSC has been fully committed to implementing digital transformation measures, including process optimization for online services and offline operations and continuous development and improvement of trading platform systems. As our digital business development matures, we will provide customers with more convenient and diverse products and services. We will also continue to enhance customer satisfaction through high-quality services aimed at building a positive image while

generating more benefits.

Objectives Set

Short-term Goal (within a year)

Percentage of users opening accounts online reaches 60%.

Mid-term Goal (within 3-5 years)

1. Percentage of users

- opening accounts online reaches 80%. 2. Continue to develop, integrate and establish digital financial systems, such as the integrated
- system for account opening for existing services, including securities, subbrokerage, credits, futures trading assistance, various financial products, bonds and wealth management trusts.

Mid-term Goal (within 3-5 years)

- 1. Percentage of users opening accounts online reaches 90%. 2. Continue to develop, integrate and establish digital financial systems,
- such as the integrated system for account opening for existing services, including securities, subbrokerage, credits, futures trading assistance, various financial products, bonds and wealth management trusts.

Evaluation Mechanism

We regularly report the number of accounts opened online to the stock exchange, review the monthly and annual accumulated accounts opened online to identify the effectiveness of online account opening measures, and further formulate improvement measures.

Innovative digital finance

PSC has established risk management guidelines that outline practical risk evaluation methods, processes, and management mechanisms to ensure the execution of risk management. Additionally, technological and economic changes lead to increasing public attention to sustainability and climate change and the emergence of new risks. PSC recognizes the importance of comprehensive risk management. In 2022, the Board of Directors amended the risk management policy to incorporate climate-related risks into the scope of risk management.

Our Risk Management Committee is responsible for the integration, supervision, and operation of risk management activities. It also sets various risk authorization levels, limits, and indicators, and oversees the overall risk management status to ensure the comprehensiveness of risk management mechanisms. Furthermore, in accordance with crisis response guidelines and to avoid sudden and significant negative impacts on the Company, the Board of Directors may authorize the President to convene a Crisis Response Team to execute appropriate crisis management measures in the event of negative impacts in accordance with the specified scope of authority outlined in

the guidelines.

Financial carbon inventory

Following the Global GHG Accounting and Reporting Standard for the Financial Industry published by PCAF in 2022, PSC conducted a financial carbon inventory for its investment portfolio. This helps to understand the greenhouse gas emissions associated with the Company's investment activities and enhances the quality of climate-related financial disclosures.

Digitalized risk management

Establish a digital system for risk management that presents various operational risks and profit and loss data on a dashboard, which allows for daily tracking and effective and real-time control and management of various risks of business units.

Climate-related financial disclosures

Continue to adopt and disclose TCFD financial indicators and link them with financial reports for cross checking, digitalize climate risk data to facilitate the management of associated risks, and create opportunities for sustainable development.

Company vision

Ensure that PSC can actively engage in the development of various businesses within a robust and effective risk management framework, and while maintaining appropriate risk tolerance, continue to increase profitability, create company value, and achieve the goal of maximizing capital returns.

The responsibilities of the Risk Management Committee include overseeing the effectiveness and implementation of various risk management policies, managing the overall risk limits of the Company, as well as departmentspecific risk limits. The committee is also responsible for regularly reporting the Company's overall risk management status to the Board of Directors.

Risk control and management



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Material Issues

Policy and Commitments

Course of Action

Objectives Set

Short-term Goal (within a year)

Mid-term Goal (within 3-5 years)

Mid-term Goal (within 3-5 years)

Evaluation Mechanism

Customer services

PSC is committed to ensuring the provision of high-quality services. Through three primary aspects of operation (personnel, system, process) and the use of service support systems, we efficiently address customer issues, meet customer needs, and continually improve the process during service provision. This enhances and elevates customer service satisfaction as we strive for optimal customer relationship management.

PSC has established comprehensive customer data protection measures that comply with lead regulations. Customer satisfaction surveys are conducted regularly and. after consolidatina relevant suggestions, improvement/ enhancement measures are provided to internal departments to progressively improve customer service. Meanwhile, all services adhere to the principles of treating customers fairly, and customer feedback is actively communicated and addressed, fostering a positive cycle and enhancing the Company image.

1. Customer satisfaction rate exceeds 95%.

Customer complaints are handled properly within 30 days of reporting.

Based on the existing customer base and individual investor inventory of the Company's brokerage business, try to explore different customer demographics, such as corporate clients.

We will regularly conduct customer satisfaction surveys and, after summarizing customer suggestions and feedback, provide relevant measures for each department to continuously enhance the quality of customer service.

Corporate governance and ethical management

PSC places a strong emphasis on ethical business practices. In addition to regular monthly promotion of the Ethical Management Policy and the Procedures for Ethical Management and Guidelines for Conduct, the Company has also established related regulations such as the Codes of Ethical Conduct for Directors and Managers, Procedures for Handling Illegal and Unethical Conduct Reported, and the Fair Customer Treatment Principles. Moreover, Article 48 of the Work Rules clearly states that employees must adhere to the relevant ethical auidelines to ensure the implementation of ethical business practices.

PSC has required every director and senior manager to sign a commitment statement to ethical business practices. declaring that they will not, in the course of performing their duties, directly or indirectly provide, receive, promise, or request any undue benefits or engage in any other activities that violate ethics, laws, or fiduciary obligations in order to obtain or maintain personal interests. In addition, the Company conducts regular assessments of high-risk business activities related to unethical conduct to reduce internal unethical risk activities.

- Conduct performance evaluations of Directors and continuously optimize the Board's functions based on the evaluation results.
- Organize at least one training session annually for all employees on the treating customers fairly principles.
- The signing rate of the commitment statement to ethical business practices among directors and senior managers reaches 100%.
- Directors participate in 2 training sessions for ethical management annually.

- Continue to implement ethical management training and advocacy and maintain an 100% attendance rate for all staff (directors and senior managers included) for education and training.
- Continue to conduct unethical risk assessment annually and enhance the mechanism based on assessment results.

Training sessions on the Ethical Management Policy are conducted annually for directors and employees, and an 100% participation rate is ensured. The Company also periodically carries out risk assessments for unethical conduct and uses the assessment results as a basis for adding or revising audit plans.



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Material Issues

Policy and Commitments

Course of Action

Short-term Goal

Mid-term Goal (within 3-5 years)

Objectives Set

Mid-term Goal (within 3-5 years)

Evaluation Mechanism

Talent retention and attraction

We will remain attentive to employee feedback and create a friendly and healthy working environment through comprehensive benefits and a competitive compensation system to reduce employee turnover. Additionally, we will recruit outstanding talent externally through internship programs and diverse industry-academia collaboration programs.

PSC is committed to establishing a diverse and inclusive workplace culture with a competitive compensation policy and various allowances. Also, through talent recruitment programs and the continuous promotion of internship and industry-academia collaboration programs, we strive to leverage our organizational influence.

 Continue to launch internship programs, with a goal of recruiting 20 interns in the most recent year.

(within a year)

- Continue to conduct industryacademia collaboration programs to leverage organizational influence. The goal is to extend the program to 2 additional schools/ institutions and organize 5 industry-academia events.
- Continue to recruit and employ talents
 through internship programs and promote
 industry-academia collaboration programs;
 further expand the scope of talent acquisition
 to recruit outstanding talents.
 Continue to refer to market statistics in
- Continue to refer to market statistics in formulating and improving the Company's employee benefit policies and compensation system to maintain competitiveness in talent retention

The progress and implementation details of various benefit measures, compensation surveys, and recruitment plans are regularly reported in monthly management meetings.

Sustainable

PSC has formulated a responsible investment policy, and in early 2023, the Board of Directors approved the ESG Investment Management Policy with ESG factors incorporated into the investment assessment and decision-making process and a focus on managing investment risks associated with sustainability to further implement the sustainable finance development policy.

PSC's proprietary investment process strictly adheres to the Responsible Investment Policy and the ESG Investment Management Policy. It involves screening investment targets based on external databases and regular post-investment reviews of the ESG risk exposure of investment targets, results of which serve as a basis for adjusting investment positions to effectively manage and maintain the ESG risk balance of the Company's investment portfolio.

- 1. Continue to issue ESG-related products.
- Regularly review the ESG performance of proprietary investment targets. If changes occur in the distribution of targets or investment amount proportion, further conduct analysis of ESG risk exposure, and adjust investment positions based on the findings.

In compliance with the investment management policy for sustainable development, we adopt databases of professional organizations to analyze specific investment targets before taking them on. After identifying and assessing ESG-related risk factors and with the approval of department heads, the investment shall proceed.

The employees in the proprietary trading unit regularly review the performance of investment portfolios that include ESG elements and regularly report this information to unit supervisors. When considerably poor ESG assessment scores or large disparities occur, improvement measures will be taken in subsequent investments. The proprietary trading unit will also provide risk assessment results and investment performance of the ESG-related target to the Risk Control Office. The Risk Control Office will then report to the Board of Directors at least semi-annually to facilitate the board's monitoring and oversight of investment performance.

finance

Human resource

cultivation and

development

PSC is dedicated to employee development and growth throughout employees' career. Through systems and policies such as employee education and training, assessments, promotions, and career development, employees will be able to grow alongside the Company's progress.

We will enhance employee professional capabilities through various talent training and development programs. In response to the transformation trends, courses related to digital transformation and sustainability are organized to support employees in attaining continuous growth. Additionally, the Company regularly participates in talent development quality management system (TTQŚ) assessments organized by regulatory authorities. Contents of the training are adjusted based on external assessment results as we continuously improve related measures.

- Continue to participate
 in TTQS certifications and
 maintain the level of results
 obtained in the past.
- Conduct professional training for full-time sales personnel and maintain an average training hours per person of over 5 hours.
- 3. Organize training courses on digital transformation and professional skills in accordance with industry trends and maintain a level of at least 250 participants and 18 hours of training annually.
- Continue to organize various training courses on talent cultivation and professional skills and adjust contents of training as needed based on employee needs.
- Organize various training programs on transformation in accordance with industry trends and business plans to maintain employees' professional competitiveness.
- Conduct training programs aimed at enhancing management skills for managerial positions to improve internal workforce management and leadership capabilities.

Reports on employee training programs, including training content, scheduled progress, and course promotion, are presented at management meetings on a monthly basis.



Material Issues in this chapter

- Customer privacy protection and information security
- · Risk control and management
- Corporate governance and ethical management







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2.1 Corporate Governance

2.1.1 Corporate Governance Overview

PSC has a comprehensive and rigorous board governance system and various functional committees. Through a sound corporate management system, the Company's board members and independent directors are able to fully perform their supervisory duties, offering the Company guidance toward achieving excellent performance and meeting the expectations of various stakeholders.

Information Disclosure and Transparency Ranking

PSC participates in the annual information disclosure evaluation by the Securities and Futures Bureau as jointly commissioned by Taiwan Stock Exchange and Taipei Exchange. There are five categories of evaluation, namely the timeliness of information disclosures, financial forecast disclosures, annual report information disclosures (including financial and operational information transparency, the board of directors, and shareholding structure), corporate official website, and compliance disclosures. PSC discloses a variety of information, annual reports, information on the official website in compliance with laws and regulations in an accurate, timely, and disciplined manner through the Finance Department and various units. We have participated in this evaluation 12 times from 2003 to 2014. Except that the evaluation in 2003, in which we were not rated by the organizer, and the evaluation in 2004, in which we were ranked among the top one third of all participants, we have been ranked as "Grade A" or above from 2005 through 2014 as a company with more transparent voluntary disclosures and have been awarded the best rating eight times.

Corporate Governance Evaluation

The Taiwan Stock Exchange (TWSE) has been conducting corporate governance evaluations since 2013. The evaluation criteria encompass four aspects: "Safeguarding shareholder rights and interests and treating shareholders equitably," "Strengthening board composition and operation," "Increasing information transparency," and "Putting corporate social responsibility into practice." PSC has consistently achieved excellent results in the evaluations. In the 10th Corporate Governance Evaluation for 2023, the Company scored 95.02 points. For areas requiring further improvement, the Company has been actively formulating enhancement plans, such as adjusting the number of independent directors and allocating resources to support domestic cultural development. Furthermore, in December 2023, PSC signed a green energy transfer agreement with Mr. Watt, with the official green energy transfer set to commence in May 2024. The Company will continue to focus on issues related to environmental pollution, inefficient resource utilization, improper waste management, and climate change, aiming to achieve transparency in information disclosure, fulfill corporate social responsibility, and enhance its sustainability goals.

Risk Management Evaluation for Securities Firms

In recent years, PSC has gradually implemented the competent authority's requirements for risk management by implementing integrated risk management for the operational risks faced by securities firms. This has led to the establishment of a comprehensive risk control mechanism. In

2023, the Company was awarded the highest rating (First tier: Excellent) in the risk management evaluation conducted by the competent authority, marking the sixth time it has received this honor since 2009.

2.1.2 Board of Directors Structure and Operation

Board of Directors Structure

PSC's Board of Directors serves as the Company's highest governing body. The board consists of 19 directors, including 4 independent and 15 non-independent directors, and convenes at least once per quarter. To establish a sound governance system of the Board of Directors, improve the supervisory function, and reinforce the management function, we have formulated the Rules of the Procedure for Board of Directors Meetings of President Securities Corporation in accordance with Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Functions of the Board of Directors

Draft a business plan.

Formulate the Articles of Incorporation, important rules, and contracts.

Prepare budgets and financial statements.

Decide on capital increase or reduction.

Put forth a proposal for a statement of earnings distribution or deficit compensation.

Recruit or dismiss managers or important employees.

Decide on the establishment or dissolution of branches.

Decide on other important matters.

Assume other responsibilities bestowed by laws or the shareholders' meeting.

Note: In accordance with the "Corporate Governance 3.0 - Sustainable Development Roadmap" issued by the Financial Supervisory Commission, the Company revised its Articles of Incorporation during the shareholders' meeting on May 31, 2023, to adjust the composition of the Board of Directors as twelve directors, including four independent directors and eight non-independent directors. This adjustment will take effect during the re-election of directors at the shareholders' meeting in June 2024.

Operations of the Board of Directors

In 2023, the Company held a total of five board meetings, with an overall actual attendance rate of 95.8% for all directors (100% including proxy attendances). The actual attendance rate of independent directors was 100%. The minutes of the board meetings are available in the investor section of the Company's website, and all resolutions passed during the meetings have been tracked and followed up for implementation.



PSC Investor Relations Section



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Directors' attendance at board meeting

Year	2018	2019	2020	2021	2022	2023
Number of meetings convened	8	6	6	6	6	5
Attendance rate of directors	85%	89.6%	95.6%	98.2%	94.7%	95.8%

The Operations of Functional Committees and Teams

To reinforce the supervisory function of the Board of Directors, we have established an Audit Committee, the Remuneration Committee, the Risk Management Committee and the Strategic Development Committee under the Board of Directors; each of these four functional committees are formed by directors and independent directors. There are also the Ethical Management Team and the Fair Customer Treatment Team in place and they report to the Board of Directors regularly.

Operation Status of Functional Committees and Promotion Groups

Audit Committee

It held five meetings in 2023. Average attendance 100%

- It consists of four independent directors.
- Fair presentation of the Company's financial statements.
- Selection (dismissal), independence, and performance of CPAs.
- Effective implementation of the Company's internal control.
- The Company's compliance with applicable laws and regulations.
- The management and control of the Company's existing or potential risks.

Remuneration Committee

It held five meetings in 2023. Average attendance 100%

- It consists of four independent directors.
- Formulate and regularly review policies, systems, standards, and structures for performance evaluation and remuneration of directors, supervisors, and managers.
- Regularly assess and determine the remuneration to directors, supervisors, and managers.

Risk Management Committee

It held five meetings in 2023. Average attendance 100%

- It consists of four independent directors.
- Formulate the Company's risk management policy and structure and delegate responsibilities to relevant units.
- Formulate corporate risk measurement standards.
- Manage the Company's overall and each department's risk limits.

Strategic Development Committee

It held one meeting in 2023.

- Supervised the implementation of corporate social responsibility and corporate governance matters.
- Set out the mediumand long-term business operations and strategic development directions.
- Discussed organizational reform and transformation plans related to medium- and long-term development strategies.
- Formulated the annual business plan and budget.

Ethical Management Team

It held one meeting in 2023.

- It consists of the supervisors and managers of relevant departments and is governed by the Board of Directors.
- Regularly analyze and evaluate the risk of unethical conduct within the business scope and formulate action plans, standard operating procedures for relevant business activities, and guidelines for conduct.
 Regularly evaluate the compliance with relevant business processes and reports to the Board of Directors.
- Offer and coordinate training on the ethics policy.

Fair Customer Treatment Team

It held four meetings in 2023.

- It consists of managers or top managers of relevant departments with the President as the convener
- Report implementation status of the treating customers fairly principles to the Board of Directors quarterly to ensure effective implementation of fair customer treatment.
- Report proposals for discussion to the Audit Committee and the Board of Directors quarterly to present the implementation status of various principles.



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2.1.3 Members of the Board of Directors

Selection Process for Members of the Board and Functional Committees

The election of PSC directors is carried out in accordance with Article 192-1 of the Company Act and Article 13 of PSC's Articles of Incorporation, which adopts a candidate nomination system. Candidates for directors can be nominated by shareholders holding 1% of the total issued shares or by the Board of Directors. Independent directors and non-independent directors are elected in the same election, with their quotas calculated respectively. The Company will announce the acceptance period for nominations of director candidates from shareholders holding more than 1% of the shares, the number of directors to be elected, the place of nomination acceptance, and other necessary matters before the record date for the shareholders' meeting. Additionally, the Company conducts an annual board performance evaluation, and the results serve as a reference for the selection or nomination of directors.

As for PSC's functional committees, the Audit Committee, Remuneration Committee, and Risk Management Committee consist of all independent directors and are appointed by the Board of Directors. The Strategic Development Committee is chaired by the Chairman of the Board, with other members nominated by the Chairman, including at least one independent director. The number of directors (including independent directors) should be more than half, and they are appointed by the Board of Directors. The current (first term) Strategic Development Committee consists of the Chairman of the Board, four independent directors, two directors, the President, and the Executive Vice President, totaling nine members.

Diversity in the Board of Directors

The board structure, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, is based on the diversity principle. Considering the Company's business development needs and shareholders' shareholdings, and practical needs in operations, we have elected directors with professional knowledge, skills, competencies, and extensive industry experience. The board as a whole should possess the capabilities below:

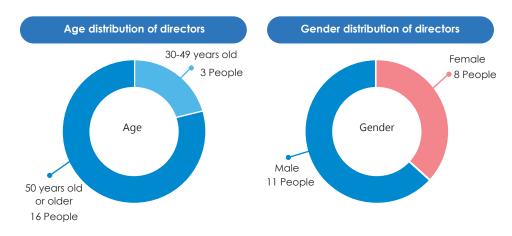
The Board of Directors as a Whole has the Capability –

Operational judgment	Crisis management	Leadership
Accounting and financial analysis	Industry knowledge	Decision-making
Business administration	International market perspective	Risk management knowledge and ability

PSC's diversity policy is based on Article 20 of the Company's Corporate Governance Best Practice Principles, which states: "The composition of the Board of Directors should take diversity into consideration. In addition, the number of directors concurrently serving as company executives should not exceed one-third of the total board seats. The Company should also formulate an appropriate diversity policy based on its own operations, business model, and development needs."

Our independence policy is based on Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act. The members of PSC's Board of Directors have no spousal or relative relationships within second degree of kinship among them. Additionally, we have four independent directors who provide objective opinions on matters concerning their area of expertise, promoting the self-supervision function of the board.

PSC had 19 directors in 2023, including four independent directors and 15 non-independent directors. They have diverse professional backgrounds in financial management, corporate management, economics, investment, international trade, and law. They also have experience spanning various industries, including securities and futures, investment trust and advisory services, investment development, optoelectronics, technology, telecommunications, steel, and others. PSC also places great emphasis on the gender composition of the board members, with a target of having a female director representation of over 30% each year. In 2023, there were eight female directors, accounting for 42% of the board members.



We adopt a diversity policy for board members, with the ratio of male to female members being 1.375 to 1, to maintain gender balance.



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The current directors of the board serve the 12th term of PSC's Board, with their tenure from July 20, 2021, to July 19, 2024. The directors appointed for the Strategic Development Committee established in 2021 serve from November 3, 2021, to July 19, 2024. The terms of directors for other functional committees are the same as those of the Board of Directors. For details on directors holding concurrent positions, please refer to the director information on page 8 of the PSC Shareholders' Meeting Annual Report.

Gender			nder		Age			Comprehensive Abilities							Functional Committees				
Name	Title	Male	Female	Below 30 years old	30-49 years old	50 years old or older	Operational Judgment	Accounting & Financial Analysis	Operating Mana- gement	Crisis Mana- gement	Industrial Knowledge	Inter- national Points of View	Leadership	Decision- making Ability	Risk management Knowledge & Ability	Audit	Remu- neration	Risk Mana- gement	Strategic De- velopmen
Lin, Kuan- Chen	Chairman					•	•	•	•	•	•	•	•	•					•
Liu, Tsung-Yi	Director	•				•	•	•	•	•	•	•	•	•	•				•
Chen, Kuo-Hui	Director	•				•	•	•	•	•	•	•	•	•	•				•
Hsieh Hung, Hui-Tzu	Director		•			•	•		•		•		•	•	•				
Lu, Li-An	Director		•			•	•	•	•	•	•	•	•	•	•				
Chen, Ching- Yi	Director		•		•		•		•		•		•		•				
Chen, Yi-Ling	Director		•		•		•	•	•	•	•	•	•	•	•				
Teng, Wen-Hwi	Director		•			•	•	•	•	•	•		•		•				
Lee, Chi-Ming	Director	•			•		•	•	•	•	•	•	•	•	•				
Chang, Ming- Chen	Director		•			•	•		•		•		•		•				
Lee, Yee- Ching	Director	•				•	•	•	•	•	•	•	•	•	•				
Lee, Shu-Fen	Director		•			•	•		•		•		•	•	•				
Duh, Bor- Tsang	Director	•				•	•	•	•	•	•	•	•	•	•				
Lee, Tzong- Shiun	Director					•	•	•	•	•	•		•		•				
Juang, Jing- Yau	Director	•				•	•	•	•	•	•	•	•	•	•				
Liang, Yann- Ping	Independent Director		•			•	•	•	•	•	•					•	•	•	•
Pai, Chun-Nan	Independent Director	•				•	•	•	•	•	•	•	•	•	•	•	•	•	•
Song, Yung- Fong	Independent Director					•											•		•
Horng, Yuan- Chuan	Independent Director	•				•	•	•	•	•	•		•	•	•	•	•	•	•



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Directors' Continuing Education

In 2023, our directors and independent directors participated in internal and external training courses on corporate governance for a total of 141 hours. Such courses covered topics including macroeconomics, sustainable transformation, climate change, digital innovation, and corporate governance. To enhance the knowledge of the Company's directors and independent directors about economic, environmental, and social issues and the current corporate governance trends, we invite outside lecturers or experts to deliver at least two training sessions for directors annually. In recent years, the topics of such courses include the corporate governance and corporate social responsibility development trends, big data analysis and corporate fraud detection and prevention, fair treatment of consumers, the prospect of artificial intelligence, and sustainable finance. In 2023, we offered two courses titled "Legal compliance and legal responsibilities of directors and supervisors under corporate governance 3.0" and "Analysis of international climate change development trends and practical cases."

Directors' Recusal Mechanism

As per the Rules of the Procedure for Board of Directors Meetings of President Securities Corporation, when a proposal at a board meeting involves personal interests of the directors or the juridical persons they represent, they should explain the important content of their interests at the board meeting. If that may undermine the Company's interests, they should recuse themselves from discussion and voting and should not exercise their voting rights on behalf of other directors. To ensure proper prevention of conflicts of interest, directors have signed the Directors' Conflict of Interest Statement upon taking office. The Company's Codes of Ethical Conduct for Directors and Managers also stipulate that directors and managers of the Company shall not use their positions in the Company to confer undue benefits on themselves, their spouses, parents, children, or relatives within second degree of kinship. In addition, the Company has appointed four independent directors, accounting for 21% of the total board seats. Independent directors have repeatedly raised questions and made suggestions based on their own experiences and perspectives during board meetings and various functional committees, thereby exercising their independent and objective supervisory functions.

Matters the Company should disclose regarding director independence include the relationships among board members, transactions with related parties, and instances of directors recusing themselves from conflicted matters. The Company's Board of Directors operated in compliance with the Rules of the Procedure for Board of Directors Meetings in 2023, with no instances of conflicts of interest. For information related to conflicts of interest disclosure, please refer to page 33 of the PSC 2023 Shareholders' Meeting Annual Report.

Board and Management Team Succession Plan

PSC had 19 directors including four independent directors in 2023, and independent directors account for 21% of all directors. They possess expertise in finance, business, law, and industry. The percentage of independent directors has met the legal requirement; all independent directors have not served for more than three consecutive terms in compliance with the legal requirement.

To meet the needs of the organization's business development and take on operational challenges, we have launched a management trainee program for the Brokerage Department and a branch manager succession program, to effectively pass on experience and skills and train senior management trainees through a systematic selection and training mechanism. We selected potential talents with outstanding performance and sales skills for this program. We cultivated their strategic thinking, team management, customer management, problem analysis and solving skills and abilities in "learning by doing" methods, including apprenticeships, job rotation, and mentor coaching.

In 2023, two trainees completed the first phase of the management trainee program for branch offices and were appointed as branch settlement managers. The Company will continue to promote the branch manager succession program to ensure a solid talent pool for business management.

2.1.4 Functional Operation and Communication of the Board of Directors

In addition to the oversight provided by the four functional committees, the Ethical Management Team, and the Fair Customer Treatment Team to monitor the progress of various internal operations, each business unit also directly communicates with the Board of Directors to report on the progress, achievements, and performance of their respective responsibilities. This facilitates direct feedback and guidance from the Board of Directors, ensuring the implementation of corporate governance and the board's supervisory role in organizational operations.

———— Key Issues Communicated in 2023 and Results —————						
Reporting unit	Communication content and results	Frequency				
Finance Department	 Financial reports audited or reviewed by certified accountants were submitted to the Board of Directors and approved. 	Quarterly				
Boparmon	Report on the profit and loss performance of the entire company and each department	Quarterly				
Compliance	Anti-money laundering execution report	Semiannually				
Division	Regulatory compliance working report	Semiannually				
	Internal audit operations report	Quarterly				
Auditing Office	Annual audit planning proposal	Annually				
	Internal control system revision	From time to time				



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Reporting unit	Communication content and results	Frequency
Risk Control Office	Report on risk management execution and significant risk-related information ESG investment management execution report	Quarterly Semiannually
Office	Climate risk management execution report	Annually
Information System Department	Information security execution strategy report	Annually
Administration Department	 Promotion of sustainability initiatives and execution report 	Quarterly
	 Greenhouse gas inventory and verification operation progress report 	Quarterly
	 Report on stakeholder communication, including communication channels, frequency and communication results 	Annually
	 Report on ethical management principles compliance status 	Annually
	 Report on corporate governance training course planning for directors 	Annually
	Important personnel changes	From time to time
President	Treating customers fairly principles execution report	Quarterly
Office	Report on Board of Directors performance evaluation	Annually

Shareholders' Equity

As per the Rules of Procedure for Shareholders' Meetings of President Securities Corporation, shareholders holding 1% or more of the total issued shares may submit a written proposal for the Company's annual general meeting of shareholders, and shareholders may exercise their voting rights in writing or by electronic means. PSC held an annual general meeting of shareholders on May 31, 2023. As per the Company's Articles of Incorporation, we, at the shareholders' meeting, put forth the reports resolved by the Board of Directors, proposals, matters to be discussed, and an election proposal to shareholders, including a report on the business operations in 2022, the Audit Committee's review report on the 2022 financial statements, the 2022 employee remuneration and directors' remuneration distribution proposal, the 2022 business report and consolidated and standalone financial statements, the 2022 earnings distribution statement, and a proposal for amendments to the Company's Articles of Incorporation,. This enables the Company's shareholders to understand the Company's operational status and provide feedback based on its performance.

2.1.5 Board Performance Evaluation and Remuneration Policy

Board Performance Evaluation

To implement corporate governance, enhance the functions of the Company and the Board of Directors, and set performance targets to enhance the operational efficiency of the Board of Directors, PSC passed the formulation of the Rules of the Performance Evaluation of the Board of Directors of President Securities Corporation in accordance with the operational environment and external regulations at the 2nd board meeting by the 11th Board of Directors on August 29, 2018 and continues to optimize and amend the rules. The date of the latest amendment was May 4, 2023.

We evaluate the performance of the Board of Directors on our own once a year, and the results of the performance evaluation should be completed before the end of the first quarter of the following year. The results will be disclosed in the annual report or on the Company's website or the MOPS. We refer to individual directors' performance evaluation results when electing directors or nominating candidates for independent directors. The evaluation period for this year was from July 1, 2022, to June 30, 2023.

In addition, according to the Rules of the Performance Evaluation of the Board of Directors, the Company is required to engage an external professional independent institution or a team of external experts and scholars to conduct an evaluation at least once every three years. In 2023, the Company commissioned the external professional institution, Taiwan Corporate Governance Association, to conduct the performance evaluation, and the board performance evaluation report was issued on October 2.results when electing directors or nominating candidates for independent directors. The evaluation period for this year was from July 1, 2022, to June 30, 2023.

lBoth the internal and external board performance evaluations for 2023 have been completed, and the results were reported to the 13th meeting of the 12th Board of Directors on November 8, 2023. The results have also been disclosed in the Annual Report and on PSC's website.

Aspects of the 2023 Board of Directors Performance Evaluation

Board of Directors operational performance evaluation criteria

- 1. Involvement in company operations
- 2. Improvement to the quality of board decision-making
- 3. Board composition and structure
- 4. Election and continuing education of directors
- 5. Internal control

Board of Directors
performance self-assessmen
criteria

- 1. Understanding of company goals and missions
- 2. Awareness of director responsibilities
- 3. Involvement in company operations
- 4. Internal relationship management and communication
- 5. Director's expertise and continuing education
- 6. Internal control

Functional committee operational evaluation criteria

- 1. Involvement in company operations
- 2. Awareness of the responsibilities of the functional committee
- 3. Enhancement of the quality of the functional committee's decision-making
- Composition and selection and appointment of members of the functional committee
- 5. Internal control

External performance

- 1. Board composition
- 2. Guidance by the board
- 3. Delegation of the board
- 4. Oversight by the board
- 5. Communication within the board
- 6. Internal control and risk management
- 7. Self-discipline of the board
- Others, such as board meetings and support systems

(Materials evaluated include the Sustainability Report)

Internal Evaluation Results of the 2023 Board of Directors Performance Evaluation

- Evaluation period: July 1, 2022 to June 30, 2023 (the evaluation covered matters related to the 2023 shareholders' meeting)
- 2 Directors' self-evaluation: There were 25 evaluation indicators in total. The average score of all indicators was 4.84~5 points, and all directors' self-evaluation results exceeded the standard.
- 3 Functional committees' self-evaluation: There were 23, 20, 19, and 18 evaluation indicators for the Audit Committee, the Remuneration Committee, the Risk Management Committee, and the Strategic Development Committee, respectively, and the evaluation scores were 5, 5, 5, and 4.97, respectively. All functional committees' evaluation results exceeded the standard.
- 4 Self-evaluation by the Board of Directors: There were 40 evaluation indicators in total. Except for the indicator regarding directors' attendance at the shareholders' meeting, which scored 3 points and is categorized as "Meets the Standard," all other indicators received a full score of 5. The overall evaluation result exceeded the standard.

External Evaluation Results of the 2023 Board of Directors Performance Evaluation

- External professional organization conducting the evaluation: Taiwan Corporate
 Governance Association
- 2. Description of this external organization's independence:

The Chinese Corporate Governance Association is an independent and professional institution for the evaluation, assessment, and performance evaluation of corporate governance systems and boards of directors. In accordance with the "Corporate Governance Principles" published by the Organization for Economic Cooperation and Development (OECD) in 2015 and considering the legal environment and characteristics of companies in Taiwan, this association has been providing corporate governance system evaluation and assessment services since 2015 and has offered third-party evaluations of board performance since 2016. To date, it has served nearly 600 companies across various industries, including state-owned enterprises, listed and OTC companies, as well as public and non-public companies with diverse equity structures and board compositions.

- 3. Evaluation method and process:
 - (1) Period for review of materials: September 1, 2022 August 31, 2023
 - (2) Period for PSC to conduct online self-assessment: August 24, 2023 September 1, 2023
- (3) Document review by the Taiwan Corporate Governance Association's evaluation committee and specialists: September 12, 2023
- (4) On-site visit by the Taiwan Corporate Governance Association's evaluation committee and specialists: September 21, 2023
- 4. Evaluation content and items:
 - (1) Board composition
- (5) Communication within the board
- (2) Guidance by the board
- (6) Internal control and risk management
- (3) Delegation of the board
- (7) Self-discipline of the board
- (4) Oversight by the board
- (8) Others, such as board meetings and support systems
- 5. Overall evaluation:
- (1) PSC's Chairman places great emphasis on sustainable development, responding actively to the initiative of the competent authorities' "Sustainability Action Plan for Listed and OTC Companies (2023)." This has led to significant reductions in the number of board seats, aiming to achieve the goal of having at least one-third of board members as independent directors during the 2024 board re-election. The current composition of the board is diverse and professional, with independent directors showing dedication and active participation in the board's operations, making valuable contributions that deserve recognition.
- (2) During the evaluation period, the Company held five independent communication sessions between the audit supervisor and independent directors on "internal control deficiencies," where they discussed internal audit findings, deficiencies pointed out by competent authorities, and other matters. This has enhanced the Audit Committee's oversight and supervision of the internal control system and financial statements.



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(3) The Company is committed to sustainable development, following trends in the financial industry and adapting to changes in the market environment. Adhering to the "You care, we act!" philosophy of sustainability, the Company consistently improves its business strategies. Under the President's guidance, the Sustainable Finance and Responsible Investment Teams have formulated the "ESG Investment Management Policy," which requires ESG risk assessments prior to investments and periodic reviews of the ESG performance of the investment portfolio during the holding period. This ensures that sustainable finance concepts are fully integrated into the Company's investment policies, with ESG considerations embedded into daily operations from the top down.

6. Suggestions:

- (1) PSC has established a "Strategic Development Committee," which is responsible for overseeing the promotion and implementation of corporate social responsibility and corporate governance matters. A Sustainable Development Integration Team has also been established under the President, with regular reports to the Board of Directors on sustainability progress. Given the importance of sustainability to the Board, it is recommended that the title of the Strategic Development Committee be updated to reflect the Company's commitment and achievements in sustainable development.
- (2) There are several functional committees under the Board of Directors. Directors who are members of these committees are required to be equipped with diverse professional backgrounds and experiences. In addition to considering the diverse professional knowledge and industry experience needed for the next stage of the Company's development when selecting board members, it is recommended that appropriate director training programs be arranged to further enhance the diversity of directors' capabilities.
- (3) For new director onboarding, while the Company provides a director handbook, it is suggested that the Company further establish a "New Director Orientation Program" (e.g., providing essential documents, arranging briefings on PSC's business and industry trends, and scheduling meetings with key management). This will help new directors quickly grasp the Company's operational status and facilitate the fulfillment of their duties. Additionally, the Company is encouraged to design a "Contingent Major Incident Reporting Procedure" to strengthen the standards and processes for reporting and handling significant incidents, ensuring that all board members are promptly informed of such events.

7. Follow-up actions:

Based on the recommendations outlined in the 2023 Board Performance Evaluation Report from the Taiwan Corporate Governance Association, the Company has taken the following actions:

- (1) Plan to formulate the "Guidelines for PSC Director Training" to further enhance the diversity of directors' capabilities through appropriate director training programs.
- (2) Plan to develop a "New Director Orientation Program" to assist new directors in quickly understanding the Company's operations, thus enabling them to fulfill their duties effectively.
- (3) Plan to formulate the "Contingent Major Incident Reporting Procedure" to enhance the process for reporting significant incidents and ensure that all directors are promptly informed of such events.

These three initiatives will be submitted to the Board of Directors for discussion in May 2024.

Directors and Senior Managers Remuneration

As per Article 23 of the Articles of Incorporation of PSC, the Company may allocate no more than 2% of the year's profit as remuneration to directors and may provide reasonable compensation to directors based on the Company's operating performance and their contribution to the Company's performance.

PSC's director remuneration

Ī	Percentage	
Director	Compensation	96.56%
remuneration	Business execution expenses	3.44%
	100%	

The remuneration to the President and the Vice President's is determined based on the Company's remuneration policy, the salary level of such positions in the industry, the scope of responsibilities of such positions in the Company, and the contribution to the Company's operating goals. We determine and provide reasonable remuneration based on such individuals' contribution to our business performance in accordance with the performance evaluation regulations. The relevant performance and the reasonable remuneration are reviewed by the Remuneration Committee and the Board of Directors, and the actual operating conditions are reviewed at any time. In addition, we review the remuneration system at any time as per the actual operations and applicable laws and regulations, thereby striking a balance between the Company's sustainable development and risk control.

Performance evaluation indicators for PSC senior managers

Performance Indicator	Percentage		
Business execution (expansion) capabilities	60%		
Personnel management capabilities and internal process improvement	20%~30%		
Internal control capabilities	10%~20%		



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The composition of the remuneration for PSC's senior management is as follows, with bonuses categorized as variable compensation. The proportion of variable compensation includes bonuses and special allowances, accounting for 80.05%.

Type of remuneration	Percentage
Salary	17.93%
Pension	0.69%
Bonus and special allowance	80.05%
Amount of employee remuneration	1.33%
Total	100.00%

PSC requires its directors and senior managers to sign to commit to the Company's Codes of Ethical Conduct for Directors and Managers. The codes outline the responsibilities of directors and senior managers, including the duty to avoid conflicts of interest, maintain confidentiality, engage in fair transactions, and comply with legal and ethical standards. The Company encourages any employee who discovers or suspects violations of laws, regulations, or ethical standards within the organization to report such incidents in accordance with the Company's whistleblowing policy. In cases where directors and managers violate the codes, the Company will take appropriate actions in accordance with pertinent regulations and promptly disclose information about the violations, including the date of the violation, the nature of the violation, the applicable standards, and the actions taken, on the Market Observation Post System. Individuals subject to penalties for violating the Codes of Ethical Conduct for Directors and Managers have the right to appeal according to relevant regulations.

Furthermore, senior managers are employees of the Company. If they violate the Company's Codes of Ethical Conduct for Directors and Managers and the Rewards and Penalties Regulations, other legal requirements, or engage in actions that harm the Company's reputation or public order and morals, they may face penalties, including a reduction in rewards or temporary suspension of duties, based on the severity of the violation. In cases of serious misconduct, the Company reserves the right to terminate their employment.

2.2 Ethical Management and Codes of Conduct

To develop a corporate culture featuring ethical management and sound development, PSC adheres to the spirit of ethical service and sustainable development and sincerely serves the general investors. We require PSC's senior management and employees to adhere to the Company's Ethical Corporate Management Best Practice Principles and to make every effort to avoid violating the principles.

Ethical Corporate Management Best Practice Principles

The Board of Directors adopted the Ethical Corporate Management Best Practice Principles of President Securities Corporation on August 23, 2012 and included the relevant rules of the principles in the Company's work rules, which has been approved by the Labor Affairs Bureau. The Ethical Management Team is in charge of evaluating ethical management practices in relevant business processes and preparing compliance reports to the Board of Directors on a regular basis. The audit units under the Board of Directors have also included the compliance status of ethical management in the scope of the annual audit to fully commit to the Company's ethical management policies.

In 2020, the Board of Directors approved the latest amendments. To actively prevent unethical behavior, the Board of Directors passed the Procedures for Ethical Management and Guidelines for Conduct of President Securities Corporation in August 2020. Integrity and ethical values are actively incorporated into our business strategy. The Company also formulates and implements pertinent anti-corruption measures in accordance with legal requirements.

Ethical Management Risk Assessment

PSC conducts an annual risk assessment of dishonest conduct to review the adequacy and effectiveness of ethical management measures. This helps enhance the control and prevention of risks related to ethical management, thereby promoting ethical operations and reducing corruption risks. In 2022, the Company conducted a risk assessment of dishonest conduct for all operating branches (a total of 31 branches in northern, central, southern Taiwan, and offshore islands). The assessment found that the Company's dishonest conduct risk was low, and no significant corruption risks were identified.

Throughout 2023, PSC did not experience any corrupt incidents. No employees were dismissed or disciplined due to corrupt activities, and there were no cases of terminating business cooperation with partners due to corruption or non-compliance.



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Assessment Criteria for Dishonest Conduct Risks

	Bribery and receiving bribes	
	Providing illegal political contributions	
	Improper charitable donations or sponsorships	
	Providing or accepting unreasonable gifts, entertainment, or other undue benefits	
	Infringement of trade secrets, trademarks, patents, copyrights, and other intellectual property rights	
	Engaging in unfair competitive practices	
	Harming the rights and interests of stakeholders	

Implementation of Ethical Management

PSC has adhered to the concept of ethical management. We require all people, from the board members, supervisors, managers, and employees to duly abide by the Ethical Corporate Management Best Practice Principles. The principles require all people not to, directly or indirectly, offer, promise, request, or accept any illegitimate benefits or commit other unethical acts in violation of good faith, laws, or breach of fiduciary duty in the course of performing duties, to obtain or maintain benefits. We have also adopted punishment measures and whistleblowing channels for strict control. Every year, the Company conducts training and seminars for employees to effectively communicate the importance of ethical management. In 2023, the Company achieved a 100% participation rate among employees in various regions for ethical management education and training.

For PSC's business partners, we have engaged in extensive communication with each of them. The Company's Supplier Social Responsibility Commitment clearly stipulates that its suppliers must adhere to principles of ethical management. This includes refraining from accepting any improper benefits or engaging in any dishonest or unlawful behavior. Suppliers are also expected to participate in market competition with fairness, honesty, and integrity. In 2023, the signing rate for the Supplier Social Responsibility Commitment reached 95.93%. For further details on supplier management, please refer to Chapter 5.3 Responsible Procurement and Supplier Management in this report.

Other Codes of Conduct

In addition to the Ethical Corporate Management Best Practice Principles, PSC is committed to following other codes of conduct related to corporate social responsibility. We have published the details of these commitments on our official website. Within the capacity of our operations and online resources, we aspire to lead by example and have a positive impact, progressively achieving shared prosperity and benefits with the society and the environment.

achieving shared prosperity and benefits with the society and the environment.			
Governing Principles	Content	Public Link	
Sustainable Development Best Practice Principles	The Board of Directors adopted the Sustainable Development Best Practice Principles of President Securities Corporation on July 2, 2012. We have assigned a unit to engage in social responsibility activities, including social contribution, social charity, and community engagement, every year, and we regularly compile all relevant units' implementation results and submit them to the Board of Directors. Note: The Corporate Social Responsibility Best Practice Principles was retitled Sustainable Development Best Practice Principles in December 2022.		
Corporate Governance Best Practice Principles	The Board of Directors adopted the Corporate Governance Best Practice Principles in August 2014, covering the establishment of an effective corporate governance structure, protection of shareholders rights, the strengthening of the functions of the board of directors, the respect for investor and stakeholder rights and interests, and improvement to information transparency, to duly implement corporate governance and reinforce the management system. In November 2023, the Board of Directors approved an updated version of the principles, which included new provisions on the governance structure for sustainable development.		
Statement of Stewardship Principles for Institutional Investors	PSC actively responded to the competent authority's corporate governance blueprint and signed the Statement of Stewardship Principles for Institutional Investors of President Securities Corporation in June 2018. Considering the capital suppliers' long-term interests (which may include clients, beneficiaries, or shareholders of institutional investors), we pay attention to the operations of the investees, attend their shareholders' meetings, exercising voting rights, and engage in appropriate dialogue with the management of the investees to ensure proper corporate governance, to jointly improve the quality of our country's capital market and safeguard the values for our clients and beneficiaries. We have also dedicated a section on the Company's website to institutional investor stewardship practices and publish stewardship reports for public reference.		



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Governing Principles	Content	Public Link
Codes of Ethical Conduct for Directors and Managers	To align our directors and managers' conduct with the ethical standards and make our stakeholders be more aware of our ethical standards, we adopted the Codes of Ethical Conduct for Directors and Managers of President Securities Corporation in August 2018, which clearly stipulate that directors and managers shall be regulated in respect of conflicts of interest, gaining of person benefits, confidentiality obligations, fair trade, protection and proper use of company assets, and compliance.	
Conflicts of Interest Prevention in Proprietary Trading Business Management Regulations	To manage the Company's proprietary traders or employees engaging in equity and futures trading to for their personal or others' gain with the proprietary intraday trading information they obtain due to their positions, we formulated the Conflicts of Interest Prevention in Proprietary Trading Business Management Regulations in October 2020, to safeguard company interests.	These are undisclosed internal regulations.
Human Rights Policy	To safeguard and protect basic human rights, we adopted the Human rights policy on December, 2020 and firmly support and abide by the spirit and basic principles of human rights protection disclosed in the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labor Convention. In addition to complying with the international human rights conventions, we comply with the relevant labor laws and regulations of Taiwan and are committed to respecting and safeguarding basic human rights to demonstrate our determination to respect and protect human rights with practical actions. We have publicly disclosed our Human Rights Policy on the official website and have incorporated human rights elements into our Supplier Social Responsibility Commitment as we continue to communicate and comply with these principles with our stakeholders and business partners to uphold our policy of safeguarding human rights.	
Supplier Social Responsibility Commitment	PSC has the Supplier Assessment Management Regulations in place. Since 2016, we have been progressively promoting sustainable and environmentally friendly concepts to our suppliers and asking them to sign the Supplier Social Responsibility Commitment to join efforts in contributing to a sustainable environment. We have also dedicated a section to suppliers on the	

Company's website.

Negative Impact Management

In 2016, we established the Procedures for Handling Illegal and Unethical Conduct Reported. To duly implement the Company's work rules and Ethical Corporate Management Best Practice Principles, we motivate the reporting of any illegal and unethical conduct and established the inside and outside reporting channels and handling procedures, to ensure integrity and ethical conduct, create a corporate culture of ethical management, facilitate sound development, and protect whistleblowers' and counterparties' legitimate rights and interests.

Anyone who discovers that PSC employees are engaging in behavior that violates legal regulations, PSC's Ethical Corporate Management Best Practice Principles, Work Rules, as well as behavior guidelines like the Codes of Ethical Conduct for Directors and Managers or any unethical conduct, may report it in accordance with the Company's Regulations for Reporting Illegal and Unethical Behavior. PSC's whistleblowing channel is as follows:



In cases where reported incidents are substantiated and of significant nature, in addition to taking appropriate actions in accordance with legal regulations and company policies, the Company may also provide the whistleblower with appropriate rewards. For a comprehensive understanding of the whistleblowing mechanism, please refer to the Chapter 2.3.3 Whistleblowing System and Procedures in this report.

Furthermore, suppliers who have signed and committed to the Supplier Social Responsibility Commitment should adhere to the ethical management principles outlined in the commitment and are expected to deliver corporate social responsibility and promote sustainability awareness. If PSC verifies that a supplier is involved in significant dishonest conduct or breaches the terms of the Supplier Social Responsibility Commitment, including but not limited to the violation of labor rights and environmental protection resulting in negative impacts on society and the environment, the Company reserves the right to terminate or cancel the contract at any time.

2.3 Regulatory Compliance

2.3.1 Organizational Structure and Policies of Regulatory Compliance

We have set up the Compliance Division, consisting of one compliance officer and three compliance personnel to implement the laws and regulations on compliance and AML/CTF as required by competent authorities. In addition, each business unit and branch of the Company has engaged an AML officer to rigorously monitor and prevent money laundering activities. The Compliance Division provides employees with channels for inquiring about laws and regulations, updates the compliance information on the website, and provides the latest legal information to enhance their awareness of laws and regulations.

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The Company has properly allocated regulatory compliance and anti-money laundering personnel and developed organizational standards for anti-money laundering and combating the financing of terrorism (AML/CFT) procedures. We also conduct regular reviews of our compliance practices and promptly update them based on recommendations from competent authorities after audit. This ensures that the Company's internal regulations are fully aligned with various legal requirements and AML/CFT regulations.

Three Lines of Defense Against Money Laundering

The AML officer of each business unit and each branch is The first line of responsible for supervising the implementation of the AML/CTF policies and procedures of their business unit and conducting selfdefense assessment in alignment with the handling procedures. The Compliance Division has engaged an AML officer and personnel to be responsible for coordinating and supervising the The second line of implementation of AML/CTF plans, formulating relevant internal defense regulations, and regularly reporting to the Board of Directors and the Audit Committee. The internal audit unit performs audits of the design and The third line of implementation effectiveness of the AML plans. defense

Insider Trading Control

To prevent insider trading, we have formulated the Internal Material Information Processing Procedure and the Board of Directors adopted the amended version in August 2023. The content includes division of responsibilities, confidentiality, firewall operations, material information disclosures, and education and training, to strictly control insider trading. In addition to employees, we require other important inside and outside personnel to sign confidentiality agreements, to keep confidential various confidential documents processed and transmitted depending on the importance. We also adopt a spokesperson, who is responsible for releasing material information to the outside world.

Furthermore, we comply with competent authorities' regulations and included insider trading in 44 suspected money laundering patterns for control. In the event of suspected money laundering, the Compliance Division will report it to the Investigation Bureau in a confidential manner for monitoring purposes. We arrange for all employees to receive education and training on insider trading prevention and AML every year to raise their awareness of laws and regulations and remind them of matters to be noted during practical operations.

Internal Promotion of Regulatory Compliance

We adopt awareness-raising events and education to increase the awareness of the concept of the rule of law, to achieve the purpose of compliance with laws and regulations. Furthermore, the Compliance Division raises participants' awareness of compliance during the practical operations and shares cases at the Company's regular business managers meetings in Taiwan, settlement managers meetings, and audit meetings.

Course Title	Participants	Training Hours
2023 Information Security Advocacy	1,412	2,824
2023 Personal Data Protection Act	1,400	700
2023 Insider Trading and Significant Information	1,387	693.5
2023 Occupational Health and Safety Education and Training for In-Service Staff	1,406	1,710
2023 Financial Consumer Protection Act Treating Customers Fairly Principles	1,403	4,209
2023 Anti-Money Laundering Education and Training	1,401	700

The Company's AML personnel have all obtained the domestic AML license, and three of them have obtained the Certified Anti-Money Laundering Specialist (CAMS) certificate. AML personnel regularly receive refresher training at the competent authority or pertinent institutions for 12 hours every year or participate in training or seminars organized by various training institutions from time to time. The above training covers AML regulations, implementation practices, and punishment cases.



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2.3.2 Regulatory Compliance Status

PSC makes every effort to comply with regulatory policies and audit processes of the competent authority. The total number of penalty cases and the total amount of penalties imposed on PSC in the past two years are as follows.

Year	Number of Penalties	Sum of Penalties Imposed
2022	4	NT\$ 1.25 million
2023	1	NT\$ 240 thousand

Details of the reason for the penalty imposed by the competent authority, penalty amount, and improvement measures taken in 2023 are as follows.

Reason for Penalty	Penalty Amount	Improvement Measure
According to Ruling No. 11203579781 by the Financial Supervisory Commission (FSC), PSC's personnel were found to have engaged in holding clients' funds and failed to file a litigation report for an employee within the specified time frame. This indicates that PSC did not fulfill its supervisory and management responsibilities and did not properly implement its internal control systems, hence violating Article 2, Paragraph 2; Article 4, Paragraph 2; and Article 37, Paragraph 18 of the Regulations Governing Securities Firms.	NT\$ 240 thousand	1. In accordance with FSC's ruling No. 1120357978, the employee was suspended from performing their duties for two months. 2. The employee claimed that the matter involved a private business dispute and was irrelevant to the securities business, and thus no litigation report was filed initially. However, upon further evidence provided by the complainant, a litigation report was filed on June 12, 2023, out of caution. The Company has followed the competent authority's recommendations and requested that relevant departments take action to address and improve the situation.

According to the Financial Supervisory Commission's Explanation of the Procedure for Announcing Major Penalties for Violations of Financial Laws and Regulations, major penalty cases refer to cases where financial institutions are fined more than NT\$ 3 million. In 2023, the

Company did not experience any cases where it was subject to major penalties imposed by the competent authority (including fines and non-monetary sanctions). There were also no incidents related to anti-competitive behavior, antitrust violations, or monopolistic practices during the same period. Details of any regulatory penalties incurred by the Company and internal personnel in 2023, as well as the related improvement action plans, can be found on pages 71 to 72 of the PSC Shareholders' Meeting Annual Report.

2.3.3 Whistleblowing System and Procedures

In accordance with PSC's Regulations for Handling Reports of Unlawful and Unethical Conduct, anyone who becomes aware of any actions by the Company's employees that violate legal regulations, the Company's Ethical Corporate Management Best Practice Principles, Work Rules, or any other ethical standards can report such unlawful or unethical behavior to the Company through the designated whistleblowing hotline, email address, or in writing. To encourage reporting of such behavior, the Company may offer appropriate rewards for cases where the reported incidents are substantiated and of significant nature. We will also ensure that reports and related information are handled with strict confidentiality and care to safeguard whistleblower identity and the content of the report.

In 2023, PSC received one whistleblower case. After investigating the reported content, it was found to be unsubstantiated, and the case has been closed.

Unit Accepting PSC Auditing Office Whistleblower Cases The investigation of whistleblower cases is conducted by the PSC Auditing Office, which follows a specific procedure. However, in cases where there are circumstances as described in Article 6. items 3 and 7 of the Company's Regulations for Handling Reports of Unlawful and Unethical Conduct, the following rules apply. Article 6 Handling Principles, Regulations for Handling Reports of Unlawful and Unethical Conduct Investigators who have a direct or collateral blood relationship, Investigative Unit a relationship by marriage up to third degree of kinship with the whistleblower or the reported party, or have a conflict of interest with the reported party, or have other relationships that may affect the handling of the case shall be avoided. The results of the whistleblower case investigation shall be reported to the Chairman. However, if the reported matter involves directors or members of the management with a rank equivalent to or higher than Vice President, the investigation

results shall be submitted for review by the Audit Committee.

Whistleblowing hotline: (02) 2748-8173
Whistleblowing mailbox

- Whistleblowing mailbox: PSC.audit@uni-psg.com
- Whistleblowing in writing:
 Send via post or to the Company's comptroller at the Auditing Office.



Whistleblowing System

The aforementioned whistleblowing channels are announced on the Company's official website

Promotion of Whistleblowing

Whistleblowing

PSC regularly conducts monthly promotions of the procedures for reporting unlawful and unethical conduct. It also includes information about the whistleblowing channels in the annual labor rights education and training programs. Furthermore, the Company emphasizes the protection measures for whistleblowers in its promotional efforts to enhance the effectiveness of the whistleblower system.

Incentives for Whistleblowers

Incentives are provided in accordance with Article 10 of the Company's Regulations for Handling Reports of Unlawful and Unethical Conduct on incentives for whistleblowers, "In cases where a reported incident is substantiated and of significant nature, it will be handled in accordance with legal requirements or relevant Company regulations. Additionally, the President will assess the contribution and economic benefits attributed to the whistleblower case and grant the whistleblower an appropriate reward accordingly."

Improvement

Measures
and Precautions

Improvement measures and precautions are carried out in accordance with Article 6 of the Company's Regulations for Handling Reports of Unlawful and Unethical Conduct on handling principles, "In cases where a reported incident is substantiated, it will be subject to penalties in accordance with legal requirements or relevant company regulations. Additionally, the Company will instruct the relevant departments to review internal control systems and operational procedures and propose improvement measures to prevent recurrence."

Whistleblower Case Handling Process Flow Diagram Party involved files a whistleblower case 1. Complaint in writing (mail included) 2. Verbal accusation Provide whistleblower with reasons via mail 1. Understand the for non-acceptance case and identify within 20 days of Denial organizational Compliant received receiving the case. responsibilities and authority. 2. Investigation Accepted Materials in writing commences do not comply with within 7 working Provide whistleblower regulations are to be days of receiving with reasons via mail corrected within 10 the complaint or for non-acceptance Whistleblower case days after notification. transferring the within 20 days of case. receiving the case. Investigation commences based on whistleblowing nature **Process** Document investigation mav be process in full and accuracy extended for a month if necessary Create an investigation report Notify whistleblower Acceptance Refusal Refuse to accept Investigation on the incident investigation results, has been completed, and Denial Acceptance file for review within 30 investigation results sent to days of the arrival of the whistleblower via mail notification. Case closed and filed Provide whistleblower with reasons via mail for nonacceptance within 20 days of receiving the case Case closed and filed



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2.4 Risk Management and Crisis Response

The purpose of risk management is to identify and control potential risks that may arise during various business processes, and ensure that these risks remain under the Company's risk tolerance while balancing risk levels and rationalized business returns. In recent years, the range and complexity of risks in the financial industry have increased due to advances in both the economy and technology. To ensure the stability of organizational operations and business, protect customer rights, and enhance shareholder value, PSC will continuously adapt to changes in the operating environment, improve risk management policies and procedures, and conduct comprehensive identification and assessment of the potential impacts of various risks.

2.4.1 Risk Management Policies and Organization Structure

PSC has the Risk Management Policy in place to ensure the integrity of the risk management system, implement a balance mechanism, and enhance operational efficiency. This policy offers guidance in the promotion of a risk management mechanism and policy communication within the Company. It enables units at all levels of the Company to properly identify, measure, monitor, and control various risks while engaging in various business activities. This helps establish consistent compliance standards and ensures that the execution risks of various businesses are managed within acceptable limits.

Three Lines of Defense in Risk Management Mechanism

PSC's risk management mechanism is implemented based on the integrated efforts of various departments in the daily operations of the organization. It is achieved through the "Three Lines of Defense" risk management mechanism, which effectively identifies execution risks in various business activities with the aim of identification, measurement, monitoring, and control.

The first line of defense: Business units	Autonomous risk control execution	Each business unit monitors risks when conducting business.
The second line of defense: Risk Management units	Risk control system management Risk control regulatory compliance management	An independent dedicated unit is in place to formulate risk management policies and operating guidelines, and establish and implement the risk control and management system as the second line of defense.
The third line of defense: Audit unit	Internal audit	The risk management system is incorporated into the internal audit system to audit the risk management system independently.

Internal Audit Mechanism

In addition to the aforementioned risk management mechanisms, PSC has an internal audit mechanism and the Enforcement Rules of Internal Audit approved by the Board of Directors to ensure compliance by various units. The Company's Audit Office conducts regular audits of business and management departments according to the frequency specified in the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets. The audit results are documented in audit reports, and audit findings and improvements are reported to the Company's independent directors on a monthly basis.

Furthermore, in accordance with the Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets, PSC conducts a self-assessment of internal control systems on an annual basis. After each business department and management department completes the self-assessment of the implementation of its internal control systems, the Company's Audit Office reviews the assessment results, compiles a self-assessment report, and issues an Internal Control System Statement accordingly. The statement is approved by the Company's Board of Directors and submitted to the competent authority. It is also announced on the Company's official website for public disclosure.





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Risk Management Framework

According to the Risk Management Policy, PSC's Board of Directors serves as the highest decision-making body for risk management. It is responsible for supervising, managing, and approving the Company's risk management policies and related decisions. Under the Board of Directors, there is the Risk Management Committee and the Risk Control Office, which regularly report to the Board of Directors on the implementation of internal risk management policies and the status of risk management within the organization.

Risk management system organization and structure

Risk Management Committee

Reviews integrated risk management business, supervises and coordinates various risk control measures and operations as a functional committee under the Board of Director. Sets various authorized amounts, risk limits, and indicators to facilitate the monitoring of the company-wide risk management.

Assets and Liabilities Management Committee

Controls the Company's overall asset and liability portfolio, approves the maximum amounts for various businesses, and collects and analyzes domestic and international interest rates, exchange rates, and changes in the economic situation.

Board of Directors Ch

Approves the Company's risk management policies, supervises and approves business operation strategies, approves business applications, authorized trading, and risk limits, and shoulders the ultimate responsibility for risk management.

Chairman

Formulates risk policies and guidelines, monitors market and credit risk and liquidity risk, compiles and controls operational risks

monitors market and credit risk and liquidity risk, compiles and controls operational risks, establishes and maintains a risk control system, implements the risk management system, and monitors the Company's compliance with the risk control measures.

Audit Office

Risk Control Office

Audits the risk control in operations and incorporates the risk management system into the internal audit system for daily audit.

Presiden

Supervises the implementation of the Company's daily risk management and approves matters related to management by exception.



Business units

Formulate risk management rules for each business as per the risk management policy and relevant regulations and report unusual risk events to the Risk Control Office.

Settlement & Clearing Department

Control risks during settlement and clearing and margin purchase and short sale; control risks in the middle office during trading and implements the risk management rules for business units.

Finance Departmen

Manages the capital adequacy ratio and liquidity risk and analyzes the adequacy of the Company's structure of assets and liabilities and important financial ratios.

Compliance Division and Legal Affairs Section

Implements legal risk control and ensures that the business operations and the risk management system are in compliance with laws. The Compliance Division is also responsible for AML/CTF concurrently; it formulates relevant regulations and policies, monitors internal control and trading, supervises the implementation of relevant policies, education and training, and suspected money laundering reporting by business units.

General Affairs Division

Inspects and manages greenhouse gas inventory, manages resource sustainability, implements responsible procurement and supplier management.



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2.4.2 Types of Risk and Response

PSC has included various risks associated with its business operations, including operational crisis risk, market risk, credit risk, operational risk, regulatory risk, liquidity risk, and model risk, into the scope of the Company's Risk Management Policy. Moreover, corresponding risk management measures are formulated to address these risks.

Major business risks

Risk	Description of risk	Countermeasures
Business crisis risk	Business crisis risk refers to events, such as material changes in the market, unusual capital turnover, or severe losses in investment, affecting the Company's operations and causing losses to the Company.	The Company has established the Business Crisis Response Regulations, which clearly defines the handling procedures for the Company to respond to a major crisis quickly to ensure normal operations.
Market risk	Market risk refers to the risk of losses on the values of positions due to changes or volatility in interest rates, stock prices, exchange rates, or products.	To reduce the impact of the market risk, the Company adopts business analysis, product analysis, or process analysis to identify the source of the risk in each business, formulates an effective management mechanism, and monitors the risk level and the structure of investment positions and changes in risks to confirm that they are in alignment with expectations.
Credit risk	Credit risk refers to the risk of losses arising from the failure of the securities issuer to perform its obligations in accordance with the agreement on securities issuance or the failure of the counterparty to fulfill the settlement obligations as agreed.	To avoid credit risk, we assess each counterparty's credit risk in advance and continue to track its credit based on inside and outside ratings afterwards, while adopting the maximum exposure as the main basis for managing the counterparty's credit limit. We manage issuers' risks based on the risk levels of the Taiwan Corporate Credit Risk Index (TCRI) and have developed a KMV model to calculate each counterparty's default probability and control the Company's creditor's rights in securities.
Operational risk	Operational risk refers to the risk of losses arising from malfunction of systems, personnel errors, or external events. This definition includes legal risk but excludes strategic risk and reputational risk.	To reduce the frequency of the operational risk, we have formulated written regulations on operating procedures at all levels, regularly examine the risk points and control points, processes, and regulations of various businesses, while ensuring that the quality of operations is properly measured, disclosed, and controlled through risk and audit reports.
Legal risk	Legal risk refers to the risk arising from investment decisions or business execution failing to comply with applicable laws and regulations and being rectified and punished by competent authorities or being involved in civil and criminal litigation, or the legal contracts signed with outside parties failing to fully define both parties' rights and obligations.	To avoid the legal risk, the Company has established the Compliance Division and the Legal Affairs Section. The Compliance Division ensures that the business execution and the risk management system can be in compliance with legal regulations, while the Legal Affairs Section controls the legal risk.



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Description of risk Countermeasures



Risk

Liquidity risk

Liquidity risk refers to liquidity risk of positions and cash flow risk. The liquidity risk arises from the fact that the positions cannot be traded at the latest market price within a reasonable time frame, prompting the Company to buy sufficient quantity at a higher price or sell it at a discount, leading to losses. The cash flow risk arises from the fact that the increase in investment positions exceeds that in the capital movement plan, and the Company does not have sufficient funds for settlement.

To cope with the liquidity risk, the Company has formulated the rules of concentration in the departmental risk management rules to regulate the maximum positions held to reduce the liquidity risk of positions. The capital movement unit regularly forecasts future capital demand and supply, integrates the Company's endorsement guarantee or lending business, and monitors the capital movement on a daily basis. In addition, we produce a cash flow risk simulation analysis table every month to estimate the potential liquidity risk of the investment positions by analyzing different scenarios and evaluating the potential cost of financing under various circumstances.



Model risk

Model risk refers to the fact that the assumption of a valuation model deviates significantly from the market reality or the parameter settings fail to fully meet the needs of the valuation model.

The Company effectively maintains the operation and management of models, thereby strengthening the risk management of financial products and reducing the model risk caused by the use of inappropriate models, parameters, or valuation assumptions. We have formulated the Model Use Management Rules to regulate relevant procedures for model development, verification, parameter management, and model cancellation.



Climate risk

Climate risks are categorized into two types, including physical risks resulting from climate change hazards and transitional risks brought forth by the transition to a low-carbon economy.

- Physical risk
 Climate events that can have immediate or long-term financial impacts
 on the Company. Such risks include direct damage to assets or indirect
 effects such as operational disruptions.
- Transitional risk
 The transition to a low-carbon economy can directly or indirectly result in risks to various degrees due to policy, legal, technological, and market changes.

The Company conducts regular assessments of climate risks and opportunities to understand potential climate-related risks for its business. We mitigate the financial impacts of climate risks through the establishment and tracking of indicators and goals.

In terms of the Company's operation, the Environmental Protection Team continuously enhances energy efficiency, striving to achieve the annual carbon reduction targets. For investment activities, the Company has established the Sustainable Finance Guidelines and the ESG Investment Management Policy. When making self-operated investments, the Company avoids investing in controversial industries and considers whether the investee companies uphold good corporate governance, environmental protection, and social responsibility.



Unexpected risks

Unexpected risks (including natural disasters or infectious diseases) occurring cause losses on the Company's software and hardware business.

Since the global outbreak of the COVID-19 pandemic in early 2020, the global business model and operations have undergone changes. The Company has established a functional emergency response team in accordance with the Crisis Management Regulations to discuss and formulate policies for company operations, employee safety, and employee placement, to minimize the damage to the Company and ensure employee safety in the work environment.



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Major risks of emerging businesses

Risk Description of risk Countermeasures



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Given the modern reliance on mobile devices and digital consumption and operational habits, the role of securities firms has shifted from being a simple "intermediary and platform" to adopting a "digital" business model with FinTech and AI capabilities. The investor's trading journey should be a seamless digital experience, which begins with a price quote inquiry, followed by trade execution, transaction confirmations, and account inquiries. This experience can be optimized through the use of new technologies or enhancements to existing systems and programs. However, the application of new technologies, the emergence of new business models, and the associated unknown risks pose significant challenges. It is crucial for businesses to develop strategies and supportive measures to manage these risks. In the face of digital technology risks, as companies undergo digital transformation, they should clarify their strategic direction, actively improve their response and development capabilities, and ensure compliance with regulations during their operations.

PSC established the Digital Finance Division in 2021 in an effort to gradually embrace digitalization. By integrating virtual platforms and physical channels, we are moving toward comprehensive electronic and paperless operations. With the launch of electronic transactions, the online digital services are increasingly comprehensive with customer diversion, differentiated and customized services. Meanwhile, we strive to improve internal operations by adopting electronic processes for more procedures to improve operating efficiency, and provide clients with a safe and efficient trading platform.

Moreover, we have made gradual plans to strengthen the Company's information security mechanism in response to the Financial Supervisory Commission's request and in accordance with the Regulations Governing the Management of Securities and Futures Firms Classification. Also, in compliance with the existing information security management regulations (ISO-27001) and our internal audit mechanism, we regularly engage outside certification units for audits to reinforce our information management system. We have completed the combination of the mainframes of the securities and futures exchanges, ISP information security protection mechanism, DNS security protection, and the establishment of an online trading backup center. Additionally, we engaged an external information security operation center (SOC) for monitoring, adopted a dual-telecom network ISP backup framework, and regularly conduct joint defense tests. These actions enhance the stability of the information system and prevent external information security threats, thereby protecting the rights of investors to fair trading and improving trading efficiency.



As companies undergo digital transformation, the massive digitization of data and operational processes increases cybersecurity risks if proper encryption of data is not carefully considered during the process. With the frequent occurrence of cyberattacks and security incidents, related risks are on the rise. In recent years, securities firms have faced cybersecurity incidents such as distributed denial of service (DDoS) attacks, credential stuffing attacks, website defacement, co-location vulnerabilities, and disruptions to core system services. To address risks related to confidential data, personnel's awareness of cybersecurity, and malicious external hacker attacks, it is essential to implement robust information security measures. This will help prevent data loss, damage, and system service interruptions that could negatively impact customer rights and interests.

The Company has enhanced its information protection capabilities across various aspects, including data centers, servers, user devices, networks, and email systems, to ensure that PSC's information systems are equipped with proper security protection. Both technical and managerial control measures are implemented to improve network and information system security. In addition to completing updates to information security management protocols, the Company systematically upgrades and updates the security of all relevant equipment and software versions. Furthermore, we commission external organizations to conduct independent assessments to identify potential information security risks and to formulate corresponding measures.

Additionally, the Company strengthens the incident handling and response capabilities of relevant departments through practical drills for cybersecurity incidents. We have also implemented enhanced security procedures to improve the confidentiality, integrity, and availability of our information systems, thereby reducing and controlling the potential financial damage that information security incidents may pose to the Company.

2.4.3 Crisis Management Mechanism

PSC has established the Business Crisis Response Regulations and the Crisis Management Regulations to prevent unexpected business and reputational crises, which may cause losses to the Company. A business crisis occurs includes major changes in the market, major events affecting shareholders' equity, major frauds and internal defects, major account error and defaults, major impairment of assets in the non-real-time trading market, major credit risk of the counterparty, liquidity risk, unusual capital turnover, and significant loss on investment as per the Business Crisis Response Regulations. The Board of Directors will delegate the President to set up a management crisis response task force to put forth solutions to the crisis, thereby maintaining the Company's normal operations.



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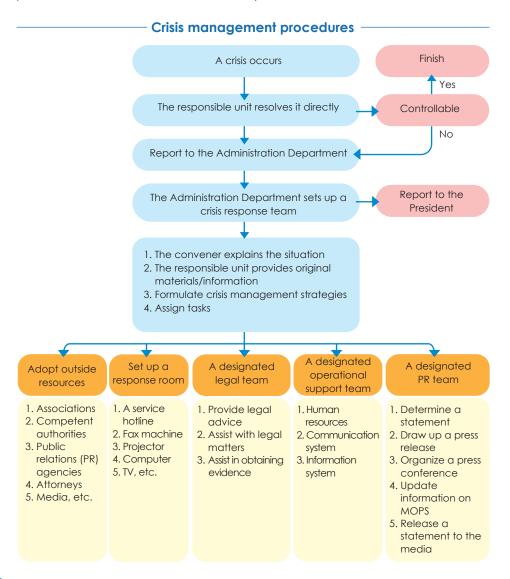
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Crisis management procedures

When a crisis occurs, the Company will promptly understand the cause of the event and initiate crisis management measures according to the following procedures. The goal is to reduce the corresponding risks as quickly as possible to maintain the Company's operational capabilities and protect customer interests to the best of our ability.



2.5 Privacy and Information Security Management

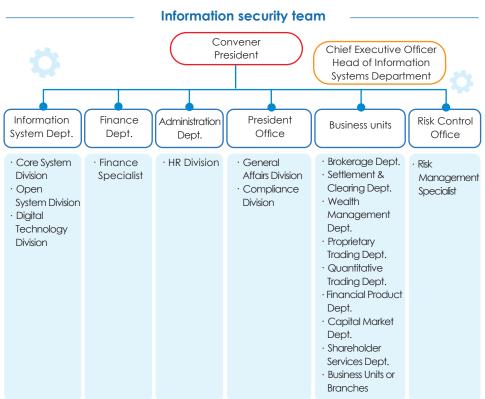
Given the increasing prevalence of online trading in the era of digital finance, PSC considers it a priority to maintain and continuously improve its information security mechanisms to rigorously protect customer personal information and ensure transaction security. The Company will continue to monitor digital trading patterns of financial products and financial crime tactics, while also enhancing its internal information security systems and protocols to provide customers with a secure trading environment.

Results of information security action plan

Action plan	Execution results		
Analyze records of failed login attempts of core systems	Records of failed login attempts were analyzed and notified to customers.		
Adopt an online behavior control and management system	An online behavior control system was adopted to strengthen control and management of online behaviors.		
Adopt a webpage modification detection system	A webpage modification detection system was adopted to strengthen security measures for webpages.		
Expand the scope of ISO 27001 information security system verification	In addition to the existing information security certification for the electronic trading system, we expanded the scope of verification in 2022, with the core system included in the ISO 27001 information security framework, and recertification was completed in 2023.		

2.5.1 Organization Structure and Policy Implementation of Information Security

In accordance with the FSC's regulations and PSC's Information Security Policy, the Company officially established the Information Security Section under the Information System Department in 2018, upgrading the task force to a permanent organization staffed with an information security supervisor and two information security specialists. The function is intended for strengthening the maintenance and control of information systems. On November 4, 2021, a new Chief Information Security Officer (CISO) was appointed, following approval by the Board of Directors. The CISO is responsible for overseeing information security policy implementation and resource allocation. Additionally, a cross-departmental Information Security Team was established, and annual meetings of this team are convened. The President serves as the convener, and the head of the Information Systems Department serves as the chief secretary of this team. This structure allows for the integration of various departmental efforts in promoting internal information security policies, developing work plans, and allocating resources effectively. The goal is to ensure the organization effectively promotes information security management policies, enhances internal information security awareness, and provides customers with the safest possible transaction environment.



In accordance with the TWSE Information Security Inspection Mechanism for Securities Firms, PSC is classified as a level B securities firm. The Company diligently adheres to the thirteen requirements specified in the classification guidelines, which include maintaining professional certifications in information security, system classification, network firewalls, antivirus software, email filtering mechanisms, information security checkups, threat detection and management mechanisms, intrusion detection and defense mechanisms, and application firewalls. Additionally, we conduct market simulation tests in collaboration with the competent authority semiannually to ensure that backup computer systems operate smoothly and to enhance proficiency in system operations. In 2023, the Company allocated approximately 15.82% of its total information budget to cybersecurity-related expenses.

Deepening Awareness of Internal Information Security

In 2023, PSC conducted various information security-related educational courses, seminars, and information security drills with a goal to promote information security control processes and enhance employees' awareness of information security through multiple channels and measures. While remaining vigilant about relevant risks in various businesses, we also ensured the implementation of information security and maintained the rights and interests of both customers and the Company. In addition to amendments made to information security management regulations, the Company has completed consistent security updates and version upgrades for equipment. Furthermore, external organizations were engaged to conduct independent testing and assessments to proactively identify potential information security risks.

Information security control measures

Control measures	Implementation Methods	
Data access device control	Employees are prohibited from using access tools, such as flash drives, IC chip cards, and card readers. If there are special business needs, it is necessary to obtain their unit supervisor's approval and submit an application to the Information System Department.	
Information security check	We appointed a third-party certification institution to inspect company-wide information security.	

Information security courses and promotion in 2023

Name of Course and Promotion	Training hours	Number of people	Achievement rate
Information Security Awareness Course	2 hours	1,412	100%
Email and Social Engineering Exercises	1 hours	1,412	100%
Personal Data Protection Laws	0.5 hours	1,387	100%

Note: The achievement rate is calculated based on the number of employees during the training period.



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Information security exercises in 2023

Exercises project	Execution	Results
Email and social engineering exercises	To test employees' awareness of phishing emails, the information unit sent out fake information for testing.	The number of employees from the head office and branches was 1,424; the number of test emails was 10 per person, and the total number of emails was 14,240.
		The percentage of people opening an email and clicking on a link in 2023 were 1.33% and 2.39% and the report has been submitted to the management team.
		Note: The email open and click rates are calculated based on a total of 1,424 employees during the training period.

2.5.2 Electronic Trading and Information Security Management

In response to the digital transformation in the financial market, PSC is committed to promoting electronic trading. Throughout the Company's operations, the proportion of electronic trading has been steadily increasing. In 2023, electronic trading accounted for 77% of the total trading, and the proportion of transactions conducted via electronic trading has consistently remained above 75% since 2021. The Company adopts Taiwan-CA Inc.'s certification to check each order placed. When clients trade online, securities or futures firms will check their account number and password, while we will check the certificates issued by an impartial third party to increase the level of security that is critical when trading online. Meanwhile, we adopt the internationally recognized secure sockets layer (SSL) to encrypt transmission to enhance security that is critical in online trading.

Information Security Management System (ISMS) Certification

PSC has applied for and obtained the ISO 27001: 2005 certification for the electronic trading system from the British Standards Institution (BSI) since August 2013; passed the information security certification renewal review at the end of July 2014, and adopted the revised ISO 27001: 2013; The Company underwent the annual review in the subsequent years to maintain the validity of the certification. Additionally, a complete reevaluation and recertification process for ISO 27001 was conducted every three years. The audit for expanded certification was completed in July 2023, and the certification remains valid until August 24th, 2025. By implementing the ISO 27001 framework, PSC has established a system for managing information security at various security levels, which institutionalizes and standardizes internal information security measures, enhances

existing security management mechanisms, and reduces operational errors, ultimately lowering information security risks and protecting business confidentiality. It further allows the Company to provide customers with a trading system featuring a comprehensive protection mechanism and convenient services without security concerns.

Furthermore, we adopted two-factor authentication when users log in to all electronic trading platforms in 2022 Q1 to enhance the trading security and avoid account theft.

2.5.3 Personal Data Protection

With a strong emphasis on personal data protection, PSC has adopted the internationally recognized BS 10012 Personal Information Management System to deliver our responsibility in protecting customer personal information and transaction data. This approach actively complies with the Personal Data Protection Act and exemplifies our commitment to safeguarding customer privacy rights.

PSC's Brokerage Department obtained the BS 10012 Personal Information Management System certification in December 2013. In 2017, the scope of certification expanded to cover the Shareholder Services Department. The operational procedures related to account opening and logistical services in these departments comply with the standards and management mechanisms outlined in the BS 10012 Personal Information Management System certification. PSC is among the few securities firms in the industry to have obtained the certification for two departments.





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PSC formally adopted a personal data management project in the Company's internal policies and operating standards through a professional consultancy; established a personal data file center on the Company's intranet site for all units to follow in 2012.

In the same year, we established a task-based Personal Data Committee, with the President as the convener, the head of each department as the personal data responsible personnel, and the Compliance Division as the Personal Data Protection Team, the Administration Department as the Emergency Response Team, as well as the Brokerage Department as the Personal Data Contact Point Team, to ensure the effective implementation of personal data management policy and tasks.

The chair of the Personal Data Committee convenes a committee meeting every quarter to report on and review the personal data operations and implementation for each quarter. We also review applicable regulations in accordance with internal regulations every year and examine any documents that involve clients' personal data.

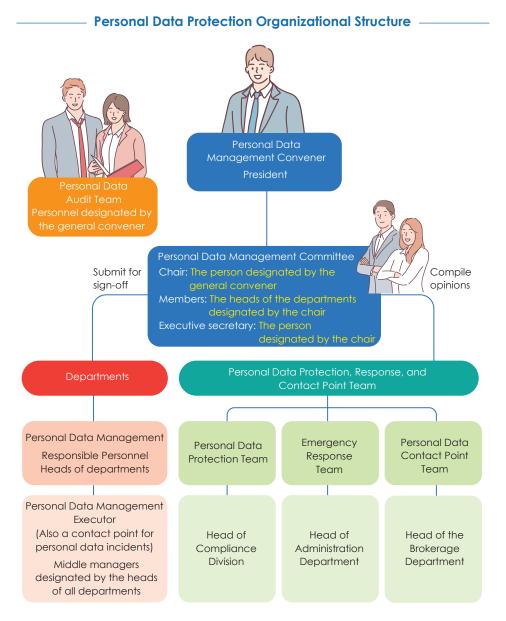
Personal data management objectives

 Comply with the requirements of various laws on personal data protection in our country and competent authorities' requirements.



- 2. Safeguard the personality rights of clients' personal data and their legal autonomy to provide their personal data.
- Collect, process, and use personal data in good faith within the scope of the specific purposes while with legitimate and reasonable connection with the purpose of collection.
- 4. Provide appropriate security measures for personal data files to ensure that we can perform our duty of care as a good manager.

PSC attaches great importance to any data submitted by clients to us. The Company diligently ensures the security and confidentiality of customer personal data in accordance with the Personal Data Management Objectives and Policies. In 2023, there were no incidents of data leakage, and there were no occurrences of customer personal data or privacy breaches, nor any incidents of customer data loss. The number of individuals affected by such events was zero.





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Personal data protection management system

Management system

Action plans

Planning and Establishment

In May 2012, DTT Attorneys-at-Law served as the consultant for the Company's personal data project and helped incorporate the project into our internal policies and operating standards.

Implementation and operation

- Each unit has an execution unit, and the Personal Data Management Committee has a Personal Data Protection Team, an Emergency Response Team, and a Personal Data Contact Point Team. Among them, the Emergency Response Team is responsible for responding to, coordinating, communicating, and investigating personal data personal data intrusion incidents.
- We organized personal data intrusion exercises every year, enable all relevant units to be familiar with personal data intrusion incidents and respond to relevant issues effectively and quickly.

In 2023, the exercise was conducted based on the breach of customer transaction data. The Incident Management and Investigation Team, the Public Relations and Media Team, and the Customer Service Team under the Emergency Response Team conducted practical drills to address and resolve the issue.

- In addition to organizing annual personal data intrusion exercises, the Company has collected relevant news or court judgments regarding personal data leakages and announced such cases to employees.
- The Company held an online personal data training session per year to enable employees to be more cautious during the performance of their duties at work.

Supervision and review

The Audit Office performs audits of the implementation of personal data protection by each department every year and requires internal review and improvement within each department according to audit findings.

Maintenance and improvement

To properly protect personal data, we conduct risk assessment of relevant units which are involved in the processing of personal data, and implement appropriate control measures as per the asset level and risk level of the personal data they manage. In case of changes in business processes and relevant documents or major changes in the information environment, we should make adjustments immediately and keep records of such reviews or updates.

In addition, we require relevant units to review and update the Business Process Overview, the Personal Data Inventory, and the risk assessment reports on a regular basis every year to ensure effective implementation by such units.



Providing professional and thoughtful services is our commitment to clients

- 3.1 Sustainable and Responsible Investment
- 3.2 Innovative Digital Finance
- 3.3 Customer Relations and Services

Material Issues in this chapter

- · Innovative Digital Finance
- · Customer Service
- · Sustainable Finance







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Performance of Sustainable Finance

PSC's annual sustainable finance investment amount was about NT\$10.547 billion, accounting for about 30.55% of the total investment. In addition to investing in industries and targets related to ESG, the Company is also committed to green underwriting and the issuance of financial products linked to the green energy industry. In 2023, we underwrote green and sustainable bonds in an amount of NT\$1.28 billion and issued 491 warrants and 6 ETNs linked to products in the green energy industry.

1,431 engagement cases, 3,729 voting proposals, and 888 company voting cases. Upon review, no significant conflicts of interest were identified in the engagement cases carried out during the year.

In addition, PSC remains consistently committed to promoting various programs to implement the treating customers fairly principles and achieve financial inclusion, aspiring to create a friendly financial service environment.

3.1 Sustainable and Responsible Investment

Following international trends and regulatory initiatives, sustainable finance-related policies and implementation methods have become increasingly highlighted for their importance. PSC has incorporated the notion of responsible investment into its investment policies, requiring proprietary and underwriting units to consider and assess ESG risk factors (including environmental, social, and governance aspects) when making investment decisions. Furthermore, we have integrated ESG elements into our operational procedures for investment decision-making and asset management to ensure proper implementation and adherence to our sustainable finance guidelines.

In 2022, PSC established the "ESG Investment Management Policy," which mandates that, for domestically invested companies without short positions, a pre-investment evaluation should be conducted using external databases and ESG indicators to identify risks. After investment, the ESG performance of the investment portfolio during the holding period is regularly reviewed, and the ESG exposure of the investment targets is further analyzed. By doing so, the Company is able to solidify its commitment to sustainable finance and fully integrate ESG elements into investment policies to leverage financial influence.

3.1.1 Governance Organization of Responsible Investment

PSC's Sustainable Finance and Responsible Investment Team is led by the President and engages external consultants to collaborate on planning and policy implementation, such as conducting training on sustainable finance responsible investment and updating investment policies as required by regulations. Members of the team comprise key decision-makers in investment and fund management units within the Company, such as managers and project representatives

of the Financial Product Department, Capital Market Department, and Risk Control Office. Through cross-departmental coordination and role assignment, the team works to implement the responsible investment policy and helps regulate the Company's investment units, ensuring that they reference the six principles of the United Nations Principles for Responsible Investment (UN PRI) and incorporate ESG risk factors (including environmental, social, and governance aspects) into their investment decision assessment criteria when utilizing the Company's proprietary funds.



3.1.2 Sustainable Finance Guidelines

PSC is committed to the implementation of sustainable finance guidelines. We incorporate environmental and social risk assessments into investment and underwriting and formulate principle-based frameworks and guidelines to ensure effective implementation of sustainable finance internally. The guidelines are also abided by in various business operations to achieve PSC's sustainable business goals, thereby enhancing the long-term values for stakeholders, such as clients, employees, and shareholders. Meanwhile, we remain in line with international sustainable development trends as we fulfill our responsibilities as a global citizen.

Sustainable Finance Guidelines

PSC has set out business promotion and product development principles and specified industries or companies with positive prospects for sustainable development in the Sustainable Finance Guidelines so that we can actively support their investment applications and underwriting activities. The guidelines guide us to support alternative energy, environmental pollution control, or environmental product or technology R&D industries, social charity industries that provide high-quality education, and relevant enterprises that contribute to the environmental and social sustainability. Regarding industries or enterprises with controversial issues, such as highly controversial or illegal activities, we should conduct an investment review and prudent evaluation of their investment applications or underwriting activities, thereby mitigating the risk of their material adverse impact on the environment, society, governance, and sustainable development. The aforementioned industries or enterprises involved in controversial activities include the following:



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- Industries primarily engaged in tobacco, alcoholic beverages, wildlife hunting or habitat destruction, internationally restricted chemicals/drugs or radioactive materials, non-medical or genetically engineered human development, and those with food safety concerns, which are considered highly controversial.
- 2 Industries primarily engaged in illegal activities such as pornography, gambling (including underground and online gambling), and the unauthorized manufacturing of weapons.

Under the investment principles mentioned above, PSC will evaluate the feasibility of investments based on practical operations. Only after a comprehensive review process will investments be considered, and control measures will be implemented after the investment has been made.

Total Number of Sustainable Equity Underwriting Cases, Underwriting Amount, Commission Income, and Industries in 2023

Industry	Number of underwriting cases	Underwriting amount (NT\$ thousand)	Commission income (NT\$ thousand)
Electronic components	3	1,420,000	9,650
Biotechnology and medicine	2	880,000	4,427
Semiconductor	2	2,740,000	4,298
Sports and leisure	1	825,000	1,815
Electric machinery	1	400,000	4,463
Automobiles	1	500,000	4,420
Green energy & environmental protection	1	189,229	2,974
Sum of sustainable equity underwriting cases	11	6,954,229	32,046
Full equity underwriting cases	19	306,297,098	3,870,352

Note: The industry classification is based on the industry categories of listed/OTC companies.

Top Ten Industries, Number of Cases and Investment Amounts in 2023

Industry	Case (company) count	Amount (NT\$ thousand)
Banks	43	4,226,229
Semiconductors & Semiconductor Equipment	44	2,791,953
Technology Hardware, Storage & Peripherals	49	1,786,790
Capital Markets	10	1,735,793
Electric Utilities	4	1,613,227
Automobiles	10	1,348,603
Textiles, Apparel & Luxury Goods	6	936,632
Financial Services	9	557,610
Gas Utilities	3	542,898
Real Estate Management & Development	2	378,375
Total	180	15,918,110

Note 1: The industry classification is based on the Global Industry Classification Standard (GICS) for the disclosure of the top ten industries by the number of investments and investment amounts.

Note 2: The statistics are based on the Company's inventory details as of December 31, 2023, and only include spot commodities. They do not include hedge stocks, strategic trading, government bonds, or ETFs held for the purpose of financial product issuance.

Responsible Investment in 2023

● PRESIDENT SECURITIES CORPORATION

Same diseased		Investment amount in 2023			
Type of investment	Related industries	Scale of investment (NT\$ thousand)	Total investment (NT\$ thousand)	Proportion to total investment (%)	
Enterprises that are committed to reducing energy consumption, mitigating pollution, or developing eco-friendly products or equipment	sumption, mitigating pollution, or environmental pollution control			4.46%	
Enterprises that are committed to saving resources, storing energy, or improving the efficiency of natural resource use	oring energy, or improving the resources reuse, and industries that			0.18%	
Enterprises that are committed to protecting or improving the natural environment	Soil and water conservation engineering and industries that protect biodiversity	-		-	
Enterprises that are committed to providing affordable vocational or higher education and facilitating quality education	Industries that promote equal learning opportunities for disadvantaged groups	-		-	
Enterprises that are committed to developing vaccines, pharmaceuticals, and medical supplies, healthcare services, or a business that can improve people's health and well-being	Biotechnology and medicine, care services, and industries related to the research and development of smart medical products	193,167	34,528,224	0.56%	
Other related enterprises that contribute to the sustainability	promotion of environmental and social	9		< 0.01%	
Green bonds		2,071,509		6.00%	
Social bonds		1,711,948		4.96%	
Sustainable bonds		660,826		1.91%	
Investments in those with outstanding ESG perfor	Investments in those with outstanding ESG performance			12.47%	
	Total	10,547,472		30.55%	

Note: The statistics are based on the Company's inventory details as of December 31, 2023,



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Underwriting of Sustainable Bond

Underwriting amount in 2023						
Category of bonds	Value of bonds (NT\$ thousand)	Total value of bonds underwritten (NT\$ thousand)	Proportion to total value of bonds underwritten (%)			
Green Bond	800,000	32,200,000	2.48%			
Social and Sustainability Bond	480,000	9,600,000	5.00%			
Total	1,280,000	41,800,000	3.06%			

Market Making Cases and Amounts in 2023

Market making target	Number of cases	Amount (NT\$ thousand)
ETF (PD)	124	108,915,923
ETF (LP)	84	98,351,081
Stock (inactive stock)	81	38,403
Derivative (warrant)	5,364	26,816,171
ETN	10	780,889

ESG Products

President TIP FactSet Taiwan Smart Mobility and Electric Vehicles Total Return Index ETN (020030)

In recent years, as the global awareness of environmental protection rises, relevant carbon reduction issues have emerged. The decline of fossil fuel vehicles is inevitable, but the future evolution of mobility is not only limited to changes in energy consumption patterns. Instead, smart mobility driven by digital intelligence is the key to accelerating new generation advancement. PSC launched the President TIP FactSet Taiwan Smart Mobility and Electric Vehicles Total Return Index ETN (020030), which motivates customers to stay relevant to the emerging development of electric vehicles in the wake of declining fossil fuel vehicles and the new smart mobility industry by investing in well-performing stocks of Taiwan-listed and OTC electric vehicle technology and service providers, automotive manufacturers and auto parts companies. In 2023, there were roughly 39,000 lots of the ETNs outstanding in a total amount of approximately NT\$ 200 million.

Green Energy-Linked Warrants

As governments and businesses are increasingly pivoting toward energy transformation, the green energy industry prospered. PSC has actively issued linked warrants to green energy stocks, providing investors with the opportunity to not only engage in green energy and environmental protection but also seize investment opportunities in financial products linked with the growing green energy sector. In 2023, the Company issued a total of 491 green energy-linked warrants.

Number of existing warrants and ETN products linked to green energy in 2023						
Cate	egory	Solar energy	Wind power	Electric vehicles	Total	
Number	Warrant	76	119	296	491	
	ETN	2	-	4	6	

Review of Sustainability Products and Services

The financial product review process at PSC follows relevant regulations based on business categories. After internal reviews to ensure there are no false or inappropriate statements, and upon obtaining approval from the competent authority, the products are eligible for listing. We have also incorporated ESG principles into the evaluation criteria and review process for products and services. Through a comprehensive assessment procedure, priority is given to products and services that align with ESG factors and have no significant negative controversies, which is a reflection of PSC's commitment to sustainable financial services and stewardship. While providing customers with investment opportunities in sustainable financial products, product risks are reduced as well.



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Industry Guidelines

The Company screened out the top industries (metals and mining, oil, natural gas, consumer fuels, energy facilities, and service industries) exposed to greatest risks in accordance with applicable domestic laws and regulations and with reference to international standards, while reviewing, managing, and examining the management processes and capabilities for the environmental and social risks that may arise from the aforementioned industries, to ensure the controllability of the Company's investment risks.

PSC's sustainable finance investment management strategy implementation process

STEP 1 STEP 2 STEP 3

Select, invest in, and manage the investment activities and products in accordance with the Sustainable Finance Guidelines of President Securities Corporation.

Review, manage, and examine the industries specified in the Industry Management Guidelines of President Securities Corporation before, during, and after investment.

Offer internal education and training regularly to review and manage investment targets.

ESG Investment Management Policy

In 2022, PSC formulated the ESG Investment Management Policy in accordance with the Self-Regulation Agreement of the Securities Association and the Securities and Futures Industry Sustainable Development Transformation Implementation Strategy. This policy takes into consideration whether the investee companies fulfill corporate governance, environmental protection, and social responsibility. It also involves continuous monitoring and management of the ESG-related risk exposure level of the investment targets based on ratings of external databases. The Company is committed to implementing a sustainable development policy through the following steps.

STEP 1 STEP 2 STEP 3

When the proprietary unit undertakes transactions, it should prepare an investment analysis report based on the ESG assessment results of the investment target from professional institution databases and identify its risks. Only after approval by the department manager can the transaction be undertaken.

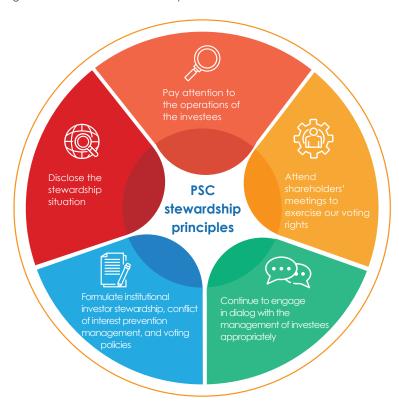
The assessment results and related information of the investment target should be provided by the proprietary unit to the Risk Control Office. The Risk Control Office should report on the execution of ESG-related investments to the Board of Directors regularly (at least semiannually).

The proprietary unit must regularly review the ESG performance of the investment portfolio. Any changes in the distribution of targets or the proportion of investment amounts should be further analyzed to determine adjustments in investment positions.

3.1.3 Institutional Investor's Stewardship

As an institutional investor, PSC is committed to upholding the principles of corporate governance and assumes related responsibilities. In accordance with the Stewardship Principles for Institutional Investors published by the Taiwan Stock Exchange and the goal of enhancing the number of signatories to the Stewardship Principles for Institutional Investors and the quality of stewardship information disclosure specified in the New Corporate Governance Roadmap launched by the Financial Supervisory Commission (FSC), PSC has published this year's Stewardship Report and publicly disclosed relevant information. The Company also actively engages in dialogue and communication processes with investee companies, aiming to stay informed of the operational and governance status of these companies through the exercise of voting rights at shareholders' meeting and ongoing dialogue with the management of investee companies.

Furthermore, PSC incorporated sustainable stewardship principles into its ESG Investment Management Policy in 2022. As the Company continues to enact stewardship practices and closely monitors developments in sustainability-related issues, we also remain attentive to changes in domestic and international sustainability regulations and consider variations in corporate operating models and the environment in Taiwan. All of these efforts reflect PSC's commitment to practicing sustainable business and development.



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2023 Institutional investor stewardship performance

Event	2023 Implementation Status			
Any material conflict of interest	None			
PSC's voting records	Total number of proposals: 3,729 Approval: 3,726 Objection: 1			
	Abstention: 2			

Reasons for voting for/ against, abstaining from major proposals 2022 earnings distribution plan of Taisun Enterprise:

- On May 5, 2023, the board of directors approved the 2022 earnings distribution plan, with a cash dividend of NT\$4 per share. However, on June 16, 2023, Taisun announced that the legal validity of the previously decided sale of shares in FamilyMart Co., Ltd., and the acquisition of common shares in JKO FinTech Co., Ltd. remained uncertain. Considering potential disputes, especially the mutual restoration of the FamilyMart shares, which would require returning NT\$8 billion to Marbo, Taisun deemed it necessary to retain sufficient operating capital. Therefore, the board of directors decided to revise the original cash dividend distribution plan, opting to distribute all undistributed earnings from the beginning of 2022, amounting to NT\$284,927,769, as cash dividends to shareholders, with NT\$0.56 per share.
- Although the change in this earnings distribution plan was resolved and approved by the board of directors convened on June 16, 2023 by the directors elected during the extraordinary shareholders' meeting on May 31, 2023, the significant difference in the cash dividend per share between the two announcements could cause market confusion. Therefore, the decision was made to abstain from voting on the 2022 earnings distribution plan for Taisun.

2023 Engagement performance

	Attendance at shareholders' meetings	Visits to companies	Conference calls	Participation in investor conferences
Number of companies	8	124	836	463

Internal resources invested for stewardship in 2023

Resources invested	Number of people	Main tasks
Proprietary Trading Department, Financial Product Department, Quantitative Trading Department, Fixed Income Department and Capital Market Department	40	Interaction and engagement with investee companies Proxy voting Occasional analysis of investee companies' sustainability performance
Compliance Division	4	 Formulation of conflicts of interest management Audit and review of the stewardship report and voting policy Upon changes to external regulations or adjustments to internal operating procedures, a compliance review will be conducted, and revision recommendations will be proposed to ensure the compliance of relevant regulations or operations.
President Office	2	1. Regular review and approval of stewardship reports submitted by proprietary trading departments 2. Occasional review and approval of amendments to the Voting Policy submitted by proprietary trading departments 3. Occasional review and approval of amendments to the Conflicts of Interest Management Policy submitted by the Compliance Division
Risk Control Office	3	1. The Risk Control Office regularly (at least once every six months) report to the Board of Directors on the execution of ESG-related nvestments. 2. If the investment amount in a single company reaches NT\$500 million or more, and during the investment period PSC becomes aware of any significant negative ESG-related news regarding the investment target, the Risk Control Office will report it at the next board meeting.
Public Affairs Division, Administration Department	3	Official website maintenance and layout design optimization

Please refer to PSC's 2023 Stewardship Report for the Company's stewardship performance and engagements in investee company proposals.



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3.2 Innovative Digital Finance

Dedicated to meeting customer demands, PSC continues to develop professional and diverse financial products and services while rigorously controlling investment risks. Moreover, the Company strictly complies with regulatory requirements and marketing regulations when providing products and services. Risk warnings are clearly displayed on promotional materials, and product information is fully disclosed. Through professional investment planning and comprehensive services, PSC provides customers with one-stop financial services. Furthermore, as the social environment continues to evolve, PSC leverages its organizational resources to improve accessibility and financial inclusion in securities and financial services. This ensures that financial services are no longer out of reach for various segments of the population, making convenient financial services available to all.

Digital R&D program

Increase digital services, continue to enhance electronic customer services, and spare no effort to develop and integrate various documents to be signed and paperwork to reduce the operations over the counter.

Provide clients with a continuous trading system with an immediate or cancel mechanism in alignment with a major reform of Taiwan's securities trading system to keep up with the international market and provide services closer to the market demand.

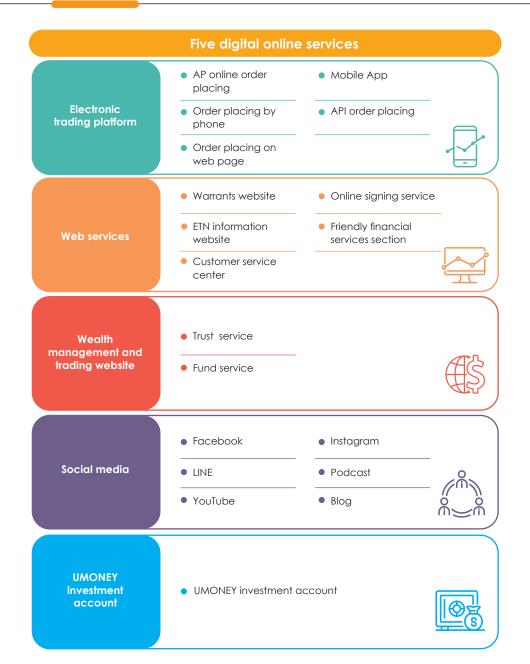


Continue to implement the FinTech strategy, increase the diversity of order placing and improve the application of strategies; provided cloud-based smart order placing services in 2022.



We had a budget of NT\$ 91 million in 2023 and a budget of NT\$ 80 million in 2024 to enhance our R&D projects of electronic customer services, core system transformation and performance optimization, digital operating processes, host upgrades, electronic trading, and digital financial related research and development projects, etc.

To enhance the convenience and completeness of customer access to financial information, PSC plans to launch digital financial services featuring information transparency and speedy transmission through five digital channels: the electronic trading platform, web platform, wealth management trading system, social media, and UMONEY investment account. In the future, PSC will continue to optimize our services based on the five major digital platforms, providing high-quality financial services to each and every customer.





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3.2.1 Electronic Trading Platform

To meet clients' needs for new services, PSC is dedicated to digital transformation with the development of digital online services as our primary goal. We have integrated securities, futures, options, stocks in the emerging stock market, sub-brokerage, and overseas futures trading systems and optimized online services and offline operating processes. In 2023, electronic transactions accounted for 77% of the Company's total trading volume.

Overview of the electronic trading platform

AP online order placing app

Order placing by phone

Mobile app O

Order placing on web page

API order placing

PSC Golden Island



- Investors in Hong Kong, the U.S., and China who need precise quotes and fast order placing speed.
- Customized layout function to create an exclusive customized screen.
- Real-time quotes for warrants and options and complete historical.
- Complete smart stock selection function so that investors will not miss out on any important stocks.
- A variety of warrant search functions and userfriendly.

ezMine



- Intuitive and easy-touse functions, suitable for investors who require fast price quotes and order placement.
- Real-time quotes, technical analysis, and historical account information for securities, futures, options, and emerging stocks.
- Order placement alerts, system parameter settings, and transaction completion messages, which can be customized according to investor needs.
- A powerful candlestick chart function and flexible multi-window applications.

PSC e-Gold



- User-friendly for both investment novices and experienced investors to invest and manage money easily.
- Compatible with different systems, browsers, and MAC systems.
- Order placing without a need to check quotes.
- A simulated app screen for order placing, with complete and simple functions.

e-Investment App



- Mobile internet users and mobile business people.
- Those who own a smartphone or tablet (supports iPhone, Gphone, iPad and GPad).

405 order placing by phone



- Traditional clients and small cap investors are not used to placing orders through securities specialists.
- It is not convenient for office workers to place orders online.
- An alternative for the mobile device users or sales personnel working outside the office when they cannot place orders online.

PSC AP



- Application programming interface (API) is used as a basic component for program software development.
- Securities trading integration services specifically for customers with programmatic trading needs.



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e-Investment App



The E-Investment app developed by PSC underwent a major overhaul and was relaunched by the end of 2022. The upgraded app not only integrates comprehensive services such as market analysis, information, trading strategies, and order placement but also introduces exclusive features like Chip Overview and Brokerage Branches. These additions make stock selection much easier for investors. In the past, investors often needed multiple apps to complete stock selection and trading, which was time-consuming and inconvenient. The revamped app breaks these limitations by consolidating all

services under the E-Investment app. Investors can now trade securities, options, funds, foreign stocks, and futures online. Foreign bonds and structured products are also introduced in the app as it is gradually becoming a financial department store where customers can access various financial products all at once. Features of the E-investment app are also consistently optimized in response to the diversified development of financial services and the demand for new types of transactions. In 2023, we launched the e-loan service and an average line function. Moreover, to help customers quickly learn how to use the app, we have been releasing tutorial videos online. On October 23, 2023, the Company was honored with the "Digital Service Award of Excellence" at the Commercial Times Digital Financial Awards. Going forward, PSC will remain dedicated to introducing convenient online service features based on customer needs.

3.2.2 Web Services

PSC Warrants Website

The first PSC warrants brokerage price trial calculation with open and transparent market making volatility

We disclose the most complex and the least transparent market-making volatility on the PSC Warrants Website every day. Clients can calculate a reasonable price for their resting orders in real time through our warrant brokerage price calculator to have a smooth investment process.

ETN Financial Information Website

To facilitate clients' investment process, we aim to continue to develop a website covering all product information and providing complete product information, product feature pages, and product direct mails, and introduction videos to achieve financial inclusion. PSC has issued a total of 10 ETNs, including domestic and overseas constituent ETNs, covering the topics of U.S. technology, Taiwan 5G, U.S. government bonds, and Asian semiconductors, allowing investors to have more diverse investment options and keep up with global trends without using foreign currencies.

Customer Service Center

PSC's customer service center on its official website provides a variety of services that are compatible across different platforms and web browsers. Customers can find solutions to common issues categorized under topics like Popular Online Account Opening, Digital Accounts, PSC e-Gold Accounts, and Trading-related Matters. Furthermore, customers can gauge the popularity of these topics based on the number of clicks and use keywords to quickly search for answers. The Company will continue to adjust the way documents are displayed based on customer feedback, offering solutions for various platforms with detailed visual and textual explanations to promptly address customer inquiries.

Online Signing Service

To provide better services, we have revised and optimized the online signing section and classified documents by the types of risk disclosure statements; we have also added title, number, quotation marks, and a button to check the signing qualifications in the signing interface, allowing investors to search for information more quickly and understand the signing information and the correlation between products to be traded. In addition, the Statement of Brokerage in Person Without Authorization" which is signed by investors online will be valid for one year, which can effectively improve the convenience of customers.

3.2.3 Wealth Management and Trading Website

PSC has undergone transformation into an institution with diversified wealth management and investment services, providing clients with one-stop services to purchase all investment products at a go. We have established a wealth management and trading website, allowing clients to easily place orders to purchase a variety of fund products and integrate all details of their assets at PSC, including domestic and foreign funds, domestic structured products, foreign bonds, trade in-transit, Taiwan stocks, and foreign stocks. This allows clients to keep abreast of their asset allocation at any time. As of the end of December 2023, the number of trust clients has reached 33,255.

3.2.4 Social Media

In response to the growing popularity of digital order placing, PSC has been dedicated to the development of trading platforms on digital and social media platforms, as well as continuously improving and upgrading system functions to meet user expectations.

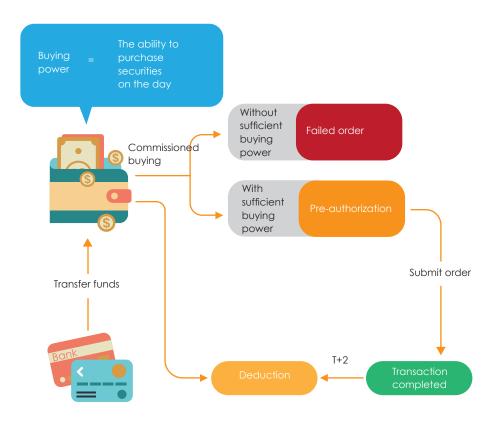
PSC social media operations

PSC social media operations					
	Social media		Introduction	Achievements in 2023	
LINE	PSC LINE@ Account		PSC provides investors with product and service information via the official LINE account promptly.	Nearly 556,000 LINE friends in total. Published 120 posts in 2023.	
	PSC Facebook fan page		In addition to posts on latest trends in the financial market, relevant regulations, and stock information, the PSC Facebook fan page offers fans festive and seasonal images from time to time for downloads, alongside occasional lucky draws. Through interacting with fans, the page enhances customers loyalty and adhesion. Also, by sharing promotional videos of the Company's branches, the page strengthens connections between fans and physical distribution channels.	Nearly 45,000 fans. Published 294 posts in 2023.	
f	PSC Warrants OPEN Talk Facebook fan page		We have run the PSC Warrants OPEN Talk fan page for many years. We engage in close interaction with our clients through PSC Warrants OPEN Talk and update the latest news every week, including warrant knowledge and information sharing. We also allow investors to leave open and private messages to ask questions, and our professional warrant experts will answer their questions and provide them with online services through this crucial platform.	Approximately 15,000 fans. Published 179 posts in 2023.	
	PSC ETN Navigator Facebook fan page		PSC ETN is committed to selecting good indexes and engaging in disseminating information on our products; we created the PSC ETN Navigator Facebook fan page to allow investors to better understand ETNs by updating posts from time to time, thereby increasing the popularity of index products as a part of investors' asset allocation.	Approximately 8,000 fans. Published 280 posts in 2023.	
	PSC YouTube Channel		PSC YouTube channel target young people who are interested in investment, and actively promote PSC's ETNs as an investment tool suitable for small-budget and young investors. We released various videos of general strategic analysis, trade teaching, business introduction, and electronic trading platform operation instructions in the channel, allowing clients to acquire professional financial knowledge through interesting videos.	Approximately 8,000 subscribers. Released 63 videos in 2023.	
O	PSC Official Instagram Account		PSC's official Instagram account shares knowledge of various financial products and investment tools. It is also used for announcing the Company's promotional messages from time to time.	Approximately 6,000 followers. Published 73 posts in 2023	
	PSC Investment News Podcast		The podcast invites industry experts and interdisciplinary hosts to share insights on global industry trends, Taiwanese stocks, macroeconomic strategies, and popular investment topics through easy-to-understand interviews. It allows investors to get a grip of market situations during meals or commute.	Launched in March 2022. Produced 56 episodes in 2023.	
Blog	PSC Warrants Blog		We provide consumers who are highly interested in warrants with a large warrant knowledge base, PSC Warrants Blog, in which there are more than 100,000 words of warrant knowledge articles posted by PSC's warrant experts over the past 10 years, allowing investors who trade warrants to search for the knowledge they want to know in this blog whenever they have any questions or encounter a bottleneck. This has allowed PSC Warrants Blog to become investors' warrant think tank to increase their profits.	A total of 164 blogposts.	

3.2.5 UMONEY Investment Account

In 2023, PSC launched the "UMONEY Investment Account," a service designed for novice investors and young shareholders with some experience. It allows users to apply for account opening online without the need to visit a branch, thus saving time and transportation costs. The UMONEY Investment Account includes both a securities investment account and a settlement account (sub-account), so there is no need for investors to open a separate bank settlement account. The sub-account supports account services across 23 banks, from which investors can directly designate their bank account of choice for deposits and withdrawals. In addition, the UMONEY Investment Account introduces the industry's first pre-authorization trading model. Orders are placed based on the customer's real-time buying power. Transactions are allowed only when there are sufficient funds or credit available in investors' settlement accounts, thereby preventing failed settlements.

UMONEY Transaction Procedure



3.3 Customer Relations and Services

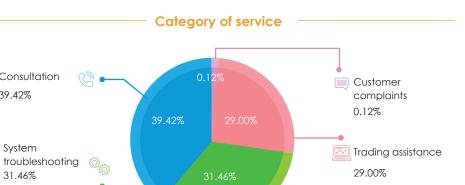
PSC is committed to ensuring the delivery of the highest quality and comprehensive services to its customers. The Company consistently listens to customer feedback and suggestions and seeks to improve the content and quality of customer service through various measures, aiming to enhance customer satisfaction and loyalty.



3.3.1 Customer Service

To provide its customers with the best services, PSC offers a customer service hotline and toll-free phone lines for customers to reach out to us. We also have the Customer Service Center that handles phone calls, email responses, text-based customer service, and a message board, offering various communication channels for customers. In 2023, to provide enhanced services for disadvantaged groups, a new dedicated senior hotline was introduced, through which senior customers can use voice prompts to directly talk to a specialist. The Customer Service Center also handles customer complaints through dedicated personnel and a hotline. A complaint tracking system is in place, and in 2023, new standards for senior customers were introduced, with system reminders to prioritize the handling of these complaints, ensuring fair customer treatment for all.

Furthermore, the Company's customer service hours have been extended to 8:00 PM, allowing customers to contact service staff after work for immediate resolution of system-related inquiries and assistance with online account opening procedures. This thoughtful service approach has received widespread praise. In 2023, the total number of incoming customer service calls was 55,822, with 51,311 answered, resulting in a connection rate of 91.92%. The breakdown of inquiry categories and their respective proportions were as follows: consultation services (39.42%), system troubleshooting (31.46%), trading assistance (CA certificates, passwords) (29.00%), and customer complaints (0.12%).



According to the ratio of customer consultation items in recent years, it can be seen that the PSC service quality is excellent in the industry. Our customer service personnel are stable and skilled and their professional skills can also be reflected in the service quality. In recent years, the adoption of TeamViewer to serve clients remotely has allowed us to accurately judge and solve their relevant issues in real time; as such, the customer stickiness has continued to increase. In the future, we will focus on the adoption of automated assistance systems to improve the existing service process and quality, thereby allowing customer service personnel to enhance their professional skills and better cater to customer needs when addressing customer inquiries.

Customer service category and action plan

Consultation

troubleshooting

System

Consultation

39.42%

System

31.46%

Account inquiries/ Marketing activities/ General inquiries

39.42%



Apart from general consultation items, we provide customers with marketing plans, and explain and guide them to open accounts and loan accounts. We kindly provide feedback survey and satisfaction survey services, actively understanding the reasons for customer calls and their suggestions for the company, so as to provide them with more satisfactory and tailorsuited methods of service, thereby enhancing customer service quality.

Problems of system operation and adjustment of settings

31.46%



We offer customers different remote programs for simpler and more convenient user experience, which also better allows customer service personnel to help customers with computer troubleshooting. It further allows customers to sign from different apps according to their user habits. In addition, in August 2022, a 24-hour intelligent chatbot service was introduced, allowing customers to inquire about operating processes and common questions through a text-based customer service icon.

Electronic transaction password problem

16.25% **M**



The proportion of problems with electronic transaction passwords decreased by 7.58% (from 23.83% to 16.25%) compared to the previous year primarily due to the reduction in customer inquiries related to password issues after the regulatory requirement to change passwords was implemented. Customers are also able to unlock or request password resets through online self-service options.

Computer certificate application problem

12.75% **M**



The proportion of problems with computer certificate applications decreased by 4.65% (from 17.40% to 12.75%) compared to the previous year. After the implementation of the two-factor authentication mechanism, customers are required to have certificates to log into the trading system and check account-related information. Additionally, electronic certificate applications are supported by notifications of upcoming expiration via email and system login reminders for certificate renewal. Moreover, after Microsoft's enforcement of the discontinuation of Internet Explorer, the number of customers encountering issues due to using outdated browsers significantly decreased.



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TeamViewer

TeamViewer is a system software to support remote operations, different platforms, and online collaboration. In response to the government's policy of Finance 3.0, we have vigorously promoted the electronic order placing service, with the electronic trading amount accounting for 77% of the Company's total transaction amount in 2023. More than half of clients place orders electronically. During the trading process, clients who are not good at using electronic products tend to have many problems using the service. After the customer service personnel answer a call, they fail to solve the problem as they cannot see what really happened or clients cannot describe their issue clearly.

With TeamViewer, when a client has a problem, the customer service personnel can directly control their computer remotely to quickly solve core the computer problem directly without a need for communication. In addition to TeamViewer, we use Anydesk to assist clients remotely. In 2023, we assisted a total of 2,498 clients remotely in troubleshooting problems, such as system or software failures, through different remote programs, while guiding them to the system through simultaneous connections, to achieve clear and smooth communication.

Intelligent Customer Service and Online Service with Real Customer Service Representatives

To align with the evolving landscape of technology, customers can now utilize their mobile devices through various channels such as the Company's official website, Facebook page, LINE official account, and the E-Investment app to access text-based customer service, which can seamlessly connect them to real customer service representatives for inquiries.

In response to customer needs, the Company designed the interface of text-based customer service with user-friendliness in mind for customers of all age groups. Customers can communicate with customer service representatives using features like stickers or screenshots, enabling communication scenarios that were not possible through traditional phone-based interactions. In the future, the Company is committed to integrating digital technology with customer service to offer more diverse and customer-centric service models.

Customer Service Satisfaction Survey

Customer satisfaction serves as a key indicator that prompts PSC to improve its service measures and continuously make progress. The Company regularly conducts customer satisfaction surveys, covering areas such as trading certificates, password unlocking, system operations, order placement, and account issues. Customers are encouraged to provide feedback and suggestions based on their actual experience and needs, enabling the Company to address shortcomings and incorporate customer opinions in a timely manner for consistent service quality improvement. Since May 2023, the satisfaction survey has been conducted through a system-based approach. After a customer's call with a customer service representative, the feedback is transferred to the satisfaction survey system for rating, based on customer willingness. The feedback collected from customers is used as a reference for future service enhancements. In this year's survey, a total of 1,927 customer satisfaction responses were collected, with an average satisfaction score of 99.25, reflecting the Company's friendly and considerate customer service that meets actual customer needs.

Over-the-Counter Customer Satisfaction Survey

After customers use the e-service platform for basic information updates over the counter, the Company will send a satisfaction survey link via email on the next business day upon completion of the update. This survey aims to gather feedback and improve the service quality of over-the-counter personnel.

Mystery Client Phone Etiquette Testing

To maintain the service quality of our personnel, the responsible unit sends personnel to randomly perform phone etiquette tests on the front-line service personnel of each branch and the head office from time to time. The test report is submitted to the top-level manager of the responsible unit, and the test results are discussed on a case-by-case basis in the national managerial meeting. We commend employees with excellent performance and conduct an internal review of units with lower scores to maintain service quality.



3.3.2 Listening to Customer Feedback Goodwill Interviews with Customers

In compliance with the competent authority's policies, we proactively engaged in goodwill interviews with our customers in 2023, to learn about their needs and carry out in-depth investigations on brokerage trading. We made a total of 1,804 phone calls to prevent and reduce our sales personnel's non-compliance behaviors. We also reminded investors of matters to be noted during these calls. Through goodwill interviews, the Company learns about customers' suggestions for securities specialists or the Company, or services to be further optimized. While promoting the competent authority's policies, we also learn about customers' needs so that we can continuously seek improvement.

Cust	tomer i	interv	iew	quest	ions

- Feedback on sales personnel or the Company
- Did you buy and sell securities through sales personnel?
- Oid the sales personnel guarantee you a profit?
- Were there any borrowings between you and sales personnel?
- Did the sales personnel keep our funds, seals or passbooks for you?



- Did the sales personnel solicit or promote unapproved, illegal, or fictitious futures or options products to clients?
- Did you send the securities subscription payment or settlement payment to the sales personnel's account or the account they designate?

Smooth Customer Complaint Communication Channel

In accordance with the Financial Consumer Protection Act, we formulated the Consumer Dispute Response Regulations of President Securities Corporation. Once we receive a complaint, the client complaint contact point will file a case to launch the process to communicate, coordinate, respond to, review, and close the case, while storing the data and following up on the case. The customer service center records the entire complaint handling process to protect clients' rights and interests. In 2023, there were a total of 21 consumer dispute cases. Among them, seven cases were ruled inadmissible by the Financial Ombudsman Institution, and two cases were withdrawn by the customers. The remaining 12 valid cases were all handled in accordance with the regulations of the Financial Ombudsman Institution and were resolved within 30 days.

the regulations of the financial officeasthan institution and were resolved within 50 days.							
Type of customer complain	Number of cases	Case Closure and Handling					
Personnel service	1	The branch manager reached a deal with the customer. Consequently, the customer withdrew the case from the Financial Ombudsman Institution.					
System issues and transactional disputes	4	The issue with the system error has been explained to the customers, and they were informed that electronic trading could not be carried out. Customers were advised to use other order placement methods. The dispute over the system automatically placing orders was confirmed to be due to operations performed on the customer's phone and from the same IP address, and there were no further disputes.					
Warrant-related issues	1	The customer was informed that the information regarding warrant-related products complies with regulations, and there was no false information provided.					
Promotional gifts	2	Customers were informed of the actual value of promotional gifts and the conditions for redeeming account-opening gifts, and there were no further disputes.					
Others	4	 One dispute over derivative product handling fees involving a professional investor. The case does not meet the conditions for arbitration. One dispute related to delayed settlement payments due to a typhoon holiday. The bank followed the regulations for delayed processing, and there was no operational error. A written response was provided to both the customer and the Financial Ombudsman Institution. One dispute over shortfall recovery related to stock loan fees from two years ago. Relevant proof was provided to the customer and the Financial Ombudsman Institution. One dispute concerning a request for fee reduction. After a phone call with the customer, a consensus was reached. 					
Total	12	-					

Board of Directors

President

3.3.3 Treating Customers Fairly

Policy Formulation

PSC attaches great significance to the rights of financial consumers and the implementation of the treating customers fairly (TCF) principles. The Company has established a policy and strategies for fair customer treatment, accountability system implementation guidelines, and a responsible framework for fair customer treatment. The relevant rules and regulations are regularly updated and amended in accordance with changes in the industry and legal environment to ensure that the treating customers fairly principles remain at the core of the Company's culture, making it a shared value system and code of conduct throughout the organization.



Responsible framework

PSC's policy and strategy for fair customer treatment clearly state that the Board of Directors and the President is responsible for overseeing and promoting these efforts. A cross-departmental Fair Customer Treatment Team is in place, with the President serving as the convener. The team members include the heads or top executives of relevant departments. Task assignments are based on the Company's ten TCF principles, with the highest-ranking officers from the Compliance Division, Management Department, Brokerage Department, and Clearing Department responsible for the overall implementation and execution of the principles across the organization.

Fair Customer Treatment Team

The Board of Directors established the policy and strategies for fair customer treatment and conducts quarterly discussions and oversight to monitor the Company's implementation and implementation of the TCF principles.



The President serves as the convener of the Team and chairs its meetings. The Team reports on the implementation status of the TCF principles to the Board of Directors on a quarterly basis.



Fair Customer Treatment Team Members of the team comprise department managers or top executives from relevant units, and they are tasked with coordinating the implementation and practices of the ten TCF principles.



Responsibilities

The team members, comprising department heads or top executives from relevant units, are responsible for planning and implementing the TCF principles. They oversee potential areas within each department that may violate the principles and propose concrete solutions and response measures. These are reported and reviewed during the quarterly team meetings, where improvement plans are presented. The specific content of each principle is implemented in accordance with the Treating Customers Fairly Principles for the Securities and Futures Industry stipulated by financial service regulations, as well as industry-specific legal norms. Responsibility for each principle is assigned to the corresponding departments, based on relevant business regulations and internal policies. The highest-ranking officer in each department is responsible for managing and supervising compliance with these principles within their respective areas.

Promotion and Implementation

The Fair Customer Treatment Team holds quarterly team meetings chaired by the President. Each task group reports on the current status of their work and the effectiveness of their initiatives. The team presents a quarterly report of the implementation of TCF principles to the Audit Committee and the Board of Directors for discussion, ensuring proper oversight and effective execution of the principles. The Company also conducts an annual TCF principles self-assessment. Relevant departments evaluate their performance based on the assessment indicators of the ten principles. After the task groups review the content and scores, a second review is conducted by the Compliance Division and the Audit Office. The self-assessment results are then submitted to the Audit Committee and the Board of Directors for discussion.



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Education and Training

To ensure the protection of financial consumers and adherence to the TCF principles, PSC conducts regular training courses on financial consumer protection and the TCF principles for all employees every year. Through the "Practice Sharing Newsletter" and the "Fair Customer Treatment Advocacy Section" on the intranet, the Company promotes the principles of fair customer treatment with a focus on experience sharing related to rectifying cases of violations of these principles. Through PSC's digital learning platform, employees are provided with videos, articles, and quizzes to reinforce the awareness of common issues related to TCF principles, the implementation of considerate care for the elderly, and the Company's financial-friendly service environment.

Implementation Result

Investment Fraud Prevention

In 2023, the Company held a series of anti-fraud activities and a lucky draw under the theme, Stay Away from the Crisis of Fraud. The focus was on avoiding financial fraud and refusing to be a victim. Through educational videos, the campaign promoted awareness of common fraud tactics and the "Five Don'ts" to Avoid Fraud: (1) Don't answer calls from strangers, (2) Don't click unknown links, (3) Don't listen to unsolicited investment tips, (4) Don't take random threats seriously, and (5) Don't share personal information. These efforts are in alignment with the TCF principles and the Company's duty of care to protect investors.

Employee Proposal Campaign

To effectively promote the TCF principles and integrate them into the organizational culture, the Company held an employee proposal campaign in 2023, encouraging employees to propose creative activities based on the TCF principles targeted at either customers or internal employees. A total of eight proposals were submitted, and after a thorough review, two were selected as final references for optimizing fair customer treatment practices in 2024, and the employees who submitted the proposals received a reward.

Elderly Customer Service

In addition to the Company's "Guidelines for Financial Services for Elderly Customers" established to enhance services for senior clients, we conduct quarterly check-ins with elderly customers, especially those aged 65 and above, to verify their contact information, such as phone numbers or email addresses. If duplicated information is found, the Company conducts a due diligence visit to ensure the elderly customers' well-being and reminds them to be aware of fraud risks. In 2023, a total of 586 visits were conducted, effectively preventing the improper use of senior customers' accounts by others. Moreover, a dedicated hotline for elderly customers is available, with trained specialists providing comprehensive services.

Friendly Financial Services Section

To implement financial digitization and provide a user-friendly online environment, PSC has established the PSC Financial Friendly Services Zone in accordance with the website accessibility guidelines of the National Communications Commission (NCC). This initiative aims to reduce difficulties that users may encounter when using online applications,

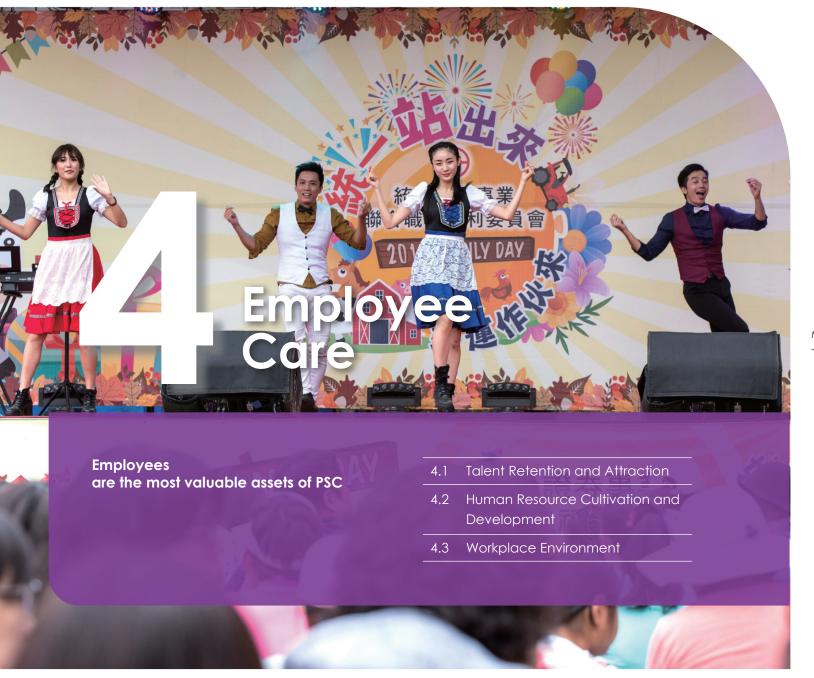


making it more convenient for customers to access online services and thereby vitalizing financial services. In 2021, we introduced senior-friendly features, allowing users to adjust font sizes according to their needs, thereby improving readability. In addition, the section has consistently maintained the "Level A" certification for web accessibility standards from the National Communications Commission (NCC).

Creating A Barrier-Free Environment

To provide a convenient environment for elderly or disabled customers, in 2023, all branch account opening counters across Taiwan were equipped with tablets, reading glasses, and magnifying glasses as assistive tools for customer use. These measures were implemented to improve the readability of relevant documents and to create an accessible service environment.

Implement fair customer treatment and building a financial environment of friendly services									
Barrier-free Measures	Hearing Impairment	Language Impairment	Physical Impairment	Visual Impairment					
Environmental Equipment	There is a service bell and barrier-free ramp at the headquarters building at 1F, No.8, Dongxing Rd., Songshan Dist., Taipei City, with designated staff to help with the access.								
Business Services	Designated personnel to help with the services								
Product Information	In addition to information is also a customer service in personnel.	Designated personnel to help with the services							
Communication or Feedback	Customer service mailbox	Customer service mailbox	Customer service mailbox telephone service	Telephone service					



Material Issues in this chapter

- · Talent Retention and Attraction
- · Human Resource Cultivation and Development













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6 Social Care

Appendix

Employees are the most valuable assets of PSC! In recent years, we have continuously adopted "growth", "transformation", and "shared prosperity across generations" as priority guidelines for the implementation of employee policies and welfare measures.

Growth

In light of the impacts of the pandemic in recent years, we have moved existing in-person training courses online to ensure continuous growth in employee career plans and professional capabilities.

Transformation

To enable employees to keep up with the trend of digital finance transformation and digitalization, we have held a number of employee training sessions and seminars to enhance their working skills and job competencies.

Shared prosperity across generations

We continue to implement the succession plan. In 2023, we introduced five management trainees through the "PSC Management Trainee Program" and eight talents through the "Branch Manager Succession Program." Through systematic selection and quality training, we are actively passing on practical experience and techniques to cultivate management talent, shaping the next generation of PSC successors.

Employee Care Achievements



Talent Quality-management System **Bronze Medal**

The only securities company awarded for 13 consecutive years.



1111 Human Resources Happy Enterprises **Gold Award**

Awarded the Happy Enterprise certificate by 1111 Human Resources for four consecutive years.



CHR Healthy Corporate Citizen Commitment

Awarded the Happy Enterprise certificate by 1111 Human Resources for four consecutive years.



Healthy Workplace Certification

Received the Health Promotion certificate by the Health Promotion Administration, Ministry of Health and Welfare (Valid from 2020 to 2023, 2024~2026).



Sports Enterprise Certification

Received the Sports Enterprise certification by the Sports Administration, Ministry of Education (Valid from 2023 to 2026).



Excellent Breastfeeding Room Certification

Received the High Distinction Lactation Room certificate by Taipei City Government (Valid from 2023 to 2026).

4.1 Talent Retention and Attraction

4.1.1 Composition of Employees

Human Structure Analysis

The head of each department sets appropriate qualifications and conditions for job vacancies as per the job requirements and recruits and appoints talents in accordance with the Company's Employment Procedures. We recruit personnel in accordance with the Labor Standards Act, the Employment Service Act, the Act of Gender Equality in Employment, and the People with Disabilities Rights Protection Act, to ensure fairness, justice, and human rights. In 2023, PSC's staff encompassed 1,412 full-time employees and 8 part-time employees. Part-time employees were hired based on each department's operational needs. Among all, there were 10 employees with disabilities (2 managerial position and 8 non-managerial positions), accounting for 1.64% of all managerial positions and 0.62% of all non-managerial positions respectively.

Employees by gender, region and contract category

Total number of employees by gender/contract category in the past three years

Gender	Мс	ale	Female			
Contract category	Full-time	Part-time	Full-time	Part-time		
2021	527	1	892	8		
2022	536	2	902	4		
2023	540	-	872	8		

Total number of employees by region/contract category in the past three years										
Region	North District		Central District		South District		Outlying Islands			
Contract category	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time		
2021	1,138	8	134	1	137	-	10	-		
2022	1,144	5	140	1	143	-	11	-		
2023	1,142	7	125	1	133	-	12	-		

Note: The regional distribution in this chapter is divided into North District, Central District, South District and Outlying Islands, referring to the administrative regions of Taiwan. The information of counties and cities covered by each district is as follows:

- · North District: Taipei City, New Taipei City, Keelung City, Hsinchu City, Taoyuan City, Hsinchu County and Yilan County
- Central District: Taichung City, Miaoli County, Changhua County, Nantou County and Yunlin Count
- South District: Chiayi City, Kaohsiung City, Tainan City and Pingtung City
- · Outlying Islands: Kinmen County

Employees by gender, age, and job grade in 2023											
Category	Under 30 years old		Over 30 but under 50		50 years old or above		Total	National	Indigenous	Foreign	Total
	Male	Female	Male	Female	Male	Female	TOTAL	(non-indigenous)	people	national	Total
Senior management	-	-	14	7	23	8	52	52	-	-	52
First-line and mid-level management	-	-	23	11	17	19	70	70	-	-	70
Other staff	72	77	241	382	150	368	1,290	1,286	4	-	1,290

Note: Senior management refers to the highest-ranking manager of each department at the headquarters, supervisors, and branch executives, first-line and mid-level management refers to management personnel not of the positions mentioned previously.



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Employees education attainment in 2023										
Job grade	PhD	Master	Bachelor	Junior college	Senior high school (including) and below	Total				
Managerial position	1	57	48	11	5	122				
Non- managerial position	1	204	609	341	135	1,290				
Percentage	0.14%	18.48%	46.53%	24.93%	9.92%	100%				

Note: Managerial position refers to employees at the manager level and above, while non-managerial position refers to employees below the manager level.

Stable Job Environment

PSC has always placed employees at its core, considering all colleagues family members, and is committed to providing a stable, harmonious, and diverse workplace environment. In the current year, 11.12% of all employees are PSCers, who are long-serving members. The high percentage demonstrates employee identification with the Company's culture and their willingness to continue advancing with the Company. The average length of service among these employees is an impressive 13.08 years.

The proportion of PSCers reached

11.12 %



Note: PSCers are those who have worked at the Company since they joined the workforce.

Information on new employees (by region, job grade, gender and age) in the past three years

		New em	ployees info	ormation in	2021			
Ge	nder		Female		Male			
Region	Job grade	Under 30 years old	Over 30 but under 50	50 years old or above	Under 30 years old	Over 30 but under 50	50 years old or above	
North	Management	-	3	1	-	5	2	
District	General staff	37	41	5	30	36	4	
Central	Management	-	-	-	-	-	-	
District	General staff	1	2	-	2	-	-	
South	Management	-	-	-	-	-	-	
District	General staff	1	2	1	1	1	-	
Outlying	Management	-	-	-	-	-	-	
Islands	General staff	-	-	-	-	-	-	
	Management	-	3	1	-	5	2	
Sum of New	11 (Account f	or 9.10% of t	he total num	nber of emp	loyees at th	e managem	nent level.)	
Employees	General staff	39	45	6	33	37	4	
	164 (A	Account for	12.60% of the	total numb	per of gener	al employee	es.)	



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Information on new employees (by region, job grade, gender and age) in the past three years

● PRESIDENT SECURITIES CORPORATION

		New em	ployees info	ormation in	2022				
	Gender		Female			Male			
Region	Job grade	Under 30 years old	Over 30 but under 50	50 years old or above	Under 30 years old	Over 30 but under 50	50 years old or above		
North	Management	-	5	3	-	10	3		
District	General staff	39	45	6	27	45	9		
Central	Management	-	-	-	-	1	1		
District	General staff	2	1	3	6	2	2		
South	Management	-	-	-	-	3	1		
District	General staff	5	7	3	3	-	3		
Outlying	Management	-	-	-	-	-	-		
Islands	General staff	1	-	-	1	1	-		
	Management	-	5	3	-	14	5		
Sum of New	27 (Account fo	or 21.09% of	the total nur	mber of emp	oloyees at th	e managen	nent level.)		
Employees	General staff	47	53	12	37	48	14		
	211 (Acc	count for 16.	.11% of the to	otal number	of general e	employees.)			

		New em	nployees inf	ormation in	2023			
Ge	nder		Female		Male			
Region	Job grade	Under 30 years old	Over 30 but under 50	50 years old or above	Under 30 years old	Over 30 but under 50	50 years old or above	
North	Management	-	3	4	-	6	1	
District	General staff	27	47	8	38	44	7	
Central	Management	-	-	-	-	-	-	
District	General staff	2	-	-	-	2	1	
South	Management	-	-	-	-	-	-	
District	General staff	5	5	1	6	7	1	
Outlying	Management	-	-	-	-	-	-	
Islands	General staff	-	-	-	-	1	-	
	Management	-	3	4	-	6	1	
Sum of New	14 (Account f	or 11.48% of	the total nu	mber of em	oloyees at th	ne managen	nent level.)	
Employees	General staff	34	52	9	44	54	9	
	202 (Acc	count for 15.	66% of the t	otal number	of general	employees.)		

Information on resigned employees (by region, job grade, gender and age) in the past three years

		Resigned (employees i	nformation	in 2021				
Ge	nder		Female			Male			
Region	Job grade	Under 30 years old	Over 30 but under 50	50 years old or above	Under 30 years old	Over 30 but under 50	50 years old or above		
North	Management	-	-	-	-	1	6		
District	General staff	17	27	20	11	36	14		
Central	Management	-	-	-	-	-	-		
District	General staff	1	2	4	1	2	5		
South	Management	-	-	-	-	-	-		
District	General staff	-	2	8	2	1	3		
Outlying	Management	-	-	-	-	-	-		
Islands	General staff	-	-	-	-	-	-		
	Management	-	-	-	-	1	6		
Sum of Resigned	General staff	18	31	32	14	39	22		
Employees	Total	18	31	32	14	40	28		
	A total of 163	employees	resigned in 2	2021. The ov	rerall turnove	er rate is 11.4	19%.		

		Resigned 6	employees i	nformation	in 2022				
Ger	nder		Female			Male			
Region	Job grade	Under 30 years old	Over 30 but under 50	50 years old or above	Under 30 years old	Over 30 but under 50	50 years old or above		
North	Management	-	5	3	-	6	8		
District	General staff	31	28	18	26	34	17		
Central	Management	-	-	1	-	1	-		
District	General staff	1	1	6	1	1	6		
South	Management	-	-	1	-	1	2		
District	General staff	1	5	6	1	1	2		
Outlying	Management	-	-	-	-	-	1		
Islands	General staff	-	-	-	1	-	1		
	Management	-	5	5	-	8	11		
Sum of Resigned	General staff	33	34	30	29	36	26		
Employees	Total	33	39	35	29	44	37		
	A total of 217	employees	resigned in 2	2022. The ov	erall turnove	er rate is 15.0	19%.		

Information on resigned employees (by region, job grade, gender and age) in the past three years

		Resigned	employees	informatior	n in 2023		
Ger	nder		Female			Male	
Region	Job grade	Under 30 years old	Over 30 but under 50	50 years old or above	Under 30 years old	Over 30 but under 50	50 years old or above
North	Management	-	4	2	-	4	4
District	General staff	23	47	31	18	45	20
Central	Management	-	-	-	-	-	2
District	General staff	-	1	5	1	2	2
South	Management	-	-	-	-	1	1
District	General staff	3	10	11	2	4	7
Outlying	Management	-	-	-	-	-	-
Islands	General staff	1	-	-	-	1	-
	Management	-	4	2	-	5	7
Sum of Resigned Employees	General staff	27	58	47	21	52	29
	Total	27	62	49	21	57	36
	A total of 252 e	mployees re	esigned in 202	23. The over	all turnover i	rate is 17.85%	5

4.1.2 Salary and Remuneration

Employees are the most essential stakeholders of PSC and represent the Company's most significant asset. The Company will continue its efforts in planning employee benefits, promoting employee growth, creating a positive working environment, and establishing effective communication channels. At the same time, the Company strictly adheres to relevant laws and regulations, advocates against and prohibits any discriminatory practices, forced or compulsory labor, child labor, and actively promotes human rights awareness while enhancing the labor rights and benefits of its employees.

Salary Policy and System

PSC's salary and rewards policy, as well as its benefits system, are determined through an external market salary survey. Based on the survey results and taking into account input from various stakeholders, the Remuneration Committee makes decisions and authorizes the President to review and approve them.

Salary policy

To attract outstanding talents to join, we motivate employees with great performance to stay, and the objectives of the salary policy are formulated in the principle of sharing profits with our employees. The details are as follows:

- I. Compensate employees fairly and reasonably for their contributions to the Company.
- II. Provide competitive salaries to employees compared with other businesses in the same industry.

 III. Salary levels are in alignment with government regulations.
- IV. Appropriately control the cost of salaries.

Salary system

We have set different ranges of salaries for different job levels, and the minimum salary is in alignment with the minimum salary standard of the Labor Standards Act. New employees' starting salary is decided based on the job level, work experience, and education. Annual pay raise is based on employee performance evaluation results, price level, and operating performance for the year; the President will verify the adjustment. The average pay raise in 2023 was 1.48%.

Bonus and welfare system

PSC issues bonuses to sales and non-sales staff. For non-sales employees, bonuses are determined based on the Company's annual performance, employee tenure, job responsibilities, and performance evaluations. These bonuses are approved by the Board of Directors upon the recommendation of the President. All non-sales employees still employed on the bonus payment date are eligible for year-end and holiday bonuses. On the other hand, sales employees receive monthly performance bonuses based on their respective bonus schemes. They do not partake in the distribution of year-end bonuses and group bonuses. The Company distributed a total bonus of NT\$62,369,000 to its employees in 2023, as a recognition of their hard work and dedication throughout the year.



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Managerial/non-managerial personnel's benefit expenses in the past three years

Unit: NT\$ thousand

	2021		20)22	2023		
Job grade	Non- managerial personnel	Managerial personnel	Non- managerial personnel	Managerial personnel	Non- managerial personnel	Managerial personnel	
Number of people	1,302	117	1,310	128	1,290	122	
Employee benefit expenses	3,253,577	361,509	1,689,962	449,230	2,190,347	582,244	
Average employee benefit expenses	2,499	3,090	1,290	3,509	1,698	4,773	

Note: Benefit expenses include annual bonuses, pensions, labor and health insurance premiums, bonuses, and performance bonuses.

Female-to-Male Salary Ratio in 2023 (by Region and Job Grade)

Region	Job grade	Female-to-male ratio			
North District	Managerial position	0.81			
NOTH DISTRICT	Non-managerial position	0.82			
Central	Managerial position	0.74			
District	Non-managerial position	1.01			
South District	Managerial position	1.06			
300111 DISTRICT	Non-managerial position	1.00			
Outlying	Managerial position	-			
Islands	Non-managerial position	0.98			

Note: There is only one managerial employee in the outlying islands. Hence, the female-to-male ratio was not calculated.

Ratio of Full-time Employee Salary and Highest Individual Salary at Managerial and Nonmanagerial Positions

Unit: NT\$ thousand

Job grade	Annual salary	2021	2022	2023
Non-managerial position	Annual salary median	1,163	819	961
Managerial position	Annual salary median	4,291	2,848	3,611
· ·	he highest individual of other employees	26.70	20.52	34.80
	ne increase percentage of the highest individual byees	-	1.57	5.76

Note: Statistics of other employees do not include the individual with the highest salary.

4.1.3 Welfare System

Leave System

We cooperate with the government's policy on five-day work weeks. If the government agency adjusts the holidays, we handle it accordingly, while cooperating with other holidays designated by the Securities and Futures Bureau, FSC, Executive Yuan. In addition, the Company does not promote an overtime work culture. We place a strong emphasis on the physical and mental well-being of our employees, as well as their family life, by providing a vacation system that exceeds the legal requirements set by the Labor Standards Act, encouraging employees to take time off and relax properly after their hard work.

Better than the Labor Standards Act

- When an employee has been employed for fewer than a year, their paid leave will be granted in proportion to their length of service.
- Special paid leave: The Company offers employees special paid leave, which is better than what is specified in Article 38 of the Labor Standards
- Managers or above are granted additional two days of special paid leave per year.
- The top-level manager of each department is granted additional four days of special paid leave per year.





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Labor Standards Act

Employees who have worked at the Company for a certain period of time will be granted paid leave as per the rules below per year.

- 1. Those who have worked for more than six months but fewer than one year will be granted at least three days of paid leave in proportion to their length of service per year.
- 2. Those who have worked for more than one year but fewer than two years, seven days of paid leave per year.
- 3. Those who have worked for more than two years but fewer than three years, ten days of paid leave per year.
- 4. Those who have worked for more than three years but fewer than five years, 14 days of paid leave per year.
- 5. Those who have worked for more than five years but fewer than ten years, 15 days of paid leave per year.
- 6. Those who have worked for more than ten years, one additional day of paid leave per year, up to 30 days per year.

Pension System

To encourage employees to remain in long-term tenure and professional positions while ensuring their rights and benefits, the Company adopts both the old and new pension systems.

Old pension system

The Labor Pension Fund Management Committee was established and approved by the competent authority on October 11, 1994. Subsequently, in compliance with relevant regulations, the Labor Retirement Reserve Fund Supervisory Committee was formed in the following year. The organizational charter and retirement procedures have all been approved and filed with the competent authority. The retirement benefits are based on the actuarial calculations by actuaries, and a minimum of 2% or more of the salary is allocated monthly to the account at the Trust Department of the Bank of Taiwan. The total allocation in 2023 amounted to NT\$ 10.687 million.

New pension system

In response to the new pension system introduced by the government in July 2005 under the Labor Pension Act, PSC allocates 6% of employees' monthly salaries to the retirement account at the Labor Insurance Bureau, aiming to provide for the retirement needs of its employees. As of now, nearly 1,400 employees have joined the new pension system, and the retirement fund allocated in 2023 amounted to NT\$ 69.761 million.

Retirement eligibility and pension payment principles

Compulsory retirement - Employees who are under any of the following circumstances may apply for voluntary retirement:

- Employees who are under any of the following circumstances may apply for voluntary retirement:
- Those who have worked for 25 years or more.
- Those who have worked for 10 years or more and have reached the age of 60.

Compulsory retirement - The Company may have the employees to retire if they are under any of the following circumstances:

- Those who are over 65 years old.
- Those who have reached the age of 55 with work involving special tasks, such as dangerous and manual work.
- Those who are unable to work due to mental or physical disabilities.

Employee Stock Ownership Trust

PSC initiated the employee ownership trust in January 2004. Under this plan, employees can determine their monthly contribution amount based on individual needs, and these contributions are used to purchase PSC stocks through a trust mechanism. The Company aims to encourage its employees to develop saving habits and retirement planning. The employee stock ownership plan has been in effect since January 1, 2004. As of December 31, 2023, the total inventory of shares held in trust was 46,459,610 shares, with a trust delivery fund of NT\$ 470,637,260, a trust asset market value of NT\$ 913,212,971, and net assets of NT\$ 442,575,711. The cumulative return rate was 94.0%. In 2023, 1,187 employees joined the stock ownership trust, resulting in a participation rate of 84.1%.

Employee Group Insurance

We provide PSC employees with free group comprehensive insurance, covering life insurance, accident insurance, hospitalization insurance, and cancer insurance. Our benefits extend to free group insurance for their spouses and children, including hospitalization insurance and cancer insurance.



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Welfare Committee

PSC contributes 1.5‰ of the total business revenue monthly to the Company's Employee Welfare Committee, and the contribution rate is the maximum limit as legally permissible. Using the employee welfare fund, the Welfare Committee organizes a variety of social events for employees from time to time, such as hosting employee family days, giving out Christmas roast chicken, New Year and holiday gifts and Mid-Autumn Festival gifts. Through these activities, employees can alleviate their work stress and enhance teamwork. Additionally, the employee welfare fund is also used for providing birthday allowances, as well as allowances or subsidies for marriage, funeral, childcare, travel, language, club, cultural and recreational activities, New Year and holiday gifts. In 2023, the expenditure took out from the fund was NT\$ 17,119,508.

Various subsidies and allowances



Group travel subsidy

PSC provides employees with a travel subsidy at a certain percentage of the Company's annual profit, allowing them to plan travel activities. We provided a total of NT\$ 14,346,093 of the travel subsidy in 2023.



Language learning

We encourage employees to study languages in their spare time. All employees can apply to the Company for a tuition subsidy if they sign up for the English or Japanese language courses licensed by the government or the English or Japanese language centers at colleges and universities.



Birthday allowance

PSC offers an allowance of NT\$ 500 to each employee during their birth month. In addition, the President personally sends a birthday card in celebration of their special day to motivate and acknowledge their hard work.



Marriage allowance

PSC provides single employees with information on blind dates from time to time, to increase their chance of meeting new people. We also provide newlyweds with a marriage allowance. If both parties are our employees, we will also maximize the benefits and double the marriage allowance. The marriage allowance provided in 2023 throughout the entire PSC Group was in the amount of NT\$ 87,000.



Childbirth allowance

To cooperate with the national policy to increase the birth rate, we provide a comprehensive childbirth care policy, and the Welfare Committee also provided an additional allowance cash gift of NT\$ 2,000 per child. In 2022, we contributed a total of NT\$ 34,000 for childbirth allowances, with 17 newborns throughout the entire PSC Group.



Senior staff rewards

To thank employees for their long-term dedication to the Company, we provide employees who have served at the Company for five, ten, and 15 years with incentives of NT\$ 3,000, NT\$ 6,000, and NT\$ 10,000, respectively, as per the Company's Senior Employee Commendation Regulations.



Departmental dinner subsidy

PSC recognizes the importance of a friendly and harmonious work environment for its employees. Therefore, the Company is committed to fostering a friendly workplace atmosphere to enhance employee efficiency and creativity. We offer a departmental dinner subsidy of NT\$ 2,500 per employee per year, encouraging employees to organize departmental social activities for team bondina.

Club Activity

PSC motivates employees to engage in leisure activities to alleviate their physical and psychological stress in their spare time. We encourage them to participate in club activities and have comprehensive club subsidy evaluation regulations in place to provide club subsidies as per the evaluation results. At present, there are a variety of clubs spanning different aspects, including the billiard, table tennis, aerobics, yoga, mountaineering, photography, badminton, and cycling clubs. The 2023 club subsidy totaled NT\$ 216,656.



Emergency Relief

Since 2013, PSC has formally established the Emergency Relief Regulations for employees. If an employee encounters a major disaster or an employee's family suffers a major accident, we will make a contribution from the employee emergency relief funds or set up a donation fund immediately to help them. We have raised NT\$1,180,308 for the emergency relief funds since the regulations were formulated.





Gender Equality Measures

PSC places great importance on gender equality in the workplace. The Company's personnel management policies treat all employees equally, ensuring that gender does not play a role in recruitment, promotions, salaries, or termination procedures. We are also dedicated to protecting the work rights and interests of female employees. Female employees are entitled to menstrual leave, and the Company has been offering maternity leave before the implementation of new laws, as well as miscarriage care leave, which exceeds the requirements of the Act of Gender Equality in Employment, all with full pay. For employees who are pregnant or have given birth, PSC offers parenting counseling services and provides comfortable lactation room. In recent years, efforts have been made to improve the lactation room, expanding and beautifying the space, which earned commendation allowances from the Ministry of Labor and the Taipei City Government.

Employees with childcare needs can also take advantage of flexible work hours. Furthermore, in compliance with new regulations, the Company provides 7 days of prenatal and paternity leave. A smooth and transparent system is also in place for employees to apply for unpaid parental leave based on their needs, and they are all allowed to return to work smoothly after their leave.

Unpaid parental leave in 2023

Item	Number of people eligible for unpaid parental leave in 2023 (A)	Number of people eligible for unpaid parental leave in 2023 (B)	Number of people to return to work after taking unpaid parental leave in 2023 (C)	Number of people that actually returned to work after taking unpaid parental leave in 2023 (D)	2023 reinstatement	Number of people on unpaid parental leave during 2022 (E)	people to return to work after taking unpaid	Number of people who actually returned to work after taking unpaid parental leave in 2022 (G)	2022	Number of people who were reinstated from unpaid parental leave during 2021 and still employed for another one year in 2022 (H)	Retention rate (H/G)
Male	30	0	0	0	-	1	1	0	0%	-	-
Female	23	3	2	2	100%	4	2	2	100%	1	50%
Total	53	3	2	2	100%	5	3	2	66.67%	1	50%

	Family care leave/maternity leave/menstrual leave in the past three years Unit: hours											
Year	Family car	e leave	Materni	ty leave	Menstrual leave							
	Male		Male	Female	Female							
2021	260	360	276	4,200	848							
2022	208	680	408	3,056	1,360							
2023	138	342	475	5,192	1,252							

4.1.4 Labor-Management Interaction

PSC has established and provided a smooth communication mechanism and channels for all employees, including the employee complaint mailbox and employee proposal mailbox. We also hold regular labor-management meetings with representatives from both labor and management, with each side having 5 representatives to maintain a 1:1 labor-to-management ratio. During these meetings, employee issues and concerns are thoroughly discussed to address their demands and safeguard labor rights. In 2023, a total of 4 labor-management meetings were held. In the same year, the Company also initiated a nationwide labor rights advocacy program, aiming to facilitate face-to-face communication with employees in various branches and listen to their needs. Furthermore, recognizing the hard work of logistical staff in branch offices, the Company provides a monthly snack allowance of NT\$ 3,000 to these staff members.

Additionally, if employees wish to transfer to other departments due to unsuitable job content or work environments, the Company has a policy to assist employees in transitioning to their new roles smoothly through counseling, helping them become familiar with the new job responsibilities after the transfer.

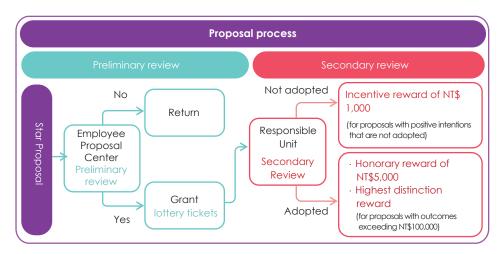
If an employee is found to be unsuitable for their job after performance counseling, and the employment needs to be terminated, the Company will provide notice according to the following regulations:

- I. Those who have worked for three months or more but fewer than one year shall be notified ten days in advance.
- II. Those who have worked for one year or more but fewer than three years shall be notified 20 days in advance.
- III. Those who have worked for three years or more shall be notified 30 days in advance.

After receiving a notice, the employee may ask for leave during working hours to find another job. The number of leave hours shall not exceed two working days per week, and the leave is paid to best accommodate the employee's needs in securing a smooth transition to other career plans.

Employee Proposal

To encourage employees to express their opinions and utilize their talents to actively contribute to operational improvements, the Company offers special rewards for those who continuously propose innovative ideas aimed at improving the current work situation. Since the revision of the Employee Proposal Procedure, PSC employees have collectively come up with many excellent proposals. Currently, three employees have submitted proposals that were considered effective solutions after evaluated by responsible units, and each of them received a proposal reward of NT\$ 5,000. In the spirit of encouragement, even if their proposals are not adopted, they are also provided with a reward of NT\$ 1,000. As of now, 14 employees have received rewards for their proposals.



Employee Complaint Channel

PSC has established employee complaint channels in accordance with relevant regulations such as the Labor Standards Act, Occupational Safety and Health Act, and Labor Inspection Act. If an employee discovers that their rights have been violated, they can file a complaint by telephone or in writing.

In addition, the Company has formulated the Sexual Harassment Prevention Complaint Investigation and Handling Procedure and established the Sexual Harassment Complaint Handling Committee responsible for handling and investigating sexual harassment complaints and making decisions related to such matters. The Company also has a dedicated gender equality webpage to promote gender equality policies, with the aim of preventing workplace sexual harassment incidents and providing a comfortable and safe working environment for all employees.

If any employee discovers that the rights of another employee have been unlawfully violated, including but not limited to bullying, discrimination, and harassment, they can report such incidents through the Company's complaint channels at any time. The responsible unit will initiate the investigation process within 7 days upon receiving the complaint and will handle the complainant's personal information with strict confidentiality to protect their rights. PSC's compliant channels are as follows.





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	Complaints and improvement measures in 2023				
Complaint type	Number of cases	Improvement measures			
Dispute over bonuses	A total of six cases in 2023	All cases were closed after explanation and labor-management adjustments.			
Workplace bullying	Two cases of workplace bullying were substantiated after investigation in 2023.	Employee complaints regarding workplace and verbal bullying by their supervisor were investigated, and the individual in question was asked to improve their inappropriate language and to respect employees, ensuring a healthy workplace environment In addition to regularly promoting awareness through text materials, an inperson training course is scheduled for the first half of 2024 to further strengthen advocacy.			
Sexual harassment	There were two sexual harassment cases in 2023.	Investigations were conducted and sexual harassment committees were convened in accordance with the law, and all cases were closed.			
Labor- management relations	 A total of two cases through the employee complaint mailbox in 2023. A total of two cases through the Department of Labor in 2023. 	Assistance was provided to employees and managers to address issues that caused the division, and the case was closed upon reaching a consensus. The case was closed after a labormanagement settlement.			
Discrepancy in recruitment advertisement and job qualifications	One case was received through the public complaint channel in 2023.	The Company has responded with explanations and conducted an internal review of the procedures.			
Information leakage	One case was received through the employee complaint mailbox in 2023.	The case was closed following adjustments made to the internal system.			
Workplace safety	One case was received through the employee complaint mailbox in 2023.	The case was closed following assistance provided to the arrangement of employee working schedule.			

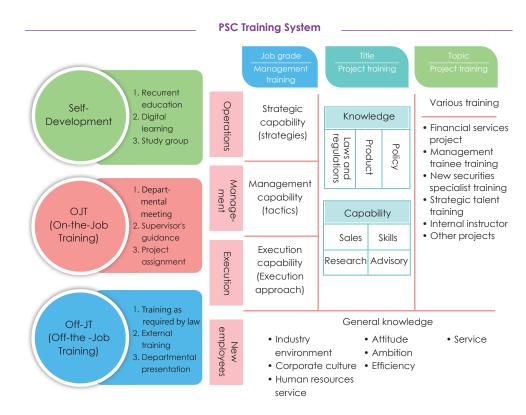
4.2 Talent Cultivation and Development4.2.1 Continuing Education and Training

PSC highly values talent cultivation and development. In order to achieve business performance goals, enhance the quality of talent and be properly prepared for the impact of rapid changes in the financial industry, the Company has established a systematic and well-planned professional training mechanism.

- PSC participates in the TTQS Assessment organized by the Ministry of Labor every two years
 and has won six silver medals and seven bronze medals since 2009 as the only company in the
 securities industry that has been recognized for 13 consecutive years.
- In 2018, our course on Content Marketing Application with Social Community Tools was certified by iCAP of the Ministry of Labor. The course was divided into two units for 12 hours. Through coursework, group discussion, and learning assessment, we developed our employees' ability to conduct content marketing with social community tools and strengthen their digital marketing ability required for digital transformation and Fintech.

PSC Training policy

- In line with the Company's medium and long-term business strategies and annual targets, we cultivate talents needed for the current and future business development, with the aim of improving employee productivity and business performance.
- We enable employees to access systematic and professional training, cultivation and guidance, and appropriate learning resources, allowing them to acquire the attitude, knowledge, and skills required to perform tasks effectively, thereby improving our productivity.
- We formulated training standards based on the TTQS as professional guidance for us to link corporate strategies and performance promotion.



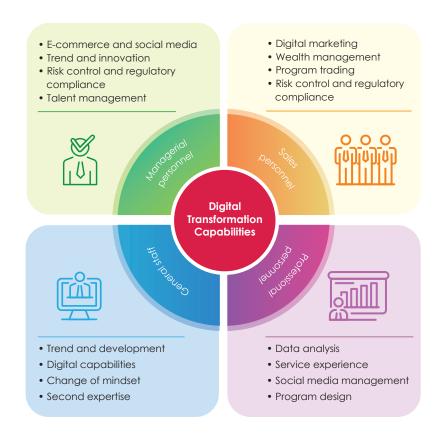
Succession Plan

In response to the needs for the organization's business development and business challenges, we have launched the PSC Management Trainee Program and the Branch Manager Succession Program, with a systematic selection and training mechanism to effectively pass on our experience and skills and actively train trainees for top-level managers. We selected potential talents with outstanding performance and sales skills for this program. We cultivated their strategic thinking, team management, customer management, problem analysis and solving skills and abilities in "learning by doing" methods, including apprenticeships, job rotation, and mentor coaching.

In 2023, we introduced five management trainees through the "PSC Management Trainee Program" and eight talents through the "Branch Manager Succession Program." Among them, one management trainee completed the first phase of training for branch managers and was promoted to the role, while two management trainees completed the first phase of training for branch settlement managers and were promoted to the role of settlement managers at branches. The Company will continue to implement the management trainee program for branch manager to ensure a strong talent tool.

Enhanced Employee Training

PSC plans to assist employees in their growth and development considering the various stages and aspects of employee training, including foundational training for new hires, specialized functional courses, management skills training, and self-development. Furthermore, in response to the increasingly popular application of FinTech, the Company helps its employees adjust their mindsets, strengthen digital capabilities, engage in community management, enhance compliance, and uphold professional ethics on top of providing training as required by the competent authority. Since 2018, the Company has been offering various training courses on digital transformation to prepare for future developments and address the challenges brought by the transformation trend. Specifically for the uprise of FinTech in recent years, the Company has restructured its internal processes for information processing as part of its organizational transformation efforts to align with digital development trends.





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In accordance with PSC regulations, employees are required to complete an average of 20 hours of training per person. In 2023, the Company successfully met this training target. The detailed figures for training hours, expenditure, and training course content are as follows.

Employee training hours, expenses, and training content in in the past three years

Year	2021	2022	2023
Number of physical course sessions held	535	588	557
Total number of physical training sessions provided to individuals	4,394	3,731	5,116
Number of online course sessions held	74	136	881
Total number of online training sessions provided to individuals	21,179	32,560	24,442
Total hours of employee training	51,539	36,291	122,739
Average training hours per person	35	25.23	81.83
Total employee training cost	7,758,037	7,281,646	7,851,240
Average training cost per person	5,331.98	5,063.73	5,234.16
Number of training sessions provided to newly hired individuals and training hours	5,831/ 1,218.85 hours	6,460/ 1,888 hours	2,732/ 906.73 hours



Training hours in 2023 (by gender/job grade)

Total training hours (hours)	Management	Non- management	Total
Male	6,828	38,921	45,749
Female	4,097	72,892	76,989
Total	10,925	111,813	122,738
Average employee training hours (hours)	Management	Non- management	Average
training hours	Management 88.68		Average 84.72
training hours (hours)		management	

Note:

- The training hours statistics cover regular employees and managerial staff at PSC and do not include temporary, overseas, or directors and supervisors.
- 2. The denominator for calculating the average hours is the number of employees who were still employed as of December 29, 2023.
- The statistics include internal training courses, online courses, external professional training, and mandatory training courses.

Training courses in 2023 Number of Content Course title Recipient attendances To accelerate organizational transformation while considering business development, the course assisted managers in harnessing Managers at Manager Leadership headquarters and their own influence to inspire team cohesion, establish team consensus and vision, and simultaneously implement a performance Skills Enhancement branch offices management mechanism to help employees develop and collectively enhance organizational performance. Excellent Leadership To ensure the Company's long-term and stable development, in-depth cultivation of management talent is carried out to assist Managers at supervisors in self-awareness and developing their managerial skills, as well as understanding how to foster the management 56 and Employee headquarters and abilities of their subordinates. branch offices Development Management The course assisted first-time managers in developing basic management skills, including establishing the appropriate 16 First-time managers Capabilities Training management mindset, goal setting and execution, team member development, and performance management, to guide for First-time Managers employees in achieving organizational objectives. In response to the needs of digital transformation and to accelerate the improvement of professional skills, talent from various departments takes on the role of mentor, guiding colleagues to complete tasks through the use of systematic tools, forms, and **Mentor Training** Professional staff 19 processes to pass on experience and provide guidance, while also fostering cross-generational communication skills and building trust to effectively achieve organizational goals. Problem Analysis and The course equipped employees with skills in quick analysis and problem-solving, including proposing effective solutions and Professional staff 63 Solving Skills familiarizing with systematic thinking, problem analysis and solving skills to complete tasks. All headquarters In response to the advent of the FinTech era, the lecture aimed to cultivate employees' insights into the challenges, customer Financial Innovation 227 profiles, behavior patterns, and service methods related to future developments in the securities industry. We will continue to stay staff can join at their Lecture discretion. informed about FinTech trends to facilitate talent development and organizational transformation. In response to organizational transformation and development needs, employees are assisted in acquiring data analysis and Data Visualization Tool visualization tool application skills. This supports the organization in decision-making and business process improvements, ultimately Relevant personnel 31 **Training** enhancing operational efficiency In response to future business developments and operational challenges while meeting customer demands and enhancing Management Trainee organizational performance, we launched an elite talent acquisition project. It aims to systematically select and cultivate high-Management 35 Program quality talent, and strengthen their ability to perform precise analysis, identify problems, and rapidly propose innovative solutions. It trainees in 2023 is designed to nurture the talent required for the Company's business development.









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Each of our sales personnel has undergone complete education and training and obtained licenses issued by the competent authorities. With the marketing tools we developed, our sales personnel can provide investors with the most professional services.

Licenses obtained

We strictly require our sales personnel to obtain professional licenses with personnel dedicated to managing and following up on the obtainment and validity of licenses. They also receive mandatory on-the-job training offered by competent authorities according to the needs of each business function. A total of 1,693 people received on-the-job training on securities, futures, and trusts and successfully renewed their licenses.

Courses and seminars

- We organized a PSC Academy session on a monthly basis to analyze popular industries and individual stocks, allowing our sales personnel to keep abreast of industry trends in real time.
- Due to our need for transformation of the Brokerage Department, we expanded the wealth management business, strengthened the Brokerage Department's supervisory and management functions, and offered wealth management training to facilitate each branch's wealth management business development, thereby ensuring the achievement of the wealth management business goals.

OJT

 We organize courses on product knowledge and sales skills regularly. The focus of training was to enhance sales personnel's professional skills and ability to close deals successfully, thereby providing clients with the most suitable products.

Certification mechanism

 We strive to improve employees' professional knowledge and platform operating ability, while testing their professional kills and designing a certification mechanism to provide clients with high-quality services.

Marketing tools

- External salesperson's product information website:
- As long as our sales personnel have a mobile device in hand, they can keep track of all the Company's product information, sales skills, and clients' information at any time.
- Internal digital learning website:
- We invested millions to establish the PSC i-Learning digital learning system, which reduces the limitations of physical learning spaces for employees. Over 100 digital courses have been developed, covering topics such as management, leadership, sales, professional skills, system platforms, and regulations. This enables employees to continuously enhance and improve themselves at any time.

Digital Learning Promotion

To relax the restrictions on employees' learning space, we are committed to promoting e-learning and have invested millions of dollars in establishing the PSC Digital Learning Website for more effective utilization of our internal training resources. The platform offers over 100 digital courses, including topics such as management, leadership, sales, professional skills, system platforms, and regulations, allowing employees to learn online depending on their personal needs at work. With an online quiz function, they can develop correct product knowledge, master sales skills, familiarize themselves with key points, and shorten the time to or increase the chance of closing deals. We have also purchased a number of online courses on management, leadership, sales, competencies, and attitude, to provide diverse online learning resources. We organized a PSC Academy session on a monthly basis to analyze popular industries and individual stocks, allowing our sales personnel of the Brokerage Department to keep abreast of industry trends, thereby providing clients with professional services.





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4 Employee

Support for Employees' Diverse Training

Over the past three years, PSC has actively encouraged our employees to pursue further education and enhance their professional skills related to their job responsibilities. The cost of these educational courses, upon application and approval, has been fully subsidized by the Company. The information on the applications received and subsidies provided during the past three years is as follows.

Year	Number of applicants	Course hours	Total subsidies	Ratio of male applicants to female counterparts
2021	79	927	556,694	1 : 1.40
2022	212	1,368	294,344	1:1.68
2023	66	832	361,296	1 : 1.87

Internal Lecturer System

PSC strongly encourages its employees to take on the role of internal trainers. By sharing their expertise and knowledge related to their job responsibilities, the lecturers not only enhance their own teaching skills but also contribute to the dissemination of financial knowledge within the organization.

Year	2021	2022	2023
Number of Internal Lecturers	34	30	28

4.2.2 Performance Management

PSC's employee performance management policy relies on annual performance evaluations to determine various aspects of compensation and career development, such as salary adjustments, promotions, performance bonuses, employee dividends, and stock transfers from our treasury stock program. Performance evaluations also take into account employees' work attitudes and job competency, serving as a reference for the development of employee education and training plans.

The following performance evaluation system applies to non-sales staff, totaling 848 employees, which accounts for 60% of our workforce. The remaining employees are sales representatives in the brokerage department, whose performance evaluations are conducted quarterly based on rules set by the brokerage department, considering performance and the contributions to gross profit. If employees have concerns or doubts about their performance evaluation results, they can file appeals through the Company's internal channels. In 2023, there was one appeal case.

Employee performance evaluation system

Daily evaluation

The head of each unit inspects and records their employees' work performance at any time.

Annual performance evaluation

The head of each unit evaluates their employees' annual work performance, which will be adopted as the basis for pay raise, transfer, or promotion in the following year.

Performance target Evaluate employees' performance as per their key performance indicators (KPIs).



Workplace conduct Evaluate employees' performance as per their work attitude, conduct, and management abilities.



Commendation of Outstanding Employees

To appreciate and reward employees for their service and contribution to the Company, we held an outstanding employee award ceremony. All outstanding employees who were invited could participate with their family members to share their glory. We presented a trophy to each of them at the ceremony to express our greatest gratitude to the Company.

Counseling Program

For underperforming employees, PSC employs a performance counseling mechanism, which requires the unit supervisor to create a work improvement plan with such employees and conduct performance interviews to identify areas in need of improvement. Together, they establish specific improvement objectives and set a three-month period for counseling. If the employee successfully meets the improvement goals during this timeframe, as determined by the supervisor's approval, the counseling process concludes. However, if the employee does not meet the goals, the termination process will follow according to the Company's Personnel Assessment Procedures.



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4.3 Workplace Environment

PSC has formulated and implemented the company-wide Labor Health Protection Program since 2019 to safeguard employees' health. The Labor Health Protection Program covers the following four aspects, and we have adopted an occupational health management service system. During the annual employee health examination, the physicians and nurses have talks with those who have unusual health indicators and provide them with health guidance to manage employees' health.

Worker Health Protection Programs

Aspect

Actions

taken in

2023

Workplace Violence Prevention Program

PSC released a written statement on the prohibition of workplace violence.

- In accordance with the Company's workplace violence prevention measures, we review and evaluate the implementation of workplace violence prevention measures in the workplace in terms of physical environment, workplace design, suitable assignment, and job design. The annual assessment result was low risk in 2023.
- Top-level managers' selfinspection of workplace violence.
- In 2023, we received two complaint case about workplace violence.
- In 2023, we offered one online training session on workplace violence to all employees, and one physical training session on workplace violence to top-level managers (rule of law training for top-level managers).

Human-Induced Hazard Prevention Program

We announced a Human-Induced Hazard Prevention Program.

- In 2023, 993 employees filled out the auestionnaire, and 40 of them were suspected of being subject to such risks, and their pain level in the musculoskeletal symptom questionnaire was level 3 or above. For those who were suspected of being subject to such risks, we created files and arranged for talks with doctors for them. The physicians and nurses managed and analyzed their unusual indicators, offered online education on ergonomics, adopted measures, and filled out the Talk Results and Actions Form, while providing health guidance and following up on managing
- We regularly offer education and training on humaninduced health hazards every six months

those employees' health.

Abnormal Workload-Triggered Disorder Prevention Program

We announced the Abnormal Workload-Triggered Disorder Prevention Program.

- In 2023, 993 employees filled out the Overwork Scale questionnaire as a tool for workers' self-assessment of overwork. It covered "Personal Overwork" and "Work-Related Overwork" to identify and evaluate the high-risk group that might be overworked and suffer from disorders, and we screened out workers with abnormal workloads. We identified 6 people to have talks with doctors and continued to follow up on them in 2023.
- If new employees have unusual health indicators, such as those with hazards for cerebrovascular diseases, we offer them health education and arrange talks with doctors for them, while following up on their health.
- We create files to follow up on and manage employees with unusual health indicator and offer health education to them. In addition, in addition to the one-way abnormal workload analysis, we analyze the changes in the health hazards by department as a reference for the activities in the annual workplace health promotion project.
- In 2023, we organized free health checkups and screenings for four types of cancers for employees from April through November.

Maternal Health Protection Program

- According to the evaluation the physicians and nurses as per the prevention program, there were no physical hazard, chemical hazard, and biological hazard, while we had humaninduced hazards due to long-term sedentary work, work stress due to performance. We suggested that pregnant employees get up and move around more often and learn how to alleviate stress, such as exercise, outings, or leisure activities.
- At present, as per the maternal health protection work environment and occupational hazard assessment form, the labor health risk level is level 1, and the physicians assessed that there was no hazard to the health of the mothers, fetus, or babies.
- The lactation room is managed by a dedicated nurse and maintained daily by the cleaning staff.
- In 2023, we provided maternal protection and care measures to 13 pregnant employees and gave each of them a hospital bag for labor, while providing individual health education and guidance depending on the stage of pregnancy.
- In June 2023, the Company collaborated with the Songshan District Health Center to organize breastfeeding courses, including online sessions.
 20 individuals participated in the courses.

4.3.1 Safe Workplace

PSC places great emphasis on workplace safety. In addition to strengthening the identification and improvement of office environment hazards, the Occupational Safety and Health (OSH) Project Section under the General Affairs Department was established to promote occupational safety and health. The section is staffed with certified OSH supervisors and OSH management personnel. Furthermore, all PSC branches have selected and assigned employees to receive training as fire prevention managers and OSH supervisors and obtain the relevant certifications to ensure office safety. All of the Company's offices have developed fire safety plans in accordance with the law and are insured with public liability insurance and employer's liability insurance to protect the rights and interests of both customers and employees.

Occupational injury statistics over the past three years

/ Year	Number of people with occupational injuries	Number of occupational fatalities	Number of lost work days	Disabling injury frequency rate (FR)	Disabling injury severity rate (SR)
2021	7	-	36	2.50	12
2022	18	-	125	6.30	43
2023	11	-	13	3.93	4

Note

- 1. FR: (Disabling injuries x106)/Employee-hours of exposure
- SR: (Number of work days lost x10 6) / Employee-hours of exposure
- 2. As the Company is in the financial industry, there is no occupational disease related to work.
- The data disclosed in this table differs from that in the 2021 and 2022 reports due to updated figures following recalculations.

Secure Hardware

As per the Building Public Safety Inspection Certification and Reporting Regulations, we regularly entrust a professional company to conduct a public safety inspection of buildings every two years and obtained a certification mark for building public safety. We outsource the regular maintenance and inspections of various electromechanical or fire-fighting equipment (such as fire alarms or fire extinguishers) every year in accordance with the provisions of the Fire Services Act and report to the competent authority. The planning of our office environment prioritizes employee safety. All entrances and exits are equipped with access control card readers, and there is security personnel monitoring access during the day, at night, and on holidays, to ensure the safety of employees. Moreover, we employ cleaning staff who regularly clean and wax the office environment to maintain cleanliness and hygiene.

Considerate Care

PSC has a health consulting room staffed with full-time health managers and on-site occupational medicine specialists to provide health consultation services to employees. We also regularly organize various health promotion seminars and use an online health education system to regularly disseminate information on preventive healthcare and health-related updates. In our headquarters building, we have a total of four automated external defibrillators on specific floors. Furthermore, as of 2023, a total of 71 employees have obtained certifications in first aid and safety and health education to provide assistance in critical situations.



Maternity Package

Dedicated to gender equality, PSC has created a gender-equal working environment. Even before the legal regulations on paternity leave were in place, the Company had already formulated and implemented related policies to provide paternity leave to our employees. Additionally, we have established well-equipped lactation rooms for the convenience of our female employees, and these facilities receive annual recognition for excellence from the Taipei City Government. In 2023, we received a higher recognition with the certificate for high distinction for lactation rooms.

Recognizing the challenges faced by female employees during their first pregnancies or due to busy work schedules, the Company has introduced a Maternity Package policy. This benefit is extended to employees at all branch offices throughout Taiwan and includes items such as wet wipes and diapers. In 2023, a total of 13 employees received the Maternity Package and expressed their appreciation for its practicality.





4.3.2 Health Care

Health Checkup and Counseling

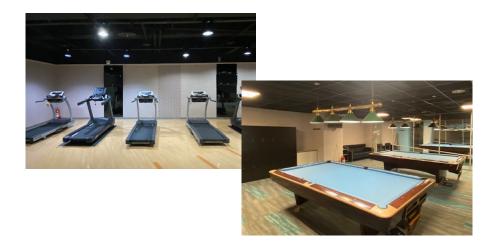
PSC places a strong emphasis on the health of our employees. We have established a health consulting room and employed dedicated health management professionals and occupational medicine specialists to provide health consulting services. Since 1991, the Company has implemented measures that exceed regulatory requirements, offering free annual health checkups to our employees for the past 32 years. In addition to basic health checkup items, we provide additional examination items such as abdominal ultrasounds, breast cancer screenings, cancer screenings, and have recently added waist circumference measurements in an effort to prevent cardiovascular diseases and diabetes. We also adjust the examination items annually, including eye fundus photography, thyroid function, and gout screening, ensuring that our employees have a comprehensive understanding of their health conditions. Following health checkups, results are filed and managed for the provision of personal health reports as well as private medical consultation services to our employees. Our dedicated health management professionals oversee the follow-up and care related to health checkup results. During the peak flu season in autumn and winter, we offer workplace flu vaccinations and subsidies for selfadministered vaccinations, encouraging employees to receive the flu vaccine to enhance protection and reduce the need to visit medical facilities during epidemics, effectively lowering the infection rate.

Health-Facilitating Activities

PRESIDENT SECURITIES CORPORATION

We have set up a 991.74-square-meter employee recreation center at the headquarters, with an aerobics room, a gym, a table tennis room, and a billiard room, along with various health promotion activities to provide employees with a wide range of health care measures. To raise their awareness of health, we motivate them to establish various clubs, including the billiard, yoga, aerobics, table tennis, and badminton clubs. The number of participants in club activities exceeds 100; the employee fitness center is used frequently. In addition, it is open to their family members on weekends and holidays. Led by top-lev el managers, we have developed a fitness culture in the Company and actively motivated employees to develop a regular exercise habit. As such, we have been awarded Taiwan i Sports Certification by the Sports Administration, Ministry of Education, in 2016, 2018, 2020, and 2023 as one of the few securities firms that have won this honor for four consecutive sessions.

Note: The validity period for the sports enterprise certificate was 2 years from 2016 to 2018. Starting in 2019, the certification validity period has been extended to 3 years. The certificate obtained in 2023 remains valid until 2026.



Team Up for Weight Loss & Walking

In an effort to promote exercise for health among employees, PSC held the "Team Up for Weight Loss & Walking: Walk Your Way to Health and Bonuses" in 2023, an event that encourages employees to strive for healthier physiques in teams that support one another, which also serves a teambuilding purpose. A total of 360 employees participated. During the threemonth event, participants collectively lost 713.3 kilograms and accumulated 150,696,910 steps (approximately 102,474 kilometers), which is equivalent to 106.7 laps around Taiwan. The joint effort translates into a reduction of carbon emissions by 21.40 metric tons, contributing to the sustainability of the planet.

Note: Every 10,000 steps can reduce carbon emissions by approximately 1.42 kilograms.



On September 23, a non-trading makeup work day in the stock market, PSC organized a fun competition for employees aimed at balancing work and life. The event included team puzzle-solving, DIY crafting, and a fun table tennis challenge. The team puzzlesolving activity, with a treasure hunt theme, made full use of the spacious employee recreation center featuring a total of 10 game stations, where employees freely formed teams to take on the challenge based on teamwork. For the DIY crafting, employees made cement coasters and succulent plant arrangements under the guidance of professional instructors, using materials of their choice for a customized crafting experience that was both fulfilling and stress-relieving.





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The Company has established the LOHAS website on the PSC intranet, regularly providing various medical and health information, conducting online health education campaigns from time to time, and organizing health promotion lectures regularly. These efforts encourage employees to enhance their health knowledge, thereby caring for their own health. Since 2016, the Company has been organizing regular technology-based fitness activities to incentivize employees to attain better health. In 2023, a total of 59 people participated.

Health Lectures and Activities in 2023					
Event	Organizer/Co-organizer	Participation Online weekday health advocacy			
Online weekday health advocacy	Health Consulting Room, General Affairs Division	A total of 51 advocacy materials and 6,001 hours of participation. (All staff totaling 1,412 employees participated.)			
Employee health checkups	Health Consulting Room of the General Affairs Division and Far Eastern Memorial Hospital	A total of 1,081 people participated.			
Screenings for four types of cancers	Health Consulting Room of the General Affairs Division and Songshan District Health Center	A total of 120 people participated.			
On-site physician services (4 sessions in a year)	Health Consulting Room of the General Affairs Division and Dr. He Hua	A total of 22 people participated.			
Weight management lecture	Health Consulting Room of the General Affairs Division and Dr. He Hua	A total of 84 people participated.			
Team Up for Weight Loss & Walking	Health Consulting Room of the General Affairs Division	A total of 360 people participated.			
Health checkup report consulting services	Health Consulting Room of the General Affairs Division and Dr. Lin Tseng-Chi of Far Eastern Memorial Hospital	A total of 20 people participated.			
Influenza vaccine administration	Health Consulting Room of the General Affairs Division and Pojen General Hospital	A total of 364 people participated.			
Lecture on breastfeeding	Health Consulting Room of the General Affairs Division and Songshan District Health Center	A total of 20 people participated.			
Lecture on mental health communication	Health Consulting Room of the General Affairs Division and Songshan District Health Center	A total of 28 people participated.			
Lecture on technology-based fitness training	Health Consulting Room of the General Affairs Division and the Sports Administration	A total of 59 people participated.			
Lesson on sports nutrition	Health Consulting Room of the General Affairs Division and Songshan District Health Center	A total of 59 people participated.			
Lecture on three hypers and nutrition	Health Consulting Room of the General Affairs Division and Songshan District Health Center	A total of 59 people participated.			













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5 Environmental Protection

PSC does not cause waste pollution on a large scale as it is a financial service provider, but we are still committed to developing the Company into an all-round green enterprise in adherence to the sustainable operational principle of "You care, we act!" striving to establish ourselves as an eco-friendly, LOHAS, and green enterprise. The chapter on Environmental Protection is divided into three primary aspects, Climate Change Management, Resource Sustainability Management, and Responsible Procurement and Supplier Management, to specify the sustainability actions PSC has taken to protect the environment in 2023.

In respect of climate change management, we continue to comprehensively review our business and administrative processes and adopt electronic and paperless operations for paperwork to simplify the operating processes and reduce carbon emissions, while identifying and discussing risks and opportunities for PSC's operations in response to climate change. In terms of energy and greenhouse gas management, PSC has adopted ISO 14064 for greenhouse gas inventory in 2019. The investigation results have revealed that PSC's primary source of carbon emissions is the purchased electricity consumed by its operational locations. In response to the government's goal of achieving net-zero carbon emissions by 2050, in 2022, we collected comprehensive carbon emission data from all locations and continue to expand the scope of our inventory efforts, covering subsidiaries in Taiwan in 2023 as we work towards the shared goal of Taiwan's 2050 net-zero emissions target.

As for resource sustainability management, we officially adopted the ISO 14001 environmental management system in 2021 and formally established an Environmental Management Implementation Committee. Outside consultants and experts assisted us in identifying our three major environmental issues: noise of the air-conditioning system, energy consumption of lights, as well as paper reduction in paperwork, and formulated action plans for reduction and improvement goals. We also obtained the ISO 14001 certification in 2022. The validity period of the certificate is from June 14, 2022 to June 14, 2025.

In terms of responsible sourcing and supplier management, the percentage of suppliers signing the corporate social commitment in 2023 reached 95.93%, an increase of 1.55% compared with 2022. To improve the service quality of suppliers and enhance the influence of the PSC value chain, the "Procurement and Purchasing Management Regulations" were revised in 2023 to accommodate the addition of acceptance, incident, and sustainability assessments, making supplier evaluation more comprehensive.



Develop digital finance to reduce carbon footprint



Request products with an environmental label



Purchase local products



Phase out old energyconsuming equipment



Regularly disseminate and share environmental sustainability policies

5.1 Climate Change Management

By harnessing the power of its financial institution, PSC effectively channels funds into addressing climate issues to leverage the financial sector's influence and connect industry supply chains. This strengthens the climate resilience of both the financial industry and other sectors and promotes investments in carbon reduction and sustainable development. Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), PSC outlines methods for identifying and assessing climate change risks throughout its operations. The Company also implements management measures to enhance the climate resilience of its value chain.

In June 2023, PSC published its first Climate Change Financial Disclosure Report on its website, demonstrating its commitment to addressing climate change management issues. The following is a summary of the content of the Climate Change Financial Disclosure Report. For detailed information, please refer to the full TCFD report.

5.1.1 Climate Governance Structure and Responsibilities

PSC adopts a rigorous and thorough approach to risk management, and it is particularly proactive and supportive of climate risk issues. The climate change governance framework involves the Board of Directors, Risk Management Committee, Risk Control Office, and the Sustainable Development Team, each with its respective roles. This ensures that all employees recognize the importance of climate change and work together to address the climate-related issues PSC is faced with.





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Board of Directors

PSC's Board of Directors serves as the highest governing body for climate-related issues. It is responsible for overseeing corporate social responsibility and sustainability issues, including climate governance, and holds ultimate responsibility for risk management. In late 2022, revisions made to the Risk Management Policy was reviewed and approved, incorporating climate risks into the Company's risk management policy. This entails that all units within the Company must identify, oversee, measure, and monitor climate risks in their day-to-day operations.

Risk Management

The Risk Management Committee reviewed and approved revisions to the Risk Management Guidelines at the end of 2022. The guidelines specify the assessment methods and processes, identification, measurement, monitoring, and disclosure procedures for climate risks. For detailed responsibilities, please refer to Chapter 2.1.2 on the Board of Directors' structure and operation.

Risk Control Office

In response to the climate change-related risk management measures required for securities firms by the competent authority, climate risk has been incorporated into the Company's risk management mechanism to address the risks associated with climate change and assess potential opportunities.

Sustainable Development Team Given the Company's consistent emphasis on climate change issues, the Sustainable Development Team is responsible for tracking greenhouse gas emissions, energy usage indicators, goal setting and monitoring, as well as conducting annual audits. In the future, the team will continue to work closely with the Risk Control Office to monitor changes in climate-related issues and develop and promote more comprehensive policies.

5.1.2 Climate Risk Management

1. Climate Risk Management

The risk scope of securities firms encompasses operational risk, regulatory compliance risk, and environmental risk. Climate risk has been incorporated into the PSC's risk management policies and guidelines since 2022, with processes for measurement and assessment in place, highlighting the Company's commitment to evaluating and managing the impact of climate change on the overall business environment with a prudent approach. Furthermore, a three-line defense framework of internal control is deployed to manage the various risks the Company faces in its operations, including emerging climate-related physical and transition risks. Each line of defense has its respective responsibilities, and for further details regarding their roles, please refer to Chapter 2.4.1 on risk management policies and organization structure.

2. Risk Identification and Linking It with Existing Risks

In the wake of changes in climate and the overall market transitioning towards a low-carbon future, varying degrees of impact will be felt at different times, subsequently affecting existing risks such as reputational risk, market risk, and operational risk. Through PSC's climate risk identification process, the potential financial impact on the Company is assessed based on the types of physical and transition risks, allowing for integration and management within the current risk management framework.

Risk description		Affected aspect	Impact period	Related risk	Financial impact
Physical	Operational disruption for investment targets resulting from extreme weather conditions	Investment business	Mid term	Market risk	Decrease in investment income
risk	Disruption for the Company's operational location	PSC business operation	Mid term	Operational risk	Increase in procurement costs
	Costs in response to carbon reduction policies and regulations	Supplier	Mid term	Operational risk	Increase in procurement costs
Transition risk	Impact on company reputation resulting from investment in high-pollution industries	PSC business operation	Long term	Market risk Reputational risk	Investment loss Damage to brand image
	Costs of the industry transitioning to green energy	Supplier	Short term	Operational risk	Increase in procurement costs



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3. Climate Risk Response

In response to climate risks, PSC continues to convene various units to formulate strategies aimed at mitigating the operational and financial impacts of climate change on the Company. Concrete actions are taken to adapt to the extent of the impact. Based on the Company's business, strategies, and financial planning, climate-related risks are identified and assessed. The assessment includes evaluating the impact and occurrence of risks, as well as their impact levels on the Company's reputation, business, and finances. The existing measures and their effectiveness are examined as well to propose feasible solutions in the future.

Physical Risk

Floods leading to the devaluation of operational locations or operational disruption resulting in business losses

Most PSC's operational locations are situated in high floors and are not in low-lying areas. Additionally, the Company has backup data centers and a business continuity plan in place to address this risk.

Extreme weather conditions causing operational disruption for investment and financing targets

In the future, the acute physical risks faced by key investment industries will be consolidated with the focus placed on whether the investee companies have corresponding risk response measures in place to enhance the operational resilience of these enterprises.

Transition Risk

Costs in response to carbon reduction policies and regulations

The Company regularly reviews the carbon emissions of its investee companies' operations and assesses the expected losses of its investment positions through scenario analysis. Appropriate management strategies are formulated, and relevant information is disclosed accordingly.

Impact on company reputation resulting from investment in high-pollution industries

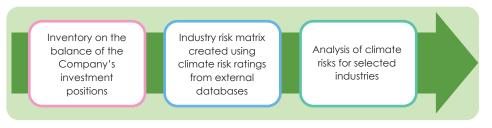
The Company has established a Sustainable Finance and Responsible Investment Team, led by the President, and formulated the "ESG Investment Management Policy" that ensures the careful evaluation of investee companies to maintain PSC's strong reputation.

Changes in market demands and consumer preferences

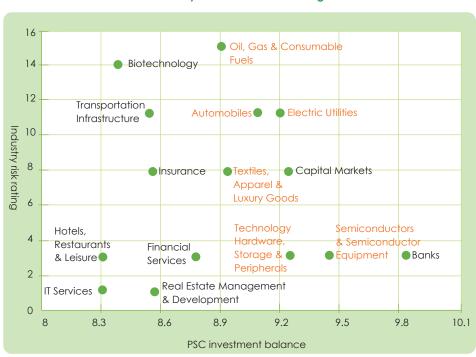
In response to the digital financial trend and a carbon-reduction mindset in operations, developing a low-carbon service model presents an opportunity to appeal to customers and meet current service demands.

4. Climate Risk Identification by Industry

PSC referenced domestic and international industry risk reports and trends in financial market changes to consolidate investment balances and industry information as of the end of 2023. The transitional risks PSC is currently faced with are assessed based on the carbon emission data disclosed by investee companies. A climate risk matrix was developed by combining foreign industry risk ratings with the Company's investment balances to identify industries with high climate risks and key industries for specific attention. According to the analysis results, electric utilities, oil, gas and consumable fuels, automobiles, and textile, apparel & luxury goods are identified as industries with high climate risks among the Company's investment targets.







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Appendix

5. Transition Risk Quantitative Scenario Analysis

(1) Industry Climate Risk Identification

To understand the climate-related risks we face and further assess their potential impacts, PSC collects and compiles sustainability reports from benchmark companies in industries with high climate risks, as well as climate risk research reports. Industry characteristics, the occurrence likelihood of climate risks, their impact potential, and the availability of analysis information are considered. From the climate risk list in the semiconductor and semiconductor equipment industry, we have identified climate risks that have a significant impact on our investment positions for subsequent quantitative analysis.

(2) Scenario Analysis

Given that various countries are gradually implementing carbon pricing mechanisms to achieve global warming mitigation goals, enterprises will face additional compliance costs. PSC has chosen to conduct scenario analysis on carbon cost transition risks to further assess these impacts.

a. Transitional climate risk and climate scenarios

In light of the increasingly stringent carbon emissions regulations, the Company has conducted scenario analysis through a systematic assessment process to understand the potential financial impact of additional compliance costs incurred by investee companies on PSC's investment positions. Climate scenarios are coordinated in the analysis to simulate the potential financial losses under various climate scenarios, including Below 2°C, Net Zero 2050, and Delayed Transition. This information will serve as a criterion for evaluating future investment portfolios and further aid in the development of strategies and measures to enhance the Company's climate risk management.

Risk Category	Transition Risk
Risk factors	In accordance with regulatory requirements, enterprises are required to pay carbon costs annually if their carbon emissions exceed prescribed limits. Related expenses may be levied through carbon taxes, carbon fees, tariffs, and carbon trading.
Climate scenarios Hypothetical parameters	 Below 2°C: Achieve net zero carbon dioxide emissions after 2070 (some countries or regions achieve net zero greenhouse gas emissions.) Net Zero 2050: Achieve net zero carbon dioxide emissions by 2050 (some countries or regions achieve net zero greenhouse gas emissions.) Delayed Transition: Assuming that global carbon dioxide emissions will not decrease before 2030, strong and effective policies will be needed to limit global warming to below 2°C.
Time of analysis	2025 \ 2030 \ 2035 \ 2040 \ 2045 \ 2050
Scenario analysis aspects	Market risk - Quantitative assessment of the impact of carbon costs on stock investment positions Credit risk - Quantitative assessment of the impact of carbon costs on corporate bond investment positions

Note: The global average carbon price was assumed based on the NGFS Phase 3 Scenario Explorer REMIND-MAgPIE 3.0-4.4 IntegratedPhysicalDamages (95 th) and adjusted for inflation.

Considering that "semiconductors & semiconductor equipment" and "technology hardware, storage & peripherals" are key investment sectors for PSC, they have been included in the transitional climate risk analysis to understand the impact of transition risks on these industries.

b. Transition risk scenario analysis: Impact of carbon costs on stock and bond investment positions

Assessment significance:

In response to regulatory carbon cost requirements, the additional compliance costs for investee companies may increase, indirectly affecting their net asset value and causing stock price depreciation. For bond issuers, transition risks may indirectly lead to deteriorated sustainability ratings by international rating agencies, thereby increasing credit risk and expected losses. The Company will regularly review and analyze the expected losses of its corporate bond investment positions to assess the impact of climate risks.

Assessment target:

Issuers of corporate bonds held by PSC in domestic and international industries with high climate risks, excluding state-owned enterprises.

Assessment methodology:

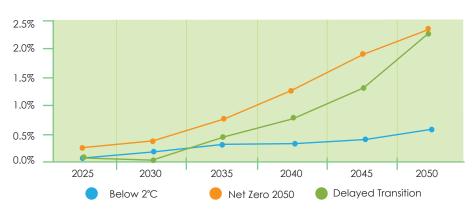
For stock investment positions, the impact on corporate net worth is calculated by estimating the additional carbon cost for each target company. This calculation analyzes changes in relative stock prices and depreciation losses and presents them along with the impact ratio for that industry. In terms of corporate bond investment positions, the assessment focuses on target companies' own carbon cost transition risk, estimates the additional compliance costs of carbon costs for each target company in the investment position and analyzes the potential impact of carbon cost transition risk on corporate bond positions.

c. Assessment result

Stock investment positions:

According to the analysis results, the impact levels for each industry in various climate scenario analyses are projected to increase over the years. Among them, the impact of the Net Zero 2050 scenario is particularly significant. Based on the policy assumptions of the Delayed Transition scenario, the simulated additional carbon-related compliance costs are expected to increase starting in 2030, and their impact level will be higher than that of the Below 2°C scenario. Under the Net Zero 2050 scenario, the total additional expected losses for PSC's stock investment positions in 2050 are approximately NT\$ 81.59 million, accounting for approximately 2.3% of total stock positions.

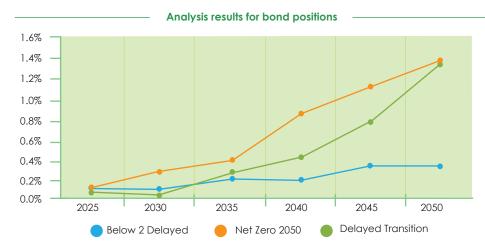
Analysis results for stock positions



Note: Percentage of additional expected loss relative to total stock positions (%)

Corporate bond investment positions:

According to the analysis results, the additional carbon-related compliance costs under the Delayed Transition scenario are expected to rise starting in 2030, with an increasing impact on investment positions. We further explored the detailed differences among industries within corporate bond positions. Based on the comprehensive analysis, the semiconductors & semiconductor equipment industry is projected to experience significantly higher impacts across all climate scenarios compared to other industries, followed by the oil, gas and consumable fuels and automobiles industries. Under the Net Zero 2050 scenario, the total additional expected losses for PSC's corporate bond positions by 2050 are estimated to be approximately NT\$72.48 million, representing about 1.4% of bond positions.



Note: Percentage of additional expected loss relative to total bond positions (%)

d. Scenario analysis consolidated results and response strategy

Impact of carbon reduction policies on investment positions under the Net Zero 2050 scenario

Unit: 1 million NTD

Expected loss	2025	2030	2035	2040	2045	2050
Stock position	5.99	13.73	29.56	46.75	66.82	81.59
Bond position	6.65	15.19	27.50	43.65	61.34	72.48
Total	12.64 (0.2%)	28.92 (0.4%)	57.06 (0.8%)	90.40 (1.2%)	128.16 (1.8%)	154.07 (2.1%)

Note: Figures in parentheses represent the percentage of expected loss relative to the market value of the position.

Under the stricter Net Zero 2050 scenario, the expected loss due to the increase in carbon costs for the investment positions is estimated to be approximately NT\$154 million, which accounts for about 0.48% of the NT\$32.049 billion net worth for the year. Based on the assessment carried out by the Risk Management Committee, the financial impact of transition risks does not exceed 1% of the net worth, which is considered manageable. The Risk Control Office will continue to monitor the impact of carbon cost increases on the Company's investment positions. Going forward, PSC will continue to strengthen risk management and focus on the ESG indicators and climate adaptation actions of its investment targets to mitigate the effects of climate change on its corporate bond investment positions.

6. Physical Assessment and Response

In the face of extreme weather events such as typhoons and flooding, there are physical risks that could disrupt the Company's operations, including its data centers and office buildings. After assessment, it was determined that except for the Pingzhen branch office, which is located on the ground floor, all other operational sites are situated on the second floor or higher. This lowers the overall likelihood of these operational sites being affected by flooding. Additionally, PSC's information data center, despite being located in the Taipei Basin, given the government's continuous efforts to enhance drainage systems to cope with extreme rainfall, should benefit from improvements in flooding situations. Furthermore, PSC has established backup data centers in remote locations to ensure undisrupted operations in case the primary data center is rendered inoperable due to any impact. An operational continuity plan is in place to address emergency procedures in the event of natural disasters and the Company conducts drills in accordance with TWSE's semi-annual backup exercise plan to reduce service disruptions caused by disasters to an acceptable level.

5.1.3 Climate Strategies

1. Identification of Climate Opportunities

PSC actively seeks climate transition opportunities through surveys and cross-departmental integration meetings. References include the collection and assessment of opportunities and occurrence likelihood conducted by each department and policies they formulate accordingly. After analysis and discussions across various departments, PSC has identified projects with a high likelihood of positive impact and occurrence due to climate change. These projects include green procurement and operations, digital finance, and sustainability culture. In the future, each department within PSC will continue to monitor climate change issues and changes in the financial markets so as to stay informed about relevant topics related to climate change and develop strategies to capitalize on business opportunities.



2. Vision of Environmental Sustainability

PSC is committed to environmental sustainability in four key areas: Low Carbon Transformation, Resource Sustainability Management, Green Procurement, and Sustainable Financial Strategy. The Company has established the Eco-Friendly LOHAS Network on its intranet to share new knowledge and environmental awareness with PSC employees, ensuring that every member of PSC can contribute to a more sustainable future by integrating sustainability into their daily lives.

Strategy	Performance in 2023		
	A comprehensive review of PSC's business and administrative processes was conducted to digitize paper-based operations entirely, simplify workflows and reduce carbon emissions.		
Low Carbon Transition	2. In energy and greenhouse gas management, PSC has been conducting greenhouse gas inventories since 2019. In 2020, the scope was expanded to include Scope 3 emissions, and the Company obtained ISO 14064-1 certification. In 2023, the greenhouse gas verification coverage was expanded to include headquarters, branches, and subsidiaries in Taiwan.		
	3. For information regarding the issuance of green products and digital customer services, please refer to Chapter 3.1 on sustainable responsible investment and Chapter 3.2 on digital finance and innovation.		
Resource Sustainability Management	See Chapter 5.2 Resource Sustainability Management for details.		
Green Procurement	See Chapter 5.3.1 Green Procurement for details.		
Sustainable Financial Strategy (Responsible Investment)	See Chapter 3.1 Sustainable and Responsible Investment for details.		

Low Carbon Transformation Strategy (Green Operation)

PSC's low-carbon transition policy regarding customers is currently focused on the development of digital financial services. The services include enabling customers to, after they open their accounts, electronically sign various agreements and risk disclosure documents required by regulatory authorities, conduct various types of transactions directly on their mobile devices, and access online transaction reports in the comfort of their homes. In the future, the Company plans to gradually expand the scope and types of sustainable finance services, moving towards developing products with sustainable prospects or environmental benefits. In terms of company operations, PSC conducts a comprehensive review of business processes to digitize administrative forms, purchase certified environmentally-friendly products, and systematically replace old and energy-consuming equipment. These measures aim to reduce energy consumption, streamline energy cost expenditures, enhance operational efficiency, and reduce carbon footprints. Additionally, the Company has engaged external consultants to implement and complete greenhouse gas inventories according to ISO 14064-1 standards. Furthermore, we are attentive to issues that have an impact on resource efficiency, waste management, and climate change in our operations. In 2021, the Company adopted the ISO 14001 environmental management system and obtained verification subsequently in 2022. The certification is valid from June 14, 2022, to June 14, 2025, with annual audits conducted regularly to maintain the validity of the certification.



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2023 Outcome

Target	Action Plan
Reduce paper consumption by 580,000 sheets of A4 paper	As of December 15, 2023, all units across the Company have reduced 933,060 sheets of paper.
Conserve energy by 155,000 kWh	The replacement of energy-efficient lights contributed to energy conservation by 237,219.7 kWh.
Reduce greenhouse gas emissions by 80 ton-CO ₂ e	Energy conservation and paperless initiatives reduced greenhouse gas emissions by 124.645 ton-CO ₂ e.
Company-wide green procurement expenditures reach NT\$ 6 million	The Company's green procurement throughout various departments amounted to approximately NT\$ 22.592 million in expenditure.

PSC Transformation Initiatives

Action Plan	Aspect	Initiative	Result
	Company operations	Paper consumption reduction initiative	 Reduced 933,060 sheets of paper as of December 15, 2023. Carbon reduction = 933,060 × 0.0076 / 1,000 = 7.091 tCO₂e
Paperless	Company operations Paperless project for the accounting vouchers Paperless project for the accounting vouchers In 2023, a total of 18,513 accounting vouche were processed electronically. Calculated based on the estimate of six A4 sheets per voucher, this could reduce the use of 111,07 A4 sheets, translating to a carbon reduction approximately 0,844 to Care		
Initiative	Customers	Electronic statement conversion campaign	A total of 4,305 users switched to electronic statements. Carbon reduction = 4,305 × 4 × 0.0076 / 1,000 = 0.131 tCO ₂ e (calculated based on the estimate of four A4 sheets per statement)
	Customers	eNotice Dividend eNotice	As of January 9, 2024, a total of 52 companies had officially signed up for electronic dividend notices, with 16 companies having already adopted the system, covering 34,331 shareholders.
Energy Conservation Initiative	Company operations	Installation of energy- efficient lights	$ \begin{array}{l} \cdot \text{ Headquarters and branches installed 2,080} \\ \text{ LED lights, saving 237,219.7 kWh annually.} \\ \cdot \text{ Carbon reduction} = 37,219.7 \times 0.495 \times 0.0076 \\ \text{/ 1,000} = 117.423 \text{tCO}_2\text{e} \\ \end{array} $

2024 Targets

Target	Action Plan
Reduce company-wide A4 paper usage by 5%	2024 paper consumption reduction initiative
Conserve energy by 95,500 kWh	2024 plan to replace air conditioners at the head office building and lights in the branch offices with energy-efficient equipment
Green electricity usage reaches 25,500 kWh	2024 plan for the head office building to adopt green electricity
Reduce greenhouse gas emissions by 61 ton-CO ₂ e	2024 energy conservation and departmental paper consumption reduction plans
Company-wide green procurement expenditures reach NT\$ 22 million	2024 green procurement plan

(1) Greenhouse gas management

Our main greenhouse gas emissions come from purchased electricity, gasoline used by company vehicles, and diesel used by emergency generators. We adopted the ISO 14064-1 Greenhouse Gas Inventory in 2019 and have been covering scope 2 and scope 3 emissions (business travel, waste treatment and upstream electricity-related activities) since 2021. To effectively manage and set carbon reduction targets, the scope of the inventory was expanded in 2022 to include branches and subsidiaries in Taiwan. In 2023, the verification scope was further expanded to cover the PSC headquarters, branches, and subsidiaries in Taiwan, achieving 100% verification coverage.

2023 Outcome

Target	Expand the scope of ISO 14064-1 greenhouse gas inventory to include branches and subsidiaries in Taiwan.
Action plan	 Conducted greenhouse gas inventories for the head office, branches, and subsidiaries in Taiwan. In November 2023, a training session was conducted involving participants from various departments at the headquarters, branch offices, and subsidiaries in Taiwan.
Effect	 Completed the 2023 greenhouse gas inventory and obtained verification certificate. In 2023, PSC's total Scope 1 and Scope 2 carbon emissions amounted to 3,051.59 tCO₂e, a 3.69% decrease compared to 3,168.57 tCO₂e in 2022. In 2023, PSC's Scope 1 and Scope 2 carbon emission intensity was 0.3516 tCO₂e per million NT dollars, representing a 41.5% decrease compared to 0.6008 tCO₂e per million NT dollars in 2022

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(2) Energy management

2023 Outcome

Target	Save energy by 155,000 kWh in 2023
Action plan	 Plan to install energy-efficient lights at the head office building Plan to install energy-efficient lights in branches in Taipei City
Effect	A total of 2,080 lights were replaced by energy-saving ones at the head office building and branch offices in Taipei City, saving electricity by 237,219.7 kWh.

Current Year's Action Plans

Action Plan	Initiative and Outcome
	 Promote "Light-off Wednesday" where lights are turned off for an hour during lunch break every Wednesday.
Office energy conservation policy	Prepare a budget to control utility bills and follow up on them.
conservation policy	 The electricity bills are included in the management reports. If a unit's electricity consumption exceeds the budget for a month, it should give an explanation and provide an improvement method.
Replacement of old energy-consuming	 In 2023, lights in the head office building and branch offices in Taipei City were replaced with energy-saving lighting, and subsequent plans are also in place to gradually improve lighting in other offices.
equipment	 Purchase computer equipment and building materials with environmental labels.
Energy conservation awareness raising event	We send emails regularly to raise personnel's awareness of electricity conservation, environmental protection, and energy conservation in various departments every month.

5.1.4 Climate Indicators and Goals

To further manage climate-related risks and opportunities effectively, PSC has chosen climate key performance indicators (KPIs) that have meaningful management implications to measure performance in Governance, Strategy, and Risk Management. The established climate KPIs also serve as a basis for setting climate-related goals. The regular review mechanism facilitates appropriate decision-making at the governance and management levels and enables responsible units to take further mitigation measures to reduce the potential impact of climate risks on the Company.

In 2023, PSC convened 4 integrated meetings where various aspects were discussed, including goal setting, progress monitoring, and performance reviews. The primary focus of these meetings was on environmental issues as follows.

Sustainable Development Team	Material Issue	Performance Target	
	Climate change and environmental	ISO 14064-1:2018 greenhouse gas inventory	
Environmental Protection Team		ISO 14064-1:2018 greenhouse gas inventory	
		Energy conservation campaigns	

1. Summary of PSC's indicators and targets

Management Indicator	Measurement	2024	2025	2030
Greenhouse gas emissions	Scope 1+ Scope 2 (Unit: ton-CO2e)	Carbon emissions reduced by 1%	Carbon emissions reduced by 1%	Carbon emissions reduced by 2%
Scope 1+ Scope 2 (Unit: ton-CO ₂ e)	Total consumption of purchased electricity or electricity consumption per capita	Electricity consumption reduced by 1%	Electricity consumption reduced by 1%	Electricity consumption reduced by 1%
Green procurement	-	In addition to energy-efficient equipment, purchase low-pollution, recyclable eco-friendly equipment.	In addition to energy-efficient equipment, purchase low-pollution, recyclable eco-friendly equipment.	1.Gradually replace old R22 split type air conditioners with first-grade or second-grade energy-conserving frequency conversion air conditioning products. Meanwhile, apply for tax reduction and engage professional consultants to evaluate and assist the Company in energy conservation and improvement plans. 2. Install air curtains with automatic doors on every floor in the office building.
Engagement and communication	-	Ensure that all employees and governance units have a comprehensive understanding of sustainability and climate-related issues, and continue to plan training courses and actively invite relevant personnel to participate.		

Note:

- In 2023, the Company expanded the verification boundary to include headquarters, branches, and subsidiaries in Taiwan, and thus adjusted the baseline year to 2023.
- 2. Carbon emissions will be reduced by 1% annually, with the reduction rate adjusted to 2% after 2030.

2. Greenhouse gas emissions

(1) Corporate Operational Carbon Emissions

In 2022, following the "Sustainability Development Roadmap for Listed Companies," the scope of the greenhouse gas inventory was expanded to include branches and subsidiaries in Taiwan. To align the scope of greenhouse gas emissions disclosure with the Company's consolidated financial statements, the verification boundary was further expanded in 2023, increasing the verification coverage rate to 100%. The baseline year was reset to 2023, and reduction actions were planned accordingly. The target is to reduce Scope 1 and Scope 2 greenhouse gas emissions by 1% by 2025 and by 2% by 2030.

Greenhouse Gas Emissions

Unit: tCO2e

	Parent co	ompany	Consolidated statements		
	2022 2023		2022	2023	
Scope 1	215.87	266.08	234.40	282.99	
Scope 2	2,952.70	2,785.51	3,494.66	3,309.38	
Scope 3	251.53	646.47	251.53	759.25	
Total carbon emissions	3,420.10	3,698.06	3,980.59	4,351.62	
Carbon emission intensity (tCO2e/million NTD)	0.6485	0.4261	0.6347	0.4560	

Note:

- 1. In 2023, the verification boundary was expanded to include headquarters, branches, and subsidiaries in Taiwan (including President Capital Management, President Futures, PSC Venture Capital Investment, and President Insurance Agency). Due to the expanded verification scope, the baseline year for the target was adjusted to 2023.
- 2. The operational control approach was used to set the organizational boundary for greenhouse gas emissions. All emission sources within the organizational boundary are 100% owned and controlled by the Company.
- 3. Greenhouse gas emissions cover the following: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), and hydrofluorocarbons (HFCs).
- Scope 3 statistics include business travel, general waste disposal, and upstream electricity-related activities. The data for 2022 only covered the PSC headquarters.
- 5. Global warming potentials (GWPs) are referenced from the IPCC 2013 Fifth Assessment Report.
- 6. The greenhouse gas emission factors are based on the latest data announced by the Environmental Protection Administration during the inventory process. For electricity emission factors, the 2023 factor of 0.494 kg CO₂e/kWh was us ed to calculate carbon emissions (in 2022, the 2021 factor of 0.509 kg CO₂e/kWh was used for the calculation).
- 7, 2020 marked the first time that PSC implemented ISO 14064-1:2018 greenhouse gas inventory, disclosing Scope 3 other ndirect emission.
- 8. PSC focuses on carbon reduction targets for Scope 1 and Scope 2 emissions.

(2) Financial Carbon Emissions

Amid increasingly severe climate conditions, PSC sets out for a net-zero transformation, striving to leverage its financial influence in the future. To better understand the carbon emissions of its investment portfolio, PSC initiated its first Scope 3 financial carbon inventory in 2023 based on the specified asset categories and methodologies provided in the Global GHG Accounting and Reporting Standard for the Financial Industry announced by the Partnership for Carbon Accounting Financials (PCAF) Note 1.

The scope of the inventory includes listed equity, corporate bonds, and sovereign bonds. The PCAF methodology-compliant coverage rate Note 2 is 81.35%, and in 2023, the inventory coverage rate based on the PCAF methodolog Note 3 reached 80.72%, with an overall data quality score of 1.8.

Note

- The adopted version of the Global GHG Accounting and Reporting Standard for the Financial Industry is the PCAF's Global GHG Accounting and Reporting Standard for the Financed Emissions – Part A, announced in December 2022.
- PCAF-compliant coverage rate = the proportion of investment positions that comply with the PCAF methodology to total investment positions.
- 3. Inventory coverage rate based on the PCAF methodology = the proportion of investment positions that have been inventoried according to the PCAF methodology to total investment positions. However, due to the lack of accessible data for certain investment targets, these were excluded from the inventory.

	Financial carbon emissions ^{Note 1} (†CO ₂ e)	Financial carbon emission intensity ^{Note 3} (tCO ₂ e/million NTD)	Data quality
Listed equity and corporate bond	116,117.41 ^{Note 2}	2.98	1.57
Unlisted equity	185.69 Note 2	0.05	3.84
Sovereign bond	46,150.44	7.96	2.00
Overall investment portfolio	162,453.54	3.35	1.80

Note:

- The scope for calculating greenhouse gas emissions includes listed equity, corporate bonds (excluding derivative financial products, ETFs, and green bonds), unlisted equity, and sovereign bonds held as of the end of 2023. The calculations are based on the PCAF methodology and use the latest information announced by external databases in January 2024.
- For listed equity, corporate bonds, and unlisted equity, the calculation is based on the Scope 1 and Scope 2 greenhouse gas emissions of the investee companies.
- 3. Financial carbon emission intensity = Financial asset carbon emissions (tCO₂e) / Financial assets held (1 million NTD).
- 4. Data quality is calculated based on the PCAF methodology (with 1 being the best and 5 being the lowest).



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3. Energy Usage

PSC expanded its verification scope in 2023, tracking electricity consumption data across all operational sites and adjusting the baseline year to 2023 for its carbon reduction targets, aiming for a 1% reduction by 2025. The total purchased electricity for the Company in 2023 amounted to 5,638,678 kWh, with per capita electricity consumption at 3,993.40 kWh, reflecting a 1% decrease in per capita electricity usage compared to 2022. This demonstrates PSC's continued efforts to reduce energy consumption in order to achieve its carbon reduction goals

To effectively manage electricity consumption, we collaborated with the Taiwan Green Productivity Foundation in 2023 to assess major energy-consuming equipment and electricity usage at the head office building. Additionally, a smart energy management system was installed at the headquarters to monitor air conditioning electricity usage, laying the foundation for future energy management.

In terms of renewable energy, the Company procured 60,000 kWh of certified green electricity in 2023, with plans to start supplying in May 2024. The target is for green electricity to account for 15% of the headquarters' energy consumption by 2030.

From the non-renewable fuel data in 2023, total gasoline and diesel consumption was 14,666.98 liters, representing a 12.4% decrease from the previous year. The main changes were as follows:

- Company vehicles: We promoted online meetings, carpooling, and the use of public transportation, while also gradually replacing existing company vehicles with hybrid cars to reduce carbon emissions. The goal is for hybrid vehicles to account for 90% of company vehicles by 2030.
- Office building generators: In 2023, some branch office generators and diesel were replaced, leading to an overall increase in fuel consumption.

Energy Statistics		2021	2022	2023
Purchased	Total consumption of purchased electricity (kWh)	2,493,266	5,800,981	5,638,678
electricity	Consumption per capita	3,812.33	4,034.06	3,993.40
Non- renewable fuel	Total consumption of gasoline (liter)	20,228.12	16,260.18	13,682.18
	Total consumption of diesel fuel (liter)	209.70	480.70	984.80
	Total	20,437.82	16,740.88	14,666.98
Employee count		654 (Headquarters)	1,438 (Headquarters)	1,412 (Headquarters)

4. Internal Engagement and Communication

To achieve PSC's climate sustainability goals and establish a comprehensive financial ecosystem, we are consistently in collaboration with external experts and consultants to design climate and sustainability-related courses. These courses are rolled out starting from relevant departments and expanded to cover all employees, aiming to enhance their understanding of sustainability and climate issues. Furthermore, recognizing that the implementation of climate strategies should be driven from the top down, with the active participation of the board of directors and senior management, we will provide governance and management units with relevant courses this year to facilitate policy implementation and achieve PSC's climate mission.

Future Prospects

As a financial institution, PSC has a mission to exert its financial influence to expand the impact of sustainable investments, aspiring to become a positive force that drives sustainability across the industry chain and delivers significant added value to society and stakeholders. The Company is committed to taking proactive actions and incorporating sustainability governance mechanisms into its core operations to promote sustainable development and low-carbon transformation. In the future, PSC will continue to monitor international trends, update quantitative models, and establish more meaningful climate key performance indicators and goals to achieve its management objectives. It is our goal to present detailed analysis results and observations in a more rigorous and faithful manner. Moreover, we will continue to develop sustainable financial products and services, leveraging our brand advantage and key influence as a leader in the financial sector.



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5.2 Resource Sustainability Management5.2.1 Resource Sustainability Management

Our water is mainly from water companies without using groundwater or other water sources. The water in each office building and service site is only used by employees and some clients, without significant negative impact on the water source. The used domestic sewage is discharged from the sewers and treated through the sewers. In 2023, the scope of the inventory was expanded to cover the entire company, with 2023 as the baseline year. The targets are 1% reduction in 2024 and 2% reduction by 2030. In 2023, water consumption per capita decreased by 3.46% compared to 2022.

	Year	2021	2022	2023
Tap water	Total consumption (ml)	12,198	13,839	28,751
	Consumption per capita (ml)	18.65	21.09	20.36

Note:

- 1. The scope is the office building of the head office, and statistics were performed based on water bills.
- 2. Number of people working in the building of the head office: 654 in 2021; 656 in 2022.
- 3. Number of employees for the entire company in 2023: 1,412

Water conservation measures and action plan



- Install water-saving devices in water equipment.
- Included water bills are in the management reports. If a unit's water consumption exceeds the budget for a month, it should give an explanation and provide an improvement method.

5.2.2 Waste Management

The waste in PSC's building mainly comes from domestic waste. To be friendly to the environment, we have continued to reduce waste and implement a waste classification system for recycling for many years and classify waste as general waste, recyclables, and kitchen waste. Employees sort their waste by themselves in the centralized waste temporary storage area, and the building property management company will put it together. General waste will be transported to an incineration plant by a qualified waste transport company, and the recyclable resources will be handled by recyclers. Confidential documents are destroyed depending on each unit' retention period in compliance with the principle of security and confidentiality to prevent the leakage of client data.

The head office building began to weigh the waste in 2020 to strengthen waste management, and we added significant indirect emissions in addition to the existing direct emissions and indirect emissions in alignment with ISO 14064-1:2018 Greenhouse Gas Emission Inventory. In 2023, the verification scope was expanded to include branches and subsidiaries in Taiwan, achieving 100% inventory coverage. Waste reduction targets were set with 2023 as the baseline year, aiming for 1% reduction by 2024 and 2% reduction by 2030

In 2023, sustainable environmental education-related advocacy amounted to 33,888 times, totaling 2,824 hours.

Waste management action plan



Office waste

- Stop using paper cups.
- Established the environmental protection LOHAS website.
- Enhance the landscaping of the space outside the building.
- Facilitate resource recycling.

Office electronic operation movement

 Electronic internal processes include: Overseas business trip application forms, purchase request forms, parking space application forms, phone application forms, VPN account application forms, wireless network application forms, seal application forms, e-vouchers, expense application forms, internal approval forms, etc.



Paperless operation policy for external parties

- Implement online account opening.
- Encourage clients to apply for electronic statements.
- Encourage online signing of various consent forms and risk disclosure statements.
- Encourage clients to place orders electronically.

Waste Volume

Unit: kg

Туре	Item	Treatment method	2021	2022	2023
A	Waste paper		14,463	13,115	27,033
	Aluminum and iron scraps		519	546	874
25	Plastic waste	Recycled by professional recyclers	611	752	2,256
Recyclable	Waste glass		185	295	342
	Kitchen waste		179	300	5,085
	Confidential documents	Dissolution of documents	3,970	4,570	6,630
Non- recyclable	General waste	A qualified waste disposal company is commissioned to transport the waste to an incineration plant for treatment.	45,376	41,024	72,038
Average volume of waste			69.38	62.54	51.02

Note

- 1. In 2021 and 2022, only PSC headquarters was inventoried, while in 2023, the inventory scope was expanded to cover the entire company.
- 2. Number of employees: 654 in 2021; 656 in 2022; 1,412 in 2023.
- 3. The difference in waste volumes disclosed in this Report for 2021 and 2022 compared to the 2022 Report is due to updated data after re-calculations

5.2.3 Circular Economy

PSC promotes the concept of a circular economy by opting for leasing instead of purchasing, which reduces the environmental impact of products and waste, including company vehicles and office equipment. Office machines are set to energy-saving modes, and initiatives such as double-sided printing, paperless meetings, and multi-page printing are encouraged to reduce carbon emissions from printing. Company vehicles are gradually being replaced with hybrid vehicles based on lease terms. In 2023, hybrid vehicles accounted for 61.5% of the fleet, with the goal of reaching 75% by 2025 and 90% by 2030.

To reduce environmental impact, PSC aligns with government environmental protection policies in promoting green office practices. In addition to reducing the use of plastic and waste, promoting paperless meetings, and reducing paper usage, the Company also encourages the use of eco-friendly cups and utensils, disposal of tissues in toilets, and green consumption to foster environmental awareness among employees in their daily routines. Starting in November 2023, we began using reusable containers for meeting lunches, actively reducing the use of disposable tableware.

5.3 Responsible Procurement and Supplier Management

5.3.1 Responsible Procurement and Supplier Management

As in the financial service industry, PSC is an agent or a distributor, so we cause little impact on the environment. Our suppliers in 2022 can be mainly divided into renovation projects, software and hardware maintenance, information services, and others, all of whom are local suppliers in Taiwan. To contribute to the society's pursuit of environmental protection, energy conservation, and carbon reduction, the procurement principles are clearly set out in our requisition and procurement management regulations that the items purchased shall be aligned with the environmental protection, sustainable development, and radiation protection standards, thereby reducing the impact of PSC's procurement on the environment.

Procurement principles



Green procurement principles

- Purchases should be made in alignment with the environmental protection, sustainable development, and radiation protection standards.
- IT equipment procurement in 2023 amounted to NT\$ 11,262,529 in expenditure.
- Green procurement in 2023 amounted to NT\$ 22,591,679 in expenditure.





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Green spending in 2023

Item	Item	Environmental benefit	Expense (NT\$)
Environmental beautification	Environmental cleaning and maintenance	Environmental cleanliness and employee health are ensured.	6,413,982
	Environmental cleaning and maintenance	The Company's appearance is maintained and the city is beautified.	22,746
	Office building disinfection	The Company's appearance is maintained and the city is beautified.	203,087
Green procurement	IT equipment	The purchase of IT equipment with the domestic green mark or the RoHS label reduces carbon emissions.	11,262,529
	Decoration construction	Certified green construction materials for decoration are used to maintain the quality of healthy indoor environments.	2,537,649
	Energy-efficient lights	Old lights are replaced with energy-efficient LED lights to conserve energy and reduce carbon emissions.	1,732,685
	Leased products and others	The company adopts a circular economy model by leasing instead of purchasing products such as office equipment and company vehicles, reducing waste.	7,058,816
Management system and certification	ISO 14001 \\ ISO 14064-1	In reviewing greenhouse gas emission data, a comprehensive environmental management system was established for further control and management.	561,000
	29,792,494		

5.3.2 Supplier Management

We adopt an open and fair procurement process and have set up a section dedicated to invitation to bid on the Company's website to provide information on invitation to bid. To control the quality of suppliers, we review whether suppliers' transaction counterparties have a record of unethical or illegal conduct as per the Ethical Corporate Management Best Practice Principles and avoid collaboration if such a record is confirmed. If unethical conduct is discovered after a contract has been signed, we may terminate or rescind the contract at any time. To maintain the principle of fairness, as per the Company's Purchase Requisition and Procurement Management Regulations, if the total purchase amount exceeds NT\$ 800,000, it requires a price negotiation meeting by the members of the price negotiation team, including directors of the Finance Department, the Administration Department, the Compliance Division, the Settlement and Clearing Department, and the Risk Control Office, and at least one representative of the Company's top management in accordance with the negotiated price. In addition, quotes should be obtained from three suppliers and compare the prices. In 2023, the price negotiation team deliberated on a total of 86 cases in full compliance with the Company's regulations for price negotiation.

To improve the service quality of suppliers and enhance the fairness and transparency of the Company's supplier evaluation scoring mechanism, the General Affairs Department revised the "Procurement and Purchasing Management Regulations" in 2023 to include acceptance, incident, and sustainability assessments on top of the existing annual evaluation. The revisions made the supplier evaluation process more comprehensive. Since 2017, we have conducted all supplier assessments by electronic means, which has greatly reduced paper waste.

In 2023, assessments were conducted on 100 suppliers whose annual procurement transaction amounts exceeded NT\$100,000. Each supplier was evaluated by at least two individuals to ensure objective scoring. The overall assessment results showed 71 suppliers receiving an A grade and 29 receiving a B grade, with no unqualified suppliers.

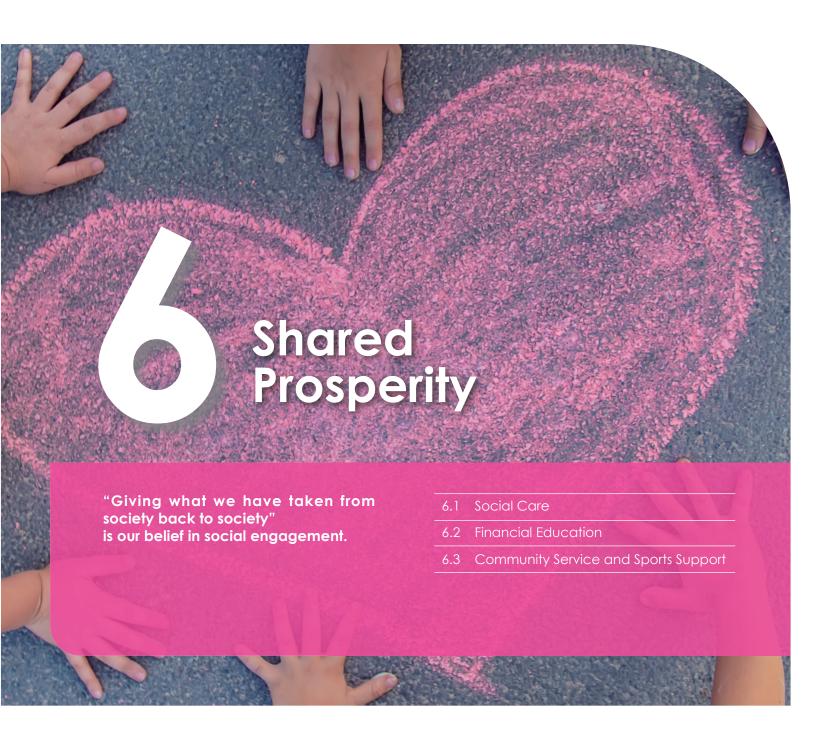
Since 2016, PSC Securities has required its suppliers to sign a Supplier Social Responsibility Commitment Statement and has established a dedicated supplier section on the Company's website. In 2023, the overall percentage of suppliers who signed the commitment reached 95.93% (excluding one-time purchases). The suppliers who did not sign were primarily foreign suppliers or individual physicians. This demonstrates the Company's influence, ensuring that partner suppliers understand PSC's commitment to integrity and sustainability while also encouraging them to implement sustainability practices. This collective effort contributes to a sustainable environment, achieving shared prosperity and success.

2023 PSC Supply Chain Scope



The percentage of each category of suppliers signing the corporate social responsibility commitment					
	Construction	Signing Rate 100%			
	Software, hardware and maintenance	Signing Rate 94.96%			
	Information services	Signing Rate 100%			
	Machinery & equipment	Signing Rate 100%			
	Other	Signing Rate 87.5%			
	Marketing / gifts	Signing Rate 100%			

Supplier assessment						
Frequency Supplier level		Countermeasure	Assessment results			
Annual assessment: It is conducted once a year for suppliers in business with the Company in the year.	Level A >> Excellent	Maintain collaboration with the same conditions; give priority to such suppliers.	>> 71%			
Sustainability assessment:	suppliers					
Bonus points or deductions in scoring are deliberated based on suppliers' sustainability policies.	Level B	Can continue to work with such suppliers but need to require them to improve those with significantly lower points.	>> 29%			
Acceptance assessment: procurement projects with individual contract amounts of NT\$2 million or	Qualified suppliers					
more.		Refuse to work with such				
Incident assessment: Bonus points or deductions in scoring are deliberated when suppliers are involved in special contributions or incidents.	Level C >> Unqualified	suppliers even if it is difficult to replace them or they are irreplaceable; need to seek a solution as soon as possible.	> 0%			





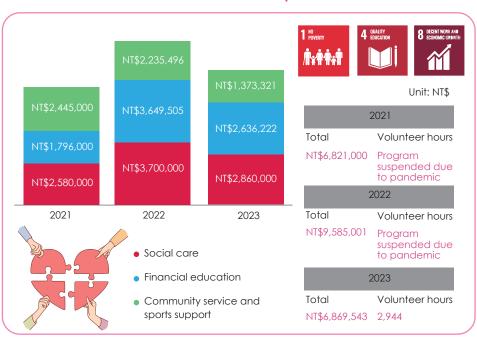






In addition to focusing on business performance, PSC adheres to the corporate philosophy of our parent company, the Uni-President Group, which is "giving what we have taken from society back to society." This philosophy is integrated into PSC's corporate culture as we leverage the Company's influence to continuously contribute and proactively create tangible actions for the benefit of society. Committed to promoting and developing three aspects of social welfare policies: Social Care, Financial Education, and Community Service and Sports Support," PSC seeks to maximize corporate value and establish a vision for sustainable development.

Social Welfare Outputs



6.1 Social Care

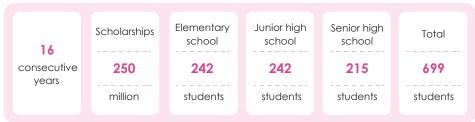
PSC aspires to be engaged in long-term and sustainable participation and investment in charity rather than merely driven by short-term trends. Furthermore, the Company pursues charitable endeavors that correspond with its core business, allowing stakeholders such as business partners, suppliers, employees, and customers to contribute to society through charitable initiatives. Also, by initiating various charitable events, we hope to inspire a wider range of stakeholders to engage in philanthropic endeavors, diversify engagement, and expand event scale, thereby realizing the philosophy of "giving what we have taken from society back to society."

PSC Scholarships and Grants for Students from Economically Disadvantaged Families

Since 2001, PSC has been collaborating with various charitable organizations to provide scholarships to economically disadvantaged families through an annual initiative carried out in partnership with our subsidiaries in October. In addition to employees, participation has grown to include our employees' family members and PSC customers, and the Company allocated an extra donation of NT\$ 200 for each participant to support scholarships for economically disadvantaged families. The event has yielded significant results in the past years.

Starting in 2020, the scholarship program has been modified, with the Company providing the full scholarship amount as a donation. We have founded the PSC Scholarships and Grants for Elementary School Students from Economically Disadvantaged Families with Taiwan Fund for Children and Families since 2008 and extended it to junior high school students since 2010 and senior high school ones since 2013. As of the end of 2023, President Securities Corporation and our subsidiaries have raised a total of NT\$ 45.0 million for the scholarships, and assisted a total of 11,475 disadvantaged students: 6,487 at elementary school, 3,053 at junior high school, and 1,935 at senior high school.

Implementation Result in 2023



PSC continues to assist economically disadvantaged children and families through the provision of scholarships and diverse learning opportunities. This allows students from underprivileged backgrounds to explore different areas of study and pursue personal growth. In 2023, we collaborated with the Taiwan Fund for Children and Families and Flow Studio on the production

of the short film Listen, Dreams Are Dancing! Striving to ignite the dreams in children's hearts, PSC plants the seeds of sustainability and fosters a cycle of inspiration, with the hope that all children can pursue their dreams fearlessly.

In 2023, PSC invested in the cultural and creative industries, engaging in media advertising and supporting the publication of news magazines, including sectors such as publishing, advertising, visual communication design, and digital content industries.





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Taiwan Fund for Children and Families' Foster Family Invitation Project

We have become a regular sponsor of the "Open to Love" foster family invitation project launched by Taiwan Fund for Children and Families since 2011. Our branches advertise this project every year to help the helpless and deprived children find a warm and safe haven to live a happy life. As of the end of 2022, we have participated in this project for 13 years with more than 4,693 foster families joining to have taken care of 59,442 children.

Support for the Disadvantaged

We support disadvantaged groups. In addition to donations, we provide a stage for them to perform their talent. In the Company's internal events or family days, we invite underprivileged groups to stage performances. We also support charity lottery tickets. At the end of the annual Lunar New Year holidays, we put lottery tickets in red envelopes (scratch-offs or lottery tickets) and give them out to employees, to help them adapt to work after a long holiday period and achieve the government's goal of "buying lottery tickets for charity purposes". Rather than buying tickets from the head office of Taiwan Lottery, we buy such tickets from various distributors to help more disadvantaged distributors in need. We purchase handmade biscuits from the Children Are Us Foundation as afternoon snacks for each department to encourage disadvantaged entrepreneurs.





Cultivation of Professional Healthcare Talent

In 2023, PSC supported the National Taipei University of Nursing and Health Sciences' Dawn Project by donating NT\$100,000 to the scholarship under the project. This funding contributes to the cultivation of quality healthcare professionals by providing scholarships to low and middle-income students, helping them pursue their education with peace of mind and achieve their dreams.

Combining Digital Health Ecosystem to Prevent Investment Fraud

In 2023, PSC collaborated with the Digital Humanitarian Association on the advocacy of investment fraud prevention. By leveraging the core strengths of both parties and using the WaCare digital health ecosystem as a platform, the initiative focused on raising fraud awareness among the elderly. Based on the daily lives of seniors, we promoted elder health and used interactive anti-fraud games and video campaigns to prevent financial exploitation targeting older adults. This comprehensive effort aims to safeguard the financial security of the elderly and ensure their physical and mental well-being.

Action Plans and Implementation Results

Interactive Anti-Fraud Game Over 1,400 participants PSC launched the interactive anti-fraud game "Follow These Steps to Prevent Fraud" on its official website. Through simple question-and-answer interactions, participants can assess whether they have the correct financial concepts and get a fraud risk index. Throughout the process, individuals inadvertently enhance their financial literacy and investment knowledge.

Anti-Fraud Experience Sharing

We invited members of the public to share memorable fraud incidents they have encountered. By drawing on real-life experiences, this initiative fosters a greater sense of connection to anti-fraud awareness, using the shared cases as a cautionary tale to remind people to avoid similar fraud schemes

Muscle Strength Course – Walk Without Falling, Strength Without Worry

11 communities involved, 377 participants

Focusing on the common issue of muscle loss among seniors, this course teaches the elderly how to easily use a chair at home for balance and muscle strength training. Antifraud knowledge was also integrated into the course, with interactive discussions reinforcing their awareness of fraud and enhancing both financial and health literacy.

Sustainability Allies Challenge

In 2023, PSC launched the "PSC Sustainability Allies Challenge," an interactive game where investors became allies of PSC's sustainability efforts and learned about the Company's sustainability initiatives and achievements through participating in quizzes. The fourweek promotional event attracted 4,258 participants, allowing us to showcase the Company's sustainability philosophy and spirit in a different form.



6.2 Financial Education

Based on PSC's core competencies in business operations, we are dedicated to promoting financial education to fulfill local needs and embody our corporate values.

	Framework of financial education				
Year	Goal	Plan	Execution		
2009	Industry-academia exchange	Visits to the Company			
2013	Recruitment and training of trainees for securities specialists	Paid trainee program for sales personnel/securities specialists	Senior year in Senior year in Before graduation Recruitment		
2017	Cultivating full-time outstanding trainees		college 1st semester college 2nd semester Before graduation Recruitment		
2018	Service type Internship credits Individual application Led by PSC Internship programs	Workplace experience program	Visit to the Company Training at the Company Getting prepared for work Trainees		
2019	Cultivating full-time outstanding trainees	Industry-academia collaboration program	Inior year in college/st year in graduate study 1st semester Topic selection and guidance by mentor Senior year in college / 2nd year in graduate study 1st semester Senior year in college / 2nd year in graduate study 1st semester Topic selection and guidance by mentor Senior year in college / 2nd year in graduate study 1st semester Presentation of evaluation results Recruited upon graduation Trainees		
2020	Striving for high-quality universities' collaboration	Striving for high-quality universities' collaboration	Seamless connection between school and workplace		
2021	Recruiting high-quality financial talents	Advisor program Job search seminars Club sponsorship	Junior year in college/ 1st year in graduate study Enhancing the integration of industry and academia Exploring possibilities in financial career development Senior year in college/ 2nd year in graduate study Laying a foundation in practical experience Improving job search skills		
2022	Establishing operational guidelines for university and college sponsorship, strengthening collaboration with universities and colleges, and assisting students in promoting correct concepts in finance and investment	Advisor program Internship visits Club sponsorship	Junior year in college/ 1st year in graduate study Senior year in college/ 2nd year in graduate study Industry grademia expertise integration Industry practices linked with academic		
2023	Strengthening financial management concepts among students and introducing diverse talent	Financial management camp x Workplace experience Simulated competition Internship program	Industry-academia expertise integration Career development options in securities Industry-academia expertise integration knowledge Employment readiness enhancement		

6.2.1 Financial Education Endeavors

Event Details

Visit to the Company

We have allowed financial departments and finance-related clubs in Taiwan's colleges and universities to visit the Company. Our responsible unit integrates all business entities' business resources, arranges for students to visit and experience how the business operates first-hand, and introduces the securities. futures, investment trust, insurance, and wealth management business to facilitate industry-academia exchanges. We value the opportunities to interact and exchange with various sectors of society and actively arrange for student visits. Therefore, the visits to the Company have received enthusiastic responses from schools across Taiwan, including National Chenachi University, Yuan Ze University, Shih Chien University, Feng Chia University, Shih Hsin University, National Taipei University of Business, Lunghwa University of Science and Technology, and Takming University of Science and Technology, with a total of 1.070 participants.

Support for Academic Development In 2023, PSC provided financial support to various academic programs at 14 universities across Taiwan. We sponsored a total of 35 educational and training initiatives, with an approved sponsorship amount of NT\$ 600,000, actively contributing to financial education efforts in Taiwan.

6.2.2 Industry-Academia Collaboration Program

Internship Program

The 2023 PSC Internship Program recruited ten outstanding students from six universities: National Taiwan University, National Chengchi University, National Yang Ming Chiao Tung University, National Central University, National Taipei University, and National Taipei University of Technology. The internship period lasted three months, from September 11 to December 15. Units receiving interns in 2023 included a variety of departments, including the Brokerage Department, Capital Markets Department, Bonds Department, Financial Products Department, Quantitative Trading Department, and Information Systems Department. This program allowed students to apply their academic knowledge, further enhancing their professional skills. Through practical departmental operations and project-based training mechanisms, dedicated mentors guided the interns through projects, helping them become familiar with the practical workings of the securities industry. The student interns also benefited from exploring the real workplace environment of the securities industry, thereby clarifying their future career paths.



Simulated Trading Competition

In 2023, PSC held the "Campus Stock Challenge Simulated Trading Competition" open to all college and university students across Taiwan. The competition encompassed individual and team categories, with each group guided by a professor. The event attracted 1,153 students and 807 teams. The competition ran from November 6 to November 30, during which the Taiwan Stock Exchange Weighted Index rose from 16,649 to 17,433, a 4.7% increase. After nearly a month of simulated trading, more than 41 teams achieved a total return on investment that outperformed the benchmark index. The top three individual participants had an average total return on investment of 38.08%, while the top three teams averaged 39.41%, achieving impressive results despite the volatility in the Taiwan stock market. Through the simulated trading competition, students were able to apply the financial knowledge they had learned in class, experiment with investment portfolios, and understand the potential risks, all while developing sound investment and financial management concepts.



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Financial Management Camp x Workplace Experience

In 2023, the PSC Financial Management Camp for Securities for the first time. This event combined investment and financial management, workplace experience, and the Golden Career Coffee Chat. This is a pioneering event in the securities industry that provides students with a unique opportunity to engage closely with industry professionals. Designed as a one-day experience for college and university students, the program allowed participants interested in the securities industry to gain an early insight into the sector and its job roles. 60 students from various colleges and universities across Taiwan were selected to participate free of charge. Courses offered at the camp featured diverse topics, such as an introduction to the securities industry, financial investment products, stock selection techniques, asset allocation, and career development in the securities industry. In response to the recent surge in financial investment fraud cases, various types of fraud were also introduced with an emphasis placed on the importance of vigilance and risk assessment, helping participants build a well-rounded understanding of financial knowledge.



Mighty Alliance of PSC Subsidiaries

Resources for career exploration, resume enhancement and onboarding preparation all in one Pioneering Golden
Career Coffee Chat in
the Securities Industry

In-depth discussions on careers in trading, research, underwriting, brokerage, and fund management



6.3 Community Service and Sports Support

6.3.1 Community Service

Mountain Cleanup Volunteer Activity

On September 23, a make-up workday when the stock market was closed, PSC organized a mountain cleanup volunteer activity at the Hushan Hiking Trail, with over 400 employees participating. This provided an opportunity for staff to enjoy some outdoor time on a non-trading day while also contributing to the preservation of the environment. During the hike, participants collected trash along the trail and surrounding areas and helped restore the natural beauty of the environment. Through hands-on participation, they were encouraged to reflect on the importance of sustainable mountain conservation. In addition, PSC places a focus on biodiversity issues and supports the UN Convention on Biological Diversity. For this event, we also invited Mr. Kao Rui-Shuang, Chairman of the Taiwan Nature Trail Society, to give our employees an ecological tour of the rich natural environment of the area.









Community Landscaping

To give back to the community where we are located, we installed New Year lights on the exterior of the headquarters building and sidewalk trees every year from Christmas Eve to Lantern Festival to improve the community environment and give back to local residents.







6.3.2 Sports Support

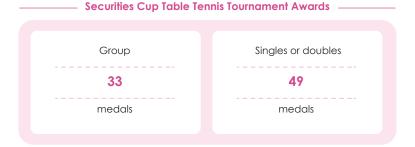
PSC highly encourages and actively promotes a corporate sports culture. To foster a sports-oriented culture, we advocate the spirit of sportsmanship and provide well-equipped sports facilities. In recognition of these efforts, PSC received the Sports Enterprise Certification from the Sports Administration, Ministry of Education in 2023. This certification is valid from 2023 to 2026, and PSC is among the few securities firms to receive this honor continuously.



Employee Participation in Sports Events

Securities Cup Table Tennis Tournament

PSC supports sports competitions. Since 1991, we have sent teams formed by supervisors to participate in the Securities Cup Table Tennis Tournament for 31 years with great performance every year. Since the 29th tournament, there has been a category for top executives such as chairmen and presidents, and PSC has been consistently achieving excellent rankings in this category as well.



Golf Activity

PSC's senior managers held the PSC friendly golf tournament, inviting golfers from the financial industry and employees to participate in their spare time, to learn about golf skills and relax their psychological and physical stress.

Support for Local Sports Competition Development

PSC has been a long-time sponsor of the Uni Lions Baseball Team in the Chinese Professional Baseball League (CPBL) for 8 consecutive years since 2015. This support reflects the Company's commitment to promoting local sports events and enhancing the sports culture in Taiwan.







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List of Accredited Items

ltem	Target Information	Applicable Standards	Page
1	In 2023, there were no incidents of data leakage, and there were no occurrences of customer personal data or privacy breaches, nor any incidents of customer data loss. The number of individuals affected by such events was zero.	In compliance with the Operational Guidelines for Securities and Futures Market Information and Communication Security Incident Reporting and Response, President Securities Co., Ltd. adopts the Securities and Futures Market Information and Communication Security Reporting System to report incidents to the competent authority (the Financial Supervisory Commission), confirm whether the reported incident records include information leakage events, and compile statistics on the number of information leakage incidents and the number of affected customers that occurred in the year 2023. Information leakage is defined as any unauthorized access, disclosure of personal data files, or use beyond the individual's expectations.	49
2	In 2023, the Company undertook a total of 19 financing cases, of which five were for small and medium-sized enterprises (with paid-in capital of less than NT\$100 million or fewer than 200 regular employees), with a total issuance amount of NT\$1,697,979 thousand.	PSC's fundraising projects for small and medium-sized enterprises in 2023 by the definition provided in the latest edition of the Small and Medium Enterprise White Paper published annually by the Small and Medium Enterprise Administration of the Ministry of Economic Affairs.	-
3	The 2023 PSC Internship Program recruited ten outstanding students from six universities: National Taiwan University, National Chengchi University, National Yang Ming Chiao Tung University, National Central University, National Taipei University, and National Taipei University of Technology. The internship period lasted three months, from September 11 to December 15. Units receiving interns in 2023 included a variety of departments, including the Brokerage Department, Capital Markets Department, Bonds Department, Financial Products Department, Quantitative Trading Department, and Information Systems Department. This program allowed students to apply their academic knowledge, further enhancing their professional skills. Through practical departmental operations and project-based training mechanisms, dedicated mentors guided the interns through projects, helping them become familiar with the practical workings of the securities industry. The student interns also benefited from exploring the real workplace environment of the securities industry, thereby clarifying their future career paths.	The number of students who participated in the 2023 PSC Internship Program.	109
4	In 2023, electronic transactions accounted for 77% of the Company's total trading volume.	Numerator: The transaction amounts of electronic transactions in 2023 calculated using data derived from the "Firm Electronic Monthly Trading Details Inquiry Form" via the "Securities Firms Reporting Portal" (Note) of the TWSE electronic trading system. Denominator: The total transaction amount for the Company in 2023 calculated using data derived from the "Firm Electronic Monthly Trading Details Inquiry Form" via the "Securities Firms Reporting Portal" (Note) of the TWSE electronic trading system. Note: The types of electronic transactions defined by TWSE include online orders (including those placed through the application programming interface), voice orders, and direct market access (DMA) orders.	59



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CPA Limited Assurance Letter

Independent Limited Assurance Report Translated From Chinese

To President Securities Corporation

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

Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" on page 113 of the Sustainability Report. The scope of the Identified Key Performance Indicators is set out in the "Report Boundaries and Scope" on page 1 of the Sustainability Report.

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

Management's Responsibility

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

Inherent Limitation

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

Compliance of Independence and Quality Management Requirement

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

Our firm applies the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of

quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

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

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

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

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

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

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

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

Limited Assurance Conclusion

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

Other Matter

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

Wang, Fang-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan July 26, 2024

For the convenience of readers and for information purpose only, this document has been translated into English from the original Chinese version. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language version shall prevail.

Independent Assurance Opinion Statement and Certification

ISO 14064-1 Greenhouse Gas Emissions





ISO 14001 Environmental Management System



ISO 27001 Information Management System



GRI Standards Index

Statement of use	PSC has reported in accordance with the GRI Standards for the period 2023/1/1~2023/12/31.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	As of the publication date of this report, GRI standards specific to the financial industry have not yet been released.

(C	GRI Standard	Disclosure	Disclosure	Page
	2-1	Organizational details	About This Report About PSC	01 06
	2-2	Entities included in the organization's sustainability reporting	About PSC	06
	2-3	Reporting period, frequency and contact point	About This Report	01
	2-4	Restatements of information	4.1.1 Composition of Employees 4.3.1 Safe Workplace 5.2.2 Waste Management	69 86 101
	2-5	External assurance	About This Report	01
	2-6	Activities, value chain and other business relationships	About PSC	06
	2-7	Employees	4.1.1 Composition of Employees	69
	2-8	Workers who are not employees	4.1.1 Composition of Employees	69
GRI 2: General Disclosures	2-9	Governance structure and composition	1.2 ESG Governance Framework 2.1.1 Corporate Governance Overview	16 27
2021	2-10	Nomination and selection of the highest governance body	2.1.3 Members of the Board of Directors	29
	2-11	Chair of the highest governance body	In 2023, the Chairman of the Company did not hold any concurrent positions in other senior management roles. For more detailed information, please refer to page 8 of the PSC 2023 Annual Shareholders' Meeting Report.	-
	2-12	Role of the highest governance body in overseeing the management of impacts	1.2 ESG Governance Framework 2.1.2 Board of Directors Structure and Operation	16 27
	2-13	Delegation of responsibility for managing impacts	1.2 ESG Governance Framework 2.1.4 Functional Operation and Communication of the Board of Directors	16 31
	2-14	Role of the highest governance body in sustainability reporting	About This Report 1.2 ESG Governance Framework	01 16
	2-15	Conflicts of interest	2.1.3 Members of the Board of Directors	29
	2-16	Communication of critical concerns	2.1.4 Functional Operation and Communication of the Board of Directors	31
	2-17	Collective knowledge of the highest governance body	2.1.3 Members of the Board of Directors	29
	2-18	Evaluation of the performance of the highest governance body	2.1.5 Board Performance Evaluation and Remuneration Policy	32

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	GRI Standard	Disclosure	Disclosure	Page
	2-19	Remuneration policies	2.1.5 Board Performance Evaluation and Remuneration Policy Additionally, the Company's remuneration policies for senior executives do not involve ESG-related factors.	32
	2-20	Process to determine remuneration	2.1.5 Board Performance Evaluation and Remuneration Policy 4.1.2 Salary and Remuneration	32 74
	2-21	Annual total compensation ratio	4.1.2 Salary and Remuneration	74
	2-22	Statement on sustainable development strategy	Chairman's Message	03
	2-23	Policy commitments	2.2 Ethical Management and Codes of Conduct	35
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments	2.2 Ethical Management and Codes of Conduct	35
	2-25	Processes to remediate negative impacts	2.2 Ethical Management and Codes of Conduct 2.3.3 Whistleblowing System and Procedures 2.4.3 Crisis Management Mechanism	35 39 45
	2-26	Mechanisms for seeking advice and raising concerns	2.3.3 Whistleblowing System and Procedures	39
	2-27	Compliance with laws and regulations	2.3.2 Regulatory Compliance Status	39
	2-28	Membership associations	About PSC	06
	2-29	Approach to stakeholder engagement	1.3 Stakeholder Communication	17
	2-30	Collective bargaining agreements	Although the Company did not sign a collective agreement in 2023, regular labor-management meetings were held to facilitate constructive dialogue between labor and management.	-
GRI 3: Material	GRI 3	3-1 Process to determine material topics	1.4 Material Issues Analysis and Identification	19
Topics 2021	GRI 3	3-2 List of material topics	1.4 Material Issues Analysis and Identification	19

	Corresponding GRI Standards for Material Topics						
	GRI Standard	GRI Standard and Disclosure	Corresponding Chapter	Page			
	GRI 3: Material Topics 2021	3-3 Management of material topics	1.4 Material Issues Analysis and Identification 2.1 Corporate Governance 2.2 Ethical Management and Codes of Conduct	19 27 35			
Corporate Governance	GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	2.2 Ethical Management and Codes of Conduct	35			
and Ethical Management		205-2 Communication and training about anti-corruption policies and procedures	2.2 Ethical Management and Codes of Conduct	35			
		205-3 Confirmed incidents of corruption and actions taken	2.2 Ethical Management and Codes of Conduct	35			
	GRI 206: Anticompetitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3.2 Regulatory Compliance Status	39			

GRI Standards Index

	Corresponding GRI Standards for Material Topics				
	GRI Standard	GRI Standard and Disclosure	Corresponding Chapter	Page	
Customer Privacy Protection and	GRI 3: Material Topics 2021	3-3 Management of material topics	Naterial Issues Analysis and Identification Analysis and Crisis Response Information Security and Customer Privacy Protection	19 41 46	
Information Security	GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.5.3 Promotion of Personal Data Protection	48	
	GRI 3: Material Topics 2021	3-3 Management of material topics	1.4 Material Issues Analysis and Identification 3.3 Customer Relations and Services	19 62	
Customer		417-1 Requirements for product and service information and labeling	3.1.2 Sustainable Finance Guidelines 3.3.3 Treating Customers Fairly	52 66	
Services	GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	The Company did not experience any related incidents in 2023.	-	
		417-3 Incidents of non-compliance concerning marketing communications	The Company did not experience any related incidents in 2023.	-	
	GRI 3: Material Topics 2021	3-3 Management of material topics	1.4 Material Issues Analysis and Identification 4.1 Talent Retention and Attraction	19 69	
	GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	4.1.3 Welfare System	75	
	GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.1.1 Composition of Employees	69	
Talent Retention and Attraction		401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	4.1.3 Welfare System	75	
Amachon		401-3 Parental leave	4.1.3 Welfare System	75	
	GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	4.1.4 Labor-Management Interaction Although the Company did not sign a collective agreement in 2023, regular labor-management meetings were held to facilitate constructive dialogue between labor and management.	79	
	GRI 3: Material Topics 2021	3-3 Management of material topics	1.4 Material Issues Analysis and Identification 4.2 Talent Cultivation and Development	19 80	
Human Resources		404-1 Average hours of training per year per employee	4.2.1 Continuing Education and Training	80	
Cultivation and Development	GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	4.1.4 Labor-Management Interaction 4.2.1 Continuing Education and Training	79 80	
		404-3 Percentage of employees receiving regular performance and career development reviews	4.2.2 Performance Management	85	

GRI Standards Index

	Corresponding GRI Standards for Material Topics					
	GRI Standard	GRI Standard and Disclosure	Corresponding Chapter	Page		
Risk Control and Management	GRI 3: Material Topics 2021	3-3 Management of material topics	1.4 Material Issues Analysis and Identification 2.4 Risk Management and Crisis Response	19 41		
Sustainable Finance	GRI 3: Material Topics 2021	3-3 Management of material topics	1.4 Material Issues Analysis and Identification 3.1 Sustainable and Responsible Investment	19 52		
Innovative Digital Finance	GRI 3: Material Topics 2021	3-3 Management of material topics	1.4 Material Issues Analysis and Identification 3.2 Innovative Digital Finance	19 58		

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Торіс	Code	Accounting Metric	Corresponding Chapter and Information	Page
Employee Diversity & Inclusion	FN-IB-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	4.1.1 Composition of Employees	69
Incorporation of Environmental,	FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory and (3) securitisation transactions incorporating integration of environmental, social and governance (ESG) factors, by industry	3.1.2 Sustainable Finance Guidelines	52
Social, and Governance Factors in Investment	FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social and governance (ESG) factors, by industry	3.1.2 Sustainable Finance Guidelines	52
Banking & Brokerage Activities	FN-IB-410a.3	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment banking and brokerage activities	3.1.2 Sustainable Finance Guidelines	52
Business Ethics	FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	2.3.2 Regulatory Compliance Status	39
	FN-IB-510a.2	Description of whistleblower policies and procedures	2.3.3 Whistleblowing System and Procedures	39
	FN-IB-510b.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	2.3.2 Regulatory Compliance Status	39
Professional Integrity	FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	2.2 Ethical Management and Codes of Conduct In 2023, there were no mediation and arbitration cases associated with professional integrity.	35
	FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	2.2 Ethical Management and Codes of Conduct In 2023, there were no mediation and arbitration cases associated with professional integrity.	35
	FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	2.2 Ethical Management and Codes of Conduct	35



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Торіс	Code	Accounting Metric	Corresponding Chapter and Information	Page
	FN-IB-550a.1	Global Systemically Important Bank (GSIB) score, by category	The category does not apply to the Company's industry.	-
Systemic Risk Management	FN-IB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	PSC conducts stress testing, including market risk stress tests (quarterly), liquidity risk stress tests (monthly), and climate risk scenario analysis (annually). • Market risk stress test: The stress test is conducted based on the Company's held positions as of the end of March 2024 in scenario simulations. The scenarios include a 20% change in the market index, a 100 bp change in interest rates, and a 6% change in exchange rates. The worst-case scenario estimates a projected loss of approximately NT\$2,607,280 thousand. • For details on the liquidity risk stress test, please refer to page 196 of the PSC Annual Shareholders' Meeting Report under "Liquidity Risk." • For details on the climate risk scenario analysis, please refer to Section 2-5-2 of the PSC 2023 TCFD Report. • For BIS capital adequacy planning, please refer to page 296 of the PSC Annual Shareholders' Meeting Report under "Capital Management."	-
	FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	2.1.5 Board Performance Evaluation and Remuneration Policy	32
Employee Incentives	FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	The Company does not have a clawback policy.	-
& Risk-taking	FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	The Company's Level 3 financial assets consist of unlisted (OTC) stocks. For details on the valuation process, please refer to page 84 of the PSC 2023 Standalone Financial Report under "Valuation Process for Fair Value Classified as Level 3."	-
	FN-IB.000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitisation transactions	3.1.2 Sustainable Finance Guidelines	52
Activity Metric	FN-IB.000.B	(1) Number and (2) value of proprietary investments and loans by sector	3.1.2 Sustainable Finance Guidelines	52
	FN-IB.000.C	(1) Number and (2) value of market making transactions in (a) fixed income, (b) equity, (c) currency, (d) derivatives, and (e) commodity products	3.1.2 Sustainable Finance Guidelines	52



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TCFD Index

Thematic Area	Metric	Corresponding Chapter	Page
Cavamana	A. Describe the board's oversight of climate-related risks and opportunities.	E. I. I. Climenta Couran anno Structura and Deep ancibilities	0.1
Governance	B. Describe management's role in assessing and managing climate-related risks and opportunities.	5.1.1 Climate Governance Structure and Responsibilities	91
	A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	5.1.2 Climate Risk Management	92
Strategy	B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	5.1.3 Climate Strategies	96
	C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	5.1.2 Climate Risk Management	92
	A. Describe the organization's processes for identifying and assessing climate-related risks.		
Risk Management	B. Describe the organization's processes for managing climate-related risks.	5.1.2 Climate Risk Management5.1.3 Climate Strategies	92 96
	C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		
	A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.		
Metrics and Targets	B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	5.1.4 Climate Indicators and Goals	98
	C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.		



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ESG

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