



凱基證券  
KGI SECURITIES

2023

ESG REPORT



Content

About the Report  
Chairman's Statement  
About KGI Securities

- 01 Sustainable Operation Strategy
- 02 Corporate Governance
- 03 Responsible Finance
- 04 Employee Care and Outstanding Workplace
- 05 Green Operation and Social Co-prosperity
- 06 Appendix

Content

- 03 About the Report
- 04 Chairman's Statement
- 05 About KGI Securities

01 Sustainable Operation Strategy

- 12 1.1 Sustainable Prospect and Sustainable Development Performance
- 15 1.2 Sustainable Governance Structure
- 16 1.3 Stakeholder Engagement and Communication
- 18 1.4 Material Topic Analysis and Management Policy

02 Corporate Governance

- 25 2.1 Corporate Governance and Ethical Corporate Management
- 33 2.2 Risk Management
- 36 2.3 Information Security

03 Responsible Finance

- 40 3.1 Sustainable Finance
- 45 3.2 Innovative Digital Service
- 47 3.3 Service Quality and Customer Relations

04 Employee Care and Outstanding Workplace

- 52 4.1 Human Resource Overview
- 55 4.2 Talent Retention and Development
- 57 4.3 Workplace Health and Safety

05 Green Operation and Social Co-prosperity

- 62 5.1 Climate Change Management
- 67 5.2 Resource Conservation Management
- 72 5.3 Sustainable Procurement
- 75 5.4 Social Co-prosperity

06 Appendix

- 78 GRI Standards Content Index
- 82 SASB – Investment Banking and Brokerage Standards Content Index
- 83 2023 List of Sustainable Bonds Underwritten
- 84 Securities Dealer Sustainable Disclosure Index
- 85 Assurance Item Summary Table
- 86 CPA's Assurance Report
- 87 External Third-party Verification Report



Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

About the Report

Period of the Report

The 2023 ESG Report of KGI Securities Co., Ltd. ("KGI Securities" or"the Company") was published in July 2024; the Report is the second ESG Report of the Company, and the content includes the actions, measures, and implementation performance of KGI Securities in committing to the three major aspects of sustainable development – environment (E), society (S), and governance (G).

The ESG Report of KGI Securities will be published regularly each year for stakeholders in different sectors to jointly care for the implementation performance of sustainable policies of KGI Securities.

Disclosure Boundary and Scope of the Report

The scope of disclosure of the Report focuses on all business locations in Taiwan as the core, excluding subsidiaries. The financial information disclosed in the Report is consistent with the consolidated financial statements of KGI Securities, and NTD is the calculation unit. The entities included in the consolidated financial statements include all business locations in Taiwan and subsidiaries in Taiwan and overseas business locations of KGI Securities; therefore, if there is any special disclosure requirement (i.e., the content disclosed in the Report being different from the disclosure boundary of the consolidated financial statements), the scope and calculation methods will be otherwise marked and described in different paragraphs.

Preparation Principles of the Report

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

Report Audit/Verification and Assurance Item

Publication Unit	Principles and Specifications Observed
PwC Taiwan	Taiwan Standards on Assurance Engagements 3000"Assurance Engagements Other than Audits or Reviews of Historical Financial Information"
BSI Taiwan	ISO 27001: 2013 Information Security Management System ISO 22301: 2019 Business Continuity Management System ISO 45001: 2018 Occupational Safety and Health Management System
SGS Taiwan	BS 10012: 2017 Personal Information Management System ISO 14064-1: 2018 GHG Inventory Standards ISO 50001: 2018 Energy Management System

Description of Differences in the Data of the Report

Chapter Content	Description of the Difference
3.1.1 Responsible Investment	The achievements of responsible investment have been updated according to the responsible investment policy amended in 2023. As compared to 2022, hedging positions are included in 2023 to confirm that the data disclosed complies with the prevailing responsible investment policy.
5.2.1 GHG Emissions Reduction and Energy Structure Management	The revenue adopted for the calculation of carbon intensity (tCO <sub>2</sub> e/net million revenue) is updated to the total revenue in the statement of comprehensive income in the consolidated financial statements of the Company for calculation – NT\$31,485,177 thousand in 2021 and NT\$20,702,198 thousand in 2022. The value of carbon emissions/operating income in 2021 is adjusted from 0.90 to 0.30, and the value of carbon emissions/operating income in 2022 is adjusted from 4.62 to 0.45.

Report Quality Management Procedures

The data and information disclosed in the Report are provided after the department/unit supervisors of the Company have confirmed the completeness and accuracy of such. The Administrative Management Department is responsible for compiling the information and planning the structure of the Report according to"KGI Securities Co., Ltd. ESG Report Preparation and Reporting Guidelines. The prepared report content is confirmed by supervisors of different departments/units and responsible personnel, and external institutions are engaged to carry out the third-party audit/verification and assurance. The Report is submitted at the ESG Committee meeting and published after being approved by the Board.

Opinion and Feedback on the Report

Address: No. 700 Mingshui Rd., Zhongshan Dist., Taipei City  
Tel.: (+886)-2181-8888  
E-mail: kgisesg@kgi.com  
Website: <https://www.kgi.com.tw>  
Link to the Sustainable Development Section:  
<https://www.kgi.com.tw/zh-tw/why-kgis/esg>



Corporate Website



Sustainability Website

Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

# Chairman's Statement

Global inflation, tightened monetary policy, increasing geopolitical conflicts, and inventory adjustment shortly impacted market sentiment in 2023. Nonetheless, the wave of generative AI concepts drove the bull performance of technology stocks, and the global capital market fluctuated upward. In addition, 2023 was also a crucial year for domestic and foreign law governance of sustainability and climate, focusing on the management of climate-related risks and the sustainable finance aspect. Amid challenges and shifts in the external environment, KGI Securities remains focused on managing its core businesses while adhering to its"customer-oriented" values. The firm is committed to advancing sustainable finance transformation, diversifying securities operations, and implementing robust risk control systems. By integrating ESG principles and sustainable finance into its investment activities and operations, KGI Securities aims to drive the industry's net-zero transformation.

As part of this effort, the Company established the"ESG Committee" at the level of the Board; the Chairman serves as the chairperson, and Directors and Independent Directors serve as members to lead the development of sustainable development strategies and regularly track and examine the implementation effects; the President serves as the responsible person in guiding the six functional workforces in implementing various policies and substantial promotion plans. The Board plays the role of a supervisor and is responsible for supervision and governance, providing guidance and support, and comprehensively promoting sustainable policies from above down.

This year, in compliance with the"Climate Change Information Disclosure Guidelines for Securities Dealers of Taiwan," the"Sustainable Development Transformation Implementation Strategy for Securities and Futures Companies," and the four major aspects of TCFD, KGI Securities deepened its measures related to sustainable development by implementing climate-related education and training and a climate-linked performance measurement system. We adopted the guidelines of the competent authority to implement the equity and corporate bond investment industry transformation risk scenario analysis, adopted charts/information from the Joint Credit Information Center for the first time to carry out physical risk scenario analysis and implement finance quantification, and recorded significant growth in terms of the overall climate change actions, targets, and progress. In terms of responsible finance, the investment ratio in the high carbon emission industry in the"non-short-term trading" positions of the entire Company in 2023 was 20.3%, and the carbon emissions of the Company's investment portfolio reduced by 22% as compared to the preceding year. The total underwriting amount of sustainable bonds was NT\$21.1 billion, representing a growth of 155% as compared to NT\$8.28 billion in 2022. The mid-to-long-term green bond positions also achieved the target of an annual growth rate of 5%. In 2023, the participation ratio in shareholders' meetings of investees reached 100%, strengthening the internal and external communication of climate issues. Regarding the low-carbon transformation of our operation, the Scope 1 and Scope 2 GHG emissions in 2023 reduced by 23% as compared to 2022; the cumulative power consumption throughout the year reduced by 7.28% as compared to the preceding year; the ratio of renewable energy consumption increased to 16.73%.

Meanwhile, we formally executed and joined the Partnership for Carbon Accounting Financials (PCAF) in cooperation with China Development Financial Holding Corporation (the"parent company" or"CDFH") to introduce international investment and financing carbon emissions management standards and build the climate change risk management system. In compliance with the framework and scope of SBTi, we duly evaluated the features of the securities industry, improved carbon reduction intensity through scientific methods, and completed the carbon inventory and carbon emissions calculation work for our investment positions and our operation by focusing on the Scope 1 and Scope 2 GHG emissions of Scope 3 investment positions and our operation. At present, we are planning for carbon reduction pathways in compliance with SBTi requirements and formulating the quantitative carbon reduction targets so as to reduce carbon emissions and realize the target of net zero carbon emissions of all assets.

Furthermore, the Company adhered to the service philosophy of"Equality and Empathy, Treat Customers Fairly," by taking the initiative to optimize the barrier-free user interface in the"Carried e Strategy" App and became the first securities dealer to receive the"App barrier-free certification" from the Taipei City Parent Association for Blind in Taiwan. For business venues of branches, the Company engaged Duofu Barrier-Free Life and Transportation Development Association to implement barrier-free environmental evaluation and consultation and also became the first securities dealer to obtain the"barrier-free environment certification" for business venues, setting a new milestone for treating customers fairly.

Such efforts not only earned the trust and support of more investors, but gained the recognition and acclaim of various external sectors. In 2023, we received 77 domestic and foreign awards, breaking the record set the previous year. The awards cover sustainable finance, ESG, customer services, wealth management, digital innovation, and research and analysis, demonstrating the broad achievements of the Company.

KGI Securities will continue to implement and optimize the five major ESG strategies while utilizing the resources of CDFH to exert the synergies of the Group, strengthen domestic and overseas business cooperation and strategies, and create a diverse and balanced profiting model. All this while, we spare no effort in creating a new leading business ground to bring abundant profits and feedback for shareholders and fulfill corporate social responsibility and sustainable development philosophy.



Chairman photo Signature

郭道義



Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

About KGI Securities

Basic Information of the Company

Company Name: KGI Securities Co., Ltd.  
Industry: The finance industry  
Stock Code: 6088  
Establishment Date: September 14, 1988  
Address of the Headquarters: 3F, No. 698 and 3F, No. 700, Mingshui Rd., Taipei City  
Number of Employees: 3,070 persons  
Capital: NT\$18,174,785 thousand  
Total assets: NT\$425,032,318 thousand

Introduction of the Main Business

KGI Securities occupies a leading position in the securities industry, and its rich and comprehensive services cover brokerage, dealing, underwriting, bonds, derivatives, wealth management, and asset management. Meanwhile, it provides comprehensive financial product investment and wealth management services and assists enterprises in fundraising in domestic and international capital markets together with its domestic investees – KGI Futures, KGI Investment Trust , KGI Investment Advisory, KGI Insurance Brokers, KGI Venture Capital, and other subsidiaries.

KGI Securities Business Group	
Subsidiary	Scope of Business
KGI Securities Investment Advisory Co. Ltd. (KGI Investment Advisory)	Securities investment consultancy business
KGI Insurance Brokers Co., Ltd. (KGI Insurance Brokers)	Personal/property insurance broker business
KGI Venture Capital Co. Ltd. (KGI Venture Capital)	Venture capital business
KGI Securities Investment Trust Co., Ltd. (KGI Investment Trust) <sup>1</sup>	Securities investment trust business and discretionary investment business
KGI Futures Co., Ltd. (KGI Futures)	Futures dealer
KGI Information Technology Co., Ltd. (KGI Information)	Management consultation, information software services, information processing, and electronic information supply services

Note: 1.KGI Securities Investment Trust Co., Ltd. (KGI Investment Trust) became a subsidiary of CDFH on July 1, 2023, not a subsidiary of KGI Securities.

Scope of business of KGI Securities

Business	Service Item	Business	Service Item
Brokerage business	<ul style="list-style-type: none"><li>◆ Acting as an intermediary in trading domestic securities</li><li>◆ Brokerage for trading securities in TWSE, TPEX, and Emerging Stock Market.</li><li>◆ Trading, margin trading and short selling of securities</li><li>◆ Loans</li><li>◆ Securities lending</li><li>◆ Introducing broker</li><li>◆ Brokerage for trading foreign securities (sub-brokerage)</li></ul>	International securities business	<ul style="list-style-type: none"><li>◆ Selling corporate bonds in foreign currencies and other debt instruments</li><li>◆ Brokerage, wealth management, underwriting, and dealing of securities in foreign currencies or financial products in foreign currencies</li><li>◆ Other foreign exchange businesses related to securities approved by the competent authority</li></ul>
Wealth management business	<ul style="list-style-type: none"><li>◆ Provide asset allocation and product investment portfolio recommendations to customers</li><li>◆ Implement asset allocation for customers</li><li>◆ Securities investment consultation</li><li>◆ Specific separate management and use of money trust</li><li>◆ Separate management and use of securities trust with designated business scope or methods (securities lending)</li></ul>	Bond business	<ul style="list-style-type: none"><li>◆ Outright purchase/sales of bonds and repo trade</li><li>◆ Underwriting/guided sales of corporate bonds and financial bonds</li><li>◆ Public bond bidding, entrusted bidding, and trading</li><li>◆ Design, issuance, and sales of derivatives with fixed income</li><li>◆ Spot foreign exchange and exchange rate derivative trading</li></ul>
Dealing business	<ul style="list-style-type: none"><li>◆ Dealing securities in TWSE and TPEX</li><li>◆ Engaging in futures transactions in the capacity of an introducing broker</li><li>◆ Self-trading of foreign securities and derivatives</li><li>◆ Concurrently engage in futures dealing</li></ul>	Stock affairs agency	<ul style="list-style-type: none"><li>◆ Assist enterprises in convening shareholders' meetings</li><li>◆ Provide consultation services for laws and regulations related to stock affairs</li><li>◆ Assist public companies in organizing matters related to stock affairs</li></ul>
Capital market business	<ul style="list-style-type: none"><li>◆ Provide guidance to public companies for the application of the listing of securities on TWSE or TPEX</li><li>◆ Provide guidance to foreign enterprises for the application of the primary listing of securities on TWSE or TPEX</li><li>◆ Issuance of securities of public companies for fundraising</li><li>◆ Financial strategy planning and consultation services for enterprises</li></ul>	Derivatives	<ul style="list-style-type: none"><li>◆ Issue domestic call (put) warrants on TWSE (TPEX)</li><li>◆ Negotiation call (put) warrants</li><li>◆ Interest rate swap transactions</li><li>◆ Design and issuance planning of new financial products</li><li>◆ Bond options in NTD/foreign currencies</li><li>◆ Forward rate agreement</li><li>◆ Single and combined interest rate option products</li><li>◆ Structured products</li><li>◆ Asset swap</li><li>◆ Equity derivatives</li><li>◆ Credit default swap</li></ul>



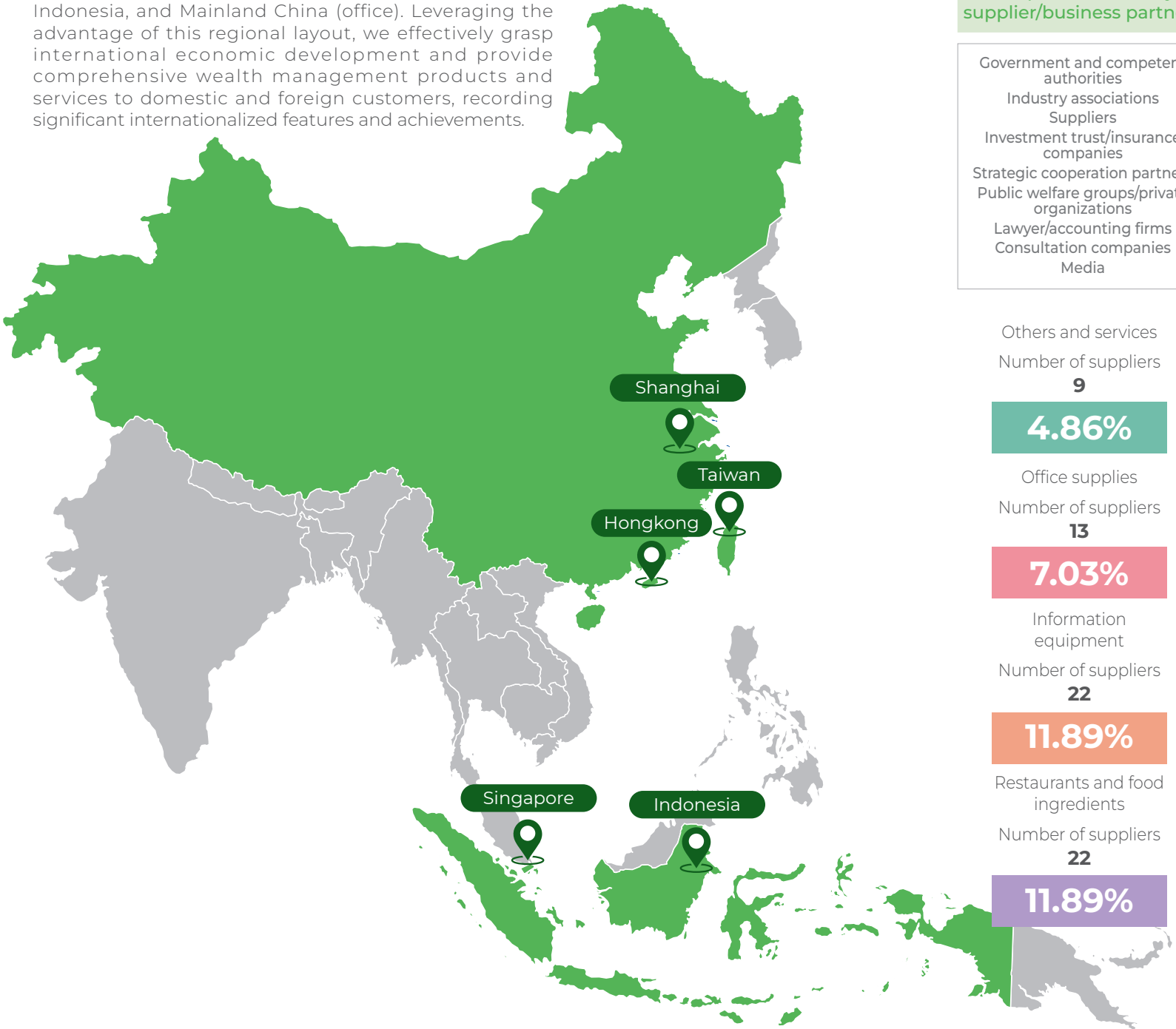
Content

About the Report  
Chairman's Statement  
About KGI Securities

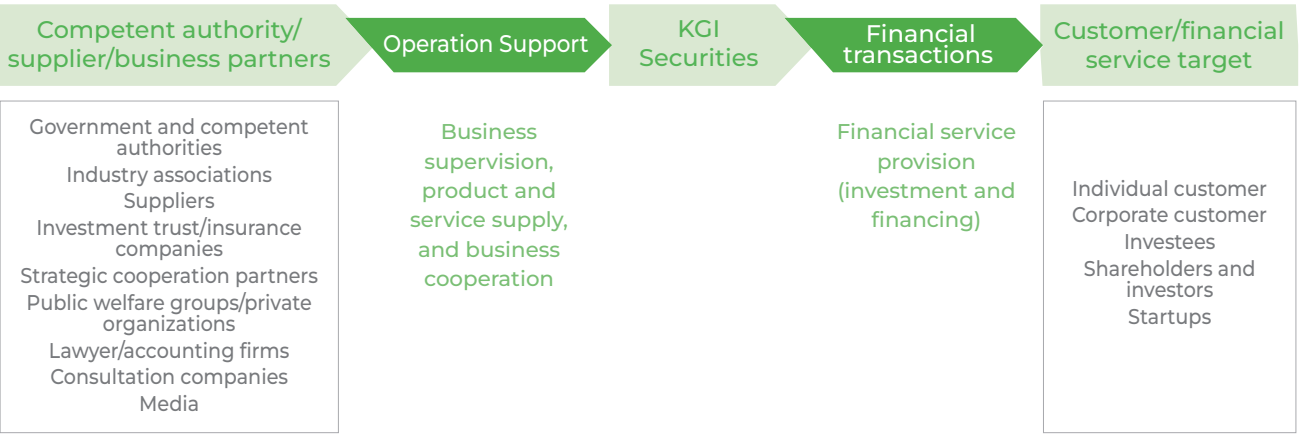
- 01 Sustainable Operation Strategy
- 02 Corporate Governance
- 03 Responsible Finance
- 04 Employee Care and Outstanding Workplace
- 05 Green Operation and Social Co-prosperity
- 06 Appendix

Distribution of Business Locations

KGI Securities' overseas business layout is comprehensive. At present, it has locations in Hong Kong, Singapore, Indonesia, and Mainland China (office). Leveraging the advantage of this regional layout, we effectively grasp international economic development and provide comprehensive wealth management products and services to domestic and foreign customers, recording significant internationalized features and achievements.



Operating Supply Chain



Others and services  
Number of suppliers  
9

4.86%

Office supplies  
Number of suppliers  
13

7.03%

Information equipment  
Number of suppliers  
22

11.89%

Restaurants and food ingredients  
Number of suppliers  
22

11.89%

Paper and printed materials  
Number of suppliers  
5

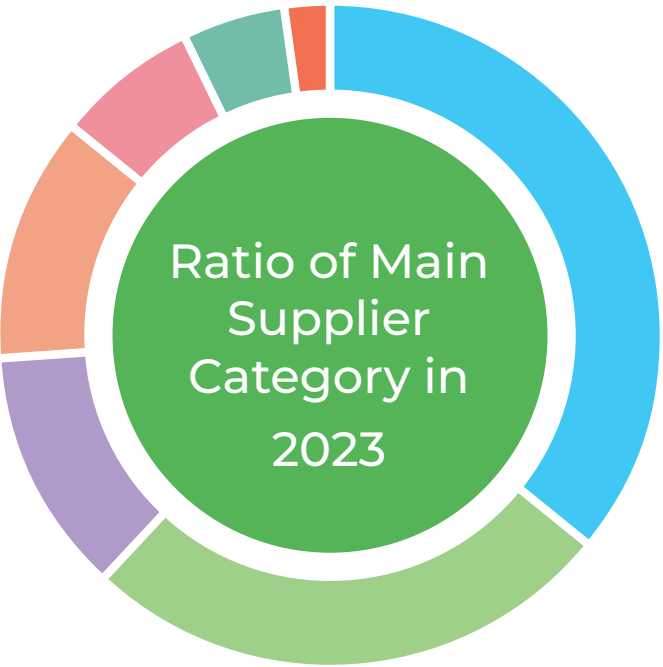
2.70%

Engineering  
Number of suppliers  
66

35.68%

Information service  
Number of suppliers  
48

25.95%



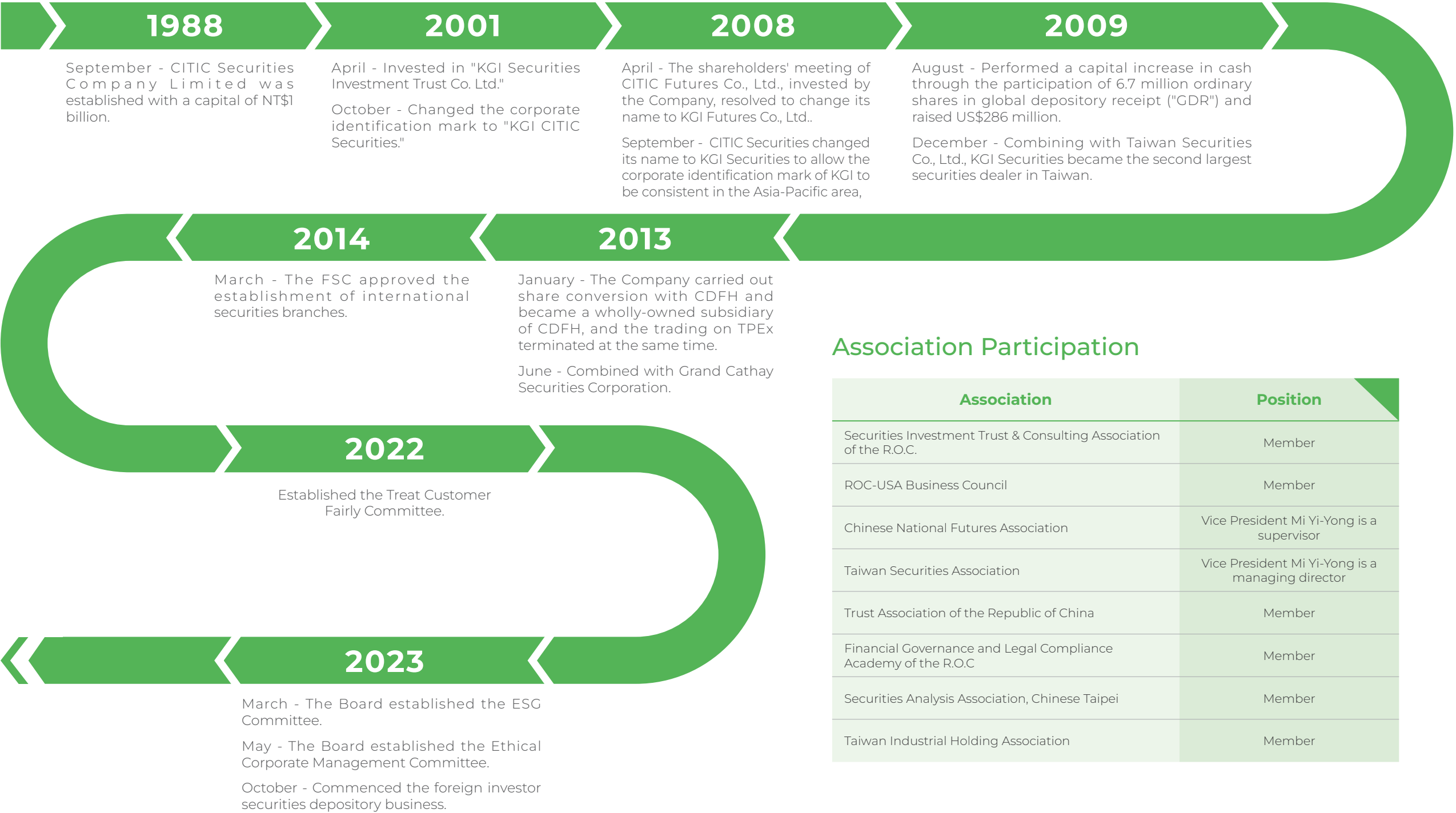


Content

About the Report  
Chairman's Statement  
About KGI Securities

- 01 Sustainable Operation Strategy
- 02 Corporate Governance
- 03 Responsible Finance
- 04 Employee Care and Outstanding Workplace
- 05 Green Operation and Social Co-prosperity
- 06 Appendix

Milestones of KGI Securities (establishment date and history)



Association Participation

Association	Position
Securities Investment Trust & Consulting Association of the R.O.C.	Member
ROC-USA Business Council	Member
Chinese National Futures Association	Vice President Mi Yi-Yong is a supervisor
Taiwan Securities Association	Vice President Mi Yi-Yong is a managing director
Trust Association of the Republic of China	Member
Financial Governance and Legal Compliance Academy of the R.O.C	Member
Securities Analysis Association, Chinese Taipei	Member
Taiwan Industrial Holding Association	Member



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

Business achievements :

The net profits after tax throughout the year in 2023 were NT\$7.344 billion, representing a growth of 102% as compared to the preceding year. The business achievements of our businesses are described as follows:

- ◆ Brokerage and wealth management business: The market share of domestic brokerage business was 11.10%, stably occupying the second place among peers. The asset management scale of the wealth management business reached a new high, and we obtained multiple major awards in this area.
- ◆ Foreign corporate investor business: The market share of the foreign corporate investor brokerage business was 18.2% and continued to rank first among domestic peers. The market share of the securities lending business was 19.4%, ranking second among peers, showing that the professional research and services provided by the Company are recognized by foreign corporate investors. In addition, we commenced our foreign investor securities depository business and actively expanded the securities pool to satisfy different requirements of customers.
- ◆ Capital market business: Organized the underwriting of a total of 33 initial listings on TWSE/TPEX and secondary market for fundraising; the market share reached 14%, ranking the first for 11 consecutive years. The total underwriting amount was NT\$37 billion; the market share was 25%, ranking the first within the industry.
- ◆ Bond business: The total amount for the primary underwriting of corporate bonds and Eurobonds reached NT\$117.2 billion; the market share was 12.2%, ranking first among peers. Apart from underwriting, the notional principal amount of the structured product issuance business for leveraged feeder funds or bonds ranked first among domestic securities dealers.
- ◆ Derivative business: Issued 12,356 batches of call (put) warrants in the amount of NT\$93.6 billion, with the respective market share reaching 19%. The market share of the warrant transaction volume throughout the year was 15%, ranking second in the market.
- ◆ Stock dealing business: The increase in TAIEX throughout the year was 26.83%, and the increase in technology stocks related to the global AI wave was significant. Our dealing business grasped the direction of the market and made the favorable selection of stocks and the profits increased significantly as compared to the preceding year, and the return on investment was far more favorable than the market.

Apart from the significant growth in profits, the Company recorded brilliant achievements in 2023. We received 77 domestic and foreign awards, a record high for the second year in a row. The awards cover wealth management, customer services, digital innovation, research and analysis, ESG, and sustainable finance. With outstanding financial professionals, services, and a comprehensive layout in the Asia-Pacific area, KGI Securities received the recognition of domestic and foreign financial and economic media, competent authorities, foreign corporate investors, and professional institutions time after time, stably occupying the position of a leading brand within the industry. Material domestic and overseas awards are summarized as follows:

Financial performance				Unit: NT\$ thousand unless otherwise stated
	Item	2022	2023	
Operating capacity	Net revenue	20,702,198	28,451,953	Source: The 2023 consolidated financial statements of KGI Securities audited and certified by CPAs Note 1: The number of employees is calculated based on the number of formal employees calculated during the year: 3,077 persons for 2022 and 3,070 persons for 2023. Note 2: Taxes paid to the government include income tax, business tax, securities transaction tax, and other taxes. Note 3: The amount paid to capital contributors is interest expenses and dividend expenditures. Note 4: Community investment refers to the donation amount of the year. Note 5: Government subsidies refer to the shareholder investment deduction amount obtained for investing in a biotech new drug company. Note 6: Economic value preserved = "direct economic value generated" – "economic value distributed." The direct economic value generated is the new revenue in the table; the economic value distributed includes operating costs, employee salary and welfare expenses, amount paid to capital contributors, amount paid to the government, and community investment.
	Operating costs	5,849,758	10,615,920	
	Net profit of the period	3,630,204	7,346,418	
Profitability	Return on assets (%)	0.93%	1.82%	
	Return on equity (%)	5.83%	13.03%	
	Earnings per share (NT\$)	1.61	3.97	
Dividends distributed	Cash dividends per share (NT\$)	0.888	3.476	
		0	0	
Economic value distributed	Employee salary and welfare expenses	6,767,939	8,575,178	
	Taxes paid to the government (Note 2)	1,819,980	1,758,790	
	Amount paid to capital contributors (Note 3)	3,871,571	13,225,658	
	Amount paid to capital contributors - shareholders	1,668,432	6,318,464	
	Amount paid to capital contributors - non-shareholders	2,203,139	6,907,194	
	Community investment (Note 4)	25,650	25,445	
Government subsidies (Note 5)		311	0	
Economic value preserved (Note 6)		2,367,300	-5,749,038	



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

Diverse Products

Awarding unit	Award
The Asset (financial information magazine)	The second place of the Taiwan Best Corporate Bond Issuance Organizer and Best NTD Bond Sales Personnel
TWSE	A total of three awards for intermediaries and a total of two awards for ETF competitions
TPEX	A total of six awards for market maker competition, ETF, and warrant competition
Taiwan Futures Exchange (TAIFEX)	[Futures Diamond Award] Futures Brokerage Trading Volume Diamond Award and Introducing Broker Trading Volume Diamond

Research and Analysis

Awarding unit	Award
Asiamoney	Four awards, including the Best Local Securities Dealer and the Best Research Securities Dealer
Institutional Investor	Five awards, including the Best Local Securities Dealer in Taiwan and Best Analyst in Taiwan

ESG and Sustainable Finance

Awarding unit	Award
Securities and Futures Institute	[SFI Golden Yi Award] Outstanding Green Finance Award, Outstanding Risk Management Award, Outstanding Financial Award, and Outstanding Securities Talent Award
BSI	[BSI Information Resilience Award] Information Resilience Response Capacity Award
Taipei Cultural Exploration Association	[Green Dining Guidelines] Green Dining Pioneer Award

Wealth Management

Awarding unit	Award
Business Today	[Wealth Management Bank and Securities Evaluation] Ten awards, including the High Distinction Award of the Best Wealth Management Securities Dealer Award, Best Products, and Smart Wealth Management
Wealth Magazine	[Wealth Management Award] Six awards, including the Best Wealth Management Award

Customer Services

Awarding unit	Award
TCCDA	[Outstanding Customer Service Award] Best Customer Service Corporate Award
China Times	[Want Want China Times Financial Service Evaluation Award] Service Quality Award
Wealth Magazine	[Finance Information Award] Excellence Award of Securities Dealer Customer Recommendation

Digital & Service Innovation

Awarding unit	Award
Commercial Times	[Fintech Award] Digital Inclusiveness Award – Gold Award and Digital Information Security Award – Excellence Award
Outstanding Enterprise Manager Association	[Golden Peak Award] Top Ten Outstanding Innovative R&D Award: Video and Electronic Signature Integration Solution
Information Service Industry Association of R.O.C.	[Golden Young Award] The Honorable Mention Award of the Innovative Business Model Team: Digital Branches and Brand-new Digital Customer Journey
DIGITIMES	[Future Commerce Awards (FCA)] Best Management Innovation Gold Award and Best Business Model Innovation Bronze Award
Red Hat	[Red Hat Asia-Pacific Innovation Award] Asia-Pacific Area Innovation Award
IDC	[IDC Asia-Pacific Future Enterprise Award] Future Work Innovation Award (Taiwan)
Commercial Times	[Diverse Trust Innovation Award] Two awards, including the Securities Trust Innovation Award



Content

About the Report

Chairman's Statement

About KGI Securities

- 01 Sustainable Operation Strategy
- 02 Corporate Governance
- 03 Responsible Finance
- 04 Employee Care and Outstanding Workplace
- 05 Green Operation and Social Co-prosperity
- 06 Appendix

### Outstanding Records of KGI Securities and KGI Futures in Securing Five Awards in Golden Yi Award

The results of the 17th Golden Yi Awards demonstrated KGI Securities and KGI Futures success in the domestic securities and futures sector. KGI Securities received the "Outstanding Financial Innovation Award," "Outstanding Risk Management Award," and the special "Outstanding Green Finance Award." In addition, KGI Securities and KGI Futures staff also won two individual awards: the "Outstanding Securities Talent Award" won by Sun Cheng-Bao, supervisor of the Brokerage and Wealth Management Channel Section of KGI Securities, and the "Outstanding Corporate Leading Talent Award" won by Chen Rui-Yu, President of KGI Futures. The excellent records proved again the comprehensive and professional capabilities of KGI Securities that lead the industry sector.



#### Outstanding Green Finance Award

KGI Securities won the award for two consecutive years. According to Yang Zhong-Wei, supervisor of the Bond Department, the Company actively promotes sustainable finance policies and assists multiple enterprises and financial institutions in assessing and successfully pricing sustainable bonds. The Company will continue to utilize its influence in the capital market, join hands with issuers and investors, and make greater contributions to sustainable development.



#### Outstanding Risk Management Award

KGI Securities won the award for two consecutive years. According to Wang Zhao-Lin, the supervisor of the Risk Management Department in the Asia Pacific area, we value the maintenance of stability of customers and businesses in the market. Therefore, we are constantly committed to the reinforcement of the risk management system of businesses and developing the installing a highly automated and integrated risk management information system that leads the industry to effectively and comprehensively track the exposure in a timely manner.



#### Outstanding Securities Talent Award

Sun Cheng-Bao, supervisor of the Brokerage and Wealth Management Channel Section of KGI Securities, won the "Outstanding Securities Talent Award" that commends professional models in the market. Sun Cheng-Bao said, the award also represents the high rating for the team. We start from customers' requirements to satisfy different wealth management requirements, implement care for senior and disadvantaged customers, and adhere to the inheritance of talent sustainability to provide financial services exceeding expectations, becoming the best investment partner for customers.



#### Outstanding Corporate Leading Talent Award - Chen Rui-Yu

Chen Rui-Yu, President of KGI Futures, won the "Outstanding Corporate Leading Talent Award," winning the second award after receiving the "Futures Outstanding Talent Award" in the 7th Golden Yi Award, setting a rare record of winning awards twice.



#### Outstanding Green Finance Award

KGI Securities won the award for two consecutive years. According to Yang Zhong-Wei, supervisor of the Bond Department, the Company actively promotes sustainable finance policies and assists multiple enterprises and financial institutions in assessing and successfully pricing sustainable bonds. The Company will continue to utilize its influence in the capital market, join hands with issuers and investors, and make greater contributions to sustainable development.





Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

# 01 Sustainable Operation Strategy

1.1 Sustainable Prospect and Sustainable Development Performance	12
1.2 Sustainable Governance Structure	15
1.3 Stakeholder Engagement and Communication	16
1.4 Material Topic Analysis and Management Policy	18



Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy

02 Corporate Governance

03 Responsible Finance





04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

1.1 Sustainable Prospect and Sustainable Development Performance

The Company actively implements "Green Finance," "Sustainable Development Transformation Implementation Strategy for Securities and Futures Companies," and other sustainable finance-related policies. The Company also complies with the five major ESG core strategies of the CDFH Group, and they are "creating sustainable governance," "smart and sustainable finance," "elite and sustainable talents," "low-carbon sustainable environment," and "joint creation of sustainable value." We have established the "Sustainable Development Best Practice Principles" and are committed to actively implementing sustainable development in our corporate management. Our efforts align with international development trends, enhance our economic contributions to the nation, and fulfill our responsibilities as a corporate citizen. We are dedicated to improving the quality of life for our employees, communities, and society, thereby strengthening our competitive advantage through sustainable development.

Five major core strategies and targets	Action plans and performance to date	Achievement
<div></div> <div><b>Creating sustainable governance</b></div> <div>The Company shall exert the obligation of care of a good administrator, implement sustainable development, examine the implementation effects, and continue to improve to ensure the implementation of sustainable development policies.</div>	<ul style="list-style-type: none"><li>◆ Initiatives of international sustainable development topics that we participated in, executed, or complied with include SDGs, SBTi, TCFD, GRI, SASB, PRI, and PCAF.</li><li>◆ We established the TCFD Project Workforce and ESG Report Preparation Project Workforce of mission nature in 2022 Q4 to carry out cross-department integration, introduce four major aspects of TCFD, and promote sustainable development issues.</li><li>◆ In January 2023, the Board approved the "Sustainable Development Best Practice Principles," which stipulate sustainable development directions and strategies of the Company. The following regulations were also approved to realize sustainable development, climate change governance, and responsible finance:<ul style="list-style-type: none"><li>▶ Newly established the "ESG Committee Charter"</li><li>▶ Newly established "Climate Change Management Standards"</li><li>▶ Amended the "responsible investment policy"</li><li>▶ Amended the "Non-trading Position Management Standards"</li><li>▶ Amended the "Procedures for Dealing and Trading Securities and Derivatives"</li><li>▶ Newly established the "human rights policy"</li><li>▶ Amended the "Corporate Governance Best Practice Principles"</li><li>▶ Newly established the "ESG Report Preparation and Reporting Guidelines"</li></ul></li><li>◆ In March 2023, the Board approved the establishment of the ESG Committee at the Board level. The Board is the chairperson, and two Directors and two Independent Directors are members. Six major functional workforces are established, including Corporate Governance, Social Welfare, Environmental Sustainability, Responsible Finance, Customer Rights Interests, and Employee Care; the workforces promote sustainable development policies based on their business powers and responsibilities, respectively. We started to regularly convene ESG Committee meetings each quarter in June 2023; four meetings have been convened as scheduled to date, and we regularly report to the Board to evaluate the implementation effects. The matters discussed include:<ul style="list-style-type: none"><li>▶ Annual sustainable development plan</li><li>▶ Implementation status of the sustainable development plan</li><li>▶ Implementation status of investments in ESG</li><li>▶ Formulation and amendment to significant sustainability-related regulations</li><li>▶ Material sustainability-related project report</li><li>▶ Climate risk and opportunity-related report</li></ul></li><li>◆ We published the "2022 ESG Report" independently in 2023; the Report complied with the "Regulations for the Preparation and Reporting of ESG Reports for Securities Dealers" and relevant international ESG Report standards (GRI, SASB, and TCFD" and the third-party assurance is completed. We will regularly publish the Report each year.</li><li>◆ In 2023, our efforts were recognized by receiving the "Outstanding Risk Management Award" at the Golden Yi Awards. We are constantly committed to the reinforcement of the risk management system of businesses and developing the installing highly automated and integrated risk management information systems that lead the industry. In 2023, we independently published the "2022 KGI Securities TCFD Report"; the Report complied with the "TCFD" framework and guidelines. We will regularly publish the Report each year.</li></ul>	<div></div>
<div></div> <div><b>Elite and sustainable talents</b></div> <div>The Company shall comply with relevant regulations, protect employees' legal rights and interests, and comply with labor human rights of employees recognized internationally. Meanwhile, it shall guarantee that the human resource utilization policy does not include any form of discrimination and differentiated treatment and that it shall provide an effective and appropriate complaint system if any harm to labor rights and interests occurs to ensure equality and transparent during the course of complaints.</div>	<ul style="list-style-type: none"><li>◆ The Company obtained the "ISO45001 Occupational Safety and Health Management System" verification issued by BSI, and the certification remains valid. In 2023, we established the Occupational Safety and Health Committee to coordinate the implementation of various occupational safety and health policies.</li><li>◆ In 2023, the Department of Health, Taipei City Government certified our excellent nursery room and granted it the "High Distinction Award." The Company also received AEDD worry-free venue certification.</li><li>◆ Apart from arranging management and professional functions required for different personnel according to the requirements, KGI Securities provides diverse education and training content to improve the key competitive strength of employees' growth and extends the topics to ESG participation and the cultivation of sustainable finance talents. In addition, the Company introduced a digital platform and App system for employees' education and training system to allow employees to rapidly and conveniently grasp their learning plans and improve and reinforce the professional functions of employees. In 2023, the training hours reached 118,336 hours.</li><li>◆ KGI Securities regularly carries out performance evaluation procedures for all employees each year and organizes career week for employees to formulate their career targets and action plans after having a further understanding of their career development through one-on-one interviews.</li></ul>	<div></div>

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy







02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

Five major core strategies and targets	Action plans and performance to date	Achievement												
<div></div> <div>Smart and sustainable finance</div> <div>The Company shall actively promote sustainable finance, responsible investment principles, and the Stewardship Principles for Institutional Investors to drive the net zero transformation of the industry.</div> <div><ul style="list-style-type: none"><li>◆ The investment ratio in the high carbon emissions industry is lower than 26%</li><li>◆ Carbon emissions of the investment and financing portfolio reduce by 4.3% each year</li><li>◆ Green investment and financing positions increase by 5% each year</li></ul></div>	<div><ul style="list-style-type: none"><li>◆ To support green finance, the investment ratio in the high carbon emission industry in the "non-short-term trading" positions of the entire Company in 2023 was 20.3%, and the carbon emissions of the Company's investment portfolio reduced by 22% as compared to the preceding year. The ratio of mid-to-long-term green bond positions was 5.06% at the end of 2023. The ratio was 4% at the end of 2022, achieving the target of an annual growth rate of 5%.</li><li>◆ The Company actively responds to green finance policies and organizes sustainable bonds according to the "Directions for Sustainable Bonds" of the Taipei Exchange Operation. The achievements in recent years are as follows:</li></ul></div> <table><tr><th></th><th>Number of sustainable bond underwriting projects</th><th>Underwriting amount (NT\$ thousand)</th><th>Service charge income (NT\$ thousand)</th></tr><tr><td>2022</td><td>12</td><td>8,280,000</td><td>7,430</td></tr><tr><td>2023</td><td>21</td><td>21,108,800</td><td>18,977</td></tr></table> <div><ul style="list-style-type: none"><li>◆ In 2023, we issued 1,062 batches of call (put) warrants linked to green energy-related targets. In addition, there were a total of 11 batches in which KGI Securities holds the position of the ESG or green energy-related ETF flow provider, a total of 12 batches in which it is a participating securities dealer and a total of 62 batches of premium ESG stock market-making. The total traded amount reached NT\$ 16.2 billion, representing a growth of 17.8% as compared to 2022.</li><li>◆ The Company is the first securities dealer to be commissioned to invest in green structured bonds in Taiwan and, in turn, integrate investment behaviors with environmental protection and sustainable investment, greening asset positions.</li><li>◆ Continue to implement the treat customer fairly principle and various action measures to optimize the Board participation system, shape the corporate culture of treating customers fairly, and implement sales customer-oriented sales consultation. Strengthen customer services: We value financial investment risks and anti-fraud awareness, care for senior/physically impaired/young and other disadvantaged groups and focus on service quality and customer satisfaction.</li><li>◆ KGI Securities won the 1st of the "Recommended Consultation Listed Performance Award" and the "Best Partner Award for Promoting the Pioneer Stock Board of the TPEx, "Circulating Securities Award – Securities Dealer" and "Economy Activation Award – IPO fundraising amount of the TWSE, and the "Outstanding Green Finance Award" of the Golden Yi Award.</li></ul></div>		Number of sustainable bond underwriting projects	Underwriting amount (NT\$ thousand)	Service charge income (NT\$ thousand)	2022	12	8,280,000	7,430	2023	21	21,108,800	18,977	<div></div>
	Number of sustainable bond underwriting projects	Underwriting amount (NT\$ thousand)	Service charge income (NT\$ thousand)											
2022	12	8,280,000	7,430											
2023	21	21,108,800	18,977											
<div></div> <div>Low-carbon sustainable environment</div> <div>The Company shall comply with environment-related regulations and relevant international standards, adequately protect natural environments, and strive to achieve the target of environmental sustainability when implementing business activities and internal management.</div> <div><ul style="list-style-type: none"><li>◆ Scope 1 and Scope 2 emissions reduce by 7% as compared to 2022</li><li>◆ The ratio of renewable energy consumption increases as compared to 2022</li><li>◆ Annual power conservation rate of 2%</li><li>◆ Green procurement amount grows as compared to 2022</li></ul></div>	<div><ul style="list-style-type: none"><li>◆ We actively implement carbon management measures. The GHG emissions of our operation in 2023 reduced by approximately 23% as compared to 2022.</li><li>◆ We cooperated with renewable energy companies and entered into a renewable green energy and certificate purchase and sales contract in 2022 to procure 3 million kWh of renewable energy each year for a period of five years. We formally introduced green power in the Dazhi Building of the headquarters in December 2022, and the cumulative supply volume as of the end of December 2023 reached 2.9 million kWh, equivalent to a reduction of 1,400 tons of carbon emissions, contributing to carbon neutrality. The ratio of renewable energy consumption reached 16.73%, representing an increase as compared to 2022.</li><li>◆ We continued to implement diverse energy-saving and carbon reduction measures and educational promotions and replaced lighting, water chiller units, and other equipment to improve equipment efficacy; the power conservation rate in 2023 reached 7%.</li><li>◆ The Company cooperated with the implementation of low-carbon sustainable development and continued to procure environmental products. In 2022, the green procurement amount was approximately NT\$27 million, and the green procurement amount grew to NT\$71.5 million in 2023; the green procurement growth rate reached 165%.</li><li>◆ Our staff canteen passed the green restaurant certification of the Environmental Protection Department in November 2022 and was awarded the "Green Food Pioneer Award."</li><li>◆ The Company continued to obtain the external verification of ISO 50001 and ISO 14064-1 and expanded the scope of organizational GHG inventory to overseas locations in 2023. It is expected to be consistent with the scope of the consolidated financial statements by 2027.</li></ul></div>	<div></div>												
<div></div> <div>Joint creation of sustainable value</div> <div>The Company shall strive to create the maximum shared value for social welfare and stakeholders. Apart from implementing sustainable policies on the organization level, it makes downward promotion and calls upon internal employees to jointly participate in sustainable actions to achieve the target of a sustainable society.</div>	<div><ul style="list-style-type: none"><li>◆ We actively promote social welfare and deem ourselves a corporate citizen. We encourage employees to make contributions to sustainable development. In 2023, the total number of service volunteer hours throughout the year reached 28,528 hours, representing a growth of 72% from the total number of service volunteer hours in 2022 of 16,544 hours.</li><li>◆ The "Beach Cleaning Team" activity encourages employees to actively form teams to clean beaches to protect the coastal line and the marine ecology in Taiwan. In 2023, the sessions of beach cleaning grew as compared to 2022, and a total of 44 beach cleaning activities were completed, with 902 participants. The number of beach cleaning sessions and the number of persons both ranked first in the financial industry. In addition, we responded to the "Beach Cleaning Corporate Club" activity of the New Taipei City Government and subscribed to the coast in New Taipei City.</li><li>◆ We won the "Best Public Welfare Promotion Award" of the 2023 Wealth Management Survey from Wealth Magazine as we adopted actions to care for the disadvantage. For instance, we joined hands with the Children's Hearing Foundation to launch LINE public welfare stickers in 2023, combined investment activities with public welfare, and donated over NT\$1 million during the project period; we established the KGI Charity Foundation to care for disadvantaged students in the long run and provide scholarships and grants to assist the Study at Ease Project and immediate emergency relief for student families or individuals for incidents that occurred; we also have cooperation with Children Are Us Foundation, New Taipei City Toy Bank, Taiwan Foundation for the Blind, Taiwan Digital Talking Books Association, and other public welfare groups to promote volunteer activities.</li></ul></div>	<div></div>												

Note: The total emissions of the investment positions applicable in the item calculated by using the industry coefficient approach were 189,278 (an annual decrease of 22%). The verified emissions of partial investment targets were published starting from 2023; therefore, the total carbon emissions increased to 273,888 tons. The Company will continue to improve data quality for the benefit of management and monitoring of carbon emissions of investment positions.



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

Facing the trend of sustainable development, the Directors of the Company participated in external sustainability-related seminars and courses to continue improving sustainable development-related knowledge. The Company also organized sustainable development-related courses to enhance employees' understanding and improve our sustainable operation awareness.

Directors' Participation in Sustainability-related Meetings or Courses			
Participation form	Activity	Number of participants	Number of participation hours
Forum	2023 Taishin Net Zero Electricity Summit	Two Directors	3 hours/person
External course	Latest ESG Trend: Sustainable Operation Strategies of the Securities (Finance) Industry	Three Directors	3 hours/person
External course	Corporate Risk Response and the Positioning of the Finance Industry under Net Zero Development	Three Directors	2 hours/person
External course	How Shall the Board Establish ESG and Sustainable Governance Strategies in 2023	One Director	3
External course	Different Low-carbon Transformation – ESG Management Practices for Sustainable/Climate Finance	One Director	3
External course	Regulatory and Policy Development of Sustainable Development in the Finance Industry	One Director	3
External course	Corporate Governance 3.0 "ESG Report" Practice Analysis	One Director	3
External course	Sustainable Finance and ESG Investment Trend	One Director	3
External course	Internal Corporate Investigation – Prior Deployment to Prevent New Risks Brought by the ESG Wave	One Director	3
External course	Sustainable Governance Organization and Framework – GRI & SASB	One Director	2
External course	Nature-related Financial Disclosures - TNFD	One Director	2
Total			43

Employees' Participation in Sustainability Meetings and Courses

Participation form	Activity	Number of participants	Number of participation hours
Internal education and training	Climate-related Financial Disclosure -Workshop on the Four Major Aspects of TCFD	66	196
Internal education and training	ESG Report Preparation Workshop	55	132.5
Internal education and training	Introduction of Sustainability Disclosure Trend - IFRS S1 S2	52	52
Internal sustainable development lecture	Diversity of Butterflies in Taiwan and Habitat Conservation	625	625
Internal sustainable development lecture	Net Zero Transformation and Energy Conservation under Climate Change	221	221
Internal sustainable development lecture	Save Power Easily	81	81
Internal sustainable development lecture	Health, Lohas and Zero Waste	94	141
Internal sustainable development lecture	Sustainability Aspects of Biodiversity and Habitat - Plants	190	190
Internal sustainable development lecture	Importance of RE10x10 and the Promotion of Energy Transformation	62	62
Total		1,446	1,700.5

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

1.2 Sustainable Governance Structure

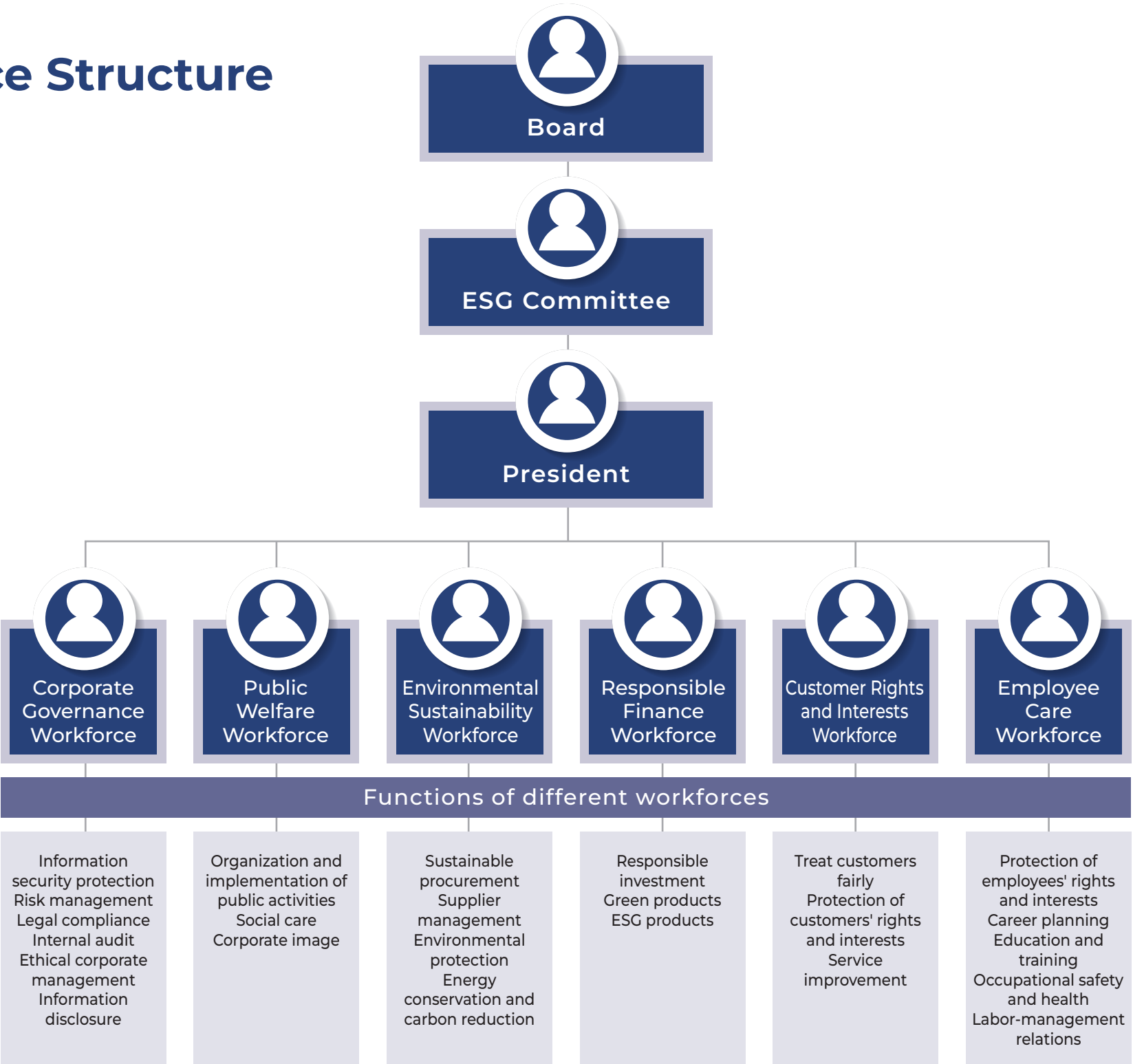
The Board of the Company passed the "KGI Securities Co., Ltd. Sustainable Development Best Practice Principles on January 12, 2023, and published them on January 17. According to the specifications in the "Corporate Governance Best Practice Principles for Securities Dealers," the Company established the ESG Committee based on the philosophy of sustainable operation, and the committee is responsible to the Board. On March 27, 2023, the Board passed the Company's "ESG Committee Charter" to specify the members, powers, rules of procedure, and resources to be provided by the Company when exercising the powers of the ESG Committee.

The Board resolved the appointment of the members of the ESG Committee; there are a total of five members, including three Directors and two Independent Directors. The Chairman of the Company is the absolute member and is the chairperson of the committee and the chairperson of meetings. The committee reports to the Board regarding the implementation achievements and future working plans at least once a quarter.

Organizational Structure of the ESG Committee

There are task-promoting teams set subordinated to the ESG Committee, and the President of the Company is the responsible person and is responsible for promoting sustainable development policies. Six functional workforces were established based on the nature of the mission, including Corporate Governance, Social Welfare, Environmental Sustainability, Responsible Finance, Customer Rights and Interests, and Employee Care. Supervisors are appointed as team heads of the workforce based on the business nature, power, and responsibility.

Workforces formulate the material topics, sustainability targets, and strategic directions based on functions, regularly report to the ESG Committee and then report to the Board after being resolved by the committee. Meanwhile, they are also responsible for collecting relevant information and assisting in preparing the ESG Report.





Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity





06 Appendix

# 1.3 Stakeholder Engagement and Communication

## Stakeholder Identification

In 2023, the Company referred to the spirit of AA1000 Stakeholder Engagement Standards ("AA1000SES") to identify major stakeholders of KGI Securities, including "shareholders and investors, employees, customers, communities, investees, suppliers, government and competent authorities, and media" after analyzing the operating status of KGI Securities with reference to the trend of domestic and foreign peers based on five major principles of "responsibility, influence, tension, diverse relationship, and reliance."

## Stakeholders' Communication Channels and Response Achievements

 Shareholders and investors	 Employees	 Government and competent authority	 Investees
The support of shareholders and investors will improve the Company's corporate value	Favorable employee relationships can reinforce the sustainable operation foundation of enterprises	The policies of the government and the competent authority directly affect the Company's operating policies	Investees' business performance directly affects the Company's profits
<p><b>Communication channel</b></p> <ul style="list-style-type: none"><li>◆ News release and material information: Media, MOPS, real-time disclosure, and announcement of material information</li><li>◆ Shareholders' meetings, domestic and foreign investor conferences, visits by analysts, phone meetings, and forum</li><li>◆ Stock affairs and investor relations contact</li></ul>	<p><b>Communication channel</b></p> <ul style="list-style-type: none"><li>◆ Intranet, e-mail announcements, and opinion mailbox</li><li>◆ Labor-management conferences and Occupational Safety and Health Committee meetings</li><li>◆ Annual organizational evaluation survey questionnaire</li></ul>	<p><b>Communication channel</b></p> <ul style="list-style-type: none"><li>◆ Participated in policy discussion sessions and seminars</li><li>◆ Visited competent authorities</li></ul>	<p><b>Communication channel</b></p> <ul style="list-style-type: none"><li>◆ Participated in the shareholders' meetings and board meetings of investees to exercise voting rights</li><li>◆ Visit investees</li></ul>
<p><b>Communication frequency and achievements</b></p> <ul style="list-style-type: none"><li>◆ A total of 65 material information and announcements</li><li>◆ Convened one annual shareholders' meeting and two extraordinary shareholders' meetings; published the annual report for the shareholders' meeting in Chinese and English and communicated with foreign investors</li><li>◆ Convened four domestic investor conferences and online investor conferences</li></ul>	<p><b>Communication frequency and achievements</b></p> <ul style="list-style-type: none"><li>◆ Announced over 89 pieces of information to be acknowledged by employees from time to time</li><li>◆ Regularly organized labor-management conferences and a total of four conferences were convened during the year.</li><li>◆ Regularly organized Occupational Safety and Health Committee meetings, and a total of four meetings were convened during the year.</li><li>◆ The feedback rate for the annual organizational evaluation survey questionnaire was 99%</li><li>◆ Regularly collect employees' opinion</li></ul>	<p><b>Communication frequency and achievements</b></p> <ul style="list-style-type: none"><li>◆ Participated in discussion sessions and seminars from time to time</li><li>◆ Responded to non-periodical audits and instantly provided information</li></ul>	<p><b>Communication frequency and achievements</b></p> <ul style="list-style-type: none"><li>◆ KGI Securities participated in investor conferences (559 companies) via phone meetings and physical meetings (5,338 times) or appointed personnel to participate in annual shareholders' meetings or extraordinary shareholders' meetings of significance (1,017 times) to communicate with the management of investees so as to further understand and communicate on the risks faced by the industry and the strategies of the management.</li><li>◆ In 2023, the participation rate for shareholders' meetings of investees reached 100%</li></ul>

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy


02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix



Customers

Customer support and trust are beneficial for the growth in the operating income of the Company

**Communication channel**

- ◆ Advertisements and social media
- ◆ Customer service mailbox, customer service hotline, smart AI customer service all year long, online customer services, 24-hour customer service hotline, customer complaint hotline, and visitor's message board on the website
- ◆ Established user-exclusive numbers and sent OTP SMS to protect customers from fraud
- ◆ Established a customer care system
- ◆ Customer satisfaction survey
- ◆ Organized wealth management lectures and wealth management illustration sessions

**Communication frequency and achievements**

- ◆ The number of friends on KGI's official LINE account exceeded a million and reached 1.95 million people, and the number of persons bound reached 57,441 persons.
- ◆ The FB official account had a total of 359 posts, and the cumulative number of fans reached 36,000 persons.
- ◆ Published a total of 17 financial and wealth management videos on YT, and the cumulative subscription increased by 62%.
- ◆ Organized 46 online financial lectures
- ◆ On October 25, 2023, launched the show "Financial News" on both platforms of podcast and YouTube. Ten episodes were broadcast in 2023 cumulative number of download times for the podcast was 24,434, and the cumulative number of views for YouTube was 142,934.
- ◆ Cared for senior customers and cared for over 4,534 persons on average each quarter; the achievement rate of the care list was 100%.
- ◆ For the anti-fraud message promotion, the cumulative number of persons reached as of 2023 was 1.66 million.



Suppliers

Suppliers providing safe and environmental products or services can help the enterprise's stable operation

**Communication channel**

- ◆ Executed the "Supplier Corporate Social Responsibility Commitment"
- ◆ Bid opening illustration meetings
- ◆ Suppliers' conferences
- ◆ Suppliers' audits, evaluations, self-evaluations, education and training, and commendation of excellent suppliers
- ◆ Participated in green procurement promotion activities

**Communication frequency and achievements**

- ◆ The ratio of main suppliers who executed the "Supplier Corporate Social Responsibility Commitment" reached 100%
- ◆ Held bid-opening conferences before the bid opening of construction or maintenance engineering, the Construction and Maintenance Section of the Administrative Management Department
- ◆ Regularly organized the annual suppliers' conference regularly together with CDFH Group
- ◆ Organized suppliers' audits, evaluations, and self-evaluations from time to time



Communities


Favorable community relationships are beneficial for improving brand image and brand favorability

**Communication channel**

- ◆ Carried out various community volunteer activities in cooperation with private groups and regional small farmers (i.e., Taiwan Foundation for the Blind, Children Are Us Foundation, food banks, and toy banks).
- ◆ Called upon employees to form teams to clean beaches of the coastal line in Taiwan to protect the coastal line and marine ecology in Taiwan.
- ◆ KGI Charity Foundation continued to invest in caring for regional disadvantaged and remote students and strived to eliminate the gap between educational disparity in urban and rural areas.

**Communication frequency and achievements**

- ◆ The total number of volunteers for the volunteer activities throughout the year reached 13,378 persons/time, and the total volunteer service hours reached 28,528 hours.
- ◆ Called upon a total of 902 volunteers to participate in 44 beach cleaning activities, and the cumulative marine waste exceeded 2,000 kg; the number of persons both ranked first in the financial industry.
- ◆ Helped a total of 586 disadvantaged students from 200 schools with the Study at Ease Project
- ◆ Subsidized breakfast, English learning, and other resources for a total of 4,291 double-disadvantaged students from 106 schools



Media

Maintain favorable relationships with media, establish unblocked communication channels, and convey operating dynamics via media

**Communication channel**

- ◆ New release: From time to time
- ◆ Press conference: From time to time
- ◆ Media communicate Instantly

**Communication frequency and achievements**

- ◆ Published 74 press releases during the year
- ◆ Held two press conferences
- ◆ We have a dedicated unit and dedicated personnel responsible for media communication matters and immediate response to the questions raised by the media



Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

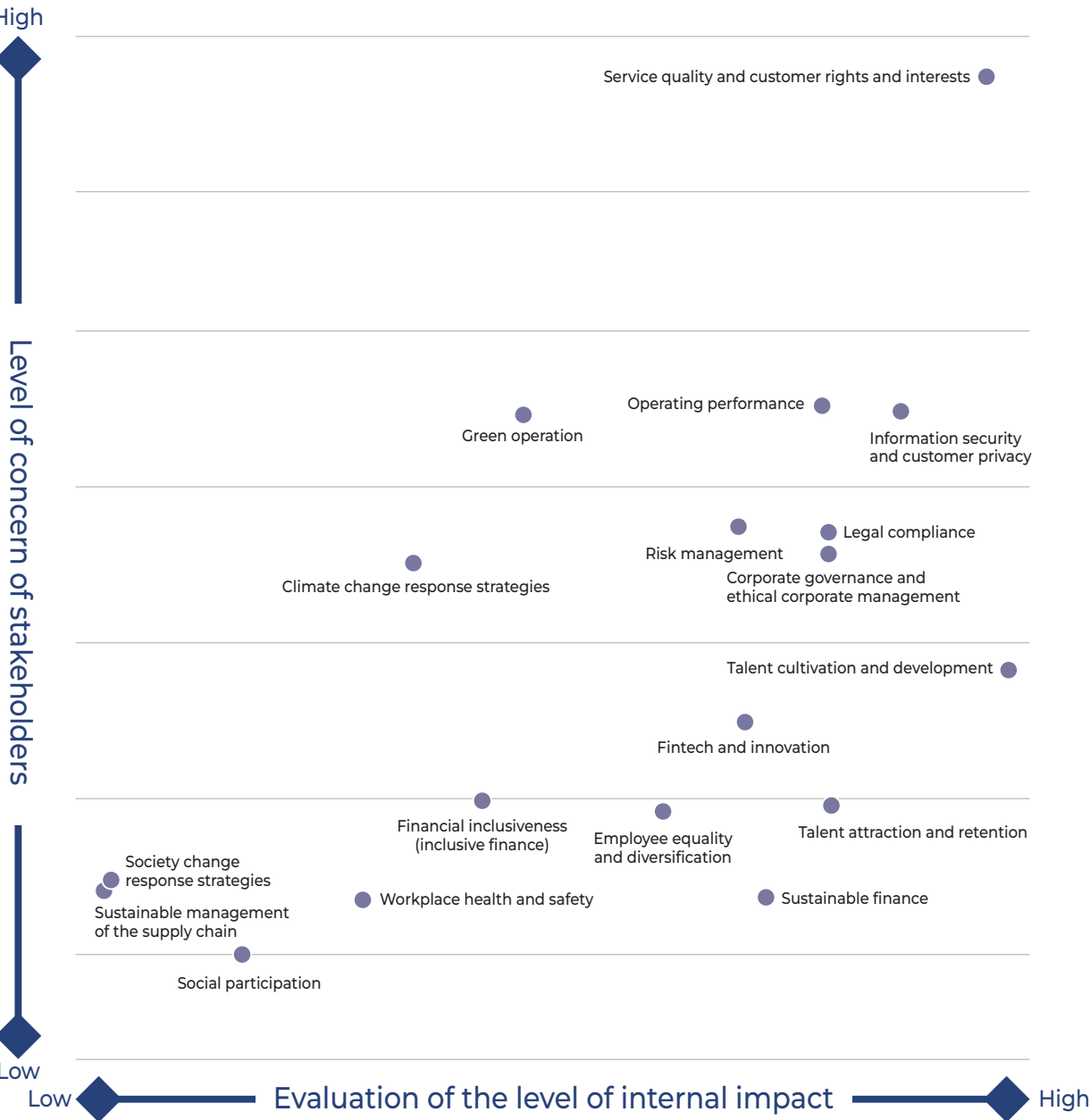
# 1.4 Material Topic Analysis and Management Policy

## Material Topic Identification Procedures

The material topics of the 2023 KGI Securities ESG Report are determined with reference to the GRI Standards and opinions of external experts published in 2021 after the collection of relevant information by the workforces of the ESG Committee and completing internal and external evaluations; the detailed evaluation and identification procedures are as follows:

Procedures	Content
Collection and identification	1. With reference to the content of GRI Standards published in 2021, the workforces of the ESG Committee prepared the statistics for the internal and external practical issues of corporate operation, collected topics of concern of CDFH and peers, considered industrial features, and ultimately compiled 18 key sustainability topics of the Company.
Evaluation and sorting	1. A total of 29 persons from the workforces of the ESG Committee and senior management of the Company filled out the internal impact evaluation questionnaires and adopted the internal and external perspectives of KGI Securities' operations as the standards to evaluate the occurrence probability and scale of impacts of the positive benefits and negative impacts caused by various sustainability topics to E (environment), S (society/human rights), and G (governance). 2. We distributed 480 stakeholder evaluation questionnaires to stakeholders of the Company to include the level of concern of stakeholders for different sustainability issues in the evaluation course of material topic determination. 3. Ultimately, a total of 24 internal impact evaluation questionnaires (the completion rate and the effective rate of questionnaires reached 82.76%) and 480 external stakeholder evaluation questionnaires (the completion rate and the effective rate of questionnaires reached 100%) were collected. We analyzed the positive/negative occurrence probability and level of positive/negative impact (axis X of the matrix) based on the results of the internal evaluation, comprehensively considering the level of concern of stakeholders for different sustainability issues (axis Y of the matrix), and concluded the level of impact and the score for the level of concern for individual sustainability issues, and then, identified the materiality of different sustainability issues to the Company based on the distribution of different sustainability issues in the matrix and sorting.
Confirmation	After thorough evaluations and discussions, the ESG Committee decided to adopt the top 11 sustainability topics based on the consolidated rankings of internal impact and external concern. The committee made the following adjustments: - Combined "Talent Attraction and Retention" with "Talent Cultivation and Development" into a single category called "Talent Retention and Development," based on the similarity of the disclosed information. - Added "Workplace Health and Safety" as a material topic, considering industry trends, the level of concern among domestic peers, and the input from the company's internal departments.  As a result, the following 11 sustainability topics were selected for the 2023 KGI Securities ESG Report: Service Quality and Customer Relations; Information Security and Customer Privacy; Operating Performance; Legal Compliance; Corporate Governance and Ethical Corporate Management; Talent Retention and Development; Risk Management; Green Operation; Fintech and Innovation; Sustainable Financial Products; Workplace Health and Safety.

Matrix for the Level of Internal Impacts and Level of External Concern of Sustainability Topics



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy

02 Corporate Governance






03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

Material Topic Management Policy, Target Establishment, and Evaluation System

Material topic	Corresponding chapter	Stakeholders affected	Operating materiality	Policies and commitments	Action policies	Target setting			Evaluation system	Corresponding SDGs
						Short-term targets (within one to three years)	Mid-term targets (within three to five years)	Long-term targets (over five years)		
Service quality and customer relations	3.3 Service Quality and Customer Relations	Shareholders and investors, customers, and investees	KGI Securities has long been committing to exerting the core value of the securities industry and duly fulfilling corporate social responsibilities. It prioritizes the implementation of financial consumer protection and the protection of the maximum rights and interests of consumers, strictly adheres to the ten major principles of treating customers fairly, and strives to build more premium and comprehensive financial consumer services to improve customer satisfaction and loyalty, maintain brand image and market competitiveness, and generate positive benefits to the economic environment in the financial market.	KGI Securities adheres to the service spirit of "Equality and Empathy, Treat Customers Fairly". Led by the Board, we will continue to internalize the principle of treating customers fairly as the core value of the Company, actively create financial friendly services, realize the sustainable value of ethical corporate management for customers to feel that "investments shall be reassuring, worry-free, and satisfactory."	KGI Securities actively establishes and continues to optimize the communication and interaction platforms with different categories of customers, including but not limited to the description of matters of material customer rights and interests, customer service and complaint channels, anti-fraud promotion and protection, material optimization actions, and information on the days off of domestic and foreign stock markets. Meanwhile, it is committed to implementing financial consumer protection, fully fulfill corporate social responsibility, and adhere to the principle of treating customer fairly to ensure that all products and services of the Company are aligned and the implementation of the principle of treating customers fairly. The ISO 10002: 2018 customer complaint quality management system has been introduced in 2023 Q4.	1. Implement education and training courses item by item. 2. Obtain the ISO 10002: 2018 customer complaint quality management system verification and continue to optimize customer complaint handling operations to allow the solving rate through one call of the customer service center to reach 97.5%. 3. Promote the system for mystery shoppers to visit branches. 4. Gain in-depth understanding of customer complaint cases and enhance education, training, and operating improvement. 5. Include customer satisfaction in the annual KPI indicators of managers and sales personnel. 6. Strengthen relevant auxiliary measures to care for the elders. 7. Convene customer examination meetings of branches each month to grasp the customer complaint improvement progress and strategies. 8. Strengthen anti-fraud promotions and protection measures.	1. Continue to implement the promotion for customer complaint case prevention, mental cultivation methods for customer service and customer complaint handling, functional education and training, and elderly care actions. 2. Continue to maintain the validity of the ISO 10002: 2018 customer complaint quality management system to allow the solving rate through one call of the customer service center to reach 98%. 3. Engage mystery shoppers to perform the audit on the customer service quality of branches. 4. The number of customer complaint cases reduces stably. Excluding cases not attributable to branches, the target is five cases top each month. 5. Rank first in NPS among peers.	1. Continue to implement the promotion for customer complaint case prevention, mental cultivation methods for customer service and customer complaint handling, functional education and training, and elderly care actions. 2. continue to maintain the validity of the ISO 10002: 2018 customer complaint quality management system to allow the solving rate through one call of the customer service center to reach 98.5%. 3. Engage mystery shoppers to perform the audit on the customer service quality of branches. 4. The number of customer complaint cases reduces stably. Excluding cases not attributable to branches, the target is three cases top each month. 5. Rank first in NPS among peers.	To allow the principle of treating customers fairly to become the value system and behavioral standards jointly observed by the overall KGI Securities, the Company established the "Treat Customers Fairly Committee" to coordinate the planning for the principle of treating customers fairly and regularly supervise the promotion of relevant affairs. The President is the convener of the meetings, and the implementation results will be regularly reported to the Board.	
Talent retention and development	4.2 Talent Retention and Development	Employees	To enrich labor capital and implement talent cultivation so as to achieve corporate operating performance and SDGs, KGI Securities implemented education, training, and professional functions required by different personnel according to relevant regulations and expanded ESG participation and the cultivation of sustainable development financial talents to allow talent cultivation and the environment of the financial environment to move toward national and social targets and SDGs, respectively, so as to give back to society and create the positive benefits for sustainable operations.	Various training is organized according to laws, regulations, and Guidelines for Employee Training of KGI Securities, and sustainable development issues and ESG-related training are combined with the existing function reinforcement training.	KGI Securities will continue to promote various education, training, and functional development plans. In response to the sustainable development trends of the financial industry, we will include ESG issues and other diverse functional training content in the annual training plan and improve the sustainable development consensus and awareness of the organization for the benefit of the promotion and achievement presentation of relevant projects and reduce unclear awareness and other negative effects.	1. Apply Workday's tool and methodologies for labor arrangement and development. 2. Strengthen the business benefits for the employee development emphasis project and formulate KPIs. 3. Continue to carry out the organization acceleration questionnaire (OAQ) survey and propose improvement action plans 4. Improve the communication with employees to stable the resignation rate. 5. Evaluate the addition of employee welfare implementation that is more favorable than the regulations. 6. Discuss about linking targets with the performance evaluation and remuneration of the senior management. 7. Continue to strengthen human rights risk identification. 8. Improve courses related to human rights. 9. Formulate a human rights risk management system.	1. Analyze the mid-to-long-term labor requirements and establish the long-term planning for talent attraction and retention to become the "top choice employer." 2. Strengthen employee communication and stabilize the resignation rate. 3. Establish human rights risk preventive remedial measures and adaptation plan. 4. Achieve the target set systematically and link targets with the performance evaluation and remuneration of the senior management.	1. Become the "top choice employer." 2. Strengthen employee communication and stabilize the resignation rate. 3. Establish a management system that bans discrimination and harassment. 4. Expand the human rights risk identification for stakeholders.	Disclose the promotion and implementation status related to education, training, and work related to employee functional development and regularly implement the OAQ survey of the organization and the statistical analysis of the annual resignation rate of employees to understand the opinions of internal employees based on the results of the survey and analysis and formulate and implement improvement measures.	   



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

Material Topic Management Policy, Target Establishment, and Evaluation System

Material topic	Corresponding chapter	Stakeholders affected	Operating materiality	Policies and commitments	Action policies	Target setting			Evaluation system	Corresponding SDGs
						Short-term targets (within one to three years)	Mid-term targets (within three to five years)	Long-term targets (over five years)		
Digital finance and innovation	3.1 Sustainable Finance	Shareholders and investors, customers, and media	Adhering to the core concept of "Equality and Empathy, Treat Customers Fairly," KGI Securities duly solved the using pain points of customers and continue to improve through technological innovation, experience design, and user feedback, improved the convenience and trust of use with digital services that can "focus on your wealthy life," and, in turn, improve customer loyalty and product adhesiveness while generating positive benefits for environmental friendliness.	Apart from continuing promoting innovative digital financial services, the Marketing and Public Relation Department established the "Regulations for Official Social Media Management" and the "E-commerce Business Department also amended the "Regulations for Official Social Media Administration" to strengthen the official social media management principles of the Company and domestic and foreign subsidiaries to improve user experience and operating efficiency and solidify brand image.	The securities industry in Taiwan is facing three major environmental status at present, including 1. digital service becoming the mainstream; 2. diversification of investment group communication; and 3. real-time investment information requirements. In response to the three major status at present, the digital services of KGI Securities takes customers as the core and adopts "digital process optimization," "wealth management service differentiation," and "information simplicity and timeliness" as the three major goals for promotion in the hope of creating an investment ecosphere through premium investment platforms and tools of KGI Securities to provide warm and trustworthy technological tools, creating a digital finance friendly environment.	1. Initiate the implementation of the core system transformation plan. 2. Establish an RM Workbench. 3. Develop a new generation high-frequency transaction service platform. 4. Promote and introduce cloud services. 5. Establish a Big Data analysis platform. 6. Promote and introduce DevOps. 7. Promote the active mobile service platform. 8. Engage in financial ecosphere cooperation for the first time. 9. Integrate wealth management platforms, reduce investment difficulties and threshold, and improve the convenience f diverse investments. 10. Provide zero contact real-person digital services through e-signature via video calls. 11. Optimize user interface, release the wealth management App for visitors to experience, and assist investors in familiarizing themselves with investment tools. 12. Improve investment fun through personified scenario interaction services to assist investors in taking the first step for investments.	1. Continue to promote the core system transformation plan. 2. Expand cloud services and establish cloud governance. 3. Establish the second generation server connection system. 4. Establish the new generation data warehousing system. 5. Optimize the DevOps 6. Set up a customer-centered mobile service platform. 7. Expand the financial ecosphere cooperation and applications. 8. Provide wealth management information required by customers in combination with data analysis to precisely understand customers' requirements. 9. Continue to push personalized wealth management video and audio content/regular risk awareness notices to assist customers in investment judgments and product selection. 10. Integrate professional strategic investment portfolios and App order placing function to complete the order placing for investment portfolios through on click.	1. Continue to promote and maintain the core system transformation plan. 2. Engage in multi-cloud integration and optimize cloud governance. 3. Optimize the second generation server connection system. 4. Provide the comprehensive active mobile service platform. 5. Expand the embedded financial ecosphere cooperation and applications. 6. Provide immersive experience extended services. 7. Continue to provide professional wealth management information with depth and width to customer to assist customers in investment decision-making.	The brokerage unit regularly convenes weekly meetings to carry out communication for cross-department businesses and discuss the implementation strategies of material projects. It regularly reports the KPIs of business implementation each month for the benefit of tracking the implementation status and the achievement rate of targets and adjust implementation measures in due course.	  
Information security and customer privacy	2.3 Information Security	Shareholders and investors, customers, investees, media, and government and competent authorities	KGI Securities attaches great attention to information security, it creates convenient, safe, and premium financial digital services through digital technologies with innovative thinking in compliance with the "digital improvement" and "customer-oriented" strategies of CDFH. With customers as the center, it adheres to the adoption of safety protection with the highest specifications for account opening convenient and safety of the front desk to information governance and monitoring of backend. Account security is the maximum protection that the Company provides to customers. It provides safety technologies with the highest specifications for all operating pages and promises to provide full compensation for activities not authorized by users.	To comply with relevant regulations, KGI Securities established relevant guidelines according to the "Establishment of the Cybersecurity Inspection System for Securities Dealers," "Matters of Notice for Securities and Futures Market Cybersecurity Reporting and Response," and the "Information Security Policy" of the Company to ensure the effects of various monitoring, reporting, handling, examination, and learning systems of the information unit before, during, and after the occurrence of cybersecurity events in the hope of rapidly adopting necessary response and disposals when cybersecurity events occur, adopting corrective practices after the occurrence of events, and reducing the possible damages of cybersecurity events. The Company also introduced the information security system and obtained the ISO 27001 certification for over five years. A third-party counseling company is engaged to carry out the information security evaluation, regularly implement information security health inspection of high standards, and jointly establish a cross-business information security team to share and cooperate in intelligence collection and advance alert under the financial holding level system to exert the synergies of information security joint defense and realize the caproate value of "cooperation."	The Company has established its "information security policy" as its internal management policy and continued to obtain the ISO 27001 certification with domestic subsidiaries. The scope of the certification is focusing on the management of system design/development/operation/maintenance, network management, computer server room (including self-owned server room of the headquarters and outsourced IDC server rooms of KGI Securities), and relevant information processing activities. The Company planned to establish its Information Security Department in 2023 to coordinate the information security protection management of the organization, formulate information security policy and regulations, organize the annual information security project, introduce information security countermeasures and control measures, carry out information security education and promotion, and establish information security monitoring, information security event analysis, reporting, and handling systems. We actively introduced the ISO 22301: 2019 BCM system and obtained the verification in 2023.	1. Continue to maintain the information security officer at the level of Vice President and professional Directors or consultants. 2. Expand the inclusion of members of the information security promotion team for supervisors of different units to be the members. 3. Carry out external information service safety testing through the third-party testing platform, and the score is above 90. 4. Regularly carry out an information security event drill each year. 5. Carry out the feasibility evaluation of the increase in the number of drills. 6. Continue to maintain the validity of the ISO 27001:2013 certification and complete the version change of the information security system in 2024 (ISO 27001: 2022). 7. Engage external professional consultants to organize the evaluation of and adjustment to the level of maturity of information security governance. 8. Organize the information security education and training for all personnel, including the Board, general personnel, and information security personnel, with the inclusion of residing companies. 9. Organize social engineering drills. 10. Continue to maintain the validity of the ISO 22301: 2019 BCM management system certification.	1. Continue to maintain the positions of the information security officer at the level of Vice President and professional Directors or consultants. 2. Maintain the members of the information security promotion team for supervisors of different units to be the members. 3. Carry out external information service safety testing through the third-party testing platform and expand the testing scope. 4. Regularly carry out an information security event drill each year. 5. Carry out the feasibility evaluation for the trial of having two drills a year. 6. Continue to maintain the validity of the ISO 27001:2013 certification. 7. Continue to engage external professional consultants to organize the evaluation of and adjustment to the level of maturity of information security governance. 8. Continue to organize the information security education and training for all personnel, including the Board, general personnel, information security personnel, and residing companies. 9. Organize social engineering drills. 10. Continue to maintain the validity of the ISO 22301: 2019 BCM management system certification.	1. Continue to maintain the positions of the information security officer at the level of Vice President and professional Directors or consultants. 2. Maintain the members of the information security promotion team for supervisors of different units to be the members. 3. Carry out external information service safety testing through the third-party testing platform and expand the testing scope and continue to maintain the testing score at 92 or above. 4. Implement two emergency response plan drills each year. 5. Continue to maintain the validity of the ISO 27001:2013 certification. 6. Continue to engage external professional consultants to organize the evaluation of and adjustment to the level of maturity of information security governance. 7. Continue to organize the information security education and training for all personnel, including the Board, general personnel, information security personnel, and residing companies. 8. Organize social engineering drills. 9. Continue to maintain the validity of the ISO 22301: 2019 BCM management system certification.	The Information Security Department and the information security promotion team jointly implement the internal information security promotion measures of the organization. The information security promotion team is responsible for the meeting procedures for the annual review meetings, the matters resolved for implementation and the promotion achievements of the information security management system. It regularly report the overall implementation status of the internal information security promotion measures to the Board each year. The Business Continuity Management Team will also regularly implement management reviews to ensure the effective operations of the BCM system and various measures.	

Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

Material Topic Management Policy, Target Establishment, and Evaluation System

Material topic	Corresponding chapter	Stakeholders affected	Operating materiality	Policies and commitments	Action policies	Target setting			Evaluation system	Corresponding SDGs
						Short-term targets (within one to three years)	Mid-term targets (within three to five years)	Long-term targets (over five years)		
Green operation	Chapter 5 Green Operation and Social Co-prosperity	Communities, suppliers, and government and competent authorities	KGI Securities faced the continual intensification of climate change risks in compliance with the "low-carbon sustainable environment" in the sustainability prospects and strategies of CDFH, actively planned for the reduction of its GHG emissions, and explored low-carbon economy industries and enterprises with development potential to jointly promote low-carbon transformation and generate positive benefits for the environment.	KGI Securities will comply with the commitment of "zero carbon emissions of operating management" of CDFH Group, five environmental commitments: 1. energy conservation and carbon reduction, full participation; 2. environmental protection, treasuring resources; 3. pollution prevention, compliance with regulations; 4. communication and negotiation, good neighborliness; 5. continual improvements, sustainable operation to jointly reduce environmental persecution, and the concept of moving toward sustainable operation.	KGI Securities will cooperate with external experts to introduce the global climate change risk management structure in the TCFD project, plan for the low-carbon transformation pathway, concurrently plan for and implement various decarbonization measures within the organization, support renewable energy procurement, promote environmental protection initiative activities, and promote relevant sustainability concepts to upstream and downstream business partners to facilitate the realization of a sustainable supply chain. We introduced the ISO 14001 : 2015 environmental management system in 2023 Q4 to continued optimizing the environmental management system.	1. Reduce the Scope 1 and Scope 2 GHG emissions by 40% with 2020 as the base year (the GHG emissions of the operations in 2024 reduced by 25% as compared to the base year (2022)). 2. The annual energy-saving rate is 2%. 3. The annual water-saving rate is 2% 1%. 4. The consumption ratio of renewable energy increases to 20%. 5. Organize environmental sustainability initiative activities. 6. Continue to increase the ratio of green procurement.	1. Comply with the SBTi international standards to actively reduce Scope 1 and Scope 2 GHG emissions and achieve the target of carbon neutrality. 2. Continue to increase the consumption ratio of renewable energy. 3. Continue to organize environmental sustainability initiative activities. 4.Continue to increase the ratio of green procurement.	1. Comply with the SBTi international standards to actively reduce Scope 1 and Scope 2 GHG emissions and achieve the target of carbon neutrality. 2. Continue to increase or maintain the consumption ratio of renewable energy. 3. Continue to organize environmental sustainability initiative activities. 4. Maintain the ratio of green procurement.*	The Company will regularly perform institutional investor engagement each year to learn their ESG strategies and provide descriptions and recommendations so as to implement the stewardship policy. Within the organization, we will regularly convene meetings to examine the implementation status of our operations through the "Environmental Sustainability Taskforce" under the ESG Committee, implement the external verification of the ISO 14064-1 GHG inventory system, ISO 14001 environmental management system, and ISO 50001 energy management system, plan for energy/ resource-saving measures and decarbonization measures, and regularly examine the effects of relevant measures to achieve the practices of effective control.	<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div> <div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13</div> <div>CLIMATE ACTION</div> <div>15</div> <div>LIFE ON LAND</div>
Legal compliance	2.1.5 Ethical Corporate Management and Legal Compliance	Government and competent authorities, media, and employees	To implement legal compliance, KGI securities established the legal compliance concepts of the practitioners of the Company and reinforced the promotion, education, and training of securities and futures laws and regulations to allow all practitioners of the Company to familiarized themselves with various regulations related to their work and allow the compliance of various operating activities with laws and regulations so as to reduce the risk of punishments, achieve the target of ethical corporate management, and, in turn, generate positive benefits for the environment.	The Company has established the ""Content and Procedures for the Evaluation of Legal Compliance"" to specify the material items for legal compliance, including: 1. Establish clear and appropriate conveyance, consultation, negotiation, and communication system for laws and regulations. 2. Confirm that various operations and management regulations are updated in due course in compliance with relevant regulations to allow operating activities to comply with laws and regulations. 3. Establish the evaluation content and procedures for legal compliance and supervise the implementation status of self-evaluations regularly performed by the units. 4. Implement appropriate and adequate regulatory training for personnel of different units. 5. Supervise the compliance of overseas branches with laws and regulations of the local countries.	KGI Securities will establish the legal compliance concepts of legal compliance of practitioners of the Company through the organization of various regulation training and promotion and organize legal compliance self-evaluation operations and legal compliance risk assessment to assist in implementing the regulations for legal compliance of operating activities of different units of the organization. It further assess the identification of the level of unethical behavior risks of different units in their operating activities for the benefit of formulating corresponding control measures and implementing the legal compliance system.	1. Build systems related to ethical corporate management of the Company, including but not limited to the establishment of regulations related to the ""Ethical Corporate Management Best Practice Principles,"" establish the Ethical Corporate Management Committee, and continue to carry out education and promotion related to ethical corporate management. 2. Optimize operating systems related to AML/CFT and system functions and upgrade the AML/CFT information sharing platform and the intranet of the Group in cooperation with CDFH to deepen the internal AML/CFT cooperation and information circulation of the Group. 3.Improve employees' awareness of personal data protection through education and promotion and continue to improve the personal data protection procedures to maintain the validity of the verification of personal data management system standards. 4. Establish an accountability system for legal compliance. 5. Optimize the evaluation of legal compliance to strengthen the legal compliance management system and improve the validity of the evaluation system.*	Combine the legal compliance application digital and technological methods of CDFH with the internal legal compliance management measures to improve the deliberation of the legal compliance management system and strength the communication efficiency for legal compliance management. Meanwhile, we will continue to organize legal compliance education and promotion to improve the legal compliance awareness of employees.	Build infrastructure related to legal compliance based on digital upgrading the technological methods in compliance with the legal compliance optimization procedures of CDFH and shape the legal technology ecosystem of CDFH Group to improve legal efficacy and establish a comprehensive legal compliance system.	The legal compliance affairs of the Company is coordinated by the supervisor of the Legal Compliance Department, and the supervisor is held responsible to the President, and he/she shall report the legal compliance status of the Company to the Board and Audit Committee at least every half year. If any material violation of laws and regulations is found or the competent authority adjusts the rating downward, report to the Directors immediately and report to the Audit Committee and the Board regarding the legal compliance matter. In addition, the discretionary system is adopted for the legal compliance status of business units. Units engaging in securities/futures business are required to organize a legal compliance self-evaluation at least once every held year, and the legal compliance unit preserve the results for future reference.	<div>10</div> <div>REDUCED INEQUALITIES</div> <div>16</div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div>



Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy

02 Corporate Governance





03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

Material Topic Management Policy, Target Establishment, and Evaluation System

Material topic	Corresponding chapter	Stakeholders affected	Operating materiality	Policies and commitments	Action policies	Target setting			Evaluation system	Corresponding SDGs
						Short-term targets (within one to three years)	Mid-term targets (within three to five years)	Long-term targets (over five years)		
Corporate governance and ethical corporate management	2.1 Corporate Governance and Ethical Corporate Management	All stakeholders	According to the "Guidelines for Employees' Behaviors" of KGI Securities, employees of the Company shall comply with all relevant laws and regulations for the implementation of business by financial practitioners specified by the competent authority, and they shall also comply with regulations and internal control-related requirements of the Company. The Chairman, Vice Chairman, President, supervisors of different departments, employees above a certain job level and their secretaries or administrative assistants, personnel above the level of senior Assistant Vice President of human resource, financial management, the Board's secretary, internal audit, and other units have executed the commitment to duly comply with the corporate governance system, which has positive effects on the businesses and operations of the Company.	The Company attaches attention to corporate governance and ethical corporate management issues and has established the "Code of Ethical Conduct," "Corporate Governance Best Practice Principles," "Standards for Concurrent Position and Concurrent Duties of Responsible Persons and Sales Personnel," "Guidelines for Employees' Behaviors" and "Guidelines for the Management of Concurrent Position and Concurrent Duties of Responsible Persons and Sales Personnel," and "Guidelines for Employees' Behaviors." In addition, it arranges education and promotion related to corporate governance and ethical corporate management to deepen the awareness of all employee on corporate governance and ethical corporate management. The Board passed the "Ethical Corporate Management Best Practices Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Ethical Corporate Governance Committee Charter" to complete the structure of the Company's ethical corporate management.	The Chairman, Vice Chairman, President, supervisors of different departments, and employees above a certain job level and their secretaries and administrative assistant, and personnel above senior Assistant Vice President of human resources, financial management, the Board's secretary, internal audit, and other units have executed the commitment to duly comply with the corporate governance system, which has positive effects on the businesses and operations of the Company.	1. Connect to the governance system of the parent company and comply with relevant regulations and implementation rules established. Complete the formulation of and amendments to relevant corporate governance regulations: "'Rules for the Duty Scope of Independent Directors,'" "'Standards for Board Performance Evaluation,'" and "'Corporate Governance Best Practice Principles.'" 2. Complete the new establishment of functional committees under the Board: the "'ESG Committee'" and "'Ethical Corporate Management Committee.'" 3. Implement the Board performance evaluation. 4. Implement the accountability system for the Board and the management. 5. Assign the meeting procedure of functional committees to the Board's secretariat, correct the initial procedure unit to the staff unit, and coordinate the division of work of the two units. 6. Directors participate in the continuing education according to the "'Continuing Education Promotion Guidelines and Continuing Education Map for Directors and Supervisors of Securities Dealers.'" 7. Build systems related to ethical corporate management (including but not limited to the establishment of regulations related to the "'Ethical Corporate Management Best Practice Principles, the establishment of the "'Ethical Corporate Management Committee, and the continual organization of education and promotion related to ethical corporate management]."	1. Strengthen the Board Composition and actively implement the diversification policy. 2. Continue to implement the Ethical Corporate Management Best Practice Principles and carry out relevant education and promotion.	1. Continue to strengthen the performance and functions of the Board. 2. Continue to implement the Ethical Corporate Management Best Practice Principles and carry out relevant education and promotion.	To improve corporate governance efficacy, adhere to operation transparency, focus on long-term development strategies, and strive to seek sustainable operation, KGI Securities is deeply convened that a healthy and efficient Board is the bedrock for favorable corporate governance. Under the principle, the "'Audit Committee,'" "'Remuneration Committee,'" "'Risk Management Committee,'" "'ESG Committee,'" and Ethical Corporate Management Committee'" are established under the Board in the hope of fully exerting the professional and independent supervisory function of the Board, realizing the spirit of corporate governance.	 
Sustainable financial products	3.1 Sustainable Finance	Shareholders and investors, customers, and investees	KGI Securities adheres to the development concept of CDFH and actively promotes green finance. For instance, it assisted enterprises in the assessment and pricing of ESG bonds, provided consultation and assistance to companies applying for the listing for improving the transparency and completeness of sustainable development information disclosures, provided fundraising plans with positive economic and environmental benefits for issuers, and brought diverse investment targets for investors, sparing no efforts in exerting its agent role of a securities dealer.	To implement the "responsible investment principle" and "SDGs" and comply with the "Stewardship Principles for Institutional Investors" of TWSE, KGI Securities established its responsible investment policy, which states that ESG and other sustainable operation factors shall be considered in stages of investment target evaluation, investment decision-making, and investment management, that stewardship actions shall be performed to improve investment value, and that the Company shall facilitate the healthy development of itself and investees.	The Company implements the principles of responsible investment and sustainable financial development. Apart from actively participating in shareholders' meetings of investees, it provides sustainable transformation consultation and assistance to customers, promotes and facilitates the issuance of sustainable development bonds, and sets the target to reduce the ratio of high-carbon industries, the annual reduction target of carbon emissions of the overall investment portfolio, and the target of the annual increase rate of the ratio of mid-to-long-term green bond positions.	1. Business units implement net zero carbon emissions actions based on the annual targets for the "'Responsible Finance Workforce'" approved by the Board 2. Continue to actively have conversations and interactions with investees to understand the business strategies, ESG implementation status, and prospects of investees and achieve the participation rate of 100% for shareholders' meetings of investees.	1. Make plans as scheduled according to the target of net zero carbon emissions, establish and implement strategies related to the decarbonization of investing and financing portfolios, and achieve the target of investment decarbonization step by step. 2. Actively secure sustainable development bond underwriting cases and achieve the target of annual increase rate of the ratio of green bonds in the long-term investment positions to promote green financial strategies. 3. Continue to actively participate in the proposals at shareholders' meetings of investees, achieve the e-voting rate of 100% for proposals, and improve the information transparency of underwriting target customers.	The "'Responsible Finance Workforce'" is established under the ESG Committee. The President is the responsible person of the workforce, and department supervisors of the Bond Department, Dealing Department, Capital Market Department, Derivative Department, Risk Management Department, Strategic Planning Department, and Product and Service Investment Department or persons appointed by them are the major promoting units. The Responsible Finance Workforce may convene work meetings based on the requirements al any time, regularly report the implementation performance of work, and adjust the implementation strategies based on the performance results.	 	

Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

- 1.1 Sustainable Prospect and Sustainable Development Performance
- 1.2 Sustainable Governance Structure
- 1.3 Stakeholder Engagement and Communication
- 1.4 Material Topic Analysis and Management Policy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

Material Topic Management Policy, Target Establishment, and Evaluation System

Material topic	Corresponding chapter	Stakeholders affected	Operating materiality	Policies and commitments	Action policies	Target setting			Evaluation system	Corresponding SDGs
						Short-term targets (within one to three years)	Mid-term targets (within three to five years)	Long-term targets (over five years)		
Risk management	2.2 Risk Management	Shareholders and investors, customers, investees, and government and competent authorities	To effectively manage various risks, different emerging risks related to the operations of KGI Securities, and the management of relevant risk hazards and strengthen the competitive strength of the Company, an appropriate risk management policy may be established, and the policy may be adjusted in response to the operating environment, businesses, and business activities to control risks within the tolerable scope, moving toward sustainable development.	To effectively manage risks related to the operations of the Company and strengthen the Company's competitive strength, the risk management policy was established according to the laws and regulations of the competent authority, the "risk management policy" of CDFH, and the Company's business development strategies to serve as the compliance basis for risk management.	Regarding the business limit management and risk management-related specifications of different business departments, apart from participating in the establishment and amendments, the Risk Management Department also cooperate with relevant monitoring procedures together with other relevant departments of the Company. In addition, we effectively manage risks with the assistance of the risk information system with advanced precision in risk monitoring. Risk management reports and statements are provided to senior managers regularly and from time to time to serve as the reference for business decisions.	1. Through the establishment of the risk management system, the formulation of regulations related to market risk management, and the establishment of various product operating standards, carry out the market risk (economic) capital allocation based on the risk appetite of the Company, establish various market risk limits, and implement market risk monitoring on a daily basis to allow risks to be controlled within the tolerable scope. 2. Complete the preparation of the TCFD Report each year, and the Risk Management Department regularly compiles the carbon emissions information of investment positions."	Develop the industrial risk matrix, scenario analysis, and other risk management tools in sequence to regularly identify, measure, and monitor climate risks, adopt risk management differentiation measures based on the materiality sequence to develop risk appetite progressively, and we intend to regularly submit the climate risk management report to the Risk Management Committee.	Regarding the risk management system of the Company, the internal Risk Management Committee, Investment Commission, Product Review Commission, and Brokerage Credit Review Commission the regularly manage and supervise the risk management implementation measures, performance, and achievements. We also regularly report the risk management system to external competent authorities (i.e., FSC, Securities and Futures Bureau, TPEX, and TWSE). In addition, the Company also regularly performs financial inspections, risk evaluations, and Taiwan Ratings evaluation to strictly examine the risk management operations of the Company through internal and external supervisory and management systems.		
Operating performance	About KGI Securities	Shareholders and investors, employees, customers, and investees	Improve corporate operating and financial performance, create value for shareholders and investors, and improve the positive benefits for operations and the economic environment.	The Company strives to continue develop its securities business and include the concept of corporate sustainability in the Company's operations.	Corporate operations will face market changes, population structure exchanges, environmental changes, and the changes in the business environment. To mitigate and adapt to the abovementioend changing factors, the Company will strongly promote digital finance, develop diversified products, upgrade various services, and actively adopt responsible investment strategies. We will assist the green energy industry in fundraising, cooperate with medical institutions, and support the development of the green energy industry while building the wealth management system of the elders to achieve the business philosophy of social co-prosperity and corporate sustainability.	The Company will not set targets for operating performance temporarily; however, it will spare no effort in optimizing corporate governance and various internal systems of the organization, provide favorable remuneration and welfare to employees, and actively create the maximum operating performance each year to give back to shareholders and investors, fulfilling the targets of corporate social responsibility and sustainable operations.			The Company regularly reports to the Board regarding operating performance for the benefit of Directors to supervise the operating achievement and for the management to formulate the improvement measures.	
Workplace health and safety	4.3 Workplace Health and Safety	Employees	KGI Securities deems employees material assets. The Company shall establish a comprehensive occupational safety and health management policy to ensure that employees are entitled to a safe, healthy, and friendly work environment, allow employees to fulfill their duties without concerns, and, in turn, improve work efficacy and generate positive benefits for employees' human rights.	KGI Securities adheres to the concept of "'professionalism, integrity, and ethics,'" and the management team continues to adopt "'safety and health and sustainable development'" as the business targets. The "'Guidelines for Occupational Safety and Health'" were established to ensure that the occupational safety and health system of the Company is effectively and duly operating, and the Company strives to provide a workplace environment with the highest quality.	KGI Securities established its Occupational Safety and Health Committee in 2023 for the Occupational Safety and Health Committee to coordinate matters related to occupational safety and health. In the future, we will continue to ensure the effective operation of the ISO 45001 occupational safety and health management system to provide a safe and healthy work environment to employees, continue to implement the "maternity employee health protection plan," and "ergonomic hazard prevention plan," and "prevention plan for diseases triggered by abnormal workload," and introduce the massage services provided by persons with visual disabilities to implement the physical and mental healthcare of employees and care for corporate social responsibility.	1. Continue to obtain the renewal review certification of the ISO 45001 occupational safety and health management system. 2. Implement regulatory requirements and the four major plans for employee care established internally. 3. Make promotion to employees for self-health management to allow the health inspection rate of employees to reach 80% and continue to obtain the workplace certification label."	1. Continue to improve the occupational safety and health system through the circular PDCA quality management in the ISO 45001 occupational safety and health management system and regularly examine the performance indicators of departments at Occupational Safety and Health Committee meetings and review meetings to improve the work and environmental safety for employees and facilitate employees' healthcare. 2. Carry out identification and evaluation based on various health risks of employees. The health manager carries out the health management grading and refer employees to the visiting physician in due course to reduce occupational diseases and health risks. 3. Continue to promote EAP and strive to provide a work environment of physical and mental safety to employees. 4. Encourage employees to care for their health, continue to organize health improvement issues and activities, and encourage the participation of all employees.	1. Apart from the compliance with occupational safety regulations for occupational safety and health indicators, we further formulated the addition of the frequency and testing items for employees to implement general health inspections in the performance indicator items. 2. Require employees to receive occupational safety education and training and implement relevant measures that are more favorable than the regulations to improve the work and environmental safety awareness of employees. 3. Encourage all employees to raise proposals for the occupational safety and health policy, actively facilitate the occupational safety and health culture of the organization and improve the occupational safety and health awareness within the organization by optimizing the work environment through a model of mutual trust and mutual assistance."	The Company established the Occupational Safety and Health Committee in 2023 Q1 and regularly convened occupational safety and health meetings every three months after the completion of the establishment to evaluate and improve the occupational safety and health system of the Company, discuss occupational safety and health issues, and report meeting results to the President. In addition, the external audit reviews for the ISO 45001 occupational safety and health management system are performed regularly, and the occupational safety and health system audits are performed by the Department of Labor within the jurisdiction from time to time to ensure the adequacy and the continual operations of the occupational safety and health system.	 



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

2.1 Corporate Governance and Ethical  
Corporate Management  
2.2 Risk Management  
2.3 Information Security

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

# 02 Corporate Governance

2.1 Corporate Governance and  
Ethical Corporate Management  
2.2 Risk Management  
2.3 Information Security

25  
33  
36





Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

2.1 Corporate Governance and Ethical  
Corporate Management  
2.2 Risk Management  
2.3 Information Security

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

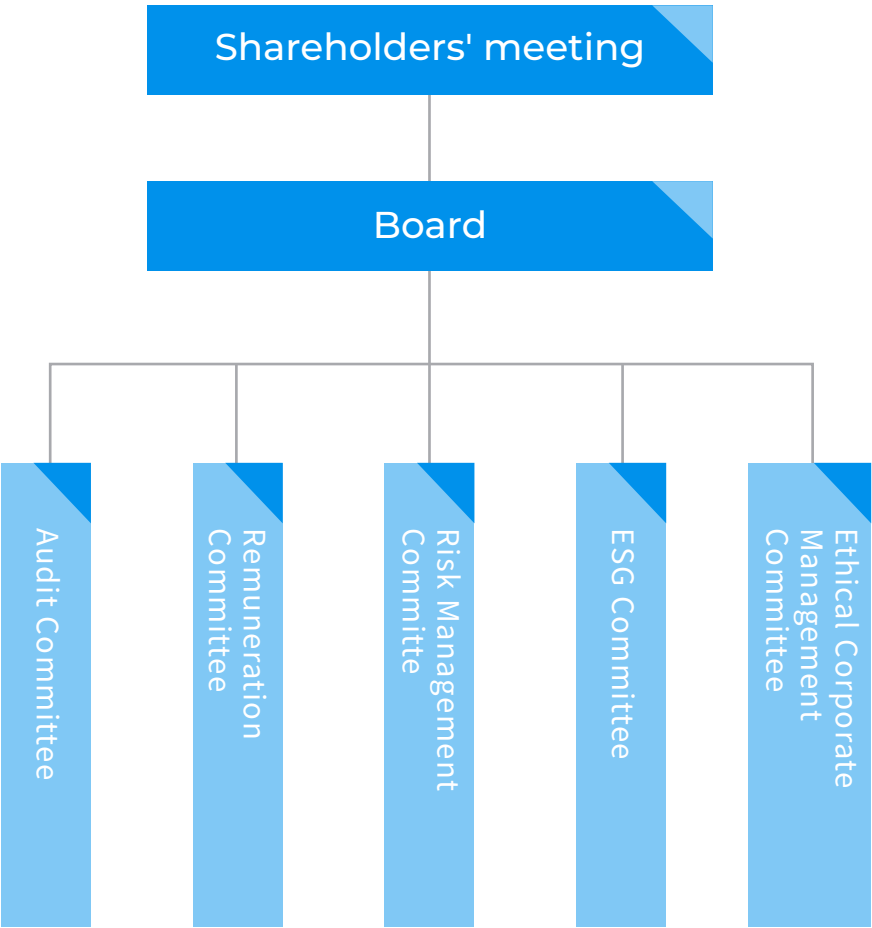
05 Green Operation  
and Social  
Co-prosperity

06 Appendix

# 2.1 Corporate Governance and Ethical Corporate Management

## 2.1.1 Governance Structure

To improve the efficacy of corporate governance, we adhere to transparent operation, focus on long-term development strategies, and strive to seek sustainable operation. The "Board," the highest governance unit, is the bedrock of the Company. Under the comprehensive governance operation structure, the governance unit is able to fully grasp the Company's operating status and development target and respond to market demand and economic changes in a timely manner. To optimize the Board's functions and improve the decision-making efficiency, functional committees subordinated to the Board are established. The members and responsibilities of the committees are set out in the following table:



	Audit Committee	Remuneration Committee	Risk Management Committee	ESG Committee	Ethical Corporate Management Committee
Committee member	◆ Comprise three Independent Directors.	◆ Comprise three Independent Directors.	◆ Comprise three Directors. One of them is an Independent Director, and the Independent Director is the convener.	◆ Comprise five Directors, including three Directors and two Independent Directors. The Chairman is the absolute member, the chairperson of the committee, and the chairperson of meetings.	◆ Comprise five Directors, including three Directors and two Independent Directors. The Chairman is elected as the convener of the committee.
Responsibility	◆ Supervise the appropriate presentation of financial statements, the effective implementation of the internal control system and legal compliance, risk control, and the appointment (dismissal), independence, and performance of CPAs.	◆ Review and provide recommendations on the performance evaluation and policy, system, standards, and structure of the remuneration of Directors and managers.	◆ Coordinate, plan for, supervise, and manage various risks of the Company.	◆ Formulate and implement the sustainable development policy. ◆ Determine the indicators and targets, strategic directions, projects, and activities for sustainable development and make regular follow-ups and examinations.	◆ Establish the corporate culture of ethical corporate management and optimize the management of ethical corporate management.

## 2.1.2 Board Structure

### Board Election System

The Board structure of the Company is appropriately adjusted and allocation with reference to the Company's business development scale and the shareholding of major shareholders, taking into account the requirements of practical operations. The Company is a company of one shareholder. According to the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the "Articles of Incorporation," the Company has 7 to 11 Directors, of which the number of Independent Directors shall not be less than three persons and shall not be less than one-fifth of all Directors. The financial holding company (i.e., CDFH) that holds all issued shares of the Company appoints capable persons as Directors. In addition, according to the Company's "Corporate Governance Best Practice Principles," to facilitate the diversification and healthy functions of the Board, basic conditions (i.e., gender, age, nationality, and culture), professional backgrounds, professional backgrounds, professional skills, and industry experience shall be considered. The current session of Directors took office on June 27, 2022. At present, there are a total of eight members, of which two are female, and there are three Independent Directors, accounting for 37.50% of all Directors.

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

2.1 Corporate Governance and Ethical  
Corporate Management  
2.2 Risk Management  
2.3 Information Security

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

Professional Background and Diversified Structure of the Board

The Company strengthens corporate governance and facilitates the healthy development of Board composition and structure through the diversified backgrounds of Directors. Directors who are concurrently managers of the Company shall not exceed one-third of all Directors; appropriate diversification policies are also formulated based on the operation, operating patterns, and development requirements, which shall include but not limited to the standards of the following two major aspects:

- I. Basic conditions and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: Professional backgrounds (i.e., laws, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Title	Name	Gender	Nationality	Date of the initial office	Age			Industry experience		Professional knowledge and skills						Functional committee					Number of companies in which the Director is concurrently an independent director
					Over	30-50 (inclusive)	Above 50	Financial industry	Other industry	Implementation and strategic planning	Risk management	Finance	Corporate governance	Information security/information technology	International experience	Audit	Remuneration	Risk management	Sustainability	Ethical corporate governance	
Chairman	Hsu Dao-Yi	Male	R.O.C.	2003.06.22			√	√	√	√	√	√	√		√			√	√	√	None
Vice Chairman	Mi Yi-Yong	Male	R.O.C.	2000.09.27			√	√	√	√	√	√	√		√			√	√		None
Director	Chu Fu-Chun	Male	R.O.C.	2019.06.14			√	√	√	√		√	√		√					√	3
Director	Wang Zhen-Hai	Male	R.O.C.	2019.10.28			√	√	√	√		√	√		√				√		None
Director	Shen Yen-Ling	Female	R.O.C.	2022.06.27		√		√	√	√			√		√					√	None
Independent Director	Wang Li-Rong	Female	R.O.C.	2022.06.27			√	√	√	√		√	√		√	√	√		√		None
Independent Director	Jia Kai-Jie	Male	R.O.C.	2019.06.14			√	√	√	√	√		√	√	√	√	√	√	√	√	None
Independent Director	Zheng Yi	Male	R.O.C.	2022.06.27			√	√	√	√	√	√	√		√	√	√			√	1

According to the "Corporate Governance Best Practice Principles" of the Company, abilities to be possessed by the overall Board are as follows:



Business judgment ability



Business management ability



Crisis management ability



Decision-making ability



Professional knowledge of securities and derivatives



International market viewpoint



Leading ability

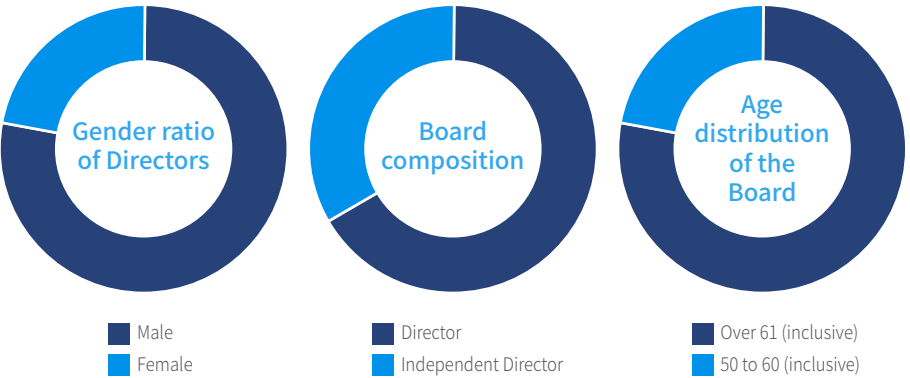


Accounting and financial analysis ability



Risk management knowledge and ability

The professional backgrounds of Board members of the Company span across strategic planning and implementation, risk management, finance, corporate governance, information technology, international experience, and other aspects, and they have extensive experience in banking, securities, insurance, and other industry, which is beneficial for assisting in the decision-making of the Board and strengthening internal supervision and management. For the academic backgrounds, experience, and professional backgrounds of Board members, please refer to the annual report of the Company for details. Apart from possessing professional backgrounds and practical experience, the Company also values gender equality. There is a total of two female Directors among the current session of Board members.





Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

2.1 Corporate Governance and Ethical  
Corporate Management  
2.2 Risk Management  
2.3 Information Security

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

Recusal for the Conflicts of Interests of the Board

The "Rules of Procedure of Board Meetings" of the Company stipulated that Directors shall describe the material content of the interest at the Board meeting if they or corporations they represent have interests in meeting matters. If such interests may harm the Company's interests, they shall not join the discussions and voting, shall recuse themselves during discussions and voting, and may not exercise voting rights on behalf of other Directors. If spouses or blood relatives within the second degree of kinship of Directors or companies with control or subordination relationships with the Company have interests in meeting matters in the preceding paragraph, it shall be deemed as the Directors have personal interests in such matters. In addition, shareholders, Directors, or persons of direct interest may apply for the recusal of Directors for particular proposals.

In addition, the "Standards for Transactions Other than Credit Loans in Article 45 of the Financial Holding Company Act" and "Standards for Transactions with Related Parties" were established to control transactions between the Company and related parties. Such regulations specify that the transaction conditions of transactions with related parties shall not be more favorable than other counterparties of the same category, and that such transactions may only be made after being approved through a certain procedure and level to avoid taking advantage of stakeholders.

Continuing Education of the Board

To strengthen the professional functions of Directors, the Company selected professional topics from the fields of finance, risk management (including information security), business, commerce, accounting, legal affairs, anti-money laundering the combating financing of terrorism, ESG, and the principle of treating customers fairly that are related to corporate governance or internal control system, financial reporting responsibility, and other topics to recommend and register continuing education courses for Directors with reference to external corporate governance practical trends, corporate business development, and professional functions of Directors, striving to comply with relevant specifications under the "Continuing Education Promotion Guidelines and Continuing Education Map for Directors and Supervisors of Securities Dealers." For continuing education status, please refer to the Company's annual report for the 2023 shareholders' meetings.

2.1.3 Board Performance Evaluation

In 2023, KGI Securities convened a total of 14 Board meetings, and the average attendance rate of Directors was 94.20%. The major reporting, communication, and discussion matters at the Board meetings convened in 2023 are as follows.

Business unit	Communication frequency	Crucial content for communication at Board meetings
Finance	Monthly	Financial position and operating performance of the Company
	Annually	Parent-company-only financial statements and consolidated financial statements, final account report, and the proposal for earning distribution of the Company
	Quarterly	Investment position examination report and evaluation report
	From time to time	Material investment decisions of the Company
Legal compliance Internal audit and internal control	Annually	The annual legal compliance evaluation and internal audit evaluation results performed by CDFH on the Company
	Bi-annually	Legal compliance business report and anti-money laundering and combating financing terrorism report
	Annually	Legal compliance risk management report, comprehensive anti-money laundering and combating financing terrorism risk report, and anti-money laundering and combating financing terrorism risk control plan
	From time to time	Material regulation amendments or updates of the Company If the Company materially violates laws and regulations, or the competent authority makes a downward adjustment to the rating, it will be firstly reported to the Directors and then reported to the Board and the Audit Committee
Risk management	Quarterly	Risk management report
	Quarterly	Minutes for Risk Management Committee meetings shall at least be reported to the Board quarterly for future reference
Human resources	Annually	Distribution of remuneration of employees and remuneration of Directors
	From time to time	Proposal for material personnel changes (including appointment, punishment, and assignment) and proposal for the appointment of an external consultant
Information security	Annually	Information security policy and resource allocation affairs evaluation report
	From time to time	Information security policy, information security budget planning, cybersecurity event description report, measure reinforcement report for recent defense of hacker's attack
ESG Committee	Quarterly	Annual target, strategic directions, projects, and activity plan implementation achievements for sustainable development
	Quarterly	Minutes for ESG Committee meetings shall at least be reported to the Board quarterly for future reference

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

2.1 Corporate Governance and Ethical  
Corporate Management  
2.2 Risk Management  
2.3 Information Security

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

To implement corporate governance, improve the functions of the Board, and establish performance targets to strengthen the operating efficiency of the Board, the Company has established the "Board Performance Evaluation Standards" to carry out an internal performance evaluation for the overall Board, individual Directors, and functional committees (Audit Committee and Remuneration Committee) each year. We also complied with CDFH's "five major ESG strategies," including creating sustainable governance, smart and sustainable finance, elite and sustainable talents, low-carbon sustainable environment, and joint creation of sustainable value, to include the "participation in ESG" in the measurement items for the performance evaluation of the operation of the Board to start adopting such behaviors from Directors and convey the spirit to employees. The evaluation results for the Board's internal performance evaluation in 2023 have been reported at the 25th meeting of the 13th Board on January 29, 2024, for future reference. The performance self-evaluation results for the operation of the Board and Board members are compiled as follows:

(I)Board operation performance self-evaluation: The Board performance evaluation indicators include six major aspects, with a total of 41 indicators, and the average score of each aspect ranges between 4.88 to 5 , representing that the Board has duly fulfilled its responsibility in guiding and supervising the strategies, material businesses, and risk management of the Company, is able to establish an appropriate internal control system, actively participates in ESG matters, and its overall operating status is healthy, complying with the requirements for corporate governance.

Six major aspects for self-evaluation	Evaluation item	Average score
A.Level of participation in the Company's operation	10 items	4.91
B.Improvement in the decision-making quality of the Board	11 items	4.92
C.Board composition and structure	8 items	4.95
D.Election and continuing education of Directors	4 items	4.88
E.Internal control	6 items	4.94
F.Participation in ESG	2 items	5.00

4：The core standards for different indicators from full mark to the lowest are excellent (5), good (4), favorable (3), acceptable (2), to be improved (1), and the rating standards is based on the "average score," and the same shall apply to the Board member performance self-evaluation below.

(II)Board member performance self-evaluation: The Board members' performance evaluation indicators include six major aspects, with a total of 24 indicators, and the average score of each aspect ranges between 4.81 to 5, representing that Directors have positive comments on the efficiency and effects of the operation of different indicators.

Six major aspects for self-evaluation	Evaluation item	Average score
A.Comprehension of the Company's targets and mission	3 items	4.96
B.Awareness of Directors' duties	4 items	5.00
C.Level of participation in the operation of the Company	8 items	4.81
D.Internal relation management and communication	3 items	4.96
E.Professionalism and continuing education of Directors	3 items	5.00
F.Internal control	3 items	4.92

To implement corporate governance and sustainable operation, the Board approved the "Implementation Standards for the Accountability System for Material Issues" with reference to Article 11 of the "Regulations Governing Responsible Persons and Associated Persons of Securities Firms" and Article 37-2 of the "Corporate Governance Best Practice Principles for Securities Dealers" to stipulate that the Board of the Company shall duly review the election of managers, supervise the maintenance of their adequacy, qualification, and conditions, and establish an accountability system for information security protection, treating customers fairly, legal compliance, and other material issues based on the "Plan, Do, Check, and Act (PDCA)" management cycle. It shall include appointing a dedicated department to be responsible for coordinating and contacting relevant departments, coordinating various businesses and ensuring the division of powers and responsibilities and the decentralization of responsibility, requesting the senior management to supervise different business departments and regularly evaluating the overall implementation achievements. The results of the overall performance shall be considered as one of the performance evaluation indicators for relevant business departments and personnel.

2.1.4 Remuneration Policy of the Governance Unit  
and Senior Management

Directors' Remuneration Policy

The emoluments of the Company's Directors include the remuneration of Directors, monthly compensation, and attendance fees. According to the "Articles of Incorporation," the Company shall appropriate no more than 1% of annual profits, if any, as the remuneration of Directors and the appropriation ratio and amount are proposed to the Remuneration Committee and the Board for approval; the remuneration is distributed after reporting at the annual shareholders' meeting.

Directors of the Company receive fixed compensation each month. If Directors currently hold the duties in functional committees subordinated to the Board, the compensation for members of functional committees is otherwise paid. If Directors attend Board meetings and meetings of functional committees subordinated to the Board in person, they may receive attendance fees by time. However, if the Directors of the Company are managers or employees of CDFH or its subsidiaries, they shall not receive Directors' compensation, compensation for functional committees, and attendance fees for functional committee meetings.

Senior Management's Remuneration Policy

The remuneration paid by the Company to the President and managers (collectively, "managers") includes annual salary and variable bonuses, in which variable bonuses are subject to the achievements of the Company's operation and individual performance. Apart from relating to financial indicators, the performance also includes sustainable development management, talent cultivation plan, and other material management indicators necessary for the long-term development of the Company; the performance measurement indicators for managers include:

Indicator category	Indicator item	Ratio
Financial indicator	Include business performance, cost control, and others	60%-80%
Management indicator	Include legal compliance, information security, risk management, treating customers fairly, human resource development, sustainability issues, and other sustainability indicators of the Company	15%-35%
Special indicator	Special contributions or events of material influence are included in the consideration for performance and remuneration	5%



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

2.1 Corporate Governance and Ethical  
Corporate Management  
2.2 Risk Management  
2.3 Information Security

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

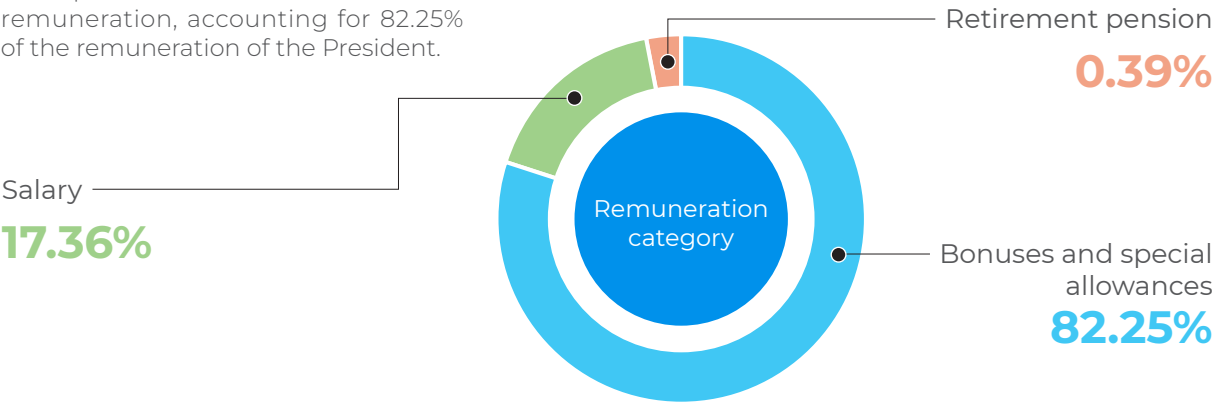
05 Green Operation  
and Social  
Co-prosperity

06 Appendix

The implementation shall be from the top down to realize sustainable governance. The Company also includes sustainability issues in the "management indicator" category in the performance measurement indicators of the senior management to ensure that senior management values sustainable operation during the course of daily operations and urges all employees to strive for the target of sustainable operation. For the ratio of measurement methods of economy, environment, and human rights in the performance of sustainable issues, please refer to the following table for details:

Indicator category	Sustainability issue performance indicator	Measurement method	Ratio of the indicator
Management indicator	Economy	Sustainability issues are included in the performance evaluation indicators for senior management.	5-10%
	Environment		
	Human rights		

For the ratio of the compensation of the President in 2023, please refer to the following table for details: Bonuses and special allowances are variable remuneration, accounting for 82.25% of the remuneration of the President.



The emolument of the Company's managers is remuneration that fully reflects work performance and aligns with market competitiveness, taking into account job scope and work experience, with reference to earnings, market adjustments, price fluctuations, future risks, and other internal/external factors. Variable bonuses in the remuneration of the Company's managers have a deferral system, and the bonuses and rewards are closely related to the Company's performance; during the deferral periods, if there are any material violations of laws and regulations and other relevant matters, they are deemed to be not achieving the existing conditions, and the deferred variable bonuses will no longer be paid; by doing so, the Company ensures that managers comply with laws and regulations to align with the spirit of corporate governance.

2.1.5 Ethical Corporate Management and Legal Compliance

Ethical Corporate Management

To establish the corporate culture of ethical corporate management, KGI complied with the "Ethical Corporate Management Best Practice Principles" of CDFH and otherwise established the "Corporate Governance Best Practice Principles," "Code of Ethical Conduct," "Standards for the Whistleblowing of Illegal and Immoral or Unethical Behaviors," and "Standards for Concurrent Position and Concurrent Duties of Responsible Persons and Sales Personnel" of the Board's level to require Directors, Independent Directors, and senior management to issue the statement to comply with the ethical corporate management policy. The Company also requires employees to comply with the ethical corporate management policy in the employment conditions for the benefit of implementing honest, transparent, and responsible ethical concepts and optimizing corporate development. The Board approved the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and Ethical Corporate Management Committee Charter" in 2023 Q2 to complete the structure of ethical corporate management specifications of the Company.

In addition, "Guidelines for Employees' Behaviors" and "Guidelines for the Management of Concurrent Position and Concurrent Duties of Responsible Persons and Sales Personnel" of the President's level are also established to stipulate that Directors, managers, and employees shall handle the Company's affairs with ethical and moral behaviors and shall do their best in avoiding the conflict of interests.

In terms of the evaluation system and internal implementation of ethical corporate management, the Company has performed the unethical behavior risk assessment for different units and branches of KGI Securities for 2023. The assessment items include bribery and the receipt of bribery, provision of illegal political donations, inappropriate charitable donations or sponsorships, provision or acceptance of unreasonable gifts/entertainment or other unjust benefits, infringement of business secrets/trademark rights/patent rights/copyrights and other intellectual property rights, leakage or exploration of the Company's secrets to engage in insider trading, engage in unfair competitive behaviors, and harm stakeholders' rights and interests. As assessed, the residual risk of the Company's unethical behaviors is low risk.

To allow Directors, senior management personnel, and all employees of the Company to fully understand and possess comprehensive knowledge of ethical corporate management, the Company will continue to promote ethical corporate management education and training. It is stated that all new employees shall complete ethical corporate management education and training within three months of reporting to work, and the Company will use the internal system for follow-ups to ensure that all employees complete the refresher training each year. In 2023, we organized the digital "corporate governance and ethical corporate management" education, promotion, and test, and the content includes the norm in the principle of ethical corporate governance, anti-corruption, conflicts of interest, and confidentiality obligations. A total of 3,063 persons completed the education and training among Directors, senior management personnel, and all employees of the Company, and the communication achievement rate was 100%.

In 2023, the Company was not involved in any case related to fraud, manipulation of the market, insider trading, corruption, or the violation of the Fair Trade Act, and no employee was punished due to the violation of ethical corporate management. In addition, in terms of business partners, we fully completed the examination and evaluation of 215 suppliers (including 21 new suppliers and existing major suppliers) and confirmed that there was no termination of business relationships due to the violation of ethical corporate management.

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

- 2.1 Corporate Governance and Ethical Corporate Management
- 2.2 Risk Management
- 2.3 Information Security

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

Other Commercial Responsibility Commitments or Policies

Except for the ethical corporate management commitment, the Company also published corresponding commitments for sustainable development, human rights, treating customers fairly, and supplier management to reinforce the Company's improvement in sustainable development and duly fulfill corporate social responsibility.

Commitment	Public information	Approval level	Application to economic activities or business relationships	Commitment communication channel	Responsible unit and its functions	Whistleblowing and feedback system	Remedial measures for negative impacts
Principle of treat customers fairly	The "treat customers fairly" section of the Company's website	The Board of the Company	The Company has established ten principles of treating customers fairly, including having ethics-oriented businesses, strict adherence to the authenticity of advertisement solicitation, respecting diverse financial service consumers, ensuring the adequacy of products provided, performance of the informing obligations, risk disclosures, and others, and established the Treat Customer Fairly Committee. The Board is the highest supervision unit, and the President is the convener. By doing so, we promote the principles of treating customers fairly from the top down, regularly examine the performance of measures and make improvements, and implement and duly fulfill the obligations of treating customers fairly.	The Company disclosed the commitment documents and relevant regulations to be observed on the Company's website to improve information transparency so as to allow stakeholders to jointly care for the implementation of the Company's commitments and the policy implementation performance. We also provide customer service complaint channels (i.e., phone calls, paper-based methods, e-mail, and others) to accept the recommendations and opinions of different parties. Dedicated personnel will track the handling results of cases, prepare the closure records, and regularly report to the Board.	The Treat Customers Fairly Committee is responsible for the planning and promotion of the principles of treating customers fairly and the regular report to the Board in terms of the implementation results. The President is the convener of the committee's meeting, and the Strategic Planning Department and its supervisor are designated as the dedicated department to be responsible for the planning, promotion and supervision of the principles.	Any person who finds that the employees of the Company or its subsidiaries violate laws and regulations, the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Guidelines for Employees' Behaviors" of the Company may file a report. A whistleblower may file the report via a phone call, paper-based method, e-mail, and other channels.	The Company shall improve the promotion of the principles of treating customers fairly internally and link them with performance while encouraging employees to report to the responsible person, the supervisor of the audit unit, or other appropriate personnel when discovering behaviors violating the principles or relevant regulations. If the violation is found to be true after the investigation, disposals will be made according to the Company's requirements related to rewards and punishments.
Human rights policy	"KGI Securities Co., Ltd. Human Rights Policy"	The Board of the Company	The Company's human rights commitment includes "no discrimination, no bullying, and no harassment; no forced labor; freedom of association and unblocked labor-management communication; healthy and safe workplace; work-life balance; information security and privacy protection." The Company will regularly organize education and training to improve all employees' human rights awareness and commit to providing safe and healthy work environments and a welfare system that cares for the physical and mental health to employees. The Company is also equipped with a comprehensive and detailed complaint system, allowing employees and the management to have smooth communication for opinion reflection.		The occupational safety and health unit and nursing practitioners of the Human Resources Department and the Administrative Management Department: Assist in promoting employee care and welfare policies, receiving employees' feedback, and planning for a comprehensive and diverse career development plan to create a safe and comfortable work environment and strive for protecting employees' rights and interests.		The Company complies with the human rights policy formulated by the parent company CDFH. Negative impacts on human rights related to employees are also specified in the occupational safety and health management system. The system provides relevant mitigation measures through risk identification. For human rights related to personal information protection, the Company will regularly carry out personal data privacy impact analysis and risk assessment and formulate policies and guidelines related to personal data protection. If any employee violates the personal data protection policy, arrangements will be made according to the reward and punishment requirements of the Company. If any customer's privacy is infringed, please exercise the rights of inquiry, requesting the suspension of collection, and requesting the restricted processing via e-mail or a call to the Group (e-mail: ir@cdibh.com; tel.: (02)2763-8800 and KGI Securities (e-mail: service1@kgi.com; tel.: (02)2389-0088 or 0800-085-005). At present, the Company has established its "Standards for the Whistleblowing of Illegal and Immoral or Unethical Behaviors," accepting that any one may file a report when discovering the behaviors of an employee of the Company violating laws and regulations, the "Ethical Corporate Management Best Practice Principles," " Code of Ethical Conduct," and Guidelines for Employees' Behaviors" of the Company. The Legal Compliance Department regularly reports to the Board and the Audit Committee regarding the acceptance of whistleblowing cases and the investigation status, and the implementation of the whistleblowing system is also one of the audit items of the audit unit.
Sustainable Development Best Practice Principles	The Company's website	The Board of the Company	Apart from establishing the Sustainable Development Best Practice Principles in 2023, the Company established the "ESG Committee" that is subordinated to the Board to achieve the purposes of the implementation of corporate governance, the development of a sustainable environment, maintaining social welfare, reinforcing the information disclosure of sustainable development and the balance between the economy, society, and environmental ecology and in realize corporate social responsibility for sustainable development.		The ESG Committee shall formulate the implementation plan and execution plan for facilitating internal corporate governance, external economic and social development, the balance of the environmental ecology, and sustainable development, and shall regularly report to the Board each year regarding the implementation achievements and carry out performance examination and improve the measures.		The Company added sustainability indicators as the performance evaluation indicators of senior management personnel, promoted and improved the promotion of sustainable development concepts internally, and assigned relevant duties to the workforces of the ESG Committee. The workforce shall regularly report to the Board regarding the implementation performance, and arrangements will be made according to the performance evaluation regulations and reward and punishment-related regulations based on the implementation achievements.
Guidelines for Suppliers' Sustainable Management	The Company's website	President	To commit to the implementation of corporate social responsibility, the Company intends to promote the issue of joint compliance with sustainable development to suppliers with business relationships (i.e., protection of labor rights and interests, environmental protection, ethical corporate management, ethical specifications, and other relevant requirements) and require major suppliers to execute the supplier's sustainability responsibility commitment to facilitate the balance between the economy, society, and environmental ecology, and sustainable development.		The Administrative Management Department promotes the protection of labor rights and interests, environmental protection, ethical corporate management, ethical specifications, and other sustainable development issues to suppliers and invites suppliers to execute and jointly comply with the Guidelines for Supplier Sustainable Management.		When entering into a contract with a supplier, the supplier shall comply with the principles of ethical corporate management, fulfill corporate social responsibility, and carry out transactions with the Company through public and transparent approaches. If a supplier is involved in unethical behaviors with severe circumstances or violates the corporate social responsibility commitment (including but not limited to the protection of labor rights and interests, environmental protection, and consumer protection) that causes significant effects on the environment and society, the Company may terminate or cancel the contract according to relevant contract terms.



Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

- 2.1 Corporate Governance and Ethical Corporate Management
- 2.2 Risk Management
- 2.3 Information Security

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

Legal Compliance Organizational Structure

The Company's Legal Compliance Department is established according to the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" of the Financial Supervisory Commission (FSC), subordinated to the President, and responsible for the planning, management, and implementation of the legal compliance system. The Board appointed a senior supervisor to hold the position of the legal compliance officer to coordinate legal compliance affairs. The Legal Compliance Department regularly reports to the Board regarding the legal compliance risk management and the business report. In addition, it is responsible for organizing the work planning, management, implementation, and evaluation of the legal compliance system and confirming that the updates and amendments to the internal requirements are in line with the external regulatory environment. It shall actively arrange and promote relevant legal compliance education and training for different departments and units based on the update trends of laws and regulations to implement and enhance legal compliance awareness within the Company. The training content covers the laws and regulations of securities, futures, investment trusts, investment consultant money-laundering control, personal data protection, and other courses. Meanwhile, the Company's legal compliance officer jointly participates in legal compliance meetings with the legal compliance supervisors of the parent company CDF and the internal subsidiaries of the Group on a regular basis to discuss regulatory or other material issues so as to achieve the transparent communication, information consistency, and the implementation of supervising legal compliance work within the Group.

Achievements of Legal Compliance Education and Training		
Course content	Number of participants	Training hours
Practitioner legal education and training	3,078	1 hr 10 min
Trading personnel law governance training course	100	0.5
New clerk education and training	117	0.5
Internal whistleblowing education and training	3,078	1 hr 10 min
Personal data and privacy education and training	3,074	1
Treat customers fairly principles education and training for the financial service industry	2,490	3
Legal compliance contact meeting and annual education and training	45	1
Annual education and training course for personnel of anti-money laundering and combating the financing of terrorism (including in-service, qualification training, and refresher training)	272	12
Anti-money laundering, combating the financing of terrorism, and proliferation financing digital education and training course (including new employee training)	2,718	1
Education and training for the automatic establishment of the trial table function of the risk assessment system	1,051	0.25
Anti-money laundering operating process education and training of new BMA (brokerage management trainee)	58	1
Domestic and foreign laws and regulations related to anti-money laundering and combating the financing of terrorism and risk trends and patterns	7	3
Prevention of money laundering risk for taxes – eight major national money laundering risk patterns	2	3
Money laundering control trends and material punishment cases (digital education and training course)	2	3
Money laundering control countermeasures in the post-pandemic era (digital education and training course)	1	2

Legal Compliance Status

There was no punishment imposed by the competent authority in 2023 (including material and general punishment cases). In 2022, there was a total of three cases of punishments imposed by the competent authority, and the total amount of fines was NT\$ 2.88 million. The cases are summarized in the following table: For detailed descriptions of the legal violation cases and corresponding improvement measures, please refer to the 2022 ESG Report and the annual report for the 2022 shareholders' meeting of the Company.

Case category	Case description	Amount of fine	Improvement measures
Material punishment case (Note)	The FSC determined that KGI Securities materially violates the corporate governance principles, fails to duly implement the internal control system, and violates the Regulations Governing Securities Firms as it reports the financial and business data of the Company to non-responsible person, fails to make arrangements for foreign business trips and expenses reimbursement of employees according internal specifications established, and agrees to allow persons who are not the Company's employee to use its office for private affairs not under the securities business, imposed a fine over NT\$0.24 million but less than NT\$4.8 million, and ordered the Audit Committee of the Company to adopt necessary measures for the deficiencies found in the examination and report the implementation status to the Board, and imposed a reduction of 20% monthly salary of the Chairman for three months, and suspended the business execution of the President for six months.	NT\$2.4 million	The Company amended its internal specifications based on the matters in violation of laws, required personnel of a certain job level/title to execute and duly comply with the "corporate governance system commitment," and reinforced the promotion and management system related to internal confidentiality and ethical corporate management. Regarding matters in violation of laws, the Audit Committee of the Company had reported the implementation status of necessary measures adopted to the Board.
General punishment case	The Financial Examination Bureau, FSC, performed the project examination for the control system for accepting the entrusted orders of corporate customers and the general business examination in April 2021 and November 2021. It determined that the Company fails to duly implement the internal control system and violates the Regulations Governing Securities Firms as customers connect to the co-location center of the mainframe of TWSE for entrusted orders without applying for any approval, the Company fails to duly record the IP of customers' orders, fails to examine and control the same data between the communication data of the brokerage customers and internal personnel of the securities dealer and imposed a fine of NT\$0.24 million, respectively, and the total fine was NT\$0.48 million.	A total of NT\$0.48 million	Regarding the inspection results of the Financial Examination Bureau, FSC, the Company amended its internal specifications and the corresponding system setting, enhanced internal promotion for compliance with internal personnel, and confirmed the completion of improvements.

Note : According to the "Legal Compliance Evaluation Content and Procedures" of the Company, the standards for events that materially violate laws and regulations and shall be reported to the standards of Directors include:  
1. A single behavior in violation of laws with a fine of NT\$3 million or above or an event reaching 50% of the highest legal fines (excluding those with the highest amount less than NT\$1 million).  
2.The category of material punishment as announced on the FSC's website.  
3.Fraud of unfavorable internal control or material deficiencies in the operation.  
4.Other circumstances that have material effects on corporate image, shareholders' rights and interests, and securities price or harm the normal operation after an evaluation.

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

2.1 Corporate Governance and Ethical  
Corporate Management  
2.2 Risk Management  
2.3 Information Security

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

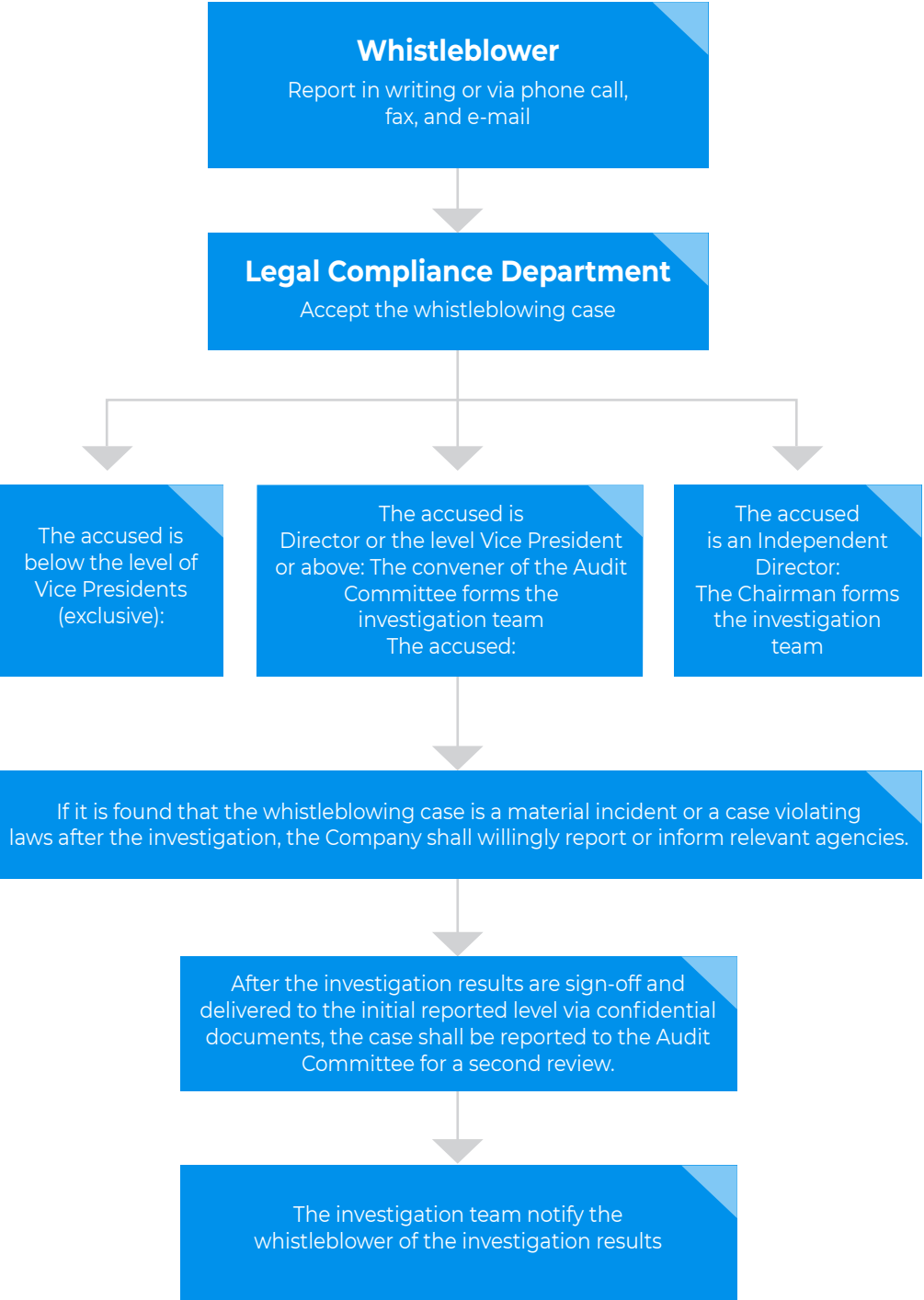
In addition, the Company had no event of the violation of product and service information and labeling requirements or marketing and broadcasting-related regulations, fraud, insider trading, anti-trust, anti-competition or monopoly, bribery, or illegal political donations in 2023, and had no mediation or arbitration cases in violation of ethical corporate management. The Legal Compliance Department of the Company received the notice that two of the employees were involved in business-related civil litigation cases. The litigation cases are related to the disputes with customers of the brokerage business and are under trial by the High Court. In addition to this, the Company did not receive any notice of employees having records of investment-related investigations or customer complaint cases. We intend to continue to continue tracking relevant circumstances.

Whistleblower System

According to the "Standards for the Whistleblowing of Illegal and Immoral or Unethical Behaviors," any person who discovers that the behavior of an employee of the Company or subsidiaries violates laws and regulations or the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Guidelines for Employees' Behaviors" of the Company may file a report in writing or via e-mail or fax and other whistleblowing channels. The Legal Compliance Department is the acceptance unit for whistleblowing cases. The Company will keep the identity of the whistleblower and the reported content confidential and actively investigate and handle whistleblowing cases.

Internal whistleblowing regulation	"Standards for the Whistleblowing of Illegal and Immoral or Unethical Behaviors" (the "Whistleblowing Standards")
Acceptance unit of whistleblowing cases	Legal Compliance Department of KGI Securities
Investigation unit of whistleblowing cases	According to Article 6 of the "Whistleblowing Standards": 1.If the accused is an employee below the level of Vice President (exclusive) of the Company, the supervisor of the Legal Compliance Department shall immediately report to the President for the President to lead the forming of the investigation team. 2.If the accused is a Director or management personnel with a level equivalent to the level of Vice President or above, the supervisor of the Legal Compliance Department shall immediately report to the convener of the Audit Committee for the convener of the Audit Committee to lead the forming of the investigation team. 3.If the accused is an Independent Director, the supervisor of the Legal Compliance Department shall report to the Chairman for the Chairman to lead the forming of the investigation team. The investigation team shall propose the investigation result report within six months from the day following the appointment and establishment; however, a three-month extension may be granted up to one time if the report cannot be completed during the abovementioned period due to complicated cases or other factors. After the investigation results are sign-off and delivered to the initial reported level via confidential documents, cases in category 1 above shall be reported to the upcoming Ethical Corporate Management Committee meeting for discussion, and then reported to the Audit Committee. Cases in category 2 and category 3 above shall be reported to the upcoming Audit Committee for a second review.
Whistleblowing channel	1.Whistleblowing postal box: No. 223 mailbox, Taipei Bei'an Postal Office 10499 2.Whistleblowing hotline: 02-7702-0906 3.Whistleblowing fax: 02-7702-0907 4.Whistleblowing e-mail: whistleblower.kgisec@kgi.com; the abovementioned whistleblowing channels are announced on the website: <a href="https://www.kgi.com.tw/zh-tw/code-of-conduct">https://www.kgi.com.tw/zh-tw/code-of-conduct</a> 5.In addition, relevant descriptions and channels of the whistleblowing system are provided in the Legal Compliance Department section on the intranet of the Company.
Promotion of whistleblowing channels	1.Carry out the whistleblowing system promotion two times each year. 2.Carry out promotional descriptions for all employees in the "practitioner legal education and training course" each year. 3.Carry out promotional descriptions for all new clerks in the new employee education and training course of the brokerage unit.
Whistleblowing incentives for whistleblowers	According to Article 8 of the "Whistleblowing Standards," for whistleblowing cases that are verified and severe, the Company shall handle them according to laws and regulations or relevant requirements of the Company and may provide appropriate rewards to the whistleblower.
Validated whistleblowing cases	In 2023, there was no validated whistleblowing case.

Investigation Procedures and Handling Procedures for Whistleblowing Case





Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

2.1 Corporate Governance and Ethical Corporate Management

2.2 Risk Management

2.3 Information Security

03 Responsible Finance

04 Employee Care and Outstanding Workplace

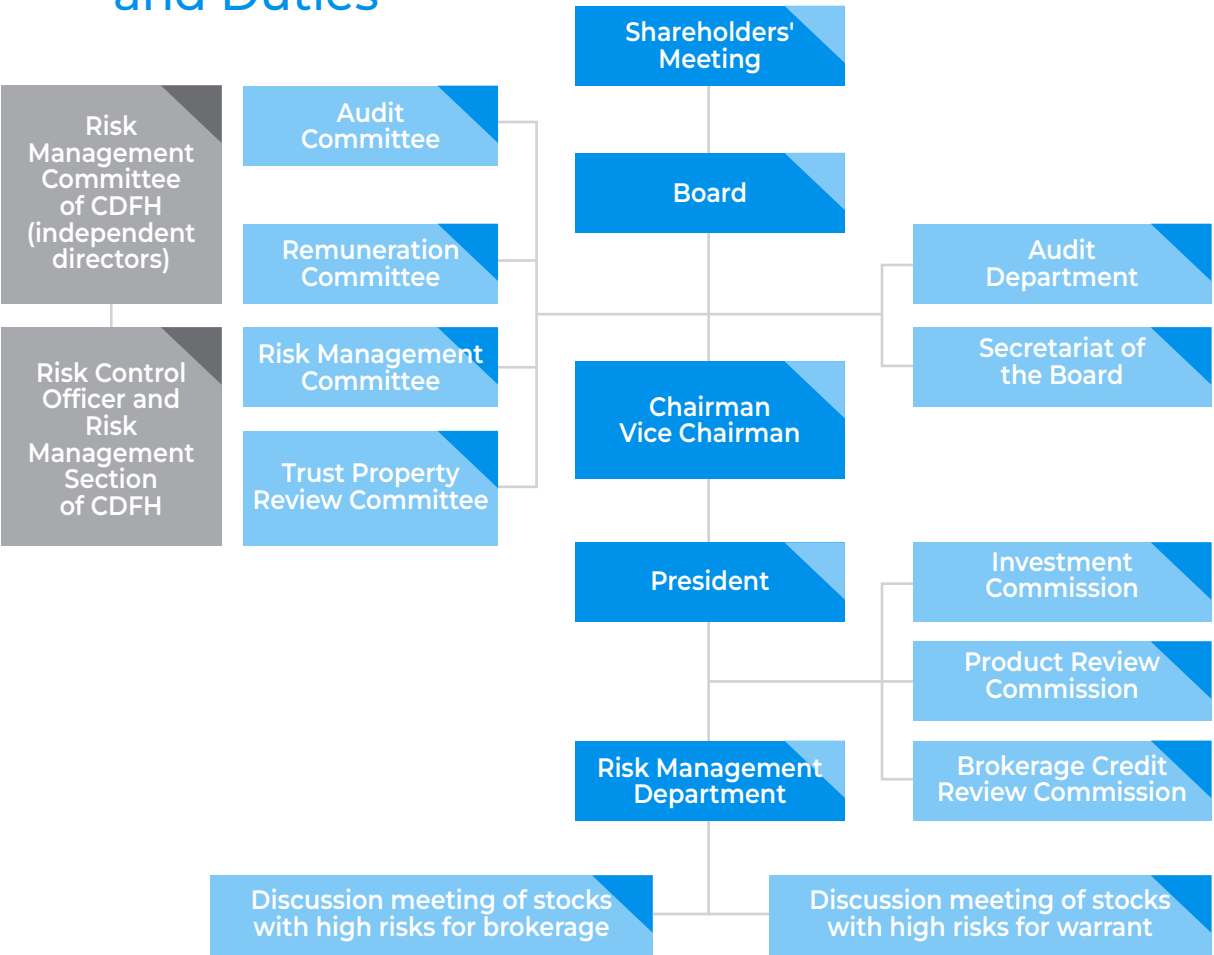
05 Green Operation and Social Co-prosperity

06 Appendix

2.2 Risk Management

Facing the ever-changing market environment, the aspects involved in risk management have become more extensive and complicated. To effectively manage risks related to the operation of the Company and strengthen the Company's competitive strength, KGI Securities established its risk management policy to serve as the basis for risk management according to laws and regulations of the competent authority, the "Risk Management Policy" of the SDFH, and the business development strategy of the Company. KGI Securities continues to optimize its risk management operations. The scope of management includes market, credit, liquidity, operation, legal risks, and capital adequacy rate. In recent years, relevant risks have derived from climate change. For instance, physical risks – immediate extreme weather events (i.e., typhoons and extreme rainfall) or changes in long-term climate model (i.e., continual high temperature and rising sea level and transition risks. Transition risks are those caused by the changes in policies, laws, technologies, or market for the transition to a low-carbon economy that will generate impacts on the Company's operations. The Company will maintain the stable operation of the Company through the identification, assessment, monitoring, and control of these various risks.

2.2.1 Risk Management Organizational Structure and Duties



Governance Structure of Risk Management

The Board of KGI Securities is the highest governance unit for risk management, and it is responsible for ensuring the effective implementation of risk management, approving the risk management policy, and supervising the implementation of the overall risk management system. It bears the ultimate responsibility for the Company's risk management. Its subordinated Risk Management Committee is a functional committee, and it is responsible for implementing the risk management decisions approved by the Board, reviewing the annual risk appetite and limit of the Company, its different business units, and its business projects. It is also responsible for the examination of material risk events and countermeasures, and the risk information reported by risk management-related units.

To protect the rights and interests of shareholders and investors, the Company otherwise established its Investment Commission and Product Review Commission, and they are responsible for reviewing the Company's securities underwriting and sales consultation projects and the general long-term investment projects, and establishing the product evaluation and review system, evaluating products submitted for review, and shelf review, respectively.

The Company's risk management unit is responsible for the implementation of daily risk measurement, monitoring, and assessment, regularly generating the risk management report, and reporting to the management according to the specified procedures. In addition, it is also responsible for examining the financial product valuation model used by the business units and establishing or assisting in establishing the development and maintenance of the risk management information system.

2.2.2 Deeply Root the Corporate Risk Culture

Material Risk Management System

The Company has organized risk management systems for material risk categories, including market risks, credit risks, liquidity risks, and legal risks, to serve as the basis for risk management observation. The risk categories are defined as follows:

- I. Market risks  
Refer to risks of losses caused by the changes in the value of the trading positions resulting from the fluctuation of market risk factors (including interest rate, exchange rate, equity securities, and product price).
- II. Credit risks  
Refer to risks of losses caused by the inability of lenders, borrowers, trading counterparties, and customers of the brokerage business to fulfill their responsibilities (obligations) or changes in financial assets held due to credit quality.
- III. Liquidity risks  
Such risks can be divided into market liquidity risks and capital liquidity risks. Market liquidity risks refer to risks of losses caused by the inability to offset positions at the current market price. Capital liquidity risks refer to risks of funding gap generated from the invalidity and inappropriateness of cash flow management.
- IV. Operating risks  
Refer to risks of losses caused by the mistakes of internal operations, personnel and systems, or external events (i.e., transaction process authorization, transaction support information acquisition, counterparty experience consideration, transaction record preservation, valuation, price information confirmation, preparation of financial statements, transaction record processing and confirmation, settlement and delivery, account verification, asset control, information security, information protection, division of personnel's powers and responsibilities, related party transactions, and internal control system).
- V. Legal risks  
Refer to possible losses caused by the uncertainty of legal procedures or the application of laws and regulations and the defects in contracts or other legal documents.
- VI. Climate risks  
Refer to transition risks of the Company's finance, strategy, operation, product, and reputation related to low-carbon transformation due to climate change and physical risks of the Company's finance and operation due to extreme weather caused by climate change.

Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

- 2.1 Corporate Governance and Ethical Corporate Management
- 2.2 Risk Management
- 2.3 Information Security

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

For the business limit management and risk management-related specifications of different business departments, the Risk Management participates in the establishment and amendment and jointly complies with relevant monitoring procedures with other relevant departments of the Company. Furthermore, we also continue to develop or purchase risk management information systems for control to effectively manage risks. The risk management report and statements are provided to senior managers regularly to serve as the reference for management decisions.

In addition, in response to global emerging risks, the Company established the identification and assessment system for material risk items (i.e., regional political and economic risks and online information security risks) in compliance with the "Risk Management Policy" of the parent company CDFH so as to formulate responding strategies and manage relevant risks and ensure the stable operation and development of the Company.

Risk Management and Reporting Systems		
Risk category	Risk management measurement system	Information covered by the risk management report and the reporting frequency
Market risks	The Company has established its risk management system, market risk management regulations, and various product operating standards, carries out market risk capital allocation based on the business strategy and risk appetite and implements market risk monitoring daily to control risks within the tolerable scope of the Company. The Company adopts MSCI Risk Manager, a market risk management system, as the main tool for quantitative management. It comprehensively provides various analysis metrics daily and integrates the computing results, covering the scope of equity, interest rate, product and exchange rate risks, and the adjustment and application of various derivative models to implement the management of annual risk appetite. To confirm the estimation efficacy of the market risk value model, the Risk Management Department regularly implements back-testing to examine the validity of models.	The Risk Management Department generates the risk management statements of the sensitivity, risk value, and trading profit or loss of the entire company, business departments, different businesses, and traders and discloses and provides relevant risk management information to the management and business units of the Company.
Credit risks	For credit risk management, the Company established appropriate credit risk limits based on the credit ratings of issuers and trading counterparties, transaction features, or product patterns, with comprehensive consideration of the Company's net worth, concentration risks, or other factors. Apart from regularly examining trading counterparties, positions, and the credit status of collateral, the use status of various credit limits is also compiled and reported to relevant units and management. When assessing the credit risks of trading counterparties or trading targets, the Company may adopt external credit ratings and compare them with the rating comparison table. The external credit ratings shall be subject to the credit ratings issued by TCRI of Taiwan Economic Journal, Taiwan Ratings, S&P, Moody, Fitch, and other rating companies. The rating comparison table of the Company is divided into levels 1 to 9. Apart from updating the credit rating data of trading counterparties or trading targets by external rating institutions in due course, the Company may appropriately adjust the credit risk limit when credit ratings change.	The risk management department monitors the changes in the credit risks of trading counterparties of over-the-counter derivatives underwritten by the Company before the delivery on a daily basis, discloses and provides relevant information to the management and business units for reference, adopts graded management for the credit exposures of the issuers and trading counterparties of the positions held by the Company, and implements various credit risk limit management and the response to and management of risk events. The Risk Management Department applies for the credit risk fund with the Board each year. Apart from establishing the credit risk expected loss limit and formulating the credit risk limit and various concentration risk limits for trading counterparties before delivery, it controls the use of various credit risk limits through the daily examination of credit risk exposure and the change in the credit risk of trading counterparties or trading targets to implement the management of the Company's credit risks.
Liquidity risks	The Company's liquidity risks are divided into market liquidity risks and capital liquidity risks. Market liquidity risks adopt the trading volume of positions held by the Company in the market as the measurement indicators as the basis for information disclosure. For the management of capital liquidity risks, an independent capital allocation unit is established to comprehensively consider the net cash flow of capital requirements of different departments and the progress for capital management so as to effectively control the capital liquidity risks of the Company.	The information disclosure of market liquidity risks is regularly reported to the Risk Management Committee as a reporting proposal. In addition, for the control of capital liquidity risks, the capital allocation unit regularly examines relevant financial ratios of the Company, evaluates the capital status, establishes appropriate capital safety stock recommendations each quarter, and reports it to the supervisor of the capital allocation unit, and examines the capital safety stock standards each month.
Operating risks	For operating risk management, the Company sets the control points and inspection points for various internal control systems, respectively, based on the risk characteristics of the operations and regularly carries out the self-evaluation of internal control systems to ensure the completeness and validity of all operating procedures and control emphasis. All units of the Company implement operating risk management based on their job scope, and the scope and content covered include the authorization, procedures, and operating content related to operating risk management. All plans are in compliance with the front and back operation separation, duties, and independent permission principles.	The Company has established the "Regulations for Reporting and Handling Abnormal Matters and Material Incidents." When abnormal matters occur, report to the Risk Management Department and the audit unit. The Risk Management Department carries out the examination and control of the occurrence reason, and improvement response of operating risks, and the audit unit reports to the Chairman and the Audit Section of the parent company CDFH based on the nature and necessity of the abnormal events to effectively manage loss events of operating risks.



Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

- 2.1 Corporate Governance and Ethical Corporate Management
- 2.2 Risk Management
- 2.3 Information Security

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

Capital Adequacy Planning

According to the "Risk Management Policy" the Company must effectively manage operating-related risks of the Company, enhance the Company's competitive strength, and cooperate with the business development strategy. To do this, the Company duly controls its capital adequacy rate, maintains it above the minimum statutory ratio required by the competent authority to maintain sufficient capital to support risks generated from operations, and balances risk control and business development through capital allocation to effectively allocate resources and achieve the target of optimized capital allocation.

In terms of capital planning and adequacy management procedures, the Company adopts its strategic planning, risk policies, and total resources to formulate the budget performance target, strategic focuses, and risk capital allocation when preparing annual budgets. The goals of this effort are to achieve the Company's strategic targets and effectively manage the risks of the entire Company. The finance department of the Company regularly carries out stress testing and monitors the overview of the capital adequacy ratio to align with the requirements of the competent authority and internal specifications; it also reports to the competent authority on a monthly basis. Furthermore, according to the results of the testing, it analyzes the effects of the RAROC of the businesses or businesses on capital adequacy to achieve the optimization of capital allocation. The Company also established the internal alert indicators for the capital adequacy ratio. When the market business is overheating and causing the insufficiency of the overall risk capital and resources of the Company, resulting in the drop of the capital adequacy ratio to below the alerting indicators, the Company will reallocate risk capital to different business departments based on the results of stress testing. When necessary, relevant business departments may be called upon for discussions to adjust the capital allocation of different units.

In addition, to understand the market risk tolerance level of the trading positions, the Risk Management Department regularly implements stress testing to measure the effects on profit or loss due to extreme changes in market risk factors in investment portfolios so as to understand the possible impacts on the profit or loss of business investment portfolios.

The stress testing of the Company adopts the historical scenario analysis and self-set scenario analysis, and the testing results are regularly reported to the Risk Management Committee and the Board of the Company. If the stock of the Company on December 29, 2023 remains unchanged, the stock price indexes in different countries drop by 15%, the yield curve rises in parallel by 150bps, the exchange rate of foreign currencies against NTD depreciates 10%, and the product indexes drop by 25% under the self-set simulation scenario (the expected profit or loss under the worst scenario); the estimated losses of the Company's trading positions are approximately NT\$2.109 billion.

Valuation and Management Procedures for Level 3 Assets

The valuation procedures for assets and liabilities with the fair value of Level 3 of KGI Securities are subject to the "Guidelines for Asset Valuation" established by the Company. If the fair market value is not easily available or if there is no product transaction in the active market, relevant departments shall evaluate the reasonableness of the fair value, and the Accounting Department shall make account entries based on the valuation results.

Apart from the adoption of a long-term investment valuation management system by partial financial instruments for valuation, business units adopt appropriate valuation methods or models to estimate the fair value based on the valuation methods in the system. For the remaining financial

instruments, the Company obtained the qualification to adopt the delta-plus approach under the self-capital adequacy ratio advanced calculation method for securities dealers. If adopting the financial product valuation model required to calculate the capital adequacy ratio and other statutory ratios for such financial instruments, the Company shall otherwise comply with the "Guidelines for Model Use" it established. If a business unit has the requirements for additional changes in the product valuation model, the business unit shall propose the additional change application of the model (including parameters) and provide relevant documents for the Risk Management Department to carry out the model and parameter verification and approval procedures and notify the information unit, the development and use units of the model, audit unit, the Accounting Department, Financial Management Department, and Management Department of the results. Relevant departments shall adopt the model in the business operation or install the model in the information system to ensure the consistency of the calculation method, model, and data across departments and across products. The Risk Management Department also re-examines the model each quarter. If there is no change in the model during the quarter, the re-examination will be only for the accuracy and applicability of the parameters. It will also have meetings with relevant units to report the "Self-inspection Table for Model Used by Securities Dealers" of the former quarter to TWSE and TPEx. In addition, the investment properties held by the Company are not measured at fair value. According to the requirements under IFRSs and the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Company shall disclose the information on its fair value in its financial statements. The fair value hierarchy is Level 3, and the fair value is referred to in the external appraisal reports.

Note : 5.Risk-adjusted return on capita (RAROC) refers to the return on assets after risk adjustments. The return and risks of an asset are concurrently considered for calculation to avoid losses generated from the tolerance of high risks due to high return.

2.2.3 Climate Risk Identification and Response

The FSC published the "Sustainable Development Transformation Implementation Strategy for Securities and Futures Firms" on March 8, 2022, and promoted "strengthening the ability of securities and futures firms to respond to climate change risks," "improving the sustainable development information disclosures of securities and futures firms," and "optimizing the information disclosure channels and external communication of securities and futures firms" to improve the sustainable development information disclosure quality and content of securities and futures firms. The Company has been preparing and implementing the TCFD project since 2022. The Risk Management Department is responsible for the coordination. The "Standards for Climate Change Management" was also established and published after being approved by the Board in 2023 to include climate risks and opportunities in the current risk management system. For the project content, please refer to the environment sections in the Report and the TCFD Report for details.

The Company utilized the functions of external experts/consultants in 2022 to enhance climate change risk analysis and assessment, introduced the TCFD structure to identify and assess climate risks and opportunities, established a climate governance structure and internal management procedures and systems related to climate risks, and regularly assessed the effects of physical risks on the business locations of the Company to formulate relevant countermeasures. In terms of physical risks, we stipulated that the strategy is "self-operation, low-carbon transformation and reinforcement of climate resilience." The Company will set short-, mid-, and long-term targets with reference to SBTi specifications, reinforce climate resilience, and formulate climate change mitigation and adaptation measures to ensure business continuity.

Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

- 2.1 Corporate Governance and Ethical Corporate Management
- 2.2 Risk Management
- 2.3 Information Security

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

2.3 Information Security

In recent years, due to the booming development of information technologies, information security attacks and personal information leakage have been occurring frequently. Accordingly, the competent authority attaches more and more attention to information security and continues to promote its importance. Apart from regularly examining the applicability of internal policies and external regulations, the Company also established its "Information Security Policy" to ensure the confidentiality, completeness, and availability of its professional financial services. It carried out information security risk assessments in compliance with relevant laws and regulations, confirmed the standards for various information operating security requirements, and adopted appropriate and sufficient information security operations to ensure the security of the Company's information collection, processing, transmission, storage, and circulation.

2.3.1 Information Security Governance Structure

To improve the information security awareness of the organization, Vice President Huang Rong-Lin was appointed as the Information Security Officer, and external consultants with information security backgrounds are invited to participate in Board meetings. We regularly organize information security courses for Directors and supervisors and share information security risk issues to assist the organization in including information security risks in the consideration for business decisions and promote the information security risk governance strategy from the top down starting with the Board.

According to the regulations established, the Company is listed as a tier 1 securities dealer based on the paid-in capital grading protection standards. To implement effective information security management and foster a strong information security culture, organizational planning has evolved. Initially, information security was handled by a dedicated unit within the Information Department. However, recognizing its critical importance, a separate Information Security Department has been established. This department is now responsible for promoting the organization's information security policies and maintaining a robust defense against security threats.

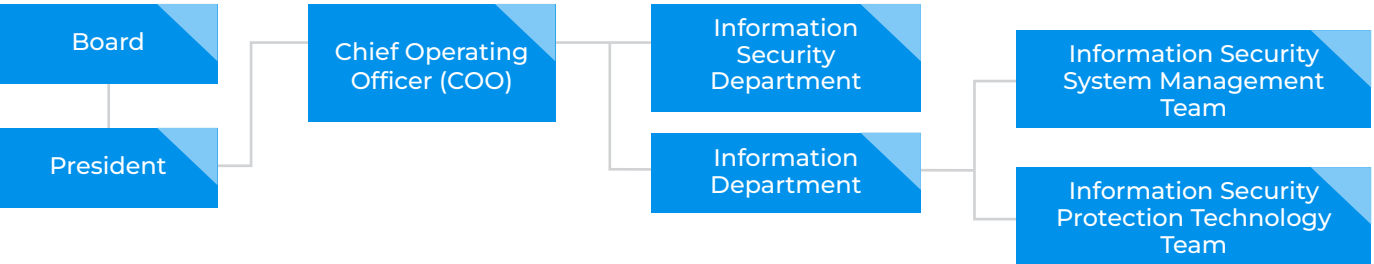
One senior Assistant Vice President is assigned to the Information Security Department as the department supervisor, and seven professional information security personnel are divided into two teams, including the "Information Security System Management Team" and the "Information Security Protection Technology Team."

The Information Security System Management Team is responsible for coordinating information security protection management, formulating information security policies and regulations, organizing the annual information security project, introducing information security countermeasures and control measures, and organizing information security education and promotion.

The Information Security Protection Technology Team is responsible for establishing information security monitoring, information security event analysis, and reporting the investigation and processing systems. Both teams perform their duties to reinforce information security-related functions. Personnel of relevant departments have obtained the information security certificates required by ISO 27001 and other information security regulations, which is more favorable than the requirements of the existing regulations.

The Information Department is responsible for formulating the overall information business development strategies and targets, the overall planning, training, and R&D of the information business, coordinating the establishment, maintenance, and management of the information system, the establishment, operation, and management of the computer and Internet environment, the cooperation with different departments for the planning and implementation of the annual information project, reporting of information system anomalies, information governance, information security risk management, and legal compliance for information.

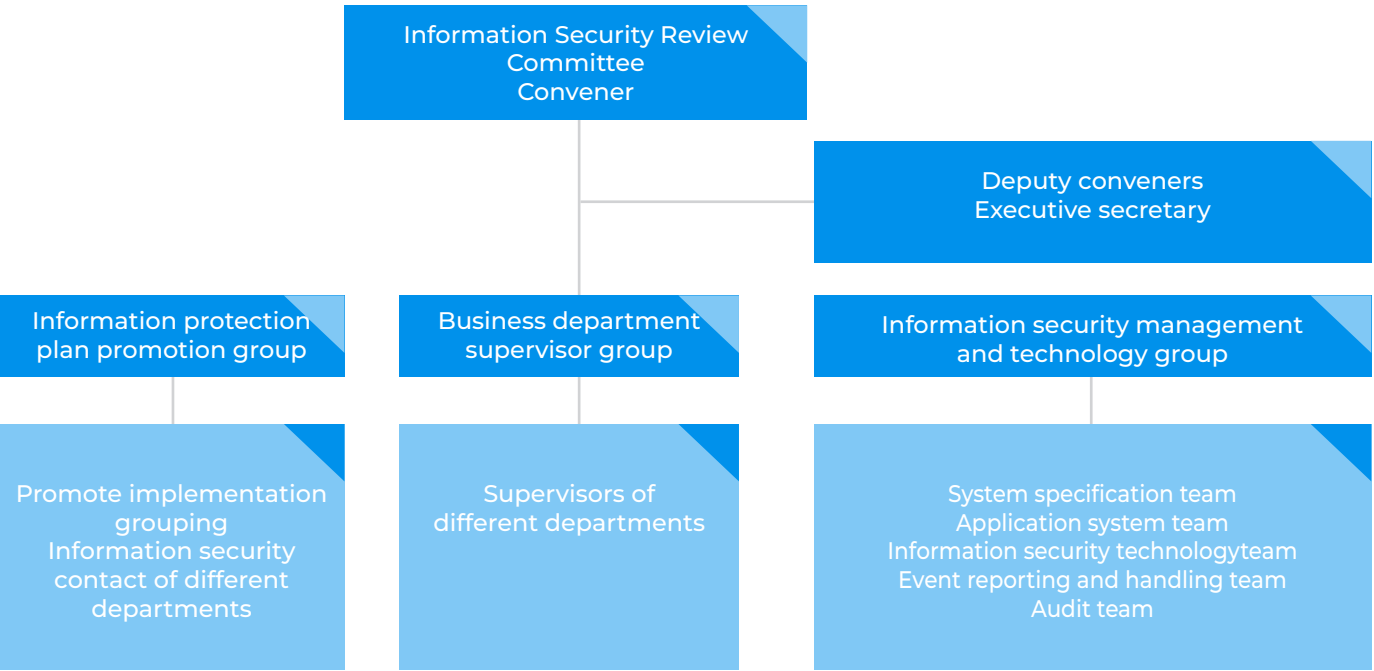
Organizational Structure



Information Security Management Review Committee

KGI Securities first established the information security promotion team in 2016 to coordinate ISO 27001 management and information security-related issues. In response to the separation of the Information Security Department as a department, the information security promotion team's level is promoted to the "Information Security Management Review Committee." The President of KGI Securities is the convener, and the chief operating officer and the information security officer are the deputy conveners. The committee is an internal task-oriented organization. It regularly reports to relevant units regarding the promotion progress of the implementation of internal information security work, regularly reports to the Board regarding the overall information security within the organization each year and holds at least three meetings each year. It is responsible for the procedure of the annual information security review meeting, the implementation matters resolved by the meeting, and the review and management of the implementation achievements of the information security management system.

Information Security Organizational Structure Chart





Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

2.1 Corporate Governance and Ethical  
Corporate Management  
2.2 Risk Management  
2.3 Information Security

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

Information Security Backgrounds of the Management

Title	Name	Information security background and experience
Convener of the Information Security Management Review Committee	President Fang Wei-Chang	President Fang possesses over three decades of experience in the securities industry and extensive experience in business management, regional integration, and domestic and overseas financial business development, and has led the KGI Securities team to become the securities dealer of leading scale in Taiwan and the emerging markets in the Asia Pacific area, win countless awards for consecutive years, and be highly recognized.
Deputy convener of the Information Security Management Review Committee Information security officer	Vice President Huang Rong-Lin	Vice President Huang used to coordinate information and information security business-related affairs in large-scale financial institutions, and he possesses over 15 years of experience.
Supervisor of the Information Security Department	Senior Assistant Vice President Huang Zheng-Jie	Senior Assistant Vice President Huang obtained ISO 27001LA, CISA, and CHFI certification and qualification.

2.3.2 Verification and promotion Achievements of Information Security

To align with the requirements of the current information security regulations, optimize information security specifications, and comply with external certification systems, the Company introduced the Plan-Do-Check-Act (PDCA) circular operating model of the ISO 27001 information security management system, established the information security management framework, and regularly organized at least one ISO 27001 management review meeting each year to report the information management operation and information security risk handling results so as to ensure the continual operation and timely improvement of the information security system.

The Company estimates to carry out the ISO 27001 information security management system version conversion project (ISO 27001 : 2022) in 2024 to add 11 control requirements for information security according to the content of the new version of ISO 27001 to respond to the diversified online attack techniques and patterns in recent years and comprehensively examine and reinforce the existing information security system.

The Company also regularly engages a third-party information security consultation company to carry out the information security evaluation each year, implement information security health inspections of high standards, introduce Advanced Persistent Threat (APT) , Endpoint Detection and Response (EDR) , information security event management platform, data leakage protection system, entrusted detection, response, and monitoring, and commissioned information security monitoring center to achieve the perfect online threat alerting and monitoring behaviors.

Apart from the "ISO27001 information security management system" certification, the Company also deems business continuity management a material operating strategy. Except for strictly complying with the current regulations, we further passed the "BS 1001 personal information management system" and "ISO 22301 business continuity management system" certifications to manage our information security system with high standards so as to achieve perfect online threat alerting and monitoring behaviors and continue optimizing and improving management performance, deepening the information security responsibility and the resilience of business continuity management.

In 2023, there were no occurrences of information leakage, no information leakage related to personal information, and no customer was affected due to information leakage.

Note : 6.APT refers to that the attacker uses multiple technologies and means to persistently carrying out the penetration attack in the long run to achieve the purposes of obtaining sensitive information, controlling the system, or damage the system. Therefore, effective security measures shall be adopted for prevention and response.  
7.EDR is a security technology used in protecting end equipment (i.e., PCs, laptops, and mobile phones) to reduce the risk of being attacked maliciously through timely detection and counterattack measures.

Implementation of Information Security

To reinforce information security awareness within the organization, the Company conveys the content of the lively teaching materials to employees via mail and e-newsletters to promote information security and arranges information security education and training courses each year based on employees' job level of general employees, professional information security personnel, and middle and senior supervisors. In 2023, the education and training course participation rate for employees was 100%. The Company also organized four e-mail social engineering drills each year to test and improve employees' information security awareness.

Information Security Education and Training Achievements			
Employees' job level	Number of persons	Education and training hours under the regulations	Total training hours
General employees	3,035	3	9,105
Professional information security personnel	7	15	105
Middle and senior supervisors	204	3	612

Achievements of E-mail Social Engineering Drills			
Total participants	Volume of mails for drills	Number of times of non-qualification	Non-qualification rate (%)
12,480	49,920	374	0.74%

Business Continuity Management

To reduce operation impacts caused by material disasters (including but not limited to earthquakes and fire) or information malfunctions and ensure the business continuity of crucial businesses and operations, the Company cooperated with external experts and consultants to introduce the ISO 22301 business continuity management system. The Board approved the establishment of the "Business Continuity Policy" to state that the Company shall understand the system of the business continuity capability and requirements of the organization through operation impact analysis and business continuity risk evaluation, establish appropriate business interruption recovery targets to reflect the level of operation interruption risks that the Company can tolerate to establish the business continuity management system and duly implement it, and regularly implement self-audits and management reviews to ensure the effectiveness of the management system.

The Company also established the "Business Continuity Management Team" according to the policy and allocated dedicated personnel to plan for the business continuity policy, allocate security responsibilities, coordinate the business continuity plan of the entire company, promote the operation of the business continuity management system, and shorten the response and handling time when operation impacts occur. Besides, all personnel with business continuity management duties of the Company have received business continuity education and training, and relevant drills are regularly implemented to ensure that the business continuity steps can achieve the business continuity target set previously.

In the future, the Company will continue to examine and improve the important activities for the business continuity management system, including but not limited to operation impact analysis, risk evaluation, business continuity strategies, business continuity plan, the organization of drills, self-audits, and management reviews, and it estimates to include business continuity management courses in the new employee education and training. In addition, we regularly arrange emergency response and recovery plan promotion, education, and training to improve the awareness of employees in terms of the business continuity system.

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

2.1 Corporate Governance and Ethical  
Corporate Management  
2.2 Risk Management  
2.3 Information Security

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

2.3.3 Customer Information and  
Privacy Maintenance

To duly fulfill the obligations and responsibilities of customer information and privacy protection and concurrently care for the improvement in the convenience of customer services and facilitating the cooperating procedures between internal institutions of the CDFH Group, the Company established the "Customer Data Sharing Management Policy," "Personal Data Protection Management Policy," "Privacy Rights Protection Policy," and relevant operating guidelines according to the Personal Data Protection Act and "Guidelines for Data Sharing between Financial Institutions" to protect customers' information and privacy rights and interests while identifying and controlling relevant risks.

The Company has engaged an external verification institution with credibility to implement the standards third-party verification review for the BS 10012 : 2017 personal information management system. The Company passed the verification, and the certificate continued to be effective.

Privacy Protection Risk Management

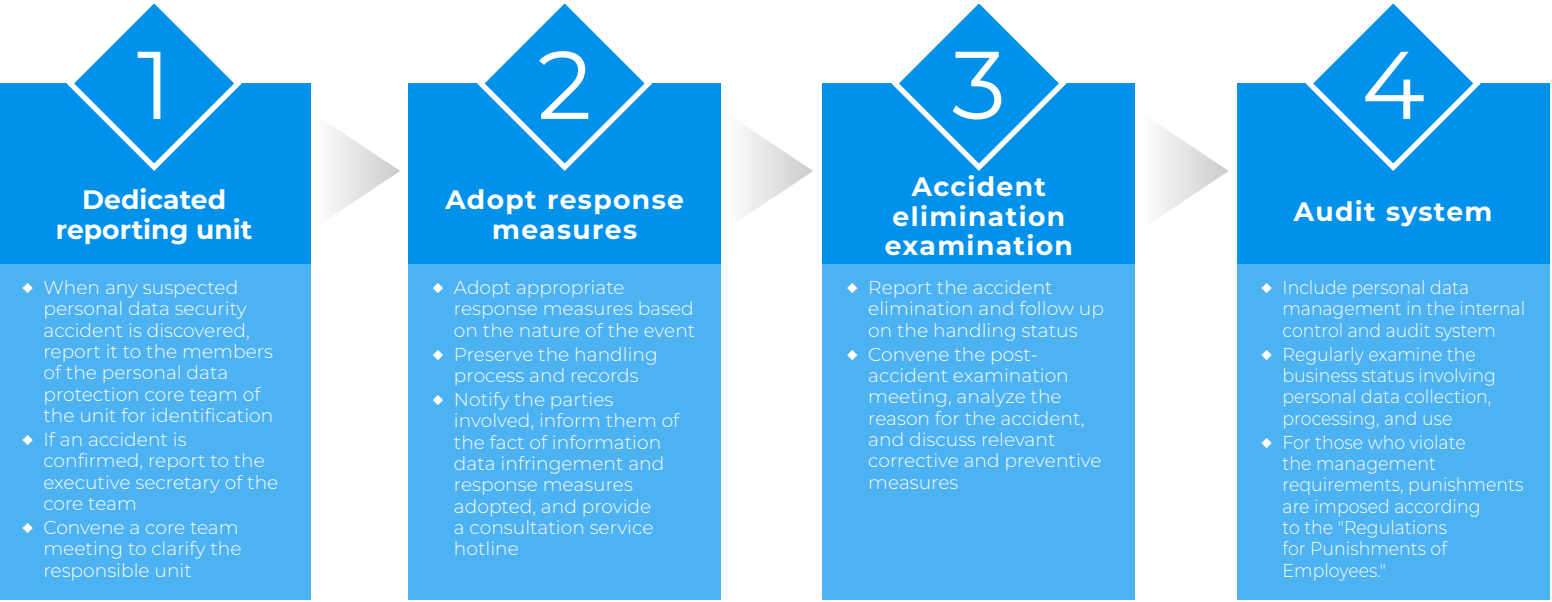
The Legal Compliance Department of the Company completed the "Business Procedures Identification and Personal Data Inventory" and "Risk Assessment" for 2023 according to the "Guidelines for Personal Data Privacy Impacts and Risk Assessment." According to the inventory and assessment results, the personal data risks involved in the operating procedures of the Company are effectively controlled. To further implement personal data protection, the Company further examined its personal data business procedures. After the examination, it is confirmed that the units referred to the abovementioned guidelines to complete the "personal data procedure risk assessment chart." The core team carries out risk sorting and assesses the acceptable risks of the Company. The executive secretary of the core team appoints personnel to prepare the "regular self-assessment report for the personal data protection management system" according to the abovementioned assessment results. After it is submitted to the core team for discussion and reported to the President for approval, personal data risks generated from the abovementioned business procedures can be effectively controlled.

To allow different sectors to learn about how the CDFH Group, including CDFH, the Company, subsidiaries, and third-party suppliers, use and protect customers' personal data and provide unblocked and effective communication channels to customers, please visit the corporate website of KGI Securities for the complete content of the "Privacy Rights Protection Policy" and "Statement of Customer Data Non-Disclosure Measures" of the Company.

Website of the Privacy Rights Protection Policy: <https://www.kgi.com.tw/zh-tw/others/privacy-policy>

Website of the Statement of Customer Data Non-disclosure Measures: <https://www.kgi.com.tw/zh-tw/others/confidentiality-statement>

Customer Information and Privacy Protection Incident Handling and Audit System



The Company has announced the information on the Group's affiliates (including their names and contact methods) that can have the cross-use customer data on its corporate website and provided the customer service consultation hotline. If a customer has suspicions about privacy rights or other personal data rights and interests, they can notify the Company at any time. The Company will assist in contacting the affiliate that has the cross-use of customer data for subsequent handling. If personnel of the Company find any suspected personal data security accident, they will immediately report to the dedicated personal data protection unit. If the personal data security accident is confirmed, appropriate response measures will immediately be adopted, and the parties involved will be immediately notified after the investigation of the personal data security accident to inform them of the fact of personal data infringement and the response measures adopted. If the personal data security accident is severe, the acceptance unit will carry out the reporting procedures and initiate the emergency response plan according to the material incident response procedures, and the Company otherwise states that a report shall be made to the competent authority within 72 hours from the occurrence of the material event to comprehensively protect customer privacy and rights and interests.

Customer information and privacy protection infringement accidents

In 2023, KGI Securities had a total of two complaints related to customer privacy, and the relevant descriptions are as follows:

Complaint	Event description	Improvement measure
Failure to use the Bcc function to conceal other recipients and their e-mail addresses	An employee failed to use the Bcc function to conceal other recipients and their e-mail addresses due to negligence when sending " the U.S. Stock Today" information, and the recipient acknowledges the name and e-mail address of other recipients.	Internally promoted the policy related to the dispatch of e-mails and the required concealing of recipients' relevant information to protect customers' rights and interests.
Disclosure of the securities inventory of a customer to the spouse of the customer	An employee called a customer; however, the person who answered the call was not the customer but the spouse of the customer, and the employee carelessly informed the spouse of the customer's securities inventory.	Internally prohibited the disclosing of a customer's asset information (including securities inventory) to any third party other than the customer.



Content

About the Report  
Chairman's Statement  
About KGI Securities

- 01 Sustainable Operation Strategy
- 02 Corporate Governance
- 03 Responsible Finance
  - 3.1 Sustainable Finance
  - 3.2 Innovative Digital Service
  - 3.3 Service Quality and Customer Relations
- 04 Employee Care and Outstanding Workplace
- 05 Green Operation and Social Co-prosperity
- 06 Appendix

# 03 Responsible Finance

3.1 Sustainable Finance	40
3.2 Innovative Digital Service	45
3.3 Service Quality and Customer Relations	47





Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

- 3.1 Sustainable Finance
- 3.2 Innovative Digital Service
- 3.3 Service Quality and Customer Relations

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

3.1 Sustainable Finance

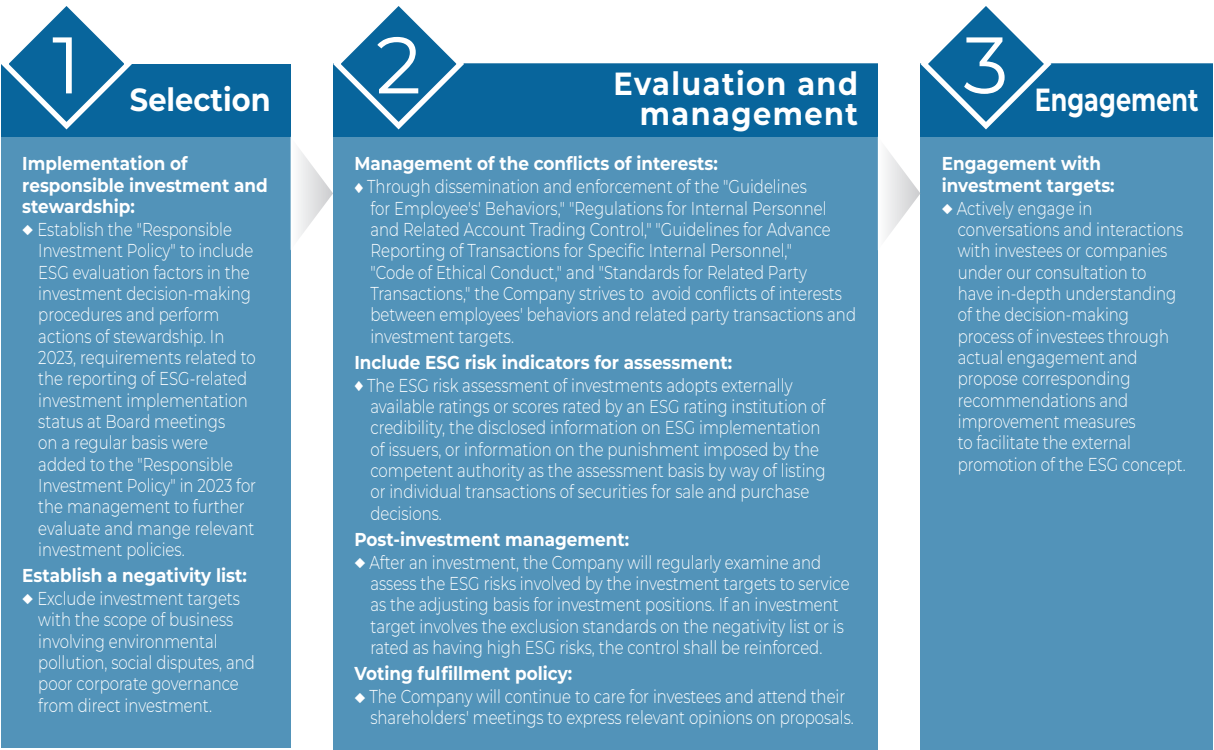
KGI Securities complies with the CDFH's prospect of sustainable finance to provide sustainable financial solutions to customers, employees, shareholders, and society, strive to create long-term stable returns, ensure the receipt of the best return by investors and shareholders, and create positive, sustainable influence through capital and financial services.

To connect to the international standards, respond to the government's sustainable investment philosophy, and implement the sustainable and net zero prospects of CDFH Group, KGI Securities executed the "Compliance Statement for the Stewardship Principles for Institutional Investors" in 2018 and formulated the "Responsible Investment Policy" of the Company in 2021. Apart from including the ESG system in the investment decision-making and risk assessment procedures, we also actively implement stewardship through caring for the operating status of investees, attending shareholders' meetings for the exercise of voting rights, and appropriate conversations and interactions with investees. In 2023, our stewardship evaluation score by the TWSE was 87.

In addition, KGI Securities followed the steps of the parent company CDFH and formally joined the "Partnership for Carbon Accounting Financials (PCAF)" to introduce international investing and financing carbon emissions management standards, establish the climate change risk management system, and comply with the SBTi, international standards, to realize the target of net zero carbon emissions of all assets through substantial actions, actively promote the corporate sustainability transformation, and accelerate the realization of the prospect of net zero carbon emissions.

3.1.1 Responsible investment

The responsible investment policy of the Company is implemented in the sale and purchase decisions in dealing transactions according to the following procedures to ensure the implementation of policies related to responsible investment and sustainable finance.



For the implementation status of the voting policy in 2023, please refer to the information disclosed on the Company's website and the 2023 Stewardship Report.

In addition, the Bond Department, Dealing Department, Derivative Department, and Capital Market Department participated in the shareholders' meetings and investor conferences (including those online) of 1,017 and 559 investees and companies listed on TWSE, TPEX, and the Emerging Stock Market. We had 5,338 on-site visits or phone interviews. For detailed information on engagement with investees, please refer to the 2023 Stewardship Report.

Responsible Investment Achievements:

The achievements of responsible investment in 2023 (disclosing the total number of projects and the total amount of the top ten industries based on the industry static category and sub-category code announced by the Directorate General of Budget, Accounting and Statistics, Executive Yuan)

Sub-category code	Sub-category	Number of projects	Amount (NT\$ million)	Ratio of the investment amount
640	Financial Services	67	32,867.11	41.59%
260	Electronics Components Manufacturing	275	8,146.54	10.31%
650	Insurance	2	4,876.31	6.17%
350	Electricity and Fuel Supply	22	4,511.86	5.71%
270	Computer, Electronic Product, and Optical Product Manufacturing	123	4,282.21	5.42%
660	Securities, Futures and Financial Consultation	6	3,706.23	4.69%
184	Plastic and Synthetic Rubber Raw Material Manufacturing	6	2,113.15	2.67%
170	Petroleum and Coal Products Manufacturing	6	2,074.03	2.62%
241	Basic Iron and Steel Manufacturing	20	1,742.92	2.21%
300	Motor Vehicles and Parts Manufacturing	37	1,669.52	2.11%
Total number of projects and total amount of the top ten industries		564	65,989.88	83.50%
Total number of investment projects and total amount		959	79,026.24	100%

The number of entries of the investment entrance and exit for the investment positions of the Company implemented each day is large, and it is difficult to completely disclose the detailed entrance and exit statements throughout 2023 at present. Therefore, the responsible investment achievements disclosed above are the data disclosed by adopting December 31, 2023 as the closing date after calculating the inventory statements and analysis of the industry category, and the data is updated according to the responsible investment policy amended by the Company in 2023. As compared to 2022, hedging positions were included in 2023 to ensure that the disclosed data can comply with the prevailing responsible investment policy. In the future, the Company will continue to comply with the responsible investment policy, care for the business performance and sustainable development responsibility, and continue to formulate measures to disclose detailed investment performance.



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

3.1 Sustainable Finance  
3.2 Innovative Digital Service  
3.3 Service Quality and Customer  
Relations

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

3.1.2 Financial Products and Services

Measure Content for Including Sustainable Transformation Evaluation in Underwriting Consultation Projects

When organizing underwriting projects, KGI Securities complies with the reporting or application requirements of the competent authority and intends to actively communicate with the companies under consultation first to examine whether the companies under consultation disclose their ESG implementation status according to the requirements and whether they have material environmental protection events and relevant fines, and evaluates their improvements. By doing so, we include the sustainable transformation philosophy in the consultation procedures. The substantial measures include:

1.Sustainable Finance companies under consultation to promote and value sustainable development and encourage companies under consultation to fairly present their implementation status of sustainable development in their prospectuses

2.Confirm the ESG implementation progress of companies under consultation through different aspects:

- Environmental issues: Establishment and implementation of appropriate environmental management systems, improvement in energy consumption efficiency, assessment of risks and opportunities of climate change, GHG inventory and management, water resource consumption inventory and management, and waste output volume inventory and management
- Social issues: Human rights protection, employee welfare measures, employee safety and work environment, employee training, consumer protection and customer rights and interests, and supplier management
- Corporate governance: Composition and duties of the board of directors, director election methods, internal function division, stakeholder communication channels, and information disclosure

Total Number of Sustainable Development Equity Underwriting Projects organized, Underwriting Amount, Service Charge Income, and Industry Distribution in 2023 (disclosing the project amount of the top ten industries based on the industry static category and sub-category code announced by the Directorate General of Budget, Accounting and Statistics, Executive Yuan)

Industry category	Number of underwriting projects	Underwriting amount (NT\$ thousand)	Service charge income (NT\$ thousand)
24 Basic Metal Manufacturing	1	4,392,855	24,103
26 Electronics Components Manufacturing	8	4,083,380	41,391
30 Motor Vehicle and Parts Manufacturing	3	4,460,911	43,486
31 Other Transport Equipment and Parts Manufacturing	1	910,917	8,728
63 Information Software Services	1	308,460	6,504
64 Financial Services	1	4,949,000	24,725
Green Energy and Environmental Protection	1	817,065	8,553
Total number of sustainable development equity underwriting projects	16	19,922,587	157,490
Total number of equity underwriting projects	33	36,054,857	639,642
Ratio of sustainable development projects	48%	55%	25%

Note : 8.Green Energy and Environmental Protection is one of the four major industry categories added by the TWSE in July 2023. According to the definition of TWSE, the green energy and environmental protection industry generally includes solar power, biomass energy, marine energy, geothermal energy, non-pumping hydroelectric power, wind power, direct use of domestic general wastes or generation of energy/economic value after processing or recognition by the central competent authority to be able to generate sustainable energy, provision of energy creation/energy storage site development/design/engineering services, environmental pollution prevention/control, recycling and reuse of resources, net zero transformation, or industries with favorable sustainable environment development-related technologies that can generate economic values.

Operating Achievements of Products or Services Related to Sustainable Development

Relevant checklists of TWSE and TPEx shall be completed for the equity underwriting business of the Company to ensure that the operations, financial status, and corporate governance of the companies in underwriting projects are free of risk. Starting in 2023, we further evaluated the sustainable development implementation status of underwriting projects, including environmental issues (energy use, climate change, GHG emissions, water resources, and waste management), human rights issues (human rights protection, employee welfare measures, occupational safety and health measures, customer rights and interests, supplier management, and other policies), and whether they involve in material environmental protection events, for evaluation. After the evaluation, the equity underwriting business may be performed if there are no relevant risks

Sustainable Development Financial Consultant and Consultation Services (disclosing the project amount of the top ten industries based on the industry static category and sub-category code announced by the Directorate General of Budget, Accounting and Statistics, Executive Yuan)

Sub-category code	Sub-category	Amount (NT\$ thousand)
332	Medical Materials and Supplies Manufacturing	3,450
200	Manufacture of Pharmaceuticals and Medicinal Chemical Products	2,300
464	Wholesale of Machinery and Equipment	2,040
487	Other Retail Sales not in Stores or Stalls	2,000
264	Manufacture of Optoelectronic Materials and Components	1960
272	Manufacture of Communication Equipment	1,730
261	Manufacture of Semi-conductors	1712
271	Manufacture of Computers and Peripheral Equipment	1,700
381	Waste Collection	1,500
433	Electrical, Plumbing and Other Construction Installation Activities	1,100
Financial consultant and consultation service income related to sustainable development		24,892
Total financial consultant and consultation service income		26,402
Ratio of sustainable development projects		94%

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

3.1 Sustainable Finance  
3.2 Innovative Digital Service  
3.3 Service Quality and Customer  
Relations

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

In addition, as there are no domestic requirements that clearly define sustainable development equity underwriting, financial consultancy, and consultation service projects at present, the Company selected the targets or service consultation company related to environmental or energy-saving products (i.e., EVs and electronic bicycles), focus on the green supply chain, and have excellent performance in the corporate governance evaluation or have optimized systems, actively participate in emerging energy development, or include ESG constituent stocks from the projects performed in 2023 to serve as the information disclosure standards for sustainable development equity underwriting projects and financial consultant and consultation service projects of the Company. In the future, if the domestic regulations or competent authority propose accurate guidelines or specifications for sustainable development projects, the Company will comply with relevant requirements and disclose relevant information after adjusting the statistical standards.

Sustainable Development Bond Underwriting Organized in 2023

The scope of sustainable development bonds in the statistics of the Company is green bonds, social responsibility bonds, and sustainability bonds recognized by TPEX according to the "Guidelines for Sustainable Development Bonds" of the TPEX:

- Green bonds: Refer to bonds with funds raised all used in green investment plans.
- Social responsibility bonds: Refer to bonds with funds raised all used in social benefit investment plans.
- Sustainability bonds: Refer to bonds with funds raised all used in green investment plans and social benefit investment plans.
- Sustainability-linked bonds (SLB): Refer to bonds with principal and interest payment conditions that are linked to the sustainability performance target of issuers; however, the principal may not be impaired.

KGI Securities organized 21 tranches of sustainable development bond underwriting in total in 2023, including nine tranches of green bonds, seven tranches of social responsibility bonds, three tranches of sustainability bonds, and two tranches of SLB; the total underwriting amount was NT\$21.1 billion, and the growth rate reached 155% as compared to NT\$8.28 billion in 2022.

Statistical item	Number of underwriting projects	Underwriting amount (NT\$ thousand)	Service charge income (NT\$ thousand)
Number of sustainable development bond underwriting projects	21	21,108,800	18,977
Total number of bond underwriting	108	121,500,000	132,043
Ratio of sustainable development bonds	19.44%	17.37%	14.37%

Statistics on Market Making and Trading of Other Sustainable and Green Energy-related Products in 2023

The total number of market-making transactions performed by KGI Securities and the total value in 2023 are as follows:

Call/put option market-making	Call/put option market-making	Amount (NT\$1,000)
ETF market-making	172	174,883,897
Stock market-making	97	805,510
Stock and futures market-making	59	8,864,369
Call/put option market-making	17,629	103,398,333

There was a total of 1,062 tranches of call (put) options linked to green energy related targets issued by the Company in 2023. KGI Securities is the flow provider of ETFs related to ESG or green energy for a total of 11 tranches and the participating dealer for a total of 12 tranches. We carried out a total of 62 tranches of premium ESG stock market-making, and relevant trading tranches and total traded amount are as follows:

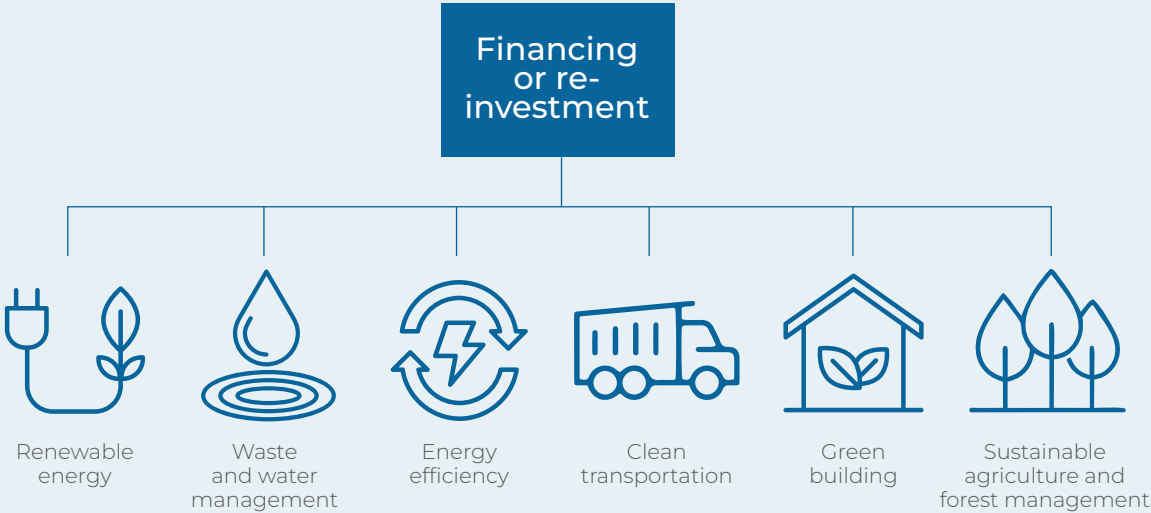
Product	Quantity	Amount (NT\$1,000)
Issuance of call (put) options	1,062 tranches	8,766,317
ETF market-making/participating dealer	23 tranches	6,998,527
Stock market-making	62 tranches	469,732

Financial Services and ESG Concept Promotion

•Promote green structured notes  
The Company is the first securities dealer in Taiwan that is entrusted with investments in green structured notes. Net funds invested by investors in green structured notes will be used in providing financing or re-investments to qualified green assets with accurate environmental benefits, and its scope includes renewable energy, green buildings, energy efficiency, clean transportation, waste and water management, sustainable agriculture, and forest management. Green structured notes allow investment behaviors to be combined with environmental protection and sustainable investments, allow sustainable asset positions, further create positive sustainable influences, and, in turn, realize ESG concepts.

First Securities Dealer! KGI Securities Promotes Green Structured Notes

Usage of Green Structured Notes





Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

- 3.1 Sustainable Finance
- 3.2 Innovative Digital Service
- 3.3 Service Quality and Customer Relations

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

Corporate ESG Transformation Development

The Company and IR Trust jointly organized the "Global Corporate ESG Transformation Development Forum," which is the largest corporate ESG forum in Taiwan and is committed to promoting corporate ESG. The forum invited Lin Xiu-Ming, the Chairman of TWSE" to give a keynote speech with a focus on "building the ESG ecosystem of the capital market in Taiwan" to share the corporate transformation opportunities and challenges based on the practices of the six major ESG aspects and explore the opportunities and challenges faced by enterprises at present, including climate change and carbon reduction, sustainable supply chain, sustainable digital transformation, sustainable finance, sustainable due diligence, and sustainable talents, showing that ESG has become the crucial focus being highly valued in the capital market in Taiwan at present.



KGI Securities Promoted the "Financial and Economic Vernacular Exercise"

To inform the public and popularize financial and economic knowledge, KGI Securities promoted the "Financial and Economic Vernacular Exercise." The content design was based on the four major principles of "Understandable, Straightforward, Easy, and Readability (U.S.E.R.)". We produced reader-friendly content starting from the users' angle, reduced the reading threshold, and provided simple, easily understandable, and available market information, financial knowledge, and mental cultivation methods for wealth management to readers. We created the first issuance of marketing cards for uninformed investors in the hope of promoting wealth management as a popular science and assisting customers in gaining financial, economic, and wealth management knowledge.

Extending the spirit of the "Financial and Economic Vernacular Exercise" to assist general citizens in taking the first step toward wealth management and obtaining professional and easily understandable investment knowledge, the Company made use of YouTube, podcasts, and other broadcasting platforms and launched "KGI Gu Gu Zheng" and "Financial News" in the hope of promoting investment knowledge and concepts to general citizens through diverse broadcasting media.

Regarding "KGI Gu Gu Zhang," it is based on the fact that YouTubers and influencers with their own traffic share their investment experiences and methods in social communities; however, they may not have relevant financial certificates, experience, and professional background, and KGI realized that such investment information is dangerous for investors. In light of this, KGI Securities hopes to share its operating knowledge and experience in industrial trends and investments over the years through the professional analysis team backstage and provide real-time, professional, just, and simple financial information that is easy to understand to investors. The video and audio content includes three major features: daily market trend analysis, in-depth industrial analysis, and popular individual stock follow-ups. Since the launch of the "KGI Gu Gu Zhang" on August 17, 2023, it has produced over 100 videos, with a cumulative number of views of 1.25 million times, and the channel subscription exceeded 10,000 persons. According to the viewership survey results, over 95% of audiences recommend family members and friends to watch the programs of "KGI Gu Gu Zhang."

KGI Securities launched the "Financial News," a podcast program, and it is jointly hosted by Hsu Chi-Wen, a renowned financial anchor woman and the professional team of KGI Securities. The members possess extensive backgrounds as fund managers, macroeconomic researchers, securities analysts, lawyers, wealth management consultants, and KOLs. Apart from the strong lineup of guests, the topics of the program are also extensive, including popular financial news, investment product/asset allocation, property inheritance, and macroeconomic data interpretation, and the real-time analysis of the recent domestic and foreign market and the long-term labor retirement pension wealth management planning problems are covered. KGI Securities hopes to link investment and wealth management to life details through the podcast program, and the audiences of the program, regardless of beginners or adepts in investments, can learn the investment and wealth management knowledge easily. In addition, we optimized the program content to align with audiences' requirements. KGI Securities also regularly distributes questionnaires to perform a survey on the listening motives of audiences. According to the recent survey results, up to 83.6% of audiences want to listen to interesting or entertaining content, while 82.9% wish to learn new knowledge. The program content will be dynamically adjusted to satisfy the requirements of audiences in different sectors.



Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

- 3.1 Sustainable Finance
- 3.2 Innovative Digital Service
- 3.3 Service Quality and Customer Relations

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

- ESG Investment Promotion  
The Company will publish ESG-related column articles on its website and official social media from time to time to actively promote ESG concepts and investment philosophies and establish a "Selected ESG" section on its website to provide investment channels that accumulate wealth and implement ESG for customers.
- Planting and Forestation Program  
The Company selected Indonesia as the venue for the planting and forestation activity and joined hands with BNP Paribas and its reforestation partner to jointly promote planting to fight against warming. To promote the reforestation action, customers of the Company who apply for the purchase of any structured product for US\$10,000 before June 30, 2023 can plant a tree through Reforest'Action, the forestry export in France.  
KGI Securities launched and guided customers to participate in the planting and forestation program in 2022. As of January 3, 2024, 5,000 trees had been planted, showing the promotion achievements.

- Promote Financial Investment Knowledge and Tool Applications  
KGI Securities will promote financial investment knowledge and tool applications to different groups of citizens from time to time and strive to provide effective and comprehensive financial services and knowledge to all levels and groups.

Project name	Project content	Implementation achievement
Organization of various online/offline financial and wealth management lectures	Design wealth management and investment teaching from easy to hard to help youngsters build wealth management concepts.	In 2023, a total of 46 online financial lectures were organized, including topics of macroeconomics/Taiwan stocks, U.S. stocks, foreign bonds, and popular industries. The cumulative teaching hours reached 46 hours, and there was a total of 4,765 persons participated.
"Financial News"	The financial and economic program "Financial News" with the brand-new form was launched on both platforms of podcast and YouTube, and it is jointly hosted by Hsu Chi-Wen, a renowned financial anchor woman and the professional team of KGI Securities. The members possess extensive backgrounds as fund managers, macroeconomic researchers, securities analysts, lawyers, wealth management consultants, and KOLs. The program adopted the easily understandable exhibition method of living to chat with investors regarding investment and wealth management and financial and economic news. The exclusive interviews with experts and famous scholars from different sectors and in-depth analysis help investors learn investment with ease, allowing beginners and adeps of investments to easily gain the most professional financial and economic information!	The "Financial News" channel was launched on October 25, 2023, and the program is broadcast on both platforms of podcast and YouTube. In 2023, ten episodes of the program were broadcast; there were 24,434 times of cumulative downloads on podcasts and 142,934 times of cumulative views on YouTube.
Campus exchange and company visits	KGI Securities takes delight in having exchanges with school institutions and providing internship opportunities. It regularly invites faculties and students of schools to have on-site company visits at the Company from time to time and often arranges for senior supervisors with extensive practical experiences to visit the campus for teaching and lectures. The topics of content are diverse, including the current status of the capital market in Taiwan, financial investment knowledge and tools, investment banking practices, financial management businesses, and the design of wealth management products.	<p><b>Company Visits</b></p> <ul style="list-style-type: none"><li>◆ We invited faculties and students from the graduate school of Chiao Tung University to visit the headquarters of the Company for company visits on April 18, 2023. A total of 28 students participated. KGI Securities arranged Vice President Lin of the Capital Market Department as the lecturer to share the ecology of the capital market and practices in the general corporate bond market with the young group.</li><li>◆ We invited faculties and students from the graduate school of Sun Yat-sen University to visit the headquarters of the Company for company visits on December 8, 2023. A total of 41 students participated. KGI Securities arranged Vice President Ruan of the Wealth Management Section, Vice President Lin of the Capital Market Department, and Assistant Vice President Hsu of the Derivative Department as the lecturers to have exchanges and interactions with faculties and students from the graduate school of Sun Yat-sen University, explain the financial derivative business and applications, and share the financial management business and the ecology in the capital market.</li></ul> <p><b>Campus Exchange</b></p> <ul style="list-style-type: none"><li>◆ From January 2023 to December 2023, Vice President Ruan of the Wealth Management Section of KGI Securities held the position of the professional technician of the level of Adjunct Assistant Professors at the Department of Finance in Chung Cheng University and opened two professional courses (three credits each) for the undergraduate and the graduate, respectively; there were approximately 50 students who selected the course to participate.</li><li>◆ Vice President Ruan of the Wealth Management Section of KGI Securities was invited to give a speech for the Department of Finance at the National Taipei University of Business in November 2023, with the topic of the speech was "People, Affairs, and Things of the Wealth Management Business," to share knowledge and practical experience related to the wealth management business with faculties and students, and there were approximately 60 students participated.</li><li>◆ Vice President Ruan of the Wealth Management Section of KGI Securities was invited to give a speech for the Department of Finance and International Business at the Fu Jen University of Business in November 2023, with the topic of the speech was "People, Affairs, and Things of the Wealth Management Business," to share knowledge and practical experience related to the wealth management business with faculties and students, and there were approximately 30 students participated.</li></ul>





Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

- 3.1 Sustainable Finance
- 3.2 Innovative Digital Service
- 3.3 Service Quality and Customer Relations

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

3.2 Innovative Digital Service

KGI Securities has always paid attention to the digital service experience of customers. It continues to optimize the digital platform and strives to create an investment ecosphere with customers as the core and "digital process optimization," "wealth management service differentiation," and "real-time easy information" as the targets to provide warm and innovative digital financial services that bring trust.

KGI Securities launched the "video electronic signature/stamp value-added service" to replace the traditional over-the-counter (OTC) method, allowing customers to complete various application procedures at home via video calls. The innovative service can bring three major values for customers. First, the use of the service is not restricted by time and venue. Second, there is no relay station for interception through the direct connection between the video environments of customers and the business end, avoiding the risk of IDs being copied or scanned. Third, integrated with the "DottedSign" technology of Kdan Mobile, the service can concurrently record IPs, time stamps, e-mails, and other signature information and ensure the effectiveness and the inability of alteration of the signature through the protection of multiple verifications, protecting information security. The launch of the service shows that KGI Securities made efforts to allow customers to carry out financial transactions at ease and show high attention paid to the protection of customer data when developing innovative digital services.

Furthermore, with the everchanging technology, KGI Securities actively cooperates with the promotion of the competent authority's policies to facilitate the health and development of the securities market. It makes active promotion to investors to adopt electronic order planning for transactions to improve the convenience and timeliness of investors' transactions, which is also a business strategy that cares for environmental friendliness. In 2023, the ratio of transactions through electronic order placing throughout the year was 86%. In the future, we will continue to promote the investment model of electronic order placing and encourage investors to create the maximum investment benefits with the minimum environmental burden.

Achievements of Other Innovative Services

Product/service	Content description	Product/service achievements
Social media management	LINE account binding service. It is committed to the function developments of the social media platforms of LINE and Facebook and the precision marketing of products, shaping the appearance of digital securities dealers and the feasibility of operations, and it provides extensive and diverse financial and wealth management knowledge through various social media channels. Provide diverse and useful personalized information to investors through the LINE account of KGI Securities, including: ◆ Real-time messages with pictures and text and KGI's selected videos and audios for investors to grasp the market trend at any time; ◆ Easy access to real-time news and investment reports; ◆ Connection to securities services and inquiries of the transaction account information of investors via LINE's official account. In addition, KGI Securities also combined with public welfare to launch LINE stickers to attract investors to add its LINE account as a friend in the hope of promoting financial and wealth management knowledge to more investors.	In 2023, the number of friends of the LINE official account of KGI Securities reached 1.95 million, and the number of accounts bound reached 57,441 persons.
		The FB official account posted a total of 359 times, and the number of cumulative fans reached 36,000 persons. Number of persons reached through posts: approximately 2,334 times Number of post interactions: approximately 49,000 times Number of posts: approximately 972 times
		A total of 17 financial and wealth management videos were published on YouTube, and the cumulative subscription increased by 62%
Web call service	Subsequent to the smart text live chat customer service, we launched the webcall service for the benefit of customers by calling the customer service center with one click. Our diverse customer service tools allow customers to reach help faster.	◆ As of the end of 2023, there were 2,431 webcalls. ◆ The AI smart customer service attracted 72,400 persons to raise 116,000 questions, and the adoption of machine learning allowed the precision of Q&As to reach 96%. The scenario conversations of multiple rounds and the emotion detection system were applied to rapidly respond to the questions of customers for products and various services.
Digital branch and digital customer journey	Connect the service capacity of digital tools and branches to create the connected and integrated virtual reality business model. For account opening, order placing, and customer services, solutions with digital and OTC services are provided to help customers conquer the time and space restrictions of using securities services.	◆ Awarded the "Future Commerce Awards (FCA)" – the "Best Business Model Innovation Award" by Digitimes. ◆ Awarded the "Golden Young Award" – "Innovative Business Model Excellent Work" from the Information Service Industry Association of R.O.C..
Automated application of eight major management innovations (RPA)	Realize the simplification of complicated management procedures and reduce repeated labor work through the introduction of RPAs, application of digital and process renovation thinking, and, in turn, increase operation handling capacity and improve service quality. Furthermore, to improve customer services and shorten the waiting time for account opening, we also applied innovative automation to the account opening procedures, which significantly improved the operation handling capacity and improved the service quality for account opening.	◆ After establishing the standard operating procedures, labor requirements of the operating items used increased from 1,419 person/day to 380 person/day, and it is estimated to improve the implementation efficiency by 73%. ◆ It is estimated that 891 daily labor management cases can be reduced for the inspection management of the account opening procedures, and the implementation efficiency is increased by up to 98%. ◆ Awarded the Future Commerce Awards (FCA) – "Best Management Innovation Gold Award" by Digitimes.
Digital inclusive financing services	◆ Launched the "daily deduction" service of fixed period and fixed amount: Any day of each month can be selected as the deduction day to help investors enjoy greater transaction flexibility for wealth management planning. ◆ Create the "shopping cart" function of fixed period and fixed amount: Created the shopping cart function of fixed period and fixed amount based on the investment requirements of youngsters and the stock conservation group to allow investment order placing to be as simple as shopping on e-commerce platforms. ◆ Provide the "strategic stock selection" service for self-setting: Allow investors to complete stock selection with a simple click or create their own investment portfolio based on the fundamentals, chips, or technologies.	◆ The daily deduction was launched in August 2023. As of the end of December, the effective fixed period and fixed amount contracts increased by approximately 82% from July. ◆ Won the recognition from the 3rd Commercial Times Digital Financial Award – "Digital Inclusiveness Award" and "Digital Information Security Award."

Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

- 3.1 Sustainable Finance
- 3.2 Innovative Digital Service
- 3.3 Service Quality and Customer Relations

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

Award Winning Record for Innovative Services

KGI Securities has long been promoting the culture of information security. It rooted the information security awareness within the organization, created fortified information security protection, and concurrently developed safe and reliable digital financing based on customers' requirements. In 2019, we introduced RPA and created a total of 105 digital services (digital copilot) in the most recent three years. In the business field, the items changed include eight major aspects of production management, HR management, financial management, administrative management, corporate governance, risk management, legal compliance, and asset management. Apart from effectively improving operating efficiency, such changes also brought substantial benefits for sustainable corporate operation, and we won the following awards in 2023.

Looking into the future, KGI Securities will continue to optimize customer experience and adopt sustainable corporate operation as the starting point to actively develop fintech innovation, digital service innovation, and management innovation, and use RPA in practices to provide sustainable financial solutions to customers, employees, shareholders', and society. With the entrepreneur spirit and innovation ability, we will realize the prospect of becoming a leading financial enterprise in Asia and allow customers to achieve wealthy lives.

Awards and Honor in 2023
The 2023 wealth management survey by the "Wealth Magazine" – six awards of "Best Wealth Management," "Best Customer Recommendations," "Best Business Team," "Best Digital Financing," "Innovative Trust Services," and "Best Public Welfare Promotion
Golden Peak Award "Top Ten Outstanding Innovative R&D Award"
The 17 <sup>th</sup> Golden Yi Award – continued to win the "Outstanding Financial Innovation Award," "Outstanding Risk Management Award," and the special award of "Outstanding Green Finance Award"
The 3 <sup>rd</sup> Commercial Times Digital Financial Award – "Digital Inclusiveness Award" and "Digital Information Security Award"
IDC Future Enterprise of the Year in the Asia Pacific Area – "Best in Future of Work"
Red Hat – "APAC Innovation Awards"
Digitimes Future Commerce Awards (FCA) – "Best Management Innovation Gold Award" and "Best Business Model Innovation Award"
Golden Young Award by the Information Service Industry Association of R.O.C. - "Innovative Business Model Excellent Work"

Created a Digital Innovative Smart Service Center and Won the IDC Future Enterprise of the Year

Combined digital technologies and process renovation designs, KGI Securities created a new digital work model of human-robot collaboration (HRC) to reshape the automated operating system through digital copilot, realize the simplification of complicated operating procedures, reduce repeated labor work, increase operation handling capacity, improve service quality, establish standard operating procedures, and improve operating efficiency; we gained multiple concrete achievements, including an improvement in information security efficiency by 97%, an increase in the document management efficiency by 95%, and an increase in the account opening efficiency by 98%.



Took the Lead in Digital Transformation and won the APAC Innovation Awards by Red Hat

The core system structure adopted the cloud ready design thinking and made use of the Red Hat OpenShift Container Platform, containerization, micro-service, agile software development management tools, and other relevant solutions, which not only improved business agility but also enhanced the competitive strength of the Company in the financial field, exhibiting the corporate value of "customer-centered" and "entrepreneurship."



Won the "Best Digital Financing" and Other Five Awards in the 2023 Wealth Management Survey by the "Wealth Magazine"

The "e-strategy" App is a diverse strategic stock selection tool that assists customers in improving transaction efficiency and formulating decisions. Created a digital platform to provide real-time and professional investment recommendations to customers.





Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

3.1 Sustainable Finance  
3.2 Innovative Digital Service  
3.3 Service Quality and Customer  
Relations

04 Employee Care  
and Outstanding  
Workplace




05 Green Operation  
and Social  
Co-prosperity

06 Appendix

# 3.3 Service Quality and Customer Relations

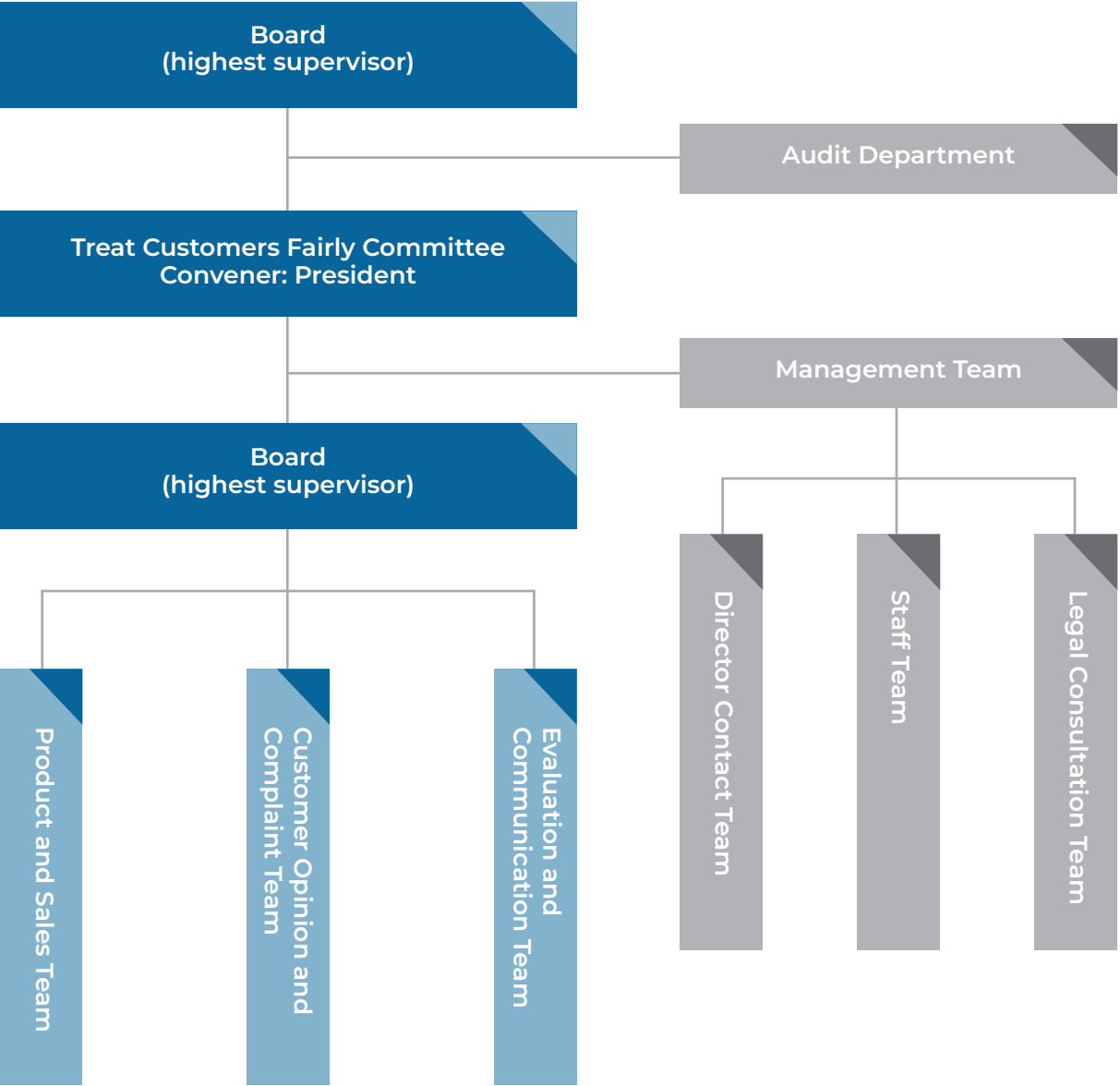
KGI Securities is deeply convinced that "investments shall be reassuring, worry-free, and satisfactory." KGI Securities is committed to establishing a corporate culture that values the protection of financial consumers. It adheres to the service spirit of "Equality and Empathy, Treat Customers Fairly," strictly complies with the ten major principles of treating customers fairly, actively creates financially friendly services, and realizes the sustainable value of ethical corporate management.

In 2023, we formulated customer service-related strategies – "Insights of the Requirements of All Customer Bases," "Comprehensive Layouts for All Channels," and "Experience Upgrade for All Services." After getting insights into customers' requirements and recommendations, we comprehensively optimize and improve service content and quality to set customer experience as the first priority and provide the most friendly and professional service content for all customers.

 <div>Insights of the Requirements of All Customer Bases</div>	 <div>Comprehensive Layouts for All Channels</div>	 <div>Comprehensive Layouts for All Channels</div>
Measures Implemented		
<div>Design and sell products that fulfill customers' requirements</div> <div>1. Provide small-amount loans to improve diverse services · "KGI Fast e Loans" provides fast, simple, and convenient application procedures with a minimum application amount of NT\$10,000 for the flexible use of inventory stocks; it assists customers in relieving funding gap and accelerates the automated speeded review and speeded appropriation procedures for borrowing the repaying at any time. 2. Provide sub-brokerage foreign bond online transaction services · Through the e-strategy App and the global transaction center, customers may trade foreign bonds by way of sub-brokerage and may opt to deliver in NTD or foreign currencies.</div>	<div>Implement Customer-oriented Sales Consultation</div> <div>1. Formulated the "Guidelines for Contracting Derivative Transactions with Senior Customers" and "Guidelines for Contracting Financial Product Transactions with Disadvantaged Customers and Senior Customers" to enhance the protection of disadvantaged customers' financial products. 2. Added the cooling-off period for KYC re-evaluation. 3. Launched the smart customer service system.</div>	<div>Duly Implement Consumption Dispute Processing</div> <div>1. Improved the professional capability of customer service personnel and the online smart customer service system. 2. Introduced the professional consultant for the ISO10002 customer complaint quality management system. 3. Regularly examined customer complaint cases and focused on the processing of senior customer complaints. 4. Optimized customer service and customer complaint processing procedures and organized customer complaint case prevention promotion from time to time.</div>

KGI Securities set up its Treat Customer Fairly Committee to coordinate the planning for the principles of treating customers fairly and regularly supervise the promotion of relevant affairs. We plan to introduce the ISO10002: 2018 customer complaint management system in 2024, re-examine and amend the customer complaint and dispute processing policy, and instantly update relevant policies for customer services within the organization to ensure that the spirit of treating customers fairly is not just a slogan but can be implemented in the daily work of all employees of KGI Securities.

## Organizational Structure of the Treat Customer Fairly Committee



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

3.1 Sustainable Finance  
3.2 Innovative Digital Service  
3.3 Service Quality and Customer  
Relations

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

Ten Major Principles of Treating Customers Fairly

No.	Principle	Summary of the implementation strategy
1	Contract establishment shall be fair and ethical	<ul style="list-style-type: none"><li>◆ Consider relevant operating costs, transaction risks, and reasonable profits when collecting fees, and do not attract businesses with unreasonable charges.</li><li>◆ Adopt the principles of fairness and reasonableness, equality and mutual benefit, and ethics when entering into contracts with customers. If there are suspicions about contract terms, make interpretations that are beneficial for customers.</li></ul>
2	Fulfill the obligations of care and fidelity of a good administrator	<ul style="list-style-type: none"><li>◆ Duly fulfill the obligations of care of a good administrator when providing financial products or services.</li><li>◆ Bear the obligations of fidelity according to the applicable regulatory requirements or contract agreements when the financial products or services provided involve trust and brokerage.</li></ul>
3	Ensure the authenticity of advertisement attraction	<ul style="list-style-type: none"><li>◆ There shall be no falsification, fraud, concealment, or other circumstances that may cause misunderstanding when publishing and broadcasting advertisements, and carrying out business attraction or business improvement activities, and shall ensure the authenticity of the advertising content.</li><li>◆ Disclosures of possible returns and risks of securities shall be presented in a balanced and significant manner and shall not make customers misunderstand that the government has provided guarantees for any securities with the approval of the business by the competent authority.</li></ul>
4	Ensure that the financial products or services provided shall comply with the appropriate level of customers	<ul style="list-style-type: none"><li>◆ Fully understand relevant data of customers, including the basic data, investment knowledge, investment experience, financial status, and the level of investment risk tolerance, before entering into contracts with customers for providing financial products or services to ensure the adequacy of the products or services for customers.</li></ul>
5	Fully inform customers of the content of financial products or services and fully disclose relevant risks	<ul style="list-style-type: none"><li>◆ When entering into entrusted sale and purchase contracts with customers, the Company shall appoint dedicated personnel for the explanation of contract content and the explanation of securities sale and purchase procedures.</li><li>◆ Before entering into contracts for providing financial products or services, the Company shall fully explain the transaction costs, possible gains, risks, and other material content related to customers' rights and interests of such financial products, services, and contracts to customers through text or other means that customers can fully understand and fully disclose the risks and material matters of notice.</li></ul>
6	Adopt equitable consideration for the emolument and performance of sales personnel	<ul style="list-style-type: none"><li>◆ Balanced considerations regarding customers' rights and interests and risks that may be generated by financial products or services to the financial service industry and customers shall be adopted for the emolument system and shall not only consider the performance target achievement status of financial products or services.</li></ul>
7	Customer complaints shall be handled by adopting fair, reasonable, and effective approaches.	<ul style="list-style-type: none"><li>◆ Handle customer complaint cases with fair, reasonable, and effective means based on the purpose of protecting customers' rights and interests.</li><li>◆ Handle appropriately within 30 days from the receipt of the complaint for any financial consumption disputes and respond to the customers who filed the complaint regarding the handling results.</li></ul>
8	Sales personnel shall possess professional qualifications required by the law	<ul style="list-style-type: none"><li>◆ Before implementing their duties, the responsible person and sales personnel of KGI Securities shall obtain the professional qualifications required by the law.</li><li>◆ Sales personnel shall participate in the on-boarding training and in-service training organized by the FSC or the institutions it designated according to the requirements.</li></ul>
9	Consider the friendly service principles for the provision of financial products or services	<ul style="list-style-type: none"><li>◆ When providing financially friendly services to physically or mentally disabled persons, the Company shall provide appropriate friendly service measures based on the individual requirements of physically or mentally disabled persons.</li><li>◆ Barrier-free facilities shall be installed or dedicated personnel shall be appointed for services at business venues.</li><li>◆ For design, sales, and all stages of financial products and services, including brainstorming, development, testing, launches, sales, and examination, the Company shall consider senior citizens, physically or mentally disabled persons, and other groups.</li></ul>
10	Implement the principles of ethical corporate management	<ul style="list-style-type: none"><li>◆ Promote the culture of ethical corporate management from the top down and actively plan for and promote relevant measures based on the business nature (i.e., the accountability system, Code of Conduct for Employees, measures to prevent conflicts of interests, the provisions of appropriate whistleblowing channels, punishments for violations, and the complaint system).</li><li>◆ Establish an effective internal control system, formulate relevant audit plans based on the assessment results for the risks of unethical behaviors by the internal audit unit, and perform audits on compliance with the unethical behavior prevention plan.</li></ul>

Promotion Measures for Treat Customers Fairly

Item	Promotion content
Notice for the service etiquette SOP	KGI Securities is deeply aware of the importance of etiquette and services and wishes to provide professional, thoughtful, and warm services to customers. Therefore, it established the notice for the service etiquette SOPE for branches, implemented the service etiquette and customer complaint and crisis management education and training of branches, and provided the "service etiquette SOP card" to employees of all branches to assist employees in familiarizing the SOP of service etiquette. The content of service etiquette SOP includes customer service management, service etiquette mentality, dress and appearance, phone etiquette, external visit etiquette, and customer response and handling skills.
Education and training related to treating customers fairly	<ul style="list-style-type: none"><li>◆ The highest governance unit of KGI Securities values the principles of treating customers fairly. In 2023, the Chairman and Directors actively participated in the discussion sessions of relevant policies and education and training, and the total hours were 139 hours.</li><li>◆ To implement the professionalism principles for treating customers fairly for sales personnel, KGI Securities organized and promoted various mandatory and elective courses and lectures related to the principles of treating customers fairly in 2023, and the total hours reached 33,473 hours.<ul style="list-style-type: none"><li>● Mandatory courses for treating customers fairly: 3 hours for the principles of treating customers fairly, a total of 2,490 supervisors and employees participated; the total training hours were 7,470 hours.</li><li>● Other relevant courses and lectures (i.e., evaluation of principles of treating customers fairly, silver hair group/senior group friendly, and financial consumer protection): total hours were 26,003 hours.</li></ul></li></ul>
Customer service system	<ul style="list-style-type: none"><li>◆ The smart customer service fully covers online account opening, electronic transaction system, and other digital contact points, and the customers can enter keywords to search for answers.</li><li>◆ The Webcall service for online services is added to the online transaction platform and account opening procedures.</li></ul>

Customer Complaint Handling Procedures

KGI Securities has established its comprehensive "Customer Complaints and Dispute Handling Standards" and customer service center platform. After the customer service center or branches receive customers' opinions, they shall record the customer complaint content in detail and immediately report to the unit supervisor on the day. Managers of branches shall contact customers for consolation and learn the customers' requirements within 30 minutes from receiving customer complaints and respond to the customers regarding the handling results as soon as possible. The Brokerage and Wealth Management Channel Section also regularly convenes customer complaint examination meetings each month. The Brokerage and Wealth Management Channel Section hosts the meetings, and the regional supervisor shall present at the meetings. The managers of the branches being complained shall provide explanations for examination case by case (i.e., personnel service attitude, operating procedures, systems, and other relevant questions). Improvement measures shall be proposed, and improvement progress shall be tracked to ensure that customer complaints can be effectively solved. Furthermore, after the customer service center completes phone services, a customer satisfaction survey will be performed randomly to serve as a reference for service improvement. We also regularly perform case promotion and personnel training to continue optimizing customer services.

Furthermore, KGI Securities also has a customer service hotline (02-2389-0088), a free hotline (0800-085-005), online chat customer service (webchat) on the global website, e-mail (service1@kgi.com), and various public contact channels for customers to make consultations and reflect their requirements. For the opinions of customers, personnel of the Company shall adhere to a sincere attitude, fully learn the content of the dispute or the reason for triggering the complaint and seek real-time handling; relevant data or certificates will be accessed when necessary. After active negotiation, communication, and discussions about the handling plan, explain the handling methods to customers. If customers have doubts or do not accept, the Company will re-examine whether the handling methods are appropriate and strive to seek reasonable solutions to achieve the harmonious ending of disputes.



Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

- 3.1 Sustainable Finance
- 3.2 Innovative Digital Service
- 3.3 Service Quality and Customer Relations

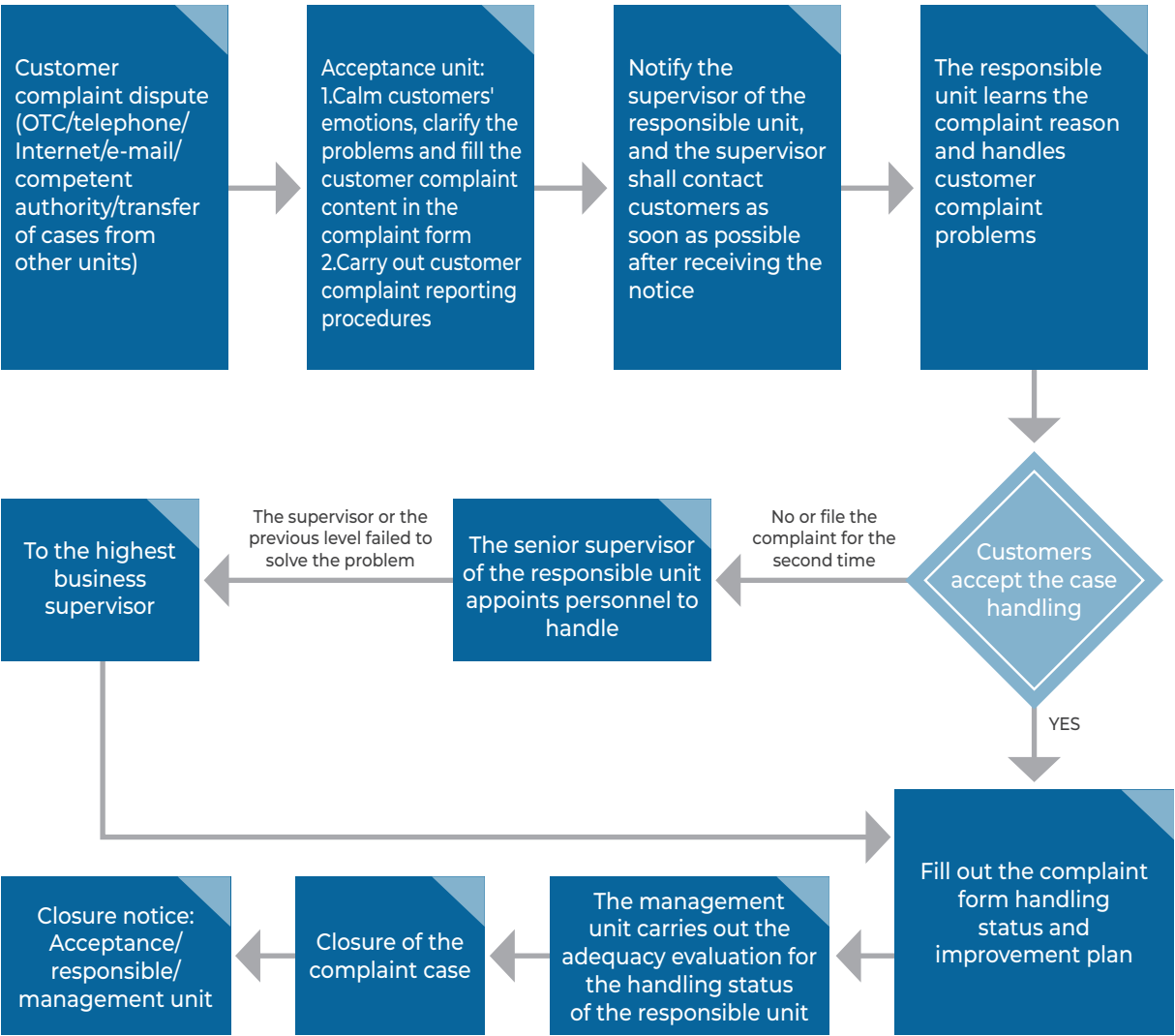
04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

The Company has also set a "customer center" button on its website for customers to understand account opening and transaction procedures, various transaction platform introduction/teaching/element downloads, common questions, Q&A, and customer service contact methods through the interface. It also actively inquires about customers' opinions from time to time through customer service personnel and the sales personnel of business locations across Taiwan to understand the satisfaction and requirements of customers for different businesses and effectively respond to and improve problems. The solution rate of problems through one call of the customer center in 2023 was 99.5%, showing that the customer service center is able to exert its functions to effectively and rapidly assist customers in clarifying and solving problems.

Customer Complaint Handling Flow Chart



Implementation Achievement for Treating Customers Fairly

In 2023, KGI Securities set up net promoter score (NPS) questionnaires at five major customer service contact points to establish a fast response optimization system through the direct feedback content of questionnaires from customers. NPS is a score calculated based on the customer scoring with external marketing consultants distributing questionnaires and scoring based on the use and thoughts of customers in the market when using services of securities dealers; the score ranges from -100 to 100; when the positive score is higher, the customer satisfaction rate is higher. The OTC account opening serves optimized under the implementation emphasis won the recognition of NPS 76, and mobile App, website, customer service center, online account opening services, and other service items also continued to win recognition.

KGI Securities will continue to improve customer experience by using NPS as the service indicator. Through the continual promotion of the closed service loop, we directly contact and handle customer feedback matters and implement the treat customer fairly system. We will continue to directly understand customers' requirements through customer questionnaires and other methods to optimize services and products and improve customer experience.

Customer services of KGI Securities won the "2023 Customer Service Excellence Award (CSEA) – Best Customer Service Enterprise Award of the Company Category" of the Taiwan Contact Center Development Association in 2023, and KGI Securities was the only awarded securities dealer in the securities industry. In the future, the Company will maintain the awarded spirit, continue to improve its diversified customer service and service quality, and strive to improve the customer experience of all customers.

Fraud Prevention Section

Fraud occurred frequently in recent years. The Company set up an anti-fraud section (<https://www.kgi.com.tw/zh-tw/anti-fraud>) on its website in 2023, and the section sets out various fraud methods and patterns, the way to identify accurate information, handling methods when encountering fraud, and other relevant resources to jointly stop the malicious behavior of fraud and protect the safety of customers' assets through the enhanced promotion.

Three Yes and Three No for Anti-fraud



"Do not listen" to information from unknown sources

If there is any SMS or call with unknown sources claiming that they are personnel of KGI Securities, please be alert!



"Do not join" strange investment groups

Employees of KGI Securities do not ask customers to join LINE investment groups that are not official and do not encourage customers to invest in specific products or download any App!



"Do not use" Apps or investment platforms that guarantee profits

Download the investment tools of KGI Securities following the official channels, and do not click on unknown links to download fake Apps or operate investments based on the instructions.



Be alert, verify, and call the police

Be alert for suspicious behaviors, immediately verify with legal companies and report to the public security or prosecutor and investigation unit, or dial the anti-fraud hotline (165).

Investments have risks, and there is no product that only guarantees profits. However, grasping the "Three Yes and Three No" principle to pursue luck and prevent infelicity, reduce risks, and focus on investments!

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance



3.1 Sustainable Finance  
3.2 Innovative Digital Service  
3.3 Service Quality and Customer  
Relations

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

Implementation Achievements for Financial Friendliness

Service customer group	Project	Achievements
Silver hair group	Silver hair group care project	<ul style="list-style-type: none"><li>◆ To achieve comprehensive friendly financing, we carry out care activities for senior customers and specific products and events. In 2023, we cared for senior customers and cared for over 4,534 persons on average each quarter; the achievement rate of the care list was 100%. For silver hair care, the silver hair care project is implemented for senior customers who are 65 years old or above, ensure that they understand the status of their assets with the Company, provide data on market viewpoints, and provide investment recommendations by dividing different customer nature (active/stable/conservative). Sales personnel carry out care for silver hair group customers.</li><li>◆ Create friendly online service experiences for customers, provide an exclusive free consultation hotline for senior customers who are 65 years old or above, and simplify the operating procedures to connect to customer service personnel through a click, which is warm, efficient, and convenient.</li><li>◆ Promote eldercare financial planning consultant. Promote at the manager meeting in May 2023 and the education and training across Taiwan, encourage relevant personnel to participate in the test to obtain the certificate eldercare financial planning consultant, and provide the full subsidy for the test admission fees.</li></ul>
Persons with physical or mental disabilities	Carried e Strategy passed the barrier-free inspection for the App	<ul style="list-style-type: none"><li>◆ "Carried e Strategy" passed the barrier-free inspection for App by the Taipei City Parent Association for Blind</li></ul> <p>KGI Securities cooperated with the Taipei City Parent Association for Blind to gain an in-depth understanding of the requirements of persons with visual disability when using mobile Apps. We continued to develop, optimize, and improve the "Carried e Strategy" App to allow persons with visual disabilities to smoothly complete every step, inquire about the stock market development, and carry out transactions through clear audio Service customer group instructions when using the App. KGI Securities adheres to the "customer-oriented" philosophy and strives to optimize digital innovation services to transform the darkness of persons with visual disabilities into audio response, allowing investment and wealth management to become the norm for persons with visual disabilities. The achievement of the "Carried e Strategy" also obtained the "App barrier-free certification" from the Taipei City Parent Association for Blind, and we became the first securities company that obtain the professional certification in Taiwan.</p> 
	Optimize the financial friendly service section on the website	<ul style="list-style-type: none"><li>◆ Real-person online chat customer service: It can help groups with hearing disabilities and language disabilities by way of typing through text descriptions to raise questions about account opening, service applications, and data alteration and receive real-time responses online.</li><li>◆ Webcall: it adopts mobile carriers or computer equipment to carry out online customer service through webcalls, saving the fees for calls and increasing the convenience of use for customers.</li><li>◆ The financially friendly service section on the Company's website received the "barrier-free label" certification. The page of the website has the "font size" option to enlarge or reduce the size of the information content on the website through one click to align with the requirements of different groups and improve the readability of information.</li></ul>
	KGI's YouTube channel	The Company provides simple video and audio teaching through the online media platform. The content of the themes includes the introduction to the Company's website and App. The senior group or other disadvantaged groups can use the services provided by the Company without leaving home. If there are other problems, they can also make inquiries by using the free online customer service or dialing the Company's customer service hotline. When training customer service personnel, the Company particularly focused on requiring customer service personnel to make use of the digital resources of the Company, speak Hakka or Taiwanese and use methods that make customers easy to understand to solve customers' problems within one call.
	Protective measures for persons with physical or mental disabilities	<ul style="list-style-type: none"><li>◆ Friendly service procedures for disadvantaged groups:</li><li>◆ OTC sign language video call and on-site sign video translation services</li><li>◆ Customers with language disabilities can visit the Company and express that they need the sign language service during business hours. The Company will arrange on-site video calls with professional sign language translators with certificates to perform the translation for customers with language disabilities based on the category of business application; customers may also make appointments online for professional sign language translators to visit the branches for on-site translation for customers with language disabilities.</li><li>◆ Design the account opening description for persons who are unable to sign due to blindness, amblyopia, illiteracy, and physical disabilities: It is stated that the number of witnesses is two and their responsibilities, the informing obligations of the Company's employees, and the special handling methods when the commissioner is unable to sign or affix seals.</li><li>◆ When sales personnel perform KYC, they shall record whether there is any remark of material injury/illness for them to care for customers' rights and interests when providing services to such customers subsequently.</li><li>◆ Barrier-free hardware equipment and software services:</li><li>◆ Software service: Obtain level A for the webpage barrier-free specification 2.0 inspection.</li><li>◆ Hardware equipment: Barrier-free facilities are in place for all business locations, and the allocation status is concurrently exhibited on the website. The coverage rate of barrier-free equipment in different locations is continuously increasing, including 60% of barrier-free slope, 44% washrooms, 23% of parking spaces, 50% of elevators, 94% of settlement counters of less than 120 cm, and 100% of settlement counters with reading glasses. Subsequently, we will continue to set up barrier-free equipment subject to the environments of branches.</li><li>◆ In 2023, KGI Securities adopted its Hukou Branch as the demonstration location. The barrier-free software and hardware equipment and relevant services of the location have received the "barrier-free environment/field" certification from the Duofu Barrier-Free Life and Transportation Development Association.</li><li>◆ Engaged a third-party independent consultant to carry out the mystery shopper visits for the customer service of a financially friendly group.</li></ul>
	Dementia friendly angle online training course	<p>Facing the rapid increase in the population with dementia, the financial risks for dementia have been increasing over the years. Due to cognition impairment, persons with dementia may easily encounter property management difficulties and exploitation. Financial institutions play a relatively important role. Strengthening financially friendly measures for dementia can reduce the deprivation of properties of persons with dementia, improve the property safety of dementia cases, and ensure that persons with dementia who require investment and wealth management services to fairly enjoy financial resources. To achieve the implementation of financially friendly measures, KGI Securities considers that education and training shall be provided to assist practitioners in financial institutions to identify persons with suspected dementia or dementia through various symptoms; therefore, it encourages employees to participate in the "dementia friendly angle" online training course to learn more about and care for persons with dementia, further provide care and services required, and create dementia friendly society step by step.</p> <p>The planning of the activity was completed, and the materials for the online training course were produced in 2022 and the course was formally launched on March 27, 2023; a total of 1,297 employees completed the training course throughout the year. On October 6, 2023, we held the first customer briefing with the theme of "Enjoy Retirement Life" at the City Hall Branch, invited Dr. Yang Xie-Le, an expert in dementia prevention, to present the "dementia prevention" lecture and the financial risk/financial planning after retirement, and shared the retirement wealth management concept in the combination of insurance and bonds.</p> 



Content

About the Report  
Chairman's Statement  
About KGI Securities

- 01 Sustainable Operation Strategy
- 02 Corporate Governance
- 03 Responsible Finance
- 04 Employee Care and Outstanding Workplace
- 4.1 Human Resource Overview
- 4.2 Talent Retention and Development
- 4.3 Workplace Health and Safety
- 05 Green Operation and Social Co-prosperity
- 06 Appendix

# 04 Employee Care and Outstanding Workplace

4.1 Human Resource Overview	52
4.2 Talent Retention and Development	55
4.3 Workplace Health and Safety	57



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

4.1 Human Resource Overview  
4.2 Talent Retention and  
Development  
4.3 Workplace Health and Safety

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

KGI Securities deems employees the most significant assets of the Company. To improve corporate operating performance and pursue the target of sustainable development, increase human capital and implement talent cultivation are indispensable. Apart from making arrangements for management and professional functions required by different personnel according to the requirements, KGI Securities provides diverse education and training content and extends the topics to ESG participation and the cultivation of sustainable financing talents to improve the crucial competitiveness for employees' growth. In recent years, we have gained fruitful achievements in terms of employee care. In 2023, the Company was awarded the Model Disabled Laborer and Disabled Persons Employment Excellent Enterprise and continued to win the Happy Enterprise "Silver Award" by 1111 Job Bank, showing the business strategy of "Top Choice Employer" of CDFH followed by KGI Securities to continue providing premium work environments to employees.

4.1 Human Resource Overview

4.1.1 Employee Composition, Diversity, and Inlusiveness

Regardless of gender, nationality, age, or job level, KGI Securities deems every employee an important partner for the sustainable operation of the Company. As of the end of 2023, KGI Securities hired a total of 3,100 employees. At present, the overall ratio of female employees is higher than that of male employees. A total of 12 Indigenous people, 15 persons with physical or mental disabilities, and 3 foreign employees are employed too actively establish a workplace and work environment with gender equality and a diverse composition of persons with physical or mental disabilities, indigenous people, and foreigners.

Employment Contract and Gender Distribution of All Employees			
Employee category	Gender	Number of persons	Ratio
Formal employees	Male	1,091	35.54%
	Female	1,979	64.46%
	Sub-total	3,070	100%
Contracted employees	Male	17	56.67%
	Female	13	43.33%
	Sub-total	30	100%
All employees	Male	1,108	35.74%
	Female	1,992	64.26%
	Sub-total	3,100	100%

Non-employee Workers

Except for the formal employees and contracted employees in the abovementioned statistics, the workplace/working environment of the Company has a total of 87 non-employee workers, including interns, dispatched personnel under non-standard employment (i.e., stock affairs personnel, restaurant chef, and drivers) and business outsourcing personnel (i.e., cleaning personnel and electromechanical repair and maintenance personnel).

<div>Gender \ Duty</div>	Interns	Dispatched personnel under non-standard employment	business outsourcing personnel	Total
Male	13	19	14	14
Female	12	10	19	

Employment Contract and Regional Distribution of All Employees

Regional distribution	Employee category	Number of persons	Ratio
Northern region	Formal employees	2,360	98.91%
	Contracted employees	26	1.09%
	Sub-total	2,386	100%
Central region	Formal employees	332	100%
	Contracted employees	-	-
	Sub-total	332	100%
Southern region	Formal employees	359	98.90%
	Contracted employees	4	1.10%
	Sub-total	363	100%
Eastern region	Formal employees	19	100%
	Contracted employees	-	-
	Sub-total	19	100%
Total number of employees	Formal employees	3,070	
	Contracted employees	30	
	Total	3,100	

Note : The regional distribution information of the chapter is divided into the northern area, central area, southern area, and eastern area based on the division of the administrative regions in Taiwan, and the information on county/city covered in different regions is as follows:  
◆ Northern region: Taipei City, New Taipei City, Keelung City, Hsinchu City, Taoyuan City, Hsinchu County, and Yilan County  
◆ Central region: Taichung City, Miaoli County, Changhua County, Nantou County, and Yunlin County  
◆ Southern region: Kaohsiung City, Tainan City, Chiayi City, Pingtung City, and Penghu County  
◆ Eastern region: Hualien County and Taitung County

Diverse Employee Composition

Diverse employment category	Number of non-management personnel	Ratio to all non-management employees	Number of management personnel	Ratio to all management
Indigenous people	12	0.51%	-	-
Persons with physical or mental disabilities	15	0.64%	5	0.70%
Foreign employees	3	0.13%	1	0.14%





Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

4.1 Human Resource Overview  
4.2 Talent Retention and  
Development  
4.3 Workplace Health and Safety

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

Information on Resigned Personnel in 2023 (by resignation reason, job level, gender, and age)

Regional distribution	Resignation reason		Job level	Female			Male			Total	Resignation rate
				Below 30	30 to 50	Above 50	Below 30	30 to 50	Above 50		
Northern region Central region Southern region	Voluntary resignation	Retirement	Management	-	-	5	-	1	-	6	0.20%
			General employees	-	1	5	-	-	3	9	0.29%
		Excluding retirement	Management	-	18	10	-	33	10	71	2.31%
			General employees	44	72	16	44	74	8	258	8.40%
	Non-voluntary resignation	Management		-	-	-	-	1	-	1	0.03%
		General employees		-	1	-	1	3	-	5	0.16%
Eastern region Total	Voluntary resignation	Retirement	Management	-	-	-	-	-	-	-	-
			General employees	-	-	3	-	-	-	3	0.10%
		Excluding retirement	Management	-	2	-	-	1	-	3	0.10%
			General employees	16	10	2	13	2	2	45	1.47%
	Non-voluntary resignation	Management		-	-	-	-	-	-	-	-
		General employees		-	-	-	-	-	2	2	0.07%
Northern region Central region Southern region	Voluntary resignation	Retirement	Management	-	-	1	-	-	-	1	0.03%
			General employees	-	2	4	-	-	-	6	0.20%
		Excluding retirement	Management	-	1	1	-	2	3	7	0.23%
			General employees	16	8	1	7	7	4	43	1.40%
	Non-voluntary resignation	Management		-	-	-	-	-	-	-	-
		General employees		-	-	-	-	-	1	1	0.03%
Eastern region	Voluntary resignation	Retirement	Management	-	-	-	-	-	-	-	-
			General employees	-	-	-	-	-	-	-	-
		Excluding retirement	Management	-	-	-	-	-	-	-	-
			General employees	-	1	-	-	-	-	1	0.03%
	Non-voluntary resignation	Management		-	-	-	-	-	-	-	-
		General employees		-	-	-	-	-	-	-	-
Total number of persons who resigned	Voluntary resignation	Retirement	Management	-	-	6	-	1	-	7	0.23%
			General employees	-	3	12	-	-	3	18	0.59%
		Excluding retirement	Management	-	21	11	-	36	13	81	2.64%
			General employees	76	91	19	64	83	14	347	11.31%
	Non-voluntary resignation	Management		-	-	-	-	1	-	1	0.04%
		General employees		-	1	-	1	3	2	7	0.23%

The total number of persons who resigned in 2023 was 462 persons, and the total resignation rate was 15.04%

Note : 1. The total number of employees in 2023 is as of December 31, 2023, and there was a total of 3,070 formal employees.  
2. The calculation formula for the resignation rate is the total number of employees who resigned from the category/total number of employees. For instance, there is a total of 10 management employees who resigned voluntarily under retirement in the northern region, and the resignation rate for management employees who resigned voluntarily under retirement in the northern region is 10/3,070=0.33%.

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

4.1 Human Resource Overview  
4.2 Talent Retention and  
Development  
4.3 Workplace Health and Safety

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

4.2 Talent Retention and Development

4.2.1 Talent Retention

Employee Remuneration System

KGI Securities approves the bonuses based on the overall operating performance of the Company and the individual performance evaluation results of employees each year, participates in the market remuneration survey each year, and includes the reference to formulate the remuneration system based on the data from the external market survey and its analysis results to maintain the salary competitiveness of the Company and ensure that employees will be rewarded corresponding to their contributions. In 2022, the average salary adjustment range was 2.7%, and it was 2.0% in 2023.

Salaries and Highest Individual Remuneration Ratio of Full-time Employees of Management Level and Non-management Level			
Job level	Annual salary	2022	2023
Non-management level	Medium of the annual salary	877,800	981,850
Management level	Medium of the annual salary	1,774,730	2,059,500
Ratio of the medium of the highest individual remuneration to the medium of the total remuneration of other employees		40.31	46.15

Ratio of Male and Female Remuneration for Employees of Management Level and Non-management Level in 2023				
Region	JOB LEVEL	Medium of annual basic salary		Ratio of male and female remuneration (female: male)
		Male	Female	
Northern region	Non-management	45,000	38,100	0.85
	Management	97,850	85,000	0.87
Central region	Non-management	32,000	34,000	1.06
	Management	80,000	56,250	0.70
Southern region	Non-management	34,750	35,000	1.01
	Management	90,000	60,600	0.67
Eastern region	Non-management	28,000	31,500	1.13
	Management	90,000	47,250	0.53

4.2.2 Employee Cultivation and Development

KGI Securities will provide diverse learning, education, and training resources to employees based on the promotion of the digital transformation plan and its diverse business nature and encourage employees to make use of rich internal resources to expand their functions and professional capabilities in response to the industrial transformation trend and the diversification of individual career development. In 2023, a total education and training fund of NT\$15,199,940 was invested in the hope that employees may continue to improve, enhance their competitiveness, and jointly grow with the Company. In addition, the Company introduced a digital platform and an App system for the education and training system for employees to allow all employees to rapidly and conveniently grasp their own learning plans and improve and enhance employees' professional functions. Meanwhile, we regularly implement digital business achievement examinations to realize training achievements.

Average Training Hours of Training Received by Gender and Employee Category in 2023				
Education and training hours	Male	Female	Total hours	Average hours
Non-management level	34,275	67,168	101,443	43.11 hours
Management level	6,532	10,361	16,893	23.56 hours
Total training hours	40,807	77,529	118,336	38.54 hours



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

4.1 Human Resource Overview  
4.2 Talent Retention and  
Development  
4.3 Workplace Health and Safety

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

Education and Training Content in 2023

Category	Training course	Lecturing target
Leadership	Four Major Vocations for Outstanding Leadership	Department supervisors/supervisors above regional supervisors
	Six Keys to Leading Teams	Department supervisors/supervisors above regional supervisors
	New Supervisor Training	Above team heads of departments (supervisors of operation counters of branches)/management trainees
	Labor Law Knowledge Required for Supervisors of Different Levels of Modern Enterprises	Above team heads of departments (supervisors of operation counters of branches)/management trainees
Workplace soft/hard skills training	Win-win Strategy for Negotiation	All employees
	Influence of Teamwork and Communication	All employees
	Problem Analysis and Solution	All employees
	Highly Effective Work and Time Management Skills	All employees
	Advisory Sales Skills	All employees
	Workplace Health Series Lecture	All employees
Online learning solutions	Hahow/Workday Human Resource Information Platform Instruction	All employees
Statutory license	On-boarding and in-service training for securities/futures/trust/wealth management	All employees
General knowledge and legal compliance course	Workplace illegal abuse lecture/information security/personal information protection training	All employees
	Labor safety and health general knowledge training (first aid/fire control/labor safety and health supervisor)	All employees
	ESG/sustainability/treat customers fairly training	All employees

Employee Performance Evaluation

KGI Securities will regularly implement the performance evaluation procedures for all employees each year, which is performed by adopting the three-stage management system:

1 Set the annual targets at the beginning of the year; 2 perform the performance target evaluation and adjustment in the middle of the year; 3 carry out self-evaluations and achievement inspections and performance interviews with supervisors at the end of the year. Regarding the performance interview at the end of the year, apart from the evaluation of different performances, direct supervisors perform the performance interview with employees, which not only judges the work performance of employees purely based on data but creates a positive cycle through mutual communication and feedback.

After carrying out the performance evaluation based on their powers and responsibilities, supervisors of different departments will implement performance achievement management and improvement measures. If employees have dissenting opinions against the performance achievements, they may directly make the reflections to the Human Resources Department. After the Human Resources Department gets involved to understand the detailed circumstances, it shall carry out management and improvement with the department supervisor and employee. The performance evaluation results of employees will serve as the reference for annual performance bonuses, promotions, salary adjustments, and career development planning for employees. Meanwhile, the Company intends to conduct in-depth interviews with employees who have poor performance evaluation results according to the "Regulations for Employee Performance Improvement" to understand the problem, provide concrete improvement measures and consultation plan, regularly review the improvement status of employees and may plan for a re-consultation to assist employees in filling the capability gap and, in turn, improve work performance.





Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

- 4.1 Human Resource Overview
- 4.2 Talent Retention and Development
- 4.3 Workplace Health and Safety

05 Green Operation and Social Co-prosperity

06 Appendix

4.3 Workplace Health and Safety

4.3.1 Employee Care

KGI Securities believes that employees are the core momentum for the growth of the Company and that continuously improving health and well-being is the Company's duty. Apart from providing a bountiful salary and welfare and a leave system more favorable than the Labor Standards Act, it also provides various insurance welfare and personal care while continuously optimizing the workplace environment to provide the most comprehensive care and welfare for employees.

Diverse Employee Welfare

Comprehensive guarantee	Fixed period life insurance, casualty insurance, cancer medical insurance, hospitalization medical insurance, and occupational disaster insurance
Personal care	Marriage and funeral subsidies for employees, medical and emergency subsidies, marriage, funeral, and celebration subsidies, and birthday gift money
Hardware facilities	Swimming pool, special discounts for the gym, and nursery rooms
Maternity subsidies	Maternity gift money, education scholarships for children of employees, and emergency relief
Physical and mental care	Free lunch, laundry services, taxi-hailing service, club activity subsidies, and department trips

Happy Leave System

Except for satisfying the regulatory requirements, KGI Securities provides maternity leave, paternity leave, and paternity leave for pregnancy checkups to allow employees to enjoy the abundant and comprehensive welfare system apart from work to fulfill the responsibility of family care. In addition, birthday leave, health inspection leave, volunteer leave, and other leaves are also provided to employees to encourage employees to remain healthy and join sustainability volunteer services apart from work so as to create a labor-management friendly cycle.

Leave	Number of days	Paid or not	Requirements of the Labor Standards Act	More favorable han the Labor Standards Act
Annual leave/ personal/sick leave	1. Employees are entitled to annual leaves proportionally for the year of arrival 2. Employees above the level of assistant manager have a number of days of leave more favorable than that of the Labor Standards Act	Paid	The number of days is the same as the Labor Standards Act	√
Menstrual leave/family care leave	According to the requirements of the law (but not combined for calculation)	Paid	The number of days is the same as the Labor Standards Act	√
Maternity leave	10 weeks	Paid	8 weeks	√
Paternity leave and paternity leave for pregnancy checkups	8 days	Paid	7 days	√
Health inspection leave	0.5 or 1 day	Paid	None	√
Birthday leave	0.5 days	Paid	None	√
VOLUNTEER	4 days	Paid	None	√

Parental Leave

Item	Female	Male	Total
Number of persons eligible for application <sup>1</sup>	30	23	53
Number of persons used	7	1	8
Number of persons to be reinstated	10	-	10
Number of persons reinstated	10	-	10
Reinstatement rate <sup>2</sup>	100%	-	100%
Number of persons who were reinstated after the use of paternity leave in 2022	3	5	8
Number of persons in-service after one year from the reinstatement in 2022	2	4	6
Retention rate <sup>3</sup>	66.67%	80%	75%

Note : 1. In 2023, the number of persons eligible for application is based on the number of employees who have children under three years old.  
2. Reinstatement rate = number of persons reinstated/number of persons to be reinstated  
3. Retention rate: number of persons reinstated for one year of the year/number of persons reinstated in the preceding year (the reasons for retention after reinstatement less than one year include self-request resignation and the re-application of leave without pay).

Employee Retirement System

KGI Securities organized its employee pension system according to the Labor Standards Act, "Regulations for Supervisory Committee of Labor Retirement Reserve," and "Regulations for Employee Retirement":

Pension item	Content description	Amount appropriated/ paid in 2023	Number of participants	Ratio of participating employees
Old system pension	Appropriate pension reserve to the "pension reserve account" of the Company with the Bank of Taiwan for deposit based on the total wage of employees monthly.	18,957,854	819	26.68%
Old system pension	According to paragraph 2, Article 56 of the Labor Standards Act, the employee shall estimate the balance of the labor pension reserve account. If the balance is not sufficient to be paid to persons eligible for the labor pension who are estimated to fulfill the retirement conditions in the following working year, the Company shall appropriate the difference in a lump sum before the end of March of the following year.	65,521,619	819	26.68%
New system pension	In addition, according to the Labor Pension Act, the Company appropriates 6% of individual salaries to the individual pension account of employees with the Bureau of Labor Insurance monthly, and the Company deducts the monthly salary of employees and pays on behalf of those who volunteer to pay pension.	168,040,974	2,251	73.32%

Apart from the pension system under basic regulations, CDFH also launched the "Employee Stock Ownership Plan (ESOP)" of the entire Group in August 2022. Employees may join the ESOP on the online platform after understanding the content of the plan for employees to select an additional monthly appropriation amount, and the Company will perform the employee stock ownership based on the corresponding amount. The purpose of the "ESOP" is to improve the financial health of employees in the hope that employees can obtain abundant support and care under the measures of "Our Well-being" of the CDFH Group.

Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

4.1 Human Resource Overview

4.2 Talent Retention and Development

4.3 Workplace Health and Safety

05 Green Operation and Social Co-prosperity

06 Appendix

Labor-management Relationship

KGI Securities does not have any collective bargaining agreement with its employees. To reinforce labor-management relationships and protect labor rights and interests, the Company regularly convenes labor-management meetings each quarter. In 2023, a total of four labor-management meetings were convened to report and have abundant communication and discussions in terms of labor dynamics, business overview, topics of concern of laborers and the management, and other relevant rights and interests. Furthermore, if the Company closes down due to a reduction in businesses or losses or dismisses employees, the notice for termination shall be provided 10 days to 30 days, subject to the seniority regarding the notice period for the termination of the labor contract.

Notice period	Seniority
10 days	Less than 1 year
20 days	Over 1 year but less than 3 years
30 days	Over 3 years

4.3.2 Healthy Workplace

KGI Securities is committed to providing a safe and healthy work environment for workers in the workplace (including employees and non-employee workers). To improve and ensure the quality of the workplace environment, the parent company CDFH introduced the ISO 45001:2018 occupational safety and health management system to the CDFH Group starting in 2020, and KGI Securities took the lead in the Group to pass the verification in 2021 (continued to maintain the verification effectiveness in 2023). It regularly engages external companies to implement labor operating environment monitoring, building and public safety inspection reports, fire safety equipment inspection reports, and other work environment safety evaluations. It also regularly implements wok risk identification, assessment, and corresponding improvement measures within the organization to reduce potential hazards and hidden concerns. In 2023, we completed the electrical equipment safety, occupational safety and health supervision and inspection for all branches and business locations across Taiwan.

Occupation Safety and Health System

To implement the healthy operation of the occupational safety and health system to maintain work environment safety, the Company established the Occupational Safety and Health Committee in 2023. The committee comprises nine members, including three labor representatives, and the COO of the Company is the chairperson. Laborers and management are invited to regularly implement the committee meeting each quarter. In the agenda, the occupational safety and health policy and plan, implementation performance, and improvement measures will be reported, and the occupational safety and health opinion proposed by employees will also be discussed. Ultimately, the proposal content is submitted to the Board for review to ensure the full implementation of the occupational safety and health system under the labor-management and organizational governance.

In addition, the Company will adopt the "occupational safety and health targets" established each year based on internal and external material issues as the improvement indicators for the occupational safety and health system according to the "Procedures for Continual Improvement" and "Procedures for Occupational Safety and Health Target Plan Management" and update the targets and relevant indicators year by year to optimize the occupational safety and health system step by step and provide safe and comfortable work environment.

Workers, Activities and Workplace Covered by the Occupational Safety and Health System			
Worker category	Number of persons covered	Total number of persons	Coverage ratio
Employee	3,100	3,100	100%
Non-employee worker	87	87	100%

Furthermore, to convey and implement occupational safety and health concepts and improve the professional knowledge of personnel with positions related to occupational safety and health, the Company organizes various lectures, education and training from time to time according to the "Procedures for Occupational Safety and Health Education and Training and Professional Skill Qualification" and issue professional certificates to personnel who participated in the training in full and carry out post-meeting evaluations to ensure the effectiveness of relevant training.

Statistics on Training Plans and Courses

Item	Number of participants	Total training hours
New employee safety and health education and training	508	1,524
Self-defense fire control grouping drills	313	313
Hazard identification and risk and opportunity assessment personnel professional training	34	39
First aid personnel professional training	50	371
Labor health service nursing practitioner professional training	1	12

Workplace Risk Identification and Prevention and Mitigation Measures

To effectively control workplace hazardous factors and improve workplace safety and health, the Company will regularly invite employees who hold valid professional occupational safety and health certificates and participate in occupational safety and health hazard identification and opportunity and risk assessment training each year to implement the risk assessment of the workplace environment with reference to the recommendation of stake holding groups and feedback from employees and formulate corresponding preventive and mitigation measures.

If occupational disasters or occupational safety and health-related events occur accidentally, the Company will carry out the essential factor investigation and subsequent implementation of corrective measures according to the "Procedures for Occupational Safety and Health Anomaly Investigation." The Company carried out hazard identification and risk assessment according to the "Procedures for Occupational Safety and Health Anomaly Investigation" to further plan for corresponding control measures and reduce relevant occupational safety and health risks; hazard identification is described in detail as follows:

Risk Hazard Identification Procedures



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

4.1 Human Resource Overview  
4.2 Talent Retention and  
Development  
4.3 Workplace Health and Safety

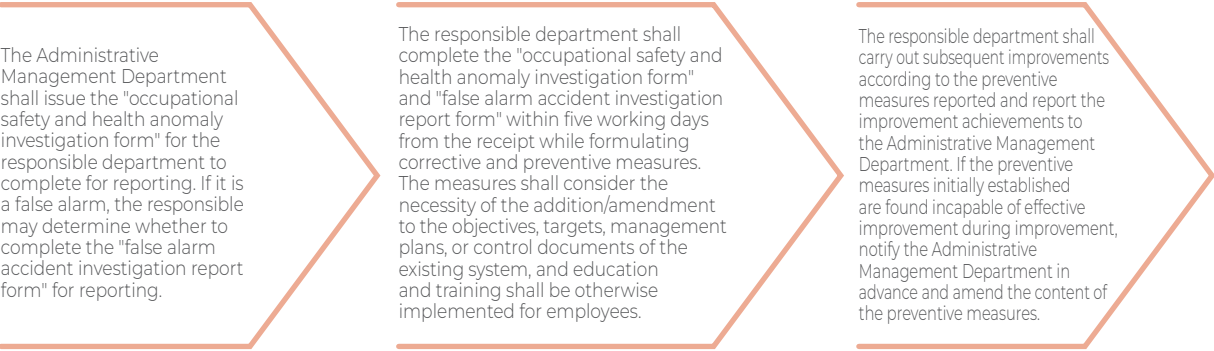
05 Green Operation  
and Social  
Co-prosperity

06 Appendix

According to the abovementioned procedures, the Company identified the following occupational safety and health risks in 2023 and formulated corresponding preventive or mitigation measures:

Risk issue	Risk description	Preventive/mitigation measures
Mental safety and health issues	As the Company's business is knowledge and labor-intensive and is in the industry highly concerned by the competent authority, employees are more likely to have insomnia, anxiety, and other physical and mental problems due to work pressure.	Provide the service hotline of ShiuH Li Foundation, encourage employees to relieve pressure subject to their own status, and arrange days off from time to tie for employees to relax. Announce the preventive policies and practices related to illegal abuse when executing duties and pin the material announcements to the top on the intranet.
Work environment safety	The internal evacuation route shall remain unblocked. For instance, there shall be no obstructions to the fire door in front of the emergency ladder, and there shall be no goods blocking within 30 cm surrounding the automatic sprinkler on the ceiling of the warehouse.	Regularly organize fire drills, immediately clear and remove the articles placed within the evacuation route, perform patrol inspections of the environment and enhance the promotion from time to time to improve the occupational safety and health awareness of employees.
Traffic accident	Commuting disasters when going to or leaving work or traffic accidents that occur when executing duties	The Group regularly organizes the promotion of traffic safety internally and makes good use of public transportation
Notifiable infectious diseases	Business operation difficulties due to cluster and infection risk of the pandemic and leaves of personnel due to discomfort	<ul style="list-style-type: none"><li>◆ Organize vaccination activities</li><li>◆ Provide pandemic development status and disease and health education knowledge to employees from time to time regarding the pandemic</li><li>◆ Set up hand sanitizers, encourage employees to wash hands, and carry out regular environmental cleaning and sanitization of the office building to reduce vector transmission.</li></ul>
Natural disasters and accidents	Fire, earthquakes, and other accidents that occur to the office building	To allow employees to be safe and have accurate evacuation concepts when fire, earthquake, and other accidents occur, the Administrative Management Department regularly organizes fire drills each year and otherwise arranges lectures and evacuation drills based on the requirements of different units. Meanwhile, we implement daily disaster prevention promotion to actively convey disaster prevention concepts to employees. In addition, the evacuation route map and disaster prevention safety instructions are posted on all floors of the office building.

If accidents occur in the office environment (including but not limited to the occupational safety and health risks identified above), the Administrative Management Department will implement accident investigations according to the following procedures and complete the subsequent improvements. If the accident is severe, the Administrative Management Department shall report to the competent authority according to the law and convene the "severe accident examination meeting" to understand and discuss the course of the event, reason analysis, immediate handling status, and re-occurrence prevention countermeasures.



Work Injury and Absence Data Statistics

Employee category	Item	2023
Total working hours in 2023		6,115,400 hours
Employee	Total number of persons with work injuries	36
	Total number of days of leave due to work injuries	203
	Work injury rate (%) <sup>1</sup>	1.17
	Ratio of loss days (% , number of days/200,000 hours) <sup>3</sup>	6.64
	Disabling frequency rate (% , person/million hours) <sup>4</sup>	5.87
	Disabling severity rate (% , number of days/million hours) <sup>5</sup>	33.29

Note :  
1. Work injury rate: number of persons with work injuries/total number of employees  
2. Ratio of loss days (number of days/200,000 hours): number of days of leave due to work injuries/total working hours \* 200,000 hours  
3. Disabling frequency rate (FR) (number of persons/million working hours): refers to the total number of persons who died, permanently disabled, partially permanently disabled, or temporarily fully disabled due to the occurrence of occupational disasters per million working hours during the period of the statistics; the calculation formula is as follows:

FR = 
$$\frac{\text{Number of times of disabling injuries (person/time)} \times 10^6}{\text{Total working hours}}$$

5. Disabling severity rate (SR) (number of persons/million working hours): Refer to the total loss days due to the deceased, permanent disabilities, partial permanent disabilities, or temporary full disabilities due to the occurrence of occupational disasters per million working hours; the calculation formula is as follows:

SR = 
$$\frac{\text{Total loss daus} \times 10^6}{\text{Total loss daus}}$$

Furthermore, there was no work injury that occurred to non-employee workers in the work environment of KGI Securities in 2023.

Employee Health Risk Prevention

KGI Securities cares for employees' physical and mental well-being apart from striving to provide a healthy and safe work environment. To assist employees in caring for their mental health, KGI Securities cooperates with professional consultants to establish its employee assistance programs (EAP) to provide care and psychological counseling services in terms of emotional conflicts and pressure, interpersonal communication, career, parenthood, marriage, family, and diverse aspects. Apart from psychological counseling services, there are also legal counseling services available, and the targets are not only limited to employees. The EAP is expanded to dispatched personnel and contracted personnel; that is, any worker in the work environment of the Company is entitled to one-on-one professional counseling services under the EAP.

Furthermore, to encourage employees to perform self-health management, all employees of KGI Securities have their exclusive health management system App for them to understand their health status at any time. The Company also sends health news via the App from time to time to remind employees to care for their health status.



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance




04 Employee Care  
and Outstanding  
Workplace

4.1 Human Resource Overview  
4.2 Talent Retention and  
Development  
4.3 Workplace Health and Safety

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

Employee Health Program

Program	Implementation purpose	Applicable target	Implementation content and performance	Relevant certification and employee feedback
Maternity health protection program	To ensure the physical and mental health of female workers during pregnancy and breast feeding after giving birth, measures are adopted for work that may have hazards, including hazard evaluation and control, physician interview and instruction, risk grading management, work adequacy arrangements, and other relevant measures, to achieve the purpose of maternity protection for laborers.	Female employees with the requirements for gestation, delivery, or breast feeding	<ul style="list-style-type: none"><li>Regularly promote breast mile feeding environments and relevant laws and regulations</li><li>Create a maternity friendly environment (i.e., comfortable nursery rooms) and set separate access to nursery rooms in the headquarters.</li><li>Employees' paternity subsidies and relevant welfare</li><li>A total of one contracted postpartum care center</li><li>A total of three contracted kindergartens</li></ul>	Won the High Distinction Award under the Excellent Nursery Room Classification from the Department of Health, Taipei City Government, in 2023 
Overwork prevention risk program	To prevent workers of the Company from having diseases due to shift rotation, night work, long hours work, and other abnormal workloads, health management measures are provided to prevent workers from having brain, cardiovascular, and other high-risk diseases due to overwork and achieve the purpose of early discovery and treatment so as to ensure the physical and mental health of relevant workers.	High-risk employees with night shift and shift rotation	<ul style="list-style-type: none"><li>Organize health improvement activities from time to time to relieve the physical and mental pressure of employees.</li><li>High-pressure prevention: Measured employees' blood pressure at a fixed time and a fixed location and took measurements for nearly 2,828 persons for the year.</li><li>CPR + AED education and training courses</li><li>EAP: Provide for the issues of legal, parental, and physical and mental concerns of employees.</li><li>On-site physician services: Provide physical or video on-site physician counseling services to employees, and a total of 96 persons used such services.</li></ul>	Continued to be awarded the healthy workplace certification from the Health Promotion Administration  Won the AED worry-free venue certification, and 70% of the employees completed the training. 
Ergonomic hazard prevention program	Prevent ergonomic hazards of musculoskeletal disorders or diseases triggered by being in a non-ideal work environment in the long run, repeated operations, unfavorable operating posture or inappropriate working hour management of workers.	All employees	<ul style="list-style-type: none"><li>Health lecture: A total of four lectures were organized, including Sleep and Health, A Healthy Stomach, Consistent Skin Protection, and Selection of Health Inspection Plan (lecture content), with 473 participants.</li><li>Health education information: The intranet provides new knowledge of health issues for employees.</li><li>Massage services by persons with visual disabilities: The services were provided to a total of 4,557 persons during the year.</li><li>Sports clubs of the employee welfare committee: Each sports club has a leader who management the sports club of employees earnestly. A total of 35 clubs were established.</li></ul>	<ul style="list-style-type: none"><li>For employees' feedback for massage services by persons with visual disabilities, the satisfaction rate reached 95%.</li><li>Won the tobacco hazards prevention, sports enterprise certification, and health initiation and health improvement labels.</li></ul>

Workplace Health Improvement Measures

To improve the physical and mental health of all employees, the Company will regularly organize various activities, consultation, education and promotion to improve the health of the overall workplace through diverse and frequent means.

Activity implemented	Activity implementation content and achievements
Annual health inspection	Provide health inspection plans each year to allow employees to take care of their health; the annual inspection rate of employees reached 71%.
Blood donation activity across Taiwan	Organized a total of two sessions with a total of 173 bags of blood donated, approximately 70,000c.c. of blood.
Health lecture	A total of four lectures were organized, including "Sleep and Health," "A Healthy Stomach," "Consistent Skin Protection," and "Selection of Health Inspection Plan" (lecture content), with 473 participants.
Update medical information and new knowledge regularly on the intranet, current affairs, and changes in the pandemic	Published a total of 12 pieces for the year
Set up a fixed-location flu vaccination point at the headquarters	A total of 125 persons were vaccinated
Provide timely care and assistance and injury and disease counseling for employees' health management	Provide daily health counseling and assistance each month, and a total of 293 persons used the services for the year.
Provide medical service and first aid services to employees	There was a total of 149 care cases for the year.
Successfully introduced the EHS system for occupational safety and health and the App system	The number of persons who used the management system reached 2,441 persons
Has AED in place and regularly updates and maintains	Has AED managers in place and regularly arranges for employees to participate in the education and training of AED. A total of 282 persons participated in 2023, and we passed the AED worry-free venue certification.
Workplace infirmary and branches across Taiwan have first aid kits in place, and regular management and maintenance are performed	Regularly audit and maintain the equipment and drugs of the infirmary and first aid kits.
Services of nursing practitioners and massagist in branches	Arranged stationed nursing practitioners in branches in May and the health instructions were provided to 297 persons. Relieving massage services by the massagists were provided to 267 persons. With the determination to continue to care for employees, such measures will continue to be implemented in 2024.

Illegal Infringement Event

To provide a friendly work environment and eliminate harassment (including but not limited to sexual harassment), workplace bullying, discrimination, and other illegal infringement events that harm employees, KGI Securities has established its "Guidelines for Workplace Sexual Harassment Prevention Measures, Complaint, and Punishment" and "Guidelines for Illegal Infringement Prevention Plan for the Execution of Duties."

If illegal infringements occur to an employee, he/she may file a complaint for the event through the internal employee complaint mailbox. The Company will establish an investigation commission for instant and confidential arrangements according to relevant specifications and refer to or provide psychological counseling and legal assistance subject to the physical and mental state of the victims. For the perpetrator of a confirmed case, the Company will report to the review committee to impose punishments according to relevant specifications. Subject to the circumstances, the perpetrator will be transferred away from the initial position to avoid any contact with the victim. The Company is committed to protecting the rights and interests of the claimant and prohibits any illegal infringement event.

In 2023, the Company received the report of two workplace illegal infringement events. The President formed a project team for investigation, recording the handling status and investigation results, and implementing corresponding measures on the perpetrator/s based on the investigation results according to the "Guidelines for Illegal Infringement Prevention Plan for the Execution of Duties." It actively provided assistance and care for the victim and personnel of the departments. In addition, the Company also reinforced the internal promotion and training of workplace illegal infringement to prevent the occurrence of illegal infringement. In the future, we will strive to provide a healthy and worry-free workplace environment to employees and secure employees' rights and interests.

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

5.1 Climate Change Management  
5.2 Resource Conservation  
Management  
5.3 Sustainable Procurement  
5.4 Social Co-prosperity

06 Appendix

# 05 Green Operation and Social Co-prosperity

5.1 Climate Change Management	62
5.2 Resource Conservation Management	67
5.3 Sustainable Procurement	72
5.4 Social Co-prosperity	75





Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

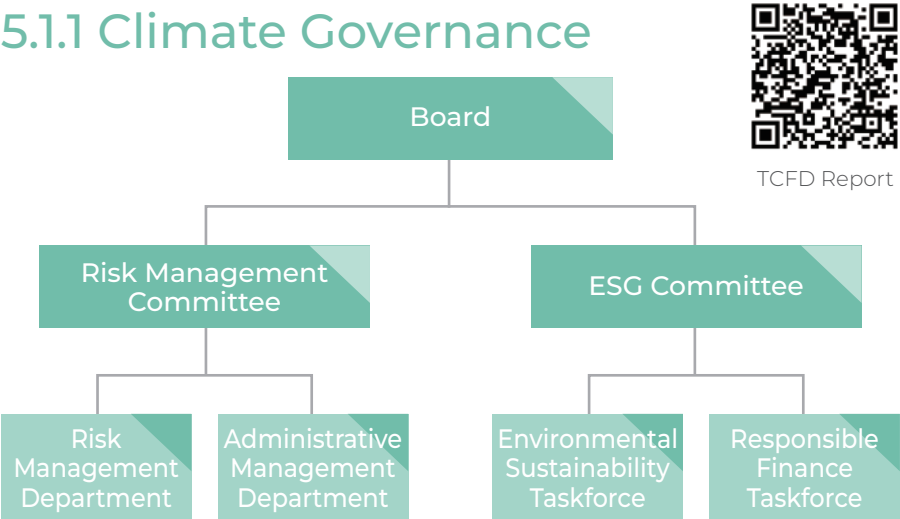
- 5.1 Climate Change Management
- 5.2 Resource Conservation Management
- 5.3 Sustainable Procurement
- 5.4 Social Co-prosperity

06 Appendix

# 5.1 Climate Change Management

The Company complied with the instructions of the Task Force on Climate-Related Financial Disclosures (TCFD) in 2022 to establish its climate change management structure step by step to adapt to effects brought by climate change to KGI Securities starting from the four major aspects of governance, strategy, risk management, and indicator and target setting. The Company issued its TCFD Report separately in 2022 and will issue the TCFD Report each year subsequently to reinforce the completeness and transparency of climate-related information disclosure and respond to the expectations of stakeholders. For details of the climate change financial information disclosures, please refer to the 2023 KGI Securities TCFD Report.

## 5.1.1 Climate Governance

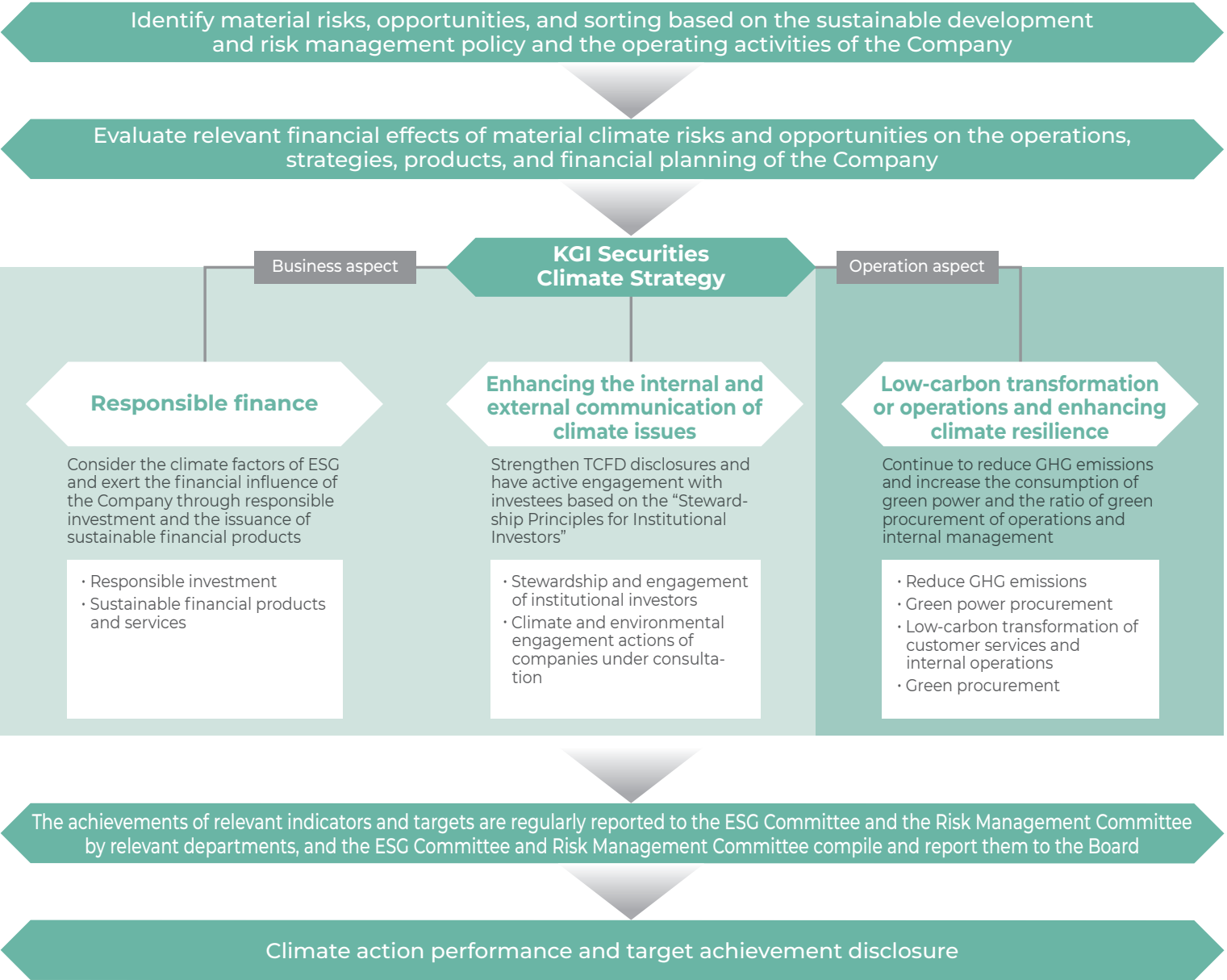


Organization	Chairperson/supervisor/head	Reporting/meeting frequency	Role in climate issues
Board	Chairman	Quarterly	Highest governance unit for climate issues
ESG Committee	Chairman	Quarterly	Supervisory unit for climate opportunities
Risk Management Committee	Independent Director	Quarterly	Supervisory unit for climate risks
TCFD Taskforce	President Senior supervisor of each taskforce	Convene from time to time according to the requirements	Implementation unit for climate opportunities
Administrative Management Department	Senior supervisor of each taskforce	Convene from time to time according to the requirements	Coordinating unit for the climate change and environmental risks of operations
Risk Management Department	Senior supervisor of each taskforce	Convene from time to time according to the requirements	Coordinating unit for climate risks of investment positions

## 5.1.2 Climate Strategy

### Climate Strategy Overview

The Company complies with the "Sustainable Finance Commitment" of CDFH, combines the identification results of climate risks and opportunities, and concludes the three major climate strategies of "responsible finance," "enhancing the internal and external communication of climate issues," and "low-carbon transformation or operations and enhancing climate resilience." Through the formulation of the climate strategy, the Company developed relevant action plans based on the strategic core value so as to jointly implement the net zero target of the parent company CDFH through stable carbon reduction steps.





Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

5.1 Climate Change Management

5.2 Resource Conservation  
Management

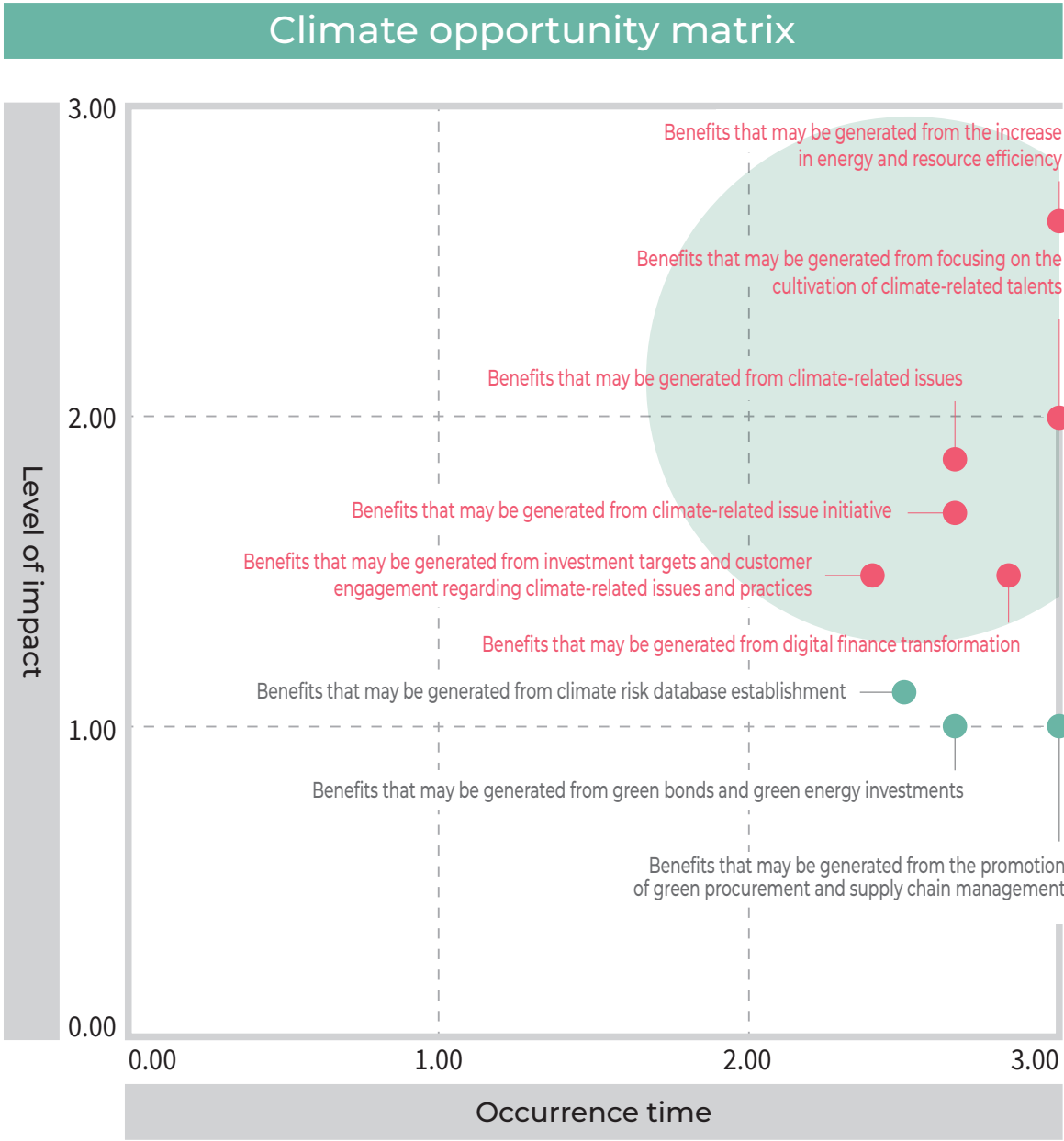
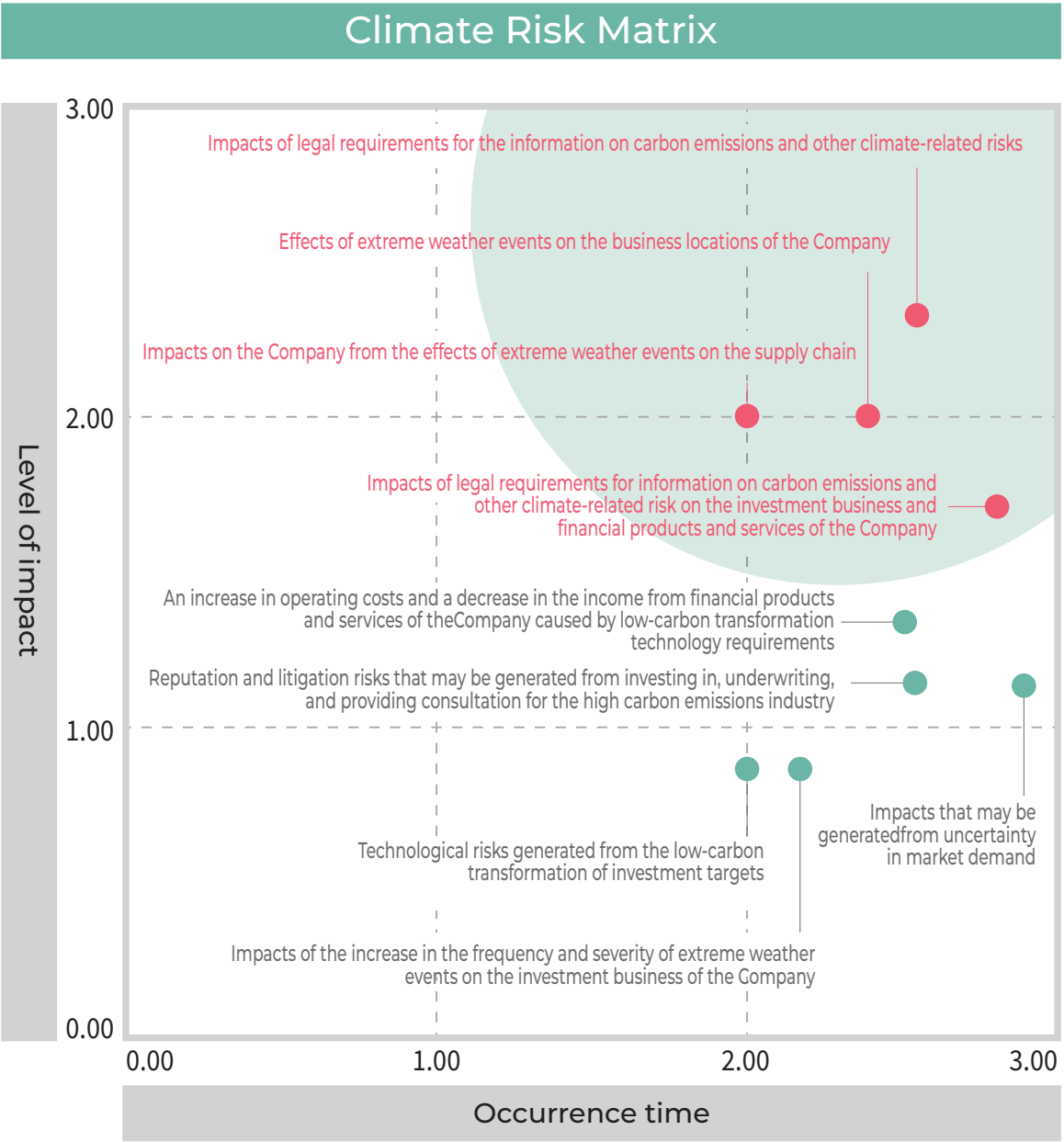
5.3 Sustainable Procurement

5.4 Social Co-prosperity

06 Appendix

Climate Risks and Opportunities

To understand the risks and opportunities of climate change of the Company, it performs climate risk and opportunity identification each year. The aspects considered includes climate risk and opportunities classification recommended by TCFD, impact pathway, impact timing, the location affected in the value chain, and financial impacts, and evaluations are performed for businesses of the Company. In 2023, four major climate risks and six major climate opportunities were identified.



Note : 1. Affecting time: short-term – may happen in three years (inclusive); mid-term – may happen in three to ten years; long-term – may happen after ten years.  
2. Level of impact: Concurrently consider the effects that may be generated from climate risk and opportunity events, including positive and negative financial effects, benefits or losses brought by events to the Company, the exposure amounts of positions held, number of days of work suspension, approval permission/level of events, and others.

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

5.1 Climate Change Management  
5.2 Resource Conservation  
Management  
5.3 Sustainable Procurement  
5.4 Social Co-prosperity

06 Appendix

5.1.3 Climate Risk Management

Climate Risk Management Duties

The Company possesses a comprehensive climate risk management structure that covers climate risk governance and policies to promote risk identification, risk measurement, risk management, risk reporting, monitoring, and other systems. The Board is the highest governance unit for climate-related issues. The Risk Management Committee is responsible for supervising and instructing the implementation status of climate risk management and regularly reporting to the Board about relevant matters. A structure of three lines of defense is adopted for the climate risk management of the Company. For the first line of defense, relevant business units are responsible for the daily climate risk control to ensure that relevant climate risk management policies are effectively implemented. For the second line of defense, the Risk Management Department and the Administrative Management Department monitor the management status of business units. For the third line of defense, the Audit Department manages the compliance and implementation achievements of various climate risk management systems independent of the implementation units.

	Relevant units	Responsibilities
First line of defense	Capital Market Department, Strategic Planning Department, Bonds Department, Dealing Department, Derivative Department, and Investment Product and Service Department	The first line of defense shall assess and respond to climate risks, particularly businesses under great effects of climate risks.
Second line of defense	Administrative Management Department and Risk Management Department	The risk management-related units in the second line of defense shall effectively monitor the implementation of climate risk management by the first line of defense.
Third line of defense	Audit Department	The third line of defense shall evaluate the effectiveness of climate risk monitoring performed by the first and second lines of defense and provide improvement recommendations in due course.

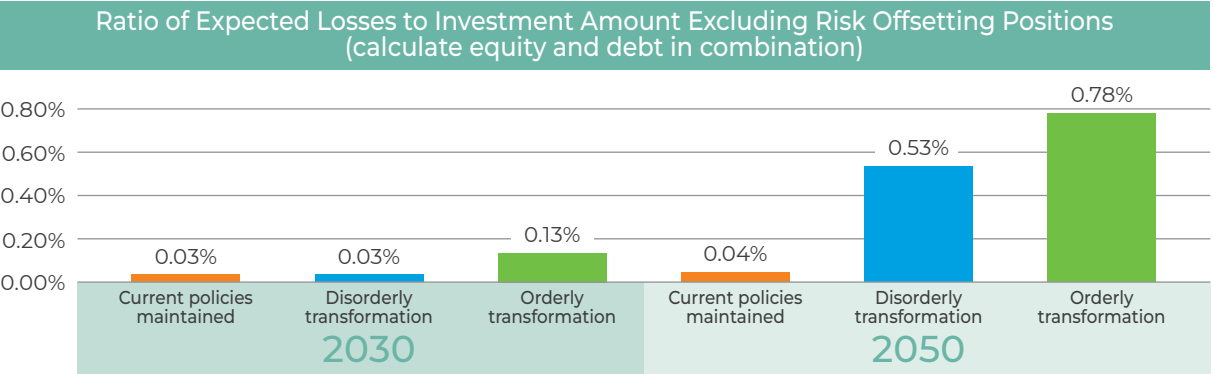
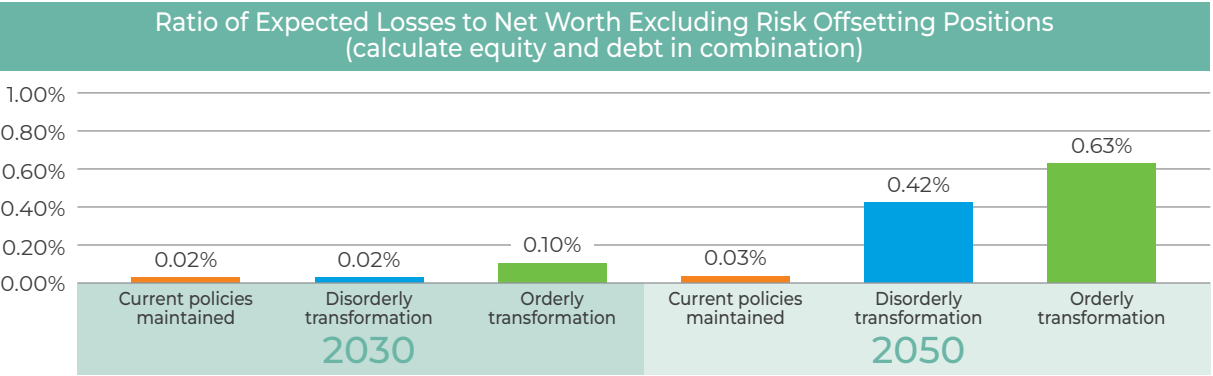
Description of Climate Scenario Analysis

Considering that Taiwan announced the achievement of net zero emissions in 2021 and that the 2050 Taiwan Net Zero Emissions Pathway Blueprint and Climate Change Response Act were announced one after another, the Company selected the scenario of NGFS orderly transformation to achieve "Net Zero 2025," which is consistent with the domestic and foreign net zero emissions pathway, to modulate financial losses that the Company may face under the current policies and regulations. December 30, 2023 is adopted as the base day for positions regarding the estimation of losses in the scenario to evaluate the possible financial impacts when climate risk factors impact positions in 2030 and 2050. The climate risk scenario analysis scope and analysis method are set out in the following table:

Risk category	Target	Industry under evaluation	Region under evaluation	Time under evaluation	Analysis method
Transition risk - policies and regulations	Equity investment	All industries	The entire world	Analyze the loss amounts of all industries every five years from 2025 to 2050	Estimate the additional carbon costs of investees and evaluate the ratio of expected depreciation loss of equity investments due to climate to the ratio of investment balance
	Corporate bond investment				Analyze the industry, country, and changes in credit ratings caused by additional carbon costs of the issuance companies of bonds invested to analyze expected climate loss based on the default rate.
Physical risk - floods	Business locations	-	Taiwan	2050	Through the overlay comparison with regions with high flooding risks, analyze the level of hazard and vulnerability of business locations and self-owned properties
	Self-owned properties				

Transformation Risk Scenario Analysis Results

The Company assesses the financial effects of climate change on the expenses and assets of the Company when equity and corporate bond investments are under the scenario of Net Zero 2050, delayed transition, and current policies based on the abovementioned methodology. Under the Net Zero 2050 scenario, as carbon reduction requirements have become more stringent, the estimated financial effects of expected climate loss on the expenses and assets of the Company calculated through the scenario analysis will increase on a yearly basis. Under the delayed transition scenario, as relevant carbon reduction policies commence in 2030, the financial effects are milder before 2030. However, the estimated effects will also increase on a yearly basis after 2030. Under the current policy scenario, as the government has not added relevant carbon reduction regulations, the financial effects are milder than the former two items. The scenario analysis includes the investment positions in equity and debt and all industries into consideration; the analysis results are presented as the ratio of expected climate loss to net worth and total investment amount below. The main investment-related business of the Company is holding short-term trading positions; therefore, the substantive holding period is not long. In addition, considering the development and transformation plans for partial equity positions, it is generally evaluated that the financial effects of climate risks of investment positions in equity of the Company have no immediate and significant operating risks.



The Company will continue to develop and apply industrial risk matrix, scenario analysis, and other risk management tools to regularly identify, measure, and monitor climate risks. After the assessment, if there are significant operating risks, relevant corresponding strategies will be formulated and reported to the ESG Committee based on the climate governance structure of the Company. For industries with high climate risks identified, the Company will regularly monitor and manage the sensitive positions, enhance the engage efforts for relevant industries, continue to reduce the carbon emissions of positions held and lead the low-carbon transformation of the industry.

Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

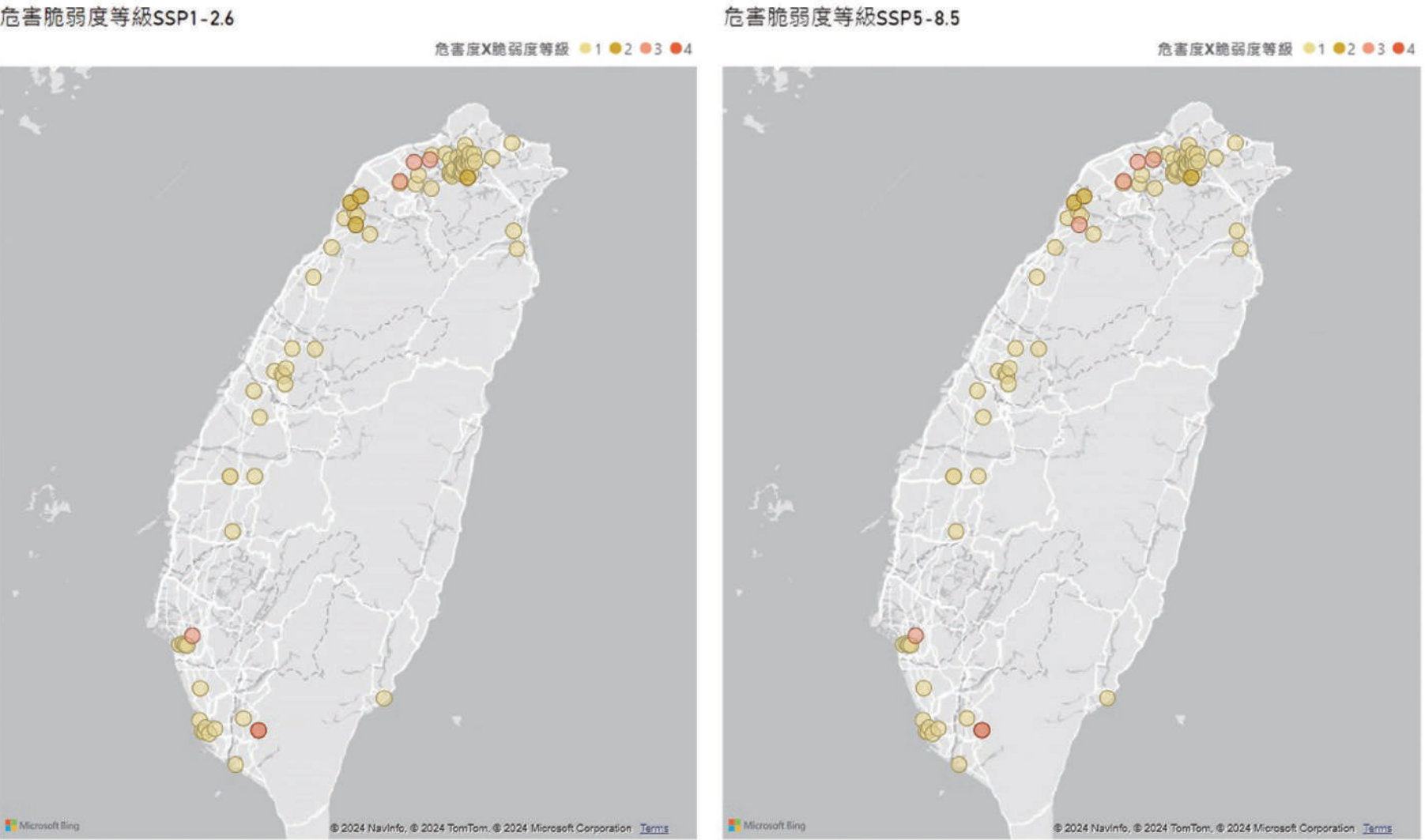
- 5.1 Climate Change Management
- 5.2 Resource Conservation Management
- 5.3 Sustainable Procurement
- 5.4 Social Co-prosperity

06 Appendix

Physical Risk Scenario Analysis Results

The main source of physical risks for the Company is the value impairment of self-owned houses caused by floods and the reduction in operating income caused by operation interruption. Therefore, the Company examined the level of hazard and vulnerability of business locations and self-owned properties with flooding potential across the physical risk database in Taiwan through the Financial Industry Physical Risk Information Integrated Platform and performed an inventory of the adaptation measures for flooding disasters of all business locations to serve as the basis to reinforce operating resilience of the Company step by step.

According to the analysis results, at the end of 2023, under the SSP1-2.6 scenario (temperature increase within 2 ° C), the ratio of business locations and self-owned properties of the Company locating in level 5 & 4 regional business locations was 0.00% and 1.03%; under the SSP5-8.5 scenario (temperature increase of 4 ° C), the ratio of business locations and self-owned properties of the Company locating in level 5 & 4 regional business locations was 0.00% and 1.03%.



To reduce the impacts brought by floods, the Company optimizes the disaster prevention measures of its business locations and self-owned properties, including purchasing standing sandbags, adding dams, and preparing pumps and emergency evacuation measures. After appropriate adaptation, the level of hazard and vulnerability of business locations and self-owned properties of KGI Securities decreased.

Apart from adaptations for flooding disasters, the Company purchased insurance for all locations and established the "Regulations for Abnormal Events and Material Accident Reporting and Handling Procedures," "Procedures for Emergency Preparation and Response," and "Procedures for Disaster Emergency Response." Meanwhile, it established its business continuity management (BCM) plan progressively to ensure that crucial businesses and operations continue to operation and reduce operating impacts to protect the rights and interests of customers. The Company established its "BCM Policy" in 2022 and established the BCM Taskforce. It introduced the ISO 22301 business continuity management system, completed the ISO 22301 international standards recognition courses of relevant personnel, operating impact analysis and risk assessment education and training, and emergency response and recovery plan promotion, education, and training, and passed the verification in 2023 Q2. We started from the four major aspects of remote work recovery, desk exercise, personnel evacuation drills, and system change drills to cultivate employees' ability to respond to disasters. In February 2024, we amended the "Guidelines for Information Operation Business Continuity Management" to ensure that the Company can effectively implement response measures and reduce damages and harm to the tolerable scope when interruptions occur.



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

5.1 Climate Change Management  
5.2 Resource Conservation  
Management  
5.3 Sustainable Procurement  
5.4 Social Co-prosperity

06 Appendix

5.1.4 Climate Actions, Targets, and Progress

Highlights of Climate Actions in 2023

Responsible finance	Enhancing the internal and external communication of climate issues	Low-carbon transformation or operations and enhancing climate resilience
<ul style="list-style-type: none"><li>Amended the "Responsible Investment Policy" to stipulate that ESG factors shall be considered when formulating investment evaluation, decision-making, and management specifications.</li><li>In 2023, we organized a total of 21 tranches of sustainability bonds, with a total underwriting amount of NT\$21.1 million.</li><li>In 2023, we assisted in 16 equity fundraising projects for companies in ESG-related industries.</li><li>In 2023, we combined the planting program with the structured product and issued green structured bonds to respond to the carbon reduction trends.</li></ul>	<ul style="list-style-type: none"><li>For internal communication, we progressively optimized the four major aspects of TCFD and improved the awareness of all employees regarding climate issues.</li><li>We actively carried out investee engagements; we carried out engagements 6,914 times and voted 1,017 times.</li><li>In 2023, the participation rate of shareholders' meetings of investees reached 100%.</li></ul>	<ul style="list-style-type: none"><li>In 2023, the cumulative green power supply volume reached 2,693,288 kWh, and the ratio of green power was 16.73%.</li><li>In 2023, the cumulative green procurement amount throughout the year reached NT\$71,544,653, accounting for 9.52%, representing a growth of 165% from the preceding year.</li><li>In 2023, the cumulative power consumption throughout the year was 16,094,036 kWh, representing a decrease of approximately 7.28% as compared to the preceding year.</li></ul>

Short-term Targets in 2024

The Company manages relevant indicators and targets of the investment ratio in industries with high carbon emissions, customer engagement, low-carbon business management, and the use of renewable energy to monitor the achievement of the net zero strategy.

Target	Content
Investment ratio in industries with high carbon emissions	The investment ratio of the "high-carbon industry" targets in "non-short-term trading" positions is lower than 24.5%.
Engagement targets	The ratio of investment targets with commitment or SBT targets set in "non-short-term trading" positions achieves an annual increase of 3%.
Low-carbon business management	<ul style="list-style-type: none"><li>Reduce the GHG emissions of the operations by 25% as compared to the base year (2022).</li><li>Reduce the power consumption by 2% as compared to the preceding year.</li><li>Reduce the water consumption by 1% as compared to the preceding year.</li></ul>
Use of renewable energy	Increase the ratio of the overall renewable energy consumption, and it is estimated to reach 20%.
Sustainable procurement	<ul style="list-style-type: none"><li>The ratio of local procurement amount accounts for 80% or above.</li><li>The execution rate of the "Supplier Sustainable Responsibility Commitment" is 100%.</li></ul>
Environmental sustainability initiatives	We estimated to organize at least eight relevant activities



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

5.1 Climate Change Management  
5.2 Resource Conservation  
Management  
5.3 Sustainable Procurement  
5.4 Social Co-prosperity

06 Appendix

## 5.2 Resource Conservation Management

KGI Securities complies with environmental regulations and international standards and supports the "1.5°C target of the Paris Agreement" and the net zero emissions target in Taiwan by 2050 to adequately protect natural environments and strive to achieve the target of environmental sustainability when implementing operating activities and internal management. Meanwhile, following CDFH Group, the Company complies with the framework and scope of SBTi and duly evaluates the features of the securities industry to promote carbon reduction intensity through scientific methods. For investment positions of Scope 3 and Scope 1 and Scope 2 GHG emissions of our operations, we completed the carbon inventory and carbon emissions calculation work for investment positions and our operations. At present, we are planning for a carbon reduction pathway that complies with the SBTi requirements and formulating concrete and quantitative carbon reduction targets to reduce carbon emissions step by step.

The Company has comprehensively considered the effect of operations on environmental and ecological benefits, reduced resource waste from the source, implemented various measures to reduce resource and energy consumption and promoted various environmental sustainability initiative activities to make contributions to environmental sustainability through actions.

To implement low-carbon business management, KGI Securities continued to optimize the environmental management system, including:

- The Environmental Sustainability Taskforce regularly tracks the use of energy and resources on a monthly basis.
- Introduced the GHG inventory management system and established the system platform to provide the calculation and analysis of environmental data.
- Establish the environmental sustainability section on the intranet to announce the use of energy and resources and roll out environmental sustainability policies, environmental sustainability initiative activities, and environmental sustainability knowledge.
- Expand the scope of organization of ISO 14064-1 organizational GHG inventory to overseas locations and added Scope 3.
- Continue to obtain the external verification for the ISO 50001 energy management system.
- The introduction project of the ISO 14001 environmental management system was initiated in 2023 Q4, and the external verification is expected to be obtained in 2024 Q2.
- Actively cultivate internal green talent capacity. At present, multiple employees have obtained ISO chief verifier, ISO 14067 chief verifier, PAS 2060 system establishment, ISO 50001 internal auditor, ISO 14001 internal auditor, and corporate sustainability manager certificates to welcome the net zero transformation challenges in the future through the accumulation of practical experiences.

### 5.2.1 GHG Emissions Reduction and Energy Structure Management

KGI Securities complies with the commitments of CDFH Group and is committed to the reduction in GHG emissions and the increase in the consumption ratio of renewable energy, which is an important part of the overall carbon management of KGI Securities. KGI Securities commenced the performance of ISO 14064-1 GHG inventory certification in 2018, continued to expand the organizational boundary for the inventory, completed the inventory of all business locations in Taiwan and expanded the inventory boundary to overseas business locations in 2023; the scope of inventory includes Scope 1, Scope 2, and Scope 3 GHG emissions.

The Company has formulated corresponding carbon reduction targets and strategies for Scope 1 and Scope 2 GHG emissions, including "low-carbon business management," "use of renewable energy, "environmental sustainability initiative," and "sustainable procurement." The total emissions of Scope 1 and Scope 2 in 2023 reduced by 23% from 2022. We hope to implement low-carbon business management, continue to reduce GHG emissions and reduce environmental impacts.

### GHG Emissions of Locations in Taiwan

unit : tCO<sub>2</sub>e

#### Scope 1 and Scope 2 GHG Emissions of KGI Securities in 2021, 2022, and 2023

	2021	2022	2023
Direct GHG emissions (Scope 1)	819.53	583.89	549.13
Indirect GHG emissions (Scope 2)	8,655.21	8,728.09	6,633.37
Total GHG emissions (Scope 1 + Scope 2)	9,474.74	9,311.98	7,182.50
Emissions per capita	2.80	2.65	2.10
Carbon intensity (tCO <sub>2</sub> e/net million revenue)	0.30	0.45	0.25

Note : 1. The "operating control approach" is adopted for data inventory. The organizational boundary for the inventory in 2023 includes KGI Securities and its subsidiaries/branches in Taiwan: KGI Securities Investment Trust Co. Ltd., KGI Securities Investment Advisory Co. Ltd., KGI Future Co., Ltd., KGI Insurance Brokers Co., Ltd., and KGI Fraser Securities Pte. Ltd.. The market-based calculation is adopted for Scope 2.  
2. KGI Investment Trust was no longer a subsidiary of KGI Securities since July 1, 2023, and the GHG emissions after the day were not included in the calculation.  
3. Emissions per capita = total emissions/number of formal employees within the scope of inventory less KGI Investment Trust, a total of 3,420 persons.  
4. ISO 14064-1:2018, the Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard, and GHG Inventory Registration Instructions: 4.2.4.2 were adopted as the inventory methods.  
5. The selection of the GWP value was based on the GHGs announced in the IPCC Sixth Assessment Report (2021); the emission coefficients were quoted from the GHG Emissions Coefficient Management Table ver. 6.0.4 of the Environmental Protection Department.  
6. Carbon intensity is calculated based on the total revenue in the 2022 and 2023 consolidated financial statements, which were NT\$31,485,177 thousand, NT\$20,702,198 thousand, and NT\$28,451,953 thousand, respectively. The value of carbon emissions/revenue from 2021 to 2023 was 0.30, 0.45, and 0.25, respectively.

unit : tCO<sub>2</sub>e

#### Scope 1 Emission Category and Ratio of KGI Securities in 2023

Gas emissions category	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	NF <sub>3</sub>	Total
Emissions	204.85	156.44	2.11	185.73	0.00	0.00	0.00	549.13
Ratio	37.30%	28.49%	0.39%	33.82%	0.00%	0.00%	0.00%	100.00%

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

5.1 Climate Change Management  
5.2 Resource Conservation  
Management  
5.3 Sustainable Procurement  
5.4 Social Co-prosperity

06 Appendix

unit : tCO<sub>2</sub>e

Scope 3 GHG emissions of KGI Securities fin 2021, 0222, and 2023 (Category 3 + Category 4)

Scope of gas	Item		Emissions in 2021	Emissions in 2022	Emissions in 2023
Category 3 Indirect GHG emissions caused by transportation	Business trip	Airplane	1.41	18.04	61.26
		High-speed rail	13.66	17.13	37.62
		Taiwan Railway	6.37	8.59	12.86
		Taxi	21.03	21.22	23.53
		Sub-total	42.46	64.98	135.27
	Upstream transportation and delivery	Transportation for the purchase of printing papers	1.14	0.79	0.63
		Regular maintenance and repair by the printer supplier	0.37	1.04	0.69
		Sub-total	1.52	1.84	1.32
	Downstream transportation and delivery	Transportation for the delivery of packages	1,681.34	1,128.79	628.31
		Transportation of dispatching notice for the shareholders' meeting to the post office	0.07	0.06	0.07
		Transportation of dispatching notice for cash dividend collection to the post office	0.08	0.08	0.07
		Sub-total	1,681.49	1,128.93	628.45
	Total		1,725.47	1,195.74	765.04
Category 4 Indirect GHG emissions from products used by the organization	Fuel and energy-related activities	Upstream production of purchased energy inclusive of transportation (electricity)	1,591.39	1,512.41	1,303.89
		Upstream production of purchased energy inclusive of transportation (diesel)	1.67	0.95	0.48
		Upstream production of purchased energy inclusive of transportation (gasoline)	27.02	36.70	17.28
		Upstream production of purchased energy inclusive of transportation (natural gas)	24.4	33.36	38.16
		Sub-total	1,644.48	1,583.42	1,359.81
	Ultimate disposal of business waste	Ultimate disposal of business waste (including incineration)	323.16	394.88	85.20
		Domestic garbage clearing services	105.98	130.40	28.38
		Sub-total	429.14	525.28	113.58
	Use of leased equipment	Refrigerant of company cars	-	-	8.63
		Telecom services	-	-	1,109.20
		Sub-total	-	-	1,117.83
	Total		2,073.62	2,108.71	2,591.22

Note : 1. The organizational boundary for the inventory in 2023 includes KGI Securities and its subsidiaries/branches in Taiwan: KGI Securities Investment Trust Co. Ltd., KGI Securities Investment Advisory Co. Ltd., KGI Future Co., Ltd., KGI Insurance Brokers Co., Ltd., and KGI Fraser Securities Pte. Ltd..  
2. KGI Investment Trust was no longer a subsidiary of KGI Securities since July 1, 2023, and the GHG emissions after the day were not included in the calculation.  
3. ISO 14064-1:2018, the Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard, and GHG Inventory Registration Instructions: 4.2.4.2 were adopted as the inventory methods.  
4. Category 3 is direct GHG caused by transportation; Category 4 is indirect GHG emissions from products used by the organization.  
5. The GHG Emissions Registration Form ver. 3.0.0 and Coefficient Management Table ver. 6.0.4 of the Environmental Protection Department is adopted for the emission coefficient and GWP.



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

5.1 Climate Change Management  
5.2 Resource Conservation  
Management  
5.3 Sustainable Procurement  
5.4 Social Co-prosperity

06 Appendix

unit : tCO<sub>2</sub>e

Financial Carbon Emissions in 2023

Investing and financing GHG in Scope 3	2021	2022	2023
Financial carbon emissions (unit: tCO <sub>2</sub> e)	282,519	266,308	273,388

The Scope 3 investing and financing portfolio GHG emissions inventory boundary is the stocks of KGI Securities and spot bonds; however, this is not applicable to short-term trading positions. If the industrial coefficient approach is adopted to calculate the applicable investment positions, the total emissions shall be 189,278 tons; however, emissions of partial investment targets after verification have been published in 2023, resulting in the increase in the total carbon emissions to 273,388 tons. In the future, the Company will continue to improve the quality of data statistics to improve the management and monitoring of the carbon emissions of investment positions.

GHG Inventory of Overseas Locations

Except for the GHG inventory results in Taiwan, to effectively control the overall carbon emissions and realize the concept of "net zero emissions by 2050," the Company performed an inventory on the carbon emissions of overseas locations in Hong Kong and Singapore in 2023; the emissions of Scope 1 to Scope 3 are as follows:

unit : tCO<sub>2</sub>e

Scope of GHG in 2023	Hong Kong	Singapore	Taiwan	Total of Taiwan and overseas
Scope 1	9.45	10.61	549.13	569.19
Scope 2	659.51	149.91	6,633.37	7,442.79
Scope 3	62.36	234.47	3,356.26	3,653.09

Note : 1. ISO 14064-1:2018, the Greenhouse Gas Protocol - Corporate Accounting and Reporting Standard, and GHG Inventory Registration Instructions: 4.2.4.2 were adopted as the inventory methods.  
2. The GHG Emissions Registration Form ver. 3.0.0 and Coefficient Management Table ver. 6.0.4 of the Environmental Protection Department are adopted for the emission coefficient and GWP.

The Company will continue to study strategies related to carbon emissions reduction and extend relevant measures from Taiwan to overseas layout and care for both operating development and environmental protection to move toward the Group's target of sustainable development.

Energy Structure Management

For energy structure management, KGI Securities is committed to the increase in the consumption ratio of renewable energy. In 2022, it joined hands with subsidiaries and other tenants in the headquarters Dazhi Building to execute a power purchase agreement (PPA) for a period of five years with a renewable energy selling company to jointly procure 3 million kWh of renewable energy each year, and the bundled REC system is adopted, meaning that the renewable energy/electricity and the certificates are sold in a bundle. In 2023, the renewable energy supplied and can be attributed to KGI Securities and its subsidiaries reached 2,693,288 kWh, and the consumption ratio of renewable energy increased to 16.7%, equivalent to a reduction of GHG emissions by approximately 1,333.18 tCO<sub>2</sub>e.

In 2023, the Company continued to plan for the phase 2 renewable energy procurement project. In the future, it will join hands with subsidiary KGI Securities to increase the procurement of 1.45 million kWh of renewable energy starting from 2024 Q1 to increase the consumption ratio of renewable energy.

Consumption Ratio of Renewable Energy of KGI Securities in 2022 and 2023

	2022	2023
Consumption ratio of renewable energy	1.2%	16.7%

In addition, to actively achieve the target of carbon neutrality of the headquarters building of CDFH by 2024, reduce the Scope 1 and Scope 2 emissions by 42% by 2030 according to SBTi standards, and, in turn, achieve the target of net zero carbon emissions of all asset portfolio by 2045, the parent company CDFH purchased 3,000 tons of carbon rights, and the Company actively responded and purchased 50 tons of carbon rights.

Renewable and Non-renewable Energy Consumption of KGI Securities in 2023

Energy consumption	Statistical unit	2021	2022	2023
Purchased electricity (non-renewable energy)	mWh	17,241.45	17,147.53	13,400.75
Renewable energy (electricity)	mWh	-	-	-
Purchased renewable energy (electricity)	mWh	-	209.57	2,693.29
Total electricity	mWh	17,241.45	17,357.10	16,094.04
	mWh per capita	5.10	4.94	4.71
Natural gas	kWh	54,103.10	64,653.12	73,575.00
Gasoline	Total consumption (L)	40,939.53	55,854.75	28,610.89
Diesel	Total consumption (L)	2,284.39	1,305.21	708.90
Total non-renewable energy consumption	mWh	18,158.61	18,290.32	14,391.08
Total energy consumption	mWh	18,158.61	18,499.89	17,084.36
Total energy consumption	GJ	65,371.00	66,599.60	61,503.71
Total energy consumption per capita	GJ	19.35	18.95	17.98

Note : 1. The organizational boundary for the inventory in 2023 includes KGI Securities and its subsidiaries/branches in Taiwan: KGI Securities Investment Trust Co. Ltd., KGI Securities Investment Advisory Co. Ltd., KGI Future Co., Ltd., KGI Insurance Brokers Co., Ltd., and KGI Fraser Securities Pte. Ltd..  
2. KGI Investment Trust was no longer a subsidiary of KGI Securities since July 1, 2023, and the GHG emissions after the day were not included in the calculation.  
3. 1 mWh of electricity consumption equals to 3.6 GJ of electricity consumption.  
4. 1 kcal equals to 0.000004 GJ; 1 GJ equals to 0.277777778 mWh.  
5. The conversion is performed according to the Emissions Coefficient ver. 6.0.4 announced on the website of the Bureau of Energy; natural gas is 9,000 kcal/m<sup>3</sup>, gasoline is 7,800 kcal/L, and diesel is 8,400 kcal/L.

Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

- 5.1 Climate Change Management
- 5.2 Resource Conservation Management
- 5.3 Sustainable Procurement
- 5.4 Social Co-prosperity

06 Appendix

KGI Securities continued to implement various energy-saving measures (i.e., updating old and obsolete main cool water chiller, using LED lighting, adopting the power-saving model for office printers/computers/laptops, and regularly examining the power consumption) to improve power consumption efficiency. In 2023, we continued the prior energy-saving measures, together with the implementation of other concrete actions and measures. We saved a total of 152,740 kWh of electricity, and the electricity conservation rate was 7.28%, achieving the target of an annual reduction rate of 2% for electricity conservation. The headquarters of KGI Securities at the Dazhi Building obtained the ISO 50001 energy management system certification and regularly implemented the update of the certification to maintain its validity. We participated in the Taipei City Zero Carbon Benchmark Award for the first time in 2023 to draw lessons from the precious experience of other electricity conservation benchmark enterprises and recommendations of experts to keep improving.

Energy-saving measures	2022			2023		
	Unit	Electricity conservation volume (kWh)	Annual carbon reduction (tCO <sub>2</sub> e)	Unit	Electricity conservation volume (kWh)	Annual carbon reduction (tCO <sub>2</sub> e)
Install LED lighting	1,494	43,116	22	233	3,375	1.7
Replace cool water chiller with low efficiency	4	40,833	21	2	149,365	73.9
Total	-	83,949	43	-	152,740	75.6

Note : 1. The statistical scope of energy-saving measures is the electricity conservation volume of the headquarters of KGI Securities at Dazhi Building.  
2. The electricity conservation volume in the table is the estimated carbon reduction volume of energy-saving measures based on the carbon emission coefficient of electricity of 0.509 kg CO<sub>2</sub>e/kWh announced in 2021 by the Energy Administration, Ministry of Economic Affairs.

5.2.2 Water Resources and Waste Management

Reducing waste from the source and saving the use of various resources have been the core spirit of KGI Securities for resource conservation management.

KGI Securities continued to update its water conservation equipment starting from 2021, adopted water-saving toilets, adjusted the water flow of taps, and regularly examined the water consumption status to reduce unnecessary water consumption. Meanwhile, it also regularly performed management and repair for water consumption equipment and pipelines. In 2023, three cases of water leakage caused by equipment or pipeline anomalies were found, and the repair was completed in a timely manner. The major water consumption of the Company is domestic, staff canteen, and A/C water consumption, and the water source is the local water plants; the Company does not use groundwater and water from rivers. In addition, an oil-water separator is installed at the staff canteen of the headquarters in the Dazhi Building, and regular cleaning is performed to reduce water pollution. In 2023, there was no water pollution caused by leakage.

Statistics on Water Resource Consumption			
Statistics	2021	2022	2023
Water consumption (thousand m3)	102.64	101.94	102.51
Water consumption per capita (thousand m3)	0.0304	0.0290	0.0300
Carbon emissions (tCO <sub>2</sub> e)	15.6	16.41	15.99

Note : 1. The organizational boundary for the inventory in 2023 includes KGI Securities and its subsidiaries/branches in Taiwan: KGI Securities Investment Trust Co. Ltd., KGI Securities Investment Advisory Co. Ltd., KGI Future Co., Ltd., KGI Insurance Brokers Co., Ltd., and KGI Fraser Securities Pte. Ltd..  
2. KGI Investment Trust was no longer a subsidiary of KGI Securities since July 1, 2023, and the GHG emissions after the day were not included in the calculation.  
3. The water withdrawal and water consumption of the Company are the same.  
4. The water withdrawal of the Company is from Taiwan Water Corporation. Taiwan is a non-water resource pressure area; the total dissolved solids of water quality testing are ≤ 1,000 mg.  
5. Carbon emissions equivalent generated from water withdrawal/consumption calculated based on the CO<sub>2</sub>e for the production of 1 m3 of water announced by Taiwan Water Corporation; the coefficient adopted in 2021, 2022, and 2023 was 0.152 kg CO<sub>2</sub>e/m3, 0.161 kg CO<sub>2</sub>e/m3, and 0.156 kg CO<sub>2</sub>e/m3, respectively.  
6. Water withdrawal/consumption per capita = total water withdrawal/consumption/number of formal employees within the inventory scope less KGI Investment Trust, a total of 3,420 persons.

KGI Securities will continue to promote waste reduction measures, promote general garbage reduction, implement garbage classification, promote waste reduction and plastic reduction through environmental sustainability initiatives to improve internal environmental protection awareness and jointly contribute to waste reduction.

unit : ton

Statistics on Waste Generation						
Waste category		2021 (Headquarters of KGI Securities at Dazhi Building)	2022 (Headquarters of KGI Securities at Dazhi Building)	2022 (Other business locations)	2023 (Headquarters of KGI Securities at Dazhi Building)	2023 (Other business locations)
Non- recyclable	General garbage - landfill	1.49	3.41	10.37	3.25	9.66
	General garbage – can be used for energy purposes after incineration	63.14	60.60	174.64	57.86	171.95
Total volume of non-recyclable wastes		64.63	64.01	184.46	61.11	181.61
Recyclable	Food waste	30.57	45.30	-	44.8	-
	Recyclable garbage (including paper, bottles, and cans)	20.76	22.85	65.75	20.49	60.89
Total volume of recyclable wastes			68.15	65.75	65.29	60.89
Total volume of wastes		115.96	132.16	250.20	126.40	242.50
Ratio of waste that can be used for energy purposes after recycling and incineration		98.72%	97.42%	96%	97.43%	96.02%

Note : 1. Other business locations are branches and business locations other than Dazhi Building and other domestic subsidiaries of KGI Securities in the inventory scope of KGI Securities in 2023.  
2. The number of formal employees in the inventory scope of the Dazhi Building of KGI Securities in 2023 was 900 persons; the number of formal employees in the inventory scope of other business locations was 2,624 persons, totaling 3,524 persons.  
3. The weighing is adopted for the data on the waste of the headquarters in the Dazhi Building; the data on the waste of other business locations is estimated by multiplying non-recyclable waste per capita calculated after the inventory of the Dazhi Building by the total number of persons of other locations; the same shall apply to the recyclable garbage.  
4. KGI Investment Trust was no longer a subsidiary of KGI Securities since July 1, 2023, and the GHG emissions after the day were not included in the calculation.  
5. Calculate based on the average data from 2020 to 2022 according to the garbage clearing status announced in May 2023. The ratio of waste incinerated in non-recyclable waste was 94.68%, and the ratio of waste processed through sanitary landfills, and the estimation is based on such ratios.

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

5.1 Climate Change Management  
5.2 Resource Conservation  
Management  
5.3 Sustainable Procurement  
5.4 Social Co-prosperity

06 Appendix

Promotion of the Paperless Policy

In response to environmental friendliness, KGI Securities actively promotes paperless business services (i.e., video electronic signature/stamp value-added service, online/App order placing, and electronic statements). Meanwhile, it promotes electronic operating procedures, reduces the use of paper, and has electric versions of the internal regulations added (amended), risk rating application forms, petitions, proposals of the Board or proposals of relevant committees, and relevant documents. In 2023, the electronic forms used internally reached 629,642 entries. The paperless achievements that can be quantified for the year are as follows. A total of 1,504,438 pieces of paper and 10,834 paper bags were saved, equivalent to a reduction of 12.18 tco2e.

Remarks: According to the value on the Carbon Footprint Information Platform of the Environmental Protection Department, the carbon emissions of one piece of A4 paper are approximately 0.0072 kg, and the carbon emissions of one kraft paper bag are approximately 0.124 kg.

- The Board progressively adopted the electric proposal form and saved a total of 169,291 pieces of paper in 2023.
- Adopted electronic procurement and saved a total of 21,625 pieces of paper in 2023.
- In response to the circular economy, KGI Securities rents printers with the environmental protection label, controls the printing and encourages printing on both sides or printing multiple pages on the same paper and paper recycling for reuse. Meanwhile, it uses environmental toners and consumables that are recycled and reused by the company after use. In 2023, a total of 1,205,182 pieces of paper were saved as compared to the preceding year.

Year	Number of pieces of printed paper
2021	22,003,139
2022	19,065,871
2023	17,860,689

Number of Cases and Estimated Carbon Reduction Volume of the Electronic Receipt and Dispatch System				
Year	Number of electronic cases	Paper saved	Estimated carbon reduction volume (kg)	Electric ratio
2021	12,520	125,200	2,453.92	74%
2022	11,072	110,720	2,170.11	71%
2023	10,834	108,340	2,123.46	69%

Note : According to the value on the Carbon Footprint Information Platform of the Environmental Protection Department, the carbon emissions of one piece of A4 paper are approximately 0.0072 kg, and the carbon emissions of one kraft paper bag are approximately 0.124 kg. One document is estimated based on ten pieces of A4 paper and one paper bag, totaling 0.196 kg.





Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

- 5.1 Climate Change Management
- 5.2 Resource Conservation Management
- 5.3 Sustainable Procurement
- 5.4 Social Co-prosperity

06 Appendix

5.3 Environmental Sustainability Initiative

To allow the concept of "green operation" to be deeply rooted in the organization and effectively implement environmentally friendly measures, the Company formulates and promotes multiple policies the promotional measures for issues related to environmental sustainability to move toward the target of environmental sustainability.

5.3.1 Support Environmental Sustainability through Actions

The Company hopes to set itself as an example. It actively entered into conventions with organizations related to environmental friendliness, and it promoted multiple green office and energy-saving and carbon reduction measures to internal employees to promote and implement the philosophy of environmental sustainability through actions.

International organization Greenpeace

Initiated by Greenpeace, an international organization, and are committed to using green power for 10% of the total power consumption or above by 2025. We responded to the energy transformation promoted by the "United Nations Framework Convention on Climate Change" through actions and increased energy efficiency to jointly set foot on the path to sustainable energy with other enterprises in Taiwan.

RE10x10



CommonWealth Sustainable Tamsui River Convention

We executed the "Tamsui River Convention" in 2020, continued to encourage employees to respond through actions, and initiated beach cleaning and habitat protection events. We responded to "Earth Hour" for three consecutive years and actively cooperated with environmental protection organizations or environmental education organizations to connect the capacity of cross-field organizations, establish diverse partnerships, and jointly facilitate the sustainability prospect.



The environmental restaurant was awarded the "Green Food Pioneer Award"



After obtaining the "Environmental Restaurant" certification in 2022, the staff canteen of the Company continued to promote green dining and sustainable life in 2023, joined the "Green Dining Guide" of the Taipei Cultural Exploration Association, consulted by the Agriculture and Food Agency, and actively adopted organic and friendly local food ingredients of the season. We complied with the principle of sustainable ecology and ocean, sought the reduction of additives, provided vegetarian dishes, reduced resource waste, and won the "Green Food Pioneer Award" in 2023.

- Policies implemented by the staff canteen:
- Supply organic vegetables each day and use 2,985 kg of organic vegetables in the cumulation.
  - Started the trial of small farmer markets and Organic Light Food Day in October to jointly use organic and friendly food ingredients with employees to promote low-carbon dining.
  - Expanded the organization of the Meatless Day in January and organized two Meatless Days each month; 20 sessions have been organized in cumulation.



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

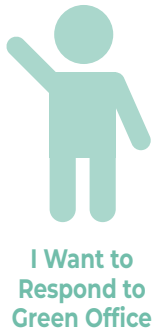
05 Green Operation  
and Social  
Co-prosperity

5.1 Climate Change Management  
5.2 Resource Conservation  
Management  
5.3 Sustainable Procurement  
5.4 Social Co-prosperity

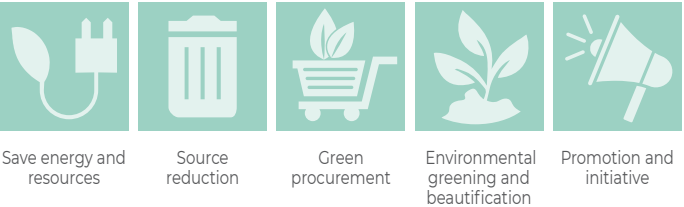
06 Appendix

Respond to the "I Want to Respond  
to Green Office" Activity of the  
Environmental Protection Department

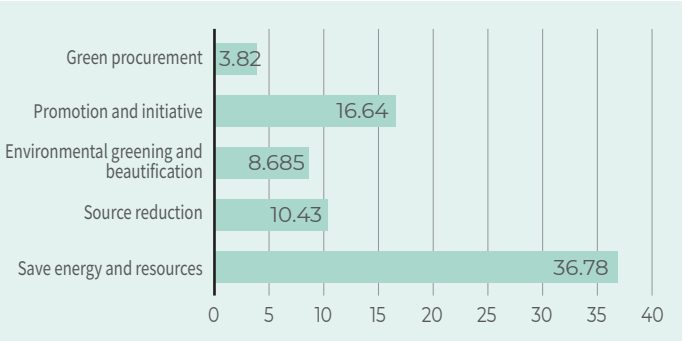
KGI Securities actively responded to 35 "green office measures" listed by the Environmental Protection Department and joined hands with subsidiaries and branches across Taiwan for participation (the response rate of subsidiaries reached 100%, and the response rate of branches reached 97%). We hope to create a sustainable, green, and beautified office environment to allow all employees to live a simple green life in daily office, establish the environmental awareness of treasuring resources and reducing waste so as to further reduce the burden on earth and achieve the long-term operating target of resource conservation and sustainable operation.



Five Major Indicators for Green Office



Response Indicators



Daily Carbon Reduction and Practices:

Apart from actively implementing environmentally friendly practices above, the Company also promotes carbon reduction policies and relevant measures and statistics, calculates and announces the use of internal energy/resources, and announces knowledge related to environmental sustainability through its intranet and announcements (i.e., implementing one-hour light off for lunch break, turning off computers when off work, energy-saving patrol inspections of securities, promoting 10,000 steps a day, encouraging employees to take the stairs instead of using elevators and adopting the automatic sleep mode of printers) in the hope of achieving the target of sustainable operation through the environmentally friendly actions of all employees.



節能省碳相關政策宣導

各位同仁大家好:

凱基證券本著善盡企業之社會責任，響應ESG及節能減碳相關政策，提醒各位同仁減少不必要的能源消耗，敬請各位同仁配合下列事項：

1. 於非上班時段加班時，落實只開啟單需使用區域之照明與空調，並於離開後隨手關閉照明與空調設備。
2. 會議室及檔案室使用完畢時，應立即關閉燈源及冷氣。
3. 辦公室照明與空調設備，下班時最後離開同仁應確實關閉。
4. 依法令規定，營業及辦公場所室內冷氣平均溫度須保持在攝氏二十六度以上，故請將空調開關溫度設定不低於26度。
5. 上下樓時，應採行上2下3使用樓梯之準則，盡量避免搭乘電梯。
6. 個人座位檯燈、吊檯燈，應於中午用餐時間及下班離開時隨手關閉。
7. 員工餐廳用餐時間至14:30，14:45將關閉照燈。

行政管理部

Environmental Education Lectures

KGI Securities actively responded to the "Environmental Education Act," invited professional environmental education organizations for cross-sector sustainability awareness promotion and invited internal employees to jointly listen to the opinions of nature.



Participating unit	Lecture	Person/number of hours
The Butterfly Conservation Society of Taiwan	Diversity of Butterflies and Habitat Preservation in Taiwan	625
The Society of Wilderness	Net Zero Transformation and Energy Conservation under Climate Change	221
The Society of Wilderness	Save Electricity with Ease	81
The Society of Wilderness	Health, Lohas, and Zero Waste	141
The Butterfly Conservation Society of Taiwan	Biodiversity and Habit Sustainability - Plant	190
Greenpeace	The Importance of Re10x10 and the Promotion of Energy Transformation	62
Total		1,320



Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

5.1 Climate Change Management

5.2 Resource Conservation Management

5.3 Sustainable Procurement

5.4 Social Co-prosperity

06 Appendix

5.3.2 Sustainable Procurement

KGI Securities joined hands with CDFH Group to actively respond to the green policies of the government and jointly implement the green procurement plan. We have been awarded the "Letter of Appreciation for Green Procurement" from the Environmental Protection Department, Executive Yuan, for five consecutive years, awarded the "letter of appreciation for promoting green procurement plans of private enterprises and groups" for six consecutive years, and we organized the annual supplier conference on April 22, 2023. The meeting content includes the advocacy lecture on ESG topics and the exchanges with suppliers in terms of ESG-related issues in the hope of improving the green awareness of cooperating suppliers and seeking the consensus of environmental friendliness.

The Company is committed to and supports sustainable procurement and actively implements the three major principles of the "principle of requirement identification," "green procurement," and "local procurement" to ensure that the products and services procured by the Company comply with SDG 12 "Responsible Consumption and Production" through the observation of the three major principles:

- The "principle of requirement identification" allows KGI Securities to effectively evaluate its requirements, avoid unnecessary and excessive procurement, save resources, and reduce waste.
- Through the principle of "green procurement," KGI Securities encourages the selection of environmentally friendly products and services to reduce the impacts on the environment.
- Adhering to "local procurement" not only helps support the development of local economies and communities but also helps reduce carbon emissions and the cost of logistics and transportation.

Implementing relevant measures through the three major principles of sustainable procurement, KGI Securities declared its firm commitment to responsible consumption and production in operation through actions strived to promote sustainable development and fulfill corporate social responsibility.



**Principle of Requirement Identification**

Needs-based procurement, seek resource saving, and avoid resource waste by adopting "necessary and not excessive" as the core concept for procurement.



**Green Procurement**

Prioritize equipment or products of low pollution, low energy consumption that are recyclable and have the environmental protection label and certification, avoid the procurement of disposal items, and continued to encourage suppliers to obtain or sell products with the environmental protection label and certification.



**Principle of Requirement Identification**

To reduce unnecessary consumption of products during the course of transportation and resource consumption and improve the development of local economy, the Company actively procures from local enterprises in Taiwan.

To realize the target of net zero and carbon reduction of operations and mitigate risks related to climate change, KGI Securities will continue to implement and promote the green procurement policy to adopt environmentally friendly products and renewable energy as the major procurement target, formulate necessary items and prioritized items for green procurement, divide energy consumption requirements, and move toward the target of energy conservation by adopting the most efficient method to use resources.

Necessary Items for Green Procurement	Prioritized Items for Green Procurement
<ol style="list-style-type: none"><li>1. Purchase services, PC, NB, monitors, and other equipment through contracts and fully adopt products with the Energy Start Certification or green environmental protection labels.</li><li>2. Purchase printing papers through contracts and fully adopt paper products with FSC, PEFC, and other environmental protection labels.</li><li>3. Lease printers and toner cartridges of different colors and drum cartridges, purchase toner cartridges of printers through contracts, and fully adopt products with green environmental protection labels.</li><li>4. Select printer companies with the circular economy certification as cooperating partners to recycle the waste toner to produce black slurry ink through the toner recycling system for circular utilization to reduce the requirements for carbon black raw resources and contribute to the circular economy while helping to reduce the negative effects on the environment.</li></ol>	<ol style="list-style-type: none"><li>1. Select products with green environmental protection labels when leasing company cars, and select products with carbon reduction labels for services.</li><li>2. Prioritize products with green building material labels and water-saving labels for renovation constructions.</li><li>3. Prioritize products with green environmental protection labels, energy-saving labels, and Energy Star for equipment or appliances of different categories.</li><li>4. Prioritize and encourage suppliers to obtain ISO certifications (ISO 14001 environmental certification items, ISO 50001 energy management certification, ISO 14067 product footprint certification, and ISO 14064 GHG inventory certification) related to energy-saving and carbon reduction for the products and services of their own or they sell. .</li></ol>

Through the strict control of green procurement, the green procurement ratio of the Company in 2023 reached 9.52% (the procurement amount was NT\$71,544,653), representing a growth of 158%. Apart from implementing internal green procurement, the Company also continued to improve the external supplier management system based on the policies of CDFH Group, formulated the "Guidelines for Sustainable Management of Suppliers," organized supplier corporate responsibility promotion and excellent supplier annual commendations through pre-screening, performance management, on-site audits, and annual evaluations and annual self-evaluations of suppliers, and required all suppliers to sign the "supplier sustainability responsibility commitment," which stated that "The party to the commitment is willing to comply with the corporate sustainable development and ethical corporate management policies of its own and the Company. If any violation or significant effect or material unethical behavior is verified as true, the party agreed that the Company may terminate or cancel the contract according to the agreement." We jointly commit to comply with requirements related to labor rights and interests and human rights (including banning child labor), labor health and occupational safety and health, environmental protection, and ethical corporate management and morality specifications with suppliers and facilitate the balance between the economy, society, and environment and the sustainable development of corporate operation in terms of business cooperation.

In compliance with the "Guidelines for Sustainable Management of Suppliers," the Company actively promoted the following matters to suppliers:

Protection of Labor Rights and Interests	Environmental Protection	Ethical Corporate Management and Moral Specifications
<p>The Company promotes laws and regulations related to occupational safety and health to suppliers and attaches attention to the following labor rights and interest protection issues:</p> <ol style="list-style-type: none"><li>(I) The employment of child labor shall comply with relevant laws and regulations.</li><li>(II) No forced labor.</li><li>(III) No discrimination in any form.</li><li>(IV) Respect the freedom of association and negotiations.</li><li>(V) Comply with laws and regulations related to labor health and occupational safety and health and comply with the regulations related to construction safety and health and environmental management formulated by the Company.</li></ol>	<ol style="list-style-type: none"><li>(I) Suppliers shall attach attention to issues related to environmental protection and energy conservation, implement a corporate culture of sustainable environmental development, and strive for caring for the earth, treasuring resources, and environmental protection and energy conservation.</li><li>(II) Suppliers shall attach special attention to no having material negative effects on the environment or violating environmental protection regulations and comply with relevant environmental protection policies and directions.</li><li>(III) Suppliers shall fulfill corporate social responsibilities and obligations, and the content includes the following:<ol style="list-style-type: none"><li>1. Comply with policies related to corporate social responsibilities.</li><li>2. If suppliers are involved in the violation of corporate social responsibility commitments (including but not limited to the protection of labor rights and interests, environmental protection, and supplier protection) and cause significant effects on the environment and society, the Company may terminate or cancel the contracts according to relevant contractual terms.</li></ol></li></ol>	<ol style="list-style-type: none"><li>(I) Suppliers shall comply with the Ethical Corporate Management Best Practice Principles and relevant specifications, including but not limited to honest operation, fair transaction, open information, and avoiding unjust revenue and untrue advertisements, and comply with intellectual specifications related to property rights.</li><li>(II) When entering into contracts with suppliers, suppliers shall be willing to trade with the Company via open and transparent methods based on the principle of ethical corporate management. If suppliers are involved in unethical behaviors that are severe, the Company may terminate or cancel the contracts according to relevant contractual terms.</li></ol>



Content

About the Report

Chairman's Statement

About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

5.1 Climate Change Management

5.2 Resource Conservation Management

5.3 Sustainable Procurement

5.4 Social Co-prosperity

06 Appendix

5.4 Social Co-prosperity

Apart from sparing no effort in providing premium and professional services within its main business of securities, KGI Securities also attaches great attention to the sustainable development of society and actively organizes various public welfare activities to give back to society and achieve social co-prosperity. In 2023, apart from continuing to organize public welfare activities, we also expanded the level of participation. New records or significant growth were recorded for the achievements of multiple activities, including the top ranking of the number of sessions and participants for beach cleaning activities in the financial industry, the three-times growth of old book donations, new records of raising nearly 1,000 gifts to give to remote students, showing that all personnel of KGI Securities value the conveyance of care and love through the participation in public activities. In addition, when KGI Securities organizes public welfare activities, it not only cares for the current demand of the persons being helped but also focuses on including the concept of sustainable development in the activities in the hope that the value of sustainability can be deeply rooted in the heart of all employees who participated in the activities after the end of the activities.



Blood Donation Activities

Call upon employees to be volunteers in blood donation activities and encourage blood donations to assist in solving the shortage of blood through actions.

Two activities were organized in 2023, with 173 bags of blood collected, and there were 160 participants.



Beach Cleaning Team

Encourage employees to form teams to clean beaches to protect the coastal line and marine ecology in Taiwan.

44 beach cleaning activities were organized in 2023 with 902 participants, and the number of sessions and persons ranked first in the financial industry. We also responded to the "Beach Cleaning Corporate Club" of the New Taipei City Government and committed to subscribing to the coast in New Taipei City.



Toy Bank Volunteers

Assist in the clearing up, classification, and cleaning of second-hand toys to extend the value of toys and bring the resources into remote kindergarten and disadvantaged institutions.

Two online lectures and 12 physical volunteer activities were organized in 2023 with 285 participants.



Food Bank Volunteer

Assist Andrew Charity Association in packing solid food, food, and children's books in the "Food Box" to help poor children and elders.

900 boxes of suppliers were packed in September 2023 with 28 participants.



Huikuang Guide Dog

Joined hands with Huikuang Guide Dog Foundation Taiwan to learn and care for the protection of rights and interests of persons with physical disabilities and qualified guide dogs and create a barrier-free environment with love.

Three online lectures and ten physical volunteer activities were organized in 2023 with 102 participants.



Help Small Farmer Work

Call upon employees to assist in farm work, support local small farmers through actions and implement the social responsibility of common good with the environment.

Two farming experience activities (calendula and organic vegetable farms) were organized in 2023 with 101 participants.



Donate Invoices to Help Persons with Down Syndrome

Collect and donate invoices to the Children Are Us Foundation each month to serve as learning and care resources.

Collected over 150,000 invoices in 2023.



"Learn Love from Young" Project

Provide grants for students in poor families for disadvantaged students to go to school with ease.

Helped 586 disadvantaged students in 2023.



Emergency Relief

Provide emergency money for families encountering accidents.

Helped 85 families to go through difficulties in 2023.



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

- 5.1 Climate Change Management
- 5.2 Resource Conservation Management
- 5.3 Sustainable Procurement
- 5.4 Social Co-prosperity

06 Appendix



**"Love Makes Opportunities" Project**

Subsidize the lunch and English learning of remote students of economic deprivation with double disadvantages.

Helped 4,291 disadvantaged students in 2023.



**Bread of Care**

Regularly purchased products from sheltered workshops at a fixed amount of NT\$100 each month to assist in the stable employment of persons with physical and mental disabilities.

Purchased 694 portions in 2023 with the amount invested over NT\$830,000.



**Christmas Shoe Box with Gifts**

Collected shoe boxes with gifts that have school supplies inside. Employees who were volunteers participated in the donation, clearing up, packaging, and delivery to local remote students.

Collected 940 gifts in December 2023 with nearly 1,000 participants, setting a record.

**Help the Blind Read**

Provided abundant learning and education resources to persons with visual disabilities through e-book typesetting volunteer services.

Produced 1,200 books in 2023 with over 220,000 pages of typesetting of e-books.

**Donate Old Book for the Blind**

Cooperated with the Taiwan Foundation for the Blind, encouraged employees to donate old books, and converted them into charitable donations to assist persons with visual disabilities to gain more learning resources.

Over 1,600 books were donated in 2023, representing a growth of three times as compared to the preceding year.

**Children Are Us Foundation**

Provided abundant learning and education resources to persons with visual disabilities through e-book typesetting volunteer services.

Produced 1,200 books in 2023 with over 220,000 pages of typesetting of e-books.

**KGI Securities Responded to the "Beach Cleaning Corporate Club" of the New Taipei City Government and Committed to the Subscription of the Coast of New Taipei City**

Apart from the growth of business operations, KGI Securities has long been caring for the disadvantaged and environmental issues. It called upon employees to invest in environmentally friendly issues through actions. The employees of KGI Securities performed beach cleaning in most of the coastal administrative districts in New Taipei City, including Tamsui, Wanli, Linkou, Bali, Shimen, and Ruifang, in the most recent two years. In 2023, we further responded to the "Beach Cleaning Corporate Club" of the New Taipei City Government, signed for the subscription of coasts in New Taipei City, continued to protect the beautiful coast of New Taipei City, exhibited corporate responsibility and the determination to protect the ocean, and hoped to set ourselves an example for more enterprises to actively implement ESG actions.

According to the data of the coastal beach cleaning subscription system of the Environmental Protection Department, employees of KGI Securities actively initiated 44 sessions of beach cleaning with nearly a thousand employees participated in and collected over 2,000 kg of marine waste in cumulation as of 2023, with various achievements ranking the first in the domestic financial industry, setting a new record among peers. In the future, KGI Securities will adhere to the same philosophies, duly fulfill corporate social responsibility, and continue to invest in relevant activities to make the coast of Taiwan cleaner and allow the ecology of the earth to become healthier.





Content

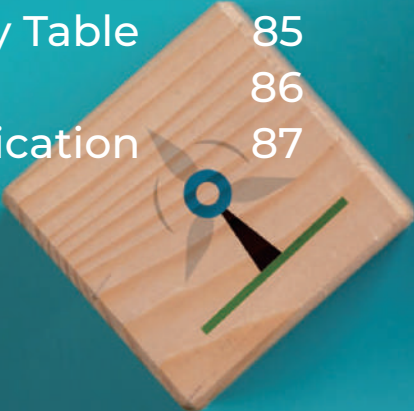
About the Report  
Chairman's Statement  
About KGI Securities

- 01 Sustainable Operation Strategy
- 02 Corporate Governance
- 03 Responsible Finance
- 04 Employee Care and Outstanding Workplace
- 05 Green Operation and Social Co-prosperity
- 06 Appendix

GRI Standards Content Index  
SASB – Investment Banking and Brokerage Standards Content Index  
2023 List of Sustainable Bonds Underwritten  
Securities Dealer Sustainable Disclosure Index  
Assurance Item Summary Table  
CPA's Assurance Report  
External Third-party Verification Report

# 06 Appendix

GRI Standards Content Index	78
SASB – Investment Banking and Brokerage Standards Content Index	82
2023 List of Sustainable Bonds Underwritten	83
Securities Dealer Sustainable Disclosure Index	84
Assurance Item Summary Table	85
CPA's Assurance Report	86
External Third-party Verification Report	87





Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

GRI Standards Content Index  
SASB – Investment Banking and  
Brokerage Standards Content Index  
2023 List of Sustainable Bonds  
Underwritten  
Securities Dealer Sustainable  
Disclosure Index  
Assurance Item Summary Table  
CPA's Assurance Report  
External Third-party Verification  
Report

GRI Standards Content Index

No. of disclosure items	Topic of disclosure items	Corresponding chapter
GRI 2 : General Disclosures		
2-1	Detailed information on the organization	About KGI Securities
2-2	Entities included in the ESG Report of the organization	About the Report
2-3	Reporting period, frequency, and contacts	About the Report
2-4	Information restatement	About the Report
2-5	External guarantee/assurance	About the Report
2-6	Activities, value chain, and other business relationships	About KGI Securities
2-7	Employees	4.1.1 Employee Composition, Diversity, And Inclusiveness
2-8	Non-employee workers	4.1.1 Employee Composition, Diversity, And Inclusiveness
2-9	Governance structure and composition	1.2 Sustainable Governance Structure 2.1.1 Governance Structure
2-10	Nomination and selection of the highest governance unit	2.1.2 Board Structure
2-11	Chairperson of the highest governance unit	2.1.2 Board Structure
2-12	The role of the highest governance unit in supervising impact management	1.2 Sustainable Governance Structure
2-13	Responsible person for impact management	1.2 Sustainable Governance Structure
2-14	The role of the highest governance unit in the ESG Report	1.2 Sustainable Governance Structure
2-15	Conflicts of interests	2.1.2 Board Structure
2-16	Communication of crucial and significant events	2.1.5 Ethical Corporate Management and Legal Compliance In addition, there was no negative impact on the operating behaviors of the Company through the complaint system or stakeholders that are required to be reported to and communicated with the Board.
2-17	Group intelligence and knowledge of the highest governance unit	2.1.2 Board Structure
2-18	Performance evaluation of the highest governance unit	2.1.3 Board Performance Evaluation
2-19	Remuneration policy	2.1.4 Remuneration Policy of the Governance Unit and Senior Management

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

GRI Standards Content Index  
SASB – Investment Banking and  
Brokerage Standards Content Index  
2023 List of Sustainable Bonds  
Underwritten  
Securities Dealer Sustainable  
Disclosure Index  
Assurance Item Summary Table  
CPA's Assurance Report  
External Third-party Verification  
Report

No. of disclosure items	Topic of disclosure items	Corresponding chapter
GRI 2 : General Disclosures		
2-20	Procedures for remuneration determination	2.1.4 Remuneration Policy of the Governance Unit and Senior Management 4.2.1 Talent Retention
2-21	Ratio of the total remuneration of the year	4.2.1 Talent Retention
2-22	Statement for the sustainable development strategies	Chairman's Statement
2-23	Policies and commitments	2.1.5 Ethical Corporate Management and Legal Compliance
2-24	Inclusion in policies and commitments	2.1.5 Ethical Corporate Management and Legal Compliance
2-25	Procedures for the remediation of negative impacts	1.4 Material Topic Analysis and Management Policy
2-26	Systems to seek recommendations and raise suspicions	2.1.5 Ethical Corporate Management and Legal Compliance
2-27	Legal compliance	2.1.5 Ethical Corporate Management and Legal Compliance
2-28	Memberships of associations	About KGI Securities
2-29	Engagement policies for stakeholders	1.3 Stakeholder Engagement and Communication
2-30	Collective bargaining agreement	Not applicable, the Company did not enter into any collective bargaining agreement in 2023.
GRI 3 : Material Topics		
3-1	Procedures to determine material topics	1.4 Material Topic Analysis and Management Policy
3-2	List of material topics	1.4 Material Topic Analysis and Management Policy
3-3	Material topic management	1.4 Material Topic Analysis and Management Policy
GRI Indicators Correspond to Material Topics		
Service Quality and Customer Relations		
417-1	Requirements for product and service information and labeling	3.1.2 Financial Products and Services
Talent Retention and Development		
201-3	Obligations under the defined payment system and other retirement plans	4.3.1 Employee Care
401-1	Employment relationships – new employees and resigned employees	4.1.2 Employee Recruitment
401-2	Employment relationships – welfare provided to full-time employees (excluding temporary or part-time employees)	4.3.1 Employee Care
401-3	Employment relationships – parental leave	4.3.1 Employee Care
402-1	Labor-management relations – the shortest notice period for changes in operations	4.3.1 Employee Care

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

GRI Standards Content Index  
SASB – Investment Banking and  
Brokerage Standards Content Index  
2023 List of Sustainable Bonds  
Underwritten  
Securities Dealer Sustainable  
Disclosure Index  
Assurance Item Summary Table  
CPA's Assurance Report  
External Third-party Verification  
Report

No. of disclosure items	Topic of disclosure items	Corresponding chapter
Talent Retention and Development		
404-1	Training and education – average hours of training received by each employee	4.2.2 Employee Cultivation and Development
404-2	Training and education – employee function improvement and transition assistance plan	4.2.2 Employee Cultivation and Development
404-3	Training and education – ratio of employees who regularly have performance and occupational development evaluations	4.2.2 Employee Cultivation and Development
405-1	Governance unit and the diversification of employees	4.1.1 Employee Composition, Diversity, And Inclusiveness
405-2	Ratio of basic salary and remuneration of females to males	4.2.1 Talent Retention
406-1	Discrimination events and improvement actions adopted by the organization	4.3.2 Healthy Workplace
Information Security and Customer Privacy		
418-1	Complaints of infringement on customer privacy or loss of customer data verified	2.3.3 Customer Information and Privacy Maintenance
Talent Retention and Development		
302-1	Internal energy consumption of the organization	5.2.1 GHG Emissions Reduction and Energy Structure Management
302-3	Energy intensity	5.2.1 GHG Emissions Reduction and Energy Structure Management
302-4	Energy consumption reduction	5.2.1 GHG Emissions Reduction and Energy Structure Management
305-1	Direct (Scope 1) GHG emissions	5.2.1 GHG Emissions Reduction and Energy Structure Management
305-2	Indirect (Scope 2) GHG emissions from energy	5.2.1 GHG Emissions Reduction and Energy Structure Management
305-3	Other indirect (Scope 3) GHG emissions	5.2.1 GHG Emissions Reduction and Energy Structure Management
305-4	GHG emissions intensity	5.2.1 GHG Emissions Reduction and Energy Structure Management
305-5	GHG emissions reduction	5.2.1 GHG Emissions Reduction and Energy Structure Management
303-3	Water withdrawal	5.2.2 Water Resources and Waste Management
303-4	Water discharge	5.2.2 Water Resources and Waste Management
303-5	Water consumption	5.2.2 Water Resources and Waste Management
306-3	Generation of waste	5.2.2 Water Resources and Waste Management
306-4	Disposal and transfer of waste	5.2.2 Water Resources and Waste Management
306-5	Direct disposal of waste	5.2.2 Water Resources and Waste Management



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

GRI Standards Content Index  
SASB – Investment Banking and  
Brokerage Standards Content Index  
2023 List of Sustainable Bonds  
Underwritten  
Securities Dealer Sustainable  
Disclosure Index  
Assurance Item Summary Table  
CPA's Assurance Report  
External Third-party Verification  
Report

No. of disclosure items	Topic of disclosure items	Corresponding chapter
Legal compliance		
206-1	Legal actions for anti-competition behaviors, anti-trust, and monopoly behaviors	2.1.5 Ethical Corporate Management and Legal Compliance
417-2	Events not compliant with regulations related to product and service information and labeling	2.1.5 Ethical Corporate Management and Legal Compliance
417-3	Events not compliant with regulations related to marketing and broadcasting	2.1.5 Ethical Corporate Management and Legal Compliance
Corporate Governance and Ethical Corporate Governance		
205-1	Business locations with corruption risk assessments performed	2.1.5 Ethical Corporate Management and Legal Compliance
205-2	Communication and training related to anti-corruption policies and procedures	2.1.5 Ethical Corporate Management and Legal Compliance
205-3	Corruption events confirmed and actions adopted	2.1.5 Ethical Corporate Management and Legal Compliance
Operating Performance		
201-1	Direct economic value generated from and distributed by the organization	About KGI Securities
201-2	Financial effects and other risks and opportunities generated by climate change	5.1 Climate Change Management
201-4	Financial support obtained from the government	About KGI Securities
Occupational Health and Safety		
403-1	Occupational health and safety – occupational safety and health management system	4.3.2 Healthy Workplace
403-2	Occupational health and safety – hazard identification, risk assessment, and accident investigation	4.3.2 Healthy Workplace
403-3	Occupational health and safety – occupational health services	4.3.2 Healthy Workplace
403-4	Occupational health and safety – participation of, consultation, and communication with workers related to occupational safety and health	4.3.2 Healthy Workplace
403-5	Occupational health and safety – training of workers related to occupational safety and health	4.3.2 Healthy Workplace
403-6	Occupational health and safety – health improvement of workers	4.3.2 Healthy Workplace
403-7	Occupational health and safety – prevention and mitigation of occupational safety and health impacts directly related to business relationships	4.3.2 Healthy Workplace
403-8	Occupational health and safety – workers covered by the occupational safety and health management system	4.3.2 Healthy Workplace
403-9	Occupational health and safety – occupational injuries	4.3.2 Healthy Workplace
403-10	Occupational health and safety – occupational diseases	4.3.2 Healthy Workplace

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

GRI Standards Content Index  
SASB – Investment Banking and  
Brokerage Standards Content Index  
2023 List of Sustainable Bonds  
Underwritten  
Securities Dealer Sustainable  
Disclosure Index  
Assurance Item Summary Table  
CPA's Assurance Report  
External Third-party Verification  
Report

SASB — Investment Banking and Brokerage Standards Content Index

SASB topic	SASB indicator No.	Nature	Disclosure item	Corresponding chapter
Diversified employees	FN-IB-330a.1	Quantitative	Gender ratio and the ratio of diversified group representatives of (1) the management team; (2) the management; (3) professional personnel; (4) all other employees	4.1.1 Employee Composition, Diversity, and Inclusiveness
Inclusion of ESG factors in the investment banking and securities business	FN-IB-410a.1	Quantitative	Disclose the income from underwriting, consultation, and securitization transactions in combination with the environmental, social, and governance elements by industry	3.1.2 Financial Products and Services
	FN-IB-410a.2	Quantitative	Disclose the income from underwriting, consultation, and securitization transactions in combination with the environmental, social, and governance elements by industry	3.1.1 Responsible Investment
	FN-IB-410a.3	Qualitative	Description of the procedures and strategies to include ESG factors in the investment banking and securities business	3.1.1 Responsible Investment
Business morality	3.1.2 Financial Products and Services	Quantitative	The total amount of fines imposed by competent authorities due to the involvement in fraud, insider trading, non-competitive behaviors, anti-trust and monopoly behaviors, malpractices, or other behaviors in violation of laws and regulations	2.1.5 Ethical Corporate Management and Legal Compliance
	FN-IB-510a.2	Qualitative	Whistleblower system and procedures	2.1.5 Ethical Corporate Management and Legal Compliance
Professional ethics	FN-IB-510b.1	Quantitative	Number of cases and ratio of investment-related investigations of the enterprise’ s employees, customer complaint cases, private civil litigations, or other supervisory procedures, and other records	2.1.5 Ethical Corporate Management and Legal Compliance
	FN-IB-510b.2	Quantitative	Number of cases of mediation and arbitration related to professional ethics (including the duty of care)	2.1.5 Ethical Corporate Management and Legal Compliance
	FN-IB-510b.3	Quantitative	Total amount of losses caused by legal litigations related to professional ethics (including the duty of care)	The Company had no legal litigations related to professional ethics in 2023; therefore, there were no corresponding financial losses generated.
	FN-IB-510b.4	Qualitative	Description of methods to ensure professional ethics (including the duty of care)	2.1.5 Ethical Corporate Management and Legal Compliance
System risk management	FN-IB-550a.1	Quantitative	Global Systemically Important Financial Institutions (G-SIB) score	The Company is in the securities industry; therefore, this indication does not apply.
	FN-IB-550a.2	Qualitative	Description of the stress testing results and how to integrate it with the capital adequacy planning, long-term strategies of the Company, and other business activities	2.2.2 Deeply Root the Corporate Risk Culture
Employee incentives and risk assumption	FN-IB-550b.1	Quantitative	Ratio of the variable total remuneration of the bearer of material risks	2.1.4 Remuneration Policy of the Governance Unit and Senior Management
	FN-IB-550b.2	Quantitative	Ratio of the variable total remuneration of the bearer of material risks with the application of chargeback and recovery terms	2.1.4 Remuneration Policy of the Governance Unit and Senior Management
	FN-IB-550b.3	Qualitative	Discussion of policies related to the fixed price transactions of Level 3 assets’ supervision, control, and verification	2.2.2 Deeply Root the Corporate Risk Culture
Activity indicator	FN-IB.000.A	Quantitative	Number of cases and amount of underwriting, consultation, and securitization transactions	3.1.2 Financial Products and Services In addition, there were no securitization transactions; therefore, there is no such data.
	FN-IB.000.B	Quantitative	Number of cases and amount of dealing transaction investments and loans	3.1.1 Responsible Investment
	FN-IB.000.C	Quantitative	Number of cases and amount of market-making transactions with fixed revenue, share capital, currencies, derivatives, and products	3.1.2 Financial Products and Services

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

GRI Standards Content Index  
SASB – Investment Banking and  
Brokerage Standards Content Index  
2023 List of Sustainable Bonds  
Underwritten  
Securities Dealer Sustainable  
Disclosure Index  
Assurance Item Summary Table  
CPA's Assurance Report  
External Third-party Verification  
Report

2023 List of Sustainable Development Bonds

Number of cases	Bond No.	Bond name	Issuer	Bond category	Currency	Underwriting amount (initial currency)	Underwriting amount (NT\$100 million)
1	B94656	P12 Far EasTone 1A	Far EasTone Telecommunications Co., Ltd.	Social bond	NTD	800,000,000	8
2	B50175	P12 Far Eastern New 3	Far Eastern New Century Corporation	Green bond	NTD	300,000,000	3
3	G14940	P12 CHB 1	Chang Hua Commercial Bank, Ltd.	Sustainability bond	NTD	1,000,000,000	10
4	G13806	P12 BNP Paribas 1	BNP Paribas Taipei Branch	Green bond	NTD	1,600,000,000	16
5	G102BA	P12 E.Sun Bank 1	E.Sun Commercial Bank, Ltd.	Social bond	NTD	1,200,000,000	12
6	B98413	P12 Chimei 1	Chimei Corporation	Sustainability-linked bond	NTD	300,000,000	3
7	B618DD	P12 TSMC 1A	Taiwan Semiconductor Manufacturing Company Limited	Green bond	NTD	700,000,000	7
8	B618DG	P12 TSMC 2A	Taiwan Semiconductor Manufacturing Company Limited	Green bond	NTD	1,100,000,000	11
	B618DH	P12 TSMC 2B	Taiwan Semiconductor Manufacturing Company Limited	Green bond	NTD	100,000,000	1
	B618DJ	P12 TSMC 2C	Taiwan Semiconductor Manufacturing Company Limited	Green bond	NTD	1,500,000,000	15
9	G14005	P12 Agricole 1	Credit Agricole Corporate and Investment Bank Taipei Branch	Green bond	NTD	200,000,000	2
10	B94172	P12 TWM 1	Taiwan Mobile Co., Ltd.	Social bond	NTD	5,700,000,000	57
11	B94658	P12 Far EasTone 2	Far EasTone Telecommunications Co., Ltd.	Social bond	NTD	500,000,000	5
12	B94659	P12 Far EasTone 3A	Far EasTone Telecommunications Co., Ltd.	Social bond	NTD	300,000,000	3
	B94660	P12 Far EasTone 3B	Far EasTone Telecommunications Co., Ltd.	Social bond	NTD	100,000,000	1
13	G107CF	P12 Taipei Fubon Bank 4	Taipei Fubon Commercial Bank Co., Ltd.	Social bond	NTD	100,000,000	1
14	B638BH	P12 United Microelectronics 1	United Microelectronics Corp	Green bond	NTD	750,000,000	8
15	G12136	P12 TBB 2	Taiwan Business Bank	Sustainability bond	NTD	1,000,000,000	10
16	B903ZA	P12 Taipower 5B	Taiwan Power Company	Green bond	NTD	500,000,000	5
17	B644D3	P12 Hon Hai 4A	Hon Hai Precision Industry Co., Ltd.	Sustainability-linked bond	NTD	500,000,000	5
	B644D4	P12 Hon Hai 4B	Hon Hai Precision Industry Co., Ltd.	Sustainability-linked bond	NTD	100,000,000	1
18	B903ZD	P12 Taipower 6B	Taiwan Power Company	Green bond	NTD	200,000,000	2
19	B50179	P12 Far Eastern New 7	Far Eastern New Century Corporation	Green bond	NTD	100,000,000	1
20	F06804	P23KEC1	Korea Expressway Corporation	Sustainability bond	USD	30,000,000	9
21	F16202	P23SHB1	Shinhan Bank	Social bond	USD	50,000,000	15



Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

GRI Standards Content Index  
SASB – Investment Banking and  
Brokerage Standards Content Index  
2023 List of Sustainable Bonds  
Underwritten  
Securities Dealer Sustainable  
Disclosure Index  
Assurance Item Summary Table  
CPA's Assurance Report  
External Third-party Verification  
Report

# Securities Dealer Sustainable Disclosure Index

No.	Nature	Indicator	Corresponding chapter
1	Quantitative	Number of information leakage events, the ratio of information leakage events related to personal data, and the number of customers affected due to information leakage events	2.3.3 Customer Information and Privacy Maintenance
2	Quantitative	Number of cases and amount of assisting SMEs in fundraising in the capital market	There were no relevant cases in 2023.
3	Quantitative	Number of participants in the financial education provided for disadvantaged groups that lack securities services	3.1.2 Financial Products and Services
4	Qualitative	Produces and services designed to create environmental benefits or social benefits by different businesses	3.1.2 Financial Products and Services

Content

- About the Report
- Chairman's Statement
- About KGI Securities

01 Sustainable Operation Strategy

02 Corporate Governance

03 Responsible Finance

04 Employee Care and Outstanding Workplace

05 Green Operation and Social Co-prosperity

06 Appendix

- GRI Standards Content Index
- SASB – Investment Banking and Brokerage Standards Content Index
- 2023 List of Sustainable Bonds Underwritten
- Securities Dealer Sustainable Disclosure Index
- Assurance Item Summary Table
- CPA's Assurance Report
- External Third-party Verification Report

Assurance Item Summary Table

No.	KPI selected	Page	Applicable standards
1.1	There were no information leakage events in 2023.	37	Provide statistics on the number of data leakage cases in 2023 according to the "Guidelines for Cybersecurity Events" and "Information Security Policy. Data leakage is based on the standard of whether the data is leaked to external parties. Data leakage behaviors violate the Company's specifications related to confidentiality and information security management.  Note: The Company uses the securities and futures market cybersecurity reporting system according to the "Matters of Notice for Securities and Futures Market Cybersecurity Reporting and Response" to report the records of events to the competent authority (Securities and Futures Bureau) and confirm whether the event reporting records include any data leakage event.
1.2	The ratio of information leakage events related to personal data to all information leakage events in 2023 was 0%.	37	The Company uses the securities and futures market cybersecurity reporting system according to the "Matters of Notice for Securities and Futures Market Cybersecurity Reporting and Response" to report the records of events to the competent authority (Securities and Futures Bureau) and confirm whether the event reporting records include any data leakage event. Provide the statistics on the ratio of information leakage events related to personal information in 2023 according to the "Personal Data Protection Management Policy" of the Company.  Note: According to the definition of the Personal Data Protection Act, "personal data" refers to the name, birthday, national ID No., passport No., characteristics, fingerprint, marital status, family, education, occupation, contact methods, financial position, social activities, special personal data, and other data that can directly or indirectly identify the individual of a natural person.
1.3	There was no customer affected due to information leakage events in 2023.	37	The Company uses the securities and futures market cybersecurity reporting system according to the "Matters of Notice for Securities and Futures Market Cybersecurity Reporting and Response" to report the records of events to the competent authority (Securities and Futures Bureau), confirm whether the event reporting records include any data leakage event, and provide statistics on the number of customers affected due to the data leakage of the Company in 2023.
2	There was no contracting event of fundraising in the capital market for SMEs in 2023.	–	Number of cases and amount of the Company assisting SMEs in fundraising in the capital market in 2023.  Note: Perform according to the definition in the latest "White Paper on Small and Medium Enterprises in Taiwan" published by the Small and Medium Enterprise Administration, Ministry of Economic Affairs; those with a paid-in capital of less than NT\$100 million or a number of regular employees hired of less than 200 persons.
3	Corporate visits and lectures for the graduate school of Chiao Tung University and the Finance Institute of Sun Yat-sen University in 2023, with 28 students participated.	44	The number of students participated in the corporate visits and lectures organized for the graduate school of Chiao Tung University and the Finance Institute of Sun Yat-sen University in 2023.  Note: According to the interpretation in the "Q&A for the Regulations for the Preparation and Reporting of Sustainability Reports of Listed Companies," the disadvantaged group is defined as follows: with reference to the definition of SASB, disadvantaged groups that lack banking services may include but not limited to students, youths, new immigrants, ethnic minority, and families with low income, or the financial/insurance company may clarify.
4	The amount for sustainable development bonds underwritten in 2023 was NT\$21,108,800 thousand.	42	The amount of sustainable development bonds (corporate bonds or financial bonds) underwritten or consulted by KGI Securities for sales in 2023. Note 1: Issuers of sustainable development bonds obtained the qualification certification according to the "TPEx Sustainable Development Bonds Guidelines" and announced on the TPEx sustainable development bond issuance data platform; those issued by banks are sustainable development financial bonds, and the remaining are sustainable development corporate bonds. Note 2: The underwriting announcement for sustainable development corporate bonds underwritten by KGI Securities was published on the securities underwriting announcement system for securities dealers of the Taiwan Securities Association. In addition, the consulted sales amount of sustainable development financial bonds was based on the consulted sales contracts entered into with the issuance banks.

GRI Standards Content Index

SASB – Investment Banking and Brokerage Standards Content Index

2023 List of Sustainable Bonds Underwritten

Securities Dealer Sustainable Disclosure Index

Assurance Item Summary Table

CPA's Assurance Report

External Third-party Verification Report





Content

About the Report  
Chairman's Statement  
About KGI Securities

- 01 Sustainable  
Operation Strategy
- 02 Corporate  
Governance
- 03 Responsible  
Finance
- 04 Employee Care  
and Outstanding  
Workplace
- 05 Green Operation  
and Social  
Co-prosperity
- 06 Appendix

GRI Standards Content Index  
SASB – Investment Banking and  
Brokerage Standards Content Index  
2023 List of Sustainable Bonds  
Underwritten  
Securities Dealer Sustainable  
Disclosure Index  
Assurance Item Summary Table  
CPA's Assurance Report  
External Third-party Verification  
Report

External Third-party Verification Report

Certificate TW18/00711

The management system of  
**KGI Securities Co., Ltd.**

No. 700, Mingshui Rd., Zhongshan Dist., Taipei City 10462, Taiwan (R.O.C.)  
has been assessed and certified as meeting the requirements of  
**BS10012:2017**

For the following activities  
The provision of personal information management includes personal information files collection, processing and utilization in all services within business activities performed by:  
• Headquarters  
• Zhongshan Branch Office  
• Fuxing Branch Office

This certificate is valid from 05 April 2023 until 05 April 2026 and remains valid subject to satisfactory surveillance audits.  
Issue 4. Certified since 23 December 2018  
Certified activities performed by additional sites are listed on subsequent pages.

Authorized by  
Stephen Pao  
Deputy Director

SGS Taiwan Ltd.  
No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District, New Taipei City 24803, Taiwan  
t+886 (02) 2259 3039 - www.sgs.com.tw

This document is an authentic electronic certificate for Client business purposes use only. Printed version of the electronic certificate are permitted and will be considered as a copy. This document is issued by the Company subject to SGS General Conditions of certification services available on [Terms and Conditions](#) | SGS. Attention is drawn to the limitation of liability, indemnification and jurisdictional clauses contained therein. This document is copyright protected and any unauthorized alteration, forgery or falsification of the content or appearance of this document is unlawful.

Page 1 / 3

**Certificate of Registration**

BUSINESS CONTINUITY MANAGEMENT SYSTEM - ISO 22301:2019

This is to certify that: KGI Securities Co. Ltd.  
No. 700, Mingshui Rd.  
Zhongshan Dist.  
Taipei City  
104451  
Taiwan

Holds Certificate No: **BCMS 789277**  
and operates a Business Continuity Management System which complies with the requirements of ISO 22301:2019 for the following scope:  
  
The business continuity management system in relation to the provision of brokerage business (stock trading) in domestic processing opening accounts at the counter, trade, clearing and settlement, accounting, and related supporting activities within headquarters and Sanchong branch.

For and on behalf of BSI:   
Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2023-06-28  
Latest Revision Date: 2023-06-28

Effective Date: 2023-06-28  
Expiry Date: 2026-06-27

Page: 1 of 3

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract. An electronic certificate can be authenticated [online](#).  
Printed copies can be validated at [www.bsi-global.com/ClientDirectory](#) or telephone +4488 (0)20356-0333.  
Taiwan Headquarters: 2nd Floor, No.37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.  
A Member of The BSI Group of Companies.

**Certificate of Registration**

INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2013

This is to certify that: KGI Securities Co. Ltd.  
No. 700, Mingshui Rd.  
Zhongshan Dist.  
Taipei City  
104451  
Taiwan

Holds Certificate No: **IS 655142**  
and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2013 for the following scope:  
  
The provision of the design, development, operation and maintenance of information systems, network management, server room activities of Chungwa Xinyi Internet Data Center, Chungwa Renai Internet Data Center, Chungwa Banqiao Internet Data Center, and related supporting information processing activities for KGI Securities Co. Ltd., KGI Futures Co. Ltd., KGI Securities Investment Trust Co. Ltd., KGI Securities Investment Advisory Co. Ltd., KGI Insurance Brokers Co. Ltd., and KGI Venture Capital Co. Ltd. within Information Technology Department.  
This is in accordance with the Statement of Applicability version 4.0 dated 1 December 2023.

For and on behalf of BSI:   
Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2016-12-15  
Latest Revision Date: 2023-12-28

Effective Date: 2022-12-15  
Expiry Date: 2025-10-31

Page: 1 of 2

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract. An electronic certificate can be authenticated [online](#).  
Printed copies can be validated at [www.bsi-global.com/ClientDirectory](#) or telephone +4488 (0)20356-0333.  
Taiwan Headquarters: 2nd Floor, No.37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.  
A Member of The BSI Group of Companies.

**Certificate of Registration**

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM - ISO 45001:2018

This is to certify that: KGI Securities Co., Ltd.  
KGI Futures Co., Ltd.  
No. 700, Mingshui Rd.  
Zhongshan Dist.  
Taipei City  
104451  
Taiwan

Holds Certificate No: **OHS 745145**  
and operates an Occupational Health and Safety Management System which complies with the requirements of ISO 45001:2018 for the following scope:  
  
The provision of securities and futures financial services.  
提供證券及期貨之金融服務

For and on behalf of BSI:   
Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2021-05-19  
Latest Revision Date: 2024-03-17

Effective Date: 2024-05-19  
Expiry Date: 2027-05-18

Page: 1 of 3

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract. An electronic certificate can be authenticated [online](#).  
Printed copies can be validated at [www.bsi-global.com/ClientDirectory](#) or telephone +4488 (0)20356-0333.  
Taiwan Headquarters: 2nd Floor, No.37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.  
A Member of The BSI Group of Companies.

Content

About the Report  
Chairman's Statement  
About KGI Securities

01 Sustainable  
Operation Strategy

02 Corporate  
Governance

03 Responsible  
Finance

04 Employee Care  
and Outstanding  
Workplace

05 Green Operation  
and Social  
Co-prosperity

06 Appendix

- GRI Standards Content Index
- SASB – Investment Banking and Brokerage Standards Content Index
- 2023 List of Sustainable Bonds Underwritten
- Securities Dealer Sustainable Disclosure Index
- Assurance Item Summary Table
- CPA's Assurance Report
- External Third-party Verification Report







凱基證券  
KGI SECURITIES

2023

ESG REPORT