

# **Mega Financial Holding Company Ltd., Sustainable Development Policy**

Formulated at the 24th Meeting of the 5th Board of Directors on April 22, 2014

Amended at the 13th meeting of the 7th Board of Directors on June 25, 2019

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Amended at the 36th meeting of the 7th Board of Directors on May 25, 2021

Amended at the 9th meeting of the 8th Board of Directors on February 22, 2022

## **Article 1 (Purpose and Basis)**

In order to ensure that the company and its subsidiaries (hereinafter referred to as “the Group”) are committed to the practice of sustainable development when engaging in various operational activities, and to follow the concept of honest operation, steady growth and sustainable development, this policy is formulated in accordance with the company’s Sustainable Development Best Practice Guidance.

## **Article 2 (Responsible Unit)**

The responsible unit of this policy shall be the Administration Department.

## **Article 3 (Stakeholders and Promotion Matters)**

The stakeholders of this policy include customers, employees, shareholders, suppliers, investment targets, etc.

### **I. Customers**

The Group shall strive to become the best financial service partner for customers, meet their demand for financial products and improve the quality of financial services, so as to win their satisfaction and affirmation.

The promotion matters are as follows:

- (1) Formulate and publicize policies on consumers’ rights and interests.
- (2) Provide complete information and effective customer complaint channels for goods and services.
- (3) Strictly abide by personal data confidentiality norms and take protection measures for customer data.
- (4) Develop sustainable financial goods and services.

### **II. Employees**

The Group shall abide by the relevant labor laws and regulations and respect the internationally recognized basic labor human rights

principles, protect the legitimate rights and interests of employees and provide a good working environment.

The promotion matters are as follows:

- (1) Provide good salary system and welfare measures.
- (2) Create a diversified and equal employment environment, and protect the work rights and interests of vulnerable populations.
- (3) Pay attention to human rights of employees and establish a good two-way communication channel.
- (4) Provide employee education and training to enhance the competitiveness of talents.
- (5) Pay attention to employee health, hold health lectures and provide free health examination.

### **III. Shareholders**

The Group shall continue to strengthen corporate governance, improve operating performance and increase shareholder value.

The promotion matters are as follows:

- (1) Strengthen the functions of the Board of Directors, improve the protection of shareholders' rights and interests, and strengthen the communication with shareholders.
- (2) Strengthen the disclosure of financial and non-financial information to enhance information transparency.
- (3) Attach importance to the innovation and development of sustainable financial products (including but not limited to digital finance).

### **IV. Suppliers**

The Group shall implement responsible procurement, evaluate the impact of procurement on environment and society, and cooperate with suppliers to exert sustainable influence.

The promotion matters are as follows:

- (1) Before conducting business, the Company should evaluate whether the suppliers have negative environmental and social records, so as to avoid transacting with enterprises whom violate environmental and social issues.
- (2) If the supplier is involved in significant negative environmental and social impact, the partnership shall be suspended or terminated.

### **V. Investment targets**

The Group shall implement responsible investment, ensure that

investment targets attach importance to environmental and social issues, and expand the role of sustainable finance.

The promotion matters are as follows:

- (1) Include environmental, social and other non-financial factors in investment decisions, in order to implement responsible investments.
- (2) Implement the due diligence governance of institutional investors.

#### **Article 4 (Coverage and Promotion Matters)**

This policy covers environmental sustainability, social prosperity, corporate governance and other sustainability issues.

##### **I. Environmental sustainability**

The Group shall consider climate change and other environmental related issues and incorporate environmental sustainability into its strategic objectives.

The promotion matters are as follows:

- (1) Promote energy conservation and carbon reduction policies, and reduce the use of water/electricity and gasoline/diesel.
- (2) Promote electronic operation process to save paper use.
- (3) Give priority to green procurement and use products from manufacturers with environmental protection labels.
- (4) Promote resource recycling and properly handle waste.

##### **II. Social Prosperity**

The Group shall adhere to the principle of “Taking from the Society and Using it for the Society”, integrate the resources of its subsidiaries, Mega Bank Cultural and Educational Foundation and Mega Charity Foundation, promote various social public welfare activities, and maintain a good relationship with the local community through the Group’s service points.

The promotion matters are as follows:

- (1) Take care of vulnerable populations, improve their life and self-reliance.
- (2) Sponsorship of nutritious breakfast/lunch and after-school counseling for rural students.
- (3) Cooperate with other public welfare or social welfare organizations in Taiwan to promote various social assistance programs.
- (4) Support the development of cultural and creative industries and sponsor arts and cultural group performances.

- (5) In response to an aging society, promote the education of caring for life.
- (6) Support ecological education and cultivate awareness of environmental protection.
- (7) Support athletic activities and sporting competitions to promote the national sports atmosphere.
- (8) Hold lectures on arts and culture appreciation, health and finance; improve the community residents' financial knowledge and quality of life.
- (9) Encourage colleagues to take part in community service.

### **III. Corporate governance**

The Group shall establish a corporate culture of honest management and implement sustainable governance based on the business philosophy of honesty, transparency and responsibility.

The promotion matters are as follows:

- (1) Comply with the local regulations and policies of the place of operation, and implement the code of fair and honest operation.
- (2) Prohibit the acceptance of commissions, gratuities or other improper benefits from transaction counterparties or customers by embezzlement or taking advantage of position.
- (3) Strengthen the operation of the Board of Directors and the functions of directors, and effectively supervise the promotion of various sustainability plans.

#### **Article 5 (Organization of the Committee)**

The company shall set up a sustainable development committee, which is responsible for reviewing the annual objectives of various categories of sustainable development of the Group and supervising its implementation by each subsidiary of the Group.

The guidelines for the establishment of the company's sustainable development committee shall be prescribed separately.

#### **Article 6 (Information Disclosure)**

The company shall prepare a sustainability report to disclose the Group's achievements in promoting sustainable development and publish it on the company's website.

**Article 7 (Matters not Covered)**

Matters not covered in this policy shall be subject to the laws and regulations of the competent authority and the relevant provisions of the company.

**Article 8 (Approval Levels)**

This policy shall take effect upon its approval by the Board of Directors, and the same shall apply when it is amended or repealed.