KGI FINANCIAL

# 2024 SUSTAINABILITY REPORT

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# About the Report

Since 2011, KGI Financial Holding Corporation (formerly China Development Financial Holding Corporation) has been publishing the ESG Report in June every year to report the Company and its subsidiaries' sustainability performance in economic, environmental, social, and governance (ESG) aspects to our stakeholders and the public. This report is published in June and the 15th ESG Report of the Company, which discloses the sustainability performance from January 1 to December 31, 2024.

## Scope of Disclosure

This report's scope of disclosure covers 100% of the consolidated financial data with the scope defined below. The financial data are taken from the public information attested by the CPA. If not specifically explained, all financial data refer to New Taiwan Dollars as the monetary unit. All financial data are taken from the consolidated financial reports.

| Partner name | Abbreviation |
|---|---|
| KGI Financial Holding Co., Ltd. and its subsidiaries | KGI Financial and its subsidiaries, KGI Financial and its respective subsidiaries, the Group |
| KGI Financial Holding Co., Ltd. | KGI Financial, the Financial Holding, the Company |
| KGI Life Insurance Co., Ltd. | KGI Life Insurance, KGI Life |
| KGI Commercial Bank Co., Ltd. and its subsidiaries | KGI Bank, KGIB |
| KGI Securities Co., Ltd. and its subsidiaries | KGI Securities |
| KGI Securities Investment Trust Co. Ltd. | KGI SITE |
| CDIB Capital Group | CDIB, CDIB Capital |

Note: 1. The financial data disclosed in this report are consistent with the consolidated financial reporting boundary of KGI Financial Holdings. Environmental and social disclosures cover the parent company and five major subsidiaries, including overseas entities: KGI Life Insurance, KGI Bank, KGI Securities, KGI SITE, and CDIB Capital. Any inconsistencies in disclosure boundaries across different topics are specified within the relevant chapters or sections.
2. Information regarding social philanthropy also covers activities organized by China Development Financial Holding Foundation (KGIF Foundation) and KGI Charity Foundation.

## Disclosure Principles

| Official Issuing Authority | Guidelines |
|---|---|
| Global Sustainability Standards Board (GSSB) | Global Reporting Initiative's Sustainability Reporting Standards (GRI 2021) |
| Sustainability Accounting Standards Board (SASB) | Guidelines for Insurance Industry<br>Guidelines for investment banking and economic industry |
| Financial Stability Board (FSB) | The Task Force on Climate-Related Financial Disclosure (TCFD) |
| UNDP, UNEP Finance Initiative, WWF, and Global Canopy | The Taskforce on Nature-related Financial Disclosures (TNFD) |
| Taiwan Stock Exchange (TWSE) | Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies |

## Third-Party Assurance

| Procedure | Description |
|---|---|
| Interview Review | KGI Financial follows the requirement of "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" to stipulate the preparation of report and verification process. The report is prepared by the KGI Financial ESG Report team and then reviewed for the chapter content and performance by all working groups under the Sustainability Committee. After submission to the Sustainability Committee, it received approval from the Board of Directors on June 23, 2025, and was subsequently disclosed and reported externally. |
| External Assurance | The Report is prepared pursuant to BSI AA1000 ASv3 Type II Assurance. The information of this report is assured to conform to the materiality, inclusivity, response and impact of AA1000 accountability standards, in addition to conforming to the GRI standard disclosure. Please see the report Appendix 7.6 Assurance Statement and Other Certificates for the statement of independent assurance opinion and all other investigation and assurance for other dimensions are described below. |

| Data Dimension | Certification Authority | Standards |
|---|---|---|
| Sustainability | Ernst & Young Global Limited (EY) | TWSAE No. 3000 of "Non-Historic Financial Information Audit or Approved Assurance Case" promulgated by Accounting Research and Development Foundation of the Republic of China |
| Finance | Deloitte & Touche (Deloitte) | International Financial Reporting Standards (IFRS) |
| Environmemt | British Standards Institution (BSI)<br>SGS Taiwan Ltd. (SGS) | ISO 14001: 2015 EMS International Certification<br>ISO 14064-1: 2018 GHG Inventory Standards<br>ISO 50001: 2018 Energy Management System<br>ISO 45001: 2018 Occupational Health and Safety Management System |
| Information Security | British Standards Institution (BSI) | ISO 27001: 2013 Information Security Management System |

Note: The certification and full assurance statement is provided in the Appendix 7.6 Assurance Statement and Other Certificates of this report.

## Description of Data Discrepancy

The discrepancy between the information disclosed in this report and that in 2023 is described as follows:

- **5. Low Carbon Economy**

  The scope of the Company's GHG inventory has been expanded to align with the consolidated financial reporting boundary.

## Contact Information

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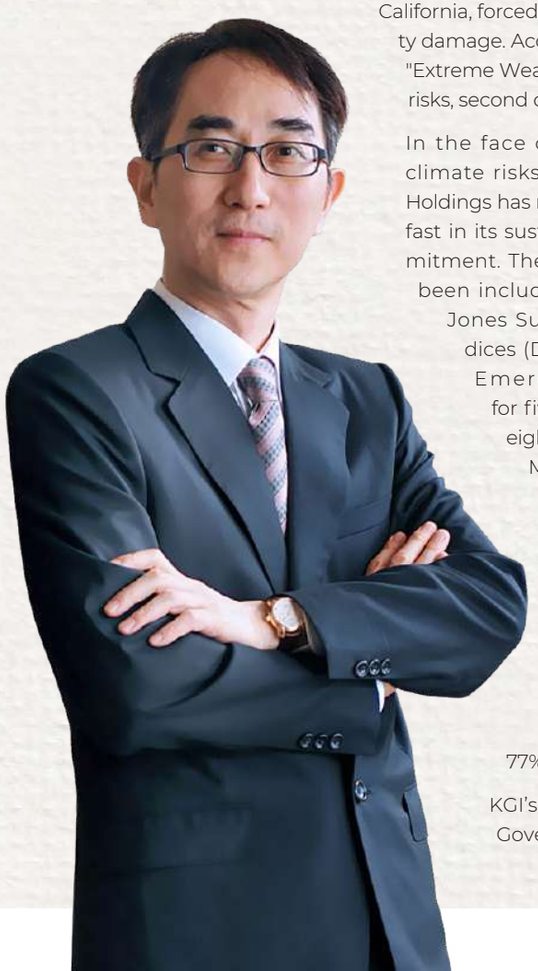
- ESG Website: https://www.kgi.com/en/esg

Website

ESG Website

# Chairman's Message

Over the past year, the global financial market experienced continued volatility driven by the rise of artificial intelligence, expectations of Federal Reserve Board interest rate cuts, and the U.S. presidential election. Beyond economic and political uncertainties, 2024 also saw Brazil hit by its most severe flooding in 83 years, displacing over 850,000 people. In early 2025, unprecedented wildfires in Los Angeles, California, forced the evacuation of 150,000 residents and caused extensive property damage. According to the World Economic Forum's Global Risks Report 2025, "Extreme Weather Events" ranked second among the top ten short-term global risks, second only to "Misinformation and Disinformation."



## Advancing Sustainable Governance and Co-Creating Long-Term Financial Value

In the face of intensifying climate risks, KGI Financial Holdings has remained steadfast in its sustainability commitment. The Company has been included in the Dow Jones Sustainability Indices (DJSI) World and Emerging Markets for five consecutive years, and in the FTSE4Good Emerging Index for eight consecutive years. KGI has also received an "A" rating from the MSCI ESG Index, and in 2024, signed on to the Taskforce on Nature-related Financial Disclosures (TNFD), extending its concern for nature-related risks across the value chain and aligning with global disclosure frameworks. In 2024, KGI Financial completed its official name change, enhancing brand consistency and enabling the integration of group-wide resources to respond to dynamic market trends. By offering customer-centric products and services, KGI achieved strong performance, recording NT$33.546 billion in net income after tax, the second-highest in the Company's history, representing a 77% year-on-year increase, with EPS of NT$1.97.

KGI's sustainability strategy is anchored in five key pillars: Corporate Governance, Intelligent Finance, Co-Creation of Sustainable Society, Elite Talent Development, and a Low-Carbon Economy. Under the field of Corporate Governance, KGI's sound financial performance and capital strength have been recognized by Taiwan Ratings, which affirmed the Company's long-term issuer credit rating at twAA-, short-term rating at twA-1+, and outlook as Stable, reflecting the recognition of the Company's operational performance and strong capital position. In Intelligent Finance, KGI Life Insurance pioneered financial literacy and anti-fraud training tailored to diverse populations, advancing inclusive finance through targeted educational outreach. KGI Securities promoted several Charitable Giving Notes, receiving enthusiastic investor response and accumulating total charitable donations equivalent to NT$2.4 million in 2024. For Co-Creation of Sustainable Society, KGI launched the "Local Revitalization Changemakers+" initiative in 2024, connecting high-potential community development teams across Taiwan with internal experts from KGI to provide long-term professional support. This effort aims to build a supportive ecosystem for local revitalization and rural regeneration. In Elite Talent Development, KGI remains committed to attracting, developing, engaging, and retaining top talent, positioning itself as the employer of choice in sustainability. In 2024, the Company was honored with the TCSA Talent Development Leadership Award. And as for the last, promoting the Low Carbon Economy, KGI Financial continues to address climate change and promote green finance. Renewable energy accounted for 83.5% of the electricity used at its headquarters, while the remaining and Scope 1 emissions were offset through carbon credits to achieve carbon neutrality. In terms of green investment, KGI Life Insurance and CDIB Capital Group allocated their own capital to green industries in line with national development policies. Approximately NT$153 billion was invested in Taiwan's six strategic industries, with over 70% invested in green power and renewable energy, supporting the company's goal of achieving net-zero emissions across its entire portfolio by 2045.

KGI Financial Holdings is committed to a holistic sustainability approach and continues to lead the financial industry in ESG performance. Despite heightened uncertainty from geopolitical conflict, climate change, and advances in AI technology, KGI has continued to deliver strong financial and non-financial results. Through the regular publication of this Sustainability Report, KGI communicates its vision and commitment to stakeholders, while transparently sharing progress on key ESG issues. In response to emerging sustainability trends, the Company will proactively align with the IFRS Sustainability Disclosure Standards, implement robust sustainability information governance, and maintain a focus on core business strengths to enhance enterprise value and amplify its financial impact. KGI strives to contribute meaningfully to environmental, social, and economic prosperity, becoming a key driver of Taiwan's sustainable transformation.

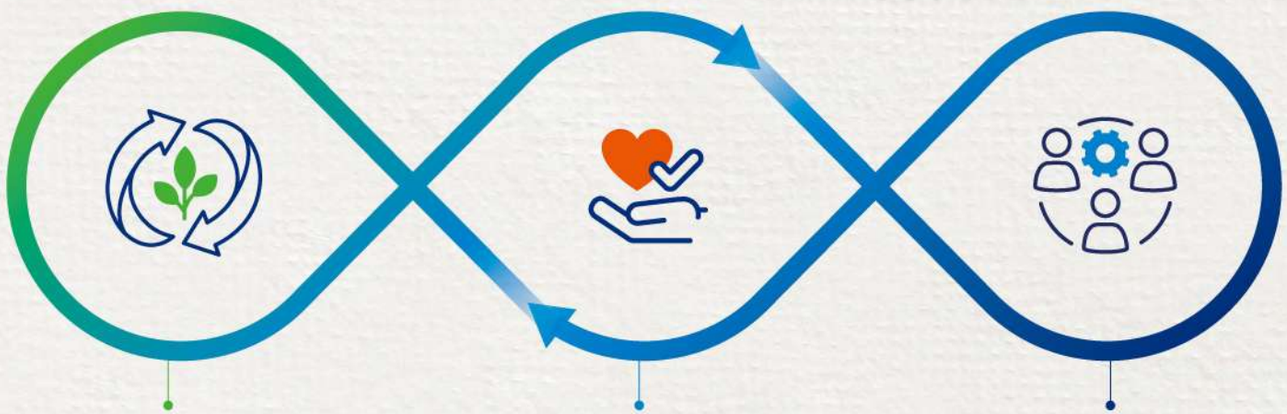
Chairman

# 2024 ESG Performance

- Constituent of **DJSI - World Index** and **DJSI - Emerging Markets Index** for 5 consecutive years and included in the **S&P Global's Sustainability Yearbook**.

- Selected as a constituent stock of the **FTSE4Good Emerging Market Index** & **FTSE4Good TIP Taiwan ESG Index** for 8 consecutive years.

- Received an "A" rating in the **MSCI ESG Index**



## Environmental

- KGI Financial headquarters building has achieved a renewable energy usage ratio of **83.5%** in 2024, and retiring a total of **1,055 tons** for carbon offset, expected to obtain **carbon neutrality verification** by the third quarter of 2025.
- In collaboration with the Department of Environmental Protection, Taipei City Government, and a social enterprise, KGI established a circular economy ecosystem by refining wood vinegar and producing cleaning products from recycled street tree trimmings.

## Social

- Won the **"2024 Taiwan Corporate Sustainability Awards"** - Talent Development Leadership Award.
- Awarded two Model Awards in the **2024 Global Views ESG Corporate Sustainability Awards** in Education Promotion and Senior-Friendly categories

## Governance

- Constituent of **TWSE Corporate Governance 100 Index by TWSE** for 10 consecutive years
- **TWSE RAFI® Taiwan High Compensation 100 Index**, and **TWSE RA Taiwan Employment Creation 99 Index** for 10 consecutive years.
- Won the **"Taiwan Corporate Sustainability Awards (TCSA)"** - Top 100 Corporate Sustainability Leadership Award

# Corporate Overview

## About KGI Financial

KGI Financial Holdings (formerly China Development Financial Holding Corporation) was established on December 28, 2001, and listed on the Taiwan Stock Exchange on the same day (Stock Code: 2883). The current Chairman is Mr. Alan Wang, and the President is Mr. Paul Yang. We have more than 820 thousand shareholders. Our total consolidated assets are NT$3.9 trillion, with NT$307.3 billion consolidated equity and 183.9 billion paid-in capital.

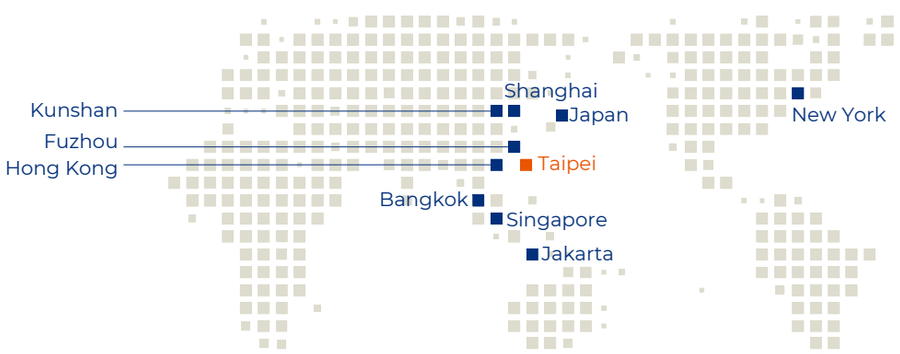
With over 60 years of experience in industrial investment, KGI has played a pivotal role in Taiwan's economic development and has evolved into a comprehensive financial holding group with five main business pillars: life insurance, banking, securities, asset management, and private equity. Through the steady performance of its subsidiaries, KGI has established a solid market foundation. In 2024, the Company officially changed its name from China Development Financial Holding Corporation to KGI Financial Holding Co., Ltd.. The rebranding strengthens brand identity and integrates group-wide resources under the "One KGI" strategy, emphasizing collaborative growth, seamless service, and customer-centricity. The Group aims to accelerate growth while delivering sustainable financial solutions to stakeholders, aligning with global ESG trends and advancing corporate sustainability.

For more information about KGI Financial Holdings' business operations, please refer to the 2024 Annual Report, Chapter IV: OPERATIONAL HIGHLIGHTS / 4.1 Business Activities / 4.1.1 Business Scope.

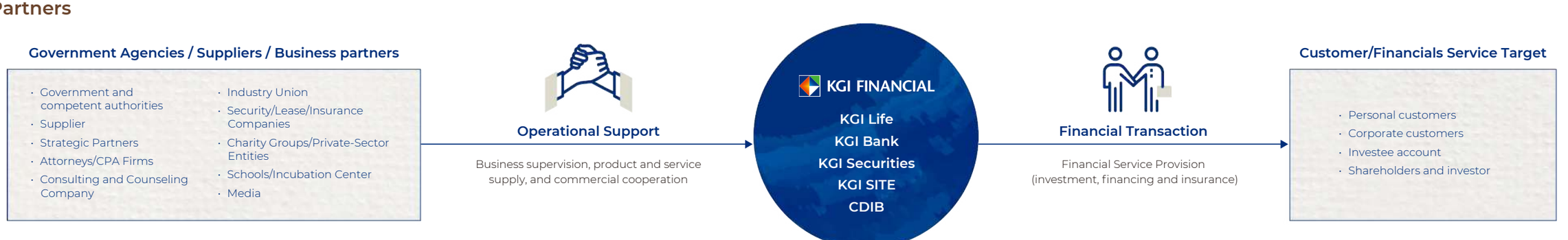
### Operation Locations

| Major Subsidiaries | KGI Life | KGI Bank | KGI Securities | KGI SITE | CDIB | Total |
|---|---|---|---|---|---|---|
| Operation Locations | 151 | 55 | 91 | 1 | 7 | 305 |
| Main Locations | Taipei | Taipei, Kunshan | Taipei, Hong Kong, Singapore, Bangkok, Jakarta | Taipei | Taipei, Shanghai, Kunshan, Fuzhou, Hong Kong, New York, Japan | - |

Note: The Company's key operational locations are defined as all locations of KGI Financial and its subsidiaries in Taiwan.




## Partners



## Operating Performance

### ■ 2024 Business Performance of Subsidiaries

| Corporate | 2024 Key Performance of Subsidiaries | Main Services |
|---|---|---|
| KGI Life | · In 2024, the Company achieved a consolidated net income after tax of NT$22.15 billion, representing a 118% increase year-over-year (YoY).<br>· KGI Life continued to strengthen its portfolio of long-term installment payment policies, with traditional installment policies accounting for 41% of total first-year premiums (FYP). Contributions from proprietary channels grew 43% YoY.<br>· With a prudent investment strategy, KGI Life achieved a 26% YoY growth in overall investment income. | Various insurances for individuals and investment activities in compliance with laws and regulations |
| KGI Bank | · KGI Bank recorded a net income after tax of NT$5.58 billion in 2024, with pre-provision profit growing 20% YoY.<br>· Strong growth momentum was seen in retail and corporate lending, with total loans up 19% YoY. Fee income rose 40% YoY, increasing its share of total revenue and enhancing profitability stability.<br>· KGI Bank's Hong Kong branch is expected to launch by May 2025, marking its first overseas branch and strengthening the Group's regional financial service capabilities. | Deposits/loans, credit cards, wealth management, consumer banking, corporate banking, global market, and foreign exchange transactions |
| KGI Securities | · KGI Securities reported a net income after tax of NT$10.14 billion in 2024, up 38% YoY, with a return on equity (ROE) of 16.3%, outperforming the industry average.<br>· Net revenue from brokerage, proprietary trading, and underwriting businesses increased 34% YoY. The firm maintained leading market shares, ranking first in underwriting and second in brokerage.<br>· Assets under management (AUM) in the wealth management segment grew 33% YoY, reaching NT$301.8 billion by the end of 2024. Wealth management revenue rose 54% YoY. | Brokerage, wealth management, proprietary trading, underwriting, fixed income, and a variety of derivatives products |
| KGI SITE | · KGI SITE reported a net income after tax of NT$67 million and an ROE of 12.04% in 2024.<br>· Total AUM reached NT$301.5 billion by the end of 2024, up 39% from 2023. Its mutual fund and ETF rankings stood at 7th in market share.<br>· The number of ETF beneficiaries reached 287,000 by the end of 2024, a 436% increase compared to 2023. | Business lines include: securities investment trust, discretionary investment, and securities investment consulting services, etc. |
| CDIB | · CDIB Capital Group reported a net income of NT$730 million in 2024, with an ROE of 2.4%.<br>· In 2024, six new asset management mandates added NT$18.9 billion in AUM, representing a tenfold YoY growth. Total AUM reached NT$59.3 billion, up 35% from year-end 2023.<br>· Green power platform Kai-Hong Energy Co., Ltd. committed NT$2.9 billion in capital and has invested in five project companies. In 2024 alone, Kai Hung added NT$500 million in green investments, a 90% increase YoY. | Venture capital, private equity and asset management, etc |

## Financial Performance

KGI Financial Holdings reported consolidated net income after tax of NT$33.55 billion and earnings per share (EPS) of NT$1.97 in 2024.

The Company's 2024 strategic priorities focused on accelerating Group growth, enhancing financial performance, and maintaining a stable dividend policy. Key strategies included driving business and investment momentum at KGI Life, leveraging group synergies to expand KGI Bank's scale, strengthening KGI Securities' wealth management and overseas business, growing KGI SITE's retail client base and AUM, and deepening CDIB Capital Group's partnerships with Taiwanese and overseas enterprises while developing private market products tailored for Taiwan's wealth management sector.

### ■ Financial Summary

Unit: NT$ thousands

| | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Total Consolidated Assets | | 3,537,148,350 | 3,648,212,053 | 3,948,244,504 |
| Total Consolidated Liabilities | | 3,328,362,974 | 3,385,261,417 | 3,640,951,342 |
| Consolidated Shareholder Equity | | 208,785,376 | 262,950,636 | 307,293,162 |
| Consolidated Net Profit | | 95,317,153 | 39,552,047 | 73,288,769 |
| Consolidated Net Profit after Tax | | 16,389,187 | 18,948,119 | 33,554,983 |
| Profitability | Consolidated ROA (%) | 0.47 | 0.53 | 0.88 |
| | Consolidated ROE (%) | 6.53 | 8.03 | 11.77 |
| | Consolidated Net Profit Margin (%) | 17.19 | 47.91 | 45.78 |
| | EPS after Tax (NT$) | 0.98 | 1.13 | 1.97 |
| Retained Economic Value | | 2,234,340 | 19,775,079 | 25,981,061 |

Note: 1. Please refer to KGI 2024 Financial Report for details.
2. Economic value retained: "direct economic value generated" less "economic value distributed". Direct economic value generated: revenues; Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments.

# 1 Sustainability Strategy

KGI Financial has been established for over 60 years, witnessing and accompanying the development and changes of various industries in Taiwan. Its five core businesses, serve as a solid foundation for responding to international sustainable trends and movement towards net-zero transition. Through forward-looking thinking, we commit to sustainability goals and leverage innovative capabilities to seize market opportunities. Our vision aligns with the five major sustainability development strategies (Corporate Governance, Intelligent Finance, Elite Talent Development, Low-carbon Economy, and Co-creation of Sustainable Society) , while referencing international initiatives and guidelines to ensure that all sustainability promotion policies comply with international standards.

# 1.1 Sustainable Vision and Strategy

KGI Financial has planned five sustainability strategies: Corporate Governance, Intelligent Finance, Elite Talent Development, Low-carbon Economy, and Co-Creation of Sustainable Society, actively respond to the UN SDGs, and face up to the risks and opportunities of global economic environment, and strive to integrate sustainability spirit into corporate operations, so as to create maximum value for all stakeholders.

## ▪ Sustainable Vision and Strategy

KGI Financial promotes positive impacts on the economy, environment, and society, while also preventing negative impacts through its five sustainability strategies. Please refer to the respective chapters for more information on the measures and achievements related to each strategy.

**Implication**

Deepen the culture of corporate governance, enhance Board effectiveness, improve transparency in disclosures, and reinforce regulatory compliance.

**Action plan**

- Strengthen the functions of the Board of Directors
- Enhance risk management mechanisms
- Optimize compliance systems and effectiveness
- Transparency in information disclosure

**Implication**

Align with global trends in sustainable finance by integrating net-zero strategies into financial actions, advancing digital finance, and fostering cross-sector collaboration to enhance customer experience and brand value.

**Action plan**

- Customer Service
- Inclusive Finance
- Digital Finance
- Information Security

**Implication**

Talent in response to the rise of the knowledge economy, develop forward-looking sustainable talent strategies to help organizations navigate through rapid changes.

**Action plan**

- Diversity, Equity, and Inclusion (DEI)
- Talent recruitment and development
- Employee compensation and benefits
- Workplace safety and health

**Implication**

Reduce corporate greenhouse gas emissions and invest in low-carbon industries and companies with strong growth potential to drive a successful low-carbon transition.

**Action plan**

- Carbon Reduction Operations Management
- Sustainable Supply-Chain Management
- Promotion of a Sustainable Environment

**Implication**

Embrace the concept of "shared value" to simultaneously create social impact and enhance corporate value.

**Action plan**

- Build local revitalization ecosystems
- Establishing a culture of volunteerism
- Invest in talent development
- Support underprivileged communities in rural areas

# 1.2 Sustainability Issue Management

## 1.2.1 Identification of Stakeholders and Material Topics

### Identification of Stakeholders

KGI Financial regularly reviews the focus of stakeholders every year. In 2024, we analyzed the trend of international sustainable development according to the AA1000 Stakeholder Engagement Standard (AA1000SES), with the five principles of Responsibility, Influence, Tension, Diverse Perspectives, and Dependency, in addition to taking reference from domestic and foreign industry to review and identify KGI Financial's 8 major stakeholders (including shareholders and investors, employees, clients, community, investment targets, suppliers, government and competence, and media). Through due diligence channels, the Company will gain insight into the issues that stakeholders prioritize in daily operations and will incorporate these considerations into its decision-making process.

#### ▪ 2024 Communication with 8 Major Stakeholders

| Stakeholder | Purpose of Communication and Importance | Focus Topics | Communication Channel and Frequency | Communication Performance |
|---|---|---|---|---|
| Shareholders and Investors | The support of shareholders and investors will enhance the corporate value of the Company | · Corporate governance and ethical management<br>· Business continuity<br>· Maintain shareholders' equity<br>· ESG risk and opportunities in investment and financing<br>· Upgrade financial inclusion | · Irregular news releases / material information: timely disclosure / announcement via media in real-time / Market Observation Post System (MOPS) / announcement of important information<br>· Annual Shareholders' Meeting<br>· Quarterly domestic and international institutional investor conference, irregular analyst visits, conference calls, and forums<br>· Shareholder services and investor relations contact persons: Tel.: +886-2-2763-8800#1508; Email: ir@kgi.com | · 566 material information in Chinese and English<br>· 1 shareholders' meeting to publish annual report<br>· Held 4 institutional investor conferences and participated in 3 external institutional investor conferences<br>· A total of 41 meetings were conducted to communicate with shareholders and investors.<br>· Regular communication through the contact persons<br>· Communicated with foreign investors through online institutional investors and annual report in English |
| Employees | Effective employee communication can enhance employee engagement and contribute to the goal of becoming the employer of choice for talent sustainability | · Customer private and personal data protection<br>· Corporate governance and ethical management<br>· Optimize service quality and customer relation management<br>· Competitive compensation and welfare | · Conduct an annual employee opinion survey through email, announcements, and meetings.<br>· Regular and irregular announcements and communications related to human resources policies/guidelines/practices/various employee activities (regular announcements have different frequencies depending on the theme and are communicated via email, internal website, or meetings)<br>· Quarterly and irregular labor-management meeting/labor union communication<br>· Human Resource Department: Tel.: +886-2-2763-8800; Email: hr@kgi.com | · Employee opinion survey: 23 times in total (via email, announcements, and meetings)<br>· Human resources policies/guidelines/practices/employee activities: 1,404 regular and irregular announcements and communications<br>· Labor-management meeting/labor union communication: 43 regular and irregular communication meetings were organized by the Group's related companies |

(Continue)

| Stakeholder | Purpose of Communication and Importance | Focus Topics | Communication Channel and Frequency | Communication Performance |
|---|---|---|---|---|
| Clients | Customer support and trust contribute to the Company's revenue growth | · Customer private and personal data protection<br>· Corporate governance and ethical management<br>· Risk management<br>· Optimize service quality and customer relation management<br>· Upgrade service convenience through digital finance | · Irregular advertisement and social media<br>· 24-hour service hotline, complaint hotline and website visitor message board<br>· Irregular customer satisfaction survey<br>· Irregular financial management workshops and seminars<br>· KGI Life: Phone: +886-2-2719-6678, 0800-098-889; Website: https://www.kgilife.com.tw/zh-tw/<br>· KGI Bank: Tel.: +886-2-2232-1296, 0800-255-777; Website: https://www.kgibank.com/<br>· KGI Securities: Tel.: +886-2-2389-0088; Website: https://www.kgi.com.tw/zh-tw | · Customer satisfaction: KGI Life Insurance – general service counters 99.9%, friendly service counters 100%, call center services 99.15%; KGI Bank – 97.2%; KGI Securities – counter services 98%<br>· Social media management and promotion activities: |

| | | KGI Life | KGI Bank | KGI Securities |
|---|---|---|---|---|
| Facebook | Engagement (million users) | 15 | 3.6 | 1.4 |
| | Interactions | around 289,000 | around 300,000 | around 27,000 |
| LINE followers (million) | | 133 | 6 | 197 |
| Financial literacy and anti-fraud campaigns | Financial education and anti-fraud awareness sessions | 38 | - | - |
| | Anti-fraud campaigns | - | 509 | 91 |

| | | | | |
|---|---|---|---|---|
| Community | Good relations with community can help increase the number of customers and enhance brand image | · Customer private and personal data protection<br>· Corporate governance and ethical management<br>· ESG risk and opportunities in investment and financing<br>· Optimize service quality and customer relation management<br>· Upgrade service convenience through digital finance | · Irregular forums and seminars organized by private associations and academic institutions<br>· All subsidiaries, KGIF Foundation and KGI Charity Foundation serve as the contact channel to communicate with related community groups:<br>· Corporate Strategy and Planning Department: Tel.: +886-2-2763-8800; Email: service.cdfh@kgi.com | · The total number of volunteer hours is 2,630<br>· 134 lectures on innovation and entrepreneurship, with 3,079 persons involved<br>· Two public welfare days were conducted, inviting 60 organizations from Hualien disaster-affected areas, including social welfare institutions, local revitalization teams, and small-scale farmers. |
| Investment Target | The business performance of the investment targets directly affects the profitability of KGI Financial | · Customer private and personal data protection<br>· Corporate governance and ethical management<br>· Maintain shareholders' equity<br>· ESG risk and opportunities in investment and financing | · Irregular participation in investee Shareholders' Meeting and Board of Directors<br>· Irregular roadshow to share with investees<br>· Irregular visits to investees<br>· Set up investee mailbox<br>· Finance Department: Tel.: +886-2-2763-8800; Email: ir@kgi.com | · KGI Life Insurance issues monthly investment reports that review the performance and operational status of invested companies. These reports are then submitted for review by senior executives. The monthly attention rate of the invested companies is 100%.<br>· KGI Life Insurance actively participates in Shareholders' Meetings of both domestic listed and unlisted companies, ensuring a 100% participation rate within the legal framework.<br>· CDIB Capital Group attended a total of 231 Shareholders' Meetings of investee companies in person in 2024 ( including participation through electronic voting).<br>· CDIB Capital Group held 14 one-day startup Board of Directors |

(Continue)

| Stakeholder | Purpose of Communication and Importance | Focus Topics | Communication Channel and Frequency | Communication Performance |
|---|---|---|---|---|
| Suppliers | Suppliers provide safe and environmentally friendly raw materials to assist KGI Financial in stable operation | · Customer private and personal data protection<br>· Corporate governance and ethical management<br>· Business continuity<br>· Optimize service quality and customer relation management<br>· Upgrade service convenience through digital finance | · Signing the "Letter of Undertaking regarding Sustainability for Suppliers"<br>· Irregular pre-bidding briefing<br>· Irregularly conducted supplier evaluations and self-assessments<br>· Irregularly conducted key supplier site checks<br>· Irregularly conducted Supplier Conferences (for education and training, and distinguished supplier recognition)<br>· Establish procurement mailbox and hotline<br>· Operations and Sustainable Development Department \| Tel.: +886-2-2763-8800 Email: procurement@kgi.com | · 100% of major suppliers signed the "Letter of Undertaking regarding Sustainability for Suppliers" and the "Statement of Use of Personal Information"<br>· Held pre-bidding briefings<br>· A total of 106 supplier evaluations and 230 supplier self-assessments were conducted in 2024.<br>· On-site audits were conducted for 3 key suppliers in 2024.<br>· On April 22, 2025, the Group held its Annual Supplier Conference, including training sessions and recognition of distinguished suppliers.<br>· Conducted real-time two-way communication with suppliers via the procurement mail box |
| Government and Competent Authorities | Government and competent authority policies have direct impact on the direction of our operation | · Corporate governance and ethical management<br>· Risk management<br>· Upgrade service convenience through digital finance<br>· Upgrade financial inclusion<br>· ESG risk and opportunities in investment and financing | · Irregular participate in policy discussions and forums<br>· Irregular visit the competent authority<br>· Set up mailbox for government and competent authorities<br>· Compliance Department \| Tel.: +886-2-2763-8800 Email: cdf_cpl@kgi.com | · Participated in discussions and forums from time to time<br>· Top 6% to 20% in Corporate Governance Evaluation<br>· Responded to unscheduled audit to provide real-time information |
| Media | Convey important information and performance through the media | · Risk management<br>· Customer private and personal data protection<br>· Upgrade service convenience through digital finance<br>· Sustainable development for supplier prosperity | · Irregular press release<br>· Irregular press conference<br>· Setting up the media service mailbox<br>· Corporate Strategy and Planning Department \| Tel.: +886-2-2763-8800 Email: service.cdfh@kgi.com | · 405 regular press releases<br>· Held press conferences from time to time |

Note: Stakeholders can make complaints on KGI Financial's website, and relevant units will actively deal with them.

## Procedure for Identification of Material Topics

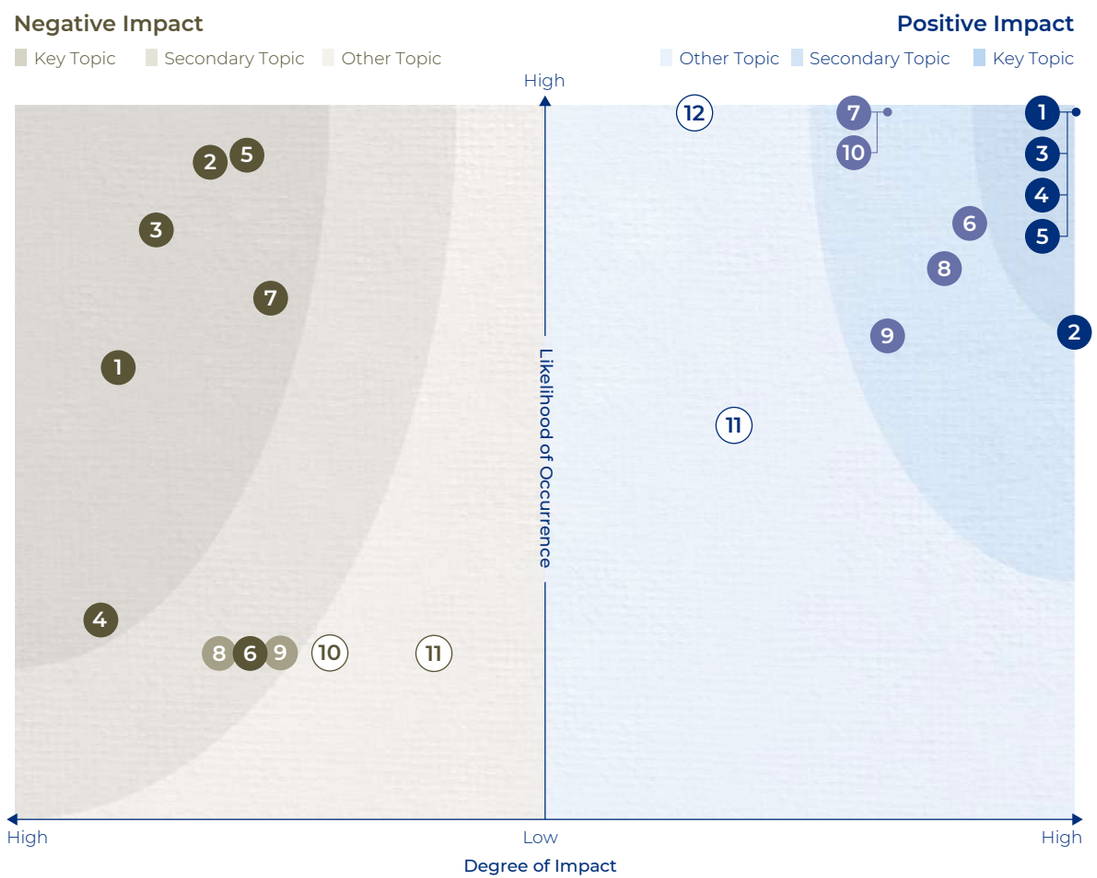
KGI Financial Holdings references global sustainable development trends, benchmarking against leading domestic and international companies and ESG evaluation frameworks to conduct annual materiality assessments and identifications of sustainability topics. In line with the GRI Standards, both positive and negative impacts of sustainability topics are assessed through a dual evaluation of "impact significance" and "likelihood of occurrence." The results form the basis of the annual materiality ranking and the integrated impact matrix of positive and negative topics. The material topics for 2024 continued from the 2023 assessment and were refined through due diligence and stakeholder sentiment analysis. Based on the adjusted impact evaluation, the resulting impact matrix and materiality rankings were submitted to the Board-level Sustainability Committee for resolution.

| Analysis Procedures | Description | Consideration by Stakeholder and Expert Opinions |
|---|---|---|
| 1 Review of Sustainability Issues and Impacts | KGI Financial shas conducted a re-evaluation of its sustainability issues for 2023 and takes into consideration the industry material topics listed by SASB, DJSI, and other dimensions of sustainability requirements of international concern. It also takes into consideration domestic regulations and trends, as well as the findings of internal due diligence investigations, compiling a list of 18 sustainability issues, 11 negative impacts and 12 positive impacts. | The six teams of the 2024 Sustainability Committee have reviewed and confirmed the following major stakeholders: Investors and shareholders, employees, customers, communities, investees, suppliers, government and competent authorities, and media. |
| 2 Stakeholder Survey | Obtain stakeholder input through KGI Financial Holdings' due diligence mechanisms and public opinion analysis, serving as a basis for adjusting the positive and negative impacts of material topics. | |
| 3 Assessing the Impacts and Adjusting the Materiality Ranking of Sustainability Topics | Based on 2024 due diligence mechanisms and stakeholder sentiment analysis results, and referencing the 2023 materiality rankings, both the positive and negative impacts of each issue were assessed in terms of the probability of occurrence and impact significance. Negative impacts were prioritized, and the final rankings for positive impacts were integrated into a comprehensive materiality adjustment. Eighteen material topics were classified into three tiers: critical, secondary, and other topics, with updated 2024 materiality matrix and rankings accordingly produced. | |
| 4 Reporting and Disclosing Content | The material topics results were submitted to the Sustainability Committee for review and approval in March 2025. The ESG Report is compiled based on these material topics and discloses the strategies, goals, and implementation status of the sustainable development plan. It is regularly reported to the Sustainability Committee and the Board of Directors for performance monitoring. | |

## Impact Assessment of Sustainability Issues

Following a comprehensive evaluation of both positive and negative impacts, the convergence analysis of material topics identified 10 key topics, 5 secondary topics, and 3 other topics. During the material topic analysis process, KGI Financial Holdings incorporated feedback from stakeholders and external experts and resolved to designate all key topics as required disclosure topics for the current year's report. The mapping and convergence of positive and negative impacts for material topics are presented in the table below.

## ■ Materiality




| Material Topics | | Negative-Impact | Positive Impact |
|---|---|---|---|
| Key Topics (10 items) | Customer private and personal data protection | 1 Corporate and customer data leak | |
| | Corporate governance and ethical management | 2 Corruption and bribery | |
| | Risk management | 3 Material risk incident | |
| | Business continuity | 4 Operation interruption or threat | |
| | Optimize service quality and customer relation management | 5 Customer complaint and dispute incident | 1 Optimize service quality and maintain customer relation |
| | ESG risk and opportunities in investment and financing | 6 Environmental and social adverse impact caused by investment and finance | 2 Implementation of sustainable finance |
| | Upgrade service convenience through digital finance | | 3 Upgrade service convenience through digital finance |
| | Upgrade financial inclusion | | 4 Upgrade financial inclusion |
| | Competitive compensation and welfare | | 5 Competitive compensation and welfare |
| | Labor protection and workplace inclusion and equality | 7 Infringement of workplace human right | 6 Labor protection and workplace inclusion and equality |
| Secondary Topics (5 items) | Workplace safety and health | 8 Occupation disaster and employee health damage | 7 Promotion of workplace health |
| | Management of influence caused by social changes | 9 Adverse impact of social change incident | |
| | Maintain shareholders' equity | | 8 Maintain shareholders' equity |
| | Social Participation and Supporting Disadvantaged Groups | | 9 Social Participation and Supporting Disadvantaged Groups |
| | Employment and training for diversity of talents | | 10 Employment and training for diversity of talents |
| Other Topics (3 items) | Climate/nature-related opportunity and risk management | 10 Impacts from climate and nature-related risks | 11 Promotion of climate and nature initiatives |
| | Operational environmental impacts | 11 Improper use of energy resources and waste management | |
| | Sustainable development for supplier prosperity | | 12 Sustainable development for supplier prosperity |

## Sustainability Issue Adjustment

Based on the 19 material topics identified in 2023, the list was revised to 18 material topics in 2024 with reference to global sustainability trends and leading domestic and international peers. "Climate Opportunity and Risk Management" was adjusted to "Climate/Nature-Related Opportunity and Risk Management," and "Energy Resource Consumption" and "Waste Management" were consolidated into a single topic titled "Operational Environmental Impacts." The adjustments were informed by due diligence and stakeholder sentiment analysis. The impact significance and probability of occurrence of each material topic were comprehensively evaluated to update their prioritization. The topic "Labor Protection and Workplace Inclusion and Equality" was reclassified from a secondary to a key topic.

## ■ The Value Chain Management Portion Impacted by Material Topics

To address various key topics, KGI Financial has developed an assessment of the impact range. The assessment is based on international standards and guidelines, and it establishes effective management standards and objectives. It also includes measures to remedy actual impacts and mitigate potential impacts. These measures in each section are elucidated to facilitate stakeholders' understanding. Moving forward, we will continuously improve stakeholder engagement by obtaining feedback through appropriate communication channels to assess the effectiveness of its actions.

| Key Material Topics | Influence on KGI Financial | Physical / Potential Impact | Description of Impact | Scope of Value Chain for Key Topic Impact | | GRI Topics | Corresponding Chapter |
|---|---|---|---|---|---|---|---|
| | | | | Direct Impact | Impact Caused by Commercial Relation | | |
| Customer Private and Personal Data Protection | Assure information security and customer data privacy to win customer trust | Physical | Economics People<br>The financial sector involves massive business transactions and information retention. The negligence of digital application, information security, or human error leads to the leaks of customer data or enterprise-sensitive data could infringe on the rights and interests of related stakeholders. | ■ | ■ | 418: Customer Privacy | 3.4.2 Customer Privacy and Rights Protection |
| Corporate Governance and Ethical Management | Corporate governance and ethical business practices are the foundation for sound management and long-term sustainability. A robust compliance, financial, and management system enhances operational efficiency and reduces the risk of regulatory penalties, thereby lowering operating costs. | Physical | Economics People<br>Poor corporate governance performance and failure by employees to adhere to the code of conduct may lead to unethical behavior, including corruption, fraud, or misconduct, thereby exposing the Company to operational risks and infringing on the rights and interests of customers and other stakeholders. | ■ | ■ | 205: Anti-corruption<br>415: Public Policy<br>417: Marketing and Labeling | 1.2.2 Membership of Associations and External Initiatives<br>2.4.1 Framework and Principles of Ethical Corporate Management<br>2.4.2 Implementation of Ethical Corporate Management<br>2.4.5 Disclosure of Breaches |
| Risk Management | Establishing rigorous risk control mechanisms to improve the efficiency of resource allocation and help avoid significant losses while enabling the Company to seize new opportunities. | Physical | Economics People<br>Inadequate management of emerging external risks, market risks, or internal risks such as credit, operational, and liquidity risks may result in exposures beyond the Company's risk appetite or idle capital, leading to major regulatory violations or financial losses that impact the interests of customers, shareholders, and other stakeholders. | ■ | | 201: Economic Performance | 2.2 Risk Management |
| Business Continuity | Under digital development trends, the risk management of internet attack is considerably important for assuring the sustained operation of business | Physical | Economics People<br>Due to potential risks such as generative AI, network hacking systems, or human accidents, financial services may experience interruptions, financial markets may become unstable, businesses may struggle to secure financing, the general public may face difficulties accessing financial services, and the rights and interests of other stakeholders may be compromised. | ■ | ■ | 418: Customer Privacy | 2.3 Information Security<br>3.4.2 Customer privacy and rights protection |
| Optimize Service Quality and Customer Relation Management | KGI Financial is committed to providing high-quality services by continuously optimizing its client feedback mechanism to further improve customer satisfaction. | Physical | Economics People<br>• **Positive:** Ensure fair treatment of every customer by establishing a transparent claims process and simplifying application procedures. Provide supportive services for different customer segments to safeguard their rights and interests.<br>• **Negative:** Failure to implement fair treatment effectively, or the existence of complex claims and complaint procedures, poor service quality, non-transparent product information, forced sales, or discriminatory practices may lead to customer complaints and disputes, thereby infringing on consumer rights. | ■ | | Customized Material Topics | 3.4.3 Provide Customers with Quality Service<br>3.4.4 Customer affirmation |

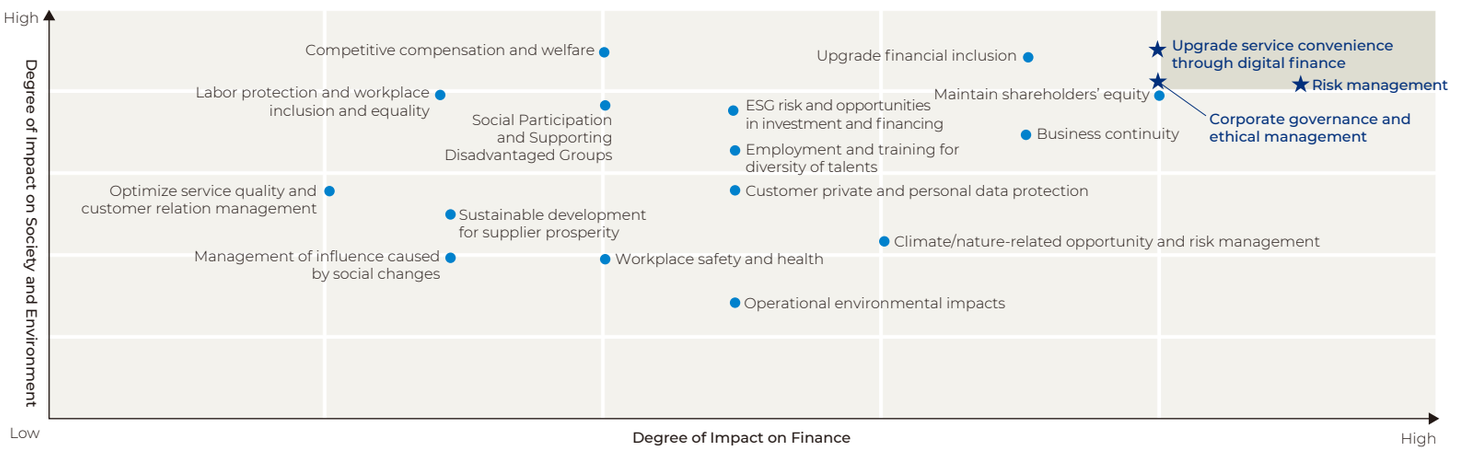
(Continue)

| Key Material Topics | Influence on KGI Financial | Physical / Potential Impact | Description of Impact | Scope of Value Chain for Key Topic Impact | | GRI Topics | Corresponding Chapter |
|---|---|---|---|---|---|---|---|
| | | | | Direct Impact | Impact Caused by Commercial Relation | | |
| ESG risk and Opportunities in Investment and Financing | By engaging in investment and financing activities, funds are directed towards sustainable economic activities and companies, thereby enhancing overall economic resilience. | Physical | Economics Environment People<br>• **Positive:** Through financing and investment activities, we can support economic activities that promote human rights, green initiatives, low carbon emissions, and climate adaptation by redirecting funds. This approach helps to reduce environmental issues and minimize resource consumption, ultimately enhancing overall economic resilience.<br>• **Negative**: Insufficient consideration of ESG factors in investment and financing activities, leading to the provision of funds to support companies with poor ESG performance. This can result in potential economic, environmental, and social risks. | ■ | ■ | Customized Material Topics | 3.1 Responsible Investment<br>3.2 Responsible Credit |
| Upgrade Service Convenience with Digital Finance | Leverage the power of technology to improve the convenience and accessibility of services, expand the scope of customer service, and create more profitable business opportunities for the Company. | Physical | Economics People<br>With the rise of hybrid work models, global enterprises are increasingly reliant on virtual private networks (VPN) and remote desktop protocols.<br>By offering digital financial services, customer accessibility and convenience are improved. Additionally, the provision of digital products and services reduces internal energy resource consumption while increasing related revenue. | ■ | ■ | Customized Material Topics | 3.4.1 Digital Finance<br>3.4.3 Provide customers with quality service |
| Upgrade Financial Inclusion | Promote sustainability through the power of finance and fulfill corporate social responsibility by supporting vulnerable groups. | Physical | Economics People<br>Provide preferential or additional services to disadvantaged or marginalized groups to improve their access to the services of the financial holding company and its subsidiaries. Additionally, support corporate transformation and industrial development to foster business activities with greater social value. | ■ | | 203: Indirect Economic Impacts | 3.1.4 Responsible Investment<br>3.2.2 Implementation and Promotion of Responsible Bank |
| Competitive Compensation and Welfare | Competitive compensation and benefits are a driver of talent attraction, retention, and engagement. | Physical | Economics People<br>By offering competitive compensation and benefits, KGI creates a favorable working and development environment for employees, while contributing to the overall soundness of the industry. | ■ | | 201: Economic Performance<br>401: Employment | 4.3.1 Talent Attraction<br>4.4.1 Competitive Compensation |
| Labor Protection and Workplace Inclusion and Equality | Employees are a valuable asset to KGI Financial Holdings. The Company is committed to providing a safe and supportive work environment and labor protection, and requires suppliers to uphold the same standards of labor protection and workplace inclusion and equality. | Physical | People<br>· **Positive:** By optimizing the workplace environment and ensuring occupational health and safety, KGI provides employees with a healthy and supportive work environment to improve work quality. The Company also fosters a friendly and inclusive environment for women, vulnerable groups, and diverse communities, thereby creating employment opportunities.<br>• **Negative:** Issues such as excessive overtime or forced labor, and inadequate promotion of gender equity in the workplace, may lead to incidents of sexual harassment, gender or identity-based discrimination, or workplace bullying. These result in unequal treatment and violation of employee rights. | ■ | | 405: Diversity and Equal Opportunity | 4.1.1 Diversity and Inclusion<br>4.4.1 Competitive Compensation |

## ESG Dual Materiality Analysis

In addition to evaluating the external impacts of material topics on the environment and society, KGI Financial assesses the potential financial implications of each topic to guide operational strategy and resource allocation more effectively. Based on the 2023 financial materiality questionnaire (completed by senior executives to assess potential costs, revenue impact, reputational risk, and other financial effects), and combined with 2024 internal assessments of sustainability risks and opportunities, the Company evaluated the likelihood and financial magnitude of each topic. Both quantitative and qualitative factors were considered in ranking financial materiality. As a result, the social and environmental impact level of "Labor Protection and Workplace Inclusion and Equality" was elevated, identifying it as a topic with dual materiality due to its significant internal and external impacts. The top three dual materiality topics identified were: "Risk Management," "Upgrade Service Convenience with Digital Finance," and "Corporate Governance and Ethical Management."

### ■ KGI Financial 2024 Double Materiality Matrix




### ■ Top 3 Material Topics' Management Strategies, Evaluation Mechanisms, and Long-Term Targets

| Material Topics | Strategy | Evaluation Mechanism | Long-term goalsin 2028 | Associated with Executive Compensation | 2024 Execution |
|---|---|---|---|---|---|
| Risk Management | · Strengthen risk management mechanisms<br>· Build a sound risk culture<br>· Strengthen TCFD's climate risk management mechanisms<br>· Incorporate emerging risks into risk management and combine them with traditional risks<br>· Monitor climate-related exposures, increase the proportion of green products, and reduce exposure to high climate risk sectors. | · The Risk Management Committee meets quarterly to review reports on market, credit, operational, liquidity, and climate risks, address risk-related issues, and oversee the effectiveness of risk controls.<br>· A quarterly report is submitted to the Sustainability Committee, detailing the progress and execution of the development of green products and related goods and services.<br>· Sift key emerging risks from those identified in the Global Risks Report of the World Economic Forum every year and have related units assess the impacts on the business operations or assets and propose countermeasures and potential opportunities. | · Reviewing the midterm milestones for achieving Net-Zero Carbon Emission as part of business strategy adjustment<br>· Enhancing the mechanism for digital climate risk management | The proportion of the Chief Risk Officer's performance metrics is 55% | 2.2 Risk Management |
| Upgrade Service Convenience with Digital Finance | · Digital transformation is one of KGI Financial Holdings' five strategic priorities. All subsidiaries have adopted it as a key action item, aiming to build a mobile-first digital platform and establish ecosystems through strategic partnerships.<br>· Direct on three key features of the new digital economy including "digital, mobile, and cloud-based", by strengthening international resource and investments linkages and supporting local startups in expanding to global markets. | · KGI tracks Net Promoter Score (NPS) to monitor customer recommendation score with its digital service transformation. System functions are continuously optimized based on customer feedback.<br>· Annual performance reviews and planning of customer protection initiatives are conducted by the Sustainability Committee's Client Relations WG. | · Continuing to deepen collaboration within the ecosystem by integrating the bank seamlessly into the customer journey, empowering ecosystem partners to deliver enhanced financial services and create greater customer value. Intelligent customer service is seamlessly integrated into digital touchpoints, offering simulated human assistance.<br>· Become the most recommended digital securities leading brand by customers | The proportion of the Chief Digital Officer's performance metrics is 40% | 3.4.1 Digital Finance |

(Continue)

| Material Topics | Strategy | Evaluation Mechanism | Long-term goalsin 2028 | Associated with Executive Compensation | 2024 Execution |
|---|---|---|---|---|---|
| Corporate Governance and Ethical Management | · Promote a culture of ethical business conduct through regular training.<br>· Establish clear whistleblowing mechanisms to ensure ethical business practices.<br>· Progressively increase the linkage between senior executive compensation and sustainability performance. | · Annual Board performance evaluation; external performance evaluation is held every three years<br>· The Compliance Department acts as a part-time unit in charge of the integrity management and regularly reports to the Board of Directors<br>· The auditors regularly check the status of legal compliance, and reports the main flaws to the Board of directors and tracks the improvement status | · Continuously enhance the performance and functions of the Board of Directors<br>· Top 5% of Corporate Governance Evaluation and has been chosen by the DJSI Sustainability Index | The proportion of the Corporate Governance Officer's performance metrics is 50% | 2.4 Ethical Corporate Management |

## 1.2.2 Membership of Associations and External Initiatives

To foster social inclusion and support national economic development, the Company and its subsidiaries participate in a total of 74 domestic and international associations and industry organizations. These engagements help KGI stay informed on industry trends, regulatory developments, and policy directions to ensure that its strategic decisions align with evolving standards and drive corporate sustainability. The Group made no financial contributions to political parties, think tanks, political initiative organizations or initiatives in 2024.

### KGI Financial Participates in International Initiatives with Enthusiasm in Response to Net-zero Emissions

To support the Paris Agreement target of limiting global warming to 1.5°C above pre-industrial levels, KGI Financial signed the Carbon Disclosure Project (CDP) in 2016 and officially adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework in December 2018. The TCFD framework includes governance, strategy, risk management, metrics, and targets. In 2021, the Company committed to achieving net-zero emissions across its total portfolio by 2045. KGI Bank joined the Partnership for Carbon Accounting Financials (PCAF) in February 2022 to implement international standards for financed emissions. In 2023, KGI Securities signed on to Greenpeace's "RE10x10 Climate Declaration." In August 2024, KGI Financial officially joined the Taskforce on Nature-related Financial Disclosures (TNFD) as a TNFD Adopter. Additionally, in March 2025, KGI Financial's carbon reduction targets were approved by the Science Based Targets initiative (SBTi), formally committing to reducing emissions across both operations and financed activities. The Company will continue to leverage its financial influence to support clients in advancing toward net-zero emissions.

### ■ Annual Amount Invested for Participation in Trade Associations and Organizations

(Unit: NT$)

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| Lobbying or Interest Representation | 0 | 0 | 0 |
| Local, Regional or National Political Campaigns, Organizations, Candidates | 0 | 0 | 0 |
| Chamber of Commerce or Tax-exempt Organization | 12,533,477 | 18,717,526 | 14,092,067 |
| Elections and Referendums or Similar | 0 | 0 | 0 |
| Total | 12,533,477 | 18,717,526 | 14,092,067 |
| Data Coverage | 100% | 100% | 100% |

## ■ Participation in Trade Associations and Organizations' Initiatives

(Unit: NT$)

| Initiative | Engagement | Amount Invested |
|---|---|---|
| Assist the Government in Implementing Financial Policies and Establishing Regulations | The Company actively participates in various associations and organizations, regularly advising the government agencies and collaborating with international organizations extensively to assist the government in implementing financial policies and to promote business development and the common interests of financial institutions. Consider, for example, the Bankers Association of Taipei. It assists members in financing renewable energy-based power-generation projects in line with the government's green-finance policy.<br>In 2024, KGI Financial participated in 14 associations "promoting government financial policy and regulatory development." The Company held leadership roles including: Director of the Taiwan M&A and Private Equity Council; Supervisor of the Bankers Association of Taipei; Director of the Bankers Association of the Republic of China; Director of the Securities Investment Trust & Consulting Association of the R.O.C.; Supervisor of the Life Insurance Association of the Republic of China; and Standing Director of the Taiwan Venture Capital Association. | 5,168,379 |
| Protecting Investors | The Company also participated in associations advocating for "investor protection," contributing to the prevention and mitigation of fraud and reducing broader societal costs. For example, the Chinese National Futures Association aims to protect investors, promote economic development, coordinate industry relations, and enhance collective interests.<br>In 2024, the Company participated in five associations focused on "investor protection" and served as Executive Director and Supervisor of the Taiwan Securities Association and as Supervisor of the Chinese National Futures Association. | 1,967,873 |

Note: In 2024, the Company participated in the following sustainability-related industry associations: Taiwan Net Zero Emissions Association and the Partnership for Carbon Accounting Financials (PCAF).

## ■ Expenditure Amount of the Top Three Participating Trade Associations in 2024

(Unit: NT$)

| Organization | Types | Amount Invested |
|---|---|---|
| The Bankers Association of the Republic of China | Industry/trade association | 1,573,629 |
| International Swaps and Derivatives Association (ISDA) | Industry/trade association | 1,496,336 |
| Trust Association of R.O.C. | Industry/trade association | 1,415,073 |

# 2 Corporate Governance

Steady corporate governance is the cornerstone of the sustainable operation. The Company conducts corporate governance with an honest attitude, establishes a sound mechanism, and draws a blueprint for sustainable governance.

## ■ Key Strategy, Targets and Progress

| Strategy | Relevant Material Topics | 2024 Goals | 2024 Achievement Status | 2025 Short-term Goals | 2026~2027 Mid-term Goals | 2028~2030 Long-term Goals |
|---|---|---|---|---|---|---|
| Strengthen the functions of the Board of Directors | | · The Board of Directors' internal performance evaluation scored over 4.5 (out of 5).<br>· The Corporate Governance Evaluation ranked in top 20%. | · The Board of Directors' 2024 internal performance evaluation has been completed, with average scores across evaluation dimensions ranging from 4.67 to 5 and above.<br>· The 2024 Corporate Governance Evaluation ranked in top 20%. | · Enhance the board members' talent pool and establish a qualification verification checklist to improve the nomination and selection process for board members.<br>· The 9th Board of Directors election will appoint at least one female director.<br>· Ensure that the Board of Directors operates at a scoring standard, and relevant information is disclosed in accordance with those standards. | · The Board of Directors' external performance evaluation has been completed, obtaining an excellent rating.<br>· Continuously strengthen the functions of the Board of Directors and the professionalism and governance capabilities of the directors.<br>· Achieve a top 5% ranking in the Corporate Governance Evaluation and maintain inclusion in international index constituents. | · Continue enhancing Board of Directors' performance and functionality to establish effective Board governance.<br>· Continue refining and strengthening the corporate governance system by referencing domestic and international best practices.<br>· Maintain a top 5% ranking in the Corporate Governance Evaluation and continued inclusion in international index constituents, while deepening a culture of corporate governance. |
| Optimize Compliance-Related Systems and Effectiveness | Corporate governance and ethical corporate management | · Complete and launched the new " AML/CFT Information Sharing Platform" for use in 2024 Q4.<br>· Revise internal regulations related to intellectual property (IP) management and conduct two IP education and training sessions by the fourth quarter of 2024.<br>· Complete the interface setup (excluding testing) for the stakeholder system (for managers) by the fourth quarter of 2024. | · The data migration from the old to the new system, along with parallel functionality verification, has been completed, and the system was officially launched in December.<br>· The revisions to internal regulations and implementation annexes related to IP management have been completed, and two IP education and training sessions for 2024 have been successfully conducted.<br>· The requirement interviews and interface setup have been completed. | · Optimize the Stakeholder System (for Managers):<br>- Complete verification of the manager self-maintenance function (for KGIF and CDIB capital).<br>- Complete verification of the system's automatic notification mechanism for managers to update their data (for KGIF and CDIB capital).<br>· Continue operating and implementing the Taiwan Intellectual Property Management System (TIPS), and pass re-certification in 2025.<br>· Stakeholder Data and Business Registration Board of Directors and Supervisors Matching System:<br>Confirm the system's requirement specifications, select suitable vendors, and begin the initial system setup and UAT testing. | · Optimize the Stakeholder System (for Managers):<br>- Officially launch the system into the production environment (participating companies: KGIF and CDIB capital)<br>- Implement the system at KGI Bank and perform verification.<br>· Continue to assign appropriate personnel to participate in external professional training courses for TIPS, and disclose the annual execution results on the company website and in the annual report.<br>· Stakeholder Data and Business Registration Board of Directors and Supervisors Matching System:<br>- Complete functional testing of the system, perform a vulnerability scan, and launch the system into the production environment. | · Shape the Group's Compliance Technology and Resource Ecosystem: Expand the semi-automated input system for manager and other stakeholder data to the entire group.<br>· Annually adjust IP management policies and goals to ensure alignment with operational objectives and continuously maintain the effectiveness of external certifications. |
| Enhance Risk Management Mechanisms | Risk management<br>Business continuity | · Continuous development of climate risk management tools and platforms.<br>· Implement SBTi and carbon reduction plans, and submit them to SBTi for review.<br>· Establish a marketplace for risk management data to enhance the effectiveness of risk management in subsidiaries. | · Completed<br>· Complete the setting of carbon reduction targets according to the SBTi methodology and submit them to the SBTi organization for review.<br>· In progress. (The structure for KGI Financial's risk management visualization platform has been completed, along with the market risk data marketplace.) | · Supervise the integration of subsidiary climate risk identification, measurement, assessment, and management mechanisms into existing risk management and internal control processes or operations.<br>· Establish a risk management data marketplace and develop automation tools to enhance supervisory effectiveness in subsidiary risk management.<br>· Implement cloud-based outsourcing risk management and an artificial intelligence governance framework. | · Supervise the implementation of the cloud-based outsourcing risk management evaluation mechanism.<br>· Supervise the implementation of the artificial intelligence governance mechanism. | · Review the midterm milestones for achieving net-zero carbon emissions as part of risk strategy adjustment.<br>· Continue to supervise the cloud-based outsourcing risk management evaluation and artificial intelligence governance mechanisms. |

(Continue)

| Strategy | Relevant Material Topics | 2024 Goals | 2024 Achievement Status | 2025 Short-term Goals | 2026~2027 Mid-term Goals | 2028~2030 Long-term Goals |
|---|---|---|---|---|---|---|
| Transparency in Information Disclosure | Maintain shareholders' equity | · Continue to publish the Company's quarterly financial reports in accordance with regulations.<br>· Continue to provide Audit Quality Indicators (AQIs) to assist the Audit Committee and Board of Directors in assessing the independence and competence of the appointed auditors.<br>· Develop an implementation plan and timeline based on the Taiwan Stock Exchange's recommended IFRS sustainability disclosure guidelines, referencing example plans. | · The Company's quarterly financial reports have been published on the Company website and MOPS.<br>· The AQIs for the accounting firm were provided in March to assist the Audit Committee and Board of Directors in completing the assessment of the independence and competence of the appointed auditors.<br>· An IFRS S1/S2 project team was established in the fourth quarter, and the "IFRS Sustainability Disclosure Guidelines Implementation Plan" was approved by the Board of Directors on December 20. | · Implement IFRS S1/S2 disclosures in accordance with regulations and provide regular reports to the Board of Directors.<br>· Establish an internal control system and procedures for sustainability information management. | · Develop a plan to link ESG performance with senior management remuneration.<br>· Adopt IFRS S1/S2 for the preparation and publication of a dedicated sustainability section in the annual report. | · Continuous improvement of IFRS S1/S2 disclosure. |
| Information Security | Protection of customer privacy and personal information | · Obtain ISO 27001: 2022 certification.<br>· Conduct operational and information security incident response drills twice a year.<br>· At least six external information service vendors are required to undergo security testing for external information services, with a score of 92 or higher.<br>· Ensure 100% resolution rate for suspected information security incidents reported by employees within 3 days. | · ISO 27001: 2022 certification has been obtained.<br>· Conducted one information security incident response drill in both the first and second halves of the year.<br>· Ten external information service vendors have undergone security testing for external information services, maintaining a score of 92 or higher.<br>· 100% resolution rate for suspected information security incidents reported by employees within 3 days. | · Achieve a PR95 ranking in the Corporate Governance Evaluation and DJSI cybersecurity-related categories.<br>· Maintain the validity of the ISO 27001: 2022 certification. | · Achieve a PR97 ranking in the Corporate Governance Evaluation and DJSI cybersecurity-related categories.<br>· Maintain the validity of the ISO 27001: 2022 certification. | · Achieve a PR99 ranking in the Corporate Governance Evaluation and DJSI cybersecurity-related categories.<br>· Maintain the validity of the ISO 27001:2022 certification. |

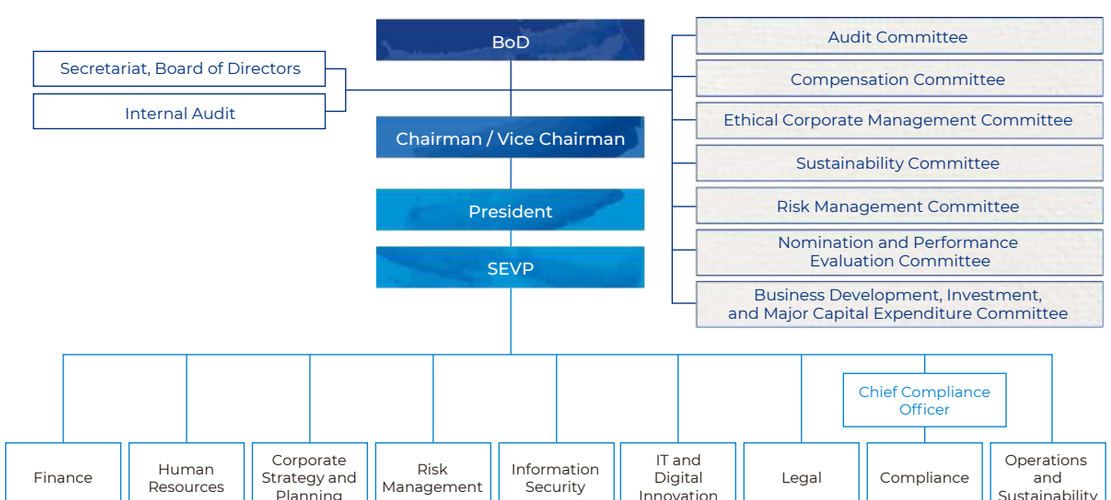
# 2.1 Governance Framework

A sound governance structure and an effective Board of Directors (BOD) are the cornerstones of corporate governance, enabling the management to grasp the Company's business strategy and performance, formulate coping strategies, and respond to the business environment to create sustainable value.

The highest governance unit is "Board of Directors (BOD)", which is responsible for leading and supervising KGIF's operations and sustainable development. In order to improve the functions of Board of Directors and decision-making efficiency, the Company has established 7 functional committees under Board of Directors. (For further details, please refer to "2.1.2 Board of Directors Operations.") On March 10, 2025, the Board of Directors re-appointed Executive Vice President, Joyan Tsai as the Corporate Governance Officer to oversee corporate governance-related matters. Additionally, the Company has established the "SOP for responding to requests from Directors" to assist directors in obtaining the information and support they need to perform their duties as directors and to enhance the effectiveness of the Board of Directors.

All directors of the company fulfill their fiduciary duties and duty of care in accordance with the provisions of Article 23 of the Company Act, executing their responsibilities honestly and diligently. They are held accountable under the Company Act, the Securities and Exchange Act, and other relevant laws and regulations to ensure transparency and sound corporate governance. Furthermore, the company has established a Code of Ethical Conduct to guide directors' behavior in compliance with ethical standards. The company's articles of incorporation do not contain any clauses to exempt or limit directors' liabilities, and all directors are fully responsible for their actions in accordance with the law to safeguard the rights and interests of the company and all stakeholders. Additionally, the company has taken out directors and officers liability insurance for all directors to mitigate potential legal risks arising from their duties, thereby strengthening corporate governance and risk management mechanisms.

■ **KGIF Corporate Governance Framework** (Effective date: July 1, 2024)



## 2.1.1 Board of Directors Structure

### Election Process, Diversity, and Independence

The term of directors is 3 years and adopts a "Candidates Nomination System." Candidates are nominated for directors in accordance with the " Articles of Incorporation" and "Procedure for Election of Directors," which shall be approved by the Board of Directors and elected at the Shareholders' Meeting.

To promote the sound development of the structure and functions of the Board of Directors, the "Corporate Governance Best Practice Principles" stipulates that the members of the Board of Directors should consider diversity and the independence of directors. The election and appointment of directors shall take into consideration the Company's operations, operation patterns, development needs, and response capacity for coping with impacts. Apart from prudently examining the directors with popular and necessary knowledge, skills, and qualities (including operation judgment capacity, accounting and financial analysis capacity, operation management capacity, crisis handling capacity, industry knowledge, international market insight, leadership, decision-making capacity, and risk management knowledge and capacity) for executing the duties, the seats of directors taking concurrent position as the Company's managers, basic criteria of director members (such as gender, age, nationality, culture, and race), professional knowledge and skills, and experience in economic, environmental and social topics, and shareholders' opinions, are also taken into considerations. At the same time, in order to ensure that independent directors can exercise their powers objectively, the term of independent directors should not exceed three consecutive terms.

The 8th term of the Board of Directors of the Company runs from June 17, 2022, to June 16, 2025. The current Board consists of 9 directors, including 3 directors and 1 natural-person director. Among these directors, there are 2 foreign nationals, with an average age of 63 years and an average tenure of 5.2 years. In consideration of the independence of the Board of Directors, the proportion of independent directors is set at one-third, with consecutive terms not exceeding three terms. There is one director who serves as a manager (not exceeding one-third), and there are no familial relationships among directors within the second degree of kinship, including spouses. To implement the diversity policy, the backgrounds and professional experiences of the board members also align with the Company's diversity objectives. For further details, please refer to the 2024 Annual Shareholders' Meeting Report (Section 2: Corporate Governance Report / Item 1: Directors, President, Vice President, Assistant Managers, Heads of Departments, Branches, and Consultants Information / [2] Director Information [2]).

The Company will hold the election of its 9th Board of Directors at the 2025 Annual General Shareholders' Meeting. When considering candidates for the Board, the Company will carefully assess the diversity of Board composition and the independence of nominees. Specific diversity goals will be further enhanced, such as designating female directors as essential members of the Board. Candidates will be elected by shareholders following approval by the Board of Directors. The nomination and election process will be conducted in a fair, open, and impartial manner, in accordance with the Company's Articles of Incorporation and Procedure for Election of Directors. For details on the implementation of Board diversity for the 9th term, please refer to the Company's official website: Sustainable Development / Corporate Governance / Board of Directors / Board Competency and Diversity Policy & Implementation and Independence Statement.

In consideration of gender diversity and to enhance female participation in corporate governance and operational decision-making, the Company continues to recruit qualified and outstanding female professionals to join the Boards of Directors of the Company and its subsidiaries in accordance with the principle of diversity.

**■ Gender Ratio of Directors in the Company and Its Subsidiaries**

Effective date: March 31, 2025

| | KGIF | KGI Life | KGIB | KGIS | CDIB Capital | KGI SITE |
|---|---|---|---|---|---|---|
| Board M:F Ratio | 9:0 | 6:3 | 6:3 | 6:2 | 5:3 | 2:3 |

### Avoidance of Conflict of Interest

The Company's "Board Meeting Rules" stipulate the directors having conflict of interests in relation to the meeting agenda, the directors or the legal entity represented, shall explain the material content of conflict of interest at the Board of Directors meeting. In case the conflict of interest jeopardizes the company's interests, the directors may not join the discussion and voting and shall avoid presence during discussion and voting. Such directors may not act as proxy for other directors in the exercise of voting rights. To prevent conflicts of interest, the proposing unit shall review each proposal submitted to the Board of Directors and the Board Secretary's Office to determine whether any directors have a vested interest in the matters at hand. During discussions of proposals involving directors with a vested interest, the Chairperson or presiding officer will remind the relevant directors to recuse themselves from the meeting. Directors are expected to comply with this requirement. Additionally, certain proposals, in accordance with legal regulations, will also be reported to or discussed at the shareholders' meeting to ensure maximum benefit for stakeholders.

Furthermore, to implement the management of part-time directors, the Company's "Corporate Governance Best Practice Principles" and "Guidelines for Concurrent Serving of Chairman, President, and Directors" require that Directors' part-time jobs should be handled in accordance with relevant regulations. Independent directors should not serve as directors or supervisors concurrently in more than four listed companies at the same time, and no more than three independent directors at other listed companies.

For information regarding the concurrent positions of directors and shareholding status, please refer to the Company's 2024 Annual Shareholders' Meeting Report (Section 2: Corporate Governance Report / Item 1: Directors, President, Vice President, Assistant Managers, Heads of Departments, Branches, and Consultants Information / [1] Director Information [1]).

## ■ Board Members

Effective date: March 31, 2025

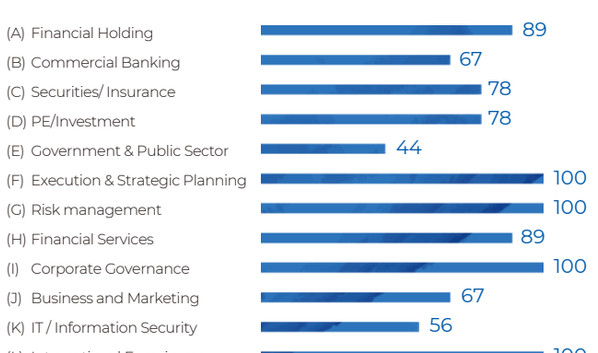
| Title(Note1) | Name | Tenure (Year) | Nationality | Gender | Age | Director Competence(Note 2) | | | | | | | | | | | | Functional Committee | | | | | | | Concurrently holds positions in other companies(Note3) No more than 4 companies | Independence of external director(Note4) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Financial Industry | | | Others | | Professional Knowledge / Skills | | | | | | | Audit | Compensation | Sustainability | Risk management | Ethical Corporate Management | Nomination & Performance | Business Development, & Major Capital Expenditure | | |
| | | | | | | A | B | C | D | E | F | G | H | I | J | K | L | | | | | | | | | |
| Chairman | Alan Wang | 6.4 | R.O.C. | M | 61~70 | ● | ● | ● | ● | | ● | ● | ● | ● | ● | ● | ● | | | ● | ● | | | | ● | ● |
| Vice Chairman | Jong-Chin Shen | 0.8 | R.O.C. | M | ≥ 71 | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | | | ● | ● | | | | ● | ● |
| President | Paul Yang | 15.9 | R.O.C. | M | 51~60 | ● | ● | ● | ● | | ● | ● | ● | ● | ● | | ● | | | | | ● | ● | ● | ● | not applicable |
| Director | Stefano Paolo Bertamini | 4.4 | U.S.A. | M | 61~70 | ● | ● | ● | ● | | ● | ● | ● | ● | ● | ● | ● | | | | | | | ● | ● | |
| Director | Lionel de Saint-Ex-upéry | 5.5 | France | M | 51~60 | ● | | ● | ● | | ● | ● | ● | ● | | | ● | | | | | | ● | ● | ● | |
| Director | Hung-Yi Hsiao | 2.8 | R.O.C. | M | 51~60 | | | | | ● | ● | ● | ● | ● | ● | ● | ● | | | | | | | | ● | ● |
| Independent Director | Tyzz-Jiun Duh | 5.8 | R.O.C. | M | 61~70 | ● | | | ● | ● | ● | ● | | ● | | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Independent Director | Shih-Chieh Chang | 2.8 | R.O.C. | M | 61~70 | ● | ● | ● | | ● | ● | ● | ● | ● | ● | | ● | ● | ● | ● | ● | ● | | ● | ● | ● |
| Independent Director | Wei Chung | 2.8 | R.O.C. | M | 61~70 | ● | ● | ● | ● | | ● | ● | ● | ● | | | ● | ● | ● | ● | ● | ● | | | ● | ● |
| Proportion of Directors with Relevant Competences (%) | | | | | | 89 | 67 | 78 | 78 | 44 | 100 | 100 | 89 | 100 | 67 | 56 | 100 | | | | | | | | | |

## ■ Distribution of Board Members (Unit: person)

- Nationals 7
- Non-Nationals 2

- Age 51~60 3
- Age 61~70 5
- Age ≥71 1

## ■ Proportion of Directors with Relevant Competences (%)




Note: 1. In addition to their functional expertise: (A: Financial Holding Company, B: Commercial Banking, C: Securities/Insurance), Others (D: PE/VC Investment, E: Government & Public Sector); Professional Knowledge/Skills (F: Execution & Strategic Planning, G: Risk Management, H: Financial Services, I: Corporate Governance, J: Business and Marketing, K: IT/Information Security, L: International Experience),. Independent Director Shih-Chieh Chang holds the professional qualification of Associate Actuary from the Actuarial Institute of Chinese Taipei, while Independent Director Wei Chung is a CPA. For further details regarding the professional qualifications, primary expertise, and experience of the directors, please refer to the Company's 2024 Annual Shareholders' Meeting Report: Section 2: Corporate Governance Report / Item 1: Directors, President, Vice President, Assistant Managers, Heads of Departments, Branches, and Consultants Information / [2] Director Information [2] / 1. Disclosure of Directors' Professional Qualifications and Independence of Independent Directors.

2. Concurrently serving in other company positions means serving as a director (including independent director) or supervisor of a TWSE/TPEx listed company; are in compliance with relevant laws and regulations

3. The independence of external directors is determined based on the definition of independent directors in the S&P DJSI. Directors must meet at least 4 out of the following 9 criteria, with at least 2 out of the first 3 criteria. According to this definition, the Company has 6 independent directors, including the Chairman and Vice Chairman who are also non-executive directors and independent directors. (Please refer to the 2024 Shareholders' Meeting Annual Report for the standards adopted by local regulations)

(1) The director must not have been employed by the company in an executive capacity within the last year.
(2) The director must not accept or have a family member who accepts any payments from the Company or any subsidiary of the Company in excess of US$60,000 during the past fiscal year, other than those permitted by SEC Rule 4200 Definitions.
(3) The director must not be a family member of an individual who is employed by the Company or any subsidiary of the Company as an executive officer.
(4) The director must not be an adviser or consultant to the Company or a member of the Company's senior management, and must not be affiliated with the company.
(5) The director must not be affiliated with a significant customer or supplier of the Company.
(6) The director does not have a service contract relationship with the company and its management, nor is he a member of the senior management team..
(7) The director must not be affiliated with a not-for-profit entity that receives significant contributions from the Company.
(8) The director must not have been a partner or employee of the Company's outside auditor during the past year.
(9) The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent.

4. Director Paul Yang (President) is an internal director; therefore, the criteria for the independence of external directors mentioned above do not apply.

## 2.1.2 Board Operation

### Board of Directors Operation Performance

Board of Directors meeting is convened at least once every quarter. A total of 17 Board of Directors meetings were convened in 2024, with an average attendance of 93% for personal attendance by directors.

KGIF's "Board of Directors Performance Self-evaluation Questionnaire" and "Board of Directors Member Self-evaluation Questionnaire" include the level of activeness of directors attending the Board of Directors meeting in the assessment of performance (less than 70%-1/needs improvement; 70%-2/acceptable; 80%-3/fair; 85%-4/ good; 90%-5/excellent). The director remuneration will be affected if the actual attendance rate fails to meet the standard rate, and therefore the actual attendance rate by directors has reached at least 80%. The operation and functioning of the Board of Directors are carried out in accordance with legal requirements and are disclosed in the Company's Shareholders' Meeting Annual Report (Section 2: Corporate Governance Report / Section 3: Corporate Governance Operations / (1) Board of Directors Operations).

### Functional Committee Operations

To enhance the quality of board decision-making, strengthen corporate governance, and improve the functions of the Board of Directors, the KGIF has established seven Functional Committees under the Board of Directors. These committees include the Audit Committee, Compensation Committee, Sustainability Committee, Risk Management Committee, Ethical Corporate Management Committee, Nomination and Performance Evaluation Committee, and Business Development, Investment and Major Capital Expenditure Committee. The Board of Directors aims to use these fully equipped Functional Committees to assist in the deliberation of important agenda items related to the economy, environment, society, risk, ethical corporate management, business development strategies, significant equity investments, capital expenditures, and expense-related projects.

### ▪ 2024 Operations

| Committee | Composition Requirements | Independent Director Ratio (%) | Primary Responsibilitiesnote | No. of Meetings Held | Average Attendance Rate (%) |
|---|---|---|---|---|---|
| Audit Committee | Composed entirely of independent directors, with no fewer than three members. | 100 | · Establish or amend internal control systems and assess their effectiveness.<br>· Review capital raising, issuance, or private placement of equity-type securities, and significant asset or derivatives transactions.<br>· Appoint or dismiss, and determine the remuneration of, certified public accountants as well as heads of finance, accounting, or internal audit.<br>· Review of financial reports, business reports, distribution of earnings, or allocation of losses.<br>· Review matters involving the interests of the directors.<br>· Review merger and acquisition proposals. | 12 | 100 |
| Remuneration Committee | Appointed by resolution of the Board of Directors, with no fewer than three members; a majority must be independent directors. | 100 | · Establishing and periodically reviewing the policy, system, standards, and structure of the performance evaluation and remuneration of Board Directors and the managers.<br>· Periodically assessing and setting the remuneration contents and structure of directors and managers. | 10 | 100 |
| Sustainability Committee | Appointed by resolution of the Board of Directors, with no fewer than three members, and including at least one director. | 60 | · Formulation and execution of the annual sustainability development plan, strategies, projects, and activity plans, as well as tracking and reviewing their effectiveness.<br>· Supervise sustainability information disclosure and review the ESG report. | 1 | 100 |
| Risk Management Committee | At least three directors shall be appointed by the Board of Directors, with more than half of them being independent directors. | 60 | · Supervise the establishment of the Company's risk management system framework and oversee the execution of overall risk management.<br>· Regularly review risk management reports for the Company and its subsidiaries.<br>· Rovide regular reports to the Board of Directors on the risk management execution status of the Company and its subsidiaries, along with improvement recommendations. | 4 | 100 |
| Ethical Corporate Management Committee | The committee shall consist of five to seven members, nominated by the Chairman and appointed by the Board of Directors. At least half of the members must be independent directors of the Company or its subsidiaries. | 75 | · Establish measures to prevent fraudulent activities related to ethical corporate management, as well as operational procedures and conduct guidelines.<br>· Supervise business activities with higher risks of unethical behavior within the Company, regularly analyze risks of unethical conduct, and assess the effectiveness of related preventive measures.<br>· Promote and coordinate integrity policy training and awareness programs.<br>· Ensure the effectiveness of the whistleblower system.<br>· Provide annual reports to the Board of Directors on the implementation of ethical corporate management. | 5 | 100 |
| Nomination and Performance Evaluation Committee | Composed of three to five directors appointed by the Board of Directors, with no less than one-third being independent directors. | 40 | · Nominate directors of the Company.<br>· Review and nominate candidates for directors and supervisors of subsidiaries, and review and recommend candidates for Chairman, Vice Chairman, and President of subsidiaries.<br>· Review the nominated candidates for the Company's President and senior executives.<br>· Re-audit the annual performance of the Chairman, Vice Chairman, and President of the Company and subsidiaries, as well as the Company's senior executives.<br>· Audit the succession plan for President and departmental heads | 5 | 93 |
| Business Development, Investment and Major Capital Expenditure Committee | Composed of three to five directors appointed by the Board of Directors, with no less than one-third being independent directors. | 60 | · Review and periodically assess business objectives and medium- to long-term development strategies.<br>· Review matters with significant impact on shareholders' rights and interests.<br>· Review major equity investments, capital expenditures, and expense-related projects. | 8 | 93 |

## Board of Directors Performance Evaluation

To implement sound corporate governance and enhance Board effectiveness, the Company has established the Board Performance Evaluation Guidelines. Performance goals are set to improve Board efficiency, and internal performance evaluations are conducted annually for the Board of Directors, individual board members, and functional committees. ESG-related performance indicators are also included in the evaluation criteria. In addition, an external performance evaluation of the Board is conducted once every three years by an independent professional institution or external expert.

The results of the 2024 internal board performance evaluation were reported to the Board of Directors on January 20, 2025. Self-evaluation scores across all dimensions ranged from 4.67 to 5, falling into the categories of "Good (4)" or "Excellent (5)," indicating that the board operates effectively and fulfills its duties in corporate governance, business operations, and corporate sustainability.

In addition, the Company commissioned EY Business Advisory Services Inc. in August 2023 to conduct an external board performance evaluation. The assessment focused on three key dimensions: Board and Functional Committee Structure, People, and Process and Information. The evaluation was conducted through director/committee member interviews, self-assessment questionnaires, and document reviews. According to the comprehensive evaluation by the external experts, the Company's performance in the three dimensions was rated as follows: "Benchmark" for Structure, "Advanced" for People, and "Benchmark" for Process and Information. The evaluation results were reported to the Board of Directors on November 20, 2023.

The internal and external performance evaluation results of the Board of Directors have been disclosed on the official website and in the 2024 Annual Shareholders' Meeting Report (Section 2: Corporate Governance Report / Section 3: Corporate Governance Operations / [1] Board of Directors Operations). Based on the evaluation results and the optimization recommendations provided by the external independent institution, the Company has reviewed and implemented enhancement measures to continuously strengthen board effectiveness and improve its corporate governance practices.

## Training for Board Members

To improve the professional competence of the Board directors, the Company considers external corporate governance practice trends, company business development needs and Board professional functions, offering continuing education courses for the Board. The topics may cover corporate governance related to finance, risk management (including information security), sales, commerce, accounting, legal & compliance, anti-money laundering, counter-cyber terrorism, ESG, internal control system or financial reporting accountability. The Company invites experts and scholars in related fields to serve as lecturers. Furthermore, we develop individualized training plans for directors and regularly provide information on diverse training courses or seminars offered by external professional organizations, assisting directors with registration. Over time, we have successfully increased total board training hours beyond regulatory requirements.

In 2024, the total training hours for the board of directors amounted to 139.5 hours (with non-executive directors accounting for 119.5 hours), averaging 15.5 hours per director. Each director completed at least 6 hours of ESG-related sustainability training, exceeding the recommended training hours stipulated by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies." The Company also organized an in-house corporate governance and sustainability course titled "Analysis of Common Deficiencies and Penalty Cases in the Financial Industry and Prevention of Sexual Harassment," inviting external speakers to share insights on financial regulations, customer fair treatment principles, the Sexual Harassment Prevention Act, and the Act of Gender Equality in Employment. For details on training topics and hours, please refer to the 2024 Shareholders' Meeting Annual Report (Section 2: Corporate Governance Report / Section 3: Status of Corporate Governance Operations / [4] Corporate Governance Operations and its Differences and Reasons Compared to the Code of Practice for Corporate Governance of Financial Holding Companies / Schedule: "Training in 2024").

## 2.1.3 Sustainability Governance Structure

With the growing trend of global sustainability, the Financial Supervision Commission (FSC) successively launched the "Green Finance 3.0 Action Plan," "Corporate Governance 3.0 - Blueprint for Sustainable Development," and "Roadmap for the Sustainable Development of TWSE/TPEx listed Companies" in order to actively respond to various government regulations.

The Company's policy goal is to "actively engage in public affairs and promote the balance and sustainable development of the economy, society, and environmental ecology in the practice of corporate social responsibility." To achieve this, the Company has established a Sustainability Committee at the Board level, which oversees six task forces: Corporate Governance, Social Welfare, Environmental Sustainability, Responsible Finance, Client Relations, and Employee Wellbeing. The company's directors serve as committee members (including three independent directors). Seniors under CEO serve as team leaders. Led by Chief Sustainability Officer (CSO), each working group (WG)leader is responsible for proposing and executing the annual action plans related to ESG issues.

When developing ESG-related plans, each WG will collect the opinions of internal and external stakeholders through questionnaires, and identify ESG material issues as the basis for the annual sustainability action plans. Meanwhile, the corporate shareholders of the Company also conduct exchange and audit on the economic, environmental and social (ESG) agenda focused through director representatives, BOD or Sustainability Committee meetings. The Sustainability Committee will regularly report to the BOD for the annual work plan and execution status of all work groups, so that the Company's "Sustainability Committee" can follow accordingly for operations. The BOD adopted the formulation of "Charter of Sustainability Committee."

In 2024, the Sustainability Committee held four meetings. In accordance with the Company's Sustainability Committee Organization Regulations, the committee reviewed and reported on important annual sustainability development issues to the Board of Directors, including: reports on the implementation status of the work plans for the year 2023 and the first half of 2024, SBTi target setting, the 2023 Climate and Nature-Related Report, signing the TNFD support statement, 2024 and 2025 sustainability development work plans, the 2023 ESG Report, the IFRS Sustainability Disclosure Standards implementation plan and progress schedule, among other proposals. In 2024, the Company established the "Sustainable Information Management Guidelines." The Company's sustainability report is compiled by the Operations and Sustainable Development Department, which collects and compiles data, then confirming it with by the leaders of each task force. The resulting report is verified by a third-party body and submitted to the Sustainability Committee and the Board of Directors for approval.

### Operation Mode

■ **Organizational Structure of the Sustainability Committee**

Data dated: December 31, 2024

## 2.1.4 Remuneration Policy

The Company has established the Remuneration Committee to be primarily in charge of establishing and periodically reviewing the policy, system, standards, and structure of the performance evaluation and remuneration for directors (including the Chairman and Vice Chairman) and managers. The committee also periodically assesses and sets the remuneration contents and structure of Board of Directors (including the Chairman and Vice Chairman) and the managers.

### Director Remuneration Policy

According to the "Articles of Incorporation, the Company shall set aside no more than 1% of its annual profit, if any, for directors' remuneration. The percentage of directors' compensation and total amount shall be submitted to the Compensation Committee and the BOD for approval prior to the annual shareholders' meeting, and distributed after the meeting. The directors' remuneration is allocated with reference to the director's duties, degree of involvement in and contribution to the operations of the Company, and whether there is a violation of legal obligations or laws is taken into consideration, as well as the results of a comprehensive assessment of the directors' individual performance. The independent directors of the Company are remunerated on a fixed-rate basis and do not participate in the annual distribution of directors' remuneration as provided in the Articles of Incorporation.

The directors of the company (not in concurrent position as the directors and the managers of KGIF and its subsidiaries) receive a fixed monthly remuneration, and if they concurrently serve on the functional committee, the remuneration of the functional committee members will be paid on a monthly basis. However, if the director of the company is an executive of the Company or its subsidiary, he or she shall not receive the director's remuneration and functional committee remuneration.

In addition, if a director attends the BOD and functional committees in person, an additional attendance fee will be paid on a case-by-case basis. Nonetheless, if the Company's or subsidiary's executive serves as the member of the functional committees, the attendance fees for functional committees will not be distributed.

Directors who hold positions as managers in the Company or its subsidiaries are compensated by their respective companies in accordance with their regulations. Remuneration includes a monthly salary, as well as other cash rewards, stocks, retirement benefits or severance pay, various allowances, and other significant incentive measures. Additionally, there are long-term incentives, such as restricted stock rights for employees, which are subject to vesting based on the achievement of certain performance criteria and are tied to future stock prices, thereby aligning interests and sharing business risks with the Company. The Chairman, General Manager, and managers have established long-term financial key performance indicators that are closely tied to long-term incentives.

1. The Chairman and CEO have established long-term financial key performance indicators associated with long-term incentives for 2027. These indicators include earnings per share, total assets, wealth management asset scale, total shareholder return, and dividend payout ratio.
2. Managers Performance Indicators

| Type of Indicator | Percentage (%) | Indicator(s) |
|---|---|---|
| Financial Aspect | 30%~75% | Including the return on equity, **net income target***, earnings per share, assets under management, **other comprehensive income***, and relevant financial indicators for each department. |
| Non-financial Aspect | 10%~55% | Include business operations and management of each department, digitization and process innovation, employee satisfaction, talent development, relevant customer indicators, and corporate sustainability (reducing carbon emissions in operations, investment and financing, and green investments), as well as optimizing service quality, enhancing the convenience of digital finance services, and cultivating diverse talents, all of which are connected to the ESG material topics. |
| Control and Governance Aspect | 15%~25% | Include internal control, risk management, compliance, information security, and their connection to major ESG material topics such as privacy and personal data protection, corporate governance and ethical corporate management, risk management, and sustainable operation. |

Note: Relative Financial Metrics /indicators.

### CEO and Executive Compensation Structure

When recruiting or retaining exceptional managers, the Company takes into account several important factors, including job responsibilities, personal experience, and market conditions related to salary and location.

Variable compensation, in addition to considering overall company performance and individual performance, also takes into account industry remuneration benchmarks and emphasizes alignment with the Company's long-term business performance and shareholder interests. This long-term incentive policy is strongly tied to both personal performance and company stock price, and must be reviewed and approved by the Remuneration Committee and the Board of Directors. It encourages employees to hold company shares for the long term and aligns managers with the Company's future business risks. Therefore, the incentive plan includes deferred stock and restricted stock awards with **clawback mechanisms***, where the value is closely tied to future stock performance. This structure aims to create a winning outcome for the Company, employees, and shareholders, allowing them to share in the Company's profit outcomes. The intention is to ensure that managers comply with regulations and do not pursue excessive returns by exceeding the Company's risk appetite, in line with corporate governance and sustainable management responsibilities.

Note: In the event of significant violations of laws and regulations, breaches of contracts, or major internal disciplinary actions, the issuance of bonuses may be affected, resulting in potential reductions, withholding, or clawback.

The performance of executives is assessed using comprehensive evaluation criteria that encompass financial and non-financial aspects, risk management, compliance, and information security. These criteria are also aligned with key ESG issues to ensure that managers actively promote sustainable business practices:

1. CEO's Variable Compensation: Consists of stock-based incentives, including stock trusts, employee stock options, and long-term incentive shares. These are 100% equity-based rewards, fully tied to the Company's operational performance, and entirely subject to deferral mechanisms.

**▪ Proportion of Fixed and Variable Remuneration** Unit: %

| Fixed | Variable |
|---|---|
| 31 | 69 |

**▪ Proportion of Variable Remuneration: Cash vs. Stock** Unit: %

| Cash Rewards | Stock Incentives |
|---|---|
| - | 100 |

Note: The value of the stock for variable compensation is estimated based on the average closing price (NT$17.27 per share) during January to April 2025.

2. Variable Compensation of Executives:

(1) The long-term incentive plan allocated in 2021 is for a period of up to six years and is based on the restricted stock rights for employees issued by the Company in 2021 (with a three-year performance measurement period, vested over three years thereafter). As of December 31, 2023, the performance achievement rate for the measurement period was 76.8%, and the shares meeting the vesting conditions were distributed on July 1, 2024.

(2) Deferred cash and deferred stock plan with a deferment period of 3 years: The Company has implemented an annual performance bonus policy that requires a portion of the bonus exceeding a certain amount to be deferred. The deferred amount is held as managerial self-benefit trust shares, and the deferment ratio ranges from 20% to 65%.

(3) CEO's Remuneration (Note 1):

| Comparison of the President's Total Remuneration to Other Employees' Annual Total Compensation | 2024 |
|---|---|
| The President's Total Remuneration is a Multiple of the median of other Employees' Annual Total Compensation (Note 2) | 88 |
| The President's Annual Total Compensation is a Multiple of the Mean of other Employees' Annual Total Compensation (Note 3) | 64 |

Note 1 Employee stock option certificates and long-term incentive stock rewards are not included as their achievement rates or execution prices cannot be predicted.
Note 2 President's annual total compensation / Median annual total compensation of all employees (excluding the President).
Note 3 President's annual total compensation / Mean annual total compensation of all employees (excluding the President).

| Type | Bonus Allocation Stock Amount Relative to Base Salary Ratio (Times) | Proportion of Taiwanese Senior Managers' Stock Holdings Value to Base Salary (Times) |
|---|---|---|
| CEO | 51.0 | 62.7 |
| Other Executives Excluding CEO | 1.1 | 3.9 |

Note: 1. The above reward items are effectively linked to employee and company performance as well as individual rewards, while also incorporating talent retention and risk control mechanisms.
2. The Company stock held by the executives includes the number of self-owned shares (according to the agreement, and purchase a certain amount of the Company's stock with their own funds and continue to own it, without pledge creation), employee stock ownership trust, and new shares with restricted stock unit (RSU) for employees that have been allocated but not yet obtained. In addition, the shares held do not link to derivative financial instruments. The number of shares and the reference date for the stock price are based on the closing price on 2024/3/31.

# 2.2 Risk Management

## 2.2.1 Risk-Management Framework and Policy

### Risk Management Framework

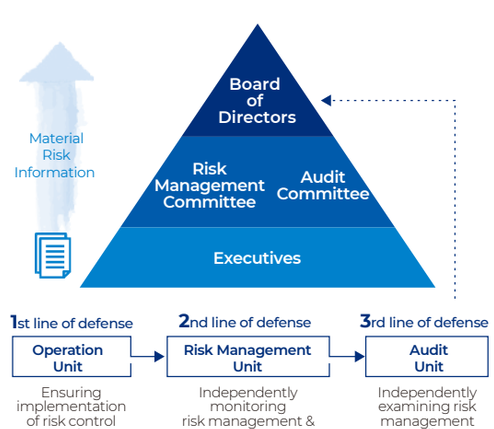
The Company has established comprehensive risk management framework and policies, including risk governance, risk identification and measurement, risk supervision and control, and risk reporting and monitoring, in order to manage various risks. The risk appetite indicators and tolerance levels are set in accordance with the strategic objectives. The Company is committed to creating value via prudent management, taking into account the interests of shareholders, customers, supervisory authorities, and social responsibilities, and the Company will continue to increase the value of the Company through promoting a systematic risk culture.

### Risk Governance Organization

The Board of Directors is responsible for supervising the Company to establish an appropriate risk management structure and culture, ensuring the efficacy of risk management practices, and reviewing key risk control information. The Board also takes the ultimate responsibility of risk management.

The Risk Management Committee should convene every quarter to review quarterly risk management reports and related issues in risk management and oversee the overall execution of risk management, and reports to the Board of Directors on a regular basis.

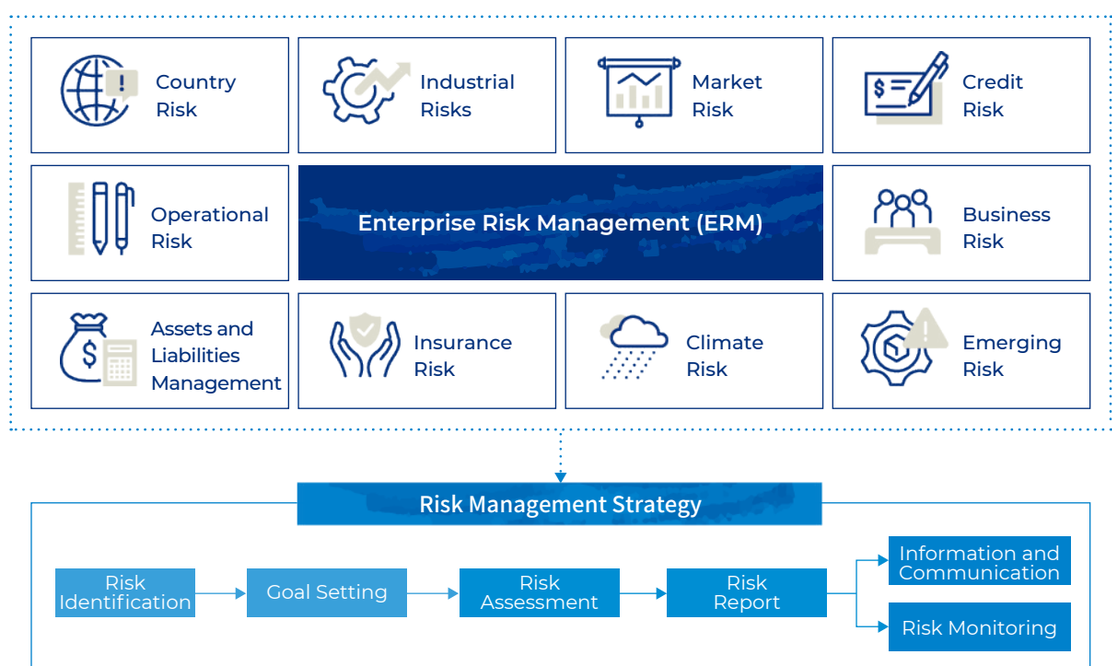
To achieve independent and effective management of risk levels, the Company and its subsidiaries have established independent risk management units. These units are responsible for developing and implementing the overall risk management framework for the Group, as well as formulating risk management policies and related regulations. The Company's Department of Risk Management is responsible for overseeing subsidiaries in establishing and adhering to risk management systems, monitoring the appropriateness of risk exposure, and the effectiveness of risk control mechanisms. Additionally, it provides overall risk management information to the Company's senior executives, Risk Management Committee, and Board of Directors. The Company's Chief Risk Officer (CRO) is a senior executive at the vice president level or above, responsible for overseeing risk management affairs. For material risk exposures or sudden material risk events, the CRO reports to the Company's Risk Management Committee and Board of Directors.




The Company's risk management follows a three-line framework. The operating units (the first line of defense) are responsible for identifying, managing, and responding to operational risks within their jurisdiction. They also ensure the effective implementation of relevant risk management and control procedures in accordance with this policy and the Company's risk management regulations. The second line of defense is responsible for the planning and management of the Company's risk management system by an independent risk management unit. Supervising subsidiary companies to establish and adhere to risk management, monitoring the adequacy of risk exposure, and the effectiveness of risk control mechanisms, and providing senior executives (including the Risk Management Committee) and the Board of Directors with the comprehensive risk management information they require. The third line of defense is the internal audit unit, which annually audits the establishment of various risk mechanisms and verifies compliance and execution of these mechanisms.

## Scope of Risk Management

The risk management scope KGI Financial and its subsidiaries encompasses various sectors, including life insurance, banking, securities, venture capital, asset management, and investment trusts. In accordance with regulatory requirements from authorities, domestic and international risk management practices in the financial industry, and the Company's Risk Management Policy, we establish corresponding risk management standards based on the business operations and environmental needs. We use appropriate techniques to measure various risks and assess potential losses and their correlations. In order to address climate change risks, we have also implemented identification and evaluation mechanisms and regularly conduct scenario analyses to assess the financial impact on the company's overall operations and business. The main categories of risks are as follows:



The Company conducts regular monitoring of the following risk management areas and provides quarterly reports to the Risk Management Committee and the Board of Directors.

## ■ Enterprise risk management (ERM)

| Risk Type | Risk Measurement | Risk Appetite /Tolerance Level | Monitoring/Reporting |
|---|---|---|---|
| Credit Risk | Credit risk is assessed using indicators such as probability of default, loss given default, exposure amount, and credit rating to determine expected loss and risk capital.<br>In terms of risk management, in addition to implementing credit limits for each type of exposure on a household basis, we also strengthen early warning mechanisms to identify indications of worsening financial and credit conditions of counterparties. | · The credit risk limits are reviewed by the Company's Risk Management Committee and implemented upon approval by the Board of Directors. The appropriateness of these limits is assessed annually.<br>· The limit is determined based on a specific ratio of net asset value.<br>· The level of risk is indicated by a three-stage risk signal (red, yellow, green).<br>· The early warning mechanism will categorize individuals with high and medium risks and a total exposure amount above a certain threshold into the notification list. It will also develop action plans based on a 3-tier risk classification (high, medium, low). | · Risk Monitoring<br>- Concentration risk management: Regular assessment of single entities/single groups, high-risk groups, high-risk industries, and country risks.<br>- National risk: Tracking macroeconomic and national exposure trends, monitoring concentration limits, sovereign ratings, changes in CDS spread, and the impact of regional risks. It also includes establishing preventive control measures for national risk.<br>- High-risk industries: Conduct qualitative and quantitative analyses of industry trends to ensure the comprehensiveness and applicability of the high-risk industry list through discussions in industry meetings, while establishing monitoring standards.<br>- Asset quality: Create a list of assets that pose a high credit risk and establish monitoring ratios.<br>- Early warning mechanism: Regular monitoring of early warning indicators for fixed income investments and financial business to detect potential increases in credit risk as early as possible.<br>· Risk and Return<br>- Quarterly monitoring results are reported to the Risk Management Committee and the Board of Directors - The risk management unit periodically (at least once a year) conducts credit risk stress testing scenarios and reports the results to the Risk Management Committee.<br>- Immediate reporting of significant business risk events |
| Market Risk | Market risk is measured by analyzing the sensitivity of position value changes to individual risk factors (such as interest rates, exchange rates, equity securities, credit spreads, and volatility) based on holding position costs, nominal principal, or statistical estimates of potential loss amounts (such as Value-at-Risk). This assesses the current or potential market risk exposure of trading positions. Additionally, stress testing is used to evaluate the impact on position profits and losses under extreme market conditions. | · The Risk Management Committee of the company can consider risk appetite and establish the market risk warning indicators for the overall trading positions of the group.<br>· Ratio of market risk economic capital to Company's net worth.<br>· Establishing market risk economic capital as a warning indicator as a proportion of the Company's net worth. | · Risk Monitoring<br>- The Value-at-Risk and market risk economic capital of financial instrument positions held for short-term trading purposes are monitored.<br>- The MSCI Risk Metrics® Risk Manager market risk management system takes into account the correlation and risk offset effects to calculate the VaR of KGI Financial and its subsidiaries' trading positions or overall investment portfolios. This system implements a consistent quantitative management model.<br>- Regular monitoring and utilization of alert indicators.<br>- Conduct stress tests and sensitivity analysis on a regular basis.<br>· Risk and Return<br>- The monitoring and calculation results will be reported to the Risk Management Committee and the Board of Directors on a quarterly basis. |

(Continue)

| Risk Type | Risk Measurement | Risk Appetite /Tolerance Level | Monitoring/Reporting |
|---|---|---|---|
| Operational Risk | The operational risk management unit utilizes various tools, such as operational risk event reporting (LE), RCSA, and KRI (implemented in applicable subsidiaries). | · Set an operational risk loss ratio to monitor and ensure that the cumulative annual operational risk losses remain within the tolerable ratio of the annual net income.<br>· Monitor and track abnormal situations of key operational risk indicators on a monthly basis. | · Risk Monitoring<br>- Monitor the frequency and loss of operational risk events.<br>· Risk and Return<br>- The monitoring and calculation results will be reported to the Risk Management Committee and the Board of Directors on a quarterly basis<br>- Immediate reporting of significant operational risk events |
| Business Risk | Regularly review and monitor 10 aspects of operational risk indicators detection, including capital adequacy, asset quality, management capability, profitability, liquidity, sources of profit, foreign exposure, investment positions, off-balance sheet items, and public petitions. | · Monitoring the degree of risk tolerance using a three-level risk signal system (red, yellow, green).<br>· Establish the risk appetite for each aspect as follows:<br>(1) Capital adequacy - The capital adequacy of the Company and its significant subsidiaries in the banking, insurance, and securities sectors.<br>(2) Asset quality - The overdue loan ratio of the bank subsidiary.<br>(3) Management capability - This refers to the Company's Corporate Governance Evaluation ranking, as well as any fines or significant penalties imposed on the Group by competent authorities.<br>(4) Profitability - The Company's profitability is measured by the budget achievement rate and the degree of change compared to the same period of the previous year.<br>(5) Profit sources - The accumulated profit growth rate of significant subsidiaries such as banking, insurance, securities, and venture capital compared to the same period of the previous year; focusing on business segments with rapid profit growth, understanding their operational models, and assessing potential impacts on operational risk and consumer protection.<br>(6) Liquidity - Debt-to-equity ratio and unused credit line-to-total credit line ratio.<br>(7) Foreign exposure - The ratio of non-investment grade country risk exposure to net worth, as well as the ratio of balances with related parties in Mainland China to net worth.<br>(8) Investment positions - The ratio of investments in high-risk industries, and venture capital investments exposure to the net asset value. It also considers whether the Company has experienced investment defaults or has invested in high-risk targets.<br>(9) Off-balance sheet items - The Company engages in asset acquisitions, assumption of liabilities, investment transactions, and non-traditional reinsurance cases through trusts, investments in private equity funds, and SPVs.<br>(10) Public petitions - Number of significant customer complaint cases. | · Risk Monitoring<br>- Each detection indicator is regularly reviewed and monitored by the respective units within the Company, in accordance with their designated responsibilities and authority<br>· Risk and Return<br>- The results of operating risk detection based on quantitative indicators for the Company and its major subsidiaries in banking, insurance, and securities are reported quarterly to the Risk Management Committee and the Board of Directors<br>- The qualitative assessments or quantitative detection results for other subsidiaries (non-banking, insurance, or securities) are reported yearly to the Risk Management Committee and the Board of Directors. |
| Assets and Liabilities Management Risk | Asset and liability risk refers to the risk that arises from the inconsistency in the value changes of assets and liabilities. This risk is primarily assessed and monitored through gap analysis and other methods. The Company also oversees its subsidiaries to establish suitable management mechanisms tailored to their business characteristics, operating scale, risk attributes, and management requirements. This enables the identification, measurement, supervision, and control of asset and liability risk. | · Monitor the liquidity risk and ratio risk management of KGIF and subsidiaries, including the risk of adverse impact from factors such as asset allocation, duration gaps, and changes in the value of assets and liabilities. | · Risk Monitoring<br>- Monitor the liquidity risk and ratio risk management of KGI Financial and subsidiaries.<br>· Risk and Return<br>- The monitoring and calculation results will be reported to the Risk Management Committee and the Board of Directors on a quarterly basis |

(Continue)

| Risk Type | Risk Measurement | Risk Appetite /Tolerance Level | Monitoring/Reporting |
|---|---|---|---|
| Insurance Risk | Insurance risk refers to the risk that an insurance company assumes after collecting insurance premiums and transferring the risk from the insured. It is the risk of incurring losses due to unforeseen changes when paying claims and related expenses according to the contract. In addition to establishing insurance risk management frameworks and systems, the Company and its insurance subsidiary evaluate the risk profile of the subsidiary and the effectiveness of risk mitigation measures. We also regularly track post-sales experience to minimize insurance risk losses caused by unforeseen changes. | · This includes the ratio of capital and claim<br>· The Company monitors indicators of insurance risk capital ratio and claim ratio as well as risk tolerances with 3 levels of risk indicators (red, yellow, green). | · Risk Monitoring<br>- Monitoring the risk management situation of the insurance subsidiary under KGI Financial.<br>· Risk and Return<br>- Quarterly monitoring of the overview of insurance risk indicators, reporting to the Risk Management Committee and the Board of Directors.<br>- The insurance subsidiary (KGI Life Insurance), performs annual actuarial valuation operations and ORSA. It also conducts sensitivity testing and scenario testing on insurance risks and reports the results to its Risk Management Committee and Board of Directors. |
| Climate Risk | Climate risk refers to the physical and transition risks that may arise from climate change, potentially impacting the Company's operations and finances. The Company conducts assessments and discloses related information in accordance with the TCFD framework and integrates climate risk issues into its existing risk management mechanisms. | · This includes the ratio of the exposure limit for high-carbon-emission industries and the emission reduction targets for relevant operational and investment positions. | · Risk Monitoring<br>- Monitoring the implementation of climate risk indicators for the Company and its main subsidiaries.<br>· Risk and Return<br>- The main subsidiaries conduct annual scenario analysis of climate risks (physical risks and transition risk), and report the results to the Risk Management Committee and the Board of Directors.<br>- Monitor the implementation of climate risk indicators on a quarterly basis and submit a climate risk assessment report to the Risk Management Committee and the Board of Directors at least once per year. |

The Company also addresses material risk events, which include significant occurrences affecting the risk assets held or counterparties (such as dishonored payments, financial difficulties, business suspension, major disasters, or litigation) that may jeopardize its normal operations and potentially result in losses exceeding a certain threshold for subsidiaries or events caused by internal operational errors, personnel or system failures, or external incidents that may lead to subsidiary losses, are subject to immediate reporting to the Company's Department of Risk Management. If the situation is severe, it must be escalated to senior management, including the CEO. A summary is reported quarterly to the Risk Management Committee and the Board of Directors. In 2024, a total of 15 material risk events were reported by the Company and its subsidiaries, consisting of 5 business risk-related events and 10 operational risk-related events. In response, the Company implemented short-, medium-, and long-term control measures, enhanced staff awareness and training, and took actions to safeguard corporate interests. These efforts aim to mitigate loss impact and prevent recurrence of similar risks.

## Contingency Plan

In the event of significant changes in the financial market or the occurrence of major risk events that have a significant negative impact on the risk-bearing unit, the risk-bearing unit should promptly report to the appropriate risk management units, business supervisory authorities, and the CEO. If necessary, the risk-bearing unit or the management unit may convene an ad hoc meeting to review contingency matters or determine emergency response plans. If deemed necessary, a report should be made to the Board of Directors.

The Company and its subsidiaries will perform stress tests on trading positions in light of material changes in the financial market to assess potential losses under extremely adverse circumstances and may assess capital and operational contingency measures to manage potential risks based on the stress test results. The results of the stress tests should be reported regularly to the Board of Directors and the Risk Management Committee.

In order to reduce the potential liquidity risk of emergency response, the Company and its subsidiaries can maintain normal financial operations, properly plan funding flows, and maintain the balance between funding gaps and debt repayment sources in accordance with the "Liquidity Risk Management Guidelines". KGIF regularly reviews the liquidity risk indicators of the Company and its subsidiaries, which are also reported to the Risk Management Committee, and the funding needs in the event of abnormal situations are arranged in advance.

In light of the substantial changes in the overall environment and financial markets in the past year, the Company has identified, evaluated, and examined key risk factors (including but not limited to the causes of events, their likelihood of occurrence, and the extent or scale of their impact). Examples include the "real estate turmoil in Hong Kong and China" and "a surge in cancellations of USD-denominated policies leading to expanded liquidity risks." The Company has implemented appropriate control and mitigation measures and continues to monitor the impact of financial market developments to enhance the effectiveness of risk management.

| | Risk Event | Risk Management Process and Mitigation Measures |
|---|---|---|
| Real Estate Turmoil in Hong Kong and China | China's real estate market continues to face a prolonged crisis, with rising debt risks among developers, particularly the liquidity challenges of major developer Vanke drawing heightened attention. Despite government efforts to stabilize the market amid sluggish home sales, results have been limited, and analysts expect that the market may not bottom out for another one to two years. The situation has also affected Hong Kong's property sector, where companies such as New World Development and Parkview Group are facing financial distress. Analysts warn that if conditions do not improve, more default events are likely. | · The Group's exposure to China accounts for approximately 4.3% of total exposure.<br>· Monthly monitoring is conducted on various exposures in China. The current utilization rate of the China national limit is approximately 63.3%, with exposure to the Chinese real estate sector accounting for 5.6% of the Group's total China exposure.<br>· Monthly business risk management meetings are held, with active engagement with subsidiaries to jointly review exposure positions and closely monitor current developments.<br>· To conduct a thorough inventory of the Group's investments and credit positions in the Chinese and Hong Kong real estate, and to discuss potential high-risk cases. |
| The Surge in Cancellations of USD-Denominated Policies Leading to Expanded Liquidity Risks | The Federal Reserve of the United States implemented a monetary tightening policy beginning in the first quarter of 2022. They raised interest rates continuously from March 2022 to July 2023. The benchmark interest rate for the US dollar increased from 0.25% to 5.5%, making existing US dollar policies less appealing. As a result, policyholders have been canceling their policies, Although the U.S. began an interest rate cut cycle in September 2024, the pace of rate cuts has been slow due to uncertainties surrounding the policy direction of the new administration. Consequently, life insurance companies have faced deteriorating liquidity indicators from the second half of 2023 through 2024. | · KGI Life Insurance has implemented a "liquidity ratio indicator" and conducts monthly monitoring to ensure compliance with the risk appetite standards (including warning values and limits). In 2024, a new forecast of net cash flow for the upcoming year was introduced to enhance the early warning effectiveness. In addition, a threshold mechanism for end-of-period equivalent cash levels was established. When the threshold is triggered, responsive measures will be initiated to restore the level to an appropriate range.<br>· If the indicators indicate abnormalities, the business execution unit should make improvements. If necessary, the Risk Management Dept. or other relevant units should be notified for further action. |

## Risk Management Culture

Risk management culture is the cornerstone of KGIF's core competitiveness and sustainable development. We continue to enhance monitoring indicators, risk self-assessment, risk incident reporting, and internal control self-assessment mechanism, and regularly report the execution status to the Risk Management Committee and the Board of Directors. KGIF also instills risk awareness among employees through training to shape a sound risk culture and carries out risk management in daily operations.

### Mechanism for Enhancing Risk Management Cultue

1. Financial Incentives

KGIF links risk-management performance to remuneration through MBO and KPI assessments. KGIF assesses executives' performance and remuneration using financial indicators, such as ROE budget achievement rate and non-financial indicators like risk management and ESG sustainability targets. The remuneration of heads of departments is correlated to their departments' KPIs covering indicators in respect of financial, business, internal management and risk management indicators. Employees' performance evaluation involves risk management and ESG criteria in addition to business execution, cost effectiveness, and leadership and teamwork, as well as promotions and performance bonuses are determined based on the evaluation.

2. Measures Encouraging Employees to Voluntarily Identify and Report with Feedback

The operational mechanisms and regulations allow employees to voluntarily identify and report material risk incidents and operational risk incidents with proposal of corrective measures, so as to prevent potential risks from occurring or recurring. To further strengthen risk management, not only the goals associated with ESG criteria, risk management process optimization and innovation also have been added to performance evaluation, encouraging employees to suggest solutions to potential risks (including emerging risks) and motivating them to participate in the risk management enhancement.

The Company and its subsidiaries have implemented an early warning indicator mechanism to promptly identify potential credit risks. This mechanism utilizes both external public information and internal communications to enhance the efficiency of real-time notifications, including market information alerts. Furthermore, the Company consistently enhances its business operations by utilizing data monitoring models, which aid subsidiaries in establishing data leakage monitoring models. This approach reduces redundant work and enhances transparency, ensuring timely and effective resolution of business risk events and vulnerabilities.

The risk management personnel of the Company and its subsidiaries hold monthly business management meetings to discuss and communicate the assessment and tracking of risk appetite indicators. They summarize key risk issues and feedback suggestions, which are then reported to the senior executives of the Company. Furthermore, employees responsible for managing various types of risks are encouraged to proactively identify potential risks and develop corresponding response strategies based on their work experience and observations. Additionally, the Company regularly reviews risk management regulations or systems, with participation from both the parent company and subsidiaries, as well as across departments. This provides employees with communication channels for exchanging opinions and establishes a feedback mechanism for risk management.

3. Implementation of Risk Management Mechanism

When planning risk mechanisms, the Company and its subsidiaries adhere to the principles of division of labor among the front, middle, and back offices. This ensures the independence and accountability of responsibilities and authorities, as well as the independence of evaluation operations. Before the official implementation of new products, activities, processes, and systems, their operational risks must undergo appropriate identification and assessment procedures.

4. Training Courses

To embed a risk management culture, the Company continues to implement risk management practices. In 2024, multiple educational training sessions and communication meetings on various topics were held, including inviting subsidiaries to participate in financial asset carbon audits, carbon reduction goal setting, climate-related disclosures, and other training sessions conducted by external consultants. Approximately 392 participants from the group attended, aiming to continuously enhance the group's climate awareness and management capacity. Through regular economic and key financial market outlook meetings, the Company invited chief economists from research institutions for occasional key issue lectures, or exchanged perspectives from various subsidiaries' business units regarding

international market fluctuations. This ensured that the Group's business and risk management teams could keep abreast of international financial trends, and enhanced the sensitivity of the Group's risk management personnel to changes in international financial markets and the economic environment. The Company also hosted information security seminars to raise awareness of information security across the group, covering topics like emerging technology fraud cases, personal data protection and social engineering advocacy, and artificial intelligence applications and risk governance in financial holdings. A total of 3,318 participants attended these seminars. Additionally, seven educational and discussion sessions were held for the Company and its subsidiaries to explain regulatory requirements related to stakeholder transactions and statutory filings mandated by financial holding authorities to ensure legal compliance, with approximately 200 attendees.

## Business Continuity and Major Disaster Response Mechanism

The Company and its subsidiaries have established business continuity management and major disaster response mechanisms as the basis for maintaining ongoing operations and effectively executing recovery measures during crisis events. Each year, the Company conducts Business Impact Analysis (BIA), Risk Assessment (RA), and practical drills on business operations to ensure the continued effectiveness of these mechanisms.

## Internal Audit

KGIF adopts the "three lines of defense" from the competent authority for its internal control system. The internal audit department under the Board of Directors – Audit Office serves as the third line of defense for the purposes of helping the Board of Directors and senior management verify and evaluate the effectiveness of internal controls, providing timely recommendations for improvement, ensuring the continuity of implementation, and providing a basis for review and modification of the internal control system.

### ■ 2024 Implementation of the Internal Audit System

| Implementing Projects | No. of Projects |
|---|---|
| "Internal Control System Deficiencies Forum", "Internal Audit Officers Meeting", and"Joint Conference for Audit, Compliance and Risk Management" | 4 |
| Regular Business Auditing; Special Project Auditing | 14 |
| Audit of Derivatives Trading | 12 |

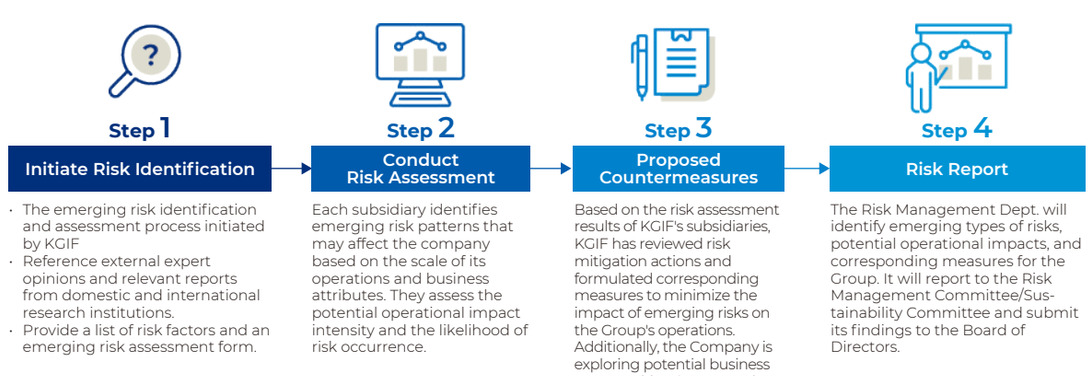
Note: A total of 60 deficiencies were identified during the general business audit, project-specific audit, and derivative transaction audit. There were no material deficiencies. All identified deficiencies are continuously monitored until improvements are fully implemented.

# 2.2.2 Emerging Risks Management

The Company evaluates the emerging external risks of the main business every year to simulate the possible influence and further examine the processing capabilities corresponding to the organization members, internal control procedures, risk mitigation or response measures. The emerging risks identified by the Company are based on the Global Risks Report 2025 published by the World Economic Forum (WEF), KGI SITE's internal emerging risk identification report, and research conducted by domestic and international professional institutions. The most critical emerging risk items are finalized through internal discussions.

## Procedure for Identifying Emerging Risks

In light of the increasing impact of emerging risks and their influence on the financial market, we have established the following procedures to effectively assess the impact and develop measures in response. The key emerging risk items identified by the Company this year include geoeconomic confrontation, risks from artificial intelligence technological transformation, and risks of social polarization.



## Impact of Emerging Risks, Response Measures, and Potential Opportunities

The table below lists the emerging risk items identified in this assessment: geoeconomic confrontation, risks from artificial intelligence technological transformation, and risks of social polarization. Taking into account possible future events, timeframes, and key areas of impact across the Company and its subsidiaries, the potential impact on relevant operations has been evaluated, and appropriate mitigation and response measures have been formulated.

| Item | Description of Risk | Operational Impact | Reduction and Response Measures/Opportunities |
|---|---|---|---|
| Geopolitics<br>Geoeconomic Confrontation | **Uncertainty in Geopolitical and Economic Cooperation Increases Pressure on Supply Chain Relocation**<br>· Intensifying geopolitical risks are posing challenges to Taiwan's supply chains, including technology outflow, trade barriers, and capital market volatility. As U.S.-China competition escalates and manufacturing shifts back to the U.S., enterprises must cope with the pressures of supply chain restructuring and rising operational costs.<br>· The Trump 2.0 trade war is expected to result in higher tariffs and further regionalization of supply chains, prompting Taiwanese companies to accelerate the relocation of production bases to Southeast Asia or the United States. This would increase capital expenditures, adversely affecting short-term financial performance and competitiveness. In the long term, companies will need to strengthen supply chain autonomy. The impact of this trend may intensify over the next 3 to 10 years. | **Investment and Financing Business**<br>· Considering that foreign investment constitutes 35% to 40% of the total market capitalization of Taiwan's capital market, with the semiconductor, electronics, and financial industries as the primary targets. The increasing geopolitical risks may affect the stability of Taiwan's financial markets, foreign capital flows, and exchange rate fluctuations, consequently impacting investment operations and portfolio values.<br>· Due to the impact of the United States' implementation of a Reciprocal Tariff policy, borrowers are finding it increasingly difficult to mitigate operational risks through the production diversification, potentially leading to a decline in trade financing volume and increased exposure. Furthermore, some suppliers unable to expand globally in tandem with their core manufacturers may face simultaneous declines in operations and profitability, resulting in reduced financing activity and earnings.<br>· Given the escalating U.S.-China rivalry, the Group's investment and financing exposure in China accounts for approximately X% of total investment and financing positions. These are primarily held in large financial institutions and internationalized enterprises, which helps to mitigate potential impacts. | · Prudently assess investment targets based on global competitiveness, industry outlook, and other factors, and make timely adjustments to positions based on the extent of geopolitical risk. At the same time, focus on industries and investment opportunities that benefit from supply chain shifts, particularly those with niche technologies or strong intellectual property protection.<br>· Incorporate the geopolitical risks of relevant industry chains into the credit review process to ensure higher defensive capabilities in loan and credit decisions; provide local/cross-border financing services to meet business needs across different regions.<br>· In response to trends in supply chain shifts and automation demand, increase the willingness of companies to enter capital markets, which helps enhance opportunities for the development of corporate fundraising business.<br>· The Company and its subsidiaries have established risk warning and management mechanisms, including national and regional risk limits, high-risk industry limits, and market risk limits. We will continue to monitor the impact of geopolitical factors and regularly review the effectiveness of the aforementioned risk control measures. |
| Technology<br>Risks from AI Technological Transformation | **Systemic Risks Due to High Dependence on AI Technology and Accelerated Cyberattacks from AI-Generated Fraud**<br>· AI is driving industry upgrades, but it also brings regulatory uncertainties, transaction risks, and cybersecurity challenges. Generative AI (such as Deepfake) exacerbates online fraud and cybersecurity risks. Deloitte predicts that AI-generated attacks will increase annual global cybercrime losses by 32% by 2027, surpassing $40 billion, with businesses and financial institutions becoming the primary targets.<br>· According to IBM's "2023 Cost of Data Breach Report," the average cost of a data breach in the financial industry has reached $5.9 million per incident, significantly higher than the global average of $4.35 million per incident, highlighting the increasing cybersecurity threats faced by financial institutions.<br>· In the next 10 years, AI-driven automated attacks and Deepfake fraud will increasingly target trading platforms and data systems, raising cybersecurity protection challenges for businesses. | **Investment and Financing Business**<br>· AI algorithms may misjudge during market anomalies, leading to large-scale market volatility or even flash crashes, potentially resulting in uncertain investment risks.<br>· AI may be used to impersonate customers, falsify financial data, or simulate inquiry information, leading to fraud and customer complaints from unauthorized loan applications. Increasing methods to verify authenticity or building more systems and processes to prevent forged information, or hiring additional personnel for verification, will result in increased expenditure costs. | · Continuously improve the performance of quantitative models and the ability to judge noise, while strictly controlling stop-loss limits.<br>· The bank's subsidiary is collaborating with the Financial Supervisory Commission to trial the 2025 Financial Fast ID Verification Hub in hopes to enhance the accuracy of identity verification during online loan applications and transaction instructions. Additionally, a fraud/fake identification detection process will be established, strengthening fraud awareness and detection capabilities among credit business personnel. The system will also connect to government databases to obtain authoritative data, and a dedicated section on the official website will provide customers with customer service or other identification channels to prevent potential fraud risks.<br>· The venture capital subsidiary participates in investment opportunities related to companies specializing in emerging AI technologies (such as machine learning, edge computing, and RegTech) and information security solutions. This not only enhances profitability but also strengthens information security protection capabilities through collaboration with these investee companies. |
| | | **Insurance Business**<br>AI insurance fraud could lead to an increase in claims payouts and a rise in loss ratios, affecting internal operations and employee productivity. According to statistics (source), insurance fraud cases in various countries show a growth rate of 3% to 10%, leading to a 10% increase in insurance premiums, which in turn causes a decline in business volume. | Continuously optimize the claims risk model early warning system (SAS), regularly conduct risk and control self-assessment (RCSA) operations, and measure key risk indicators (KRI) to mitigate the risk of claims fraud. The introduction of AI technology facilitates real-time detection of insurance fraud and employs AI to develop algorithms for calculating insurance claim amounts, thereby improving the accuracy and timeliness of claims processing. |
| | | **Information Security and Goodwill Risks**<br>AI-powered hacker attacks could cause transaction system anomalies, service interruptions, customer data breaches, and damage to payment networks, subsequently impacting company operations, financials, and reputation risks. | Continued Maintenance of Information Security Defense Architecture:<br>(1) Continuously monitor the effectiveness of network protection measures to defend against malicious cyberattacks.<br>(2) Steadily enhance the depth of the email protection system, supplemented by email social engineering drills and cybersecurity education and training to improve employee cybersecurity awareness.<br>(3) Require all data collection or analysis units to implement de-identification techniques when processing customer information.<br>(4) For high-risk application domains, based on existing cybersecurity management mechanisms, adopt a zero-trust architecture and optimize various cybersecurity management mechanisms in stage. |

(Continue)

| Item | Description of Risk | Operational Impact | Reduction and Response Measures/Opportunities |
|---|---|---|---|
| Social<br>Social \| Social Polarization Risk | Extreme Global Wealth Inequality and the Impact of Digitalization<br>· Over the next decade, the advancement of digitalization and AI technologies is expected to further widen income inequality, leading to increasingly extreme wealth concentration, particularly within the technology sector. High-net-worth individuals continue to accumulate wealth through investments, while low-income groups face declining economic mobility due to labor displacement by automation and rising living costs.<br>· Coupled with persistent inflation, stagnant wage growth, and uneven wealth distribution, a significant portion of middle- to low-income populations may become unable to afford commercial insurance within the next 3 to 10 years. | Investment Business<br>Imbalances in capital market economic structures are hindering the development of traditional industries, increasing the risk of investing in non-tech sectors; the overconcentration in technology industries amplifies overall market volatility. | The investment trust subsidiary will respond to industry changes by diversifying its investment portfolio to mitigate market concentration risks. It will also enhance its market analysis capabilities to unlock the core value of asset management, thereby offering appropriate products and services that align with the target customer group. Innovative products and segmented services tailored to market characteristics will be developed, supported by a comprehensive knowledge base to sustain long-term growth. |
| | | Financing Business<br>· Operations and profitability of labor-intensive and traditional small and medium-sized credit clients may be adversely affected, leading to a potential increase in credit default risk.<br>· A growing proportion of loan applicants may belong to vulnerable groups, resulting in lower approval rates, fewer disbursement cases, and reduced revenues; among existing clients, downward income shifts could raise default risk. | Collaborate with the Credit Guarantee Trust Fund to offer financing guarantees, supporting small and medium-sized enterprises in transitioning toward automation and improving employee remuneration levels.<br>Enhance loan risk management and adjust the loan portfolio to mitigate credit risk. Leverage the bank's expertise in inclusive finance to continuously identify and promote groups within financially disadvantaged populations that present manageable risks, while actively seeking opportunities. |
| | | Insurance Business<br>The affordability of premiums for high-risk groups, including the elderly, individuals with chronic illnesses, and low-income populations, is rapidly declining. This decline has led to an increase in the surrender rate of commercial insurance policies, a rise in adverse selection, and a shrinking of market size, ultimately impacting the operational performance and long-term profitability of insurance companies. | Adjust insurance product strategies, strengthen risk management, and develop microinsurance and flexible payment models. Utilize technology to enhance underwriting and claims efficiency. Collaborate with the government to develop supplementary social insurance programs, expand into overseas markets, and explore opportunities in emerging industries. Offer personalized policy services and health management support. |

## Summary of Climate and Natural Resource Management

Mitigating climate change has become an urgent priority, and issues concerning nature and biodiversity are increasingly gaining attention. In 2024, the Financial Supervisory Commission (FSC) of Taiwan issued the "Green and Transition Finance Action Plan," which encompasses key initiatives to support corporate net-zero transitions, enhance climate resilience, and encourage the financial sector to disclose carbon reduction target strategies and nature-related financial disclosures. KGI Financial actively aligns with the government's net-zero transformation policy. To assess the relationship between its operations and climate as well as nature, the organization adheres to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD). This process involves disclosing requirements across four key dimensions: governance, strategy, risk management, and metrics and targets. KGI Financial compiles climate and nature-related reports to identify and manage climate and nature-related risks and opportunities, ensuring steady progress toward sound operations and sustainable development. This section provides a summary of the climate and nature management highlights for the year. For more detailed information, please refer to KGI Financial's 2024 Climate and Nature-Related Report.

| Disclosure Aspect | | Summary of Key Implementation Actions |
|---|---|---|
| Governance | Board of Directors Oversight | · The Board of Directors of KGI Financial serve as the highest decision-making and supervisory authority for sustainability-related matters. Under the Board, the Sustainability Committee and the Risk Management Committee are responsible for climate governance-related guidelines and systems, approving climate risk management guidelines and overseeing the performance of the related targets, work plans and risk management.<br>· The Sustainability Committee and the Risk Management Committee regularly report to the Board on the evaluation and management of climate and nature-related strategies, opportunities, and risks. |
| | Management Execution | · The President of KGI Financial supervises the Climate and Nature Management Council, which is responsible for managing and evaluating climate- and nature-related risks and opportunities, as well as formulating the Group's climate strategy direction. At least one climate and nature governance meeting is held annually.<br>· The core units of the Climate and Nature Management Task Force include the Responsible Finance WG and the Environmental Sustainability WG, which are responsible for implementing related action plans and tracking various climate indicators and targets.<br>· The newly established Chief Sustainability Officer is responsible for managing, planning, and formulating the sustainable development strategy of the group, assisting in the planning and management of climate strategies, and assessing the results of sustainable development goals to advance the Company's sustainability and operational goals.<br>· Different departments incorporate climate-related indicators (e.g., carbon reduction targets, increase green investment and financing) into their annual performance evaluations, integrating climate factors into daily operations and decision-making processes. |

(Continue)

| Disclosure Aspect | | Summary of Key Implementation Actions |
|---|---|---|
| Strategy | Net Zero Commitment | · To achieve climate goals, KGI Financial commits to reducing Scope 1 and Scope 2 emissions by 42% by 2030 and achieving net-zero emissions across its total portfolio by 2045.<br>· The Company has established divestment commitments for industries related to thermal coal, as well as unconventional oil and gas, to advance phased decarbonization targets. It also engages with high-emission clients to encourage their transition toward low-carbon operations. |
| | Climate Response Strategy | · KGI Financial adopts five key net-zero implementation strategies as the internal framework for fulfilling its group-wide net-zero commitment. These include alignment with UN guidelines, client engagement targets, sector-specific targets, investment and financing portfolio targets, and transition goals.<br>· Climate net-zero actions are promoted across four pillars: financial assets, financial products and services, advocacy and engagement, and own operations. |
| Risk Management | Identification and Management of Climate and Nature Risks and Opportunities | · According to the "Climate Risk Management Guidelines," climate factors are integrated into the three lines of defense in corporate risk management.<br>· Each year, the identification of climate and nature risks and opportunities is conducted, with a quantitative assessment of the financial impact of these risks and opportunities. For those with significant impacts, response strategies and measures are developed. |
| | Climate Risk Scenario Analysis and Resilience Verification | · Adopting the SSP1-2.6 and SSP5-8.5 scenarios to analyze the financial impact of physical flood risks on the Group's suppliers, its operational sites, investment real estate, and both personal and commercial real estate collateral.<br>· Conduct carbon price transition risk scenario analysis under the climate scenarios of the Network for Greening the Financial System (NGFS) to for the long-term equity and bond investment positions of the group.<br>· Execute the climate change scenario analysis for the credit positions of the banking group in accordance with the scenario analysis planning by the competent authority.<br>· Performing resilience verification for long-term corporate bond and equity investment portfolios, assessing the controllability of the impact on various industries under different climate scenarios to ensure that the Group has adopted resilient climate strategies and actions. |
| | Investment and Financing Industry Natural Dependency and Impact Assessment | · Use ENCORE to assess the natural dependency and impact of investment and financing industries, and prioritize analyzing the major natural risks and opportunities faced by industries with high exposure and high natural dependency and impact. |
| Indicators and Targets | Carbon Reduction in Own Operations | · Achieve carbon neutrality in own operations by 2030 and net-zero carbon emissions by 2040.<br>· Conduct an annual greenhouse gas inventory to identify major emission sources and develop corresponding reduction plans.<br>· Promote the use of renewable energy, green procurement, and carbon neutrality for the headquarters building. |
| | Investment and Financing Exposure GHG Inventory | · Complete the carbon inventory for equity and bond investments, corporate lending, commercial real estate loans, power generation projects, sovereign debt, and mortgage loans following the methodology of the Partnership for Carbon Accounting Financials (PCAF). |
| | SBTs | · In accordance with the Science Based Targets initiative (SBTi) methodology, KGI Financial passed the SBT target verification by March 2025. The Group will set near-term targets for its own operations and investment assets (including commercial real estate loans, residential real estate loans, power generation project investments and financing, power generation loans, fossil fuel loans, long-term loans to the electronic components manufacturing industry, long-term loans to the commercial services industry, and investments in listed equities and bonds) and will review progress towards these targets annually. |

# 2.3 Information Security

KGIF has formulated and published the "Information Security Management Policy" on the company website to maintain the overall corporate information security, strengthen the security management of information assets, and assure the confidentiality, integrity and availability of all information assets, so as to maintain the sustainable management of the KGIF. These policies, applicable to all information operations, information assets, and information users, including permanent employees, temporary employees, visitors, and vendors having business dealings with the Company (including their employees and temporary employees), stipulate that all of the aforesaid users should maintain, retain, use, and manage the Company's information assets in line with policies in relation to information security.

## 2.3.1 Information Security Governance Framework

The company's information security governance is part of corporate governance, with the highest level being the board of directors. The Information Security Dept. is supervised by the Risk Management Committee under the Board of Directors and reports the company's "Information Security Planning Execution Report" to the Board annually, in order to disclose and review the company's status of information security risk management and the execution status of the "Information Security Management Policy." The main information security governance members, including Vice Chairman, independent directors and the Chief Information Security Officer, all have a background in information security governance.

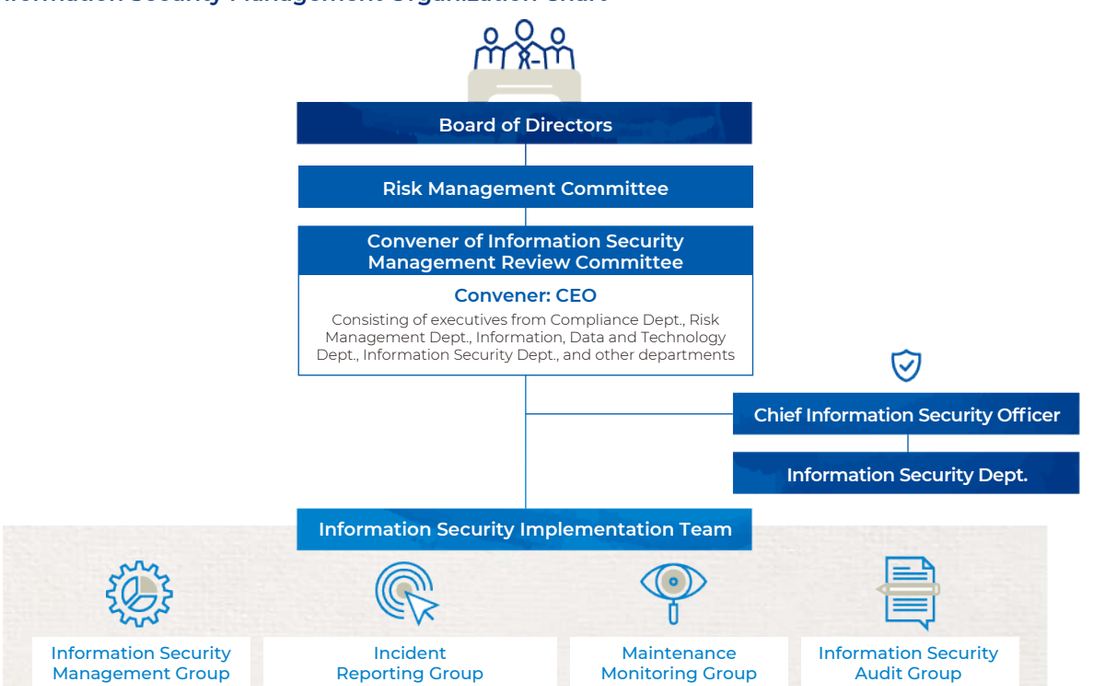
### ▪ Members with Background in Information Security Governance

| Title | Name | Qualification of Information Security Governance |
|---|---|---|
| KGIF Vice Chairman | Jong-Chin Shen | Former Vice Premier of the Executive Yuan of the Republic of China, concurrently serving as the Chief cyber security officer of the Executive Yuan during the term. |
| KGIF Board Director | Hung Yi Hsiao | Previously served as the board director of Chunghwa Telecom and the chairman of Cybersecurity Foundry Company with long-term focus on cybersecurity, fixed-line telephony, mobile telecom, internet, big data, IoT, AI, cloud, and Internet data center as well as other new technology services. Cybersecurity Foundry Company 's products and services include XDR, BAS, and red team attack and defense exercises. |
| KGIF Chief Information Security Officer | Richard Sun | Mr. Sun has a master's degree in industrial engineering from Stanford University. Previously he was the head of the information technology department at KGI Life. He has more than 25 years of work experience in IT planning, installation and implementation / information security / cybersecurity management. |

KGIF follows the Plan-Do-Check-Act (PDCA) cycle according to ISO 27001 standards to establish the information security management systems. We have set up the "Information Security Management Committee", responsible for the resolution and management review of matters related to the information security management system, supervise the establishment of an information security management mechanism by the Company, and review the strategic planning, control measures and implementation of related issues. The members consist of the CEO, Chief Risk Officer (Executive Vice President of Risk Management Dept.), Chief Information Security Officer (Executive Vice President of Information Security Dept.), and executives from the Compliance Dept., Digital, Data and Technology Dept., and other departments. The Information Security Management Committee meets every year to discuss information security issues and suggest corrective measures to ensure its effective operation and for continuous improvements. The organizational chart of the Company's information security management is shown in the following figure.

All subsidiaries have also declared the management's determination to support information security by signing the "Information Security Statement". The head of Information Security Dept. submits the implementation status report of the Company's information security to the Chief Auditor, CEO and Chairman annually for review and approval. The Company encourages subsidiaries to regularly report the annual information security risk status to the Risk Management Committee, and report the overall implementation of information security to the BOD. This may enhance the BOD's supervision to corporate governance, protect the rights and interests of customers, and declare the management's determination to support information security. Additionally, KGIB, KGIS, and KGI Life have all established independent information security units to be responsible for information security governance, as well as planning and implementing information security policies.

### ▪ Information Security Management Organization Chart

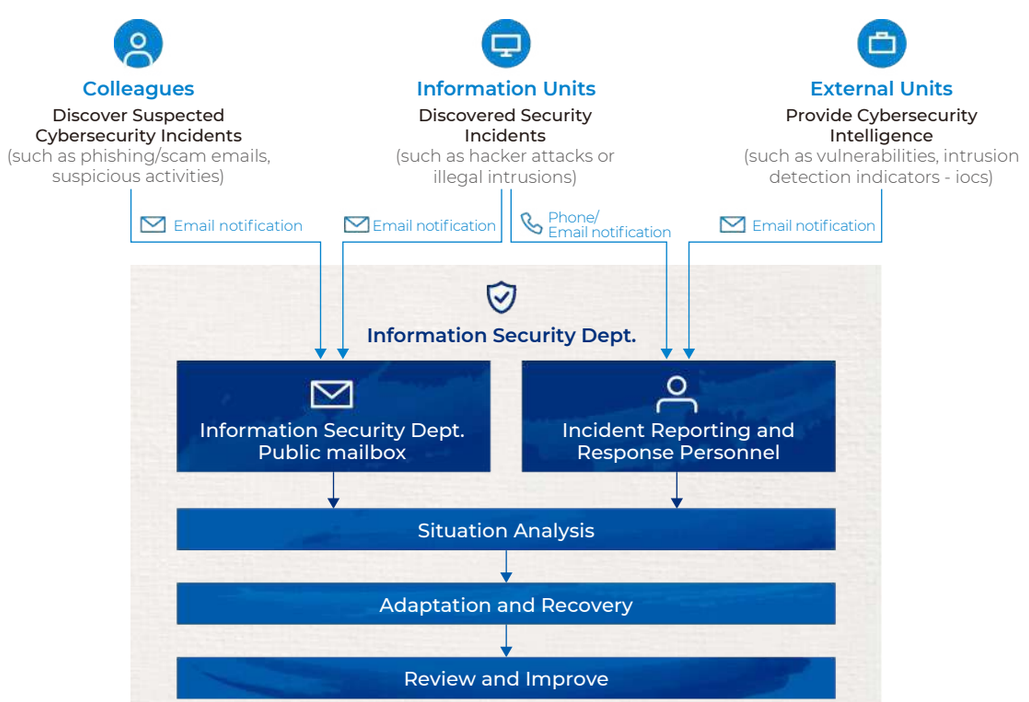


## 2.3.2 Robust Information Security Management

According to the "Key Points for Operational Continuity Management and Major Disaster Response Operation," the Company has formulated the information operation continuity management regulations, including the Business Continuity Plan (BCP) and the testing and rehearsal frequencies. In 2024, KGIF and its subsidiaries all completed disaster recovery or information security contingency drills semi-annually.

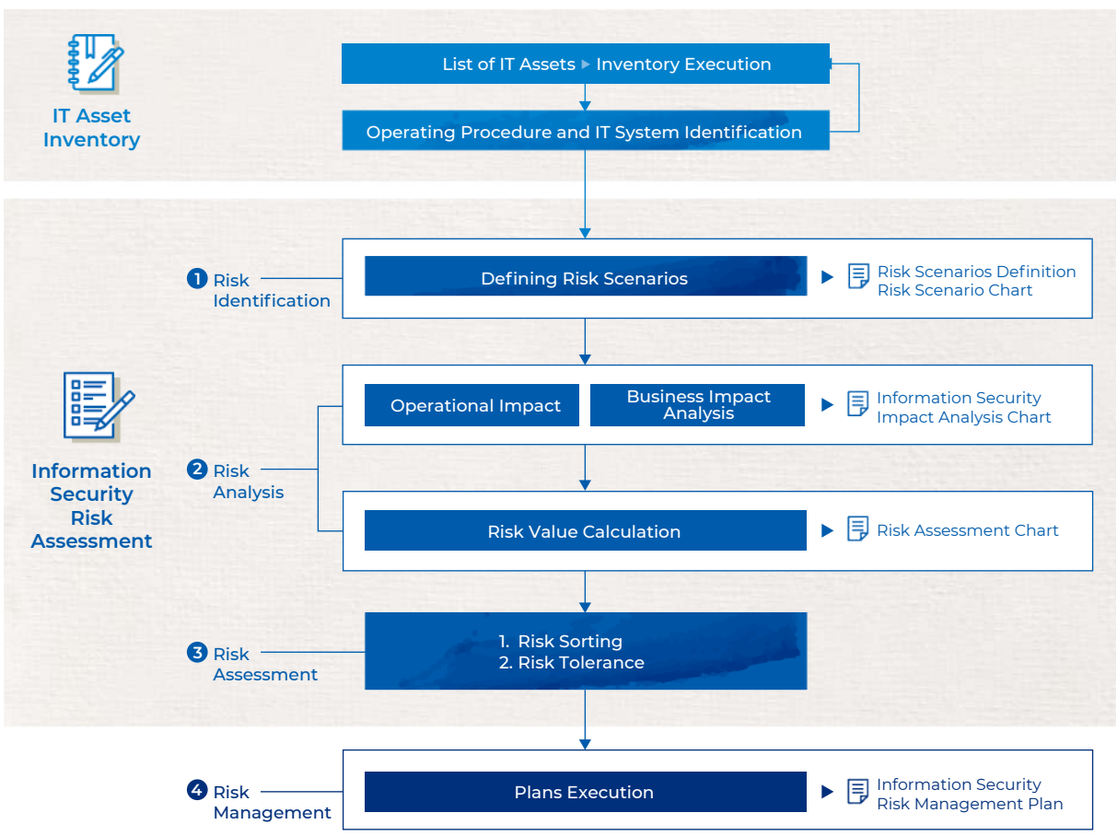
The Company plans to commission external professional information security manufacturers to annually simulate hackers and conduct penetration tests on the weaknesses of external service systems, in order to discover logic problems on the application and system vulnerabilities at an early stage and repair them in a timely manner. Through the personnel training of hacker attack and defense drills, and the red and blue army attack defense drills that actually simulate hacker attacks, the information security emergency response capabilities are strengthened and the losses caused by hacker attacks are reduced.

### ▪ Report Security Incident Process




Moreover, to reduce the financial loss and impact on goodwill from information security and cybersecurity incidents, KGI Life has purchased Cyber Insurance every year since 2018, while KGIF, KGIB, and KGIS have completed the overall evaluation on the information security, including insurance items, scope of insurance, compensation liabilities, and self-pay expenses. The relevant evaluation results have been reported to the management. With regards to lowering the risk of information security management. In order to mitigate information security management risks, both the Company's information systems and those of its wholly-owned subsidiary are certified under the ISO 27001:2022 Information Security Management System. The information risk inventory, assessment method and relevant operations of the Company are implemented by the following practice.

### ▪ Information Risk Inventory and Evaluation Methodology



## 2.3.3 Comprehensive Assessment and Verification

1. The company and its subsidiaries adhere to relevant regulations set by the competent authorities and annually commission external vendors to conduct computer system information security assessments. The assessment results are disclosed in the overall information security execution report and presented to the board of directors for approval. Self-driven information security assessments: A third-party testing platform has been used to conduct security assessments on the company's external information services, with standards raised annually. In 2024, the monthly statistical scores all exceed 95 points. Additionally, to strengthen information security supervision and comply with the financial information security action plan, a three-year phase of the "Information Security System and Protection Maturity Assessment" has been conducted since 2019. In 2022, the "Information Security Maturity Assessment FFIEC CAT Tool" and methods were introduced, and external professional consultants continue to be commissioned to perform technical assessments on the information security infrastructure and defense systems. This ensures early detection of information security risks and vulnerabilities, with improvement measures incorporated into planning and management to continually optimize across all aspects, setting a leading example in the industry.
2. Self-audit: In addition to regular internal control self-audit and regulatory compliance self-assessment to review information security operations, the ISO 27001 information security self-audit is also implemented according to the scheduled timeline. Any deficiencies found are listed for tracking, and the improvement progress is reviewed monthly.
3. External Validation Audit: Each year, financial holding companies and financial subsidiaries engage verification vendors certified by organizations accredited by the International Accreditation Forum (IAF) to independently audit the information security management system according to ISO 27001:2022 and maintain the validity of the certification.

## 2.3.4 Information Security Culture

The Company has introduced and managed the regulations and control measures of personnel's human risk in the internal regulations. Apart from applying various information security defense mechanisms in preventing the personnel from suffering from information security risks at operations, the Company also advocates and tests awareness for information security risks. The Company publishes information security publicity announcements and information security wallpaper every month, which are delivered to all employees by email, computer desktop and corporate portals. Cases of special information security events will also be delivered via the aforementioned channels. Besides, e-mail social engineering drills are carried out from time to time to test employees' information security awareness, and it is also included as part of the department's annual assessment. The 2024 implementation outcomes are described below:

- Organized at least 2 email and social networking engineering drills with total passing rate over 95%.
- All employees must complete least 3 hours of information security education training and pass the evaluation.
- Promoted diverse information security publicities and issued 18 information security e-newsletters.
- Promoted departmental information security performance indicator and assessment mechanism.

The company values the performance of its information security culture, as demonstrated in various evaluations and competitions. In 2024, KGI Securities won the:

- **Commercial Times Digital Information Security Award–Security Group (Excellence Award)**
- **Commercial Times Digital Information Security Award–Anti-Fraud Group (Gold Award)**

## 2.3.5 Early Warning, Response and Handling of Information Security Event

The reporting and response before and after information security event not only requires the professional judgment of competent employees but the employees' awareness of information security of reporting on information security event. In addition to the Company's "Information Security Event Management Guide," which lays out the reporting and response procedures, the "Notices for Information Security Event Reporting and Response Process" also clearly states the operation procedures. By classifying and evaluating events beforehand, the Company has established an information security incident classification and notification process. Depending on the type and level of the security incident, the Company carries out relevant notifications and response operations, and conduct analysis and review afterwards. The security incidents discovered every month are shared through regular meetings to prevent further incidents from occurring.

The routine operations encourage employees to conduct information security self-reporting as one of the channels for collecting intelligence on information security risks while establishing the collaboration and communication between the information security units and all departments. In the operation plan for response during the event and post-recovery, the Company sets up the information operation continual response groups according to the operation continuity plan to prevent and strengthen information security instantly. In the event of a threat, the information security event emergency response will be activated instantly. The Company has established the risk management related mechanism and information security event reporting as well as response process. The information security event reporting procedures, handling authorization and control shall regulate the early-warning handling and response actions of the events. Meanwhile, the relevant risk assessment process will be conducted according to the level of event with adoption of corresponding actions, in order to minimize the impact on the company's finance and operations. The relevant implementation methods include:

- Through joining F-ISAC to become a member of the financial cybersecurity alliance, collaborating with external cybersecurity intelligence vendors for early warning and real-time protection, and sharing cybersecurity intelligence within the group, establish a mechanism for cybersecurity intelligence sharing and cooperation.
- Establish and implement regulations, processes, and organizational systems for security incident reporting and response handling, organize a virtual security incident response team (V-IRT), and conduct regular education, training, and drills to establish a financial security incident response system.
- Building a financial cybersecurity incident monitoring system, by setting up a cybersecurity monitoring system and going online for maintenance and operation, cooperating with self-operated or outsourced cybersecurity incident monitoring, analysis, and handling, to strengthen cybersecurity monitoring and continuously develop internal and external cybersecurity joint defense mechanisms.
- According to the organization and responsibilities, establish an information security incident reporting and response handling process to ensure that in the event of an information security incident, it can be promptly reported and responded to.
- Enhance the ability to investigate and analyze cybersecurity incidents, establish cybersecurity incident reporting procedures and response plans to improve the ability of internal personnel to respond to emergencies and coordinate communication, to avoid or reduce the damage caused by information security incidents.

- Establish a cybersecurity threat intelligence analysis and warning mechanism, providing the necessary real-time and historical information security incident data, reports, and related intelligence through the real-time sharing of cybersecurity information to assist in executing cybersecurity management activities.

The statistics of relevant cybersecurity incident in 2024 are as follows:

(1) 0 case of cybersecurity incident.
(2) 0 case of cybersecurity incident involving loss of customer's data.
(3) 0 customer was affected by cybersecurity incident.
(4) NT$0 in financial loss related to cybersecurity incident.
(5) Received a self-reported cybersecurity incident from colleagues, and after verification, it was found that it was not a cybersecurity-related incident.
(6) Received 0 cybersecurity incident reports from the subsidiaries.
(7) No incident where there was a computer virus or hacker intrusion that cost significant damage to customer interests or affected normal business operations.

# 2.4 Ethical Management

Ethical Management is one of the most important aspects of deepening sustainable management. Only by carrying out corporate governance with "Integrity" can an enterprise continue to operate. Through the establishment of management standards related to business integrity, the core values of counter-terrorism financing, anti-corruption and bribery, and anti-competitive are introduced into the soul of the enterprise. Supplemented by whistler system and regulatory compliance system, the corporate documents establishing ethical management will collaborate a good business operation model and risk control mechanism to create a sustainable business environment.

## 2.4.1 Framework and Principles of Ethical Management

### Ethical Management Committee

The "Ethical Management Committee" (from June 13, 2025, it will be adjusted to the Sustainable and Ethical Management Committee) under the Board of Directors is in charge of formulating and supervising the execution of Ethical Management policies, to thoroughly implement Ethical Management from top to down so that Ethical Management will become the root foundation of the Company. On August 9, 2024, the Company convened a meeting of the Ethical Management Committee (the Committee). During this meeting, the Committee elected a Chairperson, reviewed the audit results based on the risk assessment of dishonest behavior conducted by the Internal Audit Department, and discussed the report on the implementation of Ethical Management for the year 2023, which included the results of the 2023 risk assessment of dishonest behavior.

### Ethical Corporate Management Best Practice Principles

To establish a corporate culture of ethical corporate management and improve corporate development, the Company formulated the "Code of Conduct for Employees" at the level of the CEO and the "Ethical Corporate Management Best Practice Principles," "Ethical Corporate Management Procedures and Code of Conduct", "Code of Ethical Conduct," "Regulations Governing the Handling of Whistleblowing Cases on Illegal and Unethical or Dishonest Conduct ", and "Anti-Money Laundering, Anti-Corruption and Anti-Bribery, and Antitrust and Anti-Competitive Practice Statements" at the Board level. All of which are published on the Company's website and annual report. There is also a "Code of Conduct for Subsidiaries' Insiders" for subsidiaries. While main subsidiaries and AMC have their "Ethical Corporate Management Best Practice Principles" and other regulations. In addition to declaring the Company's position of ethical corporate management, we also expressly prohibit unethical behavior and require that the employees shall not directly or indirectly provide, accept, promise, or demand any illegitimate benefits, or engage in other acts that violate good faith, illegality or fiduciary obligations in the process of engaging in business activities. They should conduct business activities in a fair and transparent manner and promote the implementation of corporate social responsibility.

## 2.4.2 Implementation of Ethical Corporate Management

### Ethical Management Risk Assessment

In the first quarter of 2025, the Company conducted a risk assessment of unethical conduct in 2024, which includes: offering and receiving bribes, making illegal political contributions, improper charitable donations or sponsorship, offering or accepting unreasonable gifts/hospitality or other improper benefits, infringement of business secrets/trademarks/patents/copyrights and other intellectual property rights, leak or inquire company secrets and engage in insider transactions, engaging in unfair competition and harming the rights and interests of stakeholders. After assessing and implementing risk mitigation measures, we have classified the risk of unethical conduct in the Company as low. It will be combined with the data from main subsidiaries and will be reported to the company's Sustainable and Ethical Management Committee in the second half of 2025.

In addition, main subsidiaries (including their operating units) have all completed the 2024 risk assessment of unethical conduct before March 2025, either directly or indirectly, with a 100% completion rate. The assessment items include but are not limited to offering and receiving bribes, making illegal political contributions, improper charitable donations or sponsorship, offering or accepting unreasonable gifts, hospitality, or other improper benefits, infringement of business secrets, trademarks, patents, copyrights, and other intellectual property rights, engaging in unfair competition practices, and direct or indirect harm to consumers or other stakeholders' interests in research and development, procurement, manufacturing, provision, or sales of products and services, health, and safety, etc. After the assessment and implementation of risk mitigation measures, the unethical conduct risk for each company is assessed as low.

Among them, the aforementioned items for assessing unethical conduct include bribery and corruption, making illegal political donations, improper charitable donations or sponsorship, providing or accepting unreasonable gifts/hospitality, or any other improper benefits associated with corruption.

Note: In addition to the head office units, external business units (KGI Securities for 68 securities branches, KGI Bank for 51 branches, and KGI Life Insurance for 8 branches) evaluates the dishonest behavior risk [Including but not limited to bribery, corruption risks].

## Regularly Report the Implementation of Ethical Management

To fully implement the principle of Ethical Management, managers are required to annually report to the Sustainability Committee and the Board of Directors on the implementation of Ethical Management, starting in 2020. This report should include the assessment of risks associated with unethical conduct by the Company and its main subsidiaries, the execution of relevant regulations, and the promotion of education and awareness. Audit personnel will develop audit plans based on the assessment of risks related to unethical conduct and use them to ensure compliance with the program for preventing unethical conduct. They will also provide regular updates to the Ethical Management Committee and the Board of Directors.

## Performance Evaluation Relationship

KGI Financial actively communicates its Code of Ethical Conduct and the principles of Ethical Management to employees. The company publishes relevant internal regulations on both internal and external websites and explains them during new employee training as well as annual Ethical Management education sessions. Furthermore, internal controls, internal audit assessments, and compliance evaluations are included as performance evaluation indicators for each employee to enhance adherence to compliance.

KGI Financial adopts a zero-tolerance policy regarding violations of the Code of Ethical Conduct and principles of Ethical Management. In the event of any violations, actions will be taken in accordance with personnel management regulations and applicable laws, resulting in appropriate disciplinary measures. For less severe cases, a warning will be issued; for more serious cases, a reprimand will be given; and for severe cases, penalties may include a major reprimand, demotion, or dismissal. The disciplinary outcome will be used as a basis for annual performance evaluations and will affect the employee's performance rating (with five levels: the best being 5, followed by 4, 3, 2, and 1; for serious cases, the annual performance rating will be 2 or 1). This will also impact the employee's annual bonus amount, encouraging compliance with the Code of Ethical Conduct and principles of Ethical Management.

## Conflicts of Interest Avoidanct

The Company attaches great importance to conflict of interest avoidance and adds the control of benefits in internal control; for example, in the proposal of the Board of Directors, there is a check field for interest avoidance, which requires directors or executives to disclose whether there is a conflict of interest in the case. In addition, the Company also considers great importance to the management of the stakeholders' information. If there is any change, the Compliance Dept. will update it in the stakeholder system immediately, and conduct a census of stakeholder information every six months. The 2024 census operationsfor the first and second half of 2024 will be completed in March and September 2024, respectively.

In addition, according to the relevant regulations such as the "Ethical Corporate Management Best Practice Principles" and "Code of Conduct and Ethical Guidelines", the Company's external donations or sponsorship shall comply with relevant laws and internal operating procedures, and shall not seek commercial interests or trading advantages. For social investments such as charitable donations and educational assistance, please refer to " Chapter 6 Co-Creation of Society." In 2024, the company will make no financial contributions to political parties, think tanks, political advocacy organizations, or donations supporting advocacy actions.

## External Promotion Mechanism

The Company invites all new and primary suppliers to sign the "KGI Letter of Undertaking regarding Sustainability for Suppliers," which emphasizes the principles of Ethical Management. Transactions should be conducted in an open and transparent manner to prevent involvement in dishonest dealings, thereby ensuring the effective implementation of the Ethical Management policy. Since 2017, the signing rate of the aforementioned suppliers has consistently remained at 100%. The commitment document stipulates that suppliers must adhere to the Ethical Management Best Practice Principles. In cases of significant dishonest behavior, the Company reserves the right to terminate transactions with the supplier and may classify them as a party with whom it refuses to engage in business. In addition, procurement contracts include Ethical Management clauses, allowing the Company to terminate or rescind the contract should the supplier commit a significant breach of ethical conduct. In 2024, there were no instances of contract termination or rescission due to suppliers violating Ethical Management requirements.

Contracts signed with business partners, including suppliers, construction and renovation contractors, equipment/vehicle leasing agreements, etc., and the required document for bidding, the "Bidding Supplier Declaration and Authorization Agreement." This agreement also includes clauses on Ethical Management, with the aim of implementing Ethical Management comprehensively.

In addition, the Company organizes annual supplier education and training activities, to communicate anti-corruption policies and procedures, and at the same time promote the importance of anti-corruption. The 2024 supplier training and promotion were completed in April 2024 (Earth Day).

## Ethical Corporate Management (includes whistleblowing) Training

The Company continues to promote Ethical Management (includes whistleblowing) education and training. All new recruits should complete Ethical Management (includes whistleblowing) training within 3 months after starting on the job. Through internal system tracking, it is ensured that all employees complete the recurrent training every year. In the fourth quarter of 2024, the Group successfully completed its comprehensive Ethical Management (includes whistleblowing) training program. This training was designed for formal employees based in Taiwan, employees from overseas subsidiaries, as well as domestic non-full-time staff, including field personnel and sales representatives, and non-formal employees such as temporary staff and interns. Approximately 23,700 participants from within the country and over 800 from overseas took part, resulting in a total of more than 24,500 participants (the number of participants who completed the training in the company and its subsidiaries is noted in the footnote). The completion rate was 100%.

Note: The number of personnel trained by the Company and its subsidiaries is as follows: (1) The Company: nearly 200 individuals; (2) KGI Life Insurance (including internal staff and insurance sales personnel): over 17,000 individuals; (3) KGI Bank and its subsidiaries: over 2,600 individuals; (4) KGI Securities and its subsidiaries (including internal staff and securities sales personnel): over 4,400 individuals; (5) KGI Securities Investment Trust: over 130 individuals; (6) CDBI Capital and its subsidiaries: over 240 individuals.

## 2.4.3 Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT)

To strengthen AML and CFT, the Company established the "Anti-Money Laundering and Countering Terrorism Financing Policy" and established a group-wide plan for prevention of money laundering and defeat of financing of terrorism. The policy applies to the Company and all its financial institution subsidiaries as defined by Article 5 of the "Money Laundering Control Act." According to the policy, each subsidiary is required to establish internal control systems to prevent AML and CFT in accordance with applicable laws and regulations and ensure compliance with relevant laws and regulations. This is done to effectively identify, assess, and monitor the risks of money laundering and terrorist financing that may be associated with each subsidiary, and to conduct regular reviews and prevent illegal fund flows.

To monitor the risks related to money laundering and terrorism financing, all subsidiaries are controlled according to the status of suspected money laundering or terrorism financing transactions announced by the respective associations. The object's property or interests in property and its location shall be reported to the Investigation Bureau of the Ministry of Justice in accordance with regulations, and all subsidiaries shall report the status of the AML and CFT business on a monthly basis.

### Information Sharing Platform

To prevent money laundering and combat financing of terrorism, the Company launched a group information sharing platform in June 2018, including a watch list of customers, information about international organizations, competent authorities, suspicious transactions, etc. From May 2021, the frequency of compilation of public opinion watch lists had increased to once every half month.

### Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Training

The Company holds relevant training courses so that employees can continue to improve their vigilance and adapt to the changing environment.

#### ▪ 2024 Money Laundering Prevention Related Courses

| Courses | Class (hour) | Participants |
|---|---|---|
| Practical Case Studies on Anti-Money Laundering and Counter-Terrorism Financing I | 120 | 16 |
| Practical Case Studies on Anti-Money Laundering and Counter-Terrorism Financing II | 120 | 137 |

## 2.4.4 Compliance

### Framework of Compliance

A good culture of compliance is the only way to strengthen corporate governance. Therefore, we established the Compliance Dept. in accordance with the "Legal Compliance Policy" to be responsible for the Company's compliance functions of various units, supervising and boosting the compliance function by all departments. Subsidiaries KGI Bank, KGI Life Insurance, KGI Securities, and KGI SITE have also established compliance departments and assigned supervisors to implement general compliance affairs. The other subsidiaries have assigned supervisors and established compliance departments based on different factors.

### Comprehensive Communication and Inspection

Ethical corporate management involves a variety of aspects, including insider transactions, transactions with stakeholders, business secrets, improper interests, money laundering prevention, and unfair competition, etc. For specific operations of ethical corporate management and plans for preventing unethical conduct, the compliance department assists each department in formulating relevant internal regulations, including but not limited to "Ethical Corporate Management Best Practice Principles", "Code of Conduct and Ethical Guidelines", "Guidelines for Transactions with Related Parties", "Anti-Money Laundering and Countering Terrorism Financing Policy", "Code of Conduct for Employees", "Code of Ethical Conduct", "Code of Conduct for Subsidiaries' Insiders", "Regulations Governing the Handling of Whistleblowing Cases on Illegal, Unethical, or Dishonest Conduct", etc. At the same time, a number of related educational trainings were also held.

### 2024 Compliance Education Training

| | Courses | Class (mins) |
|---|---|---|
| Compliance Education Training | Anti-Corruption and Whistleblower Practices | 120 |
| | Analysis of Common Deficiencies Found in Financial Institution Inspections by the FSC | 120 |
| | Insider Trading Investigation Practices | 120 |
| | Introduction to Copyright Law and Related Case Studies | 120 |
| | Trade Secrets Act, Non-Compete Agreements, and Confidentiality Regulations | 120 |
| | Regulatory Compliance Principles for the Use of AI in the Financial Industry | 120 |
| | Practical Case Studies on Anti-Money Laundering and Counter-Terrorism Financing I | 120 |
| | Practical Case Studies on Anti-Money Laundering and Counter-Terrorism Financing II | 120 |
| | Corporate Governance and Ethical Management Practices | 120 |
| | Personal Data Protection and Regulatory Compliance Practices in the Financial Industry | 120 |
| | Seminar on Legal and Practical Aspects of Material Information | 120 |
| | Securities Crimes and Financial Trials: A Comparative Analysis from the Perspectives of Professional Judges and Citizen Participation in Trials | 120 |
| Regular courses | Employee Code of Conduct – (Employee Conduct Guidelines, Ethical Management Best Practice Principles, Code of Ethical Conduct) | 60 |
| | Ethical Management and Whistleblowing System | 10 |
| | Related Party Non-Credit Transactions Regulations and Compliance Procedures | 20 |
| | Insider Equity Trading Legal Compliance | 15 |
| | Anti-Money Laundering and Counter-Terrorism Financing | 10 |
| | Introduction to the Three Lines of Defense in Internal Control | 10 |

To examine whether ethical corporate management is being implemented, the Compliance Department conducts a compliance self-assessment twice a year, incorporating the aforementioned internal regulations related to ethical corporate management into the self-assessment items. Each unit is required to effectively conduct self-assessments to review the implementation status of ethical corporate management through self-examination.

The Compliance Dept. keeps abreast of changes in laws and regulations, and informs relevant units as soon as possible and assists them in revising their internal control systems to comply with compliance requirements. The head of Compliance of the Company and main subsidiaries regularly participate in monthly compliance meetings every month to discuss issues related to ethical corporate management or other important issues for the purpose of communicating and supervising subsidiaries. In addition, the Company collects important compliance issues and, communicates with senior executives and relevant departments monthly. The CEO and the Chairman receive monthly reports on important compliance matters from the Company and its main subsidiaries. Furthermore, regular compliance meetings are conducted with the units of the Company and its subsidiaries to review the implementation of legal compliance.

The so-called "using another's strengths to correct one's own faults," if an industry peer is penalized by the Financial Supervisory Commission, the Compliance Department shall promptly notify all company personnel and subsidiaries, and request the relevant units or subsidiaries to conduct self-inspections and respond whether there are similar violations, and make timely adjustments and corrections.

### Whistleblower Program

According to the Ethical Corporate Management Best Practice Principles, if employees of the Company discover any violations of the Code, they should proactively report them to the appropriate supervisor or through the Company's reporting system. KGIF also established the "Regulations Governing the Handling of Whistleblowing Cases on Illegal, Unethical, or Dishonest Conduct" and authorizes the Compliance Dept. to handle all compliant cases through written (Report Mailbox: P.O.BOX 100 Taipei Stadium 105391), email, telephone (02-6600-3282) and via fax (02-6600-3281), and other access. All reporters' identities and content of the report shall be kept confidential while progressively investigating the case. The aforementioned report channel is disclosed on the Company's website.

Whistleblowers may report through whistleblowing channels, either anonymously or by providing their name and contact information, to describe the facts and provide relevant evidence. Once the case is accepted, the company shall keep the identity of the whistleblower confidential, carefully preserve and encrypt the relevant information, and restrict access rights. If the whistleblower is personnel of the company or its subsidiaries, the company shall provide appropriate protective measures and shall not dismiss, remove, demote, reduce salary, harm the rights and interests they are entitled to by law, contract, or custom, or take other adverse actions against the whistleblower due to the reported case. Education and training advocacy on the whistleblowing system will also be conducted, please refer to 2.4.2 Ethical Management (including Whistleblowing System) Education and Training and 2.4.4 Legal Compliance Education and Training.

In 2024, KGIF received and filed 0 case through the Whistleblower Mailbox. The subsidiaries' whistleblowing system is explained as follows:

**Flowchart of Handling Reported Cases**

## 2.4.5 Disclosure of Breaches

For employees of the Company who violate the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," or "Code of Conduct for Employees," disciplinary actions will be taken in accordance with relevant rewards and punishments regulations of the Company. In cases involving violations of relevant government regulations, actions will be taken in accordance with applicable laws. In 2023, there were no penalty cases; however, the situation for 2024 has been detailed in the Company's 2024 Internal Control System Statement. Specifically, there were three cases involving KGI Bank and three cases involving KGI Securities, with total fines amounting to NT$1.38 million, as well as two cases involving KGI Life with total fines of NT$4.7 million. The Company and its subsidiaries reported zero cases. Details of 2024 cases involving violations of the Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, or Regulations Governing the Handling of Whistleblowing Cases on Illegal, Unethical, or Dishonest Conduct by the Company and its subsidiaries are as follows:

| Case type | The Company | KGI Life | KGIB | KGIS | KGI SITE | CDIB Capital | Total |
|---|---|---|---|---|---|---|---|
| Corruption or Bribery | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Discrimination or Harassment | 0 | 1 | 1 | 0 | 0 | 0 | 2 |
| Customer Privacy Data | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Conflict of Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Money Laundering or Insider Trading | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Note: 1. The case was reported through both internal and external channels. Following an investigation, it was confirmed that violations had occurred, resulting in the closure of the case.
2. In 2024, there were no whistleblowing cases involving violations of the Company's or its subsidiaries' Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, or Illegal, Unethical, or Dishonest Conduct.

# 2.5 Tax Governance

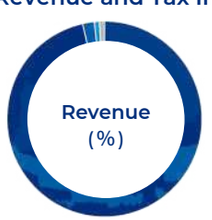
## Tax Governance Policy

To respond to international trends in tax governance, strengthen compliance with tax laws, fulfill corporate social responsibility, and achieve sustainable development goals, the Company formulated the "Tax Governance Policy" with the Board of Directors acting as the highest decision-making unit of the tax governance mechanism to approve the overall tax governance policy to ensure the effectiveness of the group's tax governance operation. The tax governance practice in 2023 was reported to the Board of Directors for review and approval in 2024.

The tax governance policies as follows.

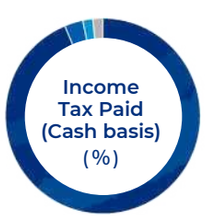
| | |
|---|---|
| Comply with Tax Regulations | Properly handle taxation and tax reports in accordance with tax laws of countries of operation, and fulfill social responsibilities as taxpayers. |
| Manage Tax Risks | In advance of conducting the business, tax evaluation and assessment should be performed with consideration of Company's reputation, risk management, and sustainable operation, and control tax risk effectively. |
| Comply with Economic Substance | Do not transfer value created to low tax jurisdictions for the sole purpose of tax avoidance. |
| Comply with Arm's Length Principle | Comply with transfer pricing requirements and arm's length principles in tax law for related party transactions. |
| Establish Communication Channels | Maintain an appropriate relationship with the tax authorities with honesty and openness to communicate and dispel doubt on important tax issues in a timely manner. |
| Improve Information Transparency | Comply with all relevant regulations, such as financial reporting guidelines and annual report disclosure of tax information, and increase tax information transparency through proper reporting system. |
| Strengthen Tax Expertise | Continue to comprehend new knowledge and changes in taxation laws and regulations and strengthen the taxation expertise of employees of KGIF and its subsidiaries through educational trainings. |

### ▪ Revenue and Tax Information in 2024




| | |
|---|---|
| Taiwan | 96.74 |
| Hong kong | 1.81 |
| Singapore | 0.87 |
| Others | 0.58 |

| | |
|---|---|
| Taiwan | 95.10 |
| Hong kong | 3.19 |
| Singapore | 1.30 |
| Others | 0.41 |




| | |
|---|---|
| Taiwan | 93.77 |
| Hong kong | 3.13 |
| Singapore | 1.44 |
| Others | 1.66 |

| | |
|---|---|
| Taiwan | 99.30 |
| Hong kong | 0.49 |
| Singapore | 0.02 |
| Others | 0.19 |

### ▪ Income Tax Information in 2023 & 2024

Unit: NT$ million

| Item | 2023 | 2024 |
|---|---|---|
| Net Profit Before Tax | 20,577 | 40,879 |
| Income Tax Expense | 1,629 | 7,324 |
| Income Tax Paid | 1,540 | 1,355 |

### ▪ Effective tax rate

Unit: %

| Item | 2023 | 2024 | Average | Average after Adjustment | Peer Average |
|---|---|---|---|---|---|
| Effective Tax Rate | 7.92 | 17.92 | 14.57 | 21.63 | 14.97 |
| Cash Tax Rate | 7.48 | 3.32 | 4.71 | 21.65 | 13.41 |

Note: 1. Effective tax rate = Income tax expense/Net profit before income tax.
2. Cash tax rate=Income tax paid/Net profit before income tax.
3. Industry average values refer to the average effective tax rate and cash tax rate in the global insurance industry as published in the CSA Handbook 2025 by S&P Global.

#### Analysis of Tax Rate Differences in 2023 and 2024

The reasons for the differences between the effective tax rates and cash tax rates of KGIF and the average tax rates of the insurance industry based on GICS are as follows:

1. The primary region of KGI's operations is in Taiwan, where the corporate income tax rate in Taiwan is 20% under the regular income tax system and 12% under the basic income tax system.
2. Profits composition has a considerable portion according to Taiwan tax law that belongs to tax-exempt income, such as securities trading gains and losses and international branch income, resulting in differences in the effective tax rate.
3. The difference between the effective tax rate and the cash tax rate, apart from the timing difference of actual cash payment being in the following year, also includes the impact of deferred income tax expenses.

## Strengthening Compliance with Global Transfer Pricing and Information Transparency

In response to international requirements for the three-tiered documentation framework for transfer pricing, which consists of "Master File", "Local File", and "Country-by-Country Reporting", each company followed the regulations of their respective countries to complete the Master File, Local File, and Country-by-Country Report to enhance the transparency of the taxation information of the Group, and use it as a reference for the self-examination of the related party transaction transfer pricing to implement and strengthen the compliance of global transfer pricing.

# 3 Intelligent Finance

The most direct and engaging way for KGI Financial to advance corporate social responsibility is through its core business, namely responsible investment. We not only focus on the financial performance aspect of our investment portfolio, but rather, while in the pursuit of solid long-term returns, we also hope to create a meaningful impact on the society and investee companies from a broader perspective, by evaluating the ESG performance of the investment targets. In addition, in order to promote financial inclusion, we continue to pay close attention on climate change issues, promote actively for green finance, and care for social enterprises and underprivileged communities. Under the latest technology trends and user requirements prompted by the swift pace of global digitization, digital finance is used to rapidly satisfy customer needs. Through the power of technology and outstanding services, KGI Financial could enhance customer experience and create value for our customers. At the same time, we encourage innovation and support new startups to inspire young entrepreneurs. This will hopefully solve the "unemployment or underemployment" problem faced by the younger generation.

## ■ Key Strategy, Targets and Progress

| Strategy | Relevant Material Topics | 2024 Progress | Asset/Methodology[Note 1] | 2025 Short-term Goals | 2026~2034 Mid-term to Long-term Goals |
|---|---|---|---|---|---|
| Engagement Targets | ESG risks and opportunities in investment and financing | The Group's listed stock and bond investment portfolio audit has completed the target-setting process for SBT, with an investment value ratio of 27.1%. | Listed stock and bond investment portfolio (common stock, preferred stock, corporate bonds, ETFs, REITs, mutual funds)/ PC | 31.3% of the Group's listed stock and bond portfolio (common stock, preferred stock, corporate bonds, ETFs, REITs, mutual funds) by invested value setting SBTi-validated targets | 49.7% of the listed stock and bond portfolio (common stock, preferred stock, corporate bonds, ETFs, REITs, mutual funds) by invested value setting SBTi-validated targets by 2029 from a 2022 base year. |
| | | The Group's corporate loans for fossil fuel and electronic component manufacturing industries have set SBT targets, with an investment value ratio of 38.1%. | Corporate loans – Other industries/PC | 24.8% of the Group's corporate loan portfolio within the fossil fuel and electronic components manufacturing sectors by loan value setting SBTi-validated targets | 44.9% of the corporate loan portfolio within the fossil fuel and electronic components manufacturing sectors by loan value setting SBTi-validated targets by 2029 from a 2022 base year. |
| Sector Targets | Climate/Nature Opportunity and Risk Management | The Company's investment ratio in high-carbon industries stands at 16.01% | Investment and Financing | The investment and financing ratio for high-carbon industries is below 24.5%. | The investment and financing ratio for high-carbon industries is below 24.5%. |
| | | By the end of 2024, the Group's subsidiaries did not hold new direct project investment or financing positions related to thermal coal and unconventional oil/gas (including new projects or expansion of existing projects), as well as companies engaged in the ongoing expansion of thermal coal and unconventional oil/gas-related businesses[Note 3]. | | Starting from January 1, 2025, the Company has ceased [Note 2] direct project investment and financing of not only thermal coal as well as unconventional oil/gas projects (including new projects or expansion of existing projects) but also projects from companies which are still expanding related businesses[Note 3]. | · Continue to suspend direct project investment and financing support for projects related to thermal coal and unconventional oil/gas (including new extraction projects and the continued expansion of existing projects), as well as for companies engaged in the ongoing expansion of thermal coal and unconventional oil/gas businesses[Note 3].<br>· By the end of 2030, phase out most [Note 4] of direct investment and financing [Note 5] for industries related to thermal coal and unconventional oil/gas in industrialized countries within the European Union and OECD member states. |
| Portfolio Emission Targets | Climate/Nature Opportunity and Risk Management | Reduce GHG emissions from the electricity generation project investment and finance portfolio 45.4% per MWh from a 2022 base year.. | Electricity generation project investment and finance/SDA | Reduce GHG emissions from the electricity generation project investment and finance portfolio 28.5% per MWh from a 2022 base year. | Reduce GHG emissions from the electricity generation project investment and finance portfolio 81.8% per MWh by 2034 from a 2022 base year. |
| Transitions Targets | ESG risks and opportunities in investment and financing<br>Climate/Nature Opportunity and Risk Management | KGI Life: The amount of green and sustainable investments grew by approximately 45.7% compared to 2022. | Investment and Financing | Proportion of green or sustainable investments increased by 15% compared to a 2022 base year. | Aim to increase proportion of green or sustainable investments by 35% in 2029 compared to a 2022 base year. |
| | | KGI Bank: The balance of green credit increased by 84.75% compared to a 2022 base year. | | Renewable energy project financing increased by 2% compared to a 2022 base year. | Continuously to increase renewable energy projects financing. |
| | | KGI Securities: Investment face value of sustainable development bonds increased by 16% compared to a 2023 base year, achieving the target of a 5% annual increase. | | Investment face value of sustainable development bonds increased by 5% compared to a 2024 base year. | Increase investment face value of sustainable development bonds by 5% by 2029 compared to a 2024 base year. |
| | | KGI SITE: Study to introduce Implied Temperature Rise (ITR) to calculate the warming trend of investment portfolios; gradually establishing net-zero carbon emission targets. | | Study to introduce ITR to calculate the warming trend of investment portfolios; planning to procure third-party institutional data. | Disclose the ITR performance of asset management investment portfolios on the official website, ESG reports, and other public information. |
| | | CDIB: Amount of new green investment increased by 5% compared to the a 2023 base year. | | Amount of new green investment increased by 5% by 2025 compared to a 2023 base year. | Increase amount of new green investment by 5% every year compared to a 2023 base year. |
| IFRS S2/ TCFD | Climate/Nature Opportunity and Risk Management | KGI Financial has initiated to introduce the implementation of the IFRS S2 climate-related disclosures at the end of the year | Investment and Financing | · Implement IFRS S2 climate-related disclosures in accordance with regulations<br>· Complete the climate and nature-related report and assurance | · Complete the IFRS S2 climate-related disclosures in the 2027 annual report<br>· Continuously improve the content of climate and nature-related report |

Note 1: Portfolio Coverage (PC); Sectoral Decarbonization Approach (SDA).
Note 2: Effective January 1, 2025, no new direct project financing or investment positions shall be added by this commitment.
Note 3: The percentage of revenue from related businesses is expected to grow.
Note 4: A business deriving more than 30% of their revenue or generated power from thermal coal and unconventional oil and gas related industries, without putting forth a low-carbon transition project in alignment with the targets under the Paris Agreement.
Note 5: Direct investment refers to the allocation of capital into an investment target where more than 10% of common shares are held. Direct financing refers to the provision of capital directly to enterprises or institutional entities in need of funding, including granting loans and purchasing more than 10% of a corporate bond issuance in the primary market.

| Strategy | Action Plan | 2024 Progress | | Short-term Goals 2025 | 2025~2026 Mid-term Goals | 2027~2028 Long-term Goals |
|---|---|---|---|---|---|---|
| Inclusive Finance | Promoting startups and digital platform players to cooperate to enhance customer financial experience solutions. Our innovative financial products and application platform aim to enhance inclusive financial services and expand our target customer base for inclusive finance. We are committed to fulfilling our corporate social responsibility. | · Optimize the functions and interface of mobile banking, including deposit, credit card, loan, payment, fund, ETF/foreign stocks, bonds, insurance, and cardless withdrawal. Additionally, enhance the comprehensive product functions and services. A total of 95 new functions and optimizations have been implemented.<br>· The official website has established a user-friendly section and developed a single entry portal, which has been upgraded to AA certification for accessibility. Additionally, English accessible web page services are also available.<br>· The intelligent customer service "Pocket Assistant" offers 24/7 online support, utilizing advanced voice interaction technology. This allows customers to ask questions using voice commands, creating a user-friendly and accessible environment.<br>· KGI Inside Donation platform: KGI Bank cooperated with 95 charitable organizations to use the "KGI inside" API to handle nearly 210,000 donations, with an amount of more than NT$280 million. The handling fee cost was reduced by 76%, effectively helping social welfare organizations to manage and control administrative expenses, and allocate more resources for care of beneficiary groups. | | · Continuously optimize customer digital channels and enhance functionality to offer customers a more comprehensive, secure, and interactive user experience.<br>· In order to expedite the delivery of convenient and efficient digital services to our customers, we are accelerating the development schedule through agile management.<br>· Expanding the field of cross-industry cooperation, using API data interfacing to recognize income in innovative ways, using diverse big data as proof of income, and developing a new risk management scoring model.<br>· The target number of approved loans for inclusive finance customers in 2025 reaches 1,440 cases. | · Provide innovative digital financial services and optimize customer experience with AI big data.<br>· To enhance the functionality of intelligent wealth management and offer customers more convenient and comprehensive wealth management services.<br>· In order to enhance the application experience for customers in the inclusive finance sector, we employ the 'KGI ONBOARD online application platform' in combination with a versatile application platform. This enables customers to conveniently apply for multiple financial products in a single location. | · Continuously providing innovative financial services and delivering a more personalized digital channel experience.<br>· By collaborating with various industries, we can further enhance the inclusive finance ecosystem.<br>· Deepening the culture of treating customer fairly across the entire organization. |
| | Continue promoting micro insurance, small-amount life insurance, and online purchase of annuities, and develop insurance products designed for financial inclusion. | KGI Life | Microinsurance premium income reached NTD 22.17 million, with a premium income target achievement rate of 256%, ranking first in the industry, benefiting more than 100,000 people. | · Maintain a top 3 ranking in the industry for micro insurance premium income | · Maintain a top 3 ranking in the industry for micro insurance premium income | · Maintain a top 3 ranking in the industry for micro insurance premium income |
| Customer Service | Improve service quality and customer complaint management | KGI Life | · Friendly Finance Service Hotline: 7,616 calls, achieving a completion rate of 212%<br>· Bottom-Up NPS grew steadily by 4% YoY, while Digital NPS saw a significant 11% increase<br>· Resolution rate at the Financial Ombudsman Institution 98.21% | · Rank in the top 25% in the annual evaluation by the Insurance Bureau<br>· NPS score exceeding 55<br>· Resolution rate at the Financial Ombudsman Institution ≥90% | · Rank in the top 25% in the annual evaluation by the Insurance Bureau<br>· NPS score exceeding 57<br>· Resolution rate at the Financial Ombudsman Institution ≥90% | · Rank in the top 25% in the annual evaluation by the Insurance Bureau<br>· NPS score exceeding 60<br>· Resolution rate at the Financial Ombudsman Institution ≥90% |
| | | KGI Bank | · A total of 94 individuals successfully obtained the Elderly Financial Planning Consultant certification, with a pass rate of 58%, exceeding the industry average. Additionally, 509 fraud prevention awareness sessions were conducted, achieving a completion rate of 170%<br>· Bottom-Up NPS Score: 75<br>· Complaints per thousand customers: 0.128 ‰ ≤ 0.2 ‰ | · Rank in the top 50% in the annual evaluation by the Banking Bureau<br>· NPS score exceeding 72<br>· Closure rate for customer complaint cases resolved within three days ≥ 85% | · Rank in the top 25% in the annual evaluation by the Banking Bureau<br>· NPS score exceeding 73<br>· Closure rate for customer complaint cases resolved within three days ≥ 86% | · Rank in the top 25% in the annual evaluation by the Banking Bureau<br>· NPS score exceeding 74<br>· Closure rate for customer complaint cases resolved within three days ≥ 86% |
| | | KGI Securities | · Senior service hotline received a total of 8,402 calls.<br>· 2024 Top-Down NPS: Taiwan Securities Industry - Overall NPS Rank 1/Digital NPS Rank 1<br>· First contact resolution rate for customer service center 99.6% ≥ 97.5% | · Rank in the top 25% of large securities firms in the annual evaluation by the Securities and Futures Bureau<br>· NPS score exceeding 78<br>· First contact resolution rate for customer service center ≥ 98% | · Rank in the top 25% of large securities firms in the annual evaluation by the Securities and Futures Bureau<br>· NPS score exceeding 80<br>· First contact resolution rate for customer service center ≥ 98.5% | · Rank in the top 25% of large securities firms in the annual evaluation by the Securities and Futures Bureau<br>· NPS score exceeding 82<br>· First contact resolution rate for customer service center ≥ 99% |

(Continue)

| Strategy | Action Plan | 2024 Progress | | Short-term Goals 2025 | 2025~2026 Mid-term Goals | 2027~2028 Long-term Goals |
|---|---|---|---|---|---|---|
| Digital Finance | Upgrade service convenience with digital finance | KGI Life | · Optimize or add ≥12 features to the iLife App/Web<br>· Self-service rate for the APP iLife/Web reached 40.9% | · Optimize or add ≥12 features to the iLife App/website<br>· Development of Chatbot for C, completing 11 major FAQ categories and 38 service types<br>· Establish mechanism for and provide automated voice-assisted recordings for elderly investors | · Optimize or add ≥15 features to the iLife App/website<br>· Enhance intelligence and human-like texts and voice customer services of Chatbot for C, facilitating video appointment scheduling, and expanding customer self-service options<br>· Mechanism for automated voice-assisted recordings for the elderly received approval from the relevant authority as the first of its kind to operate, expanding external channel cooperation | · Optimize or add ≥15 features to the iLife App/website<br>· Continuous evaluation and upgrading of Chatbot for C<br>· Assessment of the telephone interview functions of the mechanism for automated voice-assisted recordings for the elderly |
| | | KGI Bank | · Successfully implemented 122 online features and optimizations for the mobile banking platform, and completed 35 feature enhancements for the intelligent customer service<br>· The AI detection system for non-new type credit card fraud achieved a transaction amount blocking rate of 90.6%, exceeding the threshold of 88% | · Optimize or add ≥30 features to online banking<br>· Implementation of the MID identity authentication mechanism<br>· Updating of the online banking system | · Providing innovative digital financial services, leveraging AI and big data to optimize customer experience, enhance convenience, and implement scenario-based finance<br>· Enhancing the functionality of intelligent wealth management and offering customers more convenient and comprehensive wealth management services. | · Continuously providing innovative financial services and delivering a more personalized digital channel experience |
| | | KGI Securities | · Optimize or add ≥50 features to the app<br>· Receive five digital-related awards from professional institutions<br>· Acquire one new patent certificate | · Optimize or add ≥50 features to the app<br>· Receive five digital-related awards from professional institutions<br>· Acquire one new patent certificate | · Integrate financial technology with the government's financial white paper guidelines to continuously enhance digital financial services0 | · Integrate various financial technology advancements to enhance digital services with personalization and professionalization |
| | | CDIB | · CDIB Capital Innovation Accelerator hosted a total of 134 online and offline innovation and entrepreneurship seminars across domestic and international venues | · CDIB Capital Innovation Accelerator hosted ≥90 online and offline innovation and entrepreneurship seminars<br>· Establishing an "Investor Platform for Asset Management" to enable the upload of financial statements, fund information, and other materials for investor review | · CDIB Capital Innovation Accelerator hosted ≥100 online and offline innovation and entrepreneurship seminars | · CDIB Capital Innovation Accelerator hosted ≥110 online and offline innovation and entrepreneurship seminars |

# 3.1 Responsible Investment

## 3.1.1 Principles for Responsible Investment and Policies

KGI Financial aligns with the UN Principals for Responsible Investment (UN PRI). Our major subsidiaries, including KGI Life, KGI Bank, KGI Securities, KGI SITE, and CDIB Capital are all signatories to the "Stewardship Principles" of the Taiwan Stock Exchange Corporation and comply with its six main principles. We implement 'stewardship' by incorporating ESG management procedures into investment decisions, hence, we make a sustainable finance impact on enterprises to assist companies in paying attention to ESG related issues. An investment portfolio built on the ESG is not only potentially beneficial, but also offers a triple-win opportunity for the good of the environment, society, and corporate governance. In the meantime, to deepen the internal ESG core values, the "Responsible Finance" working group is established responsible for planning KGI Financial's sustainable financial blueprint. Based on needs, it will convene at least three times a year to discuss and develop sustainable development plans and oversee the implementation of responsible investment strategies and policy directions.

In order to implement the "Sustainable Development Goals" (SDGs) of the United Nations, KGI Financial and its subsidiaries have been approved by the board of directors and established a "Sustainable Finance Commitment." The Sustainable Finance Commitment applies to the Company and its major subsidiaries, including KGI Life, KGI Bank, KGI Securities, KGI SITE, and CDIB Capital. This commitment covers all domestic and international business operations and investment activities. Investment and financing activities encompass active investments, passive investments, and outsourced investments in proprietary positions, as well as credit business; whereas asset types include listed equity, fixed-income securities, private equity, real estate investments, and financing. ESG management guidelines have been established and tailored to the unique characteristics of various asset types, categorized as follows:

- **Listed Equities, Fixed-income Securities, and Private Equity of Active Investments:** KGI Life, KGI Bank, KGI Securities and CDIB Capital, have stipulated their "Responsible Investment Policy," promulgated and implemented after the adoption by the Board of Directors in 2020 and 2021 (The highest governance unit for responsible investment policy is the board of directors). The ESG is incorporated as an important consideration in investment evaluation and management. The four subsidiaries all established their own Sustainability Committees under the Board of Directors in 2023, each with a "Responsible Finance" working group responsible for planning their sustainable development plans. They also supervise the implementation of reducing investments in high-carbon industries, as well as promoting green investments and seeking green investment opportunities. For the Responsible Investment Policies of KGI Life, KGI Bank, KGI Securities, and CDIB Capital, please refer to the official website of Sustainable Development or Stewardship webpages on each subsidiary's official website.
- **Passive Investment (funds, ETFs):** KGI Life adheres to its responsible investment policy. For foreign funds and ETFs, it will assess whether the fund management institutions or their affiliated group companies are signatories to the Principles for Responsible Investment (PRI) as a selection criterion for evaluation. If the investment assets consist of domestic funds and ETFs, the company will assess whether the fund management institutions or their affiliated group companies have established ESG policies and how these policies are implemented.
- **Real Estate Investment:** KGI Life has established a "Real Estate Investment Operations Manual" and "Real Estate Investment and Management Procedures" for real estate investments, clearly stipulating that environmental (E), social (S), and governance (G) factors should be fully considered when investing in real estate. This includes whether the real estate target has obtained domestic and international green building certifications, low-carbon building certifications, or building energy efficiency assessments, among others. Additionally, environmental risks of the target, including warming risks, soil liquefaction, and geological sensitivity, are included in the considerations to assess whether the real estate investment target has ESG planning. Furthermore, when leasing real estate to others, ESG screening is conducted for the lessee, including avoiding high-pollution, high-energy consumption industries from the environmental aspect (E) and controversial industries from the social aspect (S) to ensure compliance with KGI Financial's Sustainable Finance Commitment, effectively controlling investment risks and fulfilling corporate social responsibility.
- **Assets Managed by Third Parties:** KGI Financial and its subsidiaries[Note] require outsourcing institutions to follow the guidelines framework of each subsidiary's responsible investment policy, and to provide a complete description on the principles and implementation status of important ESG items such as environmental, social and corporate governance, and to regularly disclose the fulfillment of stewardship governance.

Note: From March 2024, KGI Life will no longer engage in outsourced management services. Other subsidiaries, including KGI Bank, KGI Securities, and KGI SITE, will also cease outsourced management services. This does not apply to CDIB Capital.

| UN PRI | KGI Financial's Implementation |
|---|---|
| Incorporate ESG Issues into Investment Analysis and Decision-making Processes | All major subsidiaries of KGI Financial have established responsible investment policies, and ESG review conditions and standards (including Exclusion and Sector-Specific Standards), and ESG issues are taken into consideration in investment decisions. For the details, please refer to 3.1.2 Management Process for Responsible Investment |
| Be active Owners and Incorporate ESG Issues into our Ownership Policies and practices | All the major subsidiaries of KGI Financial have signed the "Stewardship Principles" issued by the Taiwan Stock Exchange Corporation, and have formulated relevant protocols and voting policies to actively engage in ESG-themed conversations with investee companies, guiding them to reduce negative environmental and social impacts and explore opportunities for sustainable development. |
| Seek Appropriate Disclosure on ESG Issues by the Entities in Which We Invest | We review and pay attention to the material ESG issues of investee companies in accordance with local authorities' requirements for the disclosure on ESG issues, including but not limited to ESG reports and ethical corporate management best practice principles. |
| Promote Acceptance and Implementation of the PRI within the Investment Industry | KGI Financial and its subsidiaries actively participate in sustainability forums and exhibitions. In 2024, we joined the Net Zero Cities Exhibition to engage investors in interactive net-zero experiences, promoting key green finance initiatives: "Sustainable Investment, Driving Net Zero Transformation," "Green Finance, Accelerating Industry Sustainability," "Innovative Finance, Advancing Sustainable Co-Prosperity," and "Digital Innovation, Achieving Sustainable Insurance." These efforts demonstrate the Company's commitment to sustainable finance and its broader impact. |
| Work Together to Enhance Our Effectiveness in Implementing the PRI | In order to assist the financial industry to strengthen the risks brought about by climate change, KGI Financial joined Partnership for Carbon Accounting Financials(PCAF) in June 2023, and actively introducing international investment and financing carbon emission management standards, assisting corporate customers in promoting low-carbon transformation through core business, and connecting with the "Green Finance and Transition Finance Action Plan" proposed by the Financial Supervisory Commission, committed to exerting financial influence. |
| Each Report on Our Activities and Progress Towards Implementing the PRI | In addition to regular disclosures on compliance with stewardship in accordance with "Stewardship Principles," KGI Financial, KGI Life, and KGI Securities have publicly disclosed the implementation of responsible investment in the respective Sustainability reports. |

## KGI Financial's Responsible Investment Policies

We have integrated ESG issues with the Group's investment stewardship governance framework to form a responsible investment management framework at KGI Financial. It establishes the six principals of responsible investment, "ESG Incorporation Principles" "Conflict of Interest Management," " Sector Specific RI Guidelines," "Negative Exclusion Policy," "Engagement Policy" and "Voting Policy." Further, the principals are launched for responsible investment in four subsidiaries, namely CDIB Capital, KGI Life, KGI Bank, and KGI Securities. In accordance with the asset attributes and investment process of the four subsidiaries, each of them has formulated its own responsible investment policy to directly guide risk management and asset allocation. For different types of assets such as equity, fixed income, and private equity within the Group, shaping the overall process risk control, before, during and after investment, that suits its business characteristics.

### ■ Responsible Investment Management Framework

**ESG Incorporation Principles**

Subsidiaries all formulate responsible investment policies, incorporating the investment-making decision procedures in ESG (environmental, social and corporate governance) sustainable management evaluation factors, and fulfill stewardship actions. Moreover, KGI Financial and its subsidiaries and its subsidiaries have all been approved by the board of directors and established the "Sustainable Finance Commitment." The ESG issues have been incorporated as the key consideration factors of operations, evaluation and management. These consideration factors include:

| ESG Aspects | Approach |
|---|---|
| Environmental Factor | Avoid investment engaging in high-pollution and high-carbon emission industries and draw attention to the energy and resource consumption of investment and GHG emission as well as other environmental issues. |
| Social Factor | Avoid investment with controversial industries or products and services with negative impact on social welfare, in addition to drawing attention on the social issues such as the supply chain management, labor human rights, and labor relations. |
| Corporate Governance Factor | Avoid incidents with specific evidence showing that the operations executed by the Board of the Directors in violation of the law, articles of incorporation, and resolutions made by the shareholders' meetings, and those with material impact on shareholders or investors. Draw attention on corporate governance issues such as governance performance, reputation and compliance. |

**Conflict of Interest Management**

Establish mechanisms for information control, firewall design, segregation of duties, supervision and management, and reasonable remuneration to prevent conflicts of interest.

**Sector Specific RI Guidelines**

Coal-mining or coal/thermal power plants that have been punished by competent authorities in the previous year for significant environmental pollution penalties should propose plans or improvement proofs.

**Negative Exclusion Policy**

1. There are specific evidences to prove that industries involving pornography, drugs, money laundering, financing of terrorist activities, slave labor, child labor, or human rights violations.
2. Specific evidence to prove that the Board of Directors has violated laws, articles of association, resolutions of the shareholders' meeting and those who have a significant influence on the rights and interests of shareholders or investors.

**Engagement Policy**

1. Target companies/projects with better performance in the ESG appraisal are included in the "Encouragement List" and can be given priority for investment under the same financial evaluation.
2. Actively engage in ESG dialogues with investee companies, and through communication with them, guide them to reduce their negative environmental and social impacts and identify opportunities for sustainable development. Investment teams shall ask the portfolio companies or deals for the cause, development and handling of incidents, if any, where they breach laws, undermine the Company's ESG policy, or damage the Company's long-term investment value.

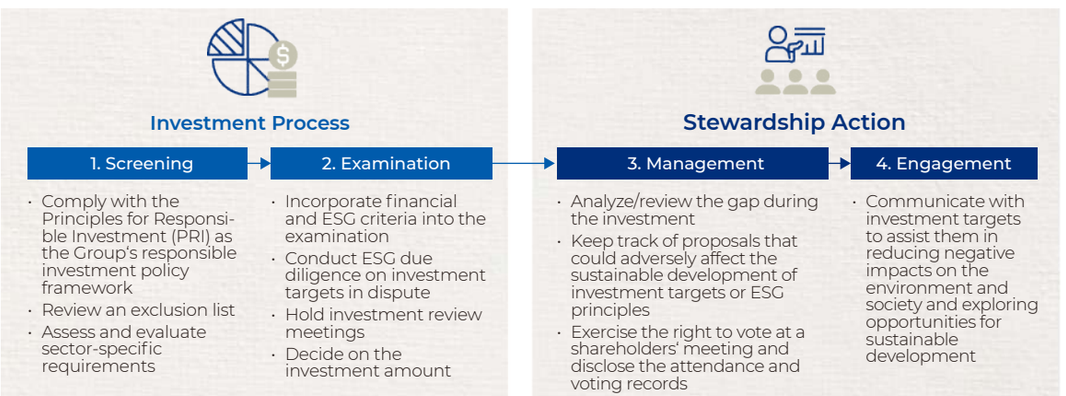
**Voting Policy**

Disapproval for the proposals that impede investee companies' sustainable development or corporate governance or violate ESG standards.

## 3.1.2 Management Process for Responsible Investment

### Incorporate ESG Criteria into Investment Analysis and Decision-making Processes

KGI Financial shall take sustainability into consideration and execute stewardship, when sourcing, evaluating and underwriting deals, and implementing portfolio management, and fulfill due diligence governance actions to enhance investment value and promote sound development of the Group and the portfolio companies.




### ESG Assessment Process

Investment teams shall screen potential investment targets according to ESG when developing new investment sources, conducting ESG due diligence on those with an environmental, social or governance dispute, through the ESG assessment process, targets that negatively impact the environment and economy are screened out. If the investment target is involved in industries and sectors related to pornography, drugs, money laundering, terrorism financing, servitude, child labor or violation of human rights, the investment will not be carried out. Therefore, under the sustainable investment policy, both active investment and passive investment assets have good ESG rating quality.

### ESG Due Diligence

In terms of investment follow-up management, we will continue to pay attention to the relevant information and risks of the invested business, and take ESG factors into consideration. In addition, through interaction and visits with the management of the investee company, participation in shareholder meetings and voting, etc., to strengthen communication with the investee company, by expressing concerns about ESG issues, influencing the investee company and promoting its benignity Develop and fulfill social responsibility and create future value.

KGI Financial firmly believes that there is a benign and positive relationship between ESG conceptual investment and long-term income, and can exert significant influence on the market and investee companies, thereby creating a win-win situation for the environment, society and corporate governance with high profit potential investment portfolio.

In addition, KGI Financial subsidiaries such as KGI Life, KGI Bank, KGI Securities, KGI SITE, and CDIB Capital have signed the "Stewardship Principles for Institutional Investors" with the Taiwan Stock Exchange, and regularly publishes due diligence reports on each own official website, in addition to disclosing the stewardship policy, conflict of interest policy, and to comply with voting policy that KGI Financial will not support if motions that hinder the sustainable development of the subject matter, have corporate governance concerns, or have a negative impact on ESG principles. The disclosure of due diligence implementation includes voting at the shareholders meeting, interaction with investee companies, engagement, major conflict of interest events and internal investing resources to implement due diligence, etc. KGI Financial and its subsidiaries have all approved by the board of directors and established the "Sustainable Finance Commitment", and comply with its engagement and voting mechanisms.

### Engagement Mechanism

We give priority to communicating with investee companies on ESG issues concerned by the Group, conducting due diligence, and reviewing their ESG performance. The scope of applicability for the Company's engagement mechanism include investment and financing activities, which encompass active investments, passive investments, and outsourced investments in proprietary positions, as well as credit business; asset types include listed equity, fixed-income securities, private equity, real estate investments, and financing. KGI Financial and subsidiaries are concerned about the engagement guidelines of ESG issues include but are not limited to the below ESG factors. Where the investee is at risk of a material violation of corporate governance principles, damaging the long-term value of shareholders/customers/beneficiaries, or ESG principles on specific issues, we will inquire about the handling situation from senior management of the investee company, keep track, and not rule out the joint expression of appeals with other investors. To enhance the effectiveness of engagement and safeguard the best interests of stakeholders, it is open to implement engagement collaboration when the engagement topic has a high degree of specificity, aligns with the sustainable development direction of the competent authority, and when engagement collaboration with other investors could increase the probability of successful engagement. We also engage in dialogue with issuers of passive investment positions on ESG issues of concern to the Group. In cases where there is a significant risk of material ESG violations, we will escalate the communication level and continue to monitor the situation.

- **Environmental**: values the issue of climate change, encourages customers to set carbon reduction goals, pays attention to issues related to biodiversity and natural ecology, focuses on resource management, and avoids environmental pollution.
- **Social**: values human rights equality, promotes prevention of sexual harassment, encourages charitable activities for public welfare.
- **Governance**: values ethical corporate management, implements sustainable governance, supports participation in ESG-related initiatives.

## Engagement Cases

| Engagement Topic/Objective | Delivering Sustainable Outcomes | Management of ESG Risks |
|---|---|---|
| Engagement Reason | KGI Securities and KGI SITE managers, engaged with DD Company's spokesperson and procurement director to understand its current board composition of 12 seats, of which only 3 are independent directors, falling short of regulatory requirements. Additionally, since DD Company's primary revenue and profits come from the U.S., and its supply chain heavily relies on upstream steel industry production of semi-finished products, the company faces carbon fees under the U.S. Clean Competition Act (CCA). The discussion explored whether DD Company has concrete plans to drive carbon reduction within its supply chain. | In 2024, KGI Life distributed its annual engagement survey, and for the first time, the survey was sent to investees that had not joined the Science Based Targets initiative (SBTi). Following the survey distribution, Y Insurance Group invited KGI Life to share its ESG policies and climate risk management experience, specifically discussing practical approaches to Scope 3 carbon inventory assessments. |
| Engagement Time | 2024 | September 2024 |
| Engagement Method | Collaborative engagement | Individual engagement |
| Description and Suggestions Regarding the Current ESG Status of the Engagement Company | KGI Securities and KGI SITE recommend that the Company's independent directors constitute no less than one-third of the total number of Board of Directors seats to enhance the Board's operations and director functions.<br>In response to the U.S. CCA, it is recommended that DD Company develop concrete strategies to drive carbon reduction within its supply chain. These measures include promoting environmental and social self-commitments among suppliers, facilitating supplier self-assessments, advancing sustainability initiatives, strengthening engagement with suppliers, and conducting evaluations to encourage carbon inventory assessments. | Y Insurance Company is a long-term investment held by KGI Life and has not yet joined the SBTi.<br>After gaining a preliminary understanding of Y Insurance Group's sustainability governance framework and the challenges associated with carbon inventory, KGI Life shared its approach to meeting carbon emission standards. This includes methods for collecting and estimating carbon emission values, ultimately leading to the signing of the SBTi. The goal is for Y Insurance Company to join the SBTi in the future, further advancing its net-zero goals |
| Result of the Engagement or Follow-up Actions | To enhance the effectiveness of its Board of Directors, DD Company has established an annual training program for its directors. Furthermore, the following methods have been utilized for planning the succession of board members: 1. Current directors shall recommend suitable candidates; 2. Shareholders shall propose candidates for directorship; 3. Results of the Board's performance evaluation shall be used as a reference for nominating directors for reappointment.<br>DD Company has established a "Supplier Code of Conduct" as part of its strategic collaboration with suppliers. This code requires suppliers to minimize their impact on the community, environment, and natural resources during manufacturing processes. Additionally, the top ten key suppliers, which account for approximately 60% of total procurement expenditure, are required to sign the "Supplier Social Responsibility Commitment." Suppliers must obtain relevant certifications, which are necessary criteria for the selection of suppliers by DD Company. Furthermore, DD Company will conduct necessary on-site audits, and only after passing the review can new suppliers be approved. | In this exchange, KGI Life actively communicated its desire for Y Insurance Company to join the SBTi, and Y Insurance Group also indicated its commitment to making every effort to promote the relevant operations.<br>In the future, KGI Life will fulfill its responsibilities as a shareholder and institutional investor in investment decisions. It will maintain communication channels to share Scope 3 management mechanisms and carbon reduction experiences, encouraging investee companies to progress toward net-zero goals. |

## Voting Mechanism

We actively participate in shareholder meetings of the companies we invest in and express our opinions on the resolutions. We engage with the management of these companies through various communication ways such as conference calls, face-to-face meetings, attending corporate briefings, or sending representatives to shareholder meetings or major shareholder ad hoc meetings. We exercise our voting rights actively. Prior to attending shareholder meetings, we carefully evaluate the resolutions. In order to respect the professional management of the invested companies and promote their effective development, we generally support the resolutions proposed by their management. We do not support resolutions that hinder sustainable development or involve significant ESG-related issues, such as corporate governance issues (e.g., false financial reports, improper remuneration of directors and supervisors), environmental impacts (e.g., pollution), or social impacts (e.g., human rights violations, labor rights deprivation). Before attending shareholder meetings, our company thoroughly evaluates each resolution and provides a written analysis explanation before exercising our voting rights. The voting records of shareholder meetings attended by our company are properly retained, and the written records or voting statistics shall be properly kept., After exercising voting rights, written records or voting statistics should be disclosed in the shareholders' meeting voting records or institutional investors' stewardship reports and submitted to the board of directors.

### ■ KGI Financial Group Participation in Shareholders' Meeting Voting Resolution Statistics Table

| ESG Dimensions | Category of Resolution | | Total Number of Resolutions | | Support | | Opposition | | Abstain | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Number of Resolutions | % | Number of Resolutions | % | Number of Resolutions | % | Number of Resolutions | % |
| Governance (G) | Operational and Financial Performance | Business and Financial Reports | 1,738 | 95.64 | 1,738 | 94.63 | - | 0.12 | - | 0.89 |
| | | Distribution of Surplus or Allocation of Loss | 1,615 | | 1,615 | | - | | - | |
| | | Amendment of Articles or Operating Procedures | 1,382 | | 1,376 | | 5 | | 1 | |
| | Corporate Governance and Board Organization | Board of Directors and Supervisors Election | 733 | | 677 | | - | | 56 | |
| | | Dismissal of Directors and Supervisors | 3 | | - | | - | | 3 | |
| | | Release of Director's Non-Compete Restriction | 897 | | 893 | | - | | 4 | |
| | | Director's Remuneration | 29 | | 29 | | - | | - | |
| | Business Strategy and Capital Structure | Company dissolution, merger, acquisition, stock conversion, or division. | 31 | | 31 | | - | | - | |
| | | Capital Increase | 200 | | 199 | | 1 | | - | |
| | | Capital Surplus Cash Distribution Case | 118 | | 118 | | - | | - | |
| | | Private Placement Securities | 106 | | 103 | | 3 | | - | |
| | | Reduction of Capital / Cash Reduction | 20 | | 20 | | - | | - | |
| | | Long-term Capital Fundraising Proposal | 5 | | 5 | | - | | - | |
| | | Stock Release Case | 11 | | 11 | | - | | - | |
| | Others | Administrative affairs | 4 | | 4 | | - | | - | |
| Social (S) | Labor rights | Issue Restricted Employee Stock or Employee Stock Options | 107 | 1.50 | 106 | 1.48 | 1 | 0.01 | - | - |
| | | The treasury stock is transferred to employees at a price below the actual average repurchase price | 1 | | 1 | | - | | - | |
| Environmental (E) | Climate Change | Low carbon transition and net zero | 9 | 0.12 | 9 | 0.12 | - | - | - | - |
| | Environmental Pollution | | - | | - | | - | | - | |
| Others | | | 197 | 2.73 | 82 | 1.14 | - | - | 115 | 1.60 |
| Total number of resolutions | | | 7,206 | 100 | 7,017 | 97.38 | 10 | 0.14 | 179 | 2.48 |

## Post-Investment Management

After the investment, we will also review and measure the investment results, and should continuously pay attention to, analyze and evaluate the relevant information of the target. If the investment target involves the aforementioned ESG exclusion standards during the investment period, we should immediately review and evaluate whether the investment target has relevant improvement conditions or plans, and explain in the evaluation report whether to change the company's investment strategy or limit the amount.

### ▪ Compliance with Stewardship Principles for Institutional Investors

| Company | Compliance with Stewardship Principles for Institutional Investors |
|---|---|
| KGI Life | KGI Life regularly publishes the "KGI Life Report on the Votes at Shareholders' Meetings of Investee Companies" In 2024, KGI Life has ensured that 100% of its foreign ETF fund management institutions are signatories of the Principles for Responsible Investment (PRI).<br>In 2024, participation in the shareholders' meetings of both domestic listed and unlisted investee companies reached 100%.<br>KGI Life's Stewardship Principles and Compliance Disclosure |
| KGI Bank | KGI Bank regularly publishes the "KGI Commercial Bank Due Diligence Governance Report." In 2024, it participated in the shareholders' meetings (including electronic voting attendance) of a total of 19 domestic listed/unlisted investee companies, achieving a participation rate of 100%.<br>KGI Bank's Stewardship Principles and Compliance Disclosure |
| KGI Securitie | KGI Securities regularly publishes the "KGI Securities' Voting Records in Investee Companies" to actively demonstrate its commitment to corporate governance.<br>In 2024, KGI Securities achieved a 100% participation rate in shareholder meetings of domestic listed, emerging, and publicly issued companies. Through shareholder meetings, investor conferences, on-site visits, and phone interviews, KGI Securities engaged in 9,533 discussions with investee companies.<br>KGI Securities's Stewardship Principles and Compliance Disclosure |
| KGI SITE | In 2024, a total of 80 shareholders' meetings will be attended, and the participation rate of the shareholders' meetings of the listed companies' invested companies will be 100%, and a total of 498 resolutions (including the election of directors and supervisors) will be voted on, and 1 resolutions were not in favor. The opposition to the resolution was a long-term capital fundraising resolution for one investee company (a total of 2 resolutions), KGI SITE research team conducted the evaluation and did not support the resolution for that company, and thereby did not support the resolution and casted opposition vote. Therefore, there is no disapproval of the proposal. In addition, in 2024, the number of active visits to investee companies totaled 341 times, and the company actively interacted and negotiated with investee companies.<br>KGI SITE's Stewardship Principles and Compliance Disclosure |
| CDIB Capital | In 2024, attended 231 shareholder meetings of the investee company in person (including electronic voting), 0 time by proxy, and 0 time of absenteeism by no reason. The attendance rate for participating in shareholders' meeting and voting rate reached 100%. (In particular, the attendance rate to the shareholders' meetings of listed investee companies in 2024 was 100%.) The total number of motions voted on is 868.<br>CDIB Capital's Stewardship Principles and Compliance Disclosure |

# 3.1.3 Responsible Investment Performance

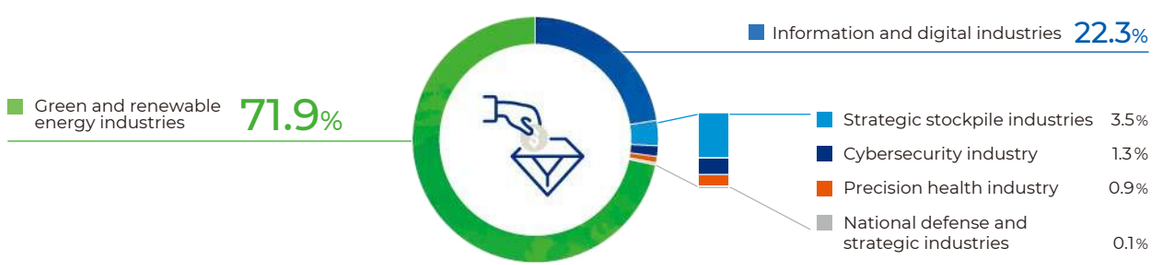
## Principal Investments

### Green Energy-Related Investment

The general public is increasingly concerned with economic activities and the associated risks on the environment and natural resources as global climate change intensifies, giving rise to the concept of a low-carbon economy, which is considered to play a key role in maximizing long-term economic growth. Meanwhile, green investment has also emerged as a popular theme. KGI Financial mainly invests in green industries with its two major subsidiaries, KGI Life and CDIB Capital, and actively responds to government policies. The total amount of self-owned asset investment in the six core strategic industries of National Development Council amounted to NT$153.0 billion[Note], of which more 70% of the investments are in green power and renewable energy.

Note: KGI Life's proprietary investments are calculated based on the market value or book value after investment evaluation, while CDIB Capital's proprietary investments are calculated based on the investment cost.

### ▪ Six Core Strategic Industries of National Development Council




## Asset Management Business

Our asset management include CDIB Capital Creative Industries, CDIB Capital Healthcare Ventures, CDIB Capital Innovation Accelerator, CDIB Capital Growth Partners, CDIB-Innolux Limited Partnership, CDIB-Mac Limited Partnership, CDIB-Innolux II Limited Partnership, CDIB-Capital TEN Capital Limited, Kai-Hong Energy Co., SOAR Taiwan Co., Ltd., CDIB Private Equity (Fujian) Enterprise, which is denominated in RMB, CDIB Yida Private Equity (Kunshan) Enterprise, CDIB Yida Healthcare Private Equity Enterprise in China, CDIB Taiwan Business Private Equity (Kunshan) Enterprise(Limited Partnership), CDIB NexGen Partners Fund I, along with the Asia Partners Fund and the Global Opportunities Fund, both of which are denominated in USD, Alibaba Taiwan Entrepreneurs Fund, and CDIB Cross Border Innovation Fund II. By the end of 2024, the fair value of Assets under Management(AUM) totaled NT$59.3 billion, of which funds devoted to social funds accounted for NT$8.8 billion. These came from CDIB Capital Creative Industries, CDIB Capital Innovation Accelerator and CDIB Capital Healthcare Ventures, and CDIB Capital Growth Partners. Environmental protection and smart energy accounted for NT$6.5 billion, totaling NT$15.3 billion, approximately 26% of the total AUM.

Moreover, CDIB Capital and Hon Hai Precision Industry Co., Ltd. signed MOU in March, 2023 to plan and co-establish Kai-Hong Energy Co. CDIB Capital is responsible for investment and management to build the first strategic green-energy investment platform of Taiwan, introducing fund investment into green energy and green power industries of sustainable development, supporting the industry towards net zero carbon emissions. In May 2024, Kai-Hong Energy Co., Ltd. was established, focusing its investments on renewable energy, primarily solar and wind power. Aligning with global trends and government policies, its installed capacity reached 153 MW by the end of 2024.

## ■ ESG-Themed Asset Management Business

(Unit: NT$ billion)

| | Social Theme | | | Environmental Protection and Smart Energy Theme | | Total |
|---|---|---|---|---|---|---|
| | CDIB Capital Healthcare Ventures | CDIB Capital Creative Industries | CDIB Capital Innovation Accelerator | CDIB Capital Growth Partners | Kai-Hong Energy | |
| AUM | 7.1 | 0.5 | 1.2 | 3.7 | 2.8 | - |
| Subtotal | 8.8 | | | 6.5 | | 15.3 |

### Social Theme

- **Responding to Aging Society - CDIB Capital Healthcare Ventures**

  In light of the world's aging population, and prevalence of chronic diseases, there is greater pursuit for a better quality of life as income levels rise, and to capitalize on opportunities in the field, CDIB Capital has launched the CDIB Capital Healthcare Ventures in Taiwan. In addition, the Group has launched the RMB-denominated healthcare fund in China focused on investment in the healthcare industry in both China and Taiwan, with sub-sectors spanning biotech, precision medicine, high-end medical devices, and digital healthcare. These healthcare funds aim at assisting pharmaceutical companies, medical device manufacturing, and medical service organizations in offering quality and reasonably priced products and services. These healthcare funds' win-win proposition is to seek advanced benefits for society while creating returns. The investee company Handa Pharmaceuticals Inc. aims to develop a new orally disintegrating drugs for treatment of relapsing forms of multiple sclerosis, which can patients with difficulty in swallowing through effective improvement on medication convenience with performance update.

  Given the ongoing global trend of population aging and the increasing number of people with chronic diseases, KGI SITE has launched the KGI Hospital and Long-term Care Industry Fund. This fund is dedicated to the development of the hospital, medical equipment, consumables, and long-term care industries, with the goal of improving the quality of life and medical care for the elderly. As of the end of 2024, the KGI Hospital and Long-term Care Industry Fund has reached a size of NT$326 million.

- **Nurturing Innovative Startups - CDIB Capital Innovation Accelerator**

  CDIB Capital has set up the "CDIB Capital Innovation Accelerator Fund" to invest in early-stage startups focusing on four major areas of network cloud, Internet of Things, mobile Internet and next-generation e-commerce. Moreover, the CDIB Capital Innovation Accelerator was established to provide Taiwanese startups all resources required for growth, including entrepreneurial mentorship, corporate-matching events, community, and media resources. To further support Taiwanese companies in expanding into the global market, we established the Tokyo Accelerator in 2023 to help Taiwanese companies to enter overseas markets.

- **Supporting the Cultural & Creative Industry - CDIB CME Fund**

  To foster Taiwan's influence in the cultural and creative industry, CDIB launched the CDIB CME Fund with a strategy focusing on five cultural and creative sub-sectors: digital content, fashion brands, movies/media, culinary culture and creative tourism. Among this fund, a total of NT$101 million was invested in the film and television industry in 2024. It offers investors diverse added values with solid international and domestic industrial connections. Through a capitalized, commercialized and scaled model, we are seeking to create a better living and better environment with premium quality service and products, for the value of Taiwan's creative essence to empower the society.

## ■ Investment Results and Performance in 2024

- **Investor Exclusive Mentor Counseling Program**

  Held one-day director meeting: 14 events in total.

- **CDIB Capital Innovation Accelerator public space**

  Held the free startup seminar (including online and offline): A total of 134 event, accumulating 3,079 participants.

- **To Expand the Social Influence in Taiwan and Overseas**
  - CDIB collaborated with "Epoch Foundation" in 2024 on the Garage+ incubation program, promoting Taiwan IoT, mobile internet, internet cloud, and next-generation e-commerce industry development.
  - A matching conference was held during the collaboration with Garage+ to arrange 23 investment meetings with Taiwan startups and 15 meetings with international startups. Additionally, 3 CEO round-table conferences were held to discuss development in Japan, covering to analyze the trends in the startup ecosystem prior to arrival and offer support with relevant resources upon arrival, providing a comprehensive package of information.

### Environmental Protection and Smart Energy Theme

- **Nurture Businesses in Smart Technology or Environmental Innovations - CDIB Capital Growth Partners**

  The Advantage Fund raised by CDIB Capital is to discover companies with core competitiveness in which smart technology or environmental innovation is a growth element. Among them, companies that invest in the electric motor vehicle industry have also played the role of energy saving and carbon reduction, which can reduce air pollution and thus protect people's health.

### Sustainable Financial Influence

KGI Financial promises to actively enhance its investment positions in various sustainability themes. Through developing and designing innovative sustainable finance products and services, it aims to channel funds into sustainability themes of concern, exerting financial influence. To identify and measure the impact of sustainable finance, we commit to establishing and reviewing ESG Key Performance Indicators (KPIs) annually. In 2024, within the impact investment field related to sustainability themes, KGI Financial focused on renewable energy, improving energy efficiency, green buildings, biodiversity protection, sustainable water resources, wastewater management, clean transportation, pollution prevention, circular economy, clean transport, waste recycling and reuse, social development, and other themes. For these themes, measurable KPIs were set, including high-carbon emission reduction results and green/ESG investment and financing performance outcomes; these KPIs were incorporated into the annual sustainable development plan. In 2024, within the impact investment areas related to sustainability themes, KGI Life invested NT$20.7 billion in green bonds as of 2024, approximately NT$2.09 billion in green equity (stocks), and NT$10.7 billion in sustainability bonds. KGI Bank invested NT$7.2 billion in green bonds, NT$1.2 billion in social responsibility bonds, NT$2.2 billion in sustainability bonds, and NT$1 billion in sustainability-linked bonds. KGI Securities invested NT$700 million in social responsibility bonds and US$60.5 million in green bonds. The Assets under Management (AUM) of CDIB Capital's Kai-Hong Energy Co., Ltd. is valued at approximately NT$2.8 billion. The investment themes and items for each asset type are as follows:

- **Green Bonds:** KGI Life's investment projects in green bonds encompass renewable energy, energy efficiency improvements, green buildings, biodiversity conservation, sustainable water resources and wastewater management, clean transportation, and pollution prevention. These initiatives aim to assist enterprises in achieving their environmental protection objectives. By 2024, the total investment reached NT$20.7 billion. KGI Bank actively supports companies that invest in the United Nations Sustainable Development Goals (SDGs). The projects encompass renewable energy, the circular economy, and clean transportation, thereby assisting enterprises in advancing environmental protection initiatives. By the end of 2024, the total investment amount reached NT$7.2 billion. KGI Securities invested US$60.5 million in green bonds, with funds primarily allocated to support renewable energy and energy technology development, energy efficiency improvements, waste recycling and reuse, pollution control, water conservation, and clean or circular resource utilization.
- **Green Equity (Stocks):** As of the end of 2024, KGI Life's investment in renewable energy and energy storage equipment amounts to approximately NT$2.09 billion.
- **Asset Management:** Expand fundraising and investment opportunities related to green electricity and renewable energy asset management, with the AUM of Kai-Hong Energy Co., Ltd. amounting to approximately NT$2.8 billion by 2024.
- **Social Responsibility Bonds:** KGI Bank assists enterprises in generating substantial positive impacts on society by investing in social bonds that develop essential service needs and affordable housing projects. By the end of 2024, the total investment amount reached NT$1.2 billion KGI Securities is facilitating the development of a comprehensive 5G network through social bonds, with the objective of bridging the digital divide in rural areas and enhancing mobile communication in mountainous regions, thereby promoting digital equity. As of 2024, NT$700 million has been invested.
- **Sustainability Bonds:** KGI Life and KGI Bank have both invested in sustainability bonds, primarily aimed at environmental improvement and social development, to encourage corporate engagement in related issues. As of the end of 2024, the investment amounts are approximately NT$10.7 billion and NT$2.2 billion, respectively.
- **Sustainability -Linked Bonds:** KGI Bank invests in sustainablility-linked bonds, thereby encouraging enterprises to participate in initiatives aimed at social and environmental improvement. By the end of 2024, the total investment amount reached NT$1 billion.

# 3.2 Responsible Credit

## 3.2.1 Management Mechanism of Responsible Bank

In order to ensure that the organizational goals and key decisions are consistent with the United Nations Sustainable Development Goals and the Paris Agreement, KGI Financial has established effective policies. The management system and control measures have incorporated sustainable development goals into the business decision-making process, and formed a responsible banking culture management model, in order to fulfill our commitment to the PRB principles. Therefore, we also actively promote green finance through green project financing, green credit and green underwriting and other commodities, hoping to promote the transformation and sustainable development of Taiwan's green energy industry.

In commitment to pursuing a balanced development of environmental sustainability, social participation, and corporate governance, KGI Bank creates positive sustainable impacts through funding and financial services, integrating ESG-related aspects into risk assessment and credit decision-making processes. Specifically, in accordance with KGI Financial's "Sustainable Finance Commitment" and the bank's "Credit Policy", the "Sustainable Credit Guidelines" have been established. When conducting corporate credit reviews, KGI Bank adheres to the "Sustainable Credit Guidelines" and establishes sustainable credit review principles under these guidelines, thoroughly considering whether borrowers fulfill their obligations in terms of environmental protection, social responsibility, and corporate integrity, and incorporating ESG-related issues into credit decision-making, credit evaluation items, and post-loan management mechanisms:

1. When applying for credit cases, all are in accordance with the "Operational Guidelines for Credit Information Reporting by Financial Institutions" of the Joint Credit Information Center (JCIC), which defines green credit and sustainable performance-linked credit. Each case discloses in the credit review report relevant information such as green credit, sustainable performance-linked credit, ESG rating, corporate carbon emissions and carbon intensity, and the amount of carbon emissions avoided by renewable energy project financing. If the counterparties or group members are involved in high carbon-emitting industries, have been involved in highly sensitive industries and climate change-related issues in the past three years, or have had negative incidents related to environmental protection, corporate social responsibility and corporate governance, the results should be listed in the "Sustainability Risk Assessment Checklist", and it should be explained whether there are plans for improvement or transition.
2. For the handling of project financing cases with high water consumption and high pollution industries reaching more than US$10 million, various feasibility analyses are required in the credit report, including analysis of technology, market, finance and environmental protection, and are listed on a case-by-case basis. Entry conditions are standardized to increase its operational responsibilities.

3. Post-loan management continuously monitors the dynamics of borrowers, reviewing whether borrowers fulfill their obligations in environmental protection, social responsibility, and corporate integrity. If there are related negative events, it should understand the borrower's improvement or transition plans, and continuously track and evaluate the extent of the impact and take appropriate response measures.
4. In principle, companies that do not comply with environmental protection standards, are involved in labor disputes or have corporate governance issues, and have no specific improvement plan will not undertake the contract. Those with significant influence on the operation and KGI Bank's creditor's rights will not increase the loan or withdraw the loan gradually, in order to assist and encourage the enterprise to strengthen the implementation of environmental protection and fulfill its corporate social responsibility.

Due to issues such as climate change, resource sustainability, health and environmental safety, "banks" have the responsibility to understand the sustainability of products and services, create transparent and fair sustainable value for customers, shareholders, investors and society, and then build "Responsible Finance" model. The Responsible Banking Principles provide a coherent framework for integrating elements of sustainable development at the business level, helping us to make a positive contribution to a sustainable society, in support of the UN 2030 Sustainable Development Goals (SDGs) and the Paris Agreement goals. In fact, KGI Financial has implemented many actions in response to the consistency of PRB.

## 3.2.2 Implementation and Promotion of Responsible Bank

**Introduce international investment and financing carbon emission calculation methodology to encourage low-carbon transformation of corporate customers**

KGI Group actively implements international investment and financing carbon emission management standards. It utilizes the Partnership for Carbon Accounting Financials (PCAF) methodology and database to align with global financial industry climate risk management standards. The Group conducts assessments and disclosures of carbon emissions from its investment and financing portfolios while encouraging corporate clients to reduce their operational carbon footprint. The aim is to progressively decrease carbon emissions associated with investment and financing each year, thereby contributing to the sustainable development of Taiwan.

### Green Credit

**Support the development of green industries and actively participate in renewable energy financing**

KGI Bank uses its financial influence to support the energy transformation including energy conservation, energy creation, energy storage and intelligent system integration with credit business, responds to the government's promotion of energy independence and promotes the development of emerging green energy industries, promotes the research and development of green energy technology industries, and assists solar energy. The upgrade of green energy industries such as photovoltaics, wind power generation, fishery and electricity symbiosis, and water resource recycling will create green employment opportunities for local areas.

In recent years, KGI Bank has participated in landmark large-scale renewable energy plant financing projects and has actively supported the investment in pollution prevention, green building, and other green credit-related financing. The compound annual growth rate of the overall green credit amount is expected to reach 5% every year. According to statistics from the Joint Credit Information Center(JCIC) regarding green credit categories, KGI Bank's green credit amount for the year 2024 reached NT$29,670 million. In line with the government's 2025 target of achieving 20% of total installed capacity from renewable energy, KGI Bank is actively financing annual projects related to solar power and offshore wind power generation. As of the end of 2024, KGI Bank's financing for renewable energy reached NT$21,284 million, reflecting an increase of over 56% compared to NT$13,618 million at the end of 2023. In addition to financing renewable energy projects that meet the criteria for green credit, KGI Bank supports a diverse range of green credit categories, including energy conservation, sustainable water resources, and wastewater treatment, among a total of six categories.

**■ Green Credit Amounts**

Unit: NT$ Million

| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Green Credit Balance (JCIC) | 11,512 | 16,060 | 17,073 | 29,670 |

**■ Category and Amounts of Green Credit in 2024**

Unit: NT$ Million

| Category | Renewable energy | Energy conservation | Water conservation and wastewater management | Products, production technologies, or processes with ecological benefits and circular economy adaptation | Green buildings | Others |
|---|---|---|---|---|---|---|
| Amounts of Green Credit in 2024 | 21,284 | 3,319 | 1,603 | 627 | 2,157 | 680 |

**■ Renewable Energy Financing Amount for Indicative Projects**

| Project Name | Esun Energy Co., Ltd. | Shine Luna Co., Ltd. | Hui-Meng Energy Co., Ltd. | Tungwei/ Anwei Wind Power Co., Ltd. | Chungwei Wind Power Co., Ltd. | Formosa 2 Wind Power Co., Ltd. | Changfang Wind Power Co., Ltd./ Xidao Wind Power Co., Ltd. | Total |
|---|---|---|---|---|---|---|---|---|
| Estimated device capacity | 119 | 149 | 116 | 51 | 76 | 376 | 589 | 1,476 |
| Expected annual carbon reductions (thousand tons) | 82 | 104 | 83 | 56 | 78 | 267 | 980 | 1,650 |
| Credit Balance in 2024 (million) | 3,125 Note 2 | | | | | | | |

Note 1: The carbon emission coefficient for power is calculated according to the carbon emission coefficient for power in Taiwan in 2023 (0.494 kg $CO_2e$/kWh) announced by the Bureau of Energy of Ministry of Economic Affairs.

Note 2: The credit balance for 2024, in addition to the new onshore wind power projects such as Tungwei, Anwei, and Chungwei, also includes the purchase of credit positions in Formosa 2 and Changfang/Xidao wind power projects from the secondary market for existing projects, with amounts of NT$1 billion and NT$900 million, respectively. Investments in Esun Energy Co., Ltd., Shine Luna Co., Ltd., and Hui-Meng Energy Co., Ltd. are all solar power generation projects.

# 3.3 Sustainable Products and Financial Inclusion

## 3.3.1 Sustainable Products

### ESG/Sustainable Investment Products for Asset Managers

KGI SITE and CDIB Capital voluntarily adhere to the United Nations Principles for Responsible Investment (UN PRI) and have signed the Stewardship Principles for Institutional Investors. They follow six key principles by integrating ESG management processes into investment decisions, ensuring responsible stewardship. ESG considerations are embedded in investment analysis and decision-making, amplifying the impact of sustainable finance. Through concrete actions, they assist companies in addressing ESG-related issues while fulfilling their fiduciary duty as asset managers. By investing in businesses that positively contribute to environmental and social sustainability, they aim to balance total investment returns with sustainability goals, establishing themselves as a trusted asset management firm.

(unit: NT$ million)

| Product Category Description | Description | Monetary value (AUM) FY 2024 |
|---|---|---|
| ESG Integration | KGI SITE integrates MSCI ESG rating database insights into its financial analysis, establishing an ESG risk assessment framework for investable targets. Companies with high ESG risks and insufficient improvement efforts are excluded from the investment scope. Additionally, a mechanism is in place for regular reviews of ESG risks in held assets, with annual assessments tracking changes in ESG risk levels from the previous year and ongoing monitoring of high-risk holdings. In addition, the company also conducts regular reviews of the overall ESG risk distribution of the fund. At the same time, a negative screening list is also established, covering ESG controversies (controversy scores), land use and biodiversity, energy and climate change, water stress, waste management/toxic substance release, and corporate governance. Investment managers apply controls during the investment process to mitigate ESG risks.<br>After KGI SITE makes an investment, the research team conducts regular reviews of ESG investment performance. If the ESG rating of an investee deteriorates or declines, engagement actions are initiated. The research team then performs further analysis to assess whether these changes impact subsequent investment decisions. | 12,435 |
| Best in Class | In August 2020, KGI SITE launched its first non-investment grade bond fund incorporating ESG sustainable investment principles. The fund places sustainable investment at its core, systematically integrating the three ESG dimensions—Environmental protection (E), Social responsibility (S), and Corporate governance (G), into its investment process and decision-making. The total investment in global non-investment grade bonds aligned with ESG principles must constitute at least 60% of the fund's net asset value.<br>Non-investment grade bonds incorporating ESG investment principles are evaluated based on the J.P. Morgan ESG Global Fixed Income Indices, which assess whether the issuers or guarantors (including their parent companies) of fund investment targets align with ESG investment concepts.<br>Additionally, for overseas fund investment advisory, advisors utilize an internal ESG scoring model along with external quantitative data from sources including but not limited to MSCI, Sustainalytics, VigeoEiris, Trucost, ISSCDP, Bloomberg, the World Bank, the United Nations, and certain non-governmental organizations. This data is used to evaluate issuers' performance in environmental protection, social responsibility, and corporate governance, assigning ESG scores accordingly. This assessment has increased the proportion of companies within the investment portfolio that exhibit exceptional ESG performance or contribute positively to the environment and society.<br>In May 2021, KGI SITE launched the 15+ Year USD BBB ESG Sustainable Corporate Bond ETF, designed to track the Bloomberg MSCI US Corporate BBB Senior SRI Sustainable BB+ 15+ ex China 15% Sector Capped Index. The index incorporates MSCI ESG ratings, integrating ESG-related factors into its evaluation methodology. It also applies negative industry screening, ensuring investments focus on bonds issued by companies that uphold social responsibility. | 1,862 |
| Thematic Investments | KGI SITE focuses on the hospital and long-term care sectors. The hospital-related industries include medical institutions, diagnostic and therapeutic instruments, medical devices and consumables, as well as financial and information management platforms. On the other hand, the long-term care sector encompasses long-term care institutions, services, and support. This investment strategy aims to capture opportunities in life and health-related industries, transforming them into future wealth growth momentum while fostering the development of these sectors and enhancing the quality of elderly care and medical service.<br>In September 2021, the Emerging Market ESG Sustainable Bond Fund was established. This fund focuses on investing in bonds aligned with the themes of ESG and sustainable development, aiming to balance total investment returns with environmental and social sustainability goals by supporting companies that positively impact sustainability efforts. In the investment process, issuers whose credit characteristics do not align with sustainable operations are first excluded. Then, bonds that embody ESG and sustainable development themes are selected based on the fund's investment strategy. A further screening process, including ESG analysis, is conducted to ensure that the final portfolio aligns with the fund's ESG and sustainable development objectives. | 17,263 |

(Continue)

| Product Category Description | Description | Monetary value (AUM) FY 2024 |
|---|---|---|
| Thematic Investments | CDIB Capital has established a Responsible Investment Policy to implement the UN SDGs, integrating ESG considerations as key factors in investment evaluation and management. Regarding the management of current assets, as of the end of 2024, the fair value of total AUM is approximately NT$59.3 billion. Among these, ESG-themed asset management businesses include: advantage funds supporting intelligent technology or environmentally innovative industries (AUM NT$3.7 billion), biomedical funds addressing aging population issues (AUM NT$7.1 billion), cultural and creative value funds supporting the development of cultural and creative industries (AUM NT$500 million), innovation acceleration funds supporting innovative industry development (AUM NT$1.2 billion), and Kai-Hong Energy Co., Ltd. primarily investing in solar and wind energy in the field of renewable energy (AUM NT$2.8 billion). These total approximately NT$15.3 billion, accounting for about 26% of CDIB Capital's overall AUM. For further details, please refer to Section 3.1.3 Responsible Investment Performance | - |
| Others | Passive investment management follows a strategy of fully replicating or tracking index constituents (stocks/bonds) as the fund's investment approach. Adjustments to the portfolio are made only when index constituents change. As a result, fund managers cannot actively select investable targets due to the constraints of the investment strategy. Instead, alternative screening methods are used to incorporate countries with significant political and economic governance risks into the investment oversight framework. | 268,026 |
| Total investing AUM | | 360,811 |
| Total sustainable investing AUM | | 299,586 |
| Percentage of total sustainable value out of total | | 83.03 |

KGI Bank voluntarily complies with the United Nations Principles for Responsible Banking (UN PRB), creating positive sustainable impact through funding and financial services. The bank actively develops and introduces third-party sustainable investment products. In 2024, there were 91 ESG fund products with a total inventory cost of approximately NT$760 million, accounting for 2.31% of the total investment product inventory cost. Among these, "ESG Integration," "Best in Class," "Thematic Investments," and "Impact Investments" categories accounted for approximately NT$680 million, NT$50 million, NT$5 million, and NT$20 million respectively. In 2025, KGI Bank will continue to develop ESG/sustainable investment products to exert sustainable finance influence.

**Guiding Corporate Organizations with Support for ESG issues: Green Deposits**

KGI Bank continues to promote its Green Deposit Program, ensuring that all deposited funds are allocated to green financing or related loan demands within the program's scope. This initiative directs corporate capital toward sustainable development efforts. Since its inception, the scale of green deposits has continued to grow, accumulating a total of NT$39.6 billion. It has been awarded the 2024 National Brand Yushan Award for Best Product.

**Financial Advisory Services**

In order to implement the UN "SDGs," principles of responsible investment and sustainable development goals, promote the balance of environment, society and corporate governance, and develop the mitigation and adaptation measures related to climate risks, KGI Securities has formulated the "Responsible Investment Policy" approved by the Board of Directors in compliance with the "Stewardship Principles" of Taiwan Stock Exchange , as a promotion and guidelines for the implementation of responsible investment. KGI Securities engage in the issuance of stocks, bonds and investment of other negotiable stocks, takes consideration of ESG and other sustainable management factors in the evaluation of investment targets, investment decision-making and investment management, in addition to fulfilling the governance actions, and thereby to enhance investment value, and continue to use the professional guidance of securities underwriters to assist companies in issuing green bonds, assisting green corporate financing and provision of related services to companies developing green industries.

- Green Bond Underwriting

  According to the provisions outlined in Taipei Exchange Operation Directions for Sustainable Bonds, the scopes for sustainable bonds include the green bonds, social responsibility bonds and sustainability bonds accredited by Taiwan Exchange. KGI Securities acted as the underwriter (as well as financial advisor) for a total of 19 sustainable bonds in 2024, including 16 green bonds, 1 social bond, 2 sustainability bonds, with a total of NT$19.578 billion.

- Green Financing

  KGI Securities organized equity related capital raising cases in the capital market in 2024. These included 33 environmental protection and green energy cases, accounting for about 58.93% of the number of cases organized in the year. The environmental protection and green energy funds raised NT$33.408 billion, accounting for about 63.68% of the funds raised in the current year.

# 3.3.2 Financial Inclusion

## Implementer of Financial Inclusion

In order to promote social inclusion and provide more resources for financially disadvantaged groups, KGI Bank responds to Taiwan government policies on financial inclusion through continuous communication with FSC and the Life Insurance Association over issues related to financial inclusion, in addition to setting up a Treat Customer Fairly Committee for compiling the measures related to fair treatment of customers and reporting to the Board of Directors for review. A customer rights group has been established in the Sustainability Committee, led by the Personal Finance Division, with the Consumer Finance Division, Payment Finance Division, and Fintech Division serving as dedicated units. Together, they use digital technology to create inclusive financial products and services to assist non-fixed-salaried people, small shop owners or young people who were not easily able to enjoy banking services in the past, and can gradually build credit, to successfully obtain reasonably priced funds from the banking system, and thereby to create the possibility of a diverse life and stabilize family happiness.

| | 2021 | | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Accounts Number | Balance (NT$) | Accounts Number | Balance | Accounts Number | Balance | Accounts Number | Balance |
| Taxi Driver Loan | 168 | 4,326,912 | 83 | 2,873,274 | 73 | 3,857,534 | 102 | 3,119,540 |
| "Giving You A Hand" Revolving Personal Loan Project | 318 | 3,480,511 | 164 | 3,440,304 | 63 | 2,606,655 | 7 | 174,865 |
| E-Commerce Seller Loan | 181 | 5,737,895 | 578 | 48,169,539 | 128 | 18,771,531 | 134 | 12,974,055 |
| Delivery Person Loan | 496 | 16,314,014 | 549 | 35,510,000 | 508 | 38,513,303 | 531 | 34,829,824 |

### Taxi Driver Loan

Because taxi drivers cannot provide proof of fixed income, it is difficult to obtain traditional financial services. If there is a need for capital turnover, they often can only resort to underground financing channels. Based on the concept of practicing financial inclusion, KGI Bank has joined hands with the leading Taiwanese taxi fleet in the domestic transportation industry since July 2017 to proactively provide micro-credit services for taxi drivers, solving the problem of unstable income due to occupational characteristics of drivers in the past and unable to provide bank credit information or provide salary slips and other relevant financial proof, resulting in the inability to contact the bank and establish credit records and other issues. Using the big data database of the Taiwan Convoy, the "taxi driver credit scoring model" is customized, and the data such as driver service evaluation, award record, passenger load and other data are included in the credit score. Drivers can score well because of passenger service evaluation, receive credit points for high passenger numbers. In 2024, there were 459 applicants, and among which, 142 applications were successful, representing a success rate of 31%.

### "Giving You a Hand" Revolving Personal Loan Promotion Project

To support young people to start their own businesses and develop their talents, KGI Bank has launched the "Giving You a Hand" Revolving Personal Loan project since 2018, targeting those with vocational certificates, disadvantaged low-income households, or plan proponents of crowd-funding platforms, to provide loan preferential projects to assist its stable career development and solve its operational turnover problems. The "Giving You a Hand" Revolving Personal Loan Project offers lower interest rates than secured mortgages, encouraging young people and new entrepreneurs to obtain capital through legal financial channels. In 2020, we launched the COVID-19 Epidemic Prevention Discount Project to help those holding technical and vocational certificates affected by the pandemic to obtain funds through fast application processes and preferential prices. In 2024, there were 38 applicants, and among which, 11 applications were successful, representing a success rate of 29%.

### E-Commerce Seller Loan

KGI Bank, in cooperation with Open Air Auction and PChome Pay, launched the "Big Data Loan for Open Air Auction Seller", which uses API (application programming interface) technology to simplify the application and review process of e-commerce sellers. Basic information and payment records shorten the time for sellers to fill in the application materials, and can apply online. After the application, funds can be allocated to sellers within one day, allowing sellers to immediately use funds to prepare payment for goods and expand the scale of operations, solving the problem that e-commerce sellers cannot provide traditional financial resources. This project won the 2021 Digital Times "Bronze Award for Best Product Innovation" and the "Digital Inclusion Award" of the Business Times Digital Finance Awards, which is the best recognition of KGI's commitment to the practice of financial inclusion. In 2024, there were 931 applicants, and among which, 157 applications were successful, representing a success rate of 17%.

### Delivery Person Loan

During the period of epidemic alert in 2021, the demand for delivery services has greatly increased, attracting many full-time or part-time people to enter the delivery service industry. However, when funds are often needed, it is difficult to obtain loans from banks because there is no proof of income. Therefore, KGI Bank launched the "Quick Repayment for Delivery Personnel" project, which allows screenshots of delivery remuneration to replace traditional financial documents and helps delivery partners obtain preferential loans by applying for small loans online. In 2024, there were 2,146 applicants, and among which, 565 applications were successful, representing a success rate of 26%.

### "Quick Repayment" Limited Amount Loan

In recent years, the low starting salary environment in Taiwan has made it inevitable for young people to encounter insufficient cash flow even if they are active. Therefore, the age group of customers who need micro-credit loans mainly falls between 25-39 years old. The biggest difference between KGI Bank's "Quick Repayment" compared with other general credit services on the market is that it can be repaid at any time, and the interest is calculated on a daily basis when it is used, and there is no penalty for early repayment. The loan receivers can repay at any time after they receive salary early next month. The project is aimed to support young people to immediately relieve short-term capital needs, and the interest rate is relatively economical. In 2024, there were 37,659 applications, with 9,548 successfully processed, resulting in a success rate of 25%.

| Product Name | | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| "Quick Repayment" Limited Amount Loan | Applications | 16,461 | 23,799 | 31,565 | 37,659 |
| | Loan Enabling Fund (NT$million) | 286 | 785 | 853 | 956 |

## Loans to Start-ups in Key Industries and Micro-business

To promote the stable development of the domestic economy, KGI Bank cooperates with government policies to provide loans for key start-up industries and loans for micro-enterprises. KGI Bank is committed to fostering the development of start-ups in key industries. In conjunction with government resources, KGI Bank has continued to target start-ups in green energy, Asia Silicon Valley, biomedicine, national defense, intelligent machinery, new agriculture, and circular economy sectors to provide a full range of financial services, and has assisted them in innovating by undergoing industrial transformation through the Small & Medium Enterprise Credit Guarantee Fund of Taiwan. For micro-businesses with smaller revenue, KGI Bank screens target customers systematically and grants micro loans quickly based on their credit ratings and standard operating procedures.

### ■ Small and Micro Business Financing(note)

Unit: NT$ Million

| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Balance | 1,522 | 1,772 | 1,640 | 2,158 |
| No. of Cases | 1,661 | 806 | 573 | 432 |

Note: "Small and micro enterprises" are defined as enterprises whose annual revenue has not exceeded NT$300 million in the most recent two years.

In 2021, the Executive Yuan approved the "Core Strategic Industries Promotion Program" as a bridge solution for "Start-up Key Industries Loan Program." The program was implemented starting in April 2022, focusing on six core strategies including information and digital, cybersecurity, precision health, green and renewable energy, national defense and strategic. KGI Bank expects to support social inclusion and sustainable development in more extensive industries and will continue to cooperate with government policies to provide professional financial services and act as the pushing hand for industry upgrade.

### Charitable Trust Product

KGI Bank actively uses professional financial tools as the support for social welfare organizations. As of 2024, KGI Bank has been entrusted to manage 6 public welfare trust funds with a total management amount of more than NT$25.99 million. We aim to help individuals or legal persons implement their social welfare goals, and assist in social welfare affairs and account management.

### Online Medical Payment Facilitates the Popularization of Telemedicine

KGI Bank continues to innovate its service model, integrating its core strength of "KGI inside" into various payment scenarios. In 2023, the "KGI Medical Payment" platform will be introduced into the "Taiwan Primary Clinic Telemedicine System (health-online)". After patients have completed their online consultations at primary clinics, they can directly pay their medical fees online via credit card. This effectively solves the pain point of not being able to make online payments for telemedicine, creating a convenient payment scenario to boost telemedicine. It also helps residents in remote areas to enjoy immediate and convenient medical services. KGI Bank and its system integrators provide free training services for clinics, enabling them to guide residents in remote areas or others who need telemedicine to use online payment methods. The comprehensive service allows the public to use it easily. At this stage, KGI Bank has connected with the top three medical information providers in the market, reaching up to 14,000 clinics. In the future, KGI Medical Payment will be gradually introduced, allowing more people to benefit.

### Payroll Transfer Service for Non-profit Organizations

In order to fulfill the responsibilities of financial institutions in assisting social services, KGI Bank has launched integrated service solutions such as dedicated salary transfers, demand deposits, and donation platforms for schools and foundations. In addition to assisting non-profit organizations in serving the public, KGI Bank has also increased the opportunities for non-profit organizations to increase their income.

| Product Name | Project content | Service Results in 2024 |
|---|---|---|
| Campus Payroll Transfer Service Project | · Provide faculty and staff with better than market salary transfer conditions, such as free number of transfers, demand deposit interest rates...etc.<br>· Simplify the collection and payment process of tuition and miscellaneous fees. Assist schools in printing payment slips, convenience store payment processing fee exemptions, and a credit card payment platform for tuition and miscellaneous fees.<br>· Provide high-interest demand deposits, which is up to 5.75 times the announced interest rate, to increase school income. | Serving 7 schools and 58 kindergartens |
| Foundation Payroll Transfer Service Project | · Provide employees with better than market salary transfer conditions, such as free number of transfers, demand deposit interest rates...etc.<br>· Reduce the fee expenses of the foundation, provide a collection and payment platform, and only charge a fixed fee (minimum NT$6) for each donation, which is better than the original 2% fee incurred on the donation amount.<br>· Provide high-interest demand deposits, which is up to 5.75 times the announced interest rate, to increase foundation income. | Serving 18 foundations |

### Support the Cultural and Creative Industries

Continue to cooperate with government policies to promote the development of cultural and creative industries and build a social environment with rich cultural and creative connotations. KGI Bank combines government resources with the assistance of the SME Credit Guarantee Fund to provide various financing services for the cultural and creative industries to meet the funds needed by corporate clients at various stages of development.

| Product Name | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Cultural and Creative Industry Loan Balance (NT$ million) | 5,444 | 5,572 | 5,446 | 2,673 |
| Cultural and Creative Industry Loan (No. of Cases) | 203 | 194 | 189 | 131 |

### Micro Insurance

KGI Life in 2024 continues to collaborate with six major local governments, including Kaohsiung City, Tainan City, Yunlin County, Yilan County, Hualien County, and Taitung County, as well as social welfare groups, to jointly promote micro insurance. A total of 516 insurance policies have been underwritten, with premium income reaching 22.17 million TWD, achieving a target completion rate of 256%, ranking first in the industry. A total of 101,242 people have benefited, covering "low-income, middle-to-low-income status," "mild to moderate physical and mental disabilities (inclusive) status," and "elderly or their family members who meet the requirements of the Elderly Welfare Act and receive middle-to-low-income elderly living allowances," helping disadvantaged people enjoy basic micro insurance protection. In addition, KGI Life is also actively cooperating with bank channels, government agencies, and private organizations to jointly promote micro insurance services to every corner in need of care.

# 3.4 Customer Experience

## 3.4.1 Digital Finance

### Digital Finance Strategy

In response to the post-pandemic era and the drastic changes on investment environment, in addition to the professional wealth management team, KGI Financial also focuses on digital financial service tools for investment and financial management meeting with the trend needs of life. In the future, the Company aims to use "One Website, One App" with FinTech to rapidly penetrate and transform consumers' financial lives.

KGI Bank adopts the "KGI inside" strategy and uses the technical capabilities of fragmenting, modularizing and API-based financial services to create an innovative cooperation model between FinTech players and banks, and is the first in the financial industry to use the concept of Open Banking, open plug-and-play financial service components (Open API) to realize finance scene.

In recent years, "KGI inside" has been used in social housing rent payment and charity donation quick-connect service, the first to pay rent by credit card, which is convenient for disadvantaged groups, and assists small and medium-sized social welfare organizations with the quick-connect API module with zero cost and fast connection. It has constructed donation channels to help groups with relatively few social resources to effectively use financial tools.

To provide KGI Financial group customers with a better financial experience, a digital bridge has been established between KGI Bank and KGI Securities. KGI Securities offers diversified account opening options and pioneered two-way digital identity authentication between the bank and securities services, leveraging group synergy. For new customers, they promote the "three-in-one" plan (Taiwan stocks, US stocks, and fund accounts) combined with online sub-account opening, eliminating the need to visit the bank to open a settlement account, allowing customers to complete the account opening for Taiwanese stock, sub-brokerage, and wealth management all at once, saving time and providing convenience.

If customers prefer using a settlement account for deductions, they can leverage a digital process to transfer their securities account opening information to the bank, facilitating the establishment of both NT$ and foreign currency digital accounts. With a single data entry, customers can simultaneously open a Taiwan stock securities account, a sub-brokerage account, and NT$ and foreign currency digital accounts. Furthermore, KGI Bank customers can view their stock inventory and current value purchased through securities with one click on the KGI Mobile Banking APP, eliminating the need to log in to the securities APP again, creating seamless financial management services.

In addition, the overview and details of the KGI Life Insurance policies purchased through KGI Bank have been integrated into the customer asset overview of the KGI Mobile Banking APP. This integration offers customers a more comprehensive and complete financial planning and information.

KGI Life Insurance has also teamed up with KGI Bank to launch the "Electronic Authorization Premium Deduction Service". Through the online verification mechanism of KGI Internet Banking, customers can complete the application for KGI Life Insurance premium deduction agreement without having to keep a seal or sign, and they can know the authorization result immediately, providing customers with convenient and fast digital financial services.

KGI Securities is the first securities company to launch the Line binding account service, dedicated to the functional development of the Line and Facebook community platforms and precise product marketing, outlining the appearance and operational feasibility of a digital securities company. The company continues to enhance features such as electronic and mobile trading. In 2024, the AI-powered customer service attracted 85,600 users, who posed 150,200 questions. Utilizing multi-turn dialogue and sentiment detection mechanisms, the AI quickly addressed customer inquiries related to products and services.

### KGIF Group's Digital Finance Achievements

**Big Data Analysis/Digital Services**

| Subsidiary | Products / Services | Contents |
|---|---|---|
| KGI Life | Sales Representative AI Assistant 'Alfred' | · Alfred' is an AI assistant developed by KGI Life Insurance for its sales representatives. It assists agents in obtaining the necessary information for policy sales and services in real time. By integrating various tools and systems through APIs, it provides comprehensive sales support, enhances the representatives' ability to deliver attentive service, improves customer quality, and reduces the waiting time for phone inquiries.<br>· In 2024, KGI Life Insurance continued to develop Alfred's functionality and completed its system architecture optimization, making the overall service more flexible and faster. Currently, the AI can provide agents with diversified services such as underwriting/claims progress inquiries, customer birthday reminders, disease questionnaire retrieval, and document reissuance applications. This has shifted the service capacity that was previously limited by telephone constraints to Alfred', achieving the impressive recognition of winning the "Best Product Category" at the 21st National Brand Yushan Award. |
| | Big Data Platform | · Big Data Platform: Aggregates company-wide system data to identify crucial customer information, establish a data dictionary, develop data lineage, and implement a comprehensive data monitoring mechanism. |

(Continue)

| Subsidiary | Products / Services | Contents |
|---|---|---|
| KGI Life | Big Data Platform | · Cloud Data Analytics Platform: Utilizing data-driven strategies to enhance the application ecosystem, flexibly expanding various analytical scenarios. By integrating machine learning technologies, it improves operational efficiency and accuracy while reducing initial investment costs and maintenance efforts, enabling KGI Life Insurance to maintain its leadership and drive digital transformation. |
| | Elderly recording machine reading aloud | · To protect the rights and interests of elderly customers and provide a more convenient and rapid insurance experience, KGI Life Insurance has received approval from the regulatory authority to pilot an elderly audio recording assistance system that helps read information aloud. Through human-machine collaboration, this system reduces human error rates and improves operational efficiency, ensuring the accuracy of information received by the elderly population. This allows elderly customers unfamiliar with new technologies to enjoy the service experience brought by digital technology innovation, achieving the goal of providing age-friendly financial services. |
| KGI Bank | Big data analysis | · In cooperation with Open Air Auction and PChome Pay, the "Big Data Loan for Open Air Auction Seller" was launched, using commonly developed credit rating and other data modules to provide sellers with exclusive solutions and optimization of the application procedures so to add more convenience to the procedures of online loan application.<br>· In cooperation with C2C Shopee, the "Shopee Easy Loan" was launched to connect API with e-Commerce data so that the system will be linked to the sellers' data and orders, which will be determined as in conformity with standards, so that sellers with outstanding management can receive the "personal credit" bonus, thereby solving the disadvantages of traditional financial proof for loan application in the past.<br>· The cooperation for launch of "Taxi Driver Loan" includes the number of passenger riders, mileage and other data; it is the first driver credit rating model in financial industry with practical cases. Currently the program is expanded to personal business and well-known taxi fleets for application, so that more people will benefit from the program. |
| | Donation platform | · Provided more than 95 charitable groups with fundraising through the cooperation with KGI Inside's various scenarios at a lower handling cost, and launched a quick-connect API module suitable for small and medium-sized social welfare organizations with zero serial connection costs. |
| KGI Securities | Lower digital barriers, expand the service customer base | · Provide real-time US stock market quotes to enhance customer trading experience. |

## Mobile Financing APP Upgrade

| Subsidiary | Products / Services | Contents |
|---|---|---|
| KGI Life | KGI Life APP | · Upholding to the "customer oriented" concept, KGI Life has launched the "convenient selfservice," "instant progress control" and "enriched healthy life" service dimensions at the beginning of 2022, building a diversified experience of policy service, message reminder, health management, and customer benefits and information alerts. The comprehensive digital insurance service of "KGI i-Life" APP is a digital communication platform that provides customers with "convenient and easy" services.<br>· The platform links insurance, health, medical care, and life and technology to build a one-stop convenient self-service platform from the perspective of customers and to implement financial friendly services. The financial friendly zone is set up on the platform to provide accessible browsing interface and voice verification service. "KGI i-Life" APP passed the certification for APP accessibility from the Taipei Parents' Association for the Visually Impaired and became the first insurance company in Taiwan to receive such professional certification, providing visually impaired with more friendly service environment and implementing the policy on friendly financial services. |
| KGI Life | KGI Life APP | · "KGI i-Life" APP by the end of 2024 will have accumulated over 5 million uses. KGI Life Insurance app has provided over a hundred functions, including policy inquiries and changes, online payments, claims applications and inquiries, policy loans, health management, policyholder benefits, and reservation of counter services. The waiting time for policy change operations executed by the policyholder on the KGI Life APP has been reduced from 4 days to 1 day. Through cross-domain collaboration, integrate health management and lifestyle information into customer service. If customers have medical or health check-up needs, they can also use the consulting services and exclusive health check-up plans of partner hospitals, extending insurance policy services to health lifestyle services, expanding the breadth and depth of customer service. This is also optimized with the introduction of laws and new technology guidance to meet user expectations. |
| KGI Bank | Mobile Banking APP upgrade | · E banking has completed 122 new functions and service optimizations by 2024.<br>· Mobile banking app continuously upgrades to deliver high-efficiency customer experience improvements, with the number of active users and transaction users growing by more than 20% annually, significantly enhancing customer stickiness.<br>· QR code transfer: To enhance customer experience, a "Biometric Quick Login" button will be added under the APP login page in 2024, allowing customers to easily access settings at any time. |
| KGI Securities | Trading app services continue to upgrade | · Introducing the brand new "e-Smart" service, integrating AI technology to optimize investor trading experience. Customers can set conditions such as price, total amount, and time, with intelligent monitoring for up to 30 days. When conditions are met, the system automatically places orders, addressing the pain point of investors missing the best entry and exit trading opportunities.<br>· Launched the anthropomorphic "AI Assistant": The industry's first AI model prediction that combines AI technology with the human brain wisdom of professional analysts, and covers nearly 2,000 listed stocks, providing short-term AI predictions and long-term research reports for reference, allowing investors to grasp the trend of each stock with one click before placing an order. |

## Diversified Products/services

| Subsidiary | Products / Services | Contents |
|---|---|---|
| KGI Life | MID scene application | · Customers are required to verify the accuracy of their mobile phone information when submitting new contracts, making changes to existing ones, or during periodic reviews of contact information. A new mechanism for verifying the correctness of the MID number has been added to ensure that the mobile phone information retained by the customer was applied for by themselves and to check for any anomalies. From the launch until the end of 2024, over a thousand cases have been completed using the MID-enhanced verification mechanism to replace phone call risk control, accounting for 10% of the total cases. Efforts continue to strengthen digital technology risk management and optimize the customer experience. |
| | Introduce general short codes | · Cooperate with external information vendors to introduce the exclusive code "68889" for KGI Life into SMS services containing URLs, such as transaction, identity verification, important message notifications, electronic authorization services, member password reset, policy change fee/payment SMS, electronic policy download/receipt notifications. Policyholders can identify official information and confidently click on links, effectively ensuring the authenticity of messages and preventing fraudsters from impersonating KGI Life to scam, safeguarding policyholders' financial security. |

(Continue)

| Subsidiary | Products / Services | Contents |
|---|---|---|
| KGI Bank | Investment and financial management services | · In 2024, the mobile banking app will launch several investment and financial management-related services, saving customers the time of visiting branches. These services include intelligent profit-locking parent-child fund transactions, online foreign currency remittance resolution, online application for increasing the non-designated transfer limit of digital accounts, and online signing of W8ben investment documents, among others. |
| | Provide customers with 24-hour online loan application services | · Continuously optimize and promote digital applications, such as loan RPA receipt and disbursement automation processes.<br>· In 2024, the number of online loan applications reached 54,000, with an annual loan amount of NT$77.1 billion; the amount of loans reached NT$23.6 billion, and the online usage rate reached 99%. |
| KGI Securities | Online investment products diversification | · Domestic first creation combines wealth management account services, launching a new function for online subscription of ETF IPOs. Customers can subscribe to the initial public offering ETF through wealth management trust accounts, with automatic deduction of funds, solving the pain points of subscription such as in-person processing and remittance during new ETF fundraising, creating a more complete financial life for investors. |
| | Promote digital financial education platform | · The company actively operates digital media " KGI Gu Gu Zhang " (33,200 subscribers) and " Financial News" (21,200 subscribers), enhancing the financial literacy of the investing public through professional and timely financial content. |

## 3.4.2 Customer Privacy Rights and Protection

### Privacy Protection

**Privacy Protection Standards**

To protect our customers' privacy, KGIF and its subsidiaries have regulations governing personal information protection in place, which expressly stipulate that personal information should be collected, processed, and used in accordance with laws and regulations and that all employees, partners, vendors, and Privacy Policy applies to the entire operations, including suppliers. We uphold a strict adherence to the protection of customers' privacy and personal data security.

The subsidiary, KGI Life has disclosed its Privacy Statement, Personal Data Management Policy Statement, and Client Data Protection and Confidentiality Statement on its official website. KGI Bank has revised and issued a new version of its internal regulations to strengthen the bank's control procedures for the external transmission of personal and sensitive data. The bank has also disclosed its Client Data Protection and Confidentiality Statement, Privacy Policy, and Personal Information Protection Notification on its official website; KGI Securities has also revised its internal regulations to clearly define the reporting process to be followed by branches in the event of a suspected personal data security incident, and to ensure the integrity of internal handling and processing records. The Client Data Protection and Confidentiality Statement, Privacy Policy, Personal Information Protection Notification and Statement of Use of Personal Data have been disclosed on the official website.

KGIF has compiled and disclosed the " Personal Data Management Policy and Personal Data Notification Statement", " Privacy Policy", and " Client Data Protection and Confidentiality Statement" on the corporate website to explain how KGIF, its subsidiaries, and third-party suppliers collect, process, use and protect customers' personal information as well as to provide a smooth and effective communication channel for the customers.

Letter of Undertaking regarding Sustainability for Suppliers

**Privacy Protection and Risk Management Mechanism**

KGIF attaches great importance to the customers' privacy and the personal data security. In order to effectively control the operation risks of the customers privacy protection and the personal data usage, the Group has set up a " Personal Data Protection and Management Policy" (Approval Level: Board of Directors) as the group-wide privacy protection guidelines. The Company and subsidiaries have built a most appropriate privacy protection risk management mechanism and set up a dedicated personal data protection unit, responsible for evaluating and planning the personal data protection risk management structure and supervising related implementation to optimize the resources allocation required for privacy protection risk management, improve the operational efficiency of the management mechanism, and fully protect the rights and interests of customers. The Compliance Dept. is responsible for convening and chairing core team meetings, as well as consolidating the matters that the core team should handle. The members of each department's core team serve as the contact point for personal data protection management matters within their respective departments. They participate in core team meetings to address relevant issues and provide suggestions, and also monitor the implementation of personal data protection management matters within their departments.

The company's Compliance Dept. has completed the Business Process Identification and Personal Data Inventory Operation and Risk Assessment Operation for the year 2024 in accordance with the Personal Data File Security Maintenance Plan and Personal Data Processing Guidelines. Based on the inventory and assessment results, the company's management of personal data risks remains within an acceptable range, and appropriate protective measures have been implemented for higher-risk business processes. To further enhance personal data protection, the company will undertake appropriate risk management for business processes with a risk ranking of 5% or higher. After review, it has been confirmed that each department has completed the Personal Data Process Operation Risk Assessment Form as specified in the aforementioned guidelines. The core team has conducted a risk ranking and assessed the company's acceptable risks. Personnel from the core team's administrative unit have prepared a Personal Data Management Risk Self-Assessment Report based on the assessment results, which was submitted for discussion and approved by the President and CEO in August 2024. The company is now effectively controlling the personal data management risks associated with the aforementioned business processes.

**Privacy Protection Security Incident Handling and Audit Mechanism**

The Company has announced the names and contact numbers of subsidiaries on the website that interactively use customer information, as well as a customer service hotline (02-2763-8800). If customers have concerns in privacy or other personal data rights, they can notify us at any time. The Company will assist in contacting subsidiaries that interactively use customer data for subsequent processing operations. The personnel of the Company and

subsidiaries will immediately report to the Personal Data Protection Core Team, designated person or department responsible for personal data protection. If they find a suspected personal data security incident, appropriate contingency measures will be taken immediately. The litigant will be notified with the fact of leaking the personal information and the corresponding measures and consultation service hotline taken by the Company. If the personal data security incident constitutes a significant accidental event, the receiving unit will also carry out notification procedures and initiate emergency response plans in accordance with the major incident response procedures.

The Company's Privacy policy system embedded in group-wide risk/compliance management and incorporates the personal data management into its internal control and audit system. When conducting regular self-checks, all units strictly review their business handling situations involving the collection, processing and utilization of personal data. Regulations and external standards are implemented and checked. The Company has disciplinary actions in case of breach: Employees violating these regulations will be punished as per "Employee Reward and Discipline Policy" and other relevant reward and punishment regulations. Regarding the Audit of privacy policy compliance, the Company incorporates personal data protection into the compliance self-evaluation, and conducts regular evaluations to ensure compliance with relevant laws and regulations.

**Collection, Processing, or Utilization of Personal Data and Client Rights Exercise**

1. Personal Data Collection

   The personal data of clients obtained by the Group is because the clients are already existing clients of any subsidiary of China Development Financial. The provision of services is based on the client's consent or expressly agreed upon in various types of documents or contracts, in accordance with relevant laws and regulations, publicly available information, disclosed by government agencies, or legally provided by third parties.

2. Storage and Maintenance Methods of Personal Data

   The Group will strictly conform with the principle of safety and confidentiality to safeguard the clients' personal data. In addition to the safety controlling equipment and mechanism, the Group also sets up a backup storage in another place so as to maintain the clients' data in a safe and sound condition and continuously provides the clients with good services in the event of emergency or disasters.

3. Methods for Securing and Protecting Personal Data

   After obtaining the clients' data, the Group will file and store them in the database in accordance with the relevant operation standards. The access and use of the database shall be managed by a designated person pursuant to its authority and function of business, and the firewalls have been set up to prevent the invasion of external messages and to control the transmission of internal messages in order to protect the clients' data from any unauthorized or illegal acquisition or any destruction.

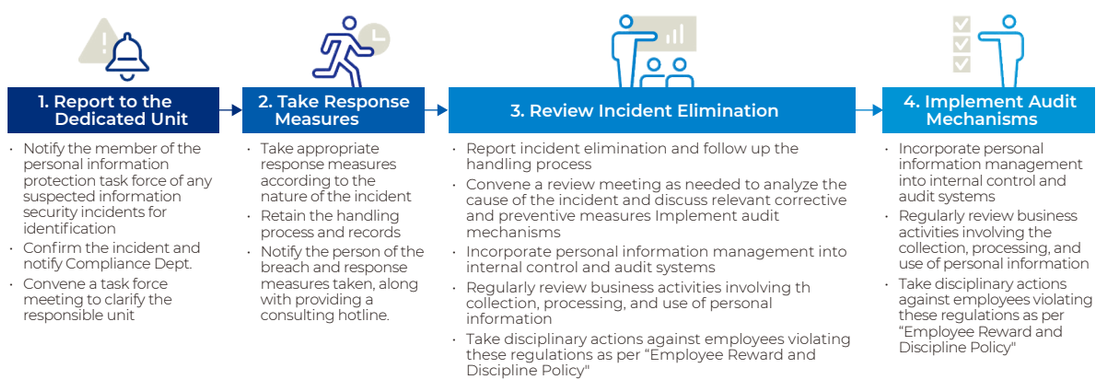
4. Purposes of Personal Data Utilization

   The Group only discloses, refers, or exchanges clients' data for the purpose of providing services, marketing (including cross-selling), entrusting a third party to handle business-related affairs, or complying with the requirements of the competent authority for supervision or management, as permitted by laws, regulations, or clients, in order to provide comprehensive and diversified financial products and services to clients. The Group shall conscientiously and carefully manage the personal data to ensure that it is well-protected.

5. Personal Data Disclosure

   The clients' data will be used and disclosed in compliance with the "Financial Holding Company Act," "Regulations Governing The Cross-selling by and among Subsidiaries of Financial Holding Company," "Self-Disciplinary of Financial Holding Company and its Subsidiaries," and "Personal Data Protection Law" by the Group for the purpose of conducting cross-selling. Except as required by relevant laws, with clients' consent, or by parties commissioned by the Group to collect, use, and process the clients' data under the authority of and on behalf of the Group, the personal data will not be disclosed to any other third party.

## ■ Privacy Protection Practices




When collecting personal information, KGIF and subsidiaries inform customers of the following in accordance with the Personal Data Protection Act:

1. The purpose of the collection, processing, use, and international transmission of personal data.
2. Categories of the collected personal data.
3. Time period, territory, recipients, and methods of which the personal data is used.
4. According to Article 3 of the Personal Data Protection Act, the party involved has the right to request the following rights regarding their personal data held by this group, using the contact methods provided by the group (email: ir@cdibh.com; phone:(02)2763-8800):
   (1) Make an inquiry or request to review or obtain copies of personal data, for which KGIF may charge a fee to cover necessary costs by law.

(2) Supplement or correct personal data, for which appropriate explanations should be provided by law.
(3) Demand cessation of the collection, processing, use of and removal of personal data.
(4) Demand processing restrictions.
(5) Request data portability.
(6) Reject automated profiling.
(7) Reject the processing of personal data for direct marketing purposes.

5. Rights and interests of the persons involved that will be affected if they elect not to provide their personal data.
6. When providing customer's personal data to a third party, the following conditions should be met:

   The customer's data is handled in accordance with the "Financial Holding Company Act", "Regulations for Joint Marketing Management among Subsidiaries of Financial Holding Companies", "Self-discipline Regulations of Financial Holding Companies and their Subsidiaries", "Personal Data Protection Act" and other relevant laws and regulations. The data is only used and disclosed within the group for joint marketing as permitted by law. Except as required by law, with the customer's consent, or when the group entrusts the processing of related business, the customer's personal data will not be disclosed to any other third party.

KGIF discloses the following in the "Client Data Protection and Confidentiality Statement" on the corporate website:

1. How customer information is collected.
2. How customer information is stored and safeguarded.
3. Methods for securing and protecting customer information.
4. Classification, scope and items for use of customer information.
5. Purpose of collected customer information.
6. Third-party disclosure of customer information (KGIF will not disclose customer personal data to any third parties unless required by law, with the customer's written consent, or commissioned by KGIF to conduct business affairs on behalf of the Group).
7. Methods for changing and updating customer information.
8. Methods for opt-out.
9. Names and telephone numbers of subsidiaries sharing customer information.

KGIF and its subsidiaries are striving to implement customer privacy protection, and take appropriate personal data protection and management actions based on the business type, risk level and resource integration utilization of each subsidiary. The Company and subsidiaries of KGI Securities, KGI Life Insurance and KGI Bank have passed the ISO 27001 (the certificate remains valid till 2025) information security management system verification, in order to continuously improve the personal data protection and management capabilities. Subsidiaries including KGI Securities, KGI Life Insurance and KGI Bank have also appointed a credible external verification agency to handle the BS 10012: 2017 (the certificate remains valid) Personal Information Management System standard third-party verification review.

☑ In 2024, KGI Life Insurance processed the transmission of co-sales annotation data to KGI Financial's consent form platform. KGI Life Insurance was fined NT$500,000 for uploading the identification numbers of customers who had either selected "Disagree" or left the "Customer Data Usage Consent Form" blank. No other financial holding companies or their subsidiaries were penalized by regulatory authorities for incidents involving data leaks, theft, or loss of customer information.

☑ There was no secondary data use in 2024.

## Integrity and Transparent Communication: Principle of Treating Clients Fairly and Consumer Protection

We are fully aware that customers are the source of business development. In order to care and protect the customers' rights and interests, we have established a corporate culture that emphasizes the financial consumer protection. Since 2015, the development of financial control has been based on the "Organizational Charter of Sustainability Committee" (Starting from June 13, 2025, it will be adjusted to the Sustainable and Ethical Corporate Management Committee) Article 5 that stipulates the establishment of a "Client Relations Working Group." and Treating Customer Fairly Guidelines have been formulated. At the same time, KGI Bank, KGI Securities, KGI Life Insurance and KGI SITE also formulated the "Principle of Treating Customers Fairly" to enhance employees' awareness of financial consumer protection, such as when customer complaints or financial consumption disputes in various businesses, take measures in a timely and appropriate manner in accordance with relevant regulations. Check whether there is any violation of the Principle of Treating Customers Fairly or Financial Consumer Protection Act, and report to the Board of Directors at the senior executive meeting. In addition, the "Client Relations Working Group" also regularly collect and report the implementation of the Principle of Treating Customers Fairly by subsidiaries to solid customer service and protection of rights and interests.

## ■ Methods of Implementation

| KGI Life | |
|---|---|
| Policies and Procedures | · In 2024, to implement principles of financial inclusivity and enhance the culture and practices of Treating Customers Fairly, KGI Life Insurance updated its "Treating Customers Fairly Policy", "Treating Customers Fairly Strategy", and "Treating Customers Fairly Execution Guidelines" to align with current practices. This ensures that there are well-defined standards to be followed, ranging from high-level policies and promotional strategies to implementation guidelines.<br>· Implementation<br>1. KGI Life established Treating Customers Fairly Committee to regularly compile and report the measures related to fair treatment of customers to the Board of Directors for review.<br>2. GI Life sets up dedicated unit led by vice president or equivalent supervisor to manage the affairs of "Committee for Treating Customers Fairly." All employees set up the performance assessment indicator items related to customer treatment to grow the work culture of employees in fair treatment of customers.<br>3. Among the director self-assessment questions, the "Valuation and Attention on ESG Issues" and "Active Promotion of Principles for Treating Customers Fairly" were added as assessment items. |
| Communication Method and Mechanism | · Taking the comprehensive insurance "Friendly Protection" service package for the disabled as an example, KGI Life Insurance has established a financial-friendly product zone on the website.<br>· The hotline service is provided. KGI Life not only provides voice guidance of the product content, but a dedicated service option is also established to assist in the explanation and insuring of the product.<br>· With the "Sign language interpretation reservation service," policy holders with hearing impairment can reserve and arrange for sign-language interpreter to assist with the interpretation through APP/website/email/friendly hotline and a diversity of channels. |
| Communication Frequency | · KGI Life Insurance has always adhered to the corporate philosophy of 'fairness and empathy, treating customers as if they were ourselves'. The company is customer-centric and continuously strengthens financial measures that are favorable to the elderly and disadvantaged groups. Additionally, it is committed to safeguarding the security of customer assets and providing comprehensive assistance in preventing fraud. In 2024, efforts were intensified to provide financial insurance knowledge and fraud prevention awareness for elderly individuals, persons with disabilities, disadvantaged groups, new immigrants, and indigenous customers. A total of 50 awareness events were held, serving 2,439 participants<br>· KGI Life Insurance attends to the language needs of new immigrants, leading the industry in introducing real-person multilingual translation services, and pioneering insurance empowerment training for new immigrant interpreters to promote workplace equality for new immigrants. In 2024, KGI Life Insurance's initiative "SDG10 Human-Centric New Immigrant Friendly Services" received recognition through multiple domestic and international diversity and inclusion awards, including the Taiwan Corporate Sustainability Award's "Social Inclusion Leadership Award," the Taiwan Sustainable Action Award's "Social Inclusion Gold Award," and the "ESG Business Awards." |

| KGI Bank | |
|---|---|
| Policies and Procedures | · KGI Bank has established the "Principles of Treating Customers Fairly," "Consumer Protection Guidelines," and "Customer Complaint and Dispute Resolution Standards." These initiatives aim to enhance customer satisfaction and uphold customer rights as part of the bank's corporate social responsibility. The content of these regulations is adjusted as needed based on regulatory requirements and internal operational processes.<br>· In accordance with KGI Bank's "Principles of Treating Customers Fairly" and the "Organizational Regulations of the Committee on Fair Treatment of Customers," the Board of Directors has assigned the President the responsibility of designating executives at the level of Vice President and above, as well as specialized departments, to oversee the planning and implementation of the "Principles of Treating Customers Fairly." These specialized departments will manage the execution of the "Principles of Treating Customers Fairly" across all departments, identify potential violations of these principles, propose specific solutions, and present reviews and responses to the Committee on Fair Treatment of Customers. They will also provide regular reports to the Board of Directors. |
| Communication Method and Mechanism | · Through the legal compliance notification mechanism, KGI Bank cooperates with the competent authorities to update the regulations for control and tracking and incorporate the relevant provisions of treating customer fairly in the self-assessment and regular review of legal compliance.<br>· KGI Bank Conducts Education and Training on Treating Customer Fairly Principles for All Bank Employees and Board Members.<br>· KGI Bank has implemented the 'Customer Demand Management Key Risk Indicator (KRI)' system. This system establishes monitoring thresholds and alert activation thresholds for each indicator on a quarterly basis. If these thresholds are met or exceeded, individuals are required to enhance their practices or submit improvement reports. They will be monitored until the improvements are completed. Additionally, for operational risk incidents related to consumer protection cases, relevant units must submit improvement measures on a case-by-case basis. These measures are then included in the tracking and control system. A monthly report is submitted to the Business Risk Committee to address materiality business risk issues.<br>· KGI Bank has incorporated the customers protection into self-audit item and the Principles for Treating Customer Fairly into internal audit and conducts internal audit periodically to ensure consistency.<br>· The Customer Service Department continues to conduct satisfaction surveys related to foreign currency transactions, account openings, wealth management transactions, and new loan or credit card applications at branch counters. Additionally, surveys are conducted regarding customer interactions with the call center and the digital online application customer group. A total of 35,000 questionnaires have been collected. The overall service satisfaction rate stands at 97.2%. (CEM)<br>· In recent years, KGI Bank has adopted the Net Promoter Score (NPS) metric and launched an automated platform to consistently collect and monitor customer feedback with the goal of enhancing the customer experience. As of 2024, the overall NPS score has stabilized at 75. |
| Communication Frequency | KGI Bank has been recognized by the Financial Supervisory Commission as one of the top 50% of banks evaluated under the Principles for Treating Customers Fairly for 2024. Additionally, the bank has received other significant awards for its commitment to fair customer treatment.<br>· Outstanding Bank in Group C of the Financial Supervisory Commission's SME Loan Program.<br>· Taiwan Sustainability Action Award (TCSA) - Silver Award and Bronze Award<br>· First Place in the Taipei City Labor Safety Award for Workplace Assurance<br>· Ministry of Economic Affairs "Buying Power" First Prize<br>· National Brand Yushan Award for Best Product Category, Best Popular Brand Award, and National First Prize. |

## KGI Securities

### Policies and Procedures

To establish the principles of Treating Customers Fairly and financial consumer protection as shared value systems and codes of conduct within the company, KGI Securities has established key regulations and policy procedures as outlined below:

1. "Principles of Treating Customers Fairly": Established to delineate the principles, strategies, and execution standards for ensuring fair treatment of customers, fostering a corporate culture that prioritizes the protection of financial consumers. The objective is to enhance KGI Securities employees' awareness of financial consumer protection and to instill the concept of treating financial consumers fairly and reasonably.
2. "Charter of the Committee on Treating Customers Fairly": To establish the principles of fair customer treatment as a value system and code of conduct collectively adhered to by the company, KGI Securities has established the Committee on Treating Customers Fairly. This committee is responsible for coordinating the planning of fair customer treatment principles and overseeing the implementation of related activities. (Amended on November 15, 2024)
3. "Customer Complaint and Dispute Resolution Policy" and "Customer Complaint and Dispute Resolution Guidelines": Established to strengthen the handling of customer complaints and disputes, ensuring a fair, reasonable, prompt, and effective resolution process. The goal is to uphold customer rights and enhance service satisfaction through a structured and well-executed complaint and dispute resolution framework. (Amended on February 23 and March 1, 2024)
4. "Guidelines for the Selection of Branch Service Stars": Established to implement the Standard Operating Procedures (SOP) for branch service etiquette. The selection of Branch Service Stars is intended to further enhance customer service satisfaction at the branch level.
5. "Corporate Governance Best Practice Principles": To encourage KGI Securities in pursuing sustainable development and business transformation. (Amended on October 18, 2024)
6. Board of Directors Performance Evaluation Criteria: Include the attendance of directors, their input and suggestions on resolutions, and other factors as part of the evaluation of the board and its members' performance. This aims to enhance the efficiency of the Board's operations and align with the principles of Treating Customers Fairly and integrity in business management. (Amended on December 20, 2024)
7. Scope of Duties for Independent Directors: Enable independent directors to fulfill their functions in the Board of Directors and company operations. This establishes a foundation for corporate governance in accordance with the principles of Treating Customers Fairly and integrity in business.
8. "Ethical Corporate Management Best Practice Principles", "Operating Procedures and Behavioral Guidelines for Business Integrity", and "Organizational Regulations for the Business Integrity Committee": Foster a corporate culture of integrity in business operations and promote sustainable development. (Amended on September 24, 2024)
9. Guidelines for Sustainable Development and Organizational Regulations of the Sustainability Committee: The Sustainability Committee has formed a Client Relations WG to protect customer rights and ensure Treating Customers Fairly. (Amended on September 24 and October 18, 2024)
10. Guidelines for Financial Product Transactions with Disadvantaged Customers and Elderly Clients: Established to strengthen the protection of the rights and interests of elderly clients. (Amended on October 1, 2024)
11. Operational Guidelines for Understanding Customer and Product Classification: Established to fully comprehend the investment attributes and risk tolerance of customers, and to safeguard the rights and interests of financial consumers. (Amended on November 20, 2024)
12. "Business Continuity Policy," "Business Continuity Plan," and "Business Continuity Management Guidelines": Established to mitigate the operational impact of significant disasters or information system failures and to ensure the continuous operation and adequate protection of KGI Securities' critical business functions. (Amended on September 26, October 4 and 7, 2024)
13. Guidelines for Official Website Content Management: Establish a mechanism for regular updates and reviews of the official website, thereby ensuring that customers are informed of their rights.
14. Guidelines for the Implementation of an Accountability System for Material Topics: Enhance corporate governance and promote sustainable development initiatives.

### Communication Method and Mechanism

Principles of Treating Customers Fairly and communication methods, mechanisms, and performance related to financial consumer protection:

- Enhancing Digital Competencies and Data Management for Customer Service Personnel: KGI Securities values customer feedback, continuously organizes training programs, and regularly reviews customer service responses. It sets objective quantitative targets and tracks areas of dissatisfaction for ongoing improvement. In 2024, the first-contact resolution rate at the customer service center reached 99.6%
- Establishment of the Senior Care Hotline: KGI Securities prioritizes the needs of elderly clients by establishing a toll-free "Senior Care Hotline" for customer service. This service provides a simple and efficient communication channel for seniors aged 65 and above, with customer service representatives available to converse in the language preferred by the clients. In 2024, the Senior Care Hotline handled over 8,400 calls.
- Introduction of Net Promoter Score (NPS): KGI Securities integrates NPS across key service touchpoints, including the official website, digital trading app, in-branch services, account opening, and customer service center, to systematically convert customer feedback into actionable improvements. The 2024 Taiwan Securities Industry Overall NPS Survey reports a market average NPS of 12 points. KGI Securities has attained dual championship status, boasting an overall NPS of 21, which ranks first in the market; in addition, its NPS for digital tools also holds the top position in the market.

### Communication Frequency

- January: Received four major awards, including the "Best Sales Service Brokerage" from Asiamoney's 2023 Broker Selection.
- March: Received five awards, including the "Best Business Team" accolade at the Wealth Management Awards presented by the Wealth Magazine.
- June: Received the "Service Quality Award, Senior-Friendly Award, and Intelligent Financial Management Award" from the China Times Financial Service Evaluation Awards.
- July: Ranked by the Financial Supervisory Commission in the top 25% during the 2025 Annual Evaluation of Principles of Treating Customers Fairly for the securities industry.
- September: Received eight major awards, including the "Best Customer Satisfaction Award" from Business Today's Wealth Management Banking and Securities Evaluation.
- October: Under the Digital Information Security award category, received the Gold Award for the Anti-Fraud Team and the Quality Award for the Security Team in the Commercial Times's "Digital Financial Award".
- November: Received the "Excellence in Customer Service Award" under the category Best Customer Experience and Best Integrated Marketing, awarded by the Taiwan Contact Center Development Association.
- November: Received the "Securities Industry Gold Award" from the Taiwan Customer Service Center Evaluation by Commercial Times.
- November: Received the "Outstanding Award" for the Securities Firm Anti-Fraud Evaluation by Taiwan Stock Exchange (TWSE).
- Received the "2023 CSEA Customer Service Excellence Awards" by the Taiwan Contact Center Development Association, becoming the only one to receive this award in the securities industry.

| KGI SITE | |
|---|---|
| Policies and Procedures | · KGI SITE is committed to treating customers fairly.<br>· Implementation<br>1. The principle of Treating Customer Fairly in our company encompasses policies, strategies, internal compliance codes of conduct, and implementation procedures.<br>2. The department in charge of new business development is the New Business Development Department. Its responsibilities include planning and implementing the principle of Treating Customer Fairly, as well as supervising the business units that interact with customers and providing self-inspection results on the implementation status of the previous year.<br>3. At the conclusion of each fiscal year, pertinent data will be compiled and specific improvement strategies will be developed. Regular reports will be presented to the board of directors. |
| Communication Method and Mechanism | Principles of Treating Customers Fairly:<br>1. The Sustainability WG has established a Client Relations WG to conduct quarterly reviews and performance reports on Treating Customers Fairly and inclusive finance.<br>2. Promotion and Communication of Inclusive Finance<br>- The "Investing Food for Thought" series was promoted through digital media platforms, spanning eight episodes and accumulating 6,700 views.<br>- The "Abundant Future" event is scheduled to take place in December and will consist of five sessions, with an expected attendance of approximately 700 participants.<br>3. Promotion of Digital Finance<br>- Participation in Taiwan Depository & Clearing Corporation's e-Notice Platform<br>- Launched the electronic notification service for ETF income distribution in September; by December, approximately 39,000 notification emails had been sent<br>4. Employee Education and Training<br>- KGI SITE completed the education and training on the Principles of Treating Customers Fairly in the Financial Services Industry for 2024, with a total participation of 133 individuals<br>Financial Consumer Protection:<br>1. Procedures carried out in accordance with KGI SITE's Operational Guidelines for Understanding Customers<br>- Assessment process for fund clients' investment capability and risk tolerance<br>- Suitability assessments for financial products or services for senior financial consumers<br>2. Care for Senior Financial Consumers<br>- Conducted regular follow-up visits with 14 elderly financial consumers<br>3. Customer Service<br>- Conducted regular tracking of complaint and dispute cases according to KGI Securities's Customer Complaint and Dispute Resolution Guidelines.<br>- In this quarter, no incidents involving monetary compensation, reparations, or major regulatory violations occurred.<br>- In 2024, a dedicated Customer Service Department was established to enhance financial consumer service quality and protect customer rights. |
| Communication Frequency | None |

## ■ Educational Training

| Subsidiary | Implementation Status of Educational Training | |
|---|---|---|
| KGI Life | KGI Life Insurance provides education and training tailored to different levels and responsibilities based on practical needs. The curriculum covers financial consumer rights protection, latest regulatory trends, dementia-friendly financial education, sign language training, Taiwanese language courses, and elderly-friendly communication techniques, all aligned with principles of Treating Customers Fairly. In 2024, a total of 20 training sessions were conducted, engaging 62,133 participants and totaling 104,509 hours<br>1. "Fair Treatment of Customers and Accessible Finance", a total of 10 courses, both in-person and online, with 46,721 participants<br>2. "Diversity, Inclusion, and Disability-Friendliness", a total of 4 courses, both in-person and online, with 15,007 participants<br>3. "Financial Fraud Prevention Training", a total of 3 courses, both in-person and online, with 200 participants<br>4. "Customer Service Personnel Friendliness Training", a total of 3 courses, both in-person and online, with 205 participants | |
| KGI Bank | The educational training organized by KGI Bank for all employees is outlined as follows: | · "Trends in Financial Fraud, Transaction Flow Patterns, and Key Prevention Measures", online course, duration of 2 hours.<br>· "Inclusive Financial Services for Individuals with Disabilities", online course, duration of 1 hour.<br>· "Accessible and Inclusive Financial Services", either online or in-person, duration of 1 hour.<br>· Online training courses on legal compliance education (topics: consumer protection, integrity management, and reporting systems), duration of 2 hours. |
| | KGI Bank has conducted the following training programs for all board members: | · "Trends in Financial Fraud, Transaction Flow Patterns, and Key Prevention Measures", online course, duration of 2 hours.<br>· "Accessible and Inclusive Financial Services", either online or in-person, duration of 1 hour. |
| KGI Securities | · In 2024, KGI Securities organized two internal Treating Customer Fairly training courses, both in-person and online. Each course had a duration of 3 hours, and with a total of 2,689 participants completing training. In addition, 22 participants from external organizations also attended related courses. Therefore, the total number of participants in the Treating Customers Fairly training in 2024, including directors and executives, was 2,702. The total training duration amounted to 8,154 hours.<br>· KGI Securities regularly conducts company-wide legal education and training course for practitioners. The curriculum encompasses principles of Treating Customers Fairly, regulations pertaining to financial consumer protection, customer complaints and dispute resolution, notable penalty cases, and legal advocacy.<br>· In response to the penalty cases announced by the Financial Supervisory Commission, KGI Securities has communicated with relevant departments, requesting them to review whether similar situations exist, assess operational processes, or establish control mechanisms. Additionally, KGI Securities continues to evaluate its current operations to identify areas for optimization. | |
| KGI SITE | · GI SITE has completed the education and training on the Principles of Treating Customers Fairly in the Financial Services Industry for 2024. The training covered principles of Treating Customers Fairly within the financial services sector, financial accessibility, and the rights of individuals with physical and mental disabilities.<br>· A total of 133 participants attended the online course, which had a duration of 3 hours. | |
| CDIB | · "Compliance Training for New Employees (including Personal Data Protection Act)", online course, duration of 1.8 hours, 28 participants.<br>· "Personal Data Protection Act and Company Data Security", online course, duration of 0.3 hours, 53 participants. | |

### ■ Violations

| | |
|---|---|
| Subsidiary | KGI Life |
| Number of Violations | 3 |
| Nature of Violation | Regarding financial consumer protection |
| Background | · The processing of co-marketing data transmission, suitability assessment for investment-linked insurance products, and electronic document issuance has been found to violate the Personal Data Protection Act and Insurance Act.<br>· The handling of solicitation and insurer changes has failed to properly manage insurance brokers and has not adequately ensured the protection of financial consumers.<br>· The policyholder claims that the insurance agent's presentation of the investment-linked insurance product led them to mistakenly believe it guaranteed profits. Upon maturity, the returns did not meet the guaranteed rate, prompting the policyholder to file a lawsuit. |
| Improvement | · Relevant improvement measures have been implemented, including the uploading of personal data solely for customers who have provided consent, enhancing the control mechanisms for changes in customers' investment risk attributes, verifying and comparing policyholders' email addresses, and notifying policyholders through alternative methods to facilitate updates.<br>· Relevant actions have been taken regarding the insurance brokerage company, along with strengthened management of the Group's distribution channels. Additionally, new categories for major complaints and review cases have been introduced, and internal regulations have been revised accordingly<br>· Currently pending at the Taiwan Shilin District Court. |

Note: 1. Except for KGI Life, KGIF and its other subsidiaries did not have any violation to the principles of treating customers fairly and protection of financial consumers in 2024
2. The lawsuit related to financial consumer protection involving KGI Bank listed in the previous year was ruled on by the Taipei District Court on December 27, 2024. The court determined that the bank staff and branch managers had no intentional negligence in their conduct and therefore bear no tort liability. Consequently, KGI Bank is not required to bear joint compensation liability as an employer. Furthermore, as no appeals have been made against this judgment, the decision is final.

## 3.4.3 Quality Services Tailored to Customer Needs

### Optimized products and services

In response to the rise of financial technology, the traditional financial industry is gradually changing its operating model. That is, the full use of financial technology to eliminate distance and time constraints. KGI Financial is no exception, and our hope is that the use of technology will make financial services more convenient and will significantly increase the availability of services to serve wider demographics. KGI Bank and KGI Securities are committed to offering "in-your-shoes and better services." The design and optimization of products and services are based on "customer needs" and aim to fulfill goals as "knowing customer needs, achieving their financial goals, and lifecycle services." KGI Bank and KGI Securities provide a diversity of online and offline services through its professional financial planning team and advanced digital finance technologies.

#### KGI Life

In line with its customer-centric philosophy, KGI Life Insurance continuously optimizes its administrative processes to enhance customer satisfaction. The company also places great importance on customer interaction and offers a variety of service channels and thoughtful services. To gain a better understanding of customer thoughts and needs, regular Customer Satisfaction Measurements are conducted, and customer complaints are promptly and actively addressed. To further strengthen interaction with policyholders, the company has established s6 customer service centers throughout the province, providing localized services. Additionally, a toll-free 0800 service hotline is available for consumers to contact the company. Moreover, to ensure friendly and convenient services for people with disabilities, the company has implemented a financial-friendly service area in accordance with the 'Insurance and Financial Friendly Service Guidelines'. Specifically for the elderly and vulnerable groups, home collection and delivery services are provided to cater to individual needs.

Since May 2022, sign language interpretation services by the Chinese National Association of the Deaf have been implemented. At the same time, the Company is actively developing digital platform channels to align with the digitalization trend. Customers can access the KGI Life Insurance corporate website to purchase insurance online, modify policies, and inquire about services. In response to an aging society, KGI Life Insurance promotes services for disadvantaged elderly individuals. In addition to providing dedicated staff for home visits to assist with policy-related maintenance and claims, in 2024, the company produced sign language short videos reminding policyholders of important rights and benefits, strengthening communication with hearing-impaired policyholders. KGI Life Insurance has also taken the lead in launching a policy Braille identification service designed specifically for visually impaired policyholders, guiding them to scan QR codes to listen to information to protect their rights and interests.

In adherence to the principles of Treating Customers Fairly, and with the service philosophy of 'fairness and empathy, treating customers as if they were ourselves', KGI Life Insurance has established counter appointment services, sign language video translation, multilingual translation appointment services and other friendly service measures, and has further added accessible web pages to provide warm and professional financial friendly services to people with disabilities.

#### KGI Bank

| Product/Services | Content | 2024 Performance |
|---|---|---|
| Credit Card | Customers can choose installment payment plans through online banking/mobile banking point/interactive billing/official website for credit card purchases. | The number of transactions increased by 4% YOY in 2024. |
| Transaction Services | Continuously diversify product services and trading channels, while enhancing convenience features and product information<br>· Fund: Provided transaction services through over-the-counter, customer service, online banking, and mobile banking channels, while expanding available products to enhance customer choices; offered fee discounts for fund purchases via digital platforms.<br>· Bonds: Offer mobile banking and customer service ordering services to expand customer transaction channels.<br>· Insurance: Implementing a paperless application process not only reduces paper usage but also enhances process accuracy.<br>· Foreign stocks/ETF: We offer online banking and mobile banking order placement services for purchasing foreign stocks and ETFs. We strive to continuously expand our product offerings and provide a wide range of options to our customers.<br>· Structured products: Provide more structured products that are linked to diverse targets.<br>· Deposits: Launched online applications for Karry digital accounts and introduced high-interest deposit plans tailored to customer needs. | · Continued to expand diverse financial services.<br>· Insurance: The mobile insurance application process has resulted in a 96% reduction in paper usage.<br>· Fund: Introduced the Smart Profit Lock-in feature in the mobile banking app and launched the full range of BlackRock offshore funds<br>· Bonds: Offered small-scale bonds with a minimum investment threshold starting at $1,000 |

(Continue)

| Product/Services | Content | 2024 Performance |
|---|---|---|
| Credit Card Bill Service | The electronic billing system has been revised on June 25, 2024, with four key features: "KGI Account Payment," "Other Bank Account Payment," "Installment Application," and "KGI Bank App Notification Settings." Additionally, PDF versions of the bill and card statement, identical to the paper format, have been integrated to encourage customers to switch to electronic billing. | The percentage of e-bill increased to 60% |
| KGI Mobile Banking APP | KGI Bank has implemented agile development and NPS customer feedback mechanisms to enhance the customer's digital channel experience and expand the range of services offered. Comprehensive financial products and services include deposits, credit cards, loans, bill payments, investments, and QR code transfers, with 122 new features and optimizations. Utilizing data analysis, digital footprints, and remarketing tools to provide customized services and improve digital platform traffic and conversion rates. Additionally, customer labels are used to offer personalized product recommendations and promotional information, ensuring accurate and tailored information for an enhanced digital experience. Additionally, a personalized digital account task center has been established, providing exclusive tasks for new applicants and existing digital deposit account holders, granting higher deposit interest rates for a specified period upon completion. | The mobile banking app has been continuously upgraded, the number of daily logins has increased by 25% compared to 2023. |

### KGI Securities

KGI Securities provides a range of convenient contact methods, including a customer service hotline, intelligent customer service, online customer support, and branch service locations to enhance the digital experience for customers. The customer experience has been fully digitized to enhance order placement and service channels. In particular, account opening, credit review, transactions, service processes, and account management are now entirely online and automated. Other features include video-based electronic signatures, online ETF IPO order placement, digital co-sales agreement signing, and an optimized three-in-one account opening process that takes only six minutes. These improvements create a seamless remote service experience, allowing customers to access all services from home without the need for in-person visits. Regarding the protection of elderly and vulnerable customer groups and reducing disparities in financial services (including physical and digital), KGI Securities has set up a toll-free senior hotline for the elderly population that allows one-click quick connection to customer service representatives. Furthermore, KGI Securities is the first securities firm to pass both the accessibility environment certification and app accessibility certification for the visually impaired. Voice reading and voice input functions have been implemented on the KGI Securities app, in addition to providing one-click online voice customer service (Web-Call) for quick service, and offering real-time counter and online sign language video translation services.

KGI Securities is committed to protecting customer rights and enhancing service satisfaction. Since Q4 2023, it has implemented the ISO 10002 international standard for complaint quality management, establishing a risk-oriented escalation mechanism and raising the supervisory level to Vice President to ensure maximum protection for financial consumers. In 2024, it was certified by the reputable international third-party organization BSI (British Standards Institution), earning recognition for its outstanding customer service quality and efforts in fair treatment.

## More Active Social Media Management

KGI Life Insurance, KGI Bank, and KGI Securities have established official Line accounts and Facebook pages. By engaging with the young internet generation through social media and expanding communication channels with customers of various consumption levels, we assist in cultivating the correct financial concepts among young groups and provide diversified financial information. KGI Life also centers on the customer, conveying love and care through creative content close to life, actively creating exposure and enhancing brand goodwill.

| Subsidiaries | Social Media | 2024 Status of operations | | 2025 Goals |
|---|---|---|---|---|
| KGI Life | Facebook Fan club<br>Instagram Official account | Post | No. of posts during the year:453 | For KGI Life Insurance's social media strategy to be customer-centric, fully committing to expanding brand visibility through official social media channels while providing users with comprehensive financial protection insights.<br>Commit to sustainability advocacy, fair customer treatment, support for vulnerable groups, fraud prevention awareness, policyholder health, and festive greetings, embodying the spirit of "We Share We Link" in customer engagement. |
| | | | Post engagement: Approx. 15 million | |
| | | | Counts of post interactions: Approx. 289,000 | |
| | Official Line Account | Total friends: 1.33 million | | |
| | | Total linked accounts: 42,000 | | |
| KGI Bank | Facebook Fan Club | No. of fans: 116,000 | | Continue to strengthen brand influence, enhance customer interaction and service quality:<br>Enhance brand exposure opportunities through mascot marketing and new product launch promotion, seeking partners for cross-industry collaborations.<br>Provide personalized asset allocation and activity content to enhance the brand's professional image, attract high-end clients, and deepen customer segmentation and management.<br>Design concise videos and illustrated step-by-step guides for products, while planning a series of promotional materials that are easy to understand, thus simplifying the communication of product content.<br>Deepen the cultivation of AI data analysis and strengthen integration of content generation to create engaging social media content that aligns with new trends. |
| | | Post | No. of posts during the year: 190 | |
| | | | Post engagement: Approx. 3.60 million | |
| | | | Counts of post interactions: Approx. 300,000 | |
| | Instagram Official account | Official Instagram accounts reaching over million potential customers. | | |
| | Official Line Account | No. of fans: 60,000 | | |
| KGI Securities | Official Line Account | No. of Friends: 1.97 million | | Continue to engage customers through diverse themes, interactive programs, and professional research. Through social media, the distance between brokers and investors will be shortened, allowing LINE and Facebook to become communication bridges for rapid interaction with young people, and improving their willingness to invest.<br>Introduce new social media content, "KGI Stock Surge" and "Winner Stock Selection", to enhance daily stock recommendations and market analysis, encouraging transactions of Taiwanese and overseas stocks (sub-brokerage). |
| | | No. of Bound Accounts: Approx. 67,732 | | |
| | Facebook Fan Club | No. of Fans: 36,000 | | |
| | | No. of Followers: 40,000 | | |
| | | Post | No. of posts during the year: 311 | |
| | | | Post engagement: Approx. 1.40 million | |
| | | | Counts of post interactions: Approx. 27,000 | |
| | | | No. of shares for the posts: Approx. 721 | |

## More popularized financial education seminars

### KGI Life

Fraud prevention for elderly and vulnerable groups has become an important part of KGI Life Insurance's efforts to promote the principles of Treating Customers Fairly and age-friendly financial services. Given that these high-risk groups vulnerable to fraud may unknowingly fall into scam traps due to factors such as remote location, physical limitations, or information gaps, KGI Life Insurance has pioneered the online "Smart Aging School" financial literacy and anti-fraud website for the elderly. The website uses simple, easy-to-understand graphics and animated videos to alert elderly individuals. In 2024, KGI further developed the Smart Aging School website content into a series of 14 Mandarin and Taiwanese anti-fraud animated short videos, making it even more convenient for elderly people to share and promote fraud prevention ideas. Offline, KGI Life Insurance has partnered with local elderly institutions to promote awareness for senior fraud prevention. Since 2023, collaborations have been expanded to include local organizations, disadvantaged groups, institutional associations, schools, and police units. KGI Life Insurance's educational outreach now covers indigenous elders, rural disadvantaged communities, people with disabilities, teenagers, economically disadvantaged individuals, new immigrants, people with dementia and their families, and others. With these efforts, financially vulnerable citizens are able to improve their basic insurance knowledge and fraud prevention awareness, bridging the urban-rural divide. Conducted 49 financial literacy and fraud prevention seminars throughout the year, benefiting 2,439 elderly individuals in rural areas and those with limited financial knowledge.

### KGI Bank

To promote our customers' understanding of financial products and taxation, and considering the government's launch of the third-level anti-epidemic measures in the second quarter, KGI Bank held offline and online financial and wealth management seminars in the province, including insurance, bonds, and taxation theme, sharing the latest domestic and foreign commodity development trends and domestic tax system changes, helping customers to grasp the most suitable financial management methods.

In addition, in light of the rampant fraud and the constantly evolving criminal methods domestically, KGI Bank has been promoting the "Protect Your Wealth Security" anti-fraud advocacy project since September 2021, helping the public establish fraud prevention knowledge through seminars. As of December 2024, a total of 9,194 individuals participated in the outreach efforts. This includes participation in the Financial Supervisory Commission's "2024 Financial Services Charity Year" to promote fraud prevention among the public, featuring real counter fraud prevention cases in fraud prevention classrooms, and using simple and engaging four-panel comics to interact with the public and raise fraud awareness. KGI Bank also participated in the Financial Supervisory Commission's "Anti-Fraud Pioneers: Youth Avoiding Pitfalls" initiative and the Commercial Times' 2024 video contest "Protecting Assets, Securing the Future." Additionally, KGI Bank served as guest lecturers for the Chinese Childrenhome and Shelter Association (CCSA)'s anti-fraud education program for mentoring children without families, helping independent youths avoid confusion. Through industry experts teaching financial knowledge and common fraud scenarios, the bank demonstrated its commitment to building campus fraud protection networks and strengthening the anti-fraud capabilities of vulnerable and young populations. This year, additional efforts were made to safeguard the financial well-being of new immigrants by hosting financial fraud prevention seminars, promoting financial literacy to address their financial challenges.

### KGI Securities

In response to the increasing number of investment fraud cases, KGI Securities has established a dedicated anti-fraud unit to develop comprehensive fraud prevention policies and awareness campaigns. The official website, social media platforms, securities trading app, and other interactive channels prominently display the anti-fraud consultation hotline and anti-fraud consultation email to assist customers in handling fraud-related incidents. In 2024, a total of 91 anti-fraud awareness events were conducted across various platforms, reaching 7,575 participants. Additionally, 17,710 interactions were made to support elderly customers and vulnerable groups. In November 2024, KGI Securities was honored with the "Outstanding Award" in the anti-fraud evaluation by Taiwan Stock Exchange.

Additionally, to promote inclusive finance and fair customer treatment while helping young investors develop sound financial concepts, KGI Securities partnered with Taiwan's largest campus social platform, Zuvio. In March 2024, "Zuvio Financial Zone" was launched, accumulating 410,000 views by December 31 of the same year. To enhance service quality, KGI Securities not only provides on-the-job training for managers to strengthen their expertise in various financial products but also organizes a diverse range of themed seminars for customers. Through interactive engagement between on-site sales representatives and clients, the company aims to improve traditional investors' understanding of financial markets and products, thereby meeting their financial planning needs.

### ■ 2024 Finance Seminars

| Subsidiaries | Target | Content | Sessions | No. of participants |
|---|---|---|---|---|
| KGI Life | Elderly seniors, elderly indigenous people, individuals in rural areas who are disadvantaged, individuals with disabilities, youth, financially disadvantaged individuals, new immigrants, individuals with dementia, and their families. | Financial knowledge and fraud prevention campaign | 50 | 2,439 |
| KGI Bank | Customer | Insurance Small Customer Conference | 76 | 1,254 |
| | | Insurance conference for large clients | 6 | 257 |
| | | Fund Customer Seminar | 50 | 1,347 |
| | Community residents, hospitals, long-term care institutions, leisure and health associations, and labor unions | Anti-Fraud Promotion on "Guard your Wealth Security" | 509 | 9,143 |
| | New immigrants | Financial fraud prevention campaign | 3 | 51 |
| KGI Securities | Universities and colleges | Campus recruitment and promotion of fraud prevention | 6 | 200 |
| | Clients | Offline conference on financial knowledge and fraud prevention campaign | 31 | 2,595 |
| | Clients | Online investment and financial management seminar | 50 | 4,370 |
| | Investors | Sharing of anti-fraud measures by competent authorities and private organizations | 4 | 410 |
| Total | | | 785 | 22,066 |

## Friendly Service Mechanism for the Disabled

### KGI Life

**Counter-friendly Facilities**

Accessible service counters: Dedicated counters and priority assistance are provided for the elderly, mobility-impaired, or vulnerable policyholders in the handling insurance services

**Accessibility Facilities**

Installation of accessibility facilities at all service locations

| Accessible facilities/Customer service center | Taipei | Taoyuan/ Hsinchu | Taichung | Chiayi | Tainan | Kaohsiung |
|---|---|---|---|---|---|---|
| Accessible ramps, including movable ones, or step-free access | ● | ● | ● | ● | ● | ● |
| Barrier-free toilets | ● | ● | ● | ● | ● | ● |
| Barrier-free parking spaces | ● | ● | ● | - | ● | ● |
| Service Bell | ● | - | ● | - | - | ● |
| Presbyopic glasses | ● | ● | ● | ● | ● | ● |
| Magnifying glass | ● | ● | ● | ● | ● | ● |
| Elevator | ● | ● | ● | ● | ● | ● |
| Elevator Braille Panel | ● | ● | ● | ● | ● | ● |

**Non-counter Friendly Facilities**

- The accessibility section of the company website successfully passed the web accessibility assessment conducted by the Ministry of Digital Affairs, achieving the highest certification level of AAA.
- Enhanced the policyholder service app to better meet the needs of visually impaired users, obtaining accessibility certification from the Taipei Parents' Association for the Visually Impaired, becoming the first insurance company in Taiwan to receive this professional certification.
- Sign language translation reservation service Through multiple channels such as APP/ official website/ e-mail/ friendly hotline, a sign language interpreter will be arranged for video translation and multilingual translation during on-site service.
- Financial Friendly Service Hotline: Implemented customer care initiatives by establishing a dedicated "Friendly Finance Service Hotline," 0809-006868, for the elderly and vulnerable groups. Simplify the phone voice input process, providing faster and warmer service by dedicated personnel. In 2024, a total of 7,616 calls provided consultation services for the elderly hotline, while customizing a total of 2,097 'memory aid text messages' for the elderly.
- Home Care: Continuously provide care measures for disadvantaged groups such as the visually impaired, hearing and speech impaired, physically and mentally disabled, or those with mobility issues, as well as seniors over 65 years old. This includes assistance with in-home claims processing, customer service-related applications, in-home document collection, and delivery. A total of 351 cases were assisted in 2024.

### KGI Bank

**Counter-friendly Facilities**

- On-site, branch managers can provide professional support and assistance.
- If an account applicant with visual impairment or disability is unable to sign personally and uses a stamp as a substitute, one witness must sign to certify. If using a fingerprint, cross, or other symbol as a substitute for a signature, two witnesses must sign to certify. However, the witnesses must be relatives or friends of the account applicant, personnel from a social welfare organization, or non-handling bank staff, to have the same validity as a signature.
- Heart number calling machine: Priority calling function
- Provide on-site enlarged A3 version forms for customers with weaker vision to read, and add a QR code on the form for the official website for customers to use vision impairment apps or built-in mobile assistance functions to listen to the form content.
- Easy-to-read documents and visual guides are offered at branch counters and on the website for over-the-counter and ATM services to ensure accessibility for individuals with disabilities.
- Deposit transaction function have been added to accessible ATMs

**Accessibility Facilities**

Branches set up barrier-free environment spaces in accordance with the barrier-free facility design specifications formulated by the Ministry of the Interior. In response to the trend of an aging society, all 51 branches across Taiwan have service counters with seating, providing seated services to customers and establishing a customer-friendly environment.

| Item | Coverage ratio (%) |
|---|---|
| Accessible ramps, including movable ones, or step-free access | 100 |
| Service bell | 100 |
| Presbyopic glasses | 100 |
| Service counter | 100 |

Note: There are a total of 51 branches throughout Taiwan.

**Non-counter Friendly Facilities**

- The Financial Friendly Zone Accessible Webpage: In 2024, it passed the highest testing level of the Digital Development Department's Accessibility Certification Mark "Accessible Webpage AAA Mark."
- The intelligent customer service 'Pocket Assistant' combines the latest voice interaction technology (TTS/STT). By simply pressing the microphone button on the screen, 'Pocket Assistant' can provide spoken answers to address various financial inquiries from customers through full voice interaction.

### KGI Securities

**Counter-friendly Facilities**

- All service locations across Taiwan display "Sign Language Interpretation Service" stickers at their entrances to provide a welcoming experience for customers in need. Hearing-impaired customers can book an appointment online for an interpreter to assist them in person at a branch based on their service request type.
- The Hukou Branch has successfully obtained accessibility environment certification from the Multiple Assistance Association. This certification reflects the optimization of various accessibility facilities and environments within its business premises.

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**KGI Securities**

**Accessibility Facilities**

The branch office, in addition to thoughtfully providing reading glasses to meet the needs of the elderly population, also offers various friendly service facilities, which are disclosed in the "Financial Friendly Service Section" on the official website. The coverage rate is shown in the table below and is continuously improving.

| Item | Coverage ratio (%) |
|---|---|
| Barrier-free ramps | 60 |
| Barrier-free toilets | 44 |
| Barrier-free parking spaces | 23 |
| Barrier-free elevators | 50 |
| Service bell located on the first floor | 100 |
| Height-adjusted account opening counters to be 120 centimeters and under | 94 |

Note: There are a total of 71 branches throughout Taiwan.

**Non-counter Friendly Facilities**

- Accessible sites within the Inclusive Finance section: Passed Accessibility 2.0 certification with Level A rating.
- The "Mobile e-Strategy" app has received accessibility certification by the Taipei Parents' Association for the Visually Impaired.
- Toll-Free Senior Hotline: A toll-free hotline has been established for customers aged 65 and older, offering a convenient service that enables quick one-button access to customer service staff. In 2024, the total number of calls from senior citizens was 9,321.
- Create a new experience for remote services, providing video electronic signatures, online ordering during ETF IPO periods, online co-marketing and sharing consent form signing, and an online three-in-one (securities, sub-brokerage, wealth management) account opening process application that only takes 6 minutes.

## 3.4.4 Customer Recognition

KGI Financial has adopted "Prioritizing What Matters to You" as its core corporate philosophy, collecting customer feedback through diverse channels and a comprehensive service system. The experience of each customer is valued, and, through methods such as surveys, service processes are continuously optimized, taking into consideration customer needs. KGI Financial is dedicated to delivering services that are both convenient and welcoming, ensuring that every customer feels appreciated and cared for.

### Customer Satisfaction Survey

**KGI Life**

**Overall Satisfaction**

- **Counter service satisfaction survey**

  To assess insurers' satisfaction with counter services and to provide a basis for service improvements, policyholders conducting transactions at the counter are invited to participate in a satisfaction survey for the general service counters and accessible service counters, using a rating scale of 1 to 5 (with 5 being the highest score). The goal is to maintain a satisfaction rating of at least 4 points.
- **Phone Service Satisfaction Survey**

  KGI Life, in facing Taiwan's aging society era, enhances the Taiwanese language proficiency of telephone service personnel. When dealing with clients who commonly use Taiwanese, they can smoothly execute telemarketing business or telephone consultation services in Taiwanese, thereby improving the customer service experience. In the 2024 telephone service satisfaction survey, the average score of 4 points or above reached 99.15% (out of a full score of 5).

**Satisfaction Score**

| Year | 2022 | 2023 | 2024 |
|---|---|---|---|
| Counter Satisfaction Survey - General Service Counter | 99.9 | 99.9 | 99.9 |
| Counter Satisfaction Survey - Friendly Service Counter | 100 | 100 | 100 |
| Telephone service - Satisfaction survey | 99.06 | 99.20 | 99.15 |

Note: An average score of 4 or above is considered "satisfactory".

**KGI Bank**

**Overall Satisfaction**

To understand customer satisfaction with various products and services as a basis for service or process improvement, KGI Bank continues to conduct satisfaction surveys on branch counter foreign currency transactions, account opening, wealth management transactions, new loan/credit card applications, inbound call center customers, and digital online application customers. In 2024, a total of 35,000 questionnaires were collected, with an overall service satisfaction rate of 97.2%.

**Satisfaction Score**

| Year | 2022 | 2023 | 2024 |
|---|---|---|---|
| Complete number | 2.2 | 3.5 | 3.5 |
| % | 96.7 | 97.2 | 97.2 |

Note 1: Satisfaction rating on a 10-point scale, 7 to 10 is considered "satisfied".
Note 2: The survey covers all customer groups of the bank, with a coverage rate of 100%.

(Continue)

**KGI Securities**

**Overall Satisfaction**

- To assess customer satisfaction with counter services and provide a reference for service or process improvements, counter staff will invite customers to participate in a satisfaction survey on their overall service experience after completing their transactions. The survey uses a scale of 1 to 10, with 10 being the highest score.
- Collected a total of 13,000 questionnaires in 2024, with the satisfaction rating for counter services in the 8-10 score range reaching 98%.

**Satisfaction Score**

| Year | 2022 | 2023 | 2024 |
|---|---|---|---|
| No. of survey | 0.7 | 1.2 | 1.3 |
| Counter satisfaction rate (%) | 85 | 96 | 98 |

Note: The satisfaction rating is based on a 10-point scale, with scores ranging from 8 to 10 classified as "satisfied."

## Optimize Service Experience

Since 2022, KGI Financial has implemented the Net Promoter Score (NPS) to conduct surveys at key touchpoints and continuously analyze customer feedback. Through this feedback, the Company optimizes processes and enhances service quality, ensuring that all customers can enjoy the best service experience.

| Subsidiaries | Key Achievements |
|---|---|
| KGI Life | • **Actively listens to customer feedback**<br>To respond more swiftly to customer needs. It has established a real-time feedback platform that encompasses key touchpoints, including the insurance application and claims processes, corporate website, customer app, 0800 telephone service center, and customer service center. An nps survey mechanism has been implemented to capture authentic customer voices and feedback. As of 2024, the overall NPS has demonstrated consistent growth, particularly notable in the NPS of digital platforms, which has increased by 11%.<br>• **Hosted an NPS reward program**<br>Selecting 95 top service representatives and 3 outstanding service teams from the customer service, call center, and complaint resolution departments. Award plaques, signed by senior executives, were presented to encourage excellence in customer service and reinforce a culture of outstanding service. |
| KGI Bank | • **The survey**<br>KGI Bank conducts surveys immediately after customer transactions or experiences to quickly obtain customer feedback, actively handle and respond, and also provides telephone care for critical customers to further understand customer issues. By 2024, the net promoter score has reached a stable score of 75.<br>• **Hold an NPS reward event**<br>With a total of 396 thank-you cards issued to service colleagues throughout the year, and publish customer satisfaction feedback on branch LCDs to encourage colleagues to provide higher quality service, showcasing the brand commitment " Caring for What You Value Most". |
| KGI Securities | • **Net Promoter Score (NPS) management system**<br>KGI Securities is committed to enhancing customer experience optimization and improving service quality. It has implemented a Net Promoter Score (NPS) management system at key service touchpoints—including its official website, digital trading app, counter services, account opening process, and customer service center—systematically transforming customer feedback into actionable initiatives.<br>• **NPS Survey**<br>The 2024 Taiwan Securities Industry Overall NPS Survey reports a market average NPS of 12 points. KGI Securities has attained dual championship status, boasting an overall NPS of 21, which ranks first in the market; in addition, its NPS for digital tools also holds the top position in the market.<br>• **Efficiently addressed customer feedback**<br>Resolving 98% of low-score cases (0-6 points) within 48 hours.<br>• **NPS Market research**<br>Market research is conducted on an annual basis in the Taiwanese securities industry to understand the key factors that influence recommendation scores. Optimization plans are then developed based on these factors. |

## Multichannel Notification and Processing Procedures

KGI values customer feedback and has established a comprehensive complaint resolution system, along with a dedicated handling unit, to ensure that customer voices are heard and responded to in a timely manner. A series of strategic measures have been implemented to proactively engage with clients and promptly offer effective solutions.

### KGI Life

**Actions**

1. KGI Life Insurance has established a dedicated customer complaint unit to handle complaint cases, with staff responsible for accepting, categorizing, and tracking complaints. In addition, a comprehensive complaint handling procedure has been established to carefully accept different opinions and suggestions. KGI Life Insurance also provides multiple complaint channels and response methods. If the complainant is elderly, disabled, disadvantaged, indigenous, or a new immigrant, KGI Life Insurance will adapt their communication method to meet their actual needs (such as telephone, face-to-face meeting, written communication, multilingual translation services, etc.), striving for appropriate handling to resolve disputes.
2. To implement the principle of Treating Customers Fairly, enhance protection for financial consumers, and establish a continuous improvement mechanism for complaint operations, on December 23, 2020, the "Consumer Dispute Handling System" was revised to become the "Consumer Dispute Handling and Complaint Operations Improvement Circular System." The mechanism serves as the basis for handling consumer disputes and has been submitted to and approved by the Board of Directors for implementation. This ensures fair and timely handling of consumer complaints and guarantees that consumer rights are not affected.
3. After receiving a complaint case, the staff of the customer complaint dedicated unit will contact the complainant within one working day and provide the staff's contact information for the complainant to follow up or inquire about the case progress. In accordance with Article 13 of the Financial Consumer Protection Act, they will communicate the case progress or resolution results to the complainant within 30 days and conduct negotiation discussions. In addition to the staff contacting the complainant directly, they will also send SMS notifications.
4. KGI Life Insurance conducts a weekly cross-departmental meeting to address complaint cases, chaired by senior management. This meeting convenes the heads of relevant units to collaboratively discuss prevention and improvement strategies, as well as to develop solutions for the complaint cases.
5. A monthly complaint statistics report is compiled and submitted to relevant department heads for review and improvement. Complaint case meetings are held to analyze key issues from the previous month, propose feedback-based improvement plans, and share evaluation decisions as a reference for training across units. Each quarter, monthly reports for various channels further analyze the top three case types with the highest cumulative growth rates. The analysis includes case patterns and causes, with feedback provided to each channel, requesting improvement proposals to enhance business solicitation quality.
6. Since October 2020, the Customer Complaint Dedicated Unit of KGI Life Insurance has been dedicated to effectively resolving disputes related to questionable cases or instances where policyholders express potential complaints, prior to their submission of complaints to the competent authority. As a result, the weekly interdepartmental meetings held to discuss complaint cases have ensured that the resolution rate for KGI Life Insurance's dispute cases—including mediation establishment and complete dismissal of applicants' requests—remains above 90%.

**Key Achievements**

In 2024, a total of 1,295 dispute cases filed as customer complaints were processed.

1. Among which were 237 cases related to disputes over the solicitation and services of sales representatives, 636 cases concerning claims disputes, 113 cases pertaining to underwriting disputes, 287 cases related to insurance service and premium disputes, 3 cases involving personal data disputes, and 19 cases associated with other disputes.
2. As of now, 144 arbitration cases have been finalized by the Financial Ombudsman Institution, achieving a 98.21% resolution rate, surpassing other large industry peers.

### KGI Life

**Key Achievements**

3. In 2024, 100% of the received complaint cases were responded to with either a resolution or progress update within 30 days from the date of receipt. For the "Principle of Complaints Protection" under the principles of Treating Customers Fairly, the scoring method for item seven "Financial Consumer Disputes" falls within the highest level (Level 1), earning the full score of 1 point.
4. In addition to analyzing and tracking the customer complaints it directly handles, since September 2023, the customer complaint dedicated unit has also included complaints from policyholders received through banks, brokerage channels, and the call center in its consumer dispute case statistics. Every quarter, after conducting statistical analysis by dispute type, this analysis report is provided to relevant channel management units to facilitate subsequent review and tracking operations, thereby reducing the recurrence of similar types of disputes in the future.
5. The customer complaint dedicated unit continuously provides feedback on arbitration results and issues identified in complaint cases to relevant departments for evaluation and improvement measures. In 2024, a total of 26 recommendations were proposed to reduce operational risks and enhance service quality.

| Functional Department | Feedback Items on Improvement Recommendations | 2024 |
|---|---|---|
| In-house Business Unit | Training on solicitation practices and case studies | 1 |
| | Seminar on sales representative conduct | 2 |
| Broker/Agent Management | Campaign for management of sales representative conduct | 1 |
| Underwriting Unit | Strengthening the underwriting operations system | 1 |
| Policyholder Service Unit | Operating system update and optimization | 4 |
| | Optimization of counter service processes and staff attitude training | 2 |
| | Optimization of contract changes, fees, and loan repayment processes | 5 |
| | Training on products/terms | 1 |
| | Recommendations for personal data minimization operations | 1 |
| | Recommendations for handling court-ordered enforcement cases | 1 |
| Claims Service Unit | Recommendations for the optimization of the claims system | 1 |
| | Strengthening the audit process workflow | 2 |
| | Training on policy terms and operational guidelines | 2 |
| | Accessible service - recommendations for notification operations | 1 |
| | Training for underwriting process optimization | 1 |
| Total feedback items on improvement recommendations | | 26 |

(Continue)

## KGI Life

**Key Achievements**

6. KGI Life Insurance has implemented the ISO 10002:2018 complaint quality management system, specifically adding customer service guidelines, risk and opportunity management procedures, document and record management procedures, educational training management procedures, customer complaint handling management procedures, service quality inspection procedures, complaint customer satisfaction handling procedures, internal audit operation procedures, and corrective measure management procedures to comply with international complaint handling mechanism standards and practices.

   In addition to establishing a comprehensive complaint handling mechanism, quality control standards have been implemented to ensure effective case resolution. Monthly audits of recorded communications between case handlers and policyholders verify compliance with established standards. The customer complaint dedicated unit conducts random checks to confirm that case handlers provide updates within 30 days of case acceptance, enhancing service quality. Additionally, training frequency is defined to improve case handlers' expertise in complaint resolution, reinforcing efforts to increase customer satisfaction. An annual satisfactory resolution rate of 90% or higher is set, ensuring that policyholders do not raise further complaints after resolution. Furthermore, at least one internal audit per year is conducted to continuously improve efficiency and service quality, strengthening the company's reputation.

   Under the leadership of the Board of Directors, KGI Life Insurance successfully passed the third-party verification by BSI in February 2025 with zero deficiencies. This achievement reaffirms the company's long-term commitment to consumers and implements the value proposition of customer-centricity in every aspect of its services.

## KGI Bank

**Actions**

To promote a corporate culture centered on treating customers fairly, KGI Bank has formulated the "Guidelines for Handling Customer Complaints and Disputes," establishing a consistent system for handling customer complaints and disputes across the bank.

1. After receiving the customer's complaint, KGI Bank will immediately appoint dedicated personnel to learn about the incident and contact the customer within three business days from the acceptance date of the complaint to explain the handling situation (or solution) by phone or in writing. For cases attributable to KGI Bank, improvement measures are developed, with regular progress tracking until resolution, ensuring similar issues do not recur;
2. Monthly statistics on the number of cases, analysis of causes, and improvement measures are reported to the General Manager and senior executives. Major customer complaints are reported to the Board of Directors quarterly. In addition, a customer care meeting is set up by the General Affairs Department to actively handle dispute cases and implement improvement measures or provide friendly service action plans to ensure that customer opinions or disputes are effectively resolved, striving to enhance customer satisfaction and protect customer rights. At the same time, complaint case statistics, analysis, and improvement plans are compiled quarterly and regularly reported to the Fair Treatment Committee, with the office of the committee submitting meeting records to the Board of Directors for reference.

**Key Achievements**

In 2024, there were 234 customer complaint cases, of which 90% were resolved within 3 business days, exceeding the target of 85%;

1. Regarding the 26 complaints attributable to KGI Bank, most are related to issues concerning personnel service attitude and proficiency, operational processes, and systems. The handling unit has proposed 29 improvement measures related to these issues and has implemented them effectively, as summarized in the table below:
2. For the 208 complaint cases not attributable to KGI Bank, 22 additional accessible services were provided to ensure effective resolution of customer complaints and disputes through a dual approach, continuously enhancing customer service.

| Type of Improvements Made | 2024 |
|---|---|
| Education and training/sampling/case advocacy | 15 |
| Current workflow adjustment | 9 |
| Improvement of enhancement of system functionality | 2 |
| Adjustment of official website/voice mail/text message | 2 |
| Adjustment of the operative manual/education training materials | 1 |
| Adjustment of the form style or notification content | - |
| Testing or replacement of machine/ATM | - |
| Adjustment of manpower | - |
| Total improvements made | 29 |

## KGI Securites

**Actions**

KGI Securities established "Guidelines for Handling Consumer Complaints and Disputes" and Customer Complaint Resolution Process:

1. After the customer service center or branch accepts the customer's opinion, it is necessary to record the customer's complaint in detail, and immediately notify the unit supervisor on the same day. The branch manager needs to contact the customer as soon as possible to appease and understand the customer's appeal, and reply as soon as possible, in addition to providing customer service and reporting customer complain handling result.
2. The Brokerage and Wealth Management Channel Department holds a monthly customer complaint review meeting, where the supervisor of the complained area attends, and the manager of the complained branch explains and reviews each case.
3. Customer service center will send customer satisfaction surveys after the completion of telephone services as a reference for service improvement, and regularly conduct case advocacy and personnel training to continuously optimize customer service. In addition, KGI Securities also has a customer service hotline 02-2389-0088, (toll-free hotline) 0800-085-005, and an online text customer service for intelligent customer service.

**Key Achievements**

In 2024, a total of 104 customer complaints and 7 items were processed and completed within 7 days, with a completion rate of 84%, which is higher than the company's complaint handling target of 60%.

1. A total of 48 customer complaints have been appropriately addressed and resolved.

| Classification of Complaint Cases | 2024 |
|---|---|
| Personnel Services | 37 |
| Operational Procedures or Standards | 4 |
| System Anomaly | 2 |
| Web Information Disclosure | 5 |
| Total | 48 |

2. Customer service-related complaints are linked to employee performance, with managers reinforcing training for affected staff. Complaints regarding processes, regulations, and systems are addressed through listed improvement measures, with monthly progress tracking until completion, effectively reducing complaint cases.

# 4 Talent Development

Talent is the cornerstone of sustainable development for enterprises. KGI Financial Group is dedicated to attracting, developing, motivating, and retaining talent. We strive to become the "Employer of Choice for Talent Sustainability" by promoting diversity and inclusion, providing competitive compensation and benefits, employing diverse resourcing methods, enhancing training and development, and ensuring a safe and healthy work environment.

In 2024, our initiatives received internal and external recognitions.

## External Recognition

### KGI FINANCIAL

- Taiwan High Compensation 100 Index
- Talent Development Leadership Award
- Happy Enterprise Gold Award, Financial Management and Consulting Category
- Taiwan I Sports – Certificate of Corporate Wellness

### KGI LIFE

- Happy Enterprise Gold Award, Financial Management and Consulting Category
- Healthy Workplace Certification / Health Promotion Mark

### KGI BANK

- Happy Enterprise Gold Award, Financial Management and Consulting Category
- Workplace Safety Award –First Place
- Enterprise Implementing Family-friendly and Workplace Equity Measures
- Taipei City Workplace Gender Equity Certification Finalist Award

### KGI SECURITIES

- Happy Enterprise Gold Award, Financial Management and Consulting Category
- Certification for Enterprises Friendly to Middle-aged and Senior Employees
- Healthy Workplace Certification / Health Promotion Mark

## Internal Recognition

With 97% of employees participating in the 2024 Employee Opinion Survey, our employee engagement score rose to 77%, reflecting a 4% improvement over the previous year. This marks the fourth consecutive year of growth since the first group-wide survey in 2020, highlighting a growing positivity among employees towards the KGI Financial Group.

### ■ Key Strategies & Goals

| Strategy | Relevant Material Topic | 2024 Goal | 2024 Progress | 2025 Short-term Goal | 2026~2027 Mid-term Goal | 2028~2030 Long-term Goal |
|---|---|---|---|---|---|---|
| Diversity, Equity & Inclusion | Labor Protection & Workplace Inclusion and Equity | · Increase employees' awareness of DEI<br>· Enhance human rights risk assessment mechanism | · Launched new courses on "DEI Workplace" and "Human Rights Policy", addressing topics such as unconscious bias, sexual harassment, and prevention of illegal infringements. Employee coverage rate is 100%, with an average post-course test score of over 96 (out of 100).<br>· In the annual employee opinion survey, 81% of respondents affirmed that the organization is a diverse, equitable, and inclusive workplace.<br>· Strengthened human rights risk assessment and improved the comprehensiveness of mitigation and compensatory measures. Additionally, included non-employees (dispatched personnel) as evaluation targets for non-discrimination, non-bullying, and non-harassment. | · Optimize DEI related measures<br>· Schedule periodic human rights-related training, achieving a coverage rate of over 90%.<br>· Promote awareness of DEI and human rights<br>· Include non-employees (dispatched personnel) as targets for the promotion, training, and assessment of DEI and human rights. | · Optimize DEI and human rights measures<br>· Periodically promote awareness of DEI and human rights. | |
| Talent Resourcing & Development | Diverse Talent Resourcing & Development | · Attract diverse talents<br>· Nurture successors and high-potential talents<br>· Enhance employees' key skills | · Established a robust industry-college internship program, recruiting nearly 80 young students for a six-month development program from early 2025.<br>· Strengthened the leadership cadre development program, achieving a 94% retention rate of succession talents.<br>· Promoted the Four Learning Programs at KGI Academy, increasing average training time to 52.4 hours per employee, a 31% rise from the previous year. | · Diversify recruitment channels to attract young talents<br>· Build a succession and high potential talent pipeline<br>· Ensure the average training hours per employee exceed 45 hours | · Expand the recruitment of fresh graduates, with the number of fresh hires increased year on year<br>· Achieve a retention rate of over 80% for succession and high potential talents<br>· Ensure the average training hours per employee exceed 50 hours. | |
| Compensation & Wellbeing | Competitive Compensation & Benefits | · Maintain competitive compensation<br>· Introduce up-to-date benefits | · Continued to be selected as a constituent stock of the "Taiwan High Compensation 100 Index"<br>· Offered full-paid birthday leave and health check leave, both exceeding legal requirements. | · Continue to be selected as a constituent stock of the "Taiwan High Compensation 100 Index"<br>· Introduce up-to-date employee benefits (Effective Jan. 2025, upgrade health check benefit and group insurance.) | · Continue to be selected as a constituent stock of the "Taiwan High Compensation 100 Index"<br>· Introduce up-to-date employee benefits | |
| Workplace Safety and Health | Workplace Safety and Health | · Mitigate occupational risks<br>· Promote health | · Elevated the approval level of the "Occupational Safety and Health Policy" to the board of directors.<br>· Achieved a 100% completion rate for the annual occupational safety and health training.<br>· The percentage of employees with normal BMI values in health checks achieved 59%, exceeding target. | · Achieve a 90% completion rate for the annual occupational safety and health training.<br>· The percentage of employees with normal BMI value in health checks exceeds 50%. | · Min. 3 hours of occupational safety and health training every 3 years for each employee.<br>· The percentage of employees with normal BMI value in health checks exceeds 55%. | |

# 4.1 Diversity, Equity and Inclusion

## 4.1.1 Diversity and Inclusion

KGI Financial Group adheres to the goal of becoming the employer of choice. We value and actively recruit talent, striving to create a diverse and inclusive workplace where individuals of different nationalities, ethnicities, social classes, genders, ages, and the disabled can all unleash their potential. We are headquartered in Taiwan with overseas operations across Greater China, Southeast Asia, and North America. As of the end of 2024, there were 8,994 employees in Taiwan, 578 overseas employees, and 15,691 non-employee workers, totaling 25,263 personnel, circa the same level as previous year. Our workforce covers various employment types: full-time personnel account for 38.7%, part-time 15.7%, and non-guaranteed-hour 45.6%. Close to 60% of our employees fall within the 30 to 49 age range, forming a crucial foundation for the organization's steady growth.

The Group continues to cultivate a diverse, equitable, and inclusive working environment. This commitment is reflected not only in recruitment, promotion, and compensation but is also reinforced through mandatory DEI training to enhance employees' awareness. International Women's Day events are held annually to actively promote gender equality. Additionally, multi-gender friendly restrooms have been planned to be implemented in 2025, taking another step toward becoming the employer of choice for talent sustainability.

### ■ Workforce Classification

| | | 2022 | 2023 | 2024 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Taiwan | Overseas | Total | |
| | | No. of People | No. of People | No. of People | No. of People | No. of People | Ratio (%) |
| Employee | Male | 5,130 | 3,726 | 3,521 | 301 | 3,822 | 40 |
| | Female | 8,544 | 5,694 | 5,473 | 277 | 5,750 | 60 |
| | Sub. Total | 13,674 | 9,420 | 8,994 | 578 | 9,572 | 100 |
| Non-Employee | Male | 4,602 | 5,606 | 5,262 | 235 | 5,497 | 35 |
| | Female | 7,631 | 10,190 | 10,075 | 119 | 10,194 | 65 |
| | Sub. Total | 12,233 | 15,796 | 15,337 | 354 | 15,691 | 100 |
| Total | Male | 9,732 | 9,332 | 8,783 | 536 | 9,319 | 37 |
| | Female | 16,175 | 15,884 | 15,548 | 396 | 15,944 | 63 |
| | Total | 25,907 | 25,216 | 24,331 | 932 | 25,263 | 100 |

Note: 1. Employees consist of permanent and contract employees, whereas non-employees encompass dispatched, contracted, and dual-contract personnel. Individuals on leave without pay are not included in these counts.
2. This chapter (Chapter 4) primarily addresses employees, including those in Taiwan and abroad, unless otherwise noted.
3. Financial consultants, contracted personnel at KGI Securities, are primarily responsible for engaging in financial services, including soliciting, executing trades, and providing customer service related to the company's overseas financial and wealth management product platforms.
4. Sales agents, including contracted and dual-contract personnel at KGI Life, are primarily responsible for directly interacting with policyholders and the public, engaging in business related to the company's insurance products and services.
5. Starting from 2023, the classification of workforce was adjusted, resulting in differences in the number of employees and non-employees compared to 2022.

### ■ Workforce Employment Type

| | | No. of People | Ratio (%) | % to All Workforce |
|---|---|---|---|---|
| Full-Time | Male | 3,894 | 40 | 38.7 |
| | Female | 5,871 | 60 | |
| | Sub. Total | 9,765 | 100 | |
| Part-Time | Male | 1,269 | 32 | 15.7 |
| | Female | 2,705 | 68 | |
| | Sub. Total | 3,974 | 100 | |
| Non-Guaranteed-Hour | Male | 4,156 | 36 | 45.6 |
| | Female | 7,368 | 64 | |
| | Sub. Total | 11,524 | 100 | |
| Total | Male | 9,319 | 37 | 100 |
| | Female | 15,944 | 63 | |
| | Total | 25,263 | 100 | |

Note: The above includes employees and non-employees.

## ■ Employee by Age and Level

| Age | | Non-Management | Management | Total | | % of This Age Group to All Employees |
|---|---|---|---|---|---|---|
| | | No. of People | No. of People | No. of People | Ratio (%) | |
| ≤ 29 | Male | 495 | 2 | 497 | 46 | 11.3 |
| | Female | 585 | 3 | 588 | 54 | |
| | Sub. Total | 1,080 | 5 | 1,085 | 100 | |
| 30 ~ 49 | Male | 1,877 | 317 | 2,194 | 39 | 58.2 |
| | Female | 3,031 | 341 | 3,372 | 61 | |
| | Sub. Total | 4,908 | 658 | 5,566 | 100 | |
| ≥ 50 | Male | 745 | 386 | 1,131 | 39 | 30.5 |
| | Female | 1,411 | 379 | 1,790 | 61 | |
| | Sub. Total | 2,156 | 765 | 2,921 | 100 | |
| Total | Male | 3,117 | 705 | 3,822 | 40 | 100 |
| | Female | 5,027 | 723 | 5,750 | 60 | |
| | Total | 8,144 | 1,428 | 9,572 | 100 | |

## ■ Employee by Level and Gender

| | | Male | | Female | | Total | |
|---|---|---|---|---|---|---|---|
| | | No. of People | Ratio (%) | No. of People | Ratio (%) | No. of People | Ratio (%) |
| Non-Management | | 3,117 | 81.5 | 5,027 | 87.4 | 8,144 | 85.1 |
| Management | Junior Management | 249 | 6.5 | 337 | 5.9 | 586 | 6.1 |
| | Middle Management | 369 | 9.7 | 322 | 5.6 | 691 | 7.2 |
| | Top Management | 87 | 2.3 | 64 | 1.1 | 151 | 1.6 |
| Total | | 3,822 | 100 | 5,750 | 100 | 9,572 | 100 |

Note: Top management refers to executives graded 15 and above.

Guided by the vision of "Becoming a Leading Financial Enterprise in Asia", the Group actively recruits professionals from diverse nationalities, ethnicities, and backgrounds across our domestic and international operations. We prioritize diversity within our talent pool to enhance our competitive edge. By the end of 2024, we employed 559 foreign nationals, accounting for 6% of the employee population. These employees represent 16 countries, including China, various Southeast Asian nations, and the United States. Non-Taiwanese executives make up 7.9% of our leadership team, while 94.7% of top-level management positions are held by local residents. Additionally, we actively support the employment rights of indigenous people and individuals with disabilities, having hired a total of 209 employees from these backgrounds.

## ■ Employees by Nationality, Ethnicity and Minority

| Nationality | Non-Management | | Management | | Total | |
|---|---|---|---|---|---|---|
| | No. of People | % to All Non-Management Employees | No. of People | % to All Management Employees | No. of People | % to All Employees |
| Taiwan | 7,698 | 94.5 | 1,315 | 92.1 | 9,013 | 94 |
| China (incl. HK) | 255 | 3.1 | 68 | 4.8 | 323 | 6 |
| Singapore | 85 | 1.1 | 17 | 1.2 | 102 | |
| Indonesia | 52 | 0.6 | 14 | 1.0 | 66 | |
| Malaysia | 28 | 0.4 | 3 | 0.2 | 31 | |
| U.S. | 7 | 0.1 | 2 | 0.1 | 9 | |
| Others | 19 | 0.2 | 9 | 0.6 | 28 | |
| Total | 8,144 | 100 | 1,428 | 100 | 9,572 | 100 |

| Ethnicity | | Non-Management | | Management | | Total | |
|---|---|---|---|---|---|---|---|
| | | No. of People | % to All Non-Management Employees | No. of People | % to All Management Employees | No. of People | % to All Employees |
| Asian | Taiwanese | 7,704 | 94.59 | 1,318 | 92.30 | 9,022 | 94.26 |
| | non-Taiwanese | 434 | 5.33 | 104 | 7.28 | 538 | 5.62 |
| Caucasian | | 3 | 0.04 | 2 | 0.14 | 5 | 0.05 |
| Other Ethnicity Groups | | 3 | 0.04 | 4 | 0.28 | 7 | 0.07 |
| Total | | 8,144 | 100 | 1,428 | 100 | 9,572 | 100 |

| Minority | No. of People | % to Taiwan Employees |
|---|---|---|
| Disabled Employee | 111 | 1.2 |
| Indigenous Employee | 98 | 1.1 |

Note: The above only covers employees in Taiwan.

### 4.1.2 Fair Treatment

KGI Financial Group is committed to ensuring gender equality by treating all employees (permanent and contract) fairly in employment, compensation, benefits, talent development, and promotion or transfer opportunities. By the end of 2024, female employees represent 60% of the total employee population, nearly 51% of the management team, and 46% of sales management roles. Additionally, women hold close to 42% of positions in STEM fields. Through continuous efforts, these metrics for women in 2024 have already met the targets initially set for 2027.

#### ▪ 2024 Female Employee Indicators

| Female Employee Indicators | Ratio (%) | 2027 Target (%) |
|---|---|---|
| Share of women in total workforce | 60.1 | ≥ 50 |
| Share of women in all management positions | 50.6 | ≥ 50 |
| Share of women in junior management positions | 57.5 | ≥ 50 |
| Share of women in middle management positions | 46.6 | 46 |
| Share of women in top management positions | 42.4 | 39 |
| Share of women in management positions in revenue-generating functions | 45.8 | 45 |
| Share of women in STEM-related positions | 41.6 | 34 |

#### 2024 Internal Transfers and Promotions

The Group's internal transfer and promotion decisions prioritize employee competencies, relevant qualifications, educational and professional backgrounds, and performance. In 2024, under this principle, we achieved a higher rate of transfers and promotions for female employees compared to male employees, demonstrating a tangible commitment to gender equality.

| | Internal Transfer | | Promotion | | Total | |
|---|---|---|---|---|---|---|
| | No. of People | % to the Employees of the Gender | No. of People | % to the Employees of the Gender | No. of People | % to the Employees of the Gender |
| Male | 463 | 46 | 402 | 42 | 865 | 44 |
| Female | 551 | 54 | 564 | 58 | 1,115 | 56 |
| Total | 1,014 | 100 | 966 | 100 | 1,980 | 100 |
| % to Employees | 11 | - | 10 | - | 21 | - |

#### 2024 Comparison of Compensation between Female and Male

The Group offers an average salary above the market level for both men and women to ensure market competitiveness. At the same time, we continuously monitor and strive to reduce the gender pay gap at different levels to achieve gender equality. For detailed analysis, please refer to section 4.4.1. Competitive Compensation.

## 4.2 Human Rights and Employee Communication

### 4.2.1 Human Rights

KGI Financial Group is committed to upholding human rights values and adheres to various international human rights conventions. We have established a "Human Rights Policy" to eliminate any acts of infringement or violation of human rights. We strictly comply with the human rights protection regulations in all the locations where we operate. The Policy encompasses six major human rights commitments: no discrimination, no bullying, no harassment; no forced labor; freedom of association and smooth labor-management communication; workplace safety and health; work-life balance; information security and privacy protection. The policy applies to the overall operational activities and new business activities (such as mergers and joint ventures) of KGI Financial and its subsidiaries. Based on this, a "Letter of Undertaking regarding Sustainability for Supplier" and a Sustainable Finance Commitment have been established, requiring partners, investment and financing targets, and clients to adhere to the same standards. Any acts of infringement or violation of human rights are prohibited. There is a shared focus on human rights risk management, and human rights due diligence should be conducted in accordance with the Human Rights Policy.

A comprehensive management mechanism has been established to protect human rights, which includes conducting regular human rights risk assessments and implementing improvement measures. This mechanism also encompasses continuous promotion and training on key issues such as workplace inclusion, gender equality, prevention of sexual harassment, personal data protection, and workplace safety. The goal is to enhance employees' awareness and understanding of human rights.

The Group integrates human rights issues with the commitments specified in the Human Rights Policy. An annual assessment is conducted for all employees (including permanent, contract, and intern staff) to monitor the implementation of human rights-related initiatives and identify potential risks to prevent violations. Beginning in 2024, dispatched personnel have been included in assessments to ensure no discrimination, bullying, or harassment occurs. For details on the human rights risk assessment of suppliers, please refer to section 5.2.1 Supplier Sustainability Management.

#### Human Rights Due Diligence Process

1. **Issue Identification** — Regularly review human rights risk issues in alignment with the commitments outlined in the Human Rights Policy.
2. **Risk Assessment** — Conduct risk assessments on issues and stakeholders to determine the risk level.
3. **Monitoring and Improvement** — Propose risk mitigation and remediation measures and establish a mechanism for monitoring improvements.
4. **Regular Review** — Track the effectiveness of improvements and regularly review and adjust the Human Rights Policy and related measures.

## ■ 2024 Human Rights Assessment Results and Management Measures

| Issues Assessed | Targets Covered | Assessment Method | Assessment Results | Mitigation Measures | Remediation Actions |
|---|---|---|---|---|---|
| No Discrimination, No Bulling, No Harassment | All employees (permanent and contract) / female employees / indigenous people / dispatched personnel | No. of cases related to workplace discrimination, illegal infringement, and sexual harassment | Extremely low risk | · Establish "Guidelines for Prevention, Appeal and Disciplinary of Sexual Harassment at Workplace," and "Preventive Management Program for the Prevention of Unlawful Infringement on the Performance of Duties" to strictly prohibit all forms of unlawful behavior in the workplace.<br>· Establish a dedicated grievance channel to allow employees to safely raise complaints.<br>· Regularly conduct educational training, making human rights and diversity inclusion mandatory courses each year. The curriculum covers unconscious bias, prevention of sexual harassment and unlawful infringements, aimed at strengthening employees' awareness of human rights. | · Formulate "Handling Procedures for Sexual Harassment Prevention, Compliant and Investigation."<br>· Form a Sexual Harassment Complaint Review Committee, ensuring that at least half of its members are female. Additionally, recruit external professionals who possess strong gender awareness.<br>· For the respondent against whom the case is established, disciplinary action will be taken in accordance with the Guidelines for Employee Reward and Disciplinary.<br>· Provide or refer the complainant to counseling, medical or psychological consultation, social welfare resources, and other necessary services.<br>· For employees injured due to workplace violence, on-site health service physicians and nurses offer support by providing health guidance, recommending adjustments or changes to work duties, and conducting assessments to ensure appropriate measures for physical and mental wellbeing. |
| No Forced Labor | All employees/ Interns | · The salaries of all employees and interns are not below the legal regulations.<br>· No employment of child labor. | Extremely low risk | · The "Work Rules" explicitly state that, in compliance with labor laws, employees' compensation for regular working hours must meet or exceed the minimum wage.<br>· Review the resumes and information of applicants to ensure they are not underage workers. Upon the arrival of new employees, examine their original identification documents to verify once more that they meet the age requirements. | · Ensure interns receive lawful and fair compensation. If an intern falsifies their age, violating the Group's policy on employing underage workers, they will be terminated in compliance with legal regulations. |
| Freedom of Association and Labor-Management Communications | All employees | · Protection of freedom of association<br>· No. of labor-management communication | Low risk | · Develop diverse personnel policies and guidelines that align with labor laws to safeguard employee rights.<br>· Labor and management representatives convene quarterly to thoroughly address a range of issues including policies, working conditions, employee opinions, etc.<br>· The "Human Rights Policy" explicitly commits to the protection of employees' right to join a union.<br>· Proactively and transparently communicate with employees ahead of any measures that may impact their rights and interests.<br>· Offer employees a variety of communication channels and ensure prompt responses to their inquiries. | · Address employee complaints promptly by clarifying the root causes, providing solutions for valid concerns, and focusing on the issues that matter most to them.<br>· When an employee submits a formal mediation request, assess its validity, develop a mediation plan for reasonable requests, and implement the plan mutually agreed upon by both labor and management. |
| Workplace Safety and Health | All employees | No. of occupational accidents reported | Extremely low risk | · Develop a comprehensive occupational safety and health management program by formulating and implementing four key initiatives: "Ergonomic Hazard Prevention and Management Program", "Preventive Management Program for the Prevention of Unlawful Infringement on the Performance of Duties", "Workplace Maternal Health Protection Program", and "Disease Prevention and Management Program for Abnormal Workloads".<br>· Offer employees health checkup benefits along with designated health check leave.<br>· Regularly conduct educational sessions, encompassing safety and health training for all employees (new and existing), alongside specialized first aid and disaster prevention training for designated personnel.<br>· Consistently promote health information and organize health consultation services. | · Develop a robust mechanism for reporting and addressing occupational accidents. Ensure immediate assistance and consultation are provided following an incident, and offer compensation and relief for occupational injuries in alignment with the "Work Rules". |
| Work-Life Balance | All employees | No. of employees with average monthly overtime hours exceeding 45 hours | Low risk | · The "Work Rules" clearly stipulate the working hours and overtime limits. The combined total of regular working hours and overtime must not exceed 12 hours in a single day, and overtime is capped at 46 hours per month.<br>· The "Work Rules" require employees to obtain manager approval prior to working overtime.<br>· The attendance system is configured to alert employees and managers about the daily maximum working hours (12 hours) and the monthly overtime limit (46 hours).<br>· Provide managers with tools and reports for managing working hours, allowing them to monitor and address employees' attendance and overtime, and prevent employees from being overworked for extended periods.<br>· Introduce flexible working arrangements by providing employees with adaptable scheduling options (e.g. flexible work schedules and reduced working hours).<br>· Offer paid annual leave and promote its use to encourage employees to make the most of their annual leave benefits and achieve a better work-life balance. | · Employees have options to apply for either overtime pay or compensatory time off for extended working hours.<br>· Unused annual leave can be deferred to the following year or converted into cash.<br>· Evaluate abnormal workloads and, if necessary, coordinate with on-site physician services for consultation and guidance to adjust and implement improvement measures at the work site. |

Note: 1. Five risk levels: Extremely Low Risk, Low Risk, Medium Risk, High Risk to Extremely High Risk.
2. The mitigation measures and remediation actions cover all sites and 100% of employees. Additionally, starting from 2024, dispatched personnel have been included in the assessment targets to ensure no discrimination, no bullying, and no harassment.
3. The number of employees with human rights risks, after assessment, was 1% of all employees. (i.e. those with average monthly overtime hours exceeding 45 hours, and those involved in substantiated complaint cases)

## Prevention of Violence and Harassment

KGI Financial Group is committed to the prevention of workplace violence and sexual harassment, adopting a zero-tolerance policy towards any acts of violence or sexual harassment. Forms of workplace violence include physical violence (such as hitting or scratching), psychological violence (such as threats or bullying), and verbal violence (such as bullying or insults). To create a friendly working environment free from violence and harassment, KGI Financial has published a "Human Rights Policy" and "Anti-Discrimination and Harassment Statement" on its official website. Internally, "Guidelines for Prevention, Appeal, and Disciplinary of Sexual Harassment at Workplace" and a "Preventive Management Program for the Prevention of Unlawful Infringement on the Performance of Duties" have been established, clearly defining the responsible units, educational training, and grievance procedures for various related issues. The internal website details the employee grievance procedures, including the personnel responsible for handling complaints, the scope of complaints, and the complaint process. Additionally, complaint hotlines, including phone numbers, fax numbers, and email addresses, are provided on both the official website and the internal website.

### Grievance Handling Procedure

| | 1 Reporting | 2 Investigation | 3 Case Closure |
|---|---|---|---|
| **Sexual Harassment Complaint** | The complainant may file a complaint verbally or in writing via a dedicated phone line, fax, or email. | · Submit the case to the Sexual Harassment Complaint Review Committee and form a complaint investigation team to conduct the investigation.<br>· When the Complaint Review Committee holds a meeting, the parties involved and related people may be notified to attend and provide explanations. The parties should be given sufficient opportunity to express their opinions and defend themselves, and a written resolution with reasons should be made.<br>· The investigation process is carried out confidentially. | · Upon receiving a sexual harassment complaint, the case should be resolved within two months. If necessary, a one-month extension may be granted, with all parties involved being duly informed.<br>· Should the investigation substantiate claims of sexual harassment, the offender will be reported to the personnel evaluation committee for appropriate disciplinary measures. Psychological support and other essential resources will also be extended to the complainant.<br>· If the complainant feels that the issue has not been adequately addressed by organization or is dissatisfied with the investigation or disciplinary measures, they have the right to file a complaint with local authorities as per Article 32-1 of the Act of Gender Equality in Employment. |
| **Workplace Unlawful Infringement Complaint** | Fill out the "Report and Handling Form for Unlawful Infringement While Performing Duties" and submit it to unit manager or the Human Resources department for reporting or filing a complaint | · Upon receiving a report or complaint from an employee, promptly assign appropriate personnel or form an investigation team to investigate or address the issue.<br>· Throughout the investigation process, maintain strict confidentiality to protect the rights and privacy of both the victim and the individual reporting the complaint. Additionally, ensure that the reporter or complainant is safeguarded against any form of retaliation. | · The personnel assigned to handle the case should initiate the investigation within seven days of receiving the complaint or referral and aim to complete it within one month. If required, the investigation period may be extended by an additional month. (The timeline for closing the case may vary based on the internal regulations of KGI Financial and its subsidiaries; the timeline mentioned above aligns with KGI Financial's specific regulations.) |

KGI Financial and its subsidiaries have respectively formed a Sexual Harassment Complaint Review Committee, chaired by the head of the Human Resources, with the chief compliance officer/head of compliance or head of legal serving as an ex-officio member. The committee also includes either qualified employees with gender awareness or external professionals, ensuring that at least half of the members are women. Upon receiving a complaint, an investigation team is assembled, incorporating external professionals with gender awareness. The investigation is conducted with objectivity, fairness, and professionalism, while safeguarding the privacy and personal rights of all parties involved. If the investigation confirms sexual harassment, the case will be referred to the Personnel Review Committee for deliberation. The committee's disciplinary or handling outcomes will then be reported to the local authorities. Should criminal responsibility be involved, the relevant company will assist the complainant in filing charges. Additionally, the complainant will be provided or referred to consultation services, medical or psychological counseling, social welfare resources, and other necessary support.

### Training and Education

Beyond the above measures, education and training are crucial components of our approach. All Group employees are required to undergo mandatory annual training on human rights and diversity & inclusion, covering topics such as unconscious bias, prevention of sexual harassment and unlawful infringement. In 2024, we continued to arrange for employees to complete mandatory courses on "Human Rights Policy" and "Creating a Diverse, Equitable, and Inclusive Workplace," achieving 100% participation across the Group. The average post-course test scores were 97 and 96.5 out of 100 respectively. Furthermore, we actively disseminated related policies to our managerial team during leadership meetings to strengthen their understanding and vigilance in preventing violence and sexual harassment.

### 2024 Complaints and Handling

In 2024, KGI Financial and its subsidiaries received a total of four substantiated complaints. Among them, two cases involved unlawful infringement while performing duties, and the other two were related to sexual harassment. Upon receiving the complaints, investigations in line with relevant regulations and procedures were promptly initiated. The investigation was conducted with adherence to objectivity, fairness, and confidentiality, ensuring the protection of the complainants' rights throughout. With the complainants' consent, appropriate recommendations were made, including isolation measures, job adjustment evaluations, and psychological counseling services. All individuals involved in unlawful infringement and sexual harassment were disciplined in accordance with relevant regulations.

## 4.2.2 Employee Communication

The Group is dedicated to nurturing effective communication and harmonious labor relations. We utilize diverse channels to ensure employees receive timely and accurate information, while actively encouraging them to express their thoughts and opinions. Furthermore, KGI Financial and its respective subsidiaries regularly conducts labor-management meetings and engages with the corporate union with respect and sincerity. In 2024, a total of 43 meetings were conducted. In the event of major incidents that may impact employee rights, it is our commitment to notify employees and the union in advance, in full compliance with legal regulations.

| Channel | Content |
|---|---|
| Internal Website/ Internal email | · Important business information of the company<br>· Amendments to the company's regulations and standard operating procedures<br>· Promotion of important compliance matters (such as legal compliance and information security awareness)<br>· Information on training courses<br>· Information on annual performance management activities<br>· Notifications of various employee activities<br>· Information on health and consultation services |
| Labor-Management Meetings | Quarterly labor-management meetings are convened to communicate key policies and offer a platform for colleagues to voice their opinions. |
| Employee Suggestion Box | Employees can utilize this platform to share their suggestions and ideas for the company |
| Grievance Channels | A dedicated phone line, fax, and email address have been established for employees to report complaints and sexual harassment grievances. These channels are prominently displayed on the official website and staff intranet, ensuring accessibility for all staff members. A specialized unit is responsible for handling these cases. |
| Whistleblowing Channels | Establish multiple channels for whistleblowing, including written reports, email, and telephone, to ensure accessibility and confidentiality. Regularly promote these channels among colleagues. A dedicated unit is responsible for handling whistleblowing cases. |

## Freedom of Association

KGI Financial's Human Rights Policy explicitly states: "The Company respects and supports its employees and ensures that its employees enjoy the freedom to join or form trade unions that are legally recognized as well as the right to collective bargaining. The Company safeguards the rights and interests of employees, provides effective communication channels, and holds regular labor-management meetings to promote harmonious labor-management relations." In practice, KGI Financial and its subsidiaries adhere to relevant laws and the contents of collective agreements (if any) when executing various labor-management activities.

KGI Bank signed the first collective agreement with its corporate union on June 13, 2019, and renewed the agreement with the union on June 21, 2022, with the new contract valid for 3 years. Under the good faith of the Bank and the goodwill of the corporate union, employees who are not members of the union are also protected by the collective agreement, that is, all regular employees of KGI Bank are covered by the agreement. In 2024, approximately 27% of KGI Bank's employees are members of the corporate union, and KGI Bank's employees covered by the collective agreement represent 27% of the entire employee workforce of the Group. All labor and management interactions at KGI Bank adhere to the terms of collective agreement, fostering open communication channels and ensuring a harmonious and positive relationship between labor and management.

In addition, the corporate unions of KGI Financial with its subsidiaries, as well as KGI Securities, have not initiated negotiations for a collective agreement; therefore, no collective agreements are in place.

# 4.3 Talent Attraction and Development

## 4.3.1 Talent Attraction

KGI Financial Group is committed to "Becoming the Employer of Choice for Talent Sustainability." As part of our efforts to expand diverse business landscapes and become a leading financial enterprise in Asia, the Group continues to enhance the breadth and depth of the talent pool. We actively invest resources to attract potential talent through various channels, including deepening campus collaborations, integrating online and offline social media, encouraging employee referrals, and promoting internal transfers within the Group. The focus is on bringing in young talents and financial professionals to the organization. In 2024, the Group recruited a total of 1,677 new employees, with the proportion of fresh graduates increasing by 7.1% compared to the previous year, and the percentage of female employees remaining above 50%.

### ▪ 2024 New Employee Count and Distribution

| | | Taiwan | Overseas | Total | |
|---|---|---|---|---|---|
| | | No. of People | No. of People | No. of People | Ratio (%) |
| Gender | Male | 751 | 48 | 799 | 47.6 |
| | Female | 827 | 51 | 878 | 52.4 |
| Age | ≤ 29 | 654 | 43 | 697 | 41.6 |
| | 30 ~ 49 | 787 | 48 | 835 | 49.8 |
| | ≥ 50 | 137 | 8 | 145 | 8.6 |
| New Employee Type | Experienced Talent | 1,204 | 85 | 1,289 | 76.9 |
| | Fresh Graduate | 346 | 14 | 360 | 21.4 |
| | MA | 28 | 0 | 28 | 1.7 |
| Total | | 1,578 | 99 | 1,677 | 100 |

## ■ Campus Collaborations

| | |
|---|---|
| MA Program | Informational sessions were conducted at National Taiwan University (NTU), National Chengchi University (NCCU), National Yang Ming Chiao Tung University, National Tsing Hua University, National Cheng Kung University, National Sun Yat-sen University, and online, attracting a total of 861 participants. These sessions provided young students with insights into KGI Financial Group's business, fintech trends, and the Management Associate (MA) development program. As a result, 28 outstanding young talents were successfully recruited. |
| Summer Intern Program | We offer junior and first-year master's students from local and international universities with the opportunity to gain hands-on experience in the company's operations over the summer. This program allows students to participate in important projects and explore career paths, helping them to discover future talent for the financial industry. We successfully assisted 38 outstanding students in broadening their financial perspectives. |
| Industry-College Collaboration Program | · KGI Financial Group signed industry-college cooperation agreements with universities such as Tamkang, Feng Chia, Ming Chuan, and Kaohsiung University of Science and Technology to cultivate grassroots financial talent. A total of 382 students applied, and nearly 80 were successfully admitted. The six-month training program began in early 2025, allowing participants to experience the workplace and transition to employment ahead of time.<br>· KGI Securities partnered with several universities and colleges, including National Chung Cheng University, Takming University of Science and Technology, Chang Gung University, Soochow University, Yuanpei University of Medical Technology, Asia University, and Minghsin University of Science and Technology, to launch a recruitment and training program for Business Management Assistants (BMA). The initiative aims to recruit 117 students for training. Additionally, in support of the government's Digital Youth T-Ambassador initiative, KGI Securities offered a 20-week training program, and successfully developed eight young talents with a focus on securities digital technology.<br>· KGI Life collaborated with the Department of Insurance and Financial Management at Taichung University of Science and Technology to offer training programs in underwriting, claims, and customer service. These programs successfully attracted nearly 20 students, enhancing their soft and hard skills for future employment and preparing them to enter the workplace. |
| Corporate Mentor | · KGI Life organized a career seminar tailored for the Department of Risk Management and Insurance and the Department of Economics at National Chengchi University, helping over 60 students understand insurance practices and plan for future career developments.<br>· KGI Futures partnered with the Department of Finance at National Taipei University of Technology and the Department of Business Administration at Chung Yuan Christian University to help nearly 90 students enhance their understanding of financial practices and prepare for future career opportunities.<br>· KGI Bank arranged sessions on labor regulations and shared experiences of companies that have undergone government labor inspections for the Department of Labor Relations at Chinese Culture University. The initiative helped nearly 50 students gain a deeper understanding of future job market trends. |
| Corporate Visit | · KGI Financial Group organized a customized corporate visit for second-year master's students from the Department of Financial Management at Sun Yat-sen University. The visit showcased diverse financial professional practices and future prospects, thus enhancing the understanding of 33 students. Furthermore, in collaboration with the Graduate Institute of Business Administration at National Chengchi University, KGI Financial Group facilitated an in-depth exploration for 20 master's students into the operations of a financial holding company and its AI development strategies.<br>· KGI Life arranged a corporate visit for second and third-year students from the Department of Risk Management and Insurance at Tamkang University, providing nearly 20 students with valuable insights into the insurance financial industry and potential career paths.<br>· KGI Futures, in partnership with the Department of Finance at National Central University, hosted a visit for second-year students to its futures unit. This event helped 45 students gain a deeper understanding of futures practices and better prepare for their future careers. |

## Online and Offline Social Media

To effectively reach potential recruitment targets, KGI Financial and its subsidiaries complements its physical recruitment activities with a variety of digital channels. These include social media platforms like LinkedIn, Instagram, and Facebook, as well as online recruitment briefings and digital recruitment platforms. Through these channels, we communicate key concepts such as digital innovation, sustainable management, corporate values, and competencies, alongside information about diverse job opportunities. Additionally, we have implemented online assessment tools, providing candidates the flexibility to choose between online or in-person interviews. This approach helps us overcome geographical barriers and attract talented individuals from both domestic and international locations.

## Employee Referral

To effectively manage our employer brand, KGI Financial and its subsidiaries have implemented staff referral programs. Each month, employees are prompted to review job openings within the Group through the "Global Human Resource Management System." By leveraging employees' insights into the Group culture and their connections with potential candidates, we encourage staff to refer external talent to join our team. This strategy not only enriches our workforce but also enhances employee engagement and strengthens organizational connectivity.

## Transfers within the Group

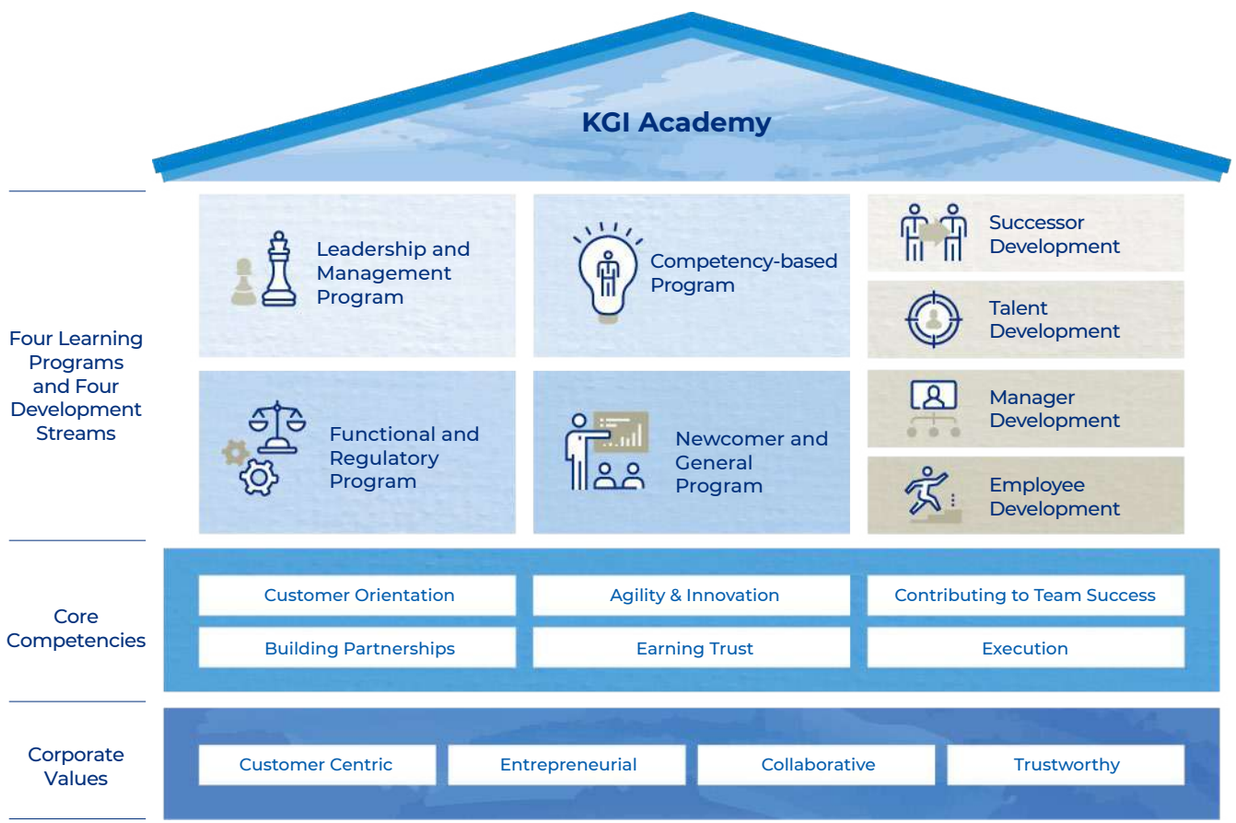
To foster internal mobility and support diverse career development among colleagues, we regularly review our internal talent pool and inform employees of available job openings within the Group. This approach encourages employees to stay informed about current opportunities and actively seek job transfers across departments, companies, or even international borders. In 2024, 250 employees (including permanent and contract), applied for internal positions and successfully transitioned to new roles.

| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Total No. of Job Openings | 1,269 | 2,290 | 1,866 | 2,122 |
| Total No. of New Hires | 4,500 | 4,493 | 1,496 | 1,677 |
| No. of Internal Replacements | 347 | 398 | 377 | 250 |
| Internal Replacement Rate (%) | 27.3 | 17.4 | 20.2 | 11.8 |
| Avg. Hiring Cost per New Hire (NT$) | 4,458 | 4,818 | 18,983 | 19,499 |

Note: 1. Internal Replacement Rate = No. of Internal Replacements / Total no. of Job Openings
2. The avg. hiring cost was increased in 2023 due to a decrease in the no. of new hires caused by the shift of dual-contract workers from employee to non-employee.

## 4.3.2 Talent Development

Talent development is essential for becoming an employer of choice. To support this, KGI Financial Group has introduced the "KGI Competency Framework," which is grounded in the Group's four core values. This framework is applicable to all positions and companies within the Group. Each competency is detailed with key actions for managers and team members, serving as benchmarks for competency assessment. It is widely utilized in various areas such as talent selection, development, utilization, and retention. This approach forms the foundation for a training and development structure rooted in corporate values and competencies, leading to the establishment of the "KGI Academy." The academy provides Four Learning Programs and Four Development Streams, available to all employees (permanent and contract).




### Four Learning Programs

- **Leadership and Management Program:** Designed for the development of managers at all levels, this program progressively cultivates leadership abilities and management skills to achieve both personal and team success.
- **Competency-based Program:** Structured around the Group's six core competencies, this program offers courses designed to progressively develop the essential knowledge, attitudes, and skills colleagues need for organizational success.
- **Functional and Regulatory Program:** Offers specialized training tailored to regulations and work requirements, featuring courses on sustainable development, regulatory compliance, information security, occupational safety, and more. Each course is planned by the respective responsible unit.
- **Newcomer and General Program:** Designed to help new colleagues acclimate to the corporate culture and acquire essential knowledge as KGI employees. It encompasses general courses on performance management, fostering a DEI-friendly workplace, and more.

### Four Development Streams

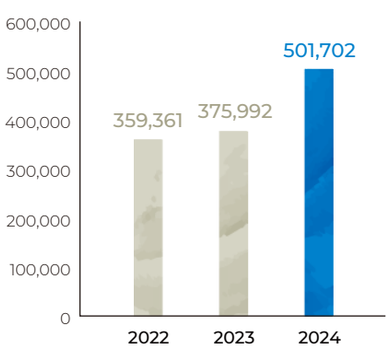
- **Employee Development Stream:** Offers a diverse array of learning resources, performance management tools, opportunities for two-way career discussions, and internal job transfers, empowering employees to enhance their skills and actively pursue growth opportunities.
- **Manager Development Stream:** Implements a structured training program for different manager levels, offering tailored leadership development resources and conducting regular assessments to ensure ongoing improvement and success.
- **Talent Development Stream:** Annually selects employees with high potential for focused development, and includes MA in the regularly reviewed talent pool.
- **Successor Development Stream:** Regularly assesses potential succession candidates for senior positions and continuously nurture future senior leaders for the organization.

In 2024, KGI Financial Group was honored with the "**Talent Development Leadership Award**" for the second consecutive year, highlighting the Group's exceptional efforts in fostering and advancing employee growth.

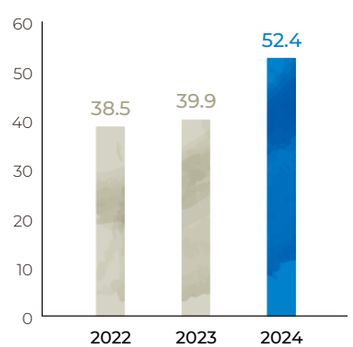
## 2024 Training Effectiveness

KGI Financial Group is dedicated to employee growth. As a result, we have launched diverse training and education programs. In 2024, the KGI Academy achieved a 100% participation rate, with 266,965 enrollments and 501,702 training hours recorded. Training effectiveness has consistently improved, as evidenced by a 31% increase in training hours per employee and a 44% rise in training costs per employee compared to the previous year. These metrics highlight our unwavering commitment to talent development. Looking ahead, we are committed to further enhancing our employees' capabilities and creating greater value to ensure the long-term sustainability of the Group.

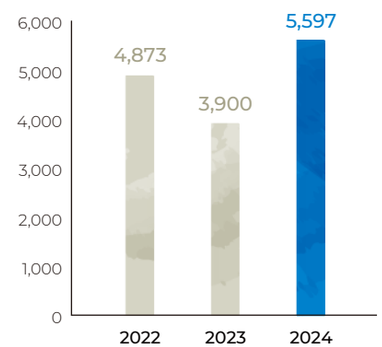
**Total Training Hours** (hours)




**Average Training Hours per Employee** (hours)




**Average Training Cost per Employee** (NT$)




### ■ HC ROI

| Year | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| HC ROI (%) | 8.07 | 5.09 | 1.42 | 2.62 |

Note: Human Capital Return on Investment (HC ROI) = Revenue- (Operating Expenses- (Compensation+ Benefit Cost))/ (Compensation+ Benefit Cost)

### ■ Training Hours and Cost

| 2024 | Training Hours | | Training Cost (NT$) | |
|---|---|---|---|---|
| | Total Hours | Avg. Hours | Total Cost | Avg. Cost |
| Male | 238,452 | 62 | 23,481,779 | 6,144 |
| Female | 263,250 | 46 | 30,092,997 | 5,234 |
| Age ≤29 | 61,050 | 56 | 6,503,945 | 5,994 |
| Age 30 ~ 49 | 282,257 | 51 | 30,389,325 | 5,460 |
| Age >=50 | 158,395 | 54 | 16,681,506 | 5,711 |
| Non-Management | 411,376 | 51 | 38,242,135 | 4,696 |
| Management | 90,326 | 63 | 15,332,641 | 10,737 |
| Avg. per Employee | 501,702 | 52.4 | 53,574,776 | 5,597 |

Note: Starting from 2024, training costs include costs for a digital learning platform, training venue fees, and certification subsidies

Additionally, the Kirkpatrick Model is used as an evaluation tool. The effectiveness of training is assessed across five levels for a comprehensive evaluation. The effectiveness of various training resources is regularly reviewed, and training programs are continuously optimized.

### ■ Kirkpatrick Scale

| | Description | Index |
|---|---|---|
| L1 Reaction | Measures participants' immediate response to the training experience | Training Satisfaction |
| L2 Learning | Assesses the extent to which participants acquire knowledge and skills | Training Completion or Pass Rate |
| L3 Behavior | Evaluates the extent to which participants apply their newly acquired knowledge and skills in their work | Employee Opinion Survey |
| L4 Results | Examines the impact of training on organization performance and economic benefits | Contribution per Person[Note] |
| L5 ROI | Human Capital ROI | Net Profit after Tax |

Note: Contribution per Person = Net Profit after Tax / No. of Employee

## Key Talent Development Programs & Initiatives

### Leadership Development Program

**Purpose**

Enhance managers' leadership and management skills to effectively support the achievement of organizational goals.

**Description**

KGI Academy's Leadership and Management Program offers tailored training for managers at all levels—new, junior, mid-level, and senior—to address their specific developmental needs. In 2024, the program achieved 6,382 enrollments, totaling 14,779 training hours, with a participation rate of 57%. The key development focuses for the year are:

- Talent Selection Capability

  Implemented "Competency-based Interview" as a key tool for people selection, and trained managers to conduct interviews in a professional, objective, and structured manner so as to enhance selection effectiveness. Completed training for all hiring managers in 2024, achieving a coverage rate of 97%.
- New Manager Program

  A newly designed course for novice managers to help them quickly adapt to their roles and responsibilities, developing essential leadership skills and management knowledge to improve work efficiency and management capabilities. Completed the first batch of training in 2024, totaling 276 hours.
- Competency Assessment and Coaching Conversations

  Conducted 360-degree competency assessments for managers at mid to senior levels and offered tailored leadership training and one-on-one coaching conversations for key talents. In 2024, over 300 managers participated in competency assessments, 148 completed post-assessment leadership training, and 38 completed coaching conversations.

**Business Impact**

The management and leadership capabilities of the managers are continuously improving, effectively supporting the achievement of organizational goals, both in tangible operational outcomes and across various talent metrics.

- 2024 profit after tax grew by 77%
- 2024 overall employee attrition improved, decreasing to 11.7%
- The 2024 employee opinion survey reveals that 86% of employees hold a positive view of the management, while 84% concur with the effectiveness of their direct managers.

### Succession and Talent Pipeline Programs

**Purpose**

Cultivate leadership talents pipeline through strategic talent selection and diverse development programs to support the achievement of the organization's short, medium, and long-term goals.

**Description**

- Successor Development for Key Roles

  Completed annual succession planning for key roles by identifying high-performing and high-potential managerial talent whose values align with the Group's core values. These individuals are poised to become future successors for critical positions within the organization. To accelerate their growth, tailored development initiatives were implemented, including rotational assignments, project planning and execution, participation in key meetings, and opportunities to assist in or act in significant management roles.

### Succession and Talent Pipeline Programs

**Description**

- Management Associate (MA) Program
  - Intensive Training: This 18-month program features rotations across a minimum of three departments, allowing participants to work on cross-level and cross-company projects. This experience fosters rapid growth, helping young talents align their career aspirations with the Group's vision to become its future leaders.
  - Buddy Support System: Experienced and graduated Management Associates (MAs) serve as buddies to newer MAs, offering guidance and support. This MA community significantly enhances mutual learning, sharing, and collaboration among young talents.
  - Senior Mentorship: Senior managers from each rotational department are designated as mentors to offer personalized guidance to young MAs. Additionally, regular dialogues with senior managers are organized to foster interactions and exchanges between senior leaders and emerging talents.
- Branch Manager Trainee (BMT) Program
  - KGI Securities has launched a Branch Management Trainee (BMT) program designed to cultivate future leaders for its branch channels. Participants in the BMT program receive extensive training in business development and management. This initiative aims to broaden career development opportunities for high-potential talents.
  - The program offers a structured development plan, starting with foundational courses to build competencies in business development and general management. Advanced courses further enhance skills in organizational operations and people management.

**Business Impact**

- The retention rate of the potential successors identified in the 2024 succession plan is 94%.
- 19 MAs completed training in 2024, achieving a retention rate of 82.6%.
- 73 BMTs at KGI Securities completed their training in 2024, with 20 individuals promoted to branch manager positions, while the remaining trainees became part of the talent pool. The overall retention rate was 78%.

### Digital Agility and Transformation Initiative

**Purpose**

Enhance employees' comprehension and awareness of agile methodologies and digital transformation in response to the digital transformation of the financial industry. By incorporating experience sharing and practical exercises, stimulating the development and implementation of innovative organizational services and process reengineering, thereby boosting efficiency and customer satisfaction, and ultimately driving business growth momentum.

**Description**

To prepare employees for the digital transformation of the financial industry, in 2024, the Group advanced digital agile transformation through three key initiatives, involving a total of 1,639 employees and achieving a participation rate of 17.1%.

- Agile Transformation

  Workshops and digital courses on agile transformation were provided in 2024 to the leadership team, top-level managers, and employees. A total of 1,184 personnel participated, completing 1,972 training hours.
- Digital Data Technology Transformation

  A series of seminars were conducted in 2024 covering a range of topics, including artificial intelligence for business communication, data-driven thinking, AI applications, M365 Copilot and Teams AI assistants, Power Automate, digital transformation brainstorming workshops, process simplification, business transformation, Google Cloud applications, and large language model training courses. These initiatives resulted in a total of 11,621 training hours.

(Continue)

## Digital Agility and Transformation Initiative

**Description**

- **Team and Network Collaboration**

  Harnessing the strength of teamwork, discussion platforms and technical exchange groups were set up on Teams. This initiative fosters a self-learning environment for employees, allowing cross-company teams to engage in real-time knowledge transfer and experience sharing.

**Business Impact**

- Enhancements in both financial service efficiency and customer satisfaction (refer to 3.4 Customer Experience).
- In the 2024 employee opinion survey, 80% of respondents affirmed, "We embrace technology to improve the way we do things," and 84% concurred with, "I am encouraged to think of new ways to do my job more effectively."

## Corporate Sustainability and DEI Initiative

**Purpose**

Enhance employees' understanding and implementation of ESG and DEI principles to cultivate a workplace culture that supports diversity, equity, and inclusion, thereby fostering corporate innovation and competitiveness while upholding corporate social responsibility.

**Description**

- **Mandatory Training for New Hires**

  Integrate ESG and DEI principles into onboarding programs to instill a strong foundation in sustainability and foster a welcoming workplace culture from the outset of employment.
- **Annual Mandatory Training:**

  Launched ESG series courses with a total of 38,796 training hours in 2024.

  E-learning courses on human rights policy and DEI-friendly workplace practices were introduced as mandatory for all Group employees. These courses cover essential concepts and offer practical workplace examples on unconscious bias and embracing diversity across backgrounds, cultures, experiences, and perspectives. The completion rate is 100%.
- **Ad-hoc Seminars**

  Hosted online MBTI and DiSC workshops to help colleagues identify different personality traits, uncover strengths in themselves and others, and foster respect and understanding. Over 300 employees participated.

**Business Impact**

- In the 2024 employee opinion survey, 81% of respondents agreed with the "Diversity, Equity, and Inclusion" initiatives. Notably, 88% agreed with the statement, "My company treats employees fairly, regardless of their age, family/marital status, gender, disability, race/color, religion, or sexual orientation."
- External Recognition: We were honored with the "TCSA Taiwan Corporate Sustainability Award" for Talent Development Leadership and named a "Top 100 Corporate Sustainability Role Model" by the TCSA Taiwan Corporate Sustainability Award.

## Diverse Employee Development Resources

**Purpose**

Offering a wealth of diverse and flexible learning resources and development opportunities to foster a culture of self-directed learning, supporting the long-term growth of employees' skills and career paths.

**Description**

- **Self-Directed Learning Platform**

  Encourage the use of the "Hahow" online learning platform, enabling employees to access learning opportunities anytime, anywhere for a more autonomous and convenient experience. With over 600 diverse resources, including articles, audio, and videos, the platform caters to various learning styles and preferences. In 2024, employees accumulated a total of 60,356 learning hours on Hahow, achieving a participation rate of 27.3%.
- **KGI Academy - the Four Learning Programs**
  - Leadership and Management Program: Please refer to the "Leadership Development Program" section for details.
  - Competency-based Program: Tailored to KGI's core competencies, this program allows employees to select from a wide array of training courses that align with their personal development plans and relevant competencies. In 2024, the program achieved a total of 11,030 learning hours, with a participation rate of 24.8%.
  - Functional and Regulatory Program: Designed to boost employees' professional skills while meeting regulatory requirements for professional competency training. In 2024, the program accumulated a total of 389,965 learning hours, achieving a full participation rate of 100%.
  - Newcomer and General Program: Supports new colleagues in acquiring essential knowledge as KGI employees while offering a range of courses and seminars for all staff. These programs include career development seminars, financial workshops, employee assistance initiatives, and topics focused on physical and mental health and safety, ensuring comprehensive learning resources. In 2024, the total learning hours reached 25,572, with a participation rate of 59.4%.
- **Professional Certification Subsidy**

  KGI Life has implemented a professional exam reward guideline to encourage employees' professional growth by encouraging participation in domestic or international certification exams. The guideline offers exam fee subsidies, paid leave for exam days, and monetary rewards for successful completion. In 2024, the program supported 426 employees, with total subsidies amounting to NT$2,357,024.
- **Internal Transfer Guideline**

  To promote career growth and development within the Group, an internal transfer guideline has been established, providing employees with opportunities to explore and expand their professional paths.

**Business Impact**

- Increased Employee Satisfaction with Learning and Growth: According to the 2024 Employee Opinion Survey, 82% of employees concurred with the statement, "In my company, I have opportunities for continuous learning and growth."
- Reduced Employee Turnover: Overall employee attrition improved, decreasing to 11.7%.
- Internal Job Placement/Transfers/Promotions: In 2024, 2,230 employees, representing 23% of the employee population, were involved in internal job placements, transfers, or promotions.

### 4.3.3 Performance and Individual Development

The Group has implemented "Guidelines for Employee Performance Management," applicable to all permanent employees except for those hired in Q4. This guideline serves as a foundation for employee development. The annual performance management cycle encompasses the following key elements:

| | | |
|---|---|---|
| Beginning of the Year | Goal Setting & Individual Development Planning | Each department develops action plans and key objectives that are aligned with company's annual strategy and current major themes, following the SMART principles. These objectives are then cascaded down to establish employees' work goals and personal development plans. Managers and employees engage in discussions to achieve consensus on these objectives. |
| Mid-Year | Agile Management | The business team conducts performance reviews on a monthly or quarterly basis, timely providing incentives to facilitate dynamic adjustments, enhance motivation, and drive continuous improvement. |
| | Performance Improvement Plan | "Guidelines for Employee Performance Improvement" are established, providing a mechanism to help employees understand the causes of underperformance, set actionable improvement plans, define measurement indicators, and outline expected timelines. Timely feedback and coaching are provided to support progress. |
| | Mid-year Performance and Development Review | At mid-year, the manager and employee collaboratively review the progress of work objectives and the execution of personal development plans. Through active listening and feedback, they realign their focus for the second half of the year. Beyond the mid-year review, the manager offers timely feedback and support through regular and ad-hoc reviews. |
| End of the Year | Year-end Evaluation and Performance Communication | · Year-end evaluations consist of self-assessments by employees alongside manager evaluations, integrating feedback from multiple perspectives.<br>· Corporate Values and Behaviors: Beyond evaluating the achievement of performance objectives (what), there is a strong emphasis on how these goals are achieved. The demonstration of corporate values through individual behaviors is a mandatory component of the formal year-end performance document.<br>· The year-end performance review not only involves communicating work results and values demonstration but also includes a two-way dialogue about personal career aspirations and reaching a consensus on personal development needs. This collaborative discussion forms the basis for crafting the individual development plan for the upcoming year.<br>· The results of the year-end evaluation are crucial for determining performance bonuses, promotions, salary adjustments, career development opportunities, and identifying high-potential talents. |
| Teams | Cross-team Evaluation | Specific governance and control metrics are assessed by the KGI Financial for its subsidiaries, alongside cross-team evaluations conducted by specialized units within each subsidiary. These evaluations are integrated into the annual performance assessment, impacting both team and individual performance outcomes. |
| Multi-Dimensional Evaluation | 360-degree Competency Assessment and Real-time Feedback | · In 2024, a comprehensive 360-degree competency assessment was introduced for executives at the executive vice president level and above, as well as for key talents at the vice president level and higher. This initiative aims to deliver multifaceted insights, enabling managers to identify their personal strengths and areas for development, ultimately enhancing their leadership and management capabilities.<br>· The "Embrace Feedback!" online feedback program was launched on the HR system platform to foster a culture of recognition and enable managers and colleagues to actively invite and provide feedback. In 2024, the platform received over 2,696 pieces of feedback from colleagues across the Group, marking a significant 92% increase compared to the previous year. |

# 4.4 Talent Retention

In addition to robust talent development initiatives, KGI Financial Group also offers competitive compensation and benefits that bring a sense of wellbeing. These measures aim to motivate and retain talent, increase employee recognition, and ultimately improve talent retention.

### 4.4.1 Competitive Compensation

KGI Financial Group has always adhered to the principle of fair treatment in determining compensation, with rewards closely linked to performance, and market competitiveness taken into consideration. The business results are shared with employees, creating a win-win situation for employees, the organization, and shareholders. Starting salaries are determined based on employee's professional skills and the position they hold, following the principles of equal employment and market competitiveness. For new graduates, the starting salaries can reach up to 2.6 times the legal minimum wage. The compensation conditions for all personnel (including employees and non-employee workers) comply with the labor laws of the location where the business operates.

The employee compensation structure includes base salary, allowances, and variable bonuses. Annual performance bonuses are distributed based on overall business results and individual performance. This approach aims to optimize resource allocation by rewarding employees with outstanding performance or special contributions accordingly. It fully reflects the Group's profit-sharing with employees and is closely linked to individual performance.

KGI Financial and its subsidiaries participate in market compensation surveys annually and adjust employee salaries based on market levels, economic trends, and individual performance. Through a fair and comprehensive promotion mechanism, outstanding employees are advanced to higher positions with better compensation and robust career development opportunities. In 2024, the average salary adjustment across the Group was 3%, with top-performing employees receiving adjustments of over 10%. KGI Financial Group also continues to be included as a constituent stock of the "Taiwan High Compensation 100 Index" in 2024.

**▪ Salary for Non-management Full-time Employees**

| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Median annual salary (NT$ Thousand) | 1,143 | 1,025 | 1,100 | 1,293 |
| Average annual salary (NT$ Thousand) | 1,468 | 1,243 | 1,359 | 1,652 |
| No. of non-management full-time employees | 7,313 | 7,414 | 7,494 | 7,502 |

Note: The data calculation method aligns with that reported to the Taiwan Stock Exchange. The median annual salary rose by 17.6% compared to the previous year, while the average annual salary increased by 21.6%.

## ■ Comparison of Salary with Market

| | Female | Male |
|---|---|---|
| The ratio of average annual regular salary above the market level (%) (Note 1) | 115 | 133 |
| The multiple of entry-level salaries to the minimum wage (Note 2) | 1.02~3.19 | 1.09~3.28 |

Note 1: Market salary data is sourced from the average regular salary published by the Directorate-General of Budget, Accounting and Statistics.
Note 2: The minimum wage refers to the statutory minimum wage (NT$27,470 for 2024). The formula of the comparison = entry-level staff's fixed salary / minimum wage. Only two female employees have a salary that is 1.02 times the minimum wage.

## ■ Comparison of Annual Total Compensation

| | 2024 |
|---|---|
| The multiple of the annual total compensation of the highest-paid individual to the median annual total compensation of other employees (Note 1) | 88 |
| The multiple of the annual total compensation of the highest-paid individual to the average annual total compensation of other employees (Note 2) | 64 |
| The multiple of the percentage increase in the annual total compensation of the highest-paid individual to the median percentage increase in the average annual total compensation of other employees (Note 3) | 0 (Note 4) |

Note 1: The annual total compensation of the highest-paid individual in the organization/ the median annual total compensation of all employees (excluding the highest-paid individual).
Note 2: The annual total compensation of the highest-paid individual in the organization/ the average annual total compensation of all employees (excluding the highest-paid individual).
Note 3: The percentage increase in the annual total compensation of the highest-paid individual in the organization / the median percentage increase in the average annual total compensation of all employees (excluding the highest-paid individual).
Note 4: The highest-paid individual for 2024 assumed the position in April 2024.

## ■ Compensation Ratio for Material Risk Taker (MRT)

| | 2024 |
|---|---|
| The ratio of variable compensation to total compensation (A) (%) | 57 |
| The ratio of variable compensation to total compensation (B) (%) | 62 |

Note: 1. Total compensation = fixed pay + variable pay
2. (A) refers to the average ratio of MRTs, and (B) is the cumulative variable pay divided by the cumulative total compensation for MRTs
3. In 2024, there were changes in 2 positions, and as a result, the salaries for four individuals were only be paid for the duration of their employment.

## ■ Comparison of Average Compensation between Female and Male

| Female : Male | 2024 |
|---|---|
| Top management (base salary) (%) | 102 |
| Top management (base salary + cash bonus) (%) | 124 |
| Junior and middle management (base salary) (%) | 100 |
| Junior and middle management (base salary + cash bonus) (%) | 101 |
| Non-management employees (base salary) (%) | 86 |
| Non-management employees (base salary + cash bonus) (%) | 92 |

## ■ Comparison of Salary Adjustment between Female and Male

| | Female | Male | Female/Male Comparison |
|---|---|---|---|
| Adjustment (%) | 3.0 | 3.0 | 100 |

Note: Employees below the executive vice president level are eligible for salary adjustment, with a coverage rate of 100%.

## Long-term Incentive Program

KGI Financial Group offers various long-term incentive programs to motivate employees to grow together with the Group and share in the business results, achieving a win-win situation.

| Program | Eligible Target | Description | Rate of Eligible Individuals |
|---|---|---|---|
| Employee Trust Shareholding Plan | All Group employees who are either Taiwanese nationals or foreign nationals holding a Taiwan residence permit | Employees contribute a certain amount each month, and the Group matches this amount as an incentive to purchase KGI stock, which is then entrusted to a trust. This allows employees to share in the Group's success and enhance their wellbeing. | The participation rate has consistently remained above 90% since its launch. |
| Restricted Share Unit | Key role holders of the Group, also individuals with high contributions and development potential (limited to Taiwanese nationals or foreign employees with Taiwan residence permits, per legal requirements). | · Restricted shares with a six-year term were issued in 2021. The first three years serve as the performance evaluation period, during which the overall performance achievement rate is calculated based on established performance indicators at the end of the period. This approach closely aligns employee goals with the Group's growth objectives.<br>· Employees who have not violated the labor contract with the Company (or its subsidiaries) during the performance evaluation period, have not received any major disciplinary actions according to the Company's (or its subsidiaries') employee reward and punishment regulations, and have achieved a personal performance rating of 3 or above, will have their shares vested over a three-year period. | 26% |
| Deferred Bonus | Group employees with performance bonuses exceeding a certain amount | For performance bonuses exceeding a certain amount, a deferral mechanism is established, specifying the deferral ratio, method, and clawback mechanism. The deferred bonuses will vest over three years to align employee rewards with the Group's long-term performance. | 100% |
| Special Deferred Bonus | Group employees who have been identified as high potential talents for key roles below a certain job level, and who have not yet been granted restricted share unit | · Launched in 2024, the program provides eligible individuals with funds to purchase company stock, which will be held in trust. Those unable to acquire stock will receive deferred payments in cash. Similar to deferred bonuses, the program establishes the deferral ratio, method, and clawback mechanism, with payments vesting over three years. This initiative closely aligns employee rewards with the Group's growth objectives.<br>· Employees who, from the date of deferral, have not committed any major violations of laws, employment or appointment contracts, have not received any major disciplinary actions according to employee reward and punishment regulations, and have not violated the detailed rules of this plan or related contracts, will receive vested stock upon meeting the vesting conditions. | 1.57% |

## 4.4.2 Employee Wellbeing

Employee benefits are a vital contributor to overall wellbeing. At KGI Financial Group, we offer comprehensive support through a range of initiatives, including physical and mental health programs, financial wellness, parental support, work-life balance, recognition and rewards, as well as professional qualification subsidies. Striving to be the "Employer of Choice for Talent Sustainability," we are dedicated to continuously improving employee wellbeing by introducing new initiatives each year that exceed legal standards. In 2022, we introduced EAP - Employee Assistance Program. In 2023, we enhanced our benefits by increasing full-pay maternity and paternity leave, as well as full-pay volunteer leave days, and launched a flexible working program. In 2024, we improved our offerings with full-pay health check leave and full-pay birthday leave. Starting in 2025, we upgrade the group insurance by expanding the coverage and compensation limits, and include spouses and children in the company-funded group insurance benefit. In the 2024 employee opinion survey, 73% of employees agreed that " My Company takes a genuine interest in the wellbeing of its employees," clearly demonstrating the employees' recognition of the Group's commitment to their welfare. All Group employees (including permanent and contract employees) are entitled to the following benefits.

### ■ Mental and Physical Health

| Item | Employee Welfare Measures |
|---|---|
| Mental Care | Provide EAP - Employee Assistance Program to employees and dispatched/contracted/dual contract personnel.<br>· Assistance in handling personal issues, including emotions, conflicts, stress, interpersonal relationships, communication, career, parenting, marriage, family, and legal consultation.<br>· Individuals can access telephone consultation hotline for free, without any limit on the number of uses. Additionally, they are entitled to several free face-to-face psychological counseling or legal consultations annually. In 2024, there were 340 utilizations, marking an approximate 30% increase from the previous year.<br>· In 2024, three mental health seminars were held, with a total of 821 participations. Additionally, there were 736 participations in seminars conducted by the external psychological counseling institution in collaboration with KGI Financial. |
| Physical Care | · Health Checkup<br>Employees are entitled to company-sponsored health checkup benefit, which is superior to the regulatory requirements. In 2024, 2,967 employees completed health checks, accounting for 62% of eligible employees. Starting from 2025, the benefit is further upgraded to increase care for employee health.<br>· BMI Values<br>Set a target for the proportion of employees with a normal BMI value in health checkups. The target for 2024 is 50%, and the actual achievement rate is 59%.<br>· Health Check Leave<br>Starting from 2024, all employees are entitled to fully paid leave for health checkups, exceeding the legal requirement.<br>· Promotion of Physical Activities<br>The KGI Walker walking competition is organized every year (In 2024, 2,162 people participated, collectively achieving the equivalent of 487 laps around Taiwan island), and there are over 40 regular sports clubs available to promote physical health. Additionally, online exercise classes and seminars are occasionally conducted to actively promote a healthy workplace. All physical activities are open to both employees and dispatched personnel. |
| Physical Care | · Staff Cafeteria<br>The cafeteria provides employees and dispatched personnel with delicious and nutritious quality lunches, along with a five-star dining environment. This free benefit is highly appreciated. Participation of dispatched personnel is subject to the policies of their respective companies.<br>· Massage Services<br>The service provides employees with relaxation and stress relief during working hours. In 2024, ten visually impaired massage therapists were employed, serving 8,476 sessions. |

### ■ Financial Wellness

| Item | Employee Welfare Measures |
|---|---|
| Employee Trust Shareholding Plan | The Employee Trust Shareholding Plan is designed to enhance the stability of employees' lives following retirement or resignation, while also allowing them to share in the Group's long-term success. Employees, regardless of position, can choose their monthly contribution from three predetermined amounts, and the Group also provides a 100% matching contribution as a reward. By the end of December 2024, over 90% of the employees are participating in this Plan. |
| Retirement Plan | · All employees are entitled to retirement benefits. The retirement plans are developed in accordance with the "Labor Standards Act" and the "Labor Pension Act." The plans specify the retirement conditions and pension payment methods, and provide financial support to employees after retirement.<br>- For employees covered by the "Labor Standards Act," KGI and its respective subsidiaries annually allocate retirement reserve funds to the Taiwan Bank pension account on a monthly basis, in accordance with the Act and based on actuarial reports, within the legal range of 2% to 15%.<br>- For those covered by the "Labor Pension Act," KGI and its respective subsidiaries contribute 6% monthly to the employee's individual pension account, in accordance with the Act and based on "Labor Pension Monthly Contribution Wage Classification Table."<br>· Dispatched personnel are also entitled to retirement benefits provided by their employer in accordance with the "Labor Standards Act" and the "Labor Pension Act." |
| Group Insurance | · All employees are provided with comprehensive group insurance coverage which is not mandated by law. The benefit covers life insurance, accident insurance, accident medical insurance, hospitalization medical insurance, and cancer insurance, with all premiums fully borne by KGI Financial and its respective subsidiaries. Additionally, starting from 2025, the insurance coverage and compensation limits are further expanded.<br>· Employees' spouses and children are eligible for free enrollment in medical insurance, offering an additional layer of protection for both employees and their families. |
| Sickness Subsidies | Employees and dispatched personnel who are unable to work due to illness are entitled to take sick leave, with a maximum of 30 days of paid sick leave annually per person. |
| Disability Subsidies | · Employees and dispatched personnel who suffer from occupational injuries or diseases, resulting in partial or total loss of work capacity and an inability to earn their original salary, can apply for up to 2 years of injury and sickness benefits under the Labor Occupational Accident Insurance and Protection Act as wage compensation. If subsequently diagnosed with permanent disability, they are eligible to claim either a lump-sum disability payment or a disability pension.<br>· Employees are also entitled to group insurance, offering disability coverage due to illness, accidental injury, or work-related incidents. |

(Continue)

| Item | Employee Welfare Measures |
|---|---|
| Financial Health Seminars | Financial health seminars are organized to enhance employees' knowledge of wealth management and financial intelligence. In 2024, a total of eight sessions were held in two phases, with nearly 2,700 participations. The seminars were open to all employees and dispatched personnel. |
| Preferential Saving Deposits | KGI Bank offers employees preferential deposit rates applicable to special interest rates, with interest credited monthly. |

## ■ Work-life Balance

| Item | Employee Welfare Measures |
|---|---|
| Flexible Working Program | · Offer flexible work schedules, reduced working hours, sabbatical leave, and remote/home working options to accommodate the special needs of employees.<br>· In 2024, 179 employees utilized flexible work schedules, 2 opted for non-statutory reduced working hours, 15 took non-statutory sabbatical leave, and 8 worked remotely or from home. |
| Annual Leave | · Offer employees fully paid annual leave, and progressively increase the number of days based on years of service, with the number of days even exceeding legal requirements.<br>· Dispatched personnel are also entitled to fully paid annual leave as mandated by law<br>· Internal promotions are conducted to encourage employees to fully utilize their annual leave benefits and achieve a better work-life balance. |
| Special Leaves | · Volunteer Leave<br>Employees are entitled to 4 days of fully paid volunteer leave, encouraging them to step out of the office and into the community to participate in altruistic volunteer activities. In 2024, the total volunteer hours reached 87,243 hours, with an average of 9.7 hours of service per employee.<br>· Birthday Leave<br>Starting in January 2024, employees are entitled to fully paid birthday leave, making KGI Financial Group the first financial holding company in Taiwan to offer this benefit across all entities. In 2024, 82% of employees enjoyed the birthday leave. |

## ■ Parental Support

| Item | Employee Welfare Measures |
|---|---|
| Primary Caregiver | Employees and dispatched personnel are entitled to the following benefits, with employees enjoying benefits that exceed legal requirements.<br>· Parental leave: A total of 36 weeks of paid parental leave encompassing maternity leave and baby care leave.<br>- Maternity leave: 10 weeks of fully paid leave, exceeding the legally mandated 8 weeks<br>- Baby care leave: 26 weeks for half a year, paid at 80% of insured salary<br>· Pregnancy checkup leave: 7 days of fully paid leave<br>· Tocolysis rest leave: incorporated into 30 days of paid sick leave<br>· 60 minutes every day for breastfeeding (lactation) with full pay<br>· May reduce daily working hours by one hour or adjust work schedule to better accommodate childcare needs |
| Non-Primary Caregiver | Employees and dispatched personnel are entitled to the following benefits, with employees enjoying benefits that exceed legal requirements.<br>· Parental leave: A total of 27.6 weeks of paid parental leave encompassing paternity leave and baby care leave.<br>- Paternity leave: 8 days of fully paid leave, exceeding the legally mandated 7 days<br>- Baby care leave: 26 weeks for half a year, paid at 80% of insured salary<br>· May reduce daily working hours by one hour or adjust work schedule to better accommodate childcare needs |
| Subsidies, Resources, and Support | · Childbirth Subsidies<br>Provide employees with childbirth subsidies. Starting from 2024, the KGI Financial enhanced its childbirth subsidies by offering additional NT$10,000 on top of the existing subsidiary of NT$20,000/child for each subsequent child after the first.<br>· Childcare Services Benefits<br>Sign contracts with external childcare institutions to provide discounted childcare services for employees' children.<br>· Breastfeeding (Lactation) Rooms<br>Set up warm, safe, comfortable, and well-equipped dedicated breastfeeding (lactation) rooms in various office locations to provide employees and dispatched personnel with a secure environment for milk expression. These rooms are regularly maintained to ensure high-quality space. Notably, KGI Securities' Dazhi Building, the Taiwan Land Building, and the KGI Bank Headquarter Building have received the recognition of Excellent Breastfeeding Room Certification – Special Excellence Rating. |

## ■ Baby Care (Parental) Leave Statistics

| Baby Care (Parental) Leave | 2023 | 2024 | | |
|---|---|---|---|---|
| | | Male | Female | Total |
| No. of eligible applicants | 160 | 51 | 85 | 136 |
| No. applied | 53 | 8 | 48 | 56 |
| No. scheduled to reinstate (a) | 74 | 9 | 35 | 44 |
| No. reinstated (b) | 54 | 5 | 23 | 28 |
| Reinstatement rate (%) (b/a) | 73.0 | 55.6 | 65.7 | 63.6 |
| No. reinstated in prior year (c) | 46 | 4 | 50 | 54 |
| No. reinstated in prior year and remained for a full year (d) | 33 | 3 | 41 | 44 |
| Retention rate of employees reinstated in prior year (%) (d/c) | 71.7 | 75.0 | 82.0 | 81.5 |

Note: No. of eligible applicants includes the total number of female employees taking maternity leave and male employees applying for childbirth subsidies in that year.

### ■ Recognition, Rewards, and Professional Qualification subsidies

| Item | Content |
|---|---|
| Values Award | Regularly select exemplary employees who demonstrate outstanding behaviors aligned with corporate values. This official award allows for nominations from all employees, including cross-departmental and cross-company nominations. In 2024, a total of 144 employees received this award. |
| Embrace Feedback! | Provide an online recognition platform, Embrace Feedback!, enabling employees to proactively give feedback and acknowledge positive behaviors at any time. In 2024, 686 employees submitted a total of 2,696 pieces of feedback, recognizing 1,508 colleagues. |
| Long-Service Award | Employee stability is a crucial foundation for sustainable business operations. The Group has established a long-service award to honor employees with over five years of service. Furthermore, veteran employees who have dedicated 20, 25, 30, 35, and 40 years to the Group are publicly recognized. |
| Professional Qualification Subsidies | KGI Life has implemented a reward program to encourage employees to take domestic and international professional exams to enhance their expertise. The program offers subsidies for exam registration fees, paid examination leave, and rewards for successful completion. In 2024, a total of 426 employees received subsidies, totaling NT$2,357,024. |

KGI Financial Group has been dedicated to the long-term care and support of its employees, continually striving to improve their wellbeing. Our efforts have been well recognized in 2024.

KGI FINANCIAL

- **Happy Enterprise Gold Award, Financial Management and Consulting Category**
- **Taiwan I Sports – Certificate of Corporate Wellness**

| | |
|---|---|
| KGI LIFE | · Happy Enterprise Gold Award, Financial Management and Consulting Category<br>· Healthy Workplace Certification /Health Promotion Mark |
| KGI BANK | · Happy Enterprise Gold Award, Financial Management and Consulting Category<br>· Enterprise Implementing Family-friendly and Workplace Equity Measures |
| KGI SECURITIES | · Happy Enterprise Gold Award, Financial Management and Consulting Category<br>· Healthy Workplace Certification / Health Promotion Mark |

## 4.4.3 Employee Opinion Survey

Employee engagement is one of the key indicators for measuring employee retention. KGI Financial Group conducts an annual group-wide survey, managed by the human resources department, to understand employees' perspectives on various aspects of the organization through a systematic questionnaire mechanism. This serves as a valuable reference for the Group's continuous improvement. Since the first survey in 2020, employee engagement level has significantly increased from 53% in the first year to 77% this year, reflecting employees' increasing recognition of the organization.

### ■ Employee Engagement

| Year | | | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| No. of eligible participants | | | 8,900 | 8,939 | 8,746 | 8,728 |
| Actual no. of participants | | | 8,516 | 8,621 | 8,655 | 8,450 |
| Participation rate (%) | | | 96 | 96 | 99 | 97 |
| Survey Results | Overall Engagement Level | | 61 | 68 | 73 | 77 |
| | Gender | Male | 63 | 67 | 72 | 78 |
| | | Female | 60 | 67 | 74 | 75 |
| | Level | Management | 63 | 72 | 77 | 86 |
| | | Non-management | 61 | 68 | 73 | 75 |
| | Age | ≤ 29 | 62 | 69 | 75 | 68 |
| | | 30 ~ 49 | 61 | 68 | 74 | 76 |
| | | ≥ 50 | 60 | 65 | 72 | 80 |

Note: The participants in the employee opinion survey are employees who have been with the Group for more than three months.

In the employee opinion survey, the questions related to employee retention are as follows:

| Category | Job Satisfaction | Sense of Purpose | Level of Happiness | Work Stress | Resources |
|---|---|---|---|---|---|
| Questions | · I would recommend my company as a place to work.<br>· My work gives me a feeling of personal accomplishment. | · I am motivated to go beyond what is normally expected to help my company be successful.<br>· I feel empowered to influence the way we do things at work. | · I feel energized and enthusiastic in my current role at work.<br>· I can maintain a reasonable balance between my personal life and work life.<br>· My Company takes a genuine interest in the well-being of its employees. | · I am able to cope effectively with stress at work.<br>· The amount of work expected of me is reasonable. | · I feel I have the right tools and resources to do my job properly.<br>· I have received the training I need to effectively perform my job |

In the 2024 report, the area that received the most recognition from employees was "collaboration and team spirit," while employees felt that the organization most needed to improve or change "work processes, procedures, and decision-making." In response to the latter, to optimize decision-making and work processes, the Group initiated the One KGI strategy, actively integrating resources and services of its subsidiaries to provide customers with a more convenient and efficient financial experience. Additionally, an AI development blueprint is being constructed, focusing on four major areas: business applications, intelligent assistants, financial intelligence, and platform technology. By leveraging technology to integrate various Group tools, the initiative aims to enhance transaction efficiency and business development.

### 4.4.4 Employee Turnover

Employee turnover is the second critical indicator for measuring employee retention. The Group's turnover rate has been decreasing year by year since 2022, indicating that the initiatives implemented over the past few years have effectively enhanced employee retention.

**▪ 2024 Employee Turnover**

| | | No. of Leavers | Ratio to Employee (%) |
|---|---|---|---|
| Area | Taiwan | 1,025 | 10.7 |
| | Overseas | 90 | 0.9 |
| Gender | Male | 499 | 5.2 |
| | Female | 616 | 6.4 |
| Age | ≤ 29 | 209 | 2.2 |
| | 30 ~ 49 | 691 | 7.2 |
| | ≥ 50 | 215 | 2.2 |
| Level | Non-Management | 981 | 10.2 |
| | Junior Management | 62 | 0.6 |
| | Middle Management | 55 | 0.6 |
| | Top Management | 17 | 0.2 |
| Total | | 1,115 | 11.6 |

Note: Ratio to employee = no. of leavers / no. of employee at period end

| | No. of Leavers | Total Turnover Rate (%) | Voluntary Turnover Rate (%) |
|---|---|---|---|
| 2021 | 2,254 | 24.5 | 24.2 |
| 2022 | 1,887 | 20.0 | 18.7 |
| 2023 | 1,634 | 17.2 | 16.5 |
| 2024 | 1,115 | 11.7 | 10.6 |

Note: 1. Turnover rate = no. of leavers/ (no. of employee at period start + no. of employee at period end)/2)
2. Starting from 2024, the total turnover rate excludes fixed-term contract employees as their departures are due to contract expiration. The voluntary turnover rate excludes not only fixed-term contract employees but also retirees, as the latter leave due to meeting retirement eligibility.

# 4.5 Workplace Safety and Health

## 4.5.1 Workplace Safety

KGI Financial Group is committed to fostering a safe work environment. We continually invest in resources, enhance our occupational safety and health management policies and systems, and ensure their effective implementation.

### Occupational Safety and Health Management and Governance

- **Occupational Safety and Health Policy:**

  The "Occupational Safety and Health Policy" approved by the Board in 2024 applies to all Group personnel (including employees and non-employees).

- **Occupational Health and Safety Management System (ISO 45001: 2018):**

  Since 2021, the Group has been progressing through KGI Securities to obtain ISO certification. In 2024, KGI Securities successfully maintained its certification under ISO 45001:2018, which is valid from May 19, 2024, to May 18, 2027. The coverage includes the Dazhi Building, the Taiwan Land Building, and the Hongqi Building, encompassing a total of 1,525 workers (1,468 employees and 57 non-employee workers, a ratio of 96:4 and a coverage ratio of 100%).

  KGI Securities implements its occupational health and safety management system by having ISO 45001 seed personnel identify internal hazards each year, in accordance with its management procedures. Risk assessments and controls are carried out based on the Occupational Safety and Health Policy. The results of the hazard identification are reviewed by unit managers and compiled by the occupational safety team. The team formulates countermeasures for high-risk items, which are then executed following approval from the President, with ongoing monitoring of improvement progress. High-risk items are tracked in annual meetings and communicated through email or the internal website. To ensure effectiveness, various measures are regularly reviewed and discussed in meetings. An annual cross-departmental "Evaluation Meeting for Contracted Health-Check Medical Institutions" is convened to incorporate employee feedback, comply with legal regulations, and select high-quality contracted medical institutions. Progress, goal setting, and achievement results of related plans and measures are regularly presented at the Occupational Safety and Health Committee meetings.

- **Occupational Safety and Health Committee:**

  KGI Life and KGI Securities have established "Occupational Safety and Health Committee" approved by their President, focusing on occupational safety and health risk issues. The committee's main duties include reviewing plans for safety and health training, workplace environment monitoring, health management, occupational disease prevention, health promotion, and evaluating on-site safety and health performance. The President appoints one member of the committee as the chairperson. KGI Life's committee consists of 8 members, including

1 chairperson, with 4 labor representatives making up 50% of the committee. KGI Securities' committee consists of 9 members, including 1 chairperson, with 3 labor representatives making up 33% of the committee. Members serve a two-year term. The committee holds regular quarterly meetings and may call ad hoc meetings when necessary.

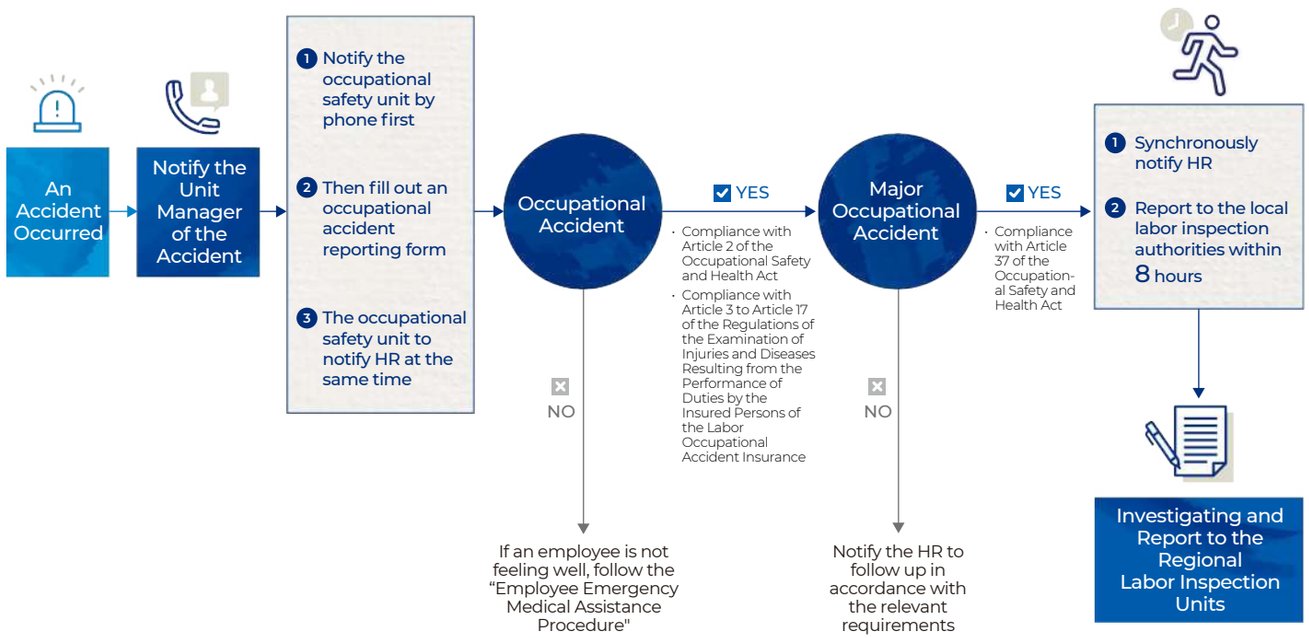
## Contingency Measures for Occupational Accident

To continuously improve workplace safety, KGI Financial Group encourages prompt reporting of incidents through an optimized occupational accident reporting process. This approach ensures timely investigation and analysis of accident causes, allowing for the development of appropriate preventive measures as outlined below:

- Provide health consultation services to prevent occupational injuries and chronic diseases.
- Offer basic CPR and AED courses and install AEDs on each floor of the headquarter building to ensure timely aid during emergencies.
- Install fire safety facilities such as fire hydrants, fire extinguishers, emergency smoke exhaust switches and automatic sprinklers.
- Conduct regular annual inspections and reporting of workplace fire safety equipment, and perform building public safety inspections at the frequency stipulated by regulations.
- Appoint fire safety managers and organize self-defense firefighting teams. Conduct annual fire safety training sessions and evacuation drills.
- Actively cooperate with and participate in joint fire drills or emergency evacuation exercises organized by the building management unit.
- Establish and strengthen the communication of emergency response plans and reporting mechanisms to enhance colleagues' awareness of disaster prevention and their ability to handle emergencies.

In addition, publish the Occupational Accident Investigation Flowchart and reporting form to provide clear guidance and ensure proper accident reporting and handling. In the event of an accident, necessary assistance and care to affected employees will be provided.

### ▪Occupational Accident Investigation Flowchart




## Contractor Safety Management

While enhancing the workplace safety for KGI Financial Group's employees, the Group also pays attention to and emphasizes the safety management of its contractors. The Group specifies in the contracting agreements the commitment to adhere to government occupational safety and health regulations, as well as internal guidelines for occupational safety and health contracting operations. We require contractors to commit to complying with labor health and occupational safety and health-related laws and regulations, and to adhere to internal safety, health, and environmental management-related standards. When contractors begin construction work, they are required to sign a hazard notification form to ensure they understand the potential risks involved. Prior to commencing the construction, a joint operations meeting is held to establish the framework for occupational safety and health, oversight of the collaborative efforts, and management of all aspects of safety and health protocols. Throughout the construction period, the work area is subject to random inspections to ensure compliance and safety. We collaborate with external stakeholders through various channels to ensure compliance with occupational safety and health regulations, thereby fostering a safe and healthy work environment. For details on contractors' due diligence, risk management, and assessments, please refer to section 5.2.1 on Supplier Sustainability Management.

## Occupational Safety and Health Education and Training

To ensure all employees (permanent and contract) are familiar with the safety and health management mechanisms and relevant regulations, the Group provides both internal and external training programs:

- Occupational Safety and Health Education and Training

  New employees must complete 3 hours of training, while current employees are required a 3-hour safety and health training every three years. In 2024, 6,677 individuals received training, with a 100% completion rate and 9,926 training hours accumulated.

- Training for Occupational Safety and Health Management Personnel

  Conduct regular in-person re-training sessions, with 4 occupational safety and health managers and 257 business supervisors maintaining valid certifications.

- Emergency Incident Response and First Aid Training

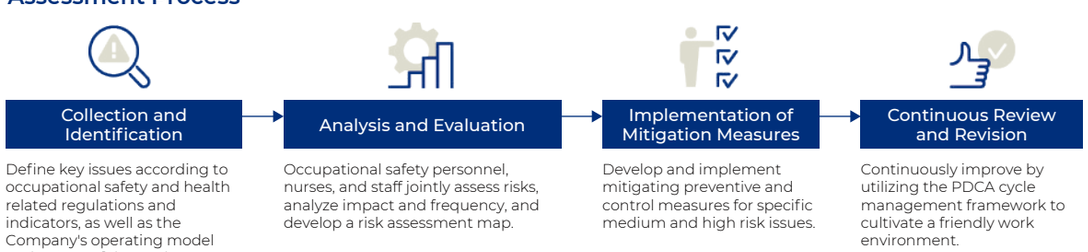
  Conduct annual fire safety equipment inspections and drills in each office building, with AEDs and first aid kits readily available. AED+CPR first aid courses were provided, and 413 employees across the Group are certified in first aid.

# 4.5.2 Workplace Health

KGI Financial Group continues to foster a healthy workplace by identifying and analyzing twelve workplace risk issues through joint evaluations conducted by occupational safety managers, nurses, selected staff members and dispatched personnel. The process leads to the development of a risk assessment map and mitigation strategies. Based on the assessment results, risk reduction measures are implemented and the PDCA (Plan-Do-Check-Act) cycle is employed to continuously enhance the work environment, ensuring the safety and health of all workforce.

## Occupational Safety and Health Risk Assessment

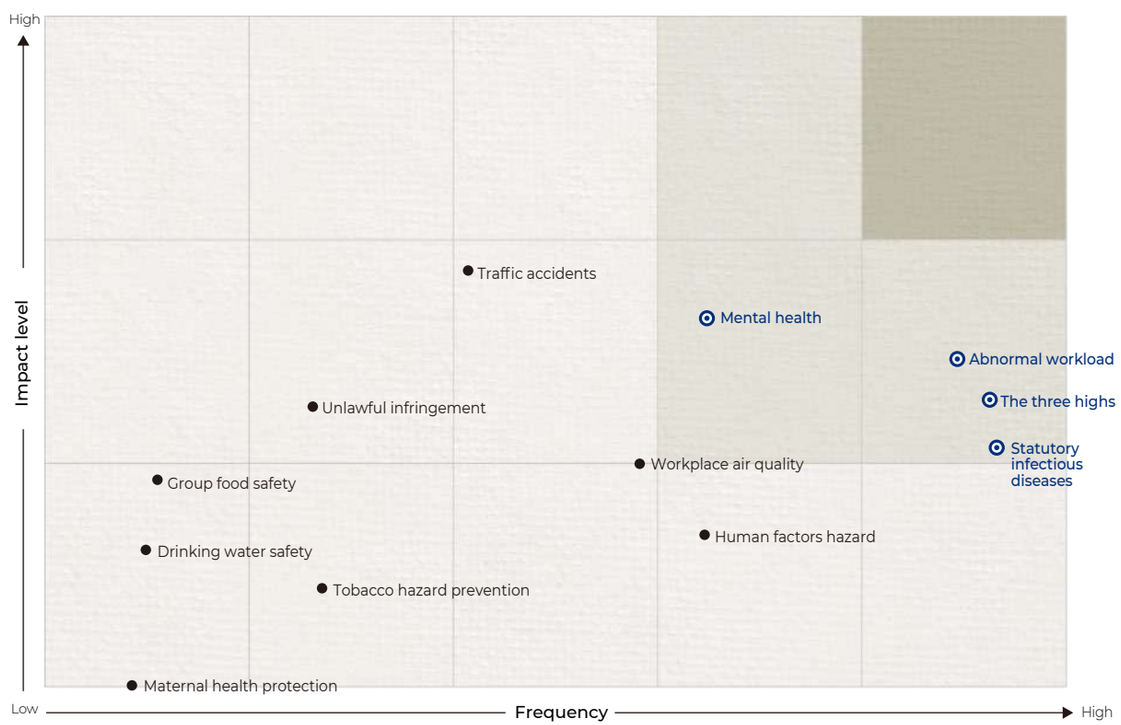
### ■ Assessment Process




**2024 Assessment Results**

- **Medium risk issues:** abnormal workload, the three highs, statutory infectious diseases, and mental health
- **Low risk issues:** human factors hazard, workplace air quality, traffic accidents, unlawful infringement, tobacco hazard prevention, group food safety, drinking water safety, and maternal health protection.

### ■ Occupational Safety and Health Risk Assessment Map




Note: High Risk: Measures must be taken within a certain timeframe, and resources may need to be invested to reduce the impact, ensuring the risk can be effectively mitigated.
Medium Risk: Cost-effectiveness needs to be evaluated, and measures should be gradually implemented to manage the risk.
Low Risk: No immediate action is required, but protective measures should be ensured to remain effective, maintaining controllability of the risk.

## Mitigation Measures for Occupational Safety and Health Risks

To address and mitigate four medium risk issues, the Group's occupational safety and health personnel, along with nurses, proactively cared for employees on 1,806 occasions, and conducted 66 on-site physician service sessions and 206 on-site nursing service sessions, with a total of 955 visits by employees.

### ■ Measures and Effectiveness for Addressing Moderate Risk Issues

| Risk Issues | Control/Mitigation Measures | 2024 Implementation Effectiveness | Tracking Mechanisms/Targets |
|---|---|---|---|
| Abnormal Workload | · The "Work Rules" clearly stipulate the working hours and overtime limits. The combined total of regular working hours and overtime must not exceed 12 hours in a single day, and overtime is capped at 46 hours per month.<br>· The "Work Rules" require employees to obtain manager approval prior to working overtime.<br>· The attendance system is set up to remind employees and managers of the maximum working hours per day (12 hours) and the monthly overtime limit (46 hours).<br>· Provide managers with tools and reports for managing work hours, allowing them to monitor and address employee attendance and overtime, in order to prevent employees from being overworked for extended periods.<br>· Implement flexible work program that offers employees adaptable scheduling options, such as flexible work shifts or reduced hours.<br>· Offer paid annual leave and promote its use to encourage employees to make the most of their annual leave benefits and achieve a better work-life balance. | · In accordance with 4.2.1 Human Rights, regarding work-life balance, the number of employees whose average monthly overtime hours exceed 45 in 2024 is approximately 38% lower than in 2023.<br>· In 2024, 179 employees used the flexible work schedule, representing an increase of approximately 49% compared to the number of users in 2023. | The assessment results for the Group's human rights issue of work-life balance to be "Low" or "Very Low" Risk. |
| The Three Highs | · Provide regular health checkups for in-service employees.<br>· Encourage staff to have a balanced diet.<br>· Organize health promotion activities such as walking and weight loss competitions. | · 59% of employees have BMI values within the normal range.<br>· Enhanced health checks that exceed legal requirements are offered and employees are encouraged to undergo regular check-ups. In 2024, 2,967 employees completed health checks, representing 62% of those eligible.<br>· The staff cafeteria offers healthy plate recommendations, indicating the calories and suggested portions for the daily menu, and does not serve red meat for two days each month.<br>· Over 2,000 employees participated in the Group's walking event, collectively achieving a total of 820 million steps, which is approximately 580,000 kilometers.<br>· KGI Securities introduced a Health Bulter app. Since launch, it has been accessed over 3,140 times, indicating that the personal health management feature is highly favored and needed by colleagues. | Over 50% of employees undergoing health check-ups have normal BMI values. |
| Statutory Infectious Diseases | · Establish a contingency system and monitor the trend of emerging infectious diseases outbreaks.<br>· Organize publicly-funded influenza vaccination campaigns and encourage colleagues to receive vaccination.<br>· Provide up-to-date health information and health education on infectious disease prevention. | · Continuously provide workplace vaccination services for influenza and emerging infectious diseases, assisting 294 employees in receiving government-funded flu vaccines in 2024.<br>· Published 76 health promotion and education articles. | Monitor the trends of emerging infectious diseases and disseminate disease prevention information and education. |
| Mental Health | · Collaborate with psychological counseling organizations to provide EAP-Employee Assistance Program for employees in need.<br>· Ongoing promotion of the EAP resources to employees.<br>· Provide massage and stress relief services offered by visually impaired therapists.<br>· Set up a relaxation area in the lobby of the office building or outdoors, complemented by coffee machines on designated floors to provide a soothing environment for physical and mental wellbeing. | · The actual utilization of EAP totaled 340, an increase of about 30% over the previous year.<br>· Organized 3 mental health seminars, with 821 participations. Additionally, there were 736 participations in seminars conducted by external counseling organizations in collaboration with the Company.<br>· Conducted 6 EAP promotions in total. Invited the EAP partner to set up a booth at the annual KGI charity event, offering essential oil experiences to help employees find physical and mental balance.<br>· Hired 10 visually impaired massage therapists, providing 8,476 services to employees. | Continue to track the number of EAP utilizations and regularly promote EAP resources. |

## External Award Recognition and Advocacy Activities

To continue to provide a better safe and healthy work environment, KGI Financial Group actively engages in advocacy initiatives, acquires new knowledge, elevates standards, and earns external recognition:

- The Group's staff cafeterias have all been **certified as eco-friendly** by the Ministry of Environment, and KGI Securities was awarded the **Pioneer Enterprises in Green Dining Award** for providing employees with organic, friendly, and seasonal local ingredients.
- KGI Bank was awarded **first place** in the "**Workplace Safety Award**" by the Labor Bureau of Taipei City Government.
- KGI Life and KGI Securities continued to receive the "**Healthy Workplace Certification**" and the "**Health Promotion Mark**" from the Health Promotion Administration, Ministry of Health and Welfare.
- KGI Securities' Dazhi Building, the Taiwan Land Building, and the KGI Bank Headquarter Building have received the **Excellent Breastfeeding Room Certification – Special Excellence Rating**.
- KGI Securities' Dazhi Building and the Taiwan Land Building have installed AED emergency equipment and continue to obtain the "**AED Safe Location Certification**". 6 training sessions were held in 2024 with a total of 328 participations.

## Work Injuries and Absentee

### ■ Work Injuries

| | 2022 | 2023 | 2024 | | |
|---|---|---|---|---|---|
| | | | Male | Female | Total |
| No. of Work Fatalities | 0 | 0 | 0 | 0 | 0 |
| Work Fatality Rate (%) | 0 | 0 | 0 | 0 | 0 |
| No. of Severe Occupational Injuries | 0 | 0 | 0 | 0 | 0 |
| Severe Occupational Injury Rate (%) | 0 | 0 | 0 | 0 | 0 |
| Total No. of Work Injuries | 46 | 65 | 5 | 13 | 18 |
| Total Days of Work Injuries | 273 | 695 | 19 | 65 | 84 |
| Annual Scheduled Working Hours | 18,894,120 | 18,689,280 | 7,644,000 | 11,500,000 | 19,144,000 |
| Work Injury Rate (%) | 2.43 | 3.48 | 0.65 | 1.13 | 0.94 |
| Lost day Rate for Work Injuries (%) | 14.45 | 37.19 | 2.49 | 5.65 | 4.39 |

Note: 1. The data covers all employees (permanent and contract). Statistics for non-employees (dispatched personnel) are noted in Note 3.
2. The method for reporting work injuries was adjusted in 2024 (using the data from Occupational Injury Monthly Report System), resulting in differences from the previous year.
3. The no. of work injuries among non-employees (dispatched personnel) was zero in 2024.
4. Work fatality rate: No. of fatalities caused by occupational injuries / annual scheduled working hours x 1,000,000 (at the rate of 50 weeks per year, 40 working hours per week, per 500 employees).
5. Severe occupational injuries: Injuries from which workers cannot recover (such as amputations), or injuries that cannot/difficult to recover to the pre-injury health state within six months. The no. and proportion exclude fatalities.
6. Types of work injuries can include death, amputation, lacerations, fractures, hernias, burns, loss of consciousness and paralysis.
7. Injury Rate (IR): (Total no. of work injuries / Annual scheduled working hours) x 1,000,000 (at the rate of 50 weeks per year, 40 hours per week, per 500 employees).
8. Lost Day Rate (LDR) for work injuries: (Total lost days / Total annual scheduled working hours) x 1,000,000.
9. Occupational diseases include acute, relapsing and chronic health problems caused or aggravated by working conditions or practices. They include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical factors, and mental illnesses. The Group had no reported cases of occupational diseases in 2024, and no employees died as a result of occupational diseases.

### ■ Absentee

| | 2022 | 2023 | 2024 | | |
|---|---|---|---|---|---|
| | | | Male | Female | Total |
| No. of Absentees | 3,496 | 3,146 | 1,010 | 1,922 | 2,932 |
| No. of Days Absent | 17,418 | 15,160 | 3,595 | 9,887 | 13,482 |
| Total Person-days of Work | 2,361,765 | 2,336,160 | 955,500 | 1,437,500 | 2,393,300 |
| Absentee Rate (%) | 0.74 | 0.65 | 0.38 | 0.69 | 0.56 |

Note: 1. The data includes all employees (permanent and contract).
2. No. of days absent cover leave types related to employee illness or discomfort, namely sick leave, work injury leave (including traffic accidents occurring during commuting), and menstrual leave.
3. The denominator for calculating the absentee rate for males and females individually is the scheduled working days for each gender within the year.
4. The 2024 absentee rate is 0.56%, which is below the annual target of 1%.

# 5 Low Carbon Economy

Net Zero target by 2050 has become a global consensus. KGI Financial has also committed to the goals of "Carbon Neutrality by 2030 and Net Zero by 2040 in own operations." We are planning various decarbonization measures and renewable energy procurement projects. Through low-carbon operations, we aim to promote the recycling and reuse of water resources and waste, creating a sustainable future for the next generation.

## ■ Key Strategies and Goals

| Strategies | Material Topics | Action plan | 2024 Goals | 2024 Achievement | 2025 Short-term Goals | 2026-2027 Mid-term Goals | 2028-2030 Long-term Goals |
|---|---|---|---|---|---|---|---|
| Carbon Reduction Operations Management | Climate/natural opportunities and risks management, operational environmental impacts | Reduce scope 1 and 2 GHG emissions from a 2022 base year. | · Reduce GHG emissions 10.5%<br>· Carbon Neutrality for KGI Financial headquarter building | · Reduced GHG emissions **22.7%**<br>· Carbon neutrality verification process implemented and is expected to be verified by Q3 2025 | · Reduce GHG emissions **15.7%**<br>· Verification of 2024 Carbon Neutrality for KGI Financial headquarter building | · Reduce GHG emissions **26.2%** by 2027 | · Reduce GHG emissions **42%** by 2030<br>· Carbon Neutrality in own operations by 2030 |
| Sustainable Supply Chain Management | Supply co-prosperity sustainable development | · New and major suppliers sign the "Letter of undertaking regarding sustainability for suppliers"<br>· Suppliers ESG due diligence | · Achieve 100% signing rate<br>· Establish supplier sustainability management and evaluation mechanism<br>· Recognize service excellence suppliers | · Total 260 suppliers signed with a 100% signing rate.<br>· Implement a bonus mechanism to encourage continuous improvement among suppliers.<br>· Hold a supplier conference on 2025/4/22, to award and recognize five service excellence suppliers. | · Maintain a 100% signing rate.<br>· Achieve an 80% due diligence assessment rate. | · Maintain a 100% signing rate.<br>· Achieve an 85% due diligence assessment rate. | · Maintain a 100% signing rate.<br>· Achieve an 85% due diligence assessment rate. |
| Promoting a Sustainable Environment | Climate/natural opportunities and risks management, operational environmental impacts | · Climate risk management for operational sites/suppliers<br>· Promoting a sustainable environment | · Promote green procurement<br>· Achieve a local procurement ratio of 85%.<br>· Green initiatives<br>- Eco-friendly restaurant certification<br>- Promote low-carbon dining: "No red meat 2-day monthly" campaign<br>- Organize beach clean-up activities, inviting employees to contribute to marine waste and plastic reduction. | · Achieved **NT$246.68 million** in green procurement<br>· Achieved a local procurement ratio of **97.8%**.<br>· Green initiatives<br>- KGI Life Insurance and KGI Securities employee cafeterias have certificated Eco-friendly restaurant from the Ministry of Environment.<br>- Conducted "**No red meat 2-day monthly**" campaign<br>- In 2024, organized **33** beach clean-up events with a total of **897 employees** participating. The total weight of marine waste collected was **1,480 kg**. Additionally, participated in "Project Blue 1095" initiative organized by Business Today, jointly clearing nearly 1 ton of marine waste with other companies. | · Implement a unified approach for scenario analysis to managing flood risks across the Group.<br>· Achieve local procurement ratio of **90%**<br>· Introduce "Vegetarian Day" in employee cafeterias<br>· Promote plastic reduction initiatives | · Flood risk adaptation planning<br>· Achieve local procurement ratio of **95%** | · Continuous physical climate risk management<br>· Achieve local procurement ratio of **95%** |

# 5.1 Green Operation

## ▪ Green Operation Goals and Implementation Status

| Goals | 2024 Goals | Mid to Long-term Goals | Implementation Measures | Results |
|---|---|---|---|---|
| GHG | Reduce emissions 10.5% from 2022 | Reduce emissions 42% by 2030 and 90% by 2040 | · Reduced emissions through energy-saving measures, renewable energy, and site consolidation.<br>· Installed solar panels and procured RE. | · Reduced emissions **22.7%** in 2024 |
| Electricity | Annual electricity savings of 1% | Continue Annual electricity savings of 1% | · Replaced high-efficiency lighting and Inverter air conditioning equipment<br>· Adjusted energy-consuming equipment settings | · Reduced total electricity consumption by **2.57%** compared to 2023<br>· Used **8,898.3 MWh** of renewable energy in 2024. |
| Fuel-and-energy-related Activities | Annual reduction of emissions by 1% | Continue annual reduction of emissions by 1% | · Actively procuring RE<br>· Improved energy efficiency | · Reduced emissions by **7.64%** compared to 2023 |
| Water | Annual water savings of 1% | Annual water savings of 1% | · Used sensor faucets and water-saving labeled equipment. | · Reduced water consumption by **1.8%** compared to 2023 |
| Waste | Implement waste recycling statistics | | · Implemented waste recycling statistics<br>· Used ceramic tableware and a buffet-style serving in employee cafeterias | · Total recycling amounted to **314.7 tons**.<br>· KGI Financial employee cafeteria served a total of 490,595 meals, contributing to waste reduction efforts. |
| Paperless | Promote paperless operations<br>Electronic document management<br>E-signature | | · Simplify paper-based processes and provide customers with online financial services.<br>· Promote digital workflows and establish cloud databases.<br>· Use e-signatures, offer value-added services for video e-signatures, online/APP ordering, and e-statements. | · Reduced paper usage by approximately 660,000 sheets of A4 paper, equivalent to a reduction of **4.73 $tCO_2e$**. |

## 5.1.1 Environmental Policy and Strategy

### KGI Financial Environmental Governance Mechanism

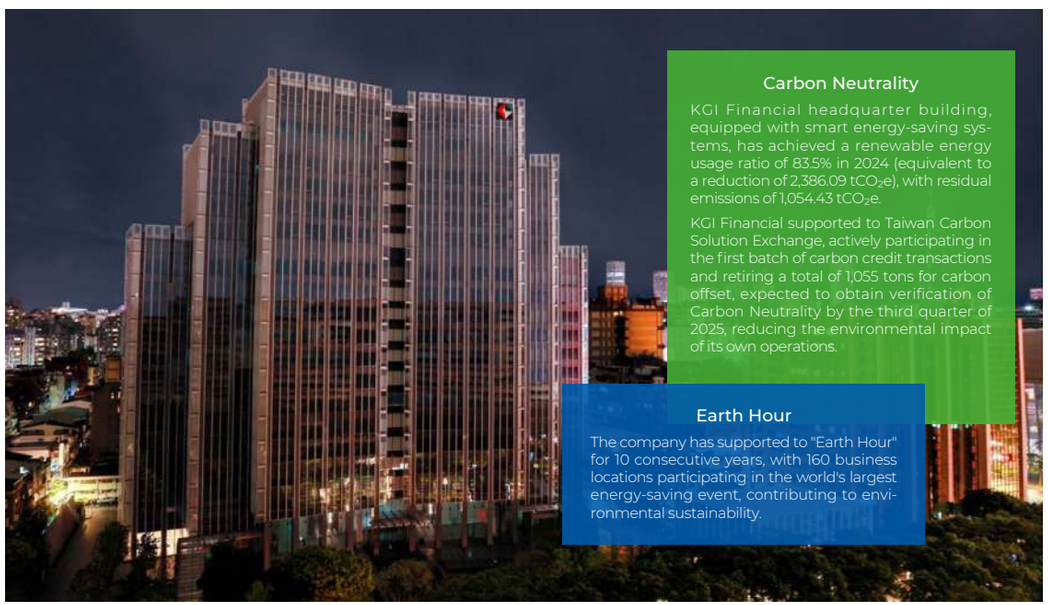
The company has established an environmental governance mechanism through the "Environmental Sustainability Working Group" under the Sustainability Committee. The working group collaborates with representatives from KGI Financial and its subsidiaries to plan and implement environmental policies, and report to the Sustainability Committee. The working group is tasked with establishing specific goals and practices in connection with environmental protection, energy conservation and carbon reduction to actively promote and co-manage a sustainable living environment. Advance the Group's climate strategies and targets with respect to its operations and develop mitigation and adaptation programs.

To strengthen the senior executive's attention to environmental issues, the Company has included environmental performance as one of the indicators for senior management's remuneration incentives.

Since 2015, the Company has introduced the ISO 14001 environmental management system to KGI Financial and its major subsidiaries, KGI Life Insurance and KGI Securities, and continues to undergo verification, establishing an appropriate environmental management system through a scientific approach.

## Promoting a Sustainable Environment

"Low-Carbon Economy" is one of the five sustainability strategies of KGI Financial. The company encourages employees to practice energy conservation and carbon reduction, contributing to environmental sustainability. Through initiatives, we not only raise the awareness of sustainability among our employees, but also expand our influence on stakeholders in the value chain and the local community.

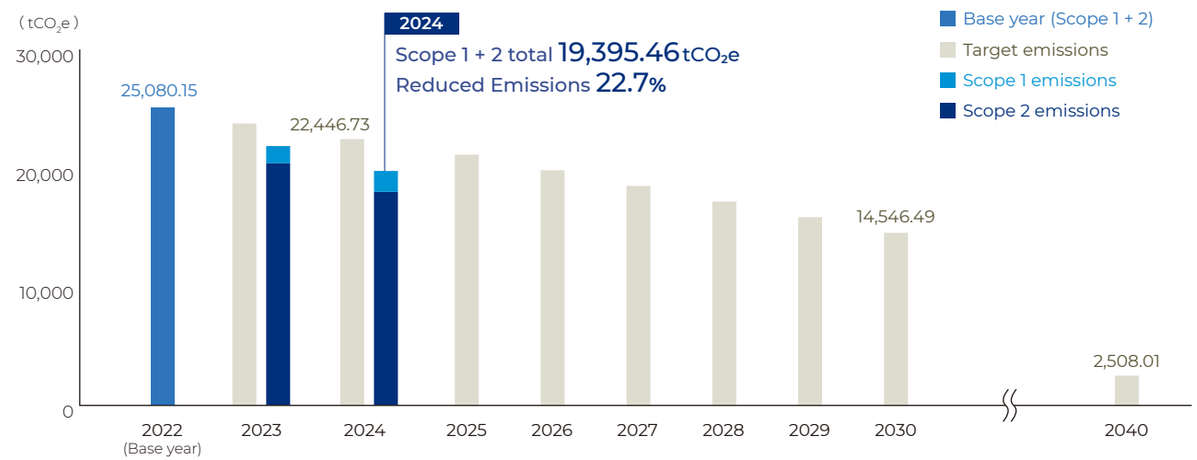



## 5.1.2 Greenhouse Gas Management

The company's own operations GHG emissions mainly come from the operation of building facilities, purchased electricity, gasoline used by company vehicles, and natural gas used in employee cafeterias.

In line with our approved SBTi targets, KGI Financial Holding Co., Ltd. commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2022 base year. In 2024, Scope 1 and 2 GHG emissions were 19,395.46 $tCO_2e$, a reduction of 22.7%.

The data has been verified by third parties BSI and SGS. For detailed information on the group's GHG emissions, please refer to Appendix 7.1.1 Greenhouse Gas Emissions. The latest verification statement can be found on KGI Financial official website.




## Internal Carbon Pricing Mechanism

To achieve KGI Financial's goal of Net Zero across the entire asset portfolio by 2045, the company has established an internal carbon pricing mechanism. A shadow price is used for internal reference to encourage carbon reduction. The internal carbon pricing is separated for the Company's own operations and its investment and financing portfolios. For own operations, we focus on driving energy efficiency and plan financial strategies such as renewable energy and carbon offsets to reduce emissions across the value chain. For investment and financing portfolios, we promote cost-benefit analysis and stress testing to encourage the consideration of climate related issues in risk assessment and decision-making, thereby identifying and seizing low-carbon opportunities and driving low-carbon investments.

The carbon pricing for own operations is calculated based on the Company's the price difference of renewable energy for the entirety of 2023, resulting in a carbon price of NT$3,990 per ton. We calculated the implicit cost of emissions for 2024 operations (Scope 1 and 2) and manage emissions through a centralized system, evaluating and planning low-carbon transition actions across capital expenditures, operations, procurement, and risk management. Emission reductions actions and outcomes are implemented and linked to performance metrics, and are applicable to all of the Company's global operating locations.

The carbon pricing for investment and financing is based on the forecasts of future carbon price changes provided by the "Network for Greening the Financial System (NGFS)" composed of central banks and financial regulatory authorities from major countries around the world. It utilizes the "Integrated Assessment Model" REMIND-MAgPIE to determine the carbon price per ton, which will be adjusted annually in accordance with inflation. This serves as a reference for the risk management of investment and financing (Scope 3) for the Company's main subsidiaries, and plans to engage with clients in high carbon-emitting industries.

## 5.1.3 Energy Management

We actively develop and promote feasible energy-saving and carbon reduction plans, respond to green energy policies, reduce environmental impact, and pursue sustainable and balanced development with the environment. The company have successively introduced the ISO 50001 energy management system in the KGI Securities Dazhi Building, KGI Financial Headquarter Building, and the KGI Bank Kaohsiung, Chienkang, and Tungmen branches, and maintained the validity of the certificates. We are committed to improving energy performance while reducing emissions.

In 2024, KGI Financial purchased and used 8,816.28 MWh of renewable energy and self-generated 82.04 MWh of renewable energy, totaling 8,898.32 MWh of renewable energy, accounting for approximately 19.9% of KGI Financial's total electricity consumption, equivalent to a reduction of 4,395.77 $tCO_2e$.

For detailed information on the group's energy consumption, please refer to Appendix 7.1.3 Energy Consumption.

### ■ Energy-saving Measures and Investments

| Energy-saving Measures | Investment Amount (NT$ million) | Energy savings | | Emission Reduction ($tCO_2e$) |
|---|---|---|---|---|
| | | (MWh) | (GJ) | |
| Replacement of More Environmentally Friendly, High-efficiency Air Conditioning Equipment and Lighting Fixtures | 12.18 | 668.24 | 2,405.66 | 330.11 |
| Use of Renewable Energy | 54.16 | 8,898.32 | 32,033.95 | 4,395.77 |
| Maintenance of Electrical Equipment to Maintain Energy Efficiency | 10.53 | - | - | - |
| Total | 76.87 | 9,566.56 | 34,439.61 | 4,725.88 |

Note: 1. The calculation method for energy savings: the power difference (W) between new and old equipment x annual usage (hours) / 1,000; the power (W) of energy-saving measures x annual usage (hours) / 1,000; annual solar power generation (kWh).
2. The emission factor for electricity use is 0.494 kg $CO_2e$/kWh (Energy Bureau 2023 electricity carbon emission factor, used to calculate the 2024 electricity use emissions).

## 5.1.4 Water Resource Management

The company values the use of water resources, setting water-saving targets and promoting various water-saving measures to reduce water consumption. KGI Financial mainly uses water for drinking, air conditioning, and cleaning purposes, sourced from local water plants without the use of groundwater or other water sources. Additionally, kitchen facilities are equipped with oil-water separation devices to reduce water pollution, and there were no leakage incidents in 2024. The primary office building's restrooms are equipped with sensor faucets to effectively utilize water resources, and water-saving devices are installed in restrooms and pantries to effectively control water usage. When replacing equipment, priority is given to devices with water-saving labels.

To more effectively utilize water resources, KGI Financial headquarter building has installed water meters in public areas to monitor water flow, supplemented by a rainwater recycling system and optimized irrigation frequency for green spaces to make open space irrigation more water efficient.

For detailed information on the group's water resource usage, please refer to Appendix 7.1.4 Water Resource Consumption.

## 5.1.5 Waste Management

KGI Financial mainly generates general household waste from its operations. We strengthen the promotion of waste reduction and recycling to maximize the utilization of recycled resources. All waste and recyclable waste are transported to incinerators or recycling facilities by qualified contractors. Paper waste is managed by the responsible department according to the document destruction regulations and is handed over to qualified processing contractors for water destruction. The 2024 waste statistics include all global operating locations of KGI Financial and its subsidiaries.

### Resource Management and Waste Reduction Measures

1. KGI Financial provides free coffee in primary office buildings, significantly reducing the waste generated by employees bringing in disposable coffee cups. In 2024, this initiative saved 544,099 paper cups and plastic lids.
2. In 2024, the employee cafeteria served 490,595 meals using ceramic tableware and a buffet-style serving method. Employees can take food according to their needs, avoiding food waste and reducing the amount of disposable meal box waste.
3. We use emails, electronic bulletin boards, and electronic document systems to replace paper document circulation and approval processes. Regular meetings use tablets instead of paper agendas. Copy paper and necessary printed materials use FSC or PEFC certified eco-friendly paper.

For detailed information on the group's waste statistics, please refer to Appendix 7.1.5 Waste Statistics.

# 5.2 Sustainable Supply Chain

## 5.2.1 Supplier Sustainability Management

KGI Financial has established the "Procedure for suppliers sustainability" and has been promoting and continuously enhancing supplier sustainability management measures. These measures are extended from within the group to major suppliers (260 suppliers in 2024) and their subcontractors, creating a sustainable business ecosystem to promote economic, social, and environmental balance and sustainable development.

### ▪ Supplier Management Procedures and 2024 Management Results

| Management Procedures | Management Methods | Results |
|---|---|---|
| Pre-selection<br>Screening, Evaluation, and Commitment | 1. New and major suppliers are required to sign the "Letter of undertaking regarding sustainability for suppliers" | Signing rate remains at 100% (since 2017) |
| | 2. Conduct ESG check and transaction risk assessment for new suppliers | Completed for 21 new suppliers, accounting for 100% |
| | 3. Evaluate new and major suppliers based on ESG factors to understand risks related to human rights, environment, and ethical corporate management | ESG compliance rate for suppliers is 100% |
| During<br>Management and advocacy | 1. Tender documents include supplier sustainability management advocacy, procurement contracts include standard clauses on ethical corporate management, ESG, and penalties | No suppliers were terminated or suspended due to significant ESG violations |
| | 2. Provided training and advocacy for new suppliers with transactions below NT$ 500,000. | Completed for 16 suppliers, accounting for 100% |
| | 3. Conduct service satisfaction assessments and annual evaluation of suppliers after tender acceptance | Completed for 106 suppliers, with 28 rated A, 75 rated B, 3 rated C, and none rated D or E |
| Post<br>Tracking and training | 1. Conduct ESG due diligence for major suppliers | Completed for 230 suppliers, accounting for 88.5% |
| | 2. On-site audits of suppliers | Completed for 3 suppliers |
| | 3. Tracking improvement of suppliers penalized in the previous year | Completed for 21 suppliers, accounting for 100% |
| | 4. Conduct annual evaluation of service excellence suppliers | Held on 2025/2/11 |
| | 5. Held a supplier conferences, recognize service excellence suppliers, deliver ESG-themed speeches, and provide sustainability education and training | Held on 2025/4/22, during which awards presented to 5 service excellence suppliers |

Note: New suppliers refer to those with initial transactions reaching NT$500,000; major suppliers refer to those with annual transactions reaching NT$1,000,000; key suppliers refer to those with annual transactions reaching NT$10,000,000 and having traded for over 5 years. The above definitions apply to both suppliers and contractors (hereinafter referred to collectively as "suppliers").

### Supplier Sustainability Commitment

KGI Financial continues to invite new and major suppliers to sign the commitment, clearly stating that" To comply with our and KGI Financial's policies in relation to corporate sustainability and code of ethics; and if it is verified that we commit any breach of policies, cause major impact on environment and society or have unethical behavior, KGI Financial may terminate or cancel the contracts between KGI Financial and us in accordance with the terms and conditions of the contracts." In 2024, no suppliers were terminated or suspended due to significant ESG violations.

### Supplier Human Rights and Environmental Risk Management Mechanism

The company conducts annual assessments of labor rights and environmental risks for its major suppliers (covering 260 major suppliers), analyzes the impact based on penalties from regulatory authorities, and tracks improvement of penalized suppliers in the following year. In 2024, only a few major suppliers were penalized for violations related to working hours and occupational health and safety. No significant human rights incidents such as employment discrimination or sexual harassment. Additionally, no suppliers were penalized for environmental violations. (2 suppliers penalized for environmental violations in 2023 have completed improvements.) As a result, no suppliers were terminated or suspended due to significant human rights or environmental violations.

### ▪ Penalty Incidents Involving Major Suppliers

| Year | | 2023 | | | 2024 | | |
|---|---|---|---|---|---|---|---|
| Supplier Type \ Risk Identification Items | | Working Hours and Occupational Health & Safety | Labor Equality | Environmental Hazards | Working Hours and Occupational Health & Safety | Labor Equality | Environmental Hazards |
| Labor Services and Others | | 8 | None | 1 | 9 | None | None |
| IT Equipment and Services | | 5 | | None | 2 | | |
| Construction and Repair | | 5 | | | 3 | | |
| Office Equipment and Supplies | | 3 | | | 1 | | |
| Transportation and Communication | | 0 | | 1 | 0 | | |
| Penalized Suppliers | Number | 21 | 0 | 2 | 15 | 0 | 0 |
| | Ratio(%) | 8.27 | - | 0.79 | 5.77 | - | - |

## Supplier ESG Due Diligence

To jointly commit to sustainable development, the company conduct ESG due diligence for major suppliers in 2024, evaluating key issues risk, achievement/prevention measures, and continuous improvement. Participation in the due diligence is deemed as the supplier's acknowledgment and agreement to the following KGI Financial "Procedure for suppliers sustainability," "Human Rights Policy," and "Compliance ethical corporate management best practice principles." In addition, the suppliers are required to complete the online training program.

### ▪ Human Rights and Environmental Risk Assessments of Suppliers

●Low Risk ▲Potential Risk

| Assessment Items | | Human Rights Risk Assessment Results | | | | | Environmental Risk Assessment Results | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Focus Issues | | | | | | | | | | |
| Supplier Type | Subjects | Non-discrimination Anti-bullying Anti-harassment | Work-life Balance | Freedom of Association and Labor-Management Communication | Health and Safety Workplace | Legal and Compliance | Environmental Sustainability | Continuous Operations | Energy Conservation and Carbon Reduction | Natural Resource Impact Assessment |
| Transportation and Communication | Suppliers | | | ● | | | ● | | ▲ | ● |
| | Subcontractors | | | ● | | | ● | | ▲ | ● |
| Labor Services and Others | Suppliers | ● | | ▲ | | | ▲ | | ● | |
| | Subcontractors | ▲ | | ▲ | | | ▲ | | ● | |
| IT Equipment and Services | Suppliers | | | ● | | | ● | | ▲ | |
| | Subcontractors | ● | | ▲ | ● | | | ▲ | | |
| Office Equipment and Supplies | Suppliers | | | ▲ | | | | ▲ | | |
| | Subcontractors | | | ▲ | | | ▲ | | ● | |
| Construction and Repair | Suppliers | | | ▲ | | | | ▲ | | |
| | Subcontractors | | | ▲ | | | ▲ | | ● | |
| Average Score | Suppliers | 3.8 | 3.7 | 3.6 | 3.7 | 3.7 | 3.7 | 3.7 | 2.4 | 2.5 |
| | Subcontractors | 3.7 | 3.7 | 3.6 | 3.7 | 3.6 | 3.6 | 3.7 | 2.4 | 2.5 |

Note: The assessment score ranges from 1 to 5, with a higher score indicating lower risk. Potential risks are defined as situations where the supplier has not yet taken action, has no plans, or is unable to improve on the relevant issues.

## On-site Audits and Improvement Tracking

In 2024, KGI Financial conducted on-site audits for selected suppliers (those with annual transactions exceeding NT$10 million and having traded with the company for over 5 years). A total of 6 suppliers were selected, and on-site audits were completed for 3 suppliers (including 2 IT equipment and services suppliers, and 1 labor services supplier penalized for labor-related violations in 2023). The audit results were satisfactory, with no violations identified and compliance with supplier sustainability management requirements. In addition, 21 suppliers that were subject to environmental or labor-related penalties in the previous year have all paid their fines without filing appeals and have implemented appropriate improvement measures.

| Audit Items | Audit Scope |
|---|---|
| Human Rights Risks | Workplace equality, occupational safety, reasonable working hours, grievance and compensation mechanisms. |
| Environmental Risks | Environmental verification, environmental management systems, energy management, water resource management, operational risk adaptation |

## Human Rights and Environmental Risk Mitigation Measures

To jointly commit to sustainable development such as labor rights protection (non-discrimination, anti-bullying, anti-harassment, personal data privacy protection), ethical corporate management (anti-corruption), environmental sustainability, and climate change resilience, we aim to reduce human rights, environmental, and climate change impacts (for analysis results, please refer to KGI Financial 2024 Climate and Nature-related Report). In order to understand the potential human rights and environmental risks of suppliers, risk assessments and mitigation measures have been implemented. Construction and repair suppliers exhibit higher potential human rights and environmental risks, and additional risk mitigation measures have been adopted. The Company will regularly evaluate and track these measures.

| Risk Types | | Mitigation Measures | Management Mechanism |
|---|---|---|---|
| Supplier Human Rights Risks | Legal Compliance | · Require signing of commitment letters<br>· Conduct ESG due diligence<br>· Track improvement of penalized suppliers<br>· Hold annual supplier conferences, sustainability advocacy, and provide training. | 1. Regular human rights and environmental risk identification<br>2. Conduct ESG due diligence<br>3. Conduct on-site audits |
| | Health and Safety Workplace | · Require comprehensive insurance for engineering projects, qualified licenses for engineering management personnel, performance bonds, and compliance with occupational safety and health regulations. | |
| Supplier Environ Mental Risks | Energy Conservation and Carbon Reduction | · Encourage suppliers to develop GHG reduction policies, reduce resource consumption, and promote recycling. Encourage obtaining environmental labels and related ISO certifications.<br>· Encourage the identification, assessment, and management of environmental dependencies and impacts, effectively evaluating the social and economic functions provided by natural resources. | |
| | Business Continuity | · Encourage insurance to mitigate operational risks and establish business continuity mechanisms. | |

## Supplier Conference

To encourage suppliers to align with the company's commitments to human rights, environment, and ethical corporate management, and the 2045 Net Zero, KGI Financial held the "KGI Financial Group 2025 Supplier Conference" on April 22, 2025 (Earth Day). Two key suppliers shared experiences on the theme of "Circular Economy," and Unity Sustainability Services Co., LTD delivered a keynote speech.

Based on the annual evaluation results of major suppliers, service excellence suppliers are publicly recognized. The award-winning suppliers for 2024 are:

"Best Supplier" : SYSTEX CORPORATION, Metaage Corporation, HAN TAI PRINTING CO., LTD.

"Excellence Progress Award" : STAPLES TAIWAN CORPORATION LIMITED, TAIWAN BRANCH (CAYMAN ISLANDS)

"Green Partner Award" : ACER E-ENABLING SERVICE BUSINESS INC.

# 5.2.2 Responsible Procurement

In 2024, no suppliers had significant issues with poor delivery quality or environmental hazards. Additionally, in support of social enterprises and environmentally friendly products through actual purchasing actions, KGI Financial has received the "Green Procurement Award" from Taipei City and the Ministry of Environment for the seventh and sixth time respectively, and the "Buying Power" award for the sixth time.

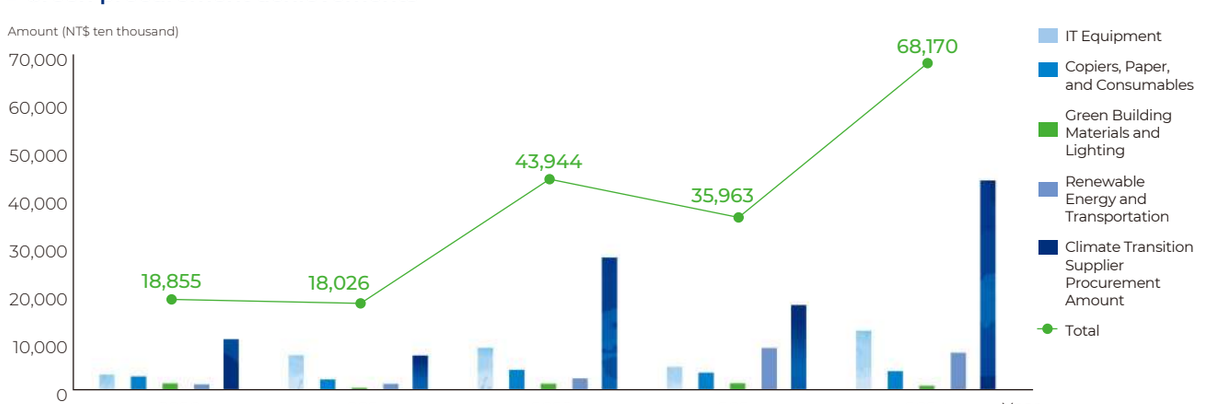
## Responsible Procurement Policy

KGI Financial supports climate transition by identifying actual needs (conservation, necessity, non-excessiveness, and waste avoidance). The Company promotes green procurement and energy conservation (prioritizing low-pollution, low-energy-consumption, recyclable products or equipment certified with eco-labels, and by reducing the procurement of single-use items). Suppliers are encouraged to obtain or sell products with eco-label certifications, and include transaction amounts for suppliers with relevant ISO certifications (supporting climate transition). In addition, the company implements resource recycling for packaging cartons, empty bottles, and copier toner cartridges. For more information on the principles of green procurement and local sourcing, please refer to the KGI Financial official website.

## Local Procurement

To reduce unnecessary resource consumption during product transportation and promote local economic development, the company actively procures from Taiwanese enterprises. In 2024, the proportion of local procurement reached approximately 97.8%.

### ▪ Green procurement achievements



# 6 Co-Creation of Sustainable Society

The Social Philanthropy Group of the Sustainable Committee is responsible for the corporate citizenship strategy of KGI Financial, whereas the KGIF Foundation, KGI Charity Foundation and all subsidiaries are devoted to creating maximum shared value for society stakeholders through joint efforts, with the goal of achieving a sustainable society. In 2021, KGI Financial launched the "Inclusive Vision" project to connect with innovative energies of society and to promote the development of regional revitalization in Taiwan. With a mid to long-term plan for the next three to five years, KGI Financial aims to bridge the urban-rural gap and achieve the United Nations' Sustainable Development Goals (SDGs), including: 1. End poverty in all its forms everywhere, 3 Ensure healthy lives and promote well-being for all at all ages, 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, 11 Make cities and human settlements inclusive, safe, resilient and sustainable, 12 Ensure sustainable consumption and production patterns, and 13 Take urgent action to combat climate change and its impacts.

The KGI Financial "Inclusive Vision" project aims to understand the needs of local communities through the work of the Group's volunteers, and by cooperating with social enterprises, assist establishing local sustainable support system, in order to promote intergenerational collaboration, take care of the elderly, seek common good with the disadvantaged, and co-exist with the environment to become the solid support for sustainable Taiwan. In 2024, KGI Financial launched a new volunteer project titled "Regional Revitalization Changemakers" in collaboration with 17 high-quality local revitalization organizations across Taiwan, aiming to identify the challenges faced by these groups. Employees with relevant expertise are invited to join and form volunteer teams, engaging directly with local communities to understand their needs and co-creating solutions alongside the revitalization organizations. KGI Financial has also established a cross-group "Regional Revitalization Resource Matching Committee" as an integrated platform to respond to the needs of the revitalization organizations. The volunteers, demonstrating empathy and professionalism, assisted the revitalization groups in organizing finances, optimizing the business model for corporate collaboration, and connecting over 80 internal and external resources. By the end of 2024, the Group had contributed over 7,500 service hours and generated more than NT$2.4 million in revenue for the revitalization organizations.

Moreover, CDIB Capital, the subsidiary of KGI Financial, continued to support the development of regional revitalization efforts in Taiwan through public-private partnerships (PPP). In 2024, the CDIB Capital continued to promote the "Incentive for Regional Revitalization Action Plan." Building on the National Development Council's Incentive for Youth Participation in Regional Revitalization Action Plan, CDIB Capital has selected ten outstanding organizations with strong potential. Leveraging its extensive investment experience and industry networks, it supports these organizations in strengthening corporate collaboration and commercialization capabilities, laying the foundation for sustainable development. Over two years, the program has provided assistance to 20 groups, providing a cumulative NT$6.5 million of reward funds, along with access to strategic networks and engagement from stakeholders such as investors, media, and employees to drive attention to local revitalization efforts.

## ■ Four Focus Areas of "Inclusive Vision"

| Focus Area | Implications | Society Stakeholders | Communication Approach | 2026~2027 Mid-term Goal | 2028~2030 Long-term Goal |
|---|---|---|---|---|---|
| Promote Intergenerational Collaboration | Leverage our expertise in finance to cultivate and accompany local youth and capable elders to start businesses or develop new business opportunities | Local youth, elders, government agencies, social enterprises, employees, local non-governmental organizations, customers | · Devise intergenerational collaboration models in partnership with social enterprises<br>· Invite customers and partners to jointly support regional revitalization team<br>· Hold financial training workshops for local youth<br>· Invite corporate volunteers to participate in local activities<br>· Participate in and support activities held by organizations of regional revitalization<br>· Use the media and social networks to promote the collaboration between KGI Financial and regional revitalization teams to customers | · Establish 3 to 5 successful collaboration cases<br>· Create over 100 job opportunities. | · Assist in cultivating over 30 regional revitalization managers<br>· Leverage financial products to encourage customers to participate in regional revitalization. |
| Take Care of the Elderly | Empower the elderly to obtain economic, social, and health resources through volunteer work and corporate core competencies and create a senior-friendly society | Local elders, social enterprises, employees, charitable organizations, customers | · Communicate with local charitable organizations to understand their needs<br>· Hold financial literacy seminars for the elderly<br>· Work with social enterprises to realize social design for seniors<br>· Hold volunteer training in the company on services for the elderly<br>· Promote the accomplishments of KGI Financial to customers through the media and social network | · Work with local teams to establish 1 to 2 successful models of empowering the elderly to live a better life<br>· Cumulative service to over 300 elderly<br>· Enhance the recognition and appeal of KGI Financial among the elderly | · Replicate successful models of empowering the elderly to more regions<br>· Provide the elderly more financial protection through integrating life insurance, trust, and other products. |
| Seek Common Good with the Disadvantaged | Build a social security network and improve it through volunteer work and inclusive finance. | Vulnerable children/people, rural children/people, charitable organizations, social enterprises, employees, customers | · Work with charitable organizations and social enterprises to hold charitable activities for vulnerable and rural children.<br>· Hold volunteer activities/diverse education courses for disadvantaged children<br>· Hold financial education seminars for the disadvantaged<br>· Promote the accomplishments of KGI Financial to customers through the media and social networks | · More than 10,000 children in rural areas benefit every year.<br>· Work with more than 300 schools every year to help disadvantaged schoolchildren | · Combine resources of social enterprises and non-profit organizations to help establish regional support systems<br>· Invite customers to support the disadvantaged communities |
| Coexist with the Environment | Promote local environmental sustainability through environmental symbiosis initiatives and practices. | Regional revitalization teams, environmental protection organizations, social enterprises, employees, schools, customers | · From self-practice promotion to joint action with stakeholders, KGI Financial continuously organizes activities related to carbon reduction and achieving net zero emissions<br>· Assist local small farmers in production and sales, and promote sustainable agriculture that is friendly to the environment<br>· Conduct initiative and practice of collaborating with social enterprises to promote the circular economy and actively promoting circular economy education<br>· Promote KGI Financial actions through media and social networking to customers | · Successfully launch 1 to 3 environmental symbiosis initiatives<br>· Improve KGI Financial's corporate citizenship image.<br>· Lead customer in joint participation of environmental protection activities | · Create a net zero ecosystem and business opportunities with the regional revitalization teams |

### ■ Total Investment in Philanthropic Projects

| Year | 2022 | 2023 | 2024 |
|---|---|---|---|
| Cash Contributions (million) | 101.08 | 138.1 | 161.44 |
| Time: Employee Volunteering During Paid Working Hours (hours) | 77,660 | 102,238 | 87,243 |
| In-kind Giving: Product or Service Donations, Projects/partnerships or Similar (million) | 4.08 | 3.59 | 1.47 |

## Key Strategies and Goals

KGI Financial's "Inclusive Vision" project utilizes the Company's core competencies and harnesses the power of volunteers across the industry to work toward seven of the United Nations' Sustainable Development Goals (SDGs) and to create shared value for stakeholders. In response to the unbalanced regional development Taiwan is facing, through the "Inclusive Vision" project, KGI Financial is committed to the goals to promote intergenerational collaboration, take care of the elderly, seek common good with the disadvantaged, and coexist with the environment in order to support sustainable development in Taiwan.

### Promote Intergenerational Collaboration

KGI Financial has long been devoted in startup investment, fostering startups, private equity, inclusive finance, and using relevant core competencies to empower startup youth, capable elderly and new talents with returning home for startups. KGI Financial also provides resource platform to develop regional revitalization, revitalizing regional economy, and respond to the demand of potential customers.

KGI Financial proposes the following action plans and targets accordingly:

(1) Hold 100 start-up seminars and forecast forums every year, match startups and enterprises in partnership with KGI Financial.
(2) KGI Financial plans to support the incubation of 10 local regional revitalization managers and provide in-depth support for 3-5 local revitalization teams every year.
(3) Work with NPO to solve the educational issues for children of high-risk family.
(4) Launch "Regional Revitalization Volunteer Tours" to lead employees to go into rural townships for services and experience the social innovation model in person.

The forementioned activities not only strengthen the corporate image of KGI Financial in support of intergenerational co-creation, empower quality regional revitalization manager to help local regional revitalization teams with sustainable development but also expands KGI Financial's brand recognition in regional revitalization field and create more opportunities for commercial collaboration.

### Take Care of the Elderly

KGI Financial leverages social innovations and combine the experience of subsidiary – KGI Life's long-cultivation of the elderly group, empowering elderly with the resources in finance, social and health, thereby improving the living quality and care resources for elderly, which also establishes a brand identity for elderly groups in a super-aging society. Employment participation empowers employees with the implementation of financial friendly services to people with dementia and elderly, which will help them understand how to sell related products and development of potential customer groups, in order to meet the SDGs, including 3 Ensure healthy lives and promote well-being for all at all ages, 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, 11 Make cities and human settlements inclusive, safe, resilient and sustainable.

KGI Financial proposes the following a ction plans and targets accordingly:

(1) Assist the rural communities and aboriginal tribes to establish elderly care services.
(2) Cooperate with social enterprises for the sales personnel of KGI Life to participate in one-day tours with senior policyholders.
(3) Introduce courses or trainings promoting senior-friendly financial services to the subsidiaries of the group.
(4) Work with social enterprises and welfare institutes to jointly promote the integration of home care, remote health care and smart technology for elderly care.

On one hand, KGI Financial intends to help the disadvantaged and elderly in rural areas with financial independence and local settlement through the aforementioned activities, fulfilling corporate social responsibility but on the other hand helps highlight KGI Financial's emphasis on treating customer fairly and customer service, increasing contacts with potential customers and thereby establish the brand image of building social care safety network, which may eventually bring business opportunities and potential partners.

### Seek Common Good with the Disadvantaged

KGI Financial responds to SDGs with specific actions, including 1 End poverty in all its forms everywhere, 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. KGI Financial combines corporate volunteers and basic financial core business to improve financing concepts and financial knowledge on campus. Meanwhile, the investment through charity donations satisfies the need for disadvantaged groups such as rural, low-income households and visually impaired to acquire diverse information, basic service, adequate nutrition, and need for fund support.

KGI Financial proposes the following action plans and targets accordingly:

(1) Launch micro insurance each year and the number of valid policyholders exceed 50,000 people, which enhances the basic insurance protection of economically disadvantaged or persons with special ID.
(2) Hold at least 10 financial seminars for rural or disadvantaged groups each year.
(3) Publish posts about volunteer activities on FaceBook, Instagram, LinkedIn and other social network media.
(4) Donates in rural educational resources so that more than 10,000 children can benefit from the donation every year. Collaborate with schools to coordinate for disadvantaged children to receive nutritious food, develop special talents, study English, and receive emergency relief.
(5) Raise funds for social welfare institutions with demands through the group resource assistance.
(6) Care for diversity of disadvantaged groups, including but not limited to homeless, children in rural area, person with disability.
(7) Launch anti-fraud volunteer projects to assist the public build anti-fraud knowledge.
(8) Encourage group employees to participate in rural volunteer services from time to time.
(9) Promote art education and activities in rural areas from time to time to eliminate the relevant resource gap.

KGI Financial intends to upgrade the visibility of KGI Financial in disadvantaged or specific groups, which indirectly establishes a profound relation with possible and potential customers in this issue of group. The cognition and appeal for KGI Financial brand will develop inclusive finance related business opportunities.

### Coexist with the Environment

KGI Financial upholds to the concept of "taking from the society and giving back to society" and is committed to develop green finance with actual performance, setting an example in advocating friendly environment, net-zero carbon reduction measures, expanding the influence of sustainable finance, and strengthen its corporate image of responsible finance, in correspondence with SDGs, including 11 Make cities and human settlements inclusive, safe, resilient and sustainable, 12 Ensure sustainable consumption and production patterns, and 13 Take urgent action to combat climate change and its impacts.

KGI Financial proposes the following action plans and targets accordingly:

(1) Continuously hold carbon reduction and net zero related activities, promoting from self-practice to joint action with stakeholders.
(2) Assist local independent farmers with production and sales in Taiwan, and promote sustainable agriculture featuring environmentally friendly farming methods.
(3) Cooperate with social enterprises to advocate and implement circular economy, and actively promote circular economy education.

# 6.1 Promote Intergenerational Collaboration

| Action Plan | Issues to be Addressed | 2026~2027 Mid-term Goal | 2028~2030 Long-term Goal | Stakeholder Groups | Business Benefit | Social Benefit |
|---|---|---|---|---|---|---|
| **KGI Financial** | | | | | | |
| Regional Revitalization Changemakers | Encourage young people to return to their hometowns and promote balanced urban-rural development | Consolidate internal corporate strength, while utilizing colleagues' expertise and social skills to support social innovation and local development | | · Regional revitalization organizations (local micro businesses)<br>· Disadvantaged groups in communities | · Integrate core business operations to create a win-win scenario for both enterprises and local communities, including credit card benefits in collaboration with local revitalization organizations and financial seminars for new immigrants.<br>· Create a brand image that is warm and differentiated<br>· Collaborate with regional revitalization organizations on ESG projects such as ecological conservation, volunteer services, cultural preservation, and sustainable procurement to improve sustainability-related evaluations. | · Empower corporate volunteers to leverage financial and other expertise in assisting 17 local revitalization organizations across Taiwan in optimizing their business operations. This includes providing financial management tools, corporate ESG collaboration plans, angel investor fundraising consultations, and brand marketing strategies. Additionally, 81 business collaboration opportunities within and outside the Group have been established, generating over NT$2.4 million in additional revenue for the revitalization organizations.<br>· Through press releases, social media posts, and themed calendar distribution, support revitalization organizations in reaching over 35,000 internal and external stakeholders of KGI.<br>· Drive engagement through action, bringing relational populations into local communities; throughout the year, the Group has facilitated over 3,200 in-person and online participations in township activities, enhancing the visibility of local micro businesses' brands. |
| Assist CAN Culture, Art & Nature to Further Promote Regional Revitalization | Community education support system, parenting in vulnerable families | Support CAN Culture, Art & Nature to continue to nurture disadvantaged children in local communities; assist in replicating the successful models of CAN Culture, Art & Nature to other regions | | · Children from vulnerable families<br>· Social enterprises aiming to solve local education issues | · Strengthen public identity to KGIF brand through the publicity and excellent image of CAN Culture, Art & Nature<br>· Expand KGIF's brand awareness in the field of regional revitalization and create opportunities for business collaboration through actual participation | · Assisted 50 children from high-risk families to develop skills and a positive attitude to life<br>· By establishing successful cases of collaboration between enterprises and regional revitalization teams, encourage more enterprises to invest in regional revitalization and accelerate local development. |
| **KGI Life** | | | | | | |
| Regional Revitalization-Local Youth Talent Development Program | Mitigate urban-rural disparities by allocating educational resources to priority areas for regional revitalization | Integrate core business operations, leverage the expertise of employees, and cultivate local youth talent while fostering regional development opportunities | | · Young students in rural areas | · Leverage the engagement of internal and external employees, along with collaboration from local schools and revitalization teams, to strengthen KGI Life's connection with local communities and expaKGI FinancialInd opportunities for youth talent development. | · A total of 200 students participated in the course, which lasted for 8 months and involved 592 hours of coaching.<br>· Through three core courses, workplace visits, and proposal competitions, support young students in developing strong values, perspectives, and career foundations |
| **KGI Bank** | | | | | | |
| Establishment of Art Spaces at KGI Branches to Support Local Artists | Provide local artists with more diverse exhibition spaces and create opportunities for young creators to gain exposure. | Continuously expand art display spaces for the purposes of artistic culture or public welfare, and promote the development of the local arts and cultural industry. | | · Local artists and creators | · Provided support to 14 artists in 2024 in organizing art exhibitions, with a total investment of NT$929,000 in cultural and artistic performances.<br>· Provide customers with a new type of branch service experience to enhance product sales experience. | · Branch space exhibitions provide free venue rental and financial resources, creating more exposure opportunities for local artists.<br>· Utilize branch exhibitions to lower barriers to art appreciation, bridge the gap between art and daily life, and continuously expand cultural promotion for greater social impact. |
| Regional revitalization ESG collaboration | Encourage youth to return to their hometowns and promote balanced local development | Continue advancing volunteer services and financial expertise, fostering deep local engagement, expanding marketing channels, and achieving sustainable mutual benefits | | · Regional revitalization organizations (local microbusinesses)<br>· Community residents<br>· KGI Bank credit cardholders | · In 2024, a total of 60 volunteers participated in two volunteering events: the preservation of designated historical sites in Yilan County partnered with Youth iPlace, as well as the conservation of the Chiayi farmland tree frog habitat partnered with the Tri-Small Market.<br>· Collaborate with local revitalization organizations on credit card benefits to offer KGI cardholders a diverse range of local travel experiences and agricultural product purchasing options, enhancing sustainable purchasing power. | · Leverage volunteer services and credit card benefits to raise awareness and support among employees and cardholders for local culture and sustainable food and agriculture, expanding sustainable impact<br>· Actively support youth returning to their hometowns, revitalizing cultural arts, local development, and biodiversity conservation<br>· Utilize banking promotional channels to jointly enhance brand exposure and value |

(Continue)

| Action Plan | Issues to be Addressed | 2026~2027 Mid-term Goal | 2028~2030 Long-term Goal | Stakeholder Groups | Business Benefit | Social Benefit |
|---|---|---|---|---|---|---|
| Donate to Small and Medium Enterprise Credit Guarantee Fund of Taiwan | Increase the funds of credit guarantee institutions of small and medium-sized enterprises (SMEs) and improve the financing and guarantees provided for SMEs so that SMEs can obtain financial assistance from banking institutions | Continue to promote the donation of funds for credit guarantees to help with the sound development of SMEs. | | Domestic SMEs or startups | · Under the guarantee of credit guarantee funds, KGI Bank can effectively manage and control the financing risks of SMEs; the total credit guarantee amount in 2024 was NT$28,758,339, provided to a total of 3,585 cases. | · Assist domestic SMEs or startups with insufficient collateral in improving their credibility and obtaining loans so as to help with the sound development of SMEs. |
| CDIB Capital | | | | | | |
| Incentive Program for Regional Revitalization Action Plans | Encourage youth to return to their hometowns and promote balanced urban-rural development | Achieve sustainable local development by empowering local youth through public-private collaboration | | Regional revitalization organizations (local microbusinesses) | · CDIB Capital utilized its investment experience and industry network to assist the revitalization organizations in enhancing their corporate collaboration capabilities and operational effectiveness. Over the course of two years, the initiative has provided support to a total of 20 organizations, in addition to providing a cumulative reward of NT$7.5 million, encouraging stakeholders to collectively focus on the issue of local revitalization. | · Cumulatively supported 20 entrepreneurial teams across Taiwan in obtaining funding and networking opportunities<br>· Co-organized nine volunteer activities with local revitalization organizations, increasing their revenue while also expanding relational connections. In 2024, total volunteer hours reached 2,630, with an average of 16 hours of service per volunteer. |
| Providing Counseling for Startup Growth | Assist startups in obtaining relevant knowledge and market information on fundraising, operation, marketing, etc. | Continue to integrate domestic and international resources to support the cultivation of startups in Taiwan and assist startups in establishing themselves in Taiwan and in accessing overseas markets | | Startup companies | · Discover potential startups and infuse resources and investments<br>· Held a total of 134 seminars on innovation and entrepreneurship in 2024, with a total of 3,079 participants; held a total of 14 one-day startup board of directors' meetings | · Assist social enterprises and entrepreneurs in resolving operational challenges encountered during the entrepreneurial process across borders |

Note: We also have the "CDIB Capital Innovation Accelerator Fund," which invests in early-stage startups, provides startup mentors, corporate resource matchmaking, community and media resources, and organizes various entrepreneurship courses to enable Taiwan startups to obtain the resources they need for growth. For the content of the Innovation Accelerator, please see 3.1.3 Responsible Investment Performance.

## Regional Revitalization Changemakers

In 2024, KGI Financial launched the "Regional Revitalization Changemakers" initiative, bringing the depth of corporate volunteer services into a new milestone. KGI Financial collaborated with 17 outstanding regional revitalization organizations across the northern, central, southern, and eastern regions, identifying their current challenges, including financial management, marketing, fundraising, and corporate partnership models. Employees from various departments are invited to form volunteer teams, engaging directly with local communities to understand their needs. Guided by consultants, the teams worked alongside the revitalization teams to design specific solutions. Employees stepped out of the office and into local communities, breaking through the echo chambers of regional revitalization organizations. With empathy, professional expertise, and three months of dedicated support, they helped optimize business operations for these organizations. This included providing financial management tools to 17 organizations, corporate ESG collaboration plans, brand marketing recommendations, and angel investor fundraising consultations. Additionally, they facilitated 81 business collaboration opportunities within and beyond the Group, generating over NT$2.4 million in revenue for the revitalization organizations, with continued growth. Furthermore, to ensure the smooth circulation and effective integration of internal and external resources within the Group- facilitating volunteers in connecting revitalization teams with the most suitable resources- KGI Financial has established the cross-subsidiary, cross-functional "Regional Revitalization Resource Matching Committee." This committee serves as an integrated platform to address the needs of various revitalization organizations. Volunteers submit team requests to the committee, and its working groups assist in matching them with appropriate internal and external resources based on their needs. Within one year, the "Regional Revitalization Resource Matching Committee" has successfully matched over 80 resources. This project has empowered a total of 85 volunteers with expertise in finance and other fields to support regional revitalization organizations. In total, the Group has contributed over 7,500 volunteer hours, with more than 3,200 internal employees participating, achieving an outreach of over 35,000 individuals, including both internal and external stakeholders.

"Local Revitalization Changemakers" is the first initiative in which corporate volunteers accompany local teams to co-create solutions.

## Local Youth Talent Development Academy

KGI Life upholds the philosophy of "social co-prosperity," responding to and supporting local revitalization while focusing on talent cultivation. In 2024, it launched the "Local Youth Talent Development Academy" program, collaborating with four universities and four local revitalization teams to invest educational resources in the priority areas for local revitalization. A total of 20 internal and external employees were recruited as seed coaches, dedicating 592 hours over eight months to accompany participating students through classroom learning, workplace visits, and proposal competitions. Through three main course themes - risk identification, capital accumulation, and capital utilization, the students were nurtured with healthy values, perspectives on life, and worldviews. The summer proposal competition also lead students to discover more possibilities for local development through innovative thinking. This project not only helped local youth explore their futures but also strengthened the connection between KGI Life and local communities, expanded the youth talent pool, and embodied the spirit of reducing urban-rural disparities and "social co-prosperity." The innovative model of the "Local Youth Talent Development Academy" program has been recognized with international awards such as the "Asia Responsible Enterprise Awards (AREA) - Social Empowerment Award" and the "ESG Business Awards - Education Equality and Access."

# 6.2 Take Care of the Elderly

| Action Plan | Issues to be Addressed | 2026~2027 Mid-term Goal | 2028~2030 Long-term Goal | Stakeholder Groups | Business Benefit | Social Benefit |
|---|---|---|---|---|---|---|
| KGI Financial | | | | | | |
| Promotion of Self-supporting Community for the Elderly by KGI Financial and Plahan | Elderly care and health promotion in a super-aged society | Build a successful model and replicate in other regions | | Elders and their families | Through supporting the Plahan Symbiotic Community Hub in establishing the "All-in-one interdisciplinary case management" model in the tribal areas of Heping District, Taichung, KGI Financial has been promoting the mutual-aid aging life style. Internally, it strengthens colleagues' understanding of the elderly population, while externally embedding the image of KGI Financial leveraging social innovation to care for senior citizens. | · Support Plahan in promoting cultural care and community symbiosis, combining long-term care concepts with cultural care and innovatively introducing literary activities centered on couplets to enhance emotional communication and cultural understanding among caregivers, care recipients, and community residents. A total of 436 people participated.<br>· Support the establishment of a rehabilitation center within the community, acquiring seven rehabilitation exercise devices to provide elderly individuals with a space for aging prevention and injured individuals with recovery equipment.<br>· Organize volunteer teams to assist Plahan in designing the Lokah su! Cultural Care Hostel, promoting local cultural care excursions, connecting local industries, and increasing opportunities for youth to stay or return to their hometowns. |
| KGI Life | | | | | | |
| Dementia-friendly Initiative | · Aging population<br>· Super-aged society<br>· Dementia prevention and care, dementia financially-friendly | As "Senior Finance Guardian", KGI Life aims to enhance dementia-friendly initiatives through multifaceted collaborations with professional organizations each yea | Propose response strategies for an ultra-aged society, advocating for a dementia-friendly and mutually beneficial society for the elderly. | Elderly individuals, those with dementia, and their families | · Launch "MAHUDA," the industry's first long-term policy combining dementia coverage with life insurance.<br>· The President of KGI Life, along with board directors and senior executives, participated in World Alzheimer's Month, personally experiencing and empathizing with elderly individuals and those with dementia; this deeper understanding informs the planning of more inclusive and dementia-friendly financial services<br>· Strengthened the promotion of emergency contact card keychains at policyholder touchpoints in 2024, providing anti-loss keychains for those in need as part of customer care services for walk-in and claims clients<br>· The only sponsor of the financial industry sponsored the "Design for Dementia College Contest" organized by the Taiwan Alzheimer's Disease Association, encouraging younger generations to focus on aging and dementia issues through creative action. Participants propose intergenerational solutions to foster a more inclusive and prepared ultra-aged society. | · Donated a total of 1,000 anti-loss keychains in 2024 to assist individuals who have gone missing in finding their way home. Continue sponsoring the Design for Dementia College Contest for colleges and universities, fostering deeper engagement with dementia-related issues and preparing for an ultra-aged society.<br>· In observance of World Alzheimer's Month, a financial planning seminar was held by KGI Life for 20 elderly individuals, those with dementia, and their families. The seminar focused on how to prepare financially and ensure protection for oneself and one's family in the face of an increasingly aging society and the rising. number of individuals with dementia.<br>· A total of 60 entries were submitted for the competition, facilitating 211 instances of interdisciplinary collaboration proposals to present and implement innovative solutions for dementia-related issues. |

## Support Plahan to Establish a Mutual-aid Paradigm of Super-Aging Society

The Plahan Symbiotic Community Hub is committed to promoting the practice of mutual-aid care service model in the tribes along Da-an River in Heping District, Taichung City. Using healthy aging and the mutual-aid model as the core to design an innovative service model, Plahan not only successfully attracts tribal young people to return home and work but helps the elderly recover their focus and value in life. Since 2021, KGI Financial has supported Plahan in promoting innovative care and mutual-aid models in the Heping District, Taichung. In 2024, KGI Financial continued its support, not only advancing Plahan's efforts in cultural care and community mutual aid by integrating long-term care concepts with cultural care but also hosting the first "River Basin Couplets Literary Award." Additionally, it has facilitated the establishment of the community's first mutual-aid rehabilitation center, the "Yabu Movement Center," which helps local seniors delay aging and strengthen muscle endurance. The center also provides a space for family caregivers, care workers, and local residents to relax and rejuvenate. Additionally, to support Plahan in encouraging more tribal youth to stay or return to their hometowns, KGI Financial's volunteer team collaborated with Plahan to co-create local itineraries integrating ESG principles and cultural care. These initiatives aim to attract more businesses to experience long-term care-themed tours in the community, while also fostering new business opportunities for local industries.

KGI Financial continued to support Plahan promoting an innovative long-term care model of cultural care and community mutual aid.

# 6.3 Seek Common Good with the Disadvantaged

| Action Plan | Issues to be Addressed | 2026~2027 Mid-term Goal | 2028~2030 Long-term Goal | Stakeholder Groups | Business Benefit | Social Benefit |
|---|---|---|---|---|---|---|
| KGI Financial | | | | | | |
| Volunteer Service Project | Lack of resources in rural areas, Urban and rural resource inequality | Increase volunteer service hours to an average of 7 hours per person per year | Achieve an average of 8 volunteer service hours per person per year | · Charitable organizations<br>· Social enterprises | · Inculcate the corporate culture of giving back to the society<br>· Improve the corporate brand popularity | · In 2024, the total number of volunteer service hours reached 87,243 hours, average service hours per person reached 9.7 hours, benefiting over 10,000 people. |
| KGI Life, KGI Bank, KGI Securities | | | | | | |
| Blood Donation | Mitigating blood shortages to assist in emergency relief | Every year, blood donation events are organized to recruit colleagues as volunteers for blood donation activities. Simultaneously, they are encouraged to actively donate blood to help alleviate the problem of blood shortage. | | · Medical hospitals and clinics<br>· Patients receiving blood donation | · Enhance brand image to demonstrate corporate values and social responsibility to the public<br>· Establish positive corporate culture and promote employee social participation, demonstrating corporate social responsibility and values<br>· Engage with social issues and take action to fulfill public welfare and give back to society | · KGI Securities: In 2024, a total of two donation events were held, collecting 196 bags of blood with 173 participants<br>· KGI Securities, KGI Bank, KGI Life co-hosted a donation event at the Kaohsiung branch, collecting 77 bags of blood with a total of 104 participants<br>· KGI Life and KGI Bank co-hosted a donation event at the headquarters building, collecting 176 bags of blood, with a total 122 participants |
| KGI Life | | | | | | |
| Microinsurance Promotion | Enhance basic insurance guarantees for economically disadvantaged persons | Providing insurance coverage for individuals who are economically disadvantaged | | Economically disadvantaged and certain groups of people who are eligible for microinsurance | · The target achievement rate for micro insurance premium income in 2024 was 256% | · Provided basic micro insurance coverage to over 100,000 economically disadvantaged individuals nationwide |
| Initiative for the Accessibility for Hearing-Impaired Individuals | In Taiwan, there are over 130,000 people with hearing and speech disabilities holding disability certificates, but sign language interpretation faces issues of a training gap and insufficient numbers. | Continue promoting accessible communication for the hearing impaired by collaborating with the Chinese National Association of the Deaf to launch a sign language interpretation service and sponsor the association's sign language interpreter training program, supporting the development of financial equity | | Hearing-impaired individuals and their families | · Provide sign language translation services and produce a policyholder key rights reminder sign language video, enabling hearing-impaired individuals to access financial knowledge on insurance protection online without limitations. | · A total of 268 participants received training in the basic sign language course and the sign language volunteer program for the hearing impaired |
| Support fo Individuals with Visual Impairments | For individuals who are completely blind or have low vision, daily life is often constrained by environmental factors. Compared to other disabilities, visually impaired individuals rely more on guidance and tactile interaction to recognize and access various types of information. Particularly in financial product and service interactions, inadequate disclosure by service personnel or insufficient accessibility design may further widen the financial knowledge gap for the visually impaired. | Deepen disability-friendly services within core business operations, continuously supporting the empowerment and employment of visually impaired individuals through concrete actions | | Visually impaired individuals (including those who are visually impaired, have low vision, or are completely blind) | · Set up a policy braille identification service, printed QR codes with important rights reminders for policyholders, guide visually impaired policyholders to listen to relevant explanations and reminders by scanning QR codes, and introduced signature boards and reading aids, benefiting nearly 42 visually impaired individuals and policyholders. | · Uploaded financial fraud prevention knowledge to a cloud platform, benefiting nearly 444 visually impaired members<br>· Sponsored the music concerts in 2014 for visually impaired groups, supporting their empowerment and employment opportunities |

(Continue)

| Action Plan | Issues to be Addressed | 2026~2027 Mid-term Goal | 2028~2030 Long-term Goal | Stakeholder Groups | Business Benefit | Social Benefit |
|---|---|---|---|---|---|---|
| KGI Bank | | | | | | |
| Commercial Times Photo Contest | Insufficient awareness of campus fraud and the recruitment of students as proxy account holders | Continuous promotion of campus fraud prevention initiatives in various forms | | University and college students | · Through the "2024 Protecting Assets, Securing the Future" video contest, KGI Bank showcases the professional image of anti-fraud promotion lecturers and volunteers, enhancing young people's perception of the bank and attracting potential customers and talent. | · In collaboration with the organizers, over 20 campus briefings were held to promote trust and fraud prevention awareness, with 30 university departments participating in the video contest.<br>· KGI Bank promoted fraud prevention awareness , with 26 student teams selecting KGI Bank-related topics for their competition entries. Five awards were granted in the anti-fraud animation category, including the Gold Award, Bronze Award, Excellence Award, Honorable Mention, and Online Popularity Award, enhancing brand recognition among younger audiences. |
| KGI-Inside Charity Donation Platform | Higher transaction fees for donation via regular bank fundraising | Use "KGI Inside" open application program interface to provide open API, assisting social welfare institutes to effectively reduce transaction fees for donation. In the future, the services to the number of social welfare institutes will be expanded, using transaction fee waiver as incentive and the intention to donate and the total amount will increase, thereby helping more social welfare institutes with raising funds needed. | | Social-Welfare institute | · Strive to make public welfare organizations potential clients for payroll services of KGI Bank | · In 2024, KGI Bank supported 95 social welfare organizations in raising over 210,000 donations, amounting to more than NT$280 million. The transaction fee for online donations was reduced by 76%. |
| KGIF Foundation | | | | | | |
| Donation for the reconstruction of the Chemistry Department Building at the College of Science and Engineering of National Dong Hwa University | The strong earthquake (Hualien earthquake on April 3, 2024) has severely damaged school buildings, student dormitories, and laboratories at the College of Science and Engineering. | Assist in the reconstruction of the College of Science and Engineering after the disaster. | | Faculty and students of National Dong Hwa University | · Enhance corporate ESG impact, brand recognition and positive perception | · Donated NT$14 million to rebuild earthquake-damaged teaching equipment at National Dong Hwa University, supporting faculty and students in resuming normal teaching activities. |
| Nutrition 100 Program for rural children | Care for difficulty with providing nutritious lunch in rural schools, subsidizing the nutrition expenses for students in remote schools | Continue to search for schools in need from different counties/cities, using direct donation to subsidize the nutrition lunch sources for rural schools | Continue to care for rural lunch difficulties, helping 10,000 students each year | Rural schools in ten counties/cities: New Taipei City, Miaoli, Chiayi, Pingtung, Hsinchu, Taoyuan, Changhua, Nantou, Yilan, and Kaohsiung | · Enhance brand image | · In 2024, NT$5 million was invested. A total of 165 rural schools were subsidized for nutrition lunch, with a total of 9,047 students benefited |
| Heritage 100 X Tutoring 100 | Financial pressure of underprivileged college/university students, lack of educational resources for disadvantaged school students | Direct donation for subsidizing schools with establishing underprivileged scholarship to indirectly help more underprivileged students | Continue to support college/university students to upgrade in learning quality | 100 underprivileged college/university students, 100 disadvantaged school children | · Enhance brand image | · In 2024, a total of NT$2.5 million was invested to provide scholarships to 50 underprivileged university students, who then served as tutoring volunteers. This initiative allowed each of the 50 students to accumulate 100 hours of tutoring, benefiting a total of 50 students. |
| Our Class Has Got Talent | Lack of funds to participate in extracurricular activities for junior high school and elementary school children from low-income families | Sponsor the faculty and learning fees for school children to participate in extracurricular activities | Assist economically disadvantaged students with development in diverse competence and continue to pay close attention to the education of junior high school and elementary school children | Disadvantaged students of junior high school and elementary schools with strong potential. | · Incubate social diverse talents and help economically disadvantaged students to receive confidence and affirmation while improving brand image. | · In 2024, a total of NTD 1.168 million was invested to help students with potential in sports and dance in extracurricular activities. A total of 17 cases subsidized with 124 benefited. |

(Continue)

| Action Plan | Issues to be Addressed | 2026~2027 Mid-term Goal | 2028~2030 Long-term Goal | Stakeholder Groups | Business Benefit | Social Benefit |
|---|---|---|---|---|---|---|
| Scholarship for Skilled Vocational High School Students | High school and college/university students with outstanding performance in art, sports, or technical/vocational skills are in need of resources during learning processes | Continue to sponsor high school and college/university students with advanced skills learning | Continue to cultivate diverse talents in the society | Economically disadvantaged youths with skills and occupational potential. | · Improve corporate brand image<br>· The students who benefit from the scholarship give back to corporate employees through their skills and optimize work environment | · In 2024, there were 64 applications, totaling NT$2.43 million, which benefited 97 students.<br>· By organizing the promotional program, "Spotting Talent," which invited benefitted students to lecture for woodworking, boxing, badminton, dance, etc. 113 people have benefited. |
| KGI Financial's Annual Charity Day | Difficulty for expanding business and establishing brand publicity for social welfare institutes and social enterprise. | Invite more social enterprises and social welfare institutes to participate in Charity Day activities. Combine rural schools' plan of charity sale and helping rural students fulfilltheir dreams | Continue to enhance employees' participation and deepen the cooperation with social enterprises and social welfare institutes | · Social enterprise<br>· Social welfare institutes<br>· Rural school students | · Improve corporate brand image and popularity<br>· Use KGIB online payment system to improve spending process and promote financial innovative services<br>· Use KGI credit card and enhance service identification. | · Two Annual Chairty Days were held in 2024, with a total of 2,319 beneficiaries participating in the activities, generating a revenue of NT$3.5 million for the social enterprises and social welfare organizations that sold products on site. |
| Sponsorship of National Taichung Theater's "Open-Door Project" and NTT (National Taichung Theater) Art School | Gap between urban and rural art education resources | Continue to support the promotion of art education for youths in the central region. | | Children in rural areas in Central Taiwan | · Improve corporate brand image and popularity | · In 2024, KGIF Foundation invited three schools from Chiayi County and Changhua County, with 159 teachers and students participating in an opera house tour and enjoying performances by the Feng Shen Bao Bao Children's Theatre Group's "Princess Kavalan and the Turtle General" and the Still Life Company's "The Last Sunday."<br>· Sponsored 50 high school students to participate in the "NTT Academy Youth Camp" art program.<br>· Sponsored the "Art in Schools" program, enabling professional performance teams to conduct art courses on campus, benefiting 214 individuals. |
| Sponsored New Taipei City Regional Revitalization Microfilm Competition | Art and education promotional events | Sponsor local art and cultural activities to support regional revitalization and bring opportunities and hope to communities | | Rural youths, senior high school and college/university students | · Enhance corporate brand image | · There were a total of 77 submissions, 49 works were completed, and finally 14 winning works were selected.<br>· Held 16 submission briefing sessions, 2 editing/directing workshops, and provided 37 instances of one-on-one mentorship. |
| Sponsored the "H.O.T Hybrid Original Tournament", a National Inter-school original Music competition | Assist rural youth in uncovering their musical potential and improving the quality of music education. | Promote music education. | | Youth interested in music composition at the high school level and above | · Promote music education to enhance corporate brand recognition and goodwill. | · Encourage young people to pursue their music creation dreams, support rural youth in discovering their musical potential, and foster music education in underserved areas .<br>· The competition received a total of 282 musical works. Three sessions of a music writing camp were held, benefiting a total of 810 participants. |
| KGI Charity Foundation | | | | | | |
| Love, Starting From Elementary School | Due to financial difficulties, underprivileged students are unable to attend school and develop skills | Intermediate to long-term: Constant devotion and expansion of care region, assisting disadvantaged students in attending school and supporting the development of special talents in disadvantaged students, helping them grow up without worries | | Disadvantaged students | · Enhance brand image, engage in care and education for disadvantaged children, and balance the urban-rural educational resource gap | · In 2024, a total of 215 schools and 508 underprivileged students were provided assistance in New Taipei City, Taoyuan City, Pingtung County, Yunlin County, Nantou County, Chiayi County, and Penghu County. |

(Continue)

| Action Plan | Issues to be Addressed | 2026~2027 Mid-term Goal | 2028~2030 Long-term Goal | Stakeholder Groups | Business Benefit | Social Benefit |
|---|---|---|---|---|---|---|
| Let Love Flower | Lack of nutrition and lack of English learning resources for children from economically disadvantaged families in rural areas | Intermediate to long-term: Continue to care for disadvantaged students with nutritional supplements, balance the gap between urban and rural educational resources, and offer rural children the opportunity to learn English from an early age. | | Disadvantaged students | · Enhance brand image, engage in care and education for disadvantaged children, and balance the urban-rural educational resource gap. | · In 2024, a total of NT$11,941,731 was invested, supporting 112 schools. |
| Emergent Aid Program | Financial aid and emergency funds for students and families that experience sudden hardship | Intermediate to long-term: Continue to care for vulnerable students and their families that experience sudden hardship to ensure their basic life needs are being met and difficulties are being overcome. | | Disadvantaged students, families | · Enhance brand image, provide immediate assistance, and establish a long-term care system to contribute to the weaving of a social safety net. | · 70 cases were assisted in 2024 |
| Christmas Gifts Recruiting for Rural Areas | Insufficient resources for rural children | Intermediate to long-term: Continue to care for school children in rural areas. Lead employees across Taiwan to care for the needs of school children in rural areas. | | Disadvantaged students in rural areas | · Enhance brand image, promote employee social participation, and increase cohesion and teamwork capabilities. | · In 2024, a total of 1,052 care packages were sent to 23 rural schools, with the participation of approximately 1,100 volunteers. |

## Volunteer Service Project

In 2021, KGI Financial launched the "Inclusive Vision" project and, through volunteer work and its financial expertise, KGI Financial has been participating in local social services profoundly. In 2022, KGI Financial launched the "Regional Revitalization Volunteer Tours," encouraging employees to experience the development of rural townships in person. More than 1,500 participants have joined. In 2024, KGI Financial launched an innovative corporate volunteer project "Regional Revitalization Changemakers", organizing volunteer teams to use their own financial and other expertise to co-create solutions with local micro businesses. The Group's total volunteer hours in 2024 reached 87,243 hours, average service hours person reached 9.7 hours.

Since 2012, KGI Life has been connecting colleagues across Taiwan through the "Love to GO Volunteer Team" to engage in public welfare, promoting social inclusion and environmental sustainability through practical actions. In 2024, the volunteer group accumulated nearly 30,000 service hours, organizing activities such as mountain and beach cleanups and community cleaning to protect the natural environment. They also delve into communities to hold financial knowledge and fraud prevention seminars for the elderly, people with disabilities, high-risk youths, families affected by dementia, and new residents. Through companionship and knowledge transfer, they aim to reduce fraud risks, bridge the financial knowledge gap, and expand positive influence.

KGI Securities encourages its employees to organize beach cleaning activities in order to protect Taiwan's coastline and marine ecology. In 2024, a total of 33 beach cleaning events were held, with 897 participants, resulting in the collection of over 1,480 kilograms of marine wastes. The number of events held by and participants from KGI Securities have consistently ranked first in the financial industry (source: Ministry of Environment Coastal Cleanup Information Platform). KGI Securities has also actively responded to the beach cleanup plan of the "Project Blue 2.0" initiative by Business Today and pledged to adopt the coastline of New Taipei City. Additionally, KGI Bank continues to promote the "Protect Your Wealth" anti-fraud awareness volunteer program, with volunteers serving as instructors. In 2024, the initiative assisted over 9,143 individuals across Taiwan in building fraud prevention knowledge, helping them safeguard their own and their families' financial security.

## Scholarship for Skilled Vocational High School Students

KGIF Foundation sponsors the "Scholarship for Skilled Vocational High School Students" to cultivate underprivileged art, sports and vocational students with excellent academic performance, assisting young students to bring their talents into full play and incubate the potentially professional skills. The application for scholarship comprises private/public and vocational senior high school students accredited by the Ministry of Education, and who have Republic of China identity, university/college (including graduate institute and master programs) underprivileged and outstanding students of arts, sports, and skills, aim to help distinguished under privileged students complete their study with success, improve skills, and become skill experts in employment workplace, who can turn around and give feedback to the society.

In 2024, a total of 64 applications were awarded grants, benefiting 97 young students. The outstanding performance of the scholarship recipients includes:

1. Chia-Yi Tsao, a 20-year-old international tennis player studying at National Taiwan Sport University, competed in the 2024 Paris Olympics, partnering with Su-Wei Hsieh in doubles and advancing to the quarterfinals. They ranked 188 at the World Tag Team Championship.
2. Cheng-Min Huang, a senior tennis player at National Shan-Hua Senior High School in Tainan, won both the individual doubles and team championships at the 2024 World School Sport Games.
3. Sophomore weightlifter Guan-Lin Chen (19 years old), from the Department of Sports Science at Tsinghua University, achieved remarkable success at the IWF World Junior Championships 2024. She secured three gold medals in the 55kg category, breaking three world youth records.
4. Badminton player Yun-Hsuan Hsu, a graduate of the Department of Athletic Performance at National University of Kaohsiung, joined the foundation's talent cultivation program in 2017 during junior high school and received continuous sponsorship for seven years. In 2024, she secured third place in her first national badminton ranking tournament, successfully advancing to the top-tier division.

Chia-Yi Tsao, International tennis player

Cheng-Min Huang, a senior tennis player at National Shan-Hua Senior High School in Tainan

# 6.4 Coexist with the Environment

| Action Plan | Issues to be Addressed | 2026~2027 Mid-term Goal | 2028~2030 Long-term Goal | Stakeholder Groups | Business Benefit | Social Benefit |
|---|---|---|---|---|---|---|
| KGI Financial | | | | | | |
| Rewood Partnership Project | Reduce the incineration of pruned street tree branches | Repurpose pruned street tree branches through circular reuse, reducing incineration to mitigate air pollution and advancing sustainable development in line with SDG 13 and SDG 15 | | The general public | · Foster collaboration between government and social enterprises to implement corporate social responsibility and promote circular economy | · In 2024, three tons of pruned street tree branches were diverted from incineration and instead processed into 300 kilograms of wood vinegar and 300 kilograms of charcoal, which can serve as raw materials for future everyday products. |
| KGI Life | | | | | | |
| "Insurance for the Earth" Beach Cleanup Activity of the Life Insurance Industry | Raise awareness of environmental issues and protect Earth's ecosystems through environmental volunteer services | Mobilize colleagues to form teams for coastal cleanups in Yunlin and Kaohsiung, protecting Taiwan's shoreline and marine ecosystems. | | · Sanjoron Beach Water Park, Yunlin County,<br>· Oyster Shell Beach, Nanzih District, Kaohsiung City | · Enhance positive corporate brand image | · KGI Life mobilized 131 employees as environmental volunteers to participate in the "Insurance for the Earth" relay beach cleanup, initiated by the Life Insurance Association of the Republic of China. Together, they removed approximately 260 kilograms of marine debris, aiming to leverage corporate value chain influence to raise public awareness of coastal environmental issues and restore the coastline's natural beauty. |
| KGI Bank | | | | | | |
| Collaboration with the "Passionate North Coast Beach Cleaning Team" for Volunteer Activities | Raise awareness about marine pollution and local tourism resources. | Periodically, gather colleagues to form teams and assist in beach cleaning activities in the coastal community. This initiative aims to maintain local tourism resources, protect the coastline and marine ecology, and promote regional revitalization. | | Local community | · Enhance corporate image<br>· Create local tourism benefits | · In 2024, a total of 801.43 kilograms of marine wastes were collected during the beach cleanup service at Xialiao Beach in New Taipei City. |
| Give Circle Recycling Project | Promote circular economy by extending the life cycle of resources and reducing waste | Employees can use the Give Circle App platform to donate unused items or fulfill requests from public welfare organizations, reducing waste while supporting charitable initiatives. | | · The general public<br>· Public welfare organizations | · Enhance corporate charity image | · Support public welfare organizations and amplify social impact<br>· Since May 2024, a total of 1,097 items have been redistributed, benefiting 35 public welfare organizations and 251 households. |
| KGI Securities | | | | | | |
| Farmer Product Purchase Platform | Climate change leads to imbalance of agricultural sales and difficulty | Support environmentally friendly farming practices through actual purchases, encourage local consumption, and connect businesses with the community to achieve a mutually beneficial corporate culture. | | Independent farmers in Taiwan | · Enhance brand image, emphasize local revitalization, support friendly environment and local low-carbon consumption, and encourage farmers to continue their agricultural aspirations. | · Purchased a total of 175 carbons of products from independent farmers in 2024 |
| "Clean Beach Together" Volunteer Activity | Increasing severe marine pollution | Intermediate to long-term targets: Call employees to form team from time to time to clean the Taiwan coastlines, protect Taiwan coastlines and marine ecology. | | General public | · Boost charity image of enterprise guarding the environment.<br>· Establish positive corporate culture and promote employee social participation, demonstrating corporate social responsibility and values<br>· Support the circular economy initiative for marine waste repurposing, revitalizing ocean debris, and advancing sustainable marine development. | · 33 beach cleanup events were held in 2024, with 897 participants, and the total weight of marine waste collected was 1,480 kilograms. Both the number of events and participants are the highest in the financial industry. |

## Rewood Partnership Project

Each year, Taipei City prunes 7,200 tons of street trees primarily for composting or incineration for waste heat power generation. In 2024, KGI Financial partnered with the Department of Environmental Protection of Taipei City Government and the social enterprise REWOOD Forest Circulation to implement a circular model of recycling, sorting, and reuse. The pruned urban street tree wood is repurposed through REWOOD's specialized processing techniques, where the resulting wood smoke is distilled into wood vinegar and transformed into everyday products. This initiative gives new value to the wood, successfully establishing a circular economy ecosystem and creating innovative applications for sustainable resource utilization.

KGI Financial is committed to sustainability, bringing together government and social enterprises to create new circular economy applications. Through concrete actions, it supports local revitalization industries, building a sustainable and mutually beneficial ecosystem. This initiative achieves harmony among ecological sustainability, circular economy, and local revitalization, successfully advancing the Sustainable Development Goals (SDGs), specifically SDG 13 on climate action and SDG 15 on life on land.

The pruned urban street tree wood is repurposed into high-quality toiletries.

KGI Financial partnered with the Department of Environmental Protection of Taipei City Government and REWOOD Forest Circulation to create new circular economy applications through a new model of PPP. (from left: KGI Financial Senior Executive Vice President Julian Yen, Commissioner, Department of Environmental Protection, Taipei City Government, Shi-Xun Hsu, REWOOD founder, Wei-Cheng Chen)

## Give Circle Recycling Project

The circular economy is a crucial solution to address the resource scarcity challenges currently faced in sustainable development. KGI Bank actively promotes sustainability and circular economy initiatives internally. In 2024, it partnered with the social enterprise Give Circle on a resource circulation platform, launching environmental sustainability seminars to share decluttering principles. Employees are encouraged to use the Give Circle app to "extend use instead of purchasing," sharing unused items or donating resources to charitable organizations, ensuring surplus materials are freely passed on to those who need them, sustaining the cycle of reuse.

From May 2024 to the end of the year, two sustainability seminars were held, with over 340 emloyees responding by joining the exclusive group for the Give Circle app of KGI Bank. This initiative has facilitated the circulation of 1,097 items, benefiting 35 public welfare organizations and 251 general households. According to the "Social Innovation Platform" of the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs, this project aligns with the United Nations Sustainable Development Goals (SDGs), including Goal 10: Reduce Inequalities, Goal 11: Sustainable Cities and Communities, and Goal 13: Climate Action.

# 7 Appendix

# 7.1 Environmental Metrix

## 7.1.1 GHG Emissions

Unit: $tCO_2e$

| | | 2021 | 2022 (Base year) | 2023 | 2024 | 2024 Target |
|---|---|---|---|---|---|---|
| Scope 1 | | 1,758.97 | 1,124.07 | 1,452.67 | 1,525.41 | 1,767.50 |
| Scope 2 (Market-based) | | 20,270.39 | 23,956.08 | 20,415.24 | 17,870.05 | 20,679.23 |
| Scope 2 (Location- based) | | 20,270.39 | 23,956.08 | 20,894.19 | 22,224.04 | 23,242.19 |
| Scope 1 & 2 (Market-based) | | 22,029.36 | 25,080.15 | 21,867.92 | 19,395.46 | 22,446.73 |
| Intensity | Per Capita | 2.42 | 2.88 | 1.66 | 1.44 | |
| | Per Net Revenue (NTD Million) | 0.11 | 0.27 | 0.55 | 0.26 | |
| Scope 3 | | 7,164.27 | 6,445.31 | 259,252.91 | 293,556.53 | |
| Inventory Coverage (%) | | 99.27 | 100.00 | 98.99 | 100.00 | |
| Verification Coverage (%) | | 99.27 | 96.14 | 98.99 | 100.00 | |

Note: 1. KGI Financial has set the verified SBT near-term target in March 2025, adjusted the coverage rate of the 2022 (base year) inventory to 100%, and updated the difference in emissions according to the adjustment.
2. 2024 target is to achieve an absolute reduction target of Scope 1+2 under the SBT of KGI Financial, reducing by 10.5% compared to 2022 (base year). Scope 2 (location-based) target aligns with the electricity-saving target.
3. We use ISO 14064-1:2018, GHG Protocol, and GHG Inventory Registration Operation Guidelines as the GHG inventory method. GWP value is cited from the 2021 IPCC AR6 report; the emission factors are cited from the Greenhouse Gas Emission Coefficient Management Table version 6.0.4 published by MOENV.
4. GHG types include: $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, and $NF_3$.
5. The emission factors for electricity usage are as follows: 0.502 $kgCO_2e/kWh$, 0.509 $kgCO_2e/kWh$, 0.495 $kgCO_2e/kWh$, and 0.494 $kgCO_2e/kWh$ (Energy Bureau's last year electricity carbon emission factor, used to calculate reporting year emission).
6. Per capita emission = total emission / number of total employees, total employees including permanent employees, contract employees and dual-contract personnel.
7. The 2024 inventory includes all KGI Financial and subsidiaries global sites (Except of KGI Bank's overseas subsidiary in liquidation, CDIB International Leasing Corp.)
8. The operational control method is used as the method for consolidating the amount of greenhouse gases.
9. In 2023, the Company's indirect greenhouse gas (Scope 3) inventory categories were added according to the GHG Protocol, including Purchased goods and services, upstream leased assets, Processing of sold products, use of sold products, End of life treatment of sold products, and downstream leased assets, and the overall Scope 3 emissions increased significantly due to the addition of the new inventory of KGI Life Insurance's downstream leased assets.

## 7.1.2 GHG Emissions (Scope 3)

Unit: $tCO_2e$

| Category | Emissions | Emissions calculation methodology and exclusions |
|---|---|---|
| Purchased Goods and Services | 1,257.61 | Average-data method, calculate the emissions of purchased goods and services based on carbon footprint data announced by the Ministry of Environment and overseas. |
| Fuel-and-energy-related-activities | 3,751.39 | Average-data method, calculate the emissions based on carbon footprint data announced by the Ministry of Environment and overseas, including upstream production and transportation of purchased energy such as electricity, gasoline, diesel, and natural gas. |
| Upstream Transportation and Distribution | 3.14 | Distance-based method, calculate the emissions based on carbon footprint data announced by the Ministry of Environment and overseas, including the delivery of photocopy paper purchased and warranted maintenance service of photocopier supplier. |
| Waste Generated in Operations | 428.42 | Waste-type-specific method, calculate the emissions based on carbon footprint data announced by the Ministry of Environment and overseas, including final waste disposal (including incineration) and domestic waste removal services. |
| Business Travel | 601.03 | Distance-based method, calculated based on the carbon footprints announced by ICAO, Taiwan High Speed Rail Corporation, Taiwan Railway, the Ministry of Environment and overseas. |
| Employee Commuting | 121.89 | Distance-based method, calculate the emissions of employee commuting at the overseas branches of the subsidiaries based on carbon footprint data announced by overseas. |
| Upstream Leased Assets | 1,528.09 | Average data method, including refrigerant for leased vehicles, telecommunication services and the use of electricity by external ATMs. |
| Downstream Transportation and Distribution | 0.54 | Distance-based method, calculated based on the carbon footprint data announced by the Ministry of Environment and overseas, including delivery slips, credit cards and bills, notices of shareholders' meetings and notices of cash dividends to post offices, and parcels in the process of delivery. |
| Processing of Sold Products | 7.62 | Average-data method, calculated based on the number of new (replaced) credit cards issued, and emissions from the manufacturing phase of the life cycle of the card. |
| Use of Sold Products | 6.50 | Calculated based on the number of credit cards issued and the weight of transaction receipts and calculating the electricity emissions from electronic equipment during the life cycle and the emissions from the carbon footprint of the transaction receipts over the life cycle. |
| End-of-life Treatment of Sold Products | 0.61 | Calculated based on the weight of credit cards and bank cards issued and calculate the emissions generated from the recycling phase of the life cycle. |
| Downstream Leased Assets | 285,849.69 | Calculated based on KGI Life Insurance's effective leased assets floor area at the end of 2024, excluding the leases of KGI Financial (the companies have been included in the scope 1 and 2 emissions), and the emissions are estimated based on the emission intensity of the average floor area of the domestic service sector. |

Note: 1. We use ISO 14064-1:2018, GHG Protocol, and GHG Inventory Registration Operation Guidelines as the GHG inventory method. GWP value is cited from the 2021 IPCC AR6 report; the emission factors are cited from the Greenhouse Gas Emission Coefficient Management Table version 6.0.4 published by MOENV.
2. Purchased goods and services, Fuel-and-energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, Employee commuting, upstream leased assets, downstream transportation and distribution, use of sold products, and end of life treatment of sold products are ISO 14064-1 inventory categories. The data were verified by third parties, BSI and SGS.

## 7.1.3 Energy Consumption

Unit: MWh

| Electricity Consumption | 2021 | 2022 (Base year) | 2023 | 2024 | 2024 Target |
|---|---|---|---|---|---|
| Non- renewable Energy | 40,379.3 | 40,028.2 | 40,834.9 | 35,808.1 | 40,426.6 |
| Renewable Energy | 90.5 | 526.3 | 5,049.0 | 8,898.3 | 5,049.0 |
| Coverage (%) | 99.27 | 96.14 | 98.99 | 100.00 | - |

Unit: GJ

| Non-renewable Sources Fuel Types | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Natural gas | 2,585.1 | 2,327.5 | 4,239.6 | 4,557.1 |
| Gasoline | 3,374.5 | 3,878.6 | 3,037.5 | 2,813.2 |
| Diesel | 169.7 | 119.4 | 103.3 | 145.0 |
| Total Energy Consumption | 6,129.3 | 6,325.5 | 7,380.4 | 7,515.3 |
| Energy Consumption per Capita | 0.67 | 0.74 | 0.65 | 0.56 |

| Renewable Sources Fuel Types | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Solar | 325.8 | 1,894.7 | 18,176.4 | 32,034.0 |

Note: 1. Energy consumption per capita = total energy consumption (Natural gas, gasoline, diesel ) / number of total employees, total employees including permanent employees, contract employees and dual-contract personnel.
2. "1% goal reduction in purchased electricity target compared to 2023", estimated that the target value be achieved in 2024 = total consumption in 2023 x 99% (projected reduction of 1%)
3. The 2024 inventory includes all KGI Financial and subsidiaries global sites (Except of KGI Bank's overseas subsidiary in liquidation, CDIB International Leasing Corp.)
4. 1 MWh = 3.6 GJ
5. To improve the quality of data disclosure, the non-renewable electricity consumption of partial sites of CDIB capital in 2023 was revised.

## 7.1.4 Water Consumption

| | 2021 | 2022 (Base year) | 2023 | 2024 | 2024 Target |
|---|---|---|---|---|---|
| Total Water Withdrawal (Million $m^3$) | 0.21 | 0.21 | 0.22 | 0.23 | 0.23 |
| Total Water Withdrawal per Capita ($m^3$ per capita) | 23.5 | 24.7 | 25.3 | 17.4 | 17.5 |
| Coverage (%) | 99.3 | 99.9 | 93.8 | 96.2 | - |

Note: 1. KGI Financial mainly uses water for domestic use, and the volume of freshwater withdrawal is equal to the volume of water discharged, so the net consumption of freshwater is 0.
2. Total water withdrawal per capita = Total water withdrawal / number of total employees, total employees including permanent employees, contract employees and dual-contract personnel.
3. "Target reduction ratio by 1% compared to 2023", 2024 target = total water withdrawal in 2023 x 99% (projected reduction of 1%) ÷93.8% × 96.2% (additional scope of the inventory).
4. The 2024 inventory includes all KGI Financial and subsidiaries global sites (Except of KGI Securities' overseas subsidiaries and KGI Bank's overseas subsidiary in liquidation, CDIB International Leasing Corp.)

## 7.1.5 Waste Statistics

Unit: Tons

| Type and Item | | | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| Total waste recycled/ reused | | | 218.0 | 247.7 | 291.8 | 314.7 |
| Non-recycled/ reused | landfilled | | 6.2 | 9.8 | 18.8 | 43.6 |
| | Waste incinerated | with Energy Recovery | 264.5 | 415.1 | 479.6 | 969.3 |
| | | without Energy Recovery | - | - | - | 14.1 |
| | Other | | - | - | - | - |
| | Total waste disposed | | 270.7 | 424.9 | 498.4 | 1,027.0 |
| Coverage | | | 99.27 | 99.93 | 93.81 | 100.00 |

Note: 1. According to the MOENV's 2024 Yearbook of Environmental Protection Statistics, the domestic average waste disposal method consists of incineration for power generation (averaging 95.3% in 3 years) and landfill (averaging 4.7% in 3 years). The table calculates the incineration and landfill quantity according to this ratio.
2. The 2024 inventory includes all KGI Financial and subsidiaries global sites (Except of KGI Bank's overseas subsidiary in liquidation, CDIB International Leasing Corp.)
3. Coverage of inventory = Number of employees in the scope of inventory / Total number of employees of the Company.
4. KGI Financial transports, recycled/reuse wastes through legitimately registered companies for disposal at the resource recycling plant registered with the government. Non-recyclable wastes shall be transported through legitimately registered companies monthly for disposal at the treatment agency or landfill registered with the government.

# 7.2 GRI Content Index Table

| Statement of Use | GRI 1 of Use | GRI Sector Standard |
|---|---|---|
| KGI Financial has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024. | GRI 1: Foundation 2021 | GRI G4 Financial Services Sector Disclosures |

| GRI Standard | Disclosure Items | | Corresponding Chapter | Page |
|---|---|---|---|---|
| GRI 2: General Disclosures 2021 | | | | |
| GRI 2: General Disclosures 2021 | 2-1 | Organizational details | About the Report | 003 |
| | 2-2 | Entities included in the organization's sustainability reporting | About the Report | 003 |
| | 2-3 | Reporting period, frequency and contact point | About the Report | 003 |

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| GRI Standard | Disclosure Items | | Corresponding Chapter | Page |
|---|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-4 | Restatements of information | About the Report | 003 |
| | 2-5 | External assurance | About the Report | 003 |
| | | | 7.6 Assurance Statement and Other Certificates | 113 |
| | 2-6 | Activities, value chain and other business relationships | About the Report | 003 |
| | | | Corporate Overview | 006 |
| | 2-7 | Employees | 4.1.1 Diversity and Inclusion | 081 |
| | 2-8 | Workers who are not employees | 4.1.1 Diversity and Inclusion | 081 |
| | 2-9 | Governance structure and composition | 2.1.1 Board of Directors Structure | 023 |
| | 2-10 | Nomination and selection of the highest governance body | 2.1.1 Board of Directors Structure | 023 |
| | 2-11 | Chair of the highest governance body | 2.1.1 Board of Directors Structure | 023 |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | About the Report | 003 |
| | | | 2.1.3 Sustainability Governance Structure | 026 |
| | | | 2.2 Risk Management | 028 |
| | 2-13 | Delegation of responsibility for managing impacts | 2.2.1 Risk Management Framework and Policy | 028 |
| | | | 2.2.2 Emerging Risks Management | 034 |
| | 2-14 | Role of the highest governance body in sustainability reporting | About the Report | 003 |
| | | | 1.2.1 Identification of Stakeholders and Material Topics | 010 |
| | | | 2.1.3 Sustainability Governance Structure | 026 |
| | 2-15 | Conflicts of interest | 2.1.2 Board of Directors Operations | 023 |
| | 2-16 | Communication of critical concerns | 2.1.2 Board of Directors Operations | 023 |
| | | | 2.2 Risk Management | 028 |
| | 2-17 | Collective knowledge of the highest governance body | 2.1.2 Board of Directors Operations | 023 |
| | 2-18 | Evaluation of the performance of the highest governance body | 2.1.2 Board of Directors Operations | 023 |
| | 2-19 | Remuneration policies | 2.1.4 Remuneration Policy | 027 |
| | 2-20 | Process to determine remuneration | 2.1.4 Remuneration Policy | 027 |
| | 2-21 | Annual total compensation ratio | 2.1.4 Remuneration Policy | 027 |
| | | | 4.4.1 Competitive Compensation | 092 |

| GRI Standard | Disclosure Items | | Corresponding Chapter | Page |
|---|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-22 | Statement on sustainable development strategy | Chairman's Message | 004 |
| | | | About the Report | 003 |
| | | | 1.2.1 Identification of Stakeholders and Material Topics | 010 |
| | | | 1.1 Sustainable Vision and Strategy | 009 |
| | | | 2.2.1 Risk Management Framework and Policy | 028 |
| | 2-23 | Policy commitments | 2.4 Ethical Corporate Management | 041 |
| | | | 3.1 Responsible Investment | 050 |
| | | | 3.2 Responsible Credit | 057 |
| | | | 3.4 Customer Experience | 063 |
| | | | 4.5.2 Healthy Workplace | 099 |
| | | | 5.1.1 Environmental Policy and Strategy | 104 |
| | | | 5.2.2 Responsible Procurement | 109 |
| | 2-24 | Embedding policy commitments | 2.4 Ethical Corporate Management | 041 |
| | | | 3.1 Responsible Investment | 050 |
| | | | 3.2 Responsible Credit | 057 |
| | | | 3.4 Customer Experience | 063 |
| | | | 4.5.2 Healthy Workplace | 099 |
| | | | 5.1.1 Environmental Policy and Strategy | 104 |
| | | | 5.2.2 Responsible Procurement | 109 |
| | 2-25 | Processes to remediate negative impacts | 3.4.2 Customer Privacy Rights and Protection | 065 |
| | | | 4.2.1 Human Rights | 083 |
| | | | 4.4.2 Employee Wellbeing | 094 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 2.2.1 Risk-Management Framework and Policy | 028 |
| | | | 2.4.2 Implementation of Ethical Corporate Management | 041 |
| | | | 3.4.2 Customer Privacy Rights and Protection | 065 |
| | | | 4.2.1 Human Rights | 083 |

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| GRI Standard | Disclosure Items | | Corresponding Chapter | Page |
|---|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-27 | Compliance with laws and regulations | 2.4.5 Disclosure of Breaches | 044 |
| | | | 3.4.2 Customer Privacy Rights and Protection | 065 |
| | | | 4.2.1 Human Rights | 083 |
| | 2-28 | Membership associations | 1.2.2 Membership of Associations and External Initiatives | 018 |
| | 2-29 | Approach to stakeholder engagement | 1.2.1 Identification of Stakeholders and Material Topics | 010 |
| | 2-30 | Collective bargaining agreements | 4.2.2 Employee Communication | 085 |
| GRI 3 Material Topics 2021 | | | | |
| GRI 3 Material Topics 2021 | 3-1 | Process to determine material topics | 1.2.1 Identification of Stakeholders and Material Topics | 010 |
| | 3-2 | List of material topics | 1.2.1 Identification of Stakeholders and Material Topics | 010 |
| | 3-3 | Management of material topics | 1.2.1 Identification of Stakeholders and Material Topics | 010 |
| Key Topics and Corresponding GRI Standards | | | | |
| Customer private and personal data protection | | | | |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 3.4.2 Customer Privacy Rights and Protection | 065 |
| Corporate governance and ethical management | | | | |
| GRI 205: Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption | 2.4.2 Implementation of Ethical Corporate Management | 041 |
| | 205-2 | Communication and training about anti-corruption policies and procedures | 2.4.2 Implementation of Ethical Corporate Management | 041 |
| | 205-3 | Confirmed incidents of corruption and actions taken | 2.4.5 Disclosure of Breaches | 044 |
| GRI 415: Public Policy 2016 | 415-1 | Political contributions | 1.2.2 Membership of Associations and External Initiatives | 018 |
| | | | 2.4.2 Implementation of Ethical Corporate Management | 041 |
| Risk management | | | | |
| GRI 201: Economic Performance 2016 | 201-2 | Financial implications and other risks and opportunities due to climate change | 2.2 Risk Management | 028 |
| Business continuity | | | | |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 3.4.2 Customer Privacy Rights and Protection | 065 |
| Upgrade financial inclusion | | | | |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 | Infrastructure investments and services supported | 3.1.2 Management Process for Responsible Investment | 052 |
| | | | 3.1.3 Responsible Investment Performance | 055 |
| | | | 3.3.2 Financial Inclusion | 058 |
| | | | 3.2.2 Implementation and Promotion of Responsible Bank | 061 |

| GRI Standard | Disclosure Items | | Corresponding Chapter | Page |
|---|---|---|---|---|
| GRI 203: Indirect Economic Impacts 2016 | 203-2 | Significant indirect economic impacts | 3.1.2 Management Process for Responsible Investment | 052 |
| | | | 3.1.3 Responsible Investment Performance | 055 |
| | | | 3.3.2 Financial Inclusion | 061 |
| Competitive compensation and welfare | | | | |
| GRI 201: Economic Performance 2016 | 201-1 | Direct economic value generated and distributed by the organization | Corporate Overview | 006 |
| | 201-3 | Defined benefit plan obligations and other retirement plans | 4.4.2 Employee Wellbeing | 094 |
| GRI 202: Market Presence 2016 | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 4.4.1 Competitive Compensation | 092 |
| | 202-2 | Proportion of senior management hired from the local community | 4.1.1 Diversity and Inclusion | 081 |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | 4.3.1 Talent Attraction | 086 |
| | | | 4.4.4 Employee Attrition | 097 |
| | 401-2 | Benefits provided to full-time employees (excluding temporary or part-time employees) | 4.4.2 Employee Wellbeing | 094 |
| | 401-3 | Parental leave | 4.4.2 Employee Wellbeing | 094 |
| Labor protection and workplace inclusion and equality | | | | |
| GRI 405: iversity and Equal Opportunity | 405-1 | Diversity of governance bodies and employees | 2.1.1 Board of Directors Structure | 023 |
| | | | 4.2.1 Diversity and Inclusion | 081 |
| | 405-2 | Ratio of basic salary and remuneration of women to men | 4.4.1 Competitive Compensation | 092 |
| Optimize service quality and customer relation management | | | | |
| Customized Material Topics | - | | 3.4.3 Quality Services Tailored to Customer Needs | 071 |
| | | | 3.4.4 Customer Recognition | 075 |
| ESG risk and opportunities in investment and financing | | | | |
| Customized Material Topics | - | | 3.1 Responsible Investment | 050 |
| | | | 3.2 Responsible Credit | 057 |
| Upgrade service convenience through digital finance | | | | |
| Customized Material Topics | - | | 3.4.1 Digital Finance | 063 |
| | | | 3.4.3 Quality Services Tailored to Customer Needs | 071 |

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| GRI Standard | Disclosure Items | Corresponding Chapter | Page |
|---|---|---|---|
| **Secondary Topics and Corresponding GRI Standards** | | | |
| **Workplace Safety and Health** | | | |
| GRI 403: Workplace Health and Safety 2018 | 403-1 Occupational health and safety management system | 4.5.1 Safe Workplace | 097 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 4.5.2 Healthy Workplace | 099 |
| | 403-3 Occupational health services | 4.5.2 Healthy Workplace | 099 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 4.5.1 Safe Workplace | 097 |
| | 403-5 Worker training on occupational health and safety | 4.5.1 Safe Workplace | 097 |
| | 403-6 Promotion of worker health | 4.5.2 Healthy Workplace | 099 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 4.5.2 Healthy Workplace | 099 |
| | 403-8 Workers covered by an occupational health and safety management system | 4.5.1 Safe Workplace | 097 |
| | 403-9 Work-related injuries | 4.5.2 Healthy Workplace | 099 |
| | 403-10 Work-related ill health | 4.5.2 Healthy Workplace | 099 |
| **Maintain Shareholders' Equity** | | | |
| GRI 201 Economic Performance 2016 | 201-1 Direct economic value generated and distributed by the organization | Corporate Overview | 006 |
| **Social Participation and Supporting Disadvantaged Groups** | | | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed by the organization | 6 Co-Creation of Sustainable Society/Total investment in philanthropic projects | 113 |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported | 6 Co-Creation of Sustainable Society/Total investment in philanthropic projects | 113 |
| | 203-2 Significant indirect economic impacts | 6 Co-Creation of Sustainable Society/Total investment in philanthropic projects | 113 |
| **Employment and Training for Diversity of Talents** | | | |
| GRI 201: Economic Performance 2016 | 201-3 Defined benefit plan obligations and other retirement plans | 4.4.2 Employee Wellbeing | 094 |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 4.3.1 Talent Attraction | 086 |
| | | 4.4.4 Employee Attrition | 097 |
| GRI 401: Employment 2016 | 401-2 Benefits provided to full-time employees (excluding temporary or part-time employees) | 4.4.2 Employee Wellbeing | 094 |
| | 401-3 Parental leave | 4.4.2 Employee Wellbeing | 094 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 4.3.2 Talent Development | 088 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 4.3.2 Talent Development | 088 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 4.3.3 Performance and Individual Development | 092 |
| **Management of Influence Caused by Social Changes** | | | |
| Customized Material Topics | - | 2.2.2 Emerging Risks Management | 028 |
| **Other Topics and Corresponding GRI Standards** | | | |
| **Climate/nature-related Opportunity and Risk Management** | | | |
| GRI 201: Economic Performance 2016 | 201-2 Financial implications and other risks and opportunities due to climate change | 2.2.2 Emerging Risks Management | 028 |
| **Operational environmental impacts** | | | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 7.1.3 Energy consumption | 126 |
| | 302-3 Energy intensity | 7.1.3 Energy consumption | 126 |
| | 302-4 Reduction of energy consumption | 5.1.3 Energy Management | 106 |
| GRI 306: Waste 2020 | 306-4 Waste diverted from disposal | 7.1.5 Waste statistics | 126 |
| | 306-5 Waste directed to disposal | 7.1.5 Waste statistics | 126 |
| **Sustainable Development for Supplier Prosperity** | | | |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | 5.2.2 Responsible Procurement | 109 |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 5.2.1 Sustainable Supplier Management | 107 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | 5.2.1 Sustainable Supplier Management | 107 |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | 5.2.1 Sustainable Supplier Management | 107 |
| | 414-2 Negative social impacts in the supply chain and actions taken | 5.2.1 Sustainable Supplier Management | 107 |

Note: Secondary topics and other topics have lower impact and likelihood of occurrence on the economy, environment, and people; therefore, we reveal basic performance in the Report.

# 7.3 SASB Standards Index

## 7.3.1 Insurance

| Topic | Accounting Metrics | Indicator Code | Corresponding Chapter | Page |
|---|---|---|---|---|
| Transparent Information & Fair Advice for Customers | Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers | FN-IN-270a.1 | 2024 KGI Life's closed litigation cases (including finalized judgments and settlement cases) did not result in losses due to litigation arising from customer marketing or communication of insurance products. | - |
| | Complaints-to-claims ratio | FN-IN-270a.2 | In the statistics of complaint rates for life insurance companies in 2024 announced by the Financial Ombudsman Institution, KGI Life's complaint rate is 0.18‰, still ranking among the top five of 21 life insurance companies. The number and rate of cases applying for arbitration have also decreased compared to last year, and the settlement rate remains above 90%. Among the 144 arbitration cases in 2024, there were a total of 100 claims complaint cases and 44 non-claims complaint cases, with as high as 98.23% of the cases being successfully resolved. | - |
| | Customer retention rate | FN-IN-270a.3 | Insurance Industry Public Information Observatory - Financial and Business Indicators of KGI Life Insurance Co., Ltd. | - |
| | Description of approach to informing customers about products | FN-IN-270a.4 | 3.4.2 Customer Privacy Rights and Protection | - |
| Incorporation of Environmental, Social and Governance Factors in Investment Management | Description of approach to incorporation of environmental, social and governance (ESG) factors in investment management processes and strategies | FN-IN-410a.2 | 3.1.1 Principles for Responsible Investment and Policies | 050 |
| | | | 3.1.2 Management Process for Responsible Investment | 052 |
| | | | Please refer to KGI Life's 2024 Sustainability Report 3.1.2 Responsible Investment Process | - |
| Policies Designed to Incentivise Responsible Behaviour | Net premiums written related to energy efficiency and low carbon technology | FN-IN-410b.1 | KGI Life's products under KGI Financial do not involve non-life insurance category products, and none of the other subsidiaries have related non-life insurance products, so this indicator is not applicable. | - |
| | Discussion of products or product features that incentivise health, safety or environmentally responsible actions or behaviours | FN-IN-410b.2 | Please refer to the KGI Life Sustainability Report CH 4.2 Practicing Sustainable Insurance | - |
| Financed Emissions | Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3 | FN-IN-410c.1 | Please refer to 4.1.2 The greenhouse gas inventory situation of investment and financing risks in the KGI Financial Climate and Nature-related Report, but the Company has not yet conducted an inventory according to the investment and financing targets in scopes 1, 2, and 3. Please refer to KGI Life 2024 Sustainability Report CH 6.2.4 Greenhouse Gas Management | - |
| | Gross exposure for each industry by asset class | FN-IN-410c.2 | Please refer to the KGI Life 2024 Sustainability Report CH 6.1.2 Climate Risk Identification and Measurement | - |
| | Percentage of gross exposure included in the financed emissions calculation | FN-IN-410c.3 | Please refer to 4.1.2 The greenhouse gas inventory situation of investment and financing risks in the KGI Financial Climate and Nature-related Report<br>Please refer to the KGI Life 2024 Sustainability Report CH 6.1.2 Climate Risk Identification and Measurement | - |
| | Description of the methodology used to calculate financed emissions | FN-IN-410c.4 | KGI Financial joined the Partnership for Carbon Accounting Financials (PCAF) in June 2023, and its subsidiaries have also followed PCAF's methodology to complete carbon accounting for equity and bond investments, sovereign debt, corporate credit, commercial real estate loans, power project financing, and mortgage loans. | - |
| Physical Risk Exposure | Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes | FN-IN-450a.1 | Please refer to the KGI Life 2024 Sustainability Report CH 2 Business Performance | - |
| | Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance) | FN-IN-450a.2 | In 2024, the insurance expenditure of KGI Life due to typical natural disasters (typhoons and earthquakes) amounted to 4.66 million yuan.<br>Note 1: This data only includes the compensation amount for deaths caused by typical natural disasters, and the death certificate clearly records the cause of death as an event caused by natural disasters.<br>Note 2: In 2024, there were no compensation incidents caused by atypical natural disasters (floods, droughts, blizzards, and tornadoes). | - |
| | Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy | FN-IN-450a.3 | · KGI Financial's subsidiary, KGI Life, belongs to the life insurance industry, and the correlation between individual policyholder contracts and environmental risks is relatively low, so this indicator is not applicable.<br>· Incorporate climate change risks into the company's "Risk Management Policy" and establish climate-related risk management guidelines, regularly track climate risk appetite indicators, and continue to improve climate change risk identification, assessment, and response plans in the future. Additionally, cooperate with regulatory authorities to formulate or promote relevant policy measures, and continue to include climate change risk-related assessments in the ORSA report. | - |

(Continue)

| Topic | Accounting Metrics | Indicator Code | Corresponding Chapter | Page |
|---|---|---|---|---|
| Systemic Risk Management | Exposure to derivative instruments by category: (1) total exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with a central clearinghouse, and (3) total exposure to centrally cleared derivatives | FN-IN-550a.1 | KGI Life currently only has the potential total exposure level of non-centrally cleared derivative financial instruments and does not have positions in centrally cleared derivative financial instruments or acceptable collateral issued to central clearing houses. Please refer to the "KGI Life Insurance Co., Ltd. Individual Financial Report and Auditor's Report for the Year 2024 and Year 2023" p.106, p.107 | - |
| | Total fair value of securities lending collateral assets | FN-IN-550a.2 | The total fair value is 0 | - |
| | Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities | FN-IN-550a.3 | Please read the individual financial report and auditor's audit report of KGI Life Insurance Co., Ltd. for the year 2024 and year 2023 p.94-95, p.116-117 | - |
| Number of Policies in Force, by Segment | (1) property andcasualty, (2) life, (3) assumed reinsurance4 | FN-IN-000.A | In 2024, the number of active life insurance policies at KGI Life is 26,913,414. | - |

## 7.3.2 Investment Banking and Brokerage

| Topic | Accounting Metrics | Indicator Code | Corresponding Chapter | Page |
|---|---|---|---|---|
| Employee Diversity & Inclusion | Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees | FN-IB-330a.1 | 4.1.1 Diversity and Inclusion | 081 |
| Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities | Revenue from (1) underwriting, (2) advisory and (3) securitization transactions incorporating integration of environmental, social and governance (ESG) factors, by industry | FN-IB-410a.1 | lease refer to the KGI Securities 2024 Sustainability Report 3.1.1 Responsible Investment and 3.1.2 Financial Products and Services | - |
| | (1) Number and (2) total value of investments and loans incorporating integration of environmental, social and governance (ESG) factors, by industry | FN-IB-410a.2 | Please refer to the KGI Securities 2024 Sustainability Report 3.1.1 Responsible Investment | - |
| | Description of approach to incorporation of environmental, social and governance (ESG) factors in investment banking and brokerage activities | FN-IB-410a.3 | Please refer to the KGI Securities 2024 Sustainability Report 3.1.1 Responsible Investment | - |

| Topic | Accounting Metrics | Indicator Code | Corresponding Chapter | Page |
|---|---|---|---|---|
| Business Ethics | Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations | FN-IB-510a.1 | 2.4.5 Disclosure of Breaches | 044 |
| | Description of whistleblower policies and procedures | FN-IB-510a.2 | 2.4.4 Compliance | 043 |
| Professional Integrity | (1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings | FN-IB-510b.1 | 2.4.4 Compliance | 043 |
| | Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party | FN-IB-510b.2 | 2.4.5 Disclosure of Breaches | 044 |
| | Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care | FN-IB-510b.3 | 2.4.5 Disclosure of Breaches | 044 |
| | Description of approach to ensuring professional integrity, including duty of care | FN-IB-510b.4 | 2.4.1 Framework and Principles of Ethical Corporate Management | 041 |
| Systemic Risk Management | Global Systemically Important Bank (GSIB) score, by category | FN-IB-550a.1 | The Company is not a G-SIB, so this indicator is not applicable. | - |
| | Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities | FN-IB-550a.2 | Please refer to KGI Securities 2024 Sustainability Report 2.2.2 Embedding Corporate Risk Culture | - |
| | Percentage of total remuneration that is variable for Material Risk Takers (MRTs) | FN-IB-550b.1 | 2.1.4 Remuneration Policy | 027 |
| | | | 4.4.1 Competitive Compensation | 092 |
| | Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied | FN-IB-550b.2 | 2.1.4 Remuneration Policy | 027 |
| | | | 4.4.1 Competitive Compensation | 092 |

(Continue)

| Topic | Accounting Metrics | Indicator Code | Corresponding Chapter | Page |
|---|---|---|---|---|
| Systemic Risk Management | Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities | FN-IB-550b.3 | Please refer to KGI Securities 2024 Sustainability Report 2.2.2 Embedding Corporate Risk Culture | - |
| Number of Policies in Force | (1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitisation transactions | FN-IB-000.A | Please refer to KGI Securities 2024 Sustainability Report 3.1.2 Financial Products and Services | - |
| | (1) Number and (2) value of proprietary investments and loans by sector | FN-IB-000.B | Please refer to the KGI Securities 2024 Sustainability Report 3.1.1 Responsible Investment | - |
| | (1) Number and (2) value of market making transactions in (a) fixed income, (b) equity, (c) currency, (d) derivatives, and (e) commodity products | FN-IB-000.C | Please refer to the KGI Securities 2024 Sustainability Report 3.1.1 Responsible Investment | - |

# 7.4 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

| No. | Indicator | Corresponding Chapter | Page |
|---|---|---|---|
| 1 | The number of information leakage incidents, the percentage of information leakage incidents related to personal information, and the number of customers affected by information leakage incidents. | 2.3 Information Security | 041 |
| 2 | The number of loans and loan balances for promoting small enterprises and community development. | 3.2.2 Implementation and Promotion of Responsible Bank | 058 |
| 3 | The number of participants in financial education for vulnerable groups lacking banking services. | 3.3.2 Financial Inclusion | 073 |
| 4 | Products and services designed by individual operating units to create benefits for the environment or society. | 3.2.2 Implementation and Promotion of Responsible Bank | 058 |

# 7.5 Sustainable Impact Assessment

Due to the focus of external stakeholders on "Climate/nature-related opportunity and risk management" and "Upgrade service convenience through digital finance," the company has conducted an impact assessment to analyze its quantitative benefits on these issues. This year, it has created an impact of NT$4,534.55 million. For detailed benefit indicators, please refer to the table below.

| Significant Topic | Quantitative Output Indicators ($tCO_2e$) | | Quantitative Impact Indicators | | Description of influence |
|---|---|---|---|---|---|
| | Item | 2024 performance | Item | 2024 performance | |
| Climate/nature-related Opportunity and Risk Management | Sustainable investment and financing carbon reduction amount (Note 1) | 564,844.38 | Sustainable investment and financing carbon reductions | NT$4,533.13 million | When the Company utilizes the Environmental Profit and Loss (EP&L) methodology to calculate the positive environmental impact generated by reducing carbon emissions through investment and financing in green energy, renewable energy, sustainable bonds and green bonds. |
| Upgrade Service Convenience Through Digital Finance | Digital insurance services carbon reduction amount | 177.48 | Digital insurance services carbon reductions | NT$1,424,321 | When the Company utilizes the Environmental Profit and Loss (EP&L) methodology to calculate the positive environmental impact generated by reducing paper consumption through digital insurance services |

Note: 1. The carbon reduction resulting from sustainable investment and financing is based on available data, excluding data that cannot be obtained for the calculation of the environmental impact assessment methodology. The quantification indicator is calculated using the most recent annual data, which includes assessable green energy and renewable energy investment and financing, sustainable bonds and green bonds, but does not encompass all data on sustainable investment and financing.
2. Digital insurance services include mobile insurance applications, electronic policies, E-Notices, E-Services, mobile claims, and customer APPs (i Life).

# 7.6 Assurance Statement and Other Certificates

## 7.6.1 Independent Assurance Opinion Statement

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By Royal Charter

### INDEPENDENT ASSURANCE OPINION STATEMENT

KGI Financial 2024 ESG Report

The British Standards Institution is independent to KGI Financial Holding Co., Ltd. (hereafter referred to as KGI Financial in this statement) and has no financial interest in the operation of KGI Financial other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of KGI Financial only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by KGI Financial. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to KGI Financial only.

#### Scope

The scope of engagement agreed upon with KGI Financial includes the followings:

1. The assurance scope is consistent with the description of KGI Financial 2024 ESG Report.
2. The evaluation of the nature and extent of the KGI Financial's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the KGI Financial 2024 ESG Report provides a fair view of the KGI Financial sustainability programmes and performances during 2024. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the KGI Financial and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate KGI Financial's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that KGI Financial's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to KGI Financial's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on KGI Financial's approach to stakeholder engagement. Moreover, we had sampled 1 external stakeholder to conduct interview.
- interview with 29 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of materiality assessment process.
- review of key organizational developments.
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards is set out below:

**Inclusivity**

In this report, it reflects that KGI Financial has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the KGI Financial's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

**Materiality**

The KGI Financial publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Abbreviation and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Abbreviation's management and performance. In our professional opinion the report covers the KGI Financial's materiality assessment process and material issues.

**Responsiveness**

KGI Financial has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the KGI Financial is developed and continually provides the opportunity to further enhance KGI Financial's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the KGI Financial's responsiveness issues.

**Impact**

KGI Financial has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. KGI Financial has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the KGI Financial's impact issues.

**Performance information**

Based on our work described in this statement and with no conflict of interest with the KGI Financial in relation to providing the assurance of ESG performance information, which has been assured, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, KGI Financial and BSI have agreed upon to include in the scope. In our view, nothing has come to our attention that the data and information contained within KGI Financial 2024 ESG Report were no significant errors, omissions, or misstatements based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

**GRI Sustainability Reporting Standards (GRI Standards)**

KGI Financial provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the KGI Financial's sustainability topics.

**Assurance level**

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

**Responsibility**

This sustainability report is the responsibility of the KGI Financial's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

**Competency and Independence**

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

AA1000
Licensed Report
000-4/V3-W6748

Peter Pu, Managing Director BSI Taiwan

Statement No: SRA-TW-806843

2025-05-11

...making excellence a habit.™

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.

## 7.6.2 Independent Accountant's Limited Assurance Report

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English Translation of a Report Originally Issued in Chinese

**Independent Accountant's Limited Assurance Report**

**To KGI Financial Holding Co., Ltd.**

We have been engaged by KGI Financial Holding Co., Ltd. (hereinafter referred to as "KGI Financial") to perform a 'limited assurance engagement', hereinafter referred to as the "Engagement", as defined by the Taiwan Accounting Research and Development Foundation, to report on the selected sustainability information ("the Subject Matter") included in KGI Financial's 2024 Sustainability Report ("the Sustainability Report").

**The Subject Matter selected by KGI Financial and their Applicable Criteria**

Regarding the Subject Matter selected by KGI Financial and their applicable criteria, please refer to Appendix A.

**KGI Financial Responsibility**

KGI Financial's management is responsible for preparation of the Sustainability Report in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange Corporation, including referencing to GRI Standards issued by Global Sustainability Standards Board, and for the design, execution and maintenance of internal controls in regard to report preparation to support the collection and presentation of the Sustainability Report. KGI Financial's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

**Our Responsibilities**

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our responsibility is to plan and perform a limited assurance engagement in accordance with the International Statements on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the Taiwan Accounting Research and Development Foundation. The standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

**Our independence and quality management**

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which basic principles are integrity, objectivity, professional competence, due care and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Description of procedures performed**

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures related to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with KGI Financial's personnel to understand KGI Financial's business, sustainability implementation and reporting process;
- Understand the expectations and requirements of the key stakeholders and stakeholders, the specific communication channels between the two parties, and how KGI Financial responds to such expectations and requirements through interviews and inspection of relevant documents;

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- Conducted interviews with KGI Financial's key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Performing analytical procedures on selected information; Collecting and assessing other supporting documentation and the obtained management representation letter. Testing samples if necessary;
- Reading the Sustainability Report to confirm with the consistency of the indicators in the Sustainability Report which contribute to the selected information.

**Inherent Limitations**

Non-financial information contained within the Subject Matter are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also assurance engagements are based on selective testing of information being examined. Any internal control is subjected to limitations. Consequently, it is not possible to detect all existing material misstatements whether resulting from fraud or error.

**Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter, in order for it to be in accordance with the Criteria.

Ernst & Young
July 18, 2025
Taipei, Taiwan, Republic of China

*Notice to Readers*
*The reader is advised that the assurance report has been prepared originally in Chinese. In the event of a conflict between the assurance report and the original Chinese version or difference in interpretation between the two versions, the Chinese language assurance report shall prevail.*

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Appendix A:

**No. 1**

**Subject Matter:**

"Workforce Classification" and "Workforce Employment Type" in Chapter 4.1.1 Diversity and Inclusion.

Note: Employees consist of permanent and contract employees, whereas non-employees encompass dispatched, contracted, and dual-contract personnel. Individuals on leave without pay are not included in these counts.

**Applicable Criteria:**

**GRI 2-7 Employees**

In accordance with **GRI 2-7 a.**, KGI Financial disclosed the total number of employees breakdown by employment types, gender, and region as of December 31, 2024.

**No. 2**

**Subject Matter:**

"Workforce Classification" and "Workforce Employment Type" in Chapter 4.1.1 Diversity and Inclusion.

Note: Employees consist of permanent and contract employees, whereas non-employees encompass dispatched, contracted, and dual-contract personnel. Individuals on leave without pay are not included in these counts.

**Applicable Criteria:**

**GRI 2-8 Workers who are not employees**

In accordance with **GRI 2-8 a.**, KGI Financial disclosed the total number of workers who are not employees and whose work is controlled by the organization, and breakdown by employment types, gender, and region as of December 31, 2024.

**No. 3**

**Subject Matter:**

"Avoidance of Conflict of Interest" in Chapter 2.1.1 Board of Directors Structure.

**Applicable Criteria:**

**GRI 2-15 Conflicts of interest**

In accordance with **GRI 2-15 a.**, KGI Financial disclosed the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated; In accordance with **GRI 2-15 b.**, KGI Financial reported whether conflicts of interest are disclosed to stakeholders.

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**No. 4**

**Subject Matter:**

"The situation for 2024 has been detailed in the Company's 2024 Internal Control System Statement. Specifically, there were three cases involving KGI Bank and three cases involving KGI Securities, with total fines amounting to NT$1.38 million, as well as two cases involving KGI Life with total fines of NT$4.7 million. The Company and its subsidiaries reported zero cases." in Chapter 2.4.5 Disclosure of Breaches.

**Applicable Criteria:**

**GRI 2-27 Compliance with laws and regulations**

In accordance with **GRI 2-27 a.**, KGI Financial disclosed the total number of significant instances of non-compliance with laws and regulations during the reporting period, and breakdown by instances for which fines were incurred and for which non-monetary sanctions were incurred; In accordance with **GRI 2-27 c.** and **d.**, KGI Financial describe the definition of significant instances of non-compliance refers to the number of public statements in the Internal Control System Statement.

**No. 5**

**Subject Matter:**

The "Financial Summary" table in About the Report shows the retained economic value in 2024.

**Note:** Economic value retained: 'direct economic value generated' less 'economic value distributed'. Direct economic value generated: revenues; Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments.

**Applicable Criteria:**

**GRI 201-1 Direct economic value generated and distributed**

In accordance with **GRI 201-1 a. iii,** KGI Financial disclosed the total economic value retained generated and distributed on an accruals basis in 2024. ('direct economic value generated' less 'economic value distributed')

**No. 6**

**Subject Matter:**

The "Employee Trust Shareholding Plan" and "Retirement Plan" in Chapter 4.4.2 Employee Wellbeing. The Employee Trust Shareholding Plan encourages employee participation, and the Group also provides a 100% matching contribution as a reward. The retirement conditions and pension payment methods are developed in accordance with the 'Labor Standards Act' and the 'Labor Pension Act.'

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**Applicable Criteria:**

**GRI 201-3 Defined benefit plan obligations and other retirement plans**

In accordance with **GRI 201-3 d.**, KGI Financial disclosed the percentage of salary contributed by employee or employer, and **GRI 201-3 e.** to describe the level of participation in retirement plans. The retirement conditions and pension payment methods are developed in accordance with the 'Labor Standards Act' and the 'Labor Pension Act,' and provides a 100% matching contribution as a reward.

**No. 7**

**Subject Matter:**

"Principal Investments", "Asset management business" and "Sustainable Financial Influence" in Chapter 3.1.3 Responsible Investment Performance shows the responsible investment services and amount of responsible investment in 2024.

"Green Credit Amounts", "Category and Amounts of Green Credit in 2024" and "Renewable Energy Financing Amount for Indicative Projects" tables in Chapter 3.2.2 Implementation and Promotion of Responsible Bank shows the amount of green credit and renewable energy finance project in 2024.

"Contributed service hours for the Inclusive Vision project" in Chapter 6 Co-Creation of Sustainable Society.

**Applicable Criteria:**

**GRI 203-1 Infrastructure investments and services supported**

In accordance with **GRI 203-1 a.**, KGI Financial disclosed the extent of development of significant infrastructure investments and services supported by KGI Financial invests in the green industry and responsible investments; In accordance with **GRI 203-1 c.**, reported whether KGI financial's investments and services are commercial, in-kind, or pro bono engagements.

**No. 8**

**Subject Matter:**

"Renewable Energy Financing Amount for Indicative Projects" in Chapter 3.2.2 Implementation and Promotion of Responsible Bank shows the expected annual carbon reduction in 2024.

"Contributed service hours for the Inclusive Vision project" in Chapter 6 Co-Creation of Sustainable Society.

**Applicable Criteria:**

**GRI 203-2 Significant indirect economic impacts**

In accordance with **GRI 203-2 a.**, KGI Financial identified significant indirect economic

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impacts of the organization, including positive and negative impacts. KGI Financial identified significant indirect economic benefits for 2024, following the actual investment in major infrastructure and support services in 2024.

**No. 9**

**Subject Matter:**

"To reduce unnecessary resource consumption during product transportation and promote local economic development, the company actively procures from Taiwanese enterprises. In 2024, the proportion of local procurement reached approximately 97.8%." in Chapter 5.2.2 Responsible Procurement.

Note: For local sourcing principles, please refer to the KGI Financial official website.

**Applicable Criteria:**

**GRI 204-1 Proportion of spending on local suppliers**

In accordance with **GRI 204-1 a.** KGI Financial disclosed the percentage of the procurement budget spent on local suppliers at significant locations of operation; **GRI 204-1 b.**, KGI Financial defines 'local' as business in Taiwan; and **GRI 204-1 c.**, the definition of 'significant locations of operation' aligns with the boundaries outlined in the report.

**No. 10**

**Subject Matter:**

"KGI Financial and main subsidiaries (including their operating units) have all completed the 2024 risk assessment of unethical conduct before March 2025, either directly or indirectly, with a 100% completion rate." and "After the assessment and implementation of risk mitigation measures, the unethical conduct risk for each company is assessed as low." in Chapter 2.4.2 Implementation of Ethical Management.

**Applicable Criteria:**

**GRI 205-1 Operations assessed for risks related to corruption**

In accordance with **GRI 205-1 a.**, KGI Financial disclosed the total number and percentage of operations assessed for risks related to corruption; In accordance with **GRI 205-1 b.**, KGI Financial outlined the significant risks related to corruption identified through the risk assessment.

**No. 11**

**Subject Matter:**

"In the fourth quarter of 2024, the Group successfully completed its comprehensive Ethical Management (includes whistleblowing) training program. This training was designed for formal employees based in Taiwan, employees from overseas subsidiaries, as well as domestic non-full-time staff, including field personnel and sales representatives, and non-formal

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employees such as temporary staff and interns. Approximately 23,700 participants from within the country and over 800 from overseas took part, resulting in a total of more than 24,500 participants (the number of participants who completed the training in the company and its subsidiaries is noted in the footnote). The completion rate was 100%." in Chapter 2.4.2 Implementation of Ethical Management.

Note: The number of personnel trained by the Company and its subsidiaries is as follows:
(1) The Company: nearly 200 individuals; (2) CDBI Capital and its subsidiaries: over 240 individuals; (3) KGI Securities Investment Trust: over 130 individuals; (4) KGI Securities and its subsidiaries (including internal staff and securities sales personnel): over 4,400 individuals; (5) KGI Life Insurance (including internal staff and insurance sales personnel): over 17,000 individuals; (6) KGI Bank and its subsidiaries: over 2,600 individuals.

**Applicable Criteria :**
**GRI 205-2 Communication and training about anti-corruption policies and procedures**
In accordance with **GRI 205-2 e.**, KGI Financial disclosed the total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.

**No. 12**
**Subject Matter:**
"Cases involving violations of the Ethical Management Best Practice Principles, Code of Ethical Conduct, or Regulations Governing the Handling of Whistleblowing Cases on Illegal, Unethical, or Dishonest Conduct by the Company and its subsidiaries" table in Chapter 2.4.5 Disclosure of Breaches.

**Applicable Criteria :**
**GRI 205-3 Confirmed incidents of corruption and actions taken**
In accordance with **GRI 205-3 a.**, KGI Financial disclosed the total number and nature of violations of the Ethical Management Best Practice Principles, Code of Ethical Conduct, or Regulations Governing the Handling of Whistleblowing Cases on Illegal, Unethical, or Dishonest in 2024.

**No. 13**
**Subject Matter:**
In Chapter 7.1.3 Energy Consumption:
The non-renewable energy and renewable energy consumption in "Energy Consumption."
The natural gas, gasoline, diesel consumption in "Non-renewable sources fuel types."
The Solar energy consumption in "Renewable sources fuel types."

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Note:
- The 2024 inventory includes all KGI Financial and subsidiaries global sites (Except of KGI Bank's overseas subsidiary in liquidation, CDIB International Leasing Corp.)
- 1 MWh = 3.6 GJ

**Applicable Criteria :**
**GRI 302-1 Energy consumption within the organization**
In accordance with **GRI 302-1**, KGI Financial disclosed the types of total fuel consumption within the organization from non-renewable sources, renewable sources, non-renewable electricity and renewable electricity in joules, watt-hours or multiples.

**No. 14**
**Subject Matter:**
In Chapter 7.1.3 Energy Consumption:
The total energy consumption and energy consumption per capita in "Non-renewable sources fuel types."
Note:
- Energy consumption per capita = total energy consumption (Natural gas, gasoline, diesel) / number of total employees, total employees including permanent employees, contract employees and dual-contract personnel
- The 2024 inventory includes all KGI Financial and subsidiaries global sites (Except of KGI Bank's overseas subsidiary in liquidation, CDIB International Leasing Corp.)

**Applicable Criteria :**
**GRI 302-3 Energy intensity**
In accordance with **GRI 302-3 a.**, KGI Financial disclosed energy intensity ratio for the organization. Formula explanation as indicated in the notes.

**No. 15**
**Subject Matter:**
The "Energy-saving Measures and Investments" table in Chapter 5.1.3 Energy Management indicated KGI Financial use the energy-saving measures in 2024 compares to the electricity reduction in the previous year to calculate the annual energy consumption.

**Applicable Criteria:**
**GRI 302-4 Reduction of energy consumption**
In accordance with **GRI 302-4 a.**, KGI Financial disclosed the amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples; In accordance with **GRI 302-4 b.**, KGI financial disclosed electricity as the type of energy included in the reductions; In accordance with **GRI 302-4 c.**, KGI financial set the previous year (2023) as the base year for calculating reductions in energy consumption. KGI Financial uses the system to calculate the quantitative results of annual electricity savings from the equipment replacement in 2024.

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**No. 16**
**Subject Matter:**
In Chapter 7.1.1 GHG Emissions:

Unit：$tCO_2e$

| 2024 | |
|---|---|
| Scope 1 | 1,525.41 |

Note: The 2024 inventory includes all KGI Financial and subsidiaries global sites (Except of KGI Bank's overseas subsidiary in liquidation, CDIB International Leasing Corp.)

**Applicable Criteria:**
**GRI 305-1 Direct (Scope 1) GHG emissions**
In accordance with **GRI 305-1**, KGI Financial disclosed the direct (Scope 1) GHG emissions. The total GHG emissions had been verified by third parties.

**No. 17**
**Subject Matter:**
In Chapter 7.1.1 GHG Emissions:

Unit：$tCO_2e$

| 2024 | |
|---|---|
| Scope 2 (Market-based) | 17,870.05 |
| Scope 2 (Location- based) | 22,224.04 |

Note: The 2024 inventory includes all KGI Financial and subsidiaries global sites (Except of KGI Bank's overseas subsidiary in liquidation, CDIB International Leasing Corp.)

**Applicable Criteria:**
**GRI 305-2 Energy indirect (Scope 2) GHG emissions**
In accordance with **GRI 305-2**, KGI Financial disclosed the market-based and location-based indirect (Scope 2) GHG emissions in metric tons of $CO_2$ equivalent. The total GHG emissions had been verified by third parties.

**No. 18**
**Subject Matter:**
In Chapter 7.1.1 GHG Emissions:

Unit：$tCO_2e$

| 2024 | | |
|---|---|---|
| Intensity | Per capita | 1.44 |
| | Per net revenue (NTD Million) | 0.26 |

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**Applicable Criteria:**
**GRI 305-4 GHG emissions intensity**
In accordance with **GRI 305-4 a.**, KGI Financial disclosed the GHG emissions intensity ratio for the organization. Per capita emission = total emission / number of total employees, total employees including permanent employees, contract employees and dual-contract personnel.

**No. 19**
**Subject Matter:**
The "Energy-saving Measures and Investments" table in Chapter 5.1.3 Energy Management indicated KGI Financial use the energy-saving measures in 2024 compares to the electricity reduction in the previous year to calculate the total emission reduction.

**Applicable Criteria :**
**GRI 305-5 Reduction of GHG emissions**
In accordance with **GRI 305-5 a.**, KGI Financial disclosed the GHG emissions reduced as a direct result of reduction initiatives in metric tons of $CO_2$ equivalent. KGI Financial uses the system to calculate the total emission reduction from the equipment replacement in 2024.

**No. 20**
**Subject Matter:**
The "Mental Care", "Health Checkup", "Health Check Leave", "Massage Services", "Group Insurance", "Financial Health Seminar", "Flexible Working Program", "Volunteer Leave" and "Birthday Leave" in Chapter 4.4.2 Employee Wellbeing explained different types of employee benefits in 2024.

**Applicable Criteria:**
**GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees**
In accordance with **GRI 401-2 a.**, KGI Financial disclosed the benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation.

**No. 21**
**Subject Matter:**
"Baby Care (Parental) Leave Statistics" in Chapter 4.4.2 Employee Wellbeing.
Note: No. of eligible applicants includes the total number of female employees taking maternity leave and male employees applying for childbirth subsidies in that year.

**Applicable Criteria:**
**GRI 401-3 Parental leave**
In accordance with **GRI 401-3**, KGI Financial disclosed, by gender, the total number of

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employees that were entitled to parental leave, total number of employees that took parental leave, total number of employees that returned to work in the reporting period after parental leave ended, total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, the return to work and retention rate of employees that took parental leave.

**No. 22**

**Subject Matter:**

"The Group's occupational safety and health personnel, along with nurses, proactively cared for employees on 1,806 occasions, and conducted 66 on-site physician service sessions and 206 on-site nursing service sessions, with a total of 955 visits by employees." in Chapter 4.5.2 Workplace Health.

**Applicable Criteria:**

**GRI 403-6 Promotion of worker health**

In accordance with **GRI 403-6 a.**, KGI Financial disclosed of how the group facilitate workers' access to non-occupational medical and healthcare services through on-site physician and nursing service sessions.

**No. 23**

**Subject Matter:**

In Chapter 3.4.2 Customer Privacy Rights and Protection:

- In 2024, KGI Life Insurance processed the transmission of co-sales annotation data to KGI Financial's consent form platform. KGI Life Insurance was fined NT$500,000 for uploading the identification numbers of customers who had either selected "Disagree" or left the "Customer Data Usage Consent Form" blank. No other financial holding companies or their subsidiaries were penalized by regulatory authorities for incidents involving data leaks, theft, or loss of customer information.
- There was no secondary data use in 2024.

**Applicable Criteria:**

**GRI 418-1**

In accordance with **GRI 418-1 a.**, KGI Financial the total number of "complaints received outside parties and substantiated by the organization" and "complaints from regulatory bodies" received concerning breaches of customer privacy. The 2024 statistic results from Financial Supervisory Commission disclosed the number of incidents involving identified leaks, thefts, or losses of customer data that resulted in regulatory sanctions with the corresponding explanations.

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**No. 24**

**Subject Matter:**

The statistics of relevant cybersecurity incident in 2024 are as follows：

(1) 0 case of cybersecurity incident.
(2) 0 case of cybersecurity incident involving loss of customer's data.
(3) 0 customer was affected by cybersecurity incident.
(4) NT$0 in financial loss related to cybersecurity incident.
(5) Received a self-reported cybersecurity incident from colleagues, and after verification, it was found that it was not a cybersecurity-related incident.
(6) Received 0 cybersecurity incident reports from the subsidiaries.
(7) No incident where there was a computer virus or hacker intrusion that cost significant damage to customer interests or affected normal business operations.

**Applicable Criteria:**

**Sustainability disclosure indicator in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (No. 1 of Appendix 1-3)**

In Chapter 2.3 Information Security, this list disclosed statistics on the number of information leakage incidents, the number of leakage incidents relating to personal data, and the number of customers affected by information leakage incidents at KGI Financial in 2024.

**No. 25**

**Subject Matter:**

- The "Loans to start-ups in key industries and micro-business" table in Chapter 3.3.2 Financial Inclusion.
- The "Support the cultural and creative industries" table in Chapter 3.3.2 Financial Inclusion.

Note: "Small and micro enterprises" are defined as enterprises whose annual revenue has not exceeded NT$300 million in the most recent two years.

**Applicable Criteria:**

**Sustainability disclosure indicator in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (No. 2 of Appendix 1-3)**

These tables disclosed statistics on the number of loans and loan balance to promote small enterprises and community development undertaken by KGI Financial in 2024.

**No. 26**

**Subject Matter:**

The "2024 Finance Seminars" table in Chapter 3.4.3 Quality Services Tailored to Customer Needs.

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**Applicable Criteria:**

**Sustainability disclosure indicator in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (No. 3 of Appendix 1-3)**

This table disclosed statistics on the number of participants for financial education provided to disadvantaged groups that lack banking services by KGI Financial in 2024.

**No. 27**

**Subject Matter:**

- The number of applicants and success rate in 2024 for "Giving You A Hand Revolving Personal Loan Project", "Taxi Driver Loan", "E-Commerce Seller Loan", "Delivery Person Loan" in Chapter 3.3.2 Financial Inclusion.
- The number of public welfare trust funds and the amount of management in 2024 for "Charitable trust product" in Chapter 3.3.2 Financial Inclusion.
- Explained the project content and results in 2024 for "Campus Payroll Transfer Service Project" and "Foundation Payroll Transfer Service Project" in Chapter 3.3.2 Financial Inclusion.
- The amount of charity investment in 2024 for "Volunteer Service Project" in Chapter 6.3 Financial Inclusion.

Note: The calculation of the amount of public welfare investment includes the cash investment amount of each project, and does not include the converted amount of in-kind donations.

**Applicable Criteria:**

**Sustainability disclosure indicator in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (No. 4 of Appendix 1-3)**

This article disclosed statistics on the products and services designed by the business divisions of KGI Financial in 2024 that generate environmental or social benefits.

Note: Environmental and social disclosures cover the parent company and five major subsidiaries, including overseas entities: KGI Life Insurance, KGI Bank, KGI Securities, KGI SITE, and CDIB Capital. Any inconsistencies in disclosure boundaries across different topics are specified within the relevant Chapters or sections.

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