

2024

Sustainability Report SFI



SECURITIES &
FUTURES INSTITUTE

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2024

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Introduction

This report, compiled by the Securities and Futures Institute (hereafter referred to as the "Institute" or "SFI"), aligns with government policies and global trends. The Institute remains steadfast in its commitment to advancing environmental sustainability, social responsibility, and corporate governance as guiding principles for organizational development. With a continuous advocating for the securities and futures industry, the Institute offers recommendations and nurtures talent within the sector. Since 2020, SFI has been proactively compiling the Sustainability Report annually, aiming to present management guidelines and disclose significant sustainable themes such as environmental, social, and governance themes identified by the Institute in 2024. Moreover, the Institute is dedicated to providing comprehensive information and upholding sustainable operations.

Disclosure Period, Parameters, and Scope

This Report spans from January 1st, 2024, to December 31st, 2024, and offers a comprehensive overview of major issues, management guidelines, and the Institute's performance in sustainable development. It addresses stakeholder concerns, outlining the strategic measures undertaken by the Institute. The scope of disclosure in this Report remains aligned with the previous edition, which includes the Institute's Nanhai and Ximen offices. During the reporting period, no significant changes that may affect this Report, such as changes of ownership, took place.



Reporting Basis

This report adheres to the 2021 version of the GRI Sustainability Reporting Standards (core option) published by the Global Reporting Initiative (GRI).

Information Gathering and Sources

The information disclosed in this Report was entirely provided by departments within the Institute. All information is provided with honesty, integrity, and transparency, although not verified or guaranteed by the third-party. Neither integrity violations nor criminal incidents took place. The Institute has published the Sustainability Report annually since 2020 and has published English versions of the Report since 2021. The previous Sustainability Reports can be downloaded from the Institute's website at <https://www.sfi.org.tw/>

Publication Cycle

The reports are issued annually. Details for the Chinese version of the Sustainability Report are as follows: The current version was released in June 2025, with the next edition scheduled in June 2026. Regarding the English version of the Sustainability Report: The current edition was released in June 2025, and the subsequent version is anticipated for June 2026.

Feedback

Should you have any inquiries or recommendations concerning this report, we invite you to contact the Institute through:

Address: 9F., No.3, Nanhai Rd., Zhongzheng Dist., Taipei City 10066, Taiwan (R.O.C.) Tel: 886-2-2397-1222





Message from the Chairman

Strengthening Green Financial System to Achieve Sustainable Development

In 2024, the Securities and Futures Institute (SFI) continued to deepen its involvement in the ESG field. We have introduced a "Sustainable Finance Certificate" as a foundation, gradually establishing a comprehensive sustainable finance talent examination curriculum and certification system to enhance the sustainability literacy of financial industry professionals. Simultaneously, we have continued to collaborate with the Taiwan Academy of Banking and Finance and the Taiwan Insurance Institute to promote the "Sustainable Finance Evaluation," encouraging greater participation from financial institutions to advance the sustainable development of Taiwan's financial industry. The second Sustainable Finance Evaluation launched in April 2024, with participation from securities firms and investment trusts increasing twofold compared to the previous year (2023), demonstrating the growing influence of the evaluation mechanism. In 2024, we also organized visits with peripheral units such as the Taiwan Stock Exchange and financial institutions to renowned financial institutions including the Bank of Japan and the Japan Exchange Group, gaining deeper insights into Japan's development and experiences in sustainability and net-zero initiatives.

Forward-looking Research Leading Securities and Futures Industry Development

As a think tank for the securities and futures industry, our foundation has long focused on market development trends and conducted in-depth market research. We have conducted in-depth research on various important topics, including the U.S. virtual asset regulatory framework, construction of capital market development indicators, stock price manipulation and surveillance system improvements, the feasibility of adopting CNS in Taiwan, shortening settlement cycles in international securities markets, optimizing corporate governance evaluation mechanisms, and strengthening sustainable governance information disclosure. Through thorough research, we aim to provide forward-looking guidance for the securities and futures industry, promoting corporate emphasis on ESG and enhance capital market quality, jointly promoting sustainable industry development.

Strengthening Industry Momentum and Cultivating Financial Talent

In response to the impact of declining birth rates and the rapidly evolving financial industry, we have collaborated with universities nationwide by signing MOUs to encourage students to obtain financial certifications early. In 2024, we signed MOUs with 24 universities and colleges, including National Central University, National Taichung University of Science and Technology, and National Kaohsiung University of Science and Technology. Additionally, through diversified training courses, we have enhanced the professional capabilities of current financial practitioners. We have also actively expanded online learning channels to serve financial professionals across the country, ensuring they can access the most timely professional knowledge and skills. Through these efforts, we aim to cultivate more high-quality talent for Taiwan's financial industry and enhance the overall competitiveness of the financial sector.

Financial Literacy Promotion for a Better Future

To implement the Financial Supervisory Commission's Financial Literacy Project, our foundation has actively reached the grassroots level, designing diversified investment and financial education activities tailored to different groups. In 2024, we held 248 in-person promotional seminars throughout Taiwan, serving nearly 20,000 people, including senior citizens, indigenous people, new immigrants, women's groups, and disability groups. Our services extended from north to south, from urban to remote areas, including offshore islands such as Hualien, Kinmen, and Penghu. We designed specialized course content for different groups' needs, such as retirement financial planning for seniors and investment basics for young people. Furthermore, we promoted financial literacy through various digital media channels and helped people establish correct investment concepts, understand common investment scams, and enhance risk awareness through these activities.

Social Care and Public Welfare Initiatives

Our foundation actively responds to public welfare initiatives. In 2024, we organized two blood donation events, collecting 338 units of blood; purchased ESG-compliant gift boxes; and collaborated with organic small farmers to contract rice farming, expanding the benefits of public welfare. Additionally, we organized tree-planting activities, ANDREW Charity Association volunteer activities, distributed boxed meals to the homeless at Longshan Temple, and sponsored the documentary "Taiwan Unsung Hero." We also installed donation boxes for the Eden Social Welfare Foundation, encouraging employees to participate in charitable activities.

Regarding ESG, beyond conducting greenhouse gas emission inventories, we will align with government policies to reduce carbon emissions in the future. We also emphasize employee ethical codes and professional competencies, implementing a culture of integrity management, building employee consensus, improving service quality, and ensuring sustainable business development.



General Manager of the Securities and Futures Institute

Chang Li-Chen



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Sustainable Operation

- 1.1 About the SFI
- 1.2 Communication with Key Stakeholders and Management of Major Issues
- 1.3 Pursuing International Initiatives and the SDGs



1.1 About the SFI

1.1.1 Overview of the SFI

Established on May 29, 1984, the Securities & Futures Institute (SFI) operates in accordance with national economic growth policies to provide guidance for investment activities, promote academic and practical research in the domains of securities and futures, and facilitate the sound development of securities and futures markets. The ten main responsibilities of the Institute are shown below, along with an overview of the major events of 2024:





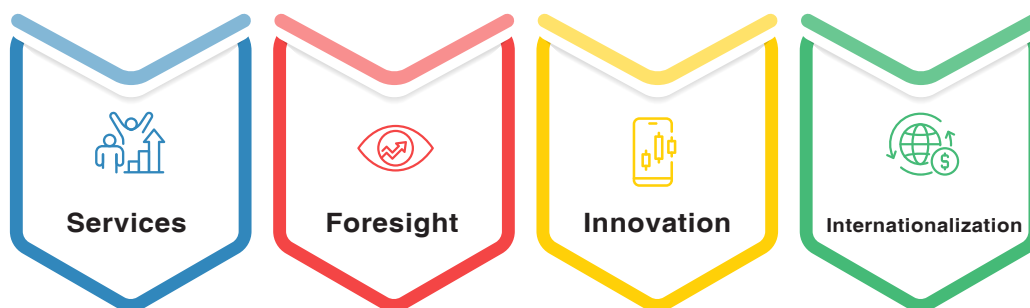
Business Operations of the Institute	Description	Major events of 2024
Research and Development	Formulating policies and supporting measures for critical development in Taiwan's capital market	<ul style="list-style-type: none"> • 17 research projects and 3 market studies • "Updates in the International Securities and Futures Markets" is published monthly. • 11 thematic research projects and 14 market commentary articles
Sustainable Finance	Conducting the Corporate Governance Evaluation; establishing the Candidate Database for Independent Directors, thereby enhancing the professional competence and independence of independent directors; offering courses on sustainable development, carrying out professional assessment, conducting research on sustainability, and planning for the Sustainable Finance Evaluation.	<ul style="list-style-type: none"> • Organized the 11th Corporate Governance Evaluation • The planning of the "Sustainable Financial Evaluation" was jointly conducted with the Taiwan Academy of Banking and Finance (TABF) and the Taiwan Insurance Institute (TII) • A total of 2,534 professionals registered to the Candidate Database for Independent Director
Talent Cultivation	Organizing a comprehensive capital market training course and a variety of talent cultivation projects as well as launching 'Sustainable Finance Certificate.'	<ul style="list-style-type: none"> • A total of 947 events, with 36,315 participants • Organized the Financial Literacy for Youth (FLY) program, with a total of 170 hours of training • Hosting 5 ESG-related conferences and 1 overseas visit as well as launching "Sustainable Finance Certificate" since June
Qualification Exam	Organizing exams and international certification of securities and futures professionals as well as launching sustainable finance development proficiency exam since 2024.	<ul style="list-style-type: none"> • A total of 93,398 examinees registered. 293 people took the international certification exams and 12,208 people took the sustainable finance development proficiency exam.
Investor Education	Launching awareness education campaigns on securities, futures and financial literacy.	<ul style="list-style-type: none"> • A total of 381 events, with 32,486 participants.
Awards and Recognition Programs	Every other year organizing the Golden Goblet Award, which recognizes the excellence of professionals in the securities and futures markets, and the best S&F Paper Award, which encourages research and development in relevant fields, alternately.	<ul style="list-style-type: none"> • Organized the 14th Best S&F Paper Award.
Publication and Information Service	Publishing Review of Securities and Futures Markets and professional books relevant to corporate governance	<ul style="list-style-type: none"> • Compiled test preparation books for securities and futures certification, "Mock Exam Questions and Explanations on Enterprise Internal Control (Seventh Edition)" as well as "Sustainability Development Regulations and Practices".
Asset Management Professionals Training and Industry Development Fund	Established a fund management committee to utilize and manage income and expenditure of the fund; hosted promotional campaign events for talent cultivation of asset management professionals, investment professionals, and industry development.	<ul style="list-style-type: none"> • Hosted 3 industry research and development projects • Organized 20 talent cultivation programs for asset management professionals • Managed 5 investor education projects
Futures Industry Development Fund	Established a fund management committee to supervise the operation of the fund; hosted promotional campaign events for talent cultivation of the futures industry, futures trading professionals, and industry development.	<ul style="list-style-type: none"> • Hosted 1 promotional campaign event for futures trading professionals • Hosted 3 promotional campaign events for sound policies and systems • Hosted 1 promotional campaign event for industry development
International Development for Securities and Futures Markets Fund	Established a fund management committee to supervise the operation of the fund; hosted activities keeping in steps with the international securities and futures markets	<ul style="list-style-type: none"> • Hosted 6 events, including the "2024 U.S. Commodity Futures Trading Commission (CFTC) seminar on The New Trend Supervisions of Derivatives Market"

1.1.2 Values and Vision of the SFI

The Institute positions itself as a research think tank, a talent cultivation hub, a professional certification platform, and a facilitator of awareness and promotional campaigns, responding to the needs of the securities and futures industry. The Institute aspires to build a comprehensive service platform for the capital market.



To build a sound organization and push for development in the industry, the Institute has shaped an organizational culture of service, forward-looking, innovation, and globalization, which is also the Institute's core competency.



The Institute proposed the following operational strategies to achieve the policy objectives of the FSC, which are improving financial resilience, encouraging financial innovation, achieving financial inclusion, and working towards sustainable finance:





1.1.3 Membership of Relevant Organizations

To move toward a sound financial market, the Institute actively participates in organizations relevant to securities, futures, the financial market, and corporate governance in 2024. The membership status for 2024 is as follows:

Name of the domestic / international organization	Membership status of the Institute
Taiwan Financial Services Roundtable Group member	Group member
Securities Analysts Association, Chinese Taipei	Group member
Corporate Governance Association	Group member
The Chinese Association of Business and Intangible Assets Valuation(CABIAV)	Group member (permanet member)

1.1.4 Sustainable Investment Policies

In response to the influence of the global socioeconomic environment and climate change on technology, the concept of sustainable investing has gained prominence internationally. Therefore, the Institute has introduced sustainability principles into its investment strategy. The Institute constructs portfolios following the principles below:

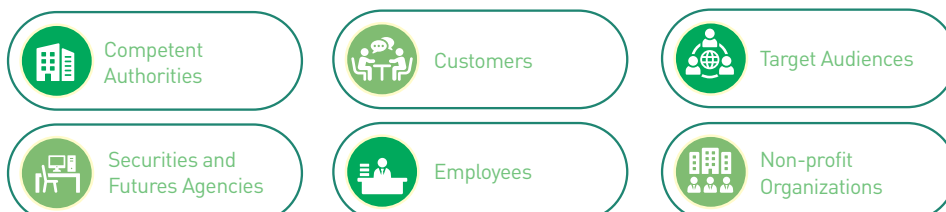
- Engagement: The Institute will prefer companies with better ESG performance or fundamentals and gradually increase ETF holdings that track sustainability-related indices.
- Exclusion: The Institute will gradually exclude companies whose governance philosophy or business conduct is not aligned with sustainability principles and companies that are not constituents of any sustainability-related indices from the investment universe.

1.2 Communication with Key Stakeholders and Management of Major Issues

1.2.1 Communication with Key Stakeholders







Identifying Key Stakeholders

The Institute adheres to principles stated in the Stakeholder Engagement Standard (AA1000SES). According to the standards outlined above and the SFI operation of 2023, the Institute identified six categories of key stakeholders, including the competent authorities, securities and futures agencies, target audiences, customers, employees, and non-profit organizations.



Communication channels with key stakeholders and frequency of communication

To maintain proper communication with SFI stakeholders, the Institute has built a variety of communication channels, ensuring engagement with all stakeholders and understanding their needs:

Key Stakeholders	Significance to the Institute	Communication Channels	Frequency of Communication
 Competent Authorities	The Institute continuously cooperates with policies set out by the competent authorities to facilitate the development of the securities and futures markets.	Official documents	Ad hoc
		Phone calls and emails	Ad hoc
		Meetings	Ad hoc
 Securities and Futures Agencies	Agencies are the closest partners of the Institute in facilitating the development of the securities and futures markets.	Official documents	Ad hoc
		Phone calls and emails	Ad hoc
		Meetings	Ad hoc
 Target Audiences	The general public, financial practitioners, investors, trading professionals, faculty, students, and military personnel are the key target audiences of the Institute when launching awareness campaigns on laws, regulations, and financial literacy.	Various business service hotlines	Ad hoc
 Customers	The Institute is relentlessly pushing for progress to better serve industry professionals, students, and examinees participating in courses, and examinations.	Courses and programs hotline	Ad hoc
		Satisfaction survey	Ad hoc
 Employees	Employees are the most valuable assets of the Institute. The Institute aspires to prosper and grow together with all employees.	management meeting	Quarterly
		Birthday parties	Quarterly
		Year-end banquets, company trips, environmental protection and social welfare activities	Annually
 Non-profit	Promotional campaigns and competitions on campus are means to deepen financial literacy.	Satisfaction survey	Ad hoc

1.2.2 Management of Major Topics

Identifying sustainability issues

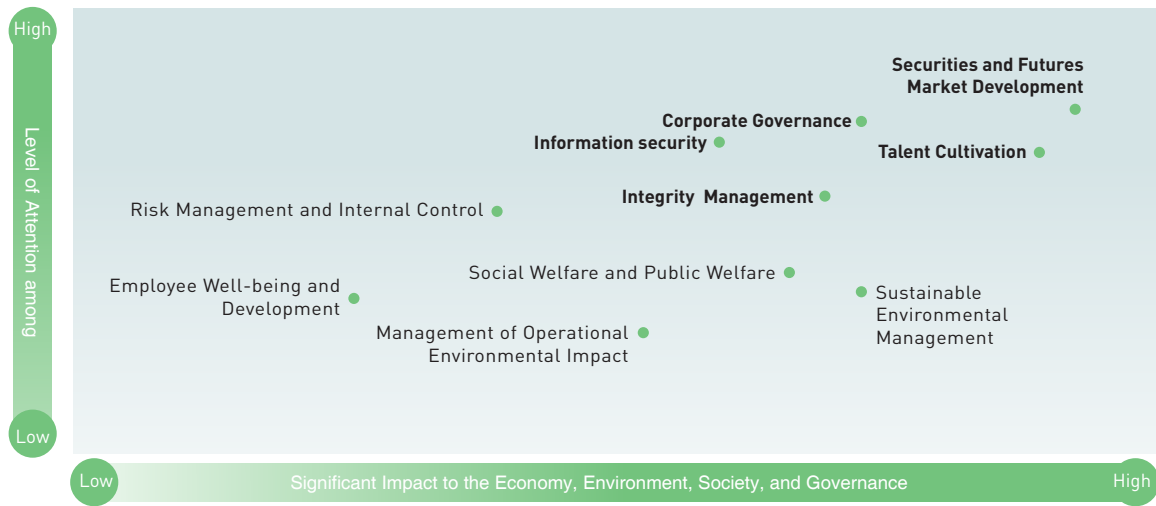
In accordance with the United Nations Sustainable Development Goals (SDGs) and GRI Standards, the Institute has identified the following sustainability issues that may come to be of concern to key stakeholders. These issues involve economic and ESG topics, which are environmental (E), social (S), and governance (G).

No significant changes in the 2024 Operations Meeting were made. The major topics for 2023 remained the same as those in the 2022 report. These 10 sustainable topics include: "Securities and Futures Market Development", "Social Engagement and Public Welfare", "Sustainable Environmental Management", "Integrity Management", "Management of Operational Environmental Impact", "Employee Well-being and Development", "Risk Management and Internal Control", "Talent Cultivation", "Corporate Governance", and "Information Security". These sustainable topics will be identified and screened based on operational circumstances.



Identifying Major Issues

SFI actively engages in discussions with stakeholders to evaluate their interest in sustainability issues. Through careful consideration of the economic, environmental, and social impact of each, the institute identifies its primary concerns. Notable among the Institute's major issues for 2024 are the development of the securities and futures markets, corporate governance, cybersecurity, professional talent development, and business integrity. The matrix below outlines these five key topics and their relevant descriptions:



Matrix of Major Topics 2024

Impact Parameters of the Major Issues

The impact parameters of the Institute's five major issues both within and outside the organization, are as follows:

Major Issues	Within the Organization	Outside the Organization				
	Employees	Competent Authorities	Securities and Futures Agencies	Customers	Target Audiences	Non-profit Organizations
Development of the securities and futures markets	●	●	●	●	●	●
Corporate Governance	●	●				
Information Security	●	●	●	●	●	●
Development of Professional Talent			●	●	●	●
Business Integrity	●	●				

Guidelines for the Management of Major Issues

The major issues, their significance to the Institute, and the corresponding chapter in this Report are as follows:

Major Issues	Significance to the Institute	Corresponding Chapters in this Report
Development of Securities and Futures Markets	The Institute's mission is to promote the sound development of the securities and futures markets, which involves Corporate Governance Evaluation, Sustainable Finance Evaluation, academic research and excellence recognition, talent cultivation, and certification for financial professionals.	3.1 Research Development, and Excellence Recognition 3.2 Development of Professional Talent 3.3 Certification for Financial Professionals
Corporate Governance	Boards of directors and supervisors of the Institute consist of experts and scholars with extensive experience in the industry and academia and practical knowledge. The Institute also has established internal control systems that improve the efficiency and sustainability of the operations.	2.1 Governance Team 2.2 Risk Management and Response
Information Security	Cyber security is of utmost importance for the Institute while organizing training programs and examinations, audience research, and promotional campaigns, ensuring the security of information concerning all stakeholders, from customers, campaign audiences to employees, to effectively minimize cyber security risks.	2.2.1 Information Security Risk Management
Development of Professional Talent	Offering a diverse range of professional training programs tiered to align with international standards in the capital market, the courses provide excellent pathways for further education. They offer diverse opportunities for continuous learning, thereby enhancing the competitiveness of both individuals and industries.	3.2 Development of Professional Talent
Business Integrity	Establishing rules for business integrity and an employee code of ethics to deepen the organizational culture of business integrity. Additionally, conducting regular reviews for improvement, ensuring a business environment of sustainable development, honesty, transparency, and responsibility.	2.1.2 Business Integrity

1.3 Pursuing International Initiatives and the SDGs


1.3.1 The United Nations' 17 Sustainable Development Goals (SDGs)

The United Nations passed the 2030 Agenda for Sustainable Development in September 2015, a roadmap for sustainable development from 2015 to 2030. The Agenda contains 17 Sustainable Development Goals (SDGs) and 169 targets, calling all developed and developing countries to take collective actions. The Agenda also recognizes that, while seeking to reduce poverty and resource scarcity, governments must take actions to mitigate the impact of climate change and protect the environment. Strategies that seek economic prosperity must proceed along with strategies that improve the public's health and education and reduce inequalities.

1.3.2 United Nations SDGs that the Institute Pursues

The Institute supports and pursues the Sustainable Development Goals (SDGs) proposed by the United Nations, based on the following: Goal 3: Good health and Well-being; Goal 4: Quality Education; Goal 8: Decent Work and Economic Growth; Goal 10: Reduced Inequalities; and Goal 13: Climate Action). The Institute aims to exert influence in these areas, with details stated below:



United Nations SDGs	SFI measures in pursuit of SDGs
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> • Offering subsidy for employee health examinations and partnering with medical facilities in four counseling assistance programs in offering on-site medical consultation services. • Holding lectures on health, exercise, and well-being to safeguard the employees' health. • Providing medical, occupational hazard, and accident insurance coverage for employees. • Hosting blood donation drives and encouraging employee participation. • Organizing environmental education activities as a part of its commitment to Earth protection.
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> • Building a comprehensive training system, providing professional training programs, from further education for boards of directors and supervisors and corporate governance executives, corporate internal control and audit, programs for securities, futures, and investment professionals, to fin-tech, and promoting lifelong learning of individuals and the overall industry. • Compiling Review of Securities and Futures Markets to facilitate Taiwan's academic research in theories of securities, futures, options, and domestic and international regulations and systems. • Publishing professional books and reference books on securities, futures, investment trust and consulting, and investment analysis for professional examinations and certifications. • Organizing the Best S&F Paper Award to encourage innovative research, and the Golden Goblet Award to recognize the excellence of professionals in the securities and futures markets.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p>	<ul style="list-style-type: none"> • Organizing recruitment exams for securities-related agencies on commission, helping companies to recruit industry professionals and contribute to economic growth. • Hosting the Financial Literacy for Youth (FLY) Program, allowing underprivileged college students access to professional classes in finance. The program aims to help these students be employed as financial professionals by strengthening their competency in finance. • Administering exams and certification of securities, futures, investment trust, and consulting professionals to cultivate talent in these industries.
 <p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries</p>	<ul style="list-style-type: none"> • Offering assistance measures for examinees with physical and visual impairment; as well as offering registration fee discounts for low-income families, the unemployed, people with disabilities, and indigenous peoples. • Organizing fintech conferences and awareness campaigns on financial literacy in remote and rural areas and on campuses to achieve the policy objective of the FSC, achieving financial inclusion. Target audiences include the general public, elderly, indigenous peoples, women, and people with disabilities. • Organizing qualification exams for foreign securities, futures, and investment analysts in Taiwan. • Offering computer-based exam services across campuses in Taiwan, allowing equal access to tests and exams in all areas.
 <p>13 CLIMATE ACTION</p> <p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> • Organizing conferences and awareness campaigns on green finance and hosting the Golden Goblet Award and the Best S&F Paper Award. • Constantly improving indicators, the efficacy of the Corporate Governance Evaluation and conducting academic research on sustainable products following the FSC's Corporate Governance 3.0 - Sustainable Development Roadmap. • Conducting the 1st Sustainable Finance Evaluation, recognizing the top 20% of banks, insurance companies, and securities firms. • Adopting energy-efficient equipment and promoting paperless operations including, electronic official documents, e-DMs, and procurement of green-labeled office appliances.

2

Corporate Governance

2.1 Governance Team

2.1.1 Governance Structure



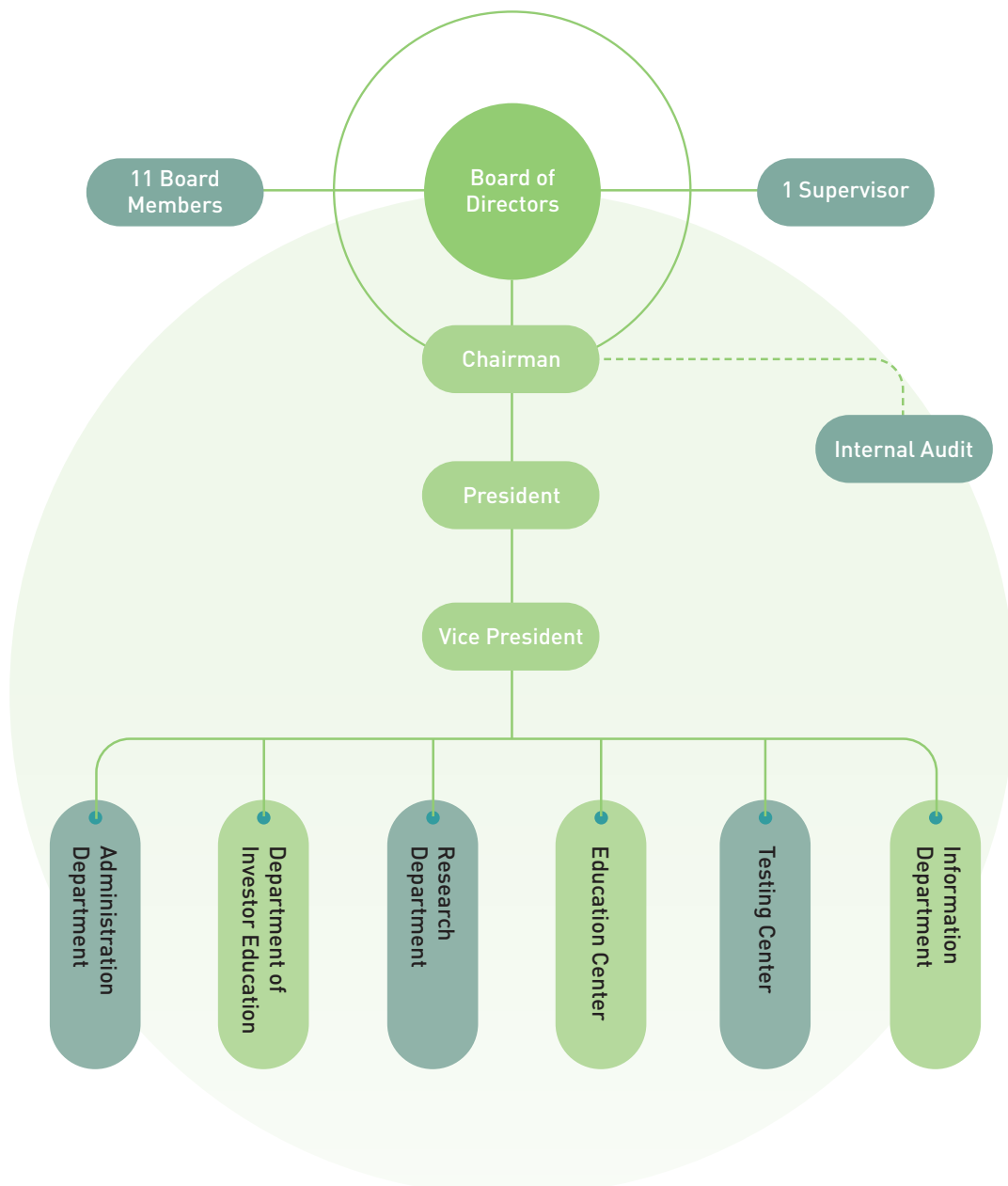


2.1 Governance Team

2.1.1 Governance Structure

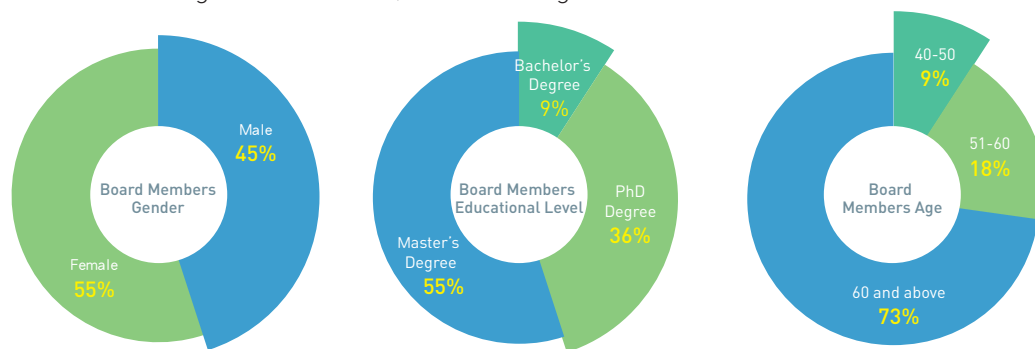
Organizational Chart

The highest decision-making body of the Institute is the Board of Directors, consisting of 11 directors and 1 supervisor, with the Chairman of the board as its representative. The Institute assigns 1 president and 1 vice president to oversee business affairs and additionally established six separate departments: Education Center, Testing Center, Research Department, Department of Investor Education, Information Department, and Administration Department. There is also an internal audit unit reporting directly to the chairman to enhance governance.



Composition of the Board of Directors

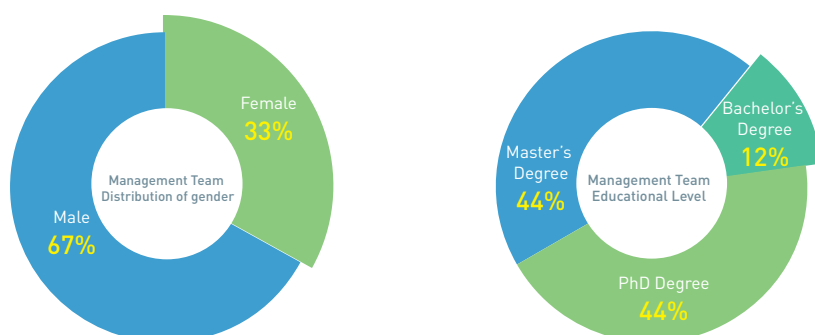
The Institute is a foundation supervised by the FSC. The composition of its board of directors and the appointment and duties of its supervisor adhere to the Institute's donations regulations and legal norms. The Institute also follows relevant regulations of the Foundation Act, electing board members from the donors' meetings while the supervisor is an expert scholar approved by the competent authority. The term of these positions is three years. At least one-fifth of the board members must have relevant expertise or work experience corresponding to the Institute's main responsibilities. The appointment of the board and the supervisor must be submitted to the competent authority for approval. The 16th board of directors and the supervisors (11 board of directors and 1 supervisor) went into office in March 2024. The members include representatives from donor institutions, experts, and scholars with extensive industry and academic experience. In particular, female directors account for 36% of the board. The current term started from March 10, 2021 and ends on March 9, 2024. In 2024, five board meetings took place, with an average attendance rate of 100% for the directors and the supervisor (including proxy attendance). (In 2023, a total of five board meetings were convened, with an average attendance rate of 100%.)



Distribution of gender, education, and age of the board of directors

Management Team

The Chairman acts as the representative, appointing one president and one vice president to oversee the affairs of the board, and each appoints a department head for the six departments, whose areas of expertise range from finance, accounting, business management, and IT engineering. To facilitate interdepartmental issues, regular meetings are convened by senior-executives to gather operational updates, exchange updates in domestic and overseas financial markets, and changes to securities regulations. In 2024, the Institute held 49 briefing meetings, keeping the business operations in check. Distributions of gender and educational level of the Institute's management team are as follows:



Distribution of gender and education of management team



2.1.2 Business Integrity

Business Integrity and Code of Ethics

In accordance with regulations stipulated by the Foundation Act, the 'Code of Conduct and Business Ethics' is established, covering board members, supervisors, president, and other executives, as well as employees and appointees. The code is designed to ensure compliance with laws and adhere to the principles of integrity, transparency, and accountability. Additionally, the Act establishes an appropriate risk management mechanism to ensure sustainable development.

Employee Code of Ethics

To promote the employee's honesty, fairness, and compliance at work, the Institute formulated the Employee Code of Ethics, which stipulates that all employees uphold business integrity, respect their colleagues and customers, and avoid potential conflicts of interests.

Code of Conduct for Investment Staff

To effectively manage the risk associated with fund utilization and to prevent potential conflicts of interest between investment staff and the Institute, a "Code of Conduct for Investment Staff" is established. This code regulates individual involvement in investment activities, requiring their compliance with the "Employee Code of Ethics," the "Business Integrity and Code of Ethics," and this code. They are also required to adhere to the principles of loyalty and integrity to ensure that no actions occur that could adversely affect the interests of the Institute or its stakeholders.



2.2 Risk Management and Response

2.2.1 Cyber Security Risk Management

The Institute is committed to building a secure information platform for capital market education, awareness campaigns, and professional assessment. Personal data protection and information security are regarded as top priority. Through various security mechanisms, customer interests are ensured, and both personal information and information communication security are protected. Furthermore, to provide information security for investors, the Institute has implemented multiple secure and reliable information management systems and personal data protection systems.

Cyber security management

Following the Cyber Security Management Act, the Institute formulated relevant policies on cyber security, personal data protection, incident reporting, and response mechanisms and reported on implementing the cyber security maintenance project. The project includes procedures for cyber security incidents, such as reporting, responding to, and sharing relevant intelligence of such incidents and submitting the investigation results, due process, and improvement reports to competent authorities during on-site audits.

The Institute formulated the cyber security policy, the standard for cyber security measures. The Institute also established the following measures to ensure cyber security:

I. Quantitative Objectives

1. The Cyber Security Policy shall be reviewed at least once per year.
2. The Cyber Security Policy shall be promoted at least 12 times a year.
3. The Management review meeting shall be held at least once a year.
4. The inventory of cyber asset shall be conducted at least once a year.
5. The accuracy of reviewing system access permissions (audits) shall be higher than 99% (correct number of audits / total number of annual audits) .
6. The compliance rate of adhering to access-control regulations to data centers shall be greater than 99% (Number of data center access control compliance / total annual inspections) .
7. The rate of normal operation of surveillance equipment shall be greater than 99% (Number of surveillance equipment operating normally / total annual inspections) .
8. The number of unresolved high-risk vulnerabilities in the core systems shall be 0 (annually) .
9. The availability rate of basic network services shall be greater than 99% (average monthly availability rate of network services / total annual inspections) .
10. System disruptions caused by cybersecurity incidents did not exceed 24 hours

II. Qualitative objectives:

1. Conduct internal and external audits annually to maintain the validity of the Institute's CNS27001 certification and adjust the content of cyber security maintenance in response to changes in laws and technologies to prevent unauthorized access, use, control, disclosure, destruction, tampering, or other forms of infringement on information systems to ensure their confidentiality, integrity and availability.
2. Achieved the requirements of classified levels of the cyber security and reduced the risks associated with cybersecurity.
3. Conduct annual personnel education and training to ensure all personnel receive the required training hours in accordance with relevant regulations, and enhance personnel awareness of cyber security, effective detection and prevention of external attacks, etc.

Passing the ISO 27001 Certification for Information Security Management

The Institute had passed the ISO 27001:2013 (information security management) certification and has been followed up annually by verification agencies and reviewed every 3 years. The certificate remains valid to this day. The Institute also organizes an annual cyber security management review meeting, chaired by the president, to regularly review the implementation of cyber security management measures and ensure the appropriateness and effectiveness of these measures.

In 2024, our institute's cumulative IT expenses totaled NT\$14 million, of which NT\$4 million was allocated to information security protection, accounting for 28.6% of the IT budget. To comply with the 2025 CNS27001 : 2022 revision certification, our institute has added "Configuration



Management Procedure" and "Cloud Service Management Procedure," and modified "Data, File and Document Security Management," "Performance Indicator Summary Table," "Information System Acquisition, Development and Maintenance Procedure," "Information Security Incident Reporting and Response Management Procedure," "Information Asset Inventory," "Communication Management Procedure," and "Outsourcing Management Procedure." Additionally, we are planning to procure DLP, GCB, SOC and other equipment and related services to meet the requirements of the CNS27001:2022 revision certification.

Employee Training

According to the 'Regulations on Classification of Cyber Security Responsibility Levels,' the Institute is classified as a Level-C non-governmental agency. Per regulations, department heads and employees are required to undergo annual information security training, conduct periodic social engineering drills, and participate in random email tests. Additionally, batches of information and audit personnel are enrolled in the latest version of the ISO / IEC 27001 : 2022 cyber security certification course. The SFI information security personnel have obtained the qualifications of 'Intermediate Training Course for Information Security Engineers' and "ISO27001:2022 Lead Auditor" certification.

A total of 93 employees and supervisors of our institute (including new employees starting from May 2024) participated in information security courses, completed in two sessions on March 13 and April 22, 2024. The information security education program outline included "Information Security Attack Trends Sharing, Internet Fraud and Social Engineering, Information Security Protection Awareness, Personal Data Protection Management, Personal Data Incident Sharing and Personal Data Protection Promotion, and ISO27001:2022 Revision Content." The attendance rate was 100% (including new staff who joined after April 2024 who watched the course videos and completed the tests within one week of starting work) .

Business Continuity Management and Response of Cyber Security Incidents Reporting

Regular ongoing training schedules are set for all information systems, with each system required to complete system restoration drills annually. In 2021, a remote backup data center was established at the Ximen office, with annual arrangements for ongoing operations at the Ximen office to conduct backup drills. In the event of a connection abnormality in the future, a takeover can be completed at the fastest speed and in the shortest time possible. In December 2024, our institute's official website migrated to cloud services, enhancing information security protection to ensure uninterrupted operations, and accelerating digital transformation toward sustainable development.

In collaboration with competent authorities, the SFI conducts drills for reporting information security incidents, reinforcing adherence with relevant regulations on incident reporting and response procedures. This facilitates swift completion of damage control or recovery operations, thereby mitigating the impact of information security incidents on operations.

Personal Data Protection

Following the Personal Data Protection Act, the Institute formulated relevant rules on personal data protection, enforcement rules of the Personal Data Protection Act, Plan of Security Measures for Personal Information Files, Personal Data Consent Form, cyber security, and personal data

protection awareness brochure, and Disclosure Regarding Use of Personal Data, which serve as the governing rules and basis for the collection, handling, and use of personal data for all employees.

To fortify the personal data protection mechanism and its implementation, the Institute set up a Personal Data Protection Task Force. Led by the president, this task force comprises personal data representatives from each department and annually convenes to review and enhance personal data protection measures and relevant business practices through both external and internal audits.

2.2.2 Internal Control and Management

Internal control system

SFI has 1 lead auditor and 3 members on the auditing team. The chairman selects the lead auditor from qualified candidates who reports directly to the chairman. Members of the auditing team are assigned by department heads and approved by the chairman.

At the beginning of each year, the lead auditor examines the audit status and formulates the year's auditing plan. The plan is implemented once approved by the board of directors. For the internal audit each quarter, the internal audit report is sent to the Institute's supervisor for review after approval by the chairman. The result is presented at the first quarterly board meeting of the coming year.

To ensure self-monitoring and timely adaptation to environmental changes, the Institute is constantly modifying the internal control system. At the end of each fiscal year, each department conducts a self-assessment on the execution of internal control within operational level and the five main elements of internal control. The lead auditor summarizes and presents the self-evaluation report on internal control, determining whether the organization's internal control system is adequate or contains significant deficiencies. During the 2024 self-evaluation, the lead auditor determined that the SFI internal control system was effective. In 2024, the internal control system plan was adjusted to align with the actual business operation, which included revisions to operational procedures and control focus points, revisions to research project operations, written examinations, document and file management procedures, and control focus points. Additionally, occupational health and safety management operation internal control procedures were newly added.

Supplier Management

The suppliers range from office appliances and equipment, information/telecommunication services, construction, printing, equipment, gifts, lease to other categories, most of whom are local. The 'Procurement Guidelines' was formulated to procure supplies for business operations fairly and transparently, improve procurement efficiency and effectiveness, ensure procurement quality, and enhance internal control. Each department's application, purchase, confirmation, and payment during the procurement process must comply with the Guidelines. The specific procedures required, which differ depending on the nature and demands of the procurement, are stated in the Procurement Procedures Manual.

The Institute views suppliers as indispensable partners. Besides promoting sustainable development within the organization, the Institute aspires to exert influence, encouraging suppliers to contribute to environmental protection, information security and sustainability. Additionally, to build a virtuous partnership between the suppliers and the Institute, SFI requires all tenderers to sign a Tenderer Statement that commits to a fair and transparent procurement relationship built upon mutual trust, avoiding favoritism and conflict of interests.

3

Securities and Futures Services

- 3.1 Research Development, and Excellence Recognition
- 3.2 Development of Professional Talent
- 3.3 Financial Market Qualification Examinations



3.1 Research, Development, and Excellence Recognition

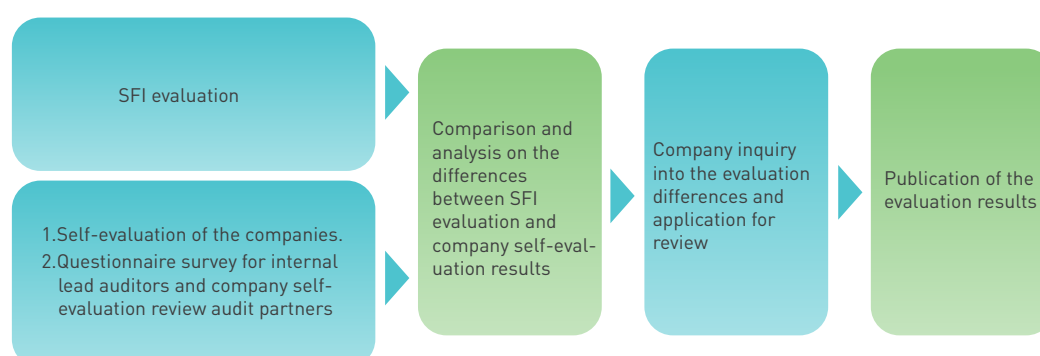
Upholding its mandate of facilitating academic research on securities and futures and promoting the sound development of the securities and futures markets, the Institute aspires to bridge the industry, academia, and government and serve as a policy think tank. For years, the Institute has been committed to researching securities and futures, drafting opinions and recommendations on regulations, responding to international trends and market needs, and ensuring the sound development of the capital market.

3.1.1 Corporate Governance in Taiwan

Corporate Governance Evaluation

In 2014, the Institute was entrusted by the Taiwan Stock Exchange Corporation (TWSE) and Taipei Exchange (TPEX) to conduct Corporate Governance Evaluations. Ten annual evaluations took place from 2014 to 2023. The results are published every April on the SFI website, with companies listed in seven tiers: top 5%, 6% to 20%, 21% to 35%, 36% to 50%, 51% to 65%, 66% to 80%, and 81% to 100%, ranked by their evaluation scores. The results are incorporated into the selection of TWSE Corporate Governance 100 Index and TPEX Corporate Governance Index constituents. Companies and investors hold the evaluation results in high regard.

Overview of the Corporate Governance Evaluation	
References for the Evaluation Indicators	<ul style="list-style-type: none"> Relevant regulations in Taiwan, including the Securities and Exchange Act, Company Act, TWSE and TPEX regulations, and Corporate Governance Best Practice Principles for TWSE / TPEX Listed Companies. OECD Principles of Corporate Governance. International corporate governance benchmarks.
Categories of Indicators	<ul style="list-style-type: none"> Protecting shareholder rights and interests and treating shareholders equitably. Enhancing board composition and operations. Increasing information transparency. Putting corporate social responsibility into practice.
Indicator Evaluation Categories	<ul style="list-style-type: none"> General, weighted scoring, graded scoring, extra credit, and point deduction.
Basis of Evaluation	<ul style="list-style-type: none"> Company annual reports, websites, the Market Observation Post System, Sustainability Reports, and Self-evaluation of the companies.



The Corporate Governance Evaluation



Achievements of the 11th Corporate Governance Evaluation (2024)

Key Items	Achievements	Description
The number of companies evaluated	2.8% growth (as of the end of April, 2025)	976 TWSE-listed companies and 734 TPEX-listed companies were evaluated, which totaled 1,754 companies (as of the end of April, 2025)
Increased the weighting of putting sustainable development into practice	Increased from 35% to 49% in the 12 th term	The intention is to encourage companies to move toward sustainable development.
Referring to domestic and international trends on the development of corporate governance as well as policies of competent authorities to continuously optimize the evaluation indicators	A total of 9 new indicators were added in the 12 th term	Set concrete measures to enhance corporate value, disclose Scope 3 greenhouse gas emission categories and annual emissions, implement internal carbon pricing, establish energy management plans, develop employee training and career development programs, conduct regular employee satisfaction surveys, create personal data protection policies, establish consumer or customer rights protection policies and grievance procedures, and establish a sustainability development committee.

Performance to Date

Item	Description
Taiwan ranked 3rd among Asian countries in 2023 by the Asian Corporate Governance Association (ACGA), a historical record	Over the past decade, Taiwan has released multiple versions of blueprints, including a sustainability-related blueprint issued in 2022. Clear policy guidance from competent authorities stands as a key factor distinguishing Taiwan from other
Number of TWSE and TPEX-listed companies that compile Sustainability Report grew by 20% compared to 2023	Companies that compile Sustainability Report grew from 895 companies by the end of 2023 to 1,072 companies by 2024.
The number of English agendas provided by TWSE and TPEX-listed companies increased by 5% compared to 2023	The number of English agendas provided in shareholders' meetings increased from 1,490 at the end of 2023 to 1,566 by the end of 2024.

Updates and publications on corporate governance

Key Items	Achievements	Description
Updates on International Development of Corporate Governance (bimonthly)	30 updates collected	Selected major development updates from the Americas, Asia, Europe, and our country to provide a comprehensive insight into international trends.
Key Updates on Corporate Governance in Taiwan (Quarterly)	23 updates collected	The quarterly publication covers key corporate governance updates from competent authorities and relevant securities agencies in Taiwan, allowing the public to understand the key changes in Taiwan's corporate governance policies.

The Candidate Database for Independent Directors

In March 2023, the Financial Supervisory Commission (FSC) released the 'Sustainable Development Action Plans for TWSE- and TPEX-Listed Companies', with the objective of promoting gender diversity among directors and enhancing the professional competence and independence of independent directors. Starting from 2024, TWSE and TPEX-listed companies are mandated to appoint at least one director of a different gender during board renewal, while the tenure of independent directors should not exceed three consecutive terms. Additionally, for TWSE and TPEX-listed companies with a capitalization exceeding 10 billion NT dollars and financial and insurance companies, the ratio of independent directors shall not fall below one-third.

Since 2002, the Institute has established 'The Candidate Database for Independent Directors', offering profiles of individuals meeting the qualifications of domestic independent directors, inclusive of their educational and professional backgrounds. This resource is freely accessible by TWSE and TPEX-listed companies for reference when appointing independent directors. Key features of this database include: voluntary registration by experts, accessibility for TWSE and TPEX-listed companies via stock codes or corporate governance evaluation accounts, and provision as a complimentary public service. As of the end of 2024, the total number of registered users has reached 2,534.

3.1.2 Academic Research

Research on securities and futures

To keep up to date with current events and international trends, the Institute proactively submits research initiative on key subjects to competent authorities, serving as references for policymakers. The Institute further engages in research commissioned by pertinent financial agencies maintaining a professional, objective, and impartial stance. In 2024, the Institute completed 17 research projects and compiled 2 summaries of policy information, covering topics including sustainable finance, asset management, trading markets, institutional policies, and industry development. The specific research areas are listed below:



- Application of Generative AI Technology in Asset Management and International Regulatory Trends.
- Comparative Study of Bilateral Regulatory Framework and Key Legal Systems for ETFs between Taiwan and Japan.
- Research on Introducing Actively Managed ETF Products in Taiwan.



- Studying the feasibility of the second phase of securities liberalization.
- Implementing emerging technology supervision in response to changes in securities firms' business models.



- Research on developing capital market indicators for our country (third year) .
- Study on shortened settlement cycles in international securities markets.
- Research on securities asset transfers between different beneficiaries internationally.
- Feasibility study on Continuous Net Settlement (CNS) .



- Study on U.S. virtual asset illegal cases and future regulatory directions .
- Research on stock price manipulation and monitoring systems .
- Research on shareholder litigation rights in various countries .
- Study on management rights disputes in publicly-listed companies .
- Relevant systems in major world securities markets .
- Excerpts of clearing institution systems from major world futures exchange.



- Feasibility study on FundRich's "Good Retirement+" elderly care trust service.
- Empirical analysis of low-price investing, fund screening, and trigger condition mechanism design .
- Research on Taiwanese fund investor characteristics, investment behaviors, and performance - using the Fund Hub platform as an example.
- Financial Guidelines White Paper for 2024

Thematic research and market commentary

To enhance research capabilities and strengthen our role as a think tank, researchers at the Institute are encouraged to provide commentary on current market trends, thereby offering their professional insights. In 2024, a total of 17 thematic research articles were published, covering topics including virtual assets, industry development, sustainable finance, and derivative products. These articles appeared in Securities and Futures Monthly, Securities Services Bimonthly, Taiwan Futures and are available on the Institute's website.

3.1.3 Review of Securities and Futures Markets

To facilitate academic research of Taiwan's securities market, the Institute Started publishing the Review of Securities and Futures Markets in 1989. For the past 36 years, new issue quarterly publications are released every March, June, September, and December. Review of Securities and Futures Markets publishes academic papers on the empirical research and application of theories on securities, futures, options. The journal maintains its inclusion in the "Taiwan Social Sciences



Core Index (TSSCI) " as a core journal, thereby ensuring its continued acknowledgement within the academic community. and domestic and international regulations and systems. The chief editor is Professor Hui-Min Chung of National Yang Ming Chiao Tung University, and the deputy editor is Professor An-Zhi Wang from National Taiwan University. The quarterly has a total of 35 editors in Taiwan and overseas.

The Review of Securities and Futures Markets quarterly journal has been listed in the Taiwan Social Sciences Citation Index (TSSCI) since 1999, and in 2024 it continued to be selected as a first-tier journal in the evaluation process, establishing itself as an important domestic academic journal. It has received the Outstanding Journal Award from the National Science Council and the Ministry of Education, and subsequently won the "Selected Journal Communication" (Long-term Citation) award from the National Central Library's 112 Taiwan Academic Resource Profile in Economics. It has become one of the most influential academic journals in domestic research on capital markets, securities investment, derivative financial products, corporate finance, and corporate governance.

In 2024, our institute published issues 141 to 144 of "The Review of Securities and Futures Markets" quarterly journal, including a total of 16 high-quality academic articles.

The Review of Securities and Futures Markets ranks at the forefront among similar journals and continues to expand its scope for submissions. In view of recent attention to sustainability issues in capital markets, we continue to plan special issues on "Sustainable Finance and Accounting," widely inviting excellent research on sustainable development from various fields to provide forward-looking perspectives on sustainability issues to the public. We aim to provide readers in securities-related fields with more comprehensive knowledge dissemination and contribute to Taiwan's academic research field.

3.1.4 The Highest Honor in Securities and Futures - the Golden Goblet Award

The Golden Goblet Award has been held 14 times from 1999 to 2024, with a cumulative total of 200 winning works and 386 winners from industry, government, and academia. These works have provided forward-looking and innovative suggestions for the development of Taiwan's financial, securities, and futures markets. In addition to providing reference for regulatory authorities, they have made significant contributions to enhancing the international competitiveness of our nation's capital markets. The 14th Golden Goblet Award was divided into two categories: "Research Recommendation Award" and "Innovation Practice Award," with a total of 14 winning works. The topics covered trading behavior, financial technology, and ESG aspects. Among them, 5 winning works were related to ESG, indicating that sustainable finance has gradually penetrated the financial industry and become one of the



▲ The journal continues to be approved for inclusion in the "Taiwan Social Sciences Citation Index Core Journals (TSSCI) "



▲ FSC Chairperson Jin-Lung Peng's Opening Remarks



▲ Chairperson Jin-Lung Peng takes a group photo with award recipients and distinguished guests

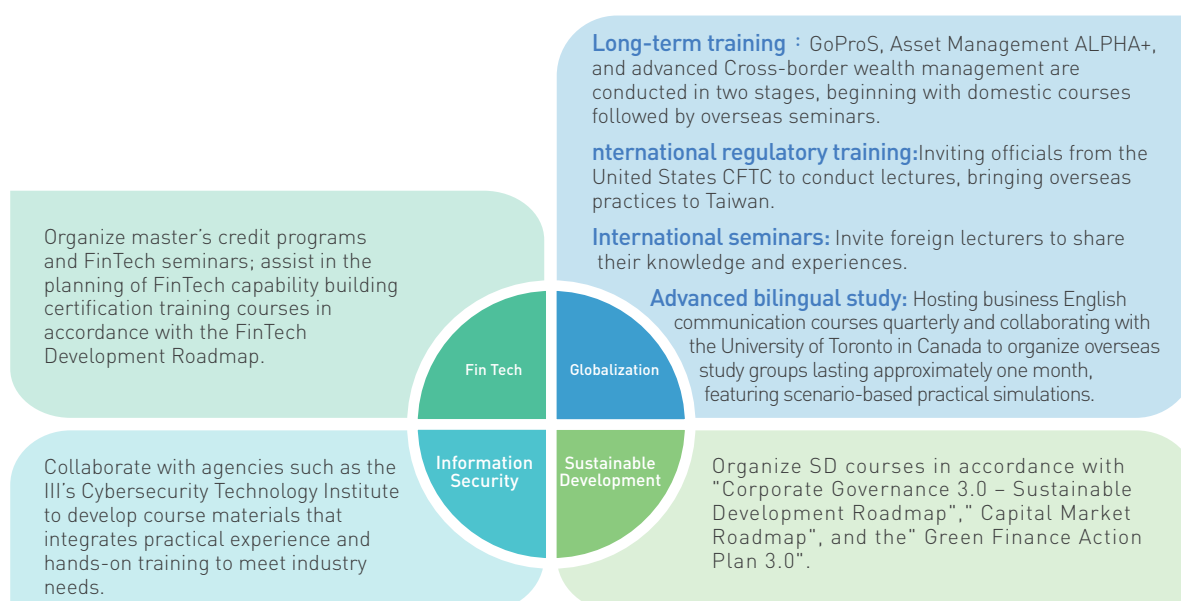
most mainstream research topics today. Our institute will continue to innovate in accordance with the policies of the "Green Finance Action Plan," encourage the financial industry to propose research and recommendations on sustainable finance, and promote the development of sustainable finance in our country.

3.2 Development of Professional Talent

The SFI provides a professional knowledge integration service platform for Taiwan's capital and financial markets. The various professional courses offered in the SFI's comprehensive training system are designed with a systematic and hierarchical approach in mind, consistent with international standards. The target audience comprises executives and professionals within the financial services industry, directors, supervisors, managers, finance directors, and audit professionals of publicly listed companies, among others. This initiative serves to enhance both individual and industry competitiveness. Furthermore, the Education Center welcomes commissions from public sectors, securities and futures agencies, and the financial services sector to deliver tailor-made professional training services. The target audience encompasses individuals as depicted in the diagram below.



In alignment with policies, SFI cultivated talents in various fields including internationalization, financial technology, cybersecurity, and sustainable development, as illustrated in the diagram below

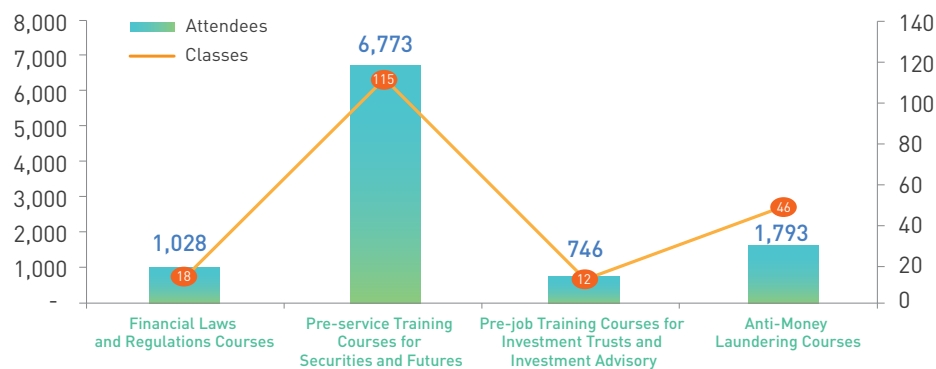




3.2.1 Professional Courses for Financial Institutions

In order to cultivate comprehensive financial talent, the SFI is a designated institution for pre-job and on-the-job training in more than 20 fields that include securities, futures, securities investment trust and consulting, regulatory compliance, and anti-money laundering and combating the financing of terrorism (AML/CFT). The SFI offers various training courses spanning more than 10 specialty fields, such as financial innovation, basic and advanced financial products, wealth management and trusts, financial engineering and risk management, financial technology and information security, and international communication. The SFI is also commissioned by financial institutions to develop varied customized training programs.

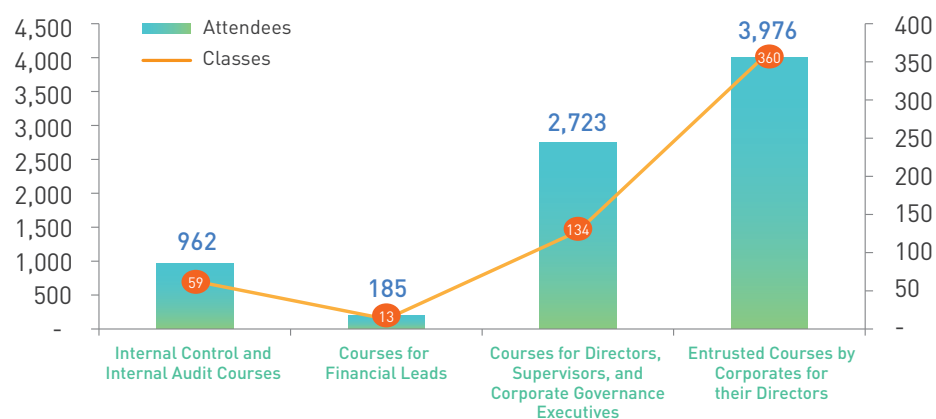
Detailed information on key financial institution courses held in 2024 are illustrated below:



3.2.2 Public Offering Company

The SFI is committed to promoting corporate governance, and is the first institution approved to organize training courses for directors and corporate governance executives. In accordance with the 'Guidelines for Implementing Continuing Education for Directors of publicly issued and listed companies', the institute holds pertinent training courses for first-time and incumbent directors and supervisors, as well as corporate governance personnel; simultaneously, it is also the designated institution for pre-service and on-the-job training for internal auditors of public companies and listed / OTC companies, as well as the designated institution for on-the-job training of financial executives.

Detailed information on key public offering company courses held in 2024 are illustrated below:



3.2.3 Professional Courses for Major Projects

Government policy & commissioned courses

The SFI periodically organizes special courses in keeping with government policies, and has routinely held the Securities and Futures Markets Regulations and Case Studies Seminars to assist prosecuting judicial personnel in better understanding crimes within the securities and futures markets and the application of laws and regulations, in turn preventing economic crime and thus stabilizing the capital market.

To further cultivate diverse talent in the capital market, the SFI has also been commissioned by securities-related organizations such as the Taiwan Stock Exchange Corporation (TSWE), Taiwan Futures Exchange (TAIFEX), Taiwan Depository & Clearing Corporation (TDCC), and Taipei Exchange (TPEX) to conduct various courses and advocacy sessions from time to time. Training audiences include directors, supervisors, and corporate governance officials from public offering companies; internal auditors; securities and futures practitioners; students; new graduates; to people currently between jobs. Course topics included legal compliance, futures specialists, and financial innovatio. Trainings held for major projects in 2024 are detailed below:

Major Project	Professional Courses	Courses in 2024
Projects in accordance with key government policies	<ul style="list-style-type: none"> • 2024 U.S. Securities and Exchange Commission (SEC) Regional Exchange Training Course • Securities Industry Legal Compliance Promotional Conference • Training Program for Key Industry and Securities Underwriters • Sustainable Finance Certification - Basic and Advanced Capability Development Course 	Total of 978 attendees
Securities and Futures Markets Regulations and Case Studies Seminars for Prosecuting Judicial Personnel	<ul style="list-style-type: none"> • 4 sessions (the 105th to 108th session) for judges, clerks, affairs officers, law clerks, and prosecutors 	Total of 400 attendees
Commissioned by Securities-Related Organizations	<ul style="list-style-type: none"> • Insider Ownership Regulations for TWSE-Listed Companies and Unlisted Public Companies (5 sessions) • Insider Trading Prevention Information Session (4 sessions) • Promotional Seminar on New Reporting System for Shareholders with Over 5% Holdings in Listed, OTC, and Public Companies (4 sessions) • Promotional Seminar on Deepening Corporate Sustainability Governance Culture for Listed and OTC Companies (2 sessions) • Promotional Seminar on Preparation and Production of Sustainability Reports for Listed and OTC Companies (5 sessions) • Practical Workshop and Promotional Seminar on Sustainability Disclosure for OTC Companies (3 sessions) • Practical Workshop on Sustainability Disclosure for Listed and OTC Companies (3 sessions) • Promotional Seminar on Sustainability Disclosure for Listed and OTC Companies (3 sessions) • Institutional Investors Perspective Forum • Listed and OTC Companies - Seminar on Expanding Asian Asset Management Territory through Derivative Products • Futures Asset Management Personnel Training Program • Seminar on Insight into Derivative Financial Markets for Listed Companies-Moving towards Business Sustainability • Credit Courses of the Asia Regional Finance and Financial Innovation and Transaction (Taichung and Tainan classes) 	Total of 8,153 attendees



▲ 2024 U.S. Securities and Exchange Commission (SEC) Regional Exchange Training Course



▲ Listed and OTC Companies - Seminar on Expanding Asian Asset Management Territory through Derivative Products (Simultaneous Video Conference)

Managed Fund Under Mandate

The SFI has been entrusted with the management of the Global Development Fund, Asset Management Talent Cultivation and Industrial Development Fund, and Futures Industry Development Fund. Details regarding the various professional training and advocacy sessions organized by the SFI in 2024 for experts in the international finance, asset management, and futures sectors are listed below:

Major Project	Professional Courses	Courses in 2024
Global Development Fund	<ul style="list-style-type: none"> • 2024 GoProS Training Program (Domestic courses and Financial and Industry Development Overseas Study Group to Germany and Switzerland) • Corporate Net-Zero Sustainability Japan Delegation Visit • New Trends in CFTC Derivatives Regulation Seminar • Advanced Talent Development Program for Cross-Border Wealth Management (Domestic Course and Japan Delegation Visit for Elderly Financial Services and Family Business Succession) • Australia FinTech Two-City Delegation Visit • International Finance Issues Credit Course 	Total of 486 attendees
Asset Management Talent Cultivation and Industrial Development Fund	<ul style="list-style-type: none"> • Asset Management Financial Knowledge and Compliance Series Seminars (3 sessions) • Asset Management International Seminars" (2 sessions) • Financial Information Security Practical Training Course • Understanding Asset Management Market Practices Course - for Judicial and Investigation Personnel • Financial Industry Business English Communication Training Program • S-REITs, PE Fund and Wealth Management Singapore Delegation Visit • Asset Management Senior Executives U.S. Delegation Visit • Asset Management ALPHA+ Training Program (Domestic Course and UK London Delegation Visit) • Training Program for Green and Sustainable Finance • Fin-Tech Capacity Development Training Program • Financial Sustainability Development Talent Training Program • Sustainable Finance Certification Capability Building • Financial Services Industry Risk Management Talent Training Program • Asset Management Digital Learning Courses • Asset Management Internship and Career Development Expo • "Master's Credit Courses in Applied Big Data and Algorithms for Asset Management" • Master's Credit Courses on "Interdisciplinary Financial Analysis" • Master's Credit Courses on "Professional Intelligence in International Investment Analysis" • Bachelor's Credit Courses on ESG and Investment Analysis • Asset Management Internship and Career Development Expo 	Total of 2,158 attendees
Futures Industry Development Fund	<ul style="list-style-type: none"> • Securities and Futures Industry (Including Introducing Brokers) Legal Compliance Promotional Conference (2 sessions) • Orientation courses on Understanding the Futures and Options Market Practices for Judiciary and Prosecuting personnel • Orientation courses on Understanding Futures and Options Market Practices for judges and clerks (4 sessions) 	Total of 347 attendees



▲ 2024 Asset Management ALPHA+ Training Program Closing Ceremony



▲ 2024 Japan Delegation Visit for Elderly Financial Services and Family Business Succession



▲ 2024 Asset Management International Seminar - New Trends in Asian Asset Management

3.3 Financial Market Qualification Examinations

3.3.1 Testing Center Overview

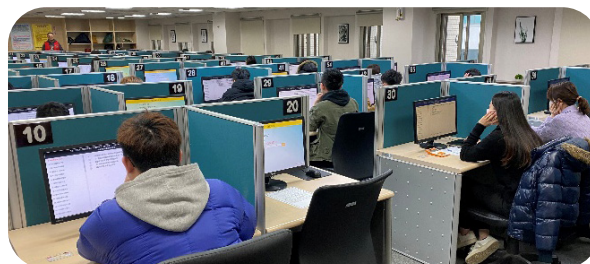
The SFI established the Testing Center to oversee various qualification exams for both the domestic and international financial markets. The Center is also entrusted to handle recruitment tests. Details are as below:

Domestic qualification examinations

In keeping with securities and futures-related regulations, the SFI has been commissioned by the Taiwan Securities Association (TSA), Securities Investment Trust and Consulting Association of the R.O.C. (SITCA), Chinese National Futures Association (CNFA), and R.O.C. Bills Finance Association to conduct qualification examinations for professionals in the securities, securities investment trust and consulting, futures, and bills domains since 1999. The SFI set a precedent for the use of computerized qualification testing, and with more than twenty years' experience it is regarded as one of the most credible financial licensing agencies in Taiwan. Written examinations are held three times a year (April, August, and December), while computer-based tests are conducted weekly. Those who pass the exam are promptly issued their certification onsite to conserve manpower and increase qualification efficiency. The Center also accommodates occasional group testing requests by corporations and educational institutes.

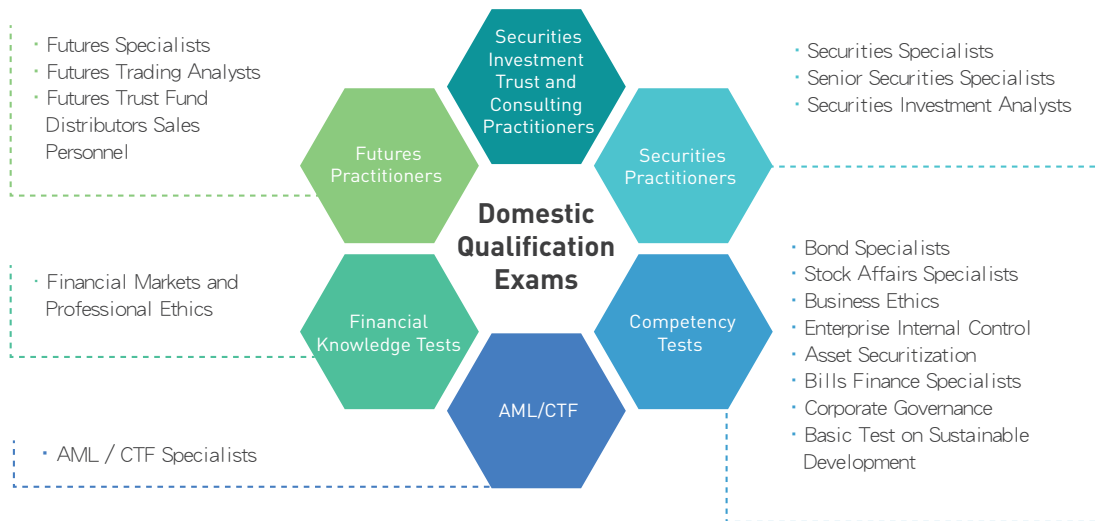


▲ Written examination



▲ Computer-based examination

To strengthen financial professionals' ethics and market knowledge, since 2006, the SFI has organized the "Financial Markets and Professional Ethics Exam" in conjunction with 5 test units, including the Taiwan Academy of Banking and Finance (TABF), Taiwan Insurance Institute (TII), the Non-Life Insurance Association of the Republic of China (NLIA), and the Life Insurance Association of the Republic of China (LIA-ROC). In addition, to develop directors' regulatory compliance expertise, the Institute has started conducting the "Corporate Governance Basic Competency Computer-Based Exams" since October 2019. The institute offers the following domestic qualification exams:



To assist candidates in fully preparing for the Securities and Futures Practitioner Qualification Examination, our Institute has established a professional question bank for those aspiring to enter this field. The question bank series includes study guides and detailed analyses, and is regularly updated each year according to the latest regulations and practical requirements, ensuring the content aligns with current industry conditions and effectively enhances candidates' test-taking abilities.



Furthermore, to serve the examiners from various financial institutions, colleges and universities, the SFI's Testing Center continues to conduct group registration for companies and on-campus exams. In 2024, a total of 36 sessions of computer-based group examinations were conducted for financial institutions, along with 52 on-campus computer-based examinations for university and college-level students. On-campus Financial Markets and Professional Ethics Exams were held in 22 higher education institutions around the nation, including in the Pingtung, Yilan, and Hualien regions.

International qualification examinations

The SFI is dedicated to aligning Taiwan's financial market with international standards. The Association provides qualification recognition exams for foreigners seeking to become securities, futures, and securities investment analysts in Taiwan. In 2010, the Association signed an MOU and cooperation agreement with the Hong Kong Securities and Investment Institute (HKSI), officially introducing the Hong Kong Securities and Futures Practitioners Qualification Examination to Taiwan. To further encourage practitioners to actively pursue international certification, the SFI was commissioned in 2006 by the Association of Certified International Investment Analysts (ACIIA) and Securities Analysts Association, Chinese Taipei to import the Certified International Investment Analyst (CIIA) Final Level Exam in English, followed by the Foundation Level Exam in Chinese in 2018. These actions can boost the professionalism and expertise of domestic securities investment analysts.

International Qualification Exam	Annual Testing Schedule	2024 Testing Results
Securities, Futures, and Securities Investment Analyst License Validation Exams for Foreign Examinees.	March, May, August, November *Also includes occasional on-request testing	8 registered, 8 qualified
Licensing Examination for Securities and Futures Intermediaries in Hong Kong	April, September	67 registered, 38 qualified
Certified International Investment Analysts (CIIA)	March, September	218 registered, 40 qualified



◀ The SFI has gathered experts from industry, government, academia, and CIIA qualified candidates for a panel discussion on the theme "CIIA International Certification Enhances Personal Value and Creates Career Gold Content." This event aims to provide advice and experience sharing on international certification for individuals interested in developing careers in finance-related fields. (November 13, 2024)

Examination Promotion

Additionally, to enhance college students' understanding of financial certifications and encourage them to obtain these qualifications during their studies, our Institute has been commissioned by business departments of various universities to conduct on-campus certification examination promotions. In 2024, we have actively signed MOUs with 20 universities including National Central University, National Taichung University of Science and Technology, and National Kaohsiung University of Science and Technology, bringing our total to 24 universities with signed MOUs. Furthermore, in 2024, we organized 19 certification promotion seminars and produced financial certification promotional videos that are available online to continuously promote awareness across all sectors.



▲ Financial Certification Promotion Seminar



▲ Former Chairman Chang Chuan-chang of our Foundation led the Testing Center executives and colleagues to visit President Chen of Shih Hsin University, where they jointly signed an MOU (March 15, 2024).

Commissioned recruitment examinations

Since 2000, the SFI has been consecutively commissioned by institutions such as the Taiwan Stock Exchange Corporation (TWSE), Taiwan Features Exchange (TAIFEX), Taipei Exchange (TPEX), Taiwan Depository & Clearing Corporation (TDCC), Taiwan Business Bank (TBB), and Taiwan Cooperative Securities (TCS) to handle recruitment testing. In 2024, the SFI organized recruitment examination for six organizations across 7 sessions.

To meet the requirements of the Taipei City Government's Department of Labor for professional personnel in private employment service agencies, the SFI has actively enhanced employment service professional qualifications. Currently, there are 6 employees with a Class B Technician Certification for Employment Services Professional Personnel, and the SFI has received 7 times A-level rating (a grade of over 90 points) since 2017 from the Department of Labor of Taipei City Government during its annual Private Employment Services Institution Evaluation.



▲ Commissioned recruitment testing

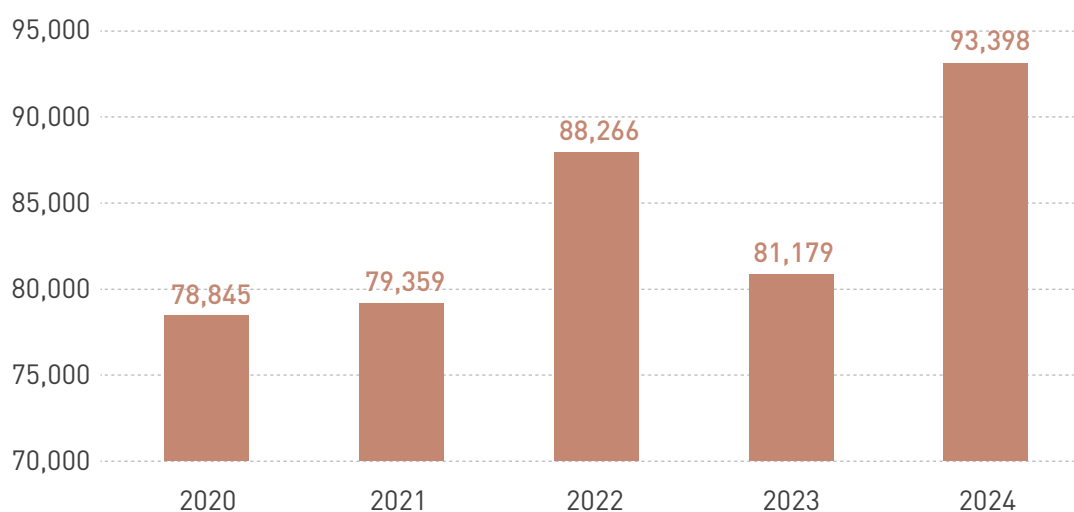


▲ Received an A-level rating by the evaluation of the Employment Service Institution of the Department of Labor of Taipei City Government.

3.3.2 Testing Results

(1) Number of examination applicants

The graph below displays the number of registrations for written and computer-based exams in the past 5 years. Computer-based candidates have increased from 41,601 in 2020 to 51,603 in 2024 (an increase of 24.04%). This rise shows a growing annual demand among candidates to obtain the certification on-site.



Computer-based Exam Applicants	41,601	40,179	52,525	50,176	51,603
Written Exam Applicants	22,750	25,362	19,758	16,146	24,600
Financial Markets Exam Applicants	14,494	13,818	15,983	14,857	17,195
Total Applicants	78,845	79,359	88,266	81,179	93,398
% Change	-	0.65%	11.22%	-8.03%	15.05%

Note: The above statistics include applicants for AML/CTF Exam—2,510 applicants in 2020; 3,170 applicants in 2021; 2,324 applicants in 2022; 1,610 applicants in 2023; and 1,338 applicants in 2024.

(2) Test innovation and Digitalization

In addition to promoting standardized workflow, the SFI's testing center also actively implements e-services and innovative testing approaches. Significant outcomes are outlined in recent years as follows:

- 2020**
 - A new computer-based test-taking system has been introduced, eliminating the use of IC cards. Candidates will receive their scores immediately after completing the exam. They will also receive their answer records and test scores the next day via email, reducing the need for paper or printing.
- 2021**
 - The number of written tests has been reduced to three times per year (April, August, and December).
 - The Basic Competency Test is now available as a computer-based test to enhance the immediacy of the test.
 - Computer-based test centers have been established in Hsinchu and Tainan to better serve local candidates.
 - The "Financial Markets and Professional Ethics" exam has been updated to include topics such as Financial Technology, Inclusive Financing, Financial Fraud, ESG, etc.
- 2022**
 - New topics, such as Financial Technology and new trends in ESG, have been included into the questions database of books and exams of current qualification tests
 - In cooperation with Airti Inc., the SFI plans to publish e-books on "Securities, Futures, Bonds and Stock Publications" for online rental, to enhance the immediacy of the exam preparation.
- 2023**
 - The change in computer-based test sessions now allows candidates to apply online without the need to call, aiming to enhance service efficiency and better serve candidates.
 - To better support individuals with disabilities during examinations, regulations titled "Provisions for Protecting the Examination Rights of Individuals with Disabilities" have been established. These regulations aim to safeguard their examination rights and provide more comprehensive assistance measures during the examination process.
- 2024**
 - To implement digital development trends and achieve sustainable operations, we are planning to digitize qualification certificates to improve service quality, with an expected launch in August 2025.
 - We are optimizing the new computer-based testing system and planning to replace both the main server and candidates' personal computer terminals in 2025.



4

Sustainable Environment & Society

- 4.1 Employee Welfare
- 4.2 Social Welfare
- 4.3 Environmental Sustainability

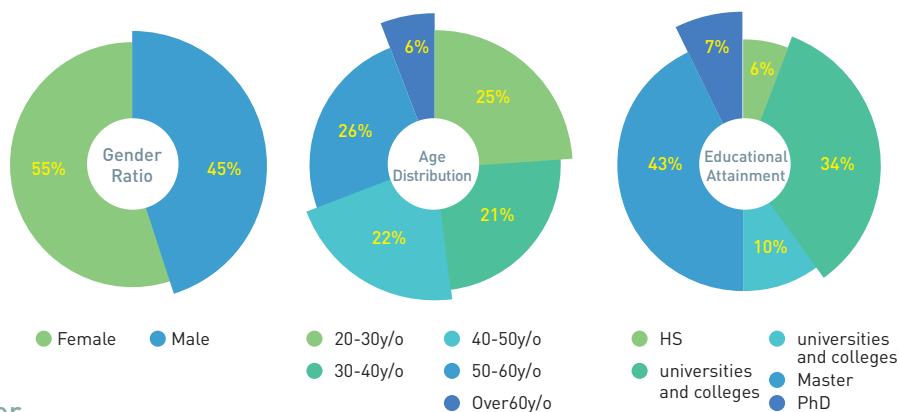


4.1 Employee Welfare

4.1.1 Employee Care & Retirement Security

Staff Composition

As of the end of 2024, the total number of employees is 100, with women accounting for 55% and men accounting for 45%. The average age of the employees is 41.6 and 50% of the employees has master's degree.



Recruitment & Turnover

During 2024, 15 employees left (9 of which were full-time) and 19 were hired (13 of which are full-time). Compared to recent years, the turnover rate was slightly higher, mainly due to the retirement of some employees and the resignation of business assistants. In order to enhance the ability of new employees to adapt to the new job and environment, the Institute will strengthen education and trainings, provide guidance from supervisors and enrich teamwork to help new recruits adapt.

Team Building and Employee Benefits

Our institute values employee relations and holds year-end celebrations and Lunar New Year gatherings annually to promote interaction among colleagues. To express care and recognition for our staff, we organize quarterly birthday celebrations where outstanding employees are also commended and rewarded. In 2024, we held four birthday celebrations, continuing to foster a positive and productive work environment.

Employees are insured each year for health and accident insurance to ensure take proper care of them. Besides, birthday cash incentives are distributed during birthday season. Furthermore, to promote the physical and mental health of its employees and enhance work efficiency, the SFI organized an annual employee trip. In 2024, we arranged an organic agriculture environmental activity at Xinghen Village in Yilan, combining environmental education with a one-day employee tour. This encouraged colleagues to personally participate in environmental protection activities and understand ecological environments. We also organized cultural tourism and environmental education activities in Chiayi and Tainan. Moreover, employee uniforms or casual sportswear are made each year so that staff can appear neat and tidy at important events, subsequently increasing the SFI's professional image.

Besides, the Institute is committed to promoting sports activities that contribute to physical and mental health. In 2024, the SFI formed teams to participate in the 37th Securities Table Tennis Championship and won the second runner-up for the mixed doubles categories.



▲ Lunar New Year Greetings (2024)



▲ Year-end party (2024)



▲ Birthday celebration (2024)



▲ Birthday celebration and awards ceremony to praise the outstanding employees (2024)



▲ Environmental Education Activities in Chiayi and Tainan (2024)



▲ Environmental Activity at Xinghen Village in Yilan (Nov 16, 2024)



Retirement Security

In order to provide retirement security of employees, the SFI has set aside the labor pension individual account monthly according to the regulation as well as the trust account of separation pay for employees. To protect the retirement rights and interests of employees who were hired before June 30, 2005, the SFI has set aside Labor Retirement Reserve Funds in accordance with the Labor Standards Act. At the end of each year, calculations are made to ensure that the amount is enough within the Retirement Reserve Fund account; if funds are insufficient, the SFI will deposit the difference into the account before the end of March in the following year, while also notifying the company's Labor Retirement Reserve Fund Supervision Committee of the situation and submitting it for review. Additionally, the SFI will periodically allocate additional reserves in 2024 into the Retirement Reserve Fund when the company makes a profit, to guarantee the retirement rights and interests of employees.

Labor-management relations

To facilitate the communication between the labor and management sides, the SFI convenes a labor-management meeting every three months, attended by three representatives from both the labor and management sides, with three members from each side. Both sides will take turns presiding over the meeting to foster communication and cooperation between the employer and employees. Discussion topics may include changes in working conditions and employee rights and interests in regards to labor benefits.

Workplace Equality

To provide a working environment free from sexual harassment, and protect the rights and privacy of involved parties, the SFI has established the Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures as well as Guidelines for Sexual Harassment Prevention Complaints and Investigations.

4.1.2 Employee Occupational Safety and Health Management

Setting Plans for Employee Occupational Safety and Health Management

To implement labor health protection and health management, as well as matters related to handle health management, occupational disease prevention, and health promotion, the Institute has contracted medical personnel to provide on-site health services at SFI offices (exceeding criteria outlined in relevant occupational safety regulations) for employee health consultation. From January to December, two doctor rounds of on-site physician service, 24 rounds of nursing clinical services, and two on-site visits, resulting in 35 health consultations and 43 health examinations and physical assessments. The following are the four major labor health protection programs that the Institute promoted and implemented in 2024:

Project Name	Implementation Progress
Workplace Maternal Health Protection	Statistics on the effectiveness of maternal health protection.
Prevention of Diseases due to excessive workload	Survey analysis of the annual workload (with a 100% questionnaire response rate) and arrange health consultations for employees with higher workloads.
Prevention of wrongful acts infringing job duties	Post the "Written Statement Prohibition Workplace Violence" and comply with the contents of the to the "Stalking and Harassment Prevention Act" amendment.
Prevention of Occupational Hazards due to Human factors	Analysis of the annual Nordic Musculoskeletal Questionnaire (NMQ) with a 100% questionnaire response rate and arrange health consultations for colleagues at suspected of being at risk.

Employment Health Service

To implement labor health protection and health management, as well as matters related to handle health management, occupational disease prevention, and health promotion, the Institute has contracted medical personnel to provide on-site health services at SFI offices (exceeding criteria outlined in relevant occupational safety regulations) for employee health consultation. From January to December, two doctor rounds of on-site physician service, 24 rounds of nursing clinical services, and two on-site visits, resulting in 37 health consultations, 3 mental health consultations and 40 health examinations and physical assessments. Also, in conjunction with birthday celebrations, we organized 4 physical and mental health seminars, inviting external experts to provide professional advice on health care and employee stress management issues. We also regularly monitored and tracked high-risk individuals who might develop illnesses due to abnormal workloads.

Monitoring Office Environment

To provide safe and healthy working environment to employees as well as be in consist with occupational safety and health regulations, the SFI monitors workplace environment every half year (in May and November respectively), including carbon dioxide concentrations and illuminance. All entrusted monitoring results in 2024 were complied with occupational safety-related regulations.

Employment Safety Training

To ensure that each employee is familiar with occupational safety and health regulations and safety and health management mechanisms, regular employees undergo occupational health and safety related training courses for a minimum of 3 hours every 3 years (the previous training conducted on 2021). New recruits are required to watch video courses and the assessment within one week of their onboarding date. In 2024, 17 new recruits completed training. In addition, the SFI arranges two fire safety education-training courses annually and conduct fire drills, to ensure all employees understand how to respond and evacuate in the event of a fire.



▲ On-site Fire Safety Drill

Health Checkups Subsidy and Group Insurance

To promote employee health management and prevent the occurrence of diseases, the SFI provides employees with the option to apply for health checkup annually or once every two years. In 2024, 33 employees applied for the subsidy. Furthermore, the Institute has provided employees with occupational accident insurance, accident insurance and medical insurance to protect employees' lives and promote labor harmony.

Revising Work Standards and Internal Controls

To strengthen the prevention and handling of workplace bullying, this Foundation has established "Workplace Bullying Prevention and Handling Operating Regulations" that define, prevent, investigate, and address workplace bullying, providing colleagues with a safe working environment. To implement occupational health and safety, the Foundation will incorporate relevant regulations and operational procedures into its internal controls. Through audit operations, we will manage workplace risks effectively and protect employees' workplace safety.

4.1.3 Employee Training & Development

Human Resource Development Policy

Aiming to achieve best balance between "people" and "work," in turn spurring employee potential so that they can maximize their effectiveness and make them suitable for the right place, in order to achieve the goals and missions set by the Institute, and thus effectively enhance business performance. The SFI's human resource development objectives are listed below:

Plan a comprehensive training work	Develop a comprehensive framework that includes various internal and external training programs
Encourage lifelong learning	Employees must attend a minimum of 20 hours of training annually
Cultivate international talent	Periodically select employees to participate in international courses or seminars
Strengthen professional skills	Reward employees for obtaining professional licenses related to their work responsibilities
Increase job experience	Organize job rotations each year to increase employees' job experience, improve work efficiency, and meet career planning needs
Performance appraisal and promotion system	Encourage outstanding employees through a fair and impartial performance appraisal and promotion system
Regular communication	Regularly communicate with employees and establish a business improvement procedure

Training and Education System

To maintain the quality of training program, the SFI compiled the Talent Quality Management Handbook following the spirit of the Talent Quality Management System (TTQS), based on the SFI's business development needs, to act as the SFI's highest guiding principle in regards to staff training. In 2024, the Workforce Development Agency of the Ministry of Labor awarded a bronze rating to the its management (valid until September 17, 2026).

The SFI's training program is categorized into four broad groupings—rank-based courses, common courses, professional courses, and basic courses (as shown below):

Business Hierarchy Level	Rank-Based Courses	Common Courses	Professional Courses	Basic Courses
Senior-level managers	Manager Workshops	Communication, Office Software Applications, and Lifestyle Categories	Fire safety, Occupational Safety, Information Security, Employment Services	Professional Skills Training (Marketing, HR, Accounting, Finance, IT, Foreign Languages)
Department managers				
Office workers				
				Pre-job Training for New Hires (Personnel Regulations, Internal Management Systems, Departmental Duties, Official Documents)

SFI's training program

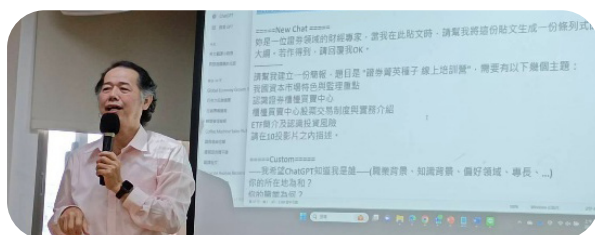
Employee Training Hours and Satisfaction

In 2024, employee education and training included a total of 39 courses, with 104 hours of internal training, 353 hours of external training, for a total of 457 training hours. For internal training courses (excluding those that already conducted tests), satisfaction surveys were given to participating colleagues, and their feedback was used as reference for future course planning. In 2024, the average satisfaction score from questionnaires was approximately 4.5 points (on a scale where 1 means dissatisfied and 5 means very satisfied).

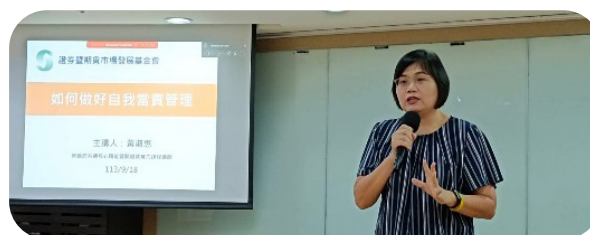
Managerial staff (including senior-level and department managers) spent a total of 405 hours in training (not limited to training organized by the SFI), while non-managerial (full-time) employees spent a total of 1,784 hours.

Item	Managerial Employees		Non-Managerial Employees		Total
	Male	Female	Male	Female	
Hours of Training	197	208	758	1026	2,189
No. of Employees	9	7	30	41	87
Average training hours per employee	22	30	25	25	25

Employee Training Hours in 2024



▲ "Making ChatGPT Your Work Assistant" helped colleagues learn different information, enhance work skills, understand how to master various application techniques of ChatGPT, and implement practical applications of ChatGPT in their work, significantly improving work efficiency.



▲ For "How to Practice Self-Accountability Management," the instructor demonstrated clear and organized expression, helping colleagues utilize self-management techniques and understand the meaning and practical methods of accountability, continuously improving their competitiveness.

4.2 Social Welfare

4.2.1 Dissemination of Financial Literacy

In response to the FSC's Financial Literacy Project, the SFI has actively planned and accepted commissions to carry out diversified public welfare projects for investor education and promotion. We are committed to enhancing the public's investment and financial knowledge, strengthening risk awareness, and exposing common financial fraud techniques to protect the public's investment rights and interests.

Social awareness and advocacy

The SFI engaged with people spanning all ages, backgrounds, and ethnicities throughout Taiwan, cooperating with community colleges in different counties and cities, and local social welfare groups (including groups for people with disabilities) to organize an assortment of awareness campaigns. Those held in 2024 are listed below:



Awareness Campaign	Target Audience	Events Held in 2024
Investment and financial management sessions	General public, seniors, indigenous peoples, new residents, women's groups, disability groups, government employees (military/civil servants), etc.	<ul style="list-style-type: none"> Financial Knowledge at Your Door lecture (remote areas and Veterans Affairs Council Program) New Investing Trends lecture series Investing in the Future lecture series Futures and Options Advocacy lectures Financial Management Concepts for Military Personnel lectures. Financial Knowledge Seminar for Seniors Mutual Fund Investment and Fraud Prevention Educational Seminar

Awareness campaigns were held in more remote areas throughout the northern, central, southern, and eastern regions, as well as offshore islands including Penghu and Kinmen. Areas covered include remote townships such as Hualien City and Guangfu Township in Hualien County; Datong Township and Dongshan Township in Yilan County; Xinzhuang, Tamsui, Linkou, Shuangxi, and Jinshan Districts in New Taipei City; Bade and Xinwu Districts in Taoyuan City; Zhubei City in Hsinchu County; Miaoli City in Miaoli County; Tanzi District in Taichung City; Yuanlin City in Changhua County; Caotun Township in Nantou County; Sihou Township in Yunlin County; Puzi City, Budai Township, Dapu Township, Dongshi Township, and Lucao Township in Chiayi County; Madou, Baihe, Shanshang, Guanmiao, Rende, and Anping Districts in Tainan City; Zuoying, Qianzhen, and Lingya Districts in Kaohsiung City; Xiyu Township in Penghu County; and Lieyu Township and Jincheng Township in Kinmen County.

A total of **248** physical events were held, attended by a total of **17,546** people.



▲ Investing in the Future Lecture Series — Zhubei Community College, Hsinchu County



▲ Financial Knowledge at Your Door Lectures — Shun'an Community Development Association, Dongshan Township, Yilan County



▲ New Investing Trends Lecture Series — New Taipei City



▲ Financial Management Concepts for Military Personnel Lecture — Air Force First Tactical Fighter Wing

Taking root in campuses

The SFI has collaborated with several universities and colleges to conduct a range of financial literacy awareness campaigns and competitions on school grounds. On-campus activities held in 2024 are listed below:

Awareness Campaign	Target Audience	Events held in 2024
Financial Knowledge Educational Seminar	students, teachers	<ul style="list-style-type: none"> Undergraduate Finance General Education lecture series University and College Financial Education Campus Seminar Student Financial Literacy Lectures Fraud Prevention Education for College and University Students Age-specific Financial Education Teacher Training Workshop (Junior High and Senior High/Vocational School Versions)
Campus Competitions	students	<ul style="list-style-type: none"> Knowledge in King 21st Campus Securities Investment Competition—University and College Level University and College Securities Elite Online Camp

The SFI held lectures in universities and colleges across Taiwan, including 17 institutions in the Northern and Taoyuan-Hsinchu-Miaoli regions, 10 in the Middle region, 7 in the Southern region, 3 in the Eastern region.

A total of **133** physical events and **2** campus competitive events were held, attended by a total of **19,394** people.



▲ Student Financial Literacy Lecture — National Chiayi University



▲ University and College Securities Elite Camp



▲ Knowledge is King: 21st Campus Securities Investment Competition— University and College Level

Multimedia Advocacy

The SFI has continued to evolve alongside the popularization of the Internet and has sought to reach more people through the organization of online promotional activities, such as using the SFI official website, social media, digital video, games, and electronic comics. Multimedia promotions used in 2024 are listed below:

Awareness Campaign	Target Audience	Events Held in 2024
Multimedia Advocacy	General public, young people	<ul style="list-style-type: none"> • “Master of Unlocking the Financial Knowledge” online game with rewards • “Mutual Fund Investor Learning Roadmap” Online Dissemination • “Securities Market Investor Learning Roadmap” Online Dissemination • “Investment Fraud Prevention Campaign - Essay Contest” Event • “Financial Independence” and “What’s the matter with me” Online Program • Future Knowledge online game with rewards • 2024 World Investor Week – Online Advocacy Event • “Stock Market Warriors” – Comic Advocacy Material

Promotion was achieved through the use of online games, as well as through such multimedia methods like short and lively videos, online presentations, or digital comics. A total of **559,000** people participated in the online games, and videos and internet promotional area had a total view count of **1,199,000**



▲ Master of Unlocking the Financial Knowledge Online Game with Rewards



▲ Future Knowledge online game with rewards



▲ “Mutual Fund Investor Learning Roadmap” and “Securities Market Investor Learning Roadmap” Online Dissemination



▲ “Stock Market Warriors ★ ETF Warriors ★” — Comic Advocacy Material

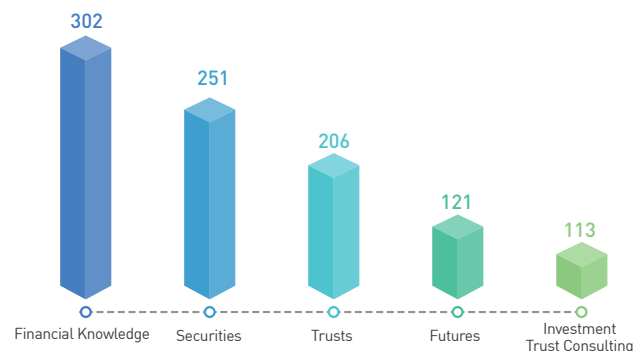


4.2.2 Financial Literacy for Youth (FLY) Program

In response to the Financial Supervisory Commission's policy encouraging the financial industry to invest in social welfare, the Taiwan Depository & Clearing Corporation (TDCC) has commissioned our foundation to establish the "College Students Financial Employment Public Welfare Program" since 2015. This program assists college students from economically disadvantaged families by providing them with knowledge and skills to secure stable professional jobs in the financial sector, with the aim of helping them improve their family's economic situation. The program has received widespread positive feedback from the financial industry and has expanded to offer specialized classes in northern, central, southern, and eastern regions of Taiwan, delivering valuable resources donated by financial institutions and conveying their concern for talent development throughout the country.

The FLY Program Class of 2024 (10th Annual Program) began classes on September 21, 2024. The first semester concluded on December 15, 2024, with a duration of 136 hours. The second semester started on March 1, 2025, and concluded on March 23, 2025, with a duration of 34 hours. The total duration of the program was 170 hours. Nine classes were offered across different regions of the country, with 475 students admitted, 439 students enrolled and there were 302 students completing the program.

The FLY Program arranges for experts from the financial industry, government, and academia to teach courses, provide guidance for obtaining financial certifications, lecture on practical financial operations, and share career experiences. The program also invites workplace professionals to offer in-person instruction on job-seeking and interview skills, provides employment counseling, and helps arrange job matching opportunities for graduates to facilitate their smooth entry into the financial services industry.



Financial Licenses Obtained by Members of the FLY Program in 2024

In 2024, the program assisted participants in obtaining **993** financial professional licenses in areas such as financial knowledge, trusts, securities, futures, and investment trust consulting. Among them, 145 students obtained three or more licenses, accounting for **64.57%** of the total number of participants.



▲ The 10th Edition of the Financial Literacy for Youth (FLY) Program - Opening



▲ The 10th Edition of the Financial Literacy for Youth (FLY) Program - Information Session for Tutors and Teaching Assistants



▲ The 10th Edition of the Financial Literacy for Youth (FLY) Program - Attending "The World Investors Week" Event

4.2.3 Charity Events

The SFI organized the following events in 2024 to supporting charity and public welfare:

- Blood donation activities:
 - › The first one took place on June 1 at Nanhai Blood Donation Center with total of 96 individuals donated, resulting in 130 bags of blood.
 - › The second event was held on August 30 in collaboration with the Export-Import Bank of the Republic of China and Central Deposit Insurance Corporation. In total, 148 individuals donated, resulting in 208 bags of blood.
- Purchasing of ESG-compliant gift boxes during the Lunar New Year, Dragon Boat Festival and Mid-Autumn Festival. Rice from Yilan was purchased as the gift for the blood donation campaign.
- Supporting organic agriculture development, in 2024 we partnered for the first time with Xingjian Cooperative in Xingjian Village, Sanxing Township, Yilan County to adopt rice cultivation contracts. The rice is used as gifts for charity events and donations to social welfare organizations, expanding the positive impact of our charitable efforts.
- On March 16, a tree-planting event was held in Datong Township, Yilan County to help all employees understand the significance of sustainability, environmental protection, and carbon reduction.
- Organized a volunteer activity for Andrew Charity Association's "Food Box Preparation," helping employees appreciate the importance of treasuring food and preventing waste. Through the food box packing process, our care was delivered to underprivileged families in need of assistance.
 - › On March 21, 18 colleagues participated and donated rice.
 - › On December 10, we joined with Yangde Good Neighbors for charity work. Our foundation collaborated with the Export-Import Bank of China and the Central Deposit Insurance Corporation with a total of 88 volunteers participating in this meaningful event. Our foundation donated rice.
- On July 27, we distributed boxed meals to homeless people at Longshan Temple, demonstrating our commitment to humanitarian aid and social welfare.
- On December 27, we sponsored a private screening of the documentary film "Taiwan Unsung Hero," inviting 45 employees and their family members to attend. The event aimed to convey the spirit of courage to overcome challenges and promote care for the underprivileged in society, embodying the value of shared prosperity.
- An Eden Foundation donation box was placed to encourage invoices donation in the SFI.



▲ The one-day blood donation event was held by the SFI on March 1 at Nanhai Blood Donation Centre.



▲ Blood donation event was held by the SFI on August 30 in collaboration with the Export-Import Bank of the Republic of China and Central Deposit Insurance Corporation.



▲ On March 16, the SFI held an event at Leshui, Datong Township, Yilan County.



▲ On December 10, the SFI, Central Deposit Insurance Corporation, and Export-Import Bank of China jointly organized the Yangde Good Neighbors volunteer charity activity.



▲ On July 27, we distributed boxed meals to homeless people at Longshan Temple.



▲ On December 27, we sponsored a private screening of the documentary film "Taiwan Unsung Hero"



4.3 Environmental Sustainability

4.3.1 Green Management

Greenhouse Gas Management

The main services provided by the SFI include training, testing, research, and advocacy. Energy consumption is mainly limited to business office energy use (including public electricity consumption) and company vehicle fuel consumption.

Unit: metric tons of CO₂e

	2022	2023	2024
Scope 1 (Note 1)	2.98	3.04	5.87
Scope 2 (Note 2)	104.70	89.23	89.75
Total Emissions	107.68	92.27	95.62
Emission Intensity	1.15 (metric tons of CO ₂ e per capita)	0.96 (metric tons of CO ₂ e per capita)	0.95 (metric tons of CO ₂ e per capita)

Note1 : The SFI's GHG emissions categorized under Scope 1 mainly stem from the fuel consumption of company vehicles (estimated using the list price), while Scope 2 emissions are chiefly from purchased electricity (For consistency in the benchmark, the calculation only included the 5th and 9th floors of the Nanhai Office).

Note2 : GHG emissions were calculated based on the GHG Emission Factor Table (v. 6.0.4) published by the Environmental Protection Administration. Electricity emissions were calculated based on the 2021 Electricity Emissions Factor Table announced by the Bureau of Energy.

Note3 : Emission intensity was calculated based on the number of employees at the end of 2024 (100 people) and 2023 (96 people).

Energy Conservation

The SFI is committed to saving energy. Concrete measures include installing LED lighting, smart energy-saving appliances, and switching to refrigerators, air conditioners, water dispensers, and other electrical appliances with environmental certification. When purchasing information equipment such as laptops, the Institute also tries to purchase products with green labels.

To further raise awareness for energy saving, the SFI has continued to remind employees to turn off various equipment once they are finished using classrooms, conference rooms, or seminar rooms. Staff are asked to turn off any office equipment (PCs, monitors, desk lights, etc.) if they plan on leaving their desk for longer periods of time. The office lights should be turned off for one hour during lunch break everyday. Colleagues are tasked with patrolling public areas every day after work to ensure all unnecessary electrical appliances, such as photocopiers, digital signs, or lights in the break room, photocopy room, or restrooms, have been switched off.

Reducing Paper Consumption

The SFI actively promotes the reduction of paper waste and implements relevant environmental protection strategies. Specific steps include:

- Implementing double-sided printing for handouts and reducing the number of pages printed to conserve paper.
- Launched an electronic document management system in 2021 to promote paperless operations, achieving a 57% online document processing rate in 2024.
- To resonate with the goal of environmental protection and improve efficiency in meetings, a paperless conference system that eliminates the need for paper-based agenda attachments (replacing them with electronic files) is introduced. Meeting material is displayed using the paperless meeting system during meetings, significantly reducing paper usage.

- Displaying promotional material on the official website, e-newsletter, and on digital signs, which greatly reduced the volume of printed material.
- Comprehensive digitization of all meeting and internal training documentation, plus continuously improving audiovisual equipment in conference rooms and classrooms to enhance video conferencing and distance learning.
- Digitized internal operational processes including property and equipment management, procurement, and voting procedures to improve efficiency and reduce paper consumption.

	2022	2023	2024
Total Paper Sheets	10,717 sheets	11,612 sheets	11,966 sheets

In 2024, the SFI paper usage increased by approximately **3%**. This is because the printing of handouts slightly increased due to the significant growth in our operations, with an 11% increase in in-person class attendance.

Note : Carbon reduction amounts were calculated based on the Environmental Protection Administration's (Taiwan EPA) Carbon Footprint Information Platform (using Paper Star photocopy paper with a carbon footprint of 3.4 kg CO₂e per package of 500 sheets of 70g A4 paper) .

Assessment of Climate Change-Related Risks and Opportunities

To address the international trend of climate change impacts on businesses, regulatory authorities have implemented various measures in recent years to enhance corporate response to climate change-related risks and opportunities. These include revisions to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and "Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies," as well as the release of the "Sustainability Development Roadmap for Listed Companies" which promotes greenhouse gas inventory and verification measures in phases to help businesses establish carbon reduction targets early. In response to these regulatory policies, the SFI has referenced the Task Force on Climate-related Financial Disclosures (TCFD) framework to assess climate change-related risks and opportunities, their potential financial impacts, and to outline the SFI's response measures.

Referencing the disclosure items and examples listed by TCFD, the SFI has identified 3 climate-related risks and 3 climate-related opportunities, as explained below.

Risk Aspect	Risk Type	The SFI's Climate-Related Risks	Description of Potential Financial Impact	Response Measures
Transition Risk	Policy and Regulation	1. Enhanced greenhouse gas emission reporting obligations	In response to the FSC's "Sustainability Development Roadmap" promoting corporate greenhouse gas inventory and disclosure policies, verification of inventory information will be required in the future, potentially increasing the SFI's operational costs	Beginning with this sustainability report, the SFI has started to inventory and disclose its greenhouse gas emissions.
	Policy and Regulation	2. Potential government legislation limiting corporate greenhouse gas emissions	In response to the government's announced amendments to the "Greenhouse Gas Reduction and Management Act" and international carbon reduction trends, legislation may be introduced in the future to limit corporate greenhouse gas emissions, potentially increasing the SFI's operational costs.	In addition to beginning the inventory and disclosure of greenhouse gas emissions, the SFI will implement carbon reduction measures in accordance with government policies in the future.
Physical Risk	Immediate Risk	3. Business disruption due to extreme natural disasters	If extreme natural disasters (such as severe weather events, typhoons, earthquakes) cause suspension or interruption of the SFI's training courses, certification exams, and other operations, the SFI's operational costs may increase.	Emergency response plans have been established, and measures such as video courses and work-from-home arrangements have been strengthened.

Climate-related Risks

Opportunity Type	The SFI's Climate-Related Opportunities	Description of Potential Financial Impact	Resource Efficiency
Products and Services	1. increased attention to climate change issues, demand for related courses will significantly increase	Increased revenue	Actively understanding the policies and trends related to climate change issues promoted by regulatory authorities, and developing related director and supervisor continuing education courses, seminars, etc.
Products and Services	2. Increased probability of commissioned research on carbon rights, ESG databases, sustainable finance, and other related topics	Increased revenue	Continuously collecting and researching international trends and regulations on climate change-related issues, and early submission of research proposals on important topics.
Resource Efficiency	3. Reduced paper usage through electronic document systems	Reduced operational costs	Continuing to promote the digitization of official documents, certificates, and other paper documents to reduce paper usage, responding to energy conservation and carbon reduction while also saving costs.

Climate-Related Opportunities

4.3.2 Disseminating Green Finance

To respond the “Green Finance Action Plan 2.0” and “Green Finance Action Plan 3.0”, the SFI positively disseminating green finance on every business developments, including planning and implementing Sustainable Finance Evaluation, launching the “Basic Capabilities Test of Sustainable Development”, conducting several workshop events of sustainability as well as disseminating green sustainability concept, green energy development and green finance knowledge.

Conduct Sustainability Finance Evaluations

The 1st Sustainable Finance Evaluation was conducted in 2023. The Evaluation evaluated the ESG promoting performance of every financial institution by the evaluation system. There were 57 evaluated institutions, including 34 domestic banks, 9 listed and non-group affiliated securities firms with share capital exceeding NT\$5 billion, 8 property and casualty insurance companies with top five asset size, 5 life insurance companies with asset size exceeding NT\$1 trillion, and 1 domestic reinsurance company. In the 2nd Sustainable Finance Assessment in 2024, the securities industry was expanded to include both securities and investment trust companies. In addition to the 9 securities firms that participated in the 1st assessment, 14 securities subsidiaries belonging to listed financial holding companies and 5 investment trust companies with assets under management exceeding NT\$600 billion were added, bringing the total to 28 assessed institutions. The evaluated items includes “Sustainable Development Comprehensive Indicator” and three pillars indicators of “Environment (E)”, “Social (S)” and “Corporate Governance (G)”. There are a total of 75 common indicators and 38 sector-specific indicators, measuring the progress of assessed institutions in environmental, social, and corporate governance issues based on publicly disclosed information from 2023.

The list of financial institutions ranking in the top 25% were announced at the end of 2024, including 9 banks, 7 securities firms, and 4 insurance companies. This is to encourage institutions to perform benchmarking effectiveness to accelerate the building of domestic sustainable finance ecosystem.

Promoting Sustainable Financial License

The SFI is responsible for planning the “sustainable financial license”. By forming a working group with Taiwan Academy of Banking and Finance and Taiwan Insurance Institution, we officially launched the localized license in 2024.

The license is divided into basic and advanced competencies. The basic competencies will be assessed through an examination, with the first session scheduled taking place on April 14, 2024. Assessments will be organized six times per year. Those wishing to obtain the advanced competency certification must first possess the basic competency qualification. The system follows a training-and-assessment model, with three functional categories for financial professionals (including business development function, risk management function, and information disclosure function). Each function corresponds to three module courses, and those who pass all module assessments for a particular function will obtain the Sustainable Finance Advanced Competency Certification for that function.

The SFI's achievements in implementing the "Sustainable Finance Certification" in 2024 are as follows:

- (1) Basic Competency Certification: 7,561 individuals obtained basic competency certification through examination; 208 individuals obtained certification through training.
- (2) Advanced Competency Certification: A total of 200 individuals participated in individual module courses and passed with qualifying scores.

Enhance Sustainable Courses

In 2024, multiple seminars on sustainability-related topics were held, including "Insights from COP28 Leading Taiwan's Sustainable Finance Promotion," "Practical Cases of Sustainable Investment and Financing in the Financial Industry," "Climate Risk Factors and Scenario Analysis for the Financial Industry," "Climate Change Transition Risks and Opportunities for the Financial Industry," "Sustainable Future, Carbon Management Trends and Practices in the Financial Industry," and "ESG Sustainable Investment and Green Finance Innovation Credit Courses." In April, a delegation was organized to visit Japan for the "Financial Services Industry Net-Zero Sustainability Tokyo Delegation," which received enthusiastic participation.

Additionally, ESG sustainability-related courses were organized for directors and corporate governance officers of listed companies. Topics included "Corporate Governance Trends and Corporate Sustainable Development," "How the Board of Directors Ensures Corporate Sustainability – Starting with Talent Discovery and Development," "From Corporate Governance to Sustainable Human Rights Governance: Challenges and Response Pathways for Corporate ESG," "2030/2050 Green Industrial Revolution," "The 'Listed Companies Sustainable Development Action Plan' from a Financial Regulatory Perspective," "Precise Understanding of the ESG Sustainability Equation," "Carbon Trading Mechanisms and Carbon Management Applications," "Taiwan's Green Electricity Trading System and Procurement Practices," "Implementing Corporate Sustainability: Legal Responsibility Case Analysis of Three Gender Equality Laws," "Challenges and Opportunities in the Sustainable Development Pathway and Introduction to Greenhouse Gas Inventory," "Relevant Laws That Boards of Directors Should Pay Attention to Under the ESG Wave," "Sustainable Development Strategies and Planning for Listed Companies," "Development and Challenges of the Precision Care Industry Under the Sustainability Wave," "Sustainable Supply Strategies in an Era of Increasing Global Risks," "New Trends in ESG Labor Relations," and "Risks and Opportunities for Business Operations Under Climate Change and Net-Zero Emission Policies." All courses received positive feedback.

Disseminating Green Finance

The SFI is committed to promoting green sustainability concepts, green energy development, and sustainable finance knowledge to the investing public. By integrating the "Investing in the Future" lecture series, organizing "The ESG Investing and Green Finance" educational campaigns, and incorporating related themes into the "Master of Unlocking the Financial Knowledge" online game, the SFI actively enhances public understanding of sustainable finance.



▲ "Sustainable Future, Carbon Management Trends and Practices in the Financial Industry" Seminar: Mr. Chien-Chung Tien, General Manager of Taiwan Carbon Exchange, shared insights on carbon trading and carbon credit applications



▲ 2024 "Japan Net-Zero Sustainability Delegation" visited the Tokyo Stock Exchange

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Future Prospects





5 Future Prospects

The Institute has voluntarily compiled sustainability reports for the fifth consecutive year, with the aim of providing a comprehensive overview of its various activities and operations. This initiative enables all stakeholders to gain insights into the Institute's work objectives and research directions.

Looking ahead to 2025, the SFI will continue to enhance financial service quality and commit to promoting sustainable finance development. Regarding financial service quality, the SFI will evaluate the financial industry's fair customer treatment principles to ensure investor rights. Simultaneously, the SFI will actively research topics such as cryptocurrency derivatives, active ETFs, and the transformation from corporate governance evaluations to ESG assessments, helping the industry align with international trends. For sustainable finance development, in accordance with the National Development Council's "Taiwan 2050 Net-Zero Emissions Pathway and Strategy Overview" policy and the Financial Supervisory Commission's "Green and Transition Finance Action Plan," the SFI will continue to cultivate green and sustainable finance talents and strengthen green finance education. The SFI will also continue to conduct sustainable finance assessments and related research, fully supporting the securities and futures industry in achieving net-zero emission goals.

The SFI continues to serve as a solid think tank and talent development incubator for the securities and futures industry, fulfilling its social responsibility. By providing professional research recommendations aligned with international trends, carefully designed educational training, and extensive promotional activities, the SFI is committed to guiding the securities and futures industry steadily forward on the path of sustainable financial governance and just transition, thereby strengthening investor protection and enhancing capital market resilience.



Appendix: GRI Standards Content

General Disclosures

GRI Standard	Corresponding Chapter/ Content	Page
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2-3 Reporting Period, Frequency and Contact Person	Introduction: About This Report	2
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	2.2 Risk Management and Response	18
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2-23 Policy Commitment	1.2 Communication with Key Stakeholders and Management of Major Issues	10
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2-27 Regulatory Compliance	Incident-Free of Penalties or Sanctions	---
2-28 Membership of the Association	1.1.3 Membership of Relevant Organizations	10
Stakeholder Engagement		
2-29 Stakeholder Engagement Policy	1.2 Communication with Key Stakeholders and Management of Major Issues	11
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Topic-specific Disclosures

GRI Standard	Corresponding Chapter/ Content	Page
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3-2 List of Major Topics		16
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401-2 Benefits provided to full-time employees （not including temporary or part-time employees）		
GRI 403: Occupational Safety and Health 2016		
403-3 Occupational Health Services	4.1.1 Employee Care & Retirement Security 4.1.2 Employee Health	37
403-4 Involvement, Consultation and Communication of Workers in Occupational Safety and Healt		38
403-5 Worker Training on Occupational Safety and Health		37
403-6 Promotion of Employee Health		40
403-7 Preventing and Mitigating Impacts of Occupational Safety and Health Related to Business Operations		40
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404-1 Average hours of training per year per employee	4.1.3 Employee Training and Development	40-41
GRI405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	4.1 Employee Welfare	37
GRI 418: Customer Privacy 2016		
418-1 Substantiated Complaints Concerning Customer Privacy Violations or Loss of Customer Data	2.2 Risk Management and Response	18



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2024

Sustainability Report

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Address : 9F., No.3, Nanhai Rd., Zhongzheng Dist.,
Taipei City 10066, Taiwan (R.O.C.)
Tel : 886-2-2397-1222
<https://www.sfi.org.tw/en/>