E.SUN FHC

2025

Climate and Nature Report



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About this Report

We are pleased to present the fifth Climate and Nature Report of E.SUN Financial Holding Company (hereinafter E.SUN FHC or E.SUN). E.SUN has long been committed to advancing climate action and environmental stewardship. This report is prepared in accordance with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

To enhance transparency and rigor in our disclosures, E.SUN engaged the third-party organization BSI to verify compliance with both TCFD and TNFD frameworks, ensuring alignment with international standards. Through open and transparent reporting, E.SUN aims to foster mutual learning and growth with society, while continuing to drive sustainable development.

Climate change and nature degradation are unavoidable global challenges of the 21st century. They not only increase the frequency of extreme weather events but also pose significant threats to biodiversity, natural capital, and ecosystems that sustain human life. Driven by a deep care for our land, E.SUN adopted the TNFD framework to assess the potential impacts of our operations and value chain on nature, as well as the risks and opportunities arising from environmental changes. This assessment follows the TNFD's four pillars: Dependency, Impact, Risk, and Opportunity. The report incorporates the TNFD's LEAP approach (Locate, Evaluate, Assess, and Prepare) to evaluate 51 operational characteristics and geospatial indicators across the value chain. It examines short-, medium-, and long-term impacts on E.SUN's business.

Due to limitations in data availability and precision, most datasets produced by public and private sectors are intended for academic research, disaster prevention, or policy-making, and may not fully align with corporate use cases. E.SUN has conducted extensive data collection and selected the most granular and relevant datasets and indicators available to reduce uncertainty and generate insights that support informed decision-making.

Reporting Period

The report is published annually since 2022. The information disclosure period for this report is for the fiscal year 2025 (from January 1, 2025, to December 31, 2025), covering governance, strategy, risk management, and metrics and targets. In order to present a more comprehensive picture of various projects and campaigns undertaken by E.SUN FHC, the report also discloses activities that occurred prior to January 1, 2025, and after December 31, 2025. The previous version of this report was published in December 2025.

Scope of the Report

The scope of this disclosure focuses on the operating activities and services of E.SUN Financial Holding Co., Ltd. (E.SUN FHC) and its subsidiaries (E.SUN Bank, E.SUN Securities, E.SUN Venture Capital, and E.SUN Investment Consulting) in Taiwan, which accounts for 99.8% of E.SUN FHC's net revenue (excluding E.SUN Bank's subsidiary, Bank Pro). All financial figures are calculated in New Taiwan Dollars, with relevant statistical data based on internationally accepted standard metrics, including the performance of certain overseas branches. Environmental protection projects related to water usage, electricity consumption, and fuel usage are disclosed for E.SUN's Taipei Headquarters Building, Second Headquarters Building, Summit Campus, Hope Campus, Technology Building, Boai Building, as well as overseas and domestic branches and subsidiaries. Any special meanings pertaining to the above quantitative indicators are explained in separate footnotes.

Reporting Framework

TNFD	Recommendations of the Taskforce on Nature-related Financial Disclosures
TCFD	Recommendations of the Task Force on Climate-related Financial Disclosures

Standard of Information

Data Category	Standard and Reference	Certification/ Assurance Organization
Sustainability Data	Recommendations of the Taskforce on Nature-related Financial Disclosures	BSI Taiwan
	Recommendations of the Task Force on Climate-related Financial Disclosures	
Financial Data	Annual Financial Report	Deloitte
Environmental Data	ISO 14064-1: 2018 Greenhouse Gas Inventory	SGS Taiwan
	ISO 14046: 2014 Water Footprint Inventory	
	Statement of Assurance Engagements Standards 3410 Case of Assurance on Greenhouse Gas Statement (Scope 3 Investment and Financing Portfolio Financial Carbon Emissions)	PwC Taiwan

Letter from the Chairman and President



Rising Importance of Climate Resilience

Reflecting on the global landscape in 2025, heightened geopolitical tensions, challenges to international climate agreements, and the increasing frequency of extreme weather events have collectively tested the resilience of nations and businesses. In Taiwan, the impacts of extreme climate have been acutely felt—heavy rainfall from Typhoon Ragasa caused a landslide-dammed lake disaster in Hualien. Such extreme events are no longer theoretical scenarios but real threats affecting livelihoods. In response, E.SUN employees voluntarily formed relief teams to support post-disaster recovery and initiated internal fundraising, contributing a total of NT$10 million to assist affected communities.

Amid such uncertainty, sustainable development is no longer optional. It is essential for long-term continuity. Resilience is no longer theoretical but a practical capability determining whether organizations can withstand crises. As a sustainability leader in the financial sector, E.SUN recognizes its critical role in maintaining stability and guiding transformation, and will continue to leverage its financial influence to support industries and society in navigating uncertainty and achieving long-term sustainability.

Advancing the International OECM Agenda

At COP30 in Belém, Brazil, global climate action has evolved from a sole focus on decarbonization toward Nature-based Solutions (NbS). E.SUN recognizes natural capital as the foundation of economic resilience. Chairman Joseph Huang represented Taiwan's financial sector at this major global forum for the fourth time, delivering a keynote titled 'Reimagining Climate Action: Weave a web of harmony between justice, nature and community" emphasizing that integrating nature into financial strategies is key to achieving nature-positive growth.

E.SUN was invited to serve as the Asia Chair of the Nature Investment Coalition (NIC), demonstrating its regional leadership and responsibility in bridging finance and nature. The Chief Sustainability Officer(CSO) also led participation in the World Climate Sessions–Tokyo and the Asian Biodiversity Credit Alliance (ABCA) forum, highlighting the interdependence of climate change and biodiversity loss. CSO emphasized that climate action cannot succeed without NbS and shared its efforts to build public-private platforms and standardized biodiversity credit frameworks to channel private capital into nature investment across Asia.

As part of advancing NbS, Other Effective Area-Based Conservation Measures (OECMs) have become a key tool for expanding conservation coverage. Since 2014, E.SUN has implemented the Malami project, partnering with the community in Hualien to promote organic agriculture and restore habitats for the endangered native fish species "Kikuchii's Minnow". Following field verification, Malami became one of Taiwan's first certified OECM sites, contributing to the global “30×30” biodiversity target.

Integrating Sustainability with Financial Services

To achieve its 2050 net-zero target, E.SUN has launched a Low-Carbon Transition Plan tailored to the Asian and Taiwanese context. Moving beyond exclusion-based approaches, the plan introduces a transition maturity framework to identify and support clients at different stages of decarbonization.

Using a seven-tier classification system, E.SUN supports enterprises in critical transition phases by providing tailored financial services, enabling gradual transformation from high- to low-carbon operations while building a high-quality green asset portfolio.

In financing, E.SUN partnered with CPC Corporation to structure the nation's first OECM-linked loan, incorporating conservation certification. This innovation links climate mitigation with biodiversity conservation, setting a precedent for collaboration between financial institutions and corporates.

E.SUN also supports low-carbon transportation by working with a major bus operator to advance fleet electrification, contributing to Taiwan's transition toward zero-emission urban transport.

Beyond finance, E.SUN promotes sustainable lifestyles through initiatives such as the "Organic Day,” co-hosted with National Chung Hsing University. The event attracted thousands of participants and supported local organic agriculture through green markets and food education activities.

By extending sustainable finance into everyday life—from organic farming to low-carbon mobility—E.SUN integrates sustainability into its core business, delivering both financial value and positive environmental and social impact.

Sustainability is a long-term journey requiring commitment and perseverance. By aligning finance with nature, opportunities can emerge amid uncertainty. On the path to 2050 net-zero, E.SUN will continue to mobilize its financial influence, collaborate with stakeholders, and contribute to a resilient, sustainable future for generations to come.

Chairman Joseph Huang

President

Targets and Achievements

Targets
2050 Net-zero emissions following the SBT 1.5°C decarbonization pathway
2040 100% renewable energy use at all domestic and overseas operating sites
2040 Complete phase out of coal and unconventional oil & gas companies
2030 42% reduction in operational carbon emissions (baseline year: 2020)
2030 NT$130 billion in outstanding green credit balance
2030 Sustainability-linked loans accounting for 13% of total corporate credit balance
2030 NT$55 billion in outstanding sustainable development bond investments
2027 100% of domestic owned buildings obtaining green building certification

Select 2025 Achievements
Green credit balance: NT$137.6 billion
Sustainability-linked loan balance: NT$104.8 billion
Sustainable development bond investment balance: NT$121.2 billion
Scope 1 and 2 emissions reduced by 50.56%, achieving the 2030 target of 42% ahead of schedule (baseline year: 2020)
Selected for the DJBIC for 12 consecutive years
Received MSCI ESG Ratings AAA for 4 consecutive years
Achieved Leadership Level in the CDP assessment in the Climate, Forests, and Water categories

Climate and Nature Action Milestones

E.SUN adheres to the TNFD disclosure framework, which encompasses four major areas: Governance, Strategy, Risk and Impact Management, and Metrics and Targets. We have established a vision of achieving nature-positive growth by 2030 and the goal of reaching net zero by 2050. Through scientific methodologies and comprehensive risk management, we are committed to achieving net-zero emissions and fostering a nature-positive future.

Climate and Environment Initiatives

2014
The first financial institution in Taiwan included in DJSI

2015
Adopted the Equator Principles

2017
Became TCFD signatory

2022
- First FI in Taiwan to receive validation of Science Based Targets (SBT)
- Joined TNFD, RE100, PCAF
- Appointed by the FSC as a member of Coalition of Movers and Shakers on Sustainable Finance (CMSSF)

2023
- Joined the Partnership for Biodiversity Accounting Financials (PBAF)
- Joined TNFD Early Adopters

2024
First FI in Taiwan to join the Asia Transition Finance Study Group (ATFSG), Singapore Sustainable Finance Association (SSFA), and Asia Securities Industry & Financial Markets Association (ASIFMA)

2025
Formed a strategic partnership with the World Climate Foundation (WCF), officially joined the Nature Investment Coalition (NIC) as Chair for the Asian region.

Climate and Environment Actions

2017
Established climate change management mechanisms and set up a dedicated taskforce

2018
Conducted business inventory and risk identification based on climate change

2019
- Quantified transition risk of fossil fuel industry
- Stopped providing project financing to coal-fired power plants
- Issued Carbon Label credit cards

2020
- Expanded measurement of the impact of high climate risk industries
- Compiled GHG inventory for finance and investment portfolio

2021
- Set Net Zero by 2050 target
- Launched the first E.SUN ESG Sustainable Advocacy Action

2022
- Established climate and environmental risk management policy
- Published our first Climate and Environmental Report

2023
- Appointed as convener of the "Financial Industry Net Zero Working Platform - Policy and Guideline Working Group", completed financed emissions and target setting guidelines
- Established our sustainable finance policy

2024
- Developed financed emissions management system, providing automated Scope 3 emissions management
- Appointed as the second Chair of the CMSSF
- Published our "Climate and Nature Report", the first to receive highest level TNFD conformity, "Level 5: Excellence", from BSI Taiwan

2025
- Executed Taiwan's first Other Effective Area-Based Conservation Measures (OECM) linked loan
- Hosted the "Asia Transition Finance Forum"
- Held the ESG Sustainable Advocacy Action for the fifth consecutive year

Connecting the Sustainable Food Value Chain

Farm to Table Sustainable Food Value Chain Financial Service

As a key intermediary in capital allocation, the financial sector plays a critical role in directing funding toward activities that generate positive environmental impacts. Since 2014, E.SUN has advanced the Malavi Project, starting with the protection of the first farmland at the foot of Yushan Mountain. Through long-term support for farmers transitioning to organic practices, the initiative promotes local industry development and the preservation of indigenous culture. Over a decade, E.SUN has further integrated sustainability with finance by establishing a "Sustainability Golden Triangle" collaboration model among E.SUN, government agencies, industry consultants, and operators. Through the Farm to Table Sustainable Value Chain, E.SUN supports upstream, midstream, and downstream agri-food enterprises in their transition, identifying operational challenges and financial needs. By linking advisory services, financing, and marketing resources, E.SUN works with partners to systematically advance the development of a sustainable food value chain. To date, the initiative has supported 272 hectares of eco-friendly farmland, expanding its positive impact from Hualien's Malavi area to across Taiwan.

In terms of transition support, E.SUN Bank partnered with National Chung Hsing University's Organic Agriculture Promotion Center to host a Sustainable Agri-food Empowerment Sharing Session, inviting over 30 operators to exchange practical insights on sustainable supply chains, organic inputs, green dining, and sustainable finance. To support the initiative, E.SUN also purchased agricultural products certified under the Leopard Cat-friendly Farming Mark., demonstrating its commitment to environmentally friendly agriculture. In addition, E.SUN serves as a consulting advisor to the Agency of Rural Development and Soil and Water Conservation, assisting 131 agricultural operators in identifying financial risks and establishing sound credit profiles.

Through continued cross-sector collaboration, E.SUN has built a "Sustainable Agri-food Ecosystem" connecting industry, government, academia, and finance, fostering mutual benefits for both the economy and the environment. The Farm to Table Sustainable Food Value Chain project received the First Prize in the Environmental Sustainability category at the 21st Global Views Monthly ESG Corporate Sustainability Awards, the 2025 Taiwan Biodiversity Award, the RBI Best CSR Initiative, and recognition from the Agriculture and Food Agency as an enterprise or organization with outstanding contributions to agricultural and food product marketing.

Looking ahead, in 2026, E.SUN will further expand the scope of its sustainable agri-food initiatives. The Farm-to-Table program will broaden eligibility to include supporting sectors such as smart agriculture service providers, organic input suppliers, ecological industry participants, sustainability-certified distributors, and agri-tourism operators. Through these efforts, E.SUN aims to leverage financial influence to support a wider network of partners committed to nature-positive practices and industrial upgrading, driving broader ESG impact and fostering a resilient and sustainable future for the agri-food sector.

E.SUN Farm to Table Sustainable Food Value Chain Framework



E.SUN partners with stakeholders to provide integrated advisory, financing, and promotional support, delivering financial solutions across the sustainable food value chain.



E.SUN Bank partnered with National Chung Hsing University to host a Agri-food Empowerment Sharing Session, supporting more than 30 agricultural entrepreneurs through training and resource-sharing initiatives.

Note: Sustainability labels and qualifications include Traceable Agricultural Product labels, Organic Certification labels, Green Conservation labels, Environmental Protection labels, Green Dining labels, Traceable Restaurant labels, Sustainable Agritourism labels, smart agriculture technology service providers announced by the Ministry of Agriculture, organic materials providers, and members of the Ecological Professional Technical Services Commercial Association, among others.

01 Governance

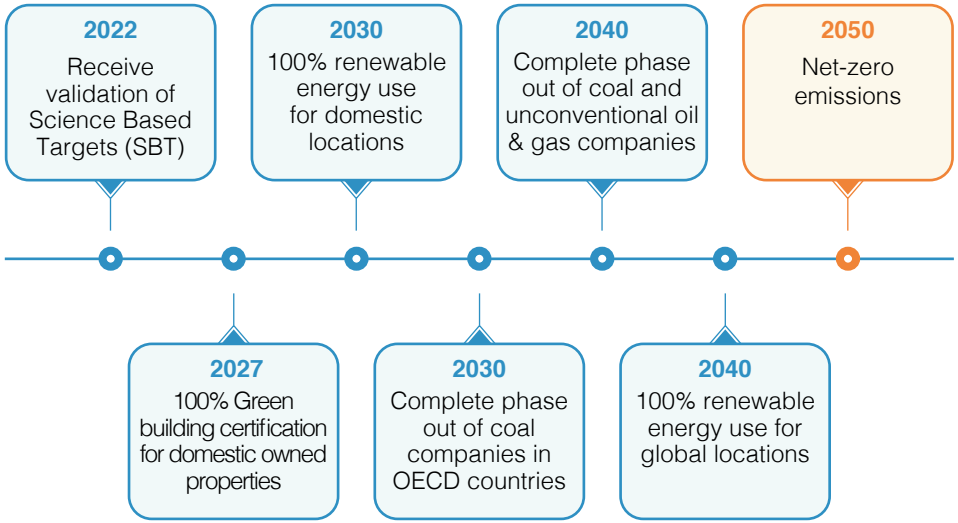
1.1 Our Vision for Climate and Nature
1.2 Governance Structure
1.3 Capacity Building & Internal Policies
1.4 ESG Sustainability Talent Cultivation



1.1 Our Vision for Climate and Nature

Since our founding in 1992, E.SUN has made a promise of becoming a world-class corporate citizen since its founding. We are determined to become the best-performing and most respected company. E.SUN is committed to moving towards net-zero emissions and nature positive development, aligning with the frameworks proposed by TCFD and TNFD, and taking corresponding actions internally.

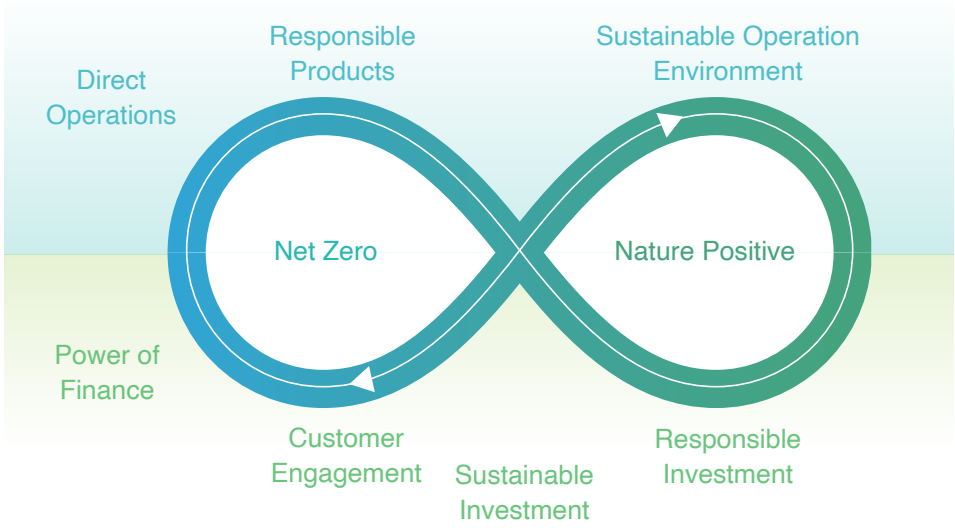
2027 100% Green building certification for domestic owned properties -> 2030 100% renewable energy use for domestic locations -> 2030 Complete phase out of coal companies in OECD countries -> 2040 Complete phase out of coal companies -> 2040 100% renewable energy use for global locations -> 2050 Net-zero emissions



Vision

E.SUN's employees become world-class citizens;
E.SUN becomes a world-class corporate citizen

Target



Action Plan

1.Positive Impact

- Finance Transition
- Sustainable Operation
- Establish Partnerships

2. Sustainable Innovation

- Develop Green Products and Services
- Cultivate Sustainable Talent
- Innovate Smart Processes

3. Resilient Organization

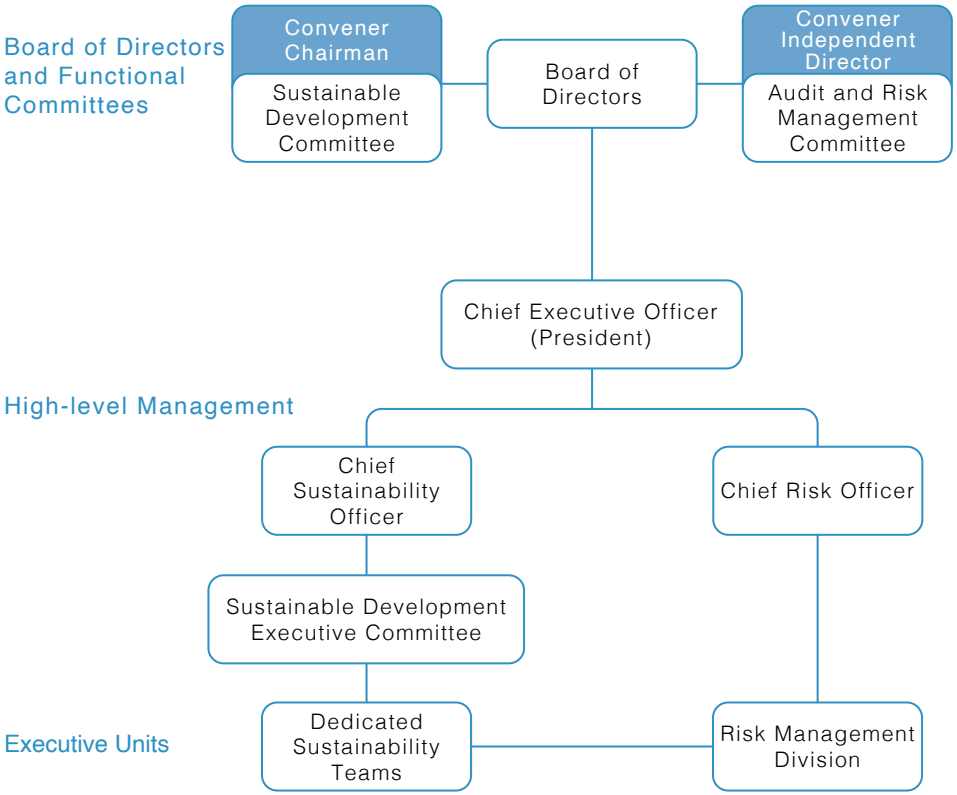
- Align with International Best Practices
- Enhance Scenario Analysis
- Enhance Operation Resilience

1.2 Governance Structure

Climate and Environment Governance Structure

E.SUN implements a top-down management framework, establishing a robust governance structure from the Board of Directors through high-level management to executive units. The Board evaluates and supervises policies related to climate and environmental risks, while the Sustainable Development Committee is responsible for overseeing and formulating strategic directions related to sustainability. The Audit and Risk Management Committee manages and measures the associated risks. High-level management is closely linked to sustainability performance, and executive units carry out actions and risk management to ensure that targets are achieved. Regular and ad-hoc reports are submitted to management to maintain transparency in strategy execution.

E.SUN FHC Climate & Environment Governance Structure



Organization	Chair/ Convener	Reporting/ Meeting Frequency	Overview of Responsibilities
Board of Directors	Chairman	At least quarterly	・Approve climate-related and environmental risk management policy, major decision making, and supervision of climate risk. ・Approve action plans and ensuring effective operation of climate-related and environmental risk management.
Sustainable Development Committee	Chairman	At least semi-annually	Guide and supervise climate management policies, formulate annual plans and strategic direction, track and review the effectiveness of project and activity plans.
Audit and Risk Management Committee	Independent Director	At least quarterly	In charge of risk management, risk measurement, risk supervision, deliberating on risk management and execution, tracking compliance with risk management policies, and promoting risk management culture.

Management	Overview of Responsibilities	Oversight Organization	Reporting / Meeting Frequency	Management of Climate and Environment Issues
President (CEO)	Serves as the convener of the MSSF, develops long-term leading strategies, establishing E.SUN as the premier brand for sustainable development.	• Sustainable Development Executive Committee • Dedicated Sustainability Teams • Risk Management Division	Participate in regular sustainability unit meetings semi-annually and attend MSSF and related working group meetings at least once per quarter.	• Achievement status of MSSF commitments • Performance in international ESG assessments and progress toward ESG targets
CSO	Outline sustainable development strategies, oversee the progress of various projects and goals by dedicated sustainability units. Ensure overall sustainable development compliance with laws and regulations and further managing long-term risks.	• Sustainable Development Executive Committee • Dedicated Sustainability Teams	Regular meetings every two months, with consistent reporting to the Chairman and senior management.	• Measure the impacts of physical risks and transition risks on the business and further developing management mechanisms for mitigation and adaptation. • Seize opportunities for the transition to a net-zero economy and develop financial products to meet.
CRO	Integrate planning for risk management, supervise the promotion and execution of risk management related work, and handle overall risk-bearing capacity and risk status.	Risk Management Division	Incorporate climate- and nature-related risks into risk management reports and present to the Board of Directors.	• Plan and implement climate risk management mechanisms, evaluate and consolidate climate risk management information, and report to the board of directors. • Assist in the development of data, methodologies, and management tools to effectively identify and assess climate risks for relevant units.

Sustainable Development Committee

The “E.SUN FHC Sustainable Development Best Practice Principles”, approved by the Board, serve as the Company’s highest ESG guideline. The Board has established a Sustainable Development Committee as the highest governing body for sustainability, chaired by the Chairman and composed entirely of directors, including three independent directors. In accordance with its charter, the Committee convenes at least twice annually and may meet as needed; in 2025, it met at least once each quarter. Since 2022, E.SUN has appointed a Chief Sustainability Officer, and the Committee delegates responsibilities to the Sustainability Executive Committee to coordinate relevant functions across the organization.

Of the 13 Board meetings held in 2025, ESG and sustainability matters were included on the agenda five times. Key topics included: (1) specific sustainability initiatives, (2) progress on the adoption of IFRS Sustainability Disclosure Standards, (3) material topic identification and validation, (4) employee communication and feedback, (5) implementation of the Low-Carbon Transition Plan, (6) sustainability-related policies and regulations, and (7) the sustainability report. The Board thoroughly reviewed and provided guidance on these matters, monitored implementation progress, and, where appropriate, directed management to make timely adjustments.

Audit and Risk Management Committee

To strengthen Board-level risk governance, E.SUN established the Board Risk Management Committee composed of at least three directors, with a majority being independent directors. The Committee executes the Board's risk decisions, reviews policies and implementation, oversees risk management frameworks, and reviews risk reports, risk appetite, and limits. In 2025, the Risk Management Committee held three meetings (Jan 8, Mar 5, May 7), and the Audit Committee held seven meetings (Jan 8, Feb 12, Mar 5, Mar 18, Apr 16, May 7, Jun 23). On June 23, 2025, the Board approved the merger of the Risk Management Committee into the Audit Committee, renamed the "Audit and Risk Management Committee," composed entirely of independent directors; five meetings were held post-merger (Aug 13, Sept 17, Nov 5, Nov 5, Dec 12). The Risk Management Department implements Board-approved policies and frameworks, maintains an independent and effective risk management system, assesses overall risk capacity and exposures, formulates responses, tracks implementation, and reports regularly to the Board and committees.

Risk management units across all levels identify and manage risks in products, activities, processes, and systems, establish limits and monitoring indicators, and assess material issues to formulate management actions and sustainable objectives. To strengthen the three lines of defense in risk management, compliance, and information security, E.SUN Bank has implemented internal control guidelines to promote knowledge and information sharing.

Climate and Environment Performance Remuneration

Management Topics	Key Performance Indicator (KPI)	Management link	Compensation
Climate Change Response	• Implementation of IFRS S2 • CDP performance • Achievement status of carbon reduction targets	Chief Sustainability Office	30%
	• Establishment of financial carbon inventory management system for investment and financing	Chief Risk Officer	10%
	Review the proportion of renewable energy usage based on the amount of renewable energy consumed and total electricity consumption	Head of Management Division, E.SUN Bank	30%
Nature Issues Response	Control operational environmental indicators, such as water usage, and waste management	Head of Management Division, E.SUN Bank	30%
Responsible Finance	• Green credit balance • Sustainability-linked loan balance	Executive Officer of Corporate Finance	10%
	Sustainable development bond investment balance	Chief Financial Officer	15%



1.3 Capacity Building & Internal Policies

1.3.1 Policy and Culture Building

To better integrate climate and nature sustainability considerations into organizational decision-making, management, and business operations, E.SUN has established a Sustainable Development Committee at the board level and created dedicated units within each major division. Starting from the governance level, we are committed to putting E.SUN's climate and environmental culture into practice, formulating a long-term sustainability blueprint, and embedding it into our daily operations. We emphasize talent development and align our development strategies to support our climate and nature vision. E.SUN supports the Universal Declaration of Human Rights and the UN Declaration on the Rights of Indigenous Peoples. Human rights issues are incorporated into our governance policies to ensure communication and participation with Indigenous peoples, local communities, and affected stakeholders, contributing a just and sustainable society for the future.

Establish a Climate & Nature Governance Culture

- Established the Sustainable Development Committee, chaired by the Chairman.
- Established climate and environment-related policies and procedures, and regularly report on progress [1]
- Arrange external climate and nature education training for the Board and Senior Management annually, such as the transformation of the world economy driven by environmental challenges and sustainable finance, discussions on sustainable risk trends and response strategies, trends in sustainable development and governance, and sustainable finance management certifications [2]

Governance Unit	No. of members with competence on nature-related issues	Total
Strategy Committee	8	10
Sustainable Development Committee	4	5
Audit and Risk Management Committee	4	5

Cultivate Climate & Nature Finance Talent

- Collaborated with TAISE to hold the "Sustainable Finance Manager Development Program" to enhance ESG and climate-related skills, with 212 participants certified.
- Internal training programs incorporate ESG-related topics, with climate and natural risk management courses introduced in tiered training classes. Participants include managers, Hope Engineers, professionals from various departments, and new employees. Furthermore, awareness is enhanced through online courses and monthly ESG educational materials. Team members involved have obtained international certifications such as SCR, CFA ESG, CCI, ISO 14064-1,2,3, ISO 14067, and ISO 14068-1. [3]

Enhance Climate & Nature Risk Assessment Ability

- Collaborate with external consultants to establish nature-related risk assessment methodologies, evaluating dependencies and impacts through quantitative and qualitative measures, and building a nature-related scenario analysis to explore financial impacts from declines in nature
- Establish an internal financed emissions management system, automating data processing according to PCAF methodology and providing real-time management capabilities

Note 1: For information on climate-related government results for the Board and senior management, please see E.SUN FHC 2025 Annual Report pg.31-33
Note 2: For information on climate-related education training for the Board and high-level management, please see E.SUN FHC 2025 Annual Report pg.37-39
Note 3: SCR*, Sustainability and Climate Risk. CFA ESG*, Certificate in ESG Investing

1.3.2 Climate and Environment-related Policies

E.SUN FHC Climate and Nature Policies

Sustainable Development Best Practice Principles

To fulfill corporate social responsibility and pursue sustainable development, this policy is established in reference to the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies". It aims to manage the Company's economic, environmental, and social risks and impacts.

Risk Management Policy and Guiding Principles

To keep business risks within acceptable levels, the Company applies a comprehensive risk management framework that supports strategic objectives. By embedding risk management into daily operations, we aim to balance risk and reward effectively.

Human Rights Commitment

To uphold our commitment to human rights, the Company strictly prohibits any violations and regularly monitors global human rights trends. Through due diligence procedures, we assess related risks and impacts, aiming to mitigate adverse effects and raise awareness among all stakeholders, contributing to positive social development.

Sustainable Finance Policy

The Policy integrates sustainability values into financial services and risk assessments, guiding enterprises and clients to prioritize environmental protection, climate action, and human rights. This approach promotes sustainable development across business, society, and the environment.

Climate-Related and Environmental Risk Management Policy

To assess and address risks and opportunities from climate change and environmental shifts, this policy is established in line with E.SUN Financial Holding Company's Sustainable Finance Policy and the TCFD framework, with reference to TNFD. It aims to strengthen risk management through mitigation and adaptation strategies.

Sustainable Development Engagement Guidelines

E.SUN aims to fulfill the vision of becoming a world-class corporate citizen by balancing economic growth with ESG objectives, advancing sustainable transformation through concrete actions, and engaging with stakeholders to foster dialogue, collaboration, and support, thereby enhancing sustainability performance and long-term value.

Guidelines for the Phase-Out of Coal and Unconventional Oil & Gas

E.SUN is committed to the COP26 goals by accelerating coal phase-out and ending subsidies for inefficient fossil fuels. Full divestment is targeted by 2030 for OECD-based enterprises and by 2040 for non-OECD-based enterprises.

Corporate Social Responsibility Guidelines for Suppliers

To uphold our commitment and responsibility in supplier management, we collaborate with suppliers to achieve high ethical standards, respect labor rights, and promote environmental sustainability, working together to fulfill sustainable development goals.

Human Rights Due Diligence Process

To fulfill our corporate social responsibility and commitment to human rights, E.SUN has established a human rights due diligence process.

1.3.3 Human Rights Governance and Protection

E.SUN formulated our human rights policies with due reference to laws and regulations and human rights development trends. Every year, we review the E.SUN Declaration of Human Rights and E.SUN FHC Human Rights Due Diligence Investigation Procedures, and work with all partners to continuously strengthen and improve the management of issues related to human rights.

Identify impact	Assess risks	Draft plans	Oversee the execution process	Review and Improve
1. To continuously determine the impact of various human rights issues, potential human rights issues and groups potentially at risk of human rights violation are identified by reviewing business operations, new commercial activities (e.g., consolidation and joint venture), and other related activities (e.g., social welfare events) through regular data monitoring, questionnaire surveys, and social trend analysis, etc. 2. The implementation status of suppliers in the value chain, business partners, and customers regarding human rights commitment is examined and assessed as needed. Open data of third-party investigations are used as reference for assessing human rights-related issues. 3. Periodically review direct operations, value chain, new business activities (such as mergers and acquisitions, joint ventures), and other related activities to identify groups and potential human rights issues that may face human rights risks.	For stakeholders at risk, the probability of occurrence and level of influence in relation to human rights issues and potential risks are assessed, and human rights risk matrix is established. These results are disclosed on E.SUN's website and its sustainability report.	1. Based on the probability and impact of potential risks identified in the human rights issue risk matrix analysis, regularly discuss and develop a human rights issue control plan. 2. The human rights issue control plan includes risk mitigation measures and impact compensation measures, covering all E.SUN FHC service locations in Taiwan and overseas, and related stakeholders affected by human rights issues. 3. Risk mitigation measures and impact compensation measures are implemented by the relevant units involved in the human rights issue. 4. In the event of significant human rights issues, meetings will be convened, investigations conducted, and assessments made regarding the disclosure of investigation results and response measures on public information platforms.	1. Establish monitoring, tracking, and evaluation mechanisms for control measures to understand the implementation results of the human rights issue control plan, and ensure the implementation of risk mitigation measures and impact compensation measures. 2. If suppliers, partners, and customers (such as credit granting targets) violate the " E.SUN FHC Corporate Social Responsibility Best Practice Principles" and cause significant impacts on the environment and society, relevant units should evaluate the termination or cancellation of the contract.	1. Based on the implementation results of the human-rights issue control plan, review and evaluate the assessment tools and procedures, and reexamine and adjust related measures and commitments to improve the mechanisms of the human rights due diligence process. 2. Through review and evaluation, identify other potential groups and human-rights issues not included in the assessment, in order to fulfill E.SUN's commitment and responsibility to safeguard human rights.

1.4 ESG Sustainability Talent Cultivation Program

Advancing Transitional Finance

With a steadfast approach to addressing sustainability challenges, we demonstrate our commitment as a leader in sustainable development. Despite external challenges marked by climate change and global uncertainties, E.SUN remains true to its founding mission by continuously driving a dual transition in sustainability and digitalization. Grounded in data-driven support, we implement internal carbon pricing and decarbonization strategies across Scope 1, 2, and 3 emissions to achieve our net-zero targets. From commitment to execution, we advance steadily to foster sustainable transformation.

Talent Development Strategy – Cultivating Talent Before Managing Business

Guided by our core philosophy of nurturing talent and delivering exceptional customer service, E.SUN Bank views talent as the foundation of long-term corporate sustainability. As we enter our fourth decade, we continue to cultivate well-rounded financial professionals to uphold our values and ensure leadership continuity amid rapid changes in finance and sustainability. To support this, E.SUN has built a comprehensive career development system that integrates management practices, humanities, and financial expertise. With a forward-looking approach, we are developing a robust talent pipeline equipped to meet future challenges and seize emerging opportunities. Beyond financial skills, we proactively embed sustainability, digital transformation, and AI competencies into our training programs to adapt to the evolving demands of financial management.

1. Digital Transformation Training Program – Comprehensive Top-Down Digital Empowerment

In response to the digital transformation reshaping the financial industry, E.SUN launched its Digital Transformation Training Program to strengthen organizational digital capabilities. The program promotes diverse learning formats, including RPA digital courses, to enhance employees' digital skillsets.

To embed digital thinking at the leadership level, E.SUN collaborates with the AIA Taiwan Artificial Intelligence School to offer AI Executive Management and Supervisor Training Classes, laying a strong foundation for top-down transformation. Practical mentoring and alumni exchanges further support skill application and collaborative learning. E.SUN encourages participation through certification subsidies and incentives, fostering a culture of continuous learning and enhancing overall talent competitiveness to meet the future of finance.

- AI Leadership Development Program participants: 105
- Target audience for digital capability training: all employees, with a coverage rate of 50.1% (including digital skills training and AI certification programs

2. Sustainability Transformation Training Program – From Strengthening Sustainability Mindset to Developing Expert Teams

To build long-term corporate sustainability, E.SUN integrates ESG training across all levels, from frontline staff to senior executives. These programs strengthen ESG awareness and promote the integration of sustainability principles with financial expertise, creating a positive cycle between sustainable practices and business performance. Employees are also encouraged to participate in diverse volunteer activities to embody sustainable values and deepen ESG consciousness. Adopting a progressive approach, E.SUN cultivates sustainability literacy and establishes dedicated teams to steadily advance its sustainability vision.

Sustainability Training Across Organizational Levels

- 2025 sustainability-related training participants: all employees; course satisfaction rate: 93.2%
- 2025 completion rate for 3-hour sustainability education training: 100%

Domestic and International Sustainability Certifications Obtained

- Sustainability Finance Manager Certification: 209
- Basic Sustainability Development Certification: 550
- Corporate Sustainability Manager Certification: 10
- Certificate in ESG Investing (CFA ESG): 4
- Sustainability and Climate Risk (SCR®) Certificate: 2

02 Strategy

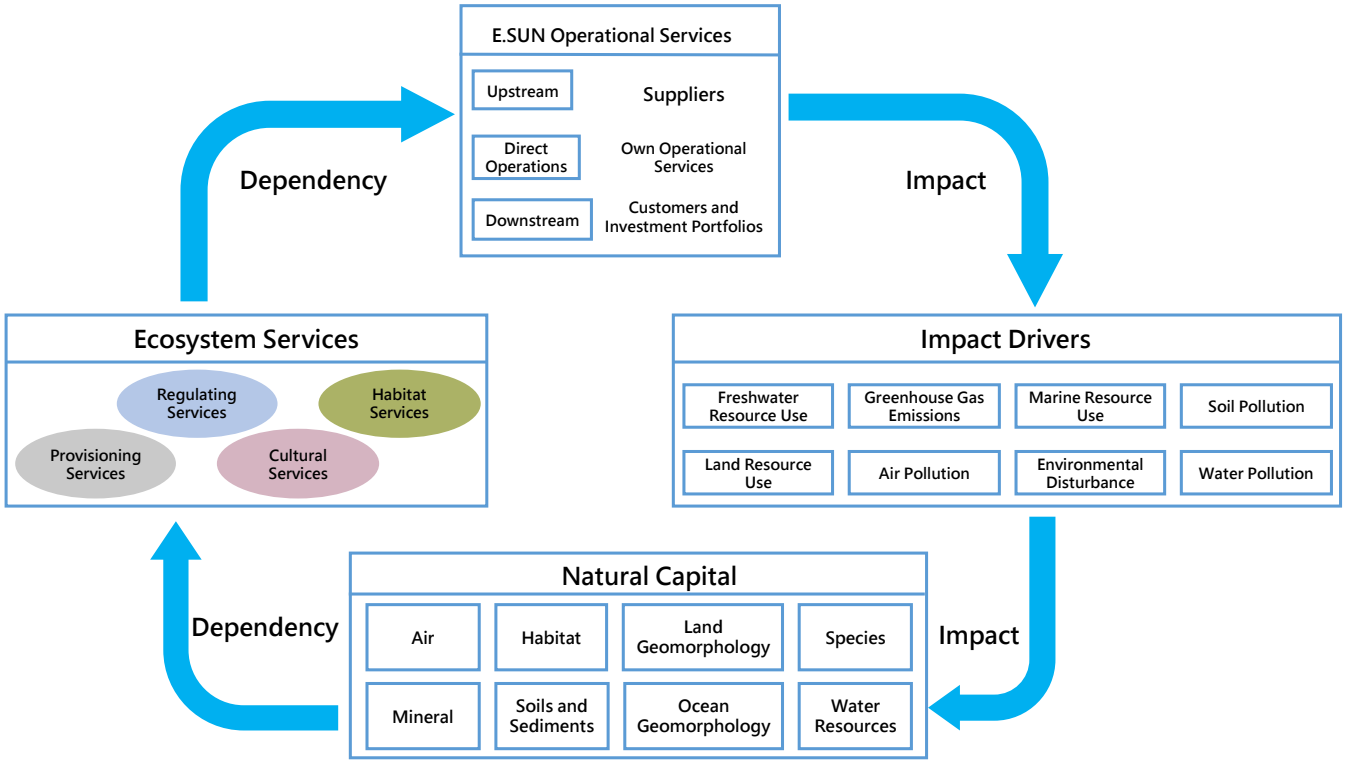
2.1 Dependencies and Impacts
2.2 The LEAP Approach
2.3 Dependency, Impact, Risk, and Opportunity Transmissions Pathways
2.4 From Dependency and Impacts to Risk and Opportunities
2.5 Opportunity Identification and Response Strategy
2.6 Risk Identification and Impact Assessment



2.1 Dependencies and Impacts on Natural Capital

Natural capital encompasses Earth's renewable and non-renewable resources such as flora, fauna, air, water, soil, and minerals that sustain life and provide ecosystem services essential to business and society. It underpins all economic activity. According to the World Economic Forum, about USD 58 trillion roughly 55% of global GDP, depends moderately to highly on nature[1]. If key ecosystem services like pollination, marine resources, and forest timber are lost, global GDP could fall by USD 2.7 trillion annually by 2030, or about 2.3% of total GDP[2].

As a financial institution, E.SUN's dependencies and impacts on natural capital are both direct and indirect. Direct dependencies include clean water, climate regulation, and flood prevention for operations, while extreme weather poses direct risks. Indirect dependencies and impacts occur through suppliers, customers, and investment portfolios, as industries vary in their reliance on ecosystem services. Following the TNFD LEAP approach, E.SUN uses the ENCORE[3] tool to assess dependencies and impacts across operations, suppliers, and portfolios, identifying priority areas and key drivers to integrate nature-related risks and opportunities into risk management and investment strategies.



Source:
1. Managing nature risks: From understanding to action (2023), PwC
2. The Economic Case for Nature (2021), World Bank.
3. ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a tool developed by the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), the UN Environment Programme Finance Initiative (UNEP-FI), and Global Canopy. It is designed to assess business dependencies and impacts on natural capital.

2.2 The LEAP Approach Process

E.SUN is committed to enhancing transparency in the disclosure of nature-related financial risks and integrating nature considerations into financial and business decision-making in accordance with the LEAP framework of the TNFD. This framework consists of four phases: Locate, Evaluate, Assess, and Prepare, which are designed to comprehensively assess nature-related risks and opportunities. E.SUN utilizes the LEAP approach to systematically assess its dependencies, impacts, risks, and opportunities arising from nature, both in our value chain and in our direct operations. Based on this framework, E.SUN has designed a concrete assessment process:

Locate

- Collect location data and industry related information for E.SUN's operations, supply chains, and portfolios
- Filter areas within direct operations, supply chains, and investment and financing activities that exhibit higher levels of impact and dependency on nature
- Analyze the interface between E.SUN's operations, suppliers, and portfolios and indicators related to ecologically sensitive areas
- Identify industries within the value chain that exhibit a high level of dependency on and impact to nature
- Identify which activities or business locations within the value chain fall within sensitive areas and assess the level of their dependency and impact

Evaluate

- Follow international frameworks such as TNFD and ENCORE to establish quantitative indicators and metrics for the impact and dependency of business activities on nature.
- See Appendix III for details
- Assess dependency and impact factors of operational activities and geospatial characteristics across different industries
- Quantify the level of dependency on natural capital within operations and across the value chain, and evaluate the positive and negative impacts on nature, including the scope and intensity of those impacts
- Quantify material locations based on the results of dependency and impact assessments, investment and financing balances, and geospatial information. Verify whether business sites are situated in sensitive areas. The intersection of these factors defines “Priority Locations.”

Assess

- Identify nature-related risks and opportunities for E.SUN and its investment and financing portfolios on an annual basis
- Implement in phases, aligning business development with climate mitigation, carbon reduction, and nature strategies, and incorporate these into a long-term transition plan.
- Conduct scenario analysis/stress testing on physical risks and transition risks on a regular basis.
- Nature scenario analysis builds upon climate scenario analysis by further considering the impact of water stress on business operations and its effects on E.SUN's finances
- Assess and disclose material nature-related risks and opportunities for E.SUN and its investment and financing portfolios through internal questionnaires

Prepare

- Strengthen the disclosure of nature-related information
- Continuously develop data and methodologies to improve the ability to assess dependencies, impacts, risks, and opportunities
- Enhance internal expertise through education and training, internal bulletins, and activities
- Align with E.SUN’s sustainability vision by setting nature-related goals and indicators, and link them to management performance
- Incorporate climate- and nature-related risks into risk management reports and present to the board of directors
- Publish the Climate and Nature Report annually
- Increase customer and societal awareness of relevant issues through products, services, initiatives, engagement, and promotions

2.2.1 Operational Scope and Business Model

Business models and value chain activities are closely linked to nature-related dependencies and impacts. In addition to focusing on the effects of carbon emissions on global climate change, companies should identify whether their operational sites and supply chains are located in or near key biodiversity areas, water-sensitive regions, or other critical locations encompassing natural capital, and ensure that business activities do not adversely affect local ecosystems.



E.SUN Finance Ecosystem

- Deposit serviced
- Loans
- Wealth management service
- Foreign exchange business
- Credit card business
- Digital services

Overseas and Domestic Service Network

As of December 2025, E.SUN Financial Holding and its subsidiaries operated service locations across Taiwan. Physical channels included 140 E.SUN Bank branches and 17 E.SUN Securities offices. Digital channels integrate internet banking, mobile banking, the official website, customer service centers, and automated service facilities. Through an online-to-offline (O2O) approach and integrated physical-digital services, E.SUN delivers customer-centric financial solutions to enhance quality of life.

Entering its fourth decade, E.SUN will focus on Asia to build an integrated cross-border financial platform, expand its overseas presence, and develop localized business capabilities to meet diverse, multi-currency customer needs. Internationally, E.SUN operates 35 locations across 11 countries and regions, primarily in Asia-Pacific financial centers and ASEAN. Through a multi-point cross-border layout and integrated financial platform, E.SUN provides uninterrupted cross-border financial services to Taiwanese businesses and local customers

Taiwan	Overseas	Virtual channel	Services and Products
· 140 branches · 17 security branches · 12 corporate banking regional centers · 8 consumer banking regional centers · 1,395 ATMs	· China: subsidiary E.SUN Bank (China) with 5 operating sites · Cambodia: subsidiary UCB with 15 operating sites and 24 ATMs · United States: Los Angeles Branch, Dallas Representative Office (In Preparation) · Hong Kong: Hong Kong Branch · Singapore: Singapore Branch · Vietnam: Dong Nai Branch, Hanoi City Representative · Office, Ho Chi Minh Representative Office · Australia: Sydney Branch, Brisbane Branch · Myanmar: Yangon Branch · Japan : Tokyo Branch, Fukuoka Branch, Kumamoto Subbranch, Osaka Representative Office (In Preparation) · Thailand: Bangkok Representative Office · Malaysia: Kuala Lumpur Representative Office · Canada: Toronto Branch (In Preparation) · India: Mumbai Branch (In Preparation)	· E.SUN e-Services, including 24-hour customer service hotline, smart customer service, Internet phone and Online visitor message board · Personal internet banking · E.SUN Corporate Online Banking · E.SUN Mobile Financial Advisor · Mobile Banking APP · E.SUN Wallet · WebATM · E.SUN Securities A+ mobile services	**Banking** Consumer financing, corporate financing, wealth management, trust services, financial products, online banking, mobile financing, and other banking services **Securities** Brokerage, derivative financial products, credit transactions, fixed revenue products, e-commerce, and other securities services **Venture capital** Services provided for companies at the startup stage and expansion stage, and secondarily for companies at the mezzanine stage **Asset Management** Fundraising, issuance, and investment management services for domestic and offshore equity, bond, ETF, and multi-asset funds.

2.2.2 Identification Process for Priority Locations

E.SUN's operations and investment and financing activities are primarily located in Taiwan; therefore, the assessment prioritizes domestic areas for analysis. Recognizing that natural environmental factors are significantly influenced by geographical location, E.SUN uses Taiwan's nature-related regulations as the basis for identifying Sensitive Locations, defines Material Locations as those within the value chain that exhibit substantial nature-related dependencies and impacts, and determines Priority Locations as the intersection of these factors.

<table>
<tr><th>Reference external sources</th><th>Process for Materiality Rating and Sensitive Location Assessment</th><th colspan="2">Indicators Adopted for Enhanced Nature Assessment</th></tr>
<tr>
<td>
International data sources

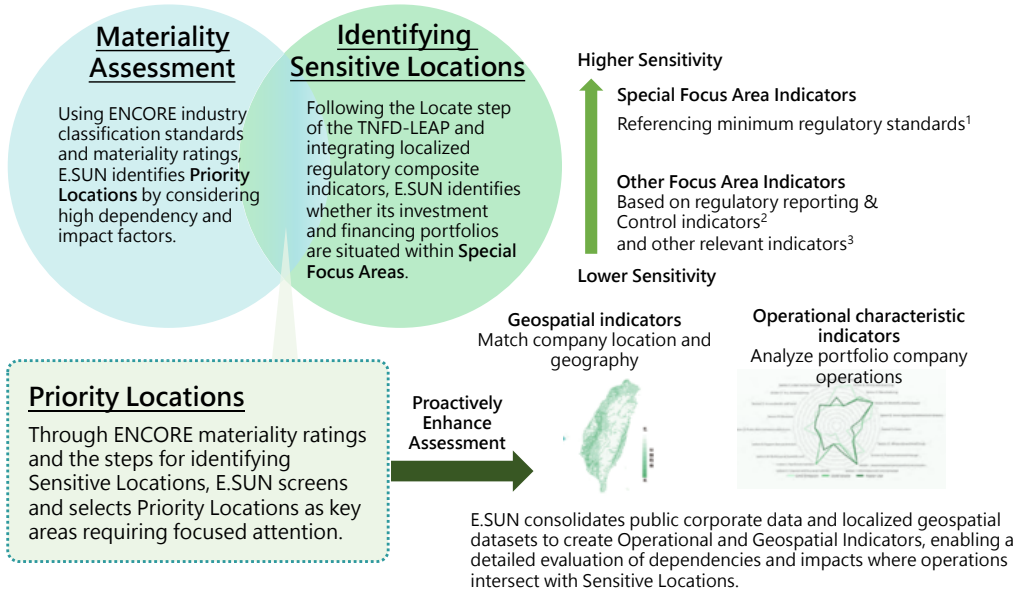
TNFD
PBAF
ENCORE
SBTN

Public corporate disclosures

Market Observation Post System
Sustainability reports

Government data platforms

Open Data platform
Nature Conservation network
National Spatial Planning data
Geological Survey and Mining Management Agency, Ministry of Economic Affairs

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Operational Characteristic Indicators
Beyond industry characteristics, E.SUN evaluates companies using public data on resource use, emissions, and regulatory compliance. Indicators include GHG emissions, water use, and pollution control, providing insight into dependency and impact levels of investment and financing.
</td>
<td>
Geospatial Indicators
E.SUN uses Taiwan's land-use zoning indicators, including "Land Conservation Areas" and "Marine Resource Areas", along with existing ecological and disaster-related data layers. The assessment covers 31 geospatial datasets, such as national forest business zones and river area cadastral maps, to evaluate whether corporate operational sites or factories exhibit high dependency on or significant impact to local natural capital.
</td>
</tr>
</table>

Note: 1. Minimum Regulatory Standards: Baseline compliance requirements set for specific regions or activities. Examples include delineation and restrictions for nature reserves, wildlife protection areas, and designated soil and water conservation zones.
2. Regulatory Reporting and Control Indicators: Indicators designed to monitor and assess compliance status, strengthening control over business activities or resource usage in specific areas. Examples include landslide and geological hazard-sensitive zones, drinking water source quality protection zones, and critical wildlife habitats.
3. Other Relevant Indicators: Nature-related indicators that currently lack specific regulatory or standard provisions, such as soil quality and biodiversity. These indicators provide additional reference for assessing corporate dependencies and impacts beyond existing policies.

2.2.3 Climate and Nature Sensitive Assets

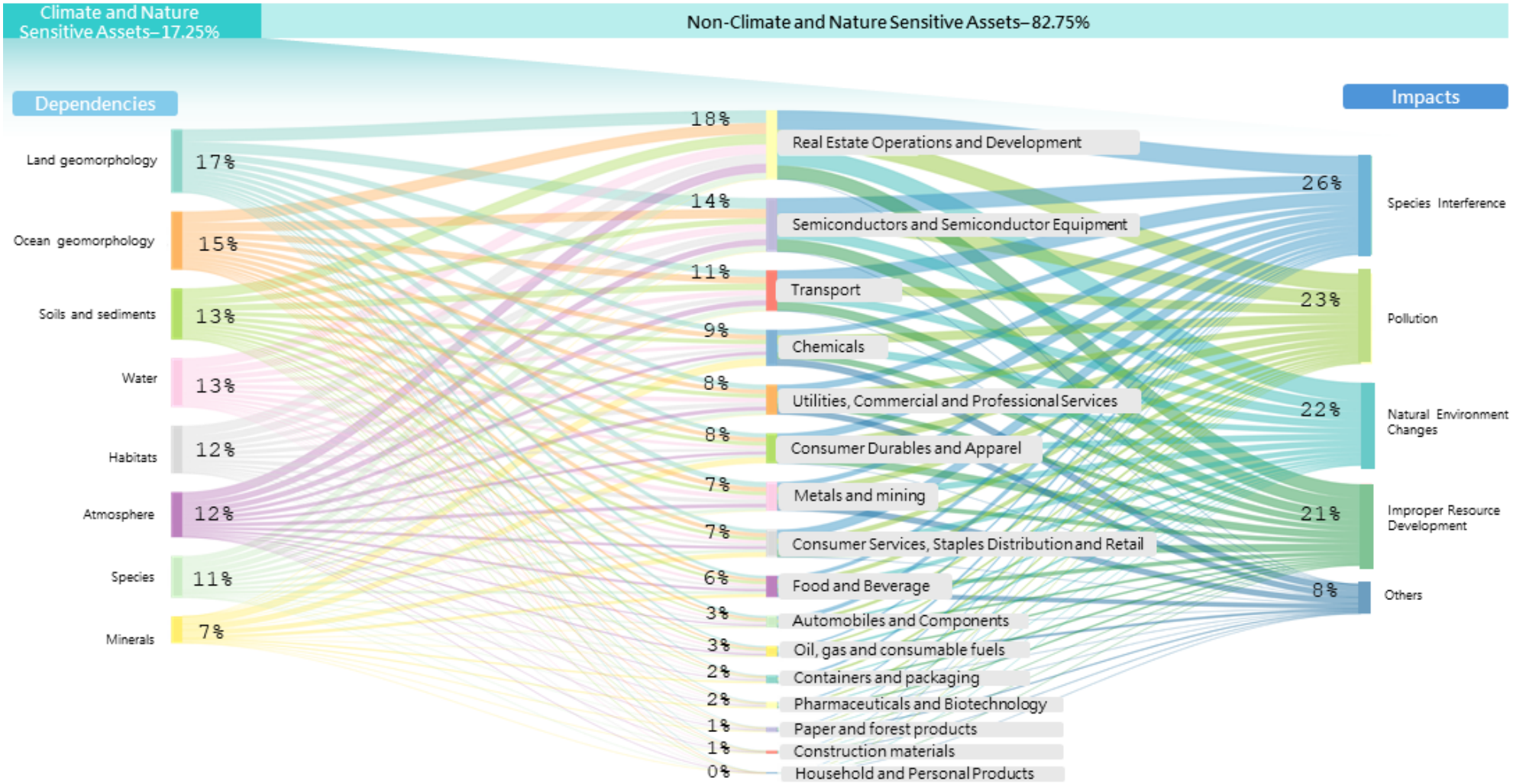
Identification of Sensitive Industries

E.SUN incorporates TNFD's list of environmentally sensitive industries alongside leading domestic and international risk management guidelines (including UNEP FI and SASB). This framework integrates the ENCORE tool and material issues identified by the Science Based Targets Network (SBTN). Each quarter, sectors most exposed to climate and nature-related risks are reviewed to inform disclosures and strengthen risk-based decision-making. These insights enable a proactive, risk-oriented approach aligned with global sustainability standards.

Sections	Dependencies								Impacts					Percentage of Total Financing and Investment (%)
	Atmosphere	Habitats	Land geomorphology	Minerals	Ocean geomorphology	Soils and sediments	Species	Water	Natural Environment Changes	Improper Resource Development	Pollution	Species Interference	Others	
1. Automobiles and Components														0.52%
2. Chemicals														1.64%
3. Construction materials														0.13%
4. Consumer Durables and Apparel														1.35%
5. Consumer Services, Staples Distribution and Retail														1.24%
6. Containers and packaging														0.36%
7. Food and Beverage														0.97%
8. Household and Personal Products														0.06%
9. Metals and mining														1.30%
10. Oil, gas and consumable fuels														0.47%
11. Paper and forest products														0.22%
12. Pharmaceuticals and Biotechnology														0.30%
13. Real Estate Management and Development														3.10%
14. Semiconductors and Semiconductor Equipment														2.42%
15. Transport														1.83%
16. Utilities, Commercial and Professional Services														1.35%
													Climate and Nature Sensitive Assets	**17.25%**
													Non-Climate and Nature Sensitive Assets	**82.75%**
													Total	**100.00%**

Note: As of December 2025, industries with high climate sensitivity accounted for 5.92% of E.SUN Financial Holding's total investment and financing portfolio.

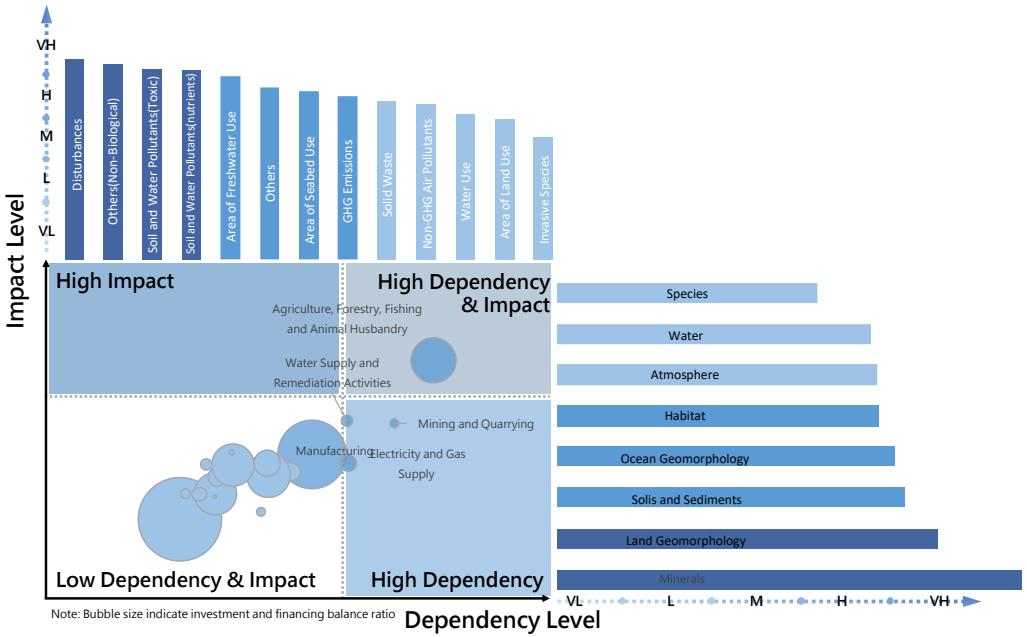
As of December 2025, E.SUN's exposures to industries with high sensitivity to climate and natural environment risks are summarized in the table below. Investment and financing in nature-sensitive industries accounted for 17.25% of total exposure, primarily concentrated in real estate management and development, semiconductors and semiconductor equipment, and transport sectors. In terms of dependency, these sectors exhibit higher reliance on natural capital such as land and marine geomorphology, soil and sediment. Regarding impact, the most significant effects are associated with species disturbance and pollution



2.2.4 Materiality Location Assessment

Beyond E.SUN's own operations, most dependencies and impacts on natural capital stem from suppliers and investment and financing portfolios. Using the ENCORE tool, we assessed these areas and identified industries rated "High" as material for screening. Results show no suppliers fall under high dependency or impact categories. In our portfolio, high-dependency industries include agriculture, forestry, fishing, and animal husbandry; high-impact industries include these sectors plus mining, electricity and gas supply, water supply and remediation, and manufacturing. Key dependency factors include minerals, land and terrestrial and marine geomorphology, soils, and sediments, while key impact factors involve disturbances, other abiotic resources, and pollution from toxic substances (soil and water). Agriculture, forestry, fishing, and animal husbandry is both high dependency and high impact. E.SUN promotes positive influence by supporting sustainable agriculture through the Farm to Table Loan Program (see Section 0.5).

Evaluating Dependencies and Impacts of Investment and Financing Portfolio



ENCORE Evaluation Results

Using ENCORE to Assess E.SUN's Suppliers and Investment & Financing Portfolio

Impact

High-Impact Industries	High-Impact Factor
· Agriculture, Forestry, Fishing and Animal Husbandry · Mining and Quarrying · Manufacturing · Electricity and Gas Supply · Water Supply and Remediation Activities	· Disturbances · Other abiotic resources · Soil and water pollutants · Pollution from toxic substances (soil and water)

Dependency

High-Dependency Industries	High-Dependency Factor
· Agriculture, Forestry, Fishing and Animal Husbandry	· Minerals · Land and ocean geomorphology · Soils and Sediments

Materiality Screening

- Agriculture, Forestry, Fishing and Animal Husbandry
- Mining and Quarrying
- Manufacturing
- Electricity and Gas Supply
- Water Supply and Remediation Activities

2.2.5 Assessment of Value Chain in Sensitive Areas

E.SUN conducts dependency and impact assessments for its operations, suppliers, and portfolios in line with TNFD disclosure recommendations. Localized indicators are applied to evaluate issues related to water resources, land resources, and biodiversity. Based on Minimum Regulatory Standards, indicators are categorized into Special Focus Areas and Other Focus Areas as the primary basis for analysis.

Special Focus Areas Indicators

Taiwan has designated over a hundred legally protected natural areas under laws such as the “Forestry Act”, “Wildlife Conservation Act”, and “Wetland Conservation Act”, covering wetlands and wildlife reserves. These serve as key references for nature-related risk assessments in the financial sector.

E.SUN adopts composite indicators from domestic regulations, including nature reserves and designated soil and water conservation zones, to analyze the dependency and impact of its operations, supplier locations, and portfolios within Special Focus Areas.

Other Focus Areas Indicators

Beyond Special Focus Areas, companies should also consider regions with potential ecological value and environmental risks. These areas, while not fully regulated, may still influence the overall value chain through biodiversity, land, and water resource management.

Indicators for Other Focus Areas reference Taiwan’s biodiversity hotspots, including national ecological focus areas, national parks, and critical wildlife habitats. Given the importance of water resources as natural capital, E.SUN also incorporates indicators such as drinking water source protection zones and reservoir catchment areas to assess the dependency and impact of operations, suppliers, and portfolios.

If an entity is located within these areas, it signifies high natural capital value, such as abundant water resources or biodiversity. Future investment and financing decisions can integrate concepts of ecological conservation and environmental co-existence, enhancing project sustainability and social acceptance while mitigating potential nature-related risks and improving long-term benefits.

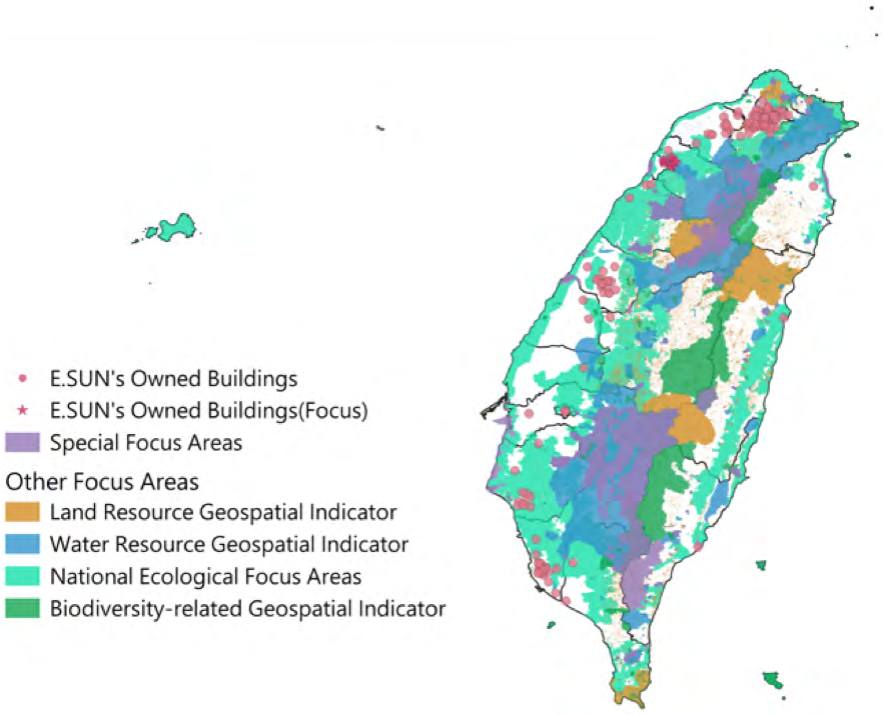


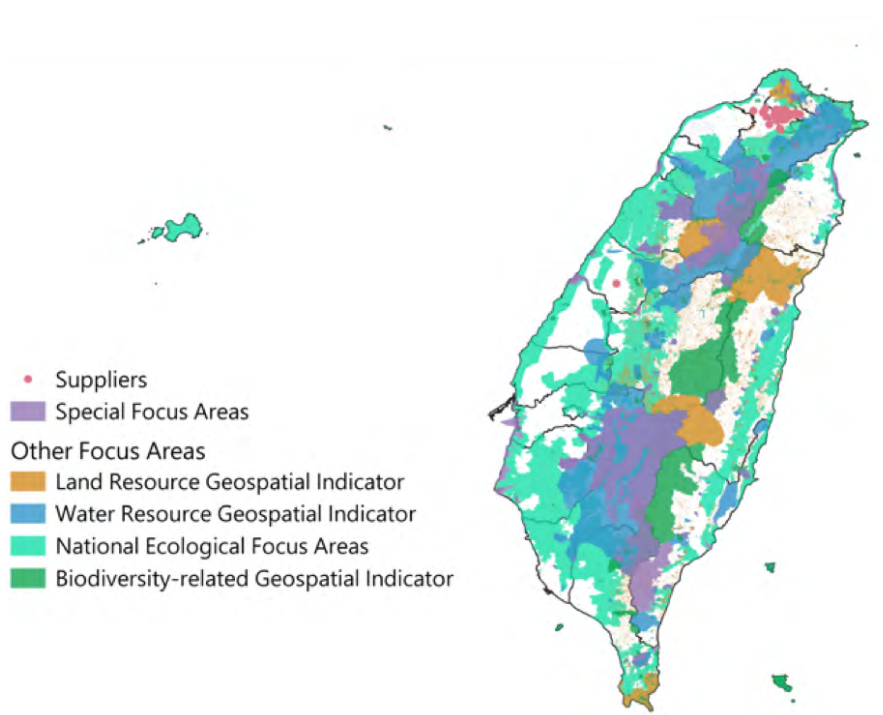
Direct Operations

None of E.SUN's operational sites are located within Special Focus Areas, indicating no significant dependency or impact on natural capital. Further analysis of Other Focus Area indicators shows no sites in land resource zones, and only 3% are in water-related areas and 1% in biodiversity-related areas. Internally, the financial industry is not classified by ENCORE as having material dependency or impact on natural capital. Therefore, E.SUN's direct operations are assessed as having no significant dependency or impact on these indicators.

Suppliers

Regarding E.SUN's suppliers, none of their operational sites are located within Special Focus Areas, indicating that these suppliers do not have significant dependencies on or impacts to natural capital. Within Other Focus Areas, no suppliers are situated in land resource priority zones; only one supplier is located in a water resource indicator area, and only one supplier site falls within a biodiversity indicator area. Both suppliers belong to the service industry. Based on internal assessments, suppliers do not exhibit significant dependencies on or impacts to the aforementioned natural capital indicators.





Note: The reference date for geospatial assessment is December 31, 2025

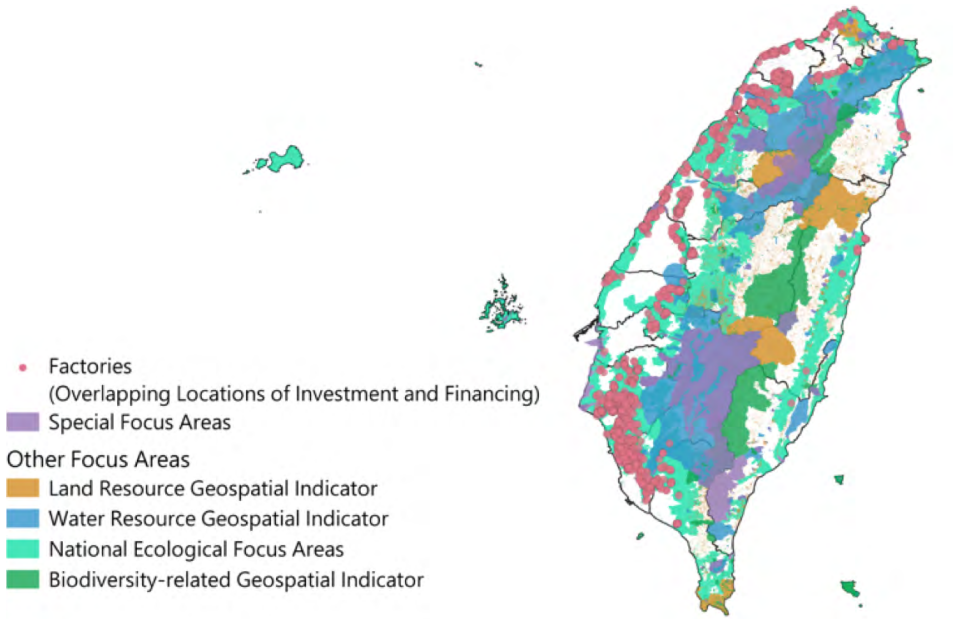
Financing and Investment Portfolio

Based on an analysis of factory sites, only 0.11 % of E.SUN's investment and financing positions are located within Special Focus Areas, which will remain a priority for monitoring. Within Other Focus Areas, just 0.05% of factories fall under land resource zones; only 3% are in water resource zones; about 30% are within the national ecological focus areas; and about 1% are in other biodiversity areas.

Given Taiwan's geographic characteristics—limited plains and over 70% of land classified as mountainous or hilly—factory sites often overlap with high biodiversity value areas. E.SUN analyzed the registered factories nationwide, the proportions are similar to E.SUN's investment and financing portfolio. Based on these findings, E.SUN plans to continue focusing on biodiversity and water resource issues in its financing activities, aiming to identify and leverage opportunities for positive financial impact.

Note: There are more than 98,000 registered factories nationwide, of which 28.09 % are located within the national ecological focus areas and 16.29 % are situated in water resource-related zones





2.2.6 Priority Location Assessment Results

Based on the materiality screening results in Section 2.2.4, the identified sectors include agriculture, forestry, fishing and animal husbandry; mining and quarrying; electricity and gas supply; water supply and remediation; and manufacturing. According to the previous analysis, neither E.SUN's self-owned sites nor suppliers have any locations within Special Focus Areas; therefore, no priority locations were identified. For investment and financing portfolios, the priority location assessment results are shown on the right, primarily distributed around the Taipei area and densely populated regions such as Tainan. Further in-depth assessments will be conducted for these priority locations.

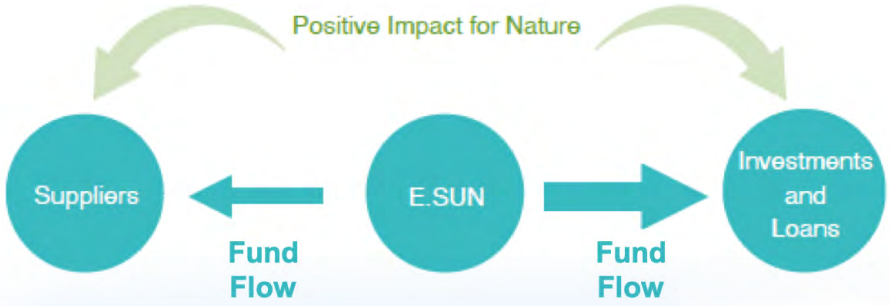
Value Chain	Priority Location
Operations	None
Suppliers	None
Financing and Investment Portfolio	Taipei area and Tainan region





2.2.7 Enhanced Nature Assessment

In line with TNFD guidelines, this year we established localized nature assessment indicators based on international tools and Taiwan-specific data. The evaluation considered varying degrees of dependency and impact on natural capital arising from suppliers and investment and financing positions due to operational characteristics and locations. Building on the analysis in Section 2.2.5, the assessment incorporated priority locations as well as overlapping areas within Special Focus and Other Focus Areas, refining the evaluation of dependency and impact. Indicators were categorized into 'Operational Characteristic Indicators' and 'Geospatial Indicators' to enhance granularity.



Suppliers Analysis

Changes in natural capital may affect supply chain resilience. In addition to leveraging financial influence in investment and financing decisions, E.SUN also acts as a consumer to identify the level of dependency and impact among upstream suppliers, expanding its positive influence on nature. Based on the previously mentioned framework, we assessed operational characteristics and geospatial indicators. The results show that over 80 % of procurement value falls under low or medium-low dependency and impact levels. Factories in the manufacturing sector with relatively higher impact were analyzed in Section 2.2.5 and found to be non-priority locations with low procurement value. Overall, the dependency and impact on local natural capital are not significant.

	Proportion of Total Procurement	Degree of Dependence	Degree of Impact	Priority Location
Manufacturing	9.68%	Medium-Low	Medium-High	Low
Other Non-specific Industries (Construction, Telecom, Wholesale)	4.19%	Medium-Low	Medium-Low	Low
Services (Finance, Consulting)	86.13%	Medium-Low	Low	Low



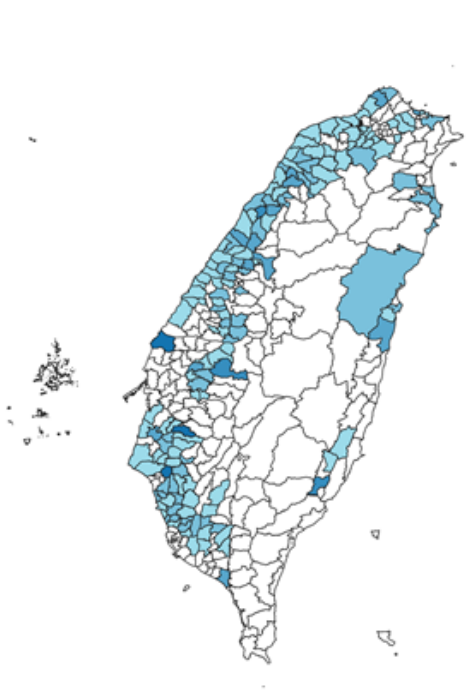
Investment and Financing Portfolio Analysis

Based on the assessment in Section 2.2.5, priority locations were further evaluated by incorporating sites located in Special Focus Areas and Other Focus Areas. Overall, factory sites are concentrated in metropolitan areas such as Taichung, Tainan, and Kaohsiung; however, analysis indicates relatively higher dependency and impact levels near mountainous and coastal regions. Among these, eastern Taiwan shows higher dependency, while areas with greater impact are mainly in Hsinchu–Miaoli and Hualien–Taitung region, reflecting the rich ecological resources of rural landscape and Hualien-Taitung region. Businesses operating in these areas should pay particular attention to potential impacts on local ecosystems. Considering priority locations, the analysis highlights sites distributed along the Dahan River and Yanshui River basins, where surrounding areas exhibit higher dependency. E.SUN will continue to monitor nature-related issues and engage with enterprises to amplify positive impact on nature.

Dependency Level and Regional Distribution of Investment and Financing Portfolio



Impact Level and Regional Distribution of Investment and Financing Portfolio







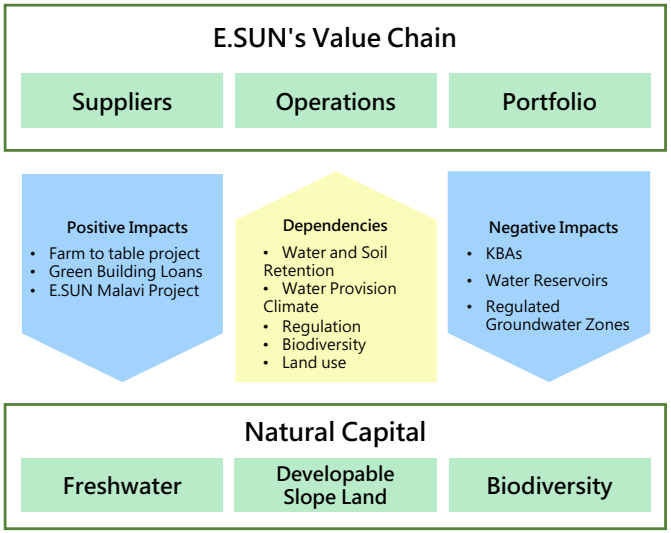
2.2.8 Summary of Dependency and Impact Assessment

E.SUN applies the LEAP framework to identify value chain and operations, then assess dependencies and impacts on natural capital and ecosystem services. We follow TNFD guidance and use localized indicators to reflect Taiwan's geospatial characteristics. E.SUN will continue updating data and collaborate with government and academia to monitor environmental changes.

- For our direct operations, based on site identification and indicator screening, there are no significant dependencies on or impacts to natural capital.
- For suppliers, based on site identification and indicator screening, there are no significant dependencies on or impacts to natural capital.
- Taiwan's mountainous terrain and rich biodiversity create certain constraints; E.SUN will continue monitoring biodiversity issues in investment and financing activities.
- ENCORE assessment identifies agriculture, forestry, fishing, and animal husbandry as high dependency and impact sectors. E.SUN supports these through the "Farm to Table" program and applies differentiated management for mining, electricity and gas supply, and water services to expand positive influence.
- Priority Locations: No priority sites for operations or suppliers. For investment and financing, priority areas are near Taipei and Tainan for further evaluation and management.
- Nature Enhancement: Supplier dependency and impact remain minimal; portfolio impacts are higher, mainly in eastern and northern Taiwan, concentrated in the Dahan and Yanshui River Basins.

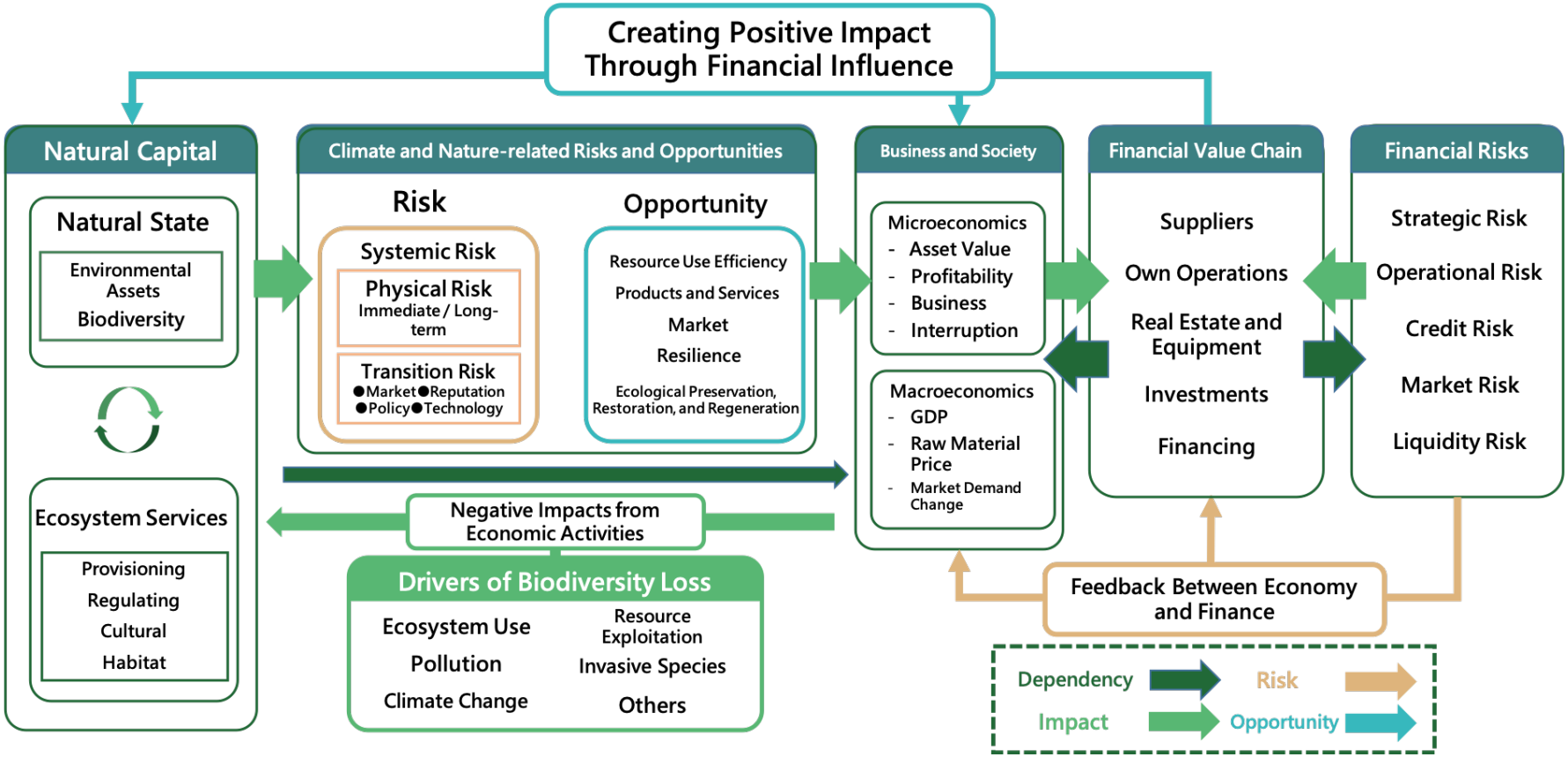
Actions in Response to Dependencies and Impacts

- Support sustainable agriculture to maintain biodiversity; over 90% of the financing targets for E.SUN's Farm to Table loan program are located within national conservation areas and biodiversity hotspots, which can positively impact local ecological conservation.
- E.SUN's Malavi Project promotes the transition to organic farming in the Bunun community of Namuan village, Hualien County, which is located in a Key Biodiversity Area. This initiative protects local ecosystem services and biodiversity, creating positive impacts for nature.
- To strengthen our positive impacts on climate and nature, E.SUN has issued sustainability bonds, with total issuances exceeding NT$29.8 billion as of the end of 2025.
- Differentiated management measures are implemented for communities in hazardous slope areas and clients with environmental violations.



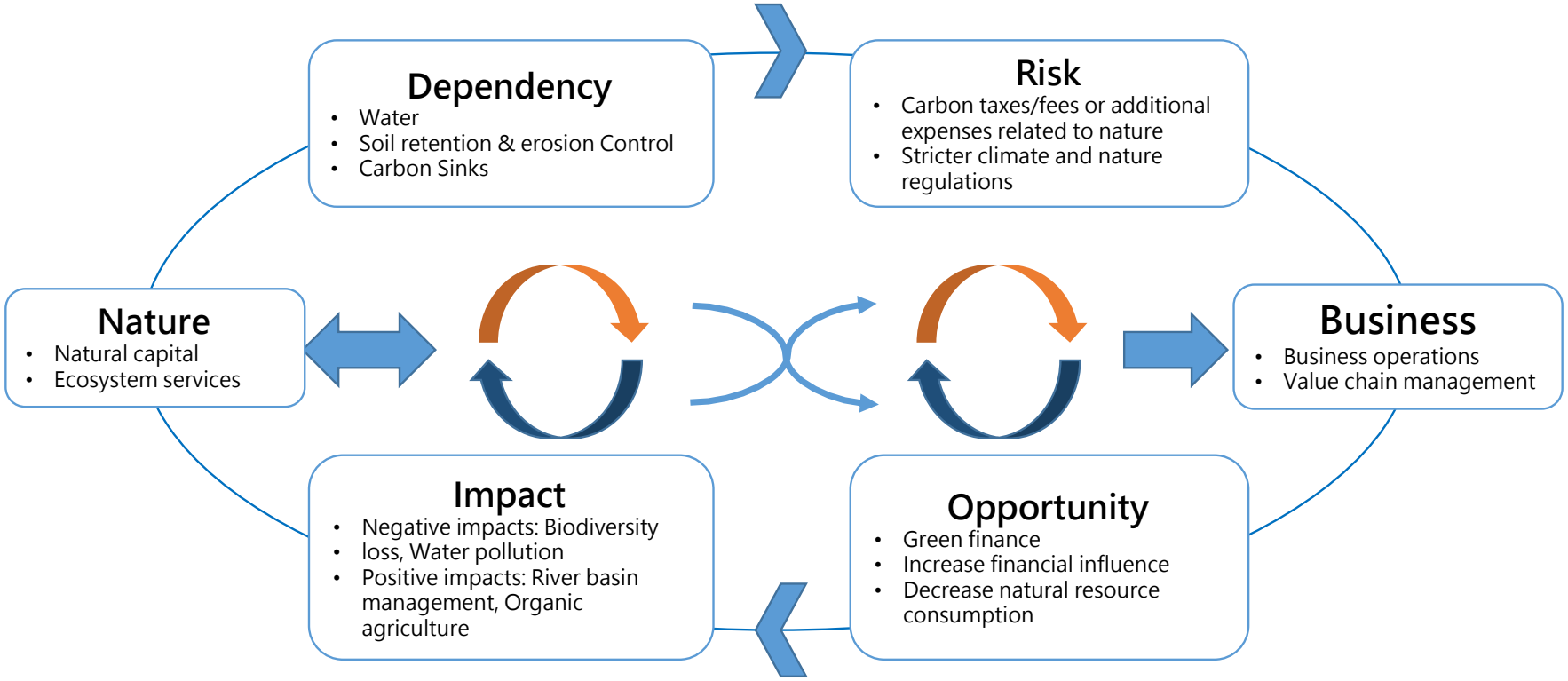
2.3 Transmission Pathways of Climate and Environmental Dependencies, Impacts, Risks, and Opportunities

Business activities depend on and impact natural capital and ecosystem services across the value chain, from procurement to investment and financing. Financial institutions face climate and nature-related risks in their own operations and through clients' activities. E.SUN applies the TNFD LEAP methodology to identify these risks and opportunities, enabling deeper insight into client dependencies and impacts and strengthening risk management. Recognizing the link between climate and nature, E.SUN integrates nature-related topics into its core strategy. Through comprehensive assessments, we quantify dependencies and potential impacts on natural capital, enhancing risk management for both clients and internal operations.



2.4 From Dependency and Impacts to Risk and Opportunities

E.SUN deepens its understanding of nature-related risks and opportunities by analyzing the dependencies and impacts of its investment and financing portfolio. Risks arise from changes in natural conditions, ecosystem service disruptions, and negative impacts from investees such as pollution that can affect E.SUN's reputation. Opportunities emerge by reducing or managing these risks through operational improvements and product innovation. E.SUN collaborates with external experts and adopts methodologies from TNFD, PBAF, and NGFS to conduct scenario analyses, enhancing resilience and natural governance capacity.



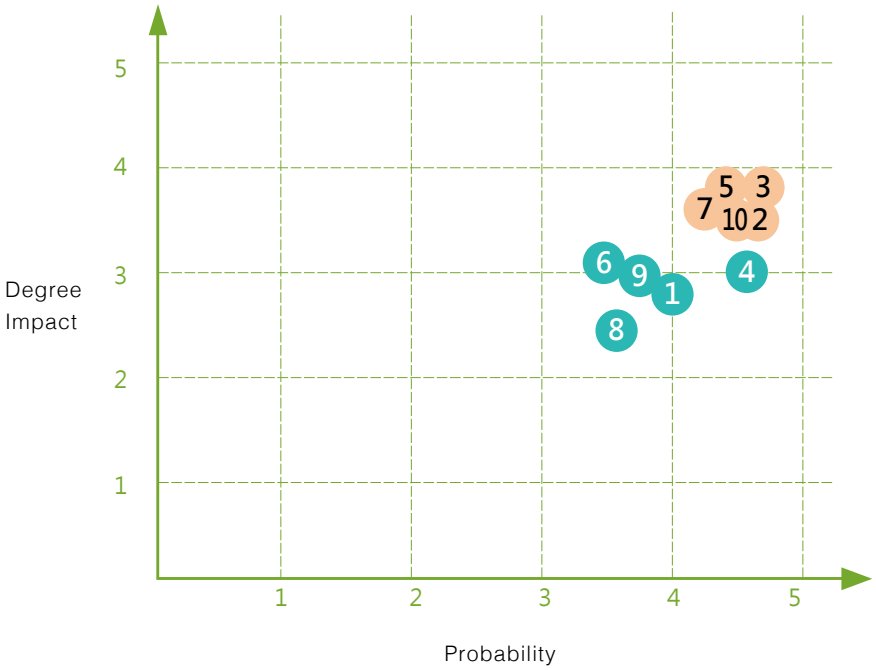
Climate and Nature Risks and Opportunities Identification

E.SUN incorporates climate and nature-related regulations, reports, and guidance from both domestic and international organizations into its management practices. Each year, we conduct a risk and opportunity assessment using a standardized questionnaire completed by business units across subsidiaries. This process evaluates and prioritizes climate and nature-related risks and opportunities based on three key factors: Impact period, Probability of occurrence, and Impact severity. Scores from each dimension are multiplied and ranked to identify material items. These serve as the foundation for developing targeted mitigation, adaptation, and risk management strategies.

2.5 Opportunity Identification and Response Strategy

2.5.1 Opportunity Identification

E.SUN actively identifies opportunities across its value chain by assessing natural capital impacts. ESG is both a challenge and a driver of business value. As a key financial player, E.SUN channels capital toward eco-friendly sectors, supporting net-zero and nature-positive goals through responsible, green, and digital finance. E.SUN is strengthening its ESG capabilities by cultivating talent, building systems, and improving performance management to address complex sustainability challenges and amplify its positive impact.



	Opportunities	Potential financial impact(s)	Impact Period
Resource use efficiency	1. Green and Low-Carbon Operations	Green buildings and eco-measures using low-carbon or renewable energy (e.g., wind, solar), plus water, energy, and waste reduction to lower costs	S/M/L
	2. Process Digitalization	Digitalized processes to boost efficiency and reduce resource use and environmental impact.	S/M
Products	**3. Green Financial Products**	Develop green financial products to fund eco-friendly initiatives and support clients' sustainable transitions	S/M
Services	4. Transition Services and Engagement	Climate awareness advocacy to engage stakeholders and strengthen climate finance influence	S/M
	5. Digitalized customer service	Digitalized financial services reduce paper use, increase customer satisfaction, and lower service costs.	S
Market	6. Capital market participation	Diversified sustainable assets including green credit, sustainability-linked loans, and bonds to expand ESG investment opportunities	S
Operation Resilience	**7. Sustainability Talent Development**	ESG talent development to build climate and environmental expertise and drive sustainability innovation	S/M/L
	8. Operational Resilience	Resilient supply chain management through sustainable procurement and climate disaster response planning	
Reputation and Brand Image	9. Ecosystem Protection and Restoration	Nature-positive activities to support ecosystem restoration and regeneration	
	10. Enhance Financial Influence	ESG performance systems aligned with stakeholder expectations to promote environmental sustainability and long-term value	

are items considered to be more material

Note 1: Timeframes are defined as follows: (S) Short-term, under 1 year; (M) Medium-term: up to 2030; (L) Long-term: up to 2050.

Note 2: Material opportunities are defined as items scoring 15 or above, based on Probability × Impact severity.

Note 3: Credit products are classified by maturity: short-term: under 1 year; medium-term: 1-7 years; long-term: over 7 years. Mortgage loans typically span 30 years. Corporate banking offers tailored products based on client needs, with strategies reviewed annually within a 5-10-year cycle.

2.5.2 Opportunity Response Strategy

E.SUN has developed strategies and action plans for operations, products, and financial planning by identifying significant climate- and nature-related opportunities. Additionally, we have set financial performance targets for climate- and nature-related products (see CH 5.4 for details), along with environmental targets for our direct operations. Resources are being actively allocated to support a green and low-carbon future.

Opportunities	Potential Financial Impact	Internal strategies and targets			Main Impact Area
		Current & Short term (Area ≦ 1 Year)	Medium term (up to 2030)	Long term (up to 2050)	
2.Process digitalization	Investment and Financing: Enhance risk assessment efficiency, reduce costs, and improve business performance. Direct Operations: Save energy and resources, reduce carbon fee expenses, optimize customer experience, and increase customer contribution	Resource Allocation · Optimize computing resources through a cloud-edge architecture; improve monitoring and recycling, and advance carbon reduction and governance goals. · Invest in trusted AI to enhance service efficiency, quality, and competitiveness. · Build a physical risk database and apply GIS technology to strengthen risk identification and real estate collateral management.	· Strengthen risk management by leveraging IT and data analytics for early warning and response, improving control efficiency. · Position E.SUN as a leading Asian AI-driven bank, expanding mature AI applications across all entities.		Products and Services, Direct Operations, Investment in R&D
3.Green Financial Products	Investment and Financing: Expand the green finance market, increase income from green and sustainability-linked products, strengthen corporate image, attract ESG investors, and lower capital costs	Resource Allocation · Support credit clients with positive environmental and social impacts, including renewable energy projects and ESG-focused enterprises. · Target NT$137.6 billion in green credit and NT$104.8 billion in sustainability-linked loans for 2025. · Develop a financial carbon emissions management system to improve transition risk identification. · Develop a Low-Carbon Transition Plan aligned with international and local sustainable taxonomy standards, tailored to the Asian and Taiwanese context, to assess the transition maturity of investment and financing portfolios as a foundation for supporting clients' transition.	· Become the sustainability backbone for SMEs and the best partner for customers by 2030. · Green credit target: NT$130 billion by 2030. · Sustainability-linked loans: 13% of total corporate credit by 2030.	· Expand green product offerings in line with Taiwan's 2050 net-zero roadmap and strategic guidelines.	Products and Services, Supply/ Value chain, Adaptation and mitigation
5. Digitalized customer service	Investment and Financing: Market green financial products more precisely to boost cross-selling and fee income. Direct Operations: Lower physical service costs, improve customer loyalty, create competitive differentiation, and boost overall revenue.	Resource Allocation · Create an "E.SUN Artificial Intelligent Platform" to drive financial innovation. · Optimize digital experience and operations, accelerate technology adoption, and integrate sustainability into financial services for dual transformation.	· Digital engagement: 70% of active customers by 2030. · Securities trading: 95% electronic order placement by 2030. · Drive dual transition in sustainability and digitalization through financial influence.		Products and Services, Supply/ Value chain, Direct Operations

Opportunities	Potential Financial Impact	Internal strategies and targets			Main Impact Area
		Current & Short term (Area ≦ 1 Year)	Medium term (up to 2030)	Long term (up to 2050)	
7.Cultivate sustainability talent	Direct Operations: Strengthen ESG risk management, build sustainable finance expertise, reduce climate-related loss risks, attract top talent, and lower turnover and recruitment costs	Resource Allocation · Partner with the Sustainable Energy Foundation to launch the Sustainable Finance Manager Certification, strengthening ESG and climate expertise. · Provide subsidies for sustainability and climate-related certifications and cultivate internal talent. · Incorporate ESG and climate risk management courses into tiered training programs	· Employee development: Maintain over 50 training hours annually. · Digital competency: Integrate digital courses into all roles and achieve 80% coverage in the learning program	Implement talent-focused performance management, integrating long-term strategies and training programs; develop talent through professional development and job rotation	Direct Operations
10.Enhance Financial Influence	Investment and Financing Guide capital toward sustainable industries, reduce portfolio carbon intensity, lower future carbon tax/fee exposure, and enhance brand reputation to support growth and market share. Direct Operations: Improve corporate image, attract sustainability-minded customers, increase retention, and help reduce capital costs.	Capacity Utilization Climate-related Aspects · Establish a management structure, update climate-related regulations, and embed them into daily operations and business development. · Participate in regulatory and industry projects, including Taiwan Sustainable Taxonomy, banking climate risk initiatives, and stress testing. Nature-related Aspects · Commit to biodiversity conservation and no deforestation, encouraging suppliers and customers to achieve the 2030 No Net Deforestation 1 goal; deepen stakeholder engagement through ESG advocacy and consulting services. · Avoid locating operations in key biodiversity areas; where unavoidable, conduct risk assessments and implement mitigation measures (avoidance, minimization, restoration, offsetting) to achieve No Net Loss; promote green offices, paperless operations, and the use of FSC-certified or recycled materials, while reducing forest-based inputs and supporting afforestation to achieve the 2030 No Net Deforestation goal. · Strengthen due diligence for investments and financing linked to biodiversity-sensitive areas, deforestation, or endangered species impacts; avoid engagement where material issues remain unaddressed. Encourage high-risk sectors (e.g., logging, livestock, and key agricultural commodities) to disclose via CDP Forests, obtain FSC/PEFC certification, and adopt no-deforestation policies and action plans; promote RSPO membership or equivalent commitments for palm oil-related businesses.	Global engagement: Actively participate in government and international sustainability, climate, and nature-related initiatives to enhance response capabilities.	Benchmark against global standards (e.g., CDP, DJBIC) to drive continuous improvement and achieve net-zero emissions by 2050.	Products and Services, Supply/ Value chain, Direct Operations

Note 1: "No net deforestation" refers to compensating for forest loss through measures such as reforestation of forest lands or afforestation on degraded lands.
Note 2: ESUN FHC did not have material opportunity impact on Acquisitions or divestments and Access to capital in 2025

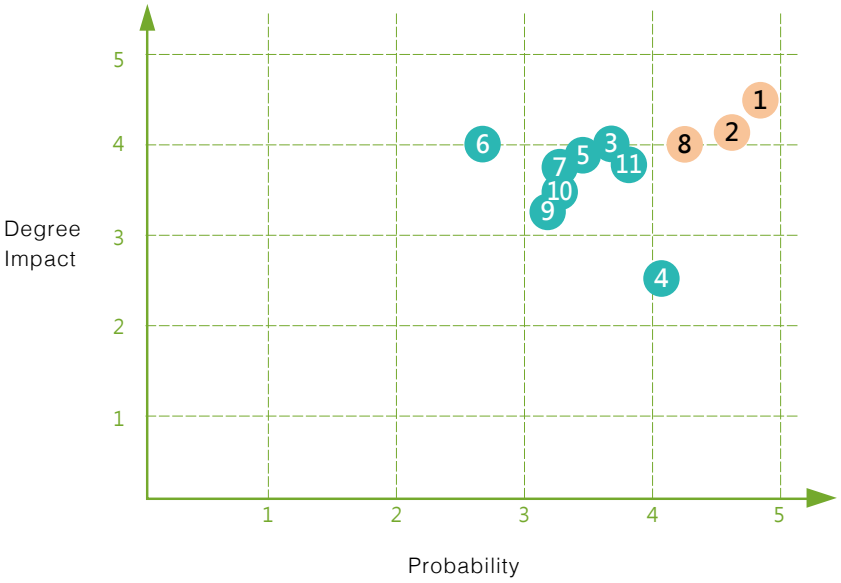
2.6 Risk Identification and Impact Assessment

2.6.1 Risk Identification

As climate change accelerates and low-carbon transitions advance, their evolving impacts affect traditional financial risks such as credit, market, and operations. E.SUN integrates business practices and product life cycles into its risk framework, conducting short-, medium-, and long-term assessments within its risk management structure. Regular reviews and response plans ensure timely identification and mitigation. This year, natural disasters emerged as a material risk, while risks from sensitive asset impairment and raw material price volatility declined below the materiality threshold due to prior mitigation measures.

Identification of Climate, Biodiversity, and Natural Capital Risks

Human socio-economic activities rely heavily on the natural environment, affecting not only E.SUN's operations but also its investment and financing businesses. For example, climate-related environmental risks impacting customers could trigger credit downgrades, asset price volatility, and disrupt financial stability and capital allocation. Therefore, risk identification must cover climate, water resources, forests, and biodiversity within the broader scope of climate, natural capital, and ecosystem considerations.



	Risk Items	Potential impact(s)	Impact Period
Policy and Regulation	**1. Carbon taxes/fees or additional expenses related to nature**	Additional costs for carbon emissions or natural resource compensation (e.g., biodiversity credits) affecting the Company and its investment/financing targets.	S/M
	2. Stricter climate and nature regulations	Stricter environmental regulations increasing restrictions on resource procurement, waste management, and land use, driving up compliance and operational costs	S/M
Technology	3. Climate and nature sensitive assets	Adoption of low-carbon technologies replacing existing products/ services or requiring transition investments with uncertain returns, heightening financial risk.	S/M
Market	4. Fluctuations in raw material prices	Price volatility in water, electricity, raw materials, and other nature-dependent inputs raising costs for the Company and its customers.	S
	5. Changes in consumer preferences	Shifts in consumer preferences influencing operational and investment decisions tied to climate and nature-related considerations.	S/M
Reputation	6. Negative publicity or litigation	Negative publicity, litigation, or credit downgrades from inadequate climate and environmental risk management by the Company or its clients.	S
Liability	7. Penalty risk	Tougher rules on greenwashing and environmental protection increasing compliance costs and penalty risks.	S
Acute	**8. Natural disasters**	Operational disruptions and asset impairments from natural disasters (e.g., typhoons, floods, earthquakes) affecting business sites or financed entities.	S
	9. Degradation of ecosystem services	Declining ecosystem services (e.g., water scarcity, pollution, biodiversity loss) harming operations of the Company or its customers.	S/M
Chronic	10. Deterioration of climate and natural environment	Economic impacts of climate change and biodiversity loss disrupting business models, causing asset impairments or premature replacements.	S/M
Systemic	11. Irreversible degradation of climate and environment	Global warming beyond 1.5-2°C leading to irreversible ecosystem degradation, creating systemic risks and large-scale economic impacts.	S/M

are items considered to be more material

Note 1: Timeframes are defined as follows: (S) Short-term, under 1 year; (M) Medium-term: up to 2030; (L) Long-term: up to 2050.

Note 2: Material opportunities are defined as items scoring 15 or above, based on Probability × Impact severity.

Note 3: Credit products are classified by maturity: short-term: under 1 year; medium-term: 1-7 years; long-term: over 7 years. Mortgage loans typically span 30 years. Corporate banking offers tailored products based on client needs, with strategies reviewed annually within a 5-10-year cycle.

2.6.2 Risk Impact Assessment

E.SUN further identifies the impact of significant risks identified in Section 2.6, focusing on the degree of impact related to the main risks faced:

Material Risk Items	Climate/ Nature Risk Category	Current Impact Description	Potential Impact Description	Main Impact Area	Primary Traditional Risk Category
1. Carbon taxes/ fees or additional expenses related to nature	Transition	Portfolio Exposure: About 11.99% of E.SUN's corporate credit portfolio is in six major energy-intensive industries. Rising carbon costs for these clients may reduce portfolio returns.	· Carbon Cost Risk: Higher carbon taxes/fees increase operating costs for high-emission clients; delayed transition may lead to restructuring or disruptions, reducing E.SUN's portfolio returns. · Investment Value Risk: Targets that fail to cut emissions risk value decline from carbon costs and long-term competitiveness loss, lowering portfolio returns.	Products and Services	Credit/ Market
		Operational Investment: E.SUN plans to invest NT$145 million in energy-saving and carbon reduction measures in 2025.	· Operational Upgrade: E.SUN must invest in energy-saving equipment and green energy to meet regulatory and stakeholder expectations. · Reputation Risk: Failure to fulfill low-carbon commitments may trigger negative media coverage, harming reputation, client trust, and investor confidence, leading to revenue loss or funding challenges	Direct Operations, Access to capital, Adaptation and mitigation	Operational
		Green Procurement: Green procurement totaled NT$550 million in 2025, with cumulative spending exceeding NT$3.45 billion	· Supplier Cost Transfer: Suppliers facing carbon costs may pass expenses to E.SUN, raising operational costs. · Supply Chain Risk: Suppliers unable to reduce emissions risk market exit or restructuring, affecting stability and costs	Direct Operations, Supply/Value chain, Adaptation and mitigation	Operational
2. Stricter climate and nature regulations	Transition	Financial Impact: No material financial impact is expected for 2025.	· Land Use Restrictions: Stricter environmental assessments may limit development near sensitive areas, impacting credit asset quality. · Regulatory Credit Risk: Tighter rules may restrict operations of investment targets, impairing repayment ability and increasing credit risk.	Direct Operations, Supply/Value chain	Credit/ Market
			· Compliance Costs: E.SUN must allocate more resources to meet environmental laws and standards, increasing compliance expenses. · Regulatory Violations: Non-compliance may result in fines, business suspension, and reputational damage, affecting growth.	Direct Operations, Access to capital	Operational
			· Supplier Compliance Costs: Compliant suppliers may transfer costs to E.SUN, raising expenses. · Supplier Non-Compliance: Operational disruptions from non-compliant suppliers may affect service stability.	Supply/Value chain	Operational
8. Natural disasters	Physical	Collateral Risk: Natural disasters (e.g., typhoons, floods) may impair collateral value, affecting credit asset quality	· Disaster Impact on Clients: Natural disasters may disrupt operations and revenue of investment targets, impairing repayment capacity. · Economic Downturn Risk: Climate-driven disasters may cause economic slowdown, reducing asset quality.	Access to capital, Supply/Value chain	Credit/ Market
		· Operational Disruption: Extreme weather may damage branches or equipment and cause absenteeism, impacting service delivery. · Supply Chain Risk: Disasters may disrupt supplier services, leading to operational interruptions	Operational Disruption: Extreme weather may close E.SUN sites, disrupting transactions and fund management, harming client relations.	Direct Operations, Products and Services	Operational
			Supplier Disaster Risk: Poor disaster response by suppliers may affect service continuity.	Supply/Value chain	Operational

Note: ESUN FHC did not have material risk impacts on Acquisitions or divestments and Investment in R&D in 2025

03 Climate and Nature Scenario Analysis

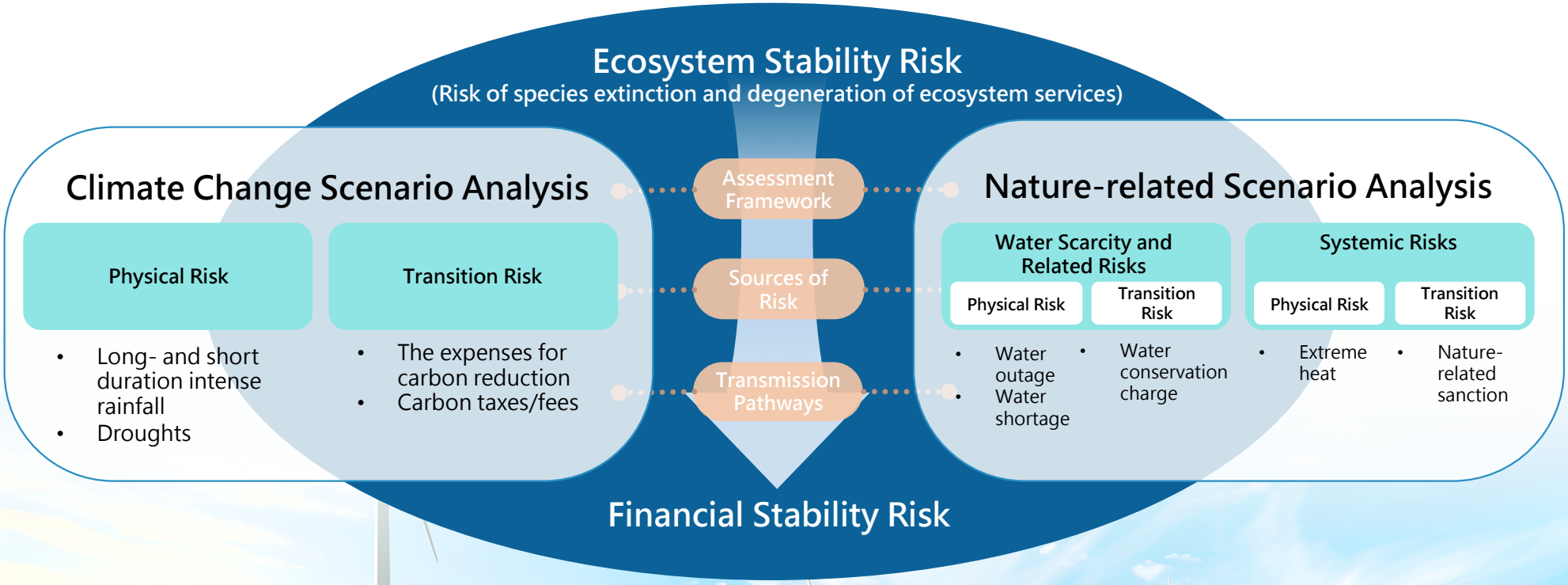
3.1 Scenario Analysis Overview
3.2 Climate Scenario Analysis
3.3 Nature Scenario Analysis
3.4 Opportunity Scenario Analysis



3.1 Overview of Scenario analysis

Scenario analysis is a structured process for identifying and evaluating potential future conditions under uncertainty. By integrating the results into corporate governance strategies and risk management processes, organizations can enhance their ability to respond to emerging risks while effectively assessing associated risks and opportunities. This enables the development of forward-looking and resilient strategies.

Climate and nature-related scenario analysis encompasses two key dimensions: stress testing and sensitivity analysis. Using both quantitative and qualitative approaches, it evaluates the potential financial impacts of these risks on business activities. Given that the effects of climate change and nature-related shifts extend beyond physical and transition risks—impacting economic stability, social systems, and ecosystems—it is essential to strengthen assessments of potential financial impacts and actively identify business opportunities.



3.2 Climate Change Scenario Analysis

3.2.1 Climate Scenario Settings

Climate change-related risks can be categorized into transition risks and physical risks based on their sources. Transition risks refer to costs and carbon-related expenses that companies must bear to comply with low-carbon transition policies and regulations. Physical risks arise from direct damage or operational losses caused by extreme weather events. E.SUN conducts scenario analysis across short-, medium-, and long-term horizons for upstream, midstream, and downstream value chains. The analysis references the International Energy Agency (IEA) Global Energy and Climate Model (2025), the Network for Greening the Financial System (NGFS) Phase 4 scenarios, the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) scenarios, and Taiwan's climate risk event data. These scenarios are used to assess potential financial impacts of climate-related risks on operations and to develop corresponding management strategies.

Value Chain Stage	Scenario	Analysis Timeframes	Scenario Assumption	Corresponding Temperature Rise
Upstream Supply Chain	Short term	within the next year	Assuming Taiwan imposes a stricter carbon fee policy with a uniform rate applied to domestic enterprises.	-
	IEA Net Zero	2030, 2050	Assuming the global energy sector gradually transitions to achieve net-zero emissions by 2050.	1.5°C
	NGFS Net Zero		Assuming proactive climate policies and technological innovation accelerate global decarbonization, achieving net-zero emissions by 2050.	1.4°C
	Low-Emission Scenario	2030, 2050	Assuming global orderly and proactive cooperation in promoting sustainable development, successfully achieving net-zero emissions by 2050.	1.8~2°C
	Medium-Emission Scenario		Assuming global socioeconomic development continues along current trends, with delayed transition efforts failing to achieve net-zero emissions.	2.7°C
	High-Emission Scenario		Assuming rapid global economic growth with high dependence on fossil fuels, resulting in continued emissions increases and intensified climate change.	4.4°C
Owned Operational Sites	Low-Emission Scenario	2030, 2050, and the end of the century	Assuming global orderly and proactive cooperation in promoting sustainable development, successfully achieving net-zero emissions by 2050.	1.8~2°C
	Medium-Emission Scenario		Assuming global socioeconomic development continues along current trends, with delayed transition efforts failing to achieve net-zero emissions.	2.7°C
	High-Emission Scenario		Assuming rapid global economic growth with high dependence on fossil fuels, resulting in continued emissions increases and intensified climate change.	4.4°C
Investment and Financing Portfolio	Short-term: Transition risk (TR) scenario	within the next year	Assuming Taiwan implements a stricter carbon fee policy with a uniform rate applied to domestic enterprises.	-
	Short-term: Intensity-adjusted (IA) scenario	within the next year	Assuming the historical Typhoon Morakot event reoccurs with increased intensity.	-
	Long-term: Orderly Net-Zero (ONZ) Scenario	2030, 2050	Global gradual transition towards achieving net-zero emissions by 2050.	1.5°C
	Long-term: Disorderly Transition (DT) Scenario	2030, 2050	Assuming a delayed start to the global transition, but still achieving net-zero emissions by 2050 and controlling temperature rise below 2°C by the end of the century.	2°C
	Long-term: Passive Transition (PT) Scenario	2030, 2050	Assuming a delayed transition with failure to control global temperature rise below 2°C by the end of the century, resulting in more severe warming impacts.	>4°C

3.2.2 Analysis Method

Based on transition risks and physical risks, we conduct a comprehensive assessment of risk pathways by industry, country, operating location, and collateral location to evaluate their impact on the upstream, midstream, and downstream segments of the value chain. This process enables us to identify potential financial impacts caused by climate change risks.
For transition risks, the primary focus is on cost increases driven by external carbon pricing. For physical risks, the main considerations include prolonged heavy rainfall leading to work stoppages, short-duration heavy rainfall causing flooding, as well as risks from droughts, heatwaves, and landslides.

Value Chain Stage	Scope		Risk Transmission Pathways: Source of Risk	Key Factors	Pressure Pathways	Risk Factors	Indicators
Upstream Supply Chain	Overseas	Supplier	Transition Risk	Carbon tax / fee, Emission intensity	The transfer of carbon fees by suppliers leads to increased procurement costs.	Procurement Amount	Increased Procurement Amount
	Domestic	Supplier	Transition Risk	Carbon tax / fee, Emission intensity	The transfer of carbon fees by suppliers leads to increased procurement costs.	Procurement Amount	Increased Procurement Amount
			Physical Risk	Heavy rain / Flood	Climate change increases the probability of extreme rainfall events.	Flood Probability	Flood Risk Level
Owned Operational Sites	Domestic	Owned Operational Sites	Physical Risk	Heavy rain / Flood	Climate change increases the probability of extreme rainfall events.	Flood Probability	Flood Risk Level
Investment and Financing Portfolio	Overseas	• Corporate Loans • Stocks, bonds and equity investment	Transition Risk	Carbon tax / fee, Emission intensity	Transition risk levels are established by industry and country under each scenario.	Credit Rating	Probability of Default (PD)
			Physical Risk	Flood / Drought / Heatwave	Physical risk levels are assessed by country under each scenario.		
	Domestic	• Corporate Loans • Stocks, bonds and equity investment	Transition Risk	Carbon tax / fee, Emission intensity	The ratio of revenue loss due to carbon pricing is evaluated based on scenario-specific carbon prices and corporate emission intensity.	Operating Loan Ratio	Probability of Default (PD), Loss Given Default (LGD)
			Physical Risk	Heatwave	Revenue loss risk levels are categorized by industry under each scenario.		
				Heavy rain / Flood / Drought / Landslide	Revenue loss risk levels are assessed based on the geographical location of corporate operations under each scenario.		
				Flood / Landslide	Collateral value impairment risk levels are determined based on the location of collateral assets under each scenario.	Full Collateral Coverage Ratio	
		Personal loan: Mortgage	Physical Risk	Flood / Landslide	Collateral value impairment risk levels are determined based on the location of collateral assets under each scenario.	CLTV	Probability of Default (PD), Loss Given Default (LGD)
		Personal loan: Others	Overall Economy (GDP Growth, Unemployment, Long-term Interest Rate)				

3.2.3 Analysis Results

Climate Scenario Analysis for Upstream Supply Chain

To quantitatively assess the impact of supplier climate risks on E.SUN, we conducted an analysis of both transition and physical risks. The transition risk assessment indicates that if suppliers fully pass on additional carbon costs to E.SUN, the increase in procurement costs would be highest under the NGFS Net Zero 2050 scenario, with carbon cost pass-through accounting for approximately 1.74% of total procurement expenditure. The physical risk assessment indicates that, across all 2030 scenarios, domestic suppliers are classified within the low to lower-moderate risk range. E.SUN will continue to promote awareness and engagement through training and communication, encouraging suppliers to establish early response strategies. This approach aims to reduce costs on a reciprocal basis and foster sustainable development within the supply chain.

Domestic suppliers transition risk analysis results (Unit: $NTD thousands)

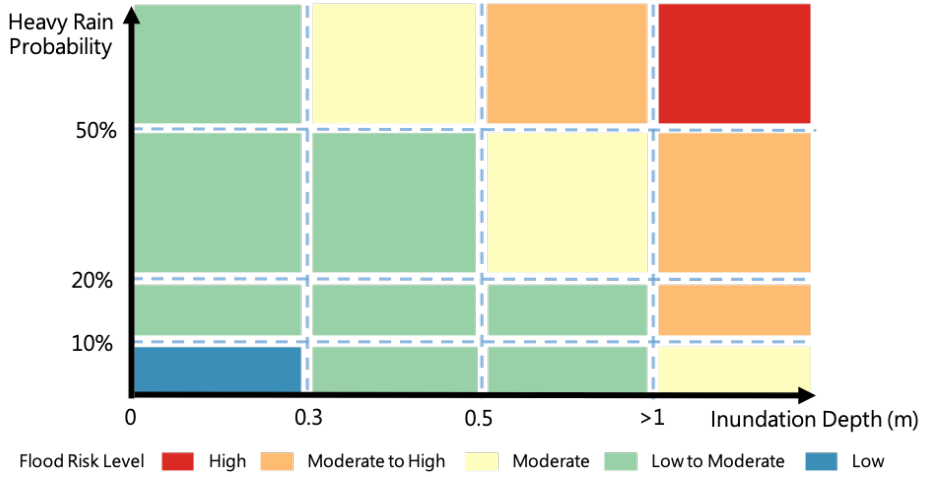
Scenario Setting	Short term	NGFS Net Zero		IEA Net Zero	
		2030	2050	2030	2050
Other Manufacturing	595	11,993	30,961	8,738	15,604
Services (finance, service, real estate)	1,449	29,190	75,355	21,268	37,979
Construction	66	1,336	3,450	974	1,739
Total	2,110	42,519	109,766	30,980	55,322
Carbon cost ratio of total procurement expenditure	0.03%	0.67%	1.74%	0.49%	0.88%

Domestic suppliers physical risk analysis results (Units: Percentage of suppliers)

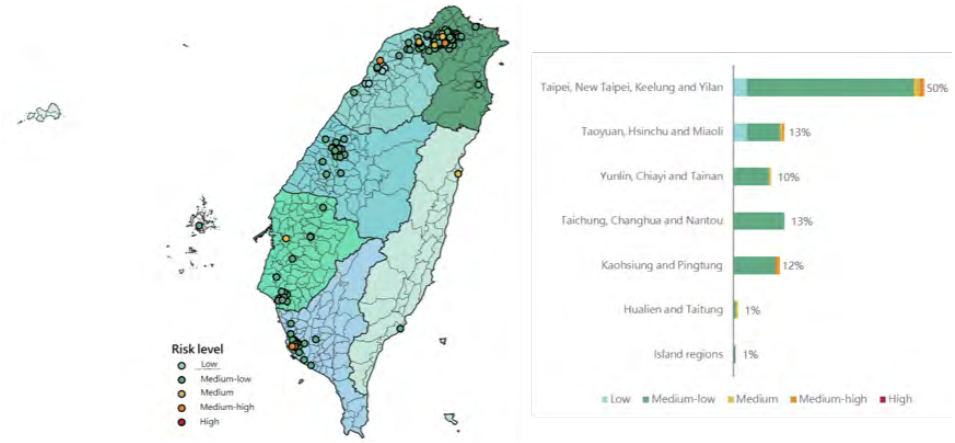
Scenario Setting	Low-Emission Scenario (SSP1-2.6)		Medium-Emission Scenario (SSP2-4.5)		High-Emission Scenario (SSP5-8.5)	
	2030	2050	2030	2050	2030	2050
High Risk	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Moderate to High Risk	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Moderate Risk	0.00%	1.27%	0.00%	0.00%	0.00%	0.00%
Low to Moderate Risk	78.48%	93.67%	46.84%	92.41%	83.54%	94.94%
Low Risk	21.52%	5.06%	53.16%	7.59%	16.46%	5.06%

Climate Scenario Analysis for Direct Operational Sites

Based on severity, vulnerability, and exposure of physical risks, and referencing the IPCC Sixth Assessment Report (AR6) scenarios (SSP1-2.6, SSP2-4.5, and SSP5-8.5), E.SUN assessed flood risk levels at its operating sites for 2030, 2050, and the end of the century. The results indicate that no sites fall into high-risk categories under any scenario in 2030 and 2050. However, under the SSP5-8.5 scenario at the end of the century, approximately 2.89% of operational sites are classified at a higher flood risk level.



Distribution of Expected Losses by Industry



Scenario Setting	Low-Emission Scenario (SSP1-2.6)			Medium-Emission Scenario (SSP2-4.5)			High-Emission Scenario (SSP5-8.5)		
	2030	2050	EoC*	2030	2050	EoC*	2030	2050	EoC*
High Risk	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.89%
Moderate to High Risk	0.00%	1.73%	0.00%	0.00%	1.16%	0.00%	0.00%	2.31%	5.78%
Moderate Risk	4.05%	5.78%	4.05%	4.04%	2.89%	4.05%	4.04%	2.89%	7.51%
Low to Moderate Risk	66.47%	77.46%	36.99%	50.87%	72.83%	70.52%	68.79%	86.13%	83.82%
Low Risk	29.48%	15.03%	58.96%	45.09%	23.12%	25.43%	27.17%	8.67%	0.00%

EoC*: End-of-century

(Unit: Percentage of operational sites)

Adaptation Measures for Operations

Typhoon Prevention Measures

In response to climate change extremes, particularly during the typhoon season, to prevent potential damage from strong winds and heavy rainfall, when the Central Weather Administration issues a typhoon land warning, E.SUN's internal system alerts all employees to remain vigilant against risks such as flooding, power outages, and falling objects.

■ Pre-Typhoon Prevention:

- Clear debris from rooftops, balconies, and surrounding drainage areas to ensure proper drainage. For low-lying areas prone to flooding, prepare sandbags or assemble waterproof barriers to prevent water ingress and damage.
- Remove items that could fall and relocate plants indoors or secure them.
- Move important documents and equipment to higher ground and unplug devices. Close windows and doors before leaving the premises.
- To prevent unplanned power outages, ensure that generators are operational and refill them to at least 80% capacity to extend response time.
- Establish internal and inter-property emergency contact points and methods to promptly monitor the situation and coordinate disaster response.

■ During the Typhoon:

- Stay updated on the latest typhoon warnings and avoid going out unless necessary.
- Stay clear of flooded areas to prevent electric shock injuries.
- Minimize exposure in open areas to reduce the risk of lightning strikes.

■ Post-Typhoon Warning and Reporting:

- Continuously monitor the risk of falling objects, avoid touching downed power lines, and check for damage to doors, windows, and signage.
- Provide timely care to colleagues and, if safe, send personnel to inspect the premises. Report any abnormalities to the headquarters immediately.

Flood Risk Mitigation Measures for High-Flood-Potential Branches

E.SUN conducts climate and environmental analysis and adaptation planning for both new and existing operations. To prevent business disruptions, flood barriers have been installed at 10 branches where potential flood depths exceed 0.5 meters.

Emergency Response Measures for Flooding

To ensure uninterrupted operations, E.SUN regularly conducts typhoon preparedness drills with branch staff. In the event of significant disasters like flooding, emergency response and recovery measures will be activated for affected sites, and on-site personnel are trained to adapt and minimize branch damage.

■ Emergency Response Plans and Recovery Measures:

- Immediately arrange for administrative staff to assess on-site damage.
- Depending on the affected unit's condition, promptly dispatch relevant professional contractors for support and repairs.
- Ensure that power and information networks remain operational and unobstructed.
- For critically damaged operational equipment, implement necessary reinforcement or repairs immediately to ensure operational safety.
- If damage is severe and regular operations cannot proceed, urgently seek an appropriate location to handle business and implement adequate recovery actions.

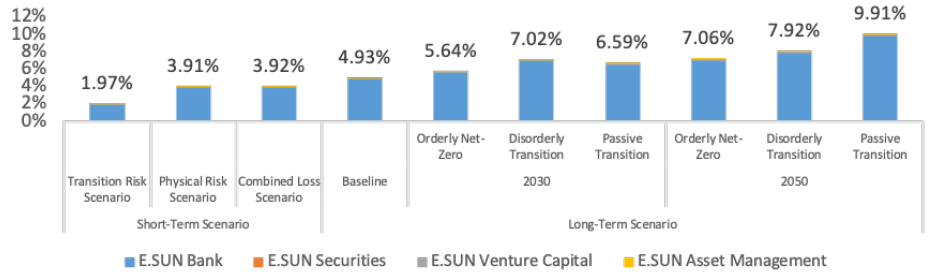


Climate Scenario Analysis for Investment and Financing Portfolio

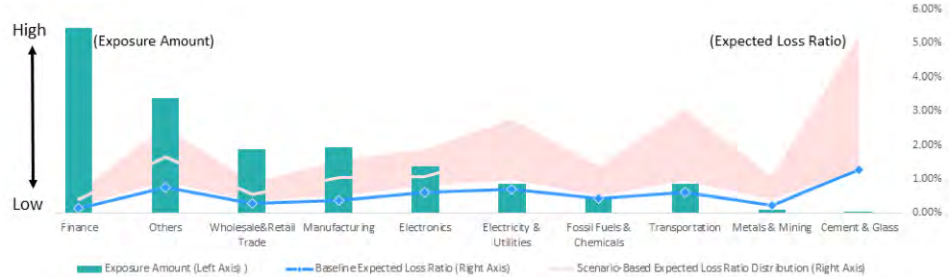
Based on consolidated exposures of E.SUN Bank, E.SUN Securities, E.SUN Venture Capital, and E.SUN Asset Management—including domestic and international bond, equity investments, and personal loans—the assessment was conducted in accordance with the methodology outlined in the "Guidelines for Domestic Banks Conducting Climate Change Scenario Analysis."

The results show that the highest expected loss occurs under the 2050 Passive Transition scenario, with total expected losses for E.SUN FHC amounting to NT$27.07 billion, comprising NT$26.90 billion for E.SUN Bank, NT$130 million for E.SUN Venture Capital, NT$41.54 million for E.SUN Securities, and NT$0.12 million for E.SUN Asset Management. Under this scenario, expected losses represent 9.91% of baseline net worth in 2025 and 66.14% of baseline pre-tax income. By industry, exposures are primarily concentrated in financial and sovereign entities, manufacturing, and wholesale and retail sectors, with expected loss rates remaining relatively stable and at low levels across scenarios. By geography, exposures are primarily concentrated in domestic positions, with expected loss lower than those in other regions across all scenarios.

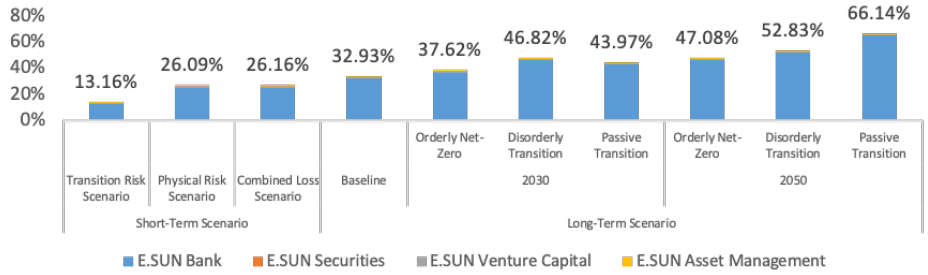
Expected loss as percentage of FHC net worth



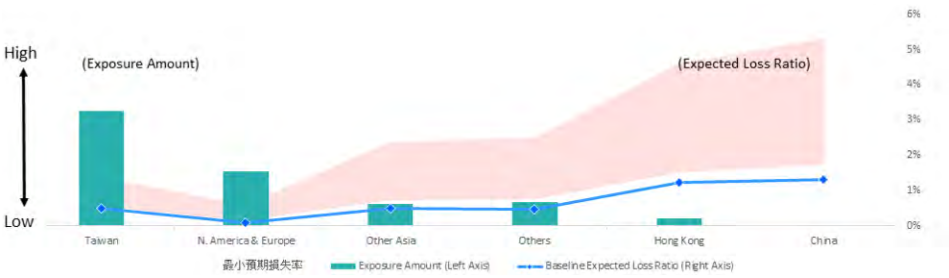
Distribution of Expected Losses by Industry



Expected loss as percentage of FHC pre-tax income



Distribution of Expected Losses by Geographic Region



Note 1: The short-term scenario includes only domestic corporate loans, individual mortgage loans, and domestic bonds and equity investments.
Note 2: The expected loss rate is defined as the ratio of expected loss to exposure amount.

(1) Analysis of High Energy Consumption and High Carbon Emission Industries

In response to extreme climate events, countries have set "Net Zero by 2050" targets, which may significantly impact the operations and revenues of high energy-consuming and high carbon-emitting industries. These impacts could affect companies' repayment capacity and increase default risk. Furthermore, such industries are generally more sensitive to physical risks from extreme climate events, such as flooding and drought, which may disrupt operational continuity and stability. Therefore, it is necessary to conduct an in-depth analysis of these industries to strengthen climate risk management.

According to the Ministry of Economic Affairs, based on Article 8, Paragraph 2 of the Energy Management Act, the six major energy-consuming industries include petrochemicals, electronics, steel, cement, textiles, and paper manufacturing. Using credit exposure of domestic and international enterprises as the analysis scope, approximately 11.99% of exposures fall within high energy-consuming and high carbon-emitting industries, with the electronics industry accounting for the largest share at 9.01%. Under various scenarios, the expected loss as a proportion of the financial holding company's baseline net value (2025) is highest under the 2050 Passive Transition scenario, totaling 0.70%.

Six Major Energy-consuming Industries

Industries	Exposure percentage	Expected loss as percentage of FHC net worth									
		Baseline	2030			2050			Short-term		
			Orderly Net-Zero	Disorderly Transition	Passive Transition	Orderly Net-Zero	Disorderly Transition	Passive Transition	Transition risk scenario	Intensity-adjusted scenario	Combined loss scenario
Petrochemicals	0.72%	0.02%	0.02%	0.03%	0.03%	0.03%	0.03%	0.03%	0.02%	0.02%	0.02%
Electronics	9.01%	0.29%	0.35%	0.38%	0.36%	0.38%	0.41%	0.44%	0.20%	0.21%	0.21%
Steel	0.65%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%
Cement	0.10%	0.00%	0.04%	0.01%	0.01%	0.00%	0.04%	0.09%	0.00%	0.00%	0.00%
Textiles	0.62%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%	0.01%	0.01%	0.01%
Paper making	0.89%	0.02%	0.03%	0.03%	0.03%	0.03%	0.05%	0.11%	0.01%	0.01%	0.01%
Total	11.99%	0.35%	0.46%	0.47%	0.45%	0.46%	0.56%	0.70%	0.25%	0.27%	0.27%

(Unit: Percentage)

(2) Businesses Required to Inventory and Verify GHG Emission Sources

According to the Climate Change Response Act, industries such as power generation, steel, petroleum refining, cement, semiconductors, and thin-film transistor liquid crystal display (TFT-LCD) manufacturing are required to publicly disclose their greenhouse gas emissions if their annual Scope 1 emissions exceed 25,000 metric tons. In addition, manufacturing companies with combined Scope 1 and Scope 2 emissions above the same threshold must also comply with this disclosure requirement.

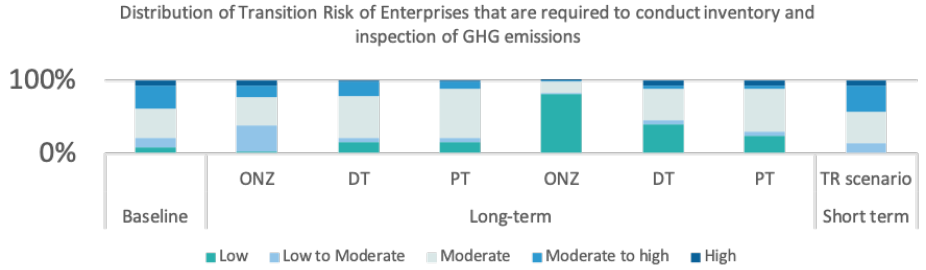
Based on the Ministry of Environment's latest (2024) analysis of inventory registration status, a total of 562 business entities, representing 302 companies, have been classified as registration subjects nationwide. As of the end of December 2025, E.SUN has 70 domestic credit customers that meet the registration criteria, with approximately 40% belonging to the electronics manufacturing sector.

E.SUN conducted climate change scenario analysis for these customers, and the results are summarized in the table below. Under the 2050 Orderly Net-Zero (ONZ) scenario, most customers' transition risk levels shift to low risk due to proactive carbon reduction efforts. Conversely, under the 2050 Passive Transition (PT) scenario, where carbon reduction measures are assumed to start later, most customers' transition risk levels rise to moderate risk, resulting in higher expected losses and the most significant impact from climate-related risks.

Expected Losses of Businesses Required to Inventory and Verify GHG Emission Sources

Baseline	2030			2050			Short term		
	Orderly Net-Zero	Disorderly Transition	Passive Transition	Orderly Net-Zero	Disorderly Transition	Passive Transition	Transition risk scenario	Intensity-adjusted scenario	Combined loss scenario
370.33	375.24	502.39	442.95	439.86	479.66	597.32	391.60	415.87	416.37

(Unit: $NTD million)

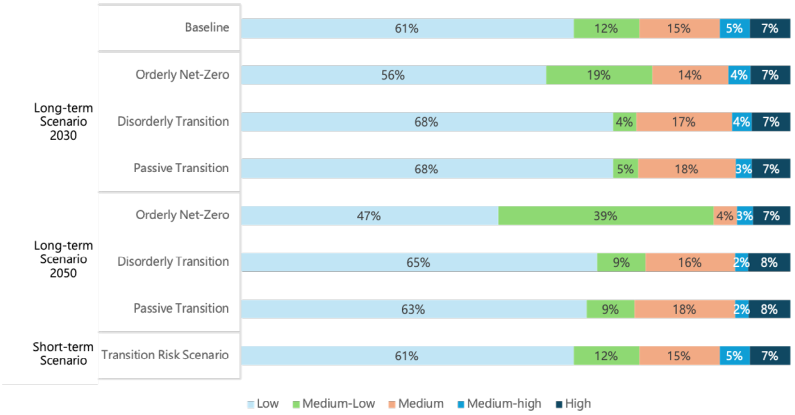


(3) Financial Impact Analysis of Transition Risks

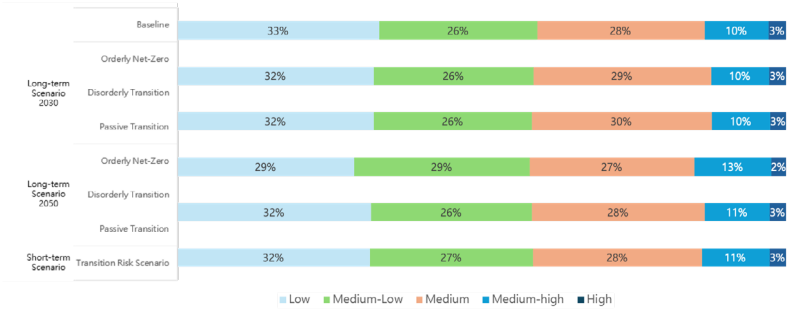
Transition risk is primarily influenced by factors such as the carbon emission intensity of investment and financing targets, the industries in which they operate, and the decarbonization policies of the countries where these targets are located. Using domestic corporate investment and financing exposures as the basis for analysis, results indicate that, under both short-term and long-term scenarios, more than 70% of exposures fall within the low to low-moderate risk categories. Notably, under the orderly net-zero scenario for 2050, this proportion is relatively higher, with approximately 86% of exposures classified as low to low-moderate risk, reflecting the assumed gradual implementation of decarbonization measures by enterprises under this scenario.

For overseas investment and financing exposures, the assessment incorporates both country- and industry-level transition risks. The results show that, across all scenarios for 2030 and 2050, over 85% of exposures are categorized within the "Low," "Low to Moderate," and "Moderate" transition risk levels.

National Transition Risk Level Distribution



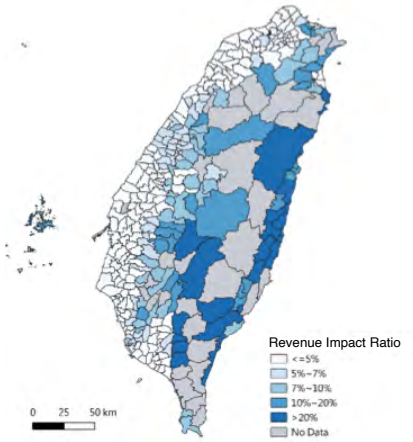
Overseas Transition Risk Level Distribution



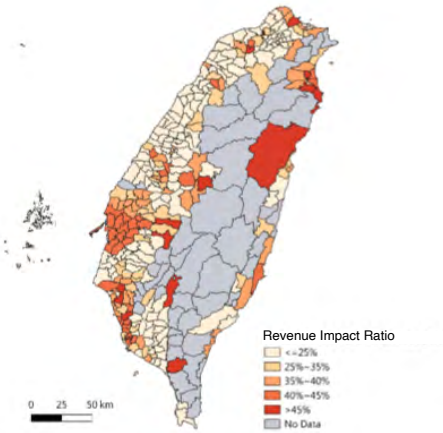
(4) Financial Impact Analysis of Physical Risks

Physical risks are primarily assessed based on whether the operating locations of investment and financing targets, as well as the locations of collateral assets, are situated in areas with high climate risk. The analysis evaluates the potential impacts of extreme weather events on business continuity and asset value. The results are presented as follows: areas shaded in darker colors in the figure indicate higher risk levels and a greater concentration of related exposures. Under the 2050 Passive Transition scenario, the scenario with the highest expected losses, the impact of physical risks on corporate revenue within domestic financing exposures is more pronounced in the Hualien–Taitung region, reaching up to 36.4%. With respect to real estate collateral, the impact of physical risks on value impairment ratios is relatively more significant in the southwestern and eastern regions.

Domestic Financing Portfolio – Revenue Impact Ratio from Physical Risks (PT-2050)



Domestic Collateral – Real Estate Value Impact Ratio from Physical Risks (PT-2050)



(5) Financial Impact Analysis of Short-term Scenarios

Short-term scenarios primarily assess the potential financial impacts on the Bank's investment and financing portfolios arising from specific climate-related physical or transition shock events occurring in the near future. Compared to long-term scenarios that focus on the overall effects of climate change, short-term scenarios assume the occurrence of specific climate events and estimate the expected loss amounts they may cause.

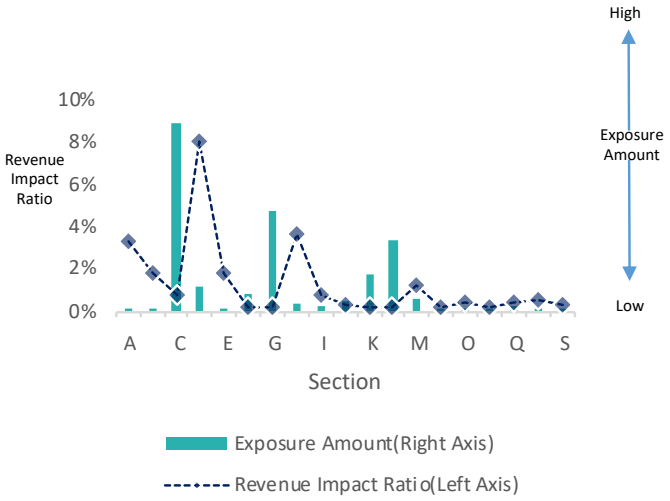
This assessment categorizes hazards into two types: Transition Risk Scenario and Intensity-Adjusted Scenario (refer to Section 3.2.1 Climate Scenario Settings and Appendix 7 for details). Due to the assumptions underlying climate shock events, the scope of short-term scenario analysis is limited to domestic corporate credit, personal mortgage loans, domestic bonds, and equity investments. The results indicate that transition risks lead to an average revenue impact ratio of approximately 1.3% for corporate clients, while physical risks result in a higher average impact ratio of 7.3%, suggesting that physical risk events are the primary risk drivers in short-term scenarios. The average degree of impact on collateral value from physical risk events is approximately 34.1%, with more significant effects observed in central and southern Taiwan, mainly due to the simulated path of Typhoon Morakot in the scenario assumptions.

(6) Summary

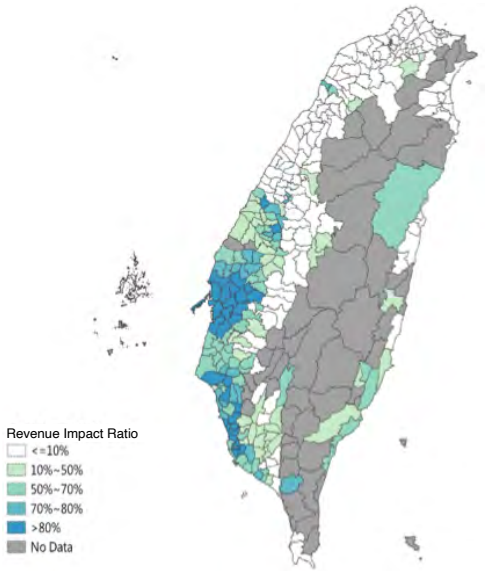
Through climate change scenario analysis, E.SUN can quantify the potential impacts of climate change on its upstream, midstream, and downstream value chain under different scenarios, thereby supporting the formulation of corresponding strategies and management measures. This year's analysis is categorized into long-term and short-term climate events. The long-term scenarios include the Orderly Net-Zero, Disorderly Transition, and Passive Transition scenarios, while the short-term scenarios comprise the Transition Risk Scenario and Intensity-Adjusted Scenario.

The results show that in the medium term (2030), expected losses are higher under the Disorderly Transition scenario due to intensified policy constraints. However, from a long-term (2050) perspective, the Passive Transition scenario leads to the greatest expected losses, indicating that failure to actively implement climate mitigation and adaptation measures may result in higher risks. When assessing the impact of individual climate events in the short term, physical risks remain the dominant risk driver. E.SUN will continue to enhance its assessment capabilities to improve the comprehensiveness and accuracy of risk identification.

Impact Ratio of Transition Risks on Revenue for Domestic Financing Positions



Impact Ratio of Physical Risks on Real Estate Value



3.3 Nature-related Scenario Analysis

3.3.1 Nature Scenario Settings

Climate change is closely intertwined with changes in the natural environment. According to the World Economic Forum (WEF) Global Risks Report 2026, climate, biodiversity, and changes in the natural environment system are identified as the most critical long-term risk issues. To enhance the comprehensiveness and integrity of risk identification, E.SUN builds upon the Passive Transition scenario from climate change scenario analysis and incorporates nature-related risks such as systemic risk and water resource risk into its assessment framework. Two nature-related scenarios are established: The Passive Response Scenario and the No Action Scenario.

Systemic risk refers to the chain reactions triggered by severe degradation of species or ecosystem services, resulting in a loss of balance within the entire system that cannot be restored to its original state. This may negatively impact on the operational activities of investment and financing targets, as well as the value of collateral assets. Water resource risk includes both water scarcity risk caused by droughts and water management risk arising from government intervention in water resource governance.

Based on the Passive Transition Scenario

- Scenario Description:
  Assuming a delayed transition with failure to control global temperature rise below 2°C by the end of the century, resulting in more severe warming impacts.
- Risk Considerations:
  - Transition Risk:
    Corresponds to NGFS "Fragmented World" scenario.
  - Physical Risk:
    Corresponds to IPCC AR6 SSP2-4.5 scenario.
  - Macroeconomic Factors:
    Incorporates changes in GDP growth rate, unemployment rate, and long-term interest rates under NGFS scenarios.

Assess "Water Resource Risk" and "Systemic Risk" by setting two nature-related scenarios:

	Passive Response Scenario	No Action Scenario
Scenario Description	Under the Passive Transition Scenario for Climate Change, consider more severe water scarcity and water management risks, as well as systemic risks arising from significant disruptions to ecosystem services.	
Water Resource Risk	◦ Cost increases due to government-imposed water consumption fees ◦ Operational losses caused by water shortages ◦ Enterprises passively responding to external water pricing and operational water scarcity, taking only minimal adaptation actions	◦ Despite known water supply gaps, enterprises fail to implement substantive adaptation measures
Systemic Risk	◦ Extreme temperature rise exceeding 2°C leading to severe degradation of ecosystem services, particularly impacting industries and enterprises highly dependent on nature ◦ Heightened environmental vulnerability prompting governments to impose stricter penalties in nature-related areas, especially targeting industries previously penalized for nature-related violations and enterprises operating in areas with only minimum regulatory compliance	

Note: Water scarcity refers to a condition in which prolonged periods of below-average natural precipitation lead to insufficient water storage, resulting in an inability to meet the water resource demands of industrial, commercial, and socio-economic activities.

3.3.2 Analysis Method

The financial impacts of nature-related risks are assessed based on systemic risks and water resource risks, taking into account industry sectors, operating locations, and customers' natural resource usage. The assessment draws upon data sources including the IPCC Sixth Assessment Report (AR6), the Water Usage Fee Collection Regulations issued by the Ministry of Economic Affairs, and penalty records from 2022 to 2025 related to corporate use or discharge of natural resources. These serve as the basis for determining the severity of risk impacts.

For systemic risks, the assessment focuses on two key risk factors: extreme heat events and penalty risks arising from nature-related policies. For water resource risks, the analysis centers on potential risks such as increased operational costs due to water pricing policies, production losses caused by water scarcity, and the expansion of water supply gaps.

Value Chain Stage	Scope	Risk Transmission Pathways			Risk Factors	Indicators
		Source of Risk	Key Factors	Pressure Pathways		
Investment and Financing Portfolio	Domestic • Corporate Loans • Stocks, bonds and equity investment	Water Scarcity and Water Management Risks	Transition Risk	Water usage fee, Corporate Water Intensity	Operating Loan Ratio	Probability of Default (PD)
			Physical Risk	Operational Shutdown Due to Water Shortage / Water Supply Gap		
		Systemic Risk	Transition Risk	Nature-related Penalties		
			Physical Risk	Extreme Heat		

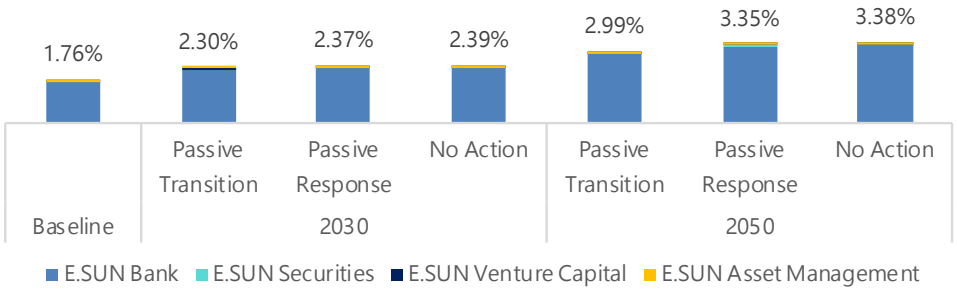
Key Factors	Pressure Pathways
Water usage fee, Corporate Water Intensity	Estimate revenue loss ratio based on scenario-specific water consumption fees and corporate water intensity.
Operational Shutdown Due to Water Shortage / Water Supply Gap	Revenue reduction due to operational shutdowns and water supply gaps caused by water shortages.
Nature-related Penalties	Revenue reduction resulting from policy-driven penalties.
Extreme Heat	Revenue reduction caused by the decline of ecosystem services.

3.3.3 Analysis Results

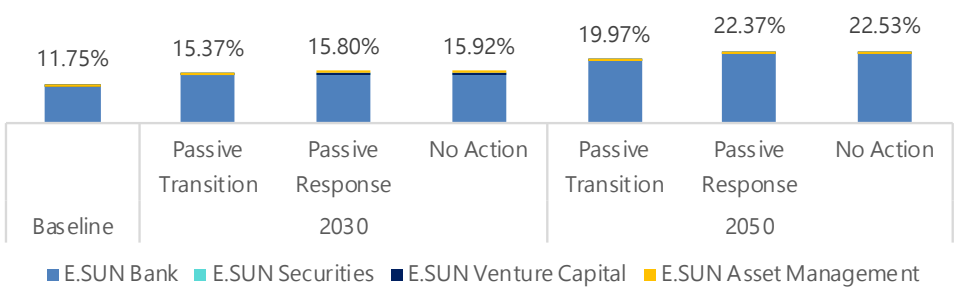
Building on the Passive Transition scenario from climate change scenario analysis, E.SUN further incorporates nature-related risks—covering both systemic risks and water resource risks—to comprehensively assess the potential financial impacts arising from environmental shocks. The scope of this analysis includes major subsidiaries within E.SUN FHC's framework, namely E.SUN Bank, E.SUN Securities, E.SUN Venture Capital, and E.SUN Asset Management, and covers domestic corporate credit, domestic bonds and equity investments. The objective is to evaluate the resulting changes in overall net worth and pre-tax profit.

The results indicate that, under both the medium-term (2030) and long-term (2050) scenarios, the highest expected losses for E.SUN Financial Holding occur under the No Action scenario, accounting for 2.39% and 3.38% of baseline net worth in 2025, respectively. Compared with the Passive Transition scenario, this represents increases of 0.09% and 0.39%, highlighting that the absence of responsive measures would amplify the financial impacts of nature-related risks. A further industry-level analysis of domestic investment and financing exposures shows that incremental expected losses from nature-related risks are primarily concentrated in the manufacturing and electronics sectors for financing exposures, while the power and utilities, and transportation sectors are most significantly affected within investment exposures. The maximum increase in expected losses across the overall portfolio is approximately NT$1.04 billion. E.SUN will continue to strengthen its risk identification and quantification capabilities and refine its nature-related risk assessment framework to enhance overall risk management resilience and improve its ability to monitor and respond to related risk impacts.

Expected loss as percentage of FHC net worth



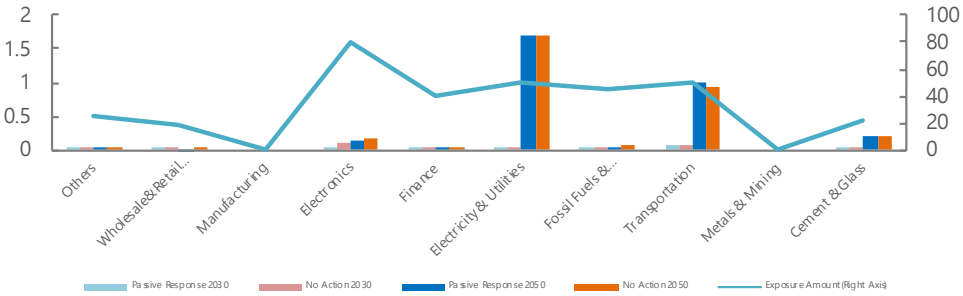
Expected loss as percentage of FHC pre-tax income



Incremental Expected Loss Distribution for Financing Positions – Compared to Passive Transition (PT) Scenario



Incremental Expected Loss Distribution for Investment Positions – Compared to Passive Transition (PT) Scenario



(1) Water Scarcity and Water Management Risks

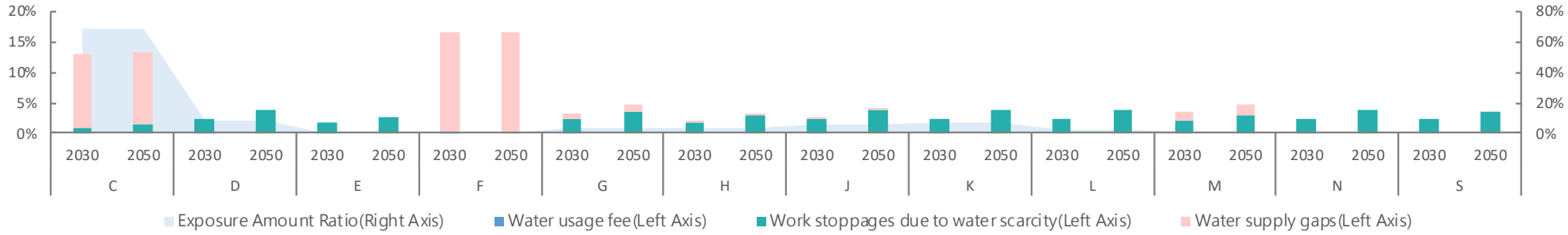
In recent years, the significance of risks related to water scarcity and water resource management has steadily increased. The stability of water supply not only affects the resilience of industrial supply chains but may also influence the investment environment and foreign investor confidence. In assessing nature-related risks, E.SUN incorporates multiple potential impact factors, including increased operating costs from government-imposed water usage fees, revenue losses or supply chain disruptions caused by production shutdowns due to water shortages, and scenarios involving widening water supply gaps. Investment and financing exposures are analyzed separately, with the revenue impact ratio used as the primary indicator of risk transmission.

The results indicate that, under the defined scenarios, financing exposures are more significantly affected by water supply gaps, with a maximum revenue impact ratio of approximately 7.61% on an exposure-weighted basis. The impact of production shutdowns due to water shortages increases over longer assessment horizons, reaching a maximum impact ratio of approximately 3.78% in the long-term (2050) scenario. For investment exposures, revenue in Section C (Manufacturing) and Section F (Construction) is relatively more affected by water scarcity and water resource management risks. Among these, Section C exhibits a more concentrated overall impact due to its larger share of exposures. Under the 2030 and 2050 scenarios, the revenue impact ratios for Section C are approximately 12.95% and 13.43%, respectively, primarily reflecting the effects of water supply gaps. For other industry sectors, production shutdowns due to water shortages constitute the primary risk factor, with overall impact ratios generally remaining below 5%.

Financing Positions – Ratio of Revenue Impact from Water Scarcity and Water Management Risks



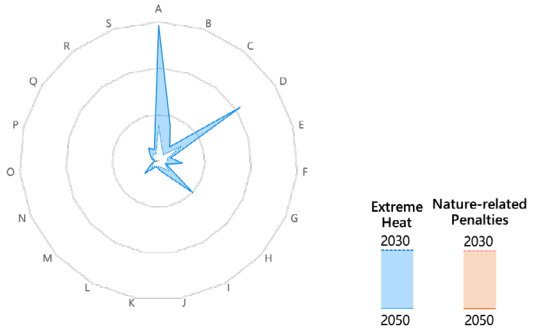
Investment Positions – Ratio of Revenue Impact from Water Scarcity and Water Management Risks



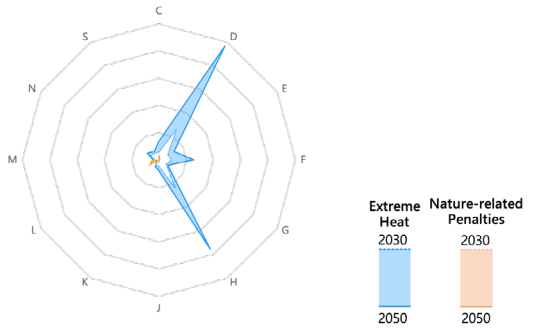
(2) Systemic Risk

E.SUN considers the potential damage to ecosystem services caused by extreme temperature increases, which may lead to biodiversity loss and a decline in natural capital. The analysis also incorporates risks arising from the potential strengthening of government regulations on natural environment management, including the possibility of increased penalty amounts. Investment and financing exposures are assessed separately. The analysis results indicate that the most significant impact on revenue from systemic risks stems from the degradation of ecosystem services caused by extreme temperature increases. Under the long-term scenario (2050), industries classified under Section A (Agriculture, Forestry, Fishing and Animal Husbandry), Section D (Electricity and Gas Supply), and Section H (Transportation and Storage) show a more pronounced upward trend in expected losses. This is primarily due to the high dependency of these industries on natural capital, as well as the relatively greater environmental impact of their activities compared to other sectors.

Financing Positions —
Ratio of Revenue Impact from Systemic Risks, by Section



Investment Positions —
Ratio of Revenue Impact from Systemic Risks, by Section

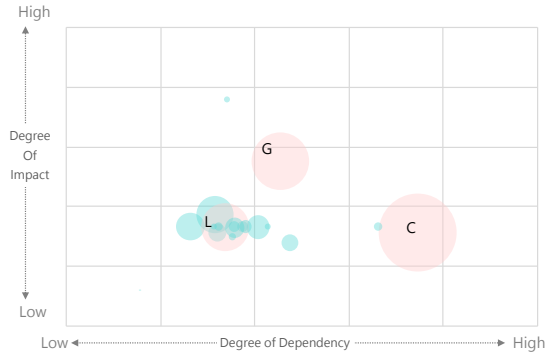


(3) Dependency and Impact Level Analysis

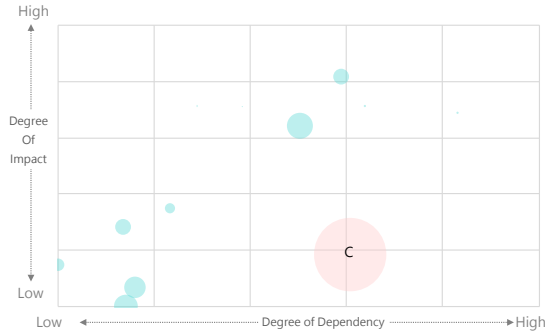
Based on the results of dependency and impact assessments from Chapter 2, E.SUN examined the relationship between industry sections, dependency levels, impact levels, and investment and financing exposures. The analysis was conducted separately for investment and financing portfolios. The size of each circle represents the proportion of exposure. The analysis results show that financing exposures are primarily concentrated in Section C (Manufacturing), Section G (Wholesale and Retail Trade), and Section L (Real Estate Activities), with most dependency and impact levels falling within the Low to Moderate to Moderate range. Overall, the exposures are mainly at a moderate level, with impact levels slightly higher than dependency levels.

For investment exposures, Section C (Manufacturing) accounts for the largest proportions. Dependency levels are generally between Low to Moderate and Moderate, while impact levels range from Moderate to Moderate to High.

Financing Positions – Degree of Dependency and Impact



Investment Positions – Degree of Dependency and Impact



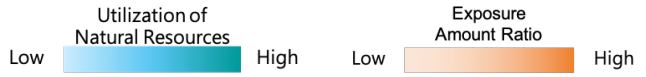
Based on the industry section classification defined by the Directorate General of Budget, Accounting and Statistics, E.SUN further analyzed the usage of natural resources across domestic investment and financing exposures. The results are presented in the table. Among the four categories of natural resources—forests, agriculture, livestock, and fishery—forest resources are more widely used across industries. The other three categories are primarily concentrated in Section A (Agriculture, Forestry, Fishing and Animal Husbandry), Section C (Manufacturing), and Section G (Wholesale and Retail Trade), which aligns with the findings from the previous dependency and impact level analysis. E.SUN will continue to enhance our risk assessment capabilities and monitor the potential downstream environmental impacts arising from our investment and financing activities.

Financing Positions – Distribution of Natural Resource Use

Section	Utilization of Natural Resources				Exposure Amount
	Forests	Agriculture	Livestock	Fishery	
A					
B					
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
N					
O					
P					
Q					
R					
S					

Investment Positions – Distribution of Natural Resource Use

Section	Utilization of Natural Resources				Exposure Amount
	Forests	Agriculture	Livestock	Fishery	
C					
D					
E					
F					
G					
H					
J					
K					
L					
M					
N					
S					



Note: Section A covers Agriculture, Forestry, Fishing, and Animal Husbandry; Section B covers Mining and Quarrying; Section C covers Manufacturing; Section D covers Electricity and Gas Supply; Section E covers Water Supply and Remediation Activities; Section F covers Construction; Section G covers Wholesale and Retail Trade; Section H covers Transportation and Storage; Section I covers Accommodation and Food Service Activities; Section J covers Information and Communication; Section K covers Financial and Insurance Activities; Section L covers Real Estate Activities; Section M covers Professional, Scientific, and Technical Activities; Section N covers Support Service Activities; Section O covers Public Administration and Defence, and Compulsory Social Security; Section P covers Education; Section Q covers Human Health and Social Work Activities; Section R covers Arts, Entertainment, and Recreation; Section S covers Other Service Activities.

3.4 Opportunity Scenario Analysis

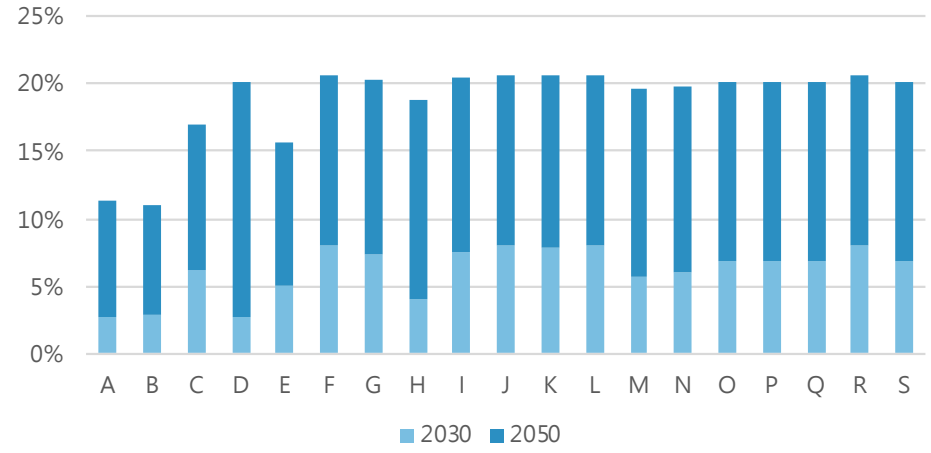
Methodology

In response to climate and nature-related changes, enterprises must enhance resource efficiency and management, and invest in innovation for green products and services to achieve net-zero emissions and nature-positive growth. E.SUN actively collaborates with customers on the path toward low-carbon transition by offering green finance and sustainable financial products, providing funding support throughout their transition journey, expanding financial influence, and continuously exploring related business opportunities. The “Taiwan 2050 Net-Zero Emissions Pathway Blueprint” formulated by the National Council for Sustainable Development sets decarbonization targets for each industry. Given that 73% of global carbon emissions originate from energy use, with electricity generation accounting for 27% (UNEP, Emissions Gap Report 2025), E.SUN conducted an opportunity analysis to better quantify and evaluate future business development potential related to low-carbon energy transition financing needs. We adopted the GCAM 6.0 model under the NGFS Phase V scenario to assess Taiwan’s low-carbon energy transition investment demand, using it as a reference indicator to estimate future growth opportunities in financing and credit services.

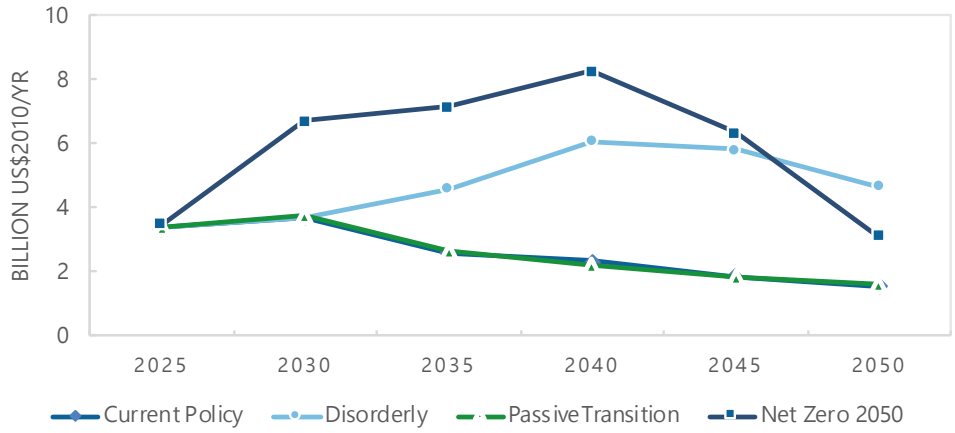
Analysis Results

According to the energy transition investment demand estimated by the GCAM 6.0 model, the 2050 Net Zero scenario indicates that the highest rate of capital investment growth will occur between 2025 and 2030, requiring an annual growth rate of approximately 24%. After reaching a peak in 2040, the demand will begin to slow. Under the Disorderly Transition and Current Policy scenarios, the growth between 2025 and 2030 is more modest, requiring about 14% annual capital growth. After 2030, as net-zero pressures increase, capital demand under the Disorderly Transition scenario will continue to rise until 2045. The funding requirements for corporate transitions show a growth trend for both 2030 and 2050. E.SUN will continue to monitor the transition needs of enterprises and provide green products and services to seize the opportunities presented.

Percentage of Carbon Reduction by Industry



Forecast Of Investment Requirements For Taiwan’s Energy Transition



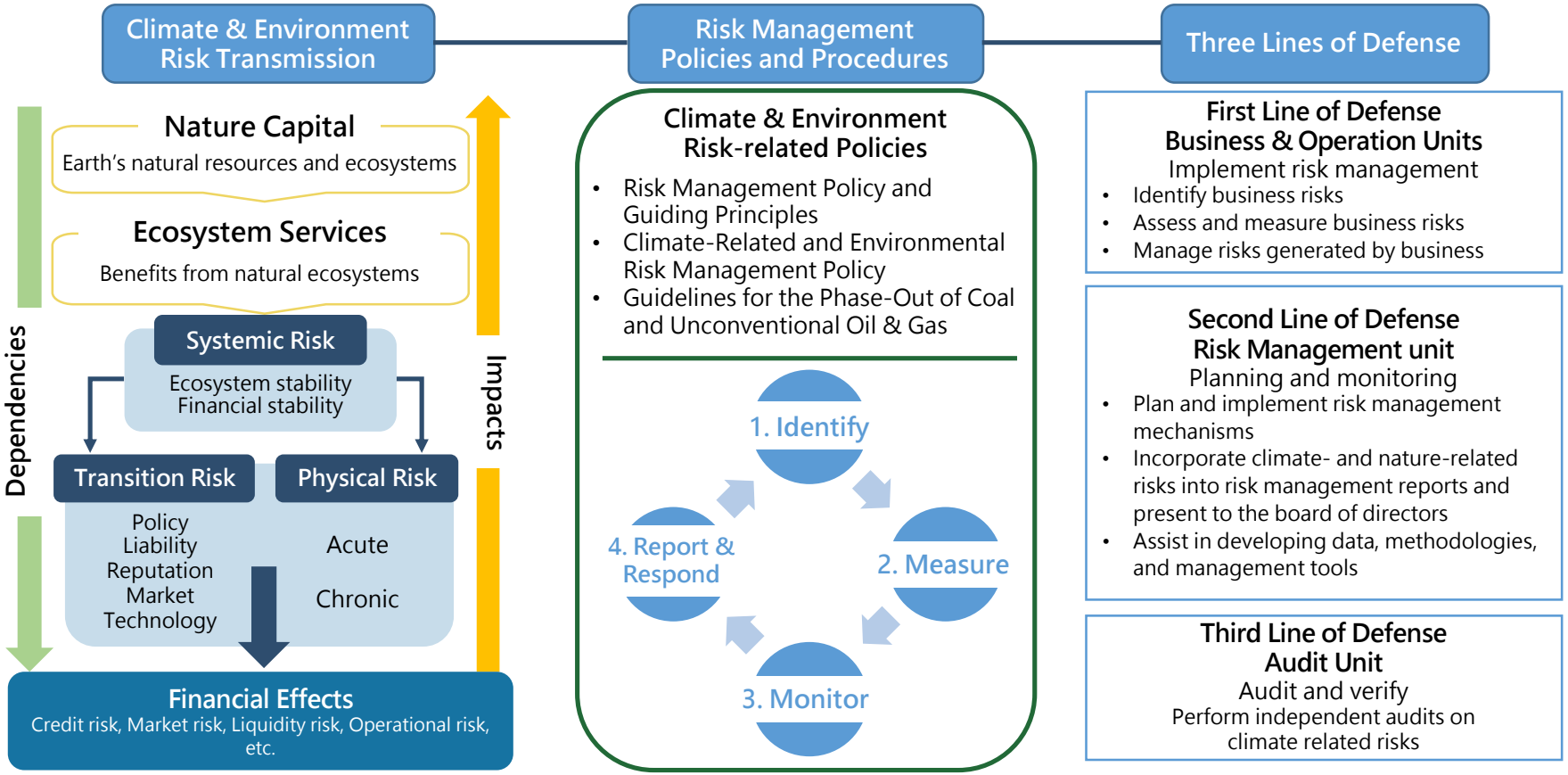
04 Risk and Impact Management

4.1 Climate and Environment Risk Management
4.2 Climate and Environment Risk Response
4.3 Differentiated Management



4.1 Climate and Environment Risk Management

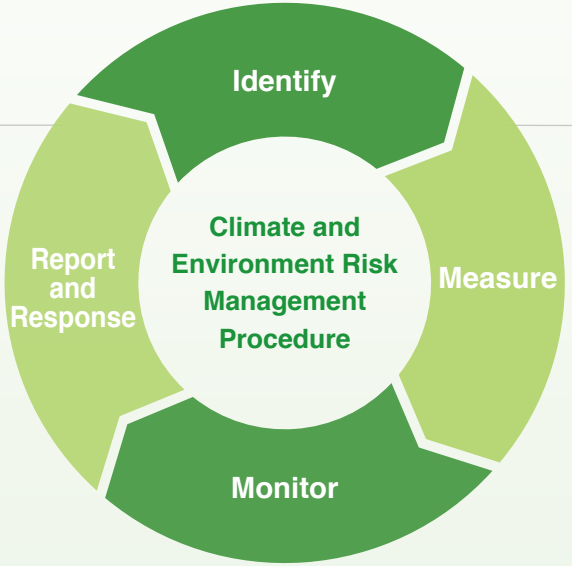
E.SUN follows its enterprise risk management framework through processes such as risk identification, assessment, response, monitoring, and reporting. The Company has established the "E.SUN FHC Risk Management Policy and Guiding Principles" to manage major risk sources and set relevant standards. ESG risks are incorporated into this framework, supported by the "E.SUN FHC/Subsidiaries Climate-Related and Environmental Risk Management Policy" to strengthen ESG and climate risk oversight. Aligned with international standards such as TCFD and TNFD, E.SUN has built a science-based climate governance framework that advances carbon accounting, decarbonization targets, and climate risk management. Using the Three Lines of Defense model, E.SUN enforces robust internal controls and measures to effectively address and monitor significant climate and environmental risks.



4.1.1 Climate and Environment Risk Management Procedure

1. Identify

- Regularly monitor relevant laws, guidelines, and publications to enhance the integrity of identifying climate-related risks that may impact business and operations.
- Establish the materiality of climate and environmental risks and opportunities through the indicators recommended by TCFD and TNFD, relevant laws, guidelines, literature, and internal experts.
- Incorporate climate change-related risks and opportunities into the management and decision-making processes for investment and underwriting, and enhance identification of enterprises with high climate and nature risks in lending.



2. Measure

- Inventory greenhouse gas emissions of investments and financing activities.
- Assess the proportion and potential impacts of climate and nature-sensitive assets.
- Regularly conduct scenario analysis and stress tests on physical risks, transition risks and systemic risks to inform strategy development and risk management.

3. Monitor

- Establish indicators that connect climate and nature factors and monitor.
- Implement Science-Based Targets (SBT).
- Adopt risk-based and differentiated management measures based on the results of climate and nature related risk assessments.

4. Report and Response

- Incorporate climate- and nature-related risks into risk management reports and present to the board of directors to support oversight of related risk exposures and management.
- If climate and environmental risk impacts threaten overall operations or business conditions, take appropriate management actions immediately and report to the board of directors.
- Follow regulatory authorities' climate change-related guidelines for information disclosure.
- Introduce IFRS S2 standards, and report progress to the board regularly.
- Respond to identified risks, establish or adjust internal policies, business strategies, and set climate-related metrics and targets to reach E.SUN's climate vision.

4.2 Climate and Environment Risk Response

To mitigate climate and environmental risks and strengthen organizational resilience, E.SUN integrates risk assessment results with climate and natural resource scenario analyses. Based on internal capabilities, key management measures and resource allocations are summarized in the table below.

Risk Item	Scope	Risk Factors	Management Measures
Carbon taxes/fees or additional expenses related to nature	Low-carbon Transition	Reduce operation and portfolio related carbon emissions	Resource allocation · Follow PCAF methodology to inventory financed emissions, develop a financed emissions management system to improve transition risk identification · Develop a Low-Carbon Transition Plan aligned with international and local sustainable taxonomy standards, tailored to the Asian and Taiwanese context, to assess the transition maturity of investment and financing portfolios as a foundation for supporting clients' transition, with an investment of approximately NT$13 million. · Inventory Scope 1 and 2 carbon emissions, and plan mitigation measures (such as green buildings, electric and hybrid vehicles, and renewable energy, etc. E.SUN's related expenditures in 2025 totaled NT$181 million. · Set targets and reduce carbon emissions according to the SBTi. Capacity utilization · Fulfill responsibility as asset owners or managers by considering the ESG performance of investees. · Avoid investing in companies with direct or potential environmental and social impacts, such as coal companies, and implement responsible investment. · Promote or assist companies in raising sustainability awareness and implementing ESG actions through engagement. · Support companies in transitioning and responding to climate risks by providing green financing for renewable energy projects, green buildings, and other sustainable expenditures.
	Financing	Corporate crediting	
	Investing	Equity and bonds investment	
Stricter climate and nature regulations	Financing	Corporate crediting Real estate collateral loans	Capacity utilization · Refuse collateral labeled as pollution-related sites or those announced by government agencies as subject to the "Soil and Groundwater Pollution Remediation Act. · Link loan terms to performance in ESG or sustainability indices to encourage companies to invest in sustainability. · Refer to the guidance of the Banker Association's Equator Principles 4.0 for corporate credit approval process.
	Direct Operations	Compliance and reputation	Capacity utilization · Include ESG considerations in the credit approval process to prevent funds from flowing into high-carbon emitters such as coal fired power projects. · The provision of green-related financial products and services is guided by the "Guidelines for Financial Institutions to Prevent Greenwashing," which outlines design and measures to avoid greenwashing, as well as establishes internal mechanisms for effective management.
Natural disasters	Financing	Real estate collateral loans	Resource allocation · Establish a physical risk database and integrate GIS technology to enhance risk identification and management, strengthening real estate collateral lending risk controls. Capacity utilization · Conduct yearly assessments of real estate impairment risk from climate change, continuously improving databases, analytics, and physical risk scenario testing. · Include flood risk factors, such as hazard severity and area vulnerability, into real estate collateral zoning standards, setting lending limits and LTV caps to control potential loss. · Regularly review high flood-risk cases; properties in high-risk zones with high LTV ratios are flagged for reassessment of collateral value and lending limits. · Strengthen inspections and appraisals for properties in hazardous hillside areas, applying stricter credit conditions and higher approval authority requirements.
	Direct Operations	Disaster response	Resource allocation · E.SUN conducts climate and environmental analysis and adaptation planning for both new and existing operations. To prevent business disruptions, flood barriers have been installed at 10 branches where potential flood depths exceed 0.5 meters. · Implement sustainable procurement standards for supplier management Capacity utilization · Develop the "Emergency Response and Crisis Management Measures" based on the "Financial Institution Disaster Emergency Response Measures Manual Template" and operational overview to ensure operational continuity and organizational resilience · The "Continuous Information Service Management Regulation" takes into consideration power supply interruption and regional flooding recovery.
		Supplier management	

4.3 Differentiated Management

Environmental risks are closely tied to industry operations and geographic characteristics, requiring tailored management strategies across sectors and regions. E.SUN adopts regulatory compliance as the foundation of its management approach and has established ecological threshold indicators for key locations and industries with high environmental sensitivity or significant dependencies on nature. This layered approach enables more effective risk identification, resource allocation, and response planning. E.SUN actively manages the carbon footprint of its financial assets by increasing green investments and reducing exposure to carbon-intensive sectors. Through responsible capital allocation, the bank supports energy transition and advances global climate goals. Looking ahead, E.SUN will continue to strengthen spatially differentiated management, enhancing its ability to identify and respond to regional and sector-specific risks, expanding the positive impact of the financial industry.

Management Measures	Description
Avoid	· According to "E.SUN FHC Sustainable Finance Policy," companies involved in illegal logging, harming endangered wildlife, developing coal mines, or setting up new coal-fired power projects should be avoided. · According to "E.SUN Coal and Unconventional Oil & Gas Phase-Out Policy," enhance management and set plans to phase-out of high GHG emitting coal companies and unconventional oil & gas companies. · Real estate collateral listed in the "Soil and Groundwater Pollution Remediation Act" should be avoided.
Enhanced Management	· Companies involved in tobacco, gambling, mining, and leather and fur-related activities should be carefully evaluated and regularly monitored. · E.SUN has signed the Equator Principles, and according to Equator Principles 4.0, climate change has been designated as a necessary item for project financing assessments. · For project financing tied to power, oil and gas, petrochemicals, and infrastructure projects above a certain scale, implement risk classification management under the Equator Principles, carefully assessing whether project development processes are fulfilling social responsibilities and properly establishing monitoring and improvement plans for environmental and social impacts. Analyze climate-related physical and transition risks, environmental pollution, biodiversity, and other material issues for each project financing case. · Develop specific differentiated measures in enhanced due diligence process to address industry-specific climate and environmental risks, including carbon emissions, climate risks, biodiversity, toxic substance management, and water resources. · Incorporate the hazard and vulnerability of climate risk factors into real estate collateral zoning standards to manage credit business climate risks within jurisdiction divisions. · Strengthen the review process for cases in areas with high landslide risk. · Establish mechanisms to encourage customers with environmental pollution penalties to address their issues
Actively Support	· Support social innovation and local economic revitalization industries by providing customized financial services, financial counseling, and marketing resources, thereby enhancing the drive towards SDGs in Taiwan. · Increase investment and financing in forward-looking economic activities aligned with the key strategies outlined in the National Development and Reform Commission's 2050 net-zero emission pathway. This includes sectors such as renewable energy, hydrogen energy, power systems and energy storage, energy conservation, carbon capture utilization and storage, vehicle electrification and decarbonization, resource recycling and zero waste, and natural carbon sinks.

05 Integration into Business and Operations

5.1 Corporate Banking
5.2 Investment
5.3 Consumer Banking - Lending
5.4 Consumer Banking - Payment
5.5 FinTech and Innovation
5.6 Sustainable Operating Environment
5.7 Nature and Biodiversity Contribution Activities

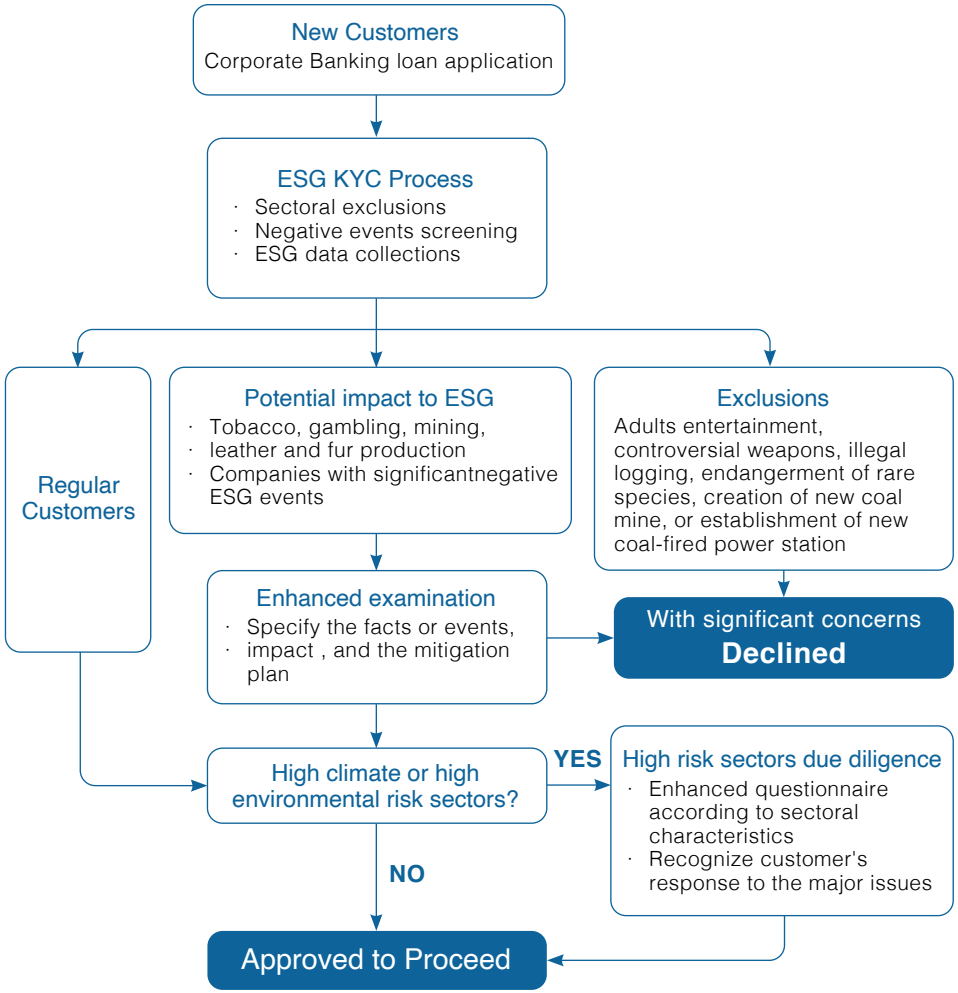


5.1 Corporate Banking

1. Environmental and Climate Risk Management Mechanism for Corporate Banking

(1) Under the “Sustainable Finance Policy”, E.SUN incorporates ESG risk factors into credit reviews to identify and control environmental and social risks. Borrowers involved in pollution or sectors such as coal power, coal mining, illegal deforestation, wildlife trade, arms, or pornography are strictly excluded. High-risk industries such as tobacco, gambling, mining, tanning, require enhanced evaluation and review.

- For high-climate-risk industries, such as coal-related businesses and unconventional oil & gas extraction, E.SUN applies strict checks under the Guidelines for the Phase-Out of Coal and Unconventional Oil & Gas. If these activities represent a significant share of revenue, case-by-case controls and phased divestment are implemented.
- E.SUN continues to enhance its climate and environmental risk management mechanisms, encouraging enterprises to disclose information related to carbon emissions, water usage, electricity consumption, and more. We focus on conducting due diligence on industries significantly affected by climate and environmental risks, taking into account the specific characteristics of those industries. Throughout the enhanced review process, we design differentiated assessment criteria that include climate risk, biodiversity, and water resources. This is implemented during the credit approval process, strengthening evaluations and explanations to guide business units in recognizing industry-specific ESG issues and to better understand how credit clients respond to related risks.
- Regarding collaterals with climate risks, such as properties in high-flood-risk areas, E.SUN reduces the LTV ratio and requires relevant insurance coverage to ensure effective physical risk management in the credit process.



(2) Environmental and Nature Risk Management for Large Projects

- For project financing in sectors such as power generation, oil & gas, and infrastructure that meet certain scale criteria, E.SUN implemented the Equator Principles beginning in 2015 to conduct tiered project risk management. We carefully assess whether the project's development process fulfills environmental and social responsibilities and establish effective monitoring and improvement plans for impacts. Following the framework of the Fourth Edition of the Equator Principles, we analyze each project financing case for material issues, including climate-related physical and transition risks, environmental pollution, and biodiversity. For more details, please refer CH 3.1 in the 2025 E.SUN Sustainability Report.

- E.SUN continues to enhance its biodiversity assessment capabilities by utilizing databases such as the International Biodiversity Analysis Tool (IBAT) to identify whether project scopes involve sensitive biodiversity conservation areas and to evaluate impacts on biodiversity.
- In 2025, E.SUN Bank was formally appointed as a Management Support member to the Steering Committee of the Equator Principles. Since joining the committee, E.SUN Bank has actively participated in monthly meetings, contributing to internal governance and management discussions, and will continue to support the Equator Principles Management Team for a two-year term.
- In parallel, E.SUN Bank joined the EP Biodiversity Working Group, and contributed to the development of guidance in collaboration with UNEP Finance Initiative (UNEP FI), titled "Nature- Based Risk Assessment: Integrating Project-Related Finance." This guidance is now publicly available on the official Equator Principles website.
- E.SUN Bank is committed to participating in the Equator Principles Annual Meeting each year to engage with fellow EP Financial Institutions and continuously enhance its internal implementation processes. This time, the Bank was invited to present its Equator Principles implementation experience, with a particular focus on Taiwan-specific considerations. The presentation was well received and gathered positive recognition from participating institutions.
- In addressing climate change and the protection and restoration of natural capital, we recognize the importance of just transitions, particularly for Indigenous peoples and local communities closely connected to nature, who play crucial roles in safeguarding natural resources. In addition to environmental and natural risks, E.SUN follows the Equator Principles to assess human rights-related issues, including reviewing whether project developers have previously been involved in human rights disputes and utilizing third-party due diligence reports to understand the project's impacts. If a project's site involves specific Indigenous areas, E.SUN also focuses on ensuring that the development process does not violate local cultural protections and that communication with local communities is conducted to ensure the project upholds environmental and social responsibilities.

2. Corporate Loan Carbon Management

E.SUN demonstrates responsible lending practices by incorporating the Partnership for Carbon Accounting Financials (PCAF) methodology in our carbon inventory. We use Science-Based Targets (SBTs) and internal carbon pricing mechanisms to guide this process. We actively monitor carbon-intensive borrowers and support industries and clients in their transition to low-carbon operations

(1) Science-Based Targets (SBT)

E.SUN follows the Science-Based Targets Initiative (SBTi) guidelines to set medium to long-term carbon reduction goals. Clear carbon reduction pathways and targets are established for three major credit asset categories: project financing for power generation, commercial real estate, and medium to long-term loans for non-SMEs. Carbon-intensive borrowers related to these targets are managed through annual tracking of carbon intensity changes and analysis of target achievements. In addition, we encourage active engagement in low-carbon businesses and increasing dealings with entities with carbon reduction targets.

(2) Internal Carbon Pricing in Credit Process

In 2021, E.SUN developed an internal carbon pricing mechanism related to credit management, which was officially implemented in July 2022. This mechanism guides business units to prioritize the transition risks and impacts of international carbon pricing on their credit clients. It also assists in credit portfolio management through functionalities such as carbon intensity classification and carbon emission estimation:

- Internal carbon pricing reports reveal the carbon emissions associated with credit borrowers, converting them into more easily understood carbon cost concepts. Management tools aid business units in estimating future carbon emissions.
- International carbon trading mechanisms, including the World Bank's global carbon market-weighted price and international decarbonization pathways, are considered in cost calculations for excess carbon emissions. Incentives are provided through mitigation mechanisms to encourage more green credit and sustainable financing, reflecting the emission reduction achievements of credit borrowers.
- Provide a "Credit Carbon Emissions Calculator" for business units to estimate the carbon emissions of their corporate clients, allowing the estimation of scope 3 carbon emissions that E.SUN may need to bear.
- In 2025, performance reward mechanisms have been established to encourage business units to reduce carbon intensity.

5.2 Investment

Referencing the Principles for Responsible Investment (PRI), E.SUN incorporates environmental, social, and governance (ESG) factors into equity and bond investment analysis and decision-making. The bank has established the “E.SUN Bank Securities Sustainable Investment Management Principles” to manage high ESG-risk companies, allowing investments only when no significant adverse impacts are identified. E.SUN also developed an ESG Sustainable Investment Assessment Model, integrating weighted indicators from domestic and international sources, including Science Based Targets (SBT) and carbon pricing. The model categorizes scores into seven ratings to guide investment decisions. To enhance evaluation accuracy, E.SUN continues to collaborate with data providers and expand quantitative indicators. These efforts aim to improve investment quality and influence investee companies toward sustainable practices, amplifying positive impact on business, society, and the environment.

Investment Analysis and Decision Process

Divestment from Coal and Unconventional Oil and Gas Industries

E.SUN adheres to the "E.SUN Coal and Unconventional Oil & Gas Phase-Out Policy" to strengthen control over coal and unconventional fossil fuel industries associated with high greenhouse gas emissions and to propose a phase-out plan.

Exclusion of Controversial ESG Industries

- Direct impact: E.SUN avoids engaging with industries involved in adult entertainment, controversial weapons, illegal logging, endanger of rare species, coal mining, or project finance of coal-fired power plants
- Potential impact: E.SUN conducts diligent evaluations and periodic monitoring of industries involved in tobacco, gambling, leather and fur production, and mining, among others

Investment Targets Selection

- E.SUN established its own ESG sustainable investment evaluation model, assigning investment targets into seven ratings from AAA to CCC
- Consideration of external ESG Indicators:
  DJBIC / MSCI ESG ratings / S&P Global ESG Score / Bloomberg ESG ratings / Sustainalytics ESG ratings / Components of the Taiwan Sustainable Index / Taiwan Corporate Governance Evaluation
- Investment targets must achieve a rating of BBB or higher based on E.SUN's ESG evaluation model.

Monitoring and Management

- In cases where invested companies have significant negative impacts on ESG, E.SUN verifies with the companies or engages with the management team.
- Regular and ad hoc communications for information disclosure with invested companies
- Disclosure of voting information at shareholder meetings

Establishment and Implementation of Sustainability Plans

- Set and periodically review SBTs (Science Based Targets) for companies in securities investment.
- Elevate investment strategies from ESG integration goals to a focus on sustainability and impact
- Encourage companies to respond to initiatives and take action to promote environmental sustainability.

Issuance of Sustainability Bonds to Support Biodiversity

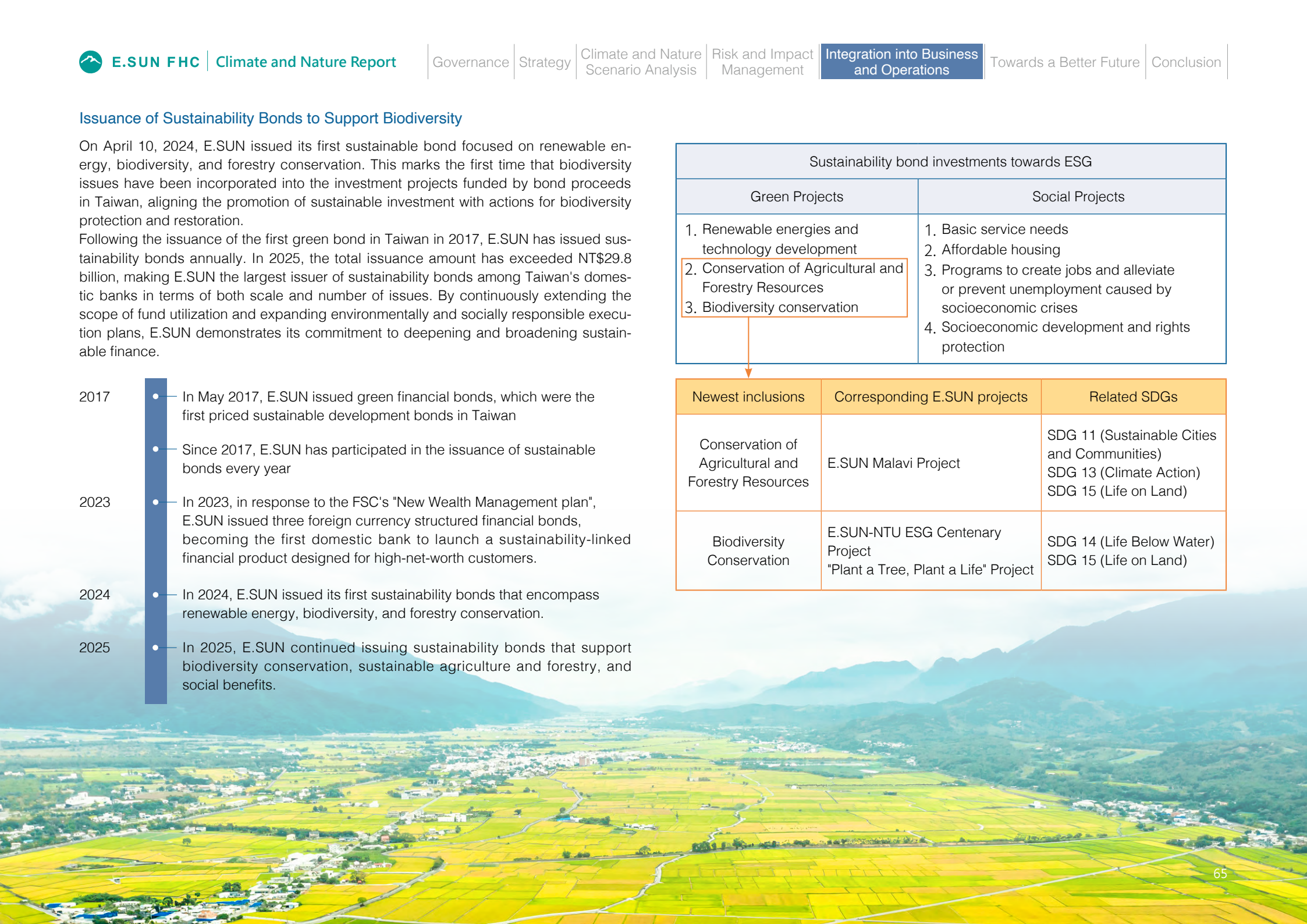
On April 10, 2024, E.SUN issued its first sustainable bond focused on renewable energy, biodiversity, and forestry conservation. This marks the first time that biodiversity issues have been incorporated into the investment projects funded by bond proceeds in Taiwan, aligning the promotion of sustainable investment with actions for biodiversity protection and restoration.

Following the issuance of the first green bond in Taiwan in 2017, E.SUN has issued sustainability bonds annually. In 2025, the total issuance amount has exceeded NT$29.8 billion, making E.SUN the largest issuer of sustainability bonds among Taiwan's domestic banks in terms of both scale and number of issues. By continuously extending the scope of fund utilization and expanding environmentally and socially responsible execution plans, E.SUN demonstrates its commitment to deepening and broadening sustainable finance.

- 2017 — In May 2017, E.SUN issued green financial bonds, which were the first priced sustainable development bonds in Taiwan
- Since 2017, E.SUN has participated in the issuance of sustainable bonds every year
- 2023 — In 2023, in response to the FSC's "New Wealth Management plan", E.SUN issued three foreign currency structured financial bonds, becoming the first domestic bank to launch a sustainability-linked financial product designed for high-net-worth customers.
- 2024 — In 2024, E.SUN issued its first sustainability bonds that encompass renewable energy, biodiversity, and forestry conservation.
- 2025 — In 2025, E.SUN continued issuing sustainability bonds that support biodiversity conservation, sustainable agriculture and forestry, and social benefits.

Sustainability bond investments towards ESG	
Green Projects	Social Projects
1. Renewable energies and technology development 2. Conservation of Agricultural and Forestry Resources 3. Biodiversity conservation	1. Basic service needs 2. Affordable housing 3. Programs to create jobs and alleviate or prevent unemployment caused by socioeconomic crises 4. Socioeconomic development and rights protection

Newest inclusions	Corresponding E.SUN projects	Related SDGs
Conservation of Agricultural and Forestry Resources	E.SUN Malavi Project	SDG 11 (Sustainable Cities and Communities) SDG 13 (Climate Action) SDG 15 (Life on Land)
Biodiversity Conservation	E.SUN-NTU ESG Centenary Project "Plant a Tree, Plant a Life" Project	SDG 14 (Life Below Water) SDG 15 (Life on Land)



5.3 Consumer Banking – Crediting

Climate and Nature-related Products and Services

"Empowering Solar Adoption for Net-Zero"

Sunshine Rooftop Loan

According to the Executive Yuan's "Taiwan 2050 Net-Zero Emissions Pathway and Strategy," renewable energy is targeted to account for over 60% of power generation by 2050 to achieve decarbonized electricity supply. In response to government policy and to promote clean energy, E.SUN not only supports large enterprises in driving energy transition but also encourages households and small businesses to install rooftop solar power systems. Through financial resources, we actively help customers reduce carbon emissions and work together to realize environmental sustainability.

"Advancing Green Buildings"

Mortgage & Energy Efficiency Program

Green buildings minimize resource consumption and waste throughout their life cycle while meeting the principles of ecology, energy saving, waste reduction, and health. The Building Energy Efficiency Label serves as a key management tool for improving energy performance. Both are essential trends for sustainable development in construction. E.SUN has launched the "Green Building & Energy Efficiency Label Loans" to support customers in low-carbon transition, enhance building energy efficiency, and contribute to Taiwan's 2050 net-zero building pathway.

"Franchise Loans for Net-Zero"

FamilyMart Dream Loan

E.SUN collaborates with third-party partners to create positive impact and support franchise businesses in their sustainability transition. In 2023, we joined hands with FamilyMart to launch the "FamilyMart Franchise Dream Loan," applying sustainability-linked loans to the franchise industry. Together with FamilyMart headquarters and its franchisees, we set sustainability performance targets by linking credit terms to the Ministry of Economic Affairs' energy efficiency indicators. If stores achieve energy-saving goals during the loan period, they receive interest rate discounts. Since its launch, nearly 190 franchise businesses have participated, contributing to Taiwan's environmental sustainability.

"Supporting Local Dreams"

Regional Revitalization Financing

To support local industries and respond to the government's regional revitalization policy, E.SUN designed the "Local Revitalization Multi-Financing Program" tailored to different stages of customer development, addressing the challenge small and micro businesses face in securing funds during their early stages. For example, an entrepreneur from an indigenous community leveraged local natural ingredients to promote traditional cuisine and preserve cultural heritage. With financing from the program, they expanded equipment shortly after founding the business, creating jobs, boosting revenue, and even exporting products to Japan and Hong Kong, showcasing Taiwan's local culture globally. Since its launch, the program has provided about NT$10 billion in funding to over 3,000 local businesses, helping them take root and grow sustainably.

Customer Engagement Example

Franchisee Project – Incorporating Sustainability Performance Links

Target	Conversation	Response	Results	Assessment	Future
In support of Taiwan's net-zero carbon policy, E.SUN partnered with FamilyMart to launch the "FamilyMart Franchise Dream Loan," a sustainability-linked loan designed for the franchise sector. This initiative encourages franchise stores nationwide to actively address environmental sustainability issues.	E.SUN supports FamilyMart's sustainability goals by offering financing solutions tailored to franchisees' growth stages, enabling investments in energy-saving equipment and improved electricity efficiency. Annual assessments verify compliance with energy standards, and loan discounts incentivize franchisees to take concrete steps toward sustainable operations.	FamilyMart headquarters and franchisees have endorsed E.SUN's financing solutions and jointly set sustainability performance targets. Credit terms are tied to the Ministry of Economic Affairs' energy efficiency indicators, specifically electricity intensity. Energy-saving performance is monitored throughout the loan period to ensure concrete progress in energy conservation and carbon reduction.	Franchisees' awareness of electricity efficiency has grown, prompting greater adoption of energy-saving equipment during store renovations. Through the FamilyMart Franchise Dream Loan program, franchisees not only upgrade their stores but also contribute to Taiwan's environmental sustainability efforts.	Franchisees recognize the environmental benefits of energy conservation and carbon reduction, reinforcing FamilyMart headquarters' policy implementation. Together with E.SUN, FamilyMart fosters a supportive franchise environment, helping stores achieve steady growth and creating a positive cycle of shared prosperity among E.SUN, FamilyMart, and franchisees.	Through practical examples, we advocate sustainability-linked loans across franchise industries and partner with like-minded organizations to help Taiwan achieve its 2050 net-zero goal.



5.4 Consumer Banking - Payment

Personal green living encompasses environmentally conscious choices that reduce negative impacts and promote sustainability. To make everyday consumption greener, E.SUN leverages its financial influence and credit card features, partnering across industries to create a low-carbon consumption program. This initiative rewards customers for adopting low-carbon habits, enabling them to contribute to planetary sustainability through their spending. Recognizing consumption as a catalyst for global change, E.SUN seeks to turn small behavioral shifts into meaningful progress toward sustainability. Together with customers, we aim to build a low-carbon payment ecosystem that embeds green values in society and inspires broader environmental action.

1. ESG Credit Cards

(1) Black Bear Affinity Card – A Public Welfare Credit Card with Conservation and Environmentally Friendly Concepts

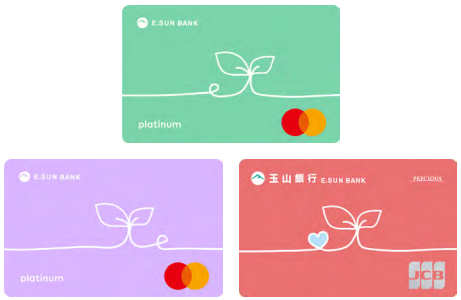
Taiwan black bears face habitat loss, with only 200–600 individuals remaining in the wild. To support conservation, E.SUN collaborates with Taipei Zoo, donating 0.2% of cardholder spending to its Animal Conservation Fund. Over NT$13 million has been contributed to black bear protection, habitat restoration, and environmental education. Cardholders also earn triple reward points for donations to Taipei Zoo, Taiwan SPCA, and the Taiwan Environmental Information Association, turning everyday spending into meaningful conservation action.

(2) Pure Virtual Card Issuance – Digital e-Card & Insurance Card

To reduce paper waste and carbon emissions, E.SUN introduced Taiwan's first pure virtual card in 2022, achieving a 99.8% online application rate. Each issuance cuts 1,100 grams of CO_2, totaling 17.5 metric tons annually. Paired with e-billing and low-carbon rewards, this initiative promotes sustainable consumption. In 2023, E.SUN launched a digital insurance card, and by 2025, over 100,000 cardholders had adopted these virtual solutions

(3) ESG Flexible Spending – Unicard

Launched in 2024, the Unicard uses eco-friendly PETG material and offers flexible reward plans at partner merchants. Enhanced rewards include ESG-related spending options such as Gogoro battery plans, YouBike 2.0, and E.SUN Wallet donations. Combined with e-billing, this program encourages customers to integrate green living into daily consumption, amplifying social impact and advancing sustainability.





2. Putting carbon reduction into action with E.SUN cardholders –Carbon Accounting Account

To promote low-carbon lifestyles, E.SUN introduced the Payment Carbon Accounting Account in 2023. Through the E.SUN Wallet App, cardholders using credit or debit cards with EasyCard functionality can track carbon reductions from public transportation choices such as MRT, buses, and YouBike, making their efforts visible and impactful. In 2024, E.SUN launched Taiwan's first Consumption Carbon Footprint Calculator, enabling cardholders to view the carbon footprint of each transaction and integrate carbon awareness into daily spending. Looking ahead, the "Steps for Carbon Reduction" program will debut in 2025, allowing cardholders to monitor step counts and corresponding carbon savings. By encouraging walking over short-distance vehicle use, E.SUN turns everyday steps into meaningful climate action.

5.5 FinTech and Innovation

Sustainability and digital transformation are key to corporate development. E.SUN Bank integrates ESG into overseas business expansion, wealth management operations, financial technology, and the management of three lines of defense, striving to build a human-centric digital financial leading brand. E.SUN Bank drives digital finance and intelligent applications through a technology coalition, integrating capabilities across R&D, marketing, processes, risk control, and empowerment into a core competitive advantage. E.SUN Bank is committed to promoting inclusive finance, intelligent finance, and scenario-based finance. The achievements of our digital channels in 2025 are detailed below:

99% Foreign exchange transactions are completed on digital channels	96% Loan applications are completed on digital channels	97% Transfer transactions are completed on digital channels
94% Mutual fund investments are completed on digital channels	88% Credit card applications are completed on digital channels	55% Deposit account openings are completed on digital channels.

Support Services and Digital Infrastructure

E.SUN continuously advances digital transformation and constructs a Generative AI ecosystem to comprehensively strengthen internal and external knowledge empowerment. Concurrently, E.SUN Bank has completed the cloud migration of our core and overseas systems, bolstering operational resilience. Furthermore, through resource optimization, cloudnative architecture, and cybersecurity monitoring, E.SUN Bank enhances efficiency, agility, and overall security. The achievements in 2025 are as follows:

Topics	Strategy Directions
AI Technology	We construct a Generative AI ecosystem. Our internal AI platform, "GENIE", underwent a major upgrade, enhancing digital empowerment for all staff in E.SUN through 11 professional conversational bots that feature "internal knowledge integration" and "real-time web search functionality." Externally, we launched customer-facing Generative AI applications, "E.SUN i-chat" and "AI Mortgage Advisor," scaling the delivery of professional investment research insights to customers and achieving a complete link from internal innovation to inclusive financial value.
Operational Resilience	In 2025, we set an industry benchmark by migrating core system disaster recovery to the public cloud. This initiative ensures the preservation of vital business data and the continuous provision of essential financial services during extreme scenarios, thereby safeguarding customer rights.
	In order to enhance the availability of overseas information systems and reduce the impact on services in overseas branches, we continue to plan and promote the migration of servers to the public cloud in other overseas branches. In 2025, we completed the migration of servers in our Singapore, Japan, USA and Australia overseas branches to the public cloud.
Resource efficiency	Continuing to expand the usage of container platforms to strengthen agile development and CICD capabilities. We are actively driving the transition to cloud-native architecture, accelerating application deployment through automated delivery, elastic scaling, and standardized microservices.
	In order to increase productivity, we implement the collaboration platforms and digital tools in the development process and optimize workflows through AI tools.
	E.SUN's overseas branches, UCB subsidiaries, and public clouds have fully implemented an SD-WAN (Software-Defined Networking in a Wide Area Network) design. This strengthens the integration of existing leased lines, enhancing communication quality while reducing circuit costs.
Agility and Resilience	Continuously enhance cross-cloud security monitoring capabilities by integrating centralized monitoring mechanisms across multi-cloud platforms and optimizing anomaly detection scenarios, in order to strengthen overall cloud security and real-time threat protection.
	Cloud services offer diversity and high availability that complement on-premises services, fulfilling our information service needs. Meanwhile, a security management framework ensures that cloud utilization remains highly secure.
Cybersecurity Monitoring	E.SUN has designed cybersecurity anomaly monitoring scenarios based on cloud characteristics and has implemented cloud personal data scanning and monitoring management mechanisms to ensure the security of cloud service usage.

Financial Innovation Applications

Optimization of Digital Services to Enhance Customer Experience

Copilot Intelligent Customer Service / Customer Service Copilot	E.SUN Bank integrated RAG and LLM into our internal knowledge base, providing real-time recommendations that reduce inquiry steps by approximately 50%. This is expected to increase service efficiency by around 10% while mitigating the administrative workload of frontline colleagues.
Mobile Banking	E.SUN Mobile Banking integrates banking, securities, and insurance businesses to provide one-stop financial services. In 2025, through AI applications and functional optimizations, we continued to prioritize customer experience and delivered diversified services: AI innovation applications: · AI Mortgage Advisor: In July 2025, we launched a generative AI Mortgage Advisor. Existing mortgage customers can complete top-up loan applications by answering only three core questions, reducing required fields by 90% and achieving a 98% customer satisfaction rate. · Investment i-chat: In 2025, we introduced a generative AI investment advisor. By combining LLM and RAG, investment research knowledge was converted into real-time interactive consultation. Responsible AI practices and data protection measures were implemented to enhance customer experience and service efficiency. This initiative was awarded the "Best AI Application Award" by Business Today Magazine. Asset-liability management enhancements: · We are the industry frontrunner in launching online trading services for the principal-protected structured product FRC (Fixed Rate Callable), available in both USD and TWD, offering customers more diversified investment options. · To enhance the gold investment service experience, E.SUN Mobile Banking has added a gold investment service. Customer journeys and workflows were redesigned; real-time price and trends were added; and functions including "Gold Purchase," "Gold Sell-back," "Gold Transaction Enquiry," "Inventory Profit/Loss," and "Transaction Details" were integrated to enable customers to seize current gold investment opportunities and enjoy more convenient gold trading and inquiry services. · We have expanded E.SUN Mobile Banking's online insurance offerings with the addition of an annuity product. Customers can flexibly plan premium budgets according to their needs and independently arrange fund allocation to achieve their financial objectives. · The personal loan function entry on the homepage has been enhanced with a "Exclusive Offers" feature, enabling customers to quickly obtain key information such as maximum eligible loan amount, loan fees, and interest rates, thereby enhancing the personalization and immediacy of personal loan services. · A new "TWD Transfer Service Settings" function has been introduced, allowing customers to enable/disable online banking transfer services at their discretion and to individually disable non-authorized transfer capabilities, thereby safeguarding customers' account security.
Digital Saving Account	Drawing on e-commerce shopping-cart recommendation models to continuously enhance the customer digital experience, after a customer selects a product the system evaluates the customer's existing relationship profile and the combination of products in the current application to identify the next most suitable product for the customer. The system then proactively prompts the customer, asking whether they would like to apply for the recommended product concurrently, thereby creating a one-stop financial services experience.
e-Mortgage	· We continue to enhance the end-to-end digital mortgage customer experience. In 2025, we launched the industry's first "Online Platform for Mortgage Lien Cancellation," enabling customers to apply online for the cancellation of mortgage liens. After SMS OTP identity verification and completion of required information, the online application is finalized without the need for an in-branch visit. The platform improves the digital loan process for customers and reduces manual handling and the costs associated with exchanging physical documents. · In response to regulatory liberalization, online loan verification — previously limited to top-up loan customers — was extended in 2025 to cases involving secured property rights and mortgage life-insurance limits, effectively reducing manual processing costs. E.SUN Mobile Banking has also added an "e-Step Restore Original Credit Limit" feature: eligible existing borrowers may apply via E.SUN Mobile Banking to restore their prior credit limit. The feature integrates with the E.SUN unified application platform to automatically populate existing application data, accelerating re-loan applications for returning customers and streamlining our credit approval processes.

5.6 Sustainable Operating Environment

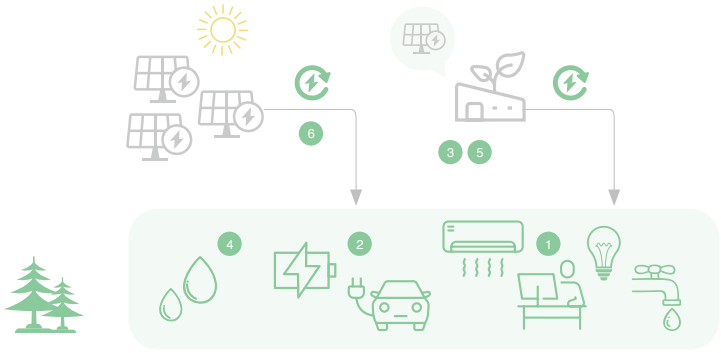
5.6.1 Direct Operations Management

Facing the increasingly urgent challenge of climate change, governments and corporations worldwide are establishing and strengthening climate adaptation and mitigation strategies. E.SUN FHC actively advances multiple sustainability initiatives, including decarbonization, water conservation, and waste reduction. Internally, we implement energy-saving policies and promote environmental education to cultivate a corporate culture of energy efficiency and emission reduction; externally, we have established clear medium- and long-term environmental targets, advancing toward measurable, transparent, and accountable sustainable development.

Sustainable Operating Environment Targets

- Based on the 2020 baseline, we aim to reduce its Scope 1 and 2 greenhouse gas (GHG) emissions by 42% by 2030.
- Based on the 2020 baseline, we aim to reduce its Scope 3 — Fuel- and Energy-Related Activities greenhouse gas (GHG) emissions by 42% by 2030.
- Based on the 2020 baseline, we aim to achieve 100% renewable energy usage across its domestic locations by 2030.
- Based on the 2020 baseline, we aim to reduce its water consumption intensity (water use per unit of revenue) by 30% by 2030.
- Based on the 2016 baseline, we aim to reduce the volume of general waste (per unit of revenue) by 78% by 2030.

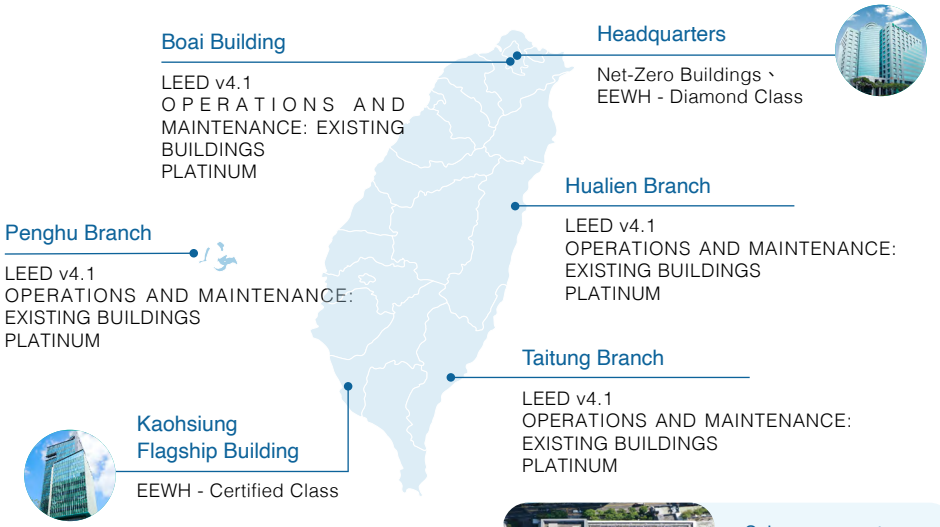
Green Operations Framework



1. **Use energy-efficient equipment:** Air conditioning and lighting equipment with the Energy Label, and water fixtures with the Water-Saving Label, to enhance the efficiency of energy and resource use.
2. **Replace outdated official vehicles:** Replace official vehicles with electric vehicles, install charging stations, and promote green transportation.
3. **Solar rooftop systems:** Establish rooftop solar power systems for self-consumption and increase the share of renewable energy.
4. **Rainwater Harvesting Systems:** Collect and filter rainwater for recycled landscape irrigation to maximize water efficiency.
5. **Green Building Design:** Develop an office environment aligned with green building standards to provide employees with a healthy and comfortable workplace.
6. **Execute Power Purchase Agreements (PPAs):** Maximize the wheeling of renewable energy to foster a low-carbon operations footprint.

Green Building (EEWH & LEED)

We pledge to transition all domestic self-owned buildings into green buildingsby 2027. As of 2025, 30 sites have been completed, achieving an 86% completion rate.





Solar power systems

Achieved 100% solar panel installation across all domestic buildings by 2025

Carbon reduction measures

Global governments and corporations are increasingly focused on carbon-related issues. As carbon emissions become a priced asset, carbon reduction is no longer merely a slogan. The EU's Carbon Border Adjustment Mechanism (CBAM) was fully implemented in 2027, the UK government plans to launch its own Carbon Border Adjustment Mechanism (UK CBAM) in 2027, and Taiwan's carbon fee system was officially enacted in 2026; these measures, including the imposition of carbon fees, are driving global stakeholders to assume responsibility for their own carbon emissions.

Implement Scope 1 & Scope 2 internal carbon pricing

In an era of accelerating growth and maturation in global carbon markets, E.SUN began planning and implementing an internal carbon pricing mechanism for Scope 1 and Scope 2 emissions in 2023. We initially established a carbon price and incorporated the carbon fee concept into energy-saving benefit assessments, and we conduct greenhouse gas inventories to analyze emissions and associated carbon-cost information by unit. In 2024, we promoted internal carbon pricing across all domestic banking locations, integrating carbon costs into routine operations so that business units recognize emissions as a cost, thereby guiding departments to establish and implement carbon-emissions management measures.

Purpose	Application
Navigate regulations, setting and/ or achieving of climate-related policies and targets incentivize consideration of climate-related issues in decision making	In response to the governance foundation established by the Climate Change Response Act for the 2050 net-zero transition, E.SUN has adopted 2020 as the baseline year and obtained approval for its Science- Based Target (SBT). We commit to reducing Scope 1 and Scope 2 emissions by 42% versus the baseline by 2030, and we review progress and improvement measures annually. To strengthen decarbonization incentives, E.SUN Bank has fully implemented an internal carbon-pricing mechanism for Scope 1 and Scope 2 across domestic operations, with the carbon price set at USD 100 per tCO_2, and has incorporated achievement of decarbonization targets into senior management performance evaluations as a key management tool.
Establish the concept that emissions are a priced asset and forecast next year's carbon-fee budget	To strengthen each division's awareness of carbon cost management, we apply a shadow carbon pricing methodology to simulate and disclose carbon expenses. Charges are modelled based on each unit's actual Scope 1 and Scope 2 emissions to assist departments in incorporating potential carbon costs for the upcoming fiscal year into their annual budget planning, thereby progressively internalizing carbon cost risks.
Conduct cost-benefit analysis, influence strategy and/or financial planning	We have implemented a carbon-benefit–oriented cost-analysis model that combines the investment costs of energy-saving and emission-reduction measures with our internal carbon pricing for performance evaluation. This approach quantifies both the financial returns and carbon-reduction benefits of each initiative to optimize equipment replacement and capital expenditure decision-making processes, thereby enhancing the scientific rigor and transparency of low-carbon investment decisions.
Drive low-carbon investments, drive energy efficiency, identify and seize low-carbon opportunities	We systematically identify and capture low-carbon opportunities by actuarially assessing payback periods and carbon costs, prioritizing the deployment of high-efficiency, high-emission-reduction equipment. We also require each unit to proactively implement a range of emissions-reduction measures—including retiring energy-intensive equipment, deploying renewable energy solutions, and promoting green transportation and related infrastructure—to systematically improve overall energy efficiency and reduce Scope 1 and Scope 2 emissions.
Achieve decarbonization targets and accelerate the transition to net-zero emissions.	We will continually adjust our internal carbon-fee structure and management mechanisms on a rolling basis by integrating actual emissions-reduction expenditures, domestic and international carbon-pricing and carbon-fee trends, and changes in emissions-related regulations. Through ongoing optimization of carbon-cost management and information disclosure, we aim to strengthen incentives for emissions reduction and accelerate progress toward our net-zero emissions target.

Actively promote renewable energy

E.SUN FHC is committed to sourcing 100% renewable energy across all domestic and overseas operations by 2040. To advance this commitment, E.SUN Bank completed the installation of solar panels on all domestically owned buildings in 2025, while E.SUN Securities began procuring renewable electricity in January 2025. By the end of 2025, E.SUN FHC’s total electricity consumption reached 44.91 million kWh, with 35.58 million kWh of renewable energy procured, representing a 79.2% renewable energy coverage rate. In addition, 23.90 million kWh of renewable electricity was supplied to operating sites, accounting for 53.22% of total electricity consumption. These achievements demonstrate E.SUN’s commitment to its 2050 net-zero goal.

Water Usage Reduction

E.SUN FHC and its subsidiaries source all operational water from the public water utility, and this water is used exclusively for domestic purposes. The water intake has not caused any adverse impacts on water resources. All discharged effluent is domestic sewage, and its treatment complies with the Water Pollution Control Act and other applicable regulations.

Expand the scope of ISO 46001:2019 certification implementation

E.SUN Bank implemented the ISO 46001:2019 Water Efficiency Management System in 2021. Under this assessment framework, we conduct in-depth reviews of water-saving measures at our locations. Based on water consumption, we have set a target to achieve a 25% implementation rate by 2025; the scope covers operational sites and office buildings. Through ongoing promotion of proper water-use practices and by fostering sound personal habits among every staff in E.SUN, we aim to minimize avoidable daily waste. We have established a baseline to monitor abnormal consumption and encourage each branch to propose creative measures and showcase results.

E.SUN Bank has installed rainwater harvesting systems at its primary office buildings — Hope Campus, Human Resources Development Center, and the Second Headquarters (Buildings A and B). Runoff is first encouraged to infiltrate the site through permeable paving to increase soil water retention; remaining rainwater and surface runoff are collected via perimeter collection pipes. Collected water is treated through sedimentation and filtration systems and reused for landscape irrigation. In 2025, we recovered and utilized a total of 9.46 megaliters of rainwater. To ensure efficient use of water resources, rain sensors have been installed to detect precipitation and automatically suspend irrigation during rainfall. In addition, we are replacing aging water fixtures with water-efficient models bearing water-saving certification marks.

Waste Reduction

Protecting the Earth is the shared responsibility of every global citizen. The resources we use in our daily lives mostly come from nature, and we should use them wisely and give back to society.

Implement waste separation and introduce a new recycling category: paper containers.

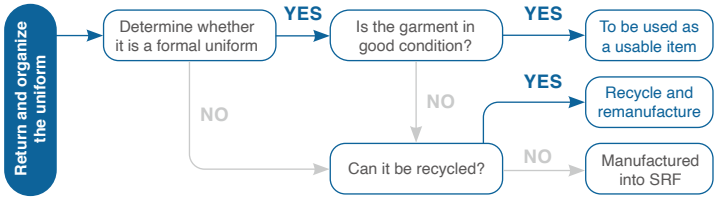
Starting from Q4 2025, E. SUN Bank has expanded its recycling program across all office buildings to include 'paper-based containers.' This initiative aims to reduce general waste and enhance the effectiveness of our resource recovery efforts, ensuring that reusable materials are utilized to their fullest potential. In 2025, a total of 3,100 kg of paper-based containers were recycled, marking a meaningful step toward our goal of a zero-waste society.

Textile Circularity: Recycling employee uniforms into refuse-derived fuel (RDF) to drive a circular economy

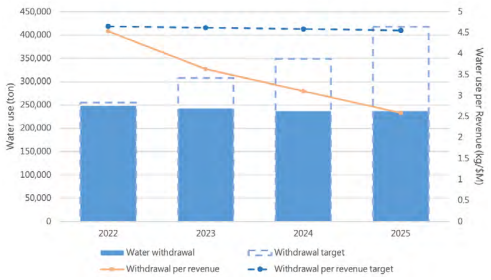
In alignment with the global 'zero-waste' trend, E.SUN is committed to promoting textile reuse through innovation and circular economy principles. During the manufacturing process, we strive to reduce water consumption and the use of chemical agents, thereby minimizing our environmental footprint. Regarding waste reduction, we have adopted a "resource sharing" approach: uniforms that are ill-fitting, replaced, or returned by departing colleagues are collected and sorted. Those in good condition are made available for application by colleagues or utilized as shared uniforms. Currently, common-use uniform stations are established at our Headquarters, Hope Campus, Technology Building, and Bo'ai buildings, providing temporary access for colleagues who have yet to receive their official uniforms.

In 2022, the old uniforms were collected, sorted, and cleaned, then entrusted to a professional recycling-fuel plant where fabric scraps and cotton fillers were made into fuel briquettes to replace coal and other industrial boiler fuels. By 2025, we had recycled 3.7 metric tons of old uniforms and achieved the goal of converting 100% of them into fuel briquettes.

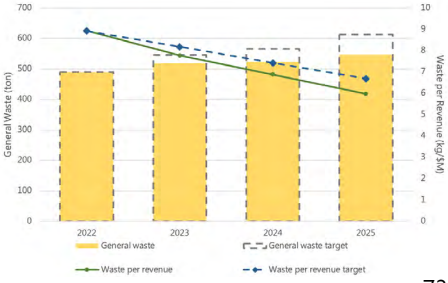
Going forward, we will also align with the Environmental Protection Administration's Resource Circulation Agency "Guidelines for Circular Procurement of Clothing and Textiles for Governmental and Public/Private Units," and actively cooperate with suppliers: after collection, garments will be sorted by material and diverted either for "re-pelletizing, re-spinning, and remanufacturing" or for "conversion into Solid Recovered Fuel (SRF)", in order to increase resource recovery rates and promote full circularity for textiles.



E.SUN FHC Water Use and Target Figures

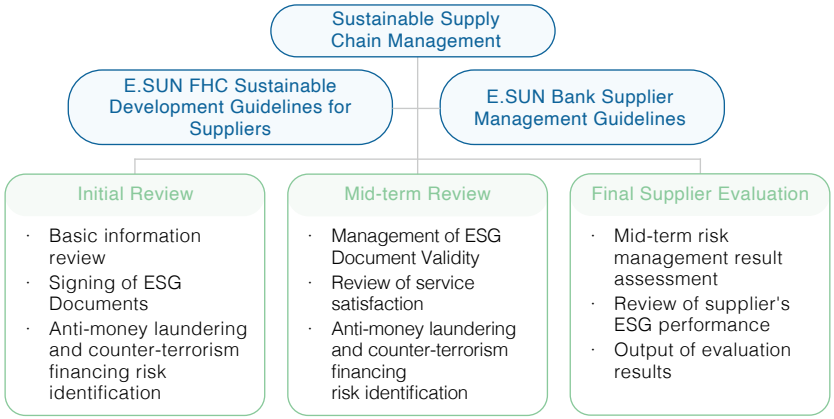


E.SUN FHC Waste and Target Figures



5.6.2 Suppliers Management

E.SUN carefully selects suppliers that meet standards and requires suppliers with cumulative transaction amounts exceeding a certain threshold to complete the "Sustainable Development Self-Assessment Form for Suppliers" and sign the "Statement of Commitment to Human Rights and Environmental Sustainability". The evaluation will clearly outline E.SUN's requirements and expectations of suppliers in areas such as corporate operations, Code of Conduct, Labor Management, Prohibition of Child Labor, Prohibition of Forced or Compulsory Labor, No Infringement on Basic Labor Rights, Fundamental Human Rights, Occupational Health and Safety (OHS) Risks.Additionally, to monitor sustainable risks among suppliers, we will implement a review mechanism at each stage of the transaction process. The relevant outcomes are shown in the table below:



Unit: Number of supplier

Item	2025	2024	2023
Number of suppliers attended supplier conference	46	46	47
Number of suppliers discussed in supplier evaluation meetings	284	73	11
Number of suppliers that signed the Supplier Corporate Social	285	396	248

Sustainable Procurement

In order to establish a supply chain that safeguards the environment, human rights, and safety while promoting sustainable development, E.SUN continues to implement the ISO 20400 Sustainable Procurement Standards. This involves adhering to both common procurement guidelines and specific regulations, as well as conducting regular assessments of suppliers based on various qualitative and quantitative performance indicators. We have also developed related action plans. These initiatives are aimed at creating a sustainable influence, which is evaluated through external audits to ensure compliance with standard requirements.

Responsible Procurement

Prioritizing local suppliers aligns with the Sustainable Development Goals (SDGs) and emphasizes the commitment to local vendors in all procurement activities. In 2025, the procurement ratio from local suppliers reached 97%. To achieve SDG 12, "Responsible Consumption and Production," E.SUN actively participates in government-led initiatives promoting green lifestyles and consumption, adhering to principles of green consumption. We continue to engage in the "Green Procurement Implementation Plan for Private Enterprises and Organizations" promoted by the Ministry of the Environment, having been recognized for 16 consecutive years with the "Outstanding Benchmark for Green Procurement" award. In 2025, the reported amount for green procurement was approximately NT$550 million, with a cumulative total procurement amount exceeding NT$3.45 billion. We aim to influence supply through procurement demands, facilitate the formation of a green supply chain, and leverage our impact to create sustainable development opportunities alongside our supplier partners. In response to government policies promoting circular economy and the procurement of socially innovative products and services, we have incorporated the principles of circular procurement into our purchasing regulations, assessing product lifecycle opportunities. We received the first level prize of The Buying Power - Social Innovation Products and Services Procurement Award, with a cumulative transaction amount of nearly NT$1.17 billion.



5.7 Nature and Biodiversity Preservation

Overview of E.SUN's Natural Environment Initiatives

E.SUN is committed to supporting the global Convention on Biological Diversity and advancing sustainable ecological development in alignment with the United Nations Sustainable Development Goals (SDG 13: Climate Action; SDG 14: Life Below Water; SDG 15: Life on Land). Our natural environment and biodiversity strategy is centered on three core pillars: species conservation, habitat preservation, and environmental sustainability. Taking initiative from within, we proactively respond to both international and domestic environmental sustainability advocacies. In 2022, we voluntarily joined the Taskforce on Naturerelated Financial Disclosures (TNFD) and, in 2023, joined the TNFD Early Adopters. In November 2024, E.SUN released Taiwan's first "Climate and Nature Report" to achieve the highest rating of "Level 5: Excellence" from the British Standards Institute (BSI) for TNFD conformity.



Key Achievements in 2025:

"Formosan Black Bear Conservation Project"

95 events held over 14 consecutive years in partnership with Taipei Zoo.



"Beautiful Taiwan, Smile E.SUN" Environmental and Beach Cleanup Activities

In central Taiwan, events were held at Daan Coastal Park in Taichung with over 370 participants.

"Polar Bear Environmental Education Project"

47 events held with over 5,419 participants since project began.

"E.SUN–NTU ESG Centenary Project"

Cultivated and planted 50,000 Taiwan endemic native cypresses.

"Adopting trails in Yushan National Park"

For 17 consecutive years, we have dedicated efforts to maintaining approximately 260 kilometers of hiking trail facilities and ensuring environmental cleanliness.

"Beautiful Taiwan, Smile E.SUN" Environmental and Beach Cleanup Activities

In southern Taiwan, events were held at Guanshi Platform in Tainan and Qijin Seaside Park in Kaohsiung, with over 750 participants.



"Sea Turtle Conservation Project"

Nursed 110 turtles to health and released 16 turtles back to the wild in total since project began.

"Plant a tree, Plant a life"

A cumulative total of over 70,000 native Taiwanese tree seedlings have been planted.

"Beautiful Taiwan, Smile E.SUN" Environmental and Beach Cleanup Activities

In northern Taiwan, events were held at Zhongjiao Bay and Emerald Bay in New Taipei City, as well as Zhuwei Fishing Harbor in Taoyuan City, with over 2,800 participants.

"E.SUN Malavi Rice"



Assisting in organic transformation and local revitalization while safeguarding biodiversity, we have converted 19.7 hectares of farmland and cumulatively procured 460,000 kilograms of rice.

"Beautiful Taiwan, Smile E.SUN" Environmental and Beach Cleanup Activities

In eastern Taiwan, events were held at Taitung Seaside Park, Hualien North Bin Coast, and Yongzhen Beach in Zhuangwei with over 120 participants.

Nature and Biodiversity Mitigation Hierarchy

E.SUN's strategy for the natural environment and biodiversity development focuses on four main pillars: Species Conservation, Habitat Preservation, Environmental Sustainability, and Employee Participation. We also reference the AR3T[1] corporate nature action framework proposed by SBTN to align our activities accordingly. Together with like-minded partners, we strive to contribute to the beautiful nature of Taiwan.

Positive Impacts on Nature	Avoid	Reduce	Restore	Regenerate
Sea Turtle Conservation Project			√	
Polar Bear Environmental Education Project	√	√		
Formosan Black Bear Conservation Project	√		√	
E.SUN–NTU ESG Centenary Project	√	√	√	
Plant a tree, Plant a life Tree Planting Project			√	
E.SUN Malavi Rice Project	√	√	√	
Millet Revitalization Project	√		√	
"Beautiful Taiwan, Smile E.SUN " Environmental and Beach Cleanup Activities	√		√	
Adopting trails in Yushan National Park	√		√	
Earth Hour / 130 Days Lights Out	√	√		

Note 1: The AR3T framework, proposed by SBTN, aims to achieve transformation through four levels: Avoid, Reduce, Restore, and Regenerate

5.7.1 Species Conservation

Sea Turtle Conservation Project

Collaborated with National Museum of Marine Biology and Aquarium (NMMBA) for 7th consecutive year on "Sea Turtle Conservation Project" to promote concept of marine resource sustainability. Established sea turtle rescue and medical supply station since 2020, providing medical supplies and care food expenses to ensure injured turtles receive comprehensive care. Attracted over 3,520 participants in total, treating 110 sea turtles with 16 successfully rehabilitated and released back into the wild, gaining wide recognition and affirmation from all sectors.



Lead the students to visit the Sea Turtle Rescue and Medical Center and introduce the manmade objects found in the bodies of sea turtles.



Participants had the opportunity to closely observe the care and rehabilitation of injured sea turtles within the facilities of the rescue center.



During the sea turtle rescue course, veterinarians provided participants with detailed instructions on how to respond appropriately when encountering stranded or injured sea turtles.



Conducted a sea turtle release event at the conservation beach in Houbihu.

Polar Bear Environmental Education Project

Every year on February 27th, which is International Polar Bear Day, E.SUN collaborates with the National Museum of Natural Science to launch a series of polar bear conservation activities. Over the past 6 years, we have organized a total of 47 events, with nearly 5,419 people participating. The activities include the "Mission to Save Polar Bears" seminar, the interactive "Polar Bears and friends fun challenge", and guided tours of the National Museum of Natural Science. Through these events, we aim to encourage public reflection, foster environmental awareness, and promote proactive actions to mitigate global warming.



We invited Bai Hsin-Yi, a natural ecology program producer and host, to serve as the speaker for the "Mission to Save Polar Bears" seminar, where she shared her experiences filming polar bears in the Arctic.



We invited teachers and students from E.SUN Seed School at Qiaorong Elementary School in Taichung City to visit the National Museum of Natural Science. Through observing polar bear specimens, the program aimed to guide students in understanding the environmental impacts of climate change.

Formosan Black Bear Conservation Project

Formosan black bear is Taiwan's sole native bear species and symbol of biodiversity. Partnered with Taipei Zoo since 2012, holding 95 conservation activities. Issued first domestic "E.SUN Formosan black bear affinity card" since 2014, allocating 0.2% of each purchase to animal conservation fund for bear preservation and environmental education. Established first animal conservation specialty branch, "Black Bear Branch," at Hualien Branch to promote wildlife protection and ecological diversity.



The lobby of E.SUN Bank's Hualien Branch features the Black Bear Learning Corner, providing customers with access to conservation knowledge while they conduct their financial transactions.

5.7.2 Habitat Conservation

"E.SUN–NTU ESG Centenary Project"

In collaboration with NTU, we will plant native conifers such as the Taiwan Red Cypress, Formosan Hinoki, Cryptomeria-like Taiwania, Taiwan Incense Cedar, and Formosan China-fir in the Yushan mountain range. 100,000 trees are expected to be planted within 10 years beginning in 2022, totaling 50 hectares in area. The forest is expected to absorb 242,000 tons of CO_2 over the course of a century. After selective thinning, 25,000 trees will be kept to grow over a century, laying the foundation for soil and water conservation, with carbon sequestration and circular economy benefits. In 2025, a total of 10,891 saplings of native tree species were planted.





"Plant a tree, Plant a life" E.SUN plant trees project

E.SUN has been jointly promoting the "Plant a tree, Plant a life" for 7 consecutive years in collaboration with the Ministry of Agriculture. In 2025, we adopted 4.77 hectares of national and coastal forests and planted 10,735 native tree saplings, such as ringcupped oak, Formosan sweetgum, subcostate crape myrtle, whole-leaf hawthorn, and tree heliotrope, etc.





E.SUN Malavi Rice

E.SUN has been supporting the "E.SUN Malavi Rice project" for 12 consecutive years along with Yushan National Park Services, Yinchuan Sustainable Farm and Tse- Xin Organic Agriculture Foundation, encouraging local farmers to adopt organic agriculture for sustainable food production and protect to biodiversity, which saw the endangered native fish species "Kikuchii's Minnow" return to the paddies. E.SUN has transformed 19.7 hectares of farmland into certified organic fields and has acquired 460,000 kg of Malavi Rice in total.

Millet Revitalization Project

Initiated 3-year "Millet Revitalization Project" since 2022 with National Taiwan University, restoring 28 local millet varieties brought back from US germplasm bank to Xinyi Township, Nantou. Developed cultivation demonstration zones, illustrated storybooks, and promotion activities. Partnered with schools and Indigenous cultural experts to integrate ritual traditions, ancient stories, and farming techniques into school curricula, conveying significance of seed preservation, education, and cultural heritage.

"Beautiful Taiwan, Smile E.SUN "Environmental and Beach Cleanup Activities

For 16 consecutive years, we have organized the "Beautiful Taiwan, Smile E.SUN" environmental cleanup and beach cleanup activities. In response to World Cleanup Day in 2025, over 7,800 E.SUN volunteers and their families participated across 145 business locations and 14 coastal areas throughout Taiwan. Through these concrete actions, we actively contribute to plastic and waste reduction and safeguard our beautiful homeland.

Adopt trails in Yushan National Park and participate in ecological conservation research projects

We have adopted and maintained 260 km of trails in Yushan National Park trail for 17 consecutive years. We use this opportunity to promote conservation and environmental education, and encourage E.SUN employees to participate and work together to protect the environment.

Taiwan New Year Bird Count

For 3 consecutive years, we have participated in the "Taiwan New Year Bird Count," jointly organized by the Chinese Wild Bird Federation, Taipei Wild Bird Association, Kaohsiung Wild Bird Association, and the Biodiversity Research Institute of the Ministry of Agriculture. This event serves as a critical data source for monitoring changes in Taiwan's winter migratory bird populations, to which we are committed to contributing for ecological documentation.

5.7.3 Environmental Sustainability

Earth Hour

For 14 consecutive years, we have participated in Earth Hour, the world's largest international carbon reduction campaign. Voluntarily extending the lights-off duration, from March 21 to 23, we turned off all exterior lighting for three consecutive nights.

130 Days Lights Out



For the past 9 years, we've turned off our lights during peak energy hours in summer. From June 4 to October 12, 2025, all 140 branches across Taiwan shut down their signage lights, exterior wall lights, and television displays for the entire day. Over the past 9 years, a total of 624,386 kWh has been saved, equivalent to reducing 308 metric tons of carbon emissions.

Resource Circulation and Charity Auction

For 14 years in a row, we have held the "Resource Circulation Charity Auction," which amassed 8,000 donated second-hand and brand new items in 2025. This year, over 5,200 colleagues participated, raising NT$10 million in proceeds that were all donated to the "E.SUN Care for Schoolchildren Program." The program supports economically disadvantaged families and children facing sudden setbacks by alleviating the financial burden of education by assisting in the purchase of stationery, books, and participation in activities, ensuring that all children can learn happily and participate in both school and extracurricular activities.





13-Book Lovers: Magazine circulation day

In order to realize E.SUN's environmental protection spirit, the "13-Book Lovers: Magazine circulation day activity" has been held at E.S UN Headquarter buildings. In order to effectively achieve the goal of resource sharing, we collected magazines that various departments had subscribed to (or had received as donations), along with employees' own books, magazines, CDs, and DVDs, which were made freely available to all employees. We collected a total of 3,198 items in 2025, and circulated 1,472 items, for a circulation rate of 45.02%.

"E.SUN Environment and Energy Saving Education Day"

Employees collectively clean office environment on monthly 13th Cleaning Day to implement 4Rs: Reduce, Recycle, Reuse, and Refuse. Environmental volunteers from each unit promote ESG knowledge on same day, with ESG materials regularly published on e-Learning platform.

Month	2025 ESG Education Topics
January	Sustainable Tourism
February	2025 Sustainable Development Outlook
March	Taiwan's Carbon Fee System and Internal Carbon Pricing
April	Diverse and Inclusive Friendly Workplace
May	International Day for Biological Diversity: Exploring zero deforestation and harmony with nature
June	World Environment Day and the Global Plastics Treaty
July	Farm to Table Sustainable Food Value Chain
August	International Day of the World's Indigenous Peoples
September	IFRS Sustainability Disclosure Standards
October	Green Finance: The Key to SME Sustainability
November	Sustainable Consumption: Raising Carbon Awareness, Amplifying Sustainable Impact
December	COP30

06 Towards a Better Future

6.1 Empowering Finance Towards Sustainability
6.2 Carbon Emissions Structure
6.3 Financed Emissions Analysis
6.4 Our Path to Net-Zero



6.1 Empowering Finance Towards Sustainability

Personal Finance	Corporate Finance	Medium and Large Enterprises / Financial Institutions
Carbon Footprint Labeling Credit Cards • E.SUN Bank's entire range of credit cards have received "Carbon Footprint Labeling Certificate" • 8.63 million cards have been issued cumulatively	Green Loans • Assisting in the development of green projects, such as renewable energy, energy storage, green buildings, and energy-saving equipment; total balance reached NT$137.6 billion at the end of 2025 • Target balance NT$130 billion by 2030	Sustainable investments • Investments in certified green bonds, social bonds, and sustainability bonds; total balance reached NT$121.2 billion at the end of 2025 • The target balance increases 10% by 2026
Innovative Inclusive Financial Services • E.SUN promotes going paperless and reducing GHG emissions by switching to online platforms and electronic bills/ statements	Sustainability Linked Loans • Encouraging companies to establish and achieve ESG development goals by providing financial service incentives; total balance reached NT$104.8 billion at the end of 2025 • Target to reach 13% of total corporate loans by 2030	Sustainable Development Bond Issuance • Channeling funds to environmentally and socially friendly industries • E.SUN Bank's total issuance reached NT$29.8 billion
Low-carbon and Energy Saving Series Loans • Individuals who purchase energy-saving home appliances, electric vehicles, and install green energy power generation equipment, etc., are offered financial service discounts • For mortgage collaterals that have the Green Building Mark issued by the Taiwan Architecture and Building Center, interest rates or fees are discounted. A total of 1,801 loans with a balance of approximately NT$28.0 billion have received these incentives, targeting an 8% average annual growth rate in disbursement volume over the next three years.	Sustainability Advocacy • Inviting like-minded corporate partners to focus on sustainability and jointly reduce carbon emissions, building a sustainable ecosystem through practical action • From 2021 to 2025, the "E.SUN ESG Sustainability Initiative" was held with 496 companies joining the initiative	Sustainable Development Bond Underwriting • Supporting companies in raising funds for sustainability causes and assisting them in issuing sustainability bonds • In 2025, E.SUN Bank's total underwriting amount of 3 green bond and sustainability bond issuances reached NT$1.1 billion. • In 2025, E.SUN Securities underwrote 5 transactions qualifying as Sustainable Economic Activities, with a total underwriting amount of NT$27 million.
	Sustainability Consulting Services • Combining internal expert teams with external professional consultants to provide advisory services that assist corporate clients in ESG development • As of 2025, engaged with a total of 331 companies on sustainability and climate-related issues, including recommending steps for carbon reduction and connecting clients with external consultants to conduct GHG inventories	Hedging and Consultation Services for Sustainability-related Projects • Supporting environmentally friendly projects by providing hedging and consultation services for sustainability-related projects, such as offshore wind power projects and solar power projects • The hedging services provided amounted to NT$11.5 billion at the end of 2025

6.2 Carbon Emissions Structure

Financed emissions represent the largest source of greenhouse gas emissions in the financial sector. E.SUN conducts financed emissions assessments in accordance with the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard for the Financial Industry, Version 2 guidelines. To strengthen emissions management, E.SUN has established a financed emissions calculation system that enables systematic, real-time monitoring of monthly financed emissions, reducing potential errors associated with manual processes and improving operational efficiency. To ensure consistency and effective governance, E.SUN maintains documented methodologies, clear accountability, and standardized assessment processes. Assessment results are subject to third-party assurance (see Appendix 19 of the 2025 Sustainability Report). Through systematic carbon data management, E.SUN continuously tracks carbon-related asset indicators to support decarbonization and transition planning.

GHG Emissions Timeline

Unit: t-CO_2e

	2021	2022	2023	2024	2025	Base year(2020)
Scope 1	1,857	1,844	2,161	2,403	1,893	2,399
Scope 2	22,105	20,294	17,959	10,291	10,317	22,299
Scope 3: Financed Emissions	3,672,612	4,945,550	5,355,042	5,508,602	6,187,996	4,710,269
Scope 3: Others	49,475	56,015	46,436	37,495	15,846	53,713
Total	3,746,049	5,023,703	5,421,598	5,558,791	6,216,052	4,788,679

Note 1: Scope 2 emissions are calculated using the market-based method
Note 2: For detailed emissions breakdown please see Appendix IV and Appendix V

Scope 3 Portfolio Emissions Inventory

E.SUN FHC

	2021	2022	2023	2024	2025	Base year(2020)
Financed Emissions (t-CO_2e)	3,672,612	4,945,550	5,355,042	5,508,602	6,187,996	4,710,269
Carbon Footprint (t-CO_2e/$M)	1.73	2.10	2.14	1.99	1.99	2.44
Weighted Average Carbon Intensity (t-CO_2e/NT$M)	6.23	4.77	5.09	5.03	4.96	-
Inventory Coverage (%)	75.27%	76.53%	77.62%	78.61%	80.13%	73.69%

Subsidiaries

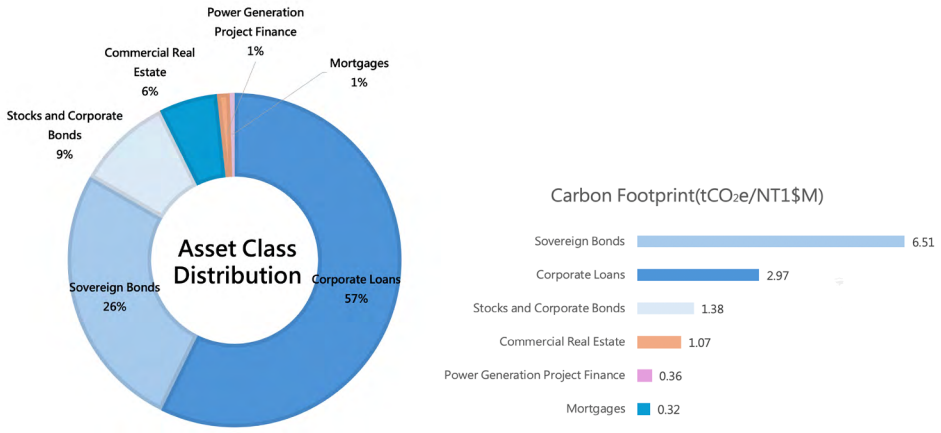
	Bank	Securities	Venture Capital	Asset Management
Financed Emissions (t-CO_2e)	6,180,213	3,759	4,024	0.18
Carbon Footprint (t-CO_2e/$M)	1.99	1.20	0.81	0.02
Weighted Average Carbon Intensity (t-CO_2e/NT$M)	4.97	2.44	2.67	0.32

Note 1: Emissions from investment and financing activities for 2025 have been estimated based on the changes in our total assets reported in our financial statements.
Note 2: Carbon Footprint = GHG emissions from investment and financing companies / inventoried balance of investment and financing companies
Note 3: The Weighted Average Carbon Intensity is calculated based on the carbon emissions per unit of revenue from the financed and invested entities, accounting for the proportion of E.SUN's financing and investment.
Note 4: Inventory Coverage = inventoried balance of investment and financing companies / sum of FVPL, FVOCI, AC, loans, and discounted items.
Note 5: Inventory coverage refers to the proportion of investment and financing activities that have been assessed in accordance with the PCAF methodology, relative to the total investment and financing portfolio. For 2025, E.SUN FHC's proportion of relevant investment and financing activities aligned with the PCAF methodology is 100%.

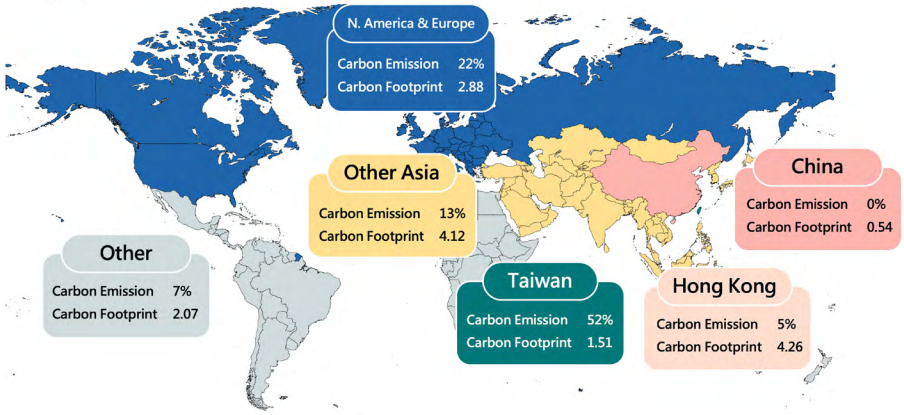
6.3 Financed Emissions Analysis

E.SUN analyzes greenhouse gas emissions across its investment and financing portfolio by asset class, geography, and industry. As shown in the figure below, corporate loans account for 57% of total financed emissions, making them the largest source of emissions among asset classes, while sovereign debt investments exhibit the highest carbon footprint. Overall, financed emissions are concentrated in domestic exposures. From an industry perspective, manufacturing and transportation are the largest contributors to financed emissions. In terms of carbon footprint, the cement and glass industries rank highest, reflecting the carbon-intensive nature of these sectors. Based on these findings and aligned with the Science Based Targets (SBT) framework, E.SUN has established decarbonization targets for different asset classes and implemented risk management and client engagement measures for high-emitting industries to support the decarbonization and transition of its investment and financing portfolio.

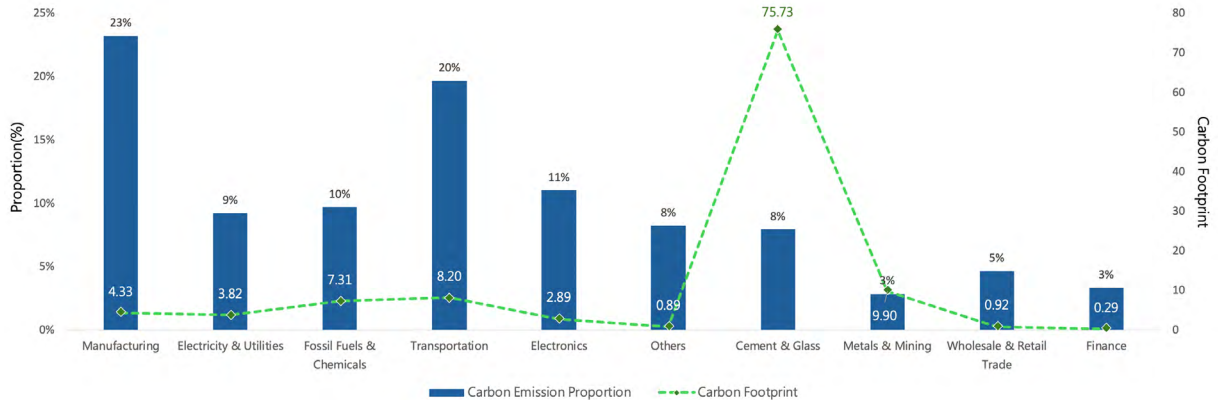
Asset Class Distribution



Geographical Distribution



Industry Distribution

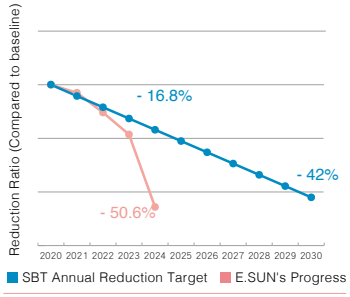


6.4 Our Path to Net-Zero

E.SUN FHC announced the goal of achieving net-zero emissions by 2050 in 2021, and passed external validation in 2022 to officially set its Science Based Targets (SBTs). The base year for the Scope 1 and 2 targets is 2020 with 100% coverage, while the base year for the SBTs of the Scope 3 investment and financing portfolio is 2019, covering 11% of the total investment and financing portfolio. E.SUN has formulated decarbonization strategies, promotes transition actions in a disciplined manner, and regularly reviews the progress toward achieving its SBTs. The progress toward the 2025 SBT targets is as follows:

Direct Operation (Scope 1&2)

Target	By 2030, reduce absolute Scope 1 and 2 greenhouse gas emissions by 42% from the 2020 base year.
Status	By 2025, absolute Scope 1 and 2 greenhouse gas emissions had been reduced by 50.6% compared with 2020, achieving the 2025 target.



Transition Actions

- Joined SBTi in 2021 and set 1.5°C-aligned decarbonization targets for Scope 1 and 2.
- Officially introduced an internal carbon pricing system for Scope 1 and 2 in 2024.
- Complete installation of solar PV systems on 100% of self-owned domestic buildings by 2025.

Transition Targets

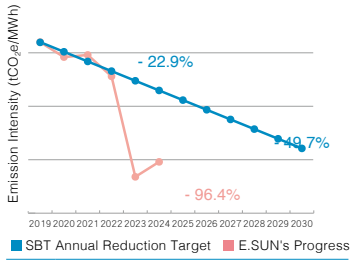
- By 2027, obtain green building certification for 100% of self-owned buildings, and continue to replace outdated, energy-intensive lighting and air-conditioning equipment with energy-efficient products.
- Achieve 100% use of renewable energy in Taiwan by 2030, and 100% use of renewable energy globally by 2040, and support government energy policies by purchasing renewable energy certificates.

Investment and financing portfolio (Scope 3)

1. Project Finance in Power Generation

Target	By 2030, reduce the emissions intensity of project finance in power generation by 49.7% compared with the 2019 base year.
Status	By 2025, the emissions intensity of project finance in power generation had been reduced by 96.4% compared with 2019, achieving the 2025 target.

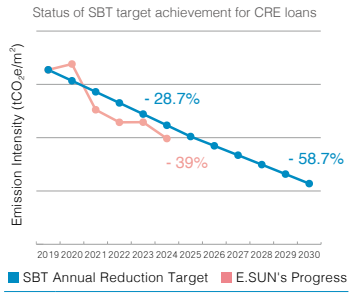
Status of SBT target achievement for project finance in power generation



2. Commercial Real Estate (CRE) Loans

Target	By 2030, reduce the emissions intensity of commercial real estate loans by 58.7% compared with the 2019 base year.
Status	By 2025, the emissions intensity of commercial real estate loans had been reduced by 39% compared with 2019, achieving the 2025 target.

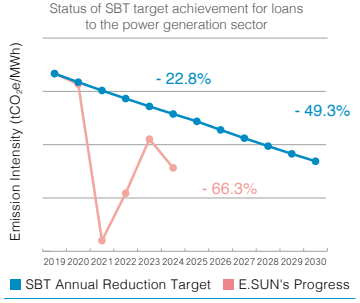
Status of SBT target achievement for CRE loans



3. Loans to the power generation sector

Target	By 2030, reduce the emissions intensity of loans to the power generation sector by 49.3% compared with the 2019 base year.
Status	By 2025, the emissions intensity of loans to the power generation sector had been reduced by 66.3% compared with 2019, achieving the 2025 target.

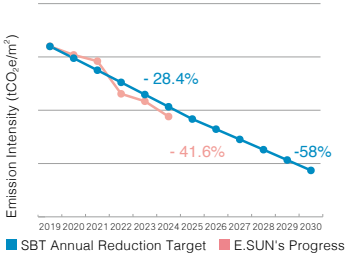
Status of SBT target achievement for loans to the power generation sector



4. Credit exposure to non-manufacturing-related industries

Target	By 2030, reduce the emissions intensity of credit exposure to non-manufacturing-related industries by 58% compared with the 2019 base year.
Status	By 2025, the emissions intensity of credit exposure to non-manufacturing-related industries had been reduced by 41.6% compared with 2019, achieving the 2025 target.

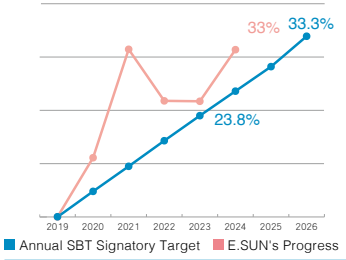
Status of SBT target achievement for credit exposure to non-manufacturing-related industries



5. Credit exposure to selected high carbon-emitting sectors

Target	Using 2019 as the base year, ensure that by 2026, 33.3% of corporate borrowers in selected high carbon-emitting sectors have committed to SBTs.
Status	By 2025, 33% of corporate borrowers in selected high carbon-emitting sectors had committed to SBTs, achieving the 2025 target.

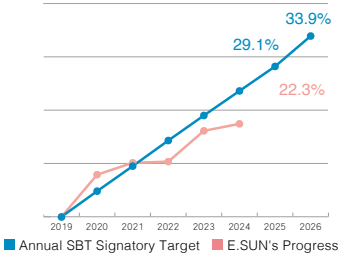
Status of SBT commitment by corporate borrowers in selected high carbon-emitting sectors



6. Investments in listed securities

Target	Using 2019 as the base year, ensure that by 2026, 33.9% of investee companies in listed securities have committed to SBTs.
Status	By 2025, 22.3% of investee companies in listed securities had committed to SBTs, and the 2025 target was not achieved, mainly because some companies, due to policy uncertainty, did not submit or withdrew their SBT targets.

Status of SBT commitment by investee companies in listed securities



Transition Actions

- Since July 2019, E.SUN has committed to no longer supporting project finance for coal-fired power generation, and has had no such financing since 2021.
- In 2022, E.SUN announced that it would gradually phase out coal-related and unconventional oil & gas extraction-related business activities. We would no longer undertake new coal-fired power generation, coal mining, or related infrastructure projects; exposure to OECD-based corporates will be reduced to net zero by 2030, and exposure to non-OECD corporates will be fully exited by 2040. Since the end of 2023, we have 0 outstanding of unconventional oil & gas-related investments and financing.
- Since 2022, E.SUN has implemented an internal carbon pricing mechanism in its credit business. By referencing internationally credible carbon prices, E.SUN converts the emissions of its borrowers into a more intuitive concept of carbon cost, which serves as a reference for business development.
- E.SUN continues to support the development of the renewable energy industry, and through advocacy, sustainable financial services and a diverse range of sustainable finance products such as green financing and ESG linked loans, empowers and assists enterprises in their low-carbon transition.

07 Looking Forward



Looking Forward

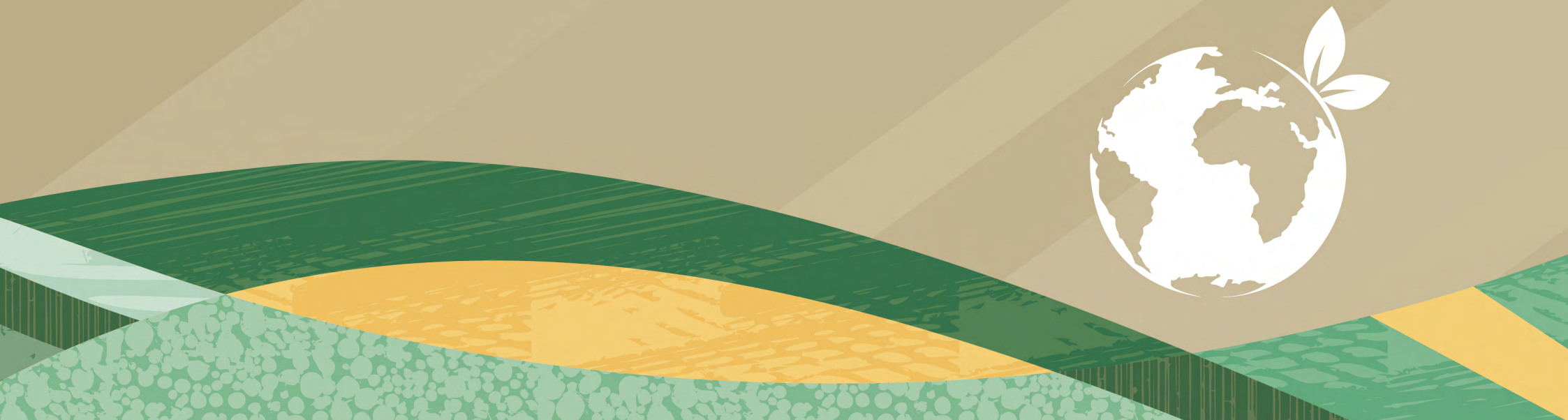
The United Nations Development Programme (UNDP) has noted that building a climate-resilient future requires more than protecting individual ecosystems; it also requires transforming how the value of nature is incorporated into economic systems, financial markets, and development pathways. E.SUN integrates sustainability into its core business strategy through the development of a “Low-Carbon Transition Plan” tailored to the Asian and Taiwanese context. Moving beyond a simple base approach to high-emitting industries, E.SUN has established an industry classification framework to identify and support companies with credible transition potential. E.SUN has also expanded its focus to biodiversity, becoming an early supporter of biodiversity credit development in Asia. Guided by integrity and professionalism, E.SUN promotes investment in nature, advances the goal of a “nature-positive future”, and actively develops “nature finance” to help businesses strengthen their resilience to nature-related risks.

E.SUN continues to leverage its influence to showcase Taiwan’s commitment to net-zero and sustainable development on the global stage. Sustainability requires long-term commitment, continuous investment, and collaboration among stakeholders. Every environmental conservation initiative, sustainable financing transaction, and client engagement presents an opportunity to create a positive sustainability feedback loop. Upholding the spirit that "one act of love can inspire more love," E.SUN employees strive to be world-class corporate citizens, contributing to a more resilient, low-carbon, and sustainable future.



Appendix

Appendix I, TCFD Disclosure Recommendation
Appendix II, TNFD Disclosure Recommendations
Appendix III, TNFD Core and Additional Disclosure Metrics
Appendix IV, Greenhouse Gas Emissions Summary Table
Appendix V, 2025 Financed Emissions Structure
Appendix VI, Operational Environmental Management Indicators
Appendix VII, Climate Scenario Settings Information
Appendix VIII, TCFD/TNFD Conformity Statement



Appendix I, TCFD Disclosure Recommendation

	Recommended Disclosures	Chapters
Governance	Describe the board's oversight of climate-related risks and opportunities	1.2 / 1.3 / 4.1
	Describe management's role in assessing and managing climate-related risks and opportunities.	1.2 / 1.3 / 1.4 / 4.1
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2.4 / 2.5 / 2.6
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	2.5 / 2.6 / 6.1
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2o C or lower scenario	2.5 / 3.1 / 5.6
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	2.2 / 2.6 / 4.1
	Describe the organization's processes for managing climate-related risks	4.1 / 4.2 / 4.3 / 5.1 / 5.2
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	4.2 / 4.3 / 5.1 / 5.2 / 5.3
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2.2 / 2.5 / 4.3 / 5.1 / 5.2 / 5.3 / 5.4 / 5.6 / 6.1
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	6.2 / 6.3 / 6.4
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2.5 / 5.6 / 6.1 / 6.3 / 6.4

Appendix II, TNFD Disclosure Recommendations

	Recommended Disclosures	Chapters
Governance	Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities	1.2 / 1.3 / 4.1
	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities	1.2 / 1.3 / 1.4 / 4.1
	Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities	1.2 / 1.3
Strategy	Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium, and long term	2.1 / 2.2 / 2.5 / 2.6
	Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place	2.3 / 2.6
	Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios	2.2 / 3.1 / 3.2 / 5.6
	Disclose the locations of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations	2.2 / 4.3
Risk & Impact Management	(i) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations	2.1 / 2.2 / 4.3
	(ii) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s)	2.1 / 2.2 / 4.3 / 5.1 / 5.2
	Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities	4.1 / 4.2 / 4.3 / 5.1 / 5.2
	Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes	4.2 / 4.3 / 5.1 / 5.2
Metrics & Targets	Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	2.2 / 2.5 / 6.1
	Recommended Disclosures	2.2 / 4.3
	Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities	2.5 / 5.6 / 5.7 / 6.1

Appendix III, TNFD Core and Additional Disclosure Metrics

Core Disclosure Indicators and Metrics for FIs

	Metric no.	Category	Metric Description	Value Chain Stage	2023 (base year)	2024	2025
TNFD core global metrics	C7.0	Risk	Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related transition risks[1]	Portfolio	About NT$22.4 billion (2.87%)	About NT$93.5 billion (11.27%)	About NT$99.3 billion (10.21%)
	C7.1		Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related physical risks[2]		About NT$13.0 billion (1.67%)	About NT$20.0 billion (2.41%)	About NT$75.2 billion (7.99%)[4]
	C7.2		Description and value of significant fines/penalties received/litigation action in 2024 due to negative nature-related impacts	Direct Operations	NT$0	NT$0	NT$0
	C7.3	Opportunities	Amount financing and investment that conforms to the Taiwan Sustainability Taxonomy	Portfolio	About NT$100.2 billion	About NT$233.8 billion	About NT$258.3 billion
	C7.4		Amount of products and services producing positive impacts on nature (Green loan balance + Sustainability linked loan balance + Sustainability bond balance)		About NT$170.4 billion	About NT$227.0 billion	About NT$363.5 billion
TNFD FI Core Metrics	FI.C0.0	Exposure to sectors	Total exposure percentage to nature-sensitive sectors categorized by the TNFD.	Portfolio	17.29%	17.29%	17.25%
	FI.C0.1	Exposure to sensitive locations	Percentage of portfolio within Minimum Regulatory Standards[3] areas		4.3%	0.11%	0.07%

Note 1: Quantitative assessments are conducted based on 40 impact-related "operational characteristic" and "geospatial" indicators. After adjusting for weighting, the resulting scores represent the top 1% of companies within our portfolio in Taiwan.
Note 2: Quantitative assessments are conducted based on 15 impact-related "operational characteristic" and "geospatial" indicators. After adjusting for weighting, the resulting scores represent the top 1% of companies within our portfolio in Taiwan.
Note 3: The indicators considered in the Minimum Regulatory Standards area include nature reserves, wildlife protection areas, natural conservation areas, drinking water source quality protection zones, national-level significant wetland areas, specific soil and water conservation areas, hot spring outcrops, and reservoir catchment areas, totaling 8 indicators.
Note 4: Asset values increased following the enhancement of the methodology in 2025 for valuing assets exposed to nature-related physical risks.

Recommended Disclosure Indicators and Metrics for FIs

	Metric no.	Driver of nature change	Indicator / Metric description	Value chain stage	2023 (base year)	2024	2025
TNFD core global metrics	C1.0	Land/freshwater/ ocean-use change	Total spatial footprint[1]	Suppliers	3.49 km^2	3.94 km^2	6.38 km^2 [4]
				Direct Operations	0.05 km^2	0.05 km^2	0.05 km^2
				Portfolio	890.73 km^2	4872.80 km^2	5501.16 km^2
	C1.1		Extent of land / freshwater / ocean-use change Public Welfare Initiatives: E.SUN Malavi Project, E.SUN NTU Centennial ESG Project, E.SUN Tree Planting Project (2020–2025) Investment and Financing Portfolio: Farm to Table Project Sites	Public Welfare	2.39 km^2	1.17 km^2	1.47 km^2
				Portfolio		2.72 km^2	2.76 km^2
	C2.0	Pollution/ pollution removal	Pollutants released to soil split by type	Direct Operations	Less involvement with this indicator		
	C2.1		Municipal wastewater discharged		218,675 tons	212,983 tons	213,653 tons
	C2.2		Waste generation and disposal[2]		Total: 692 tons General waste: 518 tons General waste target: 545 tons	Total: 703 tons General waste: 523 tons General waste target: 565 tons	Total: 762 tons General waste: 547 tons General waste target: 612 tons
	C2.3		Plastic pollution		Less involvement with this indicator		
	C2.4		Non-GHG air pollutants		Less involvement with this indicator		
	C3.0	Resource use/ replenishment	Water withdrawal and consumption from areas of water scarcity according to WRI categorization	Suppliers	0 tons	0 tons	0 tons
				Direct Operations	0 tons	0 tons	0 tons
				Portfolio	0 tons	0 tons	0 tons
	C3.1		Quantity of high-risk natural commodities sourced from land/ocean/ freshwater	Portfolio	No data available		
	C4.0	Invasive alien species and other	Measures against unintentional introduction of invasive alien species	Direct Operations	Less involvement with this indicator		
	C5.0	State of nature	Total endangered plants habitat area according to the Endemic Species Research Institute's Taiwan Biodiversity Network (TBN) that intersects with portfolio companies	Portfolio	No data available	1%	1%
TNFD Additional Metrics	A2.1	Waste minimized, reused or recycled	Amount of household and office waste recycled[2]	Direct Operations	174 tons	180 tons	214 tons
	A3.0	Driver of nature change: resource use and replenishment	Total water consumption and withdrawal the water consumption of E.SUN Bank is entirely sourced from third-party water suppliers defined by GRI, namely Taiwan Water Corporation and Taipei Water Department. It does not include water from surface water, groundwater, seawater, or recycled water sources.[3]	Direct Operations	Total water withdrawal: 242,972 tons Total water withdrawal target: 302,834 tons Water consumption: 24,297 tons Water consumption target: 30,283 tons	Total water withdrawal: 236,648 tons Total water withdrawal target: 349,482 tons Water consumption: 23,665 tons Water consumption target: 34,948 tons	Total water withdrawal: 237,393 tons Total water withdrawal target: 418,171 tons Water consumption: 23,739 tons Water consumption target: 41,817 tons

Note 1: Data calculated S&P's Ecosystem Footprint database and does not cover entire portfolio due to data limitations
Note 2: Waste data is primarily based on measured weights, with a portion estimated using average waste generation per employee.
Note 3: The disclosed data is as of the end of December 2025. For historical data and targets, please refer to Appendix VI.
Note 4: The total suppliers' spatial footprint increased by approximately 20% between 2024 and 2025, primarily due to updates to external data sources and the underlying estimation methodology.

Appendix IV, Greenhouse Gas Emissions Summary Table

Greenhouse Gas Emissions (Scope 1, Scope 2, Scope 3)

Category	Item	2020	2022	2023	2024	2025
Scope 1	Carbon emission (ton)	2,399	1,844	2,161	2,403	1,893
	Emission Target (ton)	-	2,197	2,097	1,996	1,895
Scope 2	Location-based Emissions Target (ton)	22,640	24,403	24,339	23,369	21,791
	Location-based (ton)	-	21,618	26,039	29,421	35,067
	Market-based (ton)	22,299	20,294	17,959	10,291	10,317
	Market-based Emissions Target (ton)	-	20,426	19,489	18,552	17,616
Scope 1+2	Total Carbon emission (ton)	24,698	22,139	20,120	12,694	12,210
	Per capita (ton/person)	2.6308	2.4304	2.2073	1.3697	1.2488
	Carbon emission per unit of revenue (ton/NT$M)	0.4391	0.4039	0.3017	0.1667	0.1331
	Data coverage ratio	100%	100%	100%	100%	100%
Scope 3	1 Purchased Goods and Services	5,708	154	39	38	55
	2 Capital Goods	47,033	50,422	37,005	28,705	4575
	3 Fuel-and-energy-related-activities (not included in Scope 1 or 2)	5,340	4,497	3,944	2,484	2880
	Fuel-and-energy-related-activities Emissions Target	-	4,891	4,667	4,443	4,218
	4 Upstream transportation and distribution	-	-	-	-	-
	5 Waste generated in operations	120	175	179	181	192
	6 Business travel	29	60	280	314	461
	7 Employee commuting	-	-	3,169	3,645	4,723
	8 Upstream leased assets	-	-	-	-	-
	9 Downstream transportation and distribution	-	-	0.18	0.21	0.30
	10 Processing of sold products	-	-	324	380	532
	11 Use of sold products	1,178	624	1,320	1,543	2,143
	12 End of life treatment of sold products	211	83	175	205	285
	13 Downstream leased assets	-	-	-	-	-
	14 Franchises	-	-	-	-	-
	15 Investments	4,710,269	4,945,550	5,355,042	5,508,602	6,187,996
	Other upstream	-	-	-	-	-
	Other downstream	-	-	-	-	-
	Total indirect GHG emissions (Scope 3)	4,769,887	5,001,565	5,401,478	5,546,097	6,203,842
	Total carbon emissions	**4,794,585**	**5,023,703**	**5,421,598**	**5,558,791**	**6,216,052**

Note:
1. The Bank refined the methodologies used to calculate its 2025 Scope 1, Scope 2, and Scope 3 greenhouse gas emissions (excluding financed emissions). Changes in methodologies and data sources resulted in material variances in certain 2025 emissions data compared with prior years.
2. Scope 1 emission mainly includes car fuel, diesel for power generator and natural gas; scope 2 emission mainly includes electricity; and scope 3 emission mainly includes employee travel, waste, product procurement emissions, capital commodity emissions, and product usage emissions.
3. The assessment boundary for Scope 3 business travel emissions covers all locations for air travel and domestic locations only for land transportation.
4. The gasoline and diesel emission factors were based on the Greenhouse Gas Emission Factors announced by the Ministry of Environment on February 5, 2024.
5. Electricity parameter is 0.474 kg CO_2e/kWh by Energy Bureau, MOEA 2024.
6. According to ISO 14064-1 Greenhouse gases Part 1: Specification with guidance, emission = activities*emission parameter*GWP.
7. The Global Warming Potential (GWP) of refrigerants to the IPCC Sixth Assessment Report (AR6 WGI, 2021)
8. Greenhouse gas emissions were inventoried and consolidated based on the Operational Control Approach for organizational boundary setting.
9. The target setting method for location-based carbon emissions is based on the 2020 baseline, with a yearly reduction of 1% in emissions per unit of revenue
10. The target setting method for market-based carbon emissions is based on the 2020 baseline, with a yearly reduction of 4.2% in total emissions.
11. Scope 3 includes newly added fuel and energy-related activities carbon reduction targets, with 2020 as the base year when emissions were 5,340 tons. The carbon emissions will be reduced by 4.2% annually to achieve a 42% reduction by 2030.

Appendix V, 2025 Financed Emissions Structure

Asset Class Distribution

Asset Class Distribution			Financed Emissions (tCO_2e)	Carbon Footprint (tCO_2e/NT$1M)	WACI (tCO_2e/NT$1M)	Physical Emission[2]	Physical Emission Intensity Units[2]	Data Quality	Inventory Coverage
Investment	Stocks and Corporate Bonds[1]		574,202	1.38	4.28			1.85	53.55%
	Sovereign Bonds	Excluding LULUCF	1,613,584	6.51	6.51			1.00	
		Including LULUCF	1,443,891	5.83	5.83				
Crediting	Corporate Loans		3,543,617	2.97	4.87			3.68	92.66%
	Power Generation Project Finance		27,523	0.36		0.01	tCO_2e/Power Generated(MWh)	3.01	
	Commercial Real Estate Loans		77,241	1.07		0.10	tCO_2e/Floor Area(m^2)	4.00	
	Mortgages		351,827	0.32		0.03	tCO_2e/Floor Area(m^2)	4.00	
	Motor Vehicle Loans		-[3]	-	-	-	tCO_2e/km	-	
Total	Excluding LULUCF		6,187,996	1.99	4.96			3.32	80.13%
	Including LULUCF		6,018,303	1.94	4.87			3.32	

Note 1: Due to PCAF 2nd Edition not yet having set guidelines for calculating Scope 3 GHG for sustainable bonds, such as green bonds, sustainability bonds, and social bonds, the carbon emissions from these types of bonds have been excluded from the investments in stocks and corporate bonds. The excluded emissions amount to 25,898 tCO_2e. If the elements above are included, the overall inventory coverage will increase to 80.92%.
Note 2: Physical Emissions Intensity refers to the efficiency of total carbon emissions from specific activities within an industry per unit of output.
Note 3: A dash (–) in the table indicates that the Company or its subsidiaries did not hold the relevant asset during the reporting year.

Geographical Distribution

Geographical Distribution	Financed Emissions (tCO_2e)				Carbon Footprint (tCO_2e/NT$1M)				WACI (tCO_2e/NT$1M)			
	Bank	Securities	Venture Capital	Asset Management	Bank	Securities	Venture Capital	Asset Management	Bank	Securities	Venture Capital	Asset Management
Taiwan	3,236,331	3,213	3,635	0.18	1.51	1.43	0.98	0.02	2.27	3.04	2.65	0.32
N. America & Europe	1,387,975	541	0	-	2.89	0.69	0	-	3.13	1.01	0.32	-
Hong Kong	315,195	-	-	-	4.26	-	-	-	7.02	-	-	-
Others	408,718	5	389	-	2.08	0.05	0.31	-	5.20	0.19	2.73	-
Other Asia	830,520	-	0	-	4.12	-	0.04	-	6.38	-	0.36	-
China	1,475	-	-	-	0.54	-	-	-	0.91	-	-	-
Total	6,180,213	3,759	4,024	0.18	1.99	1.20	0.81	0.02	4.97	2.44	2.67	0.32

Industry Distribution

Industry Distribution	Financed Emissions (tCO_2e)				Carbon Footprint (tCO_2e/NT$1M)				WACI (tCO_2e/NT$1M)			
	Bank	Securities	Venture Capital	Asset Management	Bank	Securities	Venture Capital	Asset Management	Bank	Securities	Venture Capital	Asset Management
Manufacturing	979,193	209	1,642	-	4.36	0.67	0.83	-	4.71	1.28	3.72	-
Electricity and Utilities	389,935	10	3	-	3.82	0.49	2.05	-	49.04	1.98	1.98	-
Fossil Fuels and Chemical	409,960	6	95	-	7.32	1.66	1.29	-	10.86	6.06	5.56	-
Transportation	831,092	790	14	-	8.26	1.14	0.08	-	16.96	3.36	4.60	-
Electronics	461,982	2,022	1,925	-	2.89	2.16	2.35	-	3.04	4.04	3.72	-
Others	347,544	22	291	-	0.89	0.11	0.16	-	1.77	0.93	0.86	-
Cement and Glass	335,801	-	-	-	75.73	-	-	-	288.78	-	-	-
Metals and Mining	121,367	-	-	-	9.90	-	-	-	11.65	-	-	-
Wholesale and Retail Trade	196,739	212	54	-	0.92	0.64	0.55	-	0.58	1.04	0.64	-
Finance	141,658	17	-	0.18	0.29	0.03	-	0.02	0.72	0.11	-	0.32
Total	4,215,272	3,289	4,024	0.18	2.41	1.07	0.81	0.02	4.74	2.34	2.67	0.32

Appendix VI, Operational Environmental Management Indicators

Energy

Item	2022	2023	2024	2025
Total consumption (MWh)	53,309	52,705	50,827	49,681
Total consumption (GJ)	191,913	189,737	182,977	178,852
Total non-renewable energy consumption (MWh)	45,313	40,676	24,374	25,472
Total non-renewable energy consumption target (MWh)	46,755	44,611	42,468	40,324
Total renewable energy consumption (MWh)	7,996	12,029	26,453	24,209
Per capita (GJ/Person)	21.07	20.82	19.74	18.29
Per unit of revenue (KWh/NT$ thousand)	0.97	0.79	0.67	0.54
Per unit of revenue (GJ/NT$M)	3.50	2.84	2.40	1.95
Data coverage	100%	100%	100%	100%

Water

Item	2022	2023	2024	2025
Total water withdrawal (ton)	248,609	242,972	236,648	237,393
Total water withdrawal target (ton)	254,832	308,115	349,482	418,171
Total water withdrawal (megaliter)	249	243	237	237
Water discharge (ton)	223,748	218,675	212,983	213,653
Water consumption (ton)	24,861	24,297	23,665	23,739
Water consumption target (ton)	25,483	30,811	34,948	41,817
Per capita (ton/person)	27.29	26.66	25.53	24.28
Per unit of revenue (ton/NT$M)	4.54	3.64	3.11	2.59
Per unit of revenue target (ton/NT$M)	4.65	4.62	4.59	4.56
Data coverage	100%	100%	100%	100%

Note: 1. E.SUN Bank's revenue water consumption reduction target is based on the year 2020, aiming to reduce water consumption by 3% annually, with a total reduction of 30% by 2030. The revenue water consumption in 2020 was 4.71 ton/NT$M.
2. The water consumption of E.SUN Bank is entirely sourced from third-party water suppliers defined by GRI, namely Taiwan Water Corporation and Taipei Water Department. It does not include water from surface water, groundwater, seawater, or recycled water sources.

Waste

Item	2022	2023	2024	2025
Total waste generated (ton)	692	692	703	762
Total waste reused / recycled (ton)	203	174	180	214
Total waste disposed (ton)	489	518	523	547
Total waste disposed target (ton)	489	545	565	612
Waste (kg/person)	53.7	56.8	56.5	56.0
Waste per unit of revenue (kg/ NT$M)	8.93	7.77	6.87	5.97
Waste per unit of revenue target (kg/ NT$M)	8.92	8.17	7.42	6.68
Data coverage	100%	100%	100%	100%

Note: 1. E.SUN Bank's revenue general waste reduction target is based on the year 2016, aiming to reduce waste generation by 5.57% annually, with a total reduction of 78% by 2030. The revenue general waste in 2016 was 13.39 kg/NT$M.
2. General waste is disposed of through incineration.



Appendix VII, Climate Scenario Settings Information

Value Chain Stage	Scenario	Source of Risks	Analysis Timeframes	International Scenario Resources				
				Source of Scenario	Adopted Scenario	Scenario Assumption	Scenario Carbon Price	Corresponding Temperature Rise
Upstream Supply Chain	Short term	Transition Risk	within the next year	Taiwan Climate Change Response Act	-	Assuming Taiwan imposes a stricter carbon fee policy with a uniform rate applied to domestic enterprises.	NTD$300/ton	-
	IEA Net Zero	Transition Risk	2030, 2050	IEA GEC Model 2024	Net Zero 2050	Assuming the global energy sector gradually transitions to achieve net-zero emissions by 2050.	(2030) USD$140/ton (2050) USD$250/ton	1.5℃
	NGFS Net Zero	Transition Risk		NGFS Phase 4	Net Zero 2050	Assuming proactive climate policies and technological innovation accelerate global decarbonization, achieving net-zero emissions by 2050.	(2030) USD$192/ton (2050) USD$496/ton	1.4℃
	Low-Emission Scenario	Physical Risk	2030, 2050	IPCC AR6	SSP1-2.6	Assuming global orderly and proactive cooperation in promoting sustainable development, successfully achieving net-zero emissions by 2050.	USD$100/ton or Above	1.8~2℃
	Medium-Emission Scenario	Physical Risk			SSP2-4.5	Assuming global socioeconomic development continues along current trends, with delayed transition efforts failing to achieve net-zero emissions.	USD$30~70/ton	2.7℃
	High-Emission Scenario	Physical Risk			SSP5-8.5	Assuming rapid global economic growth with high dependence on fossil fuels, resulting in continued emissions increases and intensified climate change.	No Carbon Pricing Policy	4.4℃
Owned Operational Sites	Low-Emission Scenario	Physical Risk	2030, 2050, and the end of the century	IPCC AR6	SSP1-2.6	Assuming global orderly and proactive cooperation in promoting sustainable development, successfully achieving net-zero emissions by 2050.	USD$100/ton or Above	1.8~2℃
	Medium-Emission Scenario	Physical Risk			SSP2-4.5	Assuming global socioeconomic development continues along current trends, with delayed transition efforts failing to achieve net-zero emissions.	USD$30~70/ton	2.7℃
	High-Emission Scenario	Physical Risk			SSP5-8.5	Assuming rapid global economic growth with high dependence on fossil fuels, resulting in continued emissions increases and intensified climate change.	No Carbon Pricing Policy	4.4℃
Investment and Financing Portfolio	Short-term: Transition risk (TR) scenario	Transition Risk	within the next year	Regulations on the Collection of Carbon Fees in Taiwan	-	Assuming Taiwan implements a stricter carbon fee policy with a uniform rate applied to domestic enterprises.	NTD$1,000/ton	-
	Short-term: Intensity-adjusted (IA) scenario	Physical Risk	within the next year	Historical Event Recurrence	-	Assuming the historical Typhoon Morakot event reoccurs with increased intensity.	-	-
	Long-term: Orderly Net-Zero (ONZ) Scenario	Transition Risk	2030, 2050	NGFS Phase 4	Net Zero 2050	Global gradual transition towards achieving net-zero emissions by 2050.	(2030) USD$186/ton (2050) USD$562/ton	1.5℃
		Physical Risk		IPCC AR6	SSP1-1.9			
	Long-term: Disorderly Transition (DT) Scenario	Transition Risk	2030, 2050	NGFS Phase 4	Delayed Transition	Assuming a delayed start to the global transition, but still achieving net-zero emissions by 2050 and controlling temperature rise below 2°C by the end of the century.	(2030) USD$150/ton (2050) USD$456/ton	2℃
		Physical Risk		IPCC AR6	SSP1-2.6			
	Long-term: Passive Transition (PT) Scenario	Transition Risk	2030, 2050	NGFS Phase 4	Fragmented World	Assuming a delayed transition with failure to control global temperature rise below 2°C by the end of the century, resulting in more severe warming impacts.	(2030) USD$173/ton (2050) USD$235/ton	>4℃
		Physical Risk		IPCC AR6	SSP2-4.5			

Appendix VIII, TCFD/TNFD Conformity Statement

Conformity Statement

Climate and Nature-related Financial Disclosures

This is to conform that: E.Sun Financial Holding Co., Ltd.
14F., No. 117 & 1F., No. 115
Sec. 3, Min Sheng East Road
Songshan Dist.
Taipei City
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Taiwan

玉山金融控股股份有限公司
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117 號 14 樓及 115 號 1 樓
105402

Holds Statement Number: **SRA-TW-823098**

As a result of carrying out conformity check process based on TCFD/TNFD requirement, BSI declares that:

- E.SUN Financial Holding Company, Ltd. follows the Recommendations of the Task Force on Climate and Nature-related Financial Disclosures (TCFD/TNFD) Guidance to disclose Climate and Nature-related financial information which is clear, comparable and consistent against its organizational risks and opportunities as well as its financial impacts. The disclosure covers the four core elements of the TCFD/TNFD and is prepared based on the guiding principles for effective disclosures.
- The maturity model for the Climate-related Financial Disclosures with Supplemental Guidance for the Financial Sector (Banks sector) is **Level-5+: Excellence** grade.
- 涵蓋金融業補充指引(銀行)之氣候相關的財務揭露的成熟度模型為**[第五級 PLUS：優秀]**等級。
- The maturity model for the Nature-related Financial Disclosures with Supplementary Guidance for the Financial institutions is **Level-5: Excellence** grade.
- 涵蓋金融業補充指引之自然相關的財務揭露的成熟度模型為**[第五級：優秀]**等級。

For and on behalf of BSI
Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

Latest issue: 2026-06-17 Expiry date: 2027-06-16

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Statement number: **SRA-TW-823098**

Location:

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Conformity Check Overall Result:

The maturity model for the Climate-related Financial Disclosures with Supplemental Guidance for the Financial Sector (Banks sector) is **Level-5+: Excellence** grade.
涵蓋金融業補充指引(銀行)之氣候相關的財務揭露的成熟度模型為**[第五級 PLUS：優秀]**等級。

The maturity model for the Nature-related Financial Disclosures with Supplementary Guidance for the Financial institutions is **Level-5: Excellence** grade.
涵蓋金融業補充指引之自然相關的財務揭露的成熟度模型為**[第五級：優秀]**等級。

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