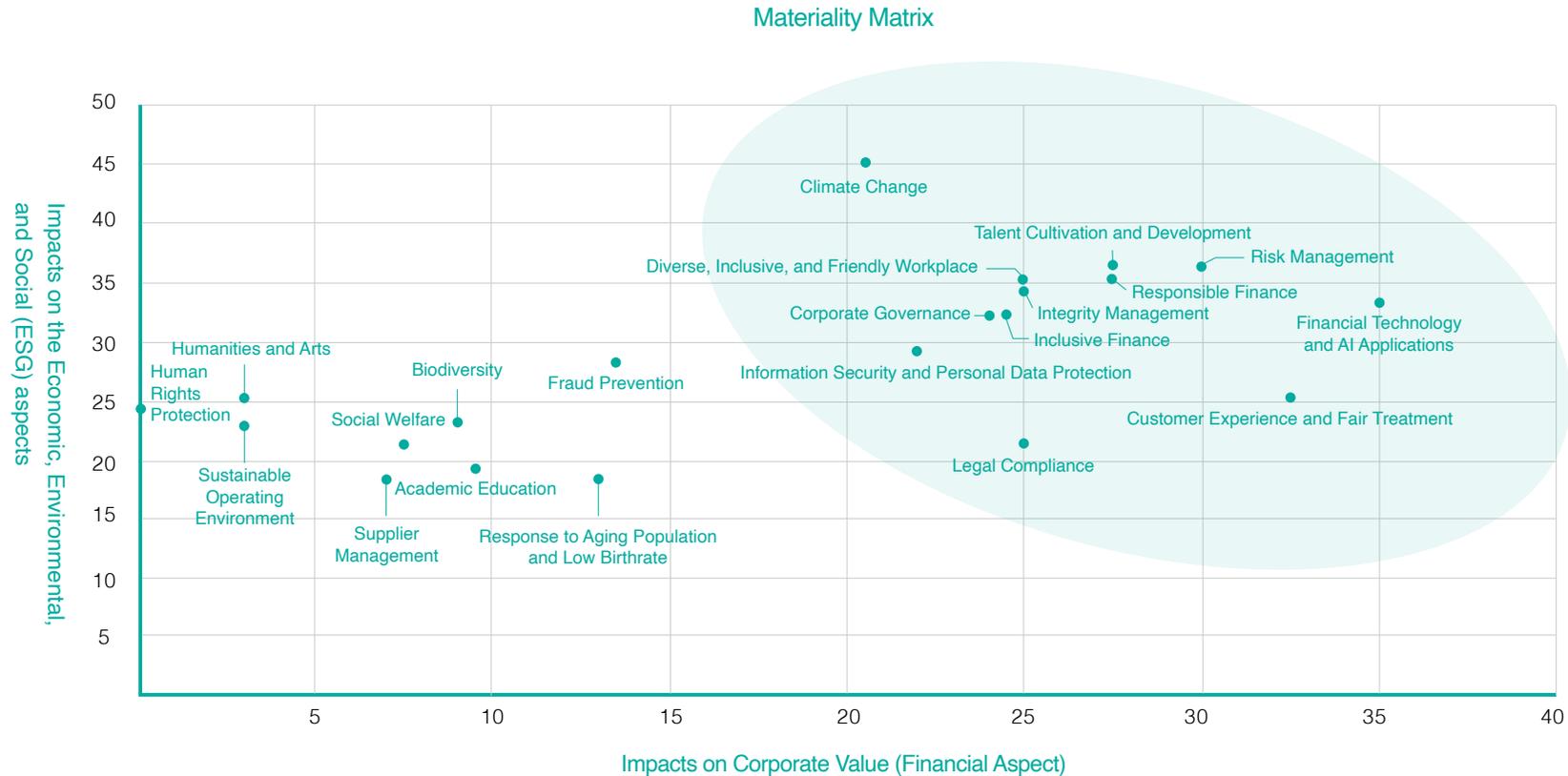


### 1.4.2 Assessment and Explanation of material issues Impacts

The Sustainability Office evaluated 21 sustainability topics based on their impacts on the economic, environmental, and social (including human rights) aspects. A comprehensive assessment was conducted considering the actual/potential, positive/negative impact levels, and likelihood of occurrence, while also referencing the double materiality principle. The preliminary results were compiled and, after recommendations from the management team, E.SUN's material topics for 2024 were prioritized according to their impact levels. Subsequently, management mechanisms will be developed for these material topics, including setting related objectives, integrating them into the overall Enterprise Risk Management (ERM), and linking them to senior management compensation.

#### Impact Assessment Method

The impact levels and likelihood of occurrence of material topics on the economic, environmental, and social (including human rights) aspects are each rated on a scale from 1 to 5 by relevant departments. The scale is rated by the respective departments, and the CSO Office consolidates and calculates the quantified impact results of 21 significant topics. After comprehensive consideration of the management team's recommendations, the "Materiality matrix" shown below is obtained.



Impact explanation

Material Issues	Positive (actual/potential)	Negative (actual/potential)
<p><b>Financial Technology and AI Applications</b></p>	<p><b>Economy</b> When the company is committed to developing financial technology and AI applications, it has the potential to promote capital circulation and improve resource allocation efficiency. On an individual level, this helps bring more convenient services to the general public; on a corporate level, it enables faster financial support for enterprise growth, positively impacting the economy.</p> <p><b>Environment</b> When the company develops financial technology and AI applications, it has the opportunity to reduce physical paper consumption by presenting information through technological or digital means, thereby positively impacting the environment.</p> <p><b>People</b> (including Human Rights) When the company expands financial inclusion through financial technology and AI applications, it has the opportunity to help more people gain access to basic financial services, improving the quality of life and positively affecting people and human rights.</p>	<p><b>Economy</b> If the company cannot effectively manage information technology and AI applications, AI may generate incorrect information or even cause financial system collapse or manipulation, triggering financial crises that cause economic losses to the public.</p> <p><b>Environment</b> Inefficient use of information technology and AI may consume excessive computing power or cause unnecessary equipment replacement, resulting in higher carbon emissions or increased reliance on traditional energy, negatively impacting the environment.</p> <p><b>People</b> (including Human Rights) Poor management of financial technology and AI may cause biased or incorrect information, negatively affecting people and human rights.</p>
<p><b>Climate Change</b></p>	<p><b>Economy</b> When the company has effective climate change response strategies, it can assist customers in strengthening operational resilience and may create new business opportunities and markets, such as in renewable energy, energy efficiency, and green technologies, creating new jobs and positively impacting the overall economy.</p> <p><b>Environment</b> When the company has effective climate change response strategies, it can effectively assist customers or implement its own greenhouse gas reduction efforts, thereby generating positive impacts on the environment.</p> <p><b>People</b> (including Human Rights) When the company has effective climate change response strategies and helps customers reduce greenhouse gas emissions, it has the opportunity to mitigate physical risks and bring positive impacts to people and human rights threatened by climate change.</p>	<p><b>Economy</b> Poor climate change response may directly or indirectly cause ineffective greenhouse gas emission reduction, exacerbating climate impacts and thereby negatively affecting overall company operations and economic performance. The physical risks of climate change and transition risks may impact E.SUN's investment and business operations, further affecting the risk profile of E.SUN's asset portfolio. E.SUN's investment portfolio represents the distribution of industries invested in, indirectly affecting the local environmental ecology.</p> <p><b>Environment</b> Physical risks: Extreme weather events such as typhoons or floods may result in operational disruptions and asset damages for E.SUN's business locations, leading to financial losses and impacting profitability.</p> <p><b>People</b> (including Human Rights) Transition risks: Associated with carbon emission costs, if E.SUN fails to effectively manage the carbon emissions of its investment or loan portfolio, it may affect its reputation and market competitiveness.</p> <p><b>Environment</b> Poor climate change response may worsen environmental damage.</p> <p><b>People</b> (including Human Rights) Poor climate change response may cause insufficient greenhouse gas reduction, intensifying climate threats and negatively impacting people and human rights.</p>
<p><b>Risk Management</b></p>	<p><b>Economy</b> When the company implements risk management, it helps optimize the use of financial resources and improve operational efficiency, reducing unexpected losses and assisting enterprise development, generating positive impacts on the overall economy and society.</p> <p><b>Environment</b> When the company has a sound risk management mechanism, it can quantitatively and comprehensively assess climate and environmental risks, protecting the environment from negative impacts caused by high-polluting or sensitive industries.</p> <p><b>People</b> (including Human Rights) When the company implements risk management, it helps avoid supporting business activities sensitive to human rights issues in the use of financial resources, thereby helping reduce negative impacts on people and human rights.</p>	<p><b>Economy</b> Failure to implement risk management may lead to resource misallocation, increasing economic uncertainty and negatively affecting overall economic development.</p> <p><b>Environment</b> Without good risk management mechanisms, financial resources may flow into environmentally harmful industries, negatively impacting the environment.</p> <p><b>People</b> (including Human Rights) Failure to implement risk management may cause financial resources to support business activities sensitive to human rights, negatively affecting people and human rights.</p>
<p><b>Talent Cultivation and Development</b></p>	<p><b>Economy</b> When the company has good talent cultivation and development policies or systems, it can improve employee professionalism and productivity. High-quality talent enhances corporate competitiveness. As the enterprise continues to grow and develop, more job opportunities will be created, benefiting overall industry development and promoting positive economic cycles.</p> <p><b>Environment</b> When the company has good talent cultivation and development policies or systems, training also covers topics such as climate change, resource management, ecological protection, and energy-saving awareness, enabling employees to take more sustainable actions in their daily work, thus positively impacting the environment.</p> <p><b>People</b> (including Human Rights) When the company has good talent cultivation and development policies or systems, it helps ensure employees receive appropriate support and training, protects employee rights, provides good working conditions, and enhances employee engagement, positively influencing people and human rights.</p>	<p><b>Economy</b> Lack of good talent cultivation and development policies or systems may make it difficult to retain talent, causing talent loss or insufficient professional skills, which hinders company operations and strategy implementation, and results in negative economic impacts on shareholders, customers, and society.</p> <p><b>Environment</b> Lack of good talent development policies may lead to training without practical effectiveness, causing employees to lack proper understanding and execution of sustainability, negatively impacting the environment.</p> <p><b>People</b> (including Human Rights) Lack of good talent development policies may cause workplace inequality and discrimination, harming stakeholder rights and negatively affecting people and human rights.</p>

Material Issues	Positive (actual/potential)	Negative (actual/potential)
<p><b>Responsible Finance</b></p>	<p><b>Economy</b> Attract more ESG investors and expand capital market financing channels. Establish ESG investment indicators compliant with international standards to enhance Taiwan's market competitiveness. Promote low-carbon technology R&amp;D and green industry development, driving growth across upstream and downstream industrial chains. Accelerate enterprise transformation and upgrading by developing green products and services, assisting customers' transformation, and expanding new business opportunities. Improve energy usage efficiency, reduce energy dependence, and strengthen overall economic resilience.</p> <p><b>Environment</b> Through responsible financial services, support client companies to actively invest resources, set sustainability goals, promote green energy, and support sustainability-related industries, generating positive environmental feedback loops.</p> <p><b>People</b> (including Human Rights) Implement responsible finance policies to avoid funding exploitative labor industries, reduce harm to vulnerable groups, ensure reasonable working conditions, and improve the quality of life and social security of vulnerable populations.</p>	<p><b>Economy</b> Short-term implementation of ESG regulations may increase overall operational and management costs. Investment and financing restrictions on traditional high-yield but high ESG risk industries may cause higher volatility in business volume and revenues. Frequent regulatory changes require internal policies to be constantly adjusted, increasing operational uncertainties. Inconsistent ESG evaluation standards across countries may affect cross-border investment and financing, impacting international competitiveness.</p> <p><b>Environment</b> Rapid changes in environmental technologies and standards may cause assessment gaps, leading to fund allocation to projects with less-than-expected environmental benefits.</p> <p><b>People</b> (including Human Rights) Inadequate assessment of operational or human rights impacts of investment/financing targets on local communities may indirectly involve community rights violations or improper labor conditions, triggering social disputes and reputational risks.</p>
<p><b>Diverse, Inclusive, and Friendly Workplace</b></p>	<p><b>Economy</b> Recruiting talents from diverse backgrounds into the team can generate momentum for innovation and progress, thereby enhancing the competitiveness of the enterprise. Establishing a diverse and inclusive corporate culture can reduce internal friction caused by gender or cultural discrimination, improving employee performance and productivity.</p> <p><b>Environment</b> Diverse teams can think about sustainable development strategies from multiple perspectives, aiding development of products that reduce resource consumption and environmental impact.</p> <p><b>People</b> (including Human Rights) Provide a fair workplace environment and foster a diverse and inclusive culture, protecting minorities and vulnerable groups from discrimination and rights violations, ensuring labor rights, promoting workplace integration, increasing employee confidence and retention.</p>	<p><b>Economy</b> Poorly implemented diversity and inclusion strategies may cause communication breakdowns and internal conflicts, damaging teamwork and weakening collaboration in environmental sustainability projects, ultimately harming the environment.</p> <p><b>Environment</b> Failure to implement equal pay and fair performance appraisal policies may cause public criticism; excessive protection of certain groups may create privileges or "reverse discrimination," damaging human rights protections.</p> <p><b>People</b> (including Human Rights) Employees unfairly benefiting specific suppliers may damage fair competition and overall corporate competitiveness, causing economic downturns.</p>
<p><b>Integrity Management</b></p>	<p><b>Economy</b> Good business ethics support commercial development, promote healthy enterprise competition, and drive sound growth of the financial industry and many SMEs.</p> <p><b>Environment</b> Integrity management encourages enterprises to assume environmental responsibilities, promote sustainable development and environmental protection measures, bringing positive environmental impacts.</p> <p><b>People</b> (including Human Rights) Emphasizing business ethics reflects long-term sound corporate management, values communication and impact on internal and external stakeholders, continuously increasing stakeholder trust and improving their rights and welfare.</p>	<p><b>Economy</b> Employees unfairly benefiting specific suppliers may damage fair competition and overall corporate competitiveness, causing economic downturns.</p> <p><b>Environment</b> Lack of integrity in environmental compliance may lead to pollution, increase societal resource burdens, and harm the environment.</p> <p><b>People</b> (including Human Rights) Cultures ignoring professional ethics may neglect customer commitments and employee care, thereby damaging internal team trust and customer experience.</p>
<p><b>Customer Experience and Fair Treatment</b></p>	<p><b>Economy</b> Good customer experience increases willingness to use financial services. Implementing fair treatment deepens customer trust in financial institutions, encourages repeat business and word-of-mouth promotion, driving economic growth.</p> <p><b>People</b> (including Human Rights) Implementing customer experience and fair treatment helps protect the rights of various groups (e.g., financially vulnerable and other disadvantaged populations), promoting social fairness and justice.</p>	<p><b>Economy</b> If financial inclusion participants lack sufficient financial knowledge, they may face personal or small business financial difficulties, shaking overall economic stability.</p> <p><b>People</b> (including Human Rights) Improper promotion of financial inclusion may channel funds into environmentally unfriendly industries, leading to environmental degradation, conflicting with sustainability goals. Lack of proper regulation and ethical standards in financial inclusion institutions may result in usury, deprivation of basic economic rights, social injustice, and harm to vulnerable groups.</p>

Material Issues	Positive (actual/potential)	Negative (actual/potential)
Inclusive Finance	<p><b>Economy</b></p> <p>Inclusive finance fosters entrepreneurship and innovation, enabling individuals and SMEs to start and expand businesses, thus creating more jobs and driving overall economic growth.</p>	<p><b>Economy</b></p> <p>If financial inclusion participants lack adequate financial knowledge, they may face financial difficulties, shaking economic stability.</p> <p><b>Environment</b></p> <p>Improper promotion may direct funds into environmentally unfriendly industries, harming sustainability goals.</p> <p><b>People</b> <small>(including Human Rights)</small></p> <p>Lacking proper regulation and ethical standards, inclusive finance institutions may cause usury, deprivation of basic economic rights, social injustice, and harm to vulnerable groups.</p>
	<p><b>Environment</b></p> <p>Supporting sustainable projects via inclusive finance, such as green technologies and environmentally friendly companies, enhances social recognition of ecological protection, advancing environmental protection and sustainability goals.</p>	
	<p><b>People</b> <small>(including Human Rights)</small></p> <p>Inclusive finance enhances social financial inclusion, guaranteeing basic economic rights and opportunities for all individuals, improving the living standards of vulnerable groups, helping reduce wealth gaps, and promoting social justice.</p>	
Corporate Governance	<p><b>Economy</b></p> <p>Effective corporate governance promotes capital market stability and efficiency, enhances investor confidence, attracts more capital inflows, and reduces capital costs, facilitating efficient resource allocation.</p>	<p><b>Economy</b></p> <p>Poor corporate governance may cause market distrust, reduce investor confidence, impact capital inflows and innovation, and short-term management behaviors may harm long-term enterprise development, damaging competitiveness.</p> <p><b>Environment</b></p> <p>Insufficient governance may lead to poor environmental management, lack of environmental policies/actions, resource overuse (e.g., water and electricity), causing ongoing negative impacts on natural resources and ecosystems.</p> <p><b>People</b> <small>(including Human Rights)</small></p> <p>Poor governance may fail to monitor supply chains and labor conditions properly, leading to labor exploitation, human rights violations, and failure to ensure diversity and inclusion.</p>
	<p><b>Environment</b></p> <p>Corporate governance emphasizes environmental responsibility, integrating sustainability into business strategies. Good governance improves resource efficiency, reduces negative environmental impacts, and supports environmental protection and ecological balance.</p>	
	<p><b>People</b> <small>(including Human Rights)</small></p> <p>Good corporate governance promotes respect and protection of human rights in business operations, especially in supply chain management, labor conditions, and diversity and inclusion. Transparent governance and codes of conduct foster social responsibility and protect employees' and related communities' basic rights, enhancing overall social welfare.</p>	
Information Security and Personal Data Protection	<p><b>Economy</b></p> <p>Implementing information security and personal data protection reduces potential risks, enhances customer trust, supports financial market development, and positively impacts the economy.</p>	<p><b>Economy</b></p> <p>Poor information security management risks losses from security incidents, decreases market confidence and customer retention, and exposes businesses to compliance fines and sanctions, affecting operations and economic environment negatively.</p> <p><b>Environment</b></p> <p>Inadequate security may lead to excessive capacity management and procurement of surplus hardware to meet security and availability needs, increasing electronic waste and associated disposal problems, which burdens the environment.</p> <p><b>People</b> <small>(including Human Rights)</small></p> <p>Improper data protection seriously threatens privacy and data security, risking information misuse or unauthorized access, damaging the customer rights.</p>
	<p><b>Environment</b></p> <p>Strengthened security and data protection allow companies to confidently advance digitization and automation, increasing efficiency and reducing demand for paper and other physical resources, indirectly benefiting the environment.</p>	
	<p><b>People</b> <small>(including Human Rights)</small></p> <p>Emphasizing data security and privacy protection reflects respect for personal privacy and human rights, improves social trust in companies, promotes social harmony, and positively impacts people and human rights.</p>	
Legal Compliance	<p><b>Economy</b></p> <p>Effective legal compliance supports market stability, strengthens investor confidence, promotes economic growth and innovation, and benefits economic development.</p>	<p><b>Economy</b></p> <p>Employees unfairly benefiting specific suppliers may damage fair competition, harm corporate competitiveness, and cause economic downturn.</p> <p><b>Environment</b></p> <p>Lack of integrity in environmental compliance may cause pollution, add burdens to social resources, and negatively impact the environment.</p> <p><b>People</b> <small>(including Human Rights)</small></p> <p>Corporate cultures ignoring professional ethics may neglect customer commitments and employee care, damaging internal team trust and customer experience.</p>
	<p><b>Environment</b></p> <p>Compliance with environmental laws and policies reduces environmental negative impacts, e.g., through proper waste management and resource use, lowering carbon emissions, promoting ecological protection and resource utilization.</p>	
	<p><b>People</b> <small>(including Human Rights)</small></p> <p>Complying with local labor and human rights laws ensures reasonable working conditions and treatment, protects employees' basic rights, and improves satisfaction and loyalty.</p>	

### 1.4.3 Management Objectives for material issues

## Financial Technology and AI Applications

Strategy 1	Management Team / compensation linked to material issue	Strategy 2	Management Team / compensation linked to material issue																							
Optimize digital experience and operations, accelerate comprehensive technology adoption, integrate technology and sustainability into financial services, and continuously advance dual-axis transformation.	<ul style="list-style-type: none"> <li>Chief Digital Officer, E.SUN bank / 20%</li> <li>Head of Digital Finance Division, E.SUN Securities / 10%</li> </ul>	Develop and utilize trustworthy artificial intelligence (AI), investing in technological innovation to enhance service efficiency, quality, and competitiveness.	<ul style="list-style-type: none"> <li>Chief Technology Officer / 75%</li> </ul>																							
<b>Key Performance Indicator (KPI)</b>		<b>Key Performance Indicator (KPI)</b>																								
1. Percentage of active customers on digital channels of bank (of overall active customers).		Promote the full integration of intelligent technologies and financial services.																								
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## Climate Change

Strategy 1	Management Team / compensation linked to material issue	Strategy 2	Management Team / compensation linked to material issue	Strategy 3	Management Team / compensation linked to material issue																		
<p>Establish evaluation mechanisms and appropriate risk management measures to address potential risks caused by climate change, while strengthening management and response capabilities.</p> <p><b>Key Performance Indicator (KPI)</b></p> <ul style="list-style-type: none"> <li>Implementation of IFRS S1/S2.</li> <li>CDP performance.</li> <li>Achievement status of carbon reduction targets.</li> <li>Establishment of financial carbon footprint management system for investment and financing.</li> </ul>	<ul style="list-style-type: none"> <li>Chief Sustainability Officer / 30%</li> <li>Chief Risk Officer / 10%</li> </ul>	<p>Establish an environmental and energy-saving culture and implement related measures to reduce operating costs.</p> <p><b>Key Performance Indicator (KPI)</b></p> <ul style="list-style-type: none"> <li>Control operational environmental indicators, including carbon emissions, water usage, and waste management.</li> </ul>	<ul style="list-style-type: none"> <li>Head of Management Division, E.SUN Bank / 30%</li> </ul>	<p>Enhance operational resilience by increasing the proportion of renewable energy usage through methods such as power purchase agreements, self-built solar power, and the purchase of renewable energy certificates</p> <p><b>Key Performance Indicator (KPI)</b></p> <ul style="list-style-type: none"> <li>Review the proportion of renewable energy usage based on the amount of renewable energy consumed and total electricity consumption</li> </ul>	<ul style="list-style-type: none"> <li>Head of Management Division, E.SUN Bank / 30%</li> </ul>																		
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## Risk Management

### Strategy

Utilize information technology and scientific data analytics tools to strengthen early warning and response capabilities in risk management, thereby enhancing the efficiency of risk control.

### Management Team / compensation linked to material issue

- Chief Risk Officer / 60%

### Key Performance Indicator (KPI)

- Management mechanisms for the impact of interest rate risk changes on assets and liabilities.
- Enhancement of operational risk management tools.
- Utilize intelligent technologies to improve anti-money laundering effectiveness.

	Target	Achievement Status
2024	<ul style="list-style-type: none"> <li>· Completion rate of new market risk capital allocation method implementation: 100%</li> <li>· Operational risk database quality calibration achieved: 100%</li> <li>· Completion of new customer anti-money laundering (AML) and counter-terrorism financing (CTF) risk rating model development</li> </ul>	<ul style="list-style-type: none"> <li>· Achieved 100% implementation of the new market risk capital allocation method</li> <li>· Completed 100% quality calibration of the operational risk database</li> <li>· Established new customer anti-money laundering and risk rating models, scheduled for transition in 2025</li> </ul>
2025 Target	<ul style="list-style-type: none"> <li>· Optimize the interest rate risk management mechanism across the entire bank (including overseas branches)</li> <li>· Establish key issue monitoring functions to enhance the efficiency of critical risk management topics to 100%</li> <li>· Develop a shared customer due diligence platform system for the Singapore branch</li> </ul>	
2030 Target	<ul style="list-style-type: none"> <li>· Improved market risk control system and risk sensitivity analysis efficiency by 50%</li> <li>· Enhanced cross-module management effectiveness by 80%</li> <li>· Achieved 60% systemization of domestic and international due diligence operations</li> </ul>	



## Talent Cultivation and Development

### Strategy

Talent-oriented performance management, combined with long-term strategies and training, cultivates the talent needed by the organization through diverse development approaches such as professional training and job rotation.

### Management Team / compensation linked to material issue

- Chief Human Resource Officer / 30%
- Head of Human Resources Division, E.SUN Bank / 30%
- Head of Human Resources Division, E.SUN Securities / 30%

### Key Performance Indicator (KPI)

1. Average number of training hours per employee

	Target	Achievement Status
2024	The average training hours per employee remain above 50 hours.	Average training hours per employee: 69.13 hours.
2025 Target	The average training hours per employee remain above 50 hours.	
2030 Target	The average training hours per employee remain above 50 hours.	

2. Number of employees certified in digital literacy

	Target	Achievement Status
2024	<ul style="list-style-type: none"> <li>· Incorporated digital-related courses into professional training programs for all job categories, ensuring continuous technology-focused training across the entire organization.</li> <li>· 45% of domestic employees have obtained certifications in digital literacy, AI, and digital operations.</li> </ul>	Assist professional training across various job categories by using digital materials to support blended learning, and continuously promote the E.SUN Digital Capability Learning Program, achieving a 52% coverage rate of employees participating in related competency training.
2025 Target	Integrated digital-related courses into professional training programs across all job categories and continuously promoted the E.SUN Digital Literacy Learning Program, achieving a 50% coverage rate of digital competency training within the year.	
2030 Target	Integrated digital-related courses into professional training programs across all job categories and continuously advanced the E.SUN Digital Literacy Learning Program, achieving an 80% coverage rate of digital competency training within the year.	



## Responsible Finance

### Strategy 1

Management Team / compensation linked to material issue

Support lending to borrowers who have positive environmental and social impacts, including providing green loans and assisting enterprises in setting clear ESG development targets through sustainability-linked loans, thereby accelerating corporate transformation.

- Executive Officer of Corporate Finance / 10%

#### Key Performance Indicator (KPI)

##### 1. Green credit balance

2024	Target	Achievement Status
	100 billion NTD	107.2 billion NTD
<b>2025 Target</b>	124 billion NTD	
<b>2030 Target</b>	130 billion NTD*	

##### 2. Sustainable linked loan balance

2024	Target	Achievement Status
	66 billion NTD	76.8 billion NTD
<b>2025 Target</b>	80 billion NTD	
<b>2030 Target</b>	Occupying 13% of the total authorized balance of corporate finance loans	

### Strategy 2

Management Team / compensation linked to material issue

Implement sustainable investment by increasing holdings in sustainable development bonds (sustainable development bonds refer to recognized green bonds, social responsibility bonds, and sustainability bonds).

- Chief Financial Officer / 15%

#### Key Performance Indicator (KPI)

##### Sustainable development bond investment balance

2024	Target	Achievement Status
	35 billion NTD	43 billion NTD
<b>2025 Target</b>	48 billion NTD	
<b>2030 Target</b>	55 billion NTD	

Note: The original 2023 target for the green credit balance was set to reach NT\$130 billion by 2030. Future adjustments will be made dynamically based on the achievement status of the 2025 target.



## Diverse, Inclusive, and Friendly Workplace

### Strategy

Management Team / compensation linked to material issue

With the goal of creating a better employee experience, we strive to build a workplace that supports work-life balance and becomes "E.SUN employees' happy second home."

- Chief Human Resource Officer / 30%
- Head of Human Resources Division, E.SUN Bank / 30%
- Head of Human Resources Division, E.SUN Securities / 30%

#### Key Performance Indicator (KPI)

##### 1. Employee Engagement

2024	Target	Achievement Status
	Maintain employee engagement above 90%	84.9%
<b>2025 Target</b>	Maintain employee engagement above 85%*	
<b>2030 Target</b>	Maintain employee engagement above 85%	

##### 2. Talent Retention Rate

2024	Target	Achievement Status
	Talent Retention Rate Maintains Above 90%	90.8%
<b>2025 Target</b>	Talent Retention Rate Maintains Above 90%	
<b>2030 Target</b>	Talent Retention Rate Maintains Above 90%	

##### 3. Percentage of female managers

2024	Target	Achievement Status
	Maintain the percentage of female managers at 42% and above	41.29%*
<b>2025 Target</b>	Maintain the percentage of female managers at 43% and above	
<b>2030 Target</b>	Maintain the percentage of female managers at 45% and above	

Note: E.SUN encourages employees to openly express their feelings and opinions. New hires tend to have more diverse views regarding workplace satisfaction. We will continue to improve employee relations and care to enhance employee loyalty and engagement.



## Integrity Management

### Strategy

Internalize the value of integrity and honesty into the corporate culture to foster trustful relationships with customers.

Management Team / compensation linked to material issue

- Chief Compliance Officer / 20%

### Key Performance Indicator (KPI)

#### 1. Implementation of training and testing

	Target	Achievement Status
2024	<ul style="list-style-type: none"> <li>Continue to implement education, training, and awareness programs.</li> <li>Maintain 100% employee participation rate.</li> </ul>	<ul style="list-style-type: none"> <li>Promote integrity management education through courses in various training sessions.</li> <li>Conduct risk education and training on dishonest practices during domestic compliance supervisory meetings.</li> <li>Provide all board members with promotional materials on "Integrity Management and Handling of Material Internal Information."</li> <li>Implement online education and testing on integrity management with 100% employee participation.</li> </ul>
2025 Target	<ul style="list-style-type: none"> <li>Continuously implement education, training, and awareness initiatives.</li> <li>Maintain a 100% employee participation rate.</li> </ul>	
2030 Target	<ul style="list-style-type: none"> <li>Continuously implement education, training, and awareness initiatives.</li> <li>Maintain a 100% employee participation rate.</li> </ul>	

#### 2. Risk assessment mechanism for dishonest business practices

	Target	Achievement Status
2024	<ul style="list-style-type: none"> <li>Establish a dynamic dashboard for assessing risks related to dishonest behavior.</li> <li>Complete the formulation of internal regulations and related documents for various accountability systems by the end of June 2024; submit them to the E.SUN Accountability Committee and Board of Directors in September; and aim to have all senior management sign the statement of responsibility by the end of November, in accordance with the "Banking Industry Self-Regulatory Code for Implementing the Accountability Map System".</li> </ul>	<ul style="list-style-type: none"> <li>Use the risk assessment mechanism for dishonest business practices to understand the distribution of risk assessment results and identify risk hotspots within the bank.</li> <li>Establish an accountability system that clearly defines the scope and responsibilities of senior management, stipulates procedures for assignment of duties, accountability, and investigation, and holds training sessions for senior management personnel.</li> </ul>
2025 Target	<ul style="list-style-type: none"> <li>Establish preventive control mechanisms based on the results of dishonest behavior risk assessments.</li> <li>Convene the E.SUN Accountability Committee annually to review the operation of the accountability system.</li> </ul>	
2030 Target	<ul style="list-style-type: none"> <li>Continuously optimize the risk assessment mechanism for integrity management behaviors.</li> </ul>	



## Customer Experience and Fair Treatment

### Strategy

Centering on customer experience, establish a culture of fair treatment to ensure service quality.

Management Team / compensation linked to material issue

- Chief Compliance Officer / 20%
- Head Customer Service Division, E.SUN Bank / 80%
- Heads of Sustainability Development Department and General Planning Department, E.SUN Securities / 30%

### Key Performance Indicator (KPI)

#### 1. NPS (Net Promoter Score)

	Target	Achievement Status
2024	<ul style="list-style-type: none"> <li>Maintain a physical channel NPS of 60 or higher.</li> <li>Maintain a digital channel NPS of 55 or higher.</li> <li>Maintain a customer service channel NPS of 50 or higher.</li> </ul>	<ul style="list-style-type: none"> <li>Physical channels: 69.1</li> <li>Digital channels: 66.6</li> <li>Customer service channels: 58.2</li> </ul>
2025 Target	<ul style="list-style-type: none"> <li>Maintain an NPS of 60 or above for physical channels.</li> <li>Maintain an NPS of 55 or above for digital channels.</li> <li>Maintain an NPS of 50 or above for customer service channels.</li> </ul>	
2030 Target	Maintain an NPS of 60 or above across all channels.	

#### 2. Customer satisfaction

	Target	Achievement Status
2024	Satisfaction rates for E.SUN Bank <ul style="list-style-type: none"> <li>physical and digital channels: above 90%</li> <li>customer service channels: above 85%</li> </ul> Satisfaction rate for E.SUN Securities <ul style="list-style-type: none"> <li>customer service channels : above 90%.</li> </ul>	Satisfaction rates for E.SUN Bank <ul style="list-style-type: none"> <li>physical channels: 93.3%</li> <li>digital channels: 95.2%</li> <li>customer service channels: 90.2%.</li> </ul> Satisfaction rates for E.SUN Securities <ul style="list-style-type: none"> <li>customer service channels: 95.8%.</li> </ul>
2025 Target	<ul style="list-style-type: none"> <li>Satisfaction rates for E.SUN Bank's physical and digital channels are maintained above 90%; customer service channels maintained above 85%.</li> <li>Satisfaction rate for E.SUN Securities customer service channels is maintained above 90%.</li> </ul>	
2030 Target	<ul style="list-style-type: none"> <li>Satisfaction rates for all E.SUN Bank channels are maintained above 90%.</li> <li>Satisfaction rate for E.SUN Securities customer service channels is maintained above 90%.</li> </ul>	

#### 3. Implement the principle of fair treatment for customers

	Target	Achievement Status
2024	E.SUN Bank received recognition with the FSC Fair Customer Treatment Award.	E.SUN Bank was recognized as a top 25% performer in the Financial Supervisory Commission's 2024 Fair Treatment of Customers Assessment.
2025 Target	E.SUN Bank and E.SUN Securities received recognition with the FSC Fair Customer Treatment Award.	
2030 Target	E.SUN Bank and E.SUN Securities received recognition with the FSC Fair Customer Treatment Award.	

Note: According to the evaluation mechanism, E.SUN Bank is assessed annually, while E.SUN Securities is assessed every two years. E.SUN Securities is not among the evaluated entities for the 2024 assessment.



## Inclusive Finance

### Strategy

Promote inclusive finance policies to ensure that individuals and businesses from diverse backgrounds can access suitable and diverse financial services based on openness, equality, and diversity. In the process, foster social employment and economic development, eliminate inequality, and advance financial inclusion.

### Management Team / compensation linked to material issue

- Executive Officer of Retail Banking / 20%
- Director of Securities Digital Finance Division / 30%

### Key Performance Indicator (KPI)

1. Resolve financing challenges faced by small enterprises with revenues below NT\$50 million, and assist individuals and businesses with positive social and local community impact in their development.

	Target	Achievement Status
<b>2024</b>	<ul style="list-style-type: none"> <li>· 4,300 new loan accounts for small businesses.</li> <li>· 1,650 new loan accounts for startups, local revitalization projects, social enterprises, and youth entrepreneurship seed funds.</li> </ul>	<ul style="list-style-type: none"> <li>· 5,282 new loan accounts for small businesses.</li> <li>· 1,688 new loan accounts for startups, local revitalization projects, social enterprises, and youth entrepreneurship seed funds.</li> </ul>
<b>2025 Target</b>	<ul style="list-style-type: none"> <li>· 5,500 new loan accounts for small enterprises.</li> <li>· 1,730 new loan accounts for startups, local revitalization projects, social enterprises, and youth entrepreneurship seed funding.</li> </ul>	
<b>2030 Target</b>	<ul style="list-style-type: none"> <li>· 6,000 new loan accounts for small businesses.</li> <li>· 1,800 new loan accounts for startups, local revitalization projects, social enterprises, and youth entrepreneurship seed funds.</li> </ul>	

2. Provide innovative and user-friendly financial services to vulnerable groups, people with disabilities, and elderly customers through digital and accessible financial solutions.

	Target	Achievement Status
<b>2024</b>	<ul style="list-style-type: none"> <li>· Installed 150 additional voice-enabled ATMs for visually impaired users, reaching a total of 404 such ATMs.</li> <li>· Continuously improve the number of branches offering friendly services, with a 2024 target of cumulatively achieving 18 branches at Grade A and 70 branches at Grade B.</li> <li>· Optimized self-service information on the official website to facilitate customers' access to financial services.</li> </ul>	<ul style="list-style-type: none"> <li>· Installed 151 additional voice-enabled ATMs for the visually impaired, bringing the total to 405 such ATMs, with the addition of a new deposit function for the visually impaired.</li> <li>· The friendly financial branch grading has cumulatively achieved 75 Grade A branches and 43 Grade B branches, totaling 118 branches across both grades.</li> <li>· The entire official website has obtained the Accessibility Grade A certification; under "Friendly Services," sign language and Taiwanese/English appointment options for account opening have been added; additionally, customers can apply for personal loans online.</li> </ul>
<b>2025 Target</b>	<ul style="list-style-type: none"> <li>· Installed 50 additional voice-enabled ATMs for the visually impaired, bringing the total to 455 such ATMs.</li> <li>· Continue to enhance the number of friendly service branches, aiming to achieve a cumulative total of 121 Grade A and B branches by 2025.</li> <li>· Optimize self-service information on the official website to facilitate customers' access to financial services.</li> </ul>	
<b>2030 Target</b>	<ul style="list-style-type: none"> <li>· Converted all domestic ATMs to voice-enabled ATMs for the visually impaired.</li> <li>· Completed 40 barrier-free Grade A branches and 97 Grade B branches.</li> <li>· Continuously optimize digital channels to provide accessible financial services.</li> </ul>	

3. Assist young investors in establishing financial habits through stock e-platforms with fixed-amount periodic investments or small savings plans.

	Target	Achievement Status
<b>2024</b>	35,000 accounts	49,961 accounts
<b>2025 Target</b>	40,000 accounts	
<b>2030 Target</b>	60,000 accounts	



## Corporate Governance

### Strategy

Continuously strengthen the functions of the Board of Directors, enhance leadership and management capabilities of the executive team, and prioritize the protection of shareholders' rights and the accuracy and transparency of information.

### Management Team / compensation linked to material issue

- Corporate Governance Officer / 100%

### Key Performance Indicator (KPI)

- Strengthening Board functions.
- Ensuring information transparency.
- Promoting shareholder participation.

	Target	Achievement Status
<b>2024</b>	<ul style="list-style-type: none"> <li>· Voluntarily engage a professional third-party organization to conduct corporate governance certification.</li> <li>· Add internal regulations requiring that transactions involving acquisition or disposal of assets with related parties be reported to the shareholders' meeting.</li> <li>· Continuously improve the corporate governance section on the official website.</li> </ul>	<ul style="list-style-type: none"> <li>· Assist professional organizations in evaluating the company's corporate governance system through open questionnaires and on-site assessments; the related recommendations are incorporated into the company's prioritized corporate governance improvement plans.</li> <li>· Passed the revision of the company's "Procedures for the Acquisition or Disposal of Assets," stipulating that transactions involving acquisition or disposal of assets with related parties must be reported to the shareholders' meeting, thereby strengthening the management of related-party transactions.</li> <li>· Continuously enhance the transparency of corporate governance information on the official website and regularly update the relevant information.</li> </ul>
<b>2025 Target</b>	<ul style="list-style-type: none"> <li>· In accordance with regulatory policies, share business performance results with employees to promote sustainable development; internal regulations have been updated to include provisions on the allocation ratio of remuneration for middle and junior level employees.</li> <li>· To align with the International Financial Reporting Standards (IFRS) sustainability disclosure requirements, a phased schedule for sustainability information disclosure has been pre-planned.</li> <li>· Conducted preparatory work in advance for the planning and diversification of the next board of directors' composition.</li> </ul>	
<b>2030 Target</b>	<ul style="list-style-type: none"> <li>· Based on the company's phased sustainable development strategies, consolidate and formulate advanced plans to further enhance corporate governance.</li> <li>· Continuously optimize corporate governance culture in accordance with regulatory policies, and review the corporate governance framework by referencing domestic and international best principles and practices; progressively revise relevant regulations and adjust disclosure information.</li> </ul>	



## Information Security and Personal Data Protection

### Strategy

- Continuously obtain international professional certifications to implement information security, personal data protection, and business continuity, aligning with international standards.
- Establish comprehensive governance systems, cultivate employees' strong information security awareness, identify cybersecurity risks and vulnerabilities, and carry out effective enhancements.
- Build a complete cybersecurity protection framework to improve high availability of information services, demonstrate cybersecurity resilience, and enhance the maturity of cybersecurity governance.

### Management Team / compensation linked to material issue

- Chief Information Security Officer / 100%

### Key Performance Indicator (KPI)

- Improve and enhance E.SUN's personal data protection system.
- Number of successful cybersecurity breach incidents.
- Expand the scope of international professional certifications.
- Deepen and broaden the zero trust architecture.

	Target	Achievement Status
2024	<ul style="list-style-type: none"> <li>Strengthen personal data management systems and organizational operations to ensure consistency in data protection mechanisms.</li> <li>Zero successful cybersecurity breaches caused by hacker intrusions.</li> <li>E.SUN Bank obtained ISO 27001:2022 certification for the revised international information security management standard.</li> <li>Established cloud security guidelines for cloud-based operational systems and completed the implementation of cybersecurity monitoring for the cloud environment.</li> </ul>	<ul style="list-style-type: none"> <li>The roles and responsibilities (R&amp;R) framework for personal data management and related regulations have been established.</li> <li>No successful hacker intrusion cybersecurity incidents occurred throughout 2024.</li> <li>E.SUN Bank completed the ISO 27001:2022 Information Security Management System recertification in May 2024.</li> <li>E.SUN Bank finalized the cloud security guidelines and cybersecurity monitoring implementation in December 2024.</li> </ul>
2025 Target	<ul style="list-style-type: none"> <li>Zero successful cybersecurity breach incidents.</li> <li>Expand the scope of ISO 27001 Information Security Management System certification.</li> <li>Enhance the personal data operations organizational development plan and assess personal data capabilities of overseas branches.</li> <li>Deepen and broaden the zero trust architecture.</li> </ul>	
2030 Target	<ul style="list-style-type: none"> <li>The number of cybersecurity incidents caused by successful hacker intrusions remains at zero.</li> <li>E.SUN Bank and E.SUN Securities continue to obtain ISO 27001:2022 Information Security Management System certification.</li> <li>Establish a consistent personal data management system across E.SUN Financial Holding and its subsidiaries, continuously improve supplier risk management systems, and implement a zero-trust architecture.</li> </ul>	



## Legal Compliance

### Strategy

- Instill compliance awareness deeply among supervisors and colleagues, emphasizing that all business activities must never override risk considerations and that all services must not exceed regulatory boundaries, thereby achieving zero trust in operational processes and zero tolerance for risk discipline.

### Management Team / compensation linked to material issue

- Chief Compliance Officer / 80%

### Key Performance Indicator (KPI)

- Implementation status of education and training.
- Participation rate in compliance tests.
- Updating and execution of self-assessment items.
- Timeliness, implementation, and thoroughness of compliance tracking units.

	Target	Achievement Status
2024	<ul style="list-style-type: none"> <li>Continuously implement compliance education and training, as well as company-wide compliance testing.</li> <li>Maintain ongoing one-on-one in-person or online exchanges with overseas units.</li> <li>Continuously collect user feedback on the compliance management system, complete key improvements to enhance compliance management resilience and efficiency, thereby empowering sustainable governance.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance training materials are provided monthly for education and training. The execution status of compliance self-assessment items, conducted semi-annually, is explained and included in the scope of the next year's online compliance tests. The results of these tests are also used as a basis for performance evaluations within units.</li> <li>This year, on-site compliance visits were conducted at the Dong Nai branch and the Cambodia subsidiary, while other overseas branches and subsidiaries were visited online to understand the implementation status of compliance.</li> <li>Suggestions from users of the compliance management system were collected and submitted to the IT department to assist in system improvement processes. The system testing was completed and the updated system was launched in March 2025.</li> </ul>
2025 Target	<ul style="list-style-type: none"> <li>In response to the "Reference Guidelines for anti-greenwashing for Financial Institutions," the bank has established an anti-greenwashing management mechanism to ensure that financial products, disclosures on the official website, marketing materials, and press releases are all truthful and accurate.</li> <li>Following the issuance of the "Guidelines for the Use of Artificial Intelligence (AI) in the Financial Industry," the compliance supervisor serves as a member of the AI Management Committee to assist in overseeing the establishment of the bank's AI governance standards.</li> <li>To avoid overlap between audit questions and internal control operations such as self-audits and risk control self-assessments conducted by various units, or when audit items have become outdated, a compliance self-assessment enhancement project will be launched in 2025 to strive to reduce manual operational costs.</li> </ul>	
2030 Target	<ul style="list-style-type: none"> <li>Continuously cultivate a proactive risk culture through education and testing, deepening compliance awareness among all supervisors and employees.</li> <li>Utilize the compliance management system and regulatory management system as tools to enhance management effectiveness and ensure regulatory compliance.</li> <li>Maintain ongoing anti-greenwashing management mechanisms to ensure the authenticity and accuracy of externally disclosed sustainability information.</li> </ul>	