The Equator Principles At E.SUN 2025

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Implementation in E.SUN Bank

E.SUN Bank has long supported large-scale projects that contribute to social development. Since becoming one of the first domestic financial institutions to adopt the Equator Principles in 2015, E.SUN Bank has participated in numerous large-scale project financings for electric power, infrastructure, and other sectors, both domestically and internationally. In line with the Equator Principles, E.SUN Bank manages project financing risks hierarchically, carefully assessing whether the project development process fulfills environmental and social responsibilities, and properly formulating environmental and social impact monitoring and improvement plans. By adopting the EP4 framework, E.SUN Bank assesses climate change, human rights, and biodiversity risks associated with the projects it finances and continues to refine its control process to strengthen post-loan management.

Equator Principles Dedicated E&S Risk Team

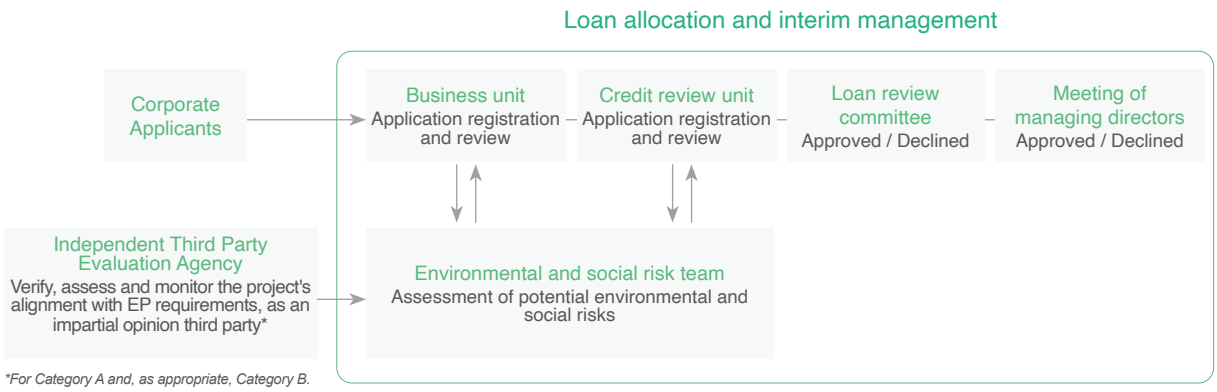
In accordance with the current Equator Principles, an Environment and Social Risk Team has been established, consisting of a Chief Officer of Sustainable Finance Department (Senior VP) and three EP Specialists who undergo periodic training. The team primarily complete the following tasks:

1. Manage internal assessment processes and related documents to comply with the Equator Principles and issue internal assessment reports.
2. Conduct multiple training sessions for the RM team and relevant personnel.
3. Continuously monitor Equator Principles information and communicate through meetings with EP members.
4. Conduct post-lending management for Equator Principles cases and, together with the RM team, confirm the environmental and social risks and management plans of projects.

Application of Equator Principles in Project Financing

Below is an overview of the EP Implementation process within E.SUN Bank:

1. When a new potential transaction is recognized by the RM team, they hand out the case information including the name project to the team which assigns a person in command to undertake a screening review: they determine either the project falls within the scope of the EPs, and if so, identify its category according to the EPs Principle 1. They utilize all internal checklists, in order to assess each project in a structured manner.
2. Confirmation by an E&S specialist is necessary for each screening as a verification process. On the categorization side, should there be a disagreement, the E&S team would then work together to reach a joint decision.
3. For Category A and, as appropriate, Category B, a third-party Environmental and Social Due Diligence (ESDD) is required.
4. The team reviews the ESDD documents and writes a comprehensive internal report detailing the project's specifics, categorization and a summary of key E&S risks along with their management strategies. This report is then submitted to the Credit Review Unit at headquarter for final loan approval by the Loan Review Committee, chaired by the CEO.
5. Upon approval, covenants are finalized, obligating the client to comply by the Republic of China's laws and regulations, the Environmental and Social (E&S) expectations outlined in the Equator Principles and their Action Plan. For projects with higher risk levels, the team will continuously monitor its progress. Should the project fail to meet the specified requirements and the client does not cooperate in implementing necessary improvements, the loan may be subject to be revoked.



*For Category A and, as appropriate, Category B.

Independent Review

E.SUN Bank conducts an annual assurance audit of its Equator Principles cases through an independent third-party auditor, PwC, as part of the sustainability report preparation process. This audit focuses on verifying the accuracy of reported data, including verification of the number of EP cases reviewed and declined, through inspection of compliance with internal procedures. In 2025, four cases were assessed through this assurance process.

In response to the updated Equator Principles requirements, E.SUN Bank also carried out an Independent Review on the application of the EPs to 2025 cases. These reviews were performed by the bank’ s internal compliance audit department twice during 2025, covering a total of eight cases. The sample EP transactions consisted of cases that closed or were under active EP review between January 1st and December 31st 2025.

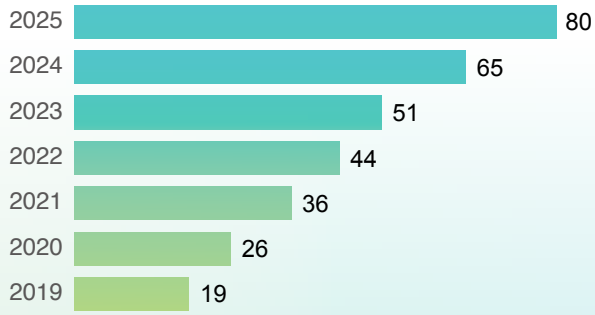
The reviews were conducted in accordance with the Equator Principles and E.SUN Bank's internal procedures. No gaps in the implementation of the EP process were identified and no recommendations for improvement were provided.

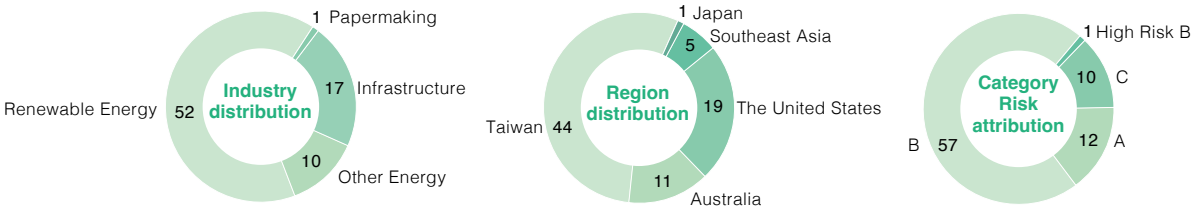
In the future, E.SUN Bank expects to use the newest version of the guidance to conduct its next Independent Review, ensuring a more comprehensive assessment of its implementation.

2025 Results

As of 2025, a total of 15 financing project cases have been signed following the Equator Principles, 2 cases were declined, making a total of 17 cases assessed.

80 Equator Principles cases cumulated till 2025





Note：According to the EPs, the risk level is divided into Category A, B and C.

Our EP focus for 2025 included:

1. 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.
2. 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.
3. 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.

Project Finance Transactions

Total number that reached financial close in the reporting period.

Sector	Category A	Category B	Category C
Mining	0	0	0
Infrastructure	0	1	4
Oil & Gas	0	0	0
Power	2[1]	5[2]	0
Others	0	0	0
Sub Total	**2**	**6**	**4**

Note 1 : All of the two Category A project finance transactions made in Power Sector were associated with Renewable Energy.
Note 2 : Out of the five Category B project finance transactions made in Power Sector, two were associated with Renewable Energy.

Region	Category A	Category B	Category C
Americas	0	4	4
Europe, Middle East & Africa	0	0	0
Asia Pacific	2	2	0
Sub Total	**2**	**6**	**4**

Country Designation	Category A	Category B	Category C
Designated Country	0	3	4
Non-Designated Country	2	3	0
Sub Total	**2**	**6**	**4**

Independent Review	Category A	Category B	Category C
Yes	2	6	4
No	0	0	0
Sub Total	**2**	**6**	**4**

Total Number of Category A Projects	2
Total Number of Category B Projects	6
Total Number of Category C Projects	4

Project-Related Corporate Loans

Total number that reached financial close in the reporting period.

Sector	Category A	Category B	Category C
Mining	0	0	0
Infrastructure	0	0	0
Oil & Gas	0	0	0
Power	0	2[1]	0
Others	0	0	0
Sub Total	**0**	**2**	**0**

Note 1 :One of the two Category B project-related Corporate finance transactions made in Power Sector were associated with Renewable Energy.

Region	Category A	Category B	Category C
Americas	0	0	0
Europe, Middle East & Africa	0	0	0
Asia Pacific	0	2	0
Sub Total	**0**	**2**	**0**

Country Designation	Category A	Category B	Category C
Designated Country	0	0	0
Non-Designated Country	0	2	0
Sub Total	**0**	**2**	**0**

Independent Review	Category A	Category B	Category C
Yes	0	2	0
No	0	0	0
Sub Total	**0**	**2**	**0**

Total Number of Category A Projects	0
Total Number of Category B Projects	2
Total Number of Category C Projects	0

Project-Related Refinance

Total number that reached financial close in the reporting period.

Sector	Category A	Category B	Category C
Mining	0	0	0
Infrastructure	0	1	0
Oil & Gas	0	0	0
Power	0	0	0
Others	0	0	0
Sub Total	**0**	**1**	**0**

Region	Category A	Category B	Category C
Americas	0	0	0
Europe, Middle East & Africa	0	0	0
Asia Pacific	0	1	0
Sub Total	**0**	**1**	**0**

Country Designation	Category A	Category B	Category C
Designated Country	0	1	0
Non-Designated Country	0	0	0
Sub Total	**0**	**1**	**0**

Independent Review	Category A	Category B	Category C
Yes	0	1	0
No	0	0	0
Sub Total	**0**	**1**	**0**

Total Number of Category A Projects	0
Total Number of Category B Projects	1
Total Number of Category C Projects	0

Project finance Case Studies

The information of the 15 EP projects in 2025 are listed below:

Project	Description	Risk Category
A	495 MW Offshore Windfarm Project in Taiwan	A
B	98 MW Data Center in Malaysia	B
C	117 MW Data Center in the USA	C
D	82.5 MW Data Center in the USA	C
E	500+500 MW Solar Panels in the USA	B
F	147 MW Solar Panels in the USA	B
G	624 MW Offshore Wind Farm in Taiwan	A
H	10+10 MW Biomass Power Plant in Taiwan	B
I	75 MW Energy Storage in Taiwan	B
J	300 MW Data Center in the USA	C
K	Electrical Cables in Australia	B
L	342MW Onshore Wind Farm in the USA	B
M	48 MW Data Center in the USA	C
N	1,209 MW Gas-fired Power Plant in Taiwan	High Risk B
O	400 MW Solar Panels in the USA	B

Project A

Project A is an offshore wind energy development located in the Taiwan Strait, approximately 35 kilometers off the coast of Taichung City, Taiwan. The 495 MW project is led by an experienced Danish renewable energy company and comprises 33 state-of-the-art wind turbines, each with a capacity of 15 MW. Project A was classified as a high-risk Category A project, following comprehensive environmental and social due diligence (ESDD) conducted by a third party in accordance with the Equator Principles. Given its location in a non-OECD country, the project was subject to enhanced due diligence requirements to ensure full alignment with the Equator Principles and applicable international standards. This rigorous process evaluated potential environmental and social impacts and established robust management measures to address identified risks.

A central focus was the project’s potential impact on biodiversity, particularly on critical marine habitats in the western waters of Taiwan. Of specific concern is the Sousa chinensis taiwanensis, commonly known as the Taiwanese white dolphin, an endangered subspecies with fewer than 30 individuals remaining along Taiwan’s west coast. The assessment also highlighted cumulative impacts arising from the increasing number of offshore wind developments in the region, which could pose additional risks to vulnerable marine mammals, reptiles, fish, and avian species.

In response to these findings, Project A has integrated biodiversity considerations into both its design and construction methodologies to minimize adverse impacts. Furthermore, the project has developed and implemented a comprehensive Biodiversity Action Plan (BAP) to address residual impacts on critical habitat features. This plan emphasizes offset mechanisms and supplementary conservation measures aimed at achieving no net loss, and where possible, net positive outcomes for biodiversity. Key initiatives under the BAP include cetacean and marine reptile rescue programs, as well as active conservation efforts for Black-faced Spoonbill habitats.

Through these targeted mitigation and conservation actions, Project A demonstrates a strong commitment to responsible environmental stewardship. While biodiversity-related risks remain a critical aspect of project oversight, ongoing monitoring, adaptive management, and collaboration with environmental stakeholders are expected to ensure that impacts are effectively managed throughout the project lifecycle.

Project B

Project B is a 98 MW data center located in Johor, Malaysia, a non-OECD country. A preliminary Environmental Impact Study (EIS) conducted in 2006 assessed the potential impacts of a mixed residential and industrial development and resulted in a Category B classification. Subsequent assessments, including a third-party Environmental and Social Due Diligence (ESDD), confirmed that the initially identified risks are limited in magnitude and manageable. Appropriate mitigation measures and management systems are in place to ensure effective risk control. The project has established a Project Environmental and Social Management Plan (ESMP), which is implemented and monitored throughout the entire project life cycle.

Major concerns about data centers usually revolve around electricity and water usage. In regard of sustainability perspective, the parent company has made ongoing public sustainability commitments, as disclosed in its sustainability reports. These include targets related to Power Usage Effectiveness (PUE) and initiatives to work with suppliers to reduce equipment-related carbon emissions. Water Usage Effectiveness (WUE) metrics are expected to be incorporated into future performance tracking.

The project is located within a previously developed industrial area, approximately 2 km from the nearest village, and therefore presents minimal risks related to community impacts, Indigenous Peoples, or biodiversity. Nevertheless, the developer has implemented robust grievance mechanisms, including: multilingual grievance channels for workers, anonymous complaint mechanisms via contractors, construction-phase grievance procedures, and a public hotline available to nearby residents.

Project O

Project O is a 400 MW utility-scale solar photovoltaic project located in Henry County, United States, developed on approximately 4,191 feet of agricultural land. As the project is situated in an OECD country, the applicable regulatory and legal framework is considered robust and adequate to manage environmental and social (E&S) risks. Nevertheless, an independent Environmental and Social Due Diligence (ESDD) was undertaken by a third party to further assess project-specific risks.

Under the Equator Principles, the project was classified as Category B, reflecting the presence of potential, site-specific and largely reversible risks, particularly in relation to biodiversity, stakeholder engagement, and grievance management.

The project is located in proximity of a biodiversity protected area. However, the ESDD concluded that anticipated impacts on fauna and flora are minor or negligible, and that appropriate mitigation measures are in place. Overall, the project is considered aligned with the Do No Significant Harm (DNSH) principle.

The project is required to comply with all applicable federal, state, and local permitting and regulatory requirements. The sponsor applies an integrated environmental, health, and safety management approach, whereby the EPC contractor implements contractual Health, Safety, and Environment (HS&E) plans and coordinates with the Operations & Maintenance (O&M) contractor on site-specific safety and risk management measures. Stakeholder engagement and consultation activities have been conducted in accordance with relevant regulatory requirements.