3.1.3 Responsible Investment

SASB: FN-IB-410a.3

ESG Investment and Decision-Making Process

E.SUN FHC adheres to the Principles for Responsible Investment (PRI) and has instituted the "Sustainable Finance Policy" that integrates environmental, social, and governance (ESG) issues into decision-making processes and management procedures for different investment portfolios, including active investments, passive investments, and externally managed assets, as well as underwriting activities. E.SUN's subsidiaries, including E.SUN Bank, E.SUN Securities, and E.SUN Asset Management, established relevant internal regulations to integrate ESG factors into their investment analyses and decision-making processes through Negative Screening and High ESG Risk Businesses Management. Through these institutional mechanisms, E.SUN also practices stewardship through engagement methods such as exercising voting rights and attending annual general meetings (AGMs), fulfilling its responsibilities as an asset owner/manager.

Investment Target Selection → Investment Execution → Interim Review → Establish & Implement Sustainability Programs

In accordance with the "Securities Sustainable Investment Management Principles," E.SUN Bank and E.SUN Securities each established management mechanisms and negative exclusion lists tailored to various asset and sector classes.

Implementation Mechanism / Asset Class	Negative Screening	Norms-Based Exclusions	Proprietary ESG Evaluation Model[1]	High ESG Risk Businesses Management[2]	Asset Class Specific Guidelines	Engagement and Shareholder Activism	Outcome Identification & Measurement
Listed Equity	V	V	V	V	V	V	V
Fixed Income	V	V	V	V	V		V

Note:
1. E.SUN incorporates ESG indicators from reputable institutions into the model, as well as companies' SBT commitments, carbon price costs and additional factors for rating basis such as GHG Offset Programs.
2. E.SUN will avoid engaging with high-risk ESG industries and businesses, including those with direct impact on the environment and society. For those with potential impact on the environment and society, we will conduct rigorous due diligence and careful assessments. Business will only be undertaken if it is verified to have no significant adverse impact on ESG and sustainable development.

E.SUN Asset Management has instituted a responsible investment and risk management framework within its investment process. The subsidiary maintains lists for prohibited industries, sensitive industries, and political and economic risk exclusions to use as essential bases for addressing targets' material ESG risk in investment decision-making and portfolio management. During both the pre-investment and post-investment management processes, the investment research team incorporates targets' ESG performance, based on third-party sustainability assessments and disclosures, into the evaluation and tracking procedures. Thereby, the company aims to drive enhancements in sustainable governance and long-term operational performance, fulfilling its impact as a responsible investor.

Step1

Investment Target Selection

Non-compliant entities are not eligible for investment

Phase-Out of Coal and Unconventional Oil and Gas Industries

E.SUN adheres to the "Guidelines for the Phase-Out of Coal and Unconventional Oil and Gas," strengthening management and proposing a phase-out plan for high GHG emitting coal and unconventional oil & gas related companies.

ESG Impact Assessment by Sector

Direct Impact Industries: Businesses involved in adult entertainment, controversial weapons, illegal logging, endangered species, coal mining, or project finance of coal-fired power plants.

Potential Impact Industries: Businesses involved in tobacco, gambling, leather production, and mining should undergo rigorous assessments and be monitored regularly.

Proprietary ESG Sustainable Investment Evaluation Model

E.SUN established its own ESG sustainable investment evaluation model based on international benchmarks such as MSCI ESG Ratings, S&P Global ESG Scores, whether the issuer is a component stocks of Taiwan's Sustainable Index, and additional factors such as Science-Based Targets (SBT) commitments, carbon pricing costs and Ministry of Environment Self-determined Reduction Plans approval. Investment targets must achieve a minimum BBB rating (inclusive) as per the assessment model.

Step2

Interim Review

- Evaluation of verification or engagement with investee companies on significant proposals with negative ESG impacts.
- Annual review of shareholder meeting proposals, meeting participation, and exercising voting rights on a case-by-case basis.
- Disclosure of information from regular and ad-hoc communications with investee companies.

Step3

Establishment and Implementation of Sustainable Plans

- Regularly review the status of SBT-target-setting for securities investment portfolios.
- Invite corporations to support initiatives and take concrete actions toward environmental sustainability.

E.SUN incorporates biodiversity issues into its bond-raising investment plans. E.SUN continues to issue sustainable bonds to achieve nature positive goals.

- Funds are earmarked for renewable energy, agricultural and forestry conservation, and biodiversity maintenance projects (e.g., E.SUN's organic farming transformation "Malavi Project").
- The Bonds incorporate Nature-based Solutions (NbS), enhancing species resilience through habitat creation and reduced pesticide use; E.SUN also quantifies nature-related risks and opportunities within the TNFD framework.
- Following the regulations of the Taipei Exchange, third-party certification bodies' assessment reports and farmers' independent ecological surveys (recording over 10 rare and endangered species) serve as evidence of substantial social and environmental impact.

Sustainable Bond Issuance and Advisory Services

Sustainable Bond Issuance

E.SUN continues to expand its efforts toward environmental and social friendly projects. In 2025, E.SUN Bank issued 4 sustainability bonds with a total issuance amount of NT$ 3.62 billion. This marks the ninth consecutive year of issuing of sustainable bonds since its first green bond issuance in 2017. The cumulative issuance amount is approximately NT$ 29.8 billion, making E.SUN Bank the continuing leader among domestic banks in both scale and number of sustainable bonds issued. E.SUN Bank remains committed to allocating funds raised to green investment projects related to renewable energy, greenhouse gas reduction, and the conservation of agriculture, forestry resources, and biodiversity. The funds also support social benefit investment projects targeting basic service needs, affordable housing, socioeconomic development, and rights protection. In 2025, E.SUN Bank was honored with the "Outstanding Green Finance Award" at the 18th Golden Goblet Awards by the Securities and Futures Institute, the Gold Award for "Case Impact - Sustainable Bond" at the Taiwan Sustainability Investment Awards, and the APAC Best Issuer - ESG (Financial Institutions) award by FinanceAsia. The bank aims to actively leverage its financial influence to create long-term sustainability and social value.

Overview of E.SUN Bank 2025 Sustainable Bond Issuance	CCY	Issuance Volume
Sustainable Bond Issuance Volume	TWD	3,620,000,000
Sustainability Bond	TWD	3,620,000,000
Total Bond Issuance Volume	TWD	5,620,000,000
Percentage of E.SUN Bank Sustainable Bond Issuance over Total Bond Issuance		64.41%

100 % of issued Sustainable Bonds successfully obtained accreditation

Sustainable Bond Underwriting

E.SUN Bank also collaborates with clients interested in sustainability topics to assist in raising funds for sustainable development initiatives. In 2025, the organization underwrote 1 green bond and 2 sustainability bonds, with an annual underwriting volume totaling approximately NT$ 1.1 billion on a prorated basis. By year-end, E.SUN Bank served as the underwriter for a total of 47 sustainable bonds, which included 30 green bonds, 14 sustainability bonds, 2 social bonds, and 1 sustainability-linked bond, with an aggregate value of approximately NT$ 29.1 billion. All issuances strictly adhere to ICMA principles and have received third-party professional certification, ensuring that the structure and execution strictly align with their respective issuance frameworks.

Overview of 2025 Sustainable Bond Underwriting	CCY	Underwriting Volume on a Prorated Basis
Sustainable Bond Underwriting Volume	TWD	1,100,890,000
Green Bond	USD	20,000,000
Sustainability Bond	USD	15,000,000
Total Underwriting Volume	TWD	45,751,838,388
Percentage of Sustainable Bond Underwriting Volume over Total Underwriting Volume		2.41%

E.SUN Bank utilizes its financial services to support environmental projects by offering hedging advisory services for sustainable-themed investments and financing. In 2025, E.SUN Bank added 5 new cases, totaling NT$ 11.5 billion in interest rate swap (IRS) hedging services for offshore wind power, onshore wind power, and solar energy investment projects. E.SUN will continue to assist enterprises through its financial services to collectively build a sustainable finance ecosystem.

Proprietary Sustainable Investment Products

Unit: NT$ million

Investment Approaches	E.SUN Bank	E.SUN Asset Management	Total
Total Sustainable AuM	12,707.20	73,612	86,319.20
ESG integration[2]	0	72,948	72,948
Best in Class Screening	0	664	664
Thematic Investing	12,707.20	0	12,707.20
Total AuM	68,830.70	92,361.50	161,192.20
Percentage of Sustainable AuM	18.50%	79.70%	53.60%

Note:

1. Proprietary investment product includes E.SUN-issued financial bond and onshore fund.
2. ESG Integration: Consider ESG factors into the process of investment decision.
3. Best in Class Screening: Invest in the company with positive ESG performance relative to industry peers.
4. Thematic Investing: Invest in certain environmental or social issues, such as energy transition, climate change, promotion of equality, and so on.

Impact Investing Results

Driven by a commitment to generate positive financial impact, E.SUN utilizes the United Nations Sustainable Development Goals (SDGs) as an evaluation benchmark to invest in enterprises that positively resolve social or environmental issues. In 2025, E.SUN Venture Capital invested in an intelligent climbing unmanned vehicle company. This company engages in the research and development of wall-climbing magnetic-adhesion unmanned vehicles and outdoor inspection robots, which are utilized for large-scale industrial carbon steel storage tank maintenance and chemical gas leak inspection and detection. Through the application of AI image recognition and ultrasonic testing to detect storage tank corrosion, they has assisted petrochemical enterprises in reducing pollution and preventing chemical substance leakage accidental events. Simultaneously, it replaces traditional manual operations via automated unmanned spraying without requiring the erection of scaffolding which effectively reduces carbon emission generation and enhanced operational safety. In addition, it actively invests in the development of high-efficiency thermal insulation and anti-fouling coatings to lower storage tank energy consumption and optimize energy use efficiency.

Sustainable Stewardship

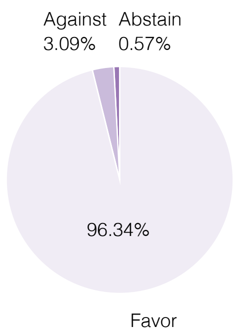
Engagement and Voting Assessment Methods and Processes

1. E.SUN's subsidiaries, including E.SUN Bank, E.SUN Securities and E.SUN Asset Management, have signed and adhere to the "Stewardship Principles for Institutional Investors." To ensure transparency, E.SUN's subsidiaries publicly disclose their respective stewardship reports on an annual basis. Following the "Sustainable Development Engagement Guidelines," E.SUN engages in shareholder activism to communicate with investee companies, enhancing the long-term value and ESG performance of these engaged entities.
2. Engagement Process and Progress Tracking: The evaluation process and progress tracking for equity and bond investments are conducted in accordance with the "Sustainable Development Engagement Guidelines". The steps include:
   (1) Engagement Framework: E.SUN engages with target entities based on a comprehensive evaluation that includes the status of business relationships, their ESG actions and performance, and the carbon materiality within our investment and financing portfolios.
   (2) Assessment of Engagement Effectiveness and Behavioral Tracking: After engagement, E.SUN tracks the progress of engagement goals through written reports, conference calls, site visits, participation in investor conferences, attendance at annual general meetings (AGMs), or reviews of public disclosures.
   (3) Post-Engagement Potential Actions/Influence on Future Investment Decisions: E.SUN reviews whether investee companies have made significant progress toward their engagement goals. If these goals are not met, E.SUN will maintain an ongoing dialogue, evaluating further escalation measures, including collaborative engagements or reducing/divesting our investment portfolios.
3. Exercise of Voting Rights: As a matter of policy, E.SUN generally votes in favor of proposed resolutions to respect the management expertise of investee companies and support their effective development. However, should a resolution violate the spirit of corporate governance or pose negative impacts on the environment and society, E.SUN would vote against it to fulfill E.SUN's fiduciary duty and exert a positive, active influence on stewardship.

In 2025, E.SUN's subsidiaries, including E.SUN Bank, E.SUN Securities, and E.SUN Asset Management, participated in a total of 330 annual general meetings (AGMs) to vote, casting ballots on 2,650 proposals covering ESG issues. Their voting breakdown consisted of 96.34% in favor, 3.09% against, and 0.57% abstain.

Proposal	Total Proposals
Acceptance of Business Report and Financial Statements	557
Distribution of Earnings or Offsetting of Losses	536
Amendments to the Articles of Incorporation or Operational Procedures	775
Election of Directors and Supervisors	231
Dismissal of Directors and Supervisors	0
Release of Directors from Non-Compete Restrictions	344
Issuance of New Restricted Employee Shares	63
Issuance of Employee Stock Options at Below Market Price	6
Transfer of Treasury Shares to Employees at Below Actual Average Buyback Price	0
Company Dissolution, Merger, Acquisition, Share Exchange, or Spin-off	2
Capital Increase (Capitalization of Earnings/Capital Reserve/Bonus Shares, or Issuance of New Shares for Cash)	109
Private Placement of Securities	21
Capital Reduction / Cash Capital Reduction (to Cover Losses or Return Cash)	0
Exercise of Disgorgement Rights	0
Others	6
	Total of 2,650 Proposals

2025 Voting Status of E.SUN Bank, Securities, and Asset Management



Engagement Results

1. Individual Engagement

Engaged Entity	Engagement Topic	Engagement Result
E.SUN Bank actively engaged through floor statements at the Annual General Meeting (AGM) of its investee company, ***Electronics Co., Ltd.	Shareholder Engagement on Nature-Related Disclosures and Sustainable Economic Activity Guidance Planning	1. The company responded proactively, publishing its first "Nature-related Financial Disclosures Report" in 2025. 2. The company completed its assessment under the sustainable economic activity guidance and planned to disclose the alignment status of its business operations through its sustainability report and official website.
E.SUN Securities actively engaged through floor statements at the Annual General Meeting (AGM) of its investee company, ***Marine Transport Co., Ltd	Engagement for enhancing the ESG ratings of investee companies across global rating agencies	The investee company responded that it had installed solar energy facilities to effectively reduce its carbon emissions. Moreover, the company established relevant targets and disclosed them in its annual report and sustainability report to align with international sustainability disclosure standards. It also continues to formulate specific ESG action plans.
E.SUN Asset Management actively engaged through floor statements at the Annual General Meeting (AGM) of ***Industrial Co., Ltd., an investee company held by its managed funds.	Shareholder Engagement on Energy Transition Strategies and Regulatory Carbon Fee Readiness	1. The company actively promotes low-carbon manufacturing and installed natural gas boilers in the first quarter of 2025 to replace coal-fired boilers. The company also continues to invest in new paper machines to lower energy consumption in its production processes. 2. The company has established clear carbon reduction targets, aiming for a 40% reduction by 2028. The company has submitted a self-determined reduction plan and commits to systematically executing the plan on schedule.

2. Collaborative Engagement

Engaged Entity	Engagement Topic	Engagement Result
E.SUN Bank, E.SUN Securities, and E.SUN Asset Management collectively invested in and engaged with ***Rubber Industrial Co., Ltd.	Engagement for： 1. Elevating the sustainability governance level 2. Improving overall ESG performance and disclosures in alignment with global frameworks	The company has： 1. Established a Sustainability Development Committee in November 2025 and appointed a Chief Sustainability Officer (CSO) in March 2026. 2. Launched its official English website and integrated stakeholder questionnaires into annual planning discussions to facilitate seamless communication with both domestic and international stakeholders.