

E.SUN Bank Ethical corporate management

Item	Status of implementation			Any discrepancies and reasons for such with Trustworthy Operations Best-Practice Principles for TSE/GTSM Listed Companies
	Yes	No	Summary	
<p>1. Adoption of an ethical management policy and action plan</p> <p>(1) Has the company implemented a board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices as well as the commitment of the board of directors and the executive management to enforcement of the ethical corporate management policy?</p> <p>(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of the risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least those described in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM Listed Companies?</p> <p>(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against dishonest conducts, and enforce the programs effectively and perform regular reviews?</p>	√		<p>(1) Based on a board of director's resolution, the Company has established a set of "Ethical Corporate Management Principles, Operational Procedures and Guidelines (hereafter "Ethical Corporate Management Principles," applicable to the Company as well as its subsidiaries). It spells out E.SUN's ethical corporate management policy, which is specified through such channels as the corporate website, external documents and investor briefings. Meanwhile, it also specifies that the board of directors shall exercise the due care of a good administrator to urge the Company to prevent unethical conduct, always review the results of preventive measures, and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policy. All E.SUN directors and executive managers have signed the statement of compliance with ethical corporate management to declare a commitment to uphold ethical corporate management best practice principles while conducting business activities and to actively assist the board of directors in fulfilling its promise of ethical corporate</p>	No difference

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			<p>management and overseeing ethical corporate management compliance in internal management practices and other business activities.</p> <p>(2)E.SUN has always been committed to business integrity, and does not engage in business activities with a higher risk of involving unethical conduct in the scope of business. E.SUN also takes step to reinforce related preventive measures, and always take a politically impartial position by not making any political donations. E.SUN has mechanisms in place to assess the risk of unethical conduct. The departments assess business activities with a higher risk of involving unethical conduct in the existing scope of business. Preventive measures and related management mechanisms are added to the compliance self-checklist. The preventive measures are reviewed semiannually to ensure appropriateness and effectiveness. Such reviews cover at least the preventive measures described in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM Listed Companies.</p> <p>(3)E.SUN takes an active approach to preventing unethical conduct. The company makes ethical corporate management part of the employee</p>

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			performance evaluation and human resources policies, and implements and follows clear and effective complaints and disciplinary systems. The preventive measures above are reviewed thoroughly every six months.	
<p>2.Implementation of Ethical Management</p> <p>(1)Does the company evaluate the records of ethical conduct of its business counterparties and include integrity clauses in its contracts with business counterparties?</p> <p>(2)Does the company have a unit that supports ethical corporate management practices on a full-time basis under the board of directors, and reports the ethical management policy and programs against unethical conduct regularly (at least once a year) to the board of directors and oversees the operations?</p> <p>(3)Does the company adopt a policy for avoiding conflicts of interest, provide appropriate means for reporting on any such conflict, and implement them without fail?</p> <p>(4)Does the company have effective accounting and internal control systems in place to enforce ethical management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical</p>	√		<p>(1)In the Ethical Corporate Management Principles, it is specified that the Company shall refrain from having any dealings with parties that have any records of unethical conduct. When entering into contracts with other parties, the Company shall include in such contracts provisions demanding ethical corporate management policy compliance.</p> <p>(2)E.SUN has a Corporate Governance and Nomination Committee to support ethical corporate management and be responsible for devising and overseeing the ethical corporate management policy and unethical conduct prevention programs. The committee is also responsible for revision, execution, and interpretation of the code of conduct as well as related advisory, reporting and filing procedures. Results are submitted to the board of directors at least once a year.</p> <p>(3)The results are reported to the board of directors at least once a year. The Ethical Corporate Management Principles shall specify policies for</p>	No difference

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<p>conduct or hire outside accountants to perform the audits?</p> <p>(5) Does the company offer internal and external training with regard to ethical management on a regular basis?</p>			<p>preventing conflicts of interests and provide a viable communication and complaint system. Employees can file reports through a number of channels to management and the human resources department.</p> <p>(4) E.SUN has implemented effective internal control systems. The company has an internal audit unit that reports to the board of directors and follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct. The unit also reports results to the Audit Committee and the board of directors at least once every quarter.</p> <p>(5) The Company undertakes training with regard to ethical service principles and behavioral guidelines on a regular basis. All employees are required to take the said training courses and pass tests afterwards</p>	
<p>3. Status of the company's implementation of its mechanism for whistle-blowing:</p> <p>(1) Whistleblowing system: Does the company establish a mechanism that incentivizes informants to report any wrongdoing, put in place channels convenient for taking such action and assign appropriate personnel to handle such cases?</p> <p>(2) Does the company have in place standard operating procedures for</p>	√		<p>(1) For the purpose of developing a corporate culture of integrity and transparency and facilitating sound business practices while protecting the rights of whistleblowers, the establishment of the E.SUN BANK Procedure For Handling Whistleblowing Reports was passed in the 10th meeting of the 9th board of directors of the Company on August 10, 2018, after which the</p>	No difference

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<p>investigating reports and taking follow-up actions and the necessary confidentiality measures?</p> <p>(3) Does the company adopt measures to make sure that informants do not receive improper treatment because of their report?</p>			<p>Procedure has been revised on numerous occasions. Whistleblowing hotlines, email addresses, and mailboxes were set up and announced on the corporate website and on the internet. These channels are available to any insider or outsider wishing to report crime, corruption, or illegal conduct. The Compliance Department is the receiving unit for whistleblowing reports. The President is responsible for appointing suitable individuals in non-conflicting roles to form an investigation team based on the nature of each case. External agencies or experts or academics may be hired to provide assistance as needed. In addition, the Company has implemented and follows the Corporate Governance Best Practice Principles, Ethical Corporate Management Best Practice Principles, and Ethical Procedures and Code of Conduct. The Company actively prevents unethical behaviors and encourages internal and external whistleblowing on unethical or improper conduct. There are clear and effective systems that enforce rewards and discipline as well as other open channels of communication. The Stakeholders page on the Company's website provides an effective means of communication for employees,</p>

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			<p>shareholders, stakeholders, and outsiders. Email addresses of the Audit Committee (independent directors) are disclosed to give insiders and outsiders direct access to all independent directors on the Audit Committee.</p> <p>(2)The E.SUN BANK Procedure For Handling Whistleblowing Reports state the standard procedures for handling reported malpractices and the duty of confidentiality. The accepting unit should confirm a report before sending it to the investigating unit for investigation and review. The accepting unit should also keep the whistleblower updated on acceptance, processing, and results of the report. Any report found to involve any extraordinary or illegal incident should be filed or reported to the appropriate competent authorities. The Company maintains confidentiality of the whistleblower identity and any details of reports during both the accepting and investigating procedures. It does not reveal, disclose, or publish any confidential information or otherwise make such known to any irrelevant third parties. The Company also takes effective measures to protect information as appropriate. Directors, managers, staff, agents and employees of the Company</p>

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			<p>shall not assist, become involved, participate, review or take any other action in the acceptance, investigation, and disciplinary procedures which might affect the investigation or outcome of a case, if details of the case meet the criteria for recusal.</p> <p>(3)In cases where the directors, managers, staff, appointees, or other affiliated personnel of E.SUN determine that they fall within the circumstances requiring avoidance based on the content of the reporting case, those related personnel must recuse themselves from the acceptance, investigation, and disciplinary procedures associated with the reporting case. They shall not assist, involve themselves, participate, approve, or otherwise influence the investigation process or outcome of the reporting case.</p> <p>(4)The Company keeps whistleblower identity strictly confidential and provide measures to protect whistleblowers from unfavorable treatment or retaliation.</p>	
<p>4.Improvement of information disclosure</p> <p>Does the company disclose the content and implementation status of its Principles for Ethical Management on its own website and the TWSE's</p>	√		<p>E.SUN FHC which is our parent company makes public its ethical corporate management principles and behavioral guidelines as well as other related measures both on its own website and on the TWSE's Market Observation Post System website.</p>	No difference

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Market Observation Post System website?				
<p>5. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM-Listed Companies, please describe the Company's implementation of the principles and any discrepancy therein and explain why: none.</p>				
<p>6. Other information to understand more about the Company's Ethical Corporate Management practice.</p> <p>Guidelines, code of conduc and specific integrity management practices established by E.SUN FHC, our parent company, are kept constantly up to date to meet external regulations and the needs of ethical corporate management. E.SUN follows the philosophy of "Pure as Jade, Sturdy as Mountain" and strives to become "the benchmark in banking and service". E.SUN works hard to fulfill the commitment to its ethical corporate management policy and sound business practices.</p> <p>The company strives to fulfill corporate social responsibility while pursuing sustainability, and relevant results of implementation in 2023 are stated as below.</p> <p>(1)Education and training:</p> <p>The training courses include legal knowledge, service rules and code of conduct, promotion of fair customer treatment, ESG operations and practices etc. required for the financial personnel, raising awareness on risk, discipline and process. Content such as self-inspection practices, regulatory compliance, risk management, anti-money laundering, information security, etc. are also incorporated into the training course for newcomers and professional training courses for mid-level officers and various businesses. The courses make use of case studies to reinforce the three lines of defense, fair customer treatment and financial friendly services. In addition, the spirit of corporate management and rule of law was also arranged in the Academy of Excellence to promote the importance of business management risk discipline from a leadership perspective.</p> <p>(2)Promotion of compliance:</p> <p>The Compliance Division has organized compliance education and training for all employees, covering topics on personal information protection, anti-money laundering, and internal control. The aim is to effectively implement our ethical management policy and ideals by strengthening the idea of zero trust in operational procedures and zero tolerance on risks and discipline, placing emphasis on the principle of treating customers fairly, friendly financial services guidelines and self-discipline practice of fair treatment to elderly customers to protect the rights of financial consumers, and improving employees' compliance knowledge and compliance capability.</p> <p>(3)Annual examinations:</p> <p>E.SUN.Bank has had all employees complete an online test every year. The test encompasses the "E.SUN FHC Ethical Corporate Management Best Practice Principles," the "E.SUN FHC Ethical Procedures and Code of Conduct," and risk and discipline procedures. The test for 2023 was focused on ethical business activities, the principle of treating customers fairly, risk control, legal compliance, and anti-money laundering practices.</p> <p>(4)E.SUN.Bank has established the " E.SUN BANK Procedure For Handling Whistleblowing Reports" As of the end of 2023, a total of 44 cases were received through our reporting channels, of which 42 were customer complaint cases related to disputes, all of which have been appropriately handled by</p>				

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<p>the Customer Service Department. One case involved content related to E.SUN Securities and was transferred to E.SUN Securities for handling (it was a duplicate report with the financial holding company). The other case pertained to feedback during a personnel interview and has been duly addressed by the Human Resources Department. Both of these cases were straightforward and did not fall under the reporting category. Each case was assigned to the appropriate unit for investigation and handling based on the type of report, and, where applicable, the reporting individual was notified of the handling outcome in an appropriate manner.</p> <p>(5) All directors and executive managers of the Company have signed the statement of ethical corporate management to declare that they uphold the principles of ethical corporate management while conducting business activities and will actively assist the board of directors in fulfilling its commitment to ethical corporate management and overseeing ethical corporate management compliance in internal management practices and other business activities. All E.SUN employees will also sign the "E.SUN Employee Service Code of Conduct and Behavior Standards", resulting in a 100% signing rate.</p> <p>(6) E.SUN Bank has established a mechanism for evaluating the risks of unethical conduct. Each unit focuses on their current activities and assess which of these activities are at greater risk for unethical conduct. Preventive measures and relevant management mechanisms are included in the procedures of self-assessment on legal compliance. Regular analyses are conducted to review the adequacy and effectiveness of the preventive mechanisms. Based on the unethical conduct risk assessment result, the Auditing Division performed a random inspection and found that the inspected units have included the aforementioned risks of unethical conduct in their self-assessment. Their implementation status is considered satisfactory.</p> <p>(7) E.SUN Bank has entrusted Deloitte to provide dishonest behavior risk assessment mechanism consulting services in 2023, refer to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies " and the ISO37001 international anti-bribery standard, etc. Standardize and summarize the top ten risk patterns of dishonest behavior, based on the bank's existing risk control self-assessment structure and platform, and integrate it with Deloitte's methodology to form E.SUN Bank's dishonest behavior risk assessment methodology. The annual assessment results will present the risk distribution of the entire bank, each department, and each main business process, and the relevant results will be compiled to produce an annual dishonest behavior risk assessment report, which will be provided to the management to continuously monitor dishonesty from different dimensions and perspectives. Changes in behavioral risk trends to continuously optimize internal control policies.</p>				