



E.SUN FHC SUSTAINABILITY REPORT 2022





Better E.SUN, Brighter Taiwan

About the Report

GRI : 2-1 、 2-2 、 2-3 、 2-4 、 2-5

E.SUN Financial Holding Co., Ltd. (E.SUN FHC) appreciates your attention to our 12th Sustainability report. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Core Option, U.N. Sustainable Development Goals (SDGs), GRI Financial Services Sector Supplement, Corporate Social Responsibility Best Practice Principles for TWSE / TPEX Listed Companies, ISO 26000 guidance on social responsibility, UN Global Compact, Industry Standards issued by Sustainability Accounting Standards Board (including Commercial Bank, Consumer Finance, Investment Banking & Brokerage, Mortgage Finance, Asset Management), and the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies. E.SUN FHC published Sustainability report in both English and Chinese version every year, and the report can be downloaded from the "ESG" section of E.SUN FHC official website. Through publication of this Sustainability report, we hope to communicate the ideas and practices that E.SUN has adopted towards achieving sustainability with our stakeholders. We hope to learn and grow together, and bring positive influence to the society.

Period of report

The report is published every year since 2011. This year's report covers performance in economic, social and environmental indicators in 2022 (from January 1 to December 31, 2022). In order to present a more comprehensive picture of various projects and campaigns undertaken by E.SUN FHC, the report also discloses activities that occurred prior to January 1, 2022 and after December 31, 2022. The last version was published in June 2022.

Scope of report

The scope of disclosure focuses on operating activities and services of E.SUN FHC and its subsidiaries (E.SUN Bank, E.SUN Securities, and E.SUN Venture Capital, E.SUN Investment Consulting) in Taiwan, which accounts for 99.8% (not including E.SUN Bank's subsidiary, Bank Pro) of E.SUN FHC's net revenue. Statistics in this CSR report have been presented in a manner consistent with common international standards, and cover the performance of some of E.SUN's overseas branches. Disclosures on social welfare and charity cover the two non-profit foundations (namely E.SUN Volunteer and Social Welfare Foundation and E.SUN Culture and Education Foundation) and subsidiaries; whereas disclosures concerning environmental protection (e.g. use of water, electricity, petrol etc) cover E.SUN's Taipei Headquarter Building, Second Headquarter Building, Summit Campus, Hope Campus, Technology Building, Boai Building, and overseas and domestic branches. Any special meanings pertaining to the above quantitative indicators are explained in separate footnotes.

Reporting Basis

Organization	Principle
The Global Reporting Initiative, GRI	GRI Standards 2021
	G4 Financial Services Sector Disclosure
Taiwan Stock Exchange, TWSE	Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies
United Nations, UN	Sustainable Development Goals, SDGs
	Summary of Global Compact Disclosure
International Organization for Standardization, ISO	ISO 26000 Social Responsibility Guidance
SASB (Sustainability Accounting Standards Board)	Commercial bank, Consumer Finance, Mortgage Finance, Asset Management
TCFD	Recommendations of the Task Force on Climate related Financial Disclosures

Standard of Information

Data category	Standard	Certifying Organization
Sustainability data	AA1000 Assurance Standards v3 (Type 2 high-level assurance)	BSI Taiwan
	Statement of Assurance Engagements Standards No. 1, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" in the Republic of China	PwC Taiwan
Financial data	Annual financial report	Deloitte
Environmental data	ISO 14064-1 : 2018 Greenhouse Gas Inventory	SGS Taiwan PwC Taiwan
	ISO 14046 : 2014 Organizational Water Inventory	
	ISAE 3000 & 3410 : Carbon emissions of lending and investment portfolio	

Note: This report is based on the principles of accuracy, balance, clarity, comparability, reliability and timeliness of the GRI Sustainability Reporting Guidelines. The source is provided by E.SUN FHC and its subsidiaries, and all content is approved by the Sustainability Committee and senior management.



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[Feedback](#)

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Message from the Chairman and the President

GRI : 2-22



Chairman, E.SUN FHC

President, E.SUN FHC

Yung-Jen Huang

Maqi Chen

Eternal Mountain, Sustainable Business Development

Named after Jade Mountain, E.SUN not only focuses on the financial business but also makes an eternal commitment to this land. We embrace the vision of becoming a 'world-class corporate citizen' and strive to be the most respected and effective enterprise, pursuing a balanced development in economy, society, and environment. We also join hands with like-minded corporate partners to work together for a just and sustainable society and environment.

From Commitment to Implementation

The outbreak of the Russo-Ukrainian war in 2022 led to soaring global energy prices and inflation, testing the wisdom and determination of all parties in pursuing balanced ESG development. The Egypt-hosted United Nations Climate Conference COP27 set the theme of 'From Commitment to Implementation', with the slogan 'Together for implementation' visible in four locations, reflecting the phenomenon of empty promises without corresponding actions.

Since setting the goal of becoming a net-zero emissions bank by 2050, E.SUN has been actively promoting various carbon reduction initiatives, from the management team's personal commitment to the implementation in daily work. We are gradually realizing our net-zero transformation goals in every aspect of the enterprise. Compared to the base year (2020), we achieved a 10% reduction in Scope 1&2 carbon emissions in 2022. Introduced carbon

pricing in investment and lending businesses, and integrated TCFD & TNFD frameworks to publish climate and natural environment reports, receiving high recognition from the TNFD organization and making steady progress towards our ambitious goals.

A journey of a thousand miles begins with a single step. The key to fulfilling our commitments lies in execution. E.SUN team is committed to advancing towards the three major mountains of 'integrated performance, corporate social responsibility, and sustainable development'. In the process of implementing our goals, we also continuously refine ourselves. In addition to net-zero targets, E.SUN also responds to global biodiversity targets, referring to Taiwan's 'forest bird species' and 'agricultural land bird species' national indicators, striving to promote natural growth recovery before 2030 and realizing the vision of a beautiful homeland.

People-oriented, Sowing the Seeds of Hope

In 2023, E.SUN invited Amy Edmondson, a top-ranked global management thinker from Thinkers50, to cultivate more leaders with empathy, understanding, and curiosity, encouraging employees to speak up about potential issues and create a resilient organization that can overcome challenges in a changing environment.

Empathy, understanding, and curiosity are also the elements that E.SUN values in its people-oriented approach. For example, in promoting inclusive finance, we first understand the pain points of vulnerable groups such as the elderly, rural areas, and low-income populations in financial services. We actively develop innovative finance and collaborate with cross-industry partners to provide humanized financial services. Specific actions include our proactive care for the disadvantaged, sharing microinsurance protection concepts and assisting the public in insurance investments in rural areas, providing basic personal insurance for economically disadvantaged and specific ethnic groups; and cooperating with medical institutions to establish dementia-specific and simulation education training, enhancing empathy and understanding of dementia patients and providing empathetic financial services, realizing the ideal of inclusive finance.

To sow more seeds of hope and sustainable energy, E.SUN has integrated ESG finance practices into the education and training of its internal staff at all levels. We have also pioneered the Sustainable Finance Management Certificate program, inviting external professional lecturers to conduct 40 hours of on-the-job training in sustainable finance. Externally, we provide practical experience sharing, helping students

from over 5 universities and colleges gain a better understanding of corporate sustainability challenges and practical experience. We firmly believe that the future financial talent not only needs to be proficient in financial expertise but also equipped with sustainable literacy to lead the financial industry with a long-term perspective and a more responsible civic spirit that influences industrial development.

Financial Well-being, Sustainable Future

Since ancient times, finance has played a crucial role in the development of civilization, as it enables the transfer of resources across time, the pooling of resources, and the diversification of risks. E.SUN firmly believes that finance will be a key driver of global sustainable development. Therefore, E.SUN is committed to helping businesses manage emerging risks and has called on over 130 companies to join the sustainable initiative for two consecutive years, jointly addressing international carbon taxes, green supply chain requirements, and implementing various ESG actions. We hope that more businesses will actively participate in the movement, just as President Tsai encouraged, 'Let us work together to turn the challenges of transformation into opportunities, allowing our industries to have better development and stronger competitiveness.'

Thanks to past efforts, E.SUN has joined the Sustainable Finance Frontiers Alliance under the Financial Supervisory Commission's call, pledging to take more proactive actions on five major issues: green procurement, investment and financing agreements, information disclosure, assistance and promotion, and international docking. E.SUN also serves as the convener of the policy and guidance group in the

Financial Zero Emissions Working Platform, assisting Taiwan's financial industry in examining the financial carbon emissions status, setting zero-emission targets, and promoting more effective corporate attention to sustainability issues and accelerating capital investment in transformation projects through the Financial Zero Emissions Platform.

Offering the World a Better Taiwan Offering Asia a Better E.SUN

As the President mentioned in the Double Ten Day speech, 'Offering the World a Better Taiwan' can be achieved through self-strengthening and international cooperation, and can lead to regional peace and stability. 'Offering Asia a Better E.SUN' aims to connect more businesses through E.SUN's efforts to gradually become a distinctive benchmark enterprise in Asia while enhancing the sustainable industrial competitiveness of Taiwan's small and medium-sized enterprises, ultimately making Taiwan more prosperous and powerful.

For others, it might be a great dream for a single enterprise to help the whole country become more prosperous and powerful. However, E.SUN was founded with the ambition to become a world-class bank, guiding generations of E.SUN members like the North Star, filling us with passion and hope, and gathering more people to pursue this dream bravely. Now we are sharing this great dream with more enterprises, looking forward to having more like-minded partners join us, and striving together for our ideal homeland. 🏡

Honors and Recognitions

Economy

- Total assets exceeded **NT\$3.4 trillion**
- Market value ranks in the **top 20** of all listed companies in Taiwan
- S&P ratings for subsidiary E.SUN Bank have been improved to **A / stable**
- Ranked **1st** in SME lending for **16** years in a row among private sector banks



Environmental

- The first financial institution in Taiwan to pass the target review of **SBT**
- Engaging with **133** outstanding enterprises in Taiwan to publicly support sustainability actions
- Ranked **1st** in amount of sustainability bonds issued by financial institutions



Social

- Established **173** E.SUN Libraries
- Scholarship to a total of **244** key talents in each field for **18** consecutive years
- E.SUN Academic Award established for **12** years, with a total of **68** teachers receiving the award





Overall Performance



Forbes

Ranked 1st in Taiwan's banking industry in the "World's Best Banks" (2022)



Finance Asia

The Best Bank in Taiwan (2022)



Asiamoney

Best SME Bank for the 5th time (2014-2016、2018、2022)



Corporate Governance Asia

Asia's Best CEO for the 7th time (2015-2016、2018-2022)



Enterprise Asia

Responsible Business Leadership for the 5th consecutive year (2018-2022)



S&M Enterprise Credit Guarantee Fund of Taiwan

Ranked 1st in the Financial Institution Division of the Credit Guarantee Golden Quality Award for 17 consecutive years (2006-2022)



HR Asia

Most Caring Companies Award for consecutive year (2020-2022)



Financial Innovation



IDC

Won the Future Enterprise Award and the Special Award for Digital Resiliency



The Asian Banker

Won the Best Big Data, Artificial Intelligence, and Machine Learning Project in Taiwan



The Asset

Best Digital Wallet in Taiwan



Wealth Magazine

Gold Award for Best FinTech Bank in the FinTech Innovative Application Award (2016-2022)



Commercial Times

Best Nursing Trust Innovation Award
Best Trust Commodity Integration Innovation Award



Sustainable Development



DJSI

- Selected as constituent stock of DJSI for 9 consecutive years
- Ranked 1% in Bank industry (2022)



MSCI ESG Ratings

Upgrading to AAA (2022)



Sustainalytics ESG

Risk Ratings
Ranked top 1% among global banking industry (2022)



FTSE4Good

Listed in Emerging Index for 6 consecutive year (2017-2022)



CommonWealth magazine

Ranked 1st in Large enterprise of Corporate Citizen Award (2022)



TCSA

Ranked 1st among financial institutions in Top 10 Exemplary Enterprise of Taiwan Award for 8 consecutive years (2015-2022)



From Pledge to Action: Together for Implementation

E.SUN Attends COP27, Speaking Up for Taiwan

Combining climate action with finance to build a more resilient social system and let the world see Taiwan.

"Taiwan Can Help", a key player in climate solutions

In 2022, COP27 was held in Sharm El-Sheikh, Egypt. E.SUN was invited to speak at the largest side event, the World Climate Summit, on the topic of "New Climate Finance in Taiwan." E.SUN shared how it promoted the net-zero transition through financing and investing.

Joseph Huang, Chairman of E.SUN Bank, demonstrated Mt. Jade, introducing it to the on-site and online attendees as "Mt. Jade - the highest mountain in Taiwan." In his speech, he mentioned that due to Taiwan's geological conditions, high-tech industry concentration, and independent power grid, energy transition has become a huge challenge for Taiwan to achieve net zero by 2050. However, benefiting from Taiwan's abundant wind energy resources in the Taiwan Strait, the close cooperation between the government and the private sector in vigorously developing offshore wind power, rapidly constructing diverse renewable energy sources such as solar power and fishery and electricity symbiosis system. They strive to balance environmental protection and energy demand, and these experiences can serve as references for other island nations. E.SUN believes that capital and markets can be

powerful, and looks forward to Taiwanese enterprises playing a greater role on the international stage, leveraging technology, capital, and collaboration. "Taiwan Can Help" is not just a slogan; we can provide concrete and effective assistance, and Taiwan can become an integral part of the world's climate solutions!

New definition of sustainable development

Sustainability and climate have become the new cross-border language, and COP is an important platform for cross-border cooperation. Along with representatives, experts, scholars, and like-minded individuals from various countries and regions, E.SUN will exchange new climate ideas and continue to learn from them. We want to use COP as a platform with global attention and influence, to empower Taiwanese enterprises, and let the important but often overlooked voices be heard, highlighting key issues and sparking discussions. We want to inspire more new ideas, open up more dialogues, and let the world see E.SUN, see the beauty, see the potential in Taiwan.

Protecting the wealth bestowed upon us by nature

Protecting the wealth of our clients and the wealth of nature

Establishing biodiversity growth targets to achieve harmony between humans and nature

Taiwan, a beautiful treasure island, is home to 2.5% of the world's species, making it 100 times the average of all countries. Known as the 'Kingdom of Butterflies' and the 'Island of Biodiversity,' Taiwan's diverse geography and location at the intersection of tropical and subtropical zones contribute to its rich biodiversity. However, economic activities and climate change have led to the gradual loss of biodiversity. Each species is like a unique puzzle piece, and the loss of any one piece can have potentially incalculable impacts.

In the past, we lacked research data on complex ecosystems, but through the power of citizen science, we have begun to accumulate some foundational knowledge. Birds, with their rich diversity and position at the top of the food chain, are highly sensitive to environmental changes and are ideal indicators of large-scale environmental changes. By observing bird populations, we can better understand the pulse of Earth's ecosystems. E.SUN, in response to global biodiversity targets, refers to the 'Taiwan Forest Bird Index' and the 'Taiwan Farmland Bird Index' as national indicators, striving to restore natural growth by 2030 and continuously exerting its financial influence, collaborating with stakeholders to achieve biodiversity growth and harmony between humans and nature.



Collaborating with National Taiwan University to restore millet Protecting Taiwan's environmental ecology and species conservation

E.SUN collaborates with National Taiwan University to promote the Millet Revitalization Project, successfully reintroducing 28 native millet varieties from the United States Seed Bank to Taiwan and revitalizing them in Xinyi Township, Nantou County. Millet is not only a symbol of indigenous culture but also a potential staple crop with high adaptability to climate change. We hope our efforts can ensure the sustainable growth of millet in Taiwan. E.SUN and National Taiwan University have launched a three-year 'Millet Rooting Action Plan,' establishing millet planting demonstration areas, organizing learning camps, and providing stable native millet seeds and planting expertise to encourage more local residents to participate in millet cultivation. In 2022, a total of 536 square meters of millet were harvested, showcasing the concrete implementation of coexistence between the economy and the natural environment, as well as the social responsibility of enterprises and universities.

To protect the history and cultural values of indigenous people, the 'Millet Rooting Action' also collaborates with local schools and indigenous culture experts, integrating millet cultivation traditions, ancient stories, and agricultural methods into school curricula, allowing students to recognize and understand their ethnic history and pass on the significance and value of millet culture. In the Jioumei Elementary School area in Xinyi Township, Nantou County, E.SUN also cooperates with the National Taiwan University Experimental Forest and the Forestry Bureau to rebuild the traditional Atayal gathering place 'Tefuye,' which has been abandoned for more than 70 years, and involves students in simple construction work. Through the revival of traditional architecture, agriculture, and cultural education, the project aims to reconnect millet culture with the land, rooting it for generations to come.



The gradually disappearing Alcippe morrisonia

Taiwan's unique species, featuring a rich variety of bird songs and distinctive white eye rings, is also the indigenous people's 'fortune telling bird'



Look Abroad, Gazing into the Future

Connecting Governments and Enterprises through Finance, Announcing Taiwan's Determination of "Net Zero by 2050"

Geling and amplifying impacts, leading Taiwan and industries towards net zero transition.

Taking the lead to join in 'Coalition of Movers and Shakers on Sustainable Finance', driving financial transformation

To align with "Taiwan's Pathway to Net-Zero Emissions in 2050", the Financial Supervisory Commission has selected five financial holding companies, including E.SUN Financial Holding, Yuanta Financial Holding, CTBC Financial Holding, First Financial Holding, and Cathay Financial Holding, to form the 'Coalition of Movers and Shakers on Sustainable Finance'. They have committed to taking more proactive actions in green procurement, investment and financing, information disclosure, assistance and promotion, and international engagement. This will lead industries and enterprises into the green supply chain and invest more resources in the development of net zero technologies. In addition, E.SUN also serves as the convener of the 'Financial Industry Net Zero Promotion Task Force - Policy and Guidance Working Group', leading the establishment of the 'Financial Industry Scope 3 Finance-related Carbon Emission Calculation Guide', and the 'Carbon Reduction Target Setting and Strategy Planning Guide', promoting Taiwan's entire financial industry to the net zero transformation.

A Call to Action for Sustainability: 100+ Companies Join in E.SUN's ESG Sustainable Initiative

E.SUN launched the ESG Sustainability Initiative in 2021. With 32 like-minded business partners signing the "Sustainable Development Advocacy", they committed to taking practical actions in response to the urgent. In 2022, the initiative expanded to include 101 companies in the sustainable initiative, including industry leaders, quality enterprises, and hidden champions, with a total revenue of over NT\$5.08 trillion dollars, accounting for more than 23% of Taiwan's GDP in 2021. The companies jointly announced their initiatives and set a target to reduce carbon emissions by at least 1.57 million metric tons by 2025, with 46 companies pledging to achieve net zero emissions by 2050, demonstrating Taiwan's determination to transition to net zero by 2050.

3. 投融資予前瞻經濟活動或國家發展委員會2050淨零排放路徑中所列關鍵戰略涉及之產業，其投融資金額應較前一年度增加且達成自訂目標。

四、協助與推廣

1. 於2023年底前，提供至少一項對市場大眾有幫助之工具應用或分析工具。
2. 於2023年底前，主辦或參與至少2場淨零排放之研討會。

第一金融控股股份有限公司

國泰金融控股股份有限公司



Our Story

E.SUN is dedicated to manage business with integrity and climb over three mountains of corporate management: overall performance, corporate social responsibility and sustainable development. In past 30 years, we keep improving our financial expertise and commit to sustainable development by following "3i", innovation, integration, influence. To create a better society, we engage ourselves first, with employee's highly participation, combine our financial expertise and invite external partners to join us.

1.1 Vision

1.2 Business Performance

1.3 Sustainable Governance

1.4 Material Issues

1.1 Vision GRI : 2-1 、 2-6

The Highest Mountain; the Best Bank

In 1992, Chairman and founder Yung-Jen Huang brought together a dedicated team of like-minded professionals to create a "banker's bank", with the mission of "operating the best bank" and establish a system managed by expertise.

The benchmark in banking and service

The only bank operated by professional managers with no links to the government nor ties to family consortiums. Improve the quality of customer services, and create a good customer experience

E.SUN employees strive to be first-class citizens of the world; E.SUN endeavors to become a first-rate global corporate citizen

The volunteer spirit of "one simple act of love can inspire others to love"

Focus on our core business and formulate CSR-minded business strategies

Taiwan's E.SUN, the World's E.SUN

Local development, Asia expansion, and international connection

The fourth decade

Become the most distinctive and exemplary bank in Asia

■ Business Philosophy

Named after the highest mountain in Taiwan, we are determined to be the best bank in Taiwan. We aspire to be the best-performing, and most respected financial institution in Taiwan. Since it was founded, E.SUN has made establishment of institutional systems, cultivation of talents, and development of information technology the three pillars of its quest for long-term sustainability, and upholds a business philosophy of "expertise, service, and business." Following continuous.



A Professional Team; Priceless Trust

In 1992, when the regulations in Taiwan were loosened to allow new banks from the private sector to be established, E.SUN was the only new bank that was not affiliated with any financial group or the government. E.SUN's foundations were built by a team of professional and diverse Board of Directors and outstanding banking professionals, thus creating a true "banker's bank."



Warm Smiles and Memorable Services

We believe heartwarming service always begins with a smile. Additionally, we listen to customers' needs and strive to exceed their expectations, hence giving customers an unparalleled banking experience. We hope to serve customers with impressive service and win their loyalty. The ultimate goal is to make E.SUN the leading financial brand in Taiwan.



Corporate Responsibility is Our Eternal Commitment

E.SUN engages in its stakeholders in a variety of ways. For employees, E.SUN focuses on cultivating professional talent and building a happy team. For customers, E.SUN provides outstanding quality services to bring more value for customers. For shareholders, E.SUN continues to create outstanding overall performance through the bank's integrity and professionalism. For society, E.SUN makes positive impacts to the community and environment, and moves towards sustainable development.

Value Proposition

"Pure as Jade, Sturdy as Mountain"

We offer warm and attentive services with sincerity, and have become customers' first choice in financial services. We serve with unwavering commitment the pursuit of business with integrity and high quality, bringing our clients greater benefits and values.

- **High-quality financial service :**

E.SUN invests in talent cultivation to provide services with high quality and professionalism to satisfy customers' needs.

- **Friendly user experience :**

E.SUN focuses on financial innovation and continues to innovate in order to enhance customer experience.

- **A trusted professional team :**

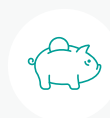
We promise to bring value and earn the trust from customers.

E.SUN FHC overview

Establishment Date	2002-01-28
Headquarters	Taiwan (14F, No. 117 and 1F, No. 115, Sec. 3, Minsheng E. Rd., Songshan District, Taipei City)
Paid-in Capital	NT\$142,751 million
Total assets	NT\$3,479,560 million
Number of employees	9,109 persons
Subsidiaries	E.SUN Commercial Bank Co., Ltd. · Union Commercial Bank Plc. · E.SUN Commercial Bank (China) · BankPro E-Service Technology Co., Ltd. E.SUN Securities Co., Ltd. · E.SUN Investment Consulting Co., Ltd. E.SUN Ventures Ltd. E.SUN Foundation E.SUN Volunteers Social Welfare and Charity Foundation
Industry	Financial
TWSE stock code	TWSE: 2884

E.SUN Financial Eco System

SASB : FN-AC-000.A 、 FN-AC-000.B 、 FN-CB-000.A 、 FN-MF-000.B



Deposit services

	Number of deposit accounts (thousand)	Total amount of deposits (NT\$M)
Personal	5,597.6	1,394,976
Small Business	199.7	188,169
Corporate Customer	21.1	1,228,613
Total	5,818.4	2,811,758

Note: Small business: defined as corporate customers with registered capital below NT\$10 million and loan business



Loans

	Number of deposit accounts (thousand)	Total amount of deposits (NT\$M)
Personal	327.8	965,137
Small Business	19.3	104,164
Corporate Customer	7.0	637,600
Total	354.1	1,790,998



Wealth management service

	Assets under management (NT\$B)	Assets in custody (NT\$B)
Wealth Management	3,272	711.2

Note: Assets managed is the total AuM of E.SUN FHC's. Assets in custody is the amount held under the custody of E.SUN Bank



Foreign exchange business

	Average daily transaction	Average daily trading volume (NT\$M)
Average daily number of transactions	15,197	161,737

Note: Including foreign exchange and import and export transactions



Credit card business

	Issued cards (million)	Transaction amount (NT\$B)
Credit Card	6.89	485.4

Note: In Taiwan and Cambodia market



Digital service

	Digital Active Customer (thousand)	Digital transaction %
Digital Active Customer	2,610	67%

E.SUN FHC Value Chain



Competent authority, suppliers, and business partners

Government / Competent authority

Industrial associations

Suppliers

Securities investment trust company/Insurance company

Strategic partners

NGOs

Law firm/Accounting firm

Consulting company

Media



E.SUN FHC

E.SUN Bank

E.SUN Bank (China)

Union Commercial Bank PLC (UCB)

E.SUN Securities

E.SUN Venture Capital

Operational support

Operations supervision, product and service supply, and business cooperation



Customers and financial transaction counterparties

Individual customer

Corporate

Financial industry

Investee

Investor

Financial transactions

Financial services provision, investment, and lending





Hong Kong Branch



- The best international financial platform in greater China
- Treasury and wealth management center for Taiwanese companies

Singapore Branch



- Capital management hub in the Asia Pacific
- Asset management center in Southeast Asia

Dong-Nai Branch



- Complete deployment in north and south Vietnam, capturing local opportunities
- The first choice for southbound investment and Vietnam offshore financing

■ Service network at home and abroad

With regards to the service locations of E.SUN FHC and its subsidiaries in Taiwan as of December 2022, physical channels included 139 branches of E.SUN Commercial Bank and 17 branches of E.SUN Securities. With regards to digital channels, E.SUN utilizes a variety of service networks, including Internet banking, mobile banking, website, customer service center, and automated service equipment, to deliver online to offline (O2O) financial services that help improve customers' quality of life. E.SUN's international development strategy focuses on Asia market and aims to build up a cross-border financial platform with local distinction. E.SUN currently operates 30 offices in 10 countries and regions, including financial centers in Asia Pacific, greater China, and ASEAN countries. With strategic deployment and cross-border integration, E.SUN provides seamless service across jurisdictions for our customers with various financial need.

Taiwan	Overseas	Virtual channels	Services and Products
<ul style="list-style-type: none"> • 139 branches • 17 security branches • 12 corporate banking regional centers • 8 consumer banking regional centers • 1,306 ATMs 	<ul style="list-style-type: none"> • China : subsidiary E.SUN Bank(China) with 5 operating sites • Combdia : subsidiary UCB with 14 operating sites and 43 ATMs • United States : Los Angeles Branch • Hong Kong : Hong Kong Branch • Singapore : Singapore Branch • Vietnam : Dong Nai Branch, Honoi Representative Office, Ho Chi Minh City Representative Office • Australia : Sydney Branch, Brisbane Branch • Myanmar : Yangon Branch • Japan : Tokyo Branch, Fukuoka Branch(in preparation) • Thailand : Bangkok Representative Office 	<ul style="list-style-type: none"> • E.SUN e-Services, including 24-hour customer service hotline, smart customer service, Internet phone and Online visitor message board. • Personal internet banking • E.SUN Corporate Online Banking • Mobile Banking APP • E.SUN Wallet • WebATM • E.SUN Securities A+ mobile services 	<p>Banking Consumer financing, corporate financing, wealth management, trust services, financial products, online banking, mobile financing, and other banking services.</p> <p>Securities Brokerage, derivative financial products, credit transactions, fixed revenue products, e-commerce, and other securities services.</p> <p>Venture capital Services provided for companies at the startup stage and expansion stage, and secondarily for companies at the mezzanine stage.</p>

1.2 Business Performance

GRI : 201-1、415-1

E.SUN was founded with an expertise-driven management that made a long term commitment to creating value for stakeholders and to listening to the voices of shareholders and investors. The core value of E.SUN focuses on disciplined corporate culture and entrepreneurship, which aims to enhance its tangible and intangible value and then share the result with all stakeholders.

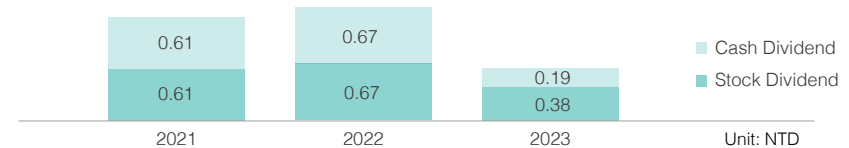
■ Financial Performance

E.SUN FHC's overall profit after tax in 2022 reached NT\$15.76 billion. The EPS, ROE, and ROA were NT\$1.10, 8.06% and 0.47%, respectively. The overall business maintained steady growth. In 2022, the growth rates of total loans and total deposit were 9.4% and 7.6%, respectively. Loan growth was achieved while maintaining sound asset quality. The NPL ratio was 0.16%. The NPL coverage ratio was 752.6%.

Unit: NTD thousands

Item		2020	2021	2022
Management capabilities	Total assets	2,971,744,682	3,230,908,277	3,479,560,474
	Book value	181,600,577	194,384,642	197,090,954
	Net revenue (A)	56,249,044	57,897,440	54,805,919
	Net profit attributable to parent company	18,026,592	20,558,988	15,759,000
Profitability	ROA (%)	0.66	0.66%	0.47%
	ROE (%)	10.17	10.95%	8.06%
	EPS (NTD)	1.43	1.54	1.10
Economic value distributed (B)	Employee salaries and benefits	14,216,281	14,730,709	14,310,631
	Dividend to shareholder	15,345,931	17,947,582	8,565,020
	Tax	5,682,662	4,313,353	6,128,365
	Investment in social inclusion	307,706	314,961	360,526
	Contributions & spending in financial or trade associations	20,716	16,876	18,663
	Lobbying, interest representation/ Political campaigns / Other	0	0	0
Economic value retained	(A) - (B)	20,675,748	20,573,959	25,422,714

■ Dividend Distribution



Note: Dividends are calculated to two digits after the decimal. Dividends distributed in 2022 is the retained earnings of 2021.

■ Credit Rating

E.SUN FHC received a long-term credit rating of A3 from Moody's, which is the best performance among any private sector financial holding company in Taiwan. E.SUN Bank received a long-term credit rating of A2 from Moody's, and a long-term credit rating A from S&P. Credit rating agencies analyzed that E.SUN's experienced management team and strategy planning has successfully created a solid brand image and a stable base of loyal customers, achieving excellent performance in major indicators, such as profitability, asset quality, liquidity, and capital.

E.SUN Financial Holding Company

Credit rating institutions	International long-term	International short-term	Domestic long-term	Domestic short-term	Outlook	Effective Date
Moody's	A3	P-2	-	-	Stable	2022.02
Standard and Poor	-	-	twAA-	twA-1+	Stable	2022.07
S&P	BBB	A-2	-	-	Stable	2022.07

E.SUN Bank

Credit rating institutions	International long-term	International short-term	Domestic long-term	Domestic short-term	Outlook	Effective Date
Moody's	A2	P-1	-	-	Stable	2022.02
Standard and Poor	-	-	twAA+	twA-1+	Stable	2022.07
S&P	A	A-2	-	-	Positive	2022.07

E.SUN Securities

Credit rating institutions	Domestic long-term	Domestic short-term	Outlook	Effective Date
Fitch	AA-(tw)	F1+(tw)	Stable	2023.02

1.3 Sustainable Governance GRI : 2-13、2-14、2-16

■ Sustainable Development Committee

E.SUN established the Corporate Social Responsibility Committee in 2011, and renamed it to Sustainable Development Committee in January 2021. The committee serves as the company's dedicated unit for sustainable development, led by the chairman, and composed of board members (including 2 independent directors). The committee consists of 6 working groups focusing on corporate governance, sustainable finance, climate change, environmental sustainability, human rights protection, and social welfare. The working group members come from various departments of the subsidiary companies, effectively integrating resources and implementing sustainable strategies across all departments. The committee reports on ESG strategy and implementation results to the board at least twice a year. In 2022, 5 out of 7 board meetings included ESG topics on the agenda (71% of the total meetings), including: (1) Sustainable development blueprint and implementation status; (2) Specific plans for sustainable development; (3) Sustainable policies and regulations; (4) Greenhouse gas inventory and verification schedule; (5) Identification of 2022 material issues; (6) 2022 Sustainable implementation report.



Sustainable Development Committee Operation Method



2022 Work Plan and Implementation Results

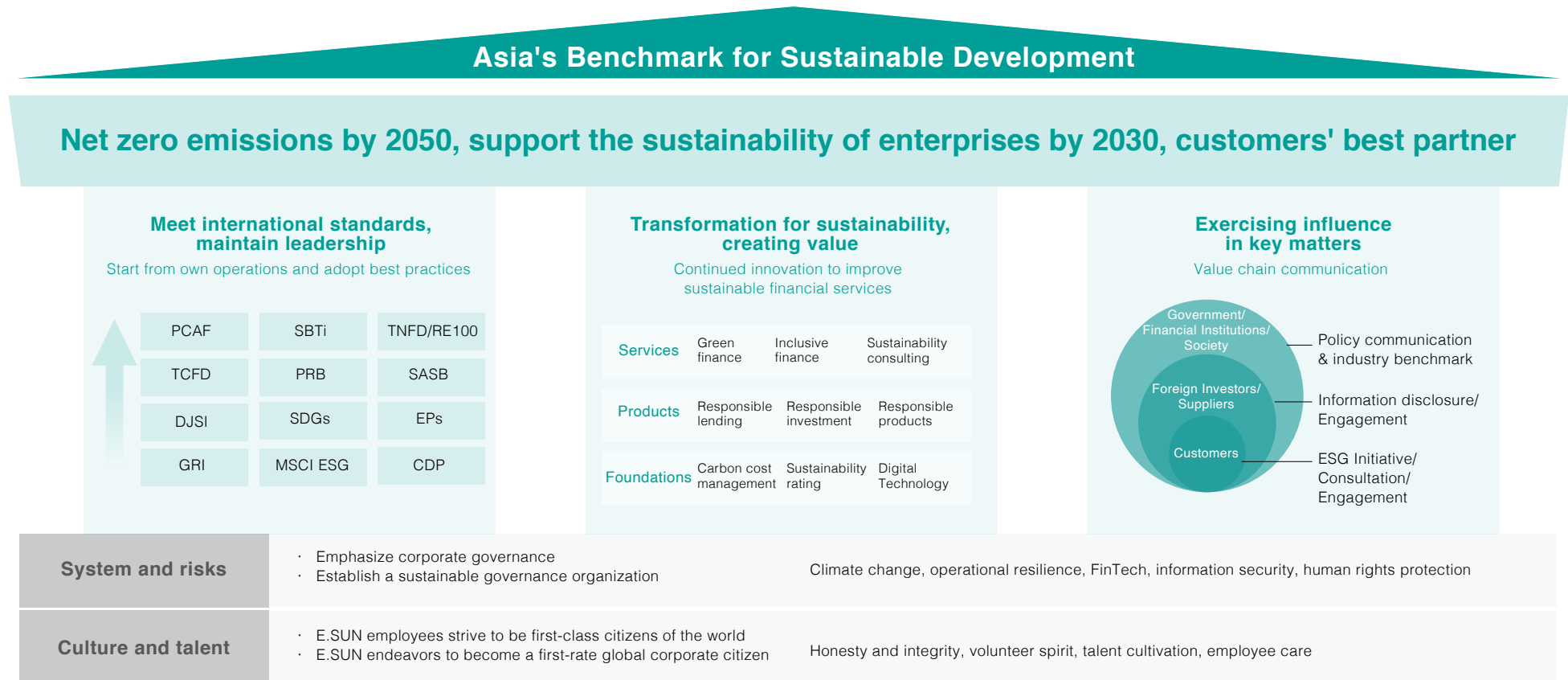
2022 Annual Work Plan	2022 Implementation Results
1. Governance: In accordance with the FSC's 'Sustainable Development Blueprint' 2022-2024 key measures, continuously refine legal compliance, information security protection, and anti-money laundering prevention.	Ranked in top 5% in Corporate Governance Evaluation the 7 th time; strengthened the role and function of the board in the three lines of defense; promoting legal compliance management system projects; expansion of the scope of international certification for banks and securities, obtaining BSI 10012 2017 Personal Information Management System Certification.
2. Social: Focus on talent cultivation, friendly working environment, treating customers fairly, and inclusive finance. Promoting academic, social care, sports development, and humanities and arts.	Employees' average training hours 57.38 hours; Cooperating with Taiwan Institute For Sustainable Energy (TAISE) to launch the 'Sustainable Finance Management Certification Class'; establishing the 'E.SUN Bank Fair Treatment of Customers Principles Education and Training Program', achieving 92% satisfaction rate among all channels and overall NPS of 60%; promoting academic education, cumulatively establishing 173 E.SUN libraries; promoting arts, holding the 'Eternal Love Concert' at the National Concert Hall.
3. Environmental: Deepening climate change management and actions based on the TCFD framework, creating a sustainable operating environment, deepen carbon reduction efforts, and promote sustainable financial services.	Issuing the first 'Climate and Environmental Report'; Establishing climate change risk management policies for financial holding companies and banks; passed the SBTi's target review in March 2022; joining RE100 in July 2022, committing to 100% renewable electricity use for domestic and overseas sites by 2040; expanding the ESG engagement project, with a total of 133 participating enterprises; green loans and sustainable-linked loans reached NT\$94.3 billion, providing ESG consultation services to more than 100 enterprises.

2023 Annual Work Plan

- Corporate Governance:** In accordance with Corporate Governance 3.0, the 'Sustainable Development Blueprint' and the 'Green Finance Action Plan', strengthening management of governance, asset security, anti-money laundering, and fair treatment of customers.
- Sustainable Finance:** Follow the national 2050 carbon neutrality strategy, promoting responsible lending and investment, responsible product issuance with positive impact, and assists enterprises in low-carbon transformation. Leverage the power of technology, and collaborates with partners to promote inclusive finance.
- Climate Change:** Continuously deepening climate governance in accordance with TCFD, adjusting investment and business strategies in line with SBT carbon reduction targets, and assisting industries in transitioning towards decarbonization.
- Environmental Sustainability:** Adhering to SBT and RE100 targets, implementing Scope 1 and 2 energy-saving and carbon reduction measures. Promoting biodiversity through systematic approaches and initiating biodiversity conservation actions.
- Human Rights Protection:** Creating an equal, diverse, friendly, and safe workplace environment. Focusing on strategic talent development and employee sustainable transformation.
- Social Welfare:** Continuously promoting academic education, social participation, sports development, and cultural arts as four major focusing areas.

■ Sustainable Development Blueprint

In the 4th decade, E.SUN aims to become a distinctive benchmark bank in Asia, targeting to be the sustainable development benchmark in Asia, the best sustainable partner for enterprises and customers by 2030, and achieving net-zero emissions by 2050. The sustainable development blueprint includes cultural and talent, system and risk management as two foundations, followed by three major strategies: meeting international standards, creating value through transformation for sustainability, and exercising influence in key matters.



1.4 Material Issues

GRI : 2-12、2-29、3-1、3-2、3-3

E.SUN identify material issues by latest GRI Universal Standards 2021 and AA 1000 Account Ability Principle Standard, including the principles of materiality, inclusiveness, responsiveness, and impact, to identify material issues. We further assessed the impact of each material issues on the economy, environment, and human rights. These materiality is the basis for planning our sustainable development strategy, and also the basis for information disclosures.

■ Implementation Steps

1. Confirming Organizational Connections

Determine organizational connections based on E.SUN's operating scope and business scope.

2. Focus on sustainability issues 21 sustainability issues

Referencing international sustainability standards and guidelines (GRI Standards, SASB, SDGs, GRI Financial Services Sector Supplement, ISO 26000, TCFD), sustainability investment ratings (DJSI, CDP, MSCI), domestic and foreign financial industry cases, and stakeholder communication processes, the office of CSO has compiled and listed 21 sustainability issues.

3. Identify stakeholders 7 major stakeholder groups

Following the five dimensions of the AA1000SES Stakeholder Engagement Principle (AA1000 Stakeholder Engagement Standard): influence, attention, responsibility, dependency, and diversity, 18 internal units were sent stakeholder identification questionnaires. The results were compiled and approved by the office of CSO, and classified into 7 stakeholder groups: employees, customers, shareholders/investors, government agencies, media (including rating agencies), communities (surrounding communities, public welfare and environmental partners), and suppliers.

4. Analyze operational impact

The 'Sustainability Issue Impact Assessment Form' was sent to the 18 units (same as the stakeholder identification units), asking each unit to evaluate the 21 sustainability issues based on the six dimensions (increasing revenue, reducing costs, improving customer satisfaction, enhancing brand image, reducing operational risks, and stimulating innovation opportunities). The evaluation results serve as a reference for the impact level of the issues.

5. Analyze economic, environmental, and social impacts

The 'Economic, Environmental, and Social Impact Assessment Form' was sent to the relevant units for the 21 sustainability issues, asking them to evaluate the positive or negative impacts on the economy, environment, and people caused or received by E.SUN's business activities/products/services, etc. The evaluation results were compiled by the office of CSO.

6. Assessing impact significance

The office of CSO comprehensively considers the results of Step 4 operational impacts and Step 5 economic, environmental, and social impacts, setting impact significance thresholds.

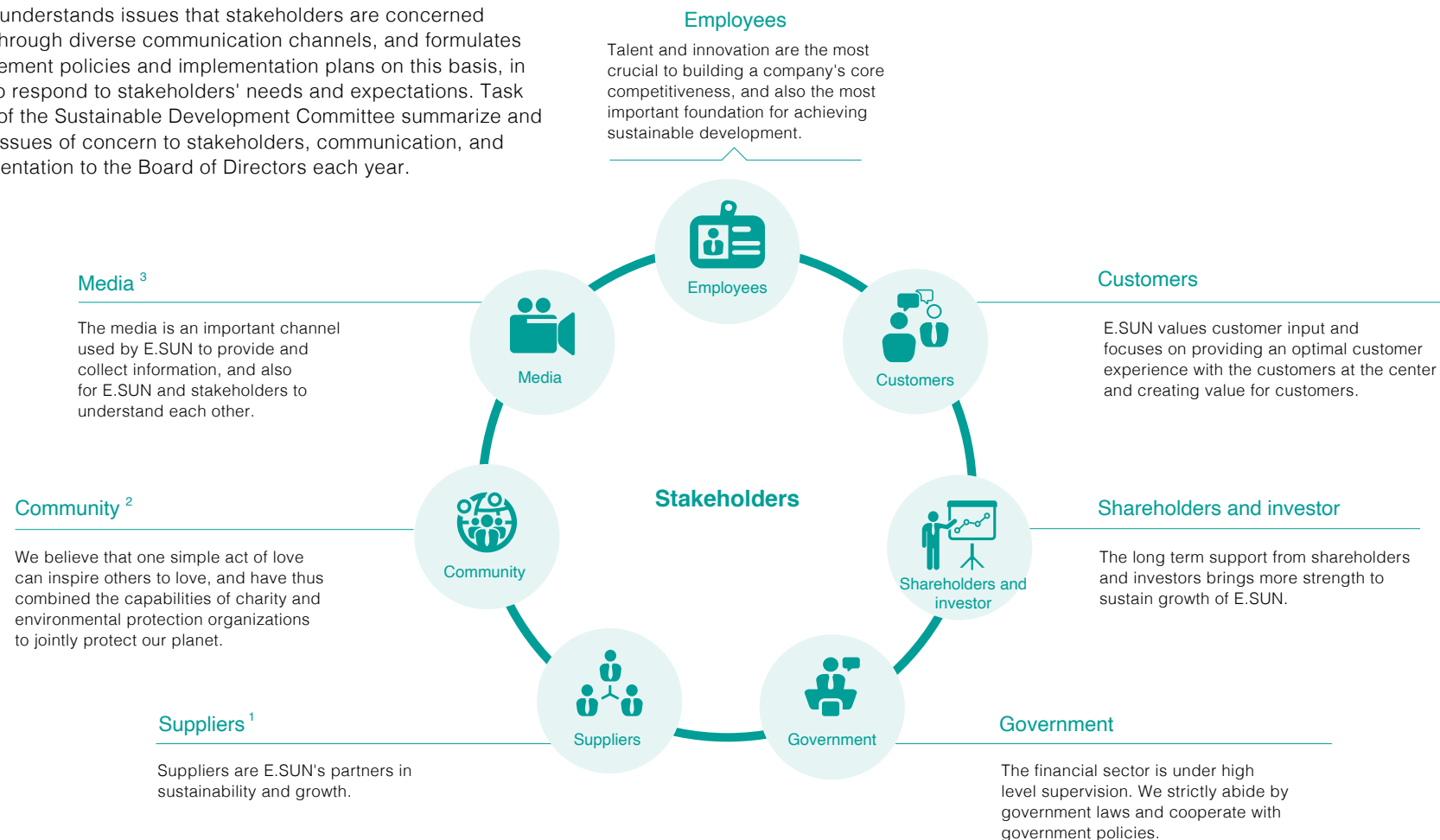
7. Confirming material Issues 13 material Issues 11 GRI themes

Based on the impact significance thresholds, the office of CSO has identified 13 material Issues for 2022 from 21 sustainable issues, which have been reported to the Sustainable Development Committee and the Board of Directors. Disclosure in the report: In accordance with GRI reporting requirements, this report explains the rationale, short-medium-long term goals, results, and management approaches for material Issues. The 13 material Issues for 2022 cover 11 GRI themes, including 9 GRI standard themes, 1 general disclosure themes, and 1 GRI G4 financial industry supplementary indicator consideration aspect and 1 customized theme.

1.4.1 Identification of stakeholders

GRI : 2-29 、 2-12

E.SUN understands issues that stakeholders are concerned about through diverse communication channels, and formulates management policies and implementation plans on this basis, in order to respond to stakeholders' needs and expectations. Task forces of the Sustainable Development Committee summarize and report issues of concern to stakeholders, communication, and implementation to the Board of Directors each year.



Note:

1. Suppliers include contractors and suppliers. Please see 6.3.1 Supplier Management for the types of suppliers.

2. Communities include neighborhoods around the branches and partners in charity work and environmental causes.

3. Media includes credit rating institutions and initiative organizations



Employees

Meeting objectives	Communication frequency/mode	Communication Performance	Focus Content	E.SUN's Response	Stakeholder Response (Case)
Talent and innovation are the most important keys to the core competitiveness of an enterprise structure. Continuous and good communication helps to improve employee motivation and company recognition.	<ul style="list-style-type: none"> Daily: Morning meetings Weekly, Monthly: Video conferences, work week reports, legal compliance announcements Quarterly: Enterprise labor meetings Annually: Employee opinion exchange questionnaires Annually: Knowledge sharing seminars Irregularly: e-HR E.SUN Human Park platform, e-learning+ digital learning platform, various opinion response mailboxes, such as the Learning Sister mailbox, HR Manager mailbox, etc. Irregularly: Two-way communication, EIP website Irregularly: Professional training courses and development classes Contact Information: Human Resources Department E-Mail: hrd@esunbank.com.tw Hotline: (02) 2175-1313 #8701 	<ul style="list-style-type: none"> 5 Employee Communication Meetings 356 Employee Opinion Communication Cases Handled 6,951 Employee Opinion Exchange Questionnaires 	Establish clearer and fairer evaluation standards, and provide specific feedback to colleagues during daily work and when announcing evaluation results.	<ul style="list-style-type: none"> The evaluation standards are composed of business performance and behavioral performance, based on the annual OKR of the unit or regional team performance goals, combined with individual job responsibilities, and discussed with the supervisor to set personal annual goals for each item. We will discuss with various business management units to gradually improve the evaluation indicators according to the group and subgroup. The essence of performance management is real-time and specific feedback and guidance. Unit/direct supervisors should arrange performance interviews with colleagues during regular daily and year-end evaluations, providing accurate feedback and specific suggestions. 	<ul style="list-style-type: none"> After discussing with the supervisor, fill in your own goals to focus more on the key points of your work, and at the same time strengthen the areas where you are not strong enough. (Branch supervisor) Thank you for having a separate discussion with us, listening to our inner thoughts and suggestions for improvement in our work, which can be very helpful and should continue in the future. (colleague of Retail banking group) After discussing with the supervisor, I have a better understanding of my overall performance this year. After being reminded by the supervisor, I can also focus on improving my weaker areas. (Branch colleague)
Focus Issues					
<ul style="list-style-type: none"> Talent Attraction and Retention Talent Cultivation and Development Employee Care and Friendly Working Environment 					



Customer

Understand market trends and motivations, improve personal service, create tangible and intangible value for customers, and continuously strengthen E.SUN's competitiveness	<ul style="list-style-type: none"> Daily: E.SUN e-customer service (24-hour customer service hotline, intelligent text customer service, online telephone, website visitor message board) Daily: Customer opinion complaint hotline and customer opinion QR code, E.SUN i mobile financial customer inquiry Weekly: Customer satisfaction survey, Line official account, Facebook E.SUN Lucky Cat fan group, E.SUN digital life, health fan group Every 2 months: Smile E.SUN bimonthly magazine Quarterly: Sunrise E.SUN quarterly magazine Twice a year: Corporate customer satisfaction survey Irregular: Personal visits, telephone contact Contact method: E.SUN customer service center 24-hour service hotline (02)2182-1313 / 0800-30-1313 	<ul style="list-style-type: none"> 1,860 customer service center customer suggestions 57,996 official website visitor message board messages 62,220 customer satisfaction survey questionnaires 9,037 customer opinion QR codes A total of 525 corporate customer satisfaction questionnaires were issued 	<ul style="list-style-type: none"> Employee service quality, professionalism, and efficiency Internet banking/mobile banking functionality completeness and ease of use Epidemic relief loans Transaction security and fraud prevention Sustainable development trends, corporate response directions, and sustainable financial services 	<ul style="list-style-type: none"> Continuously improve service quality through customer service management system and combine internal and external education and training courses to cultivate employee expertise. Continuously update digital channel services, improve operational stability, and plan relevant functions based on customer feedback to meet customer expectations. Offer 3-6 months of extension and relief assistance to customers affected by the epidemic who have difficulty repaying loans. Form a cross-departmental anti-fraud team to regularly exchange information on new types of fraud and quickly respond to changes in methods. Conduct practical ESG exchanges with corporate customers through internal specialized teams, provide suggestions for carbon reduction transformation, or plan appropriate sustainable financial services according to customer needs. 	<p>Hello, I am a manager from the Dunan branch of E.SUN Bank. On October 6th, my mother went to the Dunan branch to transfer more than 4 million NTD to a person (a scammer). The manager and staff on duty noticed that there might be a problem with the other party's account and did not help my mother transfer the money. They also kept calling me to inform me of the situation. I am very grateful! If it weren't for the vigilance of the manager and staff, my mother would have lost the money to the scammer. On October 7th, we also went to the police station to file a report. Once again, I would like to thank the manager and staff of the E.SUN Bank Dunan branch. (Dunan branch, Ms. Yan)</p> <p>The service attitude, initiative, and patience of the lady helping me are excellent. I appreciate very much her helpful approach, especially to an old man who returned from overseas and was not familiar with the banking procedures of Taiwan. She is undoubtedly an excellent staff member of your bank, offering good customer service. I forgot to take down her name. Please convey my heartfelt thanks to her and wish her a Merry Christmas and Happy New Year! (Xindian branch, Mr. Liu)</p>
Focus Issues					
<ul style="list-style-type: none"> Customer experience and fair treatment Financial technology and innovation Inclusive finance Information Security and Personal Data Protection Green finance 					



Shareholders/ Investors

Meeting objectives	Communication frequency/mode	Communication Performance	Focus Content	E.SUN's Response	Stakeholder Response (Case)
Assist in understanding E.SUN's performance and strategic direction, strengthen their confidence in E.SUN, and be willing to support	<ul style="list-style-type: none"> Monthly: Announce operating performance Monthly: Open information observation station Quarterly: Chinese and English legal person briefings, quarterly financial reports Quarterly: Board of Directors, functional committees Annually: Shareholders' meeting Annually: Annual report, sustainability report Irregularly: visits and teleconferences, announce credit ratings and outlooks Irregularly: Domestic and foreign roadshows, domestic and foreign investment institutions research meetings, investment forums, material information announcements Contact method: Investor Relations E-Mail: ir@esunbank.com.tw 	<ul style="list-style-type: none"> Chinese and English legal briefings: 8 sessions Participation in investment forums or roadshows: 8 sessions Investor and analyst meetings: 149 sessions 	<ul style="list-style-type: none"> Corporate culture led by professional managers, employee cohesion, and establishment Traditional interest rate, market, credit risk management, and emerging risk factor strategies Net zero transformation and responsible financial development 	<ul style="list-style-type: none"> Implement the three pillars of E.SUN's long-term development Expose the management framework of various risk issues and report regularly to the board of directors Actively follow international ESG sustainability standards and practices, and promote through financial products, services, and customer consultation 	<ul style="list-style-type: none"> E.SUN can respond to external environmental changes, actively manage risks, and maintain good asset quality. (Top 10 international fund management companies) E.SUN's performance in ESG sustainable finance is internationally leading and can be highly integrated with business, exerting influence. (Famous Hong Kong asset management group) E.SUN's climate change response strategy is a benchmark for the banking industry and is the most representative target in our investment portfolio. (Well-known sovereign fund)
		Focus Issue <ul style="list-style-type: none"> Honest management Risk management Green finance 			



Government agencies

Understand the latest trends and dynamics of regulatory supervision, support government policies and Taiwan's sustainable development	<ul style="list-style-type: none"> Annual: Government agency evaluation Irregular: Policy research meetings, seminars, public hearings Irregular: Official documents, meetings, phone calls, emails, and public information Irregular: Financial inspections, special project meetings 	<ul style="list-style-type: none"> Respond promptly to inquiries from supervisory authorities Proactively participate in relevant meetings and courses 	<ul style="list-style-type: none"> Actively respond to global sustainable development actions and national carbon emission reduction targets Evaluate whether the developed trust products can become a stabilizing force for society Establish equal, mutually beneficial, and trustworthy principles to protect the rights of financial consumers 	<ul style="list-style-type: none"> E.SUN establishes a sustainable development office and a sustainable development office, with six working groups: corporate governance, sustainable finance, climate change, environmental sustainability, human rights protection, and social welfare. Through resource integration, sustainable strategies are implemented in each subsidiary unit. Cultivate a team of 100 'Senior Financial Planning Consultants' and launch several innovative trust services, including the '1+1 Trust Combination' that combines employee stock trust and annuity trust; second, annuity trust digital services. Third, launch 'Trust Value-added Services' in cooperation with different industries, such as nutrition and food advice, home safety inspection, and health checkups. The board of directors is highly involved in establishing a corporate culture that values consumer protection and has established a fair treatment principle promotion committee, chaired by the general manager, with independent directors participating in guidance and supervision. The committee has established a consumer protection group and a customer service group, responsible for implementing fair treatment of customers and strengthening the overall operation of the three defense lines from regulations, systems, and service aspects. 	<ul style="list-style-type: none"> The Financial Supervisory Commission selected five major financial holding companies, including E.SUN FHC, to form the 'Pioneer Alliance' as an important promoter of carbon emission reduction. In the future, sustainable financial policies will be formulated based on the experience of the pioneers to realize the core values of sustainable development. E.SUN won the 'Best Annuity Care Trust Innovation Award', demonstrating its commitment to implementing inclusive finance in innovative trust services. The annuity trust's accumulated capital reached NT\$88.6 billion, with a net increase of NT\$43.48 billion, ranking first among private banks. E.SUN takes customer service and consumer protection as its core values, with specific and creative measures, and has been recognized by the Financial Supervisory Commission as one of the top 25% of banks in the industry.
		Focus Issue <ul style="list-style-type: none"> Green finance Climate change response Inclusive finance Customer experience and fair treatment 			



Media

Meeting objectives	Communication frequency/mode	Communication Performance	Focus Content	E.SUN's Response	Stakeholder Response (Case)
Strengthen E.SUN's communication with the public through media channels, gather the latest topics and trends in society and internationally	<ul style="list-style-type: none"> Monthly: Publish preliminary performance Semi-annual: hold a press conference on operational performance Immediately: full-time units and special personnel responsible for the media communication Immediate: Domestic and foreign press releases and statement Irregular: media interviews, press conferences, and crisis management Irregular: media forum/seminar, media evaluation, questionnaire response Irregular: Official website news release Contact: Public Relations E-mail: pr@esunfhc.com Tel: (02)2175-1313#1335,8190 	<ul style="list-style-type: none"> Held 34 media events Real-time communication of important information reached 2,961 people Issued 128 Chinese and English press releases Released 143 media communication messages on website <hr/> <p>Focus Issue</p> <hr/> <ul style="list-style-type: none"> Corporate governance Honest management Compliance 	<ul style="list-style-type: none"> Grasp the trends of the overall business environment, and formulate forward-looking business strategies Implement honest management, integrate internal and external resources for business 	<ul style="list-style-type: none"> E.SUN is named after the highest mountain in Taiwan and is determined to become the best bank and the most respected company. E.SUN has chosen to take a different path and has created many milestones for Taiwan's financial industry in the past 30 years. 2022 is the beginning of E.SUN's fourth decade. The flywheel of E.SUN is accelerating. Taiwan's E.SUN will become Asia's E.SUN in the next 10 years, and move towards to an enduring company, and realizes the vision of "the highest mountain and the best bank". 	<ul style="list-style-type: none"> Economic Daily News - Established in 1992, E.SUN is celebrating its 30th anniversary this year. 1992 was the year when new banks blossomed, and between 1991 and 1992, 16 new banks were established, with E.SUN being one of them. After 30 years, E.SUN has become the third-largest card issuer among new banks, and its parent company, E.SUN Financial Holding, is also a medium-sized financial holding, with outstanding achievements that make E.SUN people proud. Financial News - In terms of banking services, E.SUN fully demonstrates its agility and innovation, taking integrated innovative retirement and annuity trust services as an example, which are designed based on the life cycle of clients, integrating various financial and non-financial needs, and highly rated for their flexibility and innovation in project planning.



Community

(public welfare, environmental protection, and industry-academic cooperation)

Join hands with various sectors to create a shared, harmonious new living circle, making Taiwan a better place	<ul style="list-style-type: none"> Weekly: Close community environmental cleaning, local financial community service Annually: Organize public welfare activities, support art exhibitions, music performances, sports events, academic education, ecological conservation, etc. Irregularly: Cross-industry cooperation and visits, art lectures Contact information: E.SUN Volunteer Foundation (02)2175-1313 #9300 E-mail: Volunteer@esunbank.com E.SUN Cultural and Educational Foundation (02)2175-1313 ext. 9305 E-mail: Esunfoundation@esunbank.com 	<ul style="list-style-type: none"> 173,346 beneficiaries Over 829 cooperative public welfare activity units <hr/> <p>Focus Issue</p> <hr/> <ul style="list-style-type: none"> Social impact Financial inclusiveness Diversity, equality, and harmony 	<ul style="list-style-type: none"> Public welfare activities resource investment Environmental protection issues Sustainable finance practices Children's reading, rural English education, and American education 	<ul style="list-style-type: none"> Energy-saving and carbon reduction: Actively respond to summer solstice light-off activities, Earth Hour, Beautiful Taiwan Smile E.SUN, beach and mountain cleaning activities Public welfare activities: Charity sales, blood donation activities, overseas medical services, medical equipment donations Organizing domestic and international art exhibitions and performances, supporting sports events, cultivating outstanding talents through scholarship programs, E.SUN Academic Awards Organizing financial management lectures, promoting E.SUN Library storytelling, anti-drug advocacy tours, and rural English education 	<ul style="list-style-type: none"> Due to the pandemic, many children have experienced an increase in nearsightedness due to online classes. Without E.SUN's care for children's special projects, many underprivileged children might have to live a blurry life. Thanks to E.SUN Volunteer Foundation for giving children a bright win-dow and opportunities for the future. (Nanxing Elementary School, Group Leader) Through the E.SUN Academic Awards, we encourage teachers to strive for excellence in research and international recognition. Under the support of E.SUN Academic Awards, there is a huge incentive effect on improving academic research capabilities. We hope that more enterprises like E.SUN, who love Taiwan and have a deep sense of mission for the nation and society, will cooperate with schools and look forward to more outstanding teachers publishing research results in international top journals. (Dean of the College of Management, Qinghua University)
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Supplier

Meeting objectives

Suppliers are partners in E.SUN's sustainable development and growth. Through procurement actions, suppliers are influenced to expand the green product market and implement responsible consumption and production, achieving energy-saving, carbon reduction, and operational cost reduction effects, and promoting sustainable business concepts.

Communication frequency/mode

- Weekly: Pricing meetings
- Bi-monthly: E-mails
- Irregular: Website public information, supplier visits, supplier conferences

Communication Performance

- Over 450 pricing meetings
- Bi-monthly: 171 supplier self-assessment exchanges
- Irregular: 46 supplier visits, green procurement and social innovation service product mechanism exchanges through supplier conferences

Focus Issue

- Sustainable operation environment
- Information security protection and personal data protection
- Employee care and friendly working environment

Focus Content

- The Philippines has begun to focus on carbon emission issues, so the greenhouse gas inventory is being reviewed.
- Chien Lung is the bank's ATM maintenance contractor, mainly responsible for the real-time monitoring system of transportation methods and communication networks. Information security is of utmost importance, so relevant certifications will be introduced to keep up with international standards.
- The art gallery on both sides pays attention to the connection between art and ESG, and uses internal regulations to exert restraint and emphasize the reuse of exhibition materials.

E.SUN's Response

During the process of obtaining certifications from suppliers, we continuously pay attention and exchange information with suppliers regarding relevant requirements and new knowledge.

Stakeholder Response (Case)

- In terms of environmental protection, the board of directors has approved the greenhouse gas inventory and verification schedule in May this year, and has actively sought consulting services from relevant companies. (Zhongfei)
- To maintain supplier relationships, our company plans to obtain ISO27001 and ISO9001 certifications under the implementation of information security management and the establishment of standard management processes. (Qianlong)
- Since 2019, international art fairs have been discussing climate change issues, conducting various discussions, and focusing on topics such as 'carbon footprint in contemporary art' and 'gender equality', setting up workshops, and actively bringing sustainable issues into the art world. This sustainable trend has attracted attention in various gallery industries. Therefore, both galleries have set the goal of 'Green Gallery Operation Guidelines' since 2021. From gallery operations, reducing resource packaging materials, transportation tools and personnel mobility for art fairs, and reducing carbon emissions through energy; in terms of materials, reducing painting materials packaging and using environmentally friendly materials; in terms of operations, using low-carbon transportation and strategic methods; finally, monitoring overall behavior and serving as a future improvement direction, and incorporating key projects into various professional and future plans. Through the soft power of art as an interface to awaken people's attention to environmental and social issues, we hope to create a better future together. (Double Square)

1.4.2 Identification and management of material issues

The working group of the Sustainable Development Committee evaluates the impact of 13 major issues on the economy, environment, and people (including human rights) in terms of actual/potential, positive/negative impact, and the likelihood of occurrence. The initial results are summarized and, after consultation with the management team, the 2022 E.SUN's material issues are selected and ranked based on the impact degree. E.SUN also develops the management mechanisms in accordance with material issues, including setting challenging targets and incorporating overall corporate risks Management (ERM). E.SUN also makes the target and linked to senior management level compensation.

1. Evaluation process:

(1) Quantitative impact :

The material Issues are scored on a scale of 1-5 based on their impact on the economy/environment/people (including human rights), probability of occurrence, and are evaluated by relevant units and consolidated by the Sustainable Development Office. Example as follows:

	Economic		Environmental impact		Human (including human rights) impact	
	Positive	Negative	Positive	Negative	Positive	Negative
Financial Technology and Innovation	20	10	14	4	18	8
Talent Cultivation and Development	20	3	16	5	25	3
Green Finance	15.9	4.33	23.3	5	15	4
Customer Experience and Fair Treatment	15	12.5	0	0	20	20
Integrity Management	25	10	0	0	22.5	1
Risk Management						

(2) Impact ranking :

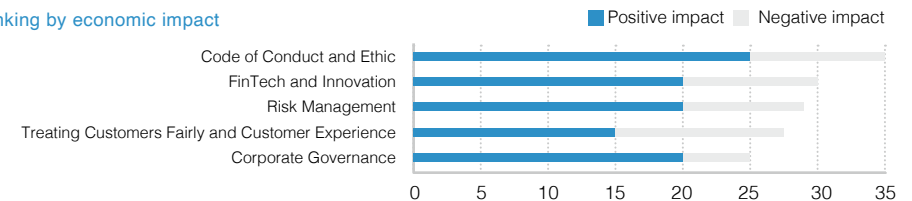
The Sustainable Development Committee's working group calculates the quantitative results of 13 material Issues' impacts. After considering the recommendations of the management team, the evaluation results are shown in the chart on the right:

Material issue impact assessment results

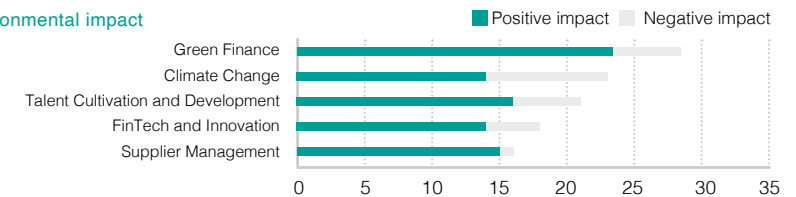


Top 5 in terms of impact on the economy, environment, and people (including human rights)

Ranking by economic impact



Ranking by environmental impact



Ranking by impact on people (including human rights)



2. Impact explanation and management measures:

Material Issues	GRI Specific Theme Indicators Self-defined Material Issues	Impact Categories and Descriptions	Actions Taken (Corresponding Chapters/Appendices)
Financial Technology and Innovation	GRI 203 Indirect Economic Impacts GRI G4 Product Portfolio	<p>Substantive/Positive/Economic & Human (Human Rights)</p> <p>E.SUN continuously adopts AI, containerization, cloud computing, and other emerging technologies, not only enabling more efficient resource allocation and adjustment, but also enhancing customers' willingness to use financial services, generating positive economic benefits. In addition, convenient financial services reach more customers, achieving the effect of inclusive finance, which also has a positive impact on human rights.</p>	3.4 FinTech and Innovation
Talent Cultivation and Development	GRI 404 Training and Education	<p>Substantive/Positive/Economic & Human (Human Rights)</p> <p>Talent is a leading indicator and a key factor, and it is the foundation of a company's competitiveness. A good talent cultivation system strengthens employees' professionalism and loyalty to E.SUN, positively impacting E.SUN's economic performance. In addition, good talent cultivation also enhances employees' knowledge, making them more contributive to society.</p>	5.1 Talent Cultivation and Development
Green Finance	GRI 203 Indirect Economic Impacts GRI G4 Product Portfolio	<p>Substantive/Positive/Economic Environment</p> <p>Lending aspect: E.SUN incorporates environmental and social risk assessment and management into its lending process, avoiding negative impacts on the ecological environment, labor rights, etc., and promotes sustainable linked loans, green lending, and other financial services to encourage enterprises to set sustainable goals, promote green energy, and support sustainable-related industries.</p>	3.1.1 Responsible Lending
		<p>Investment aspect: Through the issuance of sustainable development bonds, funds are invested in industries that are environmentally and socially friendly, while supporting corporate sustainable financing and assisting enterprises in issuing sustainable development bonds. The funds raised are used for green investment projects and social benefit investment projects.</p>	3.1.2 Responsible Investment
Customer Experience and Fair Treatment	GRI 2: General Disclosure 2021	<p>Practical/Positive/Economic & Human (Human Rights)</p> <p>A good customer experience affects the willingness of customers to use financial services, and a higher satisfaction level makes customers more willing to recommend E.SUN. Implementing fair treatment of customers, actively addressing customer complaints and handling them properly can form a positive cycle, indirectly driving economic growth. E.SUN also provides multiple channels (24-hour telephone customer service, intelligent customer service, and visitor message boards, etc.) for customers to provide feedback, which has a positive impact on customer rights.</p>	3.3 Treating Customers Fairly and Customer Experience
Integrity Management	GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior	<p>Potential/Positive/Economic</p> <p>Integrity management is fundamental to the financial industry. Good corporate governance increases the confidence of stakeholders in E.SUN, making them more willing to invest in and cooperate with the bank, which has a potential positive impact on the economy. A sound system also ensures that internal management and business activities comply with integrity management, positively affecting various business activities in the economy.</p>	4.2 Code of Conduct and Ethic
Risk Management	GRI 2: General Disclosure 2021	<p>Potential/Negative/Economic & Environmental & Human (Human Rights)</p> <p>The financial industry is a credit business with economic risk management. Good risk management can reduce the likelihood of potential risks such as credit, market, and operational risks for E.SUN, and provide rapid and accurate response measures, protecting employees and stakeholders when incidents occur. In addition, a good risk management mechanism can help E.SUN to have a more comprehensive and quantitative assessment basis when facing climate risks.</p>	4.3 Risk Management

Material Issues	GRI Specific Theme Indicators Self-defined Material Issues	Impact Categories and Descriptions	Actions Taken (Corresponding Chapters/Appendices)
Climate Change Factors	Important Issues	<p>Practical/Negative/Economic & Environmental</p> <p>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. E.SUN has announced its full withdrawal from coal-related industries by 2035. Although there are more restrictions on business operations in the short term, it will make the assets more resilient in the long run.</p>	2 Journey to Net Zero
Information Security and Personal Data Protection	GRI 418 Customer Privacy	<p>Potential/Negative/Economic & Human (Human Rights)</p> <p>In the digital era, a robust information security and customer data protection system can ensure the stability and security of financial services, reducing the risk of corporate and customer information leakage. Not only must it comply with legal regulations, but it should also continuously improve internal management with high standards, strengthen employee awareness of customer rights, and implement personal data protection, enhancing customer trust in E.SUN.</p>	4.7 Information Security and Personal Information Protection Management
Inclusive Finance	GRI 203 Indirect Economic Impacts GRI 413 Local Community Engagement and Impacts GRI G4 Product Portfolio	<p>Practical/Positive/Economy & People (Human Rights)</p> <p>The financial industry is a special industry that provides exclusive loan solutions for economically disadvantaged groups based on its core business, allowing all social groups to access affordable financial services, which has a positive impact on the economy. In addition, the popularization of financial knowledge and the understanding of financial products help establish the correct financial concepts for the younger generation, while creating a financial security defense network for the silver-haired population.</p>	3.2 Inclusive Finance
Compliance with Laws and Regulations	GRI 2: General Disclosure 2021	<p>Hidden/Negative/Economy</p> <p>Implementing compliance with laws and regulations is the responsibility of enterprises. By establishing a good corporate culture, ensuring that all services and products comply with relevant legal norms can reduce operational risks, litigation risks, and improve operational performance.</p>	4.2 Code of Conduct and Ethic
Talent Attraction and Retention	GRI 202 Market Presence GRI 401 Employment Relations	<p>Substantial/Positive/Economic & Human (Human Rights)</p> <p>Attracting talent can make E.SUN 's personnel composition healthier, and retention measures can retain key talents and potential talents, making E.SUN more competitive. By providing competitive talent retention measures, we can achieve talent attraction and retention, improve employee professionalism, promote employee satisfaction and customer satisfaction in a positive cycle, and enable the organization to achieve stable and sustainable development.</p>	5.2 Talent Attraction and Retention
Corporate Governance	GRI 2: General Disclosure 2021	<p>Substantial/Positive/Economic</p> <p>Good corporate governance represents a high degree of stability and health in business operations. Through diversified channels, we continuously pay attention to and ensure the quality of information disclosure, constantly learn, review, and refine the corporate governance structure and mechanism, and enhance the trust of stakeholders in the company, so as to jointly create the company's long-term maximum value.</p>	4.1 Corporate Governance
Employee Care and Friendly Working Environment	GRI 403 Occupational Safety and Health	<p>Substantial/Positive/Human (Human Rights)</p> <p>Employees are E.SUN's most valuable assets. We care for their needs and strive to create a friendly working environment. By implementing hazard identification and risk assessment, we can reduce potential risks and foster employee engagement. Through continuous improvement of health check systems and refined gender equality measures, we ensure the well-being of our employees, achieve work-life balance, and protect their rights.</p>	5.3 Employee Care and Friendly Workplace Environment

Material issues management targets



Financial Technology and Innovation

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	2022 Achievement Status	2023 Target	2030 Target
Optimize digital experience and operations, accelerate digital transformation with technology, promote paperless processes, and convey brand value to customers.	Chief Digital Officer / 20%	Percentage of active customers on digital channels (of overall active customers) ^{Note}	2022 New target sett	54%	56%	65%
		Digital applications as a proportion of total (including deposits, credit cards, loans, and funds)	67%	67%	68%	75%

Note: Because of the Covid-19 pandemic, accelerate changes in customer behavior, regulations, and AI technology, this kpi is added to continuously observe the process of digital transformation.



Talent Cultivation and Development

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	2022 Achievement Status	2023 Target	2030 Target
Talent-oriented performance management, combined long-term strategies with education and training, cultivates the talents needed by the organization through enterprise culture, professional training and job rotation.	Chief Human Resource Officer / 40%	Average training sessions per employee	Maintaining an average of 45 hours or more of training per employee	Average training hours per employee: 57.38 hours	Achieving 50 hours or more of training per employee	Achieving 50 hours or more of training per employee
		Digital literacy certification	<ul style="list-style-type: none"> Integration of digital-related courses into various professional training programs, with a 100% blended learning (physical + online) ratio, continuously offering technology professional training courses, including BA and ABA training. 35% of domestic employees have obtained digital literacy-related learning certifications. 	<ul style="list-style-type: none"> All professional training courses for various job categories are conducted through blended learning with 100% digital teaching materials, including BA/PM, Agile Development Certification Training, Digital Technology Training, and Online Information Security Testing, totaling 39,058 participants. 29.5% of domestic employees have obtained digital literacy-related learning certifications (a total of 2,696 people) 	<ul style="list-style-type: none"> Integration of digital-related courses into various professional training programs, continuously offering technology professional training courses across the bank. 40% of domestic employees have obtained digital literacy, AI certification, and digital operation certifications. 	<ul style="list-style-type: none"> Integration of digital-related courses into various professional training programs, continuously offering technology professional training courses across the bank. 80% of domestic employees have obtained digital literacy, AI certification, and digital operation certifications.



Green Finance

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	2022 Achievement Status	2023 Target	2030 Target
Support for credit recipients with positive environmental and social impacts, including providing green credit and assisting enterprises in setting clear ESG development goals through sustainable linked loans	Executive Officer of Corporate Finance / 20%	Green credit balance	30 billion NTD	53.7 billion NTD (target achieved)	63 billion NTD	100 billion NTD
		Sustainable linked loan balance	30 billion NTD	40.6 billion NTD (target achieved)	50 billion NTD	Occupying 13% of the total authorized balance of corporate finance loans
Implement sustainable investments, increase the proportion of sustainable development bond investments (sustainable development bonds refer to recognized green bonds, social responsibility bonds, and sustainable development bonds)	Chief Financial Officer / 15%	Sustainable development bond investment balance	16 billion NTD	25.5 billion NTD (target achieved)	28 billion NTD	42 billion NTD



Customer experience and fair treatment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	2022 Achievement Status	2023 Target	2030 Target
· Focusing on customer experience, establishing a culture of fair treatment for customers, and ensuring service quality.	General Manager	Customer satisfaction	Maintain a satisfaction rate of over 90% across all channels.	Physical Channel: 93.83% Digital Channel: 94.04% Customer Service Channel: 92.31%	Maintain a satisfaction rate of over 90% across all channels.	Maintain a satisfaction rate of over 90% across all channels.
		NPS (Net Promoter Score)	Maintain an NPS of 40% or higher.	NPS : 60.17%	· Maintain a physical channel NPS of 60% or higher. · Maintain a digital channel NPS of 55% or higher. · Maintain a customer service channel NPS of 50% or higher.	Maintain an NPS of 60% or higher for each channel.
		Implement the principle of fair treatment for customers	ISO10002 certified by BSI annually.	· Successfully passed ISO 10002 certification for the second consecutive year. · Ranked in the top 25% in the Financial Supervisory Commission's fair treatment of customers assessment.	Received the Financial Supervisory Commission's Fair Treatment of Customers Award.	Received the Financial Supervisory Commission's Fair Treatment of Customers Award.



Code of Conduct and Ethic

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	2022 Achievement Status	2023 Target	2030 Target
Incorporate the values of honesty and integrity into the corporate culture, creating a trusting relationship with customers.	Chief Compliance Officer / 40%	Education, training, and implementation assessment	<ul style="list-style-type: none"> Continuously implement education, training, and promotion. Maintain 100% employee participation. 	<ul style="list-style-type: none"> Conduct integrity management education through various training courses. Provide all directors with 'Integrity Management and Internal Major Information Handling Education and Training' materials. Implement online integrity management education, training, and testing, with 100% employee participation. 	<ul style="list-style-type: none"> Continuously implement education, training, and promotion. Maintain 100% employee participation. Integrate dishonest behavior risk assessment activities and overall operational risk management mechanisms. 	<ul style="list-style-type: none"> Continuously implement education, training, and promotion. Maintain 100% employee participation. Continuously optimize the integrity management behavior risk assessment mechanism.



Risk Management

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	2022 Achievement Status	2023 Target	2030 Target
Utilize information technology and scientific data analysis tools to strengthen the early warning and adaptability of risk management, thereby enhancing the effectiveness of risk control.	Chief Risk Officer / 60%	<ol style="list-style-type: none"> Management mechanism for the impact of interest rate risk changes on assets and liabilities Completion rate of credit risk model management mechanism The refinement ratio of the 3+1 operational risk management tool 	<ol style="list-style-type: none"> Completion rate of interest rate risk control report calculation 100% completion rate of credit rating model verification 10% renewal rate of the definition table of the operational risk bottom layer structure 	<ol style="list-style-type: none"> Calculate the average duration, time-weighted DV01, and interest rate risk exposure of various types of bonds held by the entire bank, with a 100% completion rate, serving as a reference for the financial trading department to adjust the risk avoidance positions. The credit rating model includes Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) models. Both pre-line and periodic verification are carried out according to the schedule, with a 100% completion rate. Renewal of the risk structure and control structure definition table of the operational risk base layer, with a renewal rate of 10%. 	<ol style="list-style-type: none"> Increase the precision of the management mechanism for asset and liability allocation by 50%. Increase the efficiency of capital calculation by 30%. Operational risk key indicators update increased by 10%. 	<ol style="list-style-type: none"> Build Asia's best market risk management team. The risk weight applied to the credit risk exposure of capital proposals decreased by 20%. Improve cross-portfolio management efficiency by 80%



Climate change

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	2022 Achievement Status	2023 Target	2030 Target
Address potential risks caused by climate change, establish evaluation mechanisms and appropriate risk management measures, and strengthen management and response capabilities.	Chief Risk Officer / 10%	<ul style="list-style-type: none"> CDP performance Carbon reduction target achievement Education and training transparency rate 	<ul style="list-style-type: none"> Align with the guidance of the main regulatory authorities to review and revise climate change risk-related management mechanisms. Assist the Banking Association in discussing climate risk stress tests and completing trial evaluations 	<ul style="list-style-type: none"> The Financial Supervisory Commission and its subsidiary E.SUN have revised or reviewed climate change risk-related management mechanisms. Completed research on climate risk stress tests and completed calculations, with plans to disclose in 2022 in Chapter 2 towards Net Zero 	<ul style="list-style-type: none"> Maintain a CDP climate change performance of A- or above. Scope 1, 2, and 3 carbon emissions comply with SBT. Over 90% of new employees complete climate change education and training 	<ul style="list-style-type: none"> Achieve SBTi scope 1, 2, and 3 phased carbon reduction targets. Over 90% of employees have received climate change education and training
Establish and implement environmental protection and energy-saving culture, reducing operating costs	Environmental Sustainability Team Leader / 30%	Control operating environment indicators, carbon emissions, water consumption, and waste	Based on 2020 as the baseline year, total carbon emissions decreased by 8.4%; based on 2016 as the baseline year, water consumption per unit of revenue decreased by 13.3%; waste per unit of revenue decreased by 33.3%.	Based on 2020 as the baseline year, total carbon emissions decreased by 10.4%; based on 2016 as the baseline year, water consumption per unit of revenue decreased by 16.1%; waste per unit of revenue decreased by 33.3%.	Based on 2020 as the baseline year, total carbon emissions decreased by 12.6%; based on 2016 as the baseline year, water consumption per unit of revenue decreased by 15.6%; waste per unit of revenue decreased by 38.9%.	Based on 2020 as the baseline year, total carbon emissions decreased by 42%; based on 2016 as the baseline year, water consumption per unit of revenue decreased by 31.1%; waste per unit of revenue decreased by 77.8%.
Increase the use of renewable energy through cooperative procurement, self-built solar energy, and purchase of renewable energy certificates, improving operational resilience.		Review the proportion of renewable energy use based on the purchase amount of the renewable energy and the usage amount of the renewable energy.	Renewable energy purchase ratio reaches 20%	Renewable energy purchase ratio reaches 22.6%	Renewable energy usage ratio reaches 30%	Domestic sites achieve 100% renewable energy usage ratio



Information Security and Personal Data Protection

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	2022 Achievement Status	2023 Target	2030 Target
<ul style="list-style-type: none"> Continuously obtain certifications of international standards, including information security, personal data protection, and business continuity. Establish a sound governance system and information security defense structure, cultivate a good sense of information security, demonstrate information security resilience. 	Chief Information Security Officer / 100%	<ul style="list-style-type: none"> Number of successful security incidents involving customer intrusions. Obtain international professional certifications. Complete the construction of a Breach and Attack Simulation system(BAS). Complete the security diagnosis of E.SUN's and its subsidiaries' infrastructure. 	<ul style="list-style-type: none"> The number of successful cybersecurity incidents caused by successful hacking is 0. Consumer finance business obtains BS10012:2017 Personal Information Management certification. E.SUN Securities obtains ISO/IEC27001:2013 Information Security Management System certification. Set a schedule for E.SUN to obtain certifications of ISO22301:2019 Business Continuity Management System and ISO27701:2019 Privacy Information Management System. Develop at least 2 BAS security tools technical scenarios. 	<ul style="list-style-type: none"> In 2022, there were no cybersecurity incidents caused by successful hacking. E.SUN consumer finance business has obtained BS10012-2017 certificate on October, 2022. E.SUN Securities has obtained ISO27001:2013 certificate on November, 2022. E.SUN initiated the implementation of ISO22301:2019 Business Continuity Management System and ISO27701:2019 Privacy Information Management System project on June 10, 2022. Completed the developed of Path Traversal and XSS technical scenarios of BAS systems. 	<ul style="list-style-type: none"> The number of successful cybersecurity incidents caused by successful hacking is 0. New trust business and digital personal finance business have obtained BS10012-2017 Personal Information Management certification. E.SUN's Personal Internet Bank and MobileBank have obtained ISO22301:2019 Business Continuity Management System and ISO27701:2019 Privacy Information Management System certification. Establish the Breach and Attack Simulation system. Also complete the infrastructure security health diagnosis of E.SUN Financial Holdings and its subsidiaries. 	<ul style="list-style-type: none"> The number of successful cybersecurity incidents caused by successful hacking is 0. E.SUN and E.SUN Securities complete the ISO/IEC27001:2022 information security management system update and continue to obtain certification. Establish a consistent personal information management system for E.SUN Financial Holdings and its subsidiaries, continue to improve the supplier risk management system and zero trust architecture.



Inclusive Finance

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	2022 Achievement Status	2023 Target ²	2030 Target
Promote inclusive financial policies, enable individuals or businesses from diverse backgrounds to access suitable and affordable financial services on the basis of openness, equality, and diversity. By eliminate inequality, and foster inclusive financial.	Executive Officer of Retail Banking / 20%	Solve the issue of limited financing for small businesses with annual revenue below 50 million, and assist individuals or businesses with significant social impact in their local communities.	<ul style="list-style-type: none"> Small business loan balance of 108 billion NTD New ventures, local revitalization, social enterprises, and youth entrepreneurship activation funds, etc., have provided loans to 4,200 households. 	<ul style="list-style-type: none"> Small business loan balance of 104.1 billion NTD¹ New ventures, local revitalization, social enterprises, and youth entrepreneurship activation funds, etc., have provided loans to 4,270 households 	<ul style="list-style-type: none"> Increase the number of small business loan appropriation by 4,000 Increase the number of appropriation of New ventures, local revitalization, social enterprises, and youth entrepreneurship activation funds, etc., by 1,300 	<ul style="list-style-type: none"> Increase the number of small business loan appropriation by 6,000 Increase the number of appropriation of New ventures, local revitalization, social enterprises, and youth entrepreneurship activation funds, etc., by 1,800
		Provide innovation and friendly financial service for disadvantaged, handicapped or elder customers through digital and barrier-free financial service.	<ol style="list-style-type: none"> Establish visually impaired voice ATM and sign language video financial services. Promote friendly financial service on digital channels. 	<ol style="list-style-type: none"> Establish 99 visually impaired voice ATMs. Set up sign language video service without appointment at every branch. E.SUN bank official website's portal obtained conformance level AAA; E.SUN mobile banking offer ATM verification code to ensure transaction security for hearing-impaired customers. 	<ol style="list-style-type: none"> Add 150 visually impaired voice ATMs (at least one in each branch) Formulate A, B, and C grades according to the barrier-free branch facility services, all of the branches are C grades in 2022. Complete 8 branches to A grades and 13 branches to B grades in 2023.^{3,4} Optimize E.SUN bank official website's self-service information. 	<ol style="list-style-type: none"> Replace all ATMs with visually impaired voice ATMs. Complete 40 branches to A grades and 97 branches to B grades in 2030. Continuously optimize digital channels and offer accessible financial service.

Note 1. The regulatory requirements imposed by the supervisory authority on corporate loan of residential properties, land, and idle land have led to a more stringent credit assessment, affecting the willingness to apply for small business loans.

2. According to the World Bank, Financial Inclusion refers to providing SB with useful and affordable financial services. Therefore, the targets have been adjusted to the annual increase in loan appropriation.

3. The barrier-free facilities in branches are limited by building structure and regulations, so it cannot be improved to A-grade in all of the branches.

4. 6 indicators: (1) Barrier-free ramp, (2) Barrier-free negotiation room, (3) Wheelchair charging station, (4). Customer service phone and QR CODE that meets the wheelchair height, (5). Barrier-free parking space, (6). Barrier-free toilets. The branch will be awarded 1 point for implementing each of the item above. A-grade: 5-6 points, B-grade: 4 points, C-grade: less than 3 points.



Compliance with laws and regulations

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	2022 Achievement Status	2023 Target	2030 Target
Embed the concept of compliance with laws and regulations in the hearts of managers and employees, emphasizing that all business operations must not exceed the risk limits, and all services must not exceed the legal boundaries, achieving zero trust in operational processes and zero tolerance for risk and regulatory violations.	Chief Compliance Officer / 100%	<ul style="list-style-type: none"> Implementation of education and training. Participation rate of compliance testing for employees. Self-assessment item updates and implementation effectiveness. Timeliness, implementation, and accuracy of compliance tracking forms. 	<ul style="list-style-type: none"> Establish a compliance management system to integrate domestic and foreign compliance operations, reduce labor costs, and improve compliance management efficiency. Assist in promoting the principle of fair treatment of customers, developing business while protecting customer rights. Continuously implement compliance education and training and conduct compliance testing for the entire bank. Continuously engage in one-on-one online exchanges with overseas units. 	<ul style="list-style-type: none"> Compliance management system project is in progress. The principle of fair treatment of customers is one of the key compliance promotion themes this year, and the "E.SUN Fair Treatment of Customers Education and Training Program" has been established. Each business unit provides appropriate friendly services and measures for elderly and disabled customers, specifically implementing fair treatment of customers. Provide compliance teaching materials to each unit for education and training every month, and conduct a bank-wide compliance test in May. According to the inspection plan, conduct one-on-one online inspections with Tokyo Branch, Hong Kong Branch, Singapore Branch, Australia Branch, and Chinese subsidiaries. 	<ul style="list-style-type: none"> Complete the construction of the compliance management system in the fourth quarter of 2023, strengthen the mechanisms for law dissemination, consultation, communication, and reporting, improve the internal efficiency of compliance, and reduce the working hours of employees. Continuously implement compliance education and training and conduct compliance testing for the entire bank. Continuously engage in one-on-one on-site or online exchanges with overseas units. 	<ul style="list-style-type: none"> Continuously improve through education, training, and testing to establish a proactive risk culture and deepen the overall compliance awareness of management and employees. Utilize legal compliance management systems and regulatory management systems as tools to enhance management efficiency and ensure adherence to laws and regulations.



Talent Attraction and Retention

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	2022 Achievement Status	2023 Target	2030 Target
Using Our Own Hands to Create Our Own Future	Chief Human Resource Officer / 40%	Employee Engagement	Maintain employee engagement above 95%	<ul style="list-style-type: none"> 85% Unachieved. Profit recession in 2022 due to interest rate hikes and market volatility impacted variable pay for some employees, and the new performance evaluation system expanded reward differentiation, so the survey results reflected these internal and external factors. After the survey, E.SUN formulated improvement plans and held a company-wide session to respond to employees' concerns. 	<ul style="list-style-type: none"> Maintain employee engagement above 90% E.SUN encourages employees to express their feelings and opinions diversely. Additionally, the new performance evaluation system will differentiate employee rewards. Therefore, E.SUN referenced industry peers to adjust the target. 	Maintain employee engagement above 90%
		Talent Retention Rate	Talent Retention Rate Maintains Above 90%	91.10%	Talent Retention Rate Maintains Above 90%	Talent Retention Rate Maintains Above 90%
		High-Performance Talent Retention Rate	High-Performance Talent Retention Rate Maintains Above 95%	95%	Highly efficient talent retention rate maintained above 95%	Highly efficient talent retention rate maintained above 95%
		Percentage of female managers	Maintain the percentage of female managers at 39% and above	The percentage of female managers is 40.85%	Maintain the percentage of female managers at 41% and above	Maintain the percentage of female managers at 45% and above



Corporate Governance

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	Achievement Status	2023 Target	2030 Target
Continuously strengthen the Board's functions, enhance the management team's leadership, value shareholder rights protection, and ensure accurate and transparent information	Corporate Governance Officer / 100%	<ul style="list-style-type: none"> Board functions Information transparency Shareholder participation 	<ul style="list-style-type: none"> Continuously review the Board's performance evaluation indicators, adding qualitative indicators with foresight and strategic significance. Strengthen the disclosure of corporate governance information on public information observation stations and subsidiary websites. Pre-process related pre-placement operations for the next Board structure planning and diversified configuration. 	<ul style="list-style-type: none"> Newly added board members should actively assist and guide the establishment of clear boundaries, defining the roles, functions, and responsibilities of each line of defense, and incorporating specific risk items into the overall board performance evaluation content. Continuously strengthen the transparency of corporate governance information on public information observation stations and subsidiary websites, and regularly update relevant information. Arrange independent directors with expertise and in line with E.SUN's corporate culture, management philosophy, and specialist leadership system according to the company's industry characteristics and future development strategies, regularly evaluate and report on the composition of E.SUN's board structure and selection plan. 	<ul style="list-style-type: none"> In accordance with the newly revised "Corporate Governance Best Practice Principles", regulate the control measures for stock transactions during the closed period and establish a post-event verification and confirmation mechanism. Implement the re-election of directors and the handling of the first-term training for new directors. Commission an external independent professional institution to carry out the "Board Performance Evaluation" operation. 	<ul style="list-style-type: none"> Refer to the company's phased sustainable development strategy, integrate and formulate the company's governance upgrade plan for advanced deployment. Continuously optimize the company's governance culture according to the policies of the competent authority and refer to the best domestic and foreign corporate governance principles and practices, review the company's governance structure, and promote the amendment of relevant regulations and adjustment of disclosure information.



Employee Care and Friendly Working Environment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2022 Target	Achievement Status	2023 Target	2030 Target
Creating a second happy home through empathy and establishing a friendly working environment.	Chief Human Resource Officer / 20%	Establish labor system that are superior to legal requirements	Establishing labor regulations superior to legal requirements	Providing 8 days of maternity leave, 8 days of paternity leave, and accompanying maternity leave, which are better than legal requirements	Establishing labor regulations superior to legal requirements	Continuously improving employee care and health promotion measures, building a friendly workplace environment.
		Average employee benefits expenses for non-managerial positions	Non-managerial positions average employee benefits expenses over 1.43 million NTD	1.36 million NTD (The main reason is that the overall financial industry is affected by the global financial market turmoil, the stock and debt market performance has a significant impact, resulting in a decrease in salary expenses, and also affecting the decline in employee benefits expenses.)	Continuously improving the system to raise the average employee benefits expenses standard.	Non-managerial positions average employee benefits expenses of 1.6 million NTD
		DEI diversity of employees	2022 New Increase Target	Maintain the DEI diversity of employees at 4.28% or above	Maintain the DEI diversity of employees at 4.5% or above	Maintain the DEI diversity of employees at 6% or above

Journey to Net Zero

E.SUN takes the lead in committing to net-zero emissions by 2050, establishes a climate change governance structure in accordance with international standards such as TCFD, PCAF, and SBT, and continually improves the management mechanism for greenhouse gas emission, climate change risks and opportunities. In addition to continuously improving energy efficiency, we also incorporate climate risk thinking into business and adjust our portfolio to a lower-carbon emission structure by financing renewable energy and green buildings, phasing out coal-related industries, and establishing an internal carbon pricing mechanism; realizing our goal of net-zero emissions by 2050 one step at a time.

2.1 Climate and Environment Governance Structure

2.2 Climate Related Risks and Opportunities

2.3 Opportunity Identification

2.4 Risk Identification

2.5 E.SUN Carbon Emissions Structure



Moving Toward Net Zero GRI : 2-23 、 2-24 、 2-25 、 3-3

E.SUN Bank continues to follow the TCFD (Task Force on Climate-related Financial Disclosures) framework: governance, strategies, risk management, and metrics & targets to disclose climate-related information. We have set comprehensive "coal phase-out" goals by 2035 and net zero by 2050. Our scientific approach and robust risk management are steadily moving us towards our net-zero target.



Joined initiative

2014

Became **the first** financial institution in Taiwan included in DJSI

2015

Adopted the Equator Principles

2017

Became **the first** Taiwanese signatory company of TCFD

2022

- Became **the first** bank in Taiwan to receive validation of science-based targets (SBT)
- Joined TNFD
- Joined RE 100
- Joined PCAF

E.SUN's actions on climate change risk management based on TCFD

2019

- Conducted scenario tests for climate change risks to estimate the financial impact.
- Stopped providing project financing to coal-fired power plants
- Issuing carbon-neutral credit cards

2018

Concluded the physical risk and transition risk by business review and risk identification

2017

Became **the first** Taiwanese signatory company of TCFD. Set up a working team to form strategies on climate change and established a management mechanism for the board

2021

- Set the goal to become a company with net-zero emissions by 2050
- Revised sustainable finance policy, and ensured that sustainable development is incorporated into financial services and the risk assessment process.
- Launched E.SUN ESG and Sustainability Initiative

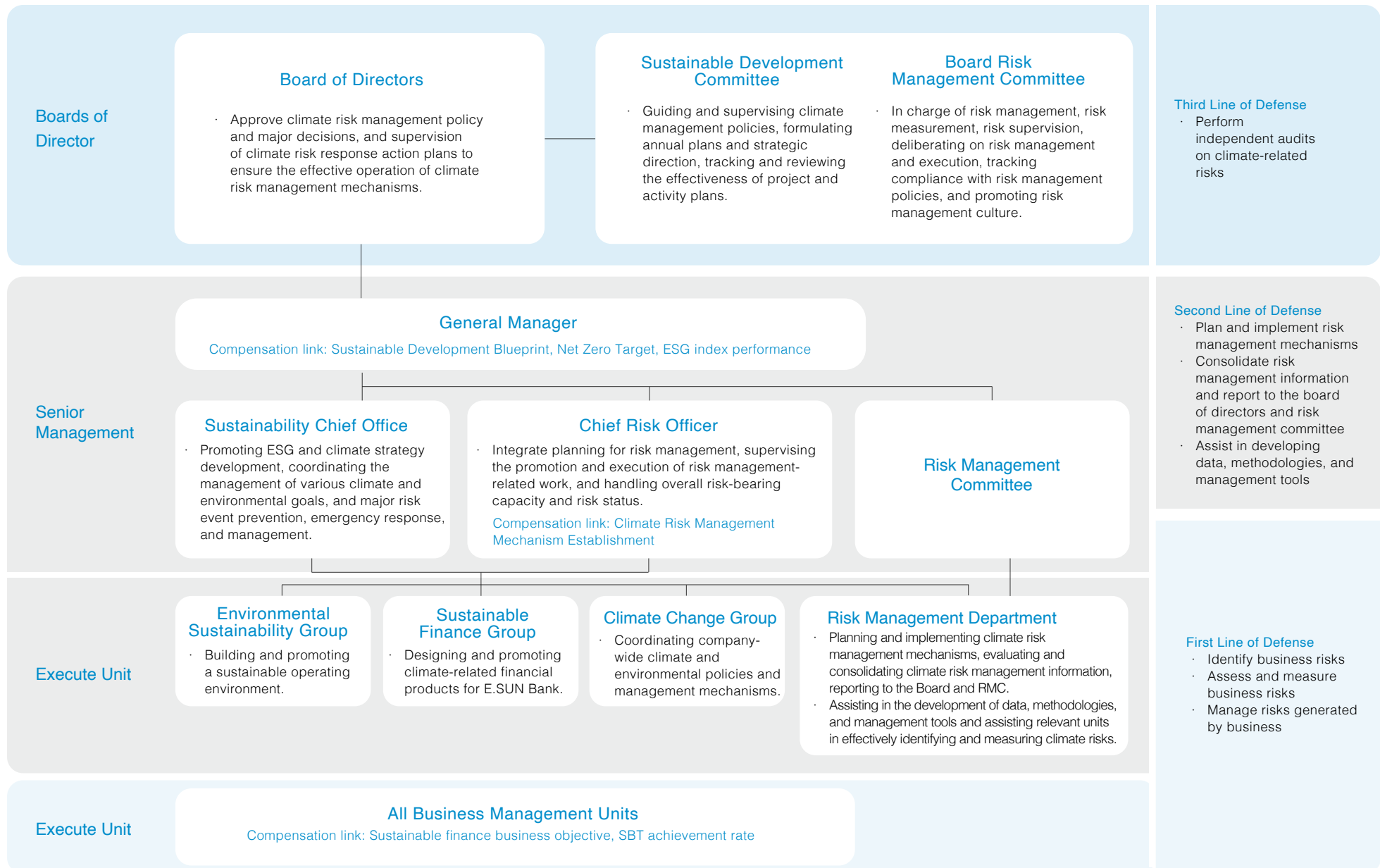
2020

- Expanded measurement of the impact of high-climate risk industries in different scenarios
- Compiled a GHG inventory and planned to submit targets to the SBTi

2022

- Revised climate-related and environmental risk management policy, enhancing its capacity for managing climate-related and environmental risk
- Expanded E.SUN ESG and Sustainability initiative, and led over 100 outstanding enterprises to advocate for ESG sustainability development
- Combined TCFD and TNFD frameworks to publish the Climate and Environmental Report

2.1 Climate and Environment Governance Structure



2.1.1 Policy and Capacity building

In our quest to better incorporate climate issues into our corporate strategy, management structure, and operation process, E.SUN has appointed a sustainable development committee and related task forces at the board level and became the first financial institution to appoint a Chief Sustainability Officer. E.SUN puts its climate culture into practice starting at the governing level, drawing out a long-term sustainable development blueprint and cultivating green finance talents from within. We combine ESG and climate into our development strategy to apply in internal decision-making, management processes, and operational scopes.

E.SUN FHC

E.SUN Financial Holding Co., Ltd. Sustainable Finance Policy

E.SUN Financial Holding Company Risk Management and Guiding Principles

E.SUN Financial Holding Co., Ltd./ Subsidiaries Climate-Related and Environmental Risk Management Policy

E.SUN FHC Corporate Social Responsibility Best Practice Principles

Sustainable development negotiation guidelines

Guidelines for the Phase-Out of Coal and Unconventional Oil & Gas Industries of E.SUN Financial Holding Company

E.SUN FHC Corporate Social Responsibility Guidelines for Suppliers

E.SUN Bank Climate-Related and Environmental Risk Management Policy

E.SUN Securities Sustainable development policy



Establish a climate and environmental management culture

- Established sustainable development committee since 2011 with the chairman as convener¹
- Establish climate and environment related policies and procedures, and regularly report on progress.
- Arrangement of annual Climate and Sustainability education training for the Board members and Senior Management²



Cultivate climate and environmental finance specialists

- The expertise allocation in climate and environmental finance includes about 40 people including sustainable finance team, climate change team, and environmental sustainability team
- Collaborating with TAISE to establish a Sustainable Finance Manager certification, to enhance ESG and climate-related specialize, total 73 staffs passed the approval..
- E-learning and two-way bulletin help establish a common climate language for employees at all levels. For new hires, climate risk-related information is included in orientation.
- The members of related project teams have certificates for ISO14064-1/2/3, ISO14067, PAS2060, SCR*, CFA ESG*



Enhance climate and environmental risk assessment skills

- Cooperated with consultants to introduce skills related to climate and environment, and established transition risk and physical risk database
- E.SUN became the first financial institution in Taiwan and the second financial institution in Asia to complete the SBT review
- E.SUN joined PCAF in 2022 and adopted their methodology to evaluate financed emissions
- Initiated a physical risk geospatial database project that combines scenario data. The aim is to provide reference information for business processes and franchise location selection.

Note 1: For information on climate related government results for the Board and senior management, please see E.SUN FHC 2022 Annual Report pg37-43

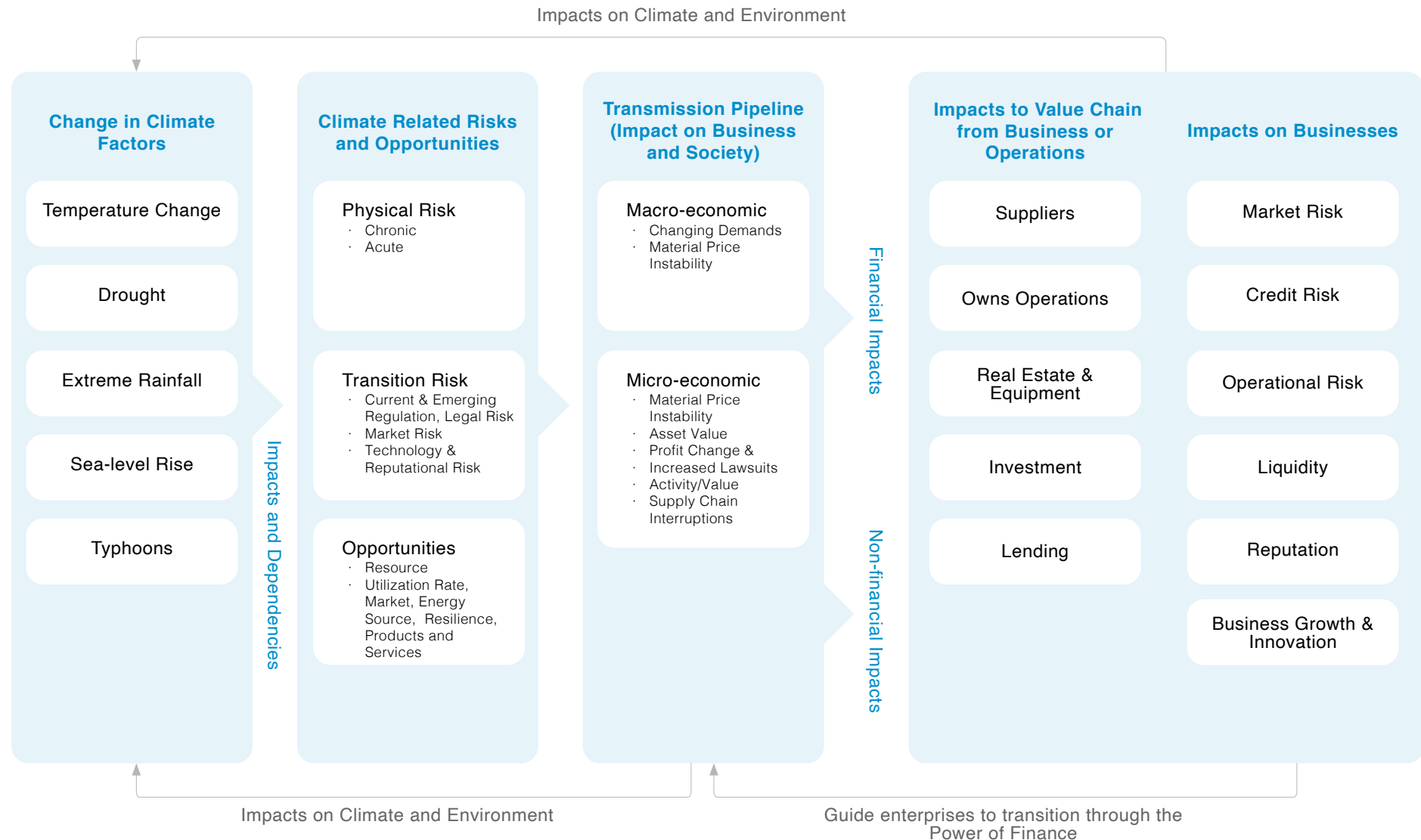
Note 2: For information on climate related education training for the Board and senior management, please see E.SUN FHC 2022 Annual Report pg47-49

Note 3: SCR*, Sustainability and Climate Risk. CFA ESG*, Certificate in ESG Investing

2.2 Climate Related Risks and Opportunities

"If finance won't move, the world won't move." - Inger Andersen (Executive Director of the United Nations Environment Programme)

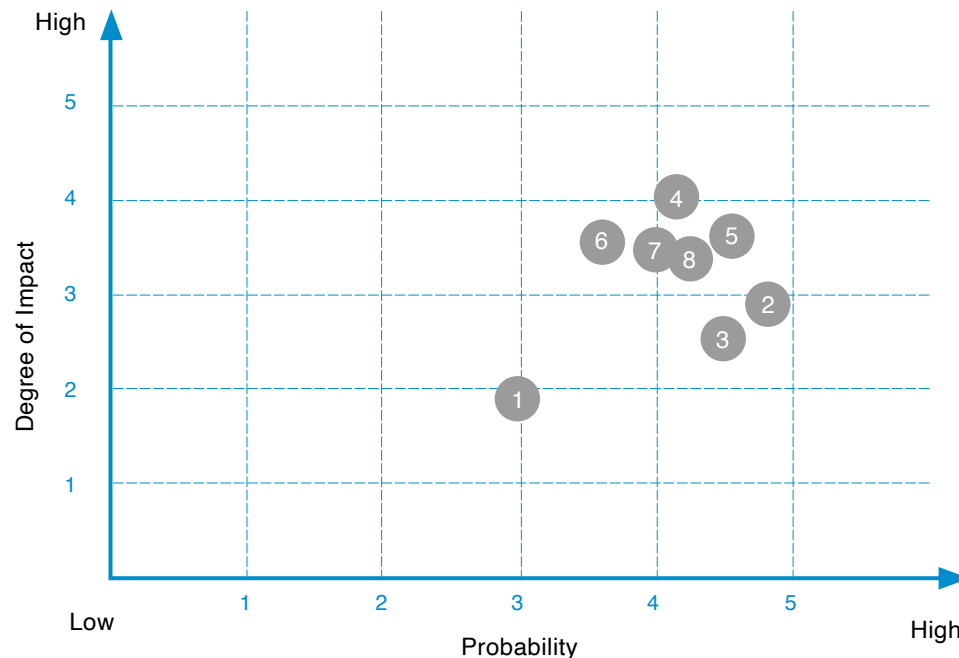
Financial institutions play a vital role in guiding enterprises through transition. E.SUN holds the concept of "Double Materiality" and not only tackles the risks and opportunities brought by climate change but also strives to lower the negative impacts on the environment and society. Leverage the influence of financing to aid our customers in sustainable transition, and joining together with industry partners, government, and academia to build the better future for the environment.



2.3 Opportunity Identification

In the "2050 Net-Zero Pathway and Overall Strategy", Taiwan's government announced that it planned to invest NT\$900 billion in reducing emissions before 2030. In 2023 public sector is preparing a net zero budget of NT\$68.2 billion, and it is estimated will accelerate about NT\$4 trillion of private investment between 2023 to 2030. At the same time, the FSC stated that the vision of its Green Finance Action Plan 3.0 published in September 2022 is to "integrate financial resources and support net-zero transformation". It will gradually promote disclosure and emissions reduction in

the industry. The financial industry must exert positive influence to direct capital to environmentally friendly industries, such as green energy, electric vehicles, green steel, hydrogen energy, and sustainable agriculture. E.SUN actively develops and supports the strategies of the authorities for responsible finance, green finance, digital finance, and other related businesses to assist customers in the low-carbon transformation and support the development of low-carbon technologies, creating a second wave of green finance growth for our company.



	Opportunity / Potential Impact	Impact Period	Response Measures
Resource Utilization Rate	1 Reduce water consumption and waste, improve energy efficiency, and lower costs	Medium	<ul style="list-style-type: none"> Replace high-energy-consuming equipment to save costs Develop green buildings to enhance energy efficiency Use renewable energy Develop green financial products (see P.43) Raise employee awareness on climate change through education, training, and internal announcements Establish a management organization (see P.38), revise climate change risk management policies, and strengthen E.SUN Bank's sustainable finance policies to enhance management systems
	2 Digitize processes to reduce paper use	Short	
Energy Sources	3 Utilize renewable energy to reduce dependence on fossil fuels and sensitivity to carbon prices, thus lowering greenhouse gas emissions	Longevity	
Products and Services	4 Develop low-carbon products and services, support net-zero policies, assist customers in transitioning, and create business opportunities	Medium	
	5 Digitalize convenient financial services, improve customer satisfaction, and reduce the costs required for services	Medium	
Market	6 Expand the customer base through innovative green financial products	Medium	
	7 Green Industry and Infrastructure investment opportunities	Medium	
Resilience	8 Improve the ability to respond to climate change for more efficient risk management and seizing opportunities	Longevity	

Time frame definition:
short-term is within one year, medium-term is between one and ten years, and long-term is over ten years.

2.3.1 Response Strategy and Financial Plan

Benchmarking	Climate-related Opportunities	Internal Strategies and Objectives	Current Actions and Outcomes
<ul style="list-style-type: none"> Paris Agreement Taiwan 2050 Net-zero Emissions Pathway Taiwan Green Finance Action Plan Corporate Governance 3.0 – Sustainable Development Blueprint SBTi Science-based Carbon Reduction Targets Principles for Responsible Investment (PRI) Principles for Responsible Banking (PRB) TCFD TNFD 	Resource Utilization Rate	<ul style="list-style-type: none"> Reducing absolute carbon emissions of Scopes 1 & 2 by 42% by 2030 compared to the 2020 baseline By 2025, reduce water consumption in revenue by 20%, revenue waste by 56% By 2030, the domestic operating sites of E.SUN will use 100% renewable energy By 2040, all operating sites of E.SUN will use 100% renewable energy 	<ul style="list-style-type: none"> Establish rainwater recycling and water-saving devices, promote proper water-saving concepts and conserve water resources Implement waste sorting, recycling, and reuse management, and promote paperless operations Replace high-energy consuming air-conditioners and lighting equipment Introduce ISO 50001 to strengthen energy management Purchase green electricity and install solar panels on E.SUN-owned buildings to increase the proportion of renewable energy use
	Energy Source		
	Products and Services	<ul style="list-style-type: none"> By 2030, E.SUN aims to be the sustainable partner for enterprises and the best sustainable partner for customers In line with Taiwan's 2050 net zero emissions pathway, strategies, and the IPCC AR6 report, E.SUN Bank will continue to deepen the scope and scale of green products 	<ul style="list-style-type: none"> Promote renewable energy, green buildings, sustainable bonds, and other green financial products to assist in business development and customer management Through negotiation, ESG sustainability initiatives, and advisory services, E.SUN Bank aims to create positive financial impact and deepen connections with customers and sustainable partners
	Market		
	Resilience	<ul style="list-style-type: none"> Actively participate in government and international organizations' sustainable and climate change-related initiatives to strengthen climate change response capabilities Achieve 100% green building certification for owned domestic buildings by 2027 Benchmark international standards (such as CDP, DJSI, etc.) and continuously improve, reaching net-zero emissions by 2050 	<ul style="list-style-type: none"> Establish management structures, revise internal climate change-related regulations, integrate into daily operations and business development, and enhance risk management and opportunity grasping capabilities Participate in regulatory and industry association climate-related projects to help formulate related regulations, such as Taiwan's sustainable classification standards, banking association climate change risk management projects, and climate change stress test projects amongst others Cultivate in-house sustainability and climate talent, and plan to subsidize relevant certifications Improve mitigation capabilities by obtaining green building certifications for new constructions, existing building enhancements, and operations management

2.3.2 Climate-related Product and Service Overview

Personal Finance

Zero Carbon Credit Card

- All series of credit cards issued since 2019 have achieved carbon neutrality.
- From 2019 to the end of 2022, a total of 4,393 tons of carbon dioxide have been offset.
- With a cumulative issuance of **4.8 million** cards, it is expected that all credit cards in force will be converted to zero carbon credit cards by 2025.

Digital e-Card

- In 2022, the market-leading virtual card "Digital e-Card" was launched, with a 99.5% online application rate.
- After approval, no physical cards are provided, reducing the carbon emissions generated by the production process of each physical card by 900 grams.
- The annual reduction in carbon emissions is about 70.5 tons.

Inclusive financial innovation services

- Online platforms; electronic bills / statements; going paperless and reducing the GHG emission generated

"Smiling Polar Bear" financing project

- In 2022, individuals who purchase energy-saving home appliances, electric vehicles, and install household green energy power generation equipment etc., are offered financial service discounts
 - A preferential interest rate or fee discount is provided to those whose who provide mortgage collaterals that satisfy the criteria for the Green Building Mark of the Taiwan Architecture & Building Center, totaling 760 units, or **NT\$11.3 billion***
 - 2025 target annual allocation **NT\$11 billion**
- * Green buildings mortgage include "purchase loans" and "working capital loans."

Corporate Finance

Green loans

- To support business sustainability and extend green loans for green projects to assist enterprises in investing in clean energy, energy storage systems, water resources and environmental pollution control, environmental protection products or equipment, and green buildings, etc.
- Balance reached **NT\$53.7 billion** in December 2022.

ESG Linked Loans

- Encouraging enterprises to set and achieve ESG goals and providing them with preferential financial services
- Balance reached **NT\$40.6 billion** in December 2022.

Sustainability initiative

- Invite like-minded business partners to focus on sustainability and joint carbon reduction, and then take practical actions to build a sustainable ecosystem.
- From 2021 to September 2022, the "E.SUN ESG Sustainability Initiative" was launched, and **133 companies** joined the advocate.

Sustainability consulting services

- Combining internal expert team and external professional consultants, assist corporate customers in developing ESG through consulting services.
- Conduct consultations and exchanges on sustainability and climate, recommend carbon reduction steps, encourage and assist companies in conducting greenhouse gas inventory.

Sustainability Savings

- Since August 2022 invited the 133 companies of the ESG Sustainability Initiative to participate.
- Combining the needs of savings, financing and investing to further pursue sustainable development. Balance reached **NT\$1.03 billion** in 2022.

Medium and Large-sized Enterprises / Financial Institutions

Responsible investments

- Invest in certified green bonds, social bonds, and sustainability bonds.
- Balance reaching **NT\$22.5 billion**.
- 2025 target balance to reach **NT\$32 billion**.

Sustainability bond issuance

- Channeling funds to society and environment friendly industries through issuance of sustainability bonds.
- Total issuance reached **NT\$18.9 billion**.

Sustainability bonds underwriting

- Supporting enterprises in raising funds for sustainability causes and assisting them in issuing sustainability bonds.
- Underwriting balance reached **NT\$23 billion**.

Hedging and consultation services for sustainability-related projects

- Supporting environmentally friendly projects with our financial services by providing hedging and consultation services for sustainability-related projects, e.g., financing for offshore wind power projects and solar power projects.
- Hedging services provided reached **NT\$18.6 billion**.

Note: An overview of E.SUN's climate-related products as of Dec. 2022 is as shown above. For more detailed information on each product please see the contents of the "Banking for Better" chapter.

2.4 Risk Identification

Apart from affecting our operations, the greater risk posed by climate change is the impact on lending and investment assets, such as credit deterioration for loans or price fluctuations in investments. Climate change and low carbon transition pose varying levels of impact at different times, affecting the existing financial risks (such as credit risk, market risk, and operational risk). E.SUN

has assessed short, medium, and long-term climate-related risks, and reviewed our internal management process and the expected lifetime of the assets. These assessments are integrated into our existing risk management framework and serve as a way to monitor climate change impacts regularly and formulate new measures.

Transition Risk Factor / Potential Impact

Policy and Legal

- 1 Carbon tax/fee has impact on the company, customer and client
- 2 Climate and Environmental policies, laws, and financial supervision become stringent

Technology

- 3 Substituting low-carbon and environmentally friendly products for existing products and services increase uncertainty in revenue and investment

Market

- 4 The stranded assets of high carbon emission and high natural-environmental risk rattling the market
- 5 Price rising in water, electricity, and raw materials increases cost

Reputation

- 6 Customers' preferences change; decision-making for operations, investment and financing requires considering ESG factors
- 7 Litigation risks generated by environmental issues

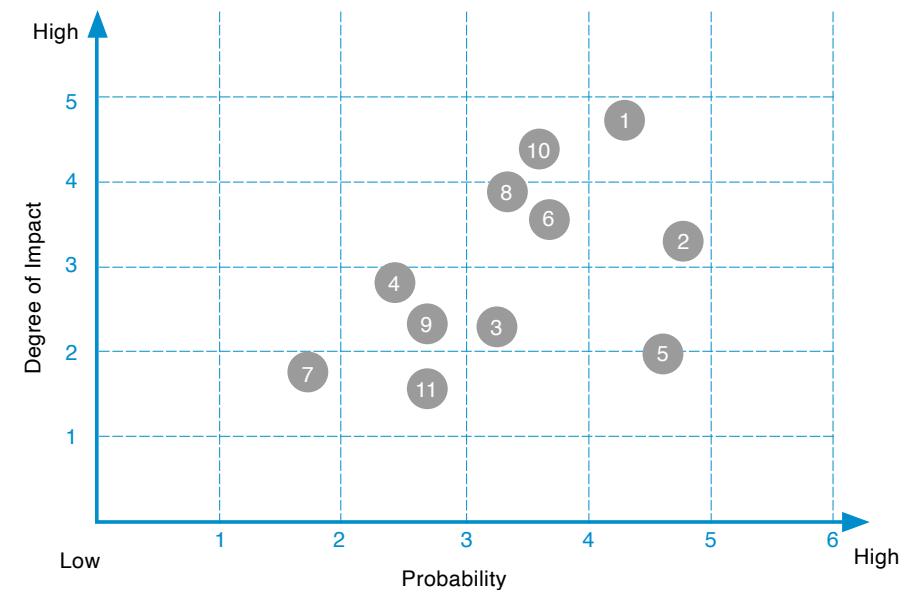
Physical Risk Factor / Potential Impact

Acute

- 8 Natural disasters such as typhoons, floods, and water stress impairs assets or collaterals and interrupts operations
- 9 The natural resources depletion and environmental degradation impact operation and business model

Chronic

- 10 Global temperature rises by more than 1.5°C, which may cause changes in climate patterns and sea level, impacts the economy and company operations, impairs assets, or causes early replacement of assets
- 11 Species loss and degradation due to soil, water and ocean contamination



2.4.1 Impact Assessment

■ Correlation between physical risks and traditional risks

Business categories	Risk Impact	Major Risk Category	Risk Impact Level		
			Short-term	Medium-term	Long-term
Lending and Investment	<ul style="list-style-type: none"> Affected by climate change or natural environmental factors (such as strong typhoons, heavy rain, landslides, and debris flows), leading to a decrease in collateral value or supply chain disruptions affecting customer operations. Climate change and the degradation of natural environmental resources affect macroeconomic factors (e.g., GDP, unemployment rate, insufficient natural resources) or real-world risk events, resulting in adverse effects on investment targets (revenue decline, additional operating costs, supply disruptions), and causing fluctuations in investment position prices. 	Credit Risk	Low	Moderate	Moderate
		Market Risk	Low	Moderate	Moderate
Own Operations Policy and Reputation	<ul style="list-style-type: none"> Operational locations are affected by extreme weather and natural environment resource factors (such as strong typhoons, heavy rain, water resource pressure), causing damage to buildings, equipment, or negative effects on operations. 	Operational and Reputation Risk	Low	Low	Moderate
Suppliers	<ul style="list-style-type: none"> Natural disasters and environmental factors affecting the operation of infrastructure (such as electricity, networks, etc.) may affect service provision. 	Operational Risk	Low	Low	Moderate

■ Correlation between Transition Risks and Traditional risks

Business categories	Risk Impact	Major Risk Category	Risk Impact Level		
			Short-term	Medium-term	Long-term
Lending Investment	<ul style="list-style-type: none"> In response to the low-carbon economic transition, the imposition of carbon taxes/fees and carbon tariffs have negative financial impacts on high-carbon-emitting industries, enterprises unable to reduce carbon emissions or phasing out by green technology, and their related supply chains. Environmental assessment factors influence factory development or operations, or products face boycotts. High-carbon industries face increased operating costs (due to carbon cost burdens) and the risk of failure during the business transformation process; environmental issues impact specific industries, leading to investment position price fluctuations. 	Credit Risk	Low	Moderate	Moderate
		Market Risk	Low	Moderate	Moderate
Own operations Policy and Reputation	<ul style="list-style-type: none"> The levying of carbon-related costs and increased investment in energy conservation and carbon reduction (such as the use of renewable energy and energy-saving equipment) lead to increased resource input. Climate change-related regulations and policies are common sources of transition risk, such as government legislation imposing carbon taxes or fees; applying stricter energy efficiency standards to residential and commercial buildings; and imposing legal disclosure obligations for carbon emissions. When assessing policy and regulatory risks, it is necessary to consider not only the potential direct impact on operations, but also the indirect potential impact on the supply chain. Reputational risk is closely related to the perception of customers or the public about whether a company is committed to low-carbon transition and upholding its environmental sustainability commitments. If a company fails to fulfill and implement its climate change commitments, it may affect the perception of stakeholders (including its upstream and downstream industry chains) and result in negative reputations for the company, leading to the loss of customers, consumers, or supplier support, affecting the company's ability to obtain funds, or even the ability to recruit and retain employees. 	Operational, Legal and Reputation Risk	Low	Low	Moderate
Suppliers	<ul style="list-style-type: none"> Manufacturers transfer investment and carbon-related costs due to transformation, or adjust service models due to legal restrictions, which increases the cost of payments. 	Operational Risk	Low	Low	Low

Note: Low risk: small rise in costs with minor impacts on finances.

Medium risk: Non-performing loan and asset price movement risk increases with potential to affect revenue growth.

High risk: financed assets PD risk increase, invested assets face price instability, extreme weather events affect owns operations, may cause revenue loss.

2.4.2 Risk Management Procedures

Identification

- Identify the potential impacts and risk factors of climate change-related risks on company operations and investment, and enhance the completeness of identification by regularly focusing on relevant laws, guidelines, and literature.
- Strengthen the identification of high climate change-related risk enterprises in the lending process.
- Incorporate climate change-related risks and opportunities into the decision-making process for securities investment and underwriting business management and analysis.

Reporting

- The CEO coordinates the management of climate change-related goals and achievements, and related Task Unit reports on climate change efforts to the CEO intermittently.
- Report climate-related and environmental risk management information to the board and Risk Management Committee regularly to have the superior assessment of climate-related and environmental risk management circumstances at least every six months.
- If climate and environmental risks impact overall operations or business conditions, immediate appropriate management measures are taken and reported to the Board.
- Disclose information following climate change-related guidelines.



Measurement

- Inventory greenhouse gas emissions from investments and loans.
- Assess the proportion of climate change-sensitive assets.
- Regularly conduct scenario/stress tests for physical and transition risks to inform strategy and risk management.

Monitoring

- Establish indicators linking climate factors and reduce exposure when triggered.
- Implement science-based reduction targets (SBT).
- Adopting risk-based and differentiation managements based on Climate and Environmental risk assessment results

2.4.3 Identification and Management of Climate Risks by Industry

Domestic and international risk management guidelines (e.g., UNEP FI, SASB are referenced) to identify industries more susceptible to climate change impacts for external disclosure and internal risk decision-making reference. Adopt risk-based management mechanisms. At December 2022, E.SUN's climate-sensitive industries and exposure proportions are shown in the table below, with **the total proportion of climate-sensitive industry investments and loans at 6.11%**. We have set comprehensive "coal phase-out" goals by 2035 and net zero by 2050, utilize science based methodology and resilient risk management toward net zero target.

Climate-sensitive assets

Climate-sensitive Asset Classification		Total Investment and Financing
Energy and Utilities	Fossil Fuels	0.35%
	Power Facilities and Utilities	2.03%
Transportation Industry	Transportation Industry	0.89%
Materials and Construction	Petrochemical/ Chemical	1.67%
	Metal Manufacturing/ Smelting	0.47%
	Cement and Glass	0.20%
Agriculture, Food, and Forestry Products Industry	Agriculture, Forestry, Fishing, and Animal Husbandry	0.18%
	Papermaking	0.32%
Climate-sensitive assets		6.11%
Non-climate-sensitive assets		93.89%
Total		100.00%

2.4.4 Climate Change Scenario Analysis

SASB : FN-MF-450a.1 、FN-MF-450a.2

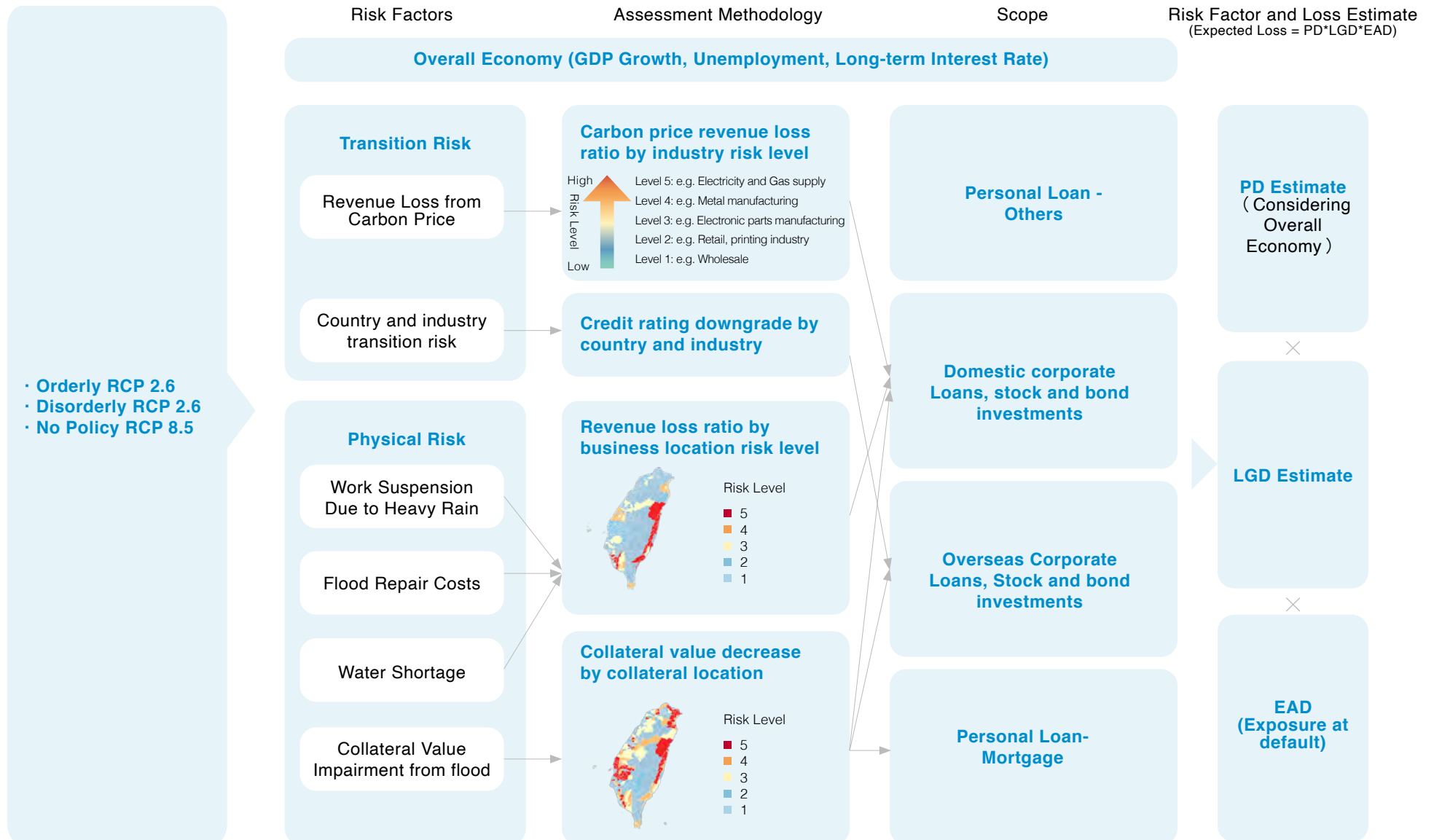
■ Portfolio Scenario Analysis

Scenario Analysis is a process used to assess probable future impacts under uncertain conditions. E.SUN identifies risks and opportunities and assesses potential financial impacts from climate risks through the use of scenario (stress) testing to support our strategy planning and risk management. E.SUN Bank comprises over 97% of E.SUN FHC's assets. Using methods and scenarios set out by the "Guidelines for the Conduct of Stress Tests by Domestic Banks", we analyzed our investment and finance portfolio and disclosed relevant information as required by the FSC, further strengthening our risk management and information transparency.

■ Scenario Setting

Category	Orderly Transition	Disorderly Transition	No Policy
Scenario Description	Gradual and measured transition to Net-Zero globally by 2050	Delayed start but still reaches Net-Zero by 2050	Climate change brought on by lack of transition policies
	Limit warming at 1.5°C	Limit warming at 1.8°C	Warming reaches 3+°C
Transition Risk	Taking into account carbon emission intensity by country and industry, and carbon price impacts on finances		
	NGFS Net Zero 2050 Scenario	NGFS Delayed Transition Scenario	NGFS Baseline Scenario
Physical Risk	IPCC AR5 RCP 2.6	IPCC AR5 RCP 2.6	IPCC AR5 RCP 8.5
Overall Economy	Taking in account GDP growth rate, Unemployment rate, and long term interest rate change in NGFS scenarios		

■ Risk factors and methodology

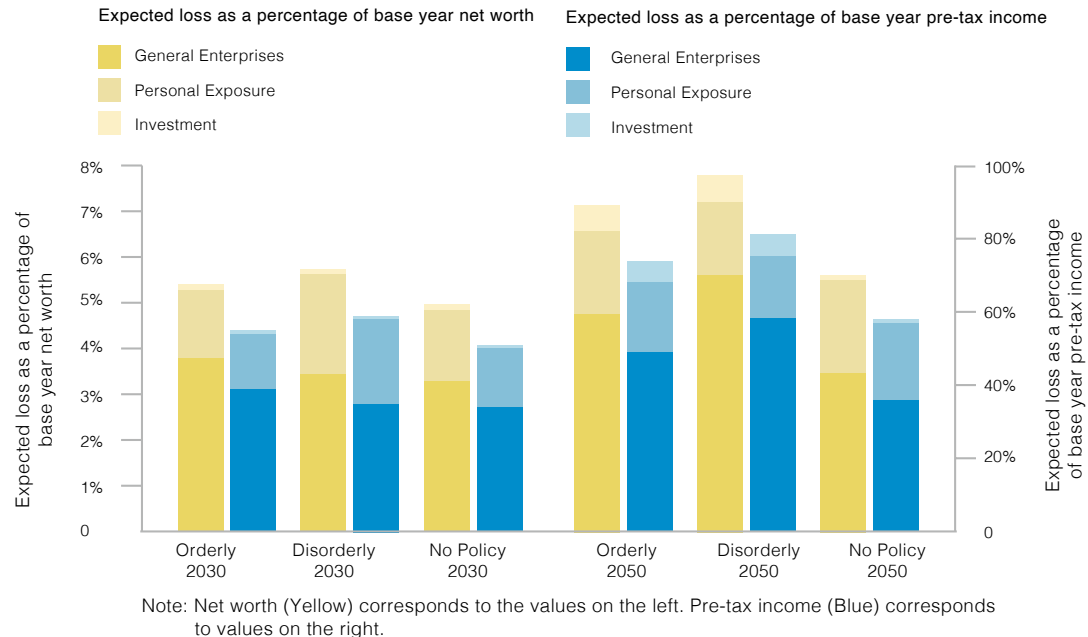


Note: Risk is categorized into 5 levels, level 5 being the highest risk

■ Scenario Analysis Results

- Combining the results of corporate loans, personal loans, and investments, the greatest expected loss happens under Disorderly transition in 2050, representing 7.57% of E.SUN FHC's base year (2022) net worth with E.SUN bank taking up over 97% of its net worth.
- Scenario analysis results using E.SUN bank's net worth and pre-tax income are shown in figure 1. We can see that greatest expected loss under 2050 disorderly transition scenario, representing 7.80% of E.SUN bank's net worth.

Figure 1: Scenario Analysis Results



■ High-emission sector

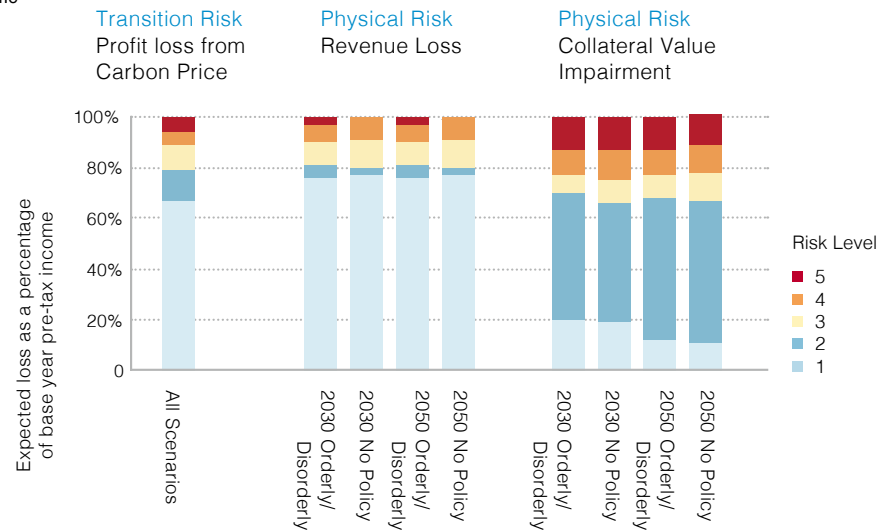
According to the “Greenhouse Gas Reduction and Management Act” set by the EPA, there are 287 businesses in the first inventory batch that are subject to emission reporting. E.SUN has 40 customers that are subject to emissions inventory as of December 2022. The largest expected loss happens under the Disorderly transition in 2050.

Expected loss of High Emission Sectors

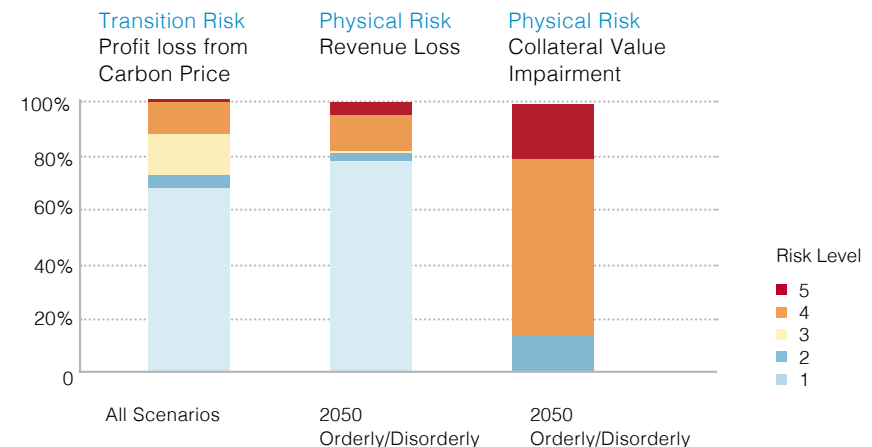
Unit: million dollars

Time \ Scenario	Baseline	Orderly	Disorderly	No Policy
2030	176	257	253	244
2050	176	332	412	264

Physical and transition factor risk exposure level distribution

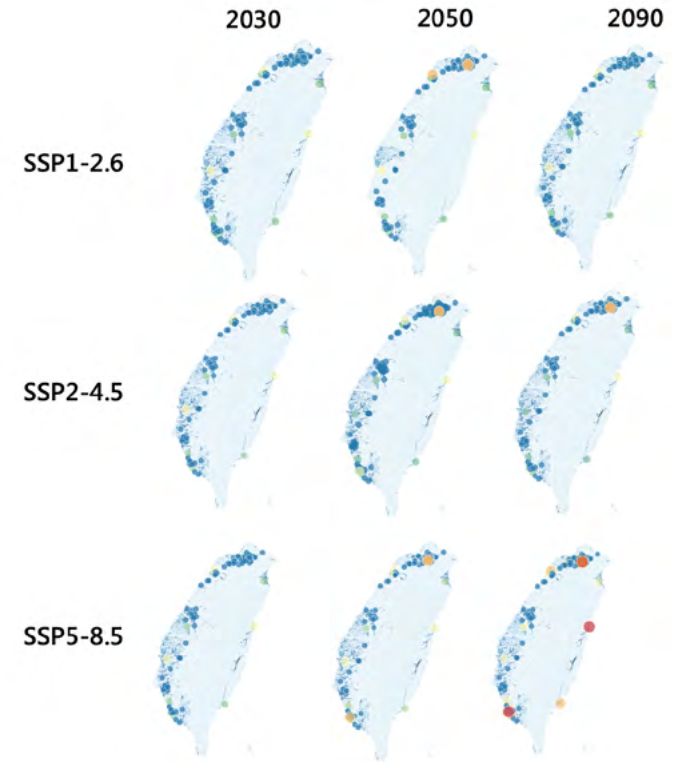
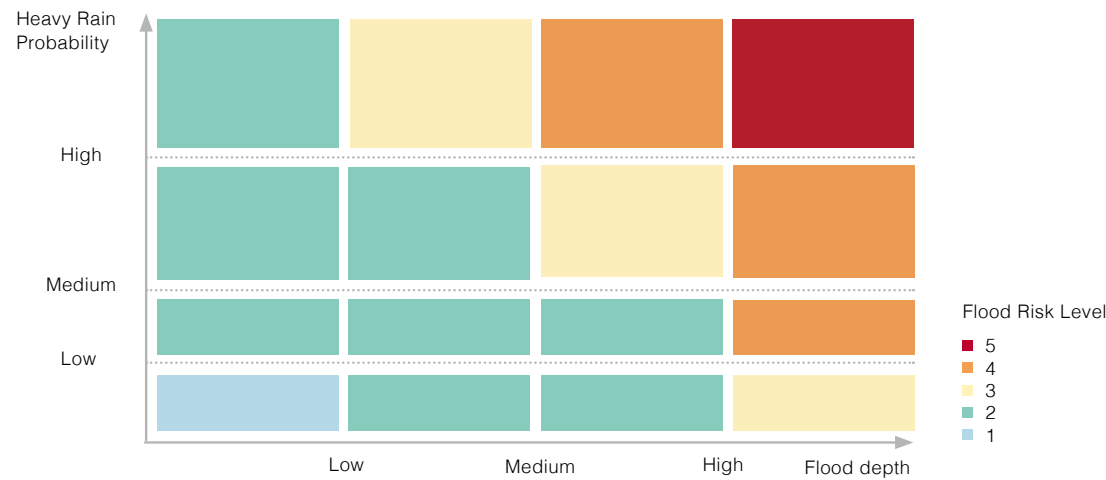


High Emission Sectors Physical and Transition risk factor exposure risk level distribution



Direct Operation Scenario Analysis

Climate risk for financial institutions are mainly from finance and investment positions. Direct operation transition risks mainly effect water and electricity prices and cost of compliance, which have relatively low impacts on finances. Physical risks are more likely to affect business operations and income; thus direct operation analysis are mainly based on physical risks. In reference to the IPCC physical risk analysis framework and suggestions from internal experts, a flood risk level analysis using hazards, vulnerability, and operating location (exposure) is shown in the chart below. In considering operation lifecycle, we mainly consider the timeframe before 2030 and 2050. Analysis results shows there are no high risk locations within this timeframe.



Unit: Number of Sites

Scenario	SSP1-2.6			SSP2-4.5			SSP5-8.5		
Scenario	2030	2050	End of Century (EoC)	2030	2050	End of Century (EoC)	2030	2050	End of Century (EoC)
High Risk	0	0	0	0	0	0	0	0	4
High-Medium Risk	0	3	0	0	2	0	0	3	11
Medium Risk	6	10	6	6	3	6	6	6	12
Medium-Low Risk	21	14	21	21	22	21	21	18	0
Low Risk	140	140	140	140	140	140	140	140	140

2.4.5 Climate Risk Management Measures

Based on the comprehensive climate change risk assessment results and climate change scenario (stress) testing analysis, E.SUN's management measures are summarized in the following table.

Scope	Risk Factors	Management Measures / Adaptation Plans
Low Carbon Transition	Reduce own operational and investment-related carbon emissions	<ul style="list-style-type: none"> Inventory carbon emissions from Scope 1 and 2 and plan mitigation measures (such as installing solar panels, using renewable energy, etc.) Follow PCAF methodology for carbon inventory of investment and financing activities Set targets and reduce carbon emissions according to SBTi
Investment	Stock and bond investments	<ul style="list-style-type: none"> Fulfill the responsibility of asset owners or managers by considering the corporate social responsibility performance of investment targets Avoid investing in enterprises with direct or potential environmental and social impacts, such as coal mines or coal-fired power plants, and implement responsible investment Promote or assist enterprises in sustainable operation issue awareness and implement ESG actions through negotiation
Credit	Corporate loans	<ul style="list-style-type: none"> Through green financing, support renewable energy projects, green buildings, green equipment, and other energy-saving and low-carbon capital expenditures to help enterprises transition and respond to climate risks Link credit conditions to enterprises' comprehensive performance in environmental, social, and corporate governance or sustainability indices, encouraging enterprises to invest more actively in resources Refer to the guidance of the Banking Association's Equator Principles 4.0 for corporate credit review Include ESG considerations in the credit process to avoid funds flowing to high-carbon projects such as coal-fired power project financing
	Real estate collateral loans	<ul style="list-style-type: none"> Regularly assess and monitor the potential risk of real estate value impairment caused by climate change, continuously improve the database of physical risks, analysis methods, and scenario testing Incorporate flood risk factors - hazard (e.g. heavy rainfall, increased typhoon frequency) and vulnerability (e.g. whether the area is prone to flooding) into the real estate collateral zoning standards, and set lending limits and loan-to-value ratios according to the zoning to control potential loss risks Regularly conduct mid-term management for high flood risk cases, add a special note to the system for real estate collateral located in high climate risk areas with high loan-to-value ratios, and carefully assess collateral value and loan-to-value ratios Refuse evaluations for collateral labeled as pollution-related sites, or those announced by government agencies as subject to the "Soil and Groundwater Pollution Remediation Act" Strengthen review, inspection, appraisal of collateral, control of credit conditions, and raising of approval authority for collateral cases in high landslide risk communities
Own operation	Disaster response	<ul style="list-style-type: none"> Developed the "Emergency Response and Crisis Management Measures" based on the competent authority's "Financial Institution Disaster Emergency Response Measures Manual Template" and operational overview to ensure operational continuity and organizational resilience. The "Continuous Information Service Management Regulation" takes into consideration power supply interruption and regional flooding recovery
	Supplier management	<ul style="list-style-type: none"> E.SUN Bank collaborates with external consultants, introduces AR6 scenario data, domestic disaster potential data, and analytical techniques, and conducts a physical risk assessment of its own properties (from 2030 to the end of the century) to plan 100% adaptation measures for existing locations and to serve as a reference for selecting new locations. By 2025, high-risk operational locations should be reduced to within 2%, and existing high-risk locations need to be vigilant or prepared early for heavy rain special reports, such as installing floodgates, to reduce climate impacts through early monitoring and adaptation E.SUN Bank implements sustainable procurement standards to manage suppliers
	Compliance and reputation	<ul style="list-style-type: none"> Established designs and measures to avoid greenwashing in the provision of green-related financial products and services, and sets up internal mechanisms for control

2.4.6 Differentiated Management of Industries

E.SUN incorporates climate change-related risks into its daily operations, differentiating its business as shown in the table below, actively managing carbon emissions from financial assets, increasing green assets, reducing grey assets in investment and financing positions, guiding low-carbon transition through financial resources, exerting its financial influence, and fulfilling global climate-related sustainable goals.

Management Measures	Industry Management Description
Avoid	<ul style="list-style-type: none"> According "E.SUN Financial Holding Co., Ltd. Sustainable Finance Policy", Businesses involved in illegal logging, harming endangered wildlife, developing coal mines, or setting up new coal-fired power projects should be avoided Real estate collateral listed in the Soil and Groundwater Pollution Remediation Act should be avoided According "Guidelines for the Phase-Out of Coal and Unconventional Oil & Gas Industries of E.SUN Financial Holding Company" accelerating the phase-out of coals, which include coal company (mining, power and infrastructure) and Unconventional Oil & Gas company (Tar Sands Shale Oil & Gas, Arctic Oil & Gas Ultra-deepwater Oil & Gas and Liquefied Natural Gas (LNG).
Strengthened management	<ul style="list-style-type: none"> Equator Principles should be introduced to large-scale project financing in sectors such as electricity, oil and petrochemicals, and infrastructure for risk classification and management. The projects should be carefully assessed for fulfilling social responsibility, proper environmental and social impact monitoring, and improvement planning. Analyze the practical implementation of climate-related physical and transitional risks, environmental pollution, and biodiversity issues on a case-by-case basis Design differentiated measures to address industry-specific climate and environmental risks, such as carbon emissions, climate risks, biodiversity, toxic substance management, and water resources Integrate hazard and vulnerability of climate risk factors into real estate collateral zoning standards to manage credit business climate risks within jurisdiction divisions Strengthen the review process for cases in high slope land disaster risk communities Design mechanisms to encourage customers with environmental pollution penalties to improve their issues. Signed the Equator Principles and, according to Equator Principles 4.0, included climate change assessment as a necessary item in project financing
Actively supports	<ul style="list-style-type: none"> Supports social innovation and local revitalization industries, providing customized financial services, financial counseling, and marketing resources, adding momentum to Taiwan's local and national society movement towards SDGs Increase investment and financing amount for forward-looking economic activities or key strategies mentioned in the National Development and Reform Commission's 2050 net-zero emission pathway, including: wind power/solar power, hydrogen energy, forward-looking energy, power systems and energy storage, energy conservation, carbon capture utilization and storage, vehicle electrification and decarbonization, resource recycling and zero waste, natural carbon sink, etc.

2.5 E.SUN Carbon Emissions Structure

E.SUN began taking carbon inventory of its service locations according to the ISO14064 standard in 2014. In 2017 we expanded to 100% of all locations. The inventory included Scope 1 direct GHG emissions (including emissions from electric generators, natural gas, company vehicles, and firefighting equipment) and Scope 2 indirect GHG emissions from electricity use. The largest source of emissions for financial institutions is investment and financing activities. E.SUN adopted the Global GHG Accounting and Reporting Standard for the Financial Industry issued by the Partnership for Carbon Accounting Financials (PCAF) in 2020 to take carbon inventory for our material assets. We used ESG reports and CDP information published by our investees to calculate their GHG emissions. In addition to the total emissions, we use carbon footprint and weighted average carbon intensity (WACI) metrics to evaluate our financed emissions. Carbon footprint measures total carbon emissions per unit of exposure, which can help us understand our portfolio alignment. WACI is calculated from investment weights and carbon emission per unit revenue of investees, which can help us interpret emission changes in our portfolio. In 2021 our WACI was 6.23 tons/million NTD. E.SUN continues to monitor the change in asset emissions indicators to keep towards our mission of achieving net zero.



E.SUN FHC GHG Emissions Timeline

	2019	2020	2021	2022
Scope 1	2,455	2,399	1,857	1,844
Scope 2	22,443	22,299	22,105	20,294
Scope 3: Financed Emissions ¹	916,408	4,710,269	3,672,612	3,898,464 ¹
Scope 3: Others	52,100	53,713	49,181	56,015
Total (tons)	993,407	4,788,679	3,745,755	3,976,617¹

Scope 3 Portfolio Emissions Inventory

	2019	2020	2021	2022
Financed Emissions (t-CO ₂ e)	916,408	4,710,269	3,672,612	3,898,464 ¹
Carbon Footprint ² (t-CO ₂ e/\$M)	95.36	69.64	47.88	51.98 ¹
Inventory Coverage ³ (%)	12.50%	73.69%	75.27%	75.68% ¹
PCAF Required Coverage(%)	100.00%	100.00%	100.00%	100.00% ¹

Note 1: Emissions from investments and financing activities for 2022 have been estimated based on the increases or decreases in our total assets reported in our financial statements.

Note 2: Financed Carbon Footprint = GHG emissions from investment and financing companies / inventoried balance of investment and financing companies

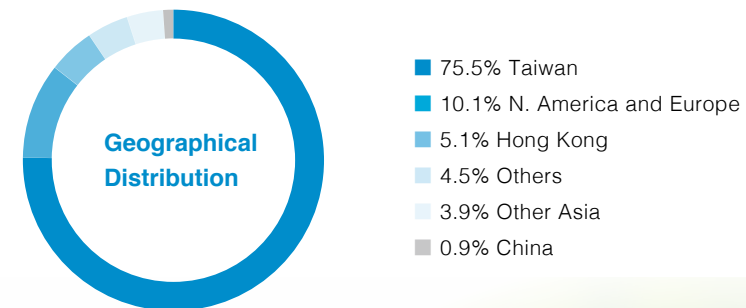
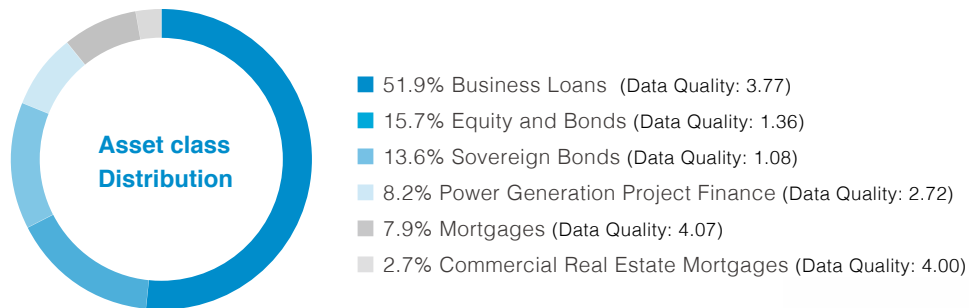
Note 3: Inventory Coverage = inventoried balance of investment and financing companies / sum of FVPL, FVOCI, AC, loans, and discounted items

Note 4: Portfolio emissions for 2021 are inventoried using PCAF (2022) GHG Accounting and Reporting Standard. Second Edition. Inventoried results are verified (see Appendix 17 for details). Due to changes in boundary, attribution factor, and emission data updates, the numbers presented here are different from the numbers present in our "2021 Climate and Environment Report" published last year.

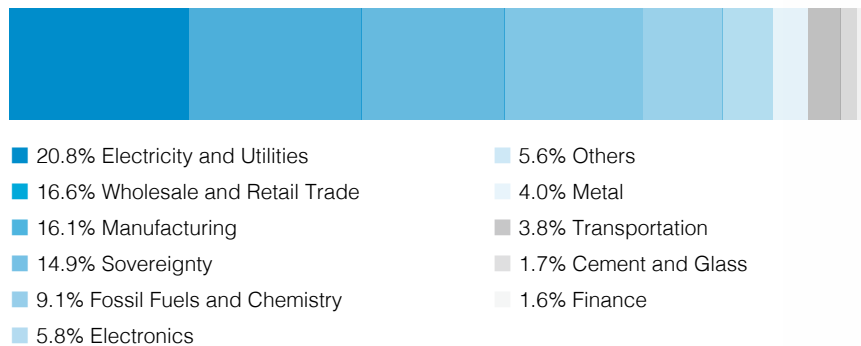
2.5.1 Financed Carbon Emissions

E.SUN has analyzed its greenhouse gas emissions from investment and financing assets by asset class, industry category, and region. We calculated data quality according to the PCAF methodology, overall data quality score in 2021 was 3.33 (1 being best and 5 being worst for data quality scoring). In accordance with the SBT, we have set carbon reduction targets for different asset types, planned control mechanisms for high-carbon industries, and encouraged internal staff to increase interactions with proactively low-carbon corporate clients or investment targets, in hopes to contribute to a net-zero emission future through financial influence.

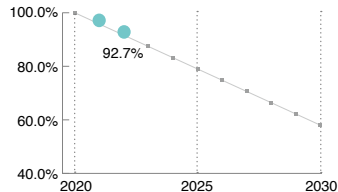
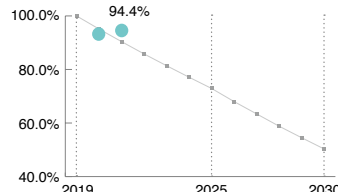
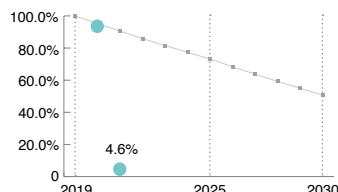
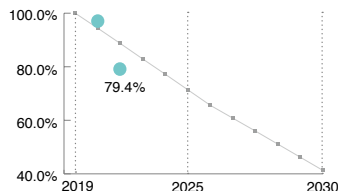
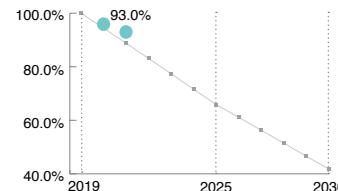
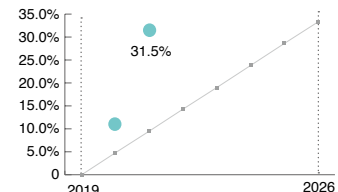
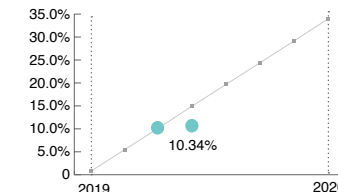
Note: Detailed information can be found in [Appendix 11, Financed Carbon Emissions](#)



Industry Distribution



2.5.2 From Low Carbon to Zero Carbon, Moving Towards a Net-Zero Transformation by 2050

Category	Risk factors	SBT goals	Net-zero actions	
Scope 1	<ul style="list-style-type: none">Use of official vehicles, refrigerants, natural gasBase year: 2020	Reduction ratio: 	<ul style="list-style-type: none">Install solar panels, 100% of E.SUN's owned buildings equipped with solar facilities by 2025, and 100% use of renewable energy in all domestic branches by 2030Purchase renewable energy certificates in line with government energy policiesReplace energy-consuming equipment, update old energy-consuming lighting and air-conditioning equipment with energy-saving productsBuild green buildings, 100% of E.SUN's owned domestic buildings to obtain green building certification by 2027	
Scope 2	<ul style="list-style-type: none">Operating locations and building electricity consumptionBase year: 2020			
Scope 3	<ul style="list-style-type: none">Investment and Financing (based on PCAF methodology)Base year: 2019	<div><div>(1) Power Generation Project Financing Emission Intensity </div><div>(2) Emission intensity of long-term loans for power generation companies </div><div>(3) Emission intensity of commercial real estate loans </div><div>(4) Emission intensity of long-term loans for general service companies </div><div>Percentage of loans to manufacturing companies that have passed SBT </div><div>Percentage of investments in companies that have passed SBT </div></div> <div><ul style="list-style-type: none">Since July 2019, E.SUN has committed to not support coal-fired power generation project financing, and by the end of 2021, no related balance remains.Following SBT guidance, E.SUN gradually divest from coal-related and unconventional fossil fuel related activities since 2021. We aim to reduce finance and investment exposure annually using the end of 2022 as the baseline. The position should reach a 50% reduction by 2030 and complete exit by the end of 2035. By the end of 2022, we didn't hold unconventional oil & gas assets in the investment portfolio.In 2021, E.SUN joined the Science Based Targets initiative (SBTi), setting a goal to reduce carbon emissions in line with a 1.5°C target.In 2022, we introduced internal carbon pricing to our business portfolio, combining E.SUN's attributed emissions with trusted international carbon pricing to create an accessible carbon cost concept and use it as a reference for business development.E.SUN will continue to drive sustainable development through financial initiatives and products, increasing its engagement with clients that have adopted SBT, as well as through investments in green energy and green building projects to help customers reduce their carbon footprint.</div>	Other (procurement process, credit card manufacturing and disposal process, employee travel, waste disposal, etc.)	<ul style="list-style-type: none">Reducing carbon emissions from credit cards by utilizing carbon neutralization and researching renewable card materialsCollaborating with suppliers to implement local and green procurement

● Latest Progress — SBT required reduction target or engagement results

Note 1: (1)(2) carbon intensity (t-CO₂e/MWh) reduction

Note 2: (3)(4) carbon intensity (t-CO₂e/m²) reduction

Note 3: SBTs use increase in reduction rate compared to baseline as the target. To make the information more instinctual, we chose to present our results as a reduction percentage.

Banking for Better

Customers give E.SUN their trust and asset. We are thus responsible for diverting resources toward the most needed place and create a positive force to the society. From earning, competitiveness to impact, E.SUN is committed to embracing innovative financial services and helping enterprises transform to the path of sustainability. We promise to be the best partner with our customers on transforming path, driving the positive cycle across the financial industry, and keeping up our effort to integrate internal and external resources to maximize the positive financial impact.

3.1 Sustainable Finance

3.2 Inclusive Finance

3.3 Treating Customers Fairly
and Customer Experience

3.4 FinTech and Innovation



3.1 Sustainable Finance

GRI 2-23, 2-24, 2-25, 3-3, 203-1, 203-2,
GRI G4 : FS1, FS2, FS3, FS5, FS8, FS9

Make a Change; Build a Mountain of Common Good

Initiate Dialogue, and Create an Ideal Future

A Call to Action for Sustainability: 100+ Companies Join in E.SUN's ESG Sustainable Initiative

In 2021, E.SUN and 32 like-minded business partners jointly launched the "E.SUN's ESG Sustainable Initiative", signing the "Sustainable Development Advocacy" and reducing greenhouse gas emissions through saving energy and carbon reduction actions. In 2022, the initiative expanded to include 101 companies in the sustainable initiative, including industry leaders, quality enterprises, and hidden champions, with a total revenue of over NT\$5.08 trillion dollars, accounting for more than 23% of Taiwan's GDP in 2021. The companies jointly announced their initiatives and set a target to reduce carbon emissions by at least 1.57 million metric tons by 2025, with 46 companies pledging to achieve net zero emissions by 2050.

Initiating dialogue, setting goals, bringing change, and continuous tracking

The degree of sustainable development varies among enterprises, as do the resources invested, pressures faced, and challenges encountered. E.SUN specially invited the Chairman of Taiwan Institute for Sustainable Energy (TAISE), Eugene Chien, and the Chairman of

Taiwan External Trade Development Council (TAITRA), James C. F. Huang, to share international ESG trends through expert discussions and analyze the difficulties that enterprises may encounter in implementing ESG, providing suggestions and solutions to help enterprises continuously move towards sustainable development. Through positive communication and interaction, we can truly understand the challenges of the enterprises, and provide professional opinions and assistance with them. 'Initiating dialogue', 'setting goals', 'bringing change', and 'continuous tracking' are important elements in the engagement with enterprises. Furthermore, E.SUN is also grateful for the many corporate leaders who support and collaborate, work together to solve the most pressing issues in the world today, and creating a future that is both sustainable and profitable.

80 enterprises

set specific sustainable goal

100%

ESG resolutions supported



Engagement Approach and Outcomes

Engagement Approach:

Based on the "E.SUN FHC Sustainable Development Engagement Guidelines" and "E.SUN FHC Sustainable Development Voting Guidelines", for domestic enterprises who account for high proportion in E.SUN's financed emissions, "Climate Change" would be prioritized for engagement topic. We will share the latest international trends, environmental policies such as Taiwan Sustainable Taxonomy, industrial carbon reduction actions, etc., and suggest customers to start carbon inventory, encourage the use of renewable energy, improve energy efficiency, plan green buildings, etc., to promote sustainable performance and long-term value of our customers.

* E.SUN FHC Sustainable Development Engagement Guidelines & E.SUN FHC Sustainable Development Voting Guidelines covers E.SUN's all AUM in active investments.

Engagement Outcomes:

- In 2022, E.SUN engaged with 206 financed enterprises for managing ESG risks and opportunities and assisted in setting sustainable goals, including 101 ESG Sustainable Initiative signatories, 63 enterprises who we have offered ESG consultation services, and enterprises applying for ESG-linked loans. We engaged with them by launching ESG Sustainable Initiative, individual online/physical meetings, forums, trainings, etc. Among them, 80 enterprises successfully set specific sustainable goals. In 2022/12, with a remaining balance of NT\$62.64 billion dollars, accounting for 7.2% of the total loan balance.
- In 2022, E.SUN engaged with 21 long-term invested enterprises by sending emails. As of December 2022, the remaining amount was approximately NT\$355 billion dollars, accounting for 22.69% of the domestic total investing amount, and successfully assisted one enterprise in setting specific sustainable development goals.
- In 2022, E.SUN supported 112 ESG resolutions of invested companies by participating in the shareholders' meeting and exercising voting rights.



3.1.1 Responsible Lending SASB : FN-CB-410a.1 、 FN-CB-410a.2

■ Exercising Internal and External Influence

ESG Risk Management in Credit Process

E.SUN Bank has developed a responsible lending business process to scrutinize potential ESG risks through practical actions. Each Corporate banking loan application require ESG assessments, including sectoral exclusions for sensitive industries, significant environmental/social adverse events, and collection of sustainability-related information. E.SUN Bank avoids dealing with corporations involved in arms, pornography, illegal logging, endangering wildlife, coal-fired power generation, or coal mining, and cautiously assesses operations related to tobacco and gambling or past significant environmental and social negative events. If a case poses significant concerns, the bank conducts stringent risk management and decline the credit application.

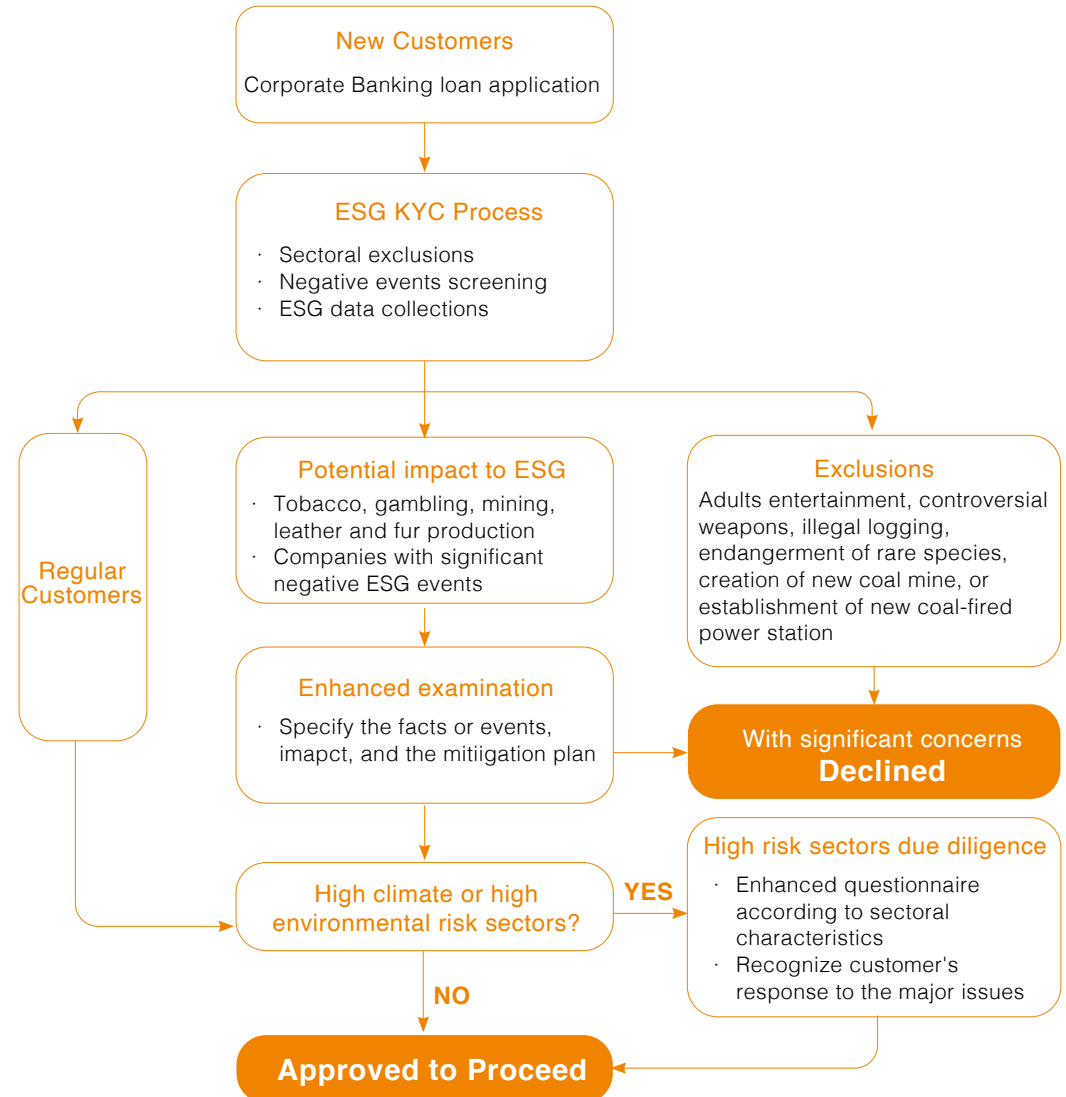
E.SUN Bank also has climate risk and environmental risk screening mechanisms in its credit process. For high-risk industries, the bank requires further clarification based on the industry's risk characteristics, allowing better understanding of the company's environmental sustainability response.

ESG online platform

In 2022, E.SUN Bank combined technology with ESG elements to create an online information platform. The platform provides enterprises with sustainable transformation resources, including a carbon emissions calculator and knowledge webpages related to fundamental ESG concept as well as information of sustainable financial products, actively supporting customers on their journey to ESG development. The carbon emissions calculator is a tool featured on the platform, using industry-specific carbon emissions coefficients to estimate business emissions. Companies only need to enter their corporate identification number to receive their estimated carbon emissions in a simple way, and can further check their emission ranking in the same industry, serving as a basis for setting future carbon reduction goals and forming action plans.



ESG online platform



Internal Carbon Pricing

E.SUN Bank began working on credit-related internal carbon pricing mechanisms in 2021, and officially implemented the measures in July 2022. We aim to guide our business units to pay more attention to the impact of climate transition risks and international carbon cost on their corporate clients. Furthermore, by utilizing the given information such as carbon emissions intensity ranking and the tool for carbon emissions calculations, our business units could manage their credit portfolio to meet the trend under the global climate regulations.

- E.SUN Bank provides business units with internal carbon pricing reports, disclosing the carbon emissions associated with their credit-granting customers and converting the impact into an easily understandable carbon cost. Additionally, the bank uses management tools to help businesses estimate future carbon emissions.
- Referring to the international carbon trading mechanisms, E.SUN Bank calculates the cost of excess carbon emissions with the World Bank's global carbon market weighted price and international decarbonization pathways. The bank also encourages more green loan and sustainability-linked loan transactions through carbon cost reduction mechanisms.
- In 2023, the plan is to integrate internal carbon pricing with business performance evaluation, gradually incorporating the concept of carbon cost into credit decision-making, and continuously improving the ability to respond to climate risks.

■ Sustainable Lending Business

Global temperatures continue to rise, and extreme climate events are becoming more frequent. Climate change has become a major global risk issue, and countries around the world have proposed carbon reduction targets. Taiwan's government has also formulated the Green Finance Action Plan 3.0 to encourage financial institutions to use funds to support the sustainable development of industries and enterprises. E.SUN Bank has long been committed to environmental sustainability and responds to international trends and domestic policies, by continuously supporting corporate sustainability transformation and promoting industry progress towards net-zero targets through green credit, sustainability-linked loans, and ESG industries credit.

Balance unit: NT\$ million

Sustainable lending	Outstanding balance as of 2021	Outstanding balance as of 2022
Green Loans	18,726	53,741
Sustainable-Linked Loans	10,681	40,642
Total value of sustainable lending	29,407	94,383
Total value of corporate lending	782,957	866,051
Percentage over total corporate lending	3.76%	10.90%

Loans to ESG Industries

In 2022, E.SUN continued to invest resources in industries that are friendly to the environment and society, such as industries involved in green power generation, energy conservation and environmental protection, circular economy, medical care and education, and supported key industrial development policies promulgated by the government.

(NT\$M)

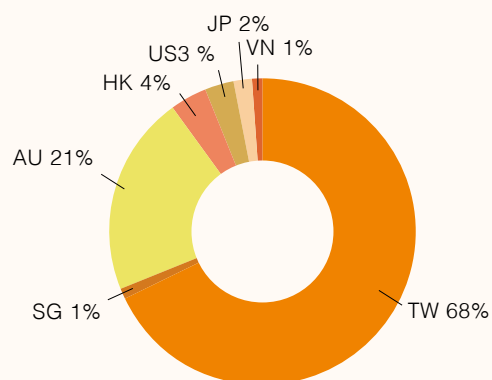
Loans to ESG industries	Industry categories	Outstanding loan balance as of 2021	Outstanding loan balance as of 2022
Environmental-friendly Industries	Solar power	883	1,055
	Bicycles	6,000	7,112
	LED	729	732
	Batteries	2,576	2,929
	Electric vehicles	353	114
Social-friendly Industries	Circular economy	3,144	3,439
	Medical care	22,733	24,454
	Education	7,105	6,161
	Sports & Fitness	4,206	4,360
	Telecommunications and fixed network	3,540	4,176
Innovative industries*	Network communications and internet	4,924	6,456
	Industrial robots	83	17
	5+2 Innovative Industries and supply chains	205,188	211,410
Total loans to ESG industries		261,464	272,415

* Based on the definition of the government's 5+2 Innovative Industries, while excluding the defense sector and sub-industries with higher sustainability risks in the related supply chain (such as cement, plastic, steel, etc.). Overlapped lending has been excluded.

Green Loans

E.SUN established relevant bylaws and regulations with reference to the Loan Market Association's Green Loan Principles. The purpose of this is to support business sustainability and extend green loans for green projects to assist enterprises in investing in clean energy, energy storage systems, water resources and environmental pollution control, environmental protection products or equipment, and green buildings, etc. As of 2022, the balance totaled NT\$53.7 billion, with an annual growth of 133%.

Green Loan Regional Distribution Ratio (based on 2022 balance)



(1) Green Project Financing

E.SUN combines its industry expertise to assist enterprises and industries in promoting green energy development, from small and medium-sized solar rooftop projects to the large-scale power plants such as offshore wind and ground-mounted solar power stations. We deeply realize that investing in green energy industry financing not only meets international trends and supports industrial development requirements, but also enhances E.SUN's internal professional capabilities and creates more business opportunities. In recent years, E.SUN's green energy project financing business has had good development in both quality and quantity, successively establishing offshore wind and green energy expert teams, participating in important domestic and foreign wind power and solar energy projects, and expanding to other new energy projects. As of December 2022, the related balance totaled NT\$33.9 billion (NT\$18.7 billion in 2021).

Development in the past three years :

2020	<ul style="list-style-type: none"> Led arrange domestic wind power project financing Participated in domestic large-scale solar power plants.
2021	<ul style="list-style-type: none"> E.SUN is fully committed to the development of renewable energy project financing, including the addition of domestic Fishery and electricity symbiosis projects and overseas operational geothermal power generation, among other diversified green energy-related businesses E.SUN has also established a dedicated Green Finance PM unit to expand business promotion momentum
2022	<ul style="list-style-type: none"> Launched commissioned solar power stations campaign Led arrange a large-scale domestic solar power stations asset pool syndicated loan Financed Vietnamese solar power

Wind power	393 MW Installed capacity	420,000 tons Expected carbon reduction	79.8 million USD Avoided social cost of carbon*
Solar power	732 MW Installed capacity	366,000 tons Expected carbon reduction	69.5 million USD Avoided social cost of carbon*

* Installed capacity: In 2022, the disclosure method was adjusted, and the supported project site installed capacity was recognized according to the credit amount participation ratio of the case (i.e., allocated amount/ total project amount). If calculated according to the new disclosure method, the installed capacity of wind power and solar photovoltaic in 2021 should be 398MW and 353MW, respectively.

* Expected carbon reduction: According to the installed capacity of the project site supported by E.SUN (including projects under construction) × 80% (financing ratio) × 8,760 hours × wind power capacity

* Social cost of carbon is calculated by \$190 USD/ton of CO₂, based on the research data in "Report on the Social Cost of Greenhouse Gases"(U.S. EPA, 2022)

Solar Photovoltaic Success Case

In 2022, E.SUN collaborated with renowned international investors to lead arrange syndicate loans for the commercialization of photovoltaic assets, helping customers revitalize their assets for reinvestment and creating a win-win situation for customers, E.SUN, and the industry. The project consists of 42 sites with a total capacity of 186MW, spanning across Taiwan and covering ground-mounted, floating, and rooftop photovoltaic systems. The estimated annual power generation is 270 million kWh, achieving the carbon reduction effect of approximately 350 Da'an Forest Parks.

- **E.SUN Bank responds to the national New Southbound Policy, supporting Vietnam's development of renewable energy**

In 2022, E.SUN participated in a large-scale solar photovoltaic syndicated loan project through its Dong Nai branch. Vietnam is a popular location for Taiwanese businesses to set up factories overseas, due to its rapid economic development and increasing energy demand. Although the country has great potential for renewable energy, it faces challenges such as insufficient power grid infrastructure and difficulties in project financing. To overcome these issues, E.SUN collaborates with local banks to jointly promote the development of renewable energy in Vietnam, which can also satisfy the energy needs of Taiwanese businesses. Through financial support, E.SUN helps strengthen the infrastructure development of emerging countries.

- **Energy Storage Equipment Financing**

In response to the intermittent power supply characteristics of renewable energy, energy storage systems are needed to stabilize the power grid. E.SUN supports a large-scale energy storage project in Changhua, constructing nearly 200 MWh of energy storage capacity. In the future, it will enter the Taiwan Power Company's electricity trading market, providing nearly 200 MWh of energy storage capacity for Taiwan's power system, helping to support Taiwan's power grid and enhance energy resilience, ensuring a stable and reliable electricity environment for the public.

(2) Green Buildings and Energy-saving Equipment

E.SUN responds to Taiwan's 2050 net-zero emission strategy by not only assisting companies in "energy transition" but also supporting the promotion of "industrial transformation". This includes guiding companies to invest in green buildings, green offices, and energy-saving equipment, thereby reducing corporate energy consumption and further decreasing carbon emissions from their operations. By 2022, the green building balance has increased to NT\$17.6 billion (NT\$3.4 billion in 2021), a growth rate of 418%, and energy-saving equipment has increased to NT\$5.1 billion (NT\$900 million in 2021), a growth rate of 467%.

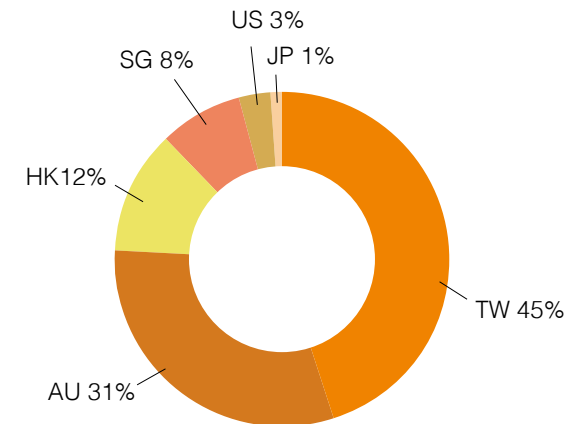
Sustainability Linked Loans

To encourage companies to establish and achieve ESG development goals, and to continue investing in sustainability-related initiatives, E.SUN Bank refers to the LMA Sustainability Linked Loan Principles, designs relevant regulations and operating procedures, and establishes an ESG assessment form. We evaluate the company's actual investment in ESG, sets sustainable development goals through joint discussions with companies, and provides financial service benefits if the company achieves those goals. By 2022, a total of 139 cases have been approved, with a balance of NT\$40.6 billion (NT\$10.7 billion in 2021). In 2023, E.SUN will continue to promote sustainability linked loans, encouraging more companies to set ESG goals, while incorporating performance into the evaluation of business units to guide them to grasp customer sustainability development progress, and enhancing their impact on the environment and society.

Assisting Successful Business Case—Chimei Corporation

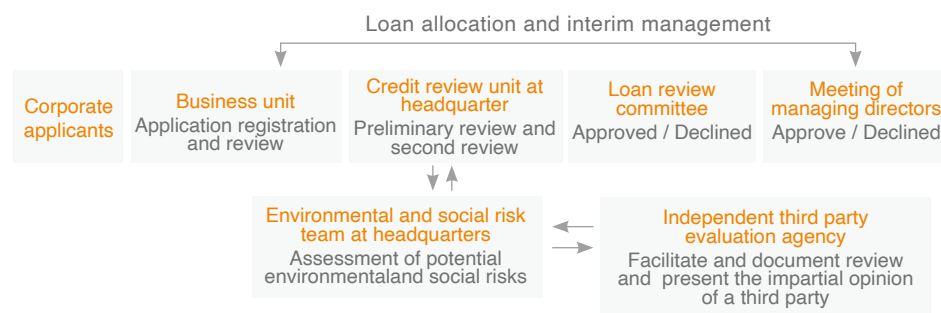
E.SUN Bank, recognizing and responding to the issue of global warming, has partnered with the world-renowned high-performance material company Chimei Corporation. The two signed a 3-year, NT\$20 billion sustainability-linked loan, with the funds being used for various energy-saving and carbon reduction measures, water resource reuse, and other actions promoting the "Clean & Green" vision. In addition, the loan encourages companies to set ambitious carbon reduction targets (a 4.2% annual reduction) by referencing the global emission reduction pathways under a 1.5°C global warming scenario outlined by the Science-Based Targets (SBT) initiative, guiding and assisting businesses to move together towards a low-carbon future.

Sustainability Linked Loan Regional Distribution Share (by Balance)



■ Equator Principles

E.SUN has long supported large-scale projects that contribute to social development. Since it became one of the first domestic financial institutions to adopt the Equator Principles in 2015, E.SUN has participated in a number of large-scale project financings for electric power, infrastructure, etc. at home and abroad. Furthermore, in accordance with the international standards of the Equator Principles Association, E.SUN manages project financing risks in a hierarchical manner, carefully assesses whether the project development process fulfills environmental and social responsibilities, and properly formulates environmental and social impact monitoring and improvement plans. Adopting the fourth edition of the Equator Principles framework, E.SUN assesses the climate change, human rights, and biodiversity risks associated with the projects it finances and continues to fine-tune its control process to strengthen postloan management. EP-based assessments and undertakings are as follows:



■ Supporting SMEs' Sustainable Development

SMEs serve as crucial pillars for economic stability and employment in Taiwan. E.SUN has long supported the development of SMEs and assists them in their sustainability transformation through sustainable SME loan, consultation services, and credit guarantee fund.

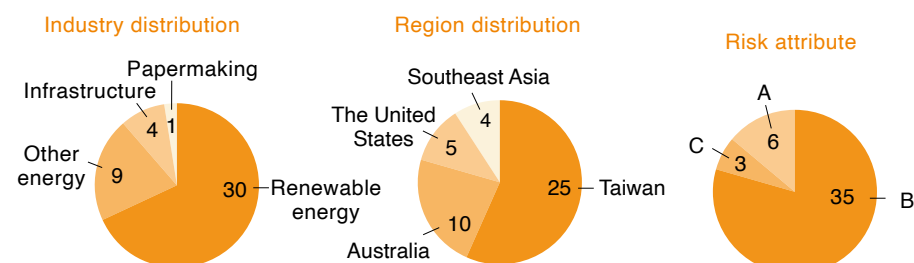
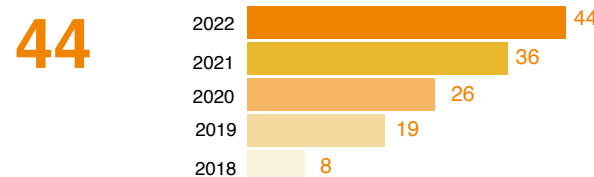
In 2022, E.SUN promoted various projects to assist SMEs in investing in renewable energy, green buildings, and energy-saving equipment through green loans and ESG-linked loans. By the end of 2022, the outstanding balance of sustainable SME loan is NT\$32.16 billion, accounting for 6.3% of the total SME loan balance.

	2022 Balance (NT\$M)
Sustainable SME Loan	32,157
Total value of SME lending	507,230
Percentage over total value	6.3%

2022 Achievements

- A total of 8 project financing cases were signed in 2022 that comply with the Equator Principles, with most being environmentally friendly projects such as renewable energy and waste-to-energy. Additionally, in 2022, E.SUN Bank evaluated one overseas thermal power project but declined it due to high climate risks.

The cumulative number of approved cases for the Equator Principle in 2022



Note: Based on the Equator Principles, the risk levels of each case, from severe to minimal, are indicated with A, B, or C, and the cases would undergo reviewing processes that correspond to their level of risk.

E.SUN's ESG team engages with SMEs through sustainability consultation services and on-site visits, assisting them in grasping the sustainability trends of their respective industries and understanding the ESG requirements of the end supply chain. This helps them establish sustainability-related mindsets and mechanisms early on. By the end of 2022, E.SUN had assisted 25 SMEs or hidden champion companies. In the future, E.SUN will continue to exert its influence, planning to assist more high-carbon SME corporate customers (such as metal, petrochemicals, and transportation sectors) in focusing on carbon issues, jointly promoting net-zero carbon reduction.

E.SUN has long supported SMEs through the Small & Medium Enterprise Credit Guarantee Fund of Taiwan, receiving the highest honor for 18 consecutive years, and has won the first place in the "Credit Guarantee Gold Award - Outstanding Financial Institutions Category" for four consecutive years in the awards hosted by the Ministry of Economic Affairs.

3.1.2 Responsible Investment SASB : FN-IB-410a.3

"E.SUN Sustainable Finance Policy" illustrates that E.SUN incorporates ESG issues into investment analyses and decision-making processes, and the policy covers all AUM in active investments. Based on the policy, E.SUN develops the "Securities Sustainable Investment Management Principles", which sets up a management mechanism for high ESG risk enterprises, stating that a negative list must be made for industries or enterprises that are potentially controversial, such as the adult entertainment, controversial weapons, illegal logging, endangerment of rare species, creation of new coal mine, or establishment of new coal-fired power station. Also, E.SUN follows "Guidelines for the Phase-Out of Coal and Unconventional Oil & Gas Industries". In 2022, we didn't hold unconventional oil & gas assets in the investment portfolio. E.SUN incorporates companies' SBT commitments, carbon price costs, and ESG performance such as DJSI, MSCI ESG rating into our investing evaluation model, preferentially selecting medium and low ESG risk companies as investment targets. As of December 2022, E.SUN Bank's bond investments categorized as low-to-medium ESG risk account for 99.34%, and 100% of equity investments are low-to-medium ESG risk.

E.SUN considers both ESG and financial performance, aiming to work together with investee companies on climate change, environmental protection and social welfare. Since 2018, E.SUN has declared its commitment to the "Stewardship Principles for Institutional Investors" and regularly published the Stewardship Annual Report. Through shareholder activism, E.SUN promotes the sustainable development of investee companies through communication, participation in shareholder meetings, and exercise of voting rights, actively responding to government policies and fulfilling environmental and social responsibilities.

■ 2022 Results

E.SUN continues to invest in environment- and community-friendly industries. In 2022, E.SUN issued 1 social bond with a total amount of NT\$1.1 billion for the first time, along with NT\$7.3 billion worth of green bonds. Following the issuance of the country's first green bond in 2017 with a total of 7 NT Dollar Denominated and 1 U.S. Dollar Denominated sustainable bonds, E.SUN ranks first among Taiwan's domestic banks in terms of the sustainable bonds issuance scale. E.SUN adopts a financial management strategy that integrates the concept of sustainable development, the funds raised are lent to support green investment plans involving renewable energy, greenhouse gas reduction, and water resource conservation, as well as socially beneficial investment plans such as basic service requirements, affordable housing, socioeconomic advancement, and protection of interests and rights.

Sustainable Bonds issuance

Green Bonds	USD	60,000,000
	TWD	14,400,000,000
Sustainability Bonds	TWD	1,600,000,000
Social Bonds	TWD	1,100,000,000
2022 Sustainable Bonds issuance volume	TWD	8,400,000,000
2022 bonds issuance volume	TWD	13,400,000,000
Percentage over total bonds issuance		62.69%

E.SUN assists companies to raise funds for sustainable development goals. In recent years, E.SUN has acted as the underwriter of 22 green bonds, 7 sustainability bonds, and 2 social bonds, with a total underwriting amount of approximately NT\$8.8 billion in 2022, accumulating a total of more than NT\$23 billion by the end of 2022. Through its competence in the financial industry, E.SUN helps companies fulfill their needs in ESG and make contribution to Taiwan's sustainable development, continuing to expand the underwriting volume at an annual rate of 23.26% in 2022, striving to become the top brand in sustainable bond market.

Sustainable Bonds underwriting



2022 Sustainable Bonds underwriting volume	TWD	8,807,928,000
2022 overall Sustainable Bonds volume	TWD	113,442,338,000
Proportion of underwriting volume in the year		7.76%

E.SUN provides advisory services through underwriting sustainable bond process as well as financing offshore wind power and solar power projects. Green energy is the key to Net-Zero Emissions, the development of zero-carbon energy sources such as offshore wind power and solar power can promote the transformation of energy and power supply structures to low-carbon or zero-carbon structures. E.SUN provides sustainability related project hedging services and financial services to support environmentally friendly projects. In 2022, E.SUN provided Interest Rate Swap (IRS) hedging services for 5 new offshore wind power and solar energy project finance, worth NT\$6.8 billion, accumulating a total of approximately NT\$18.6 billion by the end of 2022. E.SUN will continue to unleash its financial expertise to exert its influence and assist enterprises in implementing environmentally friendly projects and giving full support to government policies.

3.1.3 Retail Banking SASB : FN-AC-410a.1 、FN-AC-410a.2

■ Sustainable Loans and Mortgages

E.SUN pays constant attention to environmental and social issues and launches a diverse range of ESG loans and mortgages to help customers build their beautiful and sustainable home. These products include "green buildings mortgage," "solar roof loan," "electric vehicle loan," and "care-free mortgage." As of the end of 2022, E.SUN assisted more than 11,557 customers in achieving their sustainable ideals. The balance of sustainable loans and mortgages reached NT\$121.16 billion, accounting for 12.55% of the total retail banking balance.

(NT\$M)

Dimensions	Loan and Mortgage Projects that promote sustainability	2022		Percentage of the total retail banking balance (%)
		Number of cases	Loan balance	
Environment	Green buildings mortgage (Promotes purchase of certified green buildings)	760	11,338.26	12.55%
	Solar roof loan (Assists individual households or small business in setting up rooftop solar power generation equipment)	5	11.64	
	Electric vehicle loan (Encourages the purchase of electric vehicles)	2	5.37	
Society	Care-free mortgage (Provides young people and lower income families with affordable housing solutions, granting them housing subsidies and grace periods to assist them in forming their own families.)	11,155	108,720.86	
	Reconstruction of urban unsafe and old buildings loan (Responds to the government's policy, and assists customers in rebuilding unsafe and old houses to enhance their living safety)	49	822.63	
	New Immigrants Dream Loan (Assists new immigrants in meeting their financial needs for work and life in Taiwan)	269	267.88	
Total number of cases and loan balance		11,557	121,167	

Sustainable Credit Loan - New Immigrants Dream Loan Project

"For Foreigners Residing in Taiwan: Helping New Immigrants Achieve Their Dreams"

Currently, there are approximately 577 thousand new immigrants New Immigrants living in Taiwan ^{Note}. In addition to dealing with homesickness, New Immigrants also need to adapt to new family expectations, Taiwanese culture, and the responsibility of supporting their families. However, they also bring new cultures and ideas, which stimulate the development of various industries, making Taiwanese society more diverse and inclusive.

To assist new immigrants with their financial needs for living and working in Taiwan and to provide a better financial service experience, E.SUN launched the "New Immigrant Dream Loan Project" in 2022. The project is promoted through digital channels and E.SUN's 139 branches across Taiwan, providing seamless online and offline services to help New Immigrants realize their dreams.

Note: The data source is from the National Immigration Agency. New Immigrants are defined as either naturalized citizens of the Republic of China or holders of valid Alien Resident Cards and Permanent Resident Cards.

283

Number of people E.SUN has assisted in realizing their dreams

290 million

Dream loan amount exceeded NT\$ 290 million (YoY 21%)

Case of New Immigrants Dream Loan Project

Person A, the founder of a company, recognized the increasing public interest in healthy eating and preventive medicine, prompting her to invest more funds into her company's development and promote health knowledge to the general public. However, as is often the case for general micro-enterprise owners, particularly new immigrants, accessing funds from traditional banks can be a challenging and restrictive process, particularly when it comes to finding Taiwanese guarantors.

Fortunately, with the introduction of the "New Immigrant Dream Loan Project," the process of securing funds has become much more accessible. The project's digital channels allow applicants to complete the entire process online, without needing to visit a branch in person, breaking down time and space barriers. Thanks to the ease of access provided by the project, Person A was able to acquire the necessary funds for her business development in a short period, successfully keeping the business running and bringing her one step closer to realizing her dream.

■ Considering ESG Risks in the Credit Approval Process

1. KYC/CDD Process

To ensure that all cases rigorously implement Know Your Customer (KYC) and Customer Due Diligence (CDD) procedures, E.SUN automatically screens for negative news and Anti-money laundering (AML) blacklists for each new credit case during the application process. In 2022, 78,585 cases were reviewed under CDD. Moreover, High-risk customers or industries (such as the gambling, and arms industry) were subject to enhanced due diligence (EDD), **and about 7.5% of cases underwent EDD review in 2022. To sum up, loan applications were declined upon verification to reduce potential negative impacts on society.**

2. ESG Risk Assessment

For small business loan cases, E.SUN proactively investigates potential ESG risks of customers. **In 2022, a total of 5,873 cases underwent ESG risk assessment.** On the environmental side, E.SUN confirms whether loan applicant enterprises have been penalized for environmental pollution; on the social side, E.SUN considers whether the responsible person is involved in illegal fundraising or violating the Labor Standards Act. In conclusion, E.SUN promote customers' attention to environmental and social issues. **In 2022, E.SUN declined 12 cases due to violations of ESG principles such as environmental pollution and labor laws.**

3.Climate Change

To strengthen the management of climate change risks, E.SUN has incorporated the hazard (such as increased rainfall and typhoon frequency) and vulnerability (such as susceptibility to flooding in a particular area) of flood risk factors into the zoning standards for real estate collateral to reduce the climate risks of credit cases. In addition, E.SUN plans to consider flood-risk factors in the midterm management process. For collateral with a higher loan-to-value ratio located in high flood-risk areas, E.SUN will give it a risk notation to manage the impact on the value of the real estate collateral.

Engagement with clients on sustainability-linked risk

The client planned to purchase a factory in Kaohsiung as a distribution center to expand their operations. When E.SUN reviewed their loan application, conducted a credit investigation and collateral appraisal, and found out that the client's operational site in Taoyuan has been designated by the government as a groundwater pollution control site and has been fined multiple times. The pollution issue has not been fully resolved, and this case violated environmental protection regulations. Finally, E.SUN declined the loan application.

■ ESG Engagement

E.SUN is committed to fulfilling its corporate social responsibility, launching a series of products and services such as e-banking comprehensive account statements, ESG credit cards, sustainable loan projects, corporate sustainability transformation tools, ESG funds, and promoting them to customers through green channels. The bank practices green living, supports energy-saving and carbon reduction, and protects our common home, the Earth!

1. Green Consumption (including Green Transportation)

E.SUN has launched the green store and green transportation credit card promotions - aimed at encouraging cardholders to prioritize environmentally-friendly consumption, such as purchasing organic food and using public transportation. These promotions have been successful, generating approximately NT\$5.13 billion in annual transaction amount and attracting about 660 thousand participants.

	Green Store	Green Transportation
Transaction Amount (in thousands)	102,814	5,027,679
Total Participants	660,000 people	

2. ESG Credit Card

In 2022, the number of customers who applied for ESG credit cards (including E.SUN World Card, E.SUN Nanshan Co-Branded Card, Tsinghua Affinity Card, Charity Card, Digital e-Card, E.SUN Signature Card, Black Bear Affinity Card, Co-branded EasyCard, and E.SUN Infinite Card) was approximately 134,360.

3. Digital Channels

(1) "Green Living, Sustainable Future" Campaign

Social media is an important medium for connecting with customers. In response to ESG sustainable development, E.SUN encourages customers to support environmentally-friendly consumption and quality social enterprises. Through campaigns and social media, the bank promotes green living and eco-friendly guides on daily necessities, helping people understand the concepts and products of social enterprises and contributing to a better future for Taiwan together.

Event Content	Participants
Promoting through social media with a focus on merchant stories has been well-received by customers, resulting in a high response rate	205,559
"Let's Make a Promise to Our Planet, Taiwan, and Land" Questionnaire Campaign (2022/05/01~06/30)	3,254

(2) E.SUN's Official Website "ESG Sustainable Finance"

E.SUN actively integrates sustainability concepts with financial products and has established an "ESG Sustainable Finance" section on its official website to showcase its philosophy and practices in the ESG field. We emphasize our responsibility and commitment to customers, focusing on their needs to provide high-quality financial products and services. At the same time, we are dedicated to reducing energy and resource consumption, encouraging employees and customers to participate in green initiatives, and protecting the Earth's environment. E.SUN will continue to promote diverse cultures and social welfare activities, fostering sustainable development.



By telling relatable stories that resonate with customers' lives, we convey the green lifestyle and beautiful home concept that we create together with them. We encourage more customers to practice sustainable actions and contribute their efforts to the environment and society.

E.SUN accompanies customers in creating a green home

Mr. Chen and his wife have saved up for a down payment, hoping to build their own home. Concerned about climate change and environmental protection for their children's future, Mr. Chen chose to purchase an eco-friendly, green building-certified property and applied for a green building mortgage project with E.SUN, joining hands to create a green home.

Returning home with E.SUN's support

During university, Miss Chen moved to a big city from her hometown and worked part-time at a convenience store to help support her family. After graduation, she stayed on as a full-time employee. However, she hoped to return to her hometown to be with her family and contribute to her community by starting her own business. Through E.SUN's warm and enthusiastic service, she successfully obtained a franchise startup fund and realized her dream while reuniting with her family.



[ESG Sustainable Finance](#)

4. Physical activities

Taiwan Regional Revitalization Foundation x E.SUN Loan Project Briefing

To help revitalization teams better understand financial services, E.SUN have collaborated with Taiwan Regional Revitalization Foundation to hold a project briefing. E.SUN and Taiwan Local Regional Revitalization Foundation have invited representatives from industry, government, and academia to listen to the pain points of the teams and assist with corporate financial health checks. Based on their growth history, business model, and funding purposes, E.SUN provides customized financing solutions to work together with the regional revitalization teams to realize the beautiful vision of "sustainable urban and rural areas."



【 Retail banking business 】 -

2022 ESG-related Products and Number of Individual Customer Participating

Item	Description	Number of customers participating	Number of customer
Reconstruction of urban unsafe and old buildings loan	We will engage customers to reconstruct old buildings into modern, eco-friendly, and energy efficient housing that meets social needs. It will also improve the overall quality and functionality of urban areas for daily life and improve the safety of housing.	21	
Green buildings mortgage	We encourage customers to choose eco-friendly, energy efficient green buildings that generate less waste when purchasing houses.	335	117,379
ESG credit cards	A portion of revenue from credit card payments is used to construct libraries in rural areas and support environmental and wildlife conservation.	115,161	
Green consumption	For World Earth Day, we encourage customers to purchase electric scooters, organic food products, and eco-friendly products.	3,222	
Credit / lending clients in retail banking segment	Number of customers approved for mortgages, credit loans, and credit cards in 2022.	-	400,535

29.3%

Percentage of credit / lending clients we have engaged with in retail banking segment

■ Responsible Products

1. Wealth Management Products

Wealth Management Product ESG Rating Management

- (1) E.SUN reviews our wealth management product based on "E.SUN Sustainable Finance Policy", and the policy covers all AUM in externally managed assets investments.
- (2) Use ESG ratings from impartial third-party agencies (such as MSCI, DJSI, Bloomberg, Morningstar, etc.) to assess onshore and offshore mutual funds, offshore bonds, offshore ETFs, and offshore stocks for their ESG performance and take the result into consideration during product selection process.
- (3) Review the ESG ratings of the wealth management products on the platform every month and adjust their promotion levels if there are any changes.

Product Review			Regular Review	
General Items	ESG Assessment	Product Launch	ESG Review	Marketing Campaign
<ul style="list-style-type: none"> • Legality • Costs and Fees • Investment Strategy • Risk Assessment • Liquidity • Past Performance • Treat Clients Fairly 	Positive	V	Positive	V
	Neutral	V	Neutral	V
	Negative	X	Negative	X
	No Data	V	No Data	Careful Evaluation

Sustainable Wealth Management Product

Sustainable AuM reaches **24 billion**, and percentage of sustainable AuM over total AuM reaches **9.72%**

		(NT\$M)
Investment Approaches	Asset under Management (AuM)	
ESG Integration	4,165	
Best-in-Class Screening	17,570	
Thematic Investing	509	
Impact Investing	906	
Other	1,083	
Total Sustainable AuM	24,233	
Total AuM	249,413	

Note 1: Wealth management products include mutual funds, offshore bonds, offshore ETFs, and offshore stocks.

Note 2: Sustainable wealth management products :

- (1) Mutual funds : Funds meet the ESG requirements of Financial Supervisory Commission and are listed on ESG Fund Area of Fundclear. The investment approaches include ESG integration, best-in-class screening, impact investing, EU SFDR Article 8, EU SFDR Article 9, and so on.
- (2) Offshore bonds : Include sustainability bonds and bonds in the top 25% of ESG scores by MSCI, which are categorized as "Best-in-Class Screening" or "Thematic Investing".
- (3) Offshore ETFs : Products in the top 25% of ESG scores by MSCI, which are categorized as "Best-in-Class Screening".
- (4) Offshore Stocks : Products in the top 25% of ESG scores by MSCI, which are categorized as "Best-in-Class Screening".

Note 3: (1) ESG Integration : Consider ESG factors into the process of investment decision.

(2) Best-in-Class Screening : Invest in the company with positive ESG performance relative to industry peers.

(3) Thematic Investing : Invest in certain environmental or social issues, such as energy transition, climate change, promotion of equality, and so on.

(4) Impact Investing : The investment strategy will bring positive impact on environment and society.

(5) Other : Funds promoting environmental or social characteristics or with a sustainable investment objective, which include but not limited to EU SFDR Article 8 or EU SFDR Article 9.

Note 4: Asset under management (AuM) of wealth management products is calculated at present value.

Business Partner Management

- (1) Evaluate the implementation of ESG-related practices of business partners or any material negative ESG issues to rethink the depth of business relationship with the partner. In 2022, a total of 1 business partner was suspended from launching new products for a certain period due to material negative ESG issues.
- (2) All insurance companies and onshore fund companies cooperating with E.SUN in wealth management business have all signed the "Stewardship Principles for Institutional Investors", and offshore fund companies have all signed the "Principles for Responsible Investment (PRI)". °

100%

100%

100%

Insurance Companies Onshore Fund Companies Offshore Fund Companies

- (3) Invite wealth management business partners to sign the "Sustainable Development Commitment of E.SUN Bank Wealth Management Business Partner". By the end of 2022, 24 partners have signed the commitment. E.SUN continue to invite more business partners to join, hoping to leverage the power of our partners to create sustainability impact of promoting ESG investment products and implementing sustainable finance.

Encourage Customers to Involve In Sustainable Finance

E.SUN offers a variety of sustainable activities and services, encouraging customers to pursue sustainable development while improving their asset allocation.

(1) Sustainable Deposits

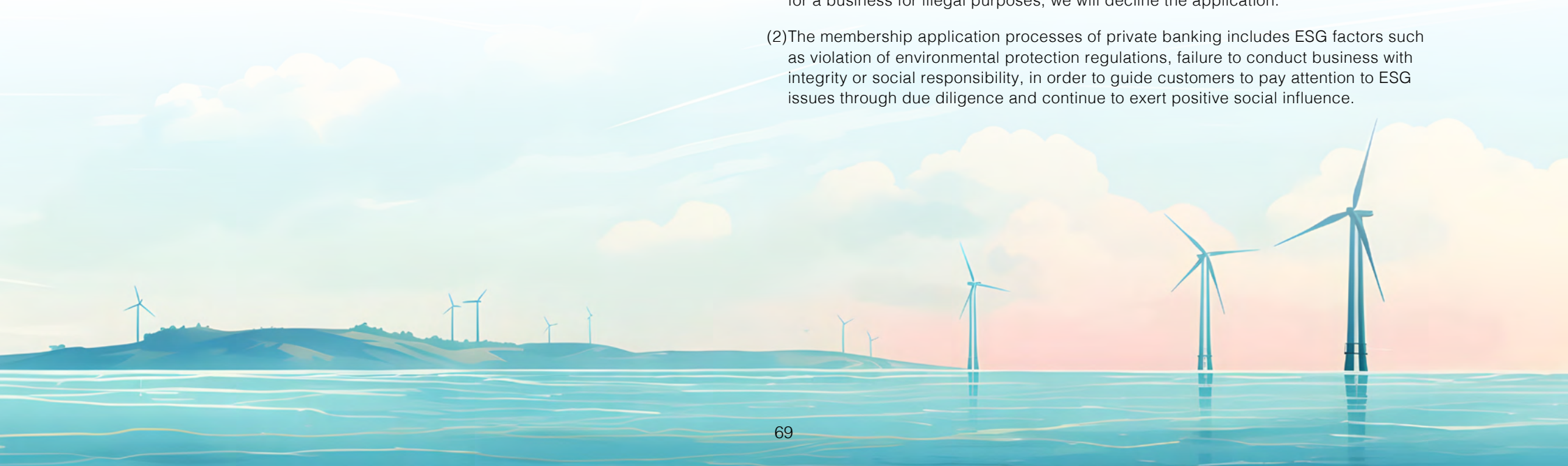
Since August 2022, the "Sustainable Deposits" project has been launched, inviting 133 ESG sustainability initiative businesses to participate. In 2022, a total of 14 companies undertook "Sustainable Deposits", with accumulated balance of NT\$1.031 billion, which will be used for renewable energy, energy efficiency, pollution prevention and control, clean transportation, sustainable loans, and financial investment products.

(2) ESG Funds Campaign

The ESG-themed fund investment campaign, "E.SUN ESG Funds", allows customers to contribute to sustainable development while investing. In 2022, the accumulated sales reached NT\$31.48 million, and the number of transactions (including renewal deductions) reached 4,034.

Wealth Management Customer Due Diligence (CDD)

- (1) When establishing a business relationship with wealth management customers, E.SUN carries out customer due diligence and Know Your Customer (KYC) procedures to assess aspects such as identity, source of funds, transaction content, and account purpose. This ensures the implementation of anti-money laundering and counter-terrorism financing management mechanisms. If a customer is suspected of applying for a business for illegal purposes, we will decline the application.
- (2) The membership application processes of private banking includes ESG factors such as violation of environmental protection regulations, failure to conduct business with integrity or social responsibility, in order to guide customers to pay attention to ESG issues through due diligence and continue to exert positive social influence.



2. Zero carbon credit cards SASB : FN-CF-000.A 、FN-CF-000.B

Since 2019, E.SUN has been promoting the carbon footprint label for all credit cards. As of the end of 2022, more than 4.8 million "Zero Carbon Credit Cards" have been issued, and we aim to convert all credit cards in force to zero carbon credit cards by 2025. For information on other ESG-related credit cards, please refer to the table below:

Category	ESG Credit Card	Content	2022 Number of cards in force	Proportion of the whole	Donation amount (Thousand NTD)
Social	E.SUN World Card	Allocate 0.3% of the domestic general consumption amount to build libraries. Cardholders can participate in these activities while consuming and contribute to creating a warm and comfortable reading environment for rural children in remote area elementary schools.	670 thousand cards	10%	47,905
	E.SUN Nanshan Co-Branded Card	Allocate 0.1% of general consumption amount to donate to Nanshan Happiness Fund, supporting community care and assistance projects.			
	Tsing Hua Affinity Card	Allocate 0.2% of the general consumption amount to support the "Sunrise Program" of Tsinghua University, which provides aid to economically disadvantaged students. Through this contribution, we aim to help these students transform their lives and reach their full potential.			
	Charity Card	Allocate of 0.2% of the general consumption amount is donated to the blood donation event charity fund.			
Environmental	Digital e-Card	The first virtual credit card not only reduces the carbon emissions generated by each physical card production by approximately 900 grams but also provides up to 10% cashback for designated green purchases.	440 thousand cards	6%	794
	E.SUN Signature Card	When customers opt for electronic billing, 0.2% of their general consumption amount for each transaction will be automatically donated to a tree-planting program.			
	Black Bear Affinity Card	Allocate 0.2% of general consumption amount as a donation to the Taipei Zoo Animal Conservation Fund.			
	Co-branded EasyCard	Upon spending NT\$3,000 with your card in a month, you can enjoy promotional offers for riding public bicycles in the following month.			
	E.SUN Infinite Card	With any purchase amount, you can enjoy promotional offers for riding public bicycles in the following month.			
Overall			6.89 million cards	100%	48,699

1. In 2022, E.SUN issued over 780 thousand zero-carbon credit cards, which were verified by third-party auditor BSI to have offset 861 tons of CO₂ equivalent. Based on the requirements of PAS 2060:2014, E.SUN declared these issued credit cards have achieved carbon neutrality.

2. The carbon offset for E.SUN credit cards come from the Changbin renewable wind power located in Taiwan.

3. As of the end of 2022, E.SUN had a total of 6.89 million credit cards in force, and a total of 4.69 million active credit cards.

3.2 Inclusive Finance

GRI : 2-23, 2-24, 2-25, 3-3, 203-1, 203-2, 413-1, GRI G4 : FS1, FS3, FS5, FS7, FS9, FS10, FS13, FS14, FS16

SASB : FN-CB-240a.1 、FN-CB-240a.3 、FN-CB-240a.4

Traceable Agricultural Products (TAP) Loan

"Support Traceable Agricultural Products, promote the sustainable co-prosperity of industry and ecosystem"

In recent years, Taiwan's agricultural practitioners need to follow increasingly stringent product quality requirements so as to expand their products into global markets and consolidate domestic demand.

To ensure food safety, foster industrial upgrading, and encourage sustainable business operations, E.SUN has responded to the Agriculture and Food Agency's policy. In 2023, we cooperated with TAP Program Office to launch a dedicated loan, supporting microbusinesses to produce safe, traceable, high-quality products. In addition, we promoted TAP products on the internal website encouraging our employees to purchase them. So far, 15 companies have been recommended, such as seasonal fruits, natural farming rice, intergenerational farming soybean products, etc.

In the future, E.SUN will continue to work with partners from different industries to raise public awareness of TAP, encourage producers to join the traceability system, and encourage consumers to purchase eco-friendly products. Through public-private cooperation, we can jointly enhance the value and competitiveness of Taiwan's agricultural products.



E.SUN visits the Council of Agriculture Climate Change Program Office and the TAP Program Office, to understand the current industry situation, future trends, and financial service needs.



Caring Trust

"Providing diverse trust services to meet customers' all-round needs for a fulfilling retirement life"

To protect the assets of elderly customers and enrich their retirement life, E.SUN offers a variety of caring trust services:

- (1) Diverse trusts: By combining employees benefit trusts and caring trusts into a "1+1 trust portfolio," customers can transfer stocks or the money from the sale of stocks in their employees benefit trust to a caring trust account, adding another layer of protection for their retirement assets. To help customers rebuild old houses, we also provides trust services for the development of old and dangerous real estate, enhancing their living safety.
- (2) Digital services: E.SUN provides comprehensive digital trust services. Customers can apply online, receive digital consultations, sign contracts via video calls, to secure their assets.
- (3) Retirement life: Customers can authorize the deduction of credit card payments through their caring trust accounts, meeting their consumption needs during retirement. E.SUN collaborates with concierge service providers to offer value-added trust services, allowing customers to access services like home safety inspections with just one phone call.

Through the caring trust, warm care is provided to customers

Mr. Wang has been a long-term customer of E.SUN, and his son unfortunately became a vegetative state after an accident. Although Mr. Wang has received compensation, he is still worried that he will not be able to properly take care of his son in his later years. E.SUN listens to Mr. Wang's needs and helps him to pay for his son's medical care through the trust. The relevant expenses can be automatically deducted from the designated account every month, allowing Mr. Wang to take care of his son with peace of mind.

2022 Achievements

Number of new beneficiaries

630 people

New trust property principal

NT\$ **6.203** billion

開創信託 晚美人生

玉山銀行



3.2.1 Expanding Financial Accessibility

■ Friendly Financial Services

E.SUN provides convenient and friendly financial services for residents in rural areas, migrant workers or new residents, and individuals with impairments through physical and digital channels, such as multi-language ATMs, voice ATMs for the visually impaired, etc. E.SUN also implements the "Friendly Counter Promotion Plan", where lobby receptionists guide and prioritize services for the elderly, individuals with impairments, those with mobility difficulties, and pregnant women. With the help of reading glasses and communication cards, E.SUN provides customers with a friendly financial experience.

Friendly Financial Services

Targeted Clients	Physical Channels	Digital Channels
Rural Areas Residents	<ul style="list-style-type: none"> · Convenient Automated Equipment: According to the list of "Areas where the number of branches of financial institutions needs to be increased" provided by the Financial Supervisory Commission, E.SUN has set up ATMs in areas with less banking automated equipment, such as FamilyMart convenience stores in Jianshi Township, Hsinchu County, Baozhong Township, Yunlin County, and Jiadong Township, Pingtung County with 11 ATMs installed so far. 	<ul style="list-style-type: none"> · e.Fingo Digital Brand: E.SUN has created the "e.Fingo" digital brand with the spirit of practicing inclusive finance, combining forex, loans, credit cards, and other services. e.Fingo takes advantage of digital operations and connectivity to make financial products user-friendly. The method of gamified promotion makes it easier for customers to absorb financial knowledge, creating a network effect between customers and products, and breaking the limitations of time and space. · Digital Services: Residents in rural areas can complete the procedures of account opening without going to a branch in person and be able to apply for industry-leading products and services online (such as depositing in domestic and foreign currencies, credit cards, domestic stocks, and securities re-entrustment). Over 90% of customers choose to open a foreign currency account during the process of digital account opening. Through cross-industry cooperation, E.SUN connects customers' food, clothing, housing, and transportation, providing unique digital services and making it more convenient for customers in rural areas to use financial services.
Migrant Workers or New Residents	<ul style="list-style-type: none"> · Communication Without Borders: In response to the "2030 Bilingual Country Policy Development Blueprint", E.SUN has established the first bilingual demonstration branch at National Taiwan University, ahead of its private bank peers. By the end of 2022, a total of 57 bilingual branches have been set up, with bilingual financial zones, service centers, interest/exchange rate billboards, and common transaction forms. Bilingual branch locations are also displayed on the official website. · Migrant Worker-friendly & Inclusive ATMs: To provide convenient financial services for migrant workers and new residents, E.SUN has deployed 1,250 ATMs with bilingual user interface (including CDMs), and also upgraded the language interface of ATMs by adding Indonesian, Vietnamese, Thai, etc., a total of 5 foreign language interface services to cater to the needs of migrant worker. 	<ul style="list-style-type: none"> · Diverse Online Services: Customers can access diverse financial services through call centers, message boards, intelligent customer services (AI Chatbot), and text-based customer service. Additionally, E.SUN presents internet banking, voice authentication, and English intelligent customer service for migrant workers, making digital financial platforms migrant worker-friendly. · Video Services: E.SUN uses video services for a variety of financial services, such as the setting function of designated transfer accounts, applying/changing mobile phone numbers for SMS passwords, and increasing the transfer limit for digital accounts of Type 3. Migrant workers or new residents who are unable to go to the bank in person can take advantage of this service for a more convenient and comprehensive experience.

Friendly Financial Services

Targeted Clients

Physical Channels

Digital Channels

Individuals with Impairments

- **Accessible Automated Equipment:** E.SUN has installed automated devices with a height under 120 cm, as well as providing voice instructions, alerts, and flashing signals. In response to government policies for individuals with impairments, 99 ATMs with voice assistance for the visually impaired have been installed in public places such as train stations, government offices, universities, and large medical facilities. Customers with disabilities can apply for fee reductions on interbank ATM withdrawals, one account per person with three discount coupons per month.
- **Wheelchair Accessible Services:** By 2022, all branches in Taiwan (except Nanshan Plaza and Taichung City Center branches, which provide private banking services) have equipped accessible counters (including service bells) and continue to install accessible restrooms and ramps.
- **Accessible Services for Hearing-Impaired Customers:** To ensure financial fairness and friendly treatment, E.SUN provides online application services and various notification methods (such as text messages and email). E.SUN cooperate with the Chinese Deaf Association to install video cameras, microphones, and speakers in branches to provide remote sign language interpretation, help hearing-impaired customers communicate with staff in sign language through three-way video calls.

- **Accessible Financial Services:** Financial services are now available to visually impaired customers, due to frequently used functions being simplicial and all services being able to be voice-narrated including the E.SUN official website's friendly service section (National Accessible AAA rating), E.SUN friendly online banking (National Accessible AA rating), E.SUN friendly WebATM (National Accessible A rating), mobile banking friendly section (certified by the Taipei Association of Parents of the Visually Impaired), and E.SUN Wallet-friendly version (certified by the Taipei Association of Parents of the Visually Impaired).
- **Friendly Information Disclosure:** Individuals with impairments can access information about friendly financial services through E.SUN's business notices, the official website, and customer service regulations. They can also search for accessible ATM distribution information in the banking association's accessible section.
- **Diverse Interface Optimization:** To improve customers' browsing experience within our digital platform, E.SUN have increased font size and contrast on digital platforms. Simultaneously, mobile banking provides more customized visibility services for customers with poor vision or light sensitivity (e.g., adding a dark mode feature).

Item	2020	2021	2022
Accessible counters	138	139	139
Accessible toilets	111*	112	114
ATMs for individuals with impairments	959	1,247	1,306

* In 2020, the standard for accessible restrooms was adjusted from "Compliance with building regulations" to "Compliance with FSC standards," resulting in a little difference in numbers.

3.2.2 Enhancing the "usability of financial services" FN-CB-240a.1、FN-CB-240a.3

■ Dementia-Friendly Financial Plan

E.SUN has partnered with the Taipei City Hospital to promote a dementia-friendly plan. The Interdisciplinary Immersive Education Development Center of Taipei Hospital integrates neurologists, clinical psychologists, and standardized teachers to provide professional courses on dementia trends and empathetic services to E.SUN employees using innovative simulation training modules. Employees interact with trained standardized teachers to enhance the service skills of "watching, asking, staying, and calling": watching - identifying people with dementia, asking - discovering and addressing their needs, staying - providing appropriate assistance, and calling - notifying their family or relevant authorities. This improves employees' recognition and empathetic services for customers with dementia.

■ Inclusive Finance Wealth Management Product - Microinsurance

(NT\$ Thousand)

Disadvantaged and underserved groups

In 2022, E.SUN cooperated with insurance companies and county/city governments to expand the impact of microinsurance, by assisting economically disadvantaged and special status individuals to obtain basic insurance coverage with lower premiums. This includes providing basic microinsurance for economically disadvantaged elderly aged 65-75 in Tainan City with estimated over 8,000 beneficiaries, and for low-income households, the near-poor households, and individuals with impairments in Hualien County, protecting disadvantaged families and covering their daily needs.

Insurance Products	Targeted Clients	Number of Cases	Premium
Microinsurance	Economically disadvantaged individuals with specific status and their family members: 1. Low-income and the near-poor individuals 2. Indigenous people, farmers, fishermen 3. Individuals with impairments 4. Family members mentioned above	52	17
Small Amount Whole Life Insurance	1. People with limited budget 2. Elderly people 3. Fresh graduates	17	792
Spillover-effect Insurance	Health-conscious people	1,238	22,986
Total		1,307	23,795

■ Inclusive Finance Loan Product

Provide comprehensive financial services to support the development of microbusinesses.

Provide comprehensive financial services to support the development of microbusinesses.

Acquiring funds has always been a huge challenge for SMEs, and for microbusinesses, it is even more critical to their stable operation. E.SUN issues social bonds to provide the necessary funds for microbusiness operations. Through three major actions - "business financial advisory, funding assistance, and efficient services" E.SUN helps enterprises strengthen their financial structure, quickly provides capital using digital technology, and supports their growth.

- Business financial advisory : E.SUN collaborates with cross-industry partners (e.g., Taiwan regional revitalization foundation, Townway, etc.) to hold financial seminars, helping over 20 start-up teams establish basic knowledge for business operations, financial planning and management skills.

- Funding assistance: By integrating resources from Taiwan SMEG(Small & Medium Enterprise Credit Guarantee Fund of Taiwan), E.SUN develops diverse financing plans for enterprises at different stages of development (startup, growth, maturity).
- Efficient services: Utilizing AI and digital technology, E.SUN offers microbusinesses online loan calculation services, allowing business owners to quickly obtain loan amount and interest rate information without time and space constraints.

Impact valuation

Employment promotion

Avoided social costs

96,335 jobs

2.37 billion

Note: The reduced social cost is calculated as the number of total clients of small business loan x average number of small business employees x unemployment benefits for each unemployed person

Inclusive finance loan product

(NT\$ Million)

Project	Targeted Clients	2020		2021		2022	
		Number of clients	Amount	Number of clients	Amount	Number of clients	Amount
Startup loan Helping star-ups sustain by offering quick access to financing	Microbusinesses	2,592	2,182	2,871	2,069	2,523	1,606
Distinct local business loan Providing financing exclusively to businesses with local characteristics, balancing the gap between urban and rural		1,099	5,891	1,160	5,469	1,181	5,316
Social innovation enterprise loan (Smile & Hope Loan included) Helping social enterprises and social innovation enterprises grow and become financially healthy		21	70	26	79	45	112
Commercial mortgage Loan for procurement of office and manufacturing facility		4,137	36,906	4,042	37,527	3,957	37,981
Working capital loan Working capital for small businesses		16,064	64,903	17,614	64,991	17,760	66,183
Total Number of clients and amount						19,267	104,164
Residential subsidy loans Assisting low-income families with home improvement and home purchases	Poor and low-income individuals	874	1,300	993	1,496	1,154	1,759
Debt negotiation and repayment plan services Debt restructuring for families facing incidents		1,768	248	2,951	995	1,826	495
Earthquake disaster victims Post-disaster reconstruction loan service		21	14	17	11	14	8
Total Number of clients and amount						2,994	2,262
Student loans Assisting outstanding students in financing their overseas studies	Young people	288	200	284	197	285	191
Loans for startup funding for young entrepreneurs Assisting young start-up entrepreneurs to build their businesses and creating a conducive environment		206	85	373	178	521	242
Total Number of clients and amount						806	433
Reverse mortgage Helping the elderly to revitalize their real estate and regularly allocating stable living funds	Elderly people	-	-	-	-	3	2.45
Total Number of clients and amount						23,069	106,861

3.2.3 Enhance Financial Literacy FN-CB-240a.4

■ Financial Education

Little Financial Experts

To link the two ends of an M-shaped society, E.SUN x PaGamO use digital platforms as the medium to teach students in elementary school and junior high school financial knowledge. Instead of using the traditional teaching method, gamified learning method allows students to think and find answers independently while solving problems, thereby enhancing their learning interest and motivation. A total of 320,000 participants have taken part in 2022.

Financial Lectures in Golden Seed Project

To cultivate children's correct financial concepts, E.SUN promotes financial lectures in elementary schools under the Golden Seed Project. The lessons combine rich teaching materials, enabling children to learn about financial knowledge through entertaining, interactive methods and share their financial concepts with friends and classmates. A total of 200 children have taken part in 2022.



Investment Lectures in University

Since the outbreak of the pandemic, there has been a significant increase in the number of young generations participating in the stock market. E.SUN Investment Consulting, a subsidiary of E.SUN Securities, has also collaborated with student associations and clubs in universities since 2021 to open investment lectures for students. As of April 2023, a total of 6 investment lectures have been successfully held, receiving positive feedback from students. Furthermore, there have been instances of breach of settlement obligations by new investors due to lack of understanding about the operational procedures of the stock market. Therefore, E.SUN Securities has designed a basic knowledge questionnaire as part of the account opening process to ensure that new investors are aware of the relevant regulations and recognize the significance of credit risks.

Financial Knowledge on Social Media Platforms

E.SUN shares financial concepts and product features on social media platforms, including Facebook, Instagram and YouTube, aiming to lower the threshold for customers to access financial knowledge and improve the readability of financial information. In 2022, the "Learn about Trust in Five-Minute" video was launched in a light-hearted style, garnering over 5,000 views.

Financial Planning and Trust Seminars for Senior Citizen

Facing aging society, E.SUN goes into campuses, associations, and communities to promote trust. E.SUN has served as an instructor of trust lectures for the New Taipei City Pine Age University for three consecutive years and has carried out trust advocacy activities in institutions such as the Zhunan Rotary Club, New Taipei City Senior Association, and Chiayi Evergreen Elder Care Service Center. This allows more people to understand trust. At the same time, E.SUN collaborates with attorneys and accountants to hold trust seminars, conveying the importance of elder caring trust and family inheritance, and reminding the public to prepare and plan in advance. In 2022, a total of 15 events were held, with more than 4,000 participants.

Financial Lectures for Startups

E.SUN collaborates with cross-industry partners (e.g., Taiwan regional revitalization foundation, Townway, etc.) to hold financial seminars, helping over 20 start-up teams establish basic knowledge for business operations, financial planning and management skills.



■ Technical Assistance

Carbon Emissions Calculator

Embracing the pressure of international carbon reduction, small-sized enterprises often lack resources to conduct greenhouse gas inventories, let alone set carbon reduction targets. To help small-sized enterprises achieve sustainable transformation, they should start by grasping their own carbon emissions and then setting carbon reduction targets. In May 2022, E.SUN launched the "ESG online platform" on its official website, which pioneered the "carbon emission calculator". Companies only need to enter their corporate identification number to receive their estimated carbon emissions in a simple way, and can further check their emission ranking in the same industry, serving as a basis for setting future carbon reduction goals and forming action plans. It is suitable for companies that have not yet conducted carbon inventories to grasp the outline of the decarbonization path, and work with customers to achieve a vision of zero net emissions.

■ Incentives to Establish Saving Accounts

Bonuses of Digital Saving Account

Residents in rural areas can complete the procedures of account opening without going to a branch in person and be able to apply for comprehensive financial products and services online (such as depositing in domestic and foreign currencies, credit cards, Taiwan stocks, and securities re-entrustment). To encourage underserved groups to save money, E.SUN offers interest rate bonus of TWD fixed deposit and transaction fee discount for regular investment on Taiwan stock / US stock.

Fee Reductions on Interbank ATM Withdrawals

To encourage customers with disabilities to save money and withdraw money from ATM where they're convenient to access to, they can apply for fee reduction on interbank ATM withdrawals, each account per person with three times transaction fee for free per month.

Inclusive Finance : Establishing Financial Literacy

Financial Inclusion – Non-Financial Support		Targeted clients	2022 Quantitative Social Impact KPI
Financial Education	E.SUN Little Financial Experts	Young People	320,000 Participants
	Financial Lectures in Golden Seed Project	Young People	200 Participants
	Investment Lectures in University	Young People	50 Participants
	Financial Knowledge on Social Media Platforms	Individuals in rural or hard to reach areas	475,000 Participants
	Financial Planning and Trust Seminars for Senior Citizen	Elderly People	4,000 Participants
	Financial Lectures for Startups	Microbusinesses	20 Participants
Total 799,270 Participants			
Technical Assistance	Carbon Emissions Calculator	Microbusinesses	5,548 Webpage Visits
Incentives to Establish Saving Account	Bonus of Digital Saving Account	Individuals in rural or hard to reach areas	270,007 Applicants
	Fee Reductions on Interbank ATM Withdrawals	Individuals with health condition or impairments	595 Applicants
Total 270,602 Applicants			

3.3 Treating Customers Fairly and Customer Experience

GRI: 2-25, 3-3, 417-1, 417-2, 417-3; GRI G4
Financial Services Industry Disclosure Indicator:
FS15; SASB: FN-CF-270a.4

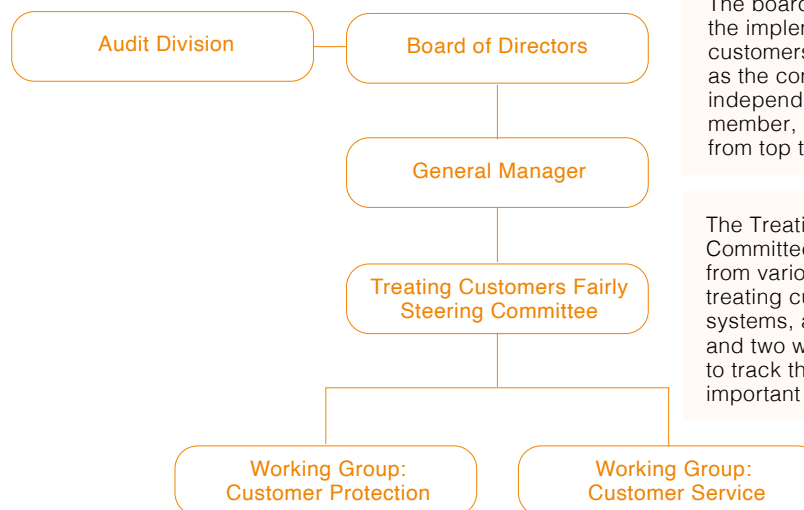
Service has always been the core value and business philosophy of E.SUN. With a vision to become "An Exemplar for the Financial Industry, A Benchmark for the Service Industry" since its establishment in 1992. In recent years, expectations for the financial service industry have changed both domestically and internationally, with an increasing emphasis on customer rights protection and customer experience in both physical and digital channels. E.SUN closely monitors the evolving landscape of the financial service industry, and remains dedicated to its original service philosophy. By continuously establishing a culture and management system based on the principle of treating customers fairly, E.SUN aims to place customer experience as core value, ensuring service quality, implementing customer protection, enhancing customer communication and interaction, and providing customer-centric financial services.

■ Bank-wide implementation of Treating Customers Fairly

E.SUN actively implements all principles of treating customers fairly, with a dedicated team appointed by the board of directors - the "Treating Customers Fairly Steering Committee" - overseeing the implementation and supervision of each department. The internal regulations, approved by the board of directors, stipulate the "E.SUN Bank Treating Customers Fairly Policies and Strategies" and the "E.SUN Securities Treating Customers Fairly Policies and Strategies" as guidelines for the implementation of various businesses and are incorporated into internal control and audit systems.

To continuously establish a culture of treating customers fairly, E.SUN developed a comprehensive training plan in 2022, including training guidelines for all categories of personnel, and specifying the frequency, responsible units, and external regulatory basis. This plan ensures not only frontline counter service personnel, but also directors and senior executives all receive regular training. In 2022, E.SUN's entire staff accumulated a total of 57,204 participations in treating customers fairly-related training, with a total training time of 194,807 hours.

Treating Customers Fairly Steering Committee



The board of directors pays close attention to the implementation of the principle of treating customers fairly. The general manager serves as the convener of the committee, and an independent director serves as the guiding member, promoting treating customers fairly from top to bottom.

The Treating Customers Fairly Steering Committee is composed of senior executives from various units, responsible for implementing treating customers fairly in terms of regulations, systems, and service aspects. The committee and two working groups hold regular meetings to track the progress of the implementation of important measures.

■ Customer Complaints and Rights Protection

Establish a system to effectively handle customer complaints

To protect the rights and interests of financial consumers, all E.SUN business documents follow the "E.SUN FHC business document assessment", fully revealing the product information, fee calculation and campaign terms. All of the important terms and the usage of personal data are marked in clear fonts. In 2022, E.SUN completed a total of 277 assessments, and the audit rate was 100%. There is no any violations of unclear and wrong document labeling.

E.SUN places great importance on the proper handling of customer complaints and subsequent improvement, with established guidelines such as "E.SUN Bank Consumer Dispute Resolution Principles " and "E.SUN Securities Consumer Dispute Handling Procedure". E.SUN analyzes the causes of disputes, refines practices, and improves outcomes, reporting to the board of directors each quarter. Responsibilities for handling dispute events are also clearly defined across different units to enhance efficiency.

Since 2021, E.SUN has obtained the ISO 10002 customer complaint management system certification for two consecutive years, establishing a disciplined customer complaint management system.

	2020	2021	2022
Customer complaint feedback (cases)	1,014	956	843
Forwarded by the competent authority (cases) (Including Financial Supervisory Commission complaints, telephone calls, and Financial Ombudsman Institution cases of dispute and mediations)	619	489	538
Provided financial negotiation (%)	0.8	1.0	1.4
Case not closed at year-end (%)	2.6	0.3	2.1
Number of complaints solved (%)	97.4	99.7	97.9



1. Diversified Opinion Reflection Channel

Including physical and digital channels, opinion reflections are not limited by time and geography.



2. Contact instantly and handle properly

Make contact to the customer on the same day, and reply after handling within 7 days.



3. Root cause analysis; prevention and improvement

Cross-departmental meetings hold regularly and discuss improving actions.

Establishing a cross-departmental anti-fraud team to protect customer assets

As fraud cases and tactics continue to evolve, E.SUN diligently fulfills its management responsibilities by establishing a cross-departmental anti-fraud team, regularly exchanging information on new types of scams, and collaborating from various aspects to prevent fraud. In 2022, a total of 371 fraud cases were intercepted, with a total amount of NT\$133,528,443, showing an increase in both the number of cases and the amount compared to the previous year. E.SUN strives to protect customers from being defrauded and maintains social financial stability.

Blocked fraud in monetary value

(Unit: NT\$1 millions)



Advocacy

- Conduct anti-fraud information through official website, mobile banking, social media, email, etc.
- Branches confirm with customers again before transactions.

Verification

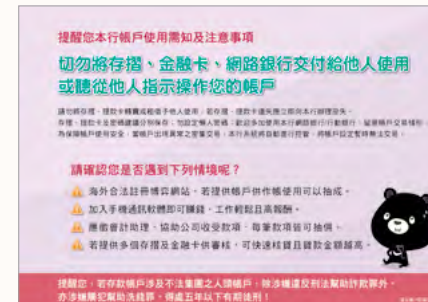
- Strengthen transaction verification in common scam scenarios.
- Balance convenience and optimize identity verification mechanisms.

Monitoring

- Continuously update the account warning model to prevent improper use of accounts.
- Proactively detect and remove counterfeit web pages/apps.

Collaboration

- Collaborate with the Police Department on a suspicious phone number blacklist reporting platform.



Handbook of Anti-Fraud Precautions



■ Creating Customer Satisfaction with the Core Value of Customer Experience

Creating Warm Customer Service

"Cultivating the most professional talents and providing the best service to customers" is E.SUN's business philosophy. Service is the DNA of every E.SUN employee. In recent years, E.SUN has kept pace with the times by establishing a customer service management system and improving service quality management through satisfaction surveys, service quality evaluation, and external mystery shopper inspection. The goal is to create a warm customer service experience and provide products and services that better meet customer needs.

E.SUN employees are taught from the heart right from the beginning of their training. To ensure service quality, implement customer protection, and enhance customer communication and interaction, the following principles are set according to pre-, during-, and post-service:

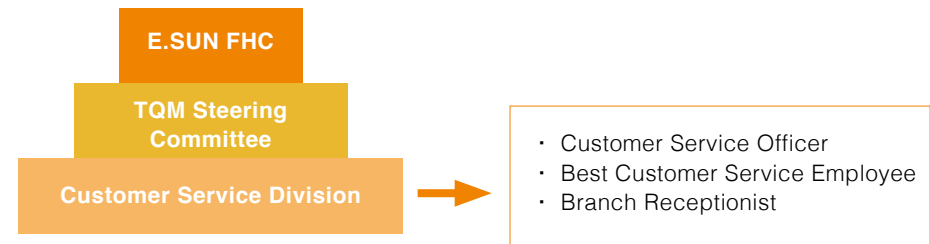
- **The spirit of customer satisfaction:** Service is the DNA of E.SUN. Through the unique customer management core principles, E.SUN employees can uphold good principles and intentions while serving customers.
- **Principle of treating customers fairly:** Build a culture of treating customers fairly and thoroughly review each principle before launching any product or service process.
- **Customer service commitment:** Emphasizing the commitment to customer service, continuously improving the service information needed by customers, and understanding and caring for customers through diversified channels and two-way communication with customers.

Case: Providing empathetic service from the customer's perspective

Miss Lin, a customer with hearing impairment, sought assistance to retrieve funds that were mistakenly transferred to the wrong account. Upon realizing that the customer has a hearing impairment during the interaction, colleagues took the initiative to enthusiastically communicate with her through text messages on the phone. The supervisor and colleagues immediately consoled Miss Lin and assisted in contacting the wrong payee, obtaining their promise to return the funds shortly. With the patient assistance of the colleagues, Miss Lin successfully retrieved the mistakenly transferred funds.

E.SUN Service Management System

E.SUN Financial Holding Company has established the "Total Quality Management Committee" (TQM), which is convened by the director of the E.SUN Financial Holding Company's Integrated Management Office. The TQM meeting is held twice a year, and a dedicated department, the "Customer Service Division," is responsible for implementing comprehensive quality management. With a customer-centric approach, strive to improve service quality.



E.SUN Best Customer Service Employees Award

E.SUN Bank holds an annual Best Customer Service Employees Award event to honor outstanding service, encourage colleagues to learn from the best, and continuously consolidate the company-wide service consensus. In 2022, a total of 166 **Best Customer Service Employees** were selected, with 23 service personnel receiving "Permanent Honors."



Website : [Best Customer Service Employees](#)

Scientifically Measuring Customer Experience and Establishing a Positive Cycle

In order to continuously improve customer rights and customer experience, E.SUN listens attentively to customers' voices, understands their opinions, and finds specific ways to make their services even better. In 2022, E.SUN conducted a satisfaction and NPS survey on physical, digital, and call center channels. The survey results serve not only as key performance evaluation items but also as important reference information for service optimization. E.SUN also simultaneously manages, refines, and regularly tracks the effectiveness of the "VOC (Voice of Customers) Proposal System" to create a positive cycle of service experience.

93.38% **60.17%** **86.80%**

Overall satisfaction*

NPS**

Coverage ratio***

* Calculated based on different channels. Satisfaction rate for physical channel is 93.83%, digital channel is 94.04%, and call center channel is 92.31%.

** Net Promoter Score (NPS) was introduced from 2021, with the 2021 NPS at 53.98%.

*** Coverage ratio = Number of customers reached through the satisfaction survey / Total number of customers in E.SUN.

VOC Proposal System



Collect Feedbacks

Establish a comprehensive feedback channel, allowing customers to provide feedback. In 2022, approximately 73,000 customer feedback messages were collected.



Classify and Grading

Utilize AI to analyze massive amounts of customer feedback and classify them. This process refines and identifies the most critical customer feedback.

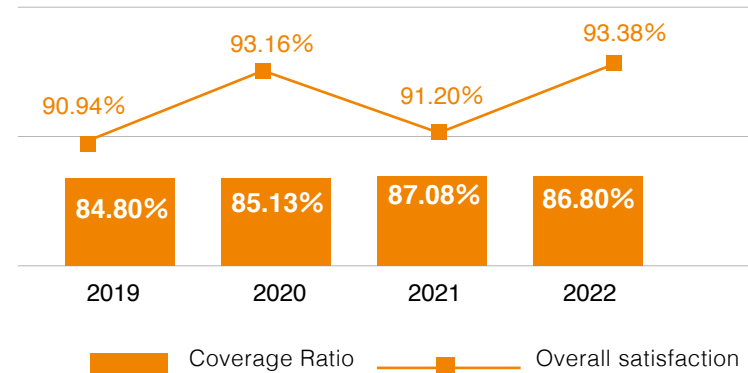


Make Proposal and Improve

Take the feedback as an important reference to enhance customer experience.

As of 2022, a total of 28 customer feedback items have been improved or are about to be launched.

Overall Satisfaction & Coverage Ratio



Case: Mobile Banking Font Enlargement

While using the E.SUN Mobile Banking app, many customers complained that the font was too small and the color too light, making it inconvenient to read. The development team prioritized these concerns and included them in the system adjustment schedule, focusing on optimizing font size and overall visual presentation. In the second half of 2022, the number of related complaints had decreased by about 50% compared to the first half of the year.

Case: Unifying Titles in Various Notifications

Gender equality awareness has increased, and E.SUN has received feedback from transgender customers suggesting that gender should not be limited to binary options. E.SUN highly values customer feedback, adjusted it to adopt gender-neutral title.

3.4 FinTech and Innovation

GRI: 2-23、2-24、2-25、3-3、203-1；

GRI G4 Financial Services Sector Disclosures: FS1、FS5、FS7、FS10

■ Preface

E.SUN has long focused on fintech development, with a technology team of over 1,300 experts responsible for overall digital development, intelligent applications, IT research, and data security management. Through cross-team collaboration and continuous improvement, E.SUN enhanced digital financial technology efficiency. Information acts like the organization's nervous system, AI serves as the brain, digital is the agile limbs, and data security is the immune system. Only by having all these elements can a stable organic system be formed. Being the first bank in Taiwan to apply artificial intelligence deeply to various businesses and to build a

core system with open cloud-native technology and microservices architecture, E.SUN has achieved remarkable results in intelligent finance, inclusive finance, and scenario-based finance. In recent years, E.SUN has actively introduced agile methodologies and explored cloud computing applications. In the past three years, more than 80% of fund purchases, 96% of loan applications, and 99% of foreign exchange transactions have been completed through digital channels, with the active number of e.Fingo digital members reaching 97%. Specific achievements are as follows:

99%	Foreign exchange transactions are completed on digital channels.	95%	Transfer transactions are completed on digital channels.	96%	Loan applications are completed on digital channels.
80%	Fund subscriptions are completed on digital channels.	79%	Credit card applications are completed on digital channels.	50%	Account openings are completed on digital channels.

■ Services Supported

Digital foundation

Capitalizing on the technological capacity of E.SUN, we continue to develop infrastructures for digital transformation and endeavor to fulfill our sustainability commitments by adopting eco-friendly practices, conserving energy, and creating the value of environmental sustainability.

Topics	Strategy Directions
AI Technology	AI Cloud is the main research and development environment in E.SUN AI, providing data scientists with a platform for data processing, modeling, testing, and sharing. It is an innovative sandbox that has nurtured many mature and stable AI models. E.SUN's self-built MLaaS (Machine Learning as a Service) platform has provided more than 50 AI services, allowing developers to quickly and flexibly deploy and use APIs of AI models, becoming an important bridge connecting mature AI models and business systems.
Operational Resilience	To improve the quality of digital infrastructures, E.SUN builds SD-WAN network architecture for overseas branches.
Resource efficiency	Provide the virtualization, private cloud environment and implement monitoring management tools to allocate IT resource more efficiently. In order to increase productivity, we implement the collaboration platforms in development process and digital tools.
Agility and Resilience	From 2022, enlarging the use of container platform and reserving the flexibility of using public clouds. Cloud Service has the diversity and high availability, and complement with on-premises services, more information service requests will be achieved by using both cloud and on-premises service. At the same time, the security of using cloud services is ensured through a security management framework.
Security Monitoring	Improving existing processes and utilizing automated integration technology to accelerate incident response times and enhance the SOC's (Security Operation Center) proactive cybersecurity monitoring team's incident response and investigation skills, expand the overall risk visibility, and effectively reduce the impact of incidents.

Protecting Patented Technology

As a pioneer of financial technology and digital transformation, E.SUN adopted the Taiwan Intellectual Property Management System (TIPS) in 2020, and passed the TIPS A-Level verification. Through intellectual property risk assessment, patent proposal review mechanism, proposal rewards, intellectual property-related advocacy education, and talent training, E.SUN implements intelligent services and technical advantages.

Patents granted in E.SUN

152 patents

	Invention patents	Utility patents	Design patents
Announced in 2022	23	16	11
As of the end of 2022	54	76	22

E.SUN's patents cover areas such as data control and information security, identity verification, payment, AI application, interface design, and more. These innovations are applied to create innovative financial services, providing customers with convenient, fast, and secure experiences. Our significant digital business proportion leads Asian financial banks. E.SUN will continue to protect the intellectual property rights of various core businesses, strengthen the business development foundation, and promote corporate governance to move towards sustainable development.

Financial Innovation Applications

Digital Process Optimization, Service Without Interruption

Optimization of digital account opening process experience	Using Intelligent models to identify high-risk customers and applying two sets of OCR (Optical Character Recognition) technology for cross-checking document information, along with the use of RPA (Robotic Process Automation) technology and optimizing the approval process to reduce repetitive manual review and release manpower time, the fastest time required for human review is just 3.1 minutes per case, reducing the waiting time of customers by 80% and down to 4 hours.
Sinyi Realty - Property Automated Valuation Cooperation	In 2022, E.SUN collaborated with Sinyi Realty, allowing customers to obtain the trial calculation results of E.SUN's property automated valuation model 24/7, shortening the waiting time for manual assessment of amounts and interest rate of mortgages and optimizing service experience.
E.SUN Mobile Banking	<p>E.SUN Mobile Banking integrates multiple innovative services, obtaining 11 design patents, 17 new model patents, and 7 invention patents. We achieved high growth in both the number of digital users and the frequency of digital interaction, with over 70% of active users using mobile banking, and will continue to focus on the customer experience and provide diverse services:</p> <ol style="list-style-type: none"> (1) Multiple Authentication Modules: We offer up to 9 types of verification methods, including voice OTP, SIM card authentication, ATM verification code, and face/fingerprint recognition. Customers can freely choose verification methods according to their habits, scenarios, and services while ensuring transaction safety. (2) Contactless Integrated Financial Services: Customers can use video services to apply for various financial services through E.SUN Mobile Banking, and complete financial transactions with one click through E.SUN's "Fast and Easy Wealth Management" service. Break the limitations of time and space to create a friendly new financial milestone.
E.SUN Wallet	E.SUN Bank has opened E.SUN electronic payment services to both E.SUN Bank customers and non-customers through E.SUN Wallet, expanding the accessibility of E.SUN Wallet's financial services. It has become Taiwan's first digital platform jointly owned by a bank and an electronic payment service provider. In addition, E.SUN Wallet has added the functionality of linking with a E.SUN Bank account or loading their E.SUN credit cards for payment. This expansion has increased E.SUN Wallet's payment coverage from credit cards to all 250 thousand channels of Taiwan Pay. E.SUN also created the first card number checking service on a payment App in Taiwan. This means that cardholders can shop at physical and digital channels by loading their card number onto the E.SUN Wallet App and international mobile payment services before they receive their physical cards.
E.SUN Extremely Fast Revolving Loan	E.SUN Bank offers customers flexible small loan choices. Customers can decide on their desired loan amount and repayment period, and interest is only calculated on the amount utilized. This meets the needs of short-term cash flow or daily expenses.

AI Intelligent Recommendation, Customized Professional Service

Intelligent Finance

Through E.SUN's professional financial specialist's knowledge and self-developed AI algorithms, the Grace system can analyze customers' investment portfolios and adjust allocations in real-time as market conditions change. Grace system provides customized analysis results, helping financial consultants to promptly grasp their clients' financial situations and offer expert financial advice.

AI Talent Cultivation, Promoting AI Development

E.SUN AI Open Competition

E.SUN is committed to FinTech innovation and has successfully held 8 AI competitions, attracting 6,327 teams and over 10,000 participants. Through these competitions, E.SUN provides aspiring talents with the opportunity to practice and challenge themselves in the AI field. By fostering regular competitions and exchange platforms, E.SUN expects to cultivate more AI talent in Taiwan.

Industry-Academia Collaboration

Since 2018, E.SUN has collaborated with numerous universities and colleges, spanning across 6 departments and 14 benchmark professors, to develop AI technology. E.SUN has also jointly established three "AI and FinTech Research and Development Centers" with National Taiwan University, National Yang Ming Chiao Tung University, and Academia Sinica, bringing together the power of academia and industry to foster innovation in financial technology and cultivate talent and technical development.

Strengthening Risk Protection, Enhancing Corporate Governance

Intelligent Quality Inspection Platform

Using voice recognition and semantic understanding technology, the platform converts call conversations into text and inspectors can establish rules for checking call content on the platform, so that the system can automatically detect the content quality of each call. This increases the quality inspection coverage rate to 80%, achieving benefits in process compliance, fair customer treatment, and early warning for complaint risks.

Credit Card Fraud Detection

Using AI to evaluate nearly a million daily credit card transactions, with a counterfeit transaction detection accuracy rate 5 times greater than expert experience. The AI model also increases the capture of fraudulent transactions by 65% on a daily basis. Each month, about 26 million TWD in fraudulent transactions are intercepted, enhancing customer card security.

Cybersecurity Threat Intelligence Analysis Visibility

The model automates the analysis of threat intelligence and correlates with cybersecurity devices, using anomaly trend analysis, threat dashboards, and alert mechanisms to identify potential threats.



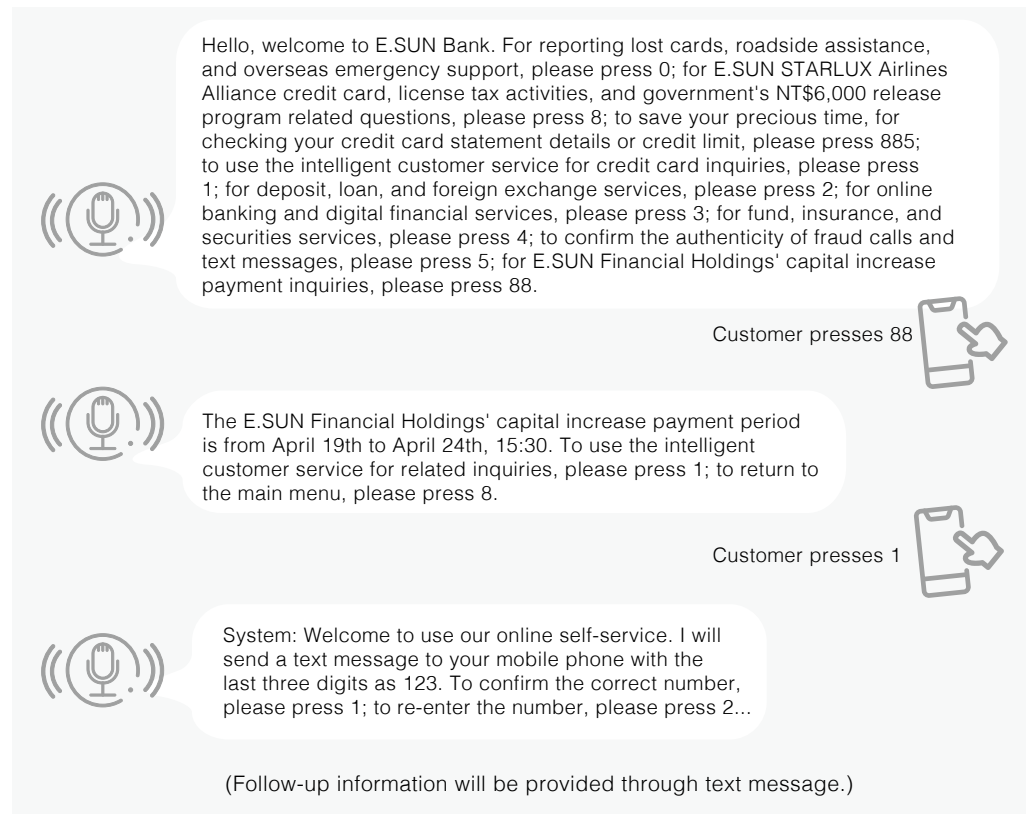
E.SUN AI Open Competition

Intelligent Voice Navigation Service

The "Intelligent Voice Navigation Service" utilizes voice AI technology and models specifically developed for financial scenarios to accurately guide customers in using bank and credit card related services during customer service calls. Unlike the past, where customer service centers used menus for voice service, customers had to listen and select menu options layer by layer after calling in. With the use of intelligent voice navigation, customers can intuitively "speak out" their questions or service requirements, and then the E.SUN voice recognition and natural language understanding technology can confirm customer needs and guide them to the corresponding self-service or provide information through voice interaction, allowing customers to obtain services in a more intuitive, simple, and fast voice interaction mode, greatly optimizing the user experience of voice call services.

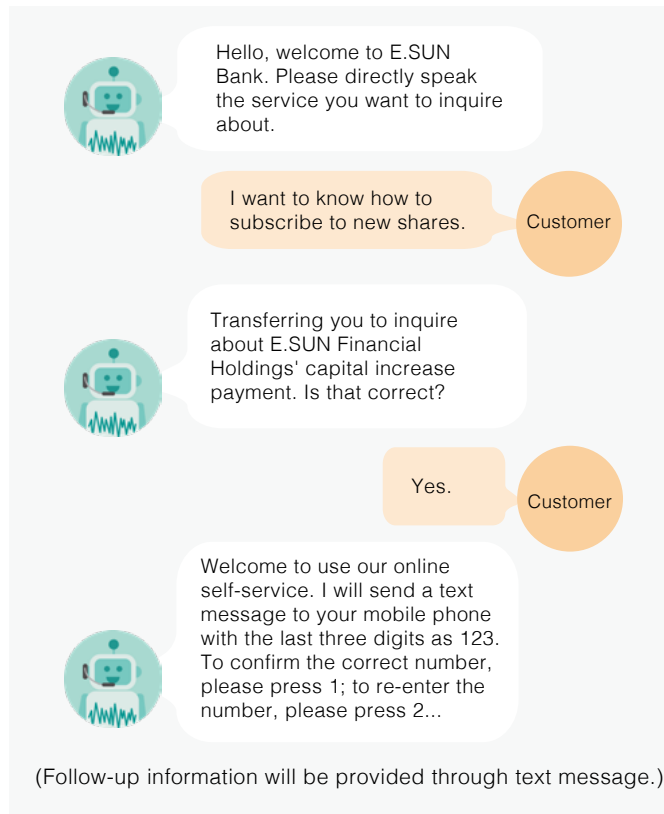
Below is an actual customer usage case:

Traditional menus The interaction takes about 1 minute and 23 seconds



After the service was launched, among the incoming calls that were recognized for customer intent, 85.3% of customers agreed with the recognition results and were successfully guided to the corresponding problem options. In addition, taking the inquiry of credit card application progress as an example, the intelligent voice navigation service can complete the voice customer service in as fast as 19 seconds, which is significantly shorter than the traditional menu of about 60 seconds, reducing customer operation time by 68.3%. Currently, E.SUN customer service has already implemented 10% of Intelligent Voice Navigation Service and is expected to gradually expand and be fully implemented. E.SUN aims to create a better customer service experience by providing more convenient voice command options and improving service efficiency.

Intelligent Voice Navigation Service The interaction takes about 36 seconds



■ Infrastructure

AI and FinTech Research and Development Centers

E.SUN has long been committed to promoting the development of financial technology and nurturing talent in Taiwan. In 2018, 2019, and 2020, E.SUN Bank collaborated with National Yang Ming Chiao Tung University, National Taiwan University, and the Academia Sinica to establish the "AI and Financial Technology Research and Development Center" as an international hub for fintech research. The center provides free computing equipment to support research teams in technology development and communication. For example, the center at National Taiwan University occupies about 50 square meters and injects over 10 million NT dollars annually in research funding to develop various artificial intelligence applications. Since 2018, a total of 224 students have participated in industry-academia research projects, including 35 professors. E.SUN Bank expects industry-academia cooperation to drive the development of technology and talent, gradually cultivating forward-looking and knowledgeable AI technology professionals, injecting new vitality to Taiwan's fintech industry, and enhancing international competitiveness, making greater contributions to the future of Taiwan.



Building Resilience

Over the years E.SUN stood by honesty, integrity, and professionalism as our core values. The Priority is to create a corporate culture defined by disciplined governance and risk management, further improving compliance and internal control, and bolstering management of emerging risks, thereby building a healthy, resilient organization.

4.1 Corporate Governance

4.2 Code of Conduct and Ethic

4.3 Risk Management

4.4 Emerging Risks

4.5 Anti-money Laundering and Combating the Financing of Terrorism (AML / CFT)

4.6 Business Continuity Plan

4.7 Information Security and Personal Information Protection Management

4.8 Tax Governance

4.9 Human Rights Protection



4.1 Corporate Governance

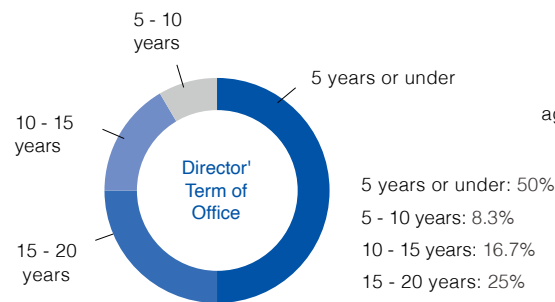
GRI: 2-9, 2-11, 2-12, 2-13, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20, 2-21, 2-28, 3-3, 405-1

■ Diverse board members

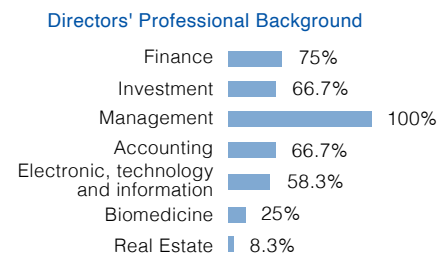
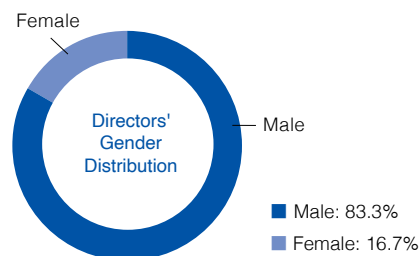
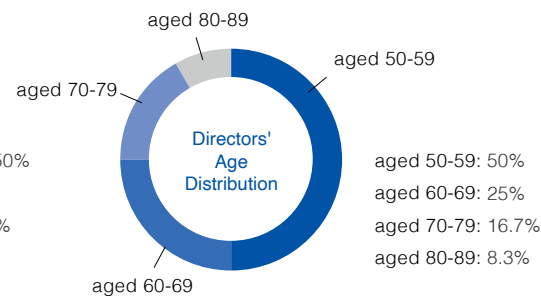
E.SUN FHC has a complete director selection system. Based on E.SUN's core value and development strategies, it considers the configuration and diversity such as sector experiences, gender, race, nationality. The board of directors is composed of financial industry, scholars and experts. All 5 independent directors with different professional backgrounds are equipped with the knowledge, skills, literacy, and skill sets necessary to perform their duties. The board currently has 2 female directors. Its proportion of female directors is higher than the average among all Taiwan listed companies. The level of female involvement in decision-making will be increased in accordance with the principle of diversity in the future. Diversified background information as shown in the figure:



Board of directors
information
QR code



Note: Average term of office is 9.25 years.



Improve the director selection system

Nomination of directors - candidate nomination system

- Corporate Governance and Nominating Committee nomination.
- Shareholders with more than 1% of shares nominated.

List review - list subject to board approval

- Comply with diversity standards such as gender, age, culture and nationality.
- Possess professional background, professional skills or industry experience, etc.

Shareholders vote

- The Shareholders' Meeting adopts the cumulative voting system for electing directors.
- An electronic voting system has been introduced.

Job Execution and Evaluation

- Prepare a directors' handbook for reference by directors.
- Regularly arrange multiple internal and external courses to enhance the professional functions of directors.
- The board of directors, functional committees and directors are regularly evaluated every year.

■ Professional guidance and operational participation

Depending on the expertise of the independent directors, they are invited to participate in the discussion and guidance of specific issues.

- To discuss the strategic issues regarding the overall development of the Company every year, so that the strategic thinking can be more comprehensive and thorough in the process of strategy discussion and formation. In year 2022, the independent directors were more fully involved in the guidance.
- To participate in the principles of fair treatment of customers promotion committee to help promote the principles of fair treatment of customers and the culture of valuing financial consumer protection.
- To participate in IRB working group meetings to provide guidance on the application of model evaluation in business, in order to facilitate the monitoring of IRB (Internal Ratings-Based Approach) in corporate governance, as a result to align with international standards and enhance the risk control culture.
- Participate in the data management committee, assist data governance work, and shape data governance culture.
- To actively direct the "customer experience improvement project" to help improve customer experience and develop innovative services.
- To assist in planning and serving as a lecturer for supervisors and new employees training courses.

■ Competent functional committees

To ensure an effective Board of Directors and refine the quality of board decisions, the Audit Committee, the Corporate Governance and Nomination Committee, the Remuneration Committee, the Board Strategy Development Committee, the Sustainable Development Committee and the Risk Management Committee are created by authority and function under the Board of Directors and are responsible for deliberating proposals and major issues in the economy, the environment, the society and risks. The functional committees are composed or participated by independent directors, so that the committee's decision-making and recommendations are forward-looking, objective and comprehensive, effectively implement the mechanism of independent supervision and checks and balances, and

ensure that all resolutions and actions of the board of directors are put forward After the report and discussion of the board of directors, the board of directors asked questions or made suggestions on the aforementioned proposals at the meeting. After full discussion, the directors also inspected and supervised the implementation of the plan from the perspective of various implementation progress, and urged the management team to make adjustments in due course. Those who have an interest in the director himself or the legal person he represents should avoid it, and some proposals are also submitted to the shareholders' meeting for report and discussion, which is in the best interest of the interested party.

- Established in 2006.
- The Committee is composed of 5 independent directors and Independent Director ChunYao Huang is the convener.
- 3 meetings were called. The average attendance was 100%.

- Established in 2004.
- 6 meetings were called. The average attendance was 100%.
- The Committee is composed of 5 independent directors and Independent Director RyhYan Chang is the convener.

- Established in 2007.
- 2 meeting was called. The average attendance was 100%.
- The committee is composed of 5 independent directors and 5 directors. Chairman Yung-Jen Huang is the convener.

- Established in 2007.
- 2 meetings were called. The average attendance was 100%.
- The committee is composed of 5 independent directors and 2 directors. Independent Director Ying-Hsin Tsai is the convener.

- Established in 2011, renamed in 2021.
- The committee is composed of 3 independent directors and 2 directors. Chairman Yung-Jen Huang is the convener.
- 3 meetings were called. The average attendance was 100%.

- Established in 2021.
- 5 meetings were called. The average attendance was 100%.
- The committee is composed of 3 independent directors and 3 directors. Director Joseph N.C. Huang is the convener.



■ Protection of shareholders' rights and interests

The 2022 shareholders' general meeting will be held physically and assisted by video, providing shareholders with multiple channels for exercising their rights. In addition to continuing to proactively report proposals such as "specific promotion plan for sustainable development", "communication between the Audit Committee and the head of internal audit", "adjustment of certified accountants" and "remuneration policy for directors and managers" at the shareholders' meeting, among which "directors and managers Manager's Salary Remuneration Policy Case", report on the company's directors' and managers' remuneration payment standard review procedures, and add a new level of individual directors' remuneration. In order to protect the rights and interests of shareholders and implement equal treatment of shareholders, insiders are expressly prohibited from using undisclosed major internal information to buy and sell securities, and directors are regulated that they are not allowed to trade stocks during the closed period before the financial report announcement.

■ Training for directors

In 2022, each director will receive an average of 10.25 hours of training, which is 6 hours higher than the legal recommendation. E. SUN planned education and training courses for the board of directors. The company held three 9-hour director training courses, including "principle of treating customers fairly", "prevention of money laundering and the impact of IRB law introduction on risk management" and "important information security standards and compliance"; In addition to planning course themes and arranging courses every year with reference to changes in internal and external environmental conditions and development needs, and providing directors with information on multiple courses organized by training system institutions from time to time, assessing their own professional background and needs to increase the arrangement of courses, for example: there are other directors who also Participate in "Challenges and Opportunities for the Financial Industry in the Net-Zero Era", "How to Effectively Maintain Brands from Recent Famous Trademark Cases", "How the Board of Directors Supervises

10.25

Each director will receive an average of 10.25 hours of training, which is 6 hours higher than the legal recommendation

41.67%

Proportion of independent directors



Training of directors
QR code

ESG Risks and Create Sustainable Competitiveness of Enterprises" and "Understanding Related Parties from Practical Cases", "Transactions and Unconventional Transactions" and other courses, in order to fulfill the duty of care of faithfully executing business and benevolent managers, and give full play to the functions of business decision-making and leadership supervision.

■ Attendance of directors

A total of 7 board meetings will be held in 2022. The chairman will be the chairman of the company, and the overall attendance rate will be 100%. In order to continuously strengthen directors' participation in the operation of the board of directors, E. SUN went beyond the legal requirements and independently stipulated that "the annual attendance rate of directors should be at least 80% or more."

■ Board Effectiveness

Evaluation of board performance

Internal evaluation

The Company completed the 2022 board and functional committee performance evaluation. The results are presented below:

1. The board actively partakes in the Company's operations; fulfills its duties to instruct and supervise the Company's strategies, major business activities, and risk management practice, and establishes suitable internal control system. According to the evaluation result, 49 items were rated "excellent", total scoring rate of 100%.
2. The overall performance of the functional committees was in line with corporate governance principles.

The functional committees served their purposes as intended, effectively making the board more effective. The Company presented the results of the 2022 director performance evaluation on February 20, 2023, based on self-assessments conducted by the directors themselves and peer reviews

- Self-assessment score: 99.40%.
- Overall self-assessment score: 99.80%.

External evaluation by professional institutions

The Company has been devoted to planting corporate governance culture in the company system and daily operation. The Company has commissioned external professional organizations to conduct performance evaluation on the board every three years and to execute corporate governance evaluation certification every two years. In 2018, 2020 and 2022, the Company was awarded the CG6011 (2017) , CG6012 (2019) and CG6013 (2021) the corporate governance system evaluation, "exceptional" certification, and the relevant recommendations were listed as priority corporate governance improvement plans.

■ Independence of directors and conflicts of interest prevention

E.SUN FHC currently has 5 independent directors, accounting for approximately 41.67% of the Board of Directors. To facilitate business development and to take into account of business needs, 2 directors also serve as managers of the Company. In addition, all of the outside directors comply with the independence standard. E.SUN drafted "Rules Governing the Scope of Powers of Independent Directors," and the content includes "If an independent director objects to or expresses reservations about the matter, it shall be recorded in the board meeting minutes," "The Company or any Board member shall not interrupt, refuse or circumvent the independent directors from carrying out their duties." and "The independent directors, when carrying out their duties, may request the Board to appoint relevant personnel or professional specialists for assistance as they deem necessary." The rules above not only help independent directors dedicate to their duties but also effectively enhance the function of the Board and the overall performance of the Company.

To ensure fairness, the "Stakeholder Transaction Policy" has been created as a means to regulate security of transactions conducted between the Company and subsidiaries with stakeholders. The policy requires all transactions to be conducted in confidentiality, fairness, and utmost full faith in the best interest of the Company. Furthermore, measures must be taken to prevent conflict of interest and exploitation of illicit gains.

According to E.SUN FHC's Board of Directors Conference Rules and Audit Committee Charter: if a director or committee member and the corporate entity that the director or member represents, is considered a stakeholder to the discussed agenda, the director or member shall immediately explain the important content of such stakes and disassociate from all discussions and voting. In which case, the director or member may not exercise voting rights on behalf of other directors or members.

In the annual report, E.SUN FHC fully discloses the concurrent positions of the directors, the top ten shareholders and related party transactions (including donations). For details, please refer to P.13~15 of the annual report and appendix financial report P.79.

Remuneration Policy

In accordance with the Company's Rules for Remuneration of Directors, director remuneration is subject to deliberations of the Remuneration Committee and approval of the Board of Directors. Linking director remuneration to business performance in tandem with related policy, the Company takes an overall look at the total amount of such remuneration, way of payment, and future risks. The growth rate in director remuneration for any given year is capped at that recorded a year earlier in the event of a substantial net profit decline. To establish a mechanism for better linking

director remuneration to personal performance and the Company's future risks, specific ratios are set for a number of "personal performance" indicators that weigh on director remuneration. Also clearly spelled out is the provision that the Board of Directors may resolve to cut back or recover director remuneration if any director is determined to have been involved in a moral hazard event or otherwise undermined the Company's public image and reputation. On January 22, 2021, the Company decided that director remuneration shall be withheld if any director concurrently holds E.SUN's managerial positions; this was put into force from the distribution of director remuneration for 2020. Relevant policies were reported at the shareholders' meeting of year 2022.

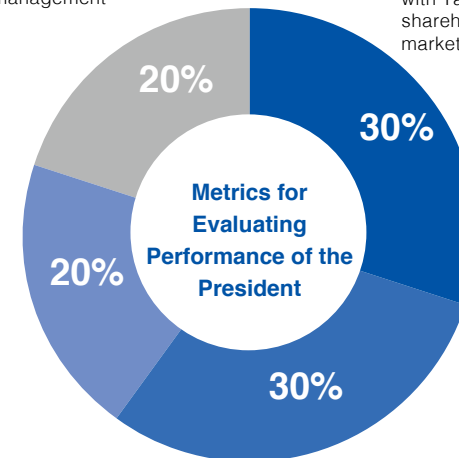
Metrics for Evaluating Performance of the President

Culture and Brand Management

- Culture and brand management
- Risk management

Business / Financial Performance

- Financial Performance: Earnings capacity and management efficiency, such as ROE, ROA, EPS, C/I Ratio, etc.
- Business Performance: Comparison with Taiwan's top five banks in total shareholder return, overall business market share growth rate.



Strategic Development

- Development of strategies to uphold E.SUN's leading edge
- Development of E.SUN as a brand of first choice
- Material ESG target: sustainable finance development, climate change action, financial inclusion, etc.

Infrastructure

- Talent cultivation, system building, information development
- Innovative and diversified financial services

Remuneration and Performance of Managers

In order to encourage executive managers, key professional talents and the entire personnel to pursue long-term overall performance, E.SUN has taken into account a variety of indicators including financial outcome, business operation, brand, ESG, talent cultivation, continued service, risk management, etc. to formulate a long-term incentive system.

Purpose	<ul style="list-style-type: none"> To encourage E.SUN managers to achieve and surpass Company goals, create profit, improve business performance, take into account the reasonable linkage to future risks and evaluate managers' remuneration.
Review process	<ul style="list-style-type: none"> Manager remuneration policies and structures are reviewed by the Remuneration Committee and submitted to the Board for decision.
Salary structure	<ul style="list-style-type: none"> Fixed pay comprises basic salary and subsidies or allowances that are determined on the basis of work experience and take into account what is being paid for comparable positions across the industry. Variable pay comprises bonuses and compensations that are determined on the basis of the Company's overall performance and personal contributions and take into account future risks. On top of highlighting the Company's core values, these are meant as a token of recognition for outstanding leadership and management. Long-term compensations intended as incentives are awarded in the form of equities with a deferral of five years. The strike price is set at a future share price so as to effectively link manager compensations to the Company's long-term performance. Retirement policy applies to general employees.
Risk linkage	<ul style="list-style-type: none"> Manager bonuses can be affected in the event of a major risk event affecting the Company's business reputation or due to internal management mishap or employee misconduct. This shall achieve the effect of risk control and generate high linkage with E.SUN's long-term overall performance.

■ Incentive Reward System

In order to encourage executive managers, key professional talents and the entire personnel to pursue long-term overall performance, E.SUN has taken into account a variety of indicators including financial outcome, business operation, brand, ESG, talent cultivation, continued service, risk management, etc. to formulate a long-term incentive system.

Subject	Implementation
CEO/President	<ul style="list-style-type: none"> Variable compensation includes short-term and long-term incentives. 30% of CEO's short-term bonus shall be paid by a deferred equity-based method, and 100% of CEO's long-term bonus shall be distributed in the form of stocks with vesting period of 5 years. Short-term incentive shall take into account related performance metrics in recent 5 years. With Year T as the departure point, long-term remuneration offers deferred payments in proportion to goal attainment in Year T+3, Year T+4, and Year T+5. A portion of the remuneration already paid could be reduced, withheld, delayed or recovered in the event of a major risk event affecting the company's business reputation or due to internal management mishap or personal error for 5 years. This shall achieve the effect of risk control and generate high linkage with E.SUN's long-term overall performance.
Key talents	<ul style="list-style-type: none"> Phantom Shares are offered with a deferred period of 5 years. E.SUN remains the right to withdraw the stock if there is any attributable breach of code of conduct within the duration. Phantom Shares link to the future stock price. It is designed to drive key talents to pursue long-term performance.
Applied to all employees	<ul style="list-style-type: none"> For 2 consecutive A+ employee: promotion in advance For 3 consecutive A+ employee: more variable pay and educational training
Long-term incentive practice for department performance	<ul style="list-style-type: none"> Summit Award and marked-up bonus for departments which have superior performance for 2 years in a row. Laurel Prize and marked-up bonus for departments which have superior performance for 4 years in a row. E.SUN Outstanding Contribution Award was established to inspire every department to exceed their goals in the long run and to make contribution.

■ Management Ownership Requirements

E.SUN has been committed to professional management and expert leadership. Based on our long-term and stable management, over 90% of E.SUN employees hold E.SUN stocks. In "E.SUN FHC Executives Election Rule," for all vice presidents after 3 years of appointment, the market value of the E.SUN stocks they hold, including those held by spouse, children and employee savings association, must be 5 times more than their annual base salary. Similarly, the standard set for CEO's after 3 years of appointment is 10 times more than CEO's annual base salary.



■ Remuneration of Executives

12.31.2022 Unit: NT\$ thousand

Title	Name	Remuneration of Directors	Remuneration of Employees				Total
			Salary	Incentive Pay			
		Cash	Cash	Short-term (cash+stock)	Long-term (stock)		
Chairman of E.SUN FHC	Yung-Jen Huang	22,474	0	0	0	22,474	
Chairman of E.SUN Bank	Joseph N.C. Huang	21,522	0	0	0	21,522	
CEO/ President of E.SUN FHC	Magi Chen	0	7,671	16,346	0	24,017	
President of E.SUN Bank	Mao-Chin Chen	0	7,598	12,976	2,427	23,001	
Director ^{Note 2}	(see below for the list)	21,399	0	0	0	21,399	
Independent director ^{Note 3}	(see below for the list)	34,658	0	0	0	34,658	
Senior Executive Vice Presidents ^{Note 4}	(see below for the list)		67,837	61,776	5,339	134,952	

Note 1: Above remuneration amount is through accrual basis of accounting.

Note 2: List of Directors: E.SUN Culture and Education Foundation (Representative Joseph N.C. Huang); Hsin Tung Yang Co., Ltd. (Representative Jackson Mai); Fu-Yuan Investment Co., Ltd. (Representative Rong-Chu Chen); Shang Li Car Co., Ltd. (Representative Chien-Li Wu).

Note 3: List of Independent Directors: Ryh-Yan Chang, Chun-Yao Huang, Ying-Hsin Tsai, Hung-Chang Chiu, Ruey-Lin Hsiao.

Note 4: List of Senior Executive Vice Presidents: Ben Chen (retired on 5.1.2022), J. C. Wang, Cheng-Chou Hsu (retired on 4.15.2022), Oliver Hsieh, Wan-Li Hsieh, Jyh-Shing Roger Jang, L. C. Lin, Jung-Hua Lin, Wu-Ming Hsieh, Louis Chang, Cathy Kuo, Yi-Hsin Tseng, Jung Chun Chen (assuming office on 1.22.2022), Danny Tang, Jeff Liu (assuming office on 1.19.2022), Yao-Pin Lin (transferred on 1.22.2022), Te-Ming Chung, Mei-Ling Liu (retired on 3.15.2022), Fion Ouyang, Huai Tsung Liu.

Note 5: CEO / President Magi Chen holds 3,970,000 shares of E.SUN FHC stock, with their market value being 12.56 times of her salary. President Mao-Chin Chen of E.SUN Bank holds 4,974,000 shares of E.SUN FHC stock, with their market value being 15.89 times more than his salary. E.SUN FHC senior executive vice presidents hold 43,753,000 shares in total, and the average market value per person is 15.65 times more than their salary. Shares held by the presidents and senior executive vice presidents including those from spouse, minor children and Employee Stock Ownership Plan; they're without pledge and aren't linked to financial derivatives. The market value, 24.27, comes from the average value per share of the last 30 business days in 2022.

Note 6: CEO / President Magi Chen's salary and bonus received in 2022 was 18.4 times more than the mean compensation of employees, and 20.9 times more than the median compensation of employees.

Note 7: The percentage increase in the highest individual total annual remuneration is -1.19 times the percentage increase in the median total remuneration for all employees.

■ Contribution to industry development

The financial holding company and its subsidiaries actively participate in activities organized by The Bankers Association of the Republic of China, Taiwan Securities Association, Trust Association of R.O.C., TABF and TFSR in order to promote the development of the domestic financial industry.

Name	Title	Job Description
Oliver Hsieh, Chief Risk Officer	Vice Chairman, Risk Management Committee, Bankers Association Member, Risk Management Section, Operations Committee	Provide risk management skills and recommendations on policies; research on regulations of crisis management in the banking industry.
Louis Chang, Senior Vice President	Convener of the BAROC Banking Industry Finance-related Carbon Emission Calculation Handbook Task Force	Coordinate the publication of the domestic bank's disclosure and verification of investment and financing portfolio financial carbon emissions handbook and provide timeline planning suggestions to deepen sustainable development and achieve net zero goals.

4.2 Code of Conduct and Ethic

GRI: 2-23、2-24、2-25、2-26、2-27、3-3、205-2、205-3、206-1
SASB：FN-CB-510a.1、FN-AC-510a.1、FN-CB-510a.2、FN-AC-510a.2

E.SUN builds ethical corporate culture and emphasizes codes of conduct and has established guidelines for all employees. The responsible unit for ethical management is the Corporate Governance and Nomination Committee, which assists the board of directors and management in formulating and supervising the implementation of ethical management policies and prevention programs and regularly reports to the board of directors. Each E.SUN director and senior manager signs a statement of compliance with the integrity management policy, stating their commitment to the principles of ethical management in their business operations, and actively assists the board of directors in fulfilling its commitment to ethical management and supervising the company's internal management and business activities to comply with ethical management. Each E.SUN employee also signs the "E.SUN Employee Service Code of Conduct and Behavior Standards " upholding high standards of self-discipline and practicing ethical management. Related guidelines are as follows:

"Ethical Corporate Management Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct"

Establishing sound corporate governance and risk control and management mechanisms, clearly stipulating that directors, managers, employees, trustees, or those with substantial control should comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, rules and regulations related to TWSE Listed and TPEX Listed Companies, other relevant laws concerning commercial operations or the operation of group enterprises and organizations in their respective locations, in order to implement ethical management.

"Code of Ethical Conduct Directors"

Directors should comply with laws and regulations, avoid conflict of interest and self-serving actions, fulfill confidentiality and loyalty obligations, prohibit unfair and insider trading, and be responsible for protecting and properly utilizing company assets, among other duties. The content is communicated to all directors, with a 100% coverage rate.

"E.SUN's Commitment to Anti-Corruption, Anti-Bribery, and Anti-Competition Behavior "

When conducting business with others, E.SUN first assesses the legitimacy of the counterparties, fully understands their ethical management status and compliance with corporate social responsibility policies, and clearly expresses its rejection of directly or indirectly providing, promising, requesting, or accepting any undue benefits in any form or name. Contracts explicitly stipulate compliance with ethical management and corporate social responsibility clauses. E.SUN adopts a zero-tolerance approach to corruption and bribery, committing that there will be no form of corruption or bribery in its global business operations.

"the Treating Customers Fairly Policies and Strategies"

Extending corporate culture and ethical spirit to subsidiaries and creating a healthy financial market and environment by adhering to principles of fairness, equality, mutual benefit, and integrity, prioritizing and safeguarding the rights and interests of financial consumers.

"the Regulations Governing the Concurrent Serving Management for Responsible Persons"

Implementing management of concurrent serving for directors and managers, setting clear principles for holding concurrent serving, and requiring those responsible to fulfill confidentiality and loyalty obligations and prevent conflicts of interest.

E.SUN links employee performance and compensation, incorporating ethical management into employee performance evaluation items and human resource policies, and establishing clear and effective disciplinary systems. Through self-inspection by business supervisory units and self-assessment of compliance with laws and regulations, effective control and implementation are achieved. E.SUN also conducts annual compliance risk assessments, selects high-risk units for compliance testing, and adjusts and improves its legal compliance mechanisms. Furthermore, the audit unit independently audits risk-oriented audit checks to ensure the overall system's operation and jointly manage and prevent dishonest behavior.

■ Education and Training System

Education and Training: E.SUN organizes various training courses covering financial laws, E.SUN Employee Service Code of Conduct and Behavior Standards. These courses aim to educate and promote integrity in business operations. Case study-based discussions are used to strengthen the concept and implementation of the three lines of defense, embedding the culture of honesty among supervisors and colleagues. The total course duration is 385.5 hours. Additionally, early stage job description meetings provide briefings on business overviews and general financial laws to prevent dishonest behavior.

Compliance: The Compliance Division drives compliance education and training for all employees. In 2022, the focus is on "Ethical Corporate Management Practice Principle and Procedures for Ethical Management and Guidelines for Conduct" Through videos and cases to disseminate employees on important matters to note during business execution, with a participation rate of 100%.

Annual Tests: We conducted annual online tests for 100% of our employees. The tests cover E.SUN FHC Ethical Corporate Management Practice Principles and Procedures for Ethical Management and Guidelines for Conduct. The 2022 test participation rate is 100%.

Appraisal Systems: Our employee's integrity should be integrated into performance appraisal, and if anyone who violate codes of conduct regulations, the performance result would be worse than "Satisfied".

100%

Participation of the entire E.SUN workforce in tests on regulations governing ethical management, stakeholders, and personal information protection

100%

Participation of the entire Board of Directors in training on ethical management and handling of material internal information

■ Ethical Violations SASB : FN-CB-510a.1 \ FN-AC-510a.1

E.SUN did not engage in any code of conducts violations, including corruption or bribery, discrimination or harassment, customer privacy, conflicts of interest and money laundering or insider trading in 2022. Likewise, no suit or penalty was fined. Meanwhile, all business supervisory units and overseas business locations were told to take a hard look at the Code of Ethics for Salespeople among other key compliance issues for the year. Next, the Company's Compliance Division went on to conduct inspection and evaluation with a view to effectively enforcing risk management and reducing corruption risks.

■ Whistleblowing System

SASB : FN-CB-510a.2 \ FN-AC-510a.2

To establish a culture of integrity and transparency and promote sound operation, E.SUN has formulated the Procedure For Handling Whistleblowing Reports , which is applicable to its subsidiaries, foundations with direct or indirect cumulative donations exceeding 50%, and other organizations or legal entities with substantial control. The procedures clearly define the acceptance and investigation timeline, and establish dedicated handling units and independent investigation units. E.SUN also sets up whistleblowing hotlines, email inboxes, and mailing addresses on its official website and intranet for both internal and external personnel. The identity of whistleblowers is kept confidential, and adverse personnel measures against internal employee whistleblowers are strictly prohibited. Anonymous reporting is also allowed to actively prevent dishonest, fraudulent, and criminal activities.

In 2022, a total of 33 cases were accepted through whistleblowing and non-whistleblowing channels, all of which pertained to non-significant violations of internal regulations, consumer disputes, or events unrelated to banking operations. There were no violations related to integrity management. While these reports were immediately presented to the Compliance Division, the President appointed an appropriate department to conduct investigation. Investigation results were then submitted to the President, with the whistleblower's identity kept confidential and the departmental supervisor of the accused also given notice, and the relevant implementation will be reported to the Corporate Governance and Nomination Committee and the Board of Directors.

Year	2019	2020	2021	2022
Totals	31	28	49	33
After investigation, it has been confirmed that there is a violation of integrity management and code of conduct.	3	1	4	0

Integrity Management Violation	2019	2020	2021	2022
Through whistleblowing channels	1	1	4	0
Through other channels (such as self-examination, audit, etc.)	0	5	0	0
Total breaches of integrity management	1	6	4	0
Investigation completed and closed	1	6	4	0
Under investigation	0	0	0	0
Corruption	1	1	0	0

Note: If it is an insignificant violation of internal regulations, consumer disputes or incidents unrelated to banking business, it will not be included in the calculation of the number of cases of "integrity management violations".

4.2.1 Legal Compliance SASB : FN-CB-510a.1 、FN-AC-510a.1

E.SUN has been paying long-term attention to domestic and international financial policies and regulatory changes. While actively expanding its business, it strictly adheres to relevant laws and regulations. The mid-term goal is to establish a group-wide risk-based approach for identifying, assessing, controlling, measuring, monitoring, and independently reporting compliance risks, in order to comprehensively control, supervise, and support domestic and overseas departments, branches, and subsidiaries in their respective businesses, cross-departmental and cross-border compliance matters. The

long-term goal is to cultivate a compliance culture so that all employees voluntarily comply with laws, regulations, and business rules, uphold integrity and discipline, and implement the principle that "no business shall override the risk and all services shall not exceed the regulatory boundary. In 2022, E.SUN has no illegal punishments and major deficiencies that should be disclosed as stipulated in the "Standards for Items to be Recorded in the Annual Report of Financial Holding Companies", and there are no cases of penalties for violating labor and environmental laws and regulations.

Action Plan	Achievements in 2022	Progress Status
Self-Assessment on Regulatory Compliance	Conduct two self-assessments on regulatory compliance to inspect whether business units comply with laws and regulations and oversee improvements.	
Regular Reporting to the Board of Directors and Audit Committee on Regulatory Compliance	Report to the Board of Directors and Audit Committee twice in 2022, enabling the governing units and senior management to fully understand the implementation status of regulatory compliance matters.	
Legal Communication and Consultation	Establish a legal communication and consultation system, where the regulatory compliance management unit provides important regulations to regulatory compliance personnel of all units via email and posts on the internal web page for all E.SUN colleagues to reference for their business.	
Legal Coordination and Communication	In 2022, E.SUN held 8 legal compliance meetings, including 4 domestic and 4 overseas legal compliance meetings. During these meetings, important legal compliance issues were discussed, implementation experiences were shared, and cross-subsidiary issues were communicated and coordinated to ensure consistent internal opinions within the group.	
Internal Regulation Review	E.SUN supervised the timely updating of various operation and management regulations according to laws and regulations, and promptly communicated with all units through a communication mechanism to ensure that all business activities comply with legal requirements.	
Legal Compliance Assessment for New Products (Services)	In 2022, legal compliance assessments were conducted for 43 new products and services through the "New Product Service Legal Compliance Assessment Opinion Letter" approval process, ensuring their compliance with laws and internal regulations.	
Evaluation of Legal Compliance Implementation	E.SUN conducted evaluations of legal compliance implementation for the financial holding company and its subsidiaries, aiming to improve the effectiveness of the legal compliance system.	
Legal Compliance Visits	In 2022, 16 legal compliance visits were completed. Through bilateral communication, the visited units gained a clearer understanding of their legal compliance implementation in areas such as personal data protection, anti-money laundering, cross-border business, financial-friendly services, fair treatment of elderly customers, and other legal compliance matters.	Completed
Online Legal Compliance Visits of overseas units	In 2022, in response to the COVID-19 pandemic, online meetings were held individually with the Tokyo branch, Hong Kong branch, Singapore branch, Australian branch, and the Chinese subsidiary to discuss the operational status of overseas units. The meetings aimed to understand the communication of important regulations, legal compliance training, and the execution of compliance tracking matters, as well as to follow up on the improvement of compliance deficiencies, thereby strengthening legal compliance governance.	
Legal compliance education training, and online quizzes	<p>(I) External courses: A total of 897 courses on legal compliance were attended by E.SUN employees, organized by Taiwan Academy of Banking and Finance, Taiwan Corporate Governance Association, and Securities and Futures Institute. The total number of attendees was 12,444, with a total training time of 97,970.5 hours.</p> <p>(II) Internal courses: A total of 101 training sessions were held, including new employee training, mid-level officer training, management courses, and various professional training classes, with a total of 9,377 attendees and a total training time of 181,498.4 hours. The training sessions focused on regulations, auditing, risk management, and anti-money laundering, with a total of 29,343 hours dedicated to strengthening employees' legal knowledge and promoting proper concepts. In addition to lectures, case studies were used to enhance the understanding of the three lines of defense mechanism and jointly manage and prevent dishonest behavior.</p> <p>(III) Other: Important provisions and cases on legal compliance were promoted during morning meetings or internal training sessions. Each month, legal compliance materials were provided, and units were required to arrange legal compliance promotion or provide online training courses during their "Legal Compliance Advocacy Time."</p>	

Compliance Training Course of 2022

Month	Training Course Name	Month	Training Course Name
January	Three Lines of Defense in Internal Control and Punishment Case Studies	July	Ethical Corporate Management Practice Principles, Procedure For Handling Internal Significant Information, and Procedure For Handling Whistleblowing Reports
February	Personal Data Protection	August	Principle for Financial Service Industries to Treat Clients Fairly (including Financial Consumer Protection Act , Financial Friendly - CRPD, and Elderly Friendly) Online Course
March	Principle for Financial Service Industries to Treat Clients Fairly	September	Anti-Money Laundering
April	Labor Law Regulations and Human Resources Management	October	Cross-border Business Regulatory Compliance
May	2022 Regulatory Compliance Lecture Notes	November	2022 Violations of Financial Regulations Penalty Cases
June	Regulatory Compliance Self-Assessment Checklist	December	Regulatory Compliance Self-Assessment Checklist

In 2022, E.SUN conducted the "Legal Compliance" e-Learning test for certain employees, with a passing standard of 90 grade. The test results are shown in the table below. To make sure that all employees have a solid grasp of applicable laws and regulations, departmental compliance officers were already urging those who failed in or did not take the test to take a makeup test.

Number of Test Applicants	Passed	Failed	Absent	Average Score
8,267	8,221	4	42	96.18



4.3 Risk Management GRI: 102-11、102-30

■ An inherent risk management culture

The vision of risk management is to protect assets, enhance customer service quality and improve shareholders' values, while hoping to control the possible risks generated in various business operations within a tolerable range, and to achieve a reasonable balance between risks and returns while securing adequate capital to back up business development. To effectively identify, assess, monitor and control all types of risk, E.SUN has always followed the philosophy of "no services or operations can be considered beyond risk" while considering the balance between risk management and performance assessment. The aspect of risk management has been included in performance appraisal to uphold the highest guiding principles of risk management: safety and liquidity first, profitability second, growth next, and always pay attention to the public interest.



■ Risk management organization and management mechanisms

E.SUN FHC Board of Directors is the highest governing body in risk management mechanism. The Board of Directors approves overall risk management policies and important decisions based on the overall business strategies and environment and takes ultimate responsibility for overall risk management.

To strengthen risk governance communication, coordination, reporting, and recommendation within the Board of Directors, the Company has established a board level Risk Management Committee responsible for reviewing business risk management policies, ensuring compliance with international risk management regulations, promoting and creating risk management systems, and reinforcing the functions and duties of the Risk Management Committee over time. For example, recently climate change risk factor has been incorporated in the risk appetite mechanism, and stress tests have been performed to evaluate the impact on the Company's overall risk level to decide the quotas for the Company's various business operations. We also have the Risk Management Committee under the management level and convenes quarterly and when necessary, subject to the needs for strategic development or environmental changes. The RMC reviews the appropriateness of risk mitigation measures proposed by risk management units at every level. The Committee is responsible for matters pertaining to credit risk, market risk, operational risk, and asset & liability risks. Reports of overall risk management implementation status are made to the Board of Directors periodically.

Each level of risk management units is responsible for identifying and managing the risks of their products, activities, processes, and systems, establishing risk limits and monitoring indicators, and formulating standard operating procedures. They also report risks based on their business content. To face with the major issues, each unit needs to assess what kind of impact E.SUN may face on the overall operation and formulate corresponding management policies, so as to effectively manage its impact and develop possible management goals is the purpose of sustainable management. Additionally, to strengthen the three lines

of defense in risk management, legal compliance, and information security, and to help all lines of defense effectively fulfill their responsibilities, E.SUN has also established the "E.SUN Bank Internal Control Joint Meeting Guidelines" to enhance internal control, knowledge, and information sharing.

■ Established the risk management awareness

Extend risk horizon through training

To raise risk awareness and to systematically extend the risk horizon, E.SUN ensures that every E.SUN employee starts learning about E.SUN's core philosophy regarding risk, discipline and process since the first day on the job. E.SUN employees in different departments and at different stages of their careers are also provided with appropriate education and training on risk management.

On top of physical courses, E.SUN also draws on digital technology to organize online training or tests. In particular, the Covid-19 pandemic prompted the introduction of a wide range of online training and interactive courses in 2022. A total of 3,661 E.SUN employees completed risk management training by taking both e-learning and physical courses. Of the trainees, 97-100% passed the e-learning tests conducted afterwards. Separately, the Company's Risk Management Division publishes a quarterly bulletin to introduce the latest risk management regulations, trends, or practices. From time to time, departments responsible for product lines also offer educational materials for internal training at business units.

In devising regulations for evaluation, the Company places special emphasis on considering performance in both business endeavors and risk management. Of the three key gauges for evaluating employee performance, "core and management competences" takes account of awareness of risk management and the three lines of defense model as well as risk control in daily operations. Likewise, risk management is a key measure for evaluating the performance of senior managers. A well-defined reward and penalty scheme is thus adopted to incentivize managers and high-performing employees to strive for risk

management over the long term, thereby bolstering the Company's risk awareness throughout.

Reporting Mechanisms and Communication Channels

To undertake risk management efficiently in a timely manner, E.SUN has established a series of reporting mechanisms and communication channels. Upon detecting risk events or potential risks in daily operations, employees are encouraged to notify departmental supervisors right away. They can also present risk management observations and recommendations in work journals. In 2022, a total of 1,014 work journal entries had to do with risk management or internal control, with 43 coming with specific suggestions. All E.SUN departments are supposed to conduct risk management and internal control self-evaluation each quarter. In 2022, the Risk Management Division analyzed more than 3,000 evaluation reports from product lines, based on which it went on to compile the most important and common risk types and cases for presentation to managers and mid-ranking officers during E.SUN's annual conference. At year's end, the Company routinely conducts a survey to canvass the opinions of all employees. Of the 6,591 questionnaires thus collected in 2022, 204 touched on risk management. The Chief Risk Officer and the Risk Management Division then went on to make improvement based on survey results, report this to the President and other senior managers, and respond by videoconference to employees who had given their opinions previously.

■ Accomplishments in Risk Management in 2022

Risk assessment for new product and service

Before launching innovative products or services, the development team must list all potential risks, such as market risk, liquidity risk, credit risk, operational risk and emerging risk, to further devise or use existing relevant control mechanisms. The Risk Management Division, Compliance Division, and Information Security Division will jointly review to ensure it complied with internal and external laws and regulations and the risks are controllable before providing them to clients. In the cases of product or service adjustment or refinement where compliance, internal control or risk management is likely

to be affected, risk assessment must also be conducted. In 2022, 217 domestic and oversea business risk evaluations were completed.

Credit Risk Management Mechanism

To improve E.SUN's risk management mechanism, we keep improving IRB management and deepening the usage of credit rating data to the loans granting procedures. We establish a robust data maintenance system and disciplines to ensure the accuracy, completeness, and appropriateness of data. In regard to corporate governance, 4 board reports and RMC reports have been made in 2022 to collect the professional guidance by directors and senior management to strengthen the risk assessment process, management mechanism, as well as risk governance.

To comply with Basel Framework, we developed the advanced stress-test technique in 2022. Combined scenario setting and internal credit rating data, stress test could let us know how the bank's portfolio changes under the possible scenarios. Aligned with stress test result, Risk Management Division regularly monitor risk appetite and concentration limit to ensure that E.SUN would show the resilience to external economic shock.

Market Risk Management Mechanism

In 2022, E.SUN launched SOFR structured notes and developed to assess market risk exposure more precisely with sophisticated simulation and analysis on risk factors. Despite the volatile financial market, we strengthened risk management processes and mitigated the impact of fluctuations in interest rates by measuring, monitoring, and hedging the DV01 of investments across time buckets regularly. As for counterparty risk, we reviewed and monitored initial margins with other financial institution counterparties on a daily basis since 2022/09 according to Initial Margin Regulatory Requirements by ISDA.

All over the world, lots of central banks raised interest rates during 2022. The ALM system was adopted to calculate the durations of assets and liabilities so as to analyze those effects on net interest margin (NIM). The simulation results were then used for the reference of business development strategies and asset and liability risk management.

Operational Risk Mechanism

In response to developments in digital technology, E.SUN has updated the underlying structure of its overall operational risk management mechanism. In addition to adding new risk patterns for technology security, corresponding control points have been added to address digital development and diversified identity authentication. This provides business management units with key elements for depicting new business risk profiles after digital transformation while also planning for system-assisted management tools that cross-examine information.

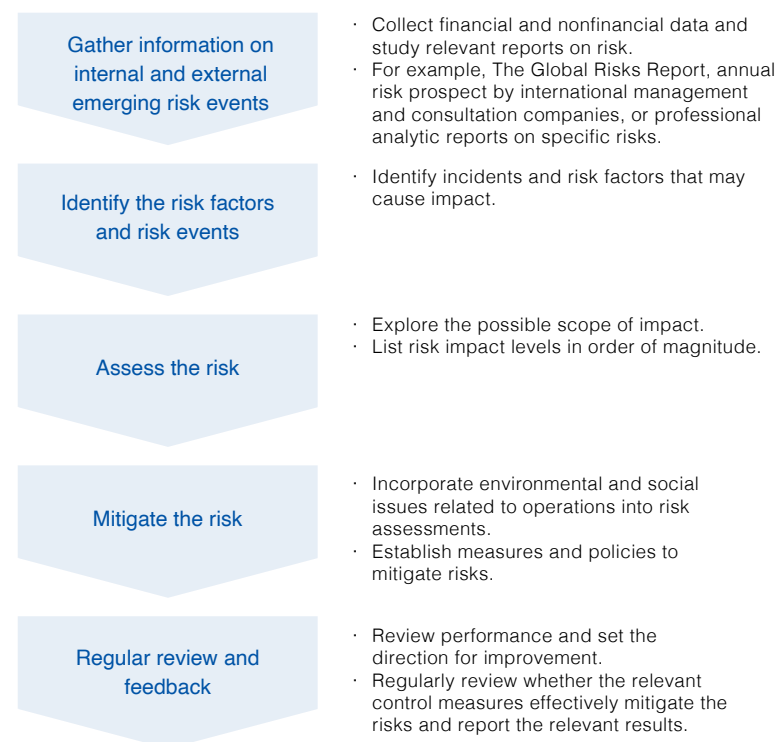
Various risk aspects are grasped through the monthly overseas branch risk report. In addition, a series of risk management e-learning courses are provided for overseas units to enhance the professional capabilities of local supervisors and colleagues. It also assists Hong Kong and Singapore branches in implementing Business Continuity Management mechanisms to comply with local regulatory requirements.

To continue to improve the detection of business operation risk management, the "Guidelines for Risk Detection in Business Operations" was formulated, clearly defining the responsibilities of each unit and incorporating the execution results into unit assessments. At the same time, the monitoring indicators of the entire bank are reviewed, and planning is made towards reducing and increasing efficiency to focus on the effectiveness of monitoring indicators and improve the effectiveness of detecting business operation risk monitoring.

4.4 Emerging risks

In 2023, the World Economic Forum released the Global Risk Report. The post-pandemic era has officially arrived, with countries lifting restrictions one after another. However, E.SUN has found that the world has not welcomed a stable life but has become more turbulent and insecure. To mitigate the debt defaults and liquidity tensions caused by continuous interest rate hikes to curb inflation, as well as the geopolitical risks gradually escalating due to political and tariff barriers among countries, the pressure on people's livelihoods has increased. On the other hand, the emergence of CHAT-GPT has thrown a small stone into the development of the AI universe, and the ripples it has caused are leading people to a world that is the hottest topic in the market. Authorities from various countries have also put forward different perspectives on this issue. In response, E.SUN has identified four key emerging risks and developed mitigation measures and response policies to advance on the path of sustainable development while also contributing to the land we deeply love.

Evaluation process:



Matrix of Emerging Risks

The Risk Management Division selects risks related to the banking industry and to E.SUN based on the WEF The Global Risks Report of 2023 and sends questionnaires to risk management persons to conduct a survey on the possibility and level of impact. The questionnaire results are ranked to generate the emerging risk matrix diagram.



2023 Risk Factors		Description	Impact on Operations	Mitigatory Measures / Responsive Policy
Economic	Debt Crises	<p>The rapid interest rate hikes by global central banks in 2022 have led to increased overall operating capital costs and significant losses in on-balance-sheet asset positions, resulting in problems with funding repayment capabilities and subsequent difficulties in continuing operations.</p> <p>This may also trigger large-scale bankruptcies in the market, leading to a domino effect of economic panic and a rapid decline in economic prosperity, causing difficulties in customer business operations or declines in asset values of investment positions, and increasing potential credit and default risks for customers.</p>	<p>The climbing credit risk leads to an increase in overdue loans, a decrease in the proportion of debt recovery, and a decline in the value of investment targets, making it difficult for E.SUN to recover its debts smoothly, facing product valuation losses, and further causing losses in investment and financing positions, as well as a decrease in business volume and revenue.</p> <p>Additionally, a downturn in the housing market leads to a decline in the value of real estate collateral, and even lower than the loan amount, resulting in excessively high loan-to-value ratios, unsecured debts, and a decrease in overall asset quality.</p>	<p>(1) Strengthen control over investment positions and actively diversify and reduce the concentration risk of investment positions. Conduct mid-term reviews to control the exposure of high-risk industries in investment positions and ensure the debt repayment capabilities of invested companies.</p> <p>(2) Regularly pay close attention to the trends of credit customers. When abnormal phenomena or bad records occur in credit transactions, report the abnormal information and continuously track and control it, implementing mid-term management mechanisms.</p> <p>(3) Have real estate experts regularly conduct in-depth analysis and observation of the real estate market dynamics. When significant market events occur, immediately analyze the overall impact and assess the influence, and adjust internal management measures on a rolling basis, ensuring proper risk control and early warning.</p>
	Geopolitical	Goeconomic interstate conflict & confrontation	<p>(1) The Russo-Ukrainian war has caused turmoil in energy and financial markets, with various sanctions affecting global supply chains, leading to soaring raw material prices and triggering global inflation. At the same time, countries are restricting technology usage or banning capital flows, resulting in increased logistics costs and potentially affecting corporate production due to a lack of key technologies or raw materials, or the inability to receive or pay for goods due to sanctions, directly impacting customers' repayment capabilities.</p> <p>(2) Due to geopolitical factors and regional proximity, Taiwan often faces various types of new cyberattacks. Hackers target E.SUN's information systems, causing abnormal service interruptions, making it impossible for customers to use or leading to customer data leaks.</p>	<p>(1) To effectively curb inflation, various regions have entered an interest rate hike cycle. The central bank has raised interest rates four times, increasing customers' repayment pressure and potentially raising default risks. People's confidence in the housing market has become more conservative due to ongoing concerns about cross-strait relations and expectations for future interest rate hikes, leading to a cooling real estate market, declining transaction volumes, and falling property prices, resulting in a decrease in the value of credit collateral and affecting debt security.</p> <p>(2) Cyberattacks on E.SUN's information systems can damage the confidentiality, integrity, and availability of the systems, affecting customer rights and potentially causing negative perceptions of the bank's system stability by regulators and customers, or even leading to customer data leaks, affecting the bank's reputation and impacting digital business development.</p>

2023 Risk Factors		Description	Impact on Operations	Mitigatory Measures / Responsive Policy
Societal	Cost-of-living crisis	Due to high inflation and governments' interest rate hike strategies, the cost of living has increased in various countries, leading to a decline in people's real income and a reduction in household consumption. This affects the future growth of corporate profits, increases overall credit market risks, and reduces consumer purchasing power. As a result, decreased demand impacts the labor market, leading to a reduction in household income.	<ul style="list-style-type: none"> (1) Continuous interest rate hikes increase the monthly repayment amount for loan customers, leading to a higher potential risk of default and a decreased willingness for people to make large non-essential credit card expenditures, affecting the transaction amount and handling fee income. (2) Companies need to pay more labor costs to obtain stable productivity, and increased operating expenses may affect profitability. If sufficient productivity cannot be achieved, production may become impossible, leading to loan defaults. 	<ul style="list-style-type: none"> (1) In credit business, the primary focus is on the borrower's credit status and repayment sources. E.SUN will continue to implement differentiated pricing for different customer groups, supplemented by credit rating models to assess case risks and collateral value, ensuring the maintenance of good credit asset quality. (2) E.SUN aims to provide a more convenient financial payment experience in various scenarios, changing customer payment habits and increasing the frequency of customers using credit cards or mobile payments for small daily consumption.
Technological	Adverse outcomes of frontier technologies	<ul style="list-style-type: none"> (1) Due to insufficient professional knowledge and resources, emerging technologies may be misused or improperly applied, leading to errors in automated service decision-making, data breaches, and damage to customer rights. (2) Generative AI application scenarios may be incompatible with existing regulatory frameworks, resulting in increased management costs and regulatory risks. (3) Hackers can leverage AI technology to enhance efficiency and attack capabilities, quickly generating fake information or phishing emails, and lowering the threshold for developing malicious programs, potentially leading to more attacks. 	<ul style="list-style-type: none"> (1) Improper technology application may result in inappropriate information or services provided to customers, leading to poor customer experience. Additionally, inadequate identity verification mechanisms and management in online applications may increase fraudulent transactions, affecting customers' willingness to use digital services and ultimately impacting E.SUN's digital business development. (2) Improper model construction or usage, such as in recent years' market fluctuations and frequent macroeconomic volatility, may result in decreased model accuracy, leading to real estate debt security issues. (3) Artificial intelligence relies on big data for analysis and learning; if training data contains biases, such as gender, race, or geographical location, these biases may be perpetuated in the model, leading to unfairness or discrimination. 	<ul style="list-style-type: none"> (1) E.SUN has established a "Digital and Technology Strategy Committee," led by the Chief Information Officer, to manage various digital financial developments and fin-tech resource utilization. The bank also implements a three-line defense system through (new) product/service legal compliance, risk control, and information security management assessment processes, ensuring proper management mechanisms for emerging technology applications in both pre-review and post-monitoring stages. (2) E.SUN has also obtained the "Information Security Management System (ISMS) ISO/IEC 27001:2013" certification, with operations following international standard requirements. The bank adopts a multi-layered defense architecture, deploying various protective measures across network, server, application, database, and endpoint layers. Centralized control of operating systems and vulnerability patching, regular vulnerability scanning, penetration testing, and planning for various attack-defense drills are conducted to assess the effectiveness of defense measures and incident response capabilities. (3) In response to emerging technology applications, working groups have been established for projects such as Chat-GPT and cloud applications to discuss internal regulations, restrictions, and requirements, and to establish a consistent internal management system. General version Chat-GPT usage is accompanied by information security education and training, promoting proper usage and risk awareness of Chat-GPT, and enhancing staff's understanding of emerging technology risks. (4) Strengthening the supervision and transparency of artificial intelligence, ensuring the diversity and fairness of its training data, and providing transparent explanation mechanisms combined with business operations help businesses understand the decision-making process of AI, avoiding outcomes that contradict business intuition and biases.

4.5 Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

GRI: 2-23、2-24、2-2

AML/CFT is a shared direction and goal internationally. In order to cooperate with the competent authorities in improving the possibility of prosecution of money laundering, to establish transparent cash flow traces, to enhance relevant systems and to strengthen international collaboration, E.SUN continually implements the AML/CFT mechanisms, including regularly reviewing AML/CFT policies and procedures of domestic and overseas affiliates, refining customer due diligence (CDD) and control measures, optimizing AML monitoring and watch list filtering systems, and providing comprehensive training to strengthen the quality of domestic and overseas AML personnel.

■ AML/CFT Organizational Structure and Managing System

To integrate and promote the establishment and operation of overall risk management mechanism, E.SUN has set up its risk management department, which is responsible for formulating risk management policies and procedures, supervising the implementation of each subsidiary, and regularly reporting to the board of directors, audit committee, and risk management committee.

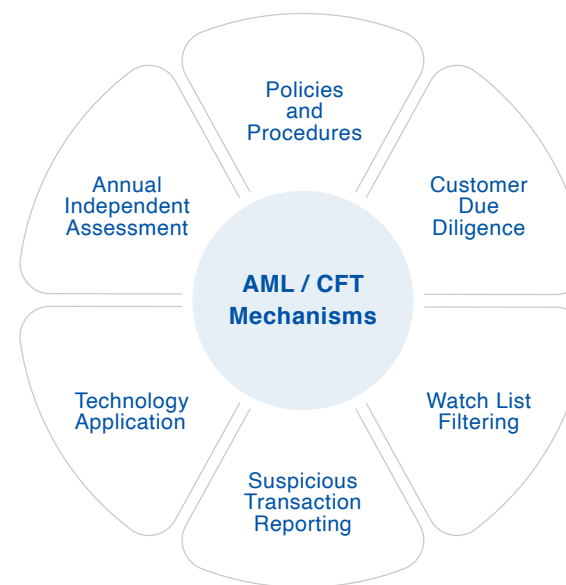
The AML/CFT management mechanism and structure of E.SUN's subsidiaries are as follows:

- (1) A dedicated supervisor is appointed to be responsible for promoting, coordinating, and supervising the implementation of various AML/CFT matters and report regularly to senior management.
- (2) The dedicated unit and personnel are responsible for formulating AML/CFT policies as well as operation standards. They are also responsible for the management of overall transaction monitoring, suspicious transaction reporting, sanctions compliance, group-wide training sessions, as well as managing AML-related matters in overseas branches. The current status and performance are reported to the dedicated supervisor and parent company on regular and irregular basis.
- (3) AML/CFT supervisory officers are appointed in risk management or compliance departments under each domestic business units as well as overseas branches. They are responsible for supervising the implementation of AML/CFT-related matters in their subordinate units.
- (4) The audit department formulates audit items in accordance with relevant internal control regulations and conducts regular audits.

■ AML/CFT Management Program and Enhancement

E.SUN continually realizes internal and external regulations and treats AML/CFT compliance tasks as its long-term mission; continues to promote matters for strengthening AML/CFT; benchmarks with international AML laws and regulations; review regularly on AML policies and procedures of domestic and overseas affiliates;

refines due diligence customer review and control measures, and constantly develops global AML monitoring systems, all for the benefit of better AML/CFT in the overall financial environment. In terms of international regulatory trends, guidelines issued by organizations such as the Financial Action Task Force on Money Laundering (FATF) are closely followed, as well as international trends in money laundering, emerging technologies and frauds, covering environmental crime, medical crime, terrorism financing, arms proliferation, trade-based money laundering, digitalization, and virtual currency, etc. E.SUN FHC complies with the regulations of competent authorities, and strengthens various AML/CFT mechanisms of its subsidiaries in line with FATF's "Forty Recommendations". The implemented AML/CFT management mechanisms can be divided into six dimensions, including policies and procedures, customer due diligence, watch list filtering, suspicious transaction reporting, technology application, and annual independent assessment, with specific actions and achievements illustrated as follows:



Policies and Procedures

E.SUN FHC and its subsidiaries have established AML/CFT policies and procedures with regard to aspects such as due diligence, name screenings (watch list filtering), transaction monitoring, employee management, and record keeping. In 2022, E.SUN conducted regular review on relevant policies and procedures. The company has formulated

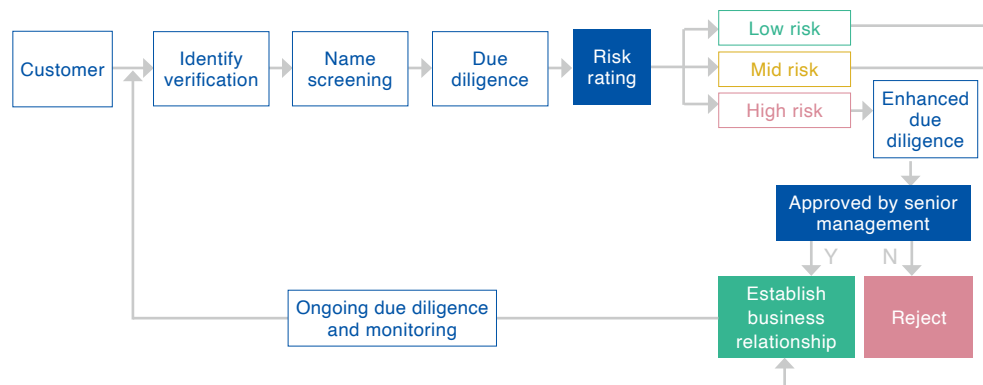
"Guidelines on Group-wide Information Sharing" to set up procedures of group-wide customer due diligence information sharing, and include the overall implementation as a part of the annual performance report to the board of directors. Additionally, based on the "Risk Appetite Declaration for Money Laundering and Financing of Terrorism", the risk appetite standards of institutional risk assessment are precisely defined.

In 2022, subsidiary E.SUN Bank amended the "Anti-Money Laundering and Combating the Financing of Terrorism Policy", adjusting the customer acceptance principles for virtual currency companies; the "Anti-Money Laundering and Combating the Financing of Terrorism Precautions" was revised in line with the changes in external regulations, such as the integration of electronic payment and electronic ticket business, and the inclusion of combating proliferation financing in insurance agent business. The "Procedure for Selection, Update and Validation of the Black List Database" was also amended with adjusted procedure of external name list updating, and addition of verification record keeping for name lists shared group-widely.

In line with the changes in futures commissions merchant AML/CFT typologies by regulatory authorities, subsidiary E.SUN Securities amended relevant policies and procedures for concurrent futures commission merchants in 2022, including "Anti-Money Laundering and Combating the Financing of Terrorism Precautions", "Anti-Money Laundering Risk Assessment Plan", and "Typologies of Suspicious Money Laundering, Terrorism Financing, and Proliferation Financing Transactions". Additionally, under the guidance of the risk appetite of E.SUN FHC, E.SUN Securities revised its "Anti-Money Laundering and Combating the Financing of Terrorism Policy", clarifying its standards of risk appetite of institutional risk assessment and periodic review on their appropriateness.

Customer Due Diligence

E.SUN's due diligence procedures are as follows:



E.SUN continuously develops its IT systems, optimizes operational processes, and integrates customer information to improve CDD/EDD operations. In the third quarter of 2022, subsidiary E.SUN Bank launched its self-developed CDD/EDD system, "Customer Due Diligence Platform (CAML)". CAML provides one-stop service for various CDD scenarios, covering onboarding stage, ongoing stage and trigger events, with a view to increase the mastery of customers' identification. The platform allows employees to access up-to-date customer information as well as retained documents, and automatically integrates external public equity structure information to assist in identification of ultimate beneficial owners. In the fourth quarter of 2022, subsidiary E.SUN Securities also launched its self-developed "Account Review Platform" to complete account review operations and access up-to-date customer information and retained documents.

Senior Management Approval and Sign Off

When assessing customer risk, various factors such as background, industry, socioeconomic activity characteristics, region, organization type, and structure of non-natural person customers must be considered. This includes whether the customers are from high-risk money laundering and terrorism financing countries or industries prone to money laundering and terrorism financing. For customers identified as high-risk or possessing specific high-risk factors, enhanced due diligence will be executed, including verification on the source of funds and wealth. The aforementioned customer transactions can only be undertaken with the approval of senior management. Moreover, transactions involving extremely high-risk jurisdictions such as Iran and DPRK are prohibited, nor are onboarding customers whose business involves virtual currencies acceptable.

Non-Face-to-Face Due Diligence

For due diligence measures of customers from "non-face-to-face" channels, E.SUN has both applied confirmation procedures equivalent to those for face-to-face customers, and adopted adequate measures to mitigate risk. E.SUN Bank and E.SUN Securities provide specific, clear instructions for applying for digital bank accounts and online securities accounts on their official websites, including the required documents, application qualifications, approval progress, and supplementary document inquiries. Furthermore, both subsidiaries continually encourage customers to use online banking, mobile banking, or the "Personal Basic Information Update Platform (eKYC)" for online data updates to assist customers in completing account reviews.

Watch List Filtering

E.SUN improves its watch list filtering operations through the continuous development of IT systems. In the fourth quarter of 2022, E.SUN Bank launched its self-developed "Name Screening System (SAML)". SAML enhances the update frequency of important sanction lists by directly connecting to relevant official websites, prevents duplicate

case reviews, and increases matching accuracy with scanning engines utilizing big data and language analysis. E.SUN Securities strengthens its efficiency and effectiveness of watch list filtering operations by utilizing the AML/CFT query system established by the Taiwan Depository & Clearing Corporation with the aid of Dow Jones Risk & Compliance database.

Combating the Financing of Terrorism and Countering Proliferation Financing

For establishing business relationship or providing new services, E.SUN conducts real-time checks on customer names and those of their associates, as well as daily batch scanning and name list updates. When conducting specific transactions, the related parties, such as remitters and beneficiaries, are also checked. The lists adopted by E.SUN include, but are not limited to, the Taiwan Ministry of Justice (MOJ) Sanctions List, the United Nations Security Council (UNSC) Comprehensive Sanctions List, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) Specially Designated Nationals List (SDN-List), and lists published by the local regulatory authorities of overseas branches.

PEP / RCA

To verify whether customers and the corresponding ultimate beneficial owner belong to PEP/RCA, identifications are conducted via IT systems with name list databases during specific events, including the establishment of business relationships, the addition of new relationships, regular reviews, and trigger event reviews. If confirmed as PEP/RCA,

enhanced due diligence and strengthened transaction monitoring will be conducted. Verification on source of funds and wealth along with senior management approval are also required before proceeding. Moreover, high-risk PEP/RCA customers must undergo annual reviews, and related transactions will be subject to enhanced monitoring.

Suspicious Transaction Reporting

In terms of suspicious transaction monitoring, E.SUN refers to typologies published by regulatory authorities, and conducts transaction monitoring for all transactions through system assistance and manual processes, covering customers, employees, and financial institutions involved with E.SUN. Alerts generated by the system are investigated by dedicated personnel to verify the reasonableness of customer occupation/industry, source of funds, purposes of transactions, and whether transaction activities are consistent with past patterns, while also retaining investigation records. Suspicious transactions discovered by branch staffs and relevant information are reported to dedicated units via internal reporting mechanism, and further investigations will be conducted by dedicated personnel.

If deemed suspicious, the transactions will be reported to the Financial Intelligence Center (FIU). The entire reporting processes are conducted through a dedicated computer with all portable devices blocked. All personnel in dedicated units are obliged to confidentiality agreements with a view to ensure reporting information cannot be leaked to unrelated third parties. In 2022, various system optimization and improvement projects had been completed to strengthen the monitoring mechanisms, including enhancing integrity in data display, monitoring logic and parameter thresholds, adding and adjusting management reports, etc.

Annual Independent Assessment

Item		Description
Overall Assessment	Internal Control System Statement and Independent Assurance Report	Each subsidiary issues a statement on the internal control system for AML/CFT, jointly signed by the chairman, general manager, chief auditor, and the dedicated AML/CTF supervisor. The statement is filed on the website of supervisory authorities and on the company's official website. In 2022, subsidiary E.SUN Bank continues to commission PricewaterhouseCoopers (PwC) to conduct auditing of the AML/CFT internal control system, and the assurance report is issued with opinion of fair presentation in material aspects.
	Institutional Risk Assessment (IRA)	In 2022, E.SUN continues to improve its risk assessment methodology by strengthening the analysis of quantitative data and control effectiveness. In line with supervisory requirements and business development, E.SUN incorporates risk factors such as high net-worth clients, payment platform operators, and refines assessments on control effectiveness. The methodology enables a holistic understanding to the money laundering and terrorist financing risk faced by E.SUN. The results are reported to the board of directors and filed with the supervisory authorities. Additionally, the "Risk Appetite Declaration for Money Laundering and Financing of Terrorism" clarifies the acceptable minimum control measures and maximum residual risk levels for the institution's AML/CTF risk assessment, further enhancing the overall risk assessment framework.
Various control mechanism effectiveness verification	Transaction Monitoring	To ensure the appropriateness of the transaction monitoring system, the dedicated unit assesses the consistency, accuracy, and rationality of transaction monitoring data under the guidance of external consultant's methodology. Through analyzing the statistical distribution of customer transaction data, the reasonableness of threshold settings is examined to evaluate whether the transaction detection logic is effective and meets the needs of E.SUN.
	Watch List Filtering	E.SUN continues to engage with independent third-party, the Society for Worldwide Interbank Financial Telecommunication (SWIFT), to verify the effectiveness of its watch list filtering system. The major testing aspects include precise matching and fuzzy matching, with a view to evaluate the system performance in customer and transaction scanning, ensuring that the requirements on system effectiveness are met.

Technology Application

In order to enhance operational efficiency and reduce the risk of manual error, E.SUN has self-developed Robotic Process Automation (RPA) programs to handle highly repetitive, routine tasks through automation or semi-automation. Machine learning models and platforms are also applied in practical scenarios, including adverse media collection, watch list filtering, and abnormal transaction detection, combined with business logic or manual operations to improve case review efficiency. Moreover, E.SUN has exploited the technology of Artificial Intelligence (AI) by integrating self-built model into the transaction monitoring system. Launched at the end of 2022, the AI model enables risk-scoring on alerts by analyzing risk factors, further assisting dedicated personnel in focusing on investigation of alerts with higher predicted risk.

Record Keeping

E.SUN maintains records and files related to the implementation of AML/CFT, as well as records and vouchers of customer transactions, for at least five years after the end of customer business relationships or temporary transactions. This is done to facilitate future inspections and inquiries, and to provide evidence of efforts in AML/CFT.

Reinforcement through Training

To enhance the professional depth and breadth of employees as well as cultivate AML/CFT awareness and culture, E.SUN provides annual education and training sessions for all employees (including new recruits), dedicated units, supervisory officers, and frontline staffs, based on their business nature. During 2022, E.SUN held a series of video conference training with topics on practical business operations and current events, such as typologies of abnormal transactions, the Russia-Ukraine conflict and international sanctions, as well as cryptocurrency. Experienced industry executives and external consultants are also invited to provide training courses to help employees understand their responsibilities and continuously improve their professionalism. E.SUN has also joined ACAMS as a corporate member, utilizing its online courses and global AML/CFT news database to enrich both domestic and international training materials. At the same time, the head office shares its experience on transaction investigations with overseas branches by business attributes, and provides directions for investigation during video conferences.

E.SUN continuously promotes obtaining domestic and international AML certifications, encouraging employees to enhance their professionalism and international perspectives. In 2022, the Certified Transaction Monitoring Analyst (CTMA) was added as a special certification eligible for incentive subsidies. As of the end of 2022, 99% of AML/CFT supervisory officers at subsidiary E.SUN Bank are AML/CFT certification holders.

Group-wide AML/CFT Training

Educational training methods	2022	
	Number of participants	Total course hours (hours)
Annual Online Training and Exam	8,385	16,770
Group-wide Compliance Training (AML/CFT relevant topics)	8,145	4,072

Group-wide AML/CFT Certification in 2020-2022

Certification Name	2020	2021	2022
Domestic AML/CFT Certification	548	1,201	1,631
Certified Anti-Money Laundering Specialist (CAMS)	336	337	337
Certified Global Sanctions Specialist (CGSS)	-	5	11
Certified Transaction Monitoring Analyst (CTMA)	-	-	3

Disclosure of AML/CFT Related Information

E.SUN FHC discloses its AML/CFT policies, risk appetite, and AML questionnaires (Wolfsberg CBDDQ Questionnaire) on its official website, while subsidiary E.SUN Bank and E.SUN Securities also disclose internal control statements for AML/CFT on their official websites to enhance transparency.

4.6 Business Continuity Plan GRI: 2-23, 2-24, 2-25, 3-3

4.6.1 IT continuity plan

E.SUN has established Business Continuity Plan to provide customers with secure and uninterrupted services. By conducting periodical business impact analysis and drills ,we assure adequate responses to disasters and ensure the minimization of business impact. Also, when the IT services encounter sudden disasters, we will recovery key services as soon as possible to reduce the business impact and protect customer rights.

■ Routine Drills

	Information system disaster recovery and recovery drill	Distributed Denial-of-Service Protection Program Walkthrough
Drill purpose	Ensure that disaster backup systems are functioning normally, and that systems, personnel, and processes can activate the backup procedures within the set amount of time, achieving Minimum Business Continuity Objective(MBCO).	Emulating a DDoS network attack to ensure our network protection mechanism, response, and reporting procedure can actually mitigate losses and restore our equipment and services as soon as possible.
Implementation modalities	The recovery drill is conducted by tabletop exercise, formal system recovery and simulation exercise. Among these methods, formal system recovery is carried out through centralized scripts management and unified dispatch systems to verify the remote backup systems can be launched automatically.	E.SUN Bank has delegated a professional third-party information security consultant to carry out the penetration test, simulating a hacker launching a DDoS attack on E.SUN. The test sought to check how effective our defense and response systems to function normally in the event of an attack.
Drills frequency	Once a year	Once a year
Drills result	<ul style="list-style-type: none"> E.SUN Bank has completed exercise drills of 94 business systems, which include 23 business systems at our foreign branches, and 71 business systems in Taiwan. We have managed to meet our RTO(Recovery Time Objective) in all of these drills. E.SUN Securities has completed exercise drills for 18 business systems, and has met RTO(Recovery Time Objective) in all of these drills. 	Incident reporting and emergency response could be completed within 30 minutes at each stage of the attack, showing that the E.SUN's defense systems are effective.

■ IT System Disruptions

In 2022, the availability rate of E.SUN core systems were 100% . While our foreign exchange system experienced 1 abnormal incident, the incident did not cause a service disruption. System repair procedures were carried out immediately to address the issue, and corrective and preventive measures were proposed. In order to provide our customers with smooth and convenient access to our services, the goal of E.SUN is to provide 24/7 uninterrupted online services, and we shall continue maintaining the high availability rates of our services.

The core business systems incidents in 2022	1
The financial loss caused by such incidents in 2022	NTD: 0

Note: The availability rate of our systems is calculated by (annual system service time - system interruption time) / annual system service time

■ Business Continuity Certification

In order to realize E.SUN's third core philosophy, which is to implement sustainable management strategies, we aim to establish financial information resilience. Apart from conducting regular information system disaster backup and recovery exercises, we have adopted the ISO22301 Business Continuity Management System (BCMS) international standard in 2022. Our goals are for E.SUN to be able to quickly respond to disasters such as an unexpected incident or a major information system failure, ensuring that key business operations can continue operating at minimum service levels, and optimize our allocation of resources in establishing response and recovery capabilities. Through the Plan-Do-Check-Act (PDCA) cycle with risk management as the basis, we have combined our business operations and system resources to improve financial services resilience, ensuring that our customers are able to access and use our information services in the secure environment.

■ Customer Service Quality

To continue providing the customers with the best service, all business units have categorized the scenarios that can cause business interruptions and have formulated relevant plans and handling measures to respond to the possible impact on service.

Category	Business Continuity Plan
Human resources management	In order to prevent service quality problems caused by lack of human resources in branches, interbank resource adjustments can be made to maintain branch service standard and to provide customers with the best service experience
Branch safety protection drill	Regarding common special circumstances that may affect branch operations, such as natural disasters (earthquakes, typhoons, power outages and fires), illegal behaviors (such as robberies, frauds, threats and suspicious figures) mass demonstrations and other factors of force majeure, prevention measures and drills are formulated and simulation drills are conducted quarterly

4.6.2 Control of Major Communicable Diseases

While E.SUN has established an occupational safety and health management system, the Human Resources Division's Labor Safety Section is charged with the duty of addressing major communicable diseases. It is responsible for getting hold of the most up-to-date epidemic information and countermeasures warranted. For their part, E.SUN outlets are

to report back their latest status while securing notification of the countermeasures being implemented at the moment. Priority is given to ensuring the transparency and timeliness of anti-epidemic information across the board.

Anti-Epidemic Measures and Subsidies

Anti-Epidemic Subsidies

Type	Measures
Paid leave for vaccination	All employees are encouraged to get vaccinated to increase immunity against the coronavirus. Provide 1~3 doses before vaccination to apply for vaccination leave (full pay) to protect the health of colleagues, family members and customers as well as employees themselves.
Provision of COVID-19 rapid test kits	Provide home-based COVID-19 rapid detection kits to all employees. If employees have symptoms related to COVID-19, the unit will provide rapid screening reagents for rapid screening. If they are positive, they will return home or seek medical treatment immediately, and report the epidemic to the supervisor of the unit.
Epidemic insurance	In 2022, in addition to group insurance, employees will also be provided with epidemic insurance. Employees who are hospitalized due to statutory infectious diseases or treated in ICU isolation or negative pressure isolation are entitled to a daily compensation of NT\$1,000-1,500 in addition to the existing group insurance. This epidemic insurance package is fully paid by the company, covering not only employees, but also employees' spouses and children.

Anti-Epidemic Mechanism and Countermeasures in Case of Confirmed Infection

Type	Anti-Epidemic Measures
Backup Mechanism	Such arrangements as work-from-home, off-site work, and regional backup teams shall be initiated when and if the pandemic warrants it, thereby keeping up business operations should any given business location be forced to shut down temporarily.
Simulation Drill	To be well prepare, an on-site drill was conducted to simulate branches supporting one another for backup personnel in accordance with previously announced operating procedures while taking into account the actual status in terms of employees taking leave.
Confirmed Infections of Employees	Upon confirmation of infection, the employee in question shall seek medical attention and report the diagnostic outcome promptly. After being notified by the competent authority of confirmed infection or compulsory isolation, notice shall be given to the departmental head and the head office's anti-epidemic task force in a timely manner. The branch backup mechanism shall be initiated after the affected business venue undergoes cleaning and sanitization. With priority given to preventing a further outbreak and keeping employees and customers healthy, these measures are to be taken to uphold business continuity and risk management at the same time.

4.7 Information Security and Personal Information Protection Management

SASB : FN-CF-220a.1 、 FN-CF-220a.1 、 FN-CB-230a.1 、 FN-CF-230a.1 、 FN-CB-230a.2 、 FN-CF-230a.2

E.SUN continues to improve and strengthen our governance system for information security measures and information security protection. The Information Security Management Division, an independent, dedicated information security unit, oversees the entire information security operations of E.SUN FHC.

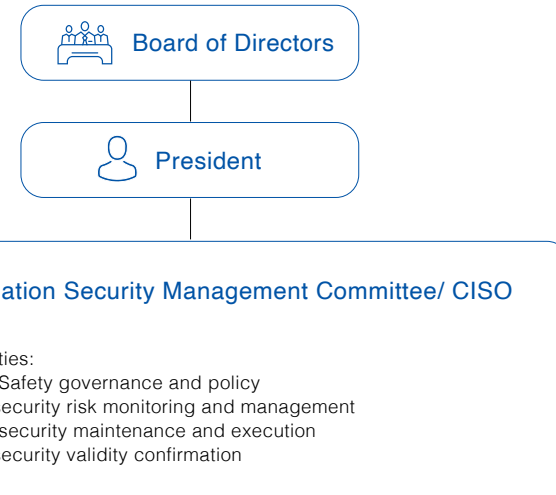
All of our information operations not only comply with domestic and foreign regulations for information security, but are continuously benchmarked against international cybersecurity standards and practices. In order to improve the protection and management of the personal information of our customers, E.SUN has established a Personal Information Protection Task Force. The Task Force is responsible for establishing rules on protecting personal information, including measures for managing how personal information is collected, processed, and used, with the goal of protecting the personal information of our customers.

■ Information Security Governance goal, strategy and practice

The Board of Directors is responsible for reviewing overall information security policies of E.SUN FHC, the overall implementation of information security, and the results of third-party computer system information security assessment. The Board of Directors set the Risk Management Committee as a highest oversight committee, as well as strategy, important decision-making, and overall execution in terms of information security. E.SUN's Board of Directors is comprised of members with information backgrounds. Besides, The Board of Directors and the senior management shall fulfill their duties of supervision and governance.

The company has appointed a chief information security officer (CISO) to comprehensively supervise the implementation of information security operations and check the effectiveness of information security management mechanism, and report to the board of directors on the overall effectiveness of the relevant management of the information security management agency. The CISO is the highest level of Information Security Officer. Every year, the Chairman, President, Chief Audit Officer and Chief Information Security Officer jointly issue a Declaration of Overall Information Security Implementation.

To strengthen information security governance, E.SUN FHC Information Security Management Committee (ISMC) was set up in 2017. In 2019, the information security management system of information security unit was established to promote and implement information security operations. The ISMC is in charge of reviewing E.SUN FHC Information Security Policy, which is applied to all subsidiaries under E.SUN FHC. In addition to reviewing governance policy, the Committee also supervises



the execution of information security management and regularly reports to the Board of Directors on the information security governance status, including policy amendments, risk disclosure and handling.

■ Information Security Management System

E.SUN Bank has already obtained the ISO/IEC 27001:2013 international certification for the Information Security Management System (ISMS), and completed two follow-up reviews in 2022 to maintain the validity of the certification. E.SUN has also expanded the application of the certificate to its Intelligent Banking Division and E.SUN Securities in 2022. Moreover, its credit card receipt system has also achieved the Payment Card Industry Data Security Standard (PCIDSS) certification on an annual basis since 2017 to maintain the validity of the certification.

■ Information security protection and examination analysis

In response to the constant changing hacking techniques (e.g., distributed denial of service [DDoS], advanced persistent threat [APT], and social engineering attacks), E.SUN has deployed multi-layered defense mechanisms such as firewall, anti-virus, hacking detection and browsing behavior management, etc., and commissioned external information security experts to collaborate in penetration tests and attack/defense drills with different scenarios and to examine the effectiveness of the Company's defense and the Company's ability to respond to cybersecurity events.

Security scan are incorporated in our system development lifecycle; computer system information security evaluation is also conducted as required computer system information security evaluation as required by regulations to inspect the compliance, information structure, internet activity, network / server / end point configuration, application security, etc. Various security tests are combined to detect and mend information security threats and vulnerability to reduce the risk of external service exposure and to ensure the IT system stability and the effectiveness of information security controls.

In 2021, E.SUN hired professional white hat hackers to carry out a comprehensive penetration test exercise. In 2022, the scope of this penetration test was expanded to include the remote working scenarios. The exercise designed not interfere our regular operations, to ensure that remote working network connections were secure, and comprehensively verified the effectiveness of our information security, detection, and review procedures above. Through a real hacking attack, the penetration test attempted to expose any potential risks or vulnerabilities in our critical systems. Suggestions on how our overall information security protection can be improved were raised based on the results of the exercise drill, ensuring that we are compliant with the requirements of domestic

and international regulatory agencies while maintaining business continuity and safety management.

■ Information Security: Monitoring, Joint Defense, Intelligence Analysis

In support of the Financial Supervisory Commission's push for exchanging financial intelligence, E.SUN established a security operations center (SOC) in 2021 to monitor, detect, analyze, and defend against cyber threats. E.SUN has been cultivating the incident response and investigation competencies of Security Operation Center (SOC) professionals tanning, information security defense equipment connecting, and automated threat intelligence feeds. This helps E.SUN to continuously optimize the SOC and comprehensively enhance the timeliness in handling information security incidents as well as the skills in managing information security threats, thereby achieving its target for joint information security surveillance and defense in the financial sector.

Information security has become a crucial component of risk management because of the rapid development of FinTech. In order to have a more holistic view of the current cybersecurity status and trend in the financial industry, E.SUN FHC and its subsidiaries

Event Response

- Emergency response and containment
- Rapid massive scanning
- Bolstered feedback from monitoring

Proactive Monitoring

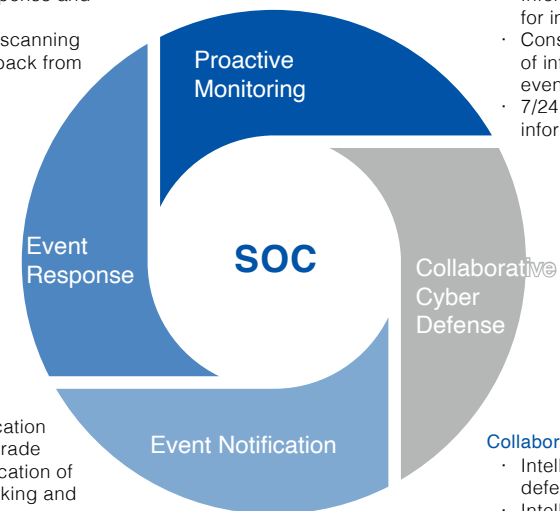
- Information management for information security
- Consolidation and analysis of information security events
- 7/24 monitoring of information security

Event Notification

- Setting of notification means by risk grade
- Automatic notification of risk events; tracking and upgrade
- Consolidation of approval requirements commensurate with hierarchical levels

Collaborative Cyber Defense

- Intelligence analysis and joint defense
- Intelligence sharing with regulators and others
- Information security reporting and risk grade evaluation



have been cooperating with Financial Information Sharing and Analysis Center (F-ISAC) and have been taking a role in the F-SOC cross-organizational defense plan to enhance the implementation of cyber incident scenario monitoring and cyber incident information sharing mechanisms, making it possible for the organization to detect cyber threats quickly and to effectively strengthen the company's ability to defend unknown information security risks.

In dealing with major threats including domestic and foreign major information security incidents, network system vulnerabilities, ransomware attacks, and malware, the Company has formulated standard operating procedures for intelligence collection and handling, and risk analysis was completed for a total of 323 relevant data in 2022. Preventive response measures were proposed for issues with higher intelligence or key concerns, and 19 information security alerts were disseminated to the IT Departments of all E.SUN FHC subsidiaries in order to reduce the likelihood of impact on the overall information assets in E.SUN FHC, while also ensuring the consistency of information security defense across subsidiaries.

235,126

simulated social engineering email delivered

99%

Employees showing alertness of social engineering email coming their way

■ Information Security Training

E.SUN holds information security training each quarter, as well as an information security seminar every six months. In 2022, the Company recorded 100% participation and pass rates for its information security test. Internal and external specialized courses organized for technology professionals totaled 7,549 hours, with internal and external training accounting for 88% and 12% respectively.

In order to maintain E.SUN's sensitivity and ability to respond to incidents, we held 6 information security incident response drills in 2022. These drills covered scenarios such as personal information leaks, ransomware, and DDoS attacks, and sought to improve our employees' capacity for coordinating with one another, as well as determine the effectiveness of our response procedures. By doing so, we are able to curtail the risks and losses derived from cyberattacks.

■ Resources for Information Security

Committed to allocating resources for information security, E.SUN recorded a 2.59% increase in such spending in 2022. Resources were funneled mainly toward enhancing governance and technology infrastructure, strengthening defense equipment, monitoring and analyzing intelligence, and conducting emergency response and offensive/defensive drills and training to upgrade information security capabilities and guard such security across the board.

■ Information Security Incident

For the reporting and handling of information security incidents, the Company stipulates the reporting and handling procedures of information security. The information on security incidents of the entire company is recorded by the notification contact of the information technology unit and ranked by event severity. In major incidents of information security, the Information Security Management Division and the "notification contact for major incidents of the FHC/headquarters" must be notified. The Information Security Management Division shall deal with and solve an information security incident within the target handling time. After the incident, the root cause must be analyzed, and corrective measures must be adopted to prevent any recurrence of incidents.

In the past three years, the Company and our customers have not suffered any losses from information security incidents. In 2022, we received 102 fraudulent emails from external sources. After investigation, it is confirmed that there are no information security risks such as hacker intrusion and virus infection. The monitoring alerts and related control measures were effective in defense.

A- Information Security Incident	2020	2021	2022
Total number of information security incidents	0	0	0
Total number of information security incidents causing customer data loss	0	0	0
Total number of customers affected by information security incidents	0	0	0
Financial losses due to information security incidents	0	0	0

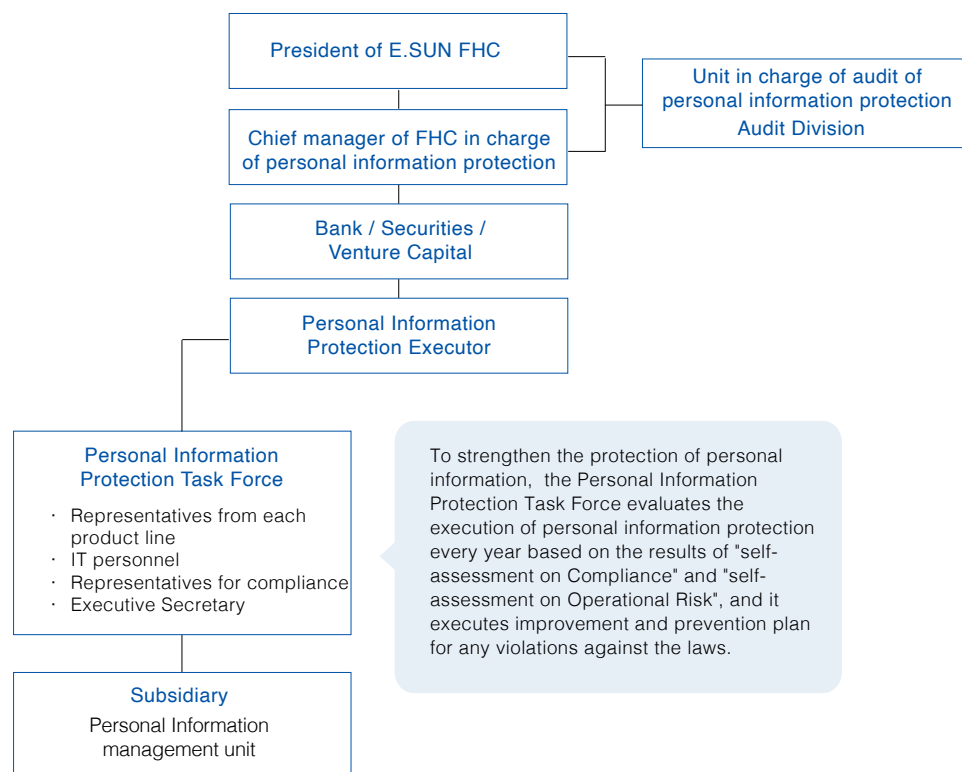
Note: The above statistics refer to computer hacking or computer virus attack incidents.

B- Data breaches	2020	2021	2022
Total number of data breaches	0	0	0
The percentage of breaches involving personally identifiable information	0%	0%	0%
Total number of account holders affected by data breaches involving personally identifiable information	0	0	0

Note: The above statistics refer to computer hacking or computer virus attack incidents.

■ Personal information protection management objectives and strategies

Honesty and integrity are the basic ethics for the financial employees. Personal information protection is the commitment E.SUN gives to our customers. In order to protect the personal information of customers, E.SUN established the Personal Information Protection Task Force, which is responsible for building personal information protection regulations, which include management measures for the collection, handling and use of personal information. The Company followed "E.SUN Financial Holding Co. Ltd. and Subsidiaries Personal Information Management Organization Foundation Principles" to examine and adjust the personal information inventory. The organizational structure is shown in the chart below.



■ Personal Information Protection Management

In order to continue implementing E.SUN's sustainable management strategy and our principles of treating customers fairly, we adopted the internal standard of ISO 27701 Privacy Information Management System (PIMS) in 2022, with the main goal of helping our organization effectively process personal identifiable information, expanding our personal

information protection policies and satisfying regulatory requirements. PIMS is a privacy expansion to the ISO 27001 Information Security Management System (ISMS). By satisfying these additional requirements, we could continuously improve our privacy management. We have incorporated information security and privacy protection management standards and requirements to reduce our privacy and information risks. Additionally, as of 2022 E.SUN has passed certification for the BS10012:2017 - international personal information standard for 5 consecutive years.

We are devoted to honoring our promise to keep customer information confidential, E.SUN announced "Privacy Policy and Disclaimer," "E.SUN Financial Holding Co., Ltd. and Subsidiaries Personal Information Management Policy" on the official website. The regulations ensure the safety of our customers' personal information and the legitimacy of gathering, using the information, yet continue to optimize internal regulations and procedures. E.SUN ensures the implementation of personal information protection through the refinement of regulations, self-assessment on compliance, self-audit and regular training for the employees.

■ Personal Data Protection Event

E.SUN and subsidiaries use customers' data with the utmost care. In 2022, E.SUN collected 25 customer petitions concerning personal information leakage or misuse; 20 of them from the Financial Supervisory Commission (FSC) and the other 5 from the customers' feedback. After investigation, all cases are not concerned with any breach of laws, and E.SUN have not been fined by the FSC in the year. E.SUN always responds to customer petitions seriously and proactively. In 2022, as reported by the independent audit division, E.SUN do not have any deficiencies in personal information protection. E.SUN would keep the safety of personal information as top priority.

Statistics of the Number of Petition Related to E.SUN Services and Personal Information

Cases of Personal Information	Competent Authority	Collected by E.SUN	Total
Deposits and transfers	2	3	5
Personal credit service	3	1	4
Wealth management services	0	0	0
Credit cards services	12	0	12
Corporate credit services	0	0	0
Other	3	1	4
Total	20	5	25

Statistics on the number of audit deficiencies in the use of personal information in recent years

Year	2020	2021	2022
Use of personal information audited deficiency	0	0	0

■ Customer's data for secondary purposes

- I. E.SUN monitors 100% of the usage of customers' data and evaluates whether processing for another purpose is compatible with the original purpose prior to the secondary usage. The evaluation principles are as follows:
- (I) Relevance between the original and new purposes.
 - (II) The customer's identities and background.
 - (III) The secondary usage of sensitive personal information is forbidden.
 - (IV) The possible consequences of the intended further processing.
 - (V) If any protection is applied, including encryption or encoding.
- II. The control mechanisms and results of customer's personal information being used for secondary purposes are as follows:
- (I) Processing: All data used are through remote desktop, and the whole process is recorded for tracking.
 - (II) Output: A list review through the "Global Communication Framework" would be conducted to exclude improper customers, such as blacklists, joint-marketing rejected customers.

Unit: Million 、 %

Cases related to personal information	2021	2022
Number of customers' personal information being used for secondary purposes	5.69	5.78
Percentage of all customers	73.9%	72.6%

E.SUN has achieved institutional standardization across the dimensions of strategy, management, technology, and perception, thereby enhancing information security governance throughout. To accommodate the rapid changes on the operational front, we have continuously refined our systems. In 2022, we shall continue adopting international standards, expanding our personal information protection policies, and incorporate requirements for our information security and privacy protection management systems. E.SUN also extended coverage of information security insurance to minimize the losses and impact that might derive from disruptions of operations and ensure the best possible protection for customers when making use of information services and for their personal information.

4.8 Tax Governance

GRI: 2-23 、 2-24 、 2-25 、 207-1 、 207-2 、 207-3 、 207-4

■ Approach to tax

E.SUN is committed to not using tax haven and low-tax jurisdiction for tax avoidance. We refuse to transfer value through special structure and arrangement which is not in accord with arm's length principle. We set tax governance and transfer pricing policy and regard the policies as the internal standard of tax matters.

Principles of E.SUN Tax Governance and Transfer Pricing Policies

Tax Compliance Complying with the letter and the spirit of tax laws and regulations to file tax returns and prepare related documents.

Comprehensive Decision Evaluating the impacts comprehensively and making tax strategies in accordance with local and international tax trends.

Transparency Disclosing tax information in financial reports and annual reports regularly and publicly to ensure information transparency.

Proactive communication Developing open and transparent dialogues with tax authorities to assist in improving tax systems.

Tax incentives Instead of seeking abusive tax results violating the spirit of tax laws to decrease tax burden, we use legal and transparent tax incentives.

Business structure Business structure and transactions shall reflect economic reality. No special arrangements shall be used to avoid paying tax.

Risk management Evaluating potential tax risks and adopting appropriate strategies when we make tax decision.

Commercial substance Related-party transactions shall reflect economic reality and the decision-making party shall bear risk and take reasonable profits.

Arm's length principle The trade terms of related-party transactions should be similar to non-related-party's.

Notes: For details on E.SUN's Tax Governance Policy and Transfer Pricing Policy, please refer to the [official website](#).

■ Tax Governance and Risk Control Mechanism

E.SUN has robust tax governance and risk control mechanism. The Board, the highest governance unit of tax, reviews the status of worldwide tax compliance and latest tax news every 6 months to control tax risk and know global tax trend. Below are the cases under the mechanism in 2022.

Item		Case Description
Tax Governance & Risk Control Mechanism	Compliance and planning	To fulfill tax compliance comprehensively and strengthen tax management, we made research on tax systems in the jurisdiction we operate in 2022. Besides, we designed a significant expense reconciliation form for overseas operating sites to control tax risk and established the mechanism of reporting significant tax issues to collect the financial and tax difference among jurisdictions.
	Risk management	The Board of Directors control the frequency and amount of tax disputes to low risk level, using risks identification and three lines of defense mechanism to oversee tax matters; the hotlines and mail boxes are established internally and externally to report illegal or unethical tax-related matters.
	Succession planning	We share experience on tax through internal regular meeting every week; tax knowledge is well passed down by the working papers and workflow chart.
	Performance appraisal	Tax personnel's performance is highly related to the annual tax work plan and evaluated by SMART principle. We prohibit tax personnel from using radical tax avoidance measures to obtain high rating.

■ Stakeholder engagement and management of concerns related to tax

To reinforce public trust, we proactively contact stakeholders to discuss tax issues and engage in public policy advocacy on tax to support the improvement of tax environment.



Tax authorities

We participated in public hearing held by Legislative Council in 2022 to know the possible tax amendment; we also proactively contact tax authorities to discuss the proper tax treatments when there is grey area in law.



Public advocacy -NGO

E.SUN participates in the meetings held by international NGO-The B Team every year. We exchanged ideas on global minimum tax with members in 2022. By means of involving in international tax reform discussion, we enhance our competitiveness in the meantime.



Peers and Banker Association

In 2022, 15 financial holding companies participated in tax online meetings held by the banker association 3 times to discuss the possible way of amending the tax system of financial holding companies, trying to build a fairer tax environment.



Independent Directors and Investors

Independent directors specialized in accounting and tax oversee our tax governance report every half of the year; the analysis of changes in tax rates and sustainability issue of tax are disclosed publicly to investors on official website.

Income tax information-2022&2021

Unit: million NTD, %

The effective tax rate of E.SUN FHC in 2022 is 20.71% which is close to the statutory tax rate (20%) and the global average banking effective tax rate (20.90%) from CSA handbook 2023. Year-over-year change in tax rate is mainly because the fair value of financial assets and liabilities changed drastically in 2022, leading the recognition of unrealized revaluation loss.

	2022	2021	Calculated averages
Profit before tax (A)	19,903	23,959	21,931
Reported taxes (B)	4,122	3,374	3,748
Reported tax rate (B)/(A)	20.71%	14.08%	17.09%
Adjustments (D)	Temporary difference	222	(53)
	Tax-exempt income	74	855
Adjusted reported taxes (E)=(B)+(D)	3,867	5,232	4,550
Effective tax rate (E)/(A)	19.43%	21.84%	20.75%
Income tax paid (F)	3,956	2,270	3,113
Cash tax rate (F)/(A)	19.88%	9.47%	14.19%

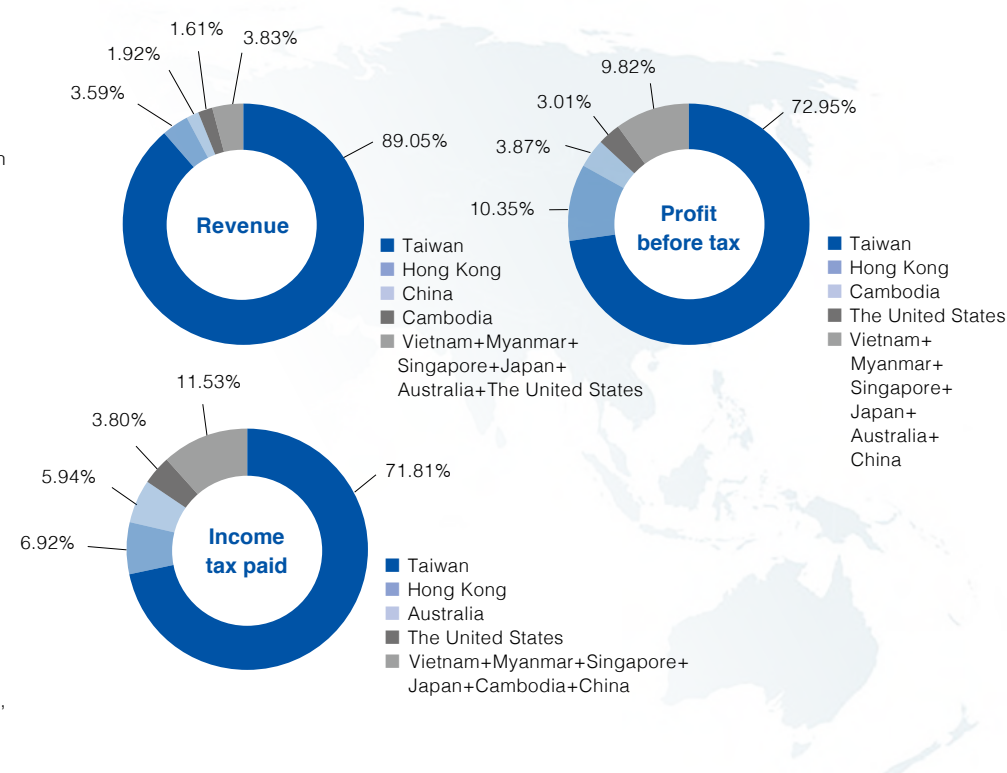
2022 country-by-country reporting

To realize global business strategy, E.SUN has operating sites in different tax jurisdictions. Most of the offices are located in Asia Pacific financial center, Taiwan, China, Hong Kong and ASEAN. Below is the tax information in each tax jurisdiction.

Unit: million NTD / person

Tax jurisdictions	Revenues from unrelated party	Net revenue	Profit before tax	Income tax paid	Current income tax expense	Revenues from related party – cross jurisdiction	Number of employees	Tangible assets
Taiwan	67,005	63,870	14,519	2,841	2,869	1,919	8,901-9,000	32,464
China	2,634	1,375	574	109	98	8	201-300	2,778
Cambodia	1,708	1,158	770	133	157	-	401-500	1,132
The United States	1,425	750	599	150	169	-	1-100	9
Hong Kong	3,193	2,572	2,061	274	331	1,238	101-200	24
Singapore	1,700	683	477	131	70	54	1-100	10
Vietnam	292	199	129	20	26	4	1-100	4
Australia	1,485	690	514	235	176	6	1-100	53
Myanmar	96	151	78	20	24	90	1-100	45
Japan	704	275	182	43	57	4	1-100	20

Notes: For the detailed information of current tax expense, cash tax paid, expected tax at statutory tax rate and others, please refer to the tax contribution report on official website.



4.9 Human Rights Protection

GRI: 2-8, 2-23, 2-24, 3-3, 408-1, 409-1, 412-1, 412-2, 412-3 GRI G4: FS9

E.SUN aims to create a diverse, equal, inclusive, and belonging workplace environment. The Human Rights Protection Team of E.SUN Sustainable Development Committee holds meetings periodically and has formulated E.SUN human rights policies with due reference to laws and regulations and human rights development trends. Every year, the team reviews the E.SUN Declaration of Human Rights and E.SUN FHC Human Rights Due Diligence Investigation Procedures regularly, and works with all partners to continuously strengthen and improve the management of issues related to human rights. In 2022, E.SUN participated in the "Taiwan-EU Joint Seminar on Business and Human Rights" organized by the Ministry of Economic Affairs, sharing human rights practices as the only representative from the domestic financial industry, and expressing support for the "National Action Plan on Business and Human Rights," to make a contribution to international human rights.

■ Human Rights Due Diligence Process

The Human Rights Protection Team formulates the human rights due diligence process, and regularly identifies, assesses, and evaluates potential human rights issues and risks in its operations, value chains, new business activities (such as mergers, joint ventures), and other related activities through social engagement, data monitoring, and surveys. A risk matrix for human rights issues is established, and control plans are drawn up based on potential risks, with continuous supervision and improvement of the implementation results to fulfill the human rights policy.

Impact identification

Regularly review our operations, value chain, new business relations (such as mergers, acquisitions or joint ventures) and other activities to identify groups at risk and potential human rights issues.

Assess risk

Identify E.SUN FHC stakeholders in groups at risk and evaluate the possibility and impact of potential risk to establish human rights risk matrix.

Establish plans

The human rights protection task force proposes mitigation and remediation measures at E.SUN Sustainable Development Committee to formulate a plan for human rights issues; the scope 100% covers all of E.SUN FHC's operating sites in Taiwan and the 30 operating sites in 10 overseas regions.

Monitor and implement

Established mechanisms to supervise, track, and evaluate improvement plans. Monitor the effectiveness of improvements made to potential impacts.

Review and improve

Review the evaluation tools and processes and reexamine and adjust practices and commitments related to human rights issues.

■ Impact identification

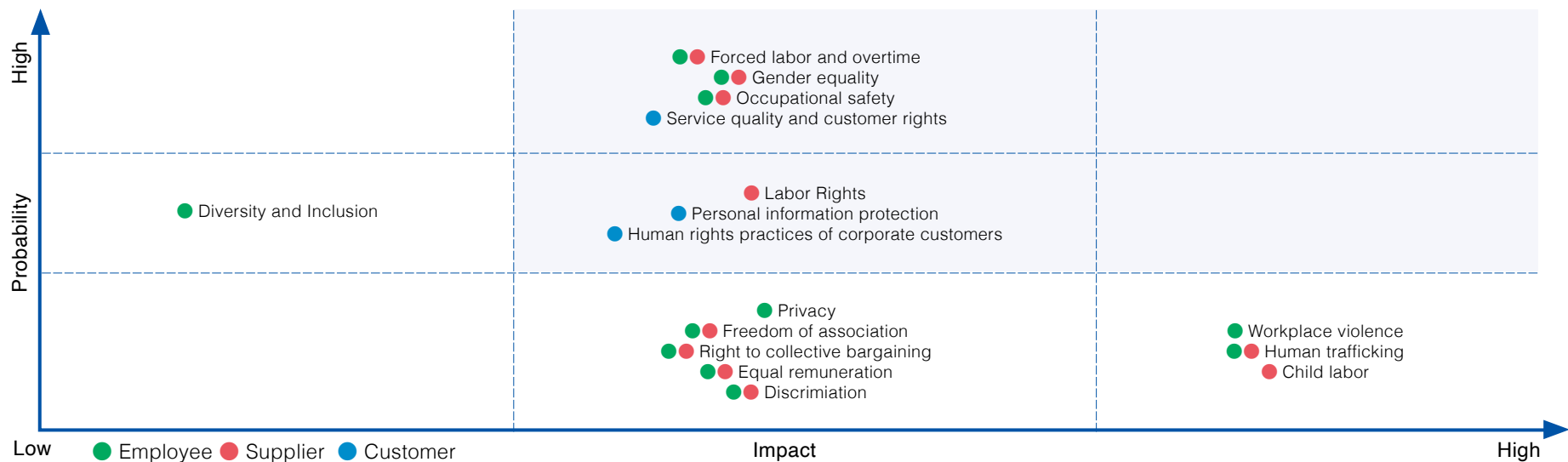
E.SUN strictly scrutinizes potential human rights risks in various aspects and implements its commitment and responsibility for human rights with relevant units following specific guidelines. For employees, we ensure that human resources policies do not jeopardize labor rights; for suppliers or partners, we evaluate the sustainable development and human rights issues through public information and self-assessment forms to avoid dealing with high-risk parties; for customers, we enhance the protection of rights and personal privacy, and carefully selects credit or investment targets. The impact identification is as follows:

E.SUN		Value chain		New business relations (mergers, acquisitions, joint ventures)
		Supplier/Partner/Others	Customer	
Groups exposed to human rights risks	Employee, Women, Indigenous people, People with disabilities, Migrant workers, Non-employee workers	Women, Children, Indigenous People, People with disabilities, Dispatched labor, Migrant workers, Non-employee workers, Local communities	Customers in minority groups	Women, Children, Indigenous People, People with disabilities, Dispatched labor, Migrant workers, Non-employee workers
Potential human rights risks	<ul style="list-style-type: none">· Diversity and inclusion· Gender equality· Forced labor and overtime· Occupational safety· Workplace violence· Privacy· The right to collective bargaining· Human trafficking· Equal remuneration· Discrimination	<ul style="list-style-type: none">· Forced labor and overtime· Gender equality· Occupational safety· Child labor· Freedom of association· The right to collective bargaining· Human trafficking· Equal remuneration· Discrimination	<ul style="list-style-type: none">· Service quality and customer rights· Personal information protection· Human rights practices of corporate customers	<ul style="list-style-type: none">· Forced labor· Gender equality· Occupational safety· Child labor· Freedom of association· The right to collective bargaining· Human trafficking· Equal remuneration· Discrimination

Note: Non-employee workers are those other than E.SUN's employees, including interns, temporary workers, and contractors' employees, providing services such as information, security, and cleaning.

■ Human rights risk matrix

In response to potential human rights risks for employees, suppliers and customers (including investment and credit subjects), we established a human rights risk matrix as follows. The mitigation and remediation actions please refer to [Appendix 12 - Human Resource Management Indicators](#).



Our People

E.SUN is committed to "making E.SUN the second home for employees" by providing a competitive salary, different development opportunities and diverse welfare measures that meet the needs of colleagues, so as to attract and retain the most suitable talents to build a hopeful future together.

5.1 Talent Cultivation and Development

5.2 Talent Attraction and Retention

5.3 Employee Care and Friendly Workplace



With DEI as the core, create a happy second home for E.SUN members

Talents are both a leading indicator and a key indicator, but also the key to the sustainable development of enterprises, E.SUN adheres to the people-oriented spirit, attaches importance to the value and practice of DEI (Diversity, Equity, Inclusion), in order to strengthen the promotion and development of various policies, In 2021, the "Sustainable Development Committee" of ESUN set up a "Human Rights Protection Team", headed by CHRO, who will regularly initiate initiatives and system planning on employee care, gender equality in the workplace, and other human rights protection issues, and in April 2023, the organization of the human resources division was adjusted, and the DEI responsible unit "Occupational Safety and Staff Relations Section" was established. With the goal of creating a better employee experience. This unit makes employees have a sense of belonging, so that talents with different characteristics can feel accepted and respected in the E.SUN family, and create a friendly workplace with psychological safety.

Diversity

E.SUN recruits talents from diverse backgrounds such as different nationalities, scientific specialties, indigenous people, people with disabilities, LGBTQ+ to join the team. E.SUN recruits talents of various nationalities, nursing, humanities, science and technology through industry-university cooperation and ASEAN talent scholarships. At present, E.SUN has a total of 30 overseas branches in 10 countries and regions, the nationality of employees covers the United States, Japan, Australia, Vietnam, Myanmar, Cambodia and other countries, the proportion of foreign employees in 2020 is 2.98% of all employees, increasing to 3.39% in 2022. In addition, E.SUN has also set a long-term goal of "6% of all employees in DEI diversity by 2030", and continues to strive towards a more diversified and inclusive workplace environment through continuous promotion in an organized and step-by-step manner.

Equity

E.SUN treats all employees equally, without distinction based on race, nationality, gender, sexual orientation, religious belief, age, political orientation, etc., including long-term promotion of gender equality in the workplace, creating an anti-discrimination workplace, and setting up gender-friendly toilets, comprehensive welfare and maternal care measures in our own buildings, and supporting the freedom of same-sex marriage. In terms of promotion system, E.SUN continues to promote equal recruitment, appointment, promotion and salary adjustment, and continues to cultivate outstanding women to management positions, The proportion of female supervisors of all employees is 37.74% in 2019, and the number increase to 40.85% in 2022. E.SUN also sets a long-term goal of 45% female supervisors in 2030. E.SUN's efforts in gender equality have been recognized at home and abroad. In 2022, E.SUN was awarded with the Taipei City Government's first "Gender Equality Indicator in the Workplace" certification and the Taiwan Sustainable Award - Gender Equality Leadership Award, and was selected in the "Bloomberg Gender Equality Index" in 2023.

Inclusion

Create an inclusive culture where employees feel valued, respected and treated fairly. E.SUN attaches great importance to the feedback and voice of each colleague, and sets up diversified communication channels, including E.SUN e-HR Portal Message Board", "Employee opinion reflection/reporting section", "CHRO Mailbox", "Mentorship Mailbox", "Gender Equality and Workplace Bullying Complaint Box". Employee can choose appropriate channels to reflect problems in real time, and the dedicated unit/specialist will quickly handle and reply it. In addition, the " Knowledge Sharing Meetings " held at the end of each year, in which the management team directly communicates the organizational development strategy with colleagues, and an anonymous opinion exchange questionnaire was sent to everyone after the meeting, encouraging E.SUN employees to express their ideas. The management team will quickly give the feedback and directly communicate with the employees to create a truth-telling working environment through transparent and direct channels.



5.1 Talent Cultivation and Development

GRI: 3-3, 402-1, 404-1, 404-3;

GRI G4 Financial Services Sector Disclosure Indicators: FS4, FS16

E.SUN upholds the core values of integrity, professionalism, and long-term commitment to talent cultivation. Combining a culture that emphasizes discipline with an innovative spirit, we continuously strive towards a common vision, creating value for customers, employees and E.SUN.

■ Cultivation and Training

Career Training System

E.SUN adheres to the philosophy of "Growing the talent before growing the business" providing diverse learning opportunities and career paths in three major training areas: financial professionalism, humanities, and strategic transformation. We design courses based on evolving financial trends, E.SUN's strategy, customer needs, and employee needs, and through continuous improvement and innovation, we create an environment for employees to grow continuously.

Training achievements in 2022

	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Training hours completed by managerial employees	15,794	4,925	24,031	7,760	29,288	9,566
Average training hours per person	43.2	51.3	62.9	73.9	70.9	81.8
Training hours completed by nonmanagerial employees	175,648	236,838	188,700	229,386	210,872	272,963
Average training hours per person	45.6	46.6	50.1	45.8	58.7	54.8
Total training hours	433,205		449,877		522,688	
Training hours per person	45.3	45.8	51.2	46.4	57.8	55.3
Total training hours per person	45.59		48.57		57.38	
Average amount spent per person (\$NT)	48,521		36,460		45,259	
Employee training expenses / Total Revenue	0.89%		0.67%		0.75%	
ROI of human capital	267%		277%		254%	

Note: Managerial employees refer to managers and above.

Tailor-Made Courses According to Professional Development Needs

To become Asia's most distinctive benchmark bank, E.SUN not only continues to develop unique domestic and international businesses, but also cultivates more outstanding talents, which is the key to winning in the financial competition. Each professional job series in E.SUN has its unique cultivation module, and both online and offline learning resources are developed based on employees' ability and speciality, providing E.SUN Bank employees with a complete learning journey.

Professional Training Course

• Corporate Banking Assistant Relationship Manager(ARM) Development Module: Blended Learning

By integrating online and offline learning resources, employees can independently learn and strengthen their prerequisite knowledge before training, and strengthen practical applications through discussions and practices during physical training, which enhances the learning effect. After the course, participants will return to their units and begin professional internships.

Before Course	In Course	After Course
e-Learning+	Practice	On the Job Training
<ul style="list-style-type: none"> • Corporate Banking • Risk Management • Business & Products 	<ul style="list-style-type: none"> • Credit Report Writing • Financial Analysis • Business System Operation Practice • FAQ Seminar • Experience of seniors 	<ul style="list-style-type: none"> • RM Leaders and colleagues help ARM to be able to undertake the task on his/her own.

- **Wealth Management Specialist Development Module: Practical Business Scenario Exercises**
Through practical training topics, a checkpoint model is adopted to hone participants' on-the-spot responses. Senior colleagues are invited to serve as checkpoint masters and provide critiques and feedback on site, deepening employees' practical application skills.



Enriching Training Content, Nurturing 'Soft Power' Skills

E.SUN not only values financial professionalism, but we also hope to contribute to a better future for society and the land we deeply love. Our core courses at all stages demonstrate our profound foundation in humanities, arts, and other soft power skills.

Orientation

At E.SUN's orientation, in addition to solid financial professionalism, a variety of courses and activities are arranged to allow newcomers to understand E.SUN from multiple perspectives and profoundly comprehend the expectations E.SUN has for its employees.



Hope Engineer cultivation program (Mid-level Manager training courses)

E.SUN's middle-level managers bear the important responsibility of connecting the supervisors and subordinates of the organization. In addition to cultivating management and leadership skills, they also view ESG sustainable development as their mission. Through the Hope 13 Wilderness Marathon, combined with local ecological conservation awareness, the team works together to contribute to improving society and the environment.



Trainee Feedback

Although the progress was challenging, because of our teammates, we were not afraid of hardship. We shared joy, and sweat, faced challenges, and will co-create a better future!

Surprisingly, the teammates from overseas put on our team uniforms and ran the Marathon in Singapore. Therefore, we have every teammate on the certificate of completion. I was so touched!

My biggest reward is the change of mindset, from only take care of myself, to be able to work well with the team together.



Manager Advancement Program

E.SUN's managers not only need to have outstanding leadership thinking but also need to build team consensus and integrate team performance. By visiting high-quality enterprises in person, the managers learn about their operations and support for ESG, broadening their horizons and enhancing their ability to implement change.



© Company Visit Introduction: In response to the ESG concept, the company exerts its influence on the design and manufacture of fabrics and garments to achieve the concept of "sustainable success through garments."

Music Appreciation (Indigenous Choir and Jazz Band)



© Music Appreciation: Invite local choirs and jazz bands from Taiwan to elevate the cultural and emotional thinking of supervisors, cherishing our beautiful homeland, and expressing gratitude for all that has been hard-earned.

Outcome

Training Category	Number of Participants	Course Satisfaction	Instructor Satisfaction	Course Pass Rate
Orientation	287	96.00%	96.40%	90.50%
Professional Training Course	276	96.40%	96.20%	100%
Hope Engineer Training courses	211	94.82%	94.93%	100%
Manager Advancement Program	121	95.53%	95.39%	100%

■ Cultivation Program for Transformation Strategy

Amid the rapid changes in the global industry and economic environment, E.SUN has set strategic goals for the next decade, and cultivated key talents through a strategic talent cultivation plan to support the company's steady progress towards sustainable operation. In 2022, E.SUN adjusted the focus of its "ESG Sustainable Finance" and "Technology Empowerment" Cultivation Program and enhanced the overall training effectiveness, helping E.SUN move towards its target vision:

ESG Sustainable Finance Cultivation Program

Coverage ratio 100% Program description

1. Convey sustainable culture thinking

· Objective :

ESG sustainable development is a crucial strategic goal for E.SUN in its fourth decade. The principle of Growing the talent before growing the business guides E.SUN integrated ESG elements into a well-rounded talent development system.

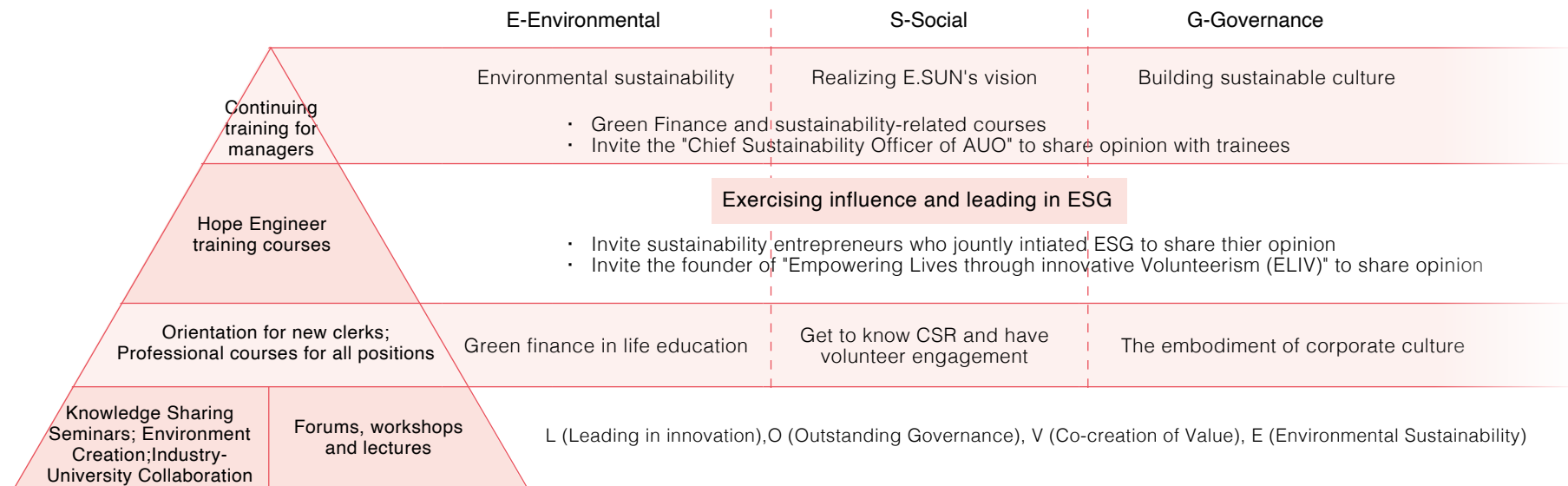
We also have relevant departments, such as the Green Finance Department, Sustainable Finance Department, and ESG Group of E.SUN FHC to serve as course instructors, leading employees to continually focus on ESG issues and jointly implement corporate sustainability responsibilities.

· Target :

All E.SUN employees

· Cultivation Direction :

In addition to general knowledge, many ESG-themed courses are incorporated into various training programs, inviting internal and external experts, and entrepreneurs involved in sustainability initiatives to share relevant issues. Furthermore, through activities such as tree planting, beach cleaning, and hiking, employees have the opportunity to participate in and implement sustainability firsthand.



2. Becoming the Best Partner for Corporate Sustainability Transformation - Corporate Finance

- Objective :
E.SUN collaborates with like-minded corporate partners to launch the "E.SUN ESG Sustainability Initiative," with the Corporate Banking RM Team playing a vital role in companies' ESG development journey. Through various training methods and content, E.SUN systematically cultivates the RM Team's understanding of ESG market and international sustainable development trends, assisting enterprises in developing E.SUN ESG-related operations and becoming the best partner for Taiwan's corporate sustainability transformation.
- Target :
Corporate Banking Division, RM Teams
- Cultivation Direction :
To cultivate sustainable talents and enhance overall ESG expertise, E.SUN arranges relevant content education and training for all stages of the corporate banking career path. Subjects include global ESG development trends, domestic and foreign sustainable finance regulations, major international ESG evaluation institutions, industry ESG development overview, sustainability reports, ISO certification, carbon footprint, and sustainability-linked loans, and so on.

Business benefits and effectiveness of cultivation programs

E.SUN continues to pay attention to sustainable trends and customer needs, integrating ESG with business development. For example: Encourage customers to set sustainable goals and commit to Sustainable Linked Loan (ESG Linked Loan), Invest in various types of renewable energy project financing, assist customers in issuing sustainable development bonds, etc., and increase the proportion of sustainable credit in the overall corporate loan volume year after year, successfully creating a positive cycle of sustainability and business performance.

ESG Sustainable Finance Cultivation Program- Cultivation Outcomes

Item	Indicator	2020	2021	2022
L1 Reaction	Course satisfaction	93.29%	94.80%	92.87%
L2 Learning	Course completion rate	99.87%	98.00%	97.73%
L3 Behavior	Number of training course participants taking part in volunteer activities	862	296	762
	Staff turnover rate (Corporate Banking positions)	5.19%	7.1%	9.41%
L4 Results (NT\$ M)	Green loans	11,106	18,726	53,741
	ESG-linked Loans	285	10,681	40,642
	Loans to ESG industries	249,685	261,464	272,415
	Total sustainable loans	261,076	290,871	340,876
L5 ROI	Profit / training course related costs	43.11	38.54	57.47

3. Sustainable Finance Manager Training Program

- Objective :
Aiming to become a netzero emission bank by 2050, E.SUN systematically establishes a sustainable talent development system, nurturing more seeds for sustainable transformation, and making E.SUN a benchmark enterprise for sustainability.
- Target :
E.SUN practitioners with high relevance to their business scope and ESG.
- Cultivation Direction :
The course is co-designed by the "Taiwan Sustainable Energy Research Foundation" and E.SUN, and features top scholars and experts as lecturers. The content covers introduction to sustainable finance, climate change and sustainable supply chain management, etc. A total of 15 courses are planned, and a verification test is arranged after the class. In 2022, a total of 73 colleagues participated, and finally all members passed the test and became "Sustainable Financial Managers"



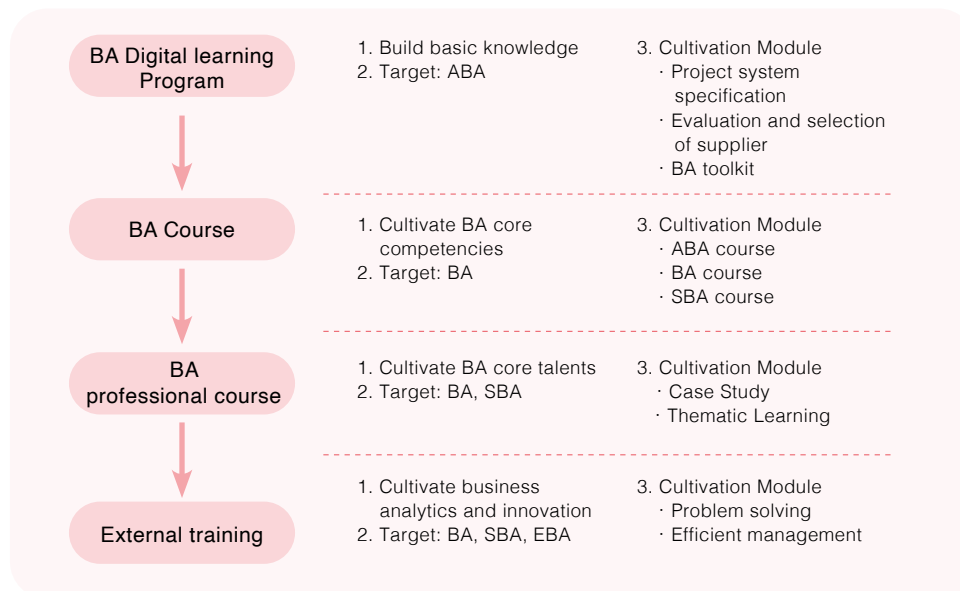
Technology Empowerment Cultivation Program

Coverage Ratio 40%

Program Description

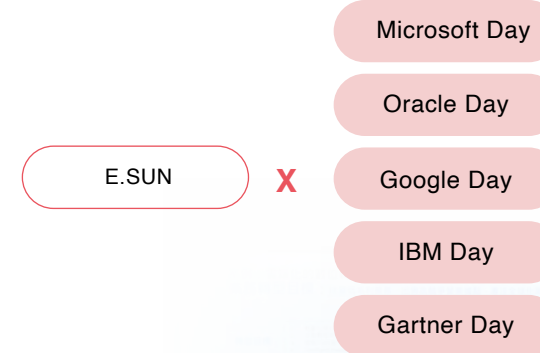
1. Business Analyst (BA) Capability Cultivation Program

- Objective :
In its fourth decade, E.SUN aims to continuously strengthen organizational agility and resilience and lead various business developments through financial technology. Business Analysts (BAs) will be the key driving force for organizational development. E.SUN plans a dedicated BA capability Cultivation Program that combines digital courses with physical training classes, using a blended learning approach to guide all BA staff in understanding basic knowledge, system regulations, tool applications, and other professional competencies. This will help them cultivate core job skills, implement them in practical fields, and assist E.SUN in promoting various information system projects.
- Target : Business Analysts (BA) colleagues
- Development Direction :
The overall training plan starts from the digital course to external training. In addition to the enhance of professional knowledge, it is expected to also cultivate the two major strengths of "problem solving" and "efficient management". Various methods such as project discussion and special book study are also integrated into the course process to enhance the overall content diversity.



2. Expanding FinTech Horizons - E.SUN Tech Seminar

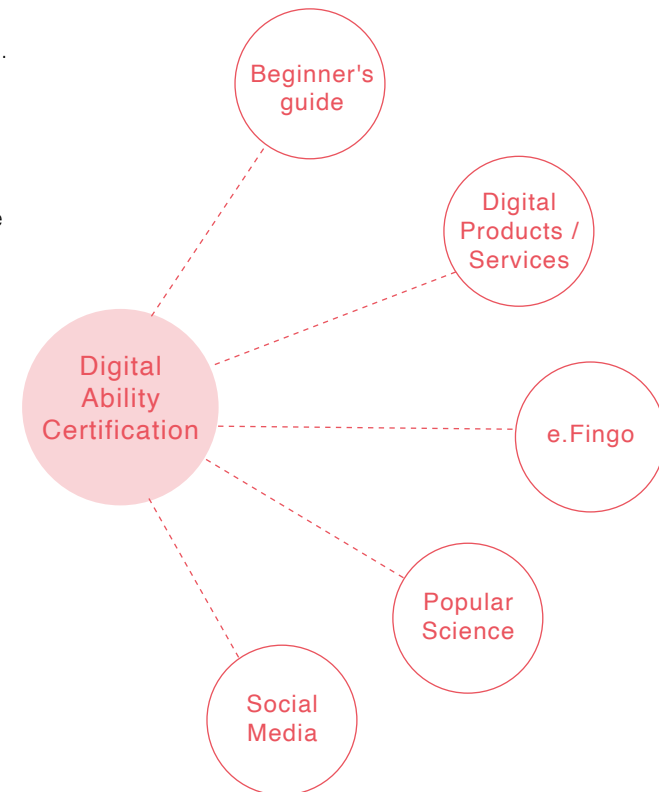
- Objective :
To continuously improve the expertise of the technology team and stay updated with external technology trends, E.SUN has invited well-known external companies to collaborate and organize five "E.SUN Tech Seminar" events in 2022. This will expand the overall FinTech horizon and cultivate more outstanding technology talents.
- Target : Technology team supervisors
- Cultivation Direction :
Each partner will plan suitable themes for fintech development according to their service scope. The internal managers of the partner companies will serve as lecturers to promote cross-team collaboration and enhance E.SUN's overall technological influence through mutual discussion and sharing.



3. Comprehensively enhance digital technology capabilities

- Objective :
In order to comprehensively enhance E.SUN's staff understanding of FinTech, E.SUN not only arranges relevant courses in the core training, but also promotes the digital ability certification through the e-Learning system to comprehensively enhance E.SUN's staff understanding of FinTech.
- Target :
1. New employees, Hope engineers(Mid-level managers), Managers
2. Digital certification is an autonomous learning course
- Cultivation direction :
The tech team is responsible for the planning. The core training plans different levels of face-to-face courses according to the different attributes of the students. The digital ability certification is mainly based on general education courses. It is expected to lead E.SUN's staff to understand FinTech through online and offline hybrid experience.

Cultivation Program	Course
Orientation	Implementation of Basic Data Analysis
	Information Security and Data Confidentiality
	Credit card and digital financial payment business application
	Digital development and customer base management
	Technological innovation service case
	E.SUN Information Development and Transformation
	AI in Banks
Hope Engineer cultivation program	Tech Team Workshop-Digital in Transformation
	Tech Team Workshop-Leading Technology
	Credit card and digital financial payment development
Manager Advancement Program	Customer Experience Design in the Digital Age



4. Subsidies for professional technological licenses and certifications

- Objective :
To continuously encourage employees to pursue self-improvement and develop diverse technical expertise, E.SUN has established special certification subsidy guidelines to motivate employees to obtain specialized professional certifications in response to future strategic development.
- Target : All E.SUN employees
- Subsidy items :
 - Including Certified Business Analysis Professional (CBAP), Project Management Professional (PMP), Agile Certified Practitioner (PMI-ACP), and other certifications, each with a subsidy amount of 20,000 to 30,000 NTD. A total of 537 specialized professional certifications have been subsidized.
 - Additionally, to strengthen E.SUN's technological prowess in the cloud computing field, E.SUN has collaborated with Microsoft to provide the Technology Team with "Azure Cloud Technology Courses and Certification" opportunities. So far, 269 Technology Team staff have obtained relevant technical certifications.

Business benefits and effectiveness of cultivation programs

With its profound fintech strength, E.SUN has been steadily developing its digital business over the long term while continuously accelerating its digital transformation in cooperation with the Technology Team and various business units, building the E.SUN Financial Ecosystem. For example, the continuous improvement of the app's features creates a better customer experience; by connecting all digital services through the platform, customer adhesion is strengthened, and overall satisfaction is improved.

Technology Empowerment Cultivation Program- Cultivation Outcomes

Item	Indicator	2020	2021	2022
L1 Reaction	Course satisfaction	93.9%	97.9%	95%
L2 Learning	Number of employees with certified digital ability	1,531	2,434	2,696
L3 Behavior	IT-related employee percentage	11.3%	11.3%	11.3%
	Number of patent acquisition	38	26	52
L4 Results	Online loan - unsecured personal loan (NT\$ B)	106.77	228.76	362.47
	Online loan - mortgage (NT\$ B)	101.30	127.98	225.68
	Online loan - unsecured personal loan (applicants)	66,988	107,541	101,582
	Online loan - mortgage (applicants)	5,258	6,370	5,901
	Customer satisfaction on digital platforms	93.1%	90.2%	94.04%
L5 ROI	Profit training course related costs	38.16	34.25	25.73

■ Rotation Training

E.SUN cultivates talent through rotation training, placing the right people in the right positions and providing diverse development opportunities. This allows employees to experience various positions, enriching their professional skills and enhancing management thinking. Through their own efforts, they can create their future and become the talents needed by E.SUN in the future.

Rotation Training and Internal Recruitment

Projects	2018	2019	2020	2021	2022
Internal Employee Job-Filling Rate	47.26%	46.43%	73.9%	59.24%	70.25%
In 2022 Job-Filling by Internal Employees	By Gender		By Age		By Identity
	Male	Female	Under 29 Years Old	30-50 Years Old	Over 51 Years Old
Number of People	332	289	135	436	50
					275
					346
					621

Proper Arrangement of Job Rotation

To protect employee rights and interests, job rotations for career development or organizational needs will be handled according to the "5 Principles of Rotation" stipulated by law, providing employees with approximately two weeks for business transition and preparation in the new environment. In addition, if circumstances occur under Articles 11, 13, and 16 of the Labor Standards Act, the notice periods are as follows:

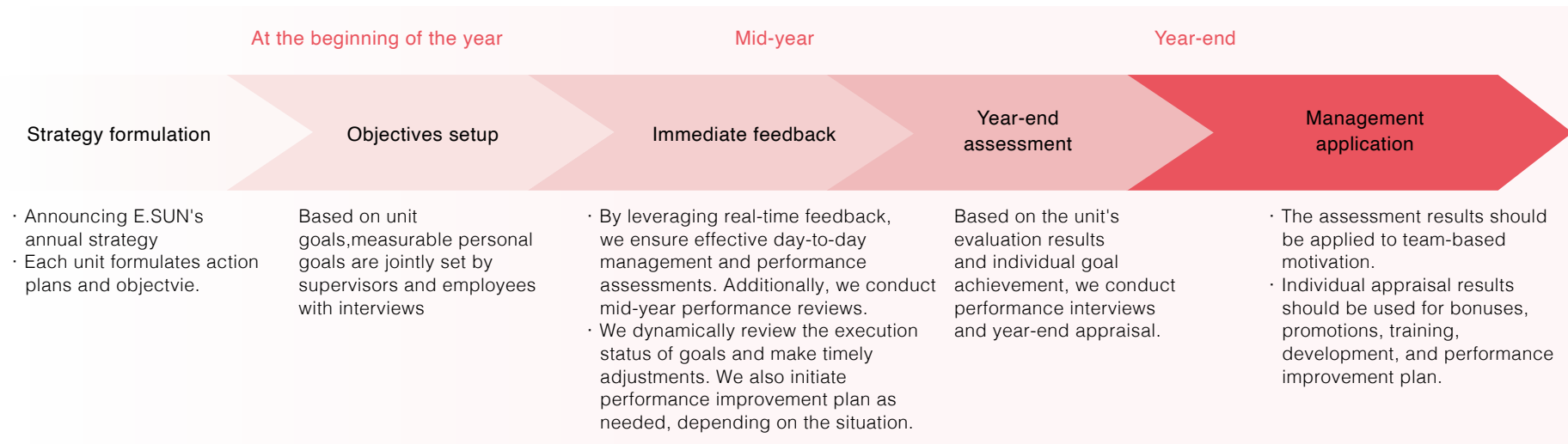
- For those who have worked continuously for more than three months but less than one year, a 10-day advance notice is required.
- For those who have worked continuously for more than one year but less than three years, a 20-day advance notice is required.
- For those who have worked continuously for more than three years, a 30-day advance notice is required.

■ Performance Development

Talent Development-Oriented Performance Management Cycle

E.SUN's performance management system upholds the spirit of talent development, continuously identifying potential talents through two-way communication and performance interviews, providing diverse development stage opportunities, and focusing on developing potential and required skills. For employees who do not meet expectations, clear requirements and guidance are provided. In 2022,

the original five-level performance evaluation system was adjusted to six levels, using a normal distribution method to enhance talent identification, and through clear explanations and guidance, allowing all employees to participate in the performance management cycle, making commitments and putting them into practice.



Multidimensional Evaluation for Growth and Development

The key to sustainable operation is to continually focus on talent development and cultivation. Since 2013, E.SUN has implemented a 360-degree feedback system annually, helping supervisors achieve self-awareness by understanding their strengths and weaknesses through feedback from different dimensions, and actively improving or enhancing leadership and management capabilities.

In 2022, E.SUN offered Chinese and English guidance on the digital learning platform, including explanations of management competencies and learning and development recommendations, assisting domestic and overseas supervisors in understanding their self-capabilities by reviewing feedback reports. The evaluation results will be used for individual development planning and related competency training, further enhancing self-awareness and communication efficiency by listening to team feedback.

Effectiveness of E.SUN's 360-Degree Feedback System

A total of 2,332 feedback recipients participated, with a participation rate of **93.28%**

Each feedback recipient received an average of **7.3** feedback responses

A total of 17,040 feedback questionnaires were received, with a questionnaire completion rate of **96.91%**

5.2 Talent Attraction and Retention

E.SUN carefully selects a group of like-minded partners. We actively invest resources in recruiting outstanding and potential talents, and are committed to making E.SUN the second home for employees by providing a competitive salary and welfare system that meets the needs of colleagues, so as to attract and retain the most suitable talents to build a hopeful future together.

■ Recruiting a Diverse Pool of Professionals and International Talents

Countries, industries and enterprises all need outstanding talents to generate momentum for innovation and progress. E.SUN has been deeply committed to nurturing Taiwan's financial, technological and cross-border professionals, and has actively dedicated to ESG field and cultivating international talents by collaborating with industrial partners, governments, academia, and research institutions in order to work toward the goal of being the international finance-leader.

Collaboration with Industries and Academia

Category	Item	Description	Effectiveness
Industries	ACT Dreamer Project -ESG influence project	Through courses and coaching, E.SUN collaborated with students on proposal and practice for ESG project in order to cultivate students to be world citizens whom are not only innovative but also are concerned about sustainability.	In 2022, E.SUN coached 8 groups (34 students) making proposals, selecting 2 groups as the representation of the bank for the final competition. Among those students, 3 students also participated in the summer intern program of the year.
	E.SUN AI Open Challenge	Upholding the idea of "enterprise members name the issues and participants solve the problems", since 2019, we have been holding the Artificial Intelligence Open Challenge, at which invited AI professionals to solve real financial problems with AI, thereby finding a better solution to sophisticated fin-tech decision-making.	This competitions participated by a total of 684 teams of 1,250 professionals in 2022. So far, we have hosted 8 competitions, which were participated by more than 10,000 AI professionals from 6,327 teams.
Governments	E.SUN International Talent Cultivating Program	E.SUN signed a memorandum of understanding with the International Cooperation and Development Fund in Q4, 2021 to nurture diversifiable international talents. The bank promoted finance courses in 2022.	The bank collaborated with the International Cooperation and Development Fund in order to promote training programs for foreign students. There were 13 international students participating in this program and one of them became the bank's management associate after graduation.
	College of Global Banking and Finance	E.SUN collaborated with governments to nurture excellent international finance talents by becoming one of joint contributions of National Chengchi University and National Sun Yat-Sen University.	In 2022, E.SUN has recommended 9 employees participated in the courses of Global Banking and Finance in National Chengchi University, and National Sun Yat-Sen University, and has sponsored NT\$ 10 millions for these 2 universities.
Academia	Internship programs	E.SUN provides students aspiring to work in the financial industry with internship programs during each semester and summer/winter vacations to help them establish the right work attitude and improve their adaptability and competitiveness.	<p>Interns of financial profession</p> <p>They include interns at the sections of financial services, wealth management, and corporate banking; there were 190 students in 2022, 885 interns have been accumulated since 2014.</p> <p>Summer Internship program</p> <p>There were 26 students participated in this program in 2022, and 252 interns have been accumulated since 2011.</p> <p>Interns of fintech professions</p> <p>To facilitate digital transformation, we actively cultivate and recruit talents having information and digital skills. There were a total of 6 students in 2021, and 38 interns have been accumulated since 2019.</p>

Category	Item	Description	Effectiveness
Academia	Scholarships	Cultivating talents in financial, technological, humanity, and nursing fields, and those from countries of ASEAN, through sponsoring on campus activities, financial courses and scholarship, and in so doing leave a nice impression on the staff and students of the academia.	Grants Distributed NT\$ 960 thousands in 2022 to students from National Taiwan University, National Chengchi University, and National Sun Yat-Sen University, etc. Scholarships In 2022, we awarded E.SUN Talents Scholarship to 36 students, distributed NT\$4.7 million. - Nurturing outstanding management personnel Scholarship to 21 students(Management: 6 students; Technology: 5 students; Humanities:5 students; Inspirational role model: 5 students) - Nursing Talent Scholarship to 8 students - E.SUN ASEAN Scholarship to 7 students
Research	E.SUN AI and FinTech R&D Center	E.SUN has been committed to applying AI technology to various scenarios. Through the close collaboration between academia and the industry, results of research were successfully put to practical use and have thus enabled us to provide great financial services in fields such as risk control, operations, and marketing.	We established E.SUN AI and FinTech R&D Center with National Yang Ming Chiao Tung University in 2018, and AI and FinTech R&D Center with National Taiwan University in 2019, and worked on projects under the name of Academia Sinica X E.SUN AI R&D Center with Academia Sinica in 2020. In 2022, we conducted 14 projects with 18 professors, including refining appraisal of real estate predictive model, strengthening speech recognition and comprehension in AI customer service, and enhancing technologies and models to apply operations in E.SUN.

International Talents' Attraction and Cultivation

Item	Description	Effectiveness
2022 E.SUN International Talent Cultivating Program(ITCP)	Selecting foreign students studying in Taiwan to participate in English finance lectures designed by E.SUN so as to enable those students to understand the ecosystem and development of Taiwan banking industry.	13 international students joined this program, including students from Vietnam, Indonesia, Malaysia, Thailand, Honduras, Haiti, Saint Lucia, etc.
E.SUN ASEAN Scholarship	Encouraging outstanding ASEAN talents to study in Taiwan, and cultivating them with international expertise and capabilities. Inviting those scholarship winners to join E.SUN charity events.	There were 7 scholarship winners in 2022. E.SUN has cultivated 33 students who are from Vietnam, Thailand, Myanmar, Cambodia, etc. since 2018.
Staffing of international talents	In response to the wave of internationalization, E.SUN has increased the hiring numbers of international talents since 2022 to strengthen the bilingual financial service in the banking system in Taiwan.	Since 2020, E.SUN has recruited 12 foreign talents from Japan, Germany, France, Malaysia, Myanmar, Cambodia, Vietnam, etc.

Foreign management associates experience sharing

Experience-Sharing from excellent Vietnamese talents

I'm really thankful for all opportunities such as E.SUN Bank ASEAN Scholarship, ITCP, and the 2022 E.SUN MA program offered by E.SUN. During this journey, my senior colleagues enriched me with deep insights, cultivated me with practical experience, and showed concern for me with compassion. E.SUN provides a diverse and international working environment, enabling talents to grow and be supported. I'm honored to become a member of the E.SUN family.

— E.SUN FHC 2022 Management Associate

■ Retention

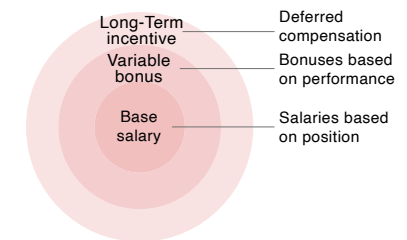
"Listening to the voices of our colleagues and making E.SUN the second home for them" is E.SUN long-lasting belief. Through competitive salary structures, diverse benefits that superior to regulatory stipulations, and comprehensive retirement systems, we provide all-around care and support for employees to attract and retain talents. Each year, after the annual knowledge sharing seminars, through anonymous questionnaire surveys, E.SUN seek colleagues' feedback on business strategies, salary and benefits as well as employee care, etc. to serve as the basis for improvement and sustainable organizational development.

Comprehensive remuneration and benefits planning

Competitive Compensation System "Setting salaries based on position and bonuses based on performance"

- Setting a fixed pay according to job duties, professional skills, and market standard (including principal salary and various allowances).
- Providing variable pay (including bonus and remuneration) according to the company's overall performance, department's performance, and individual performance.
- Participating in the market salary survey every year and providing a reasonable and competitive compensation system.
- Linking the organization's long-term business performance and corporate governance in establishing long-term incentives and rewards.
- Continuously selected as a constituent stock of the TWSE RAFIR Taiwan High Compensation 100 Index since 2018.
- In 2022, the average salary was raised by 3-5%^{Note}.

Note: Subjects included in this salary statistics are full-time employees in Taiwan who have worked in E.SUN for no less than 1 year.

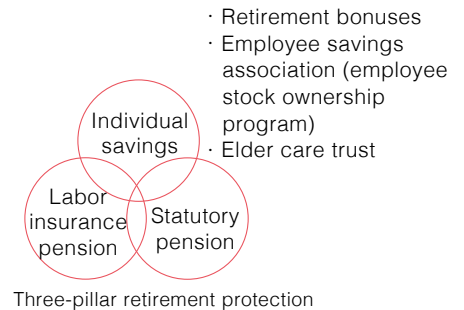


Diverse welfare and employee care Focusing on employee experience, creating a happy workplace

- Providing complete, comprehensive, and diverse welfare and employee care measures and established a solid talent foundation and a harmonious workplace environment.
- Combining the concept of sustainable environmental management, we create an eco-friendly, innovative technology, and artistic atmosphere in the office space while considering the flexibility and creativity of interactions among colleagues.
- Actively promote a variety of health and leisure activities to encourage physical and mental well-being and work-life balance.
- Organizing "E.SUN Peak" events, which is teaming up to climb the highest mountain "Mt.Jade" in Taiwan, to inspire colleagues to challenge and overcome obstacles together with their team members in adversity.
- Encouraging childbirth by providing better-than-legally-required maternity leave (60 days), parental leave (8 days), pregnancy checkup accompaniment and paternity leave (8 days), and baby care leave (3 years), as well as establishing the "E.SUN Baby Development Fund", which not only encouraged employees to have children, but also had the effect of inducing other enterprises to emulate, thereby generating greater social influence.
- Aside from labor insurance and health insurance, E.SUN also provides life insurance, accident insurance, and critical illness insurance. Insurance premiums of an employee and his/her spouse and children are fully born by E.SUN; insurances for parents may be purchased at the employee's expense.
- In 2022, E.SUN won the prestigious "Asia's Best Employer" and "WeCare Best Employee Care" awards from the benchmark Asian talent magazine 《HR Asia》 and was the only financial holding company to win the Work-Life Balance Award.

Comprehensive retirement protection
Encouraging long-term savings and ensuring retirement

- For those subject to the "Labor Standards Act", E.SUN allocates retirement reserves ranging from 2%-15% of employee salaries to Taiwan Bank's special accounts on a monthly basis, all of which are fully allocated.
- For those whose employment started on July 1, 2005 or opted for the new pension system, E.SUN allocates a 6% monthly pension according to the law.
- Pension for overseas employees is subject to local laws and regulations.
- To reward employees with outstanding performance, retirement bonuses in addition to pension may be provided according to their work performance or special contributions.
- To encourage early retirement planning, E.SUN has established the employee savings association stock ownership trust. Employees who have passed probation are free to join the association, and the company contributes incentive bonuses thrice each year.
- Provide retirement trust projects exclusively for E.SUN employees, encouraging them to plan asset allocation early on to ensure their retirement lives.



Diverse and long-term incentives

E.SUN provides all employees with diverse and long-term incentives to encourage their stay with us; we also encourage them to create long-term overall performance to facilitate our sustainable development.

Diverse and long-term incentives	Implementation method
Employee savings association (employee stock ownership program)	Employees are free to make monthly contributions to purchase the shares of E.SUN FINANCIAL HOLDING according to personal plans while the company contributes incentive bonuses thrice each year. The participation rate has exceeded 90% for three consecutive years, encouraging employees to hold our shares for the long term.
Employee remuneration	Employee remuneration is distributed to employees in the form of shares to make them the owner of E.SUN.
Long term incentive	According to our Long-term Incentive Reward System, we provide talented employees with E.SUN Phantom Shares which will be granted after five years, so as to stimulate their creating long-term performance.

Diverse welfare measures

ESUN cares about colleagues, provides diverse and comprehensive welfare measures, and values work-life balance, so as to create a happy second home for employees.

Friendly workplace	Happy family
<ul style="list-style-type: none"> • Quality mentor program • Office spaces focused on safety, comfort, people-oriented, technologically-smart, and artistic aesthetics • Multiple working hours, flexible working hours, part-time working option and work from home • Employee mess hall, parking lot, gym • Creating a diverse and inclusive workplace environment, supporting gender equality and safeguarding the rights and interests of individuals with disabilities and indigenous people 	<ul style="list-style-type: none"> • Marriage / childbirth subsidies, NT\$100,000 in E.SUN Baby Development Fund • E.SUN handbook for new mothers, breastfeeding seminars for expecting mothers • Paid maternity / paternity leave superior to statutory requirements • Marriage related information forum • Breastfeeding room, pregnancy clothes and child supplies sharing platform • Employee savings and employee loans
Health initiative	Family care
<ul style="list-style-type: none"> • Employee Assistance Program (EAP) psychological counseling services • Expanding group insurance coverage scope and improving protection for employees and their families against specific risks • Healthy weight loss programs, on-site flu vaccination stations • Diversified health lectures, health check subsidies • Hiking and cycling around Taiwan • Social club activities (table tennis, badminton, aerobics classes and so on) 	<ul style="list-style-type: none"> • Mother / father's day cards and monetary • E.SUN Choir and Concert for Mothers • Child education subsidies, Outstanding children's award and E.SUN family care • Special offers on children's foreign language learning activities • Chinese New Year accommodation for employees and spouses • Offer unpaid leave superior to legal requirements • Music concerts (Vienna Boys' Choir, Mayday) and artistic events (E.SUN Awards: artists painting Yushan (Mt.Jade) for the celebrations for the 30th anniversary of E.SUN)

Mountain Climbing Events Resume, Different Generations Climbing Together

As the COVID-19 pandemic winds down in Taiwan, E.SUN resumed hosting the Mt. Jade climb "E.SUN Peak" starting from the second half of 2022, in order to help employees build stronger relationship and challenge themselves. The event attracted 339 participants signing up on the first day of registrations being open. In total, 639 participants signed up for the event, the highest number of participants in the history of the event. 216 of our colleagues actively participated in the drawing program, allowing our 1st generation employees to re-experience the moment of joining E.SUN, the 2nd generation to provide support for each other, and the 3rd generation to take on the leadership spirit. Together, these three generations worked together to climb Mt. Jade's main peak, promoting physical and mental health, and improving team cohesion.



In the thin air, climbing steep slopes and testing our endurance, we were exhausted. However, with everyone taking care of each other and slowly climbing step by step, we finally reached Paiyun Lodge, and all our fatigue disappeared, leaving only a sense of accomplishment. One may be able to walk fast, but team can walk far. In the end, the emotion of climbing to the summit of Yushan was unforgettable. We all left our footprints on the highest Yushan and the best bank, creating the most beautiful memories together.

-Manager of Consumer Banking Center

Consideration for employees' needs to fight the pandemic

Affected by the global COVID-19 pandemic, E.SUN has shown compassion and protection for our colleagues. Since 2021, E.SUN has provided fully paid "pandemic-relief care leave" and "vaccination leave" for a certain number of days. As Taiwan moves towards coexisting with the virus in 2022, E.SUN also offers paid "pandemic-relief quarantine leave" in response to pandemic prevention needs, with a total salary payout of over NT\$150 million. For our employees stationed abroad, E.SUN has been providing consolation payments since 2020, with a cumulative payout of over NT\$55 million. In addition, to alleviate the costs related to quarantine measures for dispatched employees traveling between domestic and international borders, E.SUN has provided collective quarantine subsidy, with a cumulative payout of over NT\$7 million. Through various care measures, we became a strong backing for our employees.

5.3 Employee Care and Friendly Workplace Environment

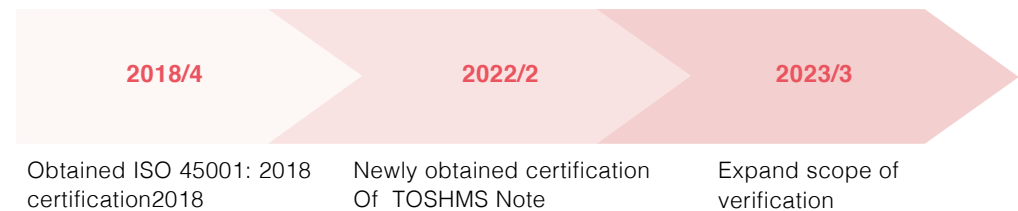
GRI : 202-1, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

E.SUN endeavors to build a happy and harmonious workplace that embraces friendliness. We optimize employee health care and workplace safety measures every year by attaching importance to workplace safety, by implementing hazards identification, and by assessing risks, so as to reduce potentially hazardous incidents and concerns. Meanwhile, we provide diverse health promotion activities

and maintain the physical and mental health of employees. By uniting employees and family members, E.SUN hopes to become the strongest support for furthering colleagues' careers, and to become a happy enterprise that feels like a second home.

■ Occupational health and safety management system

In 2018, E.SUN became the first financial institution in Taiwan to pass the ISO45001 certification, which applied to all employees and contractors. We renewed the certificate in 2021 upon its expiration date. In 2022, we further passed the TOSHMS certification, and in 2023, the scope of verification will be extended to the newly established second headquarters building. Hazards identification and risk assessment are discussed and implemented jointly by occupational safety personnel and the representative of each department every year. The operation that was evaluated a high-risk operation for 2022 was "Commute/Go outside to visit customers". As so, traffic safety training was given at the on-job occupational safety training in that year. When an occupational hazard other than a traffic accident occurs, the occupational safety leader will assemble related personnel and jointly investigate the occupational hazard, and will propose countermeasures. By introducing systems and implementing the PDCA method, workplace safety is improved. The number of occupational injuries during working hours are effectively controlled, and the frequency and severity rate of disabling injuries in the past three years has remained stable. This clearly shows that improvement measures have a positive effect on employee safety.



Note: Taiwan Occupational Safety and Health Management System (TOSHMS) issued by the Ministry of Labor

2020				2021			2022		
Total work days	2,375,500			2,296,976			2,268,141		
Total work hours	19,004,000			18,375,808			18,145,128		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total employees with disabling injuries	12	13	25	11	9	20	10	10	20
Total lost work days due to disabling injury	50.5	164.5	215	59	96	155	63.5	5.5	69
Disabling injury frequency rate (FR)	0.63	0.68	1.31	0.59	0.49	1.08	0.55	0.55	1.10
Disabling injury severity rate (SR)	2	8	11	3	5	8	3	0	3

■ Occupational Safety Committee / Consultive Organization Meeting

In accordance with the "Occupational Safety and Health Act", "Regulations Governing Occupational Safety and Health", and other relevant regulations, E.SUN has set up a dedicated occupational safety unit responsible for formulating and planning safety and health matters. The Occupational Safety and Health Committee is composed of 9 members from HR and business units, including the occupational safety personnel, department heads, and labor representatives. The president of E.SUN is the chairman of the Occupational Safety and Health Committee. The committee holds one meeting every quarter to communicate and coordinate the various safety and health issues, and to review the progress and effectiveness of occupational safety actions. There were two items on the occupational safety improvement plan for 2022, namely the installation of safety cages around pool areas and stairway light strips - both were completed. Also occupational safety targets are embedded in performance appraisal of managers. e.g. health check rate. The E.SUN unit responsible for a project irregularly convenes a consultive organization meeting with contractors and informs them of E.SUN's occupational safety and health regulations as well as the potential hazards hidden in the contracted work; contractors may also submit suggestions respecting safety and health at the meeting.

■ Occupational Safety and Health Training

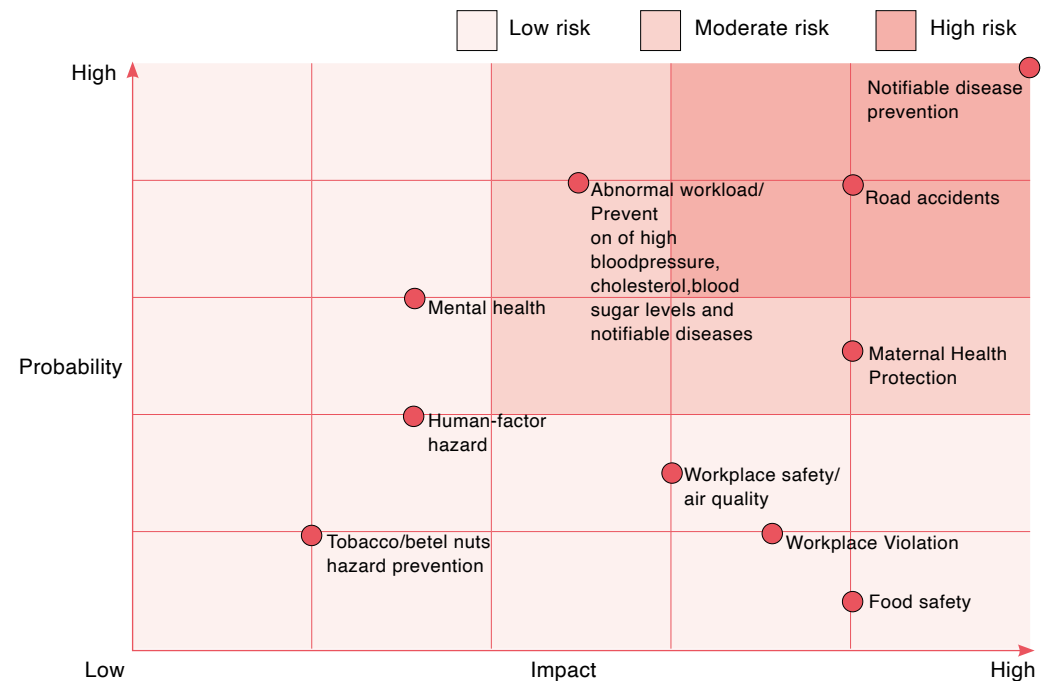
To familiarize every E.SUN employee with our safety and health management mechanism and occupational safety laws and regulations, we held the 1-hour long occupational safety and health education and training through the e-Learning+ platform this year, with the number of trainees totaling 7,688 people. All operating bases of E.SUN have at least one licensed occupational health and safety supervisor, one licensed emergency medical technician, and one licensed fire fighting management personnel, and the system is used to manage them. These personnel regularly participate in retraining courses to continuously improve their occupational safety knowledge and perception, and strengthen each unit's awareness of and attention to occupational safety.

Number of holder of valid license	Quantity
Occupational health and safety supervisor	294
First-aid personnel	330
Fire fighting management personnel	361
Total	985

■ OHS Governance Assessments

To effectively identify occupational risks, improve workplace safety, and promote health, E.SUN adopts questionnaires, self-inspection methods, and multidimensional communication channels in compliance with occupational safety laws and PDCA management practices to analyze the health risk matrix based on key indicators, including the results of four major protection plans, job type analysis, operating environment on-site visits, and health impacts. In addition to continuing to face the impact of the COVID-19 epidemic in 2022, the assessment focuses on the prevention of statutory infectious diseases and traffic accidents as high-risk issues. After analysis, the main reasons are due to the nature of the work and the high number of irregular field trips. As E.SUN employees mostly engage in long periods of static work and female colleagues are the majority, we remain committed to workplace safety measures and maternal health protection issues.

Health risk matrix diagram



■ Measure for workplace safety and healthcare issue

Impact		High
Risk issues	Notifiable disease prevention	Road accidents
Control measures	<ol style="list-style-type: none"> 1. General Manager convenes epidemic response team. 2. Development of epidemic prevention and emergency response plan. 3. Establish internal reporting mechanism. 4. Implement remote and work-from-home arrangements. 5. Flexible work arrangements for employee allocation. 6. Full pay for pandemic-related quarantine leave. 7. Full pay for COVID-19 vaccination leave (1-3 doses). 8. Providing rapid test kits. 9. Care and on-site support for confirmed cases among employees. 10. Group pandemic insurance. 	<ol style="list-style-type: none"> 1. E.SUN provides traffic safety courses for all employees. 2. Employees involved in traffic accidents are required to retake the traffic safety course. 3. An internal reporting system is established. 4. Individual health situations are monitored, and evaluations are conducted for employees to return to work based on their conditions. 5. E.SUN reduces non-essential field activities and offers full transportation fare subsidies.
2022 implementation outcomes	<ol style="list-style-type: none"> 1. 5,155 internal notifications in 2022, all employees tracked and cared for, with cases closed. 2. 6,286 quarantine leave applications in 2022. 3. 8,170 vaccination leave applications in 2022. 4. 4,487 employees cared for, 174 employees provided with on-site support services. 5. 8,007 group pandemic insurance claims, totaling NT\$73,863,833. 	<ol style="list-style-type: none"> 1. Traffic safety education and training are provided as compulsory courses, with 7,688 people completing them. 2. After a traffic accident, employees must retake the training. 109 people have completed this retraining, reducing the repeat accident rate by 1.3%. 3. The number of deaths due to traffic accidents is zero. 4. The number of injury cases is 20. 5. The amount of transportation subsidies provided is NT\$115,460,738.

Impact		Moderate
Risk issues		Maternal Health Protection
Control measures	<ol style="list-style-type: none"> 1. Providing a breastfeeding-friendly environment and equipment. 2. Holding maternal health lectures. 3. Implementing the "Maternal Health Protection Plan". 4. Providing maternity clothes, allowing flat shoes to be worn. 5. Providing E.SUN's Good Pregnancy - Mommy Handbook. 	<ol style="list-style-type: none"> 6. Better than legal maternity leave, prenatal leave, paternity leave, and accompanying prenatal leave. 7. Offering work-from-home, flexible and multiple working hours. 8. Providing re-employment assistance measures. 9. Offer Employee Assistance Program (EAP) psychological counseling services.
	<ol style="list-style-type: none"> 1. Set up simple nursing rooms in branches nationwide. 2. In large financial buildings, nursing rooms are equipped with bottle sterilizers, breast milk refrigerators, bottle cleansers, access control systems, and dedicated maintenance personnel for increased safety. 3. Hold a lecture on "Workplace Breastfeeding and Life Adjustment" at the headquarter building. 4. Distribute maternal health protection questionnaires to pregnant employees, those who have been pregnant for less than one year, and those who continue breastfeeding for more than one year. In 2022, 121 questionnaires were distributed, with content analyzed by National Taiwan University physicians. One employee received a job adjustment, and the rest were determined to have no relevant risks. 	<ol style="list-style-type: none"> 5. Provide maternity wear and send the "E.SUN Pregnancy - Mother's Handbook" upon request. 6. There were 317 maternity leave applications in 2022. 7. In 2022, 1,279 employees have flexible and multiple working hours. 8. The return rate after childcare leave in 2022 is 91.54%. 9. In collaboration with the Chinese Psychological Therapeutic Research and Development Foundation, there were a total of 32 psychological counseling consultations in 2022.

Impact		Moderate
Risk issues		Prevention of high blood pressure, high cholesterol, and high blood sugar, and abnormal workload
Control measures	<ol style="list-style-type: none"> 1. Hosting various health promotion lectures and activities 2. On-site consultation services provided by National Taiwan University Hospital physicians 3. Implementing four major protection plans 4. Providing paid leave for follow-up medical appointments 5. Medical room equipped with blood pressure monitors 	<ol style="list-style-type: none"> 6. Health check-up system exceeding legal requirements 7. Establishing the E.SUN Sports Center 8. Subsidizing various sports clubs
	<ol style="list-style-type: none"> 1. Hosting annual sports events, with a total of 216 people participating in the E.SUN Summit event in 2022. 2. Organizing various health-themed lectures, such as workplace stress relief and positive communication, healthy eating, and gender mainstreaming, totaling 7 sessions. 3. Four major protection plans were implemented for a total of 2,117 participants, achieving a 100% completion rate. 64 people were interviewed. 4. E.SUN organized a "Healthy Weight Loss Program," in which 30 participants collectively lost 95.7 kilograms and reduced their waistlines by a total of 231.5 centimeters, an average of 3.19 kilograms and 7.7 centimeters per person. 5. E.SUN provided eight on-site consultation sessions with National Taiwan University physicians every month, and introduced "Webex Video" consultations. In 2022, a total of 96 sessions were held with 834 participants, and 90% of satisfaction survey responses were "satisfied" or above. 	<ol style="list-style-type: none"> 6. If health check results indicate abnormalities, and an attending physician from National Taiwan University Hospital recommends a follow-up, E.SUN provides leave for employees to seek treatment. In 2022, 11 high-risk abnormal health check cases were given leave for management and follow-up. 7. E.SUN offers better health check allowances and leave than legally required, with 3,302 health check completions in 2022, and a total subsidy amount of TWD 24,805,629. 8. E.SUN subsidizes various sports clubs, such as table tennis, badminton, basketball, yoga, and rhythmic clubs.

Health Risk control performance was affirmed by external affirmation

1. E.SUN is the winner of the 2022 National Occupational Safety and Health Award - Special Award for Labor Health, the only financial institution to receive this award.
2. Winner of the 2022 Work-Life Balance Award, the only financial holding company awarded.
3. E.SUN is the first financial institution in Taiwan to be certified for the ISO 45001 Occupational Safety and Health Management System, and passed the TOSHMS Taiwan Occupational Safety and Health Management System certification in 2022.
4. In 2021, E.SUN was awarded the "Healthy Workplace Award" in the Excellent Healthy Workplace Selection by the Ministry of Health and Welfare's Health Promotion Administration for the first time.
5. E.SUN has been certified as a "Healthy Workplace" by the Ministry of Health and Welfare's National Health Administration for the third time.
6. For two consecutive years, E.SUN has participated in the "National Occupational Safety and Health Week".
7. The Taipei City Government's Department of Labor awarded E.SUN with its first "Gender Equality in the Workplace Index Certification," repeating the honor in 2022.
8. Four large office buildings in Northern Taiwan have passed the "Excellent Breastfeeding Room Certification" issued by the Taipei City Government Health Bureau.
9. Large office buildings have passed the Taipei City Government Health Bureau's "AED Safe Place Certification."
10. E.SUN was honored with the Sports Administration of the Ministry of Education's "Sports Enterprise Certification" for the third time.

■ Creating a Healthy Workplace

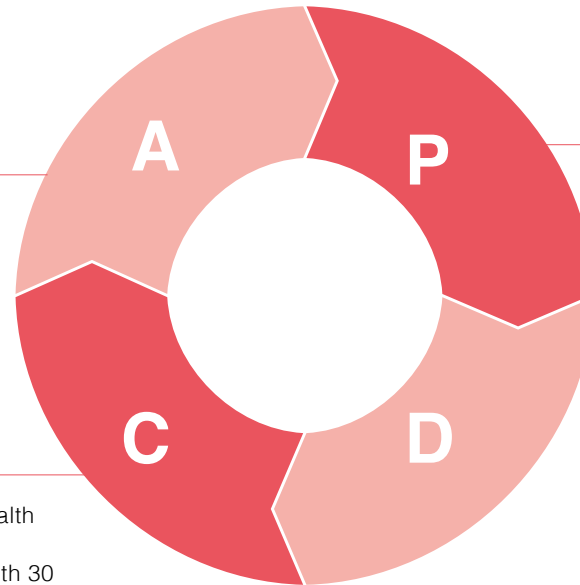
Each year, based on the analysis of employee health check abnormalities and epidemiology and questionnaire feedback, we further our employee health care measures. The PDCA circular management structure is used to continuously improve and create a healthy and friendly workplace.

ACTION

In the future, we will continue to improve employee care measures through systematic management methods and risk analysis of abnormal health checks become the strongest support for the health of colleagues in the workplace.

CHECK

1. Health Check: A total of 3,302 people completed health checks, with a subsidy amount of 24,805,629 NTD.
2. Health and Weight Loss Class: Organized 1 class with 30 participants, losing a total of 95.7 kg in weight and 231.5 cm in waist circumference, with an average weight loss of 3.19 kg and waist reduction of 7.7 cm per person.
3. Health Lectures: Organized various themed health lectures, such as workplace stress relief and positive communication, healthy eating, and gender mainstreaming.
4. National Taiwan University Doctor On-site Services: Organized 96 sessions, with 834 participants, and 90% satisfaction rate in the questionnaires.
5. CPR + AED Training Activities: 1,783 participants in 33 sessions.
6. COVID-19 Care for Diagnosed Colleagues: 4,487 people cared for, with on-site services for 174 people.
7. Long-term Sick Leave Care and Tracking: 31 people.
8. Hypertension, High Blood Sugar, and High Cholesterol Screening Activities: 163 participants.
9. Four Types of Cancer Screening Activities: 171 participants.
10. Psychological Counseling Services: 32 participants.



PLAN

Continue to optimize the system and measures; provide health promotion activities that best address employee needs.

DO

1. Provide health check subsidies and time limits that are superior to statutory requirements, in addition to an official leave.
2. If an employee has a health check abnormality, the employee will be offered an official leave for him/her to do a follow-up consultation.
3. 3-hour On-site consultation services given by NTU physicians 8 times per month.
4. Organized healthy slimming class activities
5. Organized CPR+AED Training activities
6. Organized health seminars on multiple topics
7. Conducted influenza vaccine administration sessions
8. Care and tracking for colleagues on long-term sick leave
9. Organizing screenings for hypertension, high blood sugar, high cholesterol, and four types of cancer
10. Providing psychological counseling services for colleagues (stress management at work)

5.3.1 Equal Work, Equal Pay; Diverse Communication Channels

GRI: 202-1, 2-23, 2-24, 2-25, 2-30, 405-2, 407-1

■ Gender equality policies

1. Equal remuneration

E.SUN's remuneration policy is based on the duties of employees and complies with labor laws and regulations, including the Republic of China Labor Standards Act, Act of Gender Equality in Employment, and Employment Service Act. Salary standards are not differentiated due to gender. In 2022, the difference between the annual remuneration of men and women of the same salary grade in Taiwan was insignificant. The average monthly salary of general male and female employees in Taiwan is twice the basic salary of Taiwan.

Female / male remuneration ratio in Taiwan in 2022 (Female : Male)		
Position level	Base salary	Annual remuneration
Executive	99:100	100:100
Management level	99:100	99:100
Non-management	98:100	98:100

Note1: The male/female remuneration ratio may differ slightly due to the number of individuals and personal performance.

Note2: Subjects included in this salary statistics table are full-time employees in Taiwan who have worked in E.SUN for no less than 1 year.

2. Embracing Gender Diversity

E.SUN has been long-term dedicated to promoting gender equality in the workplace, listening to diverse voices and suggestions, and actively supporting and protecting the freedom and rights of same-sex marriage, to ensure that employees and their same-sex spouses enjoy the same benefits, and is committed to creating a workplace free of discrimination. Since same-sex marriage became legalized in Taiwan, E.SUN has provided benefits and marriage subsidies to same-sex married employees, along with equal blessings. With the changing trends in social equality laws, E.SUN keeps pace with the times and implements Taiwan's national policy on gender equality by setting up gender-friendly restrooms in each of buildings. These restrooms provide convenient, secure, private, and fair facilities catering to the needs of people of diverse genders.

3. Sexual harassment prevention

To provide a safer workplace for employees, E.SUN focuses on workplace equality and gender equality protection, establishing the "Guidelines for the Establishment of Gender Equality Committee for E.SUN FHC and its Subsidiaries" and "Rules and Procedures for Sexual Harassment Prevention, Complaint and Punishment of E.SUN FHC and Its Subsidiaries" to clearly regulate complaint channels, complaint methods, investigation and review principles and penalties, and has announced the above regulations on the intranet. E.SUN has formulated a Sexual Harassment Complaints Review Committee. The chairman is Vice President or above, the committee is consisting of 9 committee members, and the proportion of female members is more than one-half. The investigation of a sexual harassment complaint incident shall commence within 7 days from the date the complaint was filed or referral was made to the Complaints Review Committee, and shall be completed within 2 months. In addition, E.SUN provides various channels for employees to voice their concerns and seek assistance when needed:

- (1) Dedicated sexual harassment complaint channels, including a hotline, fax line, and gender equality complaint mailbox.
- (2) The Sexual Harassment Complaints Review Committee conducts investigations based on objectivity, fairness, and professionalism, and imposes appropriate punishments according to the evaluation results.
- (3) Employee Assistance Programs provide counseling services.

Sexual Harassment Complaint Process

1. The complainant orally/written complains or the company is aware of the situation
2. Submitting/Notifying the Sexual Harassment Complaints Review Committee
3. Start investigation within 7 days
The investigation will be concluded within 2 months (the investigation may be extended for 1 month depending on the circumstances)
4.
 1. committee meeting resolution
 2. The result needs to be agreed by more than half of the members present
 3. If the parties need to apply for a reply, they must submit it within 20 days (only once for the same case)
5. Appropriately punish the perpetrator or the falsely accused complainant according to the circumstances
6. Complaint closed (same case shall not file another complaint)

■ Employee communication channels

E.SUN has always upheld the importance of paying attention to and listening to the voices of employees. E.SUN encourages employees to join the trade union and guarantees the freedom of association of employees; in 2022, the proportion of employees joining the trade union was 14.05%. A total of 4 labor-management meetings were held to discuss 10 topics, including workdays and holidays, special leave regulations, overtime procedures, flexible working hours, etc. The above-mentioned labor-management agreement applies to 100% of all employees, but no group agreement signed. E.SUN established a "CHRO Mailbox", "Employee opinion reflection/ reporting section" and "E.SUN employees message board" to better understand the concerns of employees and listen to their suggestions and voices. Including queries and suggestions respecting diverse issues such as pandemic control measures, personnel system, employee welfare, leader management.

■ 2022 Employee engagement survey

Target: All Employees

Purpose : To understand employees' feedback regarding the long-term development of E.SUN and plan subsequent improvement measures to address important proposals or trends.

Topics : Commitment to organization, career development, remuneration, performance management, satisfaction with human resource systems, etc.

Response rate : 88.4%

Engagement score : 84.98%

Survey result :

- (1) E.SUN communicates organizational development strategies with employees through knowledge sharing seminars, and sends out surveys afterwards to understand employees' job satisfaction, identification with the organization, and suggestions.
- (2) In 2022, due to interest rate hikes and market fluctuations, profits are not as good as in the past, which will affect some employees' variable compensation. Additionally, the implementation of the new assessment system has expanded the difference in variable compensation, and the comprehensive internal and external factors are reflected in the results of the engagement survey. After the investigation, E.SUN formulated the direction of improvement and held a company-wide opinion exchange meeting to directly respond to colleagues' questions.

Improvement measures:

- (1) Continue to benchmark the performance system of international benchmark enterprises, improve the transparency of performance evaluation, and give colleagues instant feedback Communication, specific feedback and coaching.
- (2) Expand the difference in rewards according to job responsibilities and performance, which can better motivate those who perform well.
- (3) In response to the interest rate hike cycle, in order to meet the needs of employees to buy houses, the interest rate on employee mortgages has been reduced.

Results achieved through diverse communication channels

Communication Channel	Number of applications
CHRO mailbox	20
A special section for employee opinion reflection Including the mentorship mailbox; the reporting mailbox; and the complaint mailbox for gender equality issues and workplace bullying	6
E.SUN employees message board	330

Employee engagement rate

	2019	2020	2021	2022
Male	96.79%	95.86%	92.11%	84.55%
Female	97.04%	96.31%	93.66%	85.34%
Management	98.88%	98.61%	96.26%	92.86%
Non-Management	95.93%	94.80%	91.50%	81.22%
Under 29	-	93.90%	90.13%	80.86%
30-50	-	97.23%	94.03%	85.95%
Over 51	-	99.78%	98.85%	96.91%
Total	96.93%	96.10%	92.97%	84.98%
Response rate	87.20%	75.50%	85.20%	88.40%

Note: In 2020, employee engagement age categories are divided into below 30 years old, 31-50 years old, and above 51 years old.

Seeking Common Good

Taiwan, Formosa, our most beautiful home. E.SUN endeavors to become a world-class corporate citizen, creating a sustainable operating environment, starting from within, and combining the strength of our employees, customers, partners, and society to invest in ecological conservation, academic education, social participation, humanities & arts, fitness development and other fields. Harkening to the voice of the environment and society and continuing to write the story of this land.

6.1 Natural Environment and Biodiversity Preservation

6.2 Social Inclusion

6.3 Sustainable Operating Environment



6.1 Natural Environment and Biodiversity Preservation GRI : 2-23, 2-24, 2-25, 3-3

E.SUN supports the Convention on Biological Diversity, and promotes sustainable ecological development to fulfill the United Nation's sustainable development goals (SDG 13 Climate Action, SDG 14 Life Below Water, and SDG 15 Life on Land). E.SUN's sustainable ecological development strategy comprises of 3 focuses: species conservation, habitat conservation, and environmental sustainability. E.SUN believes that actions must start from within, and takes the initiative to respond to environmental engagement and employee environmental activities initiatives worldwide and nationwide. In 2022 we joined the Taskforce on Nature-related Financial Disclosures (TNFD), further expanding our sustainable finance assessment to include nature and biodiversity topics, taking action for Taiwan's natural beauty and a more sustainable world.

■ 2022 Main Achievements

Species Conservation

- 「Sea Turtle Conservation Project」 – Nursed 46 turtles to health and released 10 back to the wild in total since project began.
- 「Polar Bear Environmental Education Project」 – 20 events held with over 2,200 participants since project began.
- 「Formosan Black Bear Conservation Project」 – 73 events held over 11 consecutive years in partnership with Taipei Zoo.
- 「Xinyi Township Millet Cultivation Revival Plan」 – Started millet cultivation in Xinyi Township Heshe Plant Nursery (0.35 ha) and Tungpu daigaz (0.15 ha), helping restore 28 disappeared native species.

Habitat Conservation

- 「E.SUN-NTU ESG Centenary Project」 – Cultivated and planted 10,000 native-species trees in partnership with NTU.
- 「E.SUN Maravi Rice Project」 – Protecting biodiversity through promotion of organic farming and industry transformation, 340 tons of organic rice have been purchased since project began.
- 「Plant a tree, Plant a life」 – For four consecutive years, we have worked with the Forestry Bureau to promote the national forest and coastal forest planting project, and have planted 40,000 native tree seedlings.
- 「Beautiful Taiwan, Smiling E.SUN」 environmental cleanup- 6,866 participants in total
- Adopting trails in Yushan National Park– Maintaining around 260 km of hiking trail facilities and cleanliness in the park.

Environmental Sustainability

- 「Earth Hour」 – We are the exclusive assisting organizer for "Earth Hour" that was started by The Society of Wilderness (SOW) and the World Wildlife Fund (WWF).
- 「World Car Free Day」 – Encouraged customers to "Live Green" in response to global initiatives. E.SUN Easy Card Co-branded card holders took around 360 thousand YouBike trips monthly.
- 「Summer Solstice Lights Out」 – In response to the SOW's lights out event, we volunteered to turn off signage lights during summer, saving 444,980 kWh of electricity which is equivalent to 226.5 tons of carbon emissions.
- 「Green Cycling Day」 – A cycling event in collaboration with Discovery, with 1,000 people riding 24.8 km across two cities, saving 1.5 tons of emissions.



6.1.1 Species Conservation

■ Sea Turtle Conservation Project

We collaborated with the National Museum of Marine Biology and Aquarium (NMMBA) for 4 consecutive years in the "Taiwan Marine Environment Protection – Sea Turtle Conservation Project", which is divided into four series: "Injured sea turtle rescue", "Sea Turtle Wildlife Release", "Field Trip Education", and "Secret Cape nature tour", with over a thousand participants. A total of 46 turtles were treated and 10 were released back into the wild over the course of the project as well.

The five Sea turtles species that are seen around Taiwan include Green Turtles, Hawksbill turtles, Olive ridley sea turtles, Loggerhead turtles, and Leatherback turtle.



Wildlife Released Turtles in the past 4 years :

Turtle Species \ Year	2022	2021	2020	2019
Green turtle	2	1	1	3
Hawksbill turtle	-	-	-	1
Olive ridley sea turtle	-	-	-	2
Total	2	1	1	6

The Sea Turtle Conservation Project Series 1: Injured sea turtle rescue

We established the Sea Turtle Medical Station since 2020. For 3 years in a row, we provided funds for medical devices/treatment and food so that injured sea turtles could receive great care.

The Sea Turtle Conservation Project Series 2: Sea turtle wildlife release

We invited the public to NMMBA's wildlife shelter to observe the facility and care sea turtles receive. Staff vets were then arranged to educate the visitors on how to help rescue a stranded or injured turtle. After the lesson, they are further invited to participate in the turtle release event.

The Sea Turtle Conservation Project Series 3: Field Trip Education

At the 3rd Taiwan Science Festival jointly organized by the Ministry of Education and the National Science and Technology Council (NSTC), the NMMBA held the "City meets Aquarium" exhibit at the Tainan Art Museum. The "Marine Conservation showcase" portion displayed the recent results of E.SUN's collaboration with the NMMBA, increasing the public's knowledge of marine life. 10 elementary schools in the Tainan area were invited to take field trips to the exhibit along with E.SUN volunteers, teachers, and 30 students from ShenGong Elementary School under the E.SUN Golden Seed Project.

The Sea Turtle Conservation Project Series 4: Secret Cape Nature Tours

Using sea turtles as the central theme, the event includes learning about the difficulties sea turtles around the world face, turtle conservation arts and crafts, viewing the specimen collection at NMMBA, and in-person observation of work done at the sea turtle shelter.



■ Polar Bear Environmental Education Project

February 27th is the annual International Polar Bear Day. For three consecutive years, E.SUN has cooperated with the Museum of Natural Science (NMNS) to launch a series of polar bear conservation events. Around 2,200 people attended a total of 20 events, which included two major activities: "Polar Bear Environmental Education Talks" and "A Snapshot of Polar Bear Life Art Competition". The goal of these events is to raise social awareness about the environment and the survival of polar bears.

Polar Bear Environmental Education Talks

Environmental educators certified by the EPA are invited to give on-site lectures in schools and communities. In the climate change teaching activity, the lecturer shares the history of the earth's climate change and leads the students to reflect on the causal relationship between human economic activities and the environment. In the storytelling activity, children were given a lively reading of the picture book "Winston of Churchill – One bear's battle against global warming", so that they can understand the impact of global warming on the habitat of polar bears and act in more eco-friendly ways in their daily life.



Polar Bear Environmental Education Talks

A Snapshot of Polar Bear Life art competition

Using "From now on, there is one more polar bear" as the theme, we invited the general public to use recyclables such as cardboard and packing material to create art displays of polar bears. Through co-creating process, we help children to cultivate a positive attitude towards ecological conservation and brainstorm ideas towards slowing global warming through arts and crafts, and building their ecological awareness from a young age. Out of 21 submissions, 6 excellence awards and 3 people's choice awards were given. The awarded works were displayed at the NMNS service center from the 15th to 28th of February, 2022.



"A Snapshot of Polar Bear Life" competition awarded works. Titles : "Lost Hunting Grounds", "A Polar Bear Searching for its Snowman", "Save the Polar Bears", and "Give Back My Icebergs"

■ Formosan Black Bear Conservation Project

The Formosan black bear is Taiwan's sole native bear species. The preservation of this species in Taiwan not only means their survival, but also implies protecting the integrity of Taiwan's forest ecosystems and overall biodiversity. Since 2012, E.SUN FHC has been working with Taipei Zoo to promote a series of black bear conservation activities. In 2014 we launched the Black Bear Affinity Card and invited our customers to support the conservation of Taiwan's native species.

Issuance of Taiwan's first credit card combining conservation and environmental concept—the "Black Bear Affinity Card."

E.SUN Bank worked with Taipei Zoo to issue Taiwan's first CSR credit card that incorporated environmental conservation concepts—the "Black Bear Affinity Card". 0.2% of the transaction amount goes to an animal conservation fund when using this card. This fund has totaled NT\$10 million in donations to Taipei Zoo, and has been used for black bear conservation, habitat protection, restoration of Taiwan's native species, and environmental education programs. Customers who use the "Black Bear Affinity Card" to make donations to Taipei Zoo, Taiwan Black Bear Conservation Association, Animal Protection Association of the ROC, and Taiwan Environmental Information Association also receive triple bonus points.

The first animal conservation specialty branch in Taiwan "Black Bear Branch"

E.SUN Bank's Hualien Branch utilizes unique local features and dedicates its efforts to promoting animal conservation and biodiversity. Visitors will immediately see the black bear mascot when they walk into the branch's lobby, and the waiting area has an audiovisual section that plays a documentary of E.SUN caring for bears produced by Yushan National Park Administration. There is also a black bear knowledge corner that provides an abundance of information on the conservation of Formosan black bears. The ATMs are wrapped in adorable pictures of the bears, in hopes to raise awareness of animal conservation and knowledge in customers and local communities.

Promotion of Formosan black bear conservation education

For 11 years, E.SUN and Taipei Zoo have jointly promoted the conservation of Formosan Black Bears with 73 events held since. In 2022 we supported the "Night Safari in Taipei Zoo" event. Through activities such as Zookeeper Story time and BB Keeper's Talk, people were introduced to the habits and living environment of the Formosan black bear and given deeper knowledge on ecological conservation.



■ Xinyi Township Millet Cultivation Revival Plan

We helped restore 28 species of millet in Xinyi Township, Nantou County in collaboration with NTU. Through their professional work, the millet seeds were brought back from the US germplasm bank and cultivated, starting in Heshe Plant Nursery (0.35 ha) and Tungpu daigaz (0.15 ha), thus reviving the millet industry of the aboriginal Bunun people.



6.1.2 Habitat Conservation

■ "E.SUN–NTU ESG Centenary Project"

In collaboration with NTU, we will plant native conifers such as the Taiwan Red Cypress, Formosan Hinoki, Cryptomeria-like Taiwania, Taiwan Incense Cedar, and Formosan China-fir in the Yushan mountain range. 100,000 trees are expected to be planted within 10 years beginning in 2022, totaling 50 hectares in area. The forest is expected to absorb 242 thousand tons of Carbon Dioxide over the course of a century, equivalent to the annual absorption of 617 Daan Forest Parks. After growing and thinning, 25 thousand trees will be kept to grow over a century, laying the foundation for soil and water conservation, with carbon sequestration and circular economy benefits. In 2022, there are 11,611 trees which are native species were planted.

■ E.SUN Maravi Rice

E.SUN has been supporting the "E.SUN Maravi Rice project" for 9 consecutive years along with Yushan National Park, encouraging local farmers to adopt organic agriculture for sustainable food production and protect biodiversity. E.SUN acquired 340,000 kg of Maravi Rice in total and further found extremely rare native fish Aphocypris Kikuchii in the paddies.

■ "Beautiful Taiwan, Smiling E.SUN" environmental clean-up activity

We have organized environment cleaning and beach cleanups under the "Smiling E.SUN" event for 13 consecutive years since 2010. In support of World Cleanup Day, we organized street cleaning around business locations and beach cleanups from April 27th to November 19th. We organized a total of 165 cleanups with a total of 6,866 volunteers, taking action to reduce plastic and waste and protect our beautiful homeland.

■ Adopting trails in Yushan National Park

We have adopted and maintained 260km of trails in Yushan National Park trail for 14 consecutive years. We use this opportunity to promote conservation and environmental education, and encourage E.SUN employees to participate and work together to protect the environment.

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

In order to reduce habitat loss, E.SUN has been jointly promoting the "Plant a tree, Plant a life" for 4 consecutive years in collaboration with the Forestry Bureau. In 2022, the bank as well as coastal forests with a total area of 26.13 hectares. Planting 10,005 saplings of native tree species, including Formosan Ash, Blue Japanese Oak, Formosan Sweet Gum, Formosa Acacia, Red Nanmu, Mori Cleyera, and Taiwan Gordonia, totaling over 40,000 trees planted from 2019 to 2022. In March and October of 2022, E.SUN Management team led E.SUN volunteers to plant trees in national forest site in Keelung City and costal forest site in New Taipei City, putting in our effort for the environment and enriching local biodiversity.

"E.SUN Visa Signature", Taiwan's first charitable card with an emphasis on environmental awareness

In 2009, E.SUN Bank introduced the first charitable credit card with an emphasis on environmental awareness, the E.SUN Visa Signature card. We continue to invite cardholders to participate in the "Plant a tree, Plant a life" project, and feedback to this land through tree planting. We encourage Visa card members to apply for electronic bills or mobile bills, and donate 0.2% of each transaction amount for tree planting programs. We've planted 40,000 trees under this project.

Adopting Bus Stops to Communicate the Importance of Protecting Nature

We adopted Hutienqiao Bus Stop near the forestation site of "Plant a tree, Plant a life" project for 3 consecutive years. The unique design of green leaves and an adorable Formosan black bear symbolizes life and growth in nature, while also showing E.SUN's efforts to restore the Formosan black bear and plant trees for the planet. More importantly, we hope that the interesting design will allow parents and children who visit this place to check in and take photos and also cherish the natural environment!



6.1.3 Environmental Sustainability Initiatives GRI G4 Financial Services Sector : FS4

■ Earth Hour

For 11 consecutive years, E.SUN has responded to the Earth Hour environmental conservation activity initiated by The Society of Wilderness (SOW) and the World Wildlife Fund (WWF), and has moreover been the main assisting organizer in Taiwan for four consecutive years starting from 2019. In 2022, from March 25th to 27th, E.SUN took part in this activity by turning off signboard power at all domestic and overseas branches. Customers, employees and suppliers were also invited to respond by turning off their lights for one hour through ATMs displays, the E.SUN official website, the E.SUN Lucky Cats Facebook fan page, and branch posters. E.SUN also sponsored "What! Climate Change is Real" lectures 11 times on climate change, eco-friendly eating, and energy conservation to draw public attention to climate change and teach different aspects of green living in hopes for more action for a sustainable environment.

■ World Car Free Day

We've participated in World Car Free Day for 13 consecutive years. In 2022, we partnered with YouBike to promote low-carbon transportation, such as walking and taking mass transportation, to our customers and employees, cutting our collective carbon footprint and protecting the Earth. Around 36 thousand YouBike trips per month are taken by E.SUN cardholders.

■ Summer Solstice Lights Out

We participated in the "Summer Solstice Lights out" event started by The Society of Wilderness, turning off lights during summer when electricity consumption is at its peak for 6 consecutive years. Lights were turned off for 100 days for the first 4 years. After realizing the urgency of energy conservation in 2021, we started the event earlier and extended to turning off lights for 130 days from July 1st to November 7th, with all 139 branches around Taiwan participating. We saved a total of 444,980 kWh over 6 years, which is equal to reducing carbon emissions by 226.5 tons.

■ Green Cycling Day

We partnered with Discovery to launch Green Cycling Day, gathering 1,000 participants to ride 24.8km across Taipei and New Taipei City. Starting from Jiangzicui Riverside Park, passing Shezi Daotou Park, and arriving at Dajia Riverside Park, saving 1.5 tons of emissions along the way. At the finish we held a green fair event with music performances, Eco-tribe bazaar, and a green marketplace. In the Eco-tribe bazaar, second-hand items were sold to promote item reuse; the green marketplace included green vendors, repurposing crafts, and bicycle food stalls to further promote green living.



6.1.4 Employee Environmental Activities

■ "E.SUN Environment and Energy Saving Education Day" on the 13th of every month

Environmental volunteers of each department promotes knowledge of environmental protection on the 13th of every month and educational material is regularly displayed on our e-Learning platform. Also, the 13th day of every month is also cleaning day, where employees would clean the office environment to put the 4R concept- Reduce, Reuse, Recycle, and Refuse into practice.

■ Resource Circulation and Charity Sale

For 11 years in a row, we have held the "Resource Conservation Charity Sales Event", which includes a silent auction for second-hand and brand new items to help squeeze more out of existing resources. In 2022, over 4,500 volunteers and colleagues who participated in the event donated a total of 7,829 brand new and second-hand items. In addition, all proceeds from the charity events were donated to the "Care for Schoolchildren Program". In 2022, the charity event raised over NT\$8 million, directly helping cover the first semester costs of more than 3,500 elementary school students. Part of the money was also invested in the "E.SUN Family Care and Outstanding Children Award" for the care of E.SUN employees and their families.

■ 13-Book Lovers: Magazine circulation day

In order to realize E.SUN's environmental protection spirit, the "13-Book Lovers: Magazine circulation day activity" has been held at E.SUN Headquarter buildings. In order to effectively achieve the goal of resource sharing, we collected magazines that various departments had subscribed to (or had received as donations), along with employees' own books, magazines, CDs, and DVDs, which were made freely available to all employees. We collected a total of 2,714 items in 2022, and circulated 1,580 items, for a circulation rate of 58.21%.

■ E.SUN Vegetarian Day on Mondays

Vegetarian meals are served every Mondays in the employee canteen. This not only encourages employees to consume less meat and eat more vegetables but also reduces the production of carbon dioxide from the animal husbandry industry. This effort has been supported by about 1,361 E.SUN employees every week, reducing carbon emissions by roughly 49.97 tons CO₂e. (Note: Switching to a vegetarian diet saves 780g CO₂e of carbon emissions per person according to the EPA)

Month	2022 Environment Education Topics
January	Less-Plastic Living
February	International Polar Bear Day
March	Less Plastic for Our Oceans
April	Creating a Green Living Space – Green Buildings
May	Taiwan's 2050 Net-zero Pathway
June	Storage Trends Under Energy Transition
July	The Trash Crisis Under the Pandemic
August	Examining the impact of the international situation on "climate" from the Russian-Ukrainian War
September	Hydrogen Economy
October	"Bring-along, Reuse, Reduce" the movement for low plastic living
November	COP27 United Nations Climate Change Conference
December	Water and Energy, Inseparable Duo



6.2 Social Inclusion GRI: 203-1, 203-2, 413-1; GRI G4 Financial Services Sector Disclosure: FS7

Seeing E.SUN, Seeing Taiwan

E.SUN Awards- Beyond Borders and Ethnicities, Promoting True Beauty through Finance

With a deep love for our homeland, celebrating 30th anniversary by conveying the beauty of Mt. Jade through the brushwork of artists.

72 participating countries, breaking through the pandemic and transcending borders with artistic communication

In everyone's heart, there is a Mt. Jade. What does Mt. Jade in your heart look like? Is it full of blooming azaleas, surrounded by clouds and seas, or is it as white as jade? As E.SUN turns 30, we cherish the land of Taiwan and organize the 'E.SUN Awards' event, with categories such as 'General Public Group', 'Student Group', and 'Foreigner Group'. A total of 2,022 artworks were submitted, including 72 countries from five continents. After careful selection, 27 outstanding award-winning works were chosen for a touring exhibition. Through the creativity and brushwork of artists, we not only see the impressions of Mt. Jade in the eyes of Taiwanese and foreign artists, but also let this symbol of Taiwan's spirit reach new heights, breaking through the barriers of cross-border movement during the pandemic and bringing new hope to the post-pandemic world.

Encouraging cultural and artistic creation, promoting true beauty through finance

The Social Group's first prize went to Shian-Wen Hu's work 'Worship', which realistically portrays a young girl's aspirations, symbolizing her determination to reach the peak of her life despite hardships. The Student Group's first prize was awarded to Pin-Si Lin, a student at Tsinghua University, for her work 'You and the Beauty You Don't Even Know', which depicts the unique flora and fauna nurtured by Mt. Jade, such as Taiwan Alpine Rhododendron, Single-Seed Juniper, Formosan Sambar Deer, and Formosan Salamander, highlighting the protective image of Mt. Jade's abundant life force. Hai-Hui Wang from New Zealand, whose work 'The Treasures of Yushan' uses a jewelry box filled with precious gems as its theme, with Mt. Jade being the precious jade treasure stored within, holding valuable history, memories, and wealth, won the Foreigner Group's first prize. Mt. Jade, the highest mountain in Taiwan, is fresh, magnificent, and most beautiful. In the E.SUN Awards' works,

we see the beauty of Taiwan's land, infused with the artists' emotions, knowledge, and creativity. The diversity of Mt. Jade's natural landscape and the vitality of Taiwan's native flora and fauna are the focus of many works. E.SUN Bank has long been committed to art, culture, and music, striving to make Taiwan even better. Through the 'E.SUN Awards' event, we not only provide assistance and opportunities for artists' creations but also encourage artistic talents to continue moving forward. We also hope to raise awareness of the protection of natural ecosystems and the appreciation of Taiwan's rich natural resources through art, contributing to sustainable development and making the world a better place.



6.2.1 Social Inclusion Strategy




"E.SUN people become world-class citizens; E.SUN Bank becomes a world-class corporate citizen"

E.SUN Financial Holding Company responds to the United Nations Sustainable Development Goals (SDGs) and the National Sustainable Development Committee of the Executive Yuan's 'Taiwan Sustainable Development Goals' by identifying, prioritizing, selecting appropriate goals, and initiating actions. E.SUN starts from corporate strategic direction and core business operations, identifying the highest relevance, including 'Quality Education' and other 8 items. Furthermore, according to the 'Taiwan Sustainable Development Goals', E.SUN discloses relevant results based on corresponding goals, supporting national sustainable development and actively practicing corporate social responsibility.

Identify the priority order of SDGs

Measures and performance evaluation

Reporting, integration, and action

Key Response Targets	Business Drive	Stakeholder Engagement
<p>4 Quality Education</p> 	<p>Talent is a leading indicator and a key indicator. E.SUN believes that if a company wants to achieve sustainable operation and a country's future to be filled with competitiveness, the most important thing is talent cultivation. From rural primary schools, higher education, to corporate learning, E.SUN supported the improvement of education quality through practical actions. We launched the Golden Seed Project to build libraries for resource-poor primary schools, improving reading environments; through industry-academia cooperation, campus competitions, and cultivating outstanding talent scholarships, we support key talents in various fields in Taiwan, enriching the nation's intellectual capital; by combining the strength of top universities in Taiwan, we issue the E.SUN Academic Award, affirming professors' research achievements published in top academic journals, and cultivating more outstanding scholars and excellent students; organizing international master forums, introducing international top strategic, marketing, and management knowledge, and jointly stimulating innovative thinking with Taiwanese enterprises, finding new paths for growth and enhancing Taiwan's competitiveness.</p>	<p>Since there were no large-scale library renovation projects for rural schools by private enterprises in Taiwan before this project, E.SUN did not have references to follow. However, the determination to create libraries for rural primary schools was so strong that we discussed with children's reading education experts, school teachers and principals, and design companies to create a suitable library structure for children. After the completion of the E.SUN Library, E.SUN continues to exchange opinions with schools, regularly visit the site for understanding, maintenance, repair, and renewal, allowing teachers and students to make better use of the library, and making every new library better in the future.</p>
<p>8 Create Decent Work and Economic Growth</p> 	<p>Banking is not only a credit business for managing financial risks, a service business for meeting customer needs, but also an innovative business leading social development and a public business pursuing economic benefits. E.SUN actively develops financial technology, assists small and medium-sized enterprises in obtaining capital and transformation, and brings new momentum to economic growth. While pursuing external development, we also focus on internal stability. E.SUN values employee training and protection. We believe that employees are the most important assets of a company. With a comprehensive career blueprint and welfare system, we create a good working environment and hope to become a second home where employees are happy and united.</p>	<p>E.SUN has long-term cooperation with government resources, vigorously promoting the 'SME Credit Guarantee Fund' guarantee financing business, and also working with government agencies to develop policies, assisting SMEs in obtaining crucial operating funds. In addition, E.SUN actively explores high-quality potential enterprises, through interviews, in-depth investigations, and sharing successful experiences, guiding enterprises to participate in national-level awards, improving the quality of enterprise operations, and assisting in growth transformation.</p>
<p>3 Health and Well-being Good health and well-being</p> 	<p>Health is the foundation of happiness and the key to the sustainable operation of nations and enterprises. With the aging trend in Taiwan, the demand for medical resources is growing, and medical personnel are beginning to face a shortage of manpower. E.SUN not only donates medical supplies and initiates blood donation activities but also collaborates with academic institutions to cultivate the nursing talents needed by society, enhancing Taiwan's social health care capacity. At the same time, E.SUN also leverages its experience in developing financial technology to assist hospitals in digital transformation and provide customer service courses, making it easier for the public to access high-quality medical services and resources. On the other hand, E.SUN regularly cooperates with hospitals to hold free medical consultation activities and home medical services, helping more patients with mobility difficulties or living in remote areas to receive proper medical care and maintain a healthy life. E.SUN continues to invest in the health and medical fields, combining more cross-border forces, hoping to create a healthier and better society together.</p>	<p>In the home dental care service project, E.SUN cooperates with the National Association of Dentists of the Republic of China, actively communicates with dentists, and assists in providing resources needed for remote consultation, home medical services, etc. At the same time, through remote schools and patient feedback, more volunteer manpower is mobilized, and suitable equipment is donated to help dentists go deep into remote areas, improve mobile medical capabilities, and allow remote residents to receive better oral care and health.</p>

6.2.2 Academic Education

Focusing on English Education in Rural Areas: Encouraging Students to Speak English

In response to the wave of globalization and the government's 2030 bilingual national policy, E.SUN aims to enable children to read English from an early age, allowing them to explore a broader world, understand the thoughts and concepts hidden behind another language and text, and experience diverse cultural perspectives. This will help children become global citizens with a global vision.

We target resource-poor, remote areas and non-urban schools to transform their libraries. In addition to providing a good reading environment, we continuously consider how to exert a greater impact and change the challenges faced by rural areas. During our visits to libraries, conversations with principals revealed the difficulties rural students face in learning English. We found that 80% of fifth-grade students in one school were unable to write the 26 English letters, let alone possess listening, speaking, reading, and writing skills. English proficiency deeply affects children's academic

learning and future development. E.SUN strives to create a high-quality English learning environment for rural children, building a bridge for them to explore the world.

In recent years, we have continuously introduced high-quality bilingual children's books, purchased English books, provided digital online reading tools and resources, and cultivated E.SUN volunteers' professional learning opportunities. We also visit E.SUN libraries to tell stories and accompany children in learning English. Furthermore, to systematically implement this project, E.SUN collaborates with Dunhuang Bookstore, Professor Chen Chaoming, and the International Talent Development Association to carry out the 'English Hand-in-Hand Project' and the 'English Reading Companion Project,' recruiting passionate teachers and college students to teach English in rural areas. Our goal is to change children's worlds through English and reading, immerse them in

a reading environment, enjoy learning, develop English learning abilities, and enrich the future competitiveness of disadvantaged students, planting seeds of knowledge that will grow into Taiwan's future hope.

To date, 152 angel teachers and college students have joined E.SUN's rural English project, serving more than 2,700 students in 31 schools. Teachers and college students use students' after-school or early self-study time to visit schools and provide English guidance, dividing classes according to different age groups and abilities, using fun and engaging methods to motivate children to learn, and recognizing words, sentence patterns, and simple conversations through games, building confidence and laying a solid foundation for future English challenges. In addition, through E.SUN volunteers' self-planning, participation in project meetings, and school visits, they not only give back to society but also learn gratitude, compassion, and self-realization.



Item	Content	Achievement
English Hand-in-Hand Project	Since the project's launch in 2019, starting from resource-poor Jiayi County and Yunlin County, we have invited English teachers to provide after-school guidance in rural primary schools. To further expand teaching capacity, we collaborated with the Taiwan International Talent Development Association in 2022, adopting the concept of 'home tutoring for rural children,' allowing college students to accompany children in learning English and jointly striving to create a better English learning environment.	<ul style="list-style-type: none"> In 2022, more college students joined the teaching team, serving areas in Keelung City and New Taipei City. A total of 163 classes have been set up, benefiting 2,734 rural students in learning English with an open heart.
E.SUN Golden Seed Project	Since 2007, combining the efforts of E.SUN, its employees, and clients, we have donated a portion of the annual fees from E.SUN World Cards and domestic card transaction amounts to establish E.SUN libraries in rural or resource-poor areas, continuously sowing the seeds of knowledge.	<ul style="list-style-type: none"> In 2022, 6 new E.SUN libraries were added, providing better reading environments for children and residents in rural areas. Over 200,000 World Card holders have participated, completing a total of 173 E.SUN libraries, donating 450,000 books, 108 book sterilization machines, and benefiting over 115,000 children.
E.SUN Academic Award	To encourage top-notch academic research and promote domestic management research and international connections, the E.SUN Academic Award was established in 2010, rewarding professors who have published papers in the TOP3 international leading journals in different management fields.	In collaboration with National Taiwan University, National Chengchi University, National Tsing Hua University, National Chiao Tung University, and 11 other benchmark universities' business schools, the E.SUN Academic Award has been established, with a total of 68 teachers receiving the award.
Climb a Story Mountain Reading Promotion Project	Since 2019, to cultivate more reading promoters who enjoy storytelling, the 'Climb a Story Mountain' reading promotion project has been launched, including publishing 'Taiwan Original Picture Book Stories', organizing 'Storytelling Volunteer Training Courses', 'Story Travel Box Workshops', and 'Storytelling Reading Promotion Services - Visiting E.SUN Libraries'.	<ul style="list-style-type: none"> In 2022, 2 new Taiwan original picture book stories were published, with 2,000 copies printed, and the first 13 episodes of the Podcast 'Travel with Stories' were recorded. Cumulatively published 18 original Taiwanese picture books, printed 16,000 copies, held 217 storytelling workshops, picture book travel box workshops, and reading activities, benefiting 6,890 participants.
Picture book creation workshop	Since 2017, E.SUN has encouraged students to create picture books, promoting the continuation of picture book education. E.SUN supports the National Public Information Library's 'Dream Picture Book Database', collecting student-created picture books and organizing 'Picture Book Creation Workshops' to inspire and facilitate communication.	<ul style="list-style-type: none"> In 2022, 85 new original picture books were collected, with 320 teachers and the public participating in the picture book creation workshops. Cumulatively collected 1,323 original picture books, with 750 teachers and the public participating in the picture book creation workshops.
Kehua Online Digital Reading Research Competition	To cultivate students' digital reading, collaborative learning, and research skills, E.SUN has supported the Taiwan Reading Culture Foundation's 'Kehua Online Digital Reading Research Competition' since 2020, encouraging students from grades 4 to 9 in public and private schools across Taiwan to participate and achieve self-directed learning goals.	<ul style="list-style-type: none"> In 2022, 651 student teams from elementary and junior high schools across Taiwan participated, with 2,368 students registering. Cumulatively, 1,732 student teams from elementary and junior high schools across Taiwan participated, with 6,288 students registering.
E.SUN Artificial Intelligence Open Challenge	E.SUN is committed to financial technology innovation and has been organizing the AI Talent Competition since 2019, attracting outstanding talents interested in the AI field. Through continuous competitions and exchange platforms, more AI talents are cultivated in Taiwan. This year's competition theme is 'Suspicious or Not? - Predicting Suspicious Money Laundering Transactions', aiming to accurately identify suspicious transactions through the application of artificial intelligence technology and professional experience, contributing to a well-regulated and healthy financial environment in Taiwan.	<ul style="list-style-type: none"> In the 2022 Winter Competition, 684 teams with a total of 1,250 participants have registered. By the end of 2022, a total of 8 AI Open Challenges have been held, attracting 6,327 teams and over 10,000 participants.

6.2.3 Social Participation

■ Donating medicine delivery vests to support pharmacists in safeguarding public health

E.SUN Bank has long been dedicated to medical public welfare activities, continuously delivering love and care to those in need by collaborating with various sectors. In response to the national pharmacists' efforts in implementing real-name registration for masks, rapid screening, home delivery of medicines for mild patients, and drug education, E.SUN donated public welfare vests to enhance the recognition, cooperation, and support of remote residents towards pharmacists. When pharmacists wear vests with the 'Medicine Delivery Pioneer' LOGO, they can deliver medicines more efficiently, convey the concept of safe and correct medication, ensure public health, and jointly solve the problem of obtaining medicines for residents in remote areas with inconvenient transportation.

E.SUN also cooperates with the National Association of Chinese Pharmacists and the National Association of Pharmaceutical Students to issue exclusive 'E.SUN Pharmacist Infinite Cards' and 'E.SUN Pharmacist Royal Cards', providing financial services that honor pharmacists nationwide and expressing gratitude for their hard work.

■ Changing the future with love - E.SUN's care program for disadvantaged children and adolescents

Children are the hope of the nation's future, and ensuring their happy learning and healthy growth is the common expectation of every parent and E.SUN employee. To cultivate children's correct values and care for the growth of young people, E.SUN invests in anti-drug education and child care, ranging from grassroot education to convey anti-drug knowledge, support for disadvantaged youth families, rectification of school counseling rooms. By combining the efforts of E.SUN and external partners, we jointly protect the future of the next generation.



Anti-drug education to eradicate the root

E.SUN cooperates with the National Education Agency and Kaohsiung City Education Bureau to set up an "Anti-drug Education Mobile Vehicle" and train E.SUN volunteers to become anti-drug education seeds. When the mobile vehicle visits various schools, E.SUN volunteers will use the anti-drug experiential games, anti-drug comics, simulated drugs, and anti-drug teaching aids in the vehicle to convey anti-drug knowledge. The anti-drug mobile vehicle operates in Kaohsiung's elementary, junior high, and high schools, and also reaches remote schools, helping students to recognize drugs, refuse drugs, protect themselves, and stay away from danger. From September to December 2022, it visited 23 venues, benefiting more than 5,000 people.

Support services for disadvantaged youth families - building a bridge for youth to return home

According to domestic and international research, the factors causing children's deviant behavior are mostly rooted in family factors. Unhealthy family structures lead to a lack of security in children's lives, resulting in deviant behavior and maladjustment in daily life and school. To deeply care for disadvantaged children, E.SUN Financial Holding Company donates special project funds to support the Ministry of Health and Welfare and related units to jointly promote "Support Services for Disadvantaged Youth Families", providing companionship and support services for the families of young people entering corrective schools. The project transforms family support services from after leaving school into as soon as the delinquents enter school, helping these disadvantaged young people return to their families and society, and find the right direction in life.

■ E.SUN Disadvantaged Children's Counseling and Guidance Room

In order to provide disadvantaged children with comprehensive guidance resources, E.SUN Financial Holding Company also assists corrective schools in creating a more friendly and comfortable counseling space. The first "E.SUN Disadvantaged Children's Counseling and Guidance Room", jointly designed by domestic psychological counseling and spatial design experts, has been completed at Xinzhu Zhengzheng Junior High School. Zhengzheng Junior High School is a corrective school that provides juvenile delinquency education. Many students in the school have strayed due to mistakes at one time. E.SUN assists Zhengzheng Junior High School in creating a more friendly and comfortable counseling space, creating a different environment from the original cold and constrained space, allowing students to open their hearts to face their own problems in a trusting, unyielding, and secure environment, and engage in individual psychological therapy, counseling, and guidance.

Item	Content	Achievement
E.SUN Cultivating Outstanding Talent Scholarship	To cultivate the key forces for the nation's future, E.SUN has successively established the "E.SUN Cultivating Outstanding Talent Scholarship", "E.SUN Cultivating ASEAN Talent Scholarship" since 2005, and in response to the increasing demand for medical treatment and care in the aging society, the "E.SUN Cultivating Nursing Talent Scholarship" was newly established in 2020, to practically cultivate the key forces for Taiwan's future.	In 2022, 36 students from different fields were awarded scholarships, including 21 outstanding talents, 7 ASEAN talents, and 8 nursing talents. As of 2022, a total of 244 students have been awarded scholarships.
Caring for Students Project	The Caring for Students Project was launched in 2012, providing long-term assistance to students facing economic difficulties or sudden changes in their lives. It allows them to focus on their studies without worrying about financial burdens, and alleviates the pressure on their families' educational expenses. Each student in primary school receives 2,000 TWD per semester, which can be used for tuition fees, textbooks, extracurricular education, after-school tutoring, or other related expenses.	Over the past 3 years, a total of 36,101 students have been assisted, with a total donation amount of 72.2 million TWD.
E.SUN Maravi Rice Project	Since 2014, E.SUN has continuously supported the 'E.SUN Maravi Rice' project for 9 years, starting from the first paddy field at the foot of Mt. Jade. The project encourages local farmers to engage in sustainable farming practices while protecting biodiversity.	A total of 340,000 kg of rice has been purchased, not only sharing 'E.SUN Maravi Rice' with employees and important clients, but also fully adopting it in E.SUN's employee cafeteria.
A Single Act of Love Can Inspire More Love - Blood Donation	To help alleviate blood shortages and assist more people in need, E.SUN and E.SUN Volunteers Foundation have jointly organized blood donation events for 23 consecutive years. These events are held annually during the peak blood shortage period in the winter and summer vacation time.	In 2022, blood donation events were jointly organized with doctors, dentists, Chinese medicine practitioners, architects, accountants, and lawyers, as well as the Nan Shan Life Insurance Company. A total of 5,172 blood donors and volunteers participated, collecting 7,712 bags of blood.



6.2.4 Humanities and Arts

In order to promote the support of listed companies for cultural development, the Ministry of Culture, the Financial Supervisory Commission, and the Taiwan Stock Exchange jointly established the "Enterprise Promotion of Cultural Development" in February 2023, which was clearly included in the scope of sustainable development practices in our country. E.SUN has long been committed to the development of humanities and arts, including supporting the expenses of exhibitions or activities

held by domestic and foreign performing groups, cultural organizations, or artists; participating in film, music creation, premiere performances, etc.; and even encouraging E.SUN employees and their families to enter theaters and museums to experience diverse cultural and artistic activities in a tangible way, hoping to attract more customers to respond to and invest in cultural and artistic activities and support local cultural development.

Item	Place	Content	Achievement
E.SUN's 30th Anniversary Painting Competition	E.SUN Bank	Entering its fourth decade, E.SUN continues to convey the spirit of joy and care for the arts. In 2022, the third "Painting E.SUN" event was held, showcasing the beauty and vitality of E.SUN through the creativity and touching brushstrokes of artists, hoping to exert a positive impact and bring a better future to this society and land.	<ul style="list-style-type: none"> This time, a total of 2,202 works were submitted by passionate artists and young students from home and abroad (1,572 from the social group, 275 from the student group, and 355 from the international group). The judging committee, composed of art experts and scholars, carefully selected the winners, awarding one first prize, three special prizes, and five excellent prizes for each of the international, student, and social groups, with a total prize money of NT\$1 million to NT\$100,000.
Light and Easy Theater	National Theater & Concert Hall, Taipei	E.SUN collaborates with the National Theater & Concert Hall to promote integrated services, providing an artistic appreciation environment that is inclusive and accommodating for audiences who cannot attend formal performances. E.SUN will also select suitable programs and invite school teachers and students from E.SUN libraries to enjoy performances at the National Theater & Concert Hall, and assist in arranging related guided tours, transportation, accommodation, dining, etc., hoping to give children in remote areas the opportunity to be touched by music.	<ul style="list-style-type: none"> Title sponsorship in 5 performances, including the experimental field of new particles "Lin Lu-chieh: Role Play", "Beyond Splash: Organ Concert", "Summer Knight Music Festival: Good Times", "Shu Man Husband and Wife Hello" parent-child storytelling, and "Three-person Dance: Magic Pipe Organs", benefiting 1,953 people. The invited audience for public welfare performances includes E.SUN Library schools, elderly friends, and various groups with different physical needs and conditions, creating a friendly and diverse audience space, with a total of 421 participants.
Art Into the Theater	Taichung National Opera House	Since the collaboration with Taichung National Opera House in 2019, the 2022 theme is "Dance Chapter", inviting school teachers and students to enjoy the dance work "Alice" performed by the elite dance production team, and providing pre-event teaching materials, guided tours of the opera house, theater etiquette, etc. for schools to learn before the event.	<ul style="list-style-type: none"> In 2022, 600 students from 7 schools in Chiayi County and Miaoli County were invited to participate in the Taichung National Opera House.
Theater Art Experience Education Program	Kaohsiung Wei Wu Ying National Arts and Culture Center	Committed to improving the artistic and cultural environment in southern Taiwan, cooperating with Wei Wu Ying to launch a program designed for students and in line with school curriculum, allowing students to cultivate their appreciation for arts and aesthetics through experience. The drama reading conference allows students to deeply experience the process and interest of drama production through professional training by teachers, and perform on stage at the end of the semester.	<ul style="list-style-type: none"> Invited 23 schools to participate in the experiential course, with a total of 751 participants. A total of 1,109 participants experienced the drama reading conference.
Taiwanese Composer Series	Kaohsiung Wei Wu Ying National Arts and Culture Center	E.SUN focuses on the development of Taiwan's local art and culture, collaborating with Wei-Wu-Ying National Arts and Culture Center and National Traditional Arts Center's Taiwan Music Institute to hold exhibition and concert and commemorate the 30th anniversary of passed composer and educator Chen Su-Ti, known as Taiwan's first pianist, founder of the first women's music college in Taiwan's education system, and creator of Taiwan's first choir and piano music compositions.	<ul style="list-style-type: none"> A total of 5,855 people attended the commemorative exhibition and concert.

Item	Place	Content	Achievement
Artwork Collection Restoration Project	Tainan City Art Museum	Since 2020, E.SUN has supported the Artwork Collection Restoration Project of the Art with Science Research Center, preserving and maintaining precious cultural assets through long-term support for artwork restoration, and continuing the cultural heritage. Through the award-winning documentary filmed by the director of the Golden Horse Awards, the public can understand the efforts behind the preservation and restoration of artworks, raising more awareness and concern for the preservation of cultural relics and historical culture.	· The restoration results have been successively displayed in the 'Newly Acquired Collection Exhibition - Ho Jin-Shui 'Refugee Series' Sculpture Works', 'SHERO - Taiwanese Contemporary Female Art Exhibition', and 'Artwork Diagnosis: The Art and Restoration of Wong Kun-De'.
E.SUN's Mission: Advancing to Taiwan History Museum	National Taiwan History Museum	To promote and preserve Taiwan's history and culture, E.SUN collaborates with the National Taiwan History Museum for the 'E.SUN's Mission: Advancing to Taiwan History Museum' event. Inviting 7 schools from Tainan and Kaohsiung, with 600 teachers and students to participate in the event at the National Taiwan History Museum. The activities include pre-visit lesson plans, E.SUN's mission games on the day of the event, and post-visit extended learning and sharing, allowing children to easily understand Taiwan's historical culture and increase their knowledge of Taiwan's history.	· 600 teachers and students
E.SUN Music Feast - Vienna Philharmonic Orchestra	National Concert Hall, Taipei	Founded in 1842, the Vienna Philharmonic Orchestra is renowned for its pure German-Austrian style and exquisite sound. It is not only one of the world's top orchestras but also a symbol of European musical culture. E.SUN has long supported high-quality art and cultural activities, and to continue showcasing E.SUN's brand characteristics and spirit, the world-class classical orchestra, Vienna Philharmonic Orchestra, is invited to perform in Taiwan. It is hoped that classical music enthusiasts in Taiwan can enjoy a close-up performance by a world-class orchestra and experience an incomparable music feast.	· 2,000 attendees
E.SUN Music Feast - Prague Philharmonia	<ul style="list-style-type: none"> National Concert Hall, Taipei National Taichung Theater Kaohsiung Wei Wu Ying National Center for the Arts - Concert Hall 	The Prague Philharmonic Orchestra was founded in 1994 and is led by conductor Kirill Belevich, who has won the prestigious Glinka Music Award. The orchestra is a classic representative of the Viennese classical music style, featuring works by Haydn, Mozart, and Beethoven as their performance highlights. They hope to share Prague's music and culture with friends in Taiwan, especially during the challenging times of the pandemic, showcasing the power of top-notch orchestras and providing a healing and uplifting experience for the audience.	· 4,800 attendees

'Light and Easy Theater' is a form of art appreciation promoted by the National Performing Arts Center in recent years for audiences of different life stages and physical needs. Through specially designed performance formats and environmental arrangements, they create an inclusive and accommodating art appreciation environment, allowing audiences to enter the theater in the most comfortable and worry-free manner. E.SUN Cultural and Educational Foundation has been supporting this initiative for years, working together with the National Performing Arts Center to make art appreciation accessible to everyone and giving everyone the opportunity to find their own experience.

Liu Yi-Ru, Artistic Director of the National Performing Arts Center

The National Theater is a green theater for art and life, committed to the sustainable development of art and talent, and providing a high-quality learning environment for all ages. The annual 'Art into the Theater' project creates a learning space for students to experience theater performances, allowing them to recognize various types of performing arts, theater aesthetics, and etiquette through immersive participation. E.SUN Cultural and Educational Foundation has been supporting this initiative, enabling more children to experience performing arts in the theater. We hope to plant a seed of art in every child's heart, opening up a rich and broad learning path and life experience.

Chiu Yuan, Artistic Director of the National Taichung Theater

Wei Wu Ying is a center for the arts and a stage for everyone. The 'Theater Arts Experience Education Program' allows children to stand on this stage. Since 2019, the program has aimed to connect people's art and life, making art more accessible and interesting to the public. Starting with high school students, the program gradually expanded to include elementary and junior high school students, reaching out to rural areas and turning classrooms into theaters, bringing art into every child's life through drama courses.

Jian, Wen-Bin, Artistic Director of the Kaohsiung Wei Wu Ying National Center for the Arts

6.2.5 Sports Development

■ Cultivating more outstanding Taiwanese athletes through youth and junior competitions

Youth is the power to change the world

In the growth process of each individual, there are important lessons to be learned at every stage, especially in the 'youth and junior' age group. This is a critical period for transitioning into adulthood and maturity. Defining oneself, shaping one's values, and mapping out one's future life blueprint are all urgent and crucial lessons!

E.SUN considers improving Taiwan's sports capabilities as its own corporate responsibility and believes that systematic improvement and rooting are necessary. Therefore, the company invests resources in the domestic 'baseball' and 'volleyball' foundation projects to enhance and improve these two popular sports in Taiwan, promoting them more deeply in every corner of Taiwan. We hope to cultivate more outstanding Taiwanese athletes and let the world see Taiwan!

Long-term development of youth baseball, letting the world see Taiwan's baseball

E.SUN has been investing in the long-term development of youth baseball in Taiwan, continuously promoting the 'E.SUN Cup Youth Baseball Championship' for 16 years, known as the highest stage for Taiwan's youth baseball and the only national team selection competition. Every year, 10,000 high school students participate, and 20 outstanding athletes are selected to form the Chinese Taipei representative team to

participate in the Asian Youth Baseball Championship and U18 World Cup. This is of great significance to the athletes.

Since 2007, the Chinese Taipei Youth Baseball Team has won awards in international competitions 10 times, including the 2022 U18 World Cup Runner-Up and the 2019 U18 World Cup Championship, which broke a decade-long drought. With a total of 3 golds, 4 silvers, and 3 bronzes, E.SUN Cup has proven its ability to cultivate outstanding athletes under high-intensity competition, and Taiwan's youth baseball rooting project has achieved remarkable results.

Extending the sports life of youth baseball players is also an important aspect we value. Therefore, every year's E.SUN Cup will hold 'E.SUN Youth Baseball Training Camp' and 'E.SUN Youth Baseball Protection Camp' activities, inviting MLB or NPB-level coaches or players to come to Taiwan for personal guidance, such as Japan's Rakuten Eagles' Wang Po-jung and Seibu Lions' Wu Nien-ting, to pass on the most advanced baseball concepts and correct techniques; and also cooperate with Chang Gung Hospital and National Sports University's Sports Health Department to provide better sports injury and protection concepts for players, allowing them to have a longer and healthier sports life. On the other hand, we also provide appropriate 'equipment assistance' for schools in remote areas with relatively scarce resources, so that schools dedicated to the development of youth baseball can have a better environment, allowing coaches and players to focus more on daily baseball training and cultivate more youth baseball talents, making Taiwan's baseball even better.



9,600 participants

in E.SUN Youth Baseball Championship

38 schools

supported with sports equipment in remote areas

3,200 participants

in training camps and protection camps

Runner-Up

U18 World Cup 2022

Champion

U18 World Cup 2019



Promoting E.SUN Ju-Guang Cup to boost Taiwanese volleyball

E.SUN has achieved significant results in promoting the sustainable development of youth baseball. To replicate E.SUN's successful experience and attract more attention and support for competitions, E.SUN joined hands with the Chinese Taipei Volleyball Association in 2022 to promote the 'E.SUN Ju-Guang Cup' national volleyball competition.

The Ju-Guang Cup is the only national youth and junior men's and women's volleyball selection competition in Taiwan. To participate, schools must rank in the top 12 in points from the four major volleyball competitions (Yongxin Cup, Huazong Cup, Mazu Cup, and Hejia Cup). Each year, about 48 schools and over 1,000 athletes participate. After the competition, 18-24 outstanding male and female athletes (depending on age limit) will be selected for training and represent Taiwan in U16-U20 international competitions, highlighting the importance of the Ju-Guang Cup for junior-high and high school volleyball athletes.

In addition to live streaming the entire 2022 E.SUN Ju-Guang Cup from the quarterfinals, inviting more people to watch and support Taiwanese volleyball, E.SUN will provide each participant with a magic towel and exclusive protective gear before the competition to reduce the risk of sports injuries. After the competition, individual awards will be given to the best players in various positions, including setter, wing spiker, blocking angle, middle blocker, and libero, to provide these athletes with the most genuine affirmation and encouragement.

On the other hand, after the E.SUN Cup, we also work with the table tennis association to plan training and protection camps, aiming to cultivate and protect more athletes. We hope to provide them with better sports injury prevention and protection concepts, minimizing the impact of sports injuries on their bodies and reducing the risk of injury. At the same time, we hope that during the training camp, we can invite outstanding current or retired foreign or professional players to the site for personal guidance, sharing their rich competition experience, and helping young national players improve their skills and broaden their horizons.



Public Benefit Activity Expenditure and Usage

Take from society, use for society. E.SUN focuses on five major themes for implementing social integration: 'Academic Education', 'Social Participation', 'Humanities and Arts', 'Sports Development', and 'Major Disaster Relief'. While developing our business, we also care about community development, with 100% of our domestic and international operating sites regularly visiting local markets, enterprises, schools, and hospitals to provide suitable financial services and assist in economic development. In addition, we adopt the LBG (London Benchmarking Group) framework to measure the overall situation of resource investment. According to the LBG measurement framework, there are four forms of participation in social integration: 'Material Donations', 'Cash Donations', 'Time Contributions', and 'Management Expenses'. We also evaluate based on three motivations: 'Charitable Donations', 'Community Participation', and 'Business Promotion'.

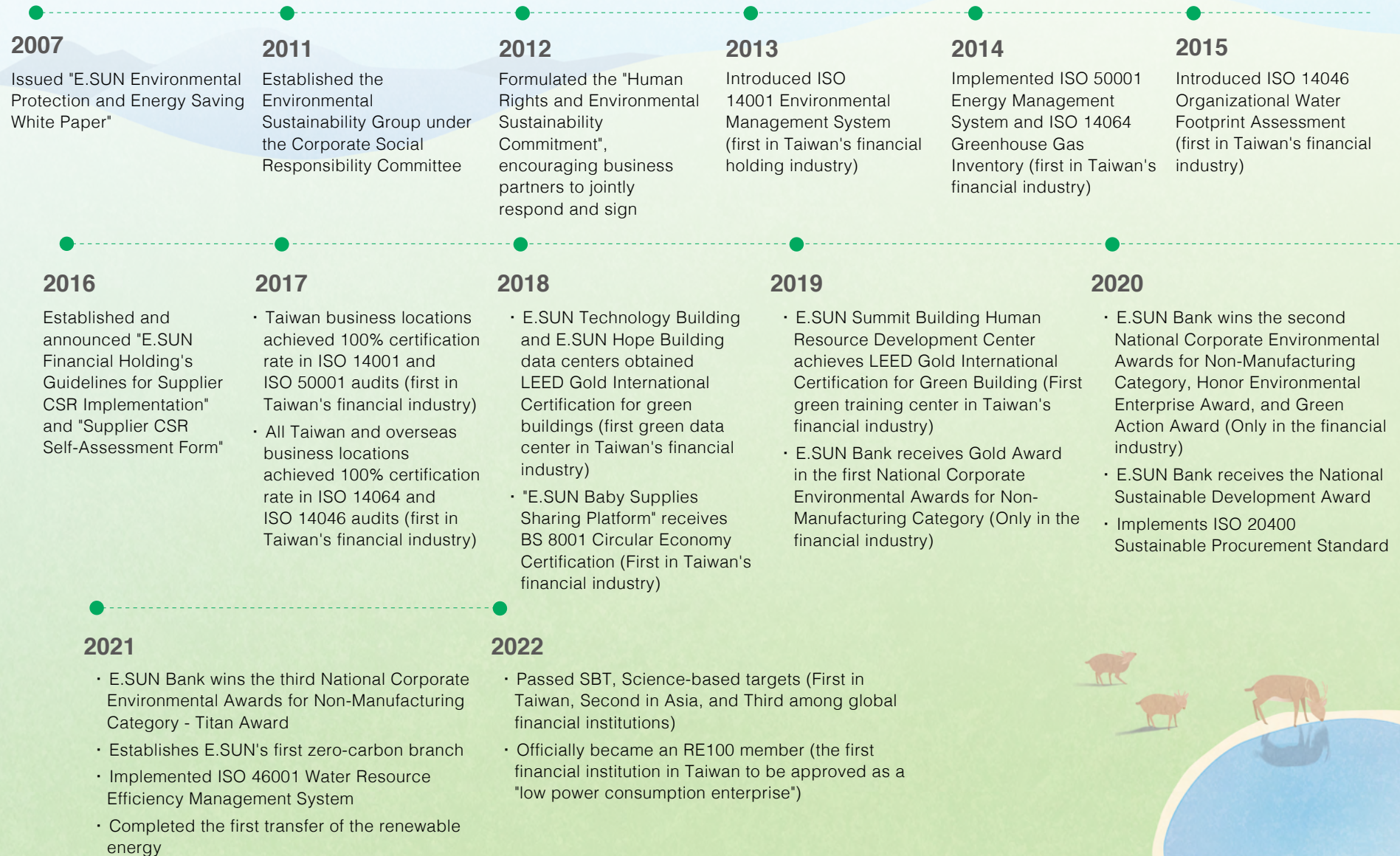
E.SUN Public Benefit Activity Expenditure Forms

	Total Amount (NT\$M)	Percentage
Cash Donations	159.92	51.97%
Time contributions	8.49	2.76%
Material donations	138.78	45.10%
Management expenses	0.51	0.17%
Total	307.7	

Classification by Activity Type

	Total Amount (NT\$M)	Percentage
Charitable Donations	26.02	8.46%
Community Participation	109.64	35.63%
Commercial Promotion	172.04	55.91%
Total	307.7	

6.3 Sustainable Operating Environment GRI : 302-1、302-3、305-1、305-2、305-3、305-4



As disasters caused by climate change sweep across the globe, controlling temperature rise has become an important international issue. E.SUN's Environmental Sustainability Group, under the Sustainable Development Committee, establishes specific goals, methods, and plans for environmental protection and energy conservation, regularly reports and reviews progress with senior executives, and actively promotes energy-saving and carbon reduction measures to reduce greenhouse gas emissions from energy use. Internally, E.SUN Environmental and Energy Saving White Paper - E.SUN Green Policy is issued and enforced, covering areas such as environmental and energy-saving policies, promotion of environmental education, establishment of an environmental and energy-saving culture, and implementation of environmental and energy-saving measures. Externally, E.SUN sets targets for carbon reduction, water reduction, and waste reduction in line with annual DJSI, CDP, and other international projects, and verifies achievements through annual third-party audits.

■ Sustainable Operating Environment Targets:

Reduce total carbon emissions by
by 2030, using 2020 as the base
year.

42%

Achieve **100%**
renewable energy usage at domestic locations by
2030, using 2020 as the base year.

Reduce water usage per revenue by
by 2030, using 2016 as the base
year.

31%

Using 2016 as the base year, the goal is to reduce
waste generated from revenue by
by 2030.

78%



■ Carbon reduction measures

GRI : 302-1、302-3、305-1、305-2、305-3、305-4

■ Outstanding Achievement 1: E.SUN Bank is the first financial institution in Taiwan to receive the LEED V4.1 O+M Platinum certification

LEED is an international green building certification system established by the U.S. Green Building Council (USGBC), consisting of 7 assessment categories including energy and atmosphere, water efficiency, materials and resources, indoor environmental quality, location and transportation, sustainable sites, and design innovation. Each updated version poses even higher challenges.

E.SUN Bank's Nanzi and Linyuan branches have been in operation for over 15 years, and while maintaining stable growth, also have emphasized environmental sustainability. By using energy-efficient LED lighting, air conditioning equipment, and water-saving fixtures, the branches have improved their energy and resource usage efficiency. Additionally, we have installed solar power facilities on branch's rooftops and used renewable energy to reduce carbon emissions. Furthermore, the branches have employed good spatial design with natural ventilation to maintain indoor air quality, providing a comfortable and healthy office environment for their employees. Implementing maintenance and management systems for energy, equipment, and waste, which meet LEED standards and surpass international average levels, successfully obtaining the highest level of LEED V4.1 O+M Platinum certification for Taiwan's financial industry.

Achieving this high-standard international green building certification is not only an honor but also a responsibility. In the future, E.SUN Bank will continue to improve its operational energy efficiency and build more low-carbon and environmentally friendly structures, demonstrating our commitment to sustainable development.

■ Outstanding Achievement 2: Implementing the energy management system (EMS)

E.SUN Bank actively responds to the Taiwan government's "Net Zero Emissions Roadmap" set for 2022, aiming to achieve net-zero emissions in collaboration with the government by 2050. According to the American Council for an Energy-Efficient Economy (ACEEE), improving energy efficiency is a cost-effective and visible approach to carbon reduction for businesses. To implement energy management, it is crucial to understand various energy usage scenarios and data, which can help enterprises select the right strategies and develop energy management plans. By using energy data models, businesses can optimize their energy allocation and improve strategies to enhance energy efficiency and reduce carbon emissions. In 2022, E.SUN Bank introduced an energy management monitoring system to track and record usage, solar power generation, renewable energy supply, and utility usage for its major energy-consuming equipment such as lighting, air conditioning, and power outlets. The data is transmitted via the internet to a cloud-based database, and various management reports are generated to formulate energy usage strategies and efficiency improvement plans, thus fulfilling the requirements for a net-zero carbon branch. Through the integration of EMS, E.SUN bank can better understand key areas for carbon reduction, minimize energy waste, and increase the proportion of renewable energy usage, moving closer to achieving its carbon reduction goals and a sustainable, net-zero future.

Outstanding Achievement 3: Officially joining the RE100 membership

E.SUN Bank actively supports net-zero emissions and promotes the use of renewable energy. In 2022, E.SUN Bank became the first Taiwanese financial institution to join the RE100 as a "low-energy consumption enterprise" alongside over 300 leading global companies committed to using 100% renewable energy. E.SUN Bank's participation in the RE100 is a significant milestone towards achieving net-zero emissions. In the future, E.SUN Bank will continue to leverage its financial resources to promote the decarbonization of the energy system and contribute to global climate goals.

Faced with the challenges and pressures of achieving net-zero emissions, using clean energy is a global trend. E.SUN Bank has pledged to use 100% renewable energy at domestic branches by 2030, increasing renewable energy consumption by 10% annually to reach this target. Not only generate renewable energy through solar power facilities, but also actively engages electricity suppliers to plan renewable energy purchases. By analyzing energy consumption patterns and discussing suitable power generation methods and locations for E.SUN Bank with external energy suppliers, we planned to sign electricity purchase agreements to secure its renewable energy supply. After nearly two years of effort and verification by Taiwan Power Company, the Energy Bureau, local governments, and the Inspection Bureau, E.SUN Bank completed the first renewable energy wheeling in December 2021.

In 2022, E.SUN Bank continued to expand its renewable energy usage, signing new contracts for renewable energy supply in February and November. To date, E.SUN Bank has signed four renewable energy contracts, generating approximately 10.85 million kWh of renewable energy annually, which accounts for 24% of E.SUN Bank's annual energy consumption. E.SUN bank has used 6.54 million KWh of renewable energy in 2022, making it a leader in Taiwan's financial industry.

E.SUN Bank actively creates a sustainable operating environment through green buildings, solar-powered branches, and renewable energy purchases, showcasing our determination to use 100% renewable energy by 2030 and strive towards becoming a net-zero emissions bank by 2050. Looking ahead, E.SUN Bank will continue to excel in comprehensive performance, corporate social responsibility, and sustainable development, integrating its core financial business with ESG and supporting the United Nations' Sustainable Development Goals. By leveraging the influence of the financial industry, E.SUN Bank will collaborate with the government, enterprises, and individuals to create a sustainable and prosperous future.

GRI : 302-1、302-3、305-1、305-2、305-3、305-4

2022 Target

Reduce total amount of carbon emissions by **8.4%**
The ratio of renewable energy use is **20%**

2022 Outcome

Reduce total amount of carbon emissions by **10.4%**
The ratio of renewable energy use is **22.6%**

2023 Target

Reduce total amount of carbon emissions by **12.6%**
The ratio of renewable energy use is **30%**

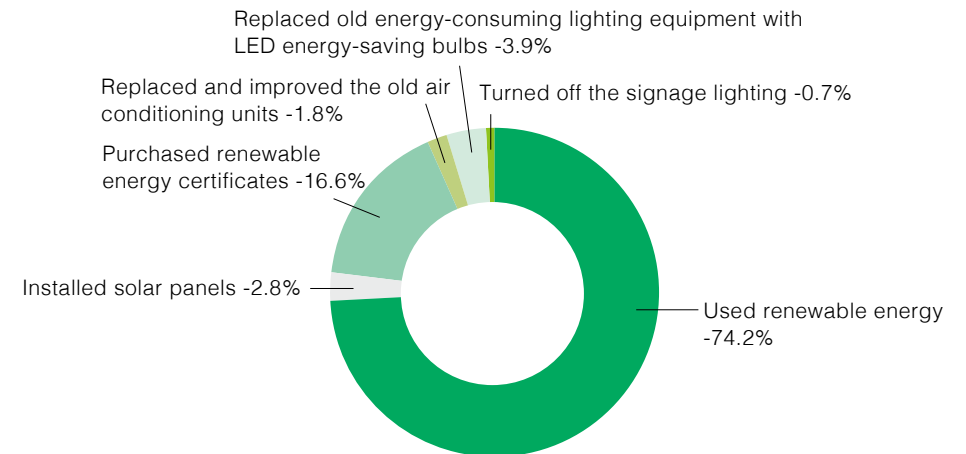
2030 Target

Reduce total amount of carbon emissions by **42%**
The ratio of renewable energy **100%**

Note: In 2020, the carbon emissions for Scope 1& 2 amounted to 24,698 metric tons, serving as the baseline.

Carbon reduction in 2022

8,782,264kWh= **4,470** metric tons of CO₂e



2019-2022 GHG Emissions

	2019	2020	2021	2022
Scope 1 (t-CO ₂ e)	2,455	2,399	1,857	1,844
Scope 2 (t-CO ₂ e)	22,443	22,299	22,105	20,294
Total emissions (t-CO ₂ e)	24,898	24,698	23,962	22,138
Carbon emissions / revenue (t-CO ₂ e/ NT\$M)	0.4566	0.4390	0.4139	0.4039

2019 - 2022 Energy Consumption

	2019	2020	2021	2022
Power consumption (MWh)	42,498	44,177	44,767	47,922
Other energy usage (GJ)	25,333	27,124	17,290	25,323
Total energy usage (GJ)	178,326	186,159	182,408	197,845
Energy/revenue (GJ/million NTD)	3.271	3.310	3.151	3.502

Note: The energy types are mainly purchased electricity (non-renewable energy) for operational activities, with petroleum, diesel, liquefied natural gas and gas as other energy sources.

■ Water Usage Reduction GRI : 303-1、303-3

2022 Target

Reduce water usage per unit revenue by 13.3%

2022 Outcome

Reduce water usage per unit revenue by 16.1%

2023 Target

Reduce water usage per unit revenue by 15.6 %

2030 Target

Reduce water usage per unit revenue by 31.1%

Note: In 2016, water usage per unit revenue was 5.4054 metric tons/NT\$ million, and this is used as the baseline.

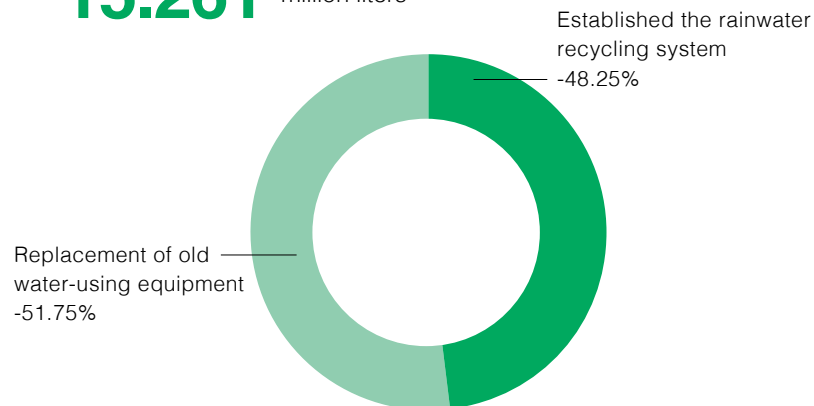
2019-2022 Water usage

	2019	2020	2021	2022
Water (Tons)	244,804	264,917	238,715	248,326
Usage of water/ revenue (Tons / NT\$M)	4.4900	4.7097	4.1231	4.5310

Note: The activation of two office buildings of the second headquarters in 2022 resulted in an increase in water consumption.

2022 Water Reduction Benefit

15.261 million liters



■ Waste Usage Reduction

Outstanding Achievements: Promoting environmental reuse

E.SUN's primary source of waste is domestic garbage. To implement the 3R measures of reducing, reusing, and recycling, active waste management is carried out, and waste disposal records are kept. Resource recovery starts at the source, with centralized sorting, organizing, and disposal, as well as regular tracking systems, to effectively implement waste management. Waste sorting areas are set up at each site and are divided into three categories based on municipal regulations: domestic waste, recyclable waste, and kitchen waste. Container and cardboard recycling areas are also established, increasing resource recycling efficiency and reducing the need for waste disposal. Employees are encouraged to participate actively in recycling efforts. Monthly waste disposal weight reports are submitted to the management, with regular records and analysis conducted. Tracking is carried out for any anomalies in the data. Furthermore, waste disposal processes of the various buildings are audited at least once a year and inspection records are retained to ensure the legitimacy of the final waste destination.

E.SUN Financial was the first bank in Taiwan to respond to the Taipei City Government's policy of banning single-use and melamine dinnerware. By transforming its headquarters and the Second Headquarters Building's employee cafeterias into green dining areas, E.SUN has eliminated about 60,000 disposable containers and replaced them with environmentally friendly dinnerware, reducing waste by 16,320 kilograms. This not only protects employee health but also reduces waste, conserves the environment, and promotes healthy, eco-friendly dining habits. In 2020, plastic restrictions were extended to building entrances and employee cafeterias, with electronic posters providing information on reducing plastic bag usage. All events are now required to use reusable cups. Environmental protection is a global issue, and E.SUN is committed to reducing waste-related environmental harm by promoting eco-friendly practices throughout society. With the "one love leads to more love" mindset, the bank leverages its influence to contribute to a sustainable future.

GRI : 306-3

2022 Target

Reduce waste per unit revenue by 33.3%

2022 Outcome

Reduce waste per unit revenue by 33.3%

2023 Target

Reduce waste per unit revenue by 38.9%

2030 Target

Reduce waste per unit revenue by 77.8%

Note: In 2016, waste per unit revenue was 13.39 kg/NT\$ million, and this is used as the baseline.

2019~2022 Waste generation

	2019	2020	2021	2022
Waste disposed (tons)	434.705	370.345	488.215	489.426
Recycled / reused (tons)	185.054	224.164	209.542	202.788
Total waste (tons)	619.759	594.509	697.757	692.214
Waste / revenue (kg/ NT\$ million)	7.97	6.58	8.43	8.93

Note: The activation of two office buildings of the second headquarters in 2022 resulted in an increase in waste consumption.

6.3.1 Supplier Management

In 2022, E.SUN worked with 1,457 suppliers chains include service supply chains, equipment supply chains, and project contractors; They are classified into categories such as computer equipment, telecommunications, human resources, furniture equipment, printing, office supplies, maintenance and electronic equipment, civil engineering, and architectural design etc., without any significant changes.

Implementing sustainable procurement standards

To establish a supply chain that protects the environment, human rights, safety, health and sustainable development, E.SUN implemented ISO 20400 Sustainable Procurement - Guidance to devise procurement policies in 2022. We establish common and specific norms for procurement, regularly review supplier performance, and conduct external audits to ensure compliance with the standard. The common norms provide clear guidance on environmental, social, and economic aspects, while the specific norms apply to specific categories such as construction, IT equipment, and printing, etc.. At the same time, in response to the "Buying Power Social Innovation Product and Service Procurement Award" promoted by the Small and Medium Enterprise Administration, Ministry of Economic Affairs, we prioritize products or services provided by suppliers who is the member of Social Innovation organization. E.SUN has long adhered to the local procurement policy. As a priority, local suppliers are the main sources of goods for various types of procurements. The proportion of expenditures on local suppliers in 2022 was 97%. To fulfill SDG 12 "Responsible Consumption and Production", E.SUN has actively responded to the green lifestyle and consumption policy for the public promoted by the Taiwan EPA. Upholding green and ecofriendly procurement principles, E.SUN continues to participate in the EPA's Green Procurement Program for Private Enterprises and Organizations. E.SUN has been named an outstanding benchmark organization for "Green Procurement by Private Enterprises and Organizations" by Environmental Protection Administration Executive Yuan for 13 years in a row. In 2022, the bank conducted green procurements amounting to NT\$388 million and the cumulative amount spent on green procurements has exceeded NT\$1.98 billion. Meanwhile, We hope to influence supply through our procurement demand, promote the formation of a green supply chain, and use our influence to create sustainable development opportunities with suppliers.

Supplier management procedures

From 2022, E.SUN classify suppliers by reviewing qualification to differentiate management. Qualified suppliers are in accordance with the E.SUN Bank Supplier Management Guidelines, and E.SUN only works only with suppliers that comply with local regulations, and have signed the Statement of Commitment to Human Rights and Environmental Sustainability, and adhere to the E.SUN FHC Corporate Social Responsibility Guidelines for Suppliers. The statement clearly specifies E.SUN's

requirements and expectations of the supplier regarding integrity, moral codes, environmental health and safety, prohibition of child labor, labor management, elimination of any form of forced labor, absence of damage to basic labor rights, basic human rights, the code of ethics, and ethical management. In addition, we perform regular supplier on-site visit and qualification reviews to understand their service conditions, risk indicators, and ESG performance, and prevent, handle, remedy, or control potential and adverse sustainability impacts. Before cooperating with suppliers, it is necessary to conduct qualification review with "Corporate Social Responsibility Self-Assessment Form for Suppliers". and the "Statement of Commitment to Human Rights and Environmental Sustainability". From these statistics, we can understand the supplier's environmental protection actions, including whether to take action on environment, green procurement, etc.). The result of scoring in 2022 is shown in the table below:

2022 Corporate Social Responsibility Self-Assessment Scoring Result

Aspect	Average Scoring	Full Scoring
Business administration	24.8	25
Health and Safety	22.9	25
Human Rights and Labor Practices	34.3	35
Environmental Protection	14.1	15

As for the aspect of company's operation, all of our interacted suppliers, are 100% complied with the ethical management clause. We also invite requesting unit to evaluate supplier's service conditions, and review public information. We also monitoring suppliers' performance on corporate social responsibility by on-site or online visits.

Sustainable supply chain engagement

Through on-site visits, we confirming suppliers business operations, internal management, safety and health and environmental standards are the same as our business philosophy, and encourage suppliers to put more efforts on reducing negative environmental impacts. We require suppliers performing highly dangerous work, including subcontractors in new building projects or branch renovation projects, to comply with the Occupational Safety and Health Act. In addition, responsible persons of said suppliers and E.SUN employees must provide health and safety training for the operators involved and raise awareness against danger in order to reduce injuries in the process. In addition, by holding supplier convention continuously to exchange the topics of environmental protection, human rights, etc., communicating sustainable concepts, sharing government policies and resources, and encouraging suppliers to solve social problems through innovative methods to cultivate new consumption conscious in the cycle of production and consumption, and exert influence to implement responsible consumption.

Supplier Climate Risk Analysis

To understand the impact of potential climate risks on suppliers and the indirect impact on E.SUN, evaluations of physical risks and transition risks were conducted on business locations of important suppliers.

Physical risks

To assess the impact of climate change on suppliers and to understand the impacts from the upstream of E.SUN's supply chains. We conduct scenario testing on the main physical risks of flooding in Taiwan for the business locations of our main suppliers. The hazard level was assessed using the IPCC AR6 scenario data to analyze the impacts of low, medium, and high emissions and is transformed into localized probabilities of extreme rainfall by climatologists. The vulnerability level was assessed by comparing flood potential information using the Water Resources Agency's third-generation Flood Inundation Map with geospatial information

systems (GIS) technology. The two were then comprehensively evaluated, and sensitivity (risk) levels were graded, with the results shown in the table below.

After evaluation, in the above three scenarios, most physical climate risks do not have significant impacts on the supply chain of the Company. At most, only 4% of the suppliers may be affected. E.SUN suggests suppliers with high flood risks install flood control equipment and formulate measures through on-site inspections and supplier conferences. Although the current evaluation shows that the impact of suppliers on the operation of E.SUN is minimal, E.SUN will continue to evaluate the impact of climate risks on each supplier. E.SUN will establish a second source of procurement to be prepared when necessary to avoid the risks brought by climate change.

Unit: Number of suppliers

Description of scenario	SSP1-2.6 Low emissions scenarios, global temperature increases by about 1.5 and 1.7 in 2030 and 2050, respectively		SSP2-4.5 Medium emission scenarios, global temperature increases by about 1.5 and 2.0 in 2030 and 2050, respectively		SSP5-8.5 High emission scenarios, global temperature increases by about 1.6 and 2.4 in 2030 and 2050 and 2050	
	2030	2050	2030	2050	2030	2050
High risk						
Medium-high risk		2				1
Medium risk	1	3		2	2	4
Medium-low risk	9	5	10	8	8	5
Low risk	117	117	117	117	117	117

Transition risks

To understand the impact of carbon fees on the supply prices of E.SUN's suppliers, E.SUN evaluates the possible scenarios for the collection of carbon fees. The main risk factor for transition risks is the suppliers transferring carbon-related fees, thereby increasing E.SUN's procurement costs. The short-term scenario takes into consideration the collection of carbon fees stipulated in the Climate Act, and the medium and long-term scenarios evaluate by referring to the IEA and NGFS scenarios. The carbon emission produced from procurement is analyzed and estimated based on the carbon emission coefficient of each industry's revenue and procurement amount. The impact of suppliers transferring

carbon-related fees is estimated based on the carbon fees in each scenario. The evaluation results are shown in the table below.

If suppliers will transfer all their new carbon fees to E.SUN, leading to an increase in all short, medium, and long term scenarios. To reduce the risk of carbon tax transfer in the future, E.SUN encourages suppliers to establish response strategies in advance through implementing education, training, and communications. On the basis of mutual benefit, E.SUN lowers the costs and drives sustainable development for suppliers.

Description of scenario		(Short-term) carbon fees levied in response to climate change	IEA 2050 net zero scenario (Medium- and long-term)		NGFS 2050 net zero scenario (Medium- and long-term)	
		The carbon fee is NT\$300 per ton.	The carbon fee is NT\$4,248 (US\$140) per ton.	The carbon fee is NT\$7,585 (US\$250) per ton.	The carbon fee is NT\$4,733 (US\$156) per ton.	The carbon fee is NT\$13,259 (US\$437) per ton.
		2025	2030	2050	2030	2050
Transfer amount(NT\$)	Manufacturing	4,228	42,503	106,899	47,361	186,860
	Service industry	797,025	8,012,215	20,151,447	8,927,897	35,224,729
	Retail industry	518,114	5,208,422	13,099,653	5,803,670	22,898,194
The ratio of transfer amount of carbon fees to the procurement amount		0.03%	0.30%	0.76%	0.34%	1.33%

Note: IEA carbon fees refer to the GEC Model 2022: Net Zero Emissions by 2050 scenario Advanced economies with net zero emissions pledges, where carbon fees for energy-related industries is applicable to all industries.

Note: NGFS adopts the carbon fees of MESSAGEix-GLOBIOM 1.1 Net Zero 2050 in Taiwan

Note: In the short-term scenario, carbon fees are levied based on emissions. In the medium and long-term scenarios, carbon-related fees are calculated based on the forms of carbon emission trading (29% reduction by 2030, 100% reduction by 2050). The carbon fee will be used to make up for the differences in the shortfall in emission reduction.

Appendix 1 - GRI Content Index

Statement of use	E.SUN FHC's report is prepared in accordance with GRI standards. The disclosure period of this report is the fiscal year 2022 (January 1, 2022 to December 31, 2022).
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard (s)	G4 Financial Services Sector Disclosure

GRI 2: General Disclosures 2021

★ Major Themes

GRI Standards	Disclosure Items	Chapter	Page Number	Omission/Note
2-1	Organizational Information	About the Report 1.1 Vision	3 13	
2-2	Entities included in the sustainability report	About the Report	3	
2-3	Reporting period, reporting frequency, and contact person	About the Report	3	
2-4	Information reorganization	About the Report	3	
2-5	External assurance/confirmation	About the Report	3	
2-6	Activities, value chain, and other business relationships	1.1 Vision 1.4 Material Issues	13 20	
2-7	Employees	Appendix 12 - Human Resource Management Indicators	184	
2-8	Non-employee workers	4.9 Human Rights Protection Appendix 12 - Human Resource Management Indicators	118 184	
2-9	Governance structure and composition	4.1 Corporate Governance	89	
2-10	Nomination and selection of the highest governance body	4.1 Corporate Governance	89	
2-11	Chair of the highest governing body	4.1 Corporate Governance	89	
2-12	Role of the highest governing body in overseeing risk management	4.1 Corporate Governance	89	
2-13	Delegating responsibilities for managing risks	1.3 Sustainable Governance 4.1 Corporate Governance	18 89	
2-14	The role of the highest governance body in sustainability reporting	1.3 Sustainable Governance	18	
2-15	Benefit breakthrough	4.1 Corporate Governance	89	
2-16	Communication of key significant events	4.2 Code of Conduct and Ethic	96	
2-17	Collective intelligence of the highest governance body	4.1 Corporate Governance	89	

GRI Standards	Disclosure Items	Chapter	Page Number	Omission/Note
2-18	Performance Evaluation of the Highest Governance Body	4.1 Corporate Governance	89	
2-19	Compensation Policy	4.1 Corporate Governance	89	
2-20	Compensation Determination Process	4.1 Corporate Governance	89	
2-21	Annual salary ratio	4.1 Corporate Governance	89	
2-22	Statement on sustainable development strategy	Message from the Chairman and the President	5	
2-23	Policy commitment	4.2 Code of Conduct and Ethic 4.9 Human Rights Protection	96 118	
2-24	Incorporation of policy commitments	4.2 Code of Conduct and Ethic 4.9 Human Rights Protection	96 118	
2-25	Negative impact compensation process	4.2 Code of Conduct and Ethic 4.9 Human Rights Protection	96 118	
2-26	Mechanism for soliciting suggestions and proposing relevant matters	4.2 Code of Conduct and Ethic	96	
2-27	Compliance with regulations	4.2 Code of Conduct and Ethic	96	
2-28	Qualifications of cooperative members	4.1 Corporate Governance	89	
2-29	Stakeholder negotiation methods	1.4.1 Communication with stakeholders	21	
2-30	Group Agreement	5.3 Employee Care and Friendly Workplace Environment	136	

GRI 3: Major Theme Disclosure Items

GRI Standards	Disclosure Items	Chapter	Page Number	Abbreviation/Note
3-1	Major Theme Decision Process			
3-2	Major Theme Checklist	1.4 Material Issues	20	
3-3	Major Theme Management			

Specific Theme Standards

GRI 200: Economic Series

Series	Disclosure	Description	Corresponding Chapter	Page Number	Omission/Notes
GRI 201: ★ Economic Performance 2016	201-1	Direct economic value generated and distributed by the organization	1.2 Business Performance	17	
	201-3	Defined benefit plan obligations and other retirement plans	5.2 Talent Attraction and Retention	131	
GRI 202: ★ Market Position 2016	202-1	Ratio of standard entry-level wage by gender compared to local minimum wage	5.3.1 Equal Work, Equal Pay; Diverse Communication Channels	142	
GRI 203: ★ Indirect Economic Impacts 2016	203-1	Development and impact of infrastructure investments and support services	3.2 Inclusive Finance	71	
			3.4 FinTech and Innovation	83	
			6.2 Social Inclusion	152	
	203-2	Significant indirect economic impacts	3.2 Inclusive Finance 6.2 Social Inclusion	71 152	
GRI 204: ★ Procurement Practices 2016	204-1	Proportion of spending on local suppliers	6.3.1 Supplier Management	166	
GRI 205: ★ Anti-corruption 2016	205-2	Communication and training on anti-corruption policies and procedures	4.2 Code of Conduct and Ethic 6.3.1 Supplier Management	96 166	
	205-3	Confirmed corruption incidents and actions taken	4.2 Code of Conduct and Ethic	96	
GRI 206: ★ Anti-competitive behavior 2016	206-1	Legal actions involving anti-competitive behavior, anti-trust, and monopoly practices	4.2 Code of Conduct and Ethic	96	
GRI 207: ★ Tax 2019	207-1	Tax policy	4.8 Tax Governance	115	
	207-2	Tax governance, control, and risk management	4.8 Tax Governance	115	
	207-3	Stakeholder engagement and management on tax-related issues	4.8 Tax Governance	115	
	207-4	Country Report	4.8 Tax Governance	115	

GRI 300: Environmental Series 2016

Series	Disclosure	Description	Corresponding Chapter	Page Number	Omission/Note
GRI 302: ★ Energy 2016	302-1	Energy consumption within the organization	6.3 Sustainable Operating Environment	162	
			Appendix 13 - Sustainable Operating Environment Indicators	191	
	302-3	Energy intensity	6.3 Sustainable Operating Environment	162	
			Appendix 13 - Sustainable Operating Environment Indicators	191	
GRI 303: Water 2018	303-1	Interactions and impacts on shared water resources	6.3 Sustainable Operating Environment	162	
	303-3	Water withdrawal	6.3 Sustainable Operating Environment	162	
GRI 305: ★ Emissions 2016	305-1	Direct (Scope 1) greenhouse gas emissions	6.3 Sustainable Operating Environment	162	
			Appendix 13 - Sustainable Operating Environment Indicators	191	
	305-2	Energy Indirect (Scope 2) Greenhouse Gas Emissions	6.3 Sustainable Operating Environment	162	
			Appendix 13 - Sustainable Operating Environment Indicators	191	
	305-3	Other Indirect (Scope 3) Greenhouse Gas Emissions	6.3 Sustainable Operating Environment	162	
			Appendix 13 - Sustainable Operating Environment Indicators	191	
	305-4	Greenhouse gas emission intensity	6.3 Sustainable Operating Environment	162	
			Appendix 13 - Sustainable Operating Environment Indicators	191	
GRI 306 Wastewater and Waste 2020	306-3	Generation of waste	6.3 Sustainable Operating Environment	162	
			Appendix 13 - Sustainable Operating Environment Indicators	191	
GRI 308: ★ Supplier Environmental Assessment 2016	308-1	Adopting environmental standards for selecting new suppliers	6.3.1 Supplier Management	166	

GRI 400: Social series

Series	Disclosure	Description	Corresponding Chapter	Page Number	Omission/Note
GRI 401: ★ Employment-related 2016	401-1	New employees and employee turnover	Appendix 12 - Human Resource Management Indicators	184	
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	5.2 Talent Attraction and Retention	131	
	401-3	Parental leave	Appendix 12 - Human Resource Management Indicators	184	
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice period for operational changes	5.1 Talent Cultivation and Development	122	
GRI 403: ★ Occupational Safety and Health 2018	403-1	Occupational Safety and Health Management System	5.3 Employee Care and Friendly Workplace Environment	136	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	5.3 Employee Care and Friendly Workplace Environment	136	
	403-3	Occupational Health Services	5.3 Employee Care and Friendly Workplace Environment	136	
	403-4	Worker Participation, Consultation, and Communication on Occupational Safety and Health	5.3 Employee Care and Friendly Workplace Environment	136	
	403-5	Training on occupational safety and health for workers	5.3 Employee Care and Friendly Workplace Environment	136	
	403-6	Promotion of worker health	5.3 Employee Care and Friendly Workplace Environment	136	
	403-7	Prevention and mitigation of direct work-related occupational safety and health impacts	5.3 Employee Care and Friendly Workplace Environment	136	
	403-8	Workers covered by the occupational safety and health management system	5.3 Employee Care and Friendly Workplace Environment	136	
	403-9	Occupational injury	5.3 Employee Care and Friendly Workplace Environment	136	
			Appendix 12 - Human Resource Management Indicators	184	
	403-10	Occupational diseases	5.3 Employee Care and Friendly Workplace Environment	136	
			Appendix 12 - Human Resource Management Indicators	184	

Series	Disclosure	Description	Corresponding Chapter	Page Number	Omission/Note
GRI 404: ★ Training and Education 2016	404-1	Average hours of training per employee per year	5.1 Talent Cultivation and Development Appendix 12 - Human Resource Management Indicators	122 184	
	404-2	Enhancing employee competency and transitional assistance programs	5.1 Talent Cultivation and Development 5.2 Talent Attraction and Retention	122 131	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.1 Talent Cultivation and Development	122	
GRI 405: Employee diversity and equal opportunity 2016	405-1	Diversity of management units and employees	4.1 Corporate Governance Appendix 12 - Human Resource Management Indicators	89 184	
	405-2	Ratio of female to male basic salary and remuneration	4.1 Corporate Governance Appendix 12 - Human Resource Management Indicators	89 184	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and improvement actions taken by the organization	4.9 Human Rights Protection	118	
GRI 408: Child Labor 2016	408-1	Significant risk of child labor in operations and suppliers	4.9 Human Rights Protection 6.3.1 Supplier Management	118 166	
GRI 409: Forced or Compulsory Labor 2016	409-1	Significant risk of forced and compulsory labor incidents in operations and suppliers	4.9 Human Rights Protection 6.3.1 Supplier Management	118 166	
GRI 411: Indigenous Rights 2016	411-1	Incidents involving infringement of indigenous rights	4.9 Human Rights Protection	118	
GRI 413: ★ Local Community 2016	413-1	Operations with local community engagement, impact assessments, and development programs	3.2 Inclusive Finance 6.2 Social Inclusion	71 152	
GRI 414: ★ Supplier Social Assessment 2016	414-1	New suppliers screened using social criteria	6.3.1 Supplier Management	166	
GRI 415: Public Policy 2016	415-1	New suppliers screened using social criteria	1.2 Business Performance	17	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	3.3 Treating Customers Fairly and Customer Experience	78	
	417-2	Incidents of non-compliance with regulations regarding product and service information and labeling	3.3 Treating Customers Fairly and Customer Experience	78	No such incidents
	417-3	Incidents of non-compliance with marketing regulations	3.3 Treating Customers Fairly and Customer Experience	78	No such incidents
GRI 418: ★ Customer Privacy 2016	418-1	Complaints regarding breaches of customer privacy or loss of customer data	4.7 Information Security and Personal Information Protection Management	111	
GRI 419: ★ Social Compliance with Economic Regulations 2016	419-1	Violations of laws and regulations in social and economic domains	4.2 Code of Conduct and Ethic	96	
★ Social Compliance with Economic Regulations 2016			Corresponding chapter	Page number	Omission/Note
Climate change response			2.3 Opportunity Identification	41	
			2.4 Risk Identification	44	

Appendix 2 - Index of GRI (Global Reporting Initiative) G4 Indicators of Financial Service Sector

Aspect		DMA/GRI Indicator	Corresponding Chapter	Page Number
★ Product Portfolio DMA	DMA	FS1 Policies with specific environmental and social components applied to business lines.	3.1 Sustainable Finance / 3.2 Inclusive Finance / 3.4 FinTech and Innovation	57 / 71 / 83
		FS2 Procedures for assessing and screening environmental and social risks in business lines.	3.1 Sustainable Finance	57
		FS3 Processes for monitoring clients' implementation and compliance with environmental and social requirements included in agreements or transactions.	3.1 Sustainable Finance 3.2 Inclusive Finance	57 / 71
		FS4 Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	5.1 Talent Cultivation and Development / 6.1 Natural Environment and Biodiversity Preservation / 6.2 Social Inclusion	122 / 145 / 152
		FS5 Interactions with clients/investees/business partners regarding environmental and social risks and opportunities. FS7 Products and services designed to deliver a specific social benefit for each business line broken down by purpose and currency	3.1 Sustainable Finance / 3.2 Inclusive Finance / 3.4 FinTech and Innovation / 6.3.1 Supplier Management	57 / 71 / 83 / 166
		FS7 Products and services designed to deliver a specific social benefit for each business line broken down by purpose and currency value.	3.2 Inclusive Finance / 3.4 FinTech and Innovation / 6.2 Social Inclusion	71 / 83 / 152
		FS8 Products and services designed to deliver a specific environmental benefit for each business line broken down by purpose and currency value.	3.1 Sustainable Finance	57
Assurance	DMA	FS9 Assessment of the implementation status of environmental and social policy and risk assessment processes, including the scope and frequency of assurance.	3.1 Sustainable Finance / 3.2 Inclusive Finance / 4.9 Human Rights Protection	57 / 71 / 118
Participation	Indicator	FS10 The number and percentage of companies in the investment portfolio that have mutual impacts on environmental or social aspects, and the reporting editing organization.	3.1 Sustainable Finance / 3.2 Inclusive Finance / 3.4 FinTech and Innovation	57 / 71 / 83
Product Responsibility - Product and Service Labeling	DMA	FS15 Relevant policies for the fair design and sales of financial products and services.	3.3 Treating Customers Fairly and Customer Experience	78
		FS16 Relevant measures to strengthen the financial knowledge of various types of beneficiaries.	3.2 Inclusive Finance / 5.1 Talent Cultivation and Development	71 / 122
Social - Local Communities	Indicator	FS13 Types of operating outlets in low population density or economically disadvantaged areas.	3.2 Inclusive Finance	71
		FS14 Relevant measures to promote better financial services for vulnerable groups.	3.2 Inclusive Finance	71

Appendix 3 - Material Issues

A-1 Difference between material issues in 2022 and 2021

Major Themes (in order)	Annual Differences	Adjustment Explanation
Green Finance	Theme Consolidation	Considering the unification of information disclosure, combining 'Responsible Lending' and 'Responsible Investment' into 'Green Finance'.
Customer Experience and Fair Treatment	Name Adjustment	Considering a broader perspective of customer experience, adjusting 'Fair Treatment and Customer Experience' to 'Customer Experience and Fair Treatment'.
Climate Change Factors	Theme Consolidation	Considering the unified disclosure of information, integrating 'climate change risks', 'climate change opportunities', and 'carbon reduction actions'.
Information Security and Personal Data Protection	Theme Consolidation	Considering the close focus on 'information security' and 'personal data protection', and the internal management by a unified unit, the themes are consolidated.
Major Infectious Disease Control Measures	Theme Deletion	After evaluating the impact and severity, the major theme is deleted.
Human Rights Protection	Theme Deletion	Evaluate the impact and severity, and remove major themes.

A-2 Explanation of involvement in the value chain

E.SUN's value chain includes upstream (supplier, partners, government), E.SUN's operations (including FHC and subsidiaries), and downstream (customers). Overall, it covers all of E.SUN's products and services. The impact and involvement of material issues in the value chain are described in the table below:

Major Theme	Value Chain Impact Boundary and Involvement Explanation				
	Upstream			E.SUN	downstream
	supplier	cooperative partner	government	financial control and subsidiaries	client
1 Financial technology and innovation		Business Relations		Direct	Direct
2 Talent Cultivation and Development				Direct	Business Relations
3 Green Finance	Business Relations	Indirect	Indirect	Direct	Business Relations
4 Customer Experience and Fair Treatment			Direct	Direct	Direct
5 Sincere Management			Direct	Direct	Direct
6 Risk management	Business relations	Business relations	Direct	Direct	Indirect
7 Climate Change Adaptation	Business Relations	Indirect	Direct	Direct	Business Relations

Major Theme	Value Chain Impact Boundary and Involvement Explanation				
	Upstream			E.SUN	downstream
	supplier	cooperative partner	government	financial control and subsidiaries	client
8 Information Security and Personal Data Protection	Indirect	Indirect	Indirect	Direct	Direct
9 General Financial Benefits	Business Relations	Business Relations	Indirect	Direct	Business Relations
10 Legal Compliance			Direct	Direct	Direct
11 Talent Attraction and Retention		Indirect		Direct	
12 Corporate Governance	Indirect	Indirect	Direct	Direct	Direct
13 Employee Care and Friendly Working Environment	Business Relations	Indirect	Indirect	Direct	Direct

Appendix 4 - Progress of Commitments under the Sustainable Finance Pioneers

Commitment Items		Goals	E.SUN's progress in 2022
Green Procurement	Continuously selected as the 'Outstanding Green Procurement Promotion Unit for Private Enterprises' by the Environmental Protection Administration of the Executive Yuan before the end of 2024.		In progress, E.SUN has been awarded the 'Outstanding Green Procurement Mark' by the Environmental Protection Administration for 13 consecutive years. In 2022, the green procurement amount reached NT\$388 million (5.9% of the total procurement amount), an increase of NT\$170 million compared to 2021.
Information Disclosure	<ol style="list-style-type: none"> For the disclosure items related to environmental issues in the 2022 Sustainability Report or the statistical values involved, or the disclosure items in the TCFD Report, third-party assurance or verification should be obtained. By the end of 2025, following the methodology of the Partnership for Carbon Accounting Financials (PCAF), disclose the total carbon emissions and industry classification of major domestic investment portfolios belonging to high carbon emitters. 		<p>Completed, the 2022 Sustainability Report has disclosed the scope 1, 2, and 3 emissions, sustainable linked loans, green credit business amount, and tree planting quantity, all the numbers have been verified by a third party.</p> <p>Completed, the 2022 Sustainability Report has disclosed the total emissions and industry classification of investment portfolios with high carbon emissions.</p>
Investment and Engagement	<ol style="list-style-type: none"> Join the Science Based Targets initiative (SBTi) by the end of 2023 and submit a carbon reduction roadmap by the end of 2025. By the end of 2025, engage with more than half of the high carbon emitters in the major domestic investment portfolios, and encourage them to set net-zero emission targets by 2050; for those who have already met the aforementioned engagement targets, commit to setting more ambitious targets and strive to achieve them. Invest more in forward-looking economic activities or industries involved in key strategies listed in the 2050 carbon neutrality roadmap of the country than the previous year, and achieve self-set targets. 		<p>Completed, E.SUN has passed the SBT target review in February 2022.</p> <p>In progress, 209 high carbon emitting enterprises have been identified in portfolios (200 lending and 9 investment clients). By the end of 2022, 27 engagements have been completed, with a completion rate of 12.9%.</p> <p>In progress, the total investment in forward-looking economic activities, key strategies, and six core strategic industries in 2022 amounts to NTD 62.1 billion.</p>
Assistance and Promotion	<ol style="list-style-type: none"> By the end of 2023, provide at least one sustainable application or analytical tool that benefits the market or the public. By the end of 2023, host or participate in at least two experience-sharing seminars for the financial industry. 		<p>Completed, a carbon emission calculator was launched on the official website in 2022. Enterprises can input data to estimate carbon emissions, compare emissions with the same industry, and use it as a basis for setting carbon reduction targets and actions. https://www.esunbank.com.tw/bank/corporate/esg/esg/carbon-calculator</p> <p>Completed, E.SUN has shared sustainable practices with the financial industry in September and October 2022, covering topics such as SBT experience and climate risk management.</p>
International Connection	From January 1, 2022 to the end of 2023, the selected inclusion includes continuous selection into 1 international sustainable evaluation or the addition of 1 important international initiative.		Completed, in 2022, E.SUN was selected into sustainable indices including DJSI, MSCI ESG, etc., and joined TNFD, SBTi, and RE100 international sustainable initiatives.

Appendix 5 - Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies

Content			Reference	Page
Chapter 1	General Guideline	Disclose the goal, entity applied to, and principles of best practices.	1 Our Story	12
Chapter 2	Corporate Governance	Regulate and promote corporate governance.	4.1 Corporate Governance	89
			4.2 Code of Conduct and Ethic	96
Chapter 3	Environmental Protection	Regulate practices for sustainability.	6 Seeking Common Good	144
Chapter 4	Social Responsibilities	Regulate practices for social welfare.	3.3 Treating Customers Fairly and Customer Experience	78
			5.3 Employee Care and Friendly Workplace Environment	136
			6.3.1 Supplier Management	166
Chapter 5	Disclosure	Regulate and enhance disclosure of CSR.	About the Report	3
Chapter 6	Appendix	Regulate and improve the existing CSR system.	1.3 Sustainable Governance	18
			4.1 Corporate Governance	89

Appendix 6 - Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Content		Reference	Page
Article 2, Paragraph 1, Subparagraph 1	The most recent accounting year has come to a close, and companies described in our Guidelines for Dividing Listed Companies into Industry Categories and Related Adjustments as operating in the food, chemicals, and financial and insurance industry are required to prepare and submit the Chinese versions of their Corporate Social Responsibility reports.	1 Our Story	12
Article 3	The listed companies which fit the criteria described in Article 2 shall prepare sustainability reports on their previous year's activities based on the Global Reporting Initiative (GRI) standards published by the GRI standards organization, industry-based disclosures, and other standards relevant to their industry. These reports shall at a minimum disclose all information required by the GRI Core Option, and disclose material economic, environmental, and social issues identified by the company, their management philosophy, items required to be disclosed, and meet other reporting requirements.	4.1 Corporate Governance 4.2 Code of Conduct and Ethic	89 96
Article 4 Paragraph 3	Listed companies within the financial and insurance industry shall disclose their management approaches, topic-specific disclosures and their reporting requirements for operation and business in major topic on data security, financial inclusion, and sustainable finance. Their reporting requirements shall include at least the following items: (I) Number of data breaches, percentage involving personally identifiable information, and number of account holders affected. (II) Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities. (III) Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services. (IV) Products and services designed by individual operating units to create benefits for the environment or society.	3.2.1 Expanding Financial Accessibility	72
Article 4 Paragraph 4	The listed companies described in Article 2 shall disclose: (I) Their total number of non-managerial employees, the average and median salaries of full-time non-managerial employees, and how these figures have changed compared to the previous year. (II) How the company is managing climate-related risks and opportunities, the real and potential impact of climate issues on the company, how climate-related risk is identified, evaluated, and managed, and the metrics and goals used to evaluate and manage climate issues.	3.3 Treating Customers Fairly and Customer Experience 5.3 Employee Care and Friendly Workplace Environment 6.3.1 Supplier Management	78 136 166
Article 5	The sustainability reports prepared by companies in the food industry, the listed companies described in Article 2, Paragraph 1, Subparagraph 2, companies in the chemicals industry, and companies in the financial and insurance industry, should be provided with an accountant's opinion from an accounting firm adhering to the standards published by the Accounting Research and Development Foundation. The accountant's opinion should cover all disclosure items required by Article 4, Subparagraph 1, Item 1 to Item 7, Article 4 Subparagraph 2 Item 1 to item 4, and Article 4, Subparagraph 3, Item 1 to Item 4. Listed companies which fit the criteria described in Article 2, Paragraph 1 should upload their sustainability report, and provide a link to the sustainability report published on their company's website, through an online information submission system designated by us before June 30 each year. However, companies which have not yet prepared a sustainability report this year, prepared a sustainability report which does not meet GRI standards, or prepared a sustainability report which has not yet been audited and provided with an accountant's opinion as described in the above paragraph, may have their report submission deadlines extended to September 30. Listed companies should establish a set of working procedures for preparing and verifying their sustainability reports, and include these procedures into their internal controls system.	1.3 Sustainable Governance 4.1 Corporate Governance	18 89




Appendix 7 - ISO26000 Index

Category	Issue	Reference
Organizational Governance	Decision-making process and structures	1 Our Story
Human rights	Due diligence	4.9 Human Rights Protection
	Human rights risk situations	4.9 Human Rights Protection
	Avoidance of complicity	4.1 Corporate Governance
	Resolving grievances	5.1 Talent Cultivation and Development
	Discrimination and vulnerable groups	4.9 Human Rights Protection
	Civil and political rights	4.9 Human Rights Protection
	Economic, social and cultural rights	4.9 Human Rights Protection
	Fundamental principles and rights at work	5.3 Employee Care and Friendly Workplace Environment
Labor Practices	Employment and employment relationships	5.3 Employee Care and Friendly Workplace Environment
	Conditions of work and social protection	4.9 Human Rights Protection
	Social dialogue	4.9 Human Rights Protection
	Health and safety at work	5.3 Employee Care and Friendly Workplace Environment
	Human development and training in the workplace	5.1 Talent Cultivation and Development
Environment	Prevention of pollution	6.3 Sustainable Operating Environment
	Sustainable resource use	6.3 Sustainable Operating Environment
	Climate change mitigation and adaptation	2.4 Risk Identification
	Protection of the environment, biodiversity and restoration of natural habitats	6.1 Natural Environment and Biodiversity Preservation
Fair operating practices	Anti-corruption	4.2 Code of Conduct and Ethic
	Responsible political involvement	4.2 Code of Conduct and Ethic
	Fair competition	4.2 Code of Conduct and Ethic
	Promoting social responsibility in the value chain	1 Our Story
Consumer issues	Respect for property rights	4.2 Code of Conduct and Ethic
	Fair marketing, factual and unbiased information and fair contractual practices	3.3 Treating Customers Fairly and Customer Experience
	Protecting consumers' health and safety	3.3 Treating Customers Fairly and Customer Experience
	Sustainable consumption	3.1 Sustainable Finance
	Consumer service, support, and complaint and dispute resolution	3.3 Treating Customers Fairly and Customer Experience
	Consumer data protection and privacy	3.3 Treating Customers Fairly and Customer Experience
	Access to essential services	3.3 Treating Customers Fairly and Customer Experience / 3.4 FinTech and Innovation
	Educational and awareness	3.3 Treating Customers Fairly and Customer Experience
Community involvement and development	Community engagement	6.2 Social Inclusion
	Education and culture	6.2.2 Academic Education / 6.2.3 Social Participation
	Employment creation and skills development	5.1 Talent Cultivation and Development
	Technological development	5.1 Talent Cultivation and Development
	Wealth and income creation	6.2.4 Humanities and Arts
	Health	6.2.4 Humanities and Arts
	Social investment	6.2.4 Humanities and Arts

Appendix 8 - UN Global Compact Index

Category	Issue	Reference
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	4.9 Human Rights Protection
	Make sure that we are not complicit in human rights abuses	6.3.1 Supplier Management
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	4.9 Human Rights Protection
	The elimination of all forms of forced and compulsory labour	4.9 Human Rights Protection
	The effective abolition of child labour	4.9 Human Rights Protection
	The elimination of discrimination in respect of employment and occupation	4.9 Human Rights Protection
Environment	Businesses should support a precautionary approach to environmental challenges	2 Journey to Net Zero
	Undertake initiatives to promote greater environmental responsibility	6 Seeking Common Good
	Encourage the development and diffusion of environmentally friendly technologies	3.1 Sustainable Finance
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	4.2 Code of Conduct and Ethic




Appendix 9 - SDGs Indicators

SDGs	Sub-target	Action
4 Quality Education 	4.3 Ensure equal and affordable access to education for both men and women (U) 4.5 Ensure access to education for vulnerable groups (U) 4.7 Ensure learners acquire knowledge and skills that promote sustainable development, including education for sustainable development, cultural diversity appreciation, etc. (U) 4.4 Enhance youth access to information and communication technology (ICT) skills (T)	(S) Established 173 E.SUN Libraries. (S) Caring for Students Project, helping 36,101 people in 3 years. (S) Rural Elementary School English Hand-in-Hand Program, with a total of 163 classes and benefiting 2,734 rural students. (S) E.SUN Talent Cultivation Scholarship, awarded to a total of 244 students. (S) E.SUN Academic Award, awarded to a total of 68 professors. (S) Rural children's experiential activities such as two-courtyard self-contained field, theater arts experience, walking through E.SUN Library, digital reading exploration contest, etc., benefiting 6,093 people in 2022. (C) World cities account for 30.1% of the total. (C) Cumulatively held 8 AI Talent Open Challenges, with a total of 6,327 teams participating.
8 Sustainable Business and Economic Growth 	8.2 Enhance economic productivity through diversification, technological upgrading, and innovation (U) 8.3 Provide financial services to encourage the growth of micro, small, and medium-sized enterprises (U) 8.8 Promote safe working environments and protect labor rights, especially for female workers (U) 8.10 Provide convenient, diverse, and accessible financial services (U) 8.13 Encourage the development of renewable energy (T)	(S) The average benefits spending for non-managerial staff is 1.36 million NTD. (S) Assisted 25.7 thousand small and medium-sized enterprise customers in obtaining crucial operating funds. (C) The outstanding loan balance for small and medium-sized enterprises is 507.2 billion NTD. (C) Invested 540 million NTD in research and development, holding 155 related patents (56 inventions, 77 new types, and 22 designs). (C) E.SUN Bank's mobile banking, internet banking, and E.SUN Wallet serve 2.62 million active customers. (C) Digital transactions account for 67% of the overall ratio.
3 Health and Well-being 	3.8 Achieve universal health coverage (U) 3.c Increase health financing and support for health workforce in developing countries (U)	(S) Collaborate with doctors to provide home medical services, serving a total of 2,208 vulnerable groups and residents in remote areas. (S) Distribute E.SUN Nursing Talent Scholarships, supporting a total of 25 students. (S) Partner with Taiwan Blood Services Foundation to organize blood donation events, recruiting 5,172 volunteer blood donors and collecting 7,712 bags of blood. (S) Install 26 fixed dental treatment chairs in remote elementary schools in Hualien County, Taitung County, Chiayi County, and Kaohsiung City, serving local students and residents, and encouraging more young dentists to serve in remote areas and contribute to medical expertise. (S) Collaborate with the 'National Union of Chinese Medicine Doctors' to organize the first 'Chinese Medicine Festival', promoting knowledge of Chinese medicine and treatment, with 2,000 participants. (C) 56,000 medical professional credit cards in circulation.

Note 1: (U) United Nations; (T) National Goals

Note 2: (S) Social Goals; (C) Commercial Goals




Note 3: The calculations related to carbon emission reduction, water consumption reduction, and general waste reduction are all based on 2016 as the base year.

SDGs	Sub-target	Action
13 Climate Actions 	13.2 Integrating climate change mitigation measures into strategic planning (U) 13.3 Enhancing the capacity of institutions and employees to respond to climate change (U) 13.3.2 Promoting behavioral change among the public and implementing low-carbon local actions (T)	(S) Wind power generation participation and capacity of 393MW, reducing 420 thousand tons of carbon emissions. (S) Solar power generation participation and capacity of 732MW, reducing 366 thousand tons of carbon emissions. (S) No longer providing financing for new coal-fired power plant projects, and not renewing contracts for existing projects after their term. (S) Reducing carbon emissions per unit of revenue by 26%. (S) E.SUN Bank's co-branded cardholders ride YouBike approximately 360,000 times per month. (C+S) 44 equator principle projects. (C) Green loan amount 53.7 billion NTD.
16 Peace and Justice Institutions 	16.4 Reduce illicit financial flows and combat all forms of organized crime (U) 16.6 Establish effective, accountable, and transparent systems (U) 16.7 Ensure responsive, inclusive, participatory, and representative decision-making (U)	(S) Successfully assisted in thwarting 371 fraud cases, amounting to approximately NTD 133.52 million (including foreign currency). (C) A total of 337 employees have obtained the internationally recognized Certified Anti-Money Laundering Specialist (CAMS) certification. (C) A total of 1,631 employees have obtained the 'Anti-Money Laundering and Counter-Terrorist Financing Specialist Examination' certification. (C) 11 employees have obtained the 'Certified Global Sanctions Specialist (CGSS) certification. (C) 3 employees have obtained the Certified Transaction Monitoring Analyst (CTMA) certification.
12 Responsible Consumption and Production 	12.5 Reduce waste generation, promote resource recovery and reuse (U) 12.6 Encourage companies to adopt sustainable practices and disclose sustainability information (U) 12.7 Promote green procurement (U)	(S) Waste reduction per unit of revenue decreased by 37%. (S) Water consumption per unit of revenue decreased by 24%. (S) E.SUN Bank's credit card system achieved carbon neutrality, offsetting a total of 3,533 tons of carbon dioxide. (C) Green procurement accumulated to 1.98 billion NTD. (C) Over 4.29 million zero-carbon credit cards issued.

Note 1: (U) United Nations; (T) National Goals

Note 2: (S) Social Goals; (C) Commercial Goals

Note 3: The calculations related to carbon emission reduction, water consumption reduction, and general waste reduction are all based on 2016 as the base year.

SDGs	Sub-target	Action
15 Terrestrial Biodiversity 	15.2 Implement sustainable forest management (U) 15.4 Ensure the conservation of mountain ecosystems (U) 15.5 Protect and prevent the extinction of endangered species (U)	(S) Tree planting project, with a total of 60,000 native Taiwanese tree species planted. (S) Donated a total of 10 million NTD to Taipei Zoo. (S) Since 2009, E.SUN has continuously sponsored the Yushan National Park trail for 14 years. (S) For 13 consecutive years, E.SUN has organized the 'Beautiful Taiwan Smile Yushan' environmental cleanup and beach cleaning event, with over 6,866 participants in 2022. (S) Collaborating with National Taiwan University to promote the restoration of 28 native species in Nantou that were previously considered extinct. Supporting the development of a native rice product line in indigenous villages. (C) A total of 91,000 Taiwan Black Bear co-branded cards and Imperial Sword cards have been issued (a portion of the proceeds is donated to black bear conservation and tree planting projects).
5 Gender Equality 	5.1 Ending discrimination against women (U) 5.4 Valuing the care and domestic work of women (U) 5.5 Ensuring women have equal opportunities to participate in decision-making at all levels (U)	(S) E.SUN has been awarded the 'Workplace Gender Equality Index' certification by the Taipei City Government's Department of Labor for the second time. (S) Provides maternity leave (60 days), paternity leave (8 days), pregnancy checkup accompaniment and paternity leave (8 days), and child-rearing leave system (3 years) that are better than legal requirements. (S) The return-to-work rate after child-rearing is 91.54%. (C) 40.85% of managers are female. (C) The average fixed salary for general employees, with women at 98% of men's salary.
17 Global partners 	17.3 Provides financial support to developing countries (U) 17.3 Offers Taiwan scholarships to outstanding students from developing countries for studying in Taiwan (T)	(S) E.SUN has provided scholarships to outstanding students from Vietnam, the Philippines, and Indonesia, supporting a total of 33 students. (S) E.SUN has designed an all-English financial course to cultivate foreign students studying in Taiwan (including those from Vietnam, Indonesia, Malaysia, Thailand, Honduras, Palestine, and St. Lucia), with a total of 13 students trained in 2022. (C) E.SUN has provided loans totaling USD 707 million to enterprises in Vietnam, the Philippines, and Indonesia. (C) E.SUN has provided housing loans totaling USD 329 million in the Philippines.

Note 1: (U) United Nations; (T) National Goals

Note 2: (S) Social Goals; (C) Commercial Goals

Note 3: The calculations related to carbon emission reduction, water consumption reduction, and general waste reduction are all based on 2016 as the base year.

Appendix 10 - TCFD Disclosure Recommendations

Recommended Disclosures		Chapter
Governance	Describe the board's oversight of climate-related risks and opportunities.	2.1 Climate and Environment Governance Structure / 2.4.2 Risk Management Procedures
	Describe management's role in assessing and managing climate-related risks and opportunities.	2.1 Climate and Environment Governance Structure / 2.1.1 Policy and Capacity building / 2.4.2 Risk Management Procedures
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2.2 Climate Related Risks and Opportunities / 2.3 Opportunity Identification / 2.4 Risk Identification
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2.3.1 Response Strategy and Financial Plan / 2.3.2 Climate-related Product and Service Overview / 2.4.1 Impact Assessment
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2.3.1 Response Strategy and Financial Plan / 2.4.4 Climate Change Scenario Analysis / 6.3.1 Supplier Management
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	2.4 Risk Identification / 2.4.1 Impact Assessment
	Describe the organization's processes for managing climate-related risks.	2.4.2 Risk Management Procedures / 2.4.3 Identification and Management of Climate Risks by Industry / 3.1.1 Responsible Lending / 3.1.2 Responsible Investment / 6.3 Sustainable Operating Environment
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2.4.5 Climate Risk Management Measures / 2.4.6 Differentiation Management of Industries / 3.1.1 Responsible Lending / 3.1.2 Responsible Investment
	Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	2.3.1 Response Strategy and Financial Plan / 2.3.2 Climate-related Product and Service Overview / 2.4.3 Identification and Management of Climate Risks by Industry / 3.1.1 Responsible Lending / 3.1.2 Responsible Investment / 6.3 Sustainable Operating Environment / 6.3.1 Supplier Management
Metrics and Targets	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2.5 E.SUN Carbon Emissions Structure / 2.5.1 Financed Carbon Emissions / 2.5.2 From Low Carbon to Zero Carbon, Moving Towards a Net-Zero Transformation by 2050
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2.3.1 Response Strategy and Financial Plan / 2.3.2 Climate-related Product and Service Overview / 2.5.1 Financed Carbon Emissions / 2.5.2 From Low Carbon to Zero Carbon, Moving Towards a Net-Zero Transformation by 2050 / 3.1.1 Responsible Lending / 3.1.2 Responsible Investment / 6.3 Sustainable Operating Environment

Appendix 11 - 2021 Structure of Financed Emissions

Financed Emissions Timeline

	Bank	Venture Capital	Securities
Financed Emissions (t-CO ₂ e)	3,670,203	889	1,519
Carbon Footprint (t-CO ₂ e/\$M)	47.94	9.97	27.96

Asset Class Distribution	Financed Emissions (t-CO ₂ e)	Carbon Footprint (t-CO ₂ e/\$M)	WACI (t-CO ₂ e/\$M)	Data Quality Score
Equity and bonds	577,108	40.17	315.45	1.36
Sovereign bonds	500,040	177.45	183.09	1.08
Business loans	1,906,246	68.24		3.77
Power generation project finance	301,255	609.27	104.67	2.72
Commercial real estate mortgages	98,206	44.72		4.00
Mortgages	289,757	10.03	-	4.07
Total	3,672,612	47.88	172.63	3.33

Geographical Distribution	Finance Emissions (t-CO ₂ e)	Carbon Footprint (t-CO ₂ e/\$M)	WACI (t-CO ₂ e/\$M)
Taiwan	2,773,012	47.93	192.67
N. America & Europe	370,817	44.89	48.26
Hong Kong	185,870	91.40	750.63
Others	165,947	47.15	127.64
Other Asia	142,989	33.22	58.56
China	33,977	46.63	64.48
Total	3,672,612	47.88	172.63

Industry distribution	Financed Emissions (t-CO ₂ e)	Carbon Footprint (t-CO ₂ e/\$M)	WACI (t-CO ₂ e/\$M)
Electricity and Utilities	704,643	495.15	1,810.95
Wholesale and Retail trade	560,263	100.93	95.84
Manufacturing	545,140	78.99	115.25
Sovereignty	500,040	177.45	183.09
Fossil Fuels and Chemistry	309,318	163.95	619.51
Electronics	197,632	42.72	150.89
Others	188,098	23.58	50.01
Metal	135,621	318.73	686.13
Transportation	129,789	84.94	318.70
Cement and Glass	59,101	299.36	2,698.27
Finance	53,210	3.68	17.63
Total	3,382,855	70.76	172.63

Note 1: WACI calculations do not include mortgages

Note 2: Weighted Average Carbon Intensity (WACI)

WACI = $\sum \frac{\text{current value of investment}}{\text{current portfolio value}} \times \text{issuer's Scope 1 and Scope 2 GHG emissions} / \text{issuer's \$M revenue}$

Appendix 12 - Human Resource Management Indicators

GRI: 2-7、401-1、401-3、403-9、403-10、405-1、406-1、412-3
SASB: FN-AC-330a.1

A-1、Employee workers and Non-employee workers

Year	Employee workers	Non-employee workers
2020	9,502	677
2021	9,262	638
2022	9,109	694

Note: 1. The total number of employee includes employees work in oversea branches.
2. All employees are permanent and full-time employment, excluding employees who take leave without pay.
3. Non-employee workers are those other than E.SUN's employees, including temporary workers and contractors' employees, providing services such as information, security, and cleaning.

A-3、Employee age distribution

Year	Item	Under 29	30-50	Over 51	Total
2020	Number	3,679	5,449	374	9,502
	Proportion of all employees	38.72%	57.34%	3.94%	100.00%
2021	Number	3,291	5,540	431	9,262
	Proportion of all employees	35.53%	59.82%	4.65%	100.00%
2022	Number	2,995	5,592	522	9,109
	Proportion of all employees	32.88%	61.39%	5.73%	100.00%

Note: 1. The total number of employee includes employees work in oversea branches.
2. All employees are permanent and full-time employment, excluding employees who take leave without pay.

A-5、Employee position distribution

Year	Item	Managerial employees	Non-managerial employees	Total
2020	Number	2,723	6,779	9,502
	Proportion of all employees	28.66%	71.34%	100.00%
2021	Number	2,767	6,495	9,262
	Proportion of all employees	29.87%	70.13%	100.00%
2022	Number	2,906	6,203	9,109
	Proportion of all employees	31.90%	68.10%	100.00%

Note: 1. The total number of employee includes employees work in oversea branches.
2. All employees are permanent and full-time employment, excluding employees who take leave without pay.
3. Managerial employees refer to those marked as managerial employees or above in our human resources system.

A-6 - Nationality share of total employees

Year	Item	Taiwan	Hong Kong	Macao	Vietnam	Cambodia	Thailand	Singapore	Myanmar	USA	China	Australia	Malaysia	Japan	South Korea	Germany	French	Total
2020	Number	9,219	123	0	36	0	0	34	36	16	18	7	7	4	0	1	1	9,502
	Proportion of all employees	97.02%	1.29%	0.00%	0.38%	0.00%	0.00%	0.36%	0.38%	0.17%	0.19%	0.07%	0.07%	0.04%	0.00%	0.01%	0.01%	100.00%
2021	Number	8,980	128	0	38	0	0	33	30	20	15	8	7	3	0	0	0	9,262
	Proportion of all employees	96.96%	1.38%	0.00%	0.41%	0.00%	0.00%	0.36%	0.32%	0.22%	0.16%	0.09%	0.08%	0.03%	0.00%	0.00%	0.00%	100.00%
2022	Number	8,800	132	1	47	1	1	38	30	19	18	8	10	3	1	0	0	9,109
	Proportion of all employees	96.61%	1.45%	0.01%	0.52%	0.01%	0.01%	0.42%	0.33%	0.21%	0.20%	0.09%	0.11%	0.03%	0.01%	0.00%	0.00%	100.00%

Note: 1. The total number of employee includes employees work in oversea branches.
2. All employees are permanent and full-time employment, excluding employees who take leave without pay.
3. The numbers are decided based on the employees' nationality.

A-2、Employee gender distribution

Year	Item	Male	Female	Total
2020	Number	4,227	5,275	9,502
	Proportion of all employees	44.49%	55.51%	100.00%
2021	Number	4,152	5,110	9,262
	Proportion of all employees	44.83%	55.17%	100.00%
2022	Number	4,007	5,102	9,109
	Proportion of all employees	43.99%	56.01%	100.00%

Note: 1. The total number of employee includes employees work in oversea branches.
2. All employees are permanent and full-time employment, excluding employees who take leave without pay.

A-4、Employee educational level distribution

Year	Item	Master and above	Bachelor	Junior college	High school and under	Total
2020	Number	2,520	6,551	377	54	9,502
	Proportion of all employees	26.52%	68.94%	3.97%	0.57%	100.00%
2021	Number	2,503	6,351	363	45	9,262
	Proportion of all employees	27.02%	68.57%	3.92%	0.49%	100.00%
2022	Number	2,457	6,249	362	41	9,109
	Proportion of all employees	26.97%	68.60%	3.97%	0.45%	100.00%

Note: 1. The total number of employee includes employees work in oversea branches.
2. All employees are permanent and full-time employment, excluding employees who take leave without pay.

A-7 - Nationality share in management positions

Item	2019	2020	2021	2022
	Proportion of all managerial employees	Proportion of all managerial employees	Proportion of all managerial employees	Proportion of all managerial employees
Taiwan	98.84%	98.20%	97.98%	97.94%
Hong Kong	0.66%	0.70%	0.90%	0.89%
USA	0.15%	0.26%	0.29%	0.28%
Vietnam	0.00%	0.22%	0.22%	0.24%
Singapore	0.15%	0.22%	0.18%	0.24%
Australia	0.15%	0.15%	0.14%	0.14%
China	0.00%	0.07%	0.11%	0.10%
Myanmar	0.04%	0.11%	0.11%	0.10%
Japan	0.04%	0.07%	0.07%	0.07%
Total	100.00%	100.00%	100.00%	100.00%

Note: 1. The total number of employee includes employees work in oversea branches.
 2. All employees are permanent and full-time employment, excluding employees who take leave without pay.
 3. The numbers are decided based on the employees' nationality.

B - Distribution in regard to minorities

Year	Item	People with disability	LGBTQI+	Indigenous People
2019	Number	46	-	35
	Proportion of all employees	0.50%	-	0.38%
2020	Number	45	2	41
	Proportion of all employees	0.47%	0.02%	0.43%
2021	Number	47	3	39
	Proportion of all employees	0.51%	0.03%	0.42%
2022	Number	43	1	37
	Proportion of all employees	0.47%	0.01%	0.41%

Note: 1. The total number of employee includes employees work in oversea branches.
 2. All employees are permanent and full-time employment, excluding employees who take leave without pay.
 3. LGBTQI+ refers to homosexual, bisexual, transgender, queer, and intersex; the number in each column is calculated through dividing the total number of married people by the number of people in same-sex marriage.

C - Female employee position distribution

Item	2020	2021	2022
STEM-related positions	31.43%	30.67%	31.49%
All management positions	38.45%	39.39%	40.85%
Junior management positions	42.04%	43.20%	45.03%
Top management positions	20.61%	21.56%	22.08%
Management positions in revenue-generating functions	35.64%	40.72%	41.20%

Note: 1. Junior management employees refer to those marked as managerial employees(managers and above are not included) in our human resources system.
 2. Top management employees refer those marked as managerial employees(managers and above) in our human resources system.
 3. Revenue-generating function employees refer to everyone taking the lower-managerial positions and above of each product line's sales business.
 4. STEM-related positions employees refer to employees working in fintech-related departments.
 5. E.SUN set specific goals by 2025:the share of women in total workforce is 55% and above, all management positions reaches 41%, junior management positions reaches 45%.The share of women in management positions in revenue-generating functions reaches 42%, STEM-related positions reaches 32%.

D-1 - New recruits gender distribution

Year	Item	Male	Female
2019	Number	587	940
	New Employee Ratio	14.04%	18.53%
2020	Number	469	709
	New Employee Ratio	11.10%	13.44%
2021	Number	339	377
	New Employee Ratio	8.16%	7.38%
2022	Number	377	585
	New Employee Ratio	9.41%	11.47%

Note: 1. The new employee ratio is [(the number of new employees in the year according to each category)/(the total number of employees at end of year according to each category)]*100%.
 2. Average hiring cost per person:NT\$18,005 in 2019, NT\$23,873 in 2020, NT\$31,978 in 2021, NTD\$26,389 in 2022.

D-2 - New recruits age distribution

Year	Item	Under 29	30-50	Over 51
2019	Number	1,421	104	2
	New Employee Ratio	36.88%	2.04%	0.66%
2020	Number	1,103	73	2
	New Employee Ratio	29.98%	1.34%	0.53%
2021	Number	646	70	0
	New Employee Ratio	19.63%	1.26%	0.00%
2022	Number	863	98	1
	New Employee Ratio	28.81%	1.75%	0.19%

Note: The new employee ratio is [(the number of new employees in the year according to each category)/(the total number of employees at end of year)]*100%.

D-3 - New recruits position distribution

Year	Item	Managerial employees	Non-managerial employees
2019	Number	41	1,486
	New Employee Ratio	1.49%	22.84%
2020	Number	31	1,147
	New Employee Ratio	1.14%	16.92%
2021	Number	17	699
	New Employee Ratio	0.61%	10.76%
2022	Number	32	930
	New Employee Ratio	1.10%	14.99%

Note: 1.The new employee ratio is [(the number of new employees in the year according to each category)/(the total number of employees at end of year.)*100%.
2.Managerial employees refer to those marked as managerial employees or above in our human resources system.

D-4 - New recruits national distribution

Year	Item	Taiwan	Hong Kong	Macao	Vietnam	Cambodia	Thailand	Singapore	Myanmar	USA	China	Australia	Malaysia	Japan	South Korea	Germany	French
2019	Number	1,439	25	0	7	0	0	14	19	2	10	4	6	1	0	0	0
	New Employee Ratio	15.99%	22.52%	0.00%	22.58%	0.00%	0.00%	56.00%	54.29%	12.50%	58.82%	57.14%	85.71%	33.33%	0.00%	0.00%	0.00%
2020	Number	1,084	43	0	8	0	0	14	11	5	8	1	1	1	0	1	1
	New Employee Ratio	11.76%	34.96%	0.00%	22.22%	0.00%	0.00%	41.18%	30.56%	31.25%	44.44%	14.29%	14.29%	25.00%	0.00%	100.00%	100.00%
2021	Number	647	35	0	5	0	0	12	5	5	4	1	2	0	0	0	0
	New Employee Ratio	7.20%	27.34%	0.00%	13.16%	0.00%	0.00%	36.36%	16.67%	25.00%	26.67%	12.50%	28.57%	0.00%	0.00%	0.00%	0.00%
2022	Number	829	71	1	16	1	1	20	5	2	8	0	6	1	1	0	0
	New Employee Ratio	9.42%	53.79%	100.00%	34.04%	100.00%	100.00%	52.63%	16.67%	10.53%	44.44%	0.00%	60.00%	33.33%	100.00%	0.00%	0.00%

Note: 1.The new employee ratio is [(the number of new employees in the year according to each category)/(the total number of employees at end of year according to each category)]*100%.
2.The numbers are decided based on the employees' nationality.

E - Turnover rate

Item	2019	2020	2021	2022
Turnover rate	8.75%	6.45%	8.67%	10.33%
Voluntary turnover rate	8.45%	6.16%	8.11%	9.28%
Data coverage (% of employee)	100.00%	100.00%	100.00%	100.00%

Note: 1. The turnover rate is calculated with all leaves due to voluntary termination, dismissal/severance, retirement, or death taken into consideration.
2. The voluntary turnover rate for 2022 was calculated by excluding 3 death, 63 dismissal/severance, and 30 retirement cases.

F-1 - Turnover rate gender distribution

Year	Item	Male	Female
2019	Number	366	444
	Turnover rate	8.76%	8.75%
2020	Number	281	332
	Turnover rate	6.65%	6.29%
2021	Number	370	433
	Turnover rate	8.91%	8.47%
2022	Number	450	491
	Turnover rate	11.23%	9.62%

Note: The turnover rate is [(the number of total employees resigned in the year according to each category)/(the total number of employees at end of year according to each category)]*100%.

F-2 - Turnover rate age distribution

Year	Item	Under 29	30-50	Over 51
2019	Number	460	323	27
	Turnover rate	11.94%	6.34%	8.88%
2020	Number	332	258	23
	Turnover rate	9.02%	4.73%	6.15%
2021	Number	439	332	32
	Turnover rate	13.34%	5.99%	7.42%
2022	Number	499	404	38
	Turnover rate	16.66%	7.22%	7.28%

Note: The turnover rate is [(the number of total employees resigned in the year according to each category)/(the total number of employees at end of year according to each category)]*100%.

F-3 - Turnover rate position distribution

Year	Item	Managerial employees	Non-managerial employees
2019	Number	141	669
	Turnover rate	5.13%	10.28%
2020	Number	91	522
	Turnover rate	3.34%	7.70%
2021	Number	128	675
	Turnover rate	4.63%	10.39%
2022	Number	176	765
	Turnover rate	6.06%	12.33%

Note: 1.The turnover rate is [(the number of total employees resigned in the year according to each category)/(the total number of employees at end of year according to each category)]*100%.
2. Managerial employees refer to those marked as managerial employees or above in our human resources system.

F-4 - Turnover rate nationality distribution

Year	Item	Taiwan	Hong Kong	Vietnam	Singapore	Myanmar	USA	China	Australia	Malaysia	Japan	Germany	French
2019	Number	787	8	3	2	7	0	1	0	1	1	0	0
	Turnover rate	8.74%	7.21%	9.68%	8.00%	20.00%	0.00%	5.88%	0.00%	14.29%	33.33%	0.00%	0.00%
2020	Number	562	25	2	3	9	4	6	1	1	0	0	0
	Turnover rate	6.10%	20.33%	5.56%	8.82%	25.00%	25.00%	33.33%	14.29%	14.29%	0.00%	0.00%	0.00%
2021	Number	748	20	2	10	10	1	7	0	2	1	1	1
	Turnover rate	8.33%	15.63%	5.26%	30.30%	33.33%	5.00%	46.67%	0.00%	28.57%	33.33%	100.00%	100.00%
2022	Number	859	51	3	12	4	3	6	0	2	1	0	0
	Turnover rate	9.76%	38.64%	6.38%	31.58%	13.33%	15.79%	33.33%	0.00%	20.00%	33.33%	0.00%	0.00%

Note: 1. The turnover rate is [(the number of total employees resigned in the year according to each category)/(the total number of employees at end of year according to each category)]*100%.
2. The numbers are decided based on the employees' nationality.

G - Managerial and non-managerial employees age/gender distribution

Item	Under 29	Percentage	30-50	Percentage	Over 51	Percentage	Total	Percentage
Managerial employees								
Male	0	0.00%	244	59.08%	169	40.92%	413	77.92%
Female	0	0.00%	68	58.12%	49	41.88%	117	22.08%
Total	0	0.00%	312	58.87%	218	41.13%	530	100.00%
Non-managerial employees								
Male	1,082	30.11%	2,375	66.08%	137	3.81%	3,594	41.89%
Female	1,913	38.38%	2,905	58.27%	167	3.35%	4,985	58.11%
Total	2,995	34.91%	5,280	61.55%	304	3.54%	8,579	100.00%

Note: Managerial employees refer to managers and above.

H - Statistics of unpaid parental leaves and reinstatements

Item	Male	Female	Total
(1) Number of employees that applied for parental leave in 2022	13	198	211
(2) Number of employees granted parental leave in 2022	384	561	945
(3) Number of employees whose parental leave ended in 2022 (A)	15	186	201
(4) Number of employees that returned from parental leave in 2022 (B)	11	173	184
(5) Return rate (B/A)	73.33%	93.01%	91.54%
(6) Number of employees that returned from parental leave in 2021 (C)	5	137	142
(7) Number of employees that have been in service for a year after returning from parental leave in 2021 (D)	4	125	129
(8) Retention rate (D/C)	80.00%	91.24%	90.85%

Note: 1. Employees not returning from parental leave did so due to personal reasons.

2. According to Article 16 of Act of Gender Equality in Employment and Article 36 of E.SUN Employee Handbook, employees who have been in service for 6 months may apply for unpaid parental leave before their children reach the age of three years old. All employees are qualified for parental leave.

I - Occupational sick leave

Item	Number of employees that applied for occupational sick leave	Number of days that employees applied for occupational sick leave	Occupational injury rate	Number of employees that applied for sick leave	Number of days that employees applied for sick leave	Number of employees that applied for personal leave	Number of days that employees applied for personal leave"	Total working days	Absentee rate	Number of lost workday
Male	46	178.50	2.54	401	1,959.70	124	207.30	997,743	0.24%	9.84
Female	74	456.50	4.08	772	5,120.30	217	403.00	1,270,398	0.47%	25.16
Total	120	635.00	6.61	1173	7080.00	341	610.30	2,268,141	-	35.00

Note: 1. Total working hours = 18,145,128 (Total number of employees *Daily working hours *Total working days in a year).

2. Total working days = 2,268,141 (Total number of employees *Total working days in a year).

3. Lost workday is calculated based on GRI's 1-million-hour standard. Lost workday rate = Number of occupational sick leave *1,000,000 / Total working hours.

4. The total number of employees involved in incidence of occupational diseases and the number in death or disability incurred at work are both zero.

5. No overseas employee took any occupational injury leave.

6. Occupational injury rate = (Number of employees on occupational sick leave *1,000,000 / Total working hours)

7. Absentee rate in male employees = (Number of occupational sick days taken by male employees + sick days taken by male employees + personal days taken by male employees) / Total working days for male.

8. Absentee rate in female employees = (Number of occupational sick days taken by female employees + sick days taken by female employees + personal days taken by female employees) / Total working days for female.

9. The Australian law now stipulates that people can use sick/ carer's leaves in hourly increments, and therefore days of sick leave are calculated to 2 decimal places

J - Absentee rate

Item	2019	2020	2021	2022
Absentee rate (%)	0.29	0.31	0.29	0.37
Data coverage (% of employee)	100%	100%	100%	100%

Note: 1. Absentee rate = (Number of days that employees applied for occupational sick leave + Number of employees that applied for sick leave + Number of days that employees applied for personal leave) / Total working days. Excluding employees who take leave without pay and those who resign.
2. The goal of absentee rate: below 0.45% in 2022, below 0.45% in 2023.

K - Epidemic prevention

Item	Number of employees	Number of days
Health management leave	195	396.90
Quarantine leave	6,286	38,175.60
Vaccination leave	8,170	15,739.30
Epidemic care leave	337	1,192.30

L - Salary and benefits for full-time non-managerial employees

Item	2020	2021	2022	Growth compared to the previous year
Number of employees	8,109	8,135	7,775	-4.43%
Average salary (NT\$ thousand)	1,091	1,168	1,210	3.60%
Median salary (NT\$ thousand)	1,015	1,069	1,113	4.12%
Average spending on employee benefits (NT\$ thousand)	1,338	1,405	1,356	-3.49%

Note: 1. The figures are calculated by excluding employees acting as management as defined in Circular No. 920001301 issued by Ministry of Finance (MoF).
2. Average salary and median salary: The number and average salary of full-time non-managerial employees are calculated in accordance with Paragraph 31, Article 3 of the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds.
3. Average spending on employee benefits: The average spending on the benefits of non-managerial employees is calculated on the basis of number of people and employee benefit expense as reported in the financial statement and after excluding managerial employees.

M - Employee benefits more favorable than statutory requirements

Item	2020		2021		2022	
	Number of employees	Amount (NT\$)	Number of employees	Amount (NT\$)	Number of employees	Amount (NT\$)
Outstanding Children Award	126	\$1,131,600	136	\$1,261,200	148	\$1,571,800
Family care	13	—	7	—	7	—
Marriage subsidies	285	\$2,640,000	276	\$2,537,000	322	\$3,035,000
Birth subsidies	382	\$1,170,000	345	\$1,041,000	334	\$1,032,000
E.SUN Baby Development Fund	333 (338 children)	\$33,800,000	354 (359 children)	\$35,900,000	318 (328 children)	\$32,800,000
Education subsidies for employees' children	2,837	\$6,427,000	3,018	\$6,774,000	3,420	\$7,685,000
Medical subsidies for employees, their spouses, and children	1,456	\$24,879,743	1,379	\$21,458,388	1,760	\$33,325,158

N · Human rights control plan and implementation results

Stakeholder	Issue	Risk identification ratio	Total	Risk mitigation measures	Possibility of impact	Total	Impact compensation measures	Implementation ratio of compensation measures
Employee	Gender equality and sexual harassment	5.24%	15.57%	1. Established the "Guidelines for the Establishment of Gender Equality Committee for E.SUN FHC and its Subsidiaries," the "Rules and Procedures for Sexual Harassment Prevention, Complaint and Punishment of E.SUN FHC and Its Subsidiaries," and the "Plans for Preventing Unlawful Infringement While Performing Duties at Work." 2. Included SDG "gender equality" as a specific target. 3. Talent selection policies are based on human rights and equality and in compliance with the government's labor laws and regulations, and interview committee members are required to consider diverse perspectives. 4. Included the promotion of gender equality and friendly workplace in mandatory training programs.	0%	0.21%	1. Set up sexual harassment complaint channels, including hotlines, fax, and gender equality and workplace bullying complaint mailboxes. 2. The Sexual Harassment Complaints Review Committee upholds the principles of objectivity, fairness, and professionalism when conducting investigations, and imposes punishments as deemed appropriate based on the review results. 3. Provided consulting services under the Employee Assistance Program (EAP).	
	Forced labor and overtime	8.84%		1. Formulated leave and overtime related regulations according to the Labor Standards Act. 2. Added reminder function to the attendance system. 3. Promoted the "annual leave" program to encourage employees to plan more adequate vacations so as to enhance their physical and mental health and promote work-family balance.	0%		1. Provided employees with adequate overtime pay. 2. Where supervisors undergo personnel evaluation, their respective departments may not receive an excellent performance rating.	
	Occupational safety	1.49%		1. Specialized occupational safety and health unit that employs dedicated nurses and safety personnel responsible for formulating and planning safety and health matters. 2. Four major protective plans are implemented, and questionnaires are distributed to different groups. Based on the answers, doctors from NTUH analyze and conduct follow-up interviews, and the plan contents are incorporated into educational training courses. 3. Included "Traffic safety promotion" as a mandatory course in the educational training program, and employees involved in accidents are required to receive traffic safety education training again. 4. Monitored the operation environment of carbon dioxide and illumination twice a year. 5. Provided bright lighting equipment, added reminder slogans, installed electronic surveillance equipment or provided 24-hour security in specific areas such as parking lots, entrances and exits.	0.21%		1. Adopted internal occupational hazard reporting process and set up a dedicated unit to implement care and follow-up. 2. Actively provided information on group insurance and labor insurance and assistance with applying for related subsidies. 3. Hired health professionals to conduct reinstatement assessments and provide suitable work adjustments and arrangements. 4. Provided consulting services under the Employee Assistance Program (EAP).	100%
Supplier	Labor rights	0.00%	0.00%	1. Suppliers are required to sign the "Statement of Commitment to Human Rights and Environmental Sustainability" and regularly review the human rights and environmental sustainability clauses and penalty announcements. 2. Use the "Corporate Social Responsibility Self-Assessment Form for Suppliers" to determine the risk of suppliers with respect to labor rights, occupational safety, and environmental protection, and irregularly visit suppliers according to the "Supplier Visit Questionnaire." 3. Formulated the "E.SUN FHC Sustainable Procurement Policy" in accordance with the Sustainable Procurement Guidance (ISO 20400), taking into account the social, economic and environmental impacts caused by procurement practices, and requiring suppliers to jointly abide by international human rights policies.	2.13%	4.26%	1. Held supplier communication meetings to raise awareness of corporate social responsibility. 2. Requested high-risk suppliers to provide awareness training on related issues. 3. Periodically visited suppliers of potential risk to review their improvement status. 4. Adjusted the amount of materials purchased from suppliers or terminated contractual relations, depending on the sanction imposed on a supplier.	
	Occupational safety	0.00%			2.13%			

Stakeholder	Issue	Risk identification ratio	Total	Risk mitigation measures	Possibility of impact	Total	Impact compensation measures	Implementation ratio of compensation measures
Customer	Service quality and customer rights	6.62%		<ol style="list-style-type: none"> Established the "Total Quality Management Committee" and upgraded the "Fair Customer Treatment Task Force" to the "Fair Customer Treatment Promotion Committee" to oversee the planning of E.SUN's Fair Customer Treatment Principles. Established a procedure for handling consumer dispute cases, which specifies the time limit for handling and the allocation of responsibilities. Complaint management of E.SUN was certified by the ISO 10002 Complaints Quality Management System. Included service quality and customer complaint management in annual performance evaluation of business units to raise the overall service awareness of various units. E.SUN values customer feedback and regularly holds "VOC Proposal Meetings" to improve customer experience based on common customer feedback. All employees participated in training on fair customer treatment, customer service, fraud prevention, and information security protection. 	0.41%		<ol style="list-style-type: none"> Set up a fair customer treatment section on the official website to fully disclose the variety of complaint channels available to customers. Analyze the root cause of customer complaints, discuss improvement plans and track improvements, and periodically summarize customer complaints for the Board of Directors. The "Consumer Dispute Resolution Principles" was approved by the board of directors, specifying dispute handling procedures, timeline, and follow-up methods. Promoted fraud prevention through various channels such as its official website, mobile banking, social media platforms, and email. Strengthened transaction verification in common fraud scenarios to protect customer assets. Monitored abnormal transactions and provided mobile push notifications through the E.SUN Mobile Banking APP. 	
	Personal information protection	4.05%		<ol style="list-style-type: none"> Established the "Personal Information Protection Task Force" responsible for establishing personal information protection regulations, which include management measures for collection, handling, and use of personal information, and also established the "E.SUN Financial Holding Co., Ltd. and Subsidiaries Principles on Gathering, Processing and Use of Personal Information." Announced the "Statement on Customer Information Confidentiality," "E.SUN Financial Holding Co., Ltd. and Subsidiaries Personal Information Management Policy," and "E.SUN Financial Holding Co., Ltd. and Subsidiaries Principles on Gathering, Processing and Use of Personal Information" on the official website. Established the E.SUN FHC Information Security Management Committee to supervise information security management and review material issues related to information security throughout the group. The information security management system (ISMS) obtained ISO 27001 certification, and the credit card acquiring system obtained PCI DSS certification. Established the "SOC Proactive Cybersecurity Monitoring Center" in 2021 and began to link cybersecurity defense equipment, automate threat intelligence, and cultivate SOC team members' incident response and investigation skills in 2022 to continuously optimize the SOC security monitoring center. This will enhance the efficiency of handling cybersecurity incidents and the ability to manage cybersecurity threats, achieving the goal of collaborative defense in financial cybersecurity monitoring. 	0%		<ol style="list-style-type: none"> Established the "E.SUN Financial Holding Co. Ltd. And Subsidiaries emergency Response Rules for Personal Information Incidents." Established an Emergency Response and Crisis Management Team to handle compensation measures when a major personal information infringement incident occurs. Periodically organize education, training, and promotion, and conduct information system disaster backup drills. Continued to purchase information security insurance 2022 to reduce losses and impact of business suspension. 	100%
	Human rights practices of corporate customers	1.21		<p>[Responsible Lending]</p> <ol style="list-style-type: none"> Each loan application must be subject to ESG audits on the applicant and anti-money laundering investigations. Adopt the fourth edition of the Equator Principles (EP IV) framework to assess the climate change, human rights, and biodiversity risks associated with project financing, and strengthen environmental and social risk management abilities. <p>[Responsible investment]</p> <ol style="list-style-type: none"> Adopt ESG indicators of domestic and overseas impartial institutions as investment review standards, and give priority to enterprises with low or medium ESG risks. Establish "Guidelines for Managing Sustainable Investments in Negotiable Securities," establish management mechanisms for companies with high ESG risk, and avoid doing business with companies that direct impact the environment or society. For companies that may potentially impact the environment and society, we require due diligence and careful evaluation when they submit an investment application, and may only approve the application after determining there is no material negative impact on ESG and sustainability. 	0%		<p>[Responsible lending]</p> <ol style="list-style-type: none"> Regarding credit extension targets on which severe penalties were imposed due to human right issues, direct/indirect credit check is conducted to understand the impact of the reported matter on corporate operations, and improvement is requested. Credit extended to such targets is adjusted based on the degree of influence. In severe cases, these targets are asked to settle their debt in advance and are blacklisted. <p>[Responsible investment]</p> <ol style="list-style-type: none"> In accordance with the "Guidelines for Managing Sustainable Investments in Negotiable Securities," if the invested company undergoes a significant change in its business policy and there is a possibility of significant proposals that violate governance, environmental, and social concerns, the investor should verify the issue with the company or interact with the management team to decide on an appropriate response. Based on the "Sustainable Finance Policy" and "Guidelines for Managing Sustainable Investments in Negotiable Securities," the equity and fixed income investment positions of listed and OTC securities are regularly reviewed. If there is a violation of ESG risks that makes the investment position not compliant with relevant investment regulations and without a clear improvement plan, the investment position will gradually be reduced. Investment cases with potential controversial issues are periodically reviewed. If significant abnormal issues are discovered, the investor will examine and interact with the invested company, carefully evaluate the investment position, and regularly monitor it. 	

Appendix 13 - Sustainable Operating Environment Indicators

GRI: 305-1、305-2、305-3、305-4、306-2

Category	Item	2019	2020	2021	2022	Remarks
Scope 1	Carbon emission (ton)	2,455	2,399	1,857	1,844	E.SUN's scope 1 target is, base on 2020, 42% deduction of absolute carbon emission on 2030, equal to 4.2% carbon emission deduction per year. Our target of scope 1 carbon emission in 2022 is 2,197 ton.
	Per capita (ton/person)	0.2764	0.2555	0.1989	0.2025	
	Carbon emission per unit of revenue (ton/NT\$M)	0.0450	0.0426	0.0331	0.0336	
	Data coverage ratio	100%	100%	100%	100%	
	Target of carbon emission (ton)	3,116	3,131	2,298	2197	
Scope 2	Carbon emission Location-based (ton)	22,651	22,640	22,656	24,403	E.SUN's scope 2 target is, base on 2020, 42% deduction of absolute carbon emission on 2030, equal to 4.2% carbon emission deduction per year. Our target of scope 2 carbon emission in 2022 is 20,426 ton.
	Carbon emission Market-based (ton)	22,443	22,299	22,105	20,294	
	Per capita (ton/person)	2.5268	2.3753	2.3680	2.2280	
	Carbon emission per unit of revenue (ton/NT\$M)	0.4116	0.3964	0.3818	0.3703	
	Data coverage ratio	100%	100%	100%	100%	
Scope 3	Target of carbon emission (ton)	23,206	23,321	21,362	20,426	
	Carbon emission (ton)	968,508	4,763,982	3,721,793	3,954,479	
Energy	Data coverage ratio	12.50%	73.69%	74.09%	76.12%	
	Total consumption (MWh)	49,535	51,713	50,669	53,309	
	Total consumption (GJ)	178,326	186,159	182,408	191,913	
	Total non-renewable energy consumption (MWh)	49,145	51,043	49,570	45,313	
	Total renewable energy consumption (MWh)	390	670	1,099	7,996	
	Non-renewable energy consumption target (MWh)	-	-	48,899	46,755	
	Per capita (GJ/Person)	20.077	19.829	19.54	21.07	
	Per unit of revenue (Kwh/NT\$ thousand)	0.9085	0.9194	0.8752	0.9727	
	Per unit of revenue (GJ/NT\$M)	3.271	3.310	3.151	3.502	
	Data coverage	100%	100%	100%	100%	
Water	Total water use (ton)	244,804	264,917	238,715	248,326	
	Total water use (megaliter)	244.804	264.917	238.715	248.326	
	Per capita (ton/person)	27.56	28.22	25.57	27.26	
	Per unit of revenue (ton/NT\$M)	4.4900	4.7097	4.1231	4.5310	
	Data coverage	100%	100%	100%	100%	
	Total water use target (ton)	266,517	259,940	266,014	256,758	
Waste	Total waste generated (ton)	620	595	698	692	Percentage of examined and estimated data is 95%, 5% in 2019 to 2022.
	Total waste reused / recycled / sold (ton)	185	224	210	203	
	Total waste disposed (ton)	435	370	488	489	
	Waste (kg/person)	48.94	39.45	52.30	53.70	
	Waste per unit of revenue (kg/NT\$M)	7.97	6.58	8.43	8.93	
	Data coverage	100%	100%	100%	100%	
Target amount of waste (ton)		625.922	498.264	559.883	489.479	
Number of employees		8,882	9,388	9,335	9,109	-
Revenues (NT\$ thousand)		54,522,618	56,249,044	57,897,440	54,805,919	-

Note: 1. 1 GJ = 277.778 kWh

2. In the Scope 3 carbon emissions for the year 2022, the investment and financing section is self-assessed, while the other data has been verified by a third-party certification statement.

2022 Greenhouse Gas Emissions

Total emissions 3,980,725 (Metric Tons CO ₂ e)								
Direct emission of CO ₂ e in metric tons 1,844.1801	Subtotal (Metric tons CO ₂ e)	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃
Scope 1: Direct greenhouse gas emissions and removal	1,844.1801	979.4163	360.2221	29.2313	475.3105	-	-	-
Indirect emissions of CO ₂ e in metric tons 3,978,882	Subtotal (Metric tons CO ₂ e)	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃
Scope 2: Indirect GHG emissions from imported energy	24,402.7317	24,402.7317	-	-	-	-	-	-
Scope 3 (1): Other indirect emissions	-	-	-	-	-	-	-	-
1. Purchased Goods and Services	154	154	-	-	-	-	-	-
2. Capital Goods	50,422	50,422	-	-	-	-	-	-
3. Fuel-and-energy-related-activities (not included in Scope 1 or 2)	4,497	4,497	-	-	-	-	-	-
4. Upstream transportation and distribution	0	0	-	-	-	-	-	-
5. Waste generated in operations	175	175	-	-	-	-	-	-
6. Business travel	60	60	-	-	-	-	-	-
7. Employee commuting	0	0	-	-	-	-	-	-
8. Upstream leased assets	0	0	-	-	-	-	-	-
9. Downstream transportation and distribution	0	0	-	-	-	-	-	-
10. Processing of sold products	0	0	-	-	-	-	-	-
11. Use of sold products	624	624	-	-	-	-	-	-
12. End of life treatment of sold products	83	83	-	-	-	-	-	-
13. Downstream leased assets	0	0	-	-	-	-	-	-
14. Franchises	0	0	-	-	-	-	-	-
15. Investments	3,898,464	3,898,464	-	-	-	-	-	-
Other upstream	0	0	-	-	-	-	-	-
Other downstream	0	0	-	-	-	-	-	-

Note:

- Scope 1 emission mainly includes car fuel, diesel for power generator and natural gas; scope 2 emission mainly includes electricity; and scope 3 emission mainly includes employee travel, waste, product procurement emissions, capital commodity emissions, and product usage emissions.
- Scope 1, Scope 2 and Scope 3 air travel includes all branches in Taiwan and overseas. Scope 3 waste and land travel inventory includes all branches in Taiwan.
- The values for petroleum and diesel emissions are in accordance with the Greenhouse Gas Index Management Solution (version 6.0.4) published by the Environmental Protection Administration.
- Electricity parameter is 0.509 kg CO₂e/kWh by Energy Bureau, MOEA 2022.
- According to ISO 14064-1 Greenhouse gases Part 1: Specification with guidance, emission = activities*emission parameter*GWP.
- The Global Warming Potential(GWP) of refrigerants to the IPCC 2021 Sixth Assessment Report.
- GHG inventory is performed based on operational control.
- The carbon emissions from investment and financing in item 15 are self-assessed, while the other parts have obtained third-party verification statements.

Appendix 14 - Economic value distributed indicators

A. Spending on trade associations and other tax-exempt groups

Institution	Amount (NT\$ Thousand)	Note
The Bankers Association of The Republic Of China	9,062	65% for financial studies and training funds, 35% for The Bankers association fee.
Trust Association of the Republic of China	3,385	51% for annual membership fee and 49% for training registration fee.
Taipei Foundation Of Finance	3,287	100% for training and external training fee.
Taipei Exchange	1,191	Including 86% for financial bond OTC administrative fee and 14% for service fee.
Taiwan Securities Association	923	Including 96% for service fee and 4% for course registration fee.
The Insurance Agency Association of the Republic of China	283	Including 89% for certificate registration fee and 11% for ongoing membership fee.
R.O.C. Bills Finance Association	250	100% for annual membership fee.
Others	282	
Total	18,663	

B. Charitable contributions and sponsorship

Category	Amount (NT\$ thousand)	Description
Economic Development	88,847	Mainly for donations to small and medium enterprises credit guarantee fund.
Academic Education	86,457	E.SUN Golden Seed Project for building and renovating rural elementary school libraries (including new construction, renovation, and new book assistance), E.SUN Academic Awards, and scholarships for outstanding talents.
Art Promotion	51,141	Sponsorship for Weiya Naxi Youth Choir, Wuyue Tian Concert, Braga Love Music, and Mother's Day Concert.
Vulnerable Care	46,551	Mainly for children's special projects and international assistance in Burkina Faso.
Medical and Health Care	26,075	Supporting the Ministry of Health and Welfare's 'Reverse Environment Youth Family Support Services', donating to Chengzheng Junior High School counseling space, and donating to various major hospitals and dental/medical associations.
Sports Development	25,554	Organizing E.SUN Bank Youth Baseball Championship and sponsoring baseball-related activities, sponsoring XTERRA Global Off-Road Triathlon Series.
Ecological conservation	22,789	Supporting the tree planting project in National Taiwan University Experimental Forest and the waterwheel project in Nan'an.
Enhancing international competitiveness	9,793	Organizing master forums.
Digital technology	1,850	Sponsoring technology-related activities.
Financial education	200	Holding financial management lectures.
Total	359,257	

C. Contributions & Other Spending

Unit: NT\$ Thousand

	2019	2020	2021	2022
Trade associations or tax-exempt groups	19,760	20,716	16,876	18,663
Lobbying, interest representation or similar	0	0	0	0
Political campaigns / organizations / candidates donations	0	0	0	0
Total contributions and other spending	19,760	20,716	16,876	18,663

Appendix 15 - Sustainability Accounting Standards Board (SASB) Index

Topic	Code	Category	Accounting Metric	Response	Page
Customer Privacy	FN-CF-220a.1	Quantitative	Number of account holders whose information is used for secondary purposes.	4.7 Information Security and Personal Information Protection Management	111
	FN-CF-220a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with customer privacy.	4.7 Information Security and Personal Information Protection Management	111
Data Security	FN-CB-230a.1 FN-CF-230a.1	Quantitative	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected ²	4.7 Information Security and Personal Information Protection Management	111
	FN-CB-230a.2 FN-CF-230a.2	Discussion and Analysis	Description of approach to identifying and addressing data security risks	4.7 Information Security and Personal Information Protection Management	111
Financial Inclusion & Capacity Building	FN-CB-240a.1	Quantitative	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	3.2.2 Enhancing the "usability of financial services"	74
	FN-CB-240a.2	Quantitative	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Our past due information was disclosed on page 128 of the 2022 E.SUN FHC Annual Report. For the standard information of SASB will be disclosed in the near future.	
	FN-CB-240a.3	Quantitative	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	3.2.2 Enhancing the "usability of financial services"	74
	FN-CB-240a.4	Quantitative	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	3.2.3 Promoting Financial and Digital Literacy	76
Selling Practices	FN-CF-270a.4	Quantitative	Number of complaints filed with the Financial Supervisory Commission Republic of China (Taiwan)	3.3 Treating Customers Fairly and Customer Experience	78
Employee Diversity & Inclusion	FN-AC-330a.1	Quantitative	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees ⁴	Appendix 12 - Human Resource Management Indicators, 2022 Sustainability Report	184
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis, Investment Management	FN-CB-410a.1	Quantitative	Commercial and industrial credit exposure, by industry	3.1.1 Responsible Lending	58
	FN-CB-410a.2	Discussion and Analysis	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	3.1.1 Responsible Lending	58
	FN-AC-410a.1	Quantitative	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	3.1.3 Retail Banking	64
	FN-AC-410a.2	Discussion and Analysis	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	3.1.3 Retail Banking	64
	FN-IB-410a.3	Discussion and Analysis	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	3.1.2 Responsible Investment	63
Environmental Risk to Mortgaged Properties	FN-MF-450a.1	Quantitative	(1) Number and (2) value of mortgage loans in 100-year flood zones	2.4.4 Climate Change Scenario Analysis	47
	FN-MF-450a.2	Quantitative	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weatherrelated natural catastrophes, by geographic region	2.4.4 Climate Change Scenario Analysis	47

Topic	Code	Category	Accounting Metric	Response	Page
Business Ethics	FN-CB-510a.1 FN-AC-510a.1	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	4.2 Code of Conduct and Ethic	96
	FN-CB-510a.2 FN-AC-510a.2	Discussion and Analysis	Description of whistleblower policies and procedures	4.2 Code of Conduct and Ethic	96
Systemic Risk Management	FN-CB-550a.2	Discussion and Analysis	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Page 113 - 114, 2022 Annual Report	
	FN-AC-550a.2	Discussion and Analysis	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	Page 97, 2022 Annual Report	
Activity	FN-AC-000.A	Quantitative	(1) Total registered and (2) total unregistered assets under management (AUM)	E.SUN Financial Eco System, 2022 Sustainability Report	14
	FN-AC-000.B	Quantitative	Total assets under custody and supervision	E.SUN Financial Eco System, 2022 Sustainability Report	14
	FN-CB-000.A	Quantitative	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	E.SUN Financial Eco System, 2022 Sustainability Report	14
	FN-CB-000.B	Quantitative	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	E.SUN Financial Eco System, 2022 Sustainability Report	14
	FN-CF-000.A	Quantitative	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	Page 70, 2022 Sustainability Report, Zero carbon credit cards	70
	FN-CF-000.B	Quantitative	Number of (1) credit card accounts and (2) pre-paid debit card accounts	Page 70, 2022 Sustainability Report, Zero carbon credit cards	70
	FN-MF-000.B	Quantitative	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	E.SUN Financial Eco System, 2022 Sustainability Report	14

Appendix 16 - Independent Assurance Opinion Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

2022 E. SUN FHC Sustainability Report

The British Standards Institution is independent to E. SUN Financial Holding Co., Ltd. (hereafter referred to as E.SUN FHC in this statement) and has no financial interest in the operation of E.SUN FHC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of E.SUN FHC only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by E.SUN FHC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to E.SUN FHC only.

Scope

The scope of engagement agreed upon with E.SUN FHC includes the followings:

1. The assurance scope is consistent with the description of 2022 E. SUN FHC Sustainability Report.
2. The evaluation of the nature and extent of the E.SUN FHC's adherence to AA1000 Account Ability Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the 2022 E. SUN FHC Sustainability Report provides a fair view of the E.SUN FHC sustainability programmes and performances during 2022. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the E.SUN FHC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate E.SUN FHC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assessors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that E.SUN FHC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to E.SUN FHC's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers on E.SUN FHC's approach to stakeholder engagement. Moreover, we had sampled 2 external stakeholders to conduct interview
- interview with 84 staffs involved in sustainability management, report preparation and provision of report information were carried out
- review of materiality assessment process
- review of key organizational developments
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports
- review of the findings of internal audits
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced
- review of supporting evidence for claims made in the reports

— an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018)

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards is set out below:

Inclusivity

In this report, it reflects that E.SUN FHC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the E.SUN FHC's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The E.SUN FHC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of E.SUN FHC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the E.SUN FHC's management and performance. In our professional opinion the report covers the E.SUN FHC's materiality assessment process and material issues.

Responsiveness

E.SUN FHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the E.SUN FHC is developed and continually provides the opportunity to further enhance E.SUN FHC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the E.SUN FHC's responsiveness issues.

Impact

E.SUN FHC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. E.SUN FHC has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the E.SUN FHC's impact issues.

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, E.SUN FHC and BSI have agreed upon to include in the scope. In our view, the data and information contained within 2022 E. SUN FHC Sustainability Report are reliable.

GRI Sustainability Reporting Standards (GRI Standards)

E.SUN FHC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the E.SUN FHC's sustainability topics.

Assurance level

The high level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This sustainability report is the responsibility of the E.SUN FHC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



AA1000
Licensed Report
000-4/V3-PZU44

...making excellence a habit."

Statement No: SRA-TW-2022057
2023-06-07

For and on behalf of BSI:

Peter Pu
Peter Pu, Managing Director BSI Taiwan

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., N-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.

Appendix 17 - Independent Auditors' Limited Assurance Report



Independent Limited Assurance Report

PWCMM20000659

To E.SUN Financial Holding Co., Ltd.

We have been engaged by E.SUN Financial Holding Co., Ltd. (the "Company") to perform assurance procedures on the sustainability performance information identified by the Company and reported in the 2022 Sustainability Report (the "Sustainability Report"), and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The sustainability performance information identified by the Company (hereinafter referred to as the "Subject Matter Information") and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" on page 198-199 of the Sustainability Report. The scope of the aforementioned Subject Matter Information is set out in the "Scope and Boundary" on page 3 of the Sustainability Report.

The respective applicable criteria referred to above are the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports and FAQ issued by TWSE Listed Companies and related laws and regulations, the latest edition of the GRI Sustainability Reporting Standards (the "GRI Standards") and the GRI Sector Disclosures published by the Global Reporting Initiative (the "GRI"), the Company's financed emissions calculation criteria, which are based on the Global GHG Accounting and Reporting Standard for the Financial Industry, published by the Partnership for Carbon Accounting Financials (the "PCAF"), and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.

Management's Responsibilities

The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the Sustainability Report in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports and FAQ issued by TWSE Listed Companies and related laws and regulations, the latest edition of the GRI Standards and the GRI Sector Disclosures published by the GRI, the Company's financed emissions calculation criteria, which are based on the Global GHG Accounting and Reporting Standard for the Financial Industry, published by PCAF, and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance work on the Subject Matter Information disclosed in the Sustainability Report in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or

普華永道會計師事務所 PricewaterhouseCoopers, Taiwan
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T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw



Reviews of Historical Financial Information" of the Republic of China, and International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board, to identify whether any amendment is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and designing and performing procedures to address the identified areas. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

The extent of the assurance work we performed were based on the identified risk areas and determined materiality, and given the circumstances of the engagement, we designed and performed the following procedures:

1. Financed Emissions
 - Evaluated the suitability in the circumstances of the Company's use of the respective applicable criteria as the basis for preparing the Financed Emissions;
 - Made inquiries of the persons responsible for the Financed Emissions to understand the processes and the information system, and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
 - Evaluated whether the Company's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates to evaluate the Company's estimates;
 - Reconciled the Financed Emissions data back to the underlying records on a sample basis to obtain evidence for limited assurance. However, our procedures did not include corroborating the accuracy and completeness of the underlying greenhouse gas emissions and financial data from third parties; and
 - Considered the presentation and disclosure of the Financed Emissions and the quality score, including the categorization of data by asset class, but excluding the coverage rate of greenhouse gas emission data.
2. Other Subjected Matter Information
 - Made inquiries of the persons responsible for the Subject Matter Information to understand the processes, information systems, and the relevant internal controls relating to the preparation of the aforementioned information, to identify the areas where there may be risks of material misstatement; and



- Based on the above understanding and the areas identified, performed selective testing on the Subject Matter Information to obtain evidence for limited assurance.

We do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls. For the sustainability performance information labelled with ✓ in the "Summary of Subject Matter Assured", our assurance was with respect to the year ended 31 December 2022 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2022 sustainability report and, therefore, do not express any conclusion thereon.

Compliance of Independence and Quality Management Requirement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies Standard on Quality Management 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" in the Republic of China, this Standard requires the firm to design, implementation, and operate the system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitation

Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial information. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

The quantification of the Financed Emissions data underlying the Financed Emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases, resulting in significant limitations in the availability and quality of GHG emissions data from third parties that the Company used. The absence of a commonly used generally accepted reporting framework and legislative requirements or regulation prescribing the preparation, disclosure and verification of the Company's financed emissions, the Financed Emissions needs to be read and understood together with the financed emissions calculation criteria designed by the Company.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendment that is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria.



Other Matter

The Management of the Company is responsible for maintaining the Company's website. If the Subject Matter Information or the applicable criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

Chao, Yung-Chieh

CHAO, YUNG-CHIEH

For and on behalf of PricewaterhouseCoopers, Taiwan
June 28, 2023

Summary of Subject Matter Assured

No.	Item	Page	Corresponding Chapter	Applicable Criteria	The rules*
1	Table "B- Data breaches", total number of data breaches in 2022.	113	4.7 Information Security	Total number of data breaches of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital in 2022. Note: <ul style="list-style-type: none"> Total number of data breaches that occurred in 2022 were calculated on the basis of the data breach definition in "Directions for Information Security Incident" of E.SUN FHC and its subsidiaries. Total number of data breaches of E.SUN Securities and E.SUN Venture Capital that occurred in 2022 were calculated on the basis of the data breach definition in "Precautions for contingency operations for noticing information security incidents in the securities and futures market". 	Subparagraph 3 Item 1
2	Table "B- Data breaches", the percentage of data breaches involving personally identifiable information in 2022.	113	4.7 Information Security	The percentage of data breaches involving personally identifiable information of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital in 2022. Note: <ul style="list-style-type: none"> Based on the data breach definition in "Directions for Information Security Incident" and "Regulation for the Implementation of the Personal Data Infringement Emergency Response" of E.SUN FHC and its subsidiaries, statistics show the percentage of data breaches involving personally identifiable information that occurred in 2022. Numerator: Total number of data breaches involving personally identifiable information that occurred in 2022 were calculated based on the data breach definition in "Directions for Information Security Incident" and "Regulation for the Implementation of the Personal Data Infringement Emergency Response" of E.SUN FHC and its subsidiaries. Denominator: Total number of data breaches that occurred in 2022 were calculated on the basis of the data breach definition in "Directions for Information Security Incident" of E.SUN FHC and its subsidiaries. Total number of data breaches of E.SUN Securities and E.SUN Venture Capital that occurred in 2022 were calculated on the basis of the data breach definition in "Precautions for contingency operations for noticing information security incidents in the securities and futures market".	Subparagraph 3 Item 1
3	Table "B- Data breaches", total number of account holders affected by data breaches involving personally identifiable information in 2022	113	4.7 Information Security	Total number of account holders affected by data breaches in E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital in 2022. Note: <ul style="list-style-type: none"> Total number of account holders affected by data breaches that occurred in 2022 were calculated according to the data breach definition in "Directions for Information Security Incident" of E.SUN FHC and its subsidiaries. Total number of account holders affected by data breaches of E.SUN Securities, and E.SUN Venture Capital that occurred in 2022 were counted according to the data breach definition in "Precautions for contingency operations for noticing information security incidents in the securities and futures market". The number of account holders is defined as the total number of unique account holders. If there are multiple accounts for one ID, only one account will be counted. 	Subparagraph 3 Item 1
4	At the end of 2022, total Number of microbusinesses loans is 19,267, total amount is 104,164 million.	75	3.2.2 Enhancing the "usability of financial services"	Number and amount of microbusinesses loans of E.SUN Bank at the end of 2022. Note: <ul style="list-style-type: none"> Microbusinesses are defined in "Directions for loan business to small business" by E.SUN Bank. The number and value of accounts exclude customers of overseas branches and subsidiaries. The number of accounts is calculated based on the total number of unique customers and unique customers are defined as accounts with the same ID number. The number of loans include loans with zero balance at the end of 2022. The purpose of loans for microbusinesses includes revolving credit loans and procurement of manufacturing facility. 	Subparagraph 3 Item 2
5	In 2022, E.SUN Little Financial Experts program saw a total of 258,329 participants.	76	3.2.3 Promoting Financial and Digital Literacy	E.SUN Little Financial Experts is a program that E.SUN uses the digital platform PaGamO to incorporate financial knowledge education, the number of participants refers to users that log into PaGamO with education cloud accounts and complete courses. Note: <ul style="list-style-type: none"> In accordance with Item 3, Subparagraph 3, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE-Listed Companies: Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services. Disadvantaged groups as defined in No. 33 of Q&A for the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE-Listed Companies (including but not limited to students, teenagers, new immigrants, the elderly, minorities, and members of low-income households) or by finance and insurance businesses. 	Subparagraph 3 Item 3
6	A total of 8 project financing cases were signed in 2022 that comply with the Equator Principles, and 1 project was declined.	62	3.1.1 Responsible Lending	In 2022, the total number of project financing cases approved and declined by E.SUN Bank to which the Equator Principles apply according to "E.SUN Bank Project Financing for Equator Principles".	Subparagraph 3 Item 4
7	By 2022, a total of 139 sustainability-linked loans cases have been approved, with a balance of NT\$40.6 billion	61	3.1.1 Responsible Lending	The number and outstanding balance of sustainability-linked loans of E.SUN Bank at the end of 2022 Note: <ul style="list-style-type: none"> Based on the "E.SUN Bank's Guidelines for Offering Corporate Banking Sustainability-Linked Loans", the company applying for the sustainability-linked loans shall present a corporate sustainability report certified or verified by a third party at a designated point of time, ensuring company's commitment to reach specific sustainability-related performance indicators. The number of sustainability-linked loans includes applicants whose loans had been granted a credit line but whose outstanding balance of loans stood at zero as of the end of 2022. Number of accounts is calculated based on the approval date. 	Subparagraph 3 Item 4

No.	Item	Page	Corresponding Chapter	Applicable Criteria	The rules*														
8 ✓	As of December 2022, the related balance of green loans totaled NT\$53.7 billion	60	3.1.1 Responsible Lending	The outstanding balance of green loans of E.SUN Bank at the end of 2022 Note: · Based on the" E.SUN Bank's Guidelines for Offering Corporate Banking Green Loans", the company applying for the green loans shall present a green project investment report, ensuring the company's commitment to reach specific sustainability-related performance indicators.	Subparagraph 3 Item 4														
9	Table "Female / male remuneration ratio in Taiwan in 2022", the female / male remuneration ratio of base salary and annual remuneration by employee level in 2022	142	5.3.1 Equal Work, Equal Pay; Diverse Communication Channels	The female / male remuneration ratio of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital employees in Taiwan in 2022. The definition of objective: Number of employees include E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital employees in Taiwan but exclude workers and employees for overseas branches and employees leave without pay. The definition of position level: · Management: Managerial employees and above in the human resource system. · Middle management: Supervisor positions in the human resource system. · General staff (Note): All other employees not included in the management or middle management level and exclude interns, business assistants and drivers. · Base salary: In monthly salary details, the amount that should be paid each month less the overtime pay. · Annual remuneration: Monthly base salary, year-end bonus, compensation of employees(estimated compensation- the salary in April next year + supervisory differential pay) and long-term incentive bonus. · The annual compensation ratio of male to female refers to the ratio calculated based on the average annual compensation of men as 100 versus the equivalent level for female, for example, 100:98 (that is, 100 for men and 98 for women). · Note: General staff does not include interns, business assistants and drivers, because the salary structure of interns, business assistants and drivers is different from other full-time employees.	The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.														
10	Table "J- Absentee rate", the absentee rate and data coverage in 2022.	188	Appendix 12 - Human Resource Management Indicators	The absentee rate of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital in 2022, and the respective data coverage rates. Note: · Absentee rate = (Number of days of occupational sickness Leave + sick leave +personal leave) taken by employees / Total working days. · Total working days = Number of employees at the end of year * Total working days in 2022 announced by the Central Personnel Administration, Executive Yuan, less Labor Day holiday. · Number of employees include employees of overseas branches but exclude those of overseas subsidiaries. · The data coverage rate is based on the calculation that the number of employees of each subsidiary at the end of year divided by the number of employees of the group at the end of year. · The total number of employees includes employees working in oversea branches. · All employees are permanent and full-time employment, excluding employees who take leave without pay.	The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.														
11 ✓	By 2022, there were 14 businesses participate in the "Sustainable Deposits" project, the accumulated balance was approximately TWD 1.031 billion	69	3.1.3 Retail Banking	Number of participants and accumulated balance of Sustainable Deposits project of E.SUN Bank at the end of 2022	The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.														
12 ✓	1. E.SUN collaborated with NTU in the"E.SUN-NTU ESG Centenary Project" and planted 11,611 saplings of native tree species in 2022. 2. E.SUN collaborated with the Forestry Bureau to promote the "Plant a tree, Plant a life" E.SUN plant trees project and planted 10,005 saplings of native tree species in 2022.	149	6.1.2 Habitat Conservation	Number of saplings planted by projects, which held by The Experimental Forest, College of Bio-Resources and Agriculture, National Taiwan University and Forestry Bureau Council of Agriculture, Executive Yuan, donated by E.SUN bank.	The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.														
13 ✓	Total financed emissions from investment and finance portfolios in 2021 was 3,672,612 tCO ₂ e and the data quality score was 3.33. Total financed emissions from equity and bonds investment portfolios in 2021 was 577,108 tCO ₂ e and the data quality score was 1.36. Total financed emissions from sovereign bonds investment portfolios in 2021 was 500,040 tCO ₂ e and the data quality score was 1.08. Total financed emissions from business loans portfolios in 2021 was 1,906,246 tCO ₂ e and the data quality score was 3.77. Total financed emissions from electricity generation project finance in 2021 was 301,255 tCO ₂ e and the data quality score was 2.72. Total financed emissions from commercial real estate mortgage loans in 2021 was 98,206 tCO ₂ e and the data quality score was 4.00. Total financed emissions from mortgage loans in 2021 was 98,206 tCO ₂ e and the data quality score was 4.00.	183	Appendix 11 - Portfolio Emission Structure	E.SUN FHC and its subsidiaries referred to PCAF to design its financed emissions calculation criteria and to compile and disclose financed emissions and data quality scores by asset class. · Total financed emissions for investment and financing assets: The Scope 1 and Scope 2 carbon emissions in metric tons of CO ₂ equivalent (tCO ₂ e) related to the investment and financing assets held by E.SUN FHC and its subsidiaries. E.SUN strives to use the "latest obtainable Scope 1 and Scope 2 emissions or estimated data": 1. The sources of the latest obtainable Scope 1 and Scope 2 emissions include E.SUN Group obtained emission data directly from investment companies, US EPA, Bloomberg, external consulting units, official websites of state-owned enterprises, carbon emissions announcements by governments, or third party public statistics. 2. Estimated data is based on the methodology recommended by PCAF, including emissions data estimated from electricity consumption per unit area of floor (EUI) by building type, physical and economic activities, or industry-specific emissions factors from analysis of Bloomberg's emissions by industry; and attribute factors calculated from financial data of the closest financial year or book value. · The scope of financed emissions for investment assets: E.SUN Group conducted an inventory of listed stocks, corporate bonds, and sovereign bonds held as part of proprietary investment assets as of December 31, 2021. The entity scope includes E.Sun Bank, E.Sun Securities, and E.Sun Venture Capital Company. The assets include "Financial Assets Through Profit or Loss (FVTPL)", "Financial Assets Through Other Comprehensive Income (FVTOCI)", and "Financial Assets at Amortized Cost (AC)" three accounts. · The scope of financed emissions for credit assets: As of December 31, 2021, electricity generation project finance, commercial real estate mortgage, and corporate loans provided by E.SUN Bank and its overseas branches. · Referred to PCAF data quality score hierarchy to calculate the weighted average data quality score of financed emissions of investment and finance assets: <table><tr><td>Assets class</td><td>Data quality score referred to PCAF</td></tr><tr><td>Equity and bonds</td><td>Table 5-3 (the data quality score table for listed equity and corporate bonds)</td></tr><tr><td>Sovereign bonds</td><td>Table 5-26 (the data quality score table for Sovereign Debt.)</td></tr><tr><td>Business loans</td><td>Table 5-7 (the data quality score table for business loans and unlisted equity)</td></tr><tr><td>Power generation project finance</td><td>Table 5-10 (the data quality score table for project finance)</td></tr><tr><td>Commercial real estate mortgages</td><td>Table 5-14 (the data quality score table for CRE)</td></tr><tr><td>Mortgages</td><td>Table 5-15 (the data quality score table for mortgages2)</td></tr></table>	Assets class	Data quality score referred to PCAF	Equity and bonds	Table 5-3 (the data quality score table for listed equity and corporate bonds)	Sovereign bonds	Table 5-26 (the data quality score table for Sovereign Debt.)	Business loans	Table 5-7 (the data quality score table for business loans and unlisted equity)	Power generation project finance	Table 5-10 (the data quality score table for project finance)	Commercial real estate mortgages	Table 5-14 (the data quality score table for CRE)	Mortgages	Table 5-15 (the data quality score table for mortgages2)	The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.
Assets class	Data quality score referred to PCAF																		
Equity and bonds	Table 5-3 (the data quality score table for listed equity and corporate bonds)																		
Sovereign bonds	Table 5-26 (the data quality score table for Sovereign Debt.)																		
Business loans	Table 5-7 (the data quality score table for business loans and unlisted equity)																		
Power generation project finance	Table 5-10 (the data quality score table for project finance)																		
Commercial real estate mortgages	Table 5-14 (the data quality score table for CRE)																		
Mortgages	Table 5-15 (the data quality score table for mortgages2)																		

Appendix 18 - Greenhouse Gas Verification Statement

Statement TW23/00211GG

SGS

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2022 of
E.SUN Financial Holding Co., Ltd.


No.117, Sec.3, Minsheng E. Rd., Songshan Dist.,
 Taipei City 105-46, Taiwan (R.O.C.)

has been verified in accordance with ISO 14064-3:2006 as
 meeting the requirements of

ISO 14064-1:2018

Direct emissions
1,795.8186 tonnes of CO₂e
 Indirect emissions
79,169.8149 tonnes of CO₂e
 Direct emissions and indirect emissions
80,965.634 tonnes of CO₂e

Authorized by



Stephen Pao
 Knowledge Deputy General Manager
 Date: 08 June 2023
 Version 1

TGP56A-15-6 2207
 SGS Taiwan Ltd.
 No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,
 New Taipei City 24803, Taiwan
 t (02) 22993279 f (02)22999453 www.sgs.com



This Statement is not valid without the full verification scope, objectives, criteria and findings
 available on the Statement.

Page 1 of 30

Statement TW23/00210GG

SGS

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2022 of
E.SUN Securities Co., Ltd

6F., No.156, Sec. 3, Minsheng E. Rd., Songshan Dist.,
 Taipei City 105-96, Taiwan (R.O.C.)

has been verified in accordance with ISO 14064-3:2006 as
 meeting the requirements of

ISO 14064-1:2018

Direct emissions
48.3615 tonnes of CO₂e
 Indirect emissions
1,247.3691 tonnes of CO₂e
 Direct emissions and indirect emissions
1,295.731 tonnes of CO₂e

Authorized by



Stephen Pao
 Knowledge Deputy General Manager
 Date: 08 June 2023
 Version 1

TGP56A-15-6 2207
 SGS Taiwan Ltd.
 No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,
 New Taipei City 24803, Taiwan
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This Statement is not valid without the full verification scope, objectives, criteria and findings
 available on the Statement.

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Appendix 19 - Carbon Neutralization Certificate



Opinion Statement

Carbon Neutrality Declaration

Verification Opinion Statement

This is to verify that: E.Sun Financial Holding Company, Ltd.
No. 115 - 117, Sec. 3
Minsheng E. Rd.
Songshan Dist.
Taipei City
105402

玉山金融控股股份有限公司
台北市
松山區
民生東路三段 115 號、117 號
105402

Holds Statement No: CNCV 788515

Verification opinion statement

As a result of carrying out the verification in accordance with PAS 2060:2014, it is the opinion of BSI that:

- E.Sun Financial Holding Company, Ltd. for its subject 'carbon footprint of 2022 Sustainability report in hard copy published in 2023' (2023 年發行之 2022 年度永續報告書紙本碳足跡) has been certified as the carbon neutral report for the first application period.
- No material misstatements in this carbon neutrality declaration were revealed.

BSI herewith confirms that carbon neutrality information in above period as follows:
Subject GHG emissions: 5,482 tonnes of CO₂ equivalent
Retired offset carbon credits: 6,000 tonnes of CO₂ equivalent

For and on behalf of BSI:

Managing Director BSI Taiwan, Peter Pu

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BSI Taiwan is a subsidiary of British Standards Institution.

Statement No: CNCV 788515

Location

E.Sun Financial Holding Company, Ltd.
No. 115 - 117, Sec. 3
Minsheng E. Rd.
Songshan Dist.
Taipei City
105402
玉山金融控股股份有限公司
台北市
松山區
民生東路三段 115 號、117 號
105402

Verification Information

E.Sun Financial Holding Company, Ltd. for its subject 'carbon footprint of 2022 Sustainability report in hard copy published in 2023' (2023 年發行之 2022 年度永續報告書紙本碳足跡) has been certified as the carbon neutral report for the first application period.

Additional information

The carbon neutrality related information is as follows:

- Carbon neutrality method according to PAS 2060:2014.
- Carbon neutrality application period: first application period from 25 March 2023 to 30 May 2023.
- Subject carbon footprint quantification specification: ISO 14067:2018 quantification of the subject of 'carbon footprint of 2022 Sustainability report in hard copy published in 2023.'
- GHG reductions: adopting several reduction programs within company.
- Carbon neutrality report: E.Sun Financial Holding Company, Ltd. for its subject of 'carbon footprint of 2022 Sustainability report in hard copy published in 2023' Carbon Neutrality Report, May 2023 (玉山金融控股股份有限公司 2023 年發行 2022 年度永續報告書紙本碳足跡和達成宣言報告書 20230524 2.0 版).
- Retired offset credit information:
 - Quantity of retired offset credits : 6,000 Tonnes of CO₂e from InfraVest Taiwan Wind Farms Bundled Project 2011 - Taiwan (GS1001).
 - Offset credit serial numbers: GS1-I-TW-GS1001-12-2015-5347-14827-14832.
 - Date of retirement: 30 May 2023
 - Retirement reason details: on behalf of Carbon Neutrality of 2022 E.SUN FHC Sustainability Report.
 - Originating carbon offset project: Gold Standard.
 - Project type: InfraVest Taiwan Wind Farms Bundled Project 2011 - Taiwan (GS1001)
 - Project country: Taiwan
 - Offset and retired credit information available in: <https://registry.goldstandard.org/credit-blocks/details/348940>
- The information of CN report is disclosed in the website of E.SUN Financial Holdings which is available in <http://www.esunfhc.com.tw/volunteer/event-list.html>.

Originally Issue: 2023-06-13

Latest Issue: 2023-06-13

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心清如玉。義重如山。