

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

Approved on the 17th meeting of the 7th Term by the Board of Directors on January
14, 2022

Amended on the 23rd meeting of the 7th Term by the Board of Directors on
November 11, 2022

Article 1 Purpose

Pursuant to the E.SUN FHC Sustainable Finance Policy and recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and refer to Taskforce on Nature related Disclosures(TNFD), this Policy is adopted to ensure that the Company can effectively assess the potential risks and opportunities presented by climate change and natural environment moreover to develop related mitigation and adaptation measures, thereby enhancing its capacity for managing climate-related and environmental risk (hereafter “climate environmental risk”).

Article 2 Scope of Application

This Policy applies to all the business operations of the Company and its subsidiaries.

Article 3 Definitions

1. Subsidiaries refer to business units or sub-subsidiaries wholly owned by the Company.
2. Climate environmental risk refers to the direct and in-direct impacts occasioned by the physical and transition risk caused by changes in climate, environment, macroeconomics, relevant laws and regulations, which might have adverse effects on operations and business (such as investment and financing, etc.) Impacts such as excessive damage to the natural environment can cause climate or ecosystem collapse leading to systemic risks.
3. Physical risk refers to the financial impact of a changing climate and environment, including more frequent extreme weather events and gradual changes in climate and environment.
4. Transition risk refers to the financial impact that can result from the

process of adjustment towards a lower-carbon and more environmentally sustainable economy. This could be triggered, for example, by a relatively abrupt adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences.

Article 4 Roles and Responsibilities

The Company's climate environmental risk-related organizational structure and division of roles and responsibilities shall be as follows:

1. The Company

(1) Board of Directors

a. As the Company's highest decision-making body for creating an effective climate environmental risk management mechanism, the Board of Directors shall shoulder the ultimate responsibility for its climate environmental risk management policies.

b. Based on the Company's overall strategy and business environment, the Board of Directors shall approve its climate environmental risk management policy and other key decisions to ensure an effective climate environmental risk management mechanism.

(2) Risk Management Committee

The Risk Management Committee(RMC) shall implement the climate environmental risk management policy and other key decisions approved by the Board of Directors and oversee the establishment of a climate environmental risk management mechanism for both the Company and its subsidiaries. It shall also review internal climate environmental risk control reports hierarchically presented, address issues related to climate environmental risk management, and supervise internal implementation and coordination on this front.

(3) Climate Change Task Unit

A climate change task unit shall be established under the Sustainable Development Committee to identify and evaluate the risks and opportunities of climate change, assist the development of quantified methods and indicators, further develop related management measures, and strive to mitigate or adapt to the impact of climate change.

2. Subsidiaries

(1) All subsidiaries shall incorporate business procedures, analyses, decisions, and implementations into climate change and environmental issues applicable

to their respective business endeavors. These include identification and assessment of risks and opportunities, evaluation of possible impacts on businesses, strategies, and financial planning, setting of management metrics and targets, and introduction of proper procedural adjustment or mitigation/adaptation measures.

(2) The risk management departments of all subsidiaries shall report to the Company's RMC as well as their own companies.

3. Audit Division of the Company and its subsidiaries

All such Division shall audit the climate environmental risk management of their respective companies to ensure compliance with existing policies and control guidelines.

Article 5 Climate Environmental Risk Management Mechanism

1. The Company and its subsidiaries shall refer to domestic and overseas laws and regulations, guidelines, and research reports with regard to climate and environment, identify the channels and mechanisms through which the physical and transition risks of climate environmental risk may aggravate traditional risks, and develop countermeasures accordingly.
2. The Company and its subsidiaries may take account of the possible impact on operations and business development associated with climate environmental risk over different periods of time and adopt a risk-based approach management accordingly.

Article 6 Monitoring, Reporting, and Internal Control

1. The Company and its subsidiaries shall routinely track climate environmental risk threatening their operations and business over different periods of time, adjust management measures when warranted, and report their climate environmental risk and management thereof to the RMC.
2. The Company and its subsidiaries shall establish a process of reporting and inspection; this process shall include a mechanism for inspecting their compliance with their existing policies and the aforesaid requirement for routine reporting.
3. The RMC shall report climate environmental risk to the Board of Directors at least every half year; it shall adopt proper countermeasures and report to

the Board of Directors immediately in the event of climate environmental risk impacts that threaten to undermine overall or business operations.

4. The audit division of the Company and its subsidiaries shall implement audits of climate environmental risk management procedures to ensure the effectiveness of their assessment and control of such management.

Article 7

This Policy shall undergo review at least once a year, when warranted, in accordance with changes in internal and external conditions, international trends, business objectives, and applicable laws and regulations.

Article 8

If a subsidiary adopts a related policy or regulations of its own, these shall prevail.

Article 9

All matters not specified in this Policy shall be dealt with in accordance with applicable regulations of the competent authority and the Company.

Article 10

The Policy shall become effective upon approval of the Board of Directors.