



E.SUN FHC SUSTAINABILITY REPORT 2020





Delivering love, hope, and peace



With a shared vision

**A group of ordinary
people aim to
achieve extraordinary
accomplishments**

About the Report

■ GRI : 102-1 、 102-32 、 102-45 、 102-49 、 102-50 、 102-51 、 102-52 、 102-53 、 102-54 、 102-56

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Appendix

E.SUN Financial Holding Co., Ltd. (E.SUN FHC) appreciates your attention to our 10th 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 aspects in 2020 (from January 1 to December 31, 2020). 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, 2020 and after December 31, 2020. The last version was published in June 2020.

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, 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: core option
	G4 Financial Services Sector Supplement Guidelines Integrated reporting
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

Standard of Information

Data category	Standard	Certifying Organization
Sustainability data	AA1000 Assurance Standards v3 (Type 2 high-level assurance)	BSI Taiwan
	ISAE3000 (Selected indicators of sustainability performance)	PwC Taiwan
	ISAE3000 (SASB-Commercial Banks)	PwC Taiwan
Financial data	Annual financial report	Deloitte
Environmental data	ISO 14064-1 : 2018 Greenhouse Gas Inventory	SGS Taiwan
	ISO 14046 : 2014 Organizational Water Inventory	

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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Letter from the Chairman & President

■ GRI : 102-14 、 102-15

"We expect companies to commit to ESG without thinking about competition, because ESG is not a zero-sum game but a win-win situation. What everyone is competing for is not about winning or losing in business but to fight for "our common future." This is not a short-term competition, but a long-term goal that can be achieved only by combining the strengths of various companies, industries, and countries, changing the way people think, and putting more effort into doing the right thing together."



Chairman, E.Sun FHC

President, E.Sun FHC

Yung-Jen Huang

Maqi Chen

The impact of COVID-19

The year 2020 is a special year in human history.

Under the COVID-19 pandemic, the economy, society, and environment around the world have been greatly affected, with some aspects being a temporary impact and others being permanent changes. The pandemic has on the one hand, changed the way people live and work, and on the other hand, accelerated the digital transformation of businesses and increased the depth and breadth of digital services for the general public.

Standing at the origin of the subsequent trends triggered by this major historical event, E.SUN is aware that amid the short-term response to the pandemic, what's more important is the long-term preparation for the future after COVID-19. Therefore, E.SUN will focus on FinTech, expansion in Asia, and risk management to strive toward the goals of sustainable development.

Back to nature

In 1970, Milton Friedman, winner of the Nobel Memorial Prize in Economics, published an article titled "The Social Responsibility of Business Is to Increase Its Profits." In 1987, the United Nation (UN) published Our Common Future, providing an official definition of sustainable development: "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." In 1997, English scholar John Elkington proposed the Triple Bottom Line theory, positing that corporate social responsibility is the most fundamental responsibility that companies must fulfill toward the economy, environment, and society. In 2004, Who Cares Wins (WCW) UN Global Compact proposed for the first time to include ESG factors in investment decisions, placing emphasis on integrating ESG issues in financial analyses, asset management, and securities brokerage. In 2015, the UN announced the Sustainable Development Goals (SDGs), which consisted of 17 goals and 169 indicators.

From CSR and ESG to SDGs, from shareholders to stakeholders, and from localization to globalization, we understand that this was never a question of which to choose, but a challenge of how to be inclusive in business management while keeping in pace with time. Peter F. Drucker pointed out three dimensions in "The Practice of Management" in 1954. First, the purpose of business survival is to generate economic outcomes. Second, a business is an organization composed of people working together and needs to cultivate employees and develop a certain level of governance. Third, a business is a social institution rooted within the society and community

and needs to take into consideration external social influence and social responsibilities. Therefore, if we go back to nature, the scope of operation that a company needs to consider would include the main business activities, the teams within the business, the society outside of the business, and everything involved in the business.

No one can be a bystander

The disasters triggered by climate change and the COVID-19 pandemic have swept every corner of the world. These phenomena further underline that the notions of "global village," "world village," "We Are the World," or "Community with Shared Future for Mankind" are no longer merely ideas but a fact that already exists. There has never been a moment like this in human history where people are so closely connected. Through the media of economy, culture, politics, finance, economy, climate, Internet, and even diseases, everyone becomes so closely related to the society and environment, influencing and supporting each other through thick and thin.

Given the common goal of dissolving urgent crises while ensuring that everyone can live a better life, no one can be just a bystander any more. The country, society, businesses, and individuals therein must all play a part in sharing their expertise and responsibilities and work together. From now on, tangible concrete efforts and the cohesion of correct intangible values are the only way to make a difference directly or generate a positive effect indirectly on the future.

Corporate responsibilities and practices

For businesses situated in this new era, new environment, and new trend, ESG is not only the standard for making investment decisions but also the basic condition for surviving the contemporary era. Industries around the globe are transforming into a green supply chain, which poses stricter carbon requirements and due diligence on participating vendors. As a result, businesses must tackle material ESG issues head-on, shoulder the responsibilities required of them, and adopt the necessary practices, because those ignorant of reality will be eliminated by the torrent of the great era.

For the financial sector, each and every industry and business and everyone involved can be fully integrated through responsible investment, responsible lending, sustainable

financial products, corporate/retail banking loans, wealth management, primary markets, and secondary markets, among other platforms. Subsequently, a massive ESG influence is generated. This is also the main reason why the financial sector has been expected to play a key role in the trends of ESG development and be given heavy responsibilities.

The efforts and expectations of E.SUN

Since its establishment in 1992, E.SUN has been committed to achieving the vision of turning "E.SUN employees into first-class citizens of the world and E.SUN into a first-rate global corporate citizen."

At the time, a group of like-minded financial professionals embarked on a mission to set up a professional management team committed to building the best bank in Taiwan, with the expectation of striving toward sustainable operations. After nearly 30 years of dedicated efforts, E.SUN has deeply cultivated the basic skills required to fulfill CSR, internalized ESG into its main business operations, and became a driving force for change and innovation. This effort will continue now and forever.

We expect companies to commit to ESG without thinking about competition, because ESG is not a zero-sum concept but a common good. What everyone is competing for is not about winning or losing in business but to fight for "our common future." This is by no means a short-term competition, but a long-term goal that can be achieved only by combining the strengths of various companies, industries, and countries, changing the way people think, and putting more effort into doing the right thing together.

Just as carbon emission will not reach net-zero, everything that everyone has may go down to zero. Only by bracing the new challenges of ESG can we find new opportunities and jointly create a new brighter future. 🌱

2020 Sustainable Performance and Important Results

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Environmental

The only bank in Taiwan to issue **3.3** million carbon-neutral credit cards

Issued **4** green bonds in both local and foreign currencies, with the amount and scale ranking the **1st** in the financial industry

Pioneers in quantifying the impact of climate change based on the **TCFD** framework

Social

Built **158** E.SUN Libraries, benefiting **93** thousand students

Offers E.SUN Outstanding Talent Scholarship for **16** consecutive years and established the Nursing Talent Scholarship

Co-organizes Baseball E. SUN Cup Games for **14** consecutive years to help cultivate young baseball talents

Governance

Awarded the **excellence** rating from Taiwan Corporate Governance Association

The only business in the financial industry to rank among the top **5%** in the Corporate Governance Evaluation hosted by the TWSE for **6** consecutive years

The 1st business in Taiwan to adopt **GRI** and **SASB** standards in disclosing Corporate Sustainability Report



Economy

Year	Net Profit (NT\$M)	ROE (%)	Total Asset (NT\$M)
2018	17,068	11.04	2,287,787
2019	20,105	12.07	2,498,358
2020	18,027	10.17	2,971,745

Society

Year	Average Benefit Expense on non-managerial level (NT\$ thousand)	Employee Engagement (%)	Number of E.SUN Libraries
2018	1,195	96.95	137
2019	1,276	96.93	148
2020	1,338	96.10	158
Target	On average 1,500 per person by 2025	Above 95% in 2021	200 by 2025

Environment

Year	Green Project Finance (NT\$M)	Per Unit of Revenue in Water Use (liter/NT\$ thousand)	Per Unit of Revenue in Carbon Emission (kg/NT\$ thousand)
2018	3,338	4.6268	0.4877
2019	6,881	4.4900	0.4605
2020	11,106	4.7097	0.4390
Target	20,000 by 2025	4.3243 by 2025	0.4227 by 2025

2020 Honor and Recognitions

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- 7th consecutive year to be listed on the DJSI and ranked 1st in the Taiwanese banking industry DJSI World Index, setting a new record in Taiwan's financial industry. (2014-2020)
- Ranked 1st in the Taiwanese banking industry in the Top 500 Banking Brands by The Banker. (2019-2020)
- Awarded Best Bank in Taiwan by Global Finance. (2017, 2020)
- 3-time winner of Best Wealth Manager in Taiwan by The Asset. (2017, 2019-2020)
- 3-time winner of Best SME Bank in Taiwan by Asiamoney. (2017, 2019-2020)
- Awarded Best Cash Management Bank in Taiwan by The Asian Banker. (2015, 2020)
- 15-time consecutive winner of the 1st prize of Credit Guarantee Golden Award (originally the Credit Guarantee Partner Award) by the S&M Enterprise Credit Guarantee Fund of Taiwan, setting a new record in Taiwan's financial industry. (2006-2020)
- Biggest winner with 6 awards at the 10th Best Practice Awards by Taiwan Academy of Banking and Finance



- Winner of Information Visionary by IDC. (2020)
- Winner of Best Credit Card Product in the Asia-Pacific Region by The Asian Banker. (2020)
- Winner of Best Emerging Digital Technologies Project in Taiwan by The Asset. (2020)
- Winner of Best Digital Wallet Project by The Asset. (2020)
- 5-time consecutive winner of Growth through Innovation Awards at Taiwan Corporate Sustainability Award. (2016-2020)
- 5-time consecutive winner of the golden rating of Bank with the Best Fintech at Innovative Application Award by Wealth Magazine. (2016-2020)
- 2-time consecutive winner of Best Digital Finance Award in the securities category at Wealth Management Award by Wealth Magazine. (2019-2020)



- Winner of the 17th National Sustainable Development Awards in the corporate category. (2020)
- Ranked 1st in the Taiwanese financial industry for the Excellence in Corporate Social Responsibility Award by Commonwealth Magazine Group for 13 times. (2007-2010, 2012-2020)
- The only business in the Taiwanese financial industry to be ranked in SAM Gold Class in RobecoSAM 2020 Yearbook. (2020)
- Awarded Best Sustainable Bank in Taiwan by FinanceAsia. (2020)
- 3-time consecutive winner of Asia Responsible Business Leadership Award by Enterprise Asia, setting the best record among Asian enterprises in history. (2018-2020)
- Awarded Asia's Best CSR by Corporate Governance Asia. (2020)
- 2-time consecutive winner of Best Bank for CSR by Asiamoney. (2019-2020)
- 7-time consecutive winner of the golden rating of Corporate Social Responsibility Award at Taiwan Financial Award by Wealth Magazine. (2014-2020)
- Rank 1st in the Taiwanese financial industry for Top Ten Domestic Corporate at Taiwan Corporate Sustainability Award by TAISE for 6 consecutive years. (2015-2020)



Safeguard employee health - 2020 COVID-19 pandemic control measures

Taiwan can help, E.SUN can help

NT\$15 million

were donated as a tribute to front-line medical staff

250,000

medical masks were donated to other countries

- **Domestic:** E.SUN donated 15 million NTD to the first-line pandemic control personnel to show support for the healthcare system.
- **Overseas:** E.SUN donated 250,000 facial masks to Japan, Myanmar and Cambodia, and contributed to the monetary donations to the local society. The subsidiaries in China established a pandemic prevention green channel; the commissions are waived for any donation through E.SUN or any fund dedicated to pandemic prevention.

E.SUN actively participated in the disaster relief for enterprises and offered relief loans and consultation services to assist enterprises through the operational crisis.

NT\$43.72 billion

of corporate bailout loans granted, the highest amount among private banks

3,695

SMEs were granted bailout loans

E.SUN offer a sound protection for SMEs during the pandemic.

In 2020, COVID-19 ravaged the entire world and severely damaged global economy. The pandemic not only impacted general consumption but in turn caused breakage in corporate supply chains, suspension of production lines, major decrease in orders, etc. In order to mitigate the impact of the pandemic on small and medium enterprises, E.SUN actively cooperated with governmental policies, launched various disaster relief and recovery solutions and promptly established a dedicated unit and an online application platform to respond to the massive incoming needs for disaster relief in hopes of accompanying small and medium enterprises through the difficult times. With regard to policy-related loans, so far E.SUN has assisted 3,695 small and medium enterprises in obtaining relief funds and approved a total of 43.72 billion NTD in loans, ranking number one in privately-run banks. In addition, E.SUN also obtained second place in the FSC award of electronic approval efficiency of processing public disaster relief and recovery loans.

Offering a helping hand during the pandemic

Mr. O runs a manufacturing company in Taichung. Given impacted by the COVID-19 pandemic, the company revenue dropped significantly. In order to take care of the employees and his own family, Mr. O actively vied for orders and funds to maintain basic operation during the pandemic. In early May, 2020, Mr. O called E.SUN and said that banks gave him a hard time when he applied for disaster relief for the pandemic. E.SUN listened to him with empathy and then sent a service consultant of the local branch to visit him in person. We found out that the customer had a negative credit record in the past, which led to the refusals for financing by banks. In order to assist the customer through his operational crisis, E.SUN actively discussed his case with the S&M Enterprise Credit Guarantee Fund of Taiwan to find solutions. In the end, with the assistance of E.SUN and the S&M Enterprise Credit Guarantee Fund of Taiwan, Mr. O successfully obtained 2 million NTD as fund for operation and made it through the difficult times of the pandemic.



To the Consumer Finance Division of E.SUN,
Thank you very much for your assistance during the disaster relief. I couldn't have made it without your help. I wish you prosperity and growth in business!

Sincerely, XXX

Established pandemic prevention and emergency plans to maintain a healthy and safe workplace

Implemented remote working for
100% of the overseas employees

Subsidies for cancelled travels
100% approval

1. Effective and timely command system created a healthy and safe workplace

(1) Pandemic prevention units and measures

In January, 2020, the President organized the Coronavirus Response Team and internal contacts of all units were established to ensure the mitigation of the impact of the pandemic, normal operation and provision of customer service. E.SUN also established an announcement platform for the entire company and a dedicated section for employee reports. All regions could instantly make reports and receive information on the newest pandemic response measures by the Response Team to ensure the transparent and timely information on pandemic control in the entire company.

(2) Domestic pandemic prevention plan - split operation mechanism and pandemic control leave

- In 2020, the off-site working mechanism was activated to make sure that if any one location is shut down due to the pandemic, relevant operation may still function. The off-site working mechanism mainly applied to the office units and information units. In 2020, 685 employees at the headquarters implemented off-site working (including 645 from E.SUN Bank and 40 from E.SUN securities).
- Different types of leave were provided to employees based on the different needs of self-quarantine, health management or working from home. In 2020, 53 employees applied for health management leaves and 50 applied for quarantine leaves.

*Health management leave: The type of leave given to employees by the employer during their autonomous health management period.

Quarantine leave: The type of leave given to employees by the employer during their self-quarantine or testing, or centralized quarantine or testing period.

(3) Overseas contingency plan - uninterrupted operation during the pandemic

- All overseas units established a pandemic response team in January, 2020 and cooperated with the reporting mechanism of the headquarters to allow a comprehensive understanding of the employees' and their family members' health status. A total of 1,181 overseas employees (including those dispatched from Taiwan and local employees) implemented remote working and working in separate places.
- Management mechanisms on staff, operation and information security for overseas branches were formulated. Backup offices and home drills were implemented. There was no interruption of operation during the pandemic.

2. Pandemic control subsidies and vacations

- (1) E.SUN was the only one in the industry to subsidize employees for the cancelled overseas trips. The sum exceeded 5.54 million NTD. In response to the immigration control measures implemented by the government on March 2, E.SUN announced the subsidies for cancelled overseas trips on March 6. Each employee may apply for a maximum of 30,000 NTD of subsidy. In 2020, 578 employees applied for the subsidy and all were approved. The subsidized amount exceeded 5.54 million NTD.
- (2) Subsidies were provided to employees stationed overseas. The pandemic control subsidies reached 20.91 million NTD in total.
- (3) Considering the numerous risks involved in international travels and the family needs of the employees dispatched overseas, E.SUN provided employees stationed in overseas branches relevant measures for returning to Taiwan and enhanced the subsidy measures during the pandemic.



1 Company Information

1.1 Vision

GRI : 102-1、102-2、102-3、102-4、102-6、102-7、102-10
SASB : FN-AC-000.A、FN-CB-000.A、FN-CB-000.B、FN-EX-000.A

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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" which possesses a sense of purpose to "operate the best bank" and establish systems run by experts.

The benchmark in banking and service

The only bank operated by professional managers with no links to the government nor ties to family consortiums.

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

One simple act of love can inspire love in others.

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

Local Development, Asia Expansion, and international connection.

The fourth decade

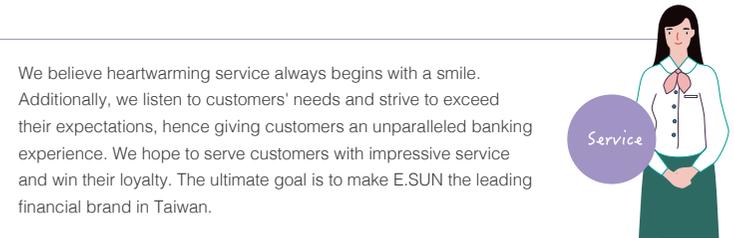
Become the most distinctive and exemplary bank in Asia.

Corporate 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 and steady efforts, E.SUN's shared vision shall be achieved.



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."



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.



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.

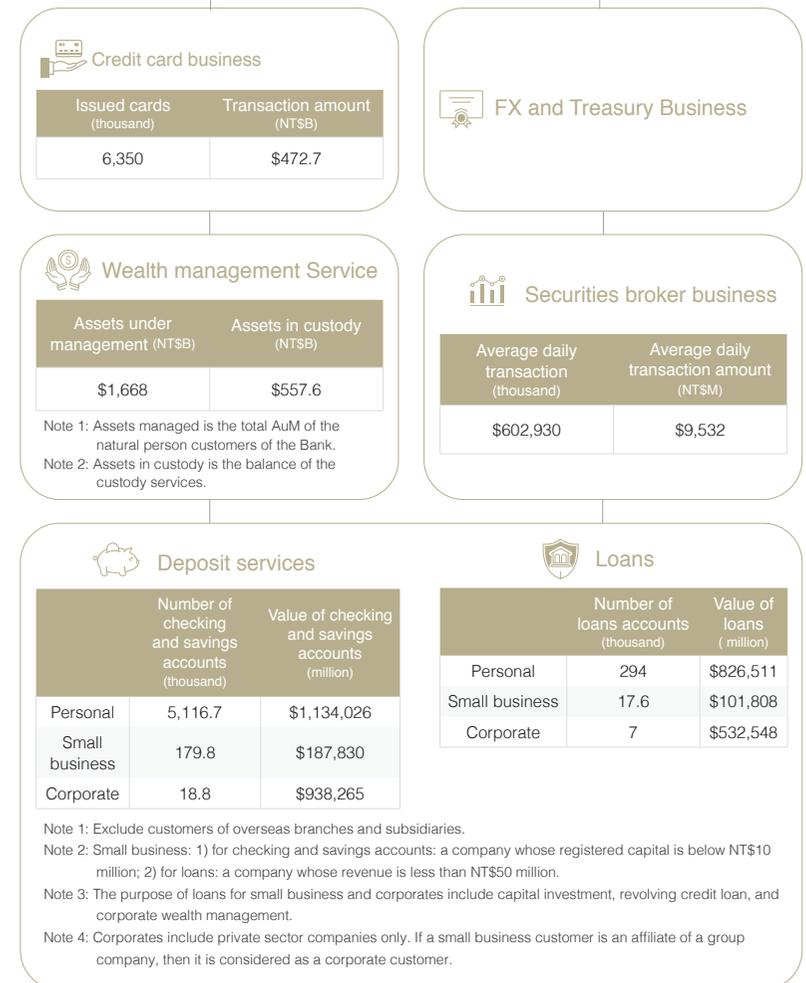
We serve with unwavering commitment the pursuit of business with integrity and high quality, bringing our clients greater benefits and values.

- **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.

Unit: NT\$ millions

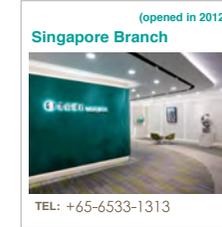
E.SUN FHC overview			
Establishment Date	2002-01-28	Subsidiaries	E.SUN Bank
Headquarters	Taipei, Taiwan		- UCB
Paid-in Capital	125,671		- E.SUN (China)
Total Asset	2,971,745		E.SUN Securities
Number of employees	9,388		- E.SUN Investment Consulting
Industry	Financial		E.SUN Venture Capital
			BankPro e-Services Technology
			E.SUN Culture and Education Foundation
TWSE stock code	2884		E.SUN Volunteer Foundation

E.SUN Financial Services Network





- Commercial, industrial, and commercial loans
- Syndicated loans



- Hub for APAC capital deployment
- Asset management center for Southeast Asia



- 10 of 14 branches are in Phnom Penh, the capital city
- Among the top 2 credit card issuers in Cambodia

Service network at home and abroad

As of December, 2020, E.SUN FHC and its subsidiaries have established a number of service channels throughout Taiwan, the physical channels of which comprise 139 branches of E.SUN Commercial Bank and 16 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, automated service equipment and branches to deliver online to offline (O2O), custom-tailored financial services that help improve customers' lifestyles.

E.SUN's international development strategy aims to quickly achieve Asian expansion by targeting both the Chinese and ASEAN markets at the same time and building a cross-border integrated financial platform in Asia. E.SUN currently operates 28 offices in 9 countries and regions, including Taiwan, China, ASEAN states, and other key financial centers in Asia. Business offices are listed below:

139 branches

16 branches of E.SUN Securities

12 regional center

8 regional management centers

Taiwan

- 139 branches
- 12 regional centers
- 8 regional management centers (Corporate Banking)
- 8 regional management centers (Consumer Banking)
- 16 branches of E.SUN Securities
- 817 automated teller machines (ATM)
- 146 Foreign Currency ATMs

Overseas

- 5 operating sites under E.SUN Bank (China), China subsidiary
- 14 presences under Union Commercial Bank, Cambodian subsidiary
- Hong Kong Branch
- Los Angeles Branch
- Singapore Branch
- Dong-Nai Branch
- Sydney Branch
- Brisbane Branch
- Yangon Branch
- Tokyo Branch
- Hanoi City Representative Office (Vietnam)

Virtual channels

- 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
- E.SUN Chatbot personal financial advisor
- Mobile Banking APP
- E.SUN Wallet APP
- WebATM
- E.SUN Securities A+ mobile services

Services and Products

- Banking : Consumer financing, corporate financing, wealth management, trust services, financial products, online banking, mobile financing, and other banking services.
- Securities : Brokerage, derivative financial products, credit transactions, fixed revenue products, e-commerce, and other securities services.
- Venture capital : Services provided mainly for companies at the startup stage and expansion stage, and secondarily for companies at the mezzanine stage.

1.2 Business Performance

GRI : 102-5 、 102-7 、 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 2020 reached NT\$18.027 billion. The EPS, ROE, and ROA were NT\$1.43, 10.17% and 0.66%, respectively. The overall business maintained steady growth. In 2020, the growth rates of total loans and total deposit were 12.3% and 19.4%, respectively. Loan growth was achieved while maintaining sound asset quality. The NPL ratio was 0.19%. The NPL coverage ratio was 656.3%.

Unit: NT\$ thousand

Item		2018	2019	2020
Management capabilities	Total assets	2,287,787,032	2,498,358,191	2,971,744,682
	Book value	160,130,100	173,181,100	181,600,577
	Net revenue	49,429,234	54,522,618	56,249,044
	Net profit attributable to parent company	17,068,493	20,105,129	18,026,592
Profitability	ROA (%)	0.78	0.84	0.66
	ROE (%)	11.04	12.07	10.17
	EPS (NTD)	1.58	1.73	1.43
	Employee salaries and benefits	11,596,823	12,779,300	14,216,281
Economic value distributed	Dividend to shareholder	15,387,867	18,451,766	15,345,931
	Tax	5,349,689	4,714,130	5,682,662
	Investment in social inclusion	359,465	374,207	307,706
	Expenditures in studies and campaigns of financial industry policies	14,913	19,760	20,716
	Political donations	0	0	0

Dividend Distribution



Note: Dividends are calculated to two digits after the decimal. Dividends distributed in 2021 is the retained earnings of 2020.

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. According to analysis from credit agencies, E.SUN has excellent asset quality, steady liquidity and adequate capital level to effectively respond to market risks and fluctuations. In addition, in recent years, deposit and loan businesses have seen a rapid growth in magnitude, which made E.SUN become the bank's systemic importance in Taiwan.

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	2020.12
Standard and Poor	-	-	twAA-	twA-1+	Stable	2020.06
S&P	BBB	A-2	-	-	Stable	2020.06

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	2020.12
Standard and Poor	-	-	twAA+	twA-1+	Stable	2020.06
S&P	A-	A-2	-	-	Stable	2020.06

E.SUN Securities

Credit rating institutions	Domestic long-term	Domestic short-term	Outlook	Effective Date
Fitch	AA-(tw)	F1+(tw)	Stable	2020.06

2 Sustainable Development Strategy and Framework

"Engagement, expertise, and partnership" — Core Value

"Innovation, Integration, Influence" — the 3i's principles and continual improvement

E.SUN has been an honest and upstanding company dedicated to integrity and professionalism since its establishment. E.SUN will continue to work toward the three aims of business management, which are overall performance, corporate social responsibility, and sustainable development. In addition to refining its financial business, E.SUN is committed to devoting resources into CSR efforts and executes CSR tasks in accordance with E.SUN Financial Holdings Corporate Social Responsibility Best Practice Principles. E.SUN endeavors to implement corporate governance, develop a sustainable environment, and uphold public interests, and strengthens the disclosure of corporate social responsibility information. Our business philosophy is to create positive influences on the society and environment when we develop our business. Whether in social or environmental activities, we always engage ourselves first, highly participate, and combine our financial expertise and involve external partners to exercise the philosophy that "one simple act of love can inspire others to love" and work together to make the society better and fully exert social influence.

Three Aims of Business Management



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Appendix



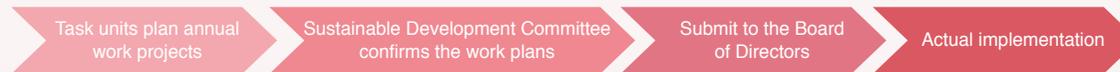
2.1 Sustainable Development Committee

■ GRI : 102-18 、 102-19 、 102-20 、 102-26 、 102-29 、 102-30 、 102-31 、 102-32 、 102-33

In 2011, the CSR Committee was established, and in January 2021, the Committee was renamed the Sustainable Development Committee, in charge of the Company's sustainable development. The Chairman of E.SUN FHC is the convener, and the committee is composed of directors of the board, including two independent directors. Six task units operate under the Committee, covering: corporate governance, social inclusion, environmental sustainability, sustainable finance, human rights protection, and climate change. They work to effectively integrate resources and boost efficiency. In 2020, 42 meetings were convened. The Committee reports the ESG strategies and implementation to the Board at least every half year (2 times in total in 2020). E.SUN incorporates sustainable development in its financial operation to achieve the long-term fulfillment of sustainable development. E.SUN is devoted to committing long-term resources into CSR and to Taiwan. All the ESG tasks are carried out in accordance with "E.SUN Financial Holdings Corporate Social Responsibility Best Practice Principles," "Corporate Governance Best Practice Principles," and "E.SUN FHC Ethical Corporate Management Practice Principles." Courses of E.SUN volunteer and ESG are lectured to new recruits during their training program to nurture their volunteering spirits in their daily life and to make positive impact to the society.



Operation of the Sustainable Development Committee



2020 Summary of Sustainable Development Committee Proposals

1. Combine corporate strategies, link material issues and actively realize the 9 UN SDGs, and formulate the 2020 goals and implement relevant plans.
2. Support education to improve the competitiveness of Taiwan. Continue promoting the Golden Seeds Libraries project, award scholarships to outstanding talents and organize AI competitions.
3. Continue to promote sustainable finance, support renewable energy industries such as solar energy and wind power, incorporate the EP4 Equator Principles, continue promoting green products such as green bonds and zero-carbon credit cards.
4. Realize employee care, continue promoting the E.SUN Baby Fund and E.SUN Outstanding Children Awards to emphasize education for the second generation, and optimize the health exam system to take care of employees' health.

2020 Outcome of Sustainable Development Topics

1. According to the CSR Committee's decision, E.SUN continued to deepen the connection between core businesses and the UN SDGs.
2. E.Sun Volunteer & Social Welfare Foundation and E.Sun Foundation continued to support academic education, physical education development, local industry development and arts and humanities activities to make positive impact to the society.
3. E.SUN continued to promote sustainable finance and green finance products and enhanced the financial disclosure related to climate change (Task Force on Climate-related Financial Disclosures).
4. In response to the COVID-19 pandemic, E.SUN implemented pandemic prevention measures in domestic and overseas units, and strengthened internal stability and external flexibility to forge a firm organization.

2021 Annual Work Plans

1. Raise the Risk Management Committee to board level and continue to enhance legal compliance, information security and AML.
2. Optimize employee health and workplace safety measures to build a friendly workplace and continue to promote inclusive finance and Principles of Treating Customers Fairly as well as support social charity.
3. Incorporate green building certification and use renewable energy in new and old branches, continue to enhance the TCFD climate scenario analysis and develop sustainable finance businesses.

2.2 Materiality Analysis and Stakeholder Communication

■ GRI : 102-21 、 102-31 、 102-33 、 102-40 、 102-42 、 102-46 、 102-47 、 102-49 、 103-1 、 103-2 、 103-3

2.2.1 Materiality Analysis

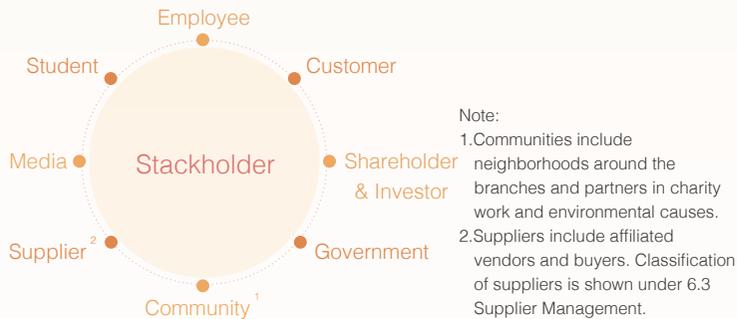
E.SUN follows the four principles of GRI Standards, which are materiality, stakeholder inclusiveness, sustainability context, and completeness, and refers to international sustainable development trends. We took a scientific approach to examine material issues of international benchmark companies and peer companies in Taiwan to identify material issues.

STEP 1 IDENTIFICATION

by [Principles] Sustainability context and stakeholder inclusiveness

Identification of the 8 key stakeholder groups:

A stakeholder meeting was held and a stakeholder questionnaire was distributed to members of the Sustainable Development Committee task units to gather comments and opinions from employees. The results were reviewed by the Sustainable Development Committee task units. Stakeholders were divided into 8 groups by level of importance. Assessment of the questionnaire was made pursuant to the five aspects of the AA1000 Stakeholder Engagement Standard, which are influence, tension, responsibility, dependency, and diverse perspectives.



21 sustainability issues of E.SUN FHC:

Issues of concern for the 8 groups of stakeholders were collected from the questionnaire. The Sustainable Development Committee task units gathered and summarized a list of 21 sustainability issues, including: stakeholder communication processes, international guidelines, specifications, trends, issues specific to the financial industry, and sustainability investment indices.

STEP 2 PRIORITIZATION

by [Principles] Materiality and stakeholder inclusiveness

To produce a report that meets the needs of our stakeholders, we conducted a survey by distributing two different questionnaires. A total of 379 valid questionnaires were collected.

- **Level of concern based on the 365 CSR questionnaires for stakeholders:**
Questionnaires are distributed to the 8 key stakeholder groups to analyze the issues of concern of each stakeholder group.
- **A total of 14 copies of the internal questionnaires for the Sustainable Development Committee to evaluate the impact on sustainable development:**
The impact of various issues on sustainable development is evaluated by all Sustainable Development Committee task units, who grade factors including revenue, cost, customer satisfaction, brand, environment, social and corporate governance related to operations to gain a better understanding of key issues for each factor.

Continued on
next page



STEP 3 VALIDATION

by [Principles] Completeness and stakeholder inclusiveness

17 material issues:

The second-stage evaluation results are examined by the Sustainable Development Committee task units and modified according to suggestions of the management team. The task units report to the Sustainable Development Committee upon completion of modification. Finally, 17 of the 21 sustainability issues were classified as moderately and highly material. These issues are also key areas of disclosure herein and formulation of short/mid/long-term goals. The 17 issues respectively correspond to 16 topics and 4 general-disclosure topics covered by the GRI Standards, as well as 1 topic in the GRI G4 Guidelines and Financial Services Sector Supplement. 21 topics in total are applied.



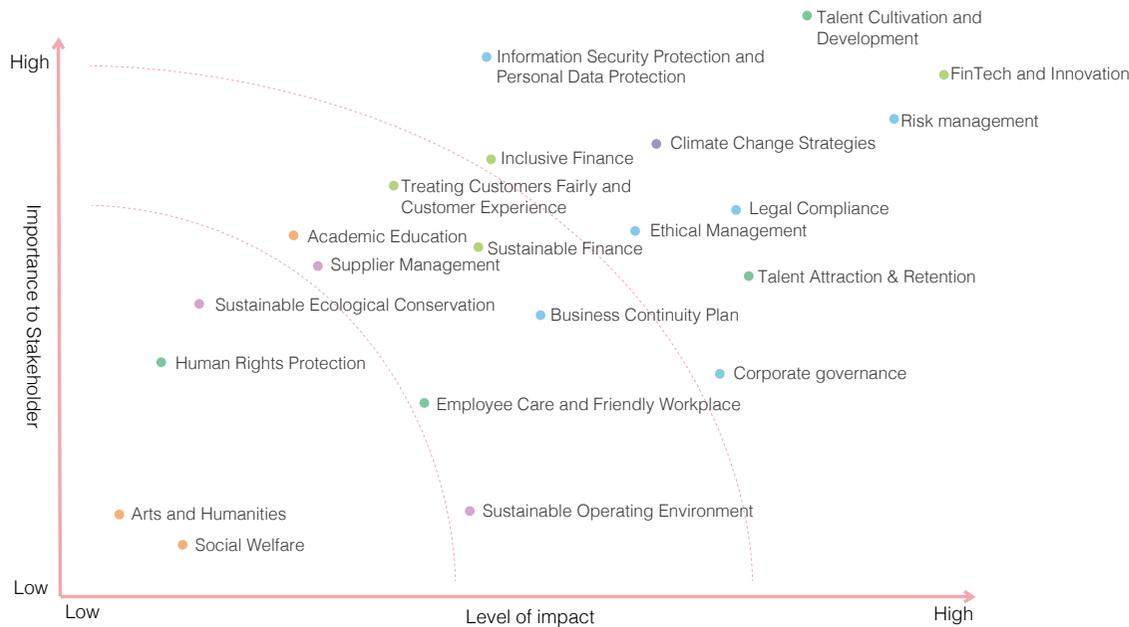
STEP 4 REVIEW

by [Principles] Stakeholder inclusiveness and sustainability context

The 10th Sustainability Report:

We continue to reinforce engagements with stakeholders and collect their opinions, hence we can examine justification of materiality matrix of the coming year.

Material Issues Matrix Diagram for the Year 2020



A List of Material Issues

Managerial Governance

Corporate governance
Risk management
Information Security Protection and Personal Data Protection
Ethical Management
Legal Compliance
Business Continuity Plan

Sustainable Finance

FinTech and Innovation
Treating Customers Fairly and Customer Experience
Sustainable Finance
Inclusive Finance

Environmental Sustainability

Supplier Management
Sustainable Operating Environment
Sustainable Ecological Conservation

Climate Change

Climate Change Strategies

Human Rights Protection

Talent Cultivation and Development
Talent Attraction & Retention
Employee Care and Friendly Workplace
Human Rights Protection

Social Inclusion

Social Welfare
Arts and Humanities
Academic Education

The report describes in detail the real impact of moderate and high tension level material issues on E.SUN's operations. The corresponding GRI material topics, risk and opportunity, management approach, and explanation of internal/external boundaries of impact are provided in the table below:

Material Topics	GRI Topic	Risk and Opportunity	Management Approach (Corresponding Chapter/ Annex)	Boundaries of Impact (Note1)						
				Internal	External					
				E.SUN	Customer	Shareholder	Suppliers	Community		
1	FinTech and Innovation	GRI 203 Indirect Economic Impact GRI G4 Product Portfolio	E.SUN pays attention to customer needs; it constantly uses big data, AI, blockchain, and other new technologies to integrate innovative services that create better digital lifestyle for customers.	4.4 FinTech and Innovation	Direct	Commercial				
2	Talent Cultivation and Development	GRI 404 Training and Education	Human capital is the most valuable asset of E.SUN. We are dedicated to long term cultivation of HR. Only by improving skill set of employees, can an organization excel in an intensive cross-industry arena-like competition.	7.1Talent Cultivation and Development 7.2 Talent Attraction & Retention	Direct					
3	Risk management	GRI 102 General disclosures (Strategy) GRI 207 Tax GRI 419 Socioeconomic Compliance	Effective risk management is the only way to ensure efficient use of financial resources and reduce or prevent operating risks.	3.3 Risk management	Direct	Commercial	Commercial	Commercial	Commercial / Indirect	
4	Climate Change Strategies	GRI 201 Economic Performance	The financial services sector plays a crucial role in mitigating and coping with global climate change. We shall do our best to use resources and combine our financial business to exert influence on enterprises, customers and partners to jointly develop mitigation measures and applicable opportunities.	5. Climate Change Risks and Opportunities	Direct	Commercial	Commercial	Commercial	Commercial	Indirect
5	Information Security Protection and Personal Data Protection	GRI 418 Customer Privacy	We attach a great level of importance to the security of customer's personal information with the most rigorous mechanisms and measures.	3.6 Information Security 3.7 Personal Information Protection Management	Direct	Commercial	Commercial			
6	Legal Compliance	GRI 419 Socioeconomic Compliance GRI 307 Environmental Compliance	With the development of financial business and technology, we continue enhancing the strength of our legal compliance to ensure meeting supervisory requirements and protecting customers' interests.	3. Managerial Governance	Direct	Direct	Direct	Commercial	Indirect	

Note: 1. Pursuant to the GRI Standards, the boundaries of impact for specific GRI topics and the involvement of E.SUN with such impacts are described. The boundaries of impact has taken into account the key stakeholders on the value chain. The involvement of E.SUN with such impact is graded into three degrees of involvement: Whether E.SUN is directly involved in the creation of the impact, whether E.SUN and other units created the impact together, or whether the impact is directly related to other commercial relationships.

Material Topics	GRI Topic	Risk and Opportunity	Management Approach (Corresponding Chapter/ Annex)	Boundaries of Impact					
				Internal	External				
				E.SUN	Customer	Shareholder	Suppliers	Community	
7 Talent Attraction & Retention	GRI 202 Market Presence GRI 401 Employment	Talent is a key and leading indicator. We believe that the recruitment and stability of quality talent are what allow the enterprise to move forward.	7.2 Talent Attraction & Retention Appendix 7 Human resource management indicators	Direct					
8 Ethical Management	GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior	We believe our dedication to integrity and professionalism is not only the main reason for the continued support and trust of our customers and the general public, but also one of the drivers of operating efficiency.	3.2 Code of conducts and ethics	Direct	Direct	Direct	Commercial	Indirect	
9 Corporate Governance	GRI 102 General Disclosures (Governance)	A well-established corporate governance system will contribute to the stability and transparency of a company's operations.	3.1 Corporate governance	Direct	Direct	Direct	Direct		
10 Sustainable Finance	GRI 203 Indirect Economic Impact GRI G4 Product Portfolio	Financial sector plays a critical role during the transformation to a low-carbon economy. E.SUN has signed Equator Principles, and implemented rigorous social and environmental risk assessments and management systems accordingly. The effort is to prevent environmental or social risks or potential negative impact from happening due to bank financing.	4 Sustainable Finance	Direct	Commercial				
11 Inclusive Finance	GRI 203 Indirect Economic Impact GRI 413 Local Community Engagement and Impact Assessments GRI G4 Product Portfolio	E.SUN has long been guided by customer needs, developing inclusive finance, and offering various AI and Fintech applications, and using technology to provide a thoughtful customer experience.	4.2 Inclusive Finance	Direct	Commercial				

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Material Topics	GRI Topic	Risk and Opportunity	Management Approach (Corresponding Chapter/ Annex)	Boundaries of Impact					
				Internal	External				
				E.SUN	Customer	Shareholder	Suppliers	Community	
12 Treating Customers Fairly and Customer Experience	GRI 102 General Disclosures (Stakeholder Engagement)	We are constantly improving the quality of our customer services, integrating branch operations with virtual channels, and providing software/hardware services in a more professional and friendly manner to increase customer satisfaction.	4.3 Treating Customers Fairly and Customer Experience	Direct	Commercial				
13 Business Continuity Plan	GRI 102 General Disclosures (Organization Profile)	In response to sudden major events, we will activate the Business Continuity Plan and continue to optimize response efficiency to recover a certain degree of operation in the shortest time possible to mitigate losses and reduce risks.	3.5 Business Continuity Plan	Direct	Commercial	Commercial	Commercial		
14 Supplier Management	GRI 204 Procurement Practices GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	Suppliers are E.SUN's long-term partners in promoting environmental sustainability. Through close cooperation, we jointly pursue sustainable development.	6.3 Supplier Management	Direct				Commercial	
15 Employee Care and Friendly Workplace	GRI 403 Occupational Health and Safety	E.SUN has committed itself to satisfying employee needs in various areas and establishing a friendly working environment to encourage employee loyalty.	7.3 Employee Care and Friendly Workplace	Direct					
16 Academic Education	GRI 203 Indirect Economic Impact GRI 413 Local Community Engagement	Talent is the key to the competitiveness of a country. E.SUN hopes to make a contribution to cultivating more outstanding talent through collaborations with prestigious universities nationwide to increase the competitiveness of Taiwan in the future.	8.1 Academic Education	Indirect					Direct
17 Sustainable Operating Environment	GRI 302 Energy GRI 305 Emissions	We are invariably aware of the importance of environmental sustainability and realize a low-carbon operation through inventory and the establishment of ISO management systems.	6.1 Sustainable Operating Environment	Direct					Indirect

Material Issue Development Goals

Material Issues	Evaluation and Goals					
	Strategy	Key Performance Indicators (KPI)	2020 Target	Status	2021 Target	2025 Target
FinTech and Innovation	E.SUN creates thoughtful services and provides comprehensive support to co-create with customers financial experiences that connect to life.	Number of active customers on digital channels (percentage of overall active customers of the bank)	2.23 million (50%)	2.15 million (47%) (Note 1)	2.65 million (57%)	<ul style="list-style-type: none"> The percentage of active customers using digital channels reaches 75% of the overall active customers of the bank. Provide customers with more convenient and faster fully digital banking services through the continual improvement of customer and employee experiences, the pursuit of business excellence and the innovation of business models. The percentage of electronic orders is at 85% and above. E.SUN provides customers with more convenient digital investment services through the continual optimization of digital experiences and working with business partners to innovate the business models.
		Volume of foreign currency exchange on digital channel	NT\$135 billion	NT\$143.7 billion	NT\$168 billion	
		Percentage of electronic orders of securities	Maintains at 85% and above	85.8% (market average is 68%)	Maintains at 85% and above	
Talent Cultivation and Development	Talent development-oriented performance management	Human Capital ROI	Maintain "human capital ROI" above 280%	267% (Note 2)	Maintain at 280% and above	300%
		Average training hours per employee	<ul style="list-style-type: none"> The average training hours per employee reaches 50. Establish plans to enhance English proficiency and increase the number of employees obtaining TOEIC certificates. 	<ul style="list-style-type: none"> The average training hours per employee reached 46.14. (Note 3) A total of 672 applications for bonuses for holding a foreign language certificate were filed. A total of 201 employees participated in the TOEIC group exam in the bank. A total of 34 employees applied for subsidies for learning English. 	<ul style="list-style-type: none"> Maintain an average of 50 training hours and above per employee. The percentage of domestic employees take foreign language test reach 45%. 	<ul style="list-style-type: none"> Maintain an average of 50 training hours and above per employee. All domestic branches are bilingual ones. The percentage of domestic employees take foreign language test reach 100%.
		Number of employees with certified digital ability	<ul style="list-style-type: none"> Launch digital finance training modules for different departments and add AI professional courses. A total of 1,500 employees obtain internal digital ability learning certifications. 	<ul style="list-style-type: none"> A total of 1,457 persons participated in the AI basic training, agile development and project management courses for a total of 14,495 hours. A total of 1,531 employees (about 16%) obtained the E.SUN digital ability certifications (as of December 31, 2020). 	<ul style="list-style-type: none"> The digitization ratio of professional training courses for employees reaches 50%. AI, technology professional, RPA and machine learning training courses are conducted constantly. The percentage of domestic employees obtaining digital ability certifications reaches 25% (about 2,400 people). 	<ul style="list-style-type: none"> Add digital finance courses to training programs of employees in each function. Technology professional training courses are conducted constantly. The percentage of domestic employees obtaining digital ability certifications reaches 80%.
Risk management	Use information technology and scientific data analysis tools to manage the market fluctuations efficiently and promptly.	Asset liability management system establishment completion rate	Continue to build up and improve market risk volatility simulation function in order to perfect ability of managing market risk.	In December, 2020, the establishment of the asset liability management system of the entire bank was completed. By using the system, the impacts of fluctuations in the interest market on E.SUN's assets and liabilities can be simulated.	Continue to refine E.SUN's financial transaction management mechanisms and systems to be geared to international regulations and changes in the transaction practices in the financial markets (such as the LIBOR transition mechanism) to ensure the smooth implementation of E.SUN's financial product transactions and market risk management.	Build a highly efficient and timely market risk management mechanism through complia with international laws and regulations, system establishment and deepening of professional knowledge.
	Monitor risks with scientific approaches to enhance risk control efficiency.	Loan-to-value (LTV) method adoption completion rate	Assess the adoption of loan-to-value method in order to improve E.SUN's management of credit risk.	Based on the competent authority's schedule for opening, the domestic adoption is scheduled for December, 2020 and June, 2021, and the overseas adoption is scheduled for January, 2023. E.SUN already meets the minimum operating points and six standards. In December, 2020, the LTV method was adopted for domestic units.	Establish a management system with model levels (high / medium / low / extremely low) and adopt control measures of different strengths depending on the level. Refine model establishment, verification, monitoring procedures and improve the consistency of model management and monitoring mechanism of the entire bank.	<ol style="list-style-type: none"> Adopt the Basel III finalising framework for the calculation of E.SUN's capital adequacy ratio to comply with international management standards. Enhance E.SUN's credit risk management mechanism through the establishment of the IRB model, the incorporation of business applications and the optimization of regulations and systems.
	Manage operational risks with technology to strengthen the operational risk control efficiency.	UAT completion rate for different modules	Build a new operational risk management system to provide optimized management platform and strengthen the entire management framework.	Business analysis reports have been provided regularly to business management units for review to understand our own risk statuses.	The new operational risk management system was launched as scheduled to provide optimized management platform to strengthen the entire management framework.	Improve operational risk management module, improve cross-tool information analysis and establish a levelled risk management model to objectively verify critical risk.

Note:1. In 2020, due to the interest rate competition for digital deposits, the growth momentum of new customers was not as expected. In the future, E.SUN will increase the network effect between products and customers and enhance the relationship with digital customers through member relationships and optimization of customer experience.
 2. In 2020, employee welfare expenses increased significantly due to the comprehensive salary raise. On the other hand, revenue was affected by the pandemic and the growth rate was lower than the increase in welfare expenses, resulting in a Human Capital ROI slightly lower than the goal.
 3. In 2020, the average training hours did not meet the target as many physical courses were postponed or cancelled due to COVID-19 pandemic. Alternatively, E.SUN conducted training program through e-Learning+ platform and distance learning. The average training hours remained 46.14 hours. If the pandemic slows down, it is expected that training program will be a combination of distance learning and on-site learning.

Material Issues	Evaluation and Goals					
	Strategy	Key Performance Indicators (KPI)	2020 Target	Status	2021 Target	2025 Target
Climate Change Strategies	Formulate evaluation mechanisms and appropriate risk management strategies for the possible risks resulting from climate change. Provide customers with appropriate financial services for potential business opportunities related to climate change.	<ul style="list-style-type: none"> · CDP performance · Carbon goal completion status 	New material issues	None	<ul style="list-style-type: none"> · Apply for SBTi · Incorporate climate change scenarios into stress test. · Maintain a score of A- or above in CDP climate change · For Scopes 1 and 2, do not exceed the carbon emission target value · For Scope 3, add investment and financing scope 	Complete the SBTi Scopes 1, 2 and 3 carbon reduction goals and progress on schedule
Information Security Protection and Personal Data Protection	Establish comprehensive corporate governance, cultivate employees' awareness of information security, identify information security risks and weaknesses, and conduct effective enhancement. Regarding personal data protection, E.SUN continues to obtain international professional certification to demonstrate that E.SUN meets international standards for personal data protection.	<ul style="list-style-type: none"> · Information security governance maturity · Information security protection capacity · Continue to obtain international professional certification 	Establish E.SUN Security Operation Center (SOC), which accurately identifies information security risks and threats. The Dashboard is used to present real-time risk statistics, and spontaneously monitor, control, and manage information security risks.	<ul style="list-style-type: none"> · The Dashboard of threat indicator has been developed for E.SUN Security Operation Center (SOC) to allow active and real-time monitoring of internal and external risks. · E.SUN has worked with F-ISAC for cross-field defense and reporting to gather information on threats. · On January 4, 2021, BSI verified the validity of E.SUN's certification. 	<ul style="list-style-type: none"> · Include the information unit of E.SUN Bank's Credit Card Division in the scope of information security managemensystem verification ISO/IEC 27001. Formulate a plan for E.SUN Securities to obtain information security management system verification ISO/IEC 27001. · E.SUN Bank continues to obtain personal information management system verification BS 10012 to ensure operation efficiency of the system and protect personal information possessed by the bank. · Benchmark against domestic and international monitoring and work with the F-SOC to formulate consistent monitoring principles and management regulations. 	<ul style="list-style-type: none"> · E.SUN Bank and E.SUN Securities will introduce the information security management system ISO/IEC 27001 to construct a complete framework of information security protection, improve the availability of information services, demonstrate information security resilience, and enhance the maturity of information security management.
Legal Compliance	Establish supervisors' and employees' awareness on legal compliance and emphasize the belief that no business activity shall take precedence over risk control and all services shall comply with laws and regulations in order to achieve "zero tolerance on risks and discipline, and zero trust in operational procedures."	<ul style="list-style-type: none"> · Education and training implementation status · Employee participation rate in legal compliance tests · Self-assessment item update and degree of implementation · Timeliness, realization and level of details of the legal compliance follow-up sheet 	<ul style="list-style-type: none"> · Training and promotion. · Continue to organize legal compliance tests for the entire bank. 	<ul style="list-style-type: none"> · Monthly legal compliance education was conducted. · The legal compliance test for the entire bank was conducted in May. 	<ul style="list-style-type: none"> · Continue to realize legal compliance education and training and organize legal compliance tests for the entire bank. · Promote the self-audit and self-correction culture at the first line of defense and the coordination mechanism between the first and the second lines of defense. · Continue to conduct one-on-one video conferencing with the overseas branches in response to the pandemic. 	<ul style="list-style-type: none"> · Continue to build an active risk culture and deepen the supervisors' and employees' awareness on legal compliance through education and tests. · Establish a general legal compliance system to integrate the domestic and overseas legal compliance operation, reduce manpower cost and improve the legal compliance procedures.

Material Issues	Evaluation and Goals					
	Strategy	Key Performance Indicators (KPI)	2020 Target	Status	2021 Target	2025 Target
Talent Attraction & Retention	Build your future with your own hands	Employee engagement	Maintain employee engagement at 95% and above.	96.1%	<ul style="list-style-type: none"> Maintain employee engagement at 95% and above. Maintain employee retention rate at 90% and above. Maintain retention rate of high-performing talent at 95% and above. 	<ul style="list-style-type: none"> Maintain employee engagement at 95% and above. Maintain employee retention rate at 90% and above. Maintain retention rate of high-performing talent at 95% and above.
		Employee retention rate	Maintain employee retention rate at 90% and above.	93.5%		
		Retention rate of high-performing talent	Maintain retention rate of high-performing talent at 95% and above.	97.5%		
Ethical Management	Internalize the value of code of conducts and ethics into our culture to foster trust of customers and investors to us	The implementation of training programs and tests.	<ul style="list-style-type: none"> Training and promotion. 100% employee participation 	<ul style="list-style-type: none"> Promote the value of code of conducts and ethics in many training programs Provide the board of directors with information on "education and training in ethical corporate management and the management of material insider information." Education and tests on ethical management were implemented and employee participation rate was 100%. 	<ul style="list-style-type: none"> Training and promotion. 100% employee participation 	<ul style="list-style-type: none"> Training and promotion. 100% employee participation
Corporate Governance	Continue to strengthen the competencies of the Board of Directors and enhance the leadership capabilities of the management team, while ensuring full information disclosure to protect the rights of shareholders.	<ul style="list-style-type: none"> Competencies of the Board of Directors Information transparency Shareholder engagement 	<ul style="list-style-type: none"> Actively obtain certification for the intellectual property management system. Compile a director manual, which will be provided to newly elected directors as a guideline to exercise their duties. Stipulate director diversity and professional requirements, director candidate selection practices, and seminars for newly elected directors in relevant rules and regulations. 	<ul style="list-style-type: none"> On December 4, 2020, E.SUN obtained level A certification of Taiwan Intellectual Property Management System (TIPS) (version 2016). The Director's Manual compiled by E.SUN was provided to each director. New independent directors were invited to attend business exchange meetings that assist them in understanding better the Company's development, market position and business strategies. The implementation status of the senior manager successor plan has been regularly reported to the Corporate Governance and Nomination Committee and the Board of Directors. 	<ul style="list-style-type: none"> Promote the establishment of the Board Risk Management Committee to comply with international standards. To ensure the quality of disclosure of non-financial information, E.SUN will continue to enhance the information transparency on the Company's English website. Improving on the indicators in the Corporate Governance Evaluation by the TWSE where E.SUN did not score and the suggestions by the commissioned external professional assessment institutions are listed as priorities in the corporate governance enhancement plan. 	<ul style="list-style-type: none"> Compile and formulate an early deployment of corporate governance upgrade plan based on the "Corporate Governance 3.0 - Sustainable Development Blueprint" and referencing the Company's developmental strategies by stage. Continue to examine the performance evaluation indicators of the Board of Directors and add forward-looking and strategic quantified indicators.

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Material Issues	Evaluation and Goals					
	Strategy	Key Performance Indicators (KPI)	2020 Target	Status	2021 Target	2025 Target
Sustainable Finance (Note 4)	Support sustainable energy and increase the financing businesses for renewable energy projects.	Installed capacity of domestic renewable energy projects financed by E.SUN	1.6 GW	2.6 GW (Achievement rate 163%)(Note 5)	2.7 GW	3.4 GW
		Loan balance of domestic renewable energy projects	NT\$8 billion NTD	NT\$8.06 billion NTD	NT\$13 billion NTD	NT\$20 billion NTD
Inclusive Finance	Combine online real-time application and offline dedicated staff service to provide financial services that are friendly, speedy and accurate to allow different groups in the society to enjoy diverse financial services and to stipulate employment and economic development in the process.	Solve the difficulty of financing for small enterprises	Loans to small businesses reach NT\$100 billion.	Loans to small businesses reached NT\$101.8 billion.	Loans to small businesses reach NT\$108 billion.	Loans to small businesses reach NT\$130 billion.
Treating Customers Fairly and Customer Experience	Build team consensus and realize fair treatment of customers. Focus on customers and improve customer experience.	Customer satisfaction	84% and above	85.47%	Maintain customer satisfaction at 85% and above and incorporate the Net Promoter Score (NPS).	Maintain customer satisfaction at 85% and above and NPS at 40% and above.
		Principles of Treating Customers Fairly	Average training hours in Treating Customers Fairly per employee exceeds 5 hours.	12.6 hours / person	Adopt the certification of ISO 10002 Customer Satisfaction and Complaints Handling.	Be commended by the FSC for treating customers fairly or rank top 20%.
Business Continuity Plan	Simplify the switch procedures, accelerate the switch speed and ensure uninterrupted operation through the virtualization, standardization and automation of information resources when major disasters occur.	Availability rate of core accounting systems	Availability rate of core accounting systems reaches 99.99%	Availability rate of core accounting systems reached 100%	<ul style="list-style-type: none"> · Availability rate of core accounting systems reaches 99.99%. · Recover key systems in less than 4 hours in business continuity drills . · Continue to invest in automated platforms and convert the SOP for platform disasters to automatic execution scripts to accelerate the execution and improve accuracy while reducing the needs for manpower. 	<ul style="list-style-type: none"> · Evaluate the viability of borrowing the resources of information centers of telecommunications companies to optimize the structure and resource allocation of E.SUN information center. · Optimize the resource flexibility in the remote redundancy center and strengthen the multi-center and multi-portal function capacity of application systems to reduce the interruption time and needs for manpower for key operations when a disaster occurs.
		Key systems business continuity drills	Conduct business system drills and have all drill information, program accuracy and service recovery duration meet the requirements.	A total of 84 business system drills were conducted and all drill information, program accuracy and service recovery duration met the requirements.		

Note: 4. E.SUN actively invests in ESG-related financial business. In 2020, the total amount of responsible investment and responsible lending reached 376 billion, achieving the goal of 340 billion for 2025 ahead of schedule.

5. At the end of 2019, the total installed capacity of domestic renewable energy projects E.SUN financed was 1.1GW, which increased significantly to 2.6GW in 2020, mainly due to financing to several large-scale offshore wind power and ground-mounted solar power projects in 2020.

Material Issues	Evaluation and Goals					
	Strategy	Key Performance Indicators (KPI)	2020 Target	Status	2021 Target	2025 Target
Supplier Management	Require important suppliers to sign the "Statement of Commitment to Human Rights and Environmental Sustainability" and to incorporate ISO 20400 Procurement-Guidance.	Number of suppliers that sign the "Statement of Commitment to Human Rights and Environmental Sustainability"	All of the important suppliers sign the "Statement of Commitment to Human Rights and Environmental Sustainability."	Achievement rate on "Statement of Commitment to Human Rights and Environmental Sustainability" was 100%.	Continue to require new suppliers to sign the "Statement of Commitment to Human Rights and Environmental Sustainability."	Continue to require suppliers to sign the "Statement of Commitment to Human Rights and Environmental Sustainability."
		Adopt sustainable procurement	Obtain ISO 20400 Sustainable Procurement Guidance	Obtained ISO 20400 Sustainable Procurement Guidance	Continue to refine sustainable practices and obtain ISO 20400 Sustainable Procurement certification.	
Employee Care and Friendly Workplace	Build a friendly work environment and make E.SUN the second home for all employees.	Establish a labor system that is superior to statutory requirements	Establish a labor system that is superior to statutory requirements.	E.SUN provided 60 days maternity leave, 6 days paternity leave, unpaid child care leave and medical examination policies which are superior to statutory requirements.	Establish a labor system that is superior to statutory requirements.	Continue to improve employee care and health promotion measures to create a happy workplace.
		Employee health exam participation rate	Employee health exam participation rate is 90% and above.	99.7%	Employee health exam participation rate is 90% and above.	
		Average welfare expense for non-managerial level employees	Average welfare expense for non-managerial level employees is NT\$1.25 million and above.	Average welfare expense for non-managerial level employees was NT\$1.338 million.	Average welfare expense for non-managerial level employees is NT\$1.35 million and above.	
Academic Education	Invest long-term, stable and focused resources in the education for children in remote rural areas to create a brighter future and encourage outstanding talents in various fields to strengthen their expertise and exercise influence to make the society better.	Build 10 new E.SUN libraries each year	Build 10 new E.SUN libraries and the number of E.SUN libraries reaches 158.	Built 10 new E.SUN libraries and the number of E.SUN libraries reached 158. Donated nearly 380,000 books and benefited more than 100,000 elementary school students.	168 E.SUN Libraries	200 E.SUN Libraries
		Add 10 new English promotion classes in remote areas each year and cultivate 10 English teachers in remote areas each year	Start with counties and cities with relatively few resources in English education and implement the English Hand-in-Hand Project, add 60 English classes and cultivate 50 English teachers in remote areas	In Yunlin County, Chiayi County, Tainan City and Hsinchu County, 61 English classes were set up and 3 hours of English classes were taught each week. A total of 1,050 students were benefited. A total of 50 English teachers were cultivated in remote areas.	Add 2 more counties (cities) in the English Hand-in-Hand Project, complete the set-up of 71 English promotion classes and cultivate 65 English teachers in remote areas	Complete the set-up of 110 English promotion classes and cultivate 100 English teachers in remote areas
		Award the E.SUN Outstanding Talent Scholarship to 25 recipients each year	Add the Outstanding Nursing Talent Scholarship	Awarded scholarships to 36 talents in management, technology, humanities, ASEAN and nursing categories. A total of 169 outstanding students have received scholarships.	194 recipients of E.SUN Outstanding Talent Scholarship	300 recipients of E.SUN Outstanding Talent Scholarship
Sustainable Operating Environment	Adopt strategy with "green finance, love for the planet, and environmental sustainability" as its core, shape an environmental and energy-saving culture and implement associated measures.	Monitor and control environmental indicators, carbon emissions, water consumption, and waste.	With 2016 as the base year, water consumption per unit revenue decreases by 16%; carbon emission per unit revenue decreases by 18%; and waste per unit revenue decreases by 35%.	Water consumption per unit revenue reduced by 13%(Note 6); carbon emission per unit revenue reduced by 21%; waste per unit revenue reduced by 51%(The target was met).	With 2016 as the base year, water consumption per unit revenue will be reduced by 15%; carbon emission per unit revenue will be reduced by 23%; and waste per unit revenue will be reduced by 52%.	With 2016 as the base year, water consumption per unit revenue will be reduced by 20%; carbon emission per unit revenue will be reduced by 25%; and waste per unit revenue will be reduced by 56%.
	Raise the percentage of renewable energy through purchase agreement, installing solar panels, and acquiring renewable energy certificates.	Review the percentage of renewable energy in total electricity consumption	The percentage of renewable energy reaches 1.5%	The percentage of renewable energy was 1.71%	The percentage of renewable energy reaches 10%	The percentage of renewable energy reaches 50%

Note: 6. The reduction in water consumption did not meet the 2020 target, mainly due to the increase in water consumption resulting from the COVID-19 pandemic and the delay of scheduled projects.

2.2.2 Stakeholder communication ■ GRI : 102-21、102-40、102-42、102-43、102-44

E.SUN learns about issues that are concerned by stakeholders through various ways of engagement with stakeholders. We formulate our management policy and action plans accordingly to address needs and expectations of stakeholders. The Sustainable Development Committee would annually compile and disclose the information about engagement with stakeholders, issues concerned by stakeholders, and E.SUN's action plans.



Employees Talent and innovation are the key to competitiveness and the foundation to business sustainability.

Issue	Content of concern	E.SUN's response
<ul style="list-style-type: none"> Talent Cultivation and Development Talent Attraction & Retention Employee Care and Friendly Workplace Ethical Management 	<ul style="list-style-type: none"> Performance management and career development system Flexible work hours and vacation system Job rotation training opportunities Diverse communication channels 	<ul style="list-style-type: none"> In response to the diverse and flexible work style and family care needs, E.SUN offers a system of flexible and multiple work hours. Starting in March, 2021, employees may take leaves by the hour. E.SUN provides the CHRO mailbox and the E.SUN e-HR Portal as communication channels. In 2021, in the employee internal website, the "employee opinion and reporting section" was added to encourage employees to bring forth thoughts and suggestions. Employees may actively apply for rotation through the internal recruitment mechanism to increase their chances of rotation across departments and cultivate diverse professional knowledge.

Communication method / frequency	Actual results in communication	Stakeholder's response
<ul style="list-style-type: none"> Daily: Morning meetings Weekly: Working weekly report Monthly: Video conference Quarterly: Labor-management meetings Annual: Employee opinion surveys, and knowledge sharing meetings Real time: E.SUN e-HR Portal, and CHRO mailbox Contact information: Human Resource Division E-Mail: hrd@esunbank.com.tw Phone: +886 2-2175-1313 #8731 	<ul style="list-style-type: none"> 5 employee communication meetings 379 employee opinion communications and handling 5,631 employee opinion surveys 	<p><i>I am grateful for the job rotation that E.SUN provides. These experiences can enrich and complete my vision and horizon, and I will be able to contribute more to E.SUN's pursuit of excellence.</i> Consumer Banking Division Employee Wang</p> <p><i>E.SUN is dedicated to create a work environment that is people-oriented, emphasizes cross-generation communication, actively listens to different opinions in diverse ways and solidifies the teamwork culture. This is an advantage that competitors cannot steal.</i> Business unit Employee Tsai</p> <p><i>Last week, the Digital Banking Division started to apply Intelligent Finance Division supervisors and employees flexible work hours. Supervisors and employees responded quite positively to this policy. We hope that coworkers may enjoy a better work environment under the premise of self-discipline.</i> Digital Banking Division Employee Chou</p>

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Customer E.SUN values customer feedback and focuses on customer needs, aiming to provide an optimal customer experience and create value for customers.

Issue	Content of concern	E.SUN's response
<ul style="list-style-type: none"> Information Security and Personal Data Protection Ethical Management Legal Compliance Treating Customers Fairly and Customer Experience FinTech and Innovation 	<ul style="list-style-type: none"> Customized functions in mobile banking (frequent account management, cell phone number transfer, etc.) ESUN Wallet bonus points functions Service staff's attitude and efficiency at branches 	<ul style="list-style-type: none"> In December, 2020, the "frequent account" and "public services payment by scanning" functions were rolled out in mobile banking; In January, 2021, the "cell phone number transfer" service was rolled out. In the beginning of 2021, the "bonus points transfer" function was rolled out in E.SUN Wallet. Customer Service Officers were commissioned to conduct education and training. The waiting time continues to be included in the service quality assessment indicators.
<p>Communication method / frequency</p> <ul style="list-style-type: none"> Daily: E.SUN e-Services, including 24-hour customer service hotline, Smart text customer service, Internet phone and online visitor message board. Daily: Customer complaint hotline and mailbox \ E.SUN-i chatbot Weekly: Customer satisfaction surveys, Line account, and E.SUN Facebook fan pages. Every two months: Smile E.SUN Magazine Quarterly: E.SUN Sunrise Magazine Non-scheduled: Visits by customer representatives, and phone calls Contact information: E.SUN Customer Service Center 24-hour hotline: +886 2-2182-1313 or 0800-30-1313 	<p>Actual results in communication</p> <ul style="list-style-type: none"> 1,846 customer suggestions via the customer service center 1,364 written suggestions in customer satisfaction surveys 	<p>Stakeholder's response</p> <div data-bbox="1299 782 1713 1093" data-label="Text"> <p>E.SUN is the only bank I applied for loan service and I'm quite satisfied with the service attitude and professionalism. The application for credit cards is fast. E.SUN's online platform allows me to provide application documents easily and the user interface is very friendly. In addition, the bank tellers always proactively inform and remind the instructions and customer service is also very professional and patient, which impressed me a lot. Mr. Hou, a online customer</p> </div> <div data-bbox="1691 742 2072 1005" data-label="Text"> <p>Thanks for the assistance of E.SUN Bank. As such, I could get my remittance back from a wrong transaction. I also want to give thanks to Ms. Chen and Ms. Lin at Business Division. With their efforts of helping contact the remittance receiver, Mr. Chen, Mr. Chen agreed to return my remittance. Thank you again, Ms. Chen, Ms. Lin and E.SUN Bank. Mr. Lin, a customer at Business Division</p> </div>





Shareholder & Investor

The long term support from shareholders and investors brings more strength to sustain growth of E.SUN.

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Issue	Content of concern	E.SUN's response
<ul style="list-style-type: none"> · Financial Performance and Business Growth · Treating Customers Fairly and Customer Experience · Information Security and Personal Data Protection · Ethical Management · Risk Management · Corporate Governance 	<ul style="list-style-type: none"> · Business management and developmental strategies · Board constitution and functional committees · Customer service satisfaction · Personal data protection policies 	<ul style="list-style-type: none"> · Business performance and directions for developmental strategies are communicated through earnings calls and investor meetings. · In 2020, the election of new directors was conducted and the Board constituted of experts in the finance sector, industries and academia, encompassing diverse and professional backgrounds. In 2021, the Board Risk Management Committee was established to enhance risk control. · E.SUN continues to refine service quality through the customer service management system. Therefore, customer satisfaction has long maintained at a high level. · E.SUN has the Personal Information Management Policy in place and realizes employee information security training to continually enhance customer data protection.

Communication method / frequency	Actual results in communication	Stakeholder's response
<ul style="list-style-type: none"> · Monthly: Announcement of business performance, and the Market Observation Post System · Quarterly: Earnings call in Chinese and English session and quarterly financial reports, Board of Directors, and functional committees · Annual: Shareholders' meeting, annual report, and Sustainability report · Non-scheduled: On-site and phone meetings, disclosure of credit rating, domestic and overseas roadshows, domestic/international institutional investor conferences, investment forums, and disclosure of material information · Contact information: Investor Relations E-Mail: ir@esunbank.com.tw 	<ul style="list-style-type: none"> · 8 earnings calls in Chinese and English · Participation in 5 investor conferences or roadshows · 94 investor and analyst meetings 	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: #e0f0e0; padding: 5px; margin-bottom: 5px; border: 1px solid #ccc;"> <p>E.SUN FHC has a sound corporate governance system and values CSR and sustainable development. A top-ten international fund management company</p> </div> <div style="background-color: #ffe0e0; padding: 5px; margin-bottom: 5px; border: 1px solid #ccc;"> <p>E.SUN FHC has a steady risk control capacity and has long maintained good asset quality. A top-ten international fund management company</p> </div> <div style="background-color: #e0e0e0; padding: 5px; border: 1px solid #ccc;"> <p>Corporate culture is E.SUN FHC's unique competitive edge and a base for building outstanding business development. A renowned British asset management group</p> </div> </div>



Government

Financial services sector is highly regulated. We strictly comply with laws and regulations and work coordinately with government's policies.

Issue	Content of concern	E.SUN's response
<ul style="list-style-type: none"> · Corporate Governance · Legal Compliance · Information Security and Personal Data Protection · Treating Customers Fairly and Customer Experience · FinTech and Innovation · Business Continuity Plan 	<ul style="list-style-type: none"> · Provision of secure and stable financial services · Whether financial institutions treat customers fairly and protect financial customers' rights · Use and development of digital technology and development of new businesses · Methods of promoting sustainable finance by financial institutions such as Green Finance 2.0 and Corporate Governance 3.0 	<ul style="list-style-type: none"> · E.SUN FHC has the E.SUN FHC Information Security Management Committee in place to supervise and promote operating systems related to information security. The subsidiary E.SUN Bank has formulated the Business Continuity Plan (BCP) and regularly conducts information system disaster recovery drills as well as purchases information security insurance to refine information security risk management. · E.SUN has formulated the E.SUN Bank Consumer Handling Guidelines and the Principle of Treating Customers Fairly, and has established a fair treatment for customers task unit to protect financial customers' rights via diverse communication channels. · E.SUN centers on the concept of "Technological E.SUN" and promotes digital banking that is centered around customer needs and experiences. E.SUN also leads the industry in launching various innovative financial services. · E.SUN FHC has the CSR Committee in charge of promoting ESG in the entire company and has formulated the E.SUN Bank Sustainable Lending Principles and the E.SUN FHC Sustainable Investing Principles to exercise influence as a financial institution. · E.SUN has paid attention to climate change and environmental issues and has established concrete operational goals and practices in order to become a zero carbon emission bank before 2050.

Communication method / frequency	Actual results in communication	Stakeholder's response
<ul style="list-style-type: none"> · Annual: Government performance evaluation · Non-scheduled: Policy conferences, forums, and public hearings · Non-scheduled: Official letters, meetings, telephone, email, and public information · Non-scheduled: Financial inspections, project meetings · Contact information: Legal Compliance Division Phone: +886 2-2175-1313 #8800 	<ul style="list-style-type: none"> · Timely response to inquiries by competent authorities · Active participation in relevant meetings 	<ul style="list-style-type: none"> · E.SUN won the 2020 Information Security Award of the Taiwan Corporate Sustainability Awards, which is a recognition of management of systems, technologies and personnel. · E.SUN Bank won the National Sustainable Development Award, which a recognition of E.SUN's promotion of sustainable development. · E.SUN has won the National Enterprise Environmental Protection Award - Gold Award for three consecutive years, which a recognition of E.SUN's contributions in CSR and environmental conservation.





Community

We believe that one simple act of love can inspire others to love,
and we work with charity and environmental groups to make the society better.

Issue	Content of concern	E.SUN's response
<ul style="list-style-type: none"> · Social Welfare · Information Security and Personal Data Protection · Climate Change Strategies · Sustainable Ecological Conservation · Sustainable Operating Environment · Arts and Humanities 	<ul style="list-style-type: none"> · Resource investment in charity events · Promotion and realization of environmental education · Reading classes for students, English classes in remote areas and aesthetic education 	<ul style="list-style-type: none"> · Charity: In the Blood Donation Event in 2020, 6,980 bags of blood were donated. Pandemic control necessities and 15 million NTD pandemic control funds were donated during the pandemic. · Environmental protection: 142 Smile E.SUN environmental cleanups, Lights off for the Summer Solstice for 100 days in 139 branches, nurturing of 10,050 Taiwanese indigenous saplings, and 1,200 people were invited to participate in The Sea Turtle Conservation Project · Reading and English: Built 158 E.SUN libraries and benefited more than 100,000 elementary school students E.SUN continues to conduct the Caring Children Program and assisted 11,842 school students in 2020. Invited English teachers to teach after-school English classes in remote elementary schools, and 1,050 students attended the classes. · Aesthetics: In 2020, E.SUN invited approximately 5,205 students to attend artistic events in national theaters, museums of fine arts and concert halls.
<p>Communication method / frequency</p> <ul style="list-style-type: none"> · Daily: Neighborhood cleanup programs at the branches · Annual: Charity events and forums · Non-scheduled: Foundations official websites · Non-scheduled: Foundations mail boxes and message boards · Non-scheduled: Project collaboration and visits · Contact information: E.SUN Volunteer & Social Welfare Foundation Phone: +886 2-2175-1313 #9300 E-Mail: volunteer@esunbank.com.tw 	<p>Actual results in communication</p> <ul style="list-style-type: none"> · More than 120,000 persons were benefited · Worked with 400 charity groups 	<p>Stakeholder's response</p> <div data-bbox="1288 901 1691 1141" data-label="Text"> <p>Close observation of changes in students: "Students no longer simply play during breaks, instead, they frequently borrow and return books. There was even this one time when a few parents brought their children to borrow books from the libraries after school because they wanted to read with the children on holidays." Guan-Shan Elementary School Principal Chen, Wen-Ling</p> </div> <div data-bbox="1691 901 2116 1189" data-label="Text"> <p>The Caring Children Program can help the children who cannot apply for social welfare but really need help. We use this student aid to buy stationery and pay for field trips. This way, we manage the expenses for the basic school supplies when students are at school so they will not feel inferior for the lack of supplies. Shih-Hu Elementary School, Kaohsiung City Wu, Zhu-Rong / Director of Student Affairs</p> </div> <div data-bbox="1388 1109 1814 1332" data-label="Text"> <p>With the outbreak of the pandemic, the blood donation in Taiwan reduced by 20% to 30%. Although the donation recovered after the pandemic was mitigated, the demand for blood was higher than usual. We thank the 6th Division and E.SUN Bank for organizing the blood donation event. Taiwan Blood Services Foundation, CEO Sheng-Tang Wei</p> </div>



Suppliers

Suppliers are E.SUN's partners in sustainability and growth.

Issue	Content of concern	E.SUN's response
<ul style="list-style-type: none"> Information Security and Personal Data Protection Supplier Management Legal Compliance 	<ul style="list-style-type: none"> Ethical regulations and supplier code of conduct Implementation of sustainable actions and continual improvement 	<ul style="list-style-type: none"> In 2020, the achievement rate for the new Statement of Commitment and self-evaluation form for suppliers was 100%. Held supplier communication meetings to explain on the sustainable supply chain and the related expectations, in hopes of improving with the suppliers.

Communication method / frequency	Actual results in communication	Stakeholder's response
<ul style="list-style-type: none"> Weekly: Bargaining meetings Every two weeks: Visits by customer representatives, meetings and email Non-scheduled: Website disclosure and supplier meetings Contact information: General Affairs Division Phone: +886 2-2175-1313 #8123 	<ul style="list-style-type: none"> 400 face-to-face discussions 1 supplier communication meeting 	<p>While E.SUN puts great emphasis on supplier management, we're also committed to providing a healthy, safe workplace for people who commission us, our employees, and our subcontractors. Therefore, we ensured the implementation of the following 2 aspects after attending E.SUN's supplier meeting:</p> <ol style="list-style-type: none"> 1. Integrity - abiding by laws regulating commercial behavior to ensure integrity, and abiding by intellectual property regulations. 2. Occupational safety and sanitation - convening employees for pre-project training and holding regular tailgate meetings to discuss and communicate problems, alternative plans, and safety tips to keep in mind during the renovation process. <p><i>A famous domestic interior design firm</i></p>

We identify with E.SUN's CSR standards and its communication with suppliers about its vision; this helps to ensure that both sides abide by Ethical Corporate Management Best Practice Principles and fulfill CSR commitment for the common good.

A famous domestic IT company





Media

Media is one of the key channels through which E.SUN provides and collects information and communicates with stakeholders.

Issue	Content of concern	E.SUN's response
<ul style="list-style-type: none"> · FinTech and Innovation · Information Security and Personal Data Protection · Legal Compliance · Sustainable Finance · Climate Change Strategies 	<ul style="list-style-type: none"> · E.SUN's digital Fintech development · Measures in response to the pandemic and disaster relief loans · Measures related to the climate change risks for business 	<ul style="list-style-type: none"> · In 2020, the digital banking brand e.Fingo was rolled out, which connected the widely popular E.SUN Mobile Banking app, E.SUN Wallet and e-Click apps to create a complete digital journey for customers. · E.SUN not only actively organized donations for pandemic control and established the Coronavirus Response Team but also implemented various pandemic prevention measures. On the other hand, E.SUN offered disaster relief loans to the customers affected by the pandemic to deliver thoughtful services. · E.SUN set up a working team to make strategy on climate change and establish a management mechanism for the Board. We found out the factors that make the severest impact to ourselves, and conduct financial impact assessments to establish precautionary measures.

Communication method / frequency	Actual results in communication	Stakeholder's response
<ul style="list-style-type: none"> · Daily: Dedicated unit hotline and E-mail · Monthly: Performance overview · Annual: Questionnaires and surveys · Non-scheduled: Press releases, media interviews, issue interviews, and press conferences · Contact information: Public Relations E-Mail: pr@esunbank.com.tw 	<ul style="list-style-type: none"> · 89 press releases were published 	<p>E.SUN FHC continues to demonstrate the influence of sustainable finance and incorporate CSR into its financial business, contributing to youth cultivation, remote area care, supporting physical education, industry transition, and the development of small and medium enterprises as well as social enterprises. E.SUN is an indispensable positive force for the society of Taiwan.</p> <p>CommonWealth magazine</p> <p>E.SUN provides competitive remuneration packages for employees, values gender equality, and emphasizes work-life balance. In addition, E.SUN uses its core competencies to interact with small and micro businesses and optimizes internal SOPs to improve review efficiency. While improving its own performance, it also helps to facilitate employment and economic growth.</p> <p>Global Views Monthly</p>





Student

As the development of students is highly related to a country's competitiveness, E.SUN nurtures more talent for Taiwan starting at university campuses.

Issue	Content of concern	E.SUN's response
<ul style="list-style-type: none"> · FinTech and Innovation · Academic Education · Talent Attraction & Retention 	<ul style="list-style-type: none"> · E.SUN AI and FinTech R&D Center · Industry-academic cooperation research program · Mechanism for interns to turn into full-time employees 	<ul style="list-style-type: none"> · From 2018 to 2020, E.SUN established AI and FinTech research and development centers with National Chiao Tung University, National Taiwan University, and Academia Sinica. · E.SUN worked with 17 professors of the R&D centers on nearly 30 AI projects. · In 2020, E.SUN sponsored National Taiwan University, National Chengchi University, National Tsing Hua University, National Chiao Tung University and National Sun Yat-sen University for a total of 1.57 million NTD. · In 2020, more than 100 interns were retained to work for E.SUN.

Communication method / frequency	Actual results in communication
<ul style="list-style-type: none"> · Annual: Industry-academic cooperation. · Annual: E.SUN Outstanding Talent Scholarship · Annual: E.SUN Artificial Intelligence Open Challenge · Non-scheduled: On-campus recruitment activities, financial forums and seminars, corporate visits, and financial training courses · Contact information: Human Resources Division E-Mail: hrd@esunbank.com.tw Phone: +886 2-2175-1313 #8701 	<ul style="list-style-type: none"> · 274 students participated in the internship program · 36 students were awarded the E.SUN Outstanding Talent Scholarship

Stakeholder's response

Growth comes from the accumulation of professional knowledge, practices and hands that work on the keyboard. E.SUN internship is a cradle for nurturing dreams. We interns discuss ideas or learn skills from one another, without having to worry about disturbing others' work with our questions. This is the most efficient way to learn that I've ever tried. Opinions brought forth by us interns are respected. The seniors were happy to share their experiences working with models and the professional knowledge involved in projects. The division is like a giant learning organization. New projects and skills keep coming in. Each new topic broadened our horizon.

2019 summer intern in the Intelligent Finance Division
Currently management associate in the Treasury Division

Thank you to E.SUN for holding the challenging T-Brain Machine Learning Competition. To model the real scenario of a project, participants, in addition to constructing a model, needed to be equipped with web crawling and API deploying skills; the threshold was higher than that in the previous years and therefore resulted in a fun, rich experience.
Award-winner from
T-Brain Machine Learning Competition



2.3 Emerging Risks

GRI : 102-11

We learned from the WEF The Global Risks Report of 2021 that COVID-19 directly affected human resource and economic costs more than any pandemic in the past. The entire world saw a negative growth in its development. The disparity between the rich and the poor, technological application, social cohesion and global cooperation are now more valued than ever. Faced with the worsening environmental and climate challenges, E.SUN identified 4 key emerging risks and developed the corresponding mitigation measures and response policies to continue to work towards sustainable development and contribute to our beloved country.

Emerging risk matrix diagram

The dedicated personnel for risk management selects risks related to the banking industry and to E.SUN based on the WEF The Global Risks Report of 2021 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. Among which, those with the highest possibility and level of impact are further managed (for climate change, please see the relevant content in Chapter 5):

Evaluation process:

Gather information on internal and external emerging risk events

- Collect financial and non-financial data and study relevant reports on risk.
- For example, The Global Risks Report, annual risk prospect by international management and consultation companies, or professional analytic reports on specific risks

Identify the risk factors and risk events

- Identify incidents and risk factors that may cause impact.

Assess the risk

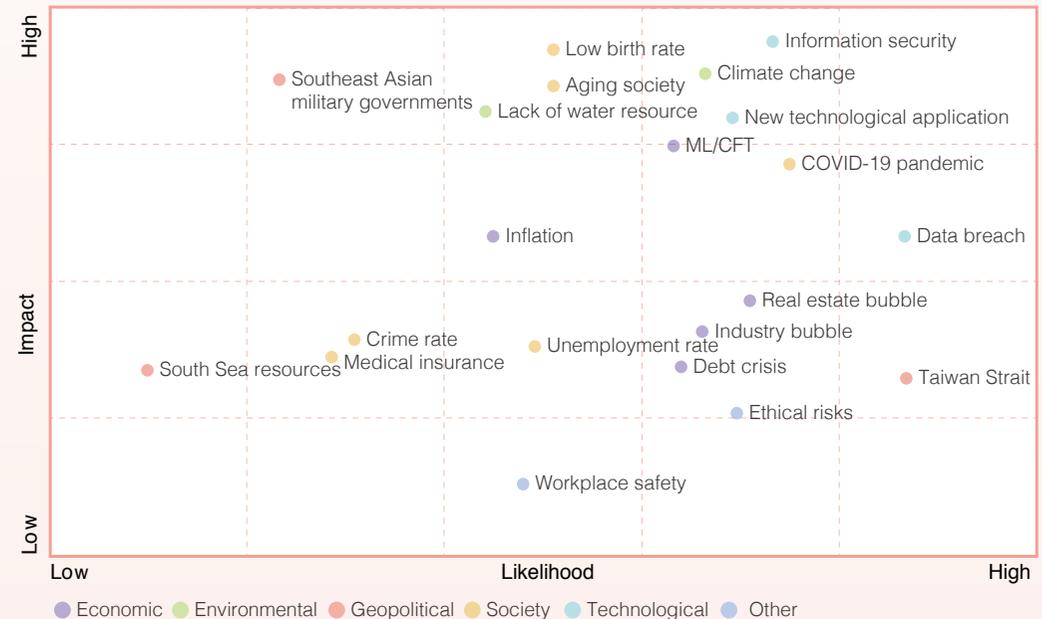
- Explore the possible scope of impact.
- List risk impact levels in order of magnitude.

Mitigate the risk

- Incorporate environmental and social issues related to operations into risk assessments
- Establish measures and policies to mitigate risks.

Regular review and feedback

- Review performance and set the direction for improvement.
- Regularly review whether the relevant control measures effectively mitigate the risks and report the relevant results.



Emerging Risk	Description of risk	Potential business impact of the risk	Mitigating actions
Risks in using emerging technology	Improper usage of emerging technology may bring risks related to personal data leakage, information security and operating procedures.	The improper usage of emerging technology will cause damages to customers' rights and severe impact on the Company's system operation and reputation.	<ol style="list-style-type: none"> For emerging technology to be used in financial services, three lines of defense shall be applied to review legal compliance, risk control, information security and AML. For model application, there is the Model Risk Management Principles to establish the overall management of model application. Establish a contingency process and conduct regular drills.
Information security risk	Risks, damages, and losses resulting from the confidentiality, integrity, and availability of information assets in an organization's hardware/network configuration, software application, information and media access, and management process.	An information security incident may cause business interruption and subject the Company to sanctions by the competent authority. In severe cases, the Company will suffer reputation or property loss.	<ol style="list-style-type: none"> Organization and system: E.SUN has established an Information Security Management Division that oversees the information security operations of E.SUN FHC, as well as an E.SUN FHC Information Security Management Committee, which inspects the subsidiaries' information security governance policy, supervises operations, and regularly reports to the board of directors. Protection mechanism: E.SUN has deployed relevant defense mechanisms in response to the constantly changing hacking techniques 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 Bank's defense and the Bank's ability to respond to events. At each stage of system development and operation, weakness identification and correction are conducted using various types of testing technologies to ensure that the Bank is completely protected. Education and training: The Bank regularly provides information security education and training. Personnel training includes professional training and awareness campaigns on information security. Social interaction project drills and online tests are conducted regularly to raise employees' security awareness.
Infectious disease risk	<ol style="list-style-type: none"> The risks of employees being isolated or quarantined or the risk of infection due to communicable and infectious diseases. Manufacturing shutdowns, impact on tourism, entertainment, and consumption, slowing down of economic growth, and credit risks faced by corporate customers due to disruption of operations. 	<ol style="list-style-type: none"> Losses caused by cancellation or early termination of contracts due to disease outbreaks. Disruption of operations caused by isolation or quarantine of employees. Loss of revenue due to restriction on entry and exit of personnel under disease control. 	<ol style="list-style-type: none"> Immediately assemble an Emergency Response Team, pay attention to the development of disease outbreaks, and establish a reporting mechanism and protection measures. Implement health management and backup mechanisms, those in important positions work in separate places to ensure the continuity of corporate operations. Pay close attention to the operations of industries that are highly sensitive to disease outbreaks.
Risk of money laundering or financing terrorism	The Company or its subsidiaries may be used for money laundering or financing terrorism.	If transactions or products of the Company and its subsidiaries are used for money laundering or financing terrorism, the Company may be penalized by the competent authority or sanctioned by international organizations. In severe cases, there is the risk of severely impacting the Company's reputation.	<ol style="list-style-type: none"> Regulation: We established the AML/CFT Policy of E.SUN FHC and Subsidiaries, and verified its compliance with internal/external regulations and requirements of international guidelines. Framework: <ol style="list-style-type: none"> The customer dimension: We have established an approach to verifying customers' identity and conducting due diligence, and also verified the shareholding structure and beneficial owner of legal entities, organizations or trust customers. The product / service dimension: Prior to launching new products, services or businesses, the ML/TF risk assessment shall be conducted and corresponding risk mitigation and management measures shall be established for the position of the specific product. The geographical dimension: Establish a list of countries or regions with high ML/TF risks and specify the countries or regions forbidden for contact while enhancing the verification measures for countries or regions with high risks. Education and training: Regularly or non-periodically organize or appoint personnel to participate in AML/CFT on-job training based on the current business needs and laws and regulations to raise the entire personnel's AML awareness. Overall evaluation mechanism: An annual evaluation on institutional risks of money laundering and financing terrorism shall be conducted to identify the risks of money laundering and financing terrorism that the Company is faced with and to evaluate the existing control measures in order to understand the residual risks and adopt further control measures to effectively manage the risks of money laundering and financing terrorism.

3 Managerial Governance

3.1 Corporate governance



E.SUN continues to strengthen the competency of the Board of Directors, improve management capabilities of the management team, advocate for shareholders' rights by enhancing information transparency, and fulfill its corporate social responsibility. E.SUN ranked among top 5% in the Corporate Governance Evaluation by TWSE for the 6th consecutive year (1st–6th Evaluation) from 2015 to 2020. As an active participant of corporate governance evaluation certification, E.SUN has since 2008 excelled in the evaluation, which was organized by the Taiwan Corporate Governance Association, and in 2018 and 2020, it received the Excellent rating in the CG6011 (2017) and CG6012 (2019) Corporate Governance assessment. The honor was recognition of E.SUN's commitment to corporate governance and the results it achieved.

E.SUN appointed a dedicated Corporate Governance Officer to ensure proper board procedures and that all applicable laws and regulations are complied with. The Procedures for Handling Director Requests has also been established to assist directors with performing their duties, to provide appropriate and timely responses to directors' requests, and to support directors in performing their duties.

■ GRI : 102-13、102-18、102-19、102-20、102-22、102-23、102-24、102-25、102-26、102-27、102-28、102-29、102-30、102-31、102-32、102-33、102-35、102-36、102-37、102-38、405-1

■ 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 responsibilities and status of each functional committee are:



Audit Committee (Established in 2004)

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



Remuneration Committee (Established in 2006)

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



Corporate Governance and Nomination Committee (Established in 2007)

- 6 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.



Board Strategy Development Committee (Established in 2007)

- 1 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.



Sustainable Development Committee (Established in 2011, renamed in 2021.)

- 2 meetings were called. The attendance was 100%.
- In 2011, the CSR Committee was established, and in January 2021, the Committee was renamed the Sustainable Development Committee by the decision of the Board.
- The committee is composed of 3 independent directors and 2 directors. Chairman Yung-Jen Huang is the convener.



Risk Management Committee (Established in 2021)

- There shall be at least 1 meeting quarterly.
- The committee is composed of 3 independent directors and 3 directors. Director Joseph N.C. Huang is the convener.

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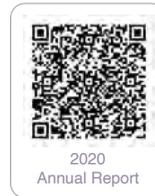
7 Human Rights Protection

8 Social Inclusion

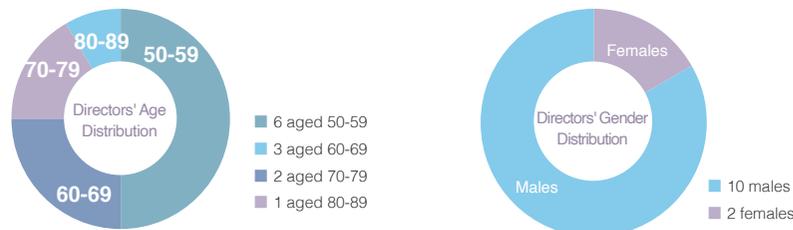
Appendix

Diverse board members

Currently, 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 TWSE/TPEX listed companies. The level of female involvement in decision-making will be increased in accordance with the principle of diversity in the future. The 7th Board of Directors was elected on June 12, 2020. Board members were appointed for a three-year term. Please refer to the 2020 annual report QR CODE for more information on the directors' education, experiences, nationalities and positions at other companies. Their diverse background information is shown in the following chart:



Note: Average term of office is 7.25 years.



Attendance of directors

9 board meetings were called in 2020, and 100% were in person by all members, higher than the 70% goal established by E.SUN. The Board of Directors has access to full and transparent information and works as a whole to make plans for the Company's future in areas such as organizational development, performance enhancement, business development and risk management through extended discussions and deliberations. The Board of Directors makes decisions that have a material impact on the company and serves to oversee the management team. Keeping a clear communication channel between the parties will help the Board of Directors perform their functions.

Structured process of nomination and selection

E.SUN has a well-designed director election system, which is a fair and open process abiding by the Rules for the Election of Directors and the Director Selection Criteria. Board composition and diversity standards are considered so that the board consists of experts from the financial service sector, industry, and academia. E.SUN has established rules and made mid- and long-term plans for director structure and diversification according to the Company's industry characteristics and future development strategies. The rules specify the basic qualities, professional knowledge and skills, and overall capabilities required of directors and encourage the referral of excellent external candidates in order to ensure corporate sustainability.



Director Selection Criteria

- Abilities that suit E.SUN's industry characteristics and future development strategy.
- Profile fitting the mid- and long-term plan for structure and diversity of board members.
- Basic qualities, professional knowledge, expertise, skill-set and other overall qualifications.

Training for directors

In 2020, each director received an average of 9.92 hours of training (required by law is 6 hours). E.SUN organized 2 director training courses in the company, for a total of 6 hours, on "AML and CFT Managerial Challenges and Trends" and "Information Security Management and Operation Sustainability." Besides, each non-executive director attends risk management related external courses once annually. In 2020, the entire Board attended the AML and CFT International Trends Forum. Furthermore, directors are encouraged to participate in other courses or forums in order to be geared to international important risk management indicators or knowledge, so as to strengthen the Board's risk management function. In addition, directors are provided with a variety of external courses that help them to gain a better understanding of their fields and fulfill their duties of loyalty and due diligence as business decision makers and leaders.

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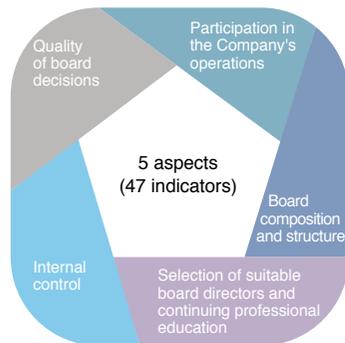


Evaluation of board performance

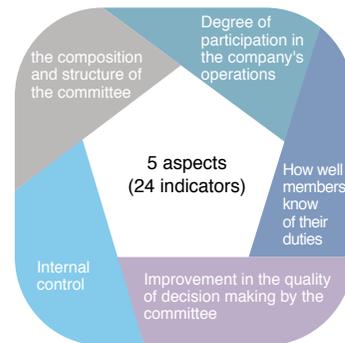
To ensure a functioning Board of Directors and effective corporate governance, E.SUN has established the "Board of Directors Performance Evaluation Policy." The Board of Directors and functional committees undergo annual evaluations based on their performance in the previous year. The results will be reviewed by the Corporate Governance and Nomination Committee and then submitted to the Board of Directors. Assessment forms are completed by directors for themselves (self-assessment) and for other directors (overall performance) at the beginning of each year. The board meeting organizer will consolidate the assessment results and make suggestions for improvement. In addition, E.SUN FHC has established performance evaluation systems for each of the functional committee under the Board of Directors, and led the industry in establishing an objective evaluation mechanism with regard to the operational discipline, important decisions and results of each functional committee, in order for the committees to be effective.

For the purpose of ensuring effective performance evaluation of directors and supervisors reappointed to the subsidiaries, E.SUN has established separately the Directors/ Supervisors Performance Evaluation Policy for Subsidiaries. Directors and supervisors appointed to companies in which E.SUN holds directly 100% of the voting shares will have to undergo annual evaluation according to the rules.

The Company's board performance was evaluated based on the evaluation chart on a qualitative scale of "excellent," "good," "acceptable," "poor," and "improvement required." Considering that directors should comply with the highest ethical standard, the Company specifically included compliance with ethical conduct as a board performance evaluation indicator to ensure self-discipline and compliance by directors every year. The Company's business strategy primarily combines the three dimensions of Corporate Commitment, Social Engagement and Environmental Policy. Related assessment items are provided below:

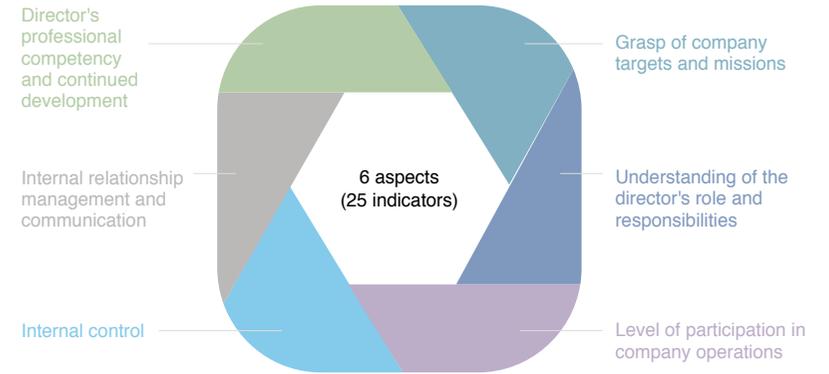


Board performance evaluation



Functional committee performance evaluation

In 2020, **45** items were rated "excellent" for a scoring rate **99.14%**



Director self and overall performance evaluation

The Company completed the 2020 board and functional committee performance evaluation on January 20 and 22, 2021. The results are presented below:

- (I) 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, 45 items were rated "excellent" and 2 items "good" for a scoring rate of 99.14%. 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:
- (II) The Company presented the results of the 2020 director performance evaluation on March 11, 2021, based on self-assessments conducted by the directors themselves and peer reviews

- Self-assessment score: 98.87%.
- Overall self-assessment score: 99.47%.

- (III) Board performance evaluation conducted by external professional agencies

In 2020, E.SUN commissioned the Taiwan Corporate Governance Association to conduct board performance evaluation. In addition to a written review of the descriptions for assessment indicators and provision of relevant documents, the Association conducted a 2-day visit at E.SUN to interview the directors and the management team. With the support of the professional agency, E.SUN obtained a detailed inspection report outlining the operation of the board and its functional committees as well as reviewers' professional guidance and objective opinions. By the TCGA's review, the Board of E.SUN has the following features:

- Four independent directors were newly elected. Based on the rules stipulated in the Director Selection Criteria, candidates were sought from a wide range and via scrupulous and comprehensive procedures.
- The Corporate Governance and Nomination Committee paid close attention to the Senior Manager Successor Plan and has established the Senior Manager Selection Criteria. Talents were regularly selected for the reserve while cultivation and development measures were implemented to establish a successor line for the leadership of the Company.
- In 2020, the President of E.SUN FHC and the President of E.SUN Bank were promoted from within the Company in realization of the philosophy of operation by professional managers while establishing the paradigm of succeeding and passing down the torch.
- The Board Strategy Development Committee was established, and regular meetings were called to deliberate on the overall development strategy of the Company. During the discussion and formation of strategies, independent directors were individually invited to participate in the discussion and guidance of specific topics based on their expertise so that the strategic thinking can be more comprehensive.
- A "Director's Manual" is provided to new directors when they come on board, and a "new director's first term workshop" is held. New directors are also invited to attend business exchange meetings that assist them in understanding the Company better, which would facilitate their work as directors.

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.

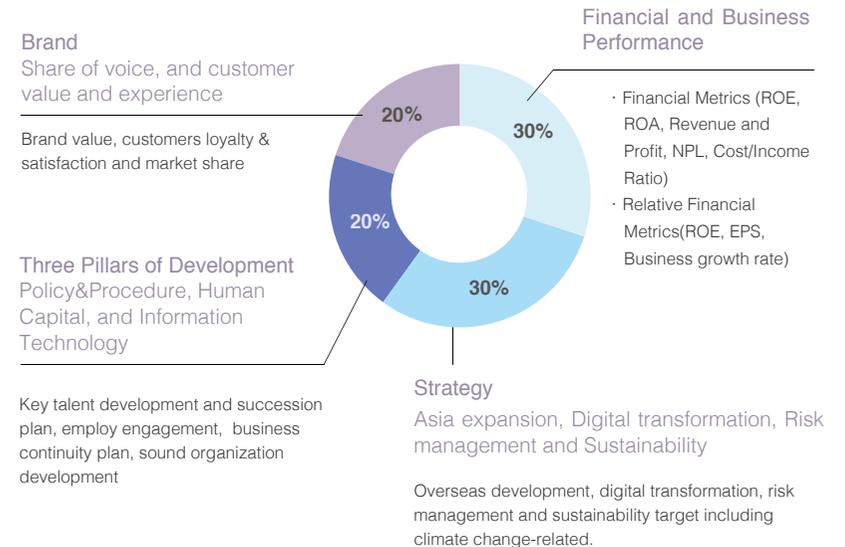
To ensure fairness, the "Stakeholder Transaction Policy" has been created as a means to regulate security of transactions conducted between the Company and subsidiaries with stakeholders. The policy requires all transactions to be conducted in confidentiality, fairness, and utmost full faith in the best 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.

Manager remuneration policy

 Purpose	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.
 Salary structure	The fixed salary is decided based on managers' professional experiences and with reference to market standards. The variable pay evaluates managers' realization of corporate core values, qualitative management of quality, customer rights, qualitative finance and business performance indicators.
 Review process	Manager remuneration policies and structures are reviewed by the Remuneration Committee and submitted to the Board for decision.
 Risk linkage	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.

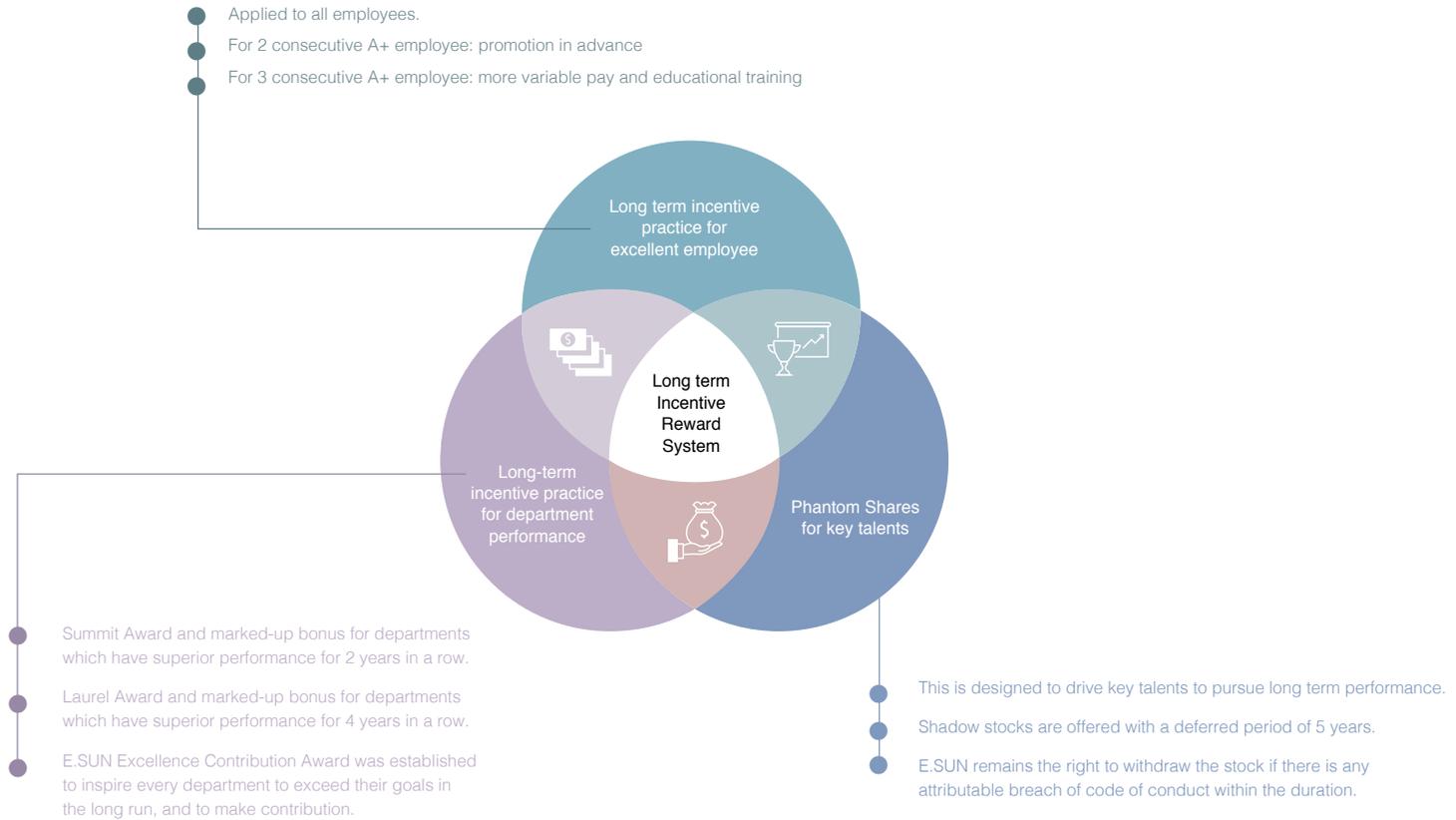
CEO Performance Indicators



Note: When evaluating the performance of CEO/presidents, E.SUN takes both short-term and long-term indicators into consideration. For long-term indicators, E.SUN sets 3 years as performance period to assess whether long-term target is achieved or not. Furthermore, bonuses can be reduced, withheld, delayed or recovered when critical risk incident, internal management mishap or employee error occur affecting the company's business reputation.

Long term 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.



Enhancement of Performance Incentive

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 salary. Similarly, the standard set for CEOs/presidents after 3 years of appointment is 10 times more than salary.

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Management team remuneration disclosure

12.31.2020 Unit: NT\$ thousand

Title	Name	Remuneration of Directors	Remuneration of Employees				Total
			Salary	Incentive Pay		Severance Pay	
			Cash	Short-term (cash+stock)	Long-term (stock)	Cash	
Chairman of E.SUN FHC	Yung-Jen Huang	21,908	0	0	0	21,908	
Chairman of E.SUN Bank	Joseph N. C. Huang	14,888	3,578	32,625	8,391	86,351 ^{Note 6}	
President of E.SUN FHC	Magi Chen	0	6,541	14,685	2,797	24,023 ^{Note 7}	
President of E.SUN Bank	Mao-Chin Chen	0	6,546	10,302	2,797	19,645	
Director ^{Note 1}	(see below for the list)	38,200	0	0	0	38,200	
Independent director ^{Note 2}	(see below for the list)	35,313	0	0	0	35,313	
Senior Executive Vice Presidents ^{Note 3}	(see below for the list)	-	62,038	83,032	8,391	22,909	176,370

Note 1: List of Directors: Chairman Yung-Jen Huang (Representative of E.SUN Volunteer & Social Welfare Foundation); Directors E.SUN Volunteer & Social Welfare Foundation (Representative Joseph N.C. Huang, leaving office 2020.6.12); E.SUN Culture and Education Foundation (Representative Gary K.L. Tseng, leaving office 2020.6.12); Representative Joseph N.C. Huang, assuming office 2020.6.12); 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); Shan Meng Investment Co., Ltd. (Representative Magi Chen, leaving office 2020.6.12); Sunlit Transportation Co., Ltd. (Representative Mao-Chin Chen, leaving office 2020.6.12); Magi Chen (assuming office 2020.6.12); Mao-Chin Chen (assuming office 2020.6.12).

Note 2: List of Independent Directors: Chen-En Ko (leaving office 2020.6.12), Ji-Ren Lee (leaving office 2020.6.12), Chen-Chen Chang Lin (leaving office 2020.6.12), Hsin-I Lin (leaving office 2020.6.12), Chun-Yao Huang, Ray Chang (assuming office 2020.6.12), Ying-Hsin Tsai (assuming office 2020.6.12), Hung-Chang Chiu (assuming office 2020.6.12), Ruey-Lin Hsiao (assuming office 2020.6.12).

Note 3: List of Senior Executive Vice Presidents: Ben Chen, J. C. Wang, Cheng-Chou Hsu (assuming office 8.14.2020), Oliver Hsieh, Wan-Li Hsieh, L. C. Lin, Wu-Ming Hsieh, Louis Chang, Jung-Hua Lin, Jyh-Shing Roger Jang (assuming office 8.18.2020), Sheng-Wei Chen (leaving office on 4.13.2020), Shui-Chin Shen (retired on 2.15.2020), Cathy Kuo, Bruce Lee, Pho-Hsuan Hsu (retired on 9.10.2020), Yi-Hsin Tseng, Te-Ming Chung, Mei-Ling Liu, Yao-Pin Lin (assuming office 5.4.2020), Chih-Kuang Huang (retired on 5.4.2020), Fion Ouyang.

Note 4: President Magi Chen holds 3,029,000 shares of E.SUN FHC stock, with their market value being 11.68 times of her salary. President Mao-Chin Chen of E.SUN Bank holds 4,030,000 shares of E.SUN FHC stock, with their market value being 15.53 times more than his salary. E.SUN FHC senior executive vice presidents hold 45,794,000 shares in total, and the average market value per person is 18.62 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, 25.23, comes from the average value per share of the last 30 business days in 2020.

Note 5: 30% of the CEOs/presidents' short-term bonus are distributed in the form of stock, while all of the long-term bonus of the presidents are distributed in the form of stocks with vesting period of 5 years.

Note 6: The increase of salary for Joseph N. C. Huang in 2020 came from his retirement pension and long-term bonus as he stepped down from the position of president and took on the role of chairman on 6.12.2020. The amount included the bonus and retirement pension for his service as the president of E.SUN FHC and Bank from 1.1 to 6.11.2020, and the bonus for his service as the chairman of E.SUN Bank from 6.12 to 12.31.2020.

Note 7: CEO/President Magi Chen's salary and bonus received in 2020 was 21 times more than the mean compensation of employees (excluding CEO) which is NT\$1,138 thousands, and 24 times more than the median compensation of employees (excluding CEO) which is NT\$1,003 thousands.

Note 8: Salary growth in 2020 compared to 2019: the average employee salary increased 4.6%, and its median increased 4.7%.

A Banker's Bank

Since foundation, E.SUN has established the system of professional manager operation and expert guidance to conduct the leadership succession in a systematic and organized manner. On June 12, 2020, the Board of Directors and standing board of directors elected Joseph N.C. Huang as Chairman of E.SUN Bank, Magi Chen as President of E.SUN FHC, and Mao-Ching Chen as President of E.SUN Bank. In the past 12 years of serving as President, Chairman Joseph N.C. Huang led E.SUN to pursue sustainable development via three pillars of "system establishment, talent cultivation and information development." Talent is the leading and key indicator for performance. The aim is to continually achieve the three goals of "overall performance, CSR and sustainable development," to realize the shared vision of E.SUN, and to become the most respected enterprise with the best overall performance.

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. Ms. Liu Mei-Ling, SEVP of E.SUN Bank, is now the commissioner of the Electronic Payment Committee under The Bankers Association. Ms. Liu provides advices on financial innovation topics, such as open banking, third party providers, and application of digital technologies. Chief Risk Officer Oliver Hsieh is the Vice Chairperson of the risk management team of the Bankers Association of the Republic of China and provides advices on topics related to financial risk management, climate change risk management and regulations on the requirements of bank capital.



3.2 Code of Conduct and Ethic

■ GRI : 102-16 、 102-17 、 205-1 、 205-2 、 205-3 、 206-1 、 419-1

E.SUN emphasizes ethical management and has established guidelines for the entire personnel to follow. The Corporate Governance and Nomination Committee is the unit in charge of ethical management practices. The committee is responsible for assisting the Board of Directors and the management in formulating and supervising implementation of ethical management policies and prevention measures. The committee also reports regularly to the Board of Directors. All E.SUN directors and executive managers have signed the statement of ethical corporate management to declare that they uphold the principles of ethical corporate management while conducting business activities and will actively assist the Board of Directors in fulfilling its commitment to ethical corporate management and overseeing ethical corporate management compliance in internal management practices and other business activities. All E.SUN employees have signed the "E.SUN Employee Service Code of Conduct and Behavior Standards" to practice ethical management with high standards and to realize ethical business operation.

E.SUN also links employee performance with remuneration and includes ethical management in the performance assessment and human resource policies with a clear and effective disciplinary system in place. The sales management units conduct self-assessments and self-evaluation for compliance every six months in order to ensure effective management and implementation. In addition, legal compliance risk evaluation is performed annually. High-risk units are selected for the legal compliance test on important management issues with the aim of improving and adjusting the legal compliance mechanism. The audit unit performs independent risk-oriented audits to ensure the uninterrupted operation of the organization as a whole. All units work together to manage and prevent unethical behavior.



Regulations, Guidelines and Commitment

- "Ethical Corporate Management Best Practice Principles" and "Ethical Procedures and Code of Conduct"
- "Code of Ethical Conduct of Directors"
- "E.Sun Employee Service Code of Conduct and Behavior Standards"
- "E.SUN's Commitment to Anti-corruption, Anti-bribery, and Anti-competitive Behavior"
- "the Treating Customers Fairly Policies and Strategies"
- "the Regulations Governing the Concurrent Serving Management for Responsible Persons"



Applicability

- E.SUN directors, managers, employees, nominees, and other entities with substantive control
- Suppliers



Evaluation Mechanism and Relevant Practices

- Risk evaluation mechanism for unethical behaviors is established. Preventive measures and relevant management mechanisms are included in the procedures of self-assessment on legal compliance. Regular analyses are conducted to review the adequacy and effectiveness of the preventive mechanisms.
- Effective management and implementation is achieved through self-assessment and self-evaluation for compliance. In addition, high-risk units are selected for the legal compliance test on important management issues with the aim of improving and adjusting the legal compliance mechanism.
- The audit unit performs independent risk-oriented audits to ensure the uninterrupted operation of the organization as a whole. All units work together to manage and prevent unethical behavior.
- E.SUN also links employee performance with remuneration and includes ethical management in the performance assessment and human resource policies with a clear and effective disciplinary system in place.
- All E.SUN directors and executive managers have signed the statement of ethical corporate management; All E.SUN employees have signed the "E.SUN Employee Service Code of Conduct and Behavior Standards."
- The Company will assess the legitimacy of counterparties and acquire a full understanding of their ethical management practices and compliance with the corporate social responsibility policy before starting a business with suppliers. Contracts always contain explicit provisions on ethical management and corporate social responsibility. Corruption and bribery are handled with zero tolerance. E.SUN promises that its business activities around the globe are free from any form of corruption and bribery.



A total of **338** hours of training was provided. The participation rate of Legal compliance training was **100%**



Training System

Education and training

1

The Company promotes ethical management through courses such as financial laws and E.SUN Employee Service Code of Conduct and Behavior Standards. Self-assessment practices are included in orientation courses for new recruits, mid-level officer cultivation courses and professional training courses for various business operations. Case studies were used to reinforce the concepts and practices of three lines of defense in order for the managers and employees to fully comprehend ethical corporate culture. A total of 338 hours of training was provided.

Legal compliance training

2

The Company also provides the Board of Directors with information on "education and training in ethical corporate management and the management of material insider information" annually. All directors (100%) have received the information. In 2020, the theme of the campaign was "Ethical Corporate Management Best Practice Principles, and Ethical Procedures and Code of Conduct." The Ethical Corporate Management Best Practice Principles and examples of material insider information were introduced to all employees through videos and case studies so that they can pay attention to such issues when performing their duties. The participation rate was 100%.

Legal compliance test

3

An online test is administered to all E.SUN employees annually. The test in 2020 focused on important rules on ethical business activities, the prohibition against unethical behavior and infringement of stakeholders' rights, regulations of personal data protection, and new financially-friendly services. The participation rate was 100%.

Whistle-blowing system and whistle-blower protection

■ SASB : FN-CB-510a.2 、 FN-AC-510a.2

E.SUN FHC, E.SUN Bank and E.SUN Securities has established " Whistleblowing Channels and Procedures ". The procedure specifies the time frame for receiving and investigating cases and establishes the dedicated handling unit and independent investigation units. Whistleblowing hotlines, email addresses, and mailboxes have been set up and announced on the corporate internal and official websites. These channels are available to any employee or outsider wishing to report cases. Whistleblowers' identities are kept confidential. It is also prohibited to impose unfavorable human resource measures on employees who report cases. Anonymous reporting is also enabled to actively prevent unethical, corrupt or illegal conduct.

Among the 28 cases filed via the whistleblowing channels in 2020, 1 was confirmed as breach of ethical corporate management (case 1), and the rest were concerning consumer disputes or matters irrelevant to the bank business. In addition, 3 cases (cases 2, 3 and 4) were not filed via the whistleblowing channels. The Compliance Department handles cases immediately after receiving them, and the President appoints an appropriate unit for investigation. Relevant investigation results are reported to the President and provided to the head of the accused person's department without revealing the identity of the whistleblower. The Company has investigated the facts of the 4 reported cases, disciplined the employees who breached ethical corporate management, and has taken appropriate measures accordingly. Case types and subsequent handling are as follows:

Whistleblower cases	2018	2019	2020
Cases reported by internal whistleblowers	0	1	0
Cases reported by external whistleblowers	22	30	28
Total	22	31	28

Note: A total of 28 cases were reported in 2020, and all investigations have been completed. Among them, 1 case was related to code of conduct and ethics.

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■ Reporting on breaches

■ SASB : FN-CB-510a.1 \ FN-AC-510a.1

In 2020, there was zero lawsuit or monetary losses against E.SUN FHC and its subsidiaries for misconducts relating to: fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations. A total of 4 violations against ethical corporate management occurred in E.SUN Bank in 2020, among which 1 was in violation of anti-corruption laws. Units involved in the aforementioned ethical corporate management violations have been urged to review and improve deficiencies and the persons involved have been disciplined. The risk control measures have been comprehensively reviewed. Education for supervisors and employees has been enhanced to cultivate the corporate culture of compliance and the employees' compliance awareness to avoid similar problems in the future.

Cases related to violation of the code of conduct and ethics	2018	2019	2020
Reported via whistleblower channels	0	1	1
Reported via other channels (e.g. audit)	0	0	5
Total cases	0	1	6
Number of substantiated cases	0	1	6
Number of cases under investigation	0	0	0
Cases related to corruption	0	1	1

Case	Type	Description	Action Taken
E.SUN Bank	1 Corruption	A financial consultant used counterfeiting and illegitimately embezzled customer funds.	Please see the right column for details.
	2 Discipline	Employees conducted short-term opportunist transactions on futures, stock financing and stock day-trading during office hours.	Punishment was imposed according to internal guidelines and policy.
	3 Discipline	Employees used the quota for customer airport transport.	
	4 Discipline	Employees serviced customers of their original units after rotation.	
E.SUN Securities	5 Dishonesty	Some commission broker placed orders for stock using the customer's account, and there was capital exchange between them.	The person has been suspended from work. Relevant management measures have been enhanced.
	6 Discipline	The responsible person did not report an incident that required arbitration within 5 business days of knowing it or of the incident's happening.	Employee training has been enhanced. The reporting process was requested to be implemented according to relevant regulation and policy.

■ Authority penalty cases

- E.SUN Bank was fined 12 million NTD by the competent authority due to a former financial consultant at the Puqian Branch of E.SUN Bank who had opened fake accounts using customers' names to manipulate payments for personal use.
- E.SUN Bank was fined 20 million NTD by the competent authority due to a former financial consultant at the Fengshan Branch who led or impersonated customers to conduct remittances and used customers' stamped withdrawal slips or remittance application forms to embezzle funds in customers' accounts.

Determination on correcting financial consultants' breach of ethical corporate management

In 2020, a former financial consultant at the Fengshan branch of E.SUN committed a violation against ethical corporate management. E.SUN promptly contacted the involved customers and made an agreement to protect all of the customers' rights. Internally, relevant units were asked to seriously reflect on the matter. In addition, PricewaterhouseCoopers was commissioned to conduct a comprehensive weakness diagnosis and improvement plan to improve on culture, organization, systems and discipline on the basis of the existing clear risk control mechanisms:

- (I) Reformed organization and clarify the dedicated unit for the risk management of the main branch. The unit is responsible for formulating risk management policies and implementing risk monitoring measures.
- (II) Strengthened customer care at the counter and identity verification for transactions, improve on the transaction review notice for internet and mobile banking as well as the bank statement tracing and management system to improve the risk control mechanism before, during and after a customer transaction.
- (III) Established monitoring procedures for high-risk employee behaviors for all of the branches, improved inspection mechanisms of operational risks of the first and second lines of defense, and enhanced abnormal behavior status control and management.
- (IV) Improved on the link between employee violations and internal control problems and reward, discipline, appraisal, promotion and bonuses; realized prevention and control measures against problems caused by financial consultants as well as the manager accountability mechanism, and improved the risk-oriented human resource system.
- (V) Improved the whistleblowing mechanism and enhanced the internal independent audit mechanism, established diverse communication, investigation and tracing to prevent and avoid repeated problems in real time.

E.SUN comprehensively re-examined the legal compliance and risk management related to breach of ethical corporate management, demanded the employees to be ethical, consolidated the management accountability and responsibility, and thoroughly reviewed the design of all control points and its effective implementation, so that all E.SUN employees will work together on "zero tolerance on risks and discipline, and zero trust in operational procedures" to effectively protect customers' rights and to avoid similar problems in the future.



3.3 Risk management

GRI : 102-11 、 102-30

An inherent risk management culture

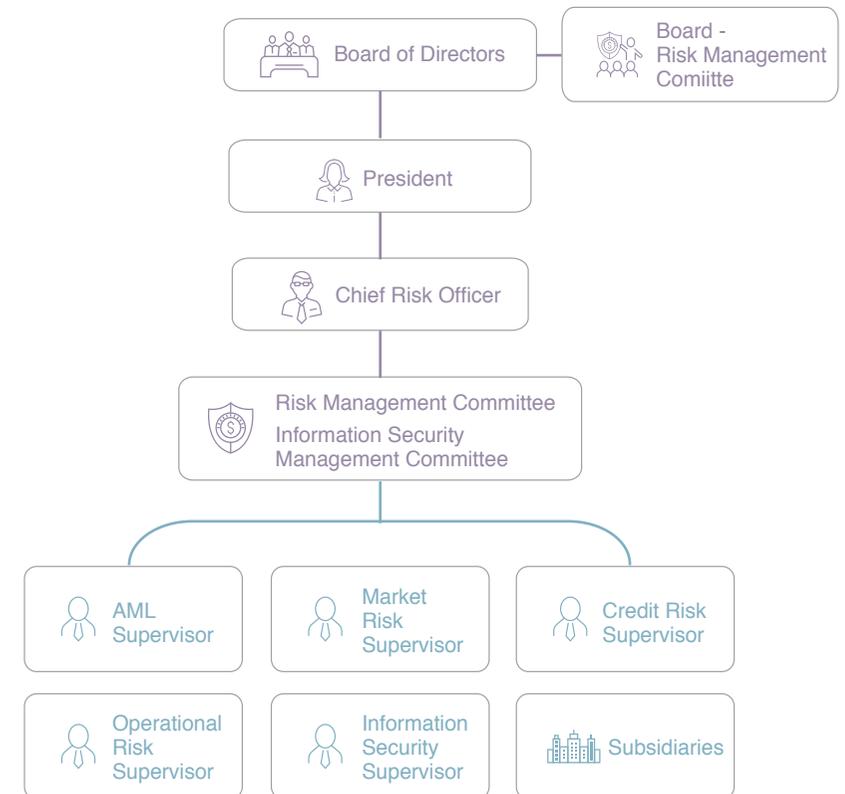
The vision of risk management is to protect assets, enhance customer service quality and improve shareholders' values, while hoping to control the possible risks generated in various business operations within a tolerable range, and to achieve a reasonable balance between risks and returns while securing 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 has 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.

Risk management units at every level are responsible for identifying and managing risks related to their products, activities, processes and systems as well as for establishing a risk tolerance limit and monitoring indicators to monitor risks of the unit. The units will draft an SOP and submit risk reports based on their business content.





■ The three lines of defense in risk management



■ 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.

I. Orientation for new recruits

Every new recruit will complete basic risk management courses during orientation in order to understand the risk management culture at E.SUN, self-discipline and self-management principles.

II. Professional training

E.SUN implements business-related risk management in all professional training programs, and continuously discusses and focuses on the important and common risk issues among all product lines. This approach ensures that risk management becomes an inherent key factor in all business processes.

III. Developing middle management

E.SUN employees gain a better understanding of E.SUN's organization and products once they are familiar with product lines and business aspects. They will thus understand the importance of balancing risk and opportunities of product lines. Furthermore, the mid-level manager training program is aimed to help employees better understand risk management of their own business activities and understand the responsibilities of mid-level managers.

IV. Continuing training for managers

These courses are designed to help managers respond to external challenges and risks to lead reformations and formulate strategies that prioritize cross-departmental integration within the group. The risk management culture was ingrained on the basis of corporate governance, making risk awareness an irreplaceable foundation stone.

In addition, product benefits and performance appraisal are included in risk management as a measuring factor. In addition to the understanding of the risk costs behind each product revenue, daily business operation risk control is also included in performance assessment in order to ingrain the risk culture and awareness.



2020 risk management performance

(1) 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 and the Compliance Division will jointly review the new products and services to ensure that they have complied with internal and external laws and regulations and the risks are controllable before providing them to customers. 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 2020, 209 domestic and oversea business risk evaluations were completed.

(2) Active reporting mechanism and exchange channels

To handle risk management in real time and maximize time efficiency, E.SUN has established various reporting mechanisms and feedback exchange channels to encourage employees to actively report risk events or potential risks found in daily business operations to unit supervisors. Insights and suggestions for risk management can also be proposed through work journals. Statistics show that in 2020, a total of 1,212 journal contents related to risk management or internal control were proposed, 42 of which were specific suggestions. Every unit conducts quarterly self-assessment of risk management and internal control. Over 3,000 self-assessment results from all product lines were analyzed to compile the most important and common risk statuses and cases in 2020, which were reported during the annual banking business conference. At year end, a comprehensive questionnaire survey is conducted to collect feedback of all supervisors and employees. In 2020, a total of 5,631 questionnaires were collected, more than 148 of which were related to risk management. The implementation measures were then fine-tuned in accordance with questionnaire results. Responses were provided to supervisors and employees via teleconferencing, thus achieving the goal of mutual exchange.

(3) Model risk management framework

In 2020, the model risk management mechanism was introduced, and control reports were established to regularly monitor the model risk status for all branches in order to effectively identify, measure, supervise and control possible model risks as well as to enhance the consistency, stability and transparency of model risk management, thus facilitating the sound growth of E.SUN's technology and business.

(4) Risk template for overseas branches and subsidiaries

In 2020, the risk template was introduced into the Los Angeles branch and China subsidiaries. Through risk classification management, the Company could obtain a comprehensive profile of the risks exposed to our overseas branches and subsidiaries.

(5) Credit risk management mechanism

The credit risk values of risky assets are calculated for and provided to each business division to ascertain the risk patterns of its business activities. Model verification is regularly performed in order to continue improving model stability and effectiveness. The results are also used to analyze the quality of the assets managed by the credit division.

(6) Market risk management mechanism

The derivative evaluation model verification mechanism was refined and model risk was reduced via improving the reasonableness and risk value of financial product evaluation and the accuracy of potential risk exposure of financial products. Securities evaluation and management mechanism was optimized. Through the introduction of the new securities evaluation system, the Company improved management of investment positions of securities and has accurately grasped the effects of interest rate market fluctuations to reduce impacts of interest rate risks.

(7) Operational risk management mechanism

A new management system for operational risks was established, which not only improved the operational risk management but also improved and optimized the system usage efficiency. System planning and design was conducted with regard to the reporting process of significant operational risks in order to handle the event dynamics and trace them in the system in real time.

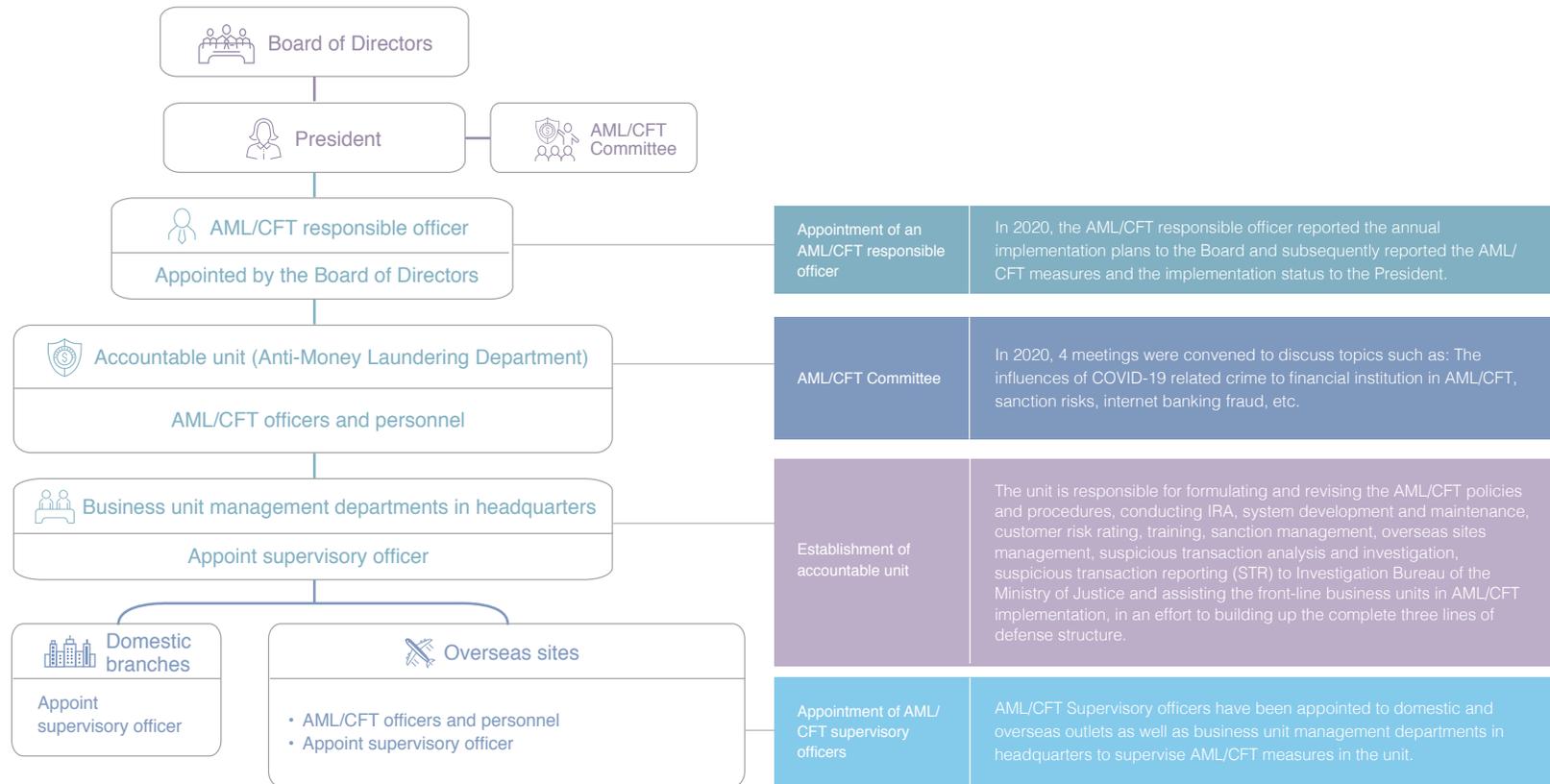
(8) Asset liability risk management mechanism

Asset liability management system was refined to achieve immediate management of liquidity management indicators, including cash flows in business activities, asset liability liquidity gap and concentration in order to facilitate evaluation of business development; Market interest rate analysis and asset and liability positions are linked to track the effects of interest rate changes on the Bank's asset and liability positions in order to facilitate the formulation of response plans for impacts of interest rate cut policies of central banks of major countries on the Company.

3.4 Anti-money laundering and combating the financing of terrorism (AML/CFT)

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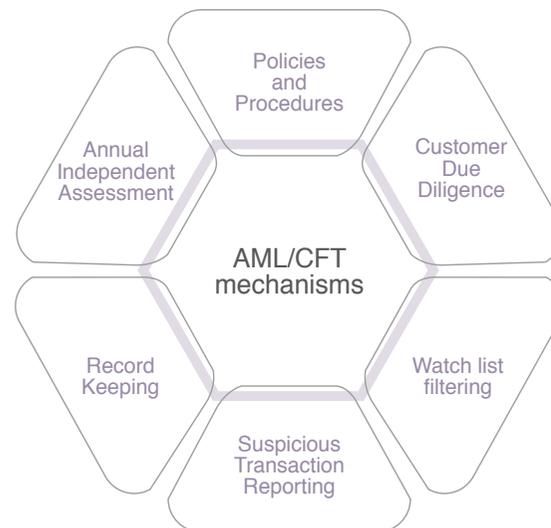
AML/CFT is a shared direction and goal internationally. In order to cooperate with the competent authorities in improving the possibility of prosecution of money laundering, to establish transparent cash flow traces, to enhance relevant systems and to strengthen international collaboration, E.SUN continually implements the AML/CFT mechanisms, including the amendments to domestic and overseas AML/CFT policies and procedures, 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.



(Organizational structure of AML and CFT)

■ 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 against international AML laws and regulations; amends domestic and overseas AML policies and procedures; refines due diligence customer review and control measures, and constantly develops global AML monitoring systems, all for the benefit of AML/CFT in the overall financial environment. For the trend of international AML governance, the Company continually pays attention to the guidance announced by organizations such as the Financial Action Task Force on Money Laundering (FATF) and to the international money laundering and fraud trends, such as: environmental crimes, medical crimes, terrorism financing, expansion of arms, digitization, TBML, etc. E.SUN FHC adheres to competent authorities' rules and strengthens the AML/CFT mechanisms of each of its subsidiaries according to the policies and procedures of FATF Forty Recommendations. There are 6 dimensions under E.SUN FHC's AML/CFT management mechanisms: Policy and procedure, customer due diligence(CDD), watch list filtering, suspicious transaction reporting(STR), record keeping, and annual independent assessment. Specific actions taken are described below:



(1) Policies and Procedures

E.SUN FHC and its subsidiaries have established the AML/CFT policies and procedures with regard to aspects such as due diligence, name checks, transaction monitoring and employee management. The subsidiary E.SUN Bank has newly established the "E.SUN Bank Money Laundering and Terrorism Financing Risk Appetite Policy" in 2020 with added quantitative indicators stating the level and type of the risk of money laundering and terrorism financing that E.SUN is willing to bear. Regarding due diligence, relevant internal regulations were amended to strengthen the risk evaluation mechanisms of the identification of the beneficial owner and politically exposed persons. Internal policies and procedures were formulated and revised in 2020, and the key points are listed below.

The "E.SUN Bank Money Laundering and Terrorism Financing Risk Appetite Policy" was formulated with qualitative and quantitative risk appetite indicators, and periodical monitoring and mid-term management mechanisms were realized.

The "Guidelines on Know You Customer and Customer Due Diligence of E.SUN Bank" was revised with adjustments on the identification rules of beneficial owners, including the addition of review procedures and authority level of customers' undisclosed equity and the specification on the time frame for customer periodical reviews.

The "E.SUN Bank's Principles for the Identification of Politically Exposed Persons and the Evaluation of Their Influence" was formulated to regulate the key factors for consideration when evaluating the influence and risk level of politically exposed persons, the implementation procedures and the ongoing review mechanisms.

The "E.SUN Bank's List Selection, Renewal and Effectiveness Review Procedures" was revised and the "E.SUN Bank's Guidelines on AML/CFT and Name Check System" was formulated to regulate the procedures related to name checks, including the update frequency of lists and alert releasing procedures.



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The subsidiary E.SUN Securities has also revised the "E.SUN Securities Notes on Anti-money Laundering and Counter Terrorism Financing" and the "E.SUN Securities' Concurrent Futures Commission Merchants' Notes on Anti-money Laundering and Counter Terrorism Financing". The "E.SUN Securities Control Mechanisms of AML/CFT" was revised to effectively conduct customer identity verification measures, transaction monitoring and ongoing review mechanisms using the Risk Based Approach and to verify the equity, shareholding structure and beneficial owners of legal persons, groups or trust customers. The internal three lines of defense structure is used to ensure the effectiveness of the AML/CFT plan.

(2) Customer Due Diligence (CDD)

Measures are taken to identify customers, including collecting, updating, and verifying customer information and saving customer information, confirming that relevant data sources and documents are reliable, independent source documents, such as official documents, data or information, etc. The identity verification procedures include identifying the beneficial owners of entity clients, politically exposed persons (PEPs) and their relatives and close associates (RCAs). E.SUN adopts the risk based approach (RBA) for performing CDD and requires enhanced due diligence (EDD) to be conducted for high risk customers by verifying the source of wealth and funds. The business relationships with high risk customers should be approved by senior management. Ongoing customer due diligence (CDD), in principle, can be divided into categories such as periodical review based on customer risk levels after the business relationship is established, new business relationship establish, and trigger event reviews. In order to understand the newest status and changes of customer risks, when there is a significant change in customers' identity or when suspicious transactions occur, trigger event customer due diligence will be initiated. In the future, the procedures will be continually refined.

■ Non-face-to-face customer due diligence (CDD)

E.SUN's due diligence work for "non-face-to-face" customers, in principle, encompasses customer identification procedures that have the same effect as face-to-face due diligence, and special and sufficient measures have been formulated for "non-face-to-face" due diligence to reduce risks. Similar to the due diligence of face-to-face customers, due diligence of "non-face-to-face" customers, in principle, requires natural person customers to provide identification documents for verifying their identity and address, etc., and customers are contacted by phone or mail if necessary. Corporate customers, in principle, must provide company establishment registration documents, business licenses, registration forms of changes or similar documents, company articles of association, directors and shareholders lists, and beneficial owner identification documents, etc. To perform verification of corporate customer information, E.SUN accesses the official website of the place of registration to verify

that the registration information is consistent with the information provided by the customer and is still valid, and there is no registration of dissolution, liquidation, closure or abolition, etc.

Digital accounts opened with the subsidiary E.SUN Bank are characterized by the fact that account opening is conducted online, and not restricted by time or geography. E.SUN also specifically and clearly announces the relevant application process on the official website, including the required information, application qualifications, and approval progress/ request of additional documentation platform query, etc.

In addition, in terms of customer periodical reviews, the subsidiary E.SUN Bank has set up an e-KYC customer identity update platform, and continues to urge customers to use online banking/mobile banking to update online information on the official website. The relevant operating procedures are also clearly disclosed for customers to understand while a new service channel "Personal Basic Information Update Platform" has been added on the official website, so that customers who do not use digital channels can also update online data, thus improving customer service experience.

(3) Watch list Filtering

■ Terrorist financing

Watch list filtering should be conducted for customers and their associates before E.SUN establishes new business relationships or provides new services to customers. Watch list batch filtering mechanism has been established with determined alert releasing time limit, and the watch lists are updated daily. Group lists information sharing mechanism has been developed for sharing high risk customer and rejected lists among affiliates by adding the lists into the screening system. The watch list screening system has been validated regularly by an effectiveness validation mechanism. Moreover, in 2020, E.SUN Bank has continuously reviewed the logic and set in the watch list filtering system to strive for a better accuracy of matching. Meanwhile, E.SUN keeps an eye on the sanction related information released by FATF, UN and other competent authorities, and relevant indexes concerning country's transparency and corruption, in an effort to regularly update an appropriate country risk list to effectively manage geography risk.

In general, the list selected by E.SUN for filtering includes but is not limited to the Taiwan Ministry of Justice (MOJ) sanctions list, the United Nations Security Council (UNSC) comprehensive sanctions list, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Specially Designated Nationals list (SDN-List), and the lists issued by the competent authorities of countries/regions where E.SUN overseas business locations are located.



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■ PEP/RCA

When establishing and adding new business relationships or conducting periodical review and triggering event review, to screen whether customers and their beneficial owners and senior managers are PEPs/RCAs, E.SUN uses the information system to assist in the verification of identities against watch lists in the database. If the aforementioned person is confirmed to be PEPs/RCAs, E.SUN will conduct EDD and strengthen transaction monitoring to confirm the source of funds and wealth of customers, etc., and the approval of senior management is required before business relationships are established. The periodical review for high risk PEPs/RCAs customer would be conducted every year, and their transactions would be more strictly monitored.

■ Senior management approval and sign off

In addition to business relationships with PEPs/RCAs customers that require senior management approval, when assessing the customer's geographic risk, E.SUN considers the customer's nationality and the country or region involved in the place of registration. For customers from countries or regions with a high risk of money laundering or terrorism financing, enhanced measures commensurate with such risks are adopted. When assessing the customer's risk, the customer's occupation, job title, and industry characteristics should be considered. If the industry category is assessed by E.SUN as prone to be used to assist money laundering or terrorism financing, its strengthens EDD measures when establishing or adding new business relationships, and confirms the source of funds and wealth of customers, etc. The aforementioned customer transactions can only be undertaken following senior management approval. If there exists relationship establishment relating to extremely risk of money laundering and terrorism financing, such as Iran and DPRK etc., E.SUN would reject the business relationship and transactions. Moreover, E.SUN does not accept corporate customer whose main business items is related to virtual currency.

(4) Suspicious Transaction Reporting

For transaction monitoring, the scope of monitoring includes customers, employees, and financial institutions that deal with E.SUN. When conducting transactions or establishing a business relationship with the aforementioned parties, dedicated personnel reviews their potential involvement in money laundering or terrorism financing. E.SUN also conducts an enhanced analysis and information collection on potential high risk customers based on the philosophy of prioritizing risks. The review process includes determining whether

occupation, industry, source of fund, purpose of transaction and transaction activities are consistent with past activities. The record of investigation process should be kept. After the investigation, the dedicated personnel submits suspicious transactions reports to the Investigation Bureau of the Ministry of Justice with information on customers or transactions suspicious of money laundering or terrorism financing. All suspicious transaction reports are filed on a designated computer, where the use of portable devices is prohibited. Every staff in the AML department is required to sign a confidentiality agreement to ensure that filed information cannot be transferred to an unrelated third party to prevent information leakage. Regarding the monitoring of transactions suspicious of money laundering, in 2020, the functional modules of the system were optimized, including the addition of monitoring of suspicious money laundering typologies to expand the monitored targets and business scopes, the adjustments on monitoring logic and parameter threshold, transaction analysis function and managerial reports to enhance the monitoring effect.

(5) Record keeping

All documents and information obtained for the implementation of customer identity verification and due diligence measures, including relevant identification and verification of customer identity information, are stored by E.SUN for at least five years after the end of the business relationship with the customer or the end of the temporary transaction.

(6) Annual independent assessments

■ AML/CFT Annual Assurance Reports

The chairmen, president, chief auditor and dedicated AML/CFT responsible officer of the respective local subsidiaries shall jointly issue a statement on internal control for AML/CFT, which will be filed via a website designated by the competent financial authority of the Company's host country, the FSC. E.SUN Bank commissioned PricewaterhouseCoopers (PwC) to conduct auditing of AML/CFT-related internal control in 2020.

■ Institutional Risk Assessment (IRA)

E.SUN has in recent years cooperated with an internationally renowned institution to introduce a group-wide methodology for implementing institutional AML/CFT risk assessments. The methodology includes the dimensions of geography, customers, products and services, delivery and payment channels, and assesses the inherent risk, control measures, and residual risks of the entire institution. E.SUN initiates action plans based on the assessment, reports to the Board of Directors upon completing



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the institutional risk evaluation report, and submits the report to competent authorities. For this year's IRA, E.SUN selected a suitable consulting company to carry out a risk assessment methodology improvement project, strengthened the introduction of quantitative data and the assessment of anti-bribery and corruption (ABC), and the management and control of weapons proliferation. An evaluation method that gives equal emphasis to quality and quantity was applied to understand the money laundering and terrorism financing risks faced by E.SUN, strengthen supervision of projects with higher residual risks, and track the implementation of proposed action plans.

■ Transaction monitoring effectiveness verification

To ensure the appropriateness of the transaction monitoring system, E.SUN selected a suitable advisory company to evaluate the consistency, correctness and reasonableness of transaction monitoring data. By analyzing the statistical distribution of customer transaction data, the bank reviewed the reasonableness of threshold settings to evaluate whether the transaction detection logic is effective in detection and meets the needs of E.SUN.

■ Watch list filtering effectiveness verification

Every year, E.SUN engages an independent third party, the world-leading Society for Worldwide Interbank Financial Telecommunication, to assist in the implementation of sanctions list screening system testing services, targeting Taiwan's specially designated sanctions announced based on the Counter-Terrorism Financing Act, the United Nations Security Council (UNSC) sanctions resolutions, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) Specially Designated Nationals list (SDN-List) and sanctions lists issued by the competent authorities of the countries/regions where E.SUN's overseas business locations are located. Through two major testing aspects: precise comparison and fuzzy comparison, use of the watch list filtering system in customer filtering and transaction filtering is observed to determine its performance and confirm that the effectiveness of watch list filtering meets requirements.

(7) Other

In order to improve the customer AML life cycle management, the subsidiary E.SUN Bank launched the 2020 plan for the establishment of the customer due diligence review shared platform for the integration of customer basic information and risk profile, improvement of operational quality and efficiency, and the improvement of customer experience through integrating system resources and incorporating due diligence review into the system.





■ Reinforcement through Training

To reinforce AML/CFT training and to increase staff awareness of AML, appropriate contents and hours of training on AML/CFT are arranged annually by categories based on the roles of employees, which include new employees, AML officers at the accountable unit, AML supervisory officers of each unit, Board of Directors, senior management, legal and compliance personnel, internal auditors, and the front-line staff. During 2020, a series of video conference training has been rolled out by the AML Department, for domestic and overseas units to attend. During the more difficult stages of the COVID-19 pandemic, pre-recorded online courses were provided instead to avoid morning gatherings in cooperation with the pandemic control measures. The speakers are mainly the managers from the AML Department, and the courses focus on topics with high connection to business unit practices, including laws on repatriated offshore funds, guidelines on the due diligence review of triggering events, identifying the beneficial owner, AML trends, Investigation Bureau investigation and analysis on dummy accounts and identification of beneficial owners. In addition, E.SUN invited investigators or prosecutors qualified as international AML/CFT evaluation assessors with practical experience to provide training in order for employees to understand the AML and CFT responsibilities and to acquire the relevant expertise. In addition, E.SUN Bank has joined the enterprise membership of ACAMS. Benefits include online training as well as access to a forward-looking global news database on AML/CFT, thereby providing additional overseas and domestic training materials, enhancing the depth and breadth of employees' expertise, and shaping the AML/CFT awareness and culture among our units. Furthermore, E.SUN continues to promote obtaining AML certification. By the end of 2020, 66% of the AML/CFT supervisory officers of the subsidiary E.SUN Bank has been AML certified, which is a 30% increase as compared to the end of 2019.



2019

- All AML dedicated personnel and supervisory officers met statutory requirements on eligibility.
- Board of Directors, Presidents, legal compliance personnel, internal audit personnel, AML dedicated personnel, AML supervisory officers and business operation employees all met the requirement of regulatory training hours.
- Adequate training and courses have been arranged based on employee's occupation.
- 483 employees have attended the seminar for AML/CFT officers organized by Taiwan Academy of Banking and Finance and have met the regulatory qualification of AML/CFT officers.
- 332 employees have acquired certification of Certified Anti-Money Laundering Specialist (CAMS).
- 217 employees have acquired the AML/CFT professional test certification.



2020

- All AML dedicated personnel and supervisory officers met statutory requirements on eligibility.
- Board of Directors, Presidents, legal compliance personnel, internal audit personnel, AML dedicated personnel, AML supervisory officers and business operation employees all met the requirement of regulatory training hours.
- Adequate training and courses have been arranged based on employee's occupation.
- 600 employees have attended the seminar for AML/CFT officers organized by Taiwan Academy of Banking and Finance. Participants include the AML/CFT supervisory officers of each unit, the AML Department, the Compliance Division, and audit units.
- 336 employees have acquired certification of Certified Anti-Money Laundering Specialist (CAMS).
- 548 employees have acquired the AML/CFT professional test certification.



3.5 Business Continuity Plan

■ GRI : 102-11

In order to provide customers with stable and trustworthy financial services and to ensure business continuity without interruption, E.SUN has established various business continuity management plans to respond to situations such as capital management, IT system faults, natural disasters or urgent man-made incidents, and thereby mitigate the impact of the disasters and ensure fast recovery of the key financial services to protect customers' interests.

■ Business Continuity Plan

E.SUN has established a Business Continuity Plan and conducts periodical business impact analyses and drills to assure adequate responses to disaster and to ensure the minimization of impact on business when the IT services encounter sudden disasters and the fast recovery of key services.



Evaluation

Business Impact Analysis

Identifies the key business activities and evaluates the minimal resources needed for the recovery of the key business activities. Through the quantification of the impact caused by business interruption, the priority of IT service recovery, the target duration for the most basic recovery and the tolerable duration of information loss are established.

Risk Assessment

Identifies the possible threats on the key business activities, assesses the possible risks and control measures, and reassesses annually to ensure the effectiveness of the assessment and control.



Proposal

Based on the Business Impact Analysis results, viability analysis of response plans is conducted and the recovery plan is established, including the following:

- Clear reporting and response mechanisms and procedures
- Establishing a duties chart for the drills of the recovery plan, including partnering vendors and outsourced partners to ensure that all members fully understand their roles and responsibilities in the BCP procedures
- Establishing the BCP operational procedures and drill schedule



Drill

- IT disaster backup and recovery drills are conducted twice annually. The drill is conducted through written simulation, system recovery and scenario simulation.
- In 2020, 78 business system drills were conducted, including 18 overseas branch business system drills and 60 Taiwan business system drills. All drills were completed within the target duration for service recovery of 4 hours. All drill information, system recovery status and service recovery duration met the requirements. Review meetings were called after the drills to bring forth faults and matters requiring improvement to ensure the completeness of the system backup environment.



IT System Interruptions

In 2020, the availability rate of our core accounting systems reached 99.99%. In 2020, there was one anomaly that affected the services of the core accounting system for approximately 12 minutes. The incident occurred during system adjustment and system recovery was immediately conducted. Correction and prevention measures were suggested afterwards. E.SUN Bank aims to provide a continuous online service 24 hours a day, 7 days a week. In 2021, it will continue to optimize system's capacity, providing customers with a convenient service.

 2020	IT Infrastructure abnormal incidents in 2020: 1
	The financial loss caused by such incidents in 2020: TWD 0

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

Customer Service Quality

To continue to provide 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 mechanism	In order to prevent service quality problems caused by lack of manpower in branches, interbank human resources 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 operation, such as natural disasters (earthquakes, typhoons, power outages and fires), illegal behaviors (such as robberies, frauds, threats and suspicious figures) and other factors of force majeure, prevention measures and drills are formulated and simulation drills are conducted quarterly.

Emergency Fund Allocation Plan

The "Emergency Fund Allocation Plan" was formulated as guidance in crisis situations where E.SUN faces insufficient fund liquidity or inability to obtain funds with reasonable costs to ensure that funds can be allocated within the planned time frame when liquidity crisis occurs, in order to maintain service operations and protect customers' interests.



Early warning indicators

- Formulate short-term, mid-term and long-term fund liquidity early warning indicators and response plans
- Monitor the early warning indicators and immediately report to the President and activate the liquidity response procedures upon reaching the warning value



Response team

- Establish a liquidity response team with the President or appointed supervisor as the convener
- Decide the response measures and fund-raising plans



Plan implementation

- Implement the emergency response plan
- Follow the competent authority's regulations and complete relevant announcements and filing
- The liquidity team organizes relevant matters, gives instructions, coordinates and oversees the fund allocation progress until fund liquidity returns to normal.

3.6 Information Security

GRI : 418- 1
SASB : FN-CB-230a.2

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Appendix

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 comply with domestic and foreign laws and regulations on information security. Continuing to benchmark against international standards, E.SUN has acquired ISO 27001 certification as it cultivates the area of information security and practices information security in its daily operations.

Information Security Governance System

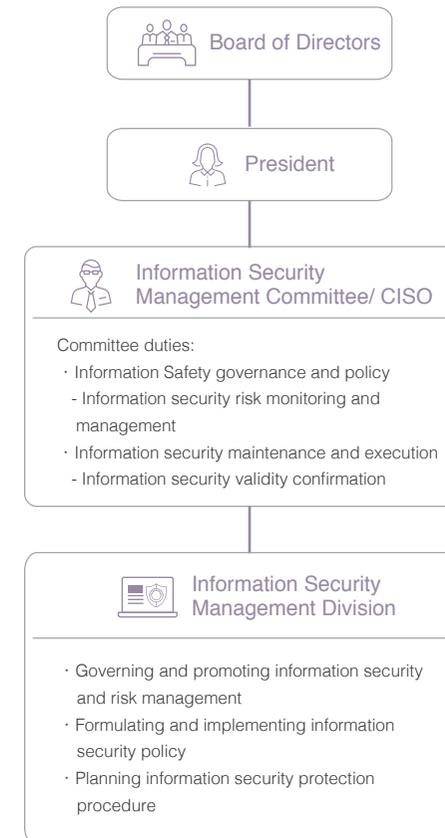
The Board of Directors is responsible for reviewing overall information security policies of E.SUN FHC, as well as important decision-making for issues related to information security. Risk management committee was established in 2021. The chief information security officer should report information security issues to risk management committee each year. Every year, the chairman, president, chief auditor, and the chief officer of the dedicated information security office shall jointly issue a Declaration of Overall Information Security Implementation. The Board of Directors and the senior management shall fulfill their duties of supervision and governance. E.SUN's Board of Directors is comprised of members with information backgrounds. E.SUN Bank has appointed a chief information security officer (CISO) to supervise the overall implementation of information security operations, inspect the effectiveness of information security risk management mechanisms, and report to the Board of Directors with regard to the overall effectiveness of relevant management conducted by the information security management organizations. The CISO is the highest information security officer.

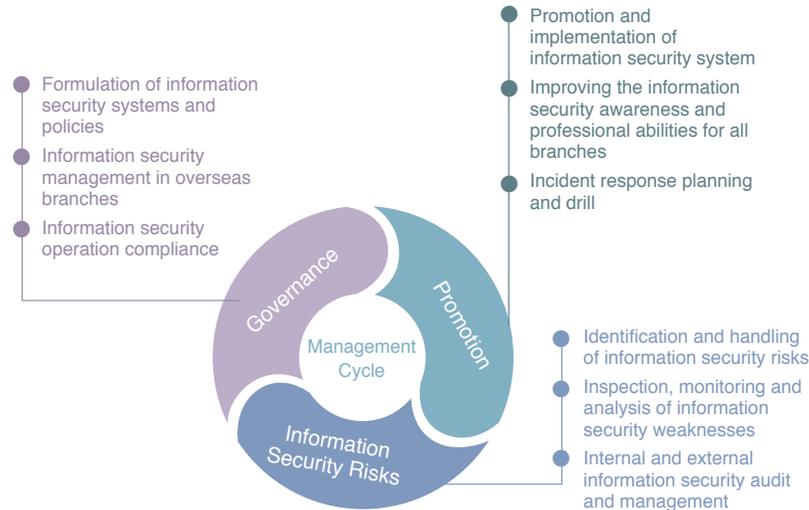
To strengthen information security governance, E.SUN FHC Information Security Management Committee (ISMC) was set up in 2017. In 2019, the information security management system of information security unit was established to promote and implement information security operations. The ISMC is in charge 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.

E.SUN's vision of information security is to establish a tight and effective information security defense network. Under this vision, E.SUN gradually improves the comprehensive

protection capacity based on the consistency in information security governance. The aim is to become a benchmark enterprise of information security governance maturity.

The Information Security Management Division is responsible for FHC's governance, promotion, and risk management of information security. For information security governance, it manages a comprehensive governance system, ensures compliance with regulation, promotes implementation of security procedure, and raises the employees' awareness and professional abilities of information security. The division utilizes technologies to identify information security risks and weaknesses, conducts effective enhancement, establishes a comprehensive governance system and information security protection capacity and raises employees' information security awareness.





Information Security Management Mechanisms

E.SUN received the ISMS ISO/IEC 27001:2005 certification and the latest ISO/IEC 27001:2013 certification. E.SUN maintains the validity of the certification. E.SUN obtained the PCIDSS certification for its credit card receipt system every year since 2017. E.SUN refined and expanded the scope of the information security management system in 2020. It enhanced the depth and breadth of its information security governance by standardizing the system from four dimensions: strategy, management, technology, and awareness. The advanced system has effectively responded to fast changes in businesses. E.SUN also hired a third-party international professional institution, British Standards Institution (BSI), to analyze the maturity of its information security, thereby shaping a PDCA culture that continues to improve information security.

In 2020, E.SUN purchased information security insurance to reduce the risks of business interruption and compensation liability. Budgets have been planned for 2021 to continue purchasing information security insurance to ensure the highest level of protection for our customers in terms of the use of information services and personal information.

Information security protection and examination analysis

In response to the constantly 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, spam filtering, hacking detection and defense and internet usage 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 events.

The Company periodically conducts information security tests during system development and maintenance and operation and conducts computer system information security evaluation as required by regulations to inspect the compliance, information structure, internet activity, network / server / end device security settings, application security, etc. Various security tests are combined to detect and mend information security threats and weaknesses to reduce the risk of external service exposure and to ensure the IT system stability and the information security control effectiveness.

In 2020, E.SUN works with F-ISAC on the F-SOC and cross-field defense plan. Many financial companies participated and shared the setting for monitored scenarios and information security events to facilitate the understanding of the overall information security status and trends in the financial field in the future and to promptly respond to risks and threats, thereby improving the overall information security defense.

Social Engineering Drill

E.SUN periodically organizes relevant training and education, and conducts social engineering drills on the entire staff to test the employees' security habits in E-mail usage. E-mail types used in the drills included fraudulent mails of hygiene and medicine, health and wellbeing, news, financial information, government operation, etc. The results were measured through statistics on the number of opened mails, clicked links and attachments. In 2020, the drill results are: opened mails 3.65%, clicked links 1.12% and clicked attachments 2.26%. All met the standards for qualification (opened mails <5%, opened links <3% and opened attachments <3%). E.SUN also continues to raise employees' information security awareness through training.

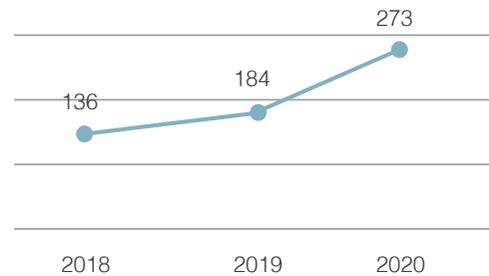




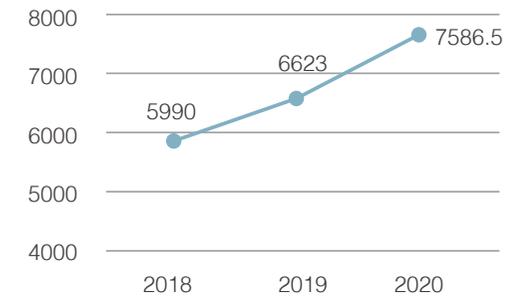
Resources for Information Security

E.SUN continuously invests resources in information security-related matters. The expenses spent in 2020 increased by 48.73% from 2019. Resources were invested to improve the infrastructure of security governance and technologies, strengthen information security defense equipment, conduct security intelligence analysis, conduct response drills and provide education and training, thereby comprehensively improving the Bank's capabilities for information security.

Information security expenses (Million NTD)



Total information security training (hour)



Note: Based on monthly departmental training and internal and external information security training

Regarding information security training, 162 employees have obtained ISO27001 Lead Auditor certification by the end of 2020. All employees in the Company attended information security tests and the passing rate was 100% in 2020. Additionally, for tech-related personnel, a total of 7,586 hours of information security courses were conducted, and 93.4% of those were internal training and 6.6% were external. In addition, the Information Security Management Division conducts information security training for all employees every month, and the themes are planned according to the current internal and external threats.

Monthly training of information security in 2020

Month	Topic	Month	Topic
January	Social Engineering Attacks and Prevention	July	Information Security Guide
February	Malware Prevention	August	Safety Guide on Mobile Devices
March	Malicious Site Identification	September	Protection from Malware
April	Email Attacks	October	IT Devices and Physical Safety
May	Information Security for Working form Home	November	Malicious Site Identification
June	IoT's Potential Threat to Information Security	December	Protecting Personal Information Stored in IT Devices

Information Security Incident

SASB : FN-CB-230a.1 、 FN-CF-230a.1

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 Bank 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 of cause must be analyzed, and corrective measures must be adopted to prevent any recurrence of incidents.

In the past three years, the information security incidents and the financial losses arising thereof are shown in the following chart. In the incident in 2020, E.SUN received a customer's feedback that the customer's internet banking account appeared to have been hacked and a transfer was conducted. After inspecting the information security equipment and relevant host computer, it was verified that there was no information security risk such as hacking or virus infection. The internet banking transaction procedures were also protected by a comprehensive e-banking transaction security control. The investigation showed that the customer's cell phone was planted with malware, which caused personal data breach and usage for account transfers. The incident did not result from internal control faults or major deficiency in operations. In order to protect the customer's interests, E.SUN compensated the customer with the full amount and announced the relevant news and alerts on the official website to remind customers of the risks or improper usage of cell phones.

A- Information Security Incident	2018	2019	2020
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

B- Data breaches	2018	2019	2020
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

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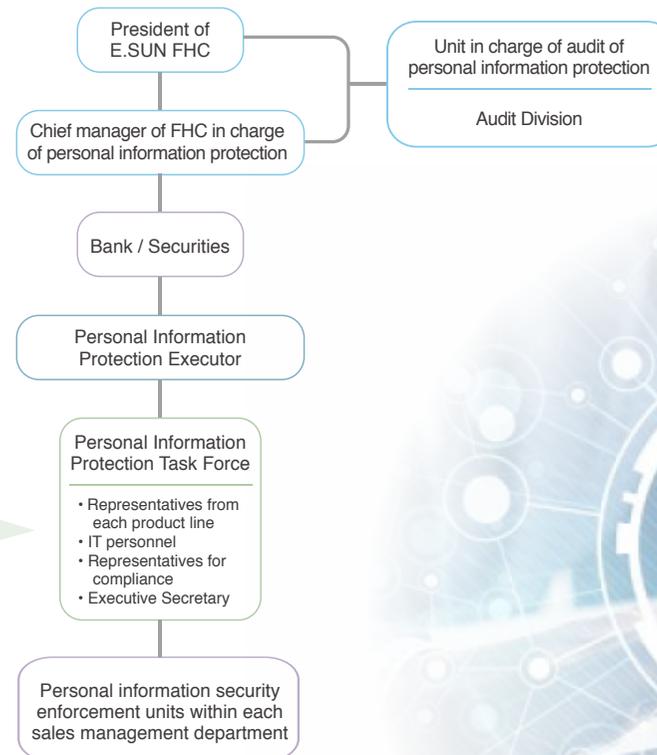


3.7 Personal Information Protection Management

GRI : 418- 1
SASB : FN-CN-220a.2

Honesty and integrity are the basic ethics for a bank employee. Customer information protection is the commitment E.SUN gives to its customers. In order to protect customers' personal information, E.SUN FHC announced "Declaration 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 and made sure to legally gather, process and use customer information as well as to protect customers' personal information security. E.SUN also continues to refine regulations and procedures and conducts self-assessment on compliance, self-audit and periodical training for all branches to ensure the implementation of personal information protection. In 2020, E.SUN FHC has achieved the international standards for the personal information of BS 10012:2017 for 4 consecutive years.

The Personal Information Protection Task Force is responsible for establishing personal information protection regulations, which include management measures for collection, handling, and use of personal information. The Company followed "E.SUN FHC and Subsidiary Guidelines for Personal Information Management and Organization" to examine and adjust the Personal File Checklist and Overview of Corporate Information Flow. The organizational structure is shown in the chart below.



In order to continue improving the Company's personal information protection, our Personal Information Protection Task Force evaluates the execution of personal information protection every year based on the results of "Self-evaluation on Compliance" and "Self-evaluation on Operational Risk", and it executes improvement and prevention plan for items on the evaluation report violating regulations or laws.





E.SUN FHC and subsidiaries use customers' data with the utmost care. In 2020, E.SUN received 36 customer cases relating to personal information; 27 of them came from the Financial Supervisory Commission and 9 were collected by E.SUN from customer feedback channels or business units. (Please see the Statistics of the Number of Complaints Related to E.SUN Services and Personal Information for details.) After investigating, all cases did not involve personal information breach. E.SUN always actively responds to customer complaints and continues to enhance the service staff's training in order to improve E.SUN's service quality. The 2020 audit was conducted by an independent audit department. The current status of retained personal information was also reviewed. The audit results showed that no deficiencies in the use of customer data were found. (Please see the Statistics of the Number of Audited Deficiency in Terms of the Use of Personal Information in Recent Years for more details.) E.SUN will persevere in our attempts to protect customer information.

Statistics of the Number of Complaints Related to E.SUN Services and Personal Information in 2020			
Cases of Personal Information	Competent Authority	Collected by E.SUN	Total
Deposits and transfers	4	1	5
Personal credit services	7	2	9
Wealth management services	9	0	9
Credit cards services	5	3	8
Corporate credit services	0	0	0
Other	2	3	5
Total	27	9	36

Statistics of the Number of Audited Deficiency in Terms of the Use of Personal Information in Recent Years

Year	2016	2017	2018	2019	2020
Use of personal information audited deficiency	-	0	2	0	0

Customer's data for secondary purposes

SASB : FN-CB-220a.1

- 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) Reasonable link between the original and new purposes.
 - (II) Whether customers' identities and background are suitable for secondary usage.
 - (III) Nature of the personal data, in particular whether special categories of sensitive personal data are processed.
 - (IV) The possible consequences of the intended further processing.
 - (V) The existence of appropriate safeguards, which may include encryption or encoding.
- II. The relevant control mechanisms and results of customer's data being used for secondary purposes are as follows:
- (I) Information processing: All data used are through remote desktop, and the whole process is recorded for tracking by the cloud side.
 - (II) Data Output: Before the data output, the list review will be conducted through the "Global Communication Framework" to exclude customers who are not proper, such as blacklists, customers who do not accept joint marketing, etc.

Cases related to personal information	2019	2020
Number of customers' data being used for secondary purposes	5.08 million	7.18 million
Percentage of all customers	74.7%	76.6%

3.8 Tax Governance

■ GRI : 207-1 、 207-2 、 207-3 、 207-4

■ Tax Policies

Tax is the vital policy tool that governments use to meet sustainable development goals and fund the infrastructure and public services. Therefore, E.SUN is dedicated to improving tax systems by cooperating with local and international tax institutions. We also afford reasonable tax in the tax jurisdictions we operate to make contribution to the society.

E.SUN establishes its corporate tax culture through the formulation of the Tax Governance Policy and the Transfer Pricing Policy, and regulates tax matters and manages tax risks according to policies and guidelines. The Board of Directors is the highest governance unit in E.SUN's tax policies. Every year, the Board reviews policies and evaluates the necessity of amendments based on the international tax trends.

Becoming a first-class citizen of the world is E.SUN's vision. While creating profit, E.SUN realizes corporate governance, complies with the letter as well as the spirit of local laws of the country where overseas sites are located and pays taxes reasonably to give back to the society. In addition, E.SUN continues to realize the Responsible Tax Principle to meet the UN's Sustainable Development Goals, actively participates in international tax initiative organizations' activities and signs the Responsible Tax Principle, thereby making our promise.

E.SUN also shows its determination in anti-tax avoidance and refuses to reduce taxes via setting up sites in tax haven or low-tax jurisdictions. E.SUN strictly prohibits manipulation of profits and losses through arrangements of non-arm's length transactions and special transaction structures. E.SUN publicly discloses tax governance reports every year on the official website to realize information transparency and establishes functional communication channels with the stakeholders to fulfill the obligations of a corporate citizen in response to the ethical, societal and sustainable development-related expectations.

Nine Principles of E.SUN Tax Governance and Transfer Pricing Policies



I. Compliance Principle

Complying with tax laws and regulations, accurately declaring and paying taxes and preparing the relevant documents of proof.



II. Comprehensive Decision-making Principle

Paying attention to the reformation of local and international tax laws, comprehensively evaluating the influences and formulating response strategies.



III. Information Transparency Principle

Periodically disclosing tax information in public channels such as financial reports and annual reports to ensure information transparency.



IV. Active Communication Principle

Maintaining open and honest communication with the tax collection institutions to assist in the improvement of the tax environment and systems.



V. Reasonable Tax Incentive Principle

Using legal and transparent tax incentives without adopting methods in violation of laws.



VI. Reasonable Structure Principle

Corporate structure and transaction arrangements shall reflect economic reality. No special arrangements shall be used to avoid taxes.



VII. Risk Control Principle

Evaluating relevant risks and adopting appropriate strategies when formulating and implementing tax strategies.



VIII. Commercial Substance Principle

Every related-party transaction shall be in accordance with rational commercial purpose which can reflect economic reality. Decision-makers shall bear risks and obtain reasonable rewards.



IX. Arm's Length Principle

The pricing and terms of related-party transactions shall be similar to those of unrelated parties.

For details on E.SUN's Tax Governance Policy and Transfer Pricing Policy, please see E.SUN FHC's official website.



■ Tax Governance and Risk Control Mechanism

The dedicated unit reports to the Board of Directors on tax compliance and news on domestic and international tax laws every half year. This enables the Board to not only effectively supervise the implementation status but also understand internal risks and tax trends. Under the effective functioning of the risk management mechanisms, E.SUN controls the frequency and amount of tax disputes to a low risk level.

Item		Description
Tax strategies	Compliance and planning	In 2020, E.SUN declares value-added tax via the internet for the first time. Technology is used to improve the operational efficiency of tax compliance. This year, various countries launched tax-related measures to relieve the impact of COVID-19. The domestic and overseas subsidiaries and branches decided to claim tax relief after conducting general evaluation.
	Succession planning	Professional knowledge on taxes is passed down through the establishment of operation manuals, work drafts, experience sharing and the establishment of the agent system.
	Performance appraisal	Tax personnel's performance is highly related to the annual tax work plan. Performance is evaluated via the achievement of goals. It is prohibited to adopt radical tax avoidance measures to obtain performance.
Tax risk management mechanism	Three lines of defense	With the checking of the three lines of defense and the monitoring of the key risk indicators, in 2020, three low-risk anomalies were discovered. E.SUN immediately evaluated the amount affected and formulated action plan for improvement as well as fortified the control points to reduce the likelihood of the occurrence of risk incidents to ensure that tax operations complied with relevant laws and internal regulations.
	Board of Directors	Using the identification of risks and the three lines of defense mechanism, high-risk tax incidents will be reported to the highest governance unit, the Board of Directors.
Whistleblowing mechanism on tax incidents		Internal and external whistleblowing hotlines and mail boxes are established for reporting illegal or unethical tax-related matters.
Tax disclosure reliability		Tax information disclosed in public channels such as the official website and annual reports is audited by a certified public accountant.

■ Communication and management of stakeholders' tax issues

E.SUN actively communicates with stakeholders on tax issues via various channels and participates in tax initiatives to support the improvement of the tax environment and to enhance the society's trust in E.SUN.



Tax collection institutions

E.SUN actively discusses questions regarding applicable laws encountered in daily operations with the tax collection institutions and fully cooperates and provides documents within the designated time frame for review upon receiving tax audit notices.



Fellow banks and unions

E.SUN actively participates in tax meetings in unions. In 2020, E.SUN discussed the financial and tax impacts of the LIBOR transition. After summarizing various opinions, The Bankers Association of the Republic of China officially reported on the financial industry viewpoints.



Global ESG organizations

In 2020, E.SUN signed the international initiative on responsible tax proposed by The B Team and actively discussed tax issues with investors and other international enterprises in order to contribute to society on sustainable taxes.



Independent directors and investors

E.SUN communicates tax issues with the independent directors through the Board of Directors so that they can effectively understand the tax risk control status. E.SUN also explains to the investors the reasons for changes in effective tax rates and the tax governance results in investor conferences.

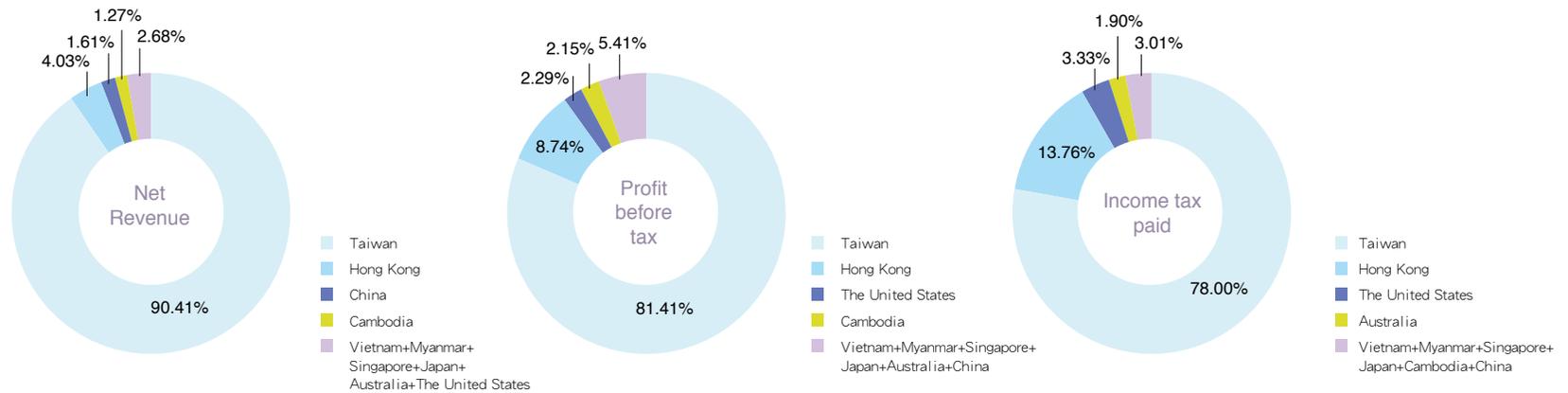
2020 country-by-country reporting

E.SUN has 28 sites in 9 overseas areas, mainly in Asia Pacific financial center, Taiwan, China, Hong Kong and ASEAN. Through the integration of sites, E.SUN provides Taiwanese companies and local customers with cross-border financial services without interruption. The tax information in each tax jurisdiction is as follows:

Unit: million NTD / person

Tax jurisdictions	Revenues from unrelated party	Net revenue	Profit before tax	Income tax paid	Income tax accrued (current year)	Cross-jurisdiction revenues from related party transactions	Number of employees	Tangible assets
Taiwan	62,045	67,946	16,712	2,996	2,141	523	9,201-9,300	30,908
China	1,985	1,211	259	0	32	4	201-300	2,873
Cambodia	1,311	958	442	13	29	0	401-500	1,157
The United States	857	569	470	128	123	0	1-100	9
Hong Kong	3,391	3,026	1,794	528	385	638	201-300	37
Singapore	901	585	82	35	13	2	1-100	12
Vietnam	157	109	47	9	7	6	1-100	7
Australia	607	339	335	73	35	0	1-100	34
Myanmar	212	202	120	34	29	5	1-100	49
Japan	378	210	268	25	11	0	1-100	32

Note: For information on the differences among current taxes, income tax paid and tax due at the statutory tax rate and other explanations, please see [E.SUN's tax governance report](#).





E.SUN FHC income tax information for the past two years

Global average effective tax rate for the banking industry is 25.82% according to CSA Companion 2021 published by S&P Global. Since the statutory tax rates in Hong Kong (16.5%) and Taiwan (20%) where 90.41% of the revenue was generated are lower than other tax jurisdictions, and that OBU and securities income are exempt from taxes according to the tax laws of Taiwan, the effective tax rate is lower than the global average.

Unit: million NTD, %

		2019	2020	Average of the two periods
	Profit before tax (A)	23,070	20,529	21,800
	Reported taxes (B)	2,950	2,481	2,716
	Reported tax rate (B)/(A)	12.79%	12.09%	12.46%
Adjustments (D)	Temporary difference	233	212	223
	One-time difference	506	157	331
	Tax-exempt income	1,426	1,786	1,606
	Adjusted reported taxes (E)=(B)+(D)	5,115	4,636	4,876
	Effective tax rate (E)/(A)	22.17%	22.58%	22.37%
	Income tax paid (F)	2,754	3,841	3,298
	Cash tax rate (F)/(A)	11.94%	18.71%	15.13%

4 Sustainable Finance

58% of corporate customers ESG engaged.

Exerting E.SUN's influence and helping enterprises move toward sustainable development

(1) E.SUN's ESG Sustainability Initiative

Climate change not only has a serious impact on the real economy, but has also become a key influencer of business operations. Countries and NGOs around the world have proposed mitigation measures and policies, and many companies have begun to reduce carbon emissions and call for a joint response from the supply chain. At this critical moment, E.SUN launched the ESG Sustainability Initiative Action Plan to call for joint initiatives of like-minded partners. The aim is to, starting from E.SUN, influence corporate customers who will then exert their influence on stakeholders, such as their supply chain, thereby jointly utilizing ESG influence to achieve the goal and vision of sustainable development. Our initiatives are as follows:

- 1 In September 2020, we held an ESG training course for around 100 RMs and PBCs to strengthen their ESG awareness and deepen their understanding of international trends, so that they could help corporate customers implement ESG measures.
- 2 In October 2020, we launched the ESG KYC evaluation program that reviewed a company's operating situation from the sustainability perspective rather than only investigated its credit risks for the purpose of granting loans. By getting to know its ESG programs and recognizing relevant needs, we could help with its resource allocation and support its sustainable operations. In 2020, 30 model SMEs was selected for trial implementation, and the content of the questionnaire will continue to be refined in the future.
- 3 On February 19th, 2021, we held an advocacy press conference, where we invited 32 like-minded corporate partners to jointly advocate and establish long-term goals for green actions in the hope of creating positive impact and promoting a sustainable environment.
- 4 E.SUN plans to provide internal and external advisory services for co-initiating corporate partners and shares international trends or certification information to assist them in continuing to invest in ESG. We then disclose their ESG performance on E.SUN's official website and in publications.

(2) Counseling SMEs on receiving recognition and keeping them competitive

By endorsing the strength of SMEs and counseling them to receive recognition, E.SUN helps SMEs to improve their management systems and commit to growth, innovation, transformation, and improving their brand images. In so doing, we hope to boost the overall competitiveness of Taiwanese industry.

E.SUN continues to encourage and counsel small and medium-sized enterprises that are robust, outstanding and committed to fulfilling corporate social responsibilities to apply for the National Award of Outstanding SMEs and the Rising Star Award. Through on-site visits, the bank obtains a deep understanding of the business characteristics of these companies, and analyzes their risks, profitability and potential for growth. In the process of working with them, we offer suggestions on their customer engagement strategies, operational management, and internal systems. By continuing to guide the growth of the companies and enabling them to keep up with international standards, E.SUN exerts its positive influence as a member of the financial industry. Our achievements in 2020 are as follows:

- 5 out of the 12 enterprises awarded the National Award of Outstanding SMEs were counseled and endorsed by E.SUN, representing 42% of the awardees.
- 6 out of the 15 enterprises awarded the Rising Star Award were counseled and endorsed by E.SUN, representing 40% of the awardees.

National Award of Outstanding SMEs	Rising Star Award	2019	2020
Total number of awardees		24	27
Number of awardees endorsed by E.SUN		8	11
Award-winning rate		33%	41%



4.1 Sustainable lending and sustainable investment

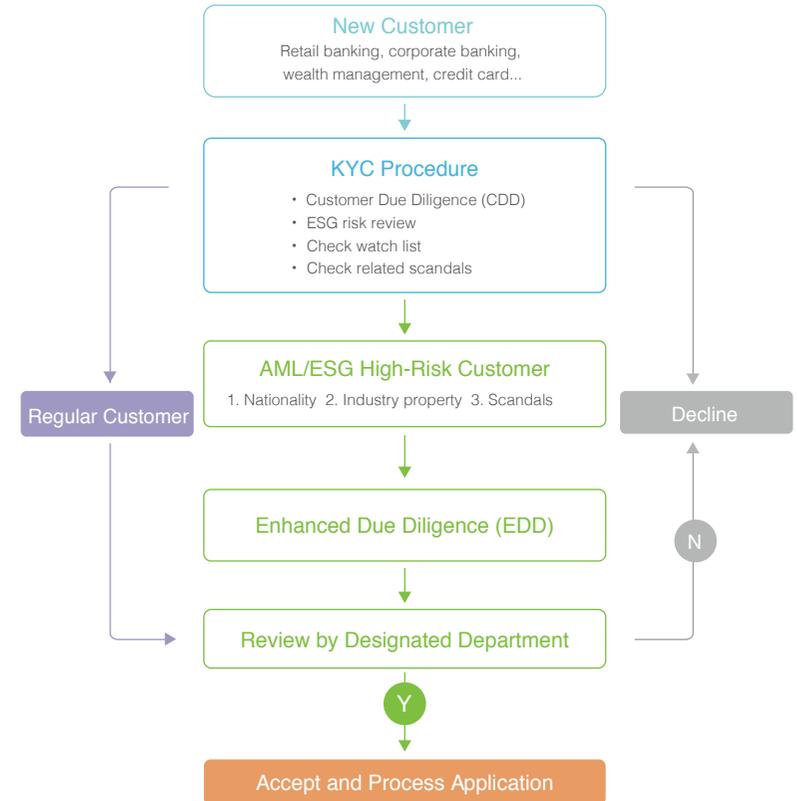
■ GRI: 102-12, 203-1, 203-2; GRI G4 Financial Services Sector: FS1, FS2, FS3, FS5, FS7, FS8, FS9, FS10

The assets and resources of a bank stem from the trust and support of the general public in society, and therefore, the most important corporate social responsibilities of a financial institution are to properly utilize societal resources, undertake the responsibility of a financing intermediary and financial supply chain, leverage its positive influence, promote domestic economic and financial stability, and simultaneously encourage its corporate partners and customers to commit to protecting the environment and improving social welfare to ultimately create a sustainable environment and society. E.SUN complies with international standards such as Principles for Responsible Investment (PRI) and the Equator Principles to appropriately apply resources to domains beneficial to positive development of the environment and society. Pertaining to the attributes of different customer groups, E.SUN has developed various sustainable financial products that meet customers' needs and match global trends.

■ KYC (Know Your Customer) review process

To promote the development of sustainable finance, E.SUN incorporates ESG concepts into its business operations and take actions to control potential risks that our banking service and capital supply may pose for the society, environment, and our corporate governance. E.SUN has incorporated ESG concepts and the Equator Principles into the loan review process for corporate customers. In the KYC process for every loan application, we check whether the applicant is involved in issues such as environmental pollution or human rights breach, or is a member of high-risk industries (such as tobacco, leather/dyeing and finishing, munitions, or gambling) detrimental to the sustainability of environment and society. Due to their greater impact on the environment and society, applicants classified as high risk and are applying for a loan beyond a certain amount would be put on the watch list. We would disclose their risk information in the customer due diligence report and implement strict lending risk management.

Our complete KYC process



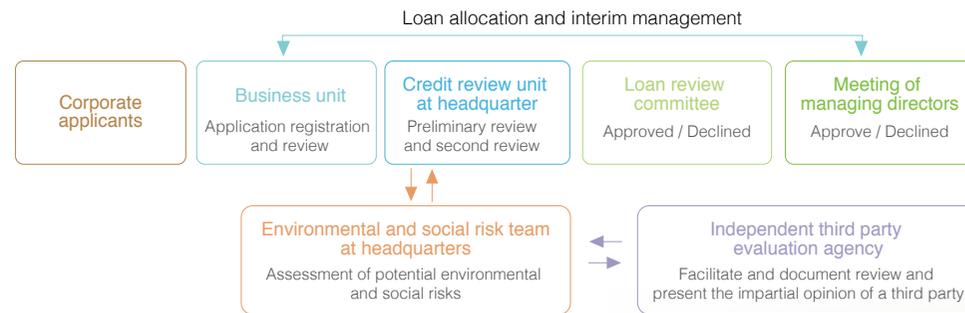
4.1.1 Corporate Banking SASB : FN-CB-410a.2

■ Responsible Lending

E.SUN carefully selects its corporate credit counterparts, applies resources in areas that benefit the economy, environment, and society, and has established various internal policies and regulations for management. The E.SUN Bank Lending Policy clearly specifies its support for green energy industries, such as alternative energies, water resources, and environmental pollution control. Companies that are committed to reducing energy consumption and pollution or installing environmentally-friendly facilities should be given suitable financing. The E.SUN Bank Green Energy Lending Principles and Key Points for Undertaking Project Financing based on Equator Principles are adopted to direct resources toward investments in green energy, and review and monitoring on cases above a certain scale shall be conducted in accordance with the Equator Principles. The E.SUN Financial Holding Sustainable Lending Policy incorporates ESG-related considerations into the lending process, and requires monitoring and due diligence review for ESG high-risk industries or applications, so as to prevent impacting the sustainability of the society and environment.

(1) Equator Principles

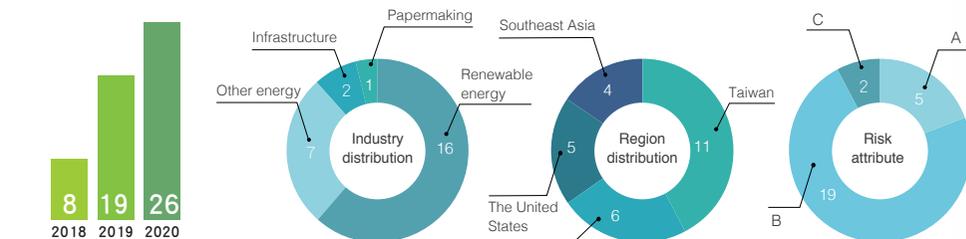
E.SUN has long supported large-scale projects that contribute to sustainable development. Since it became the one of the first domestic financial institutions to become a signatory to the Equator Principles in 2015, it has participated in a number of large-scale project financings, including those for electric power and infrastructure 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 system and improvement plans.



2020 Results

- In October 2020, we adopted the fourth edition of the Equator Principles (EP IV) framework and continued to refine the control process. In addition to expanding the scope of application of the Equator Principles and including more project financing into the evaluation criteria, E.SUN also pays great attention to risks related to climate change, human rights, and biodiversity, thus improving its environmental and social risk management capabilities.
- In 2020, a total of 7 project financing cases to which the Equator Principles apply were approved, and 1 case was declined.
- As of December 2020, a total of 26 cases have been approved. In response to the development of renewable energy, 16 of the cases were related to green energy.

Cumulative number of approved cases under the Equator Principles



* In 2020, a total of 26 cases were approved cumulatively, including 1 financial advisory case

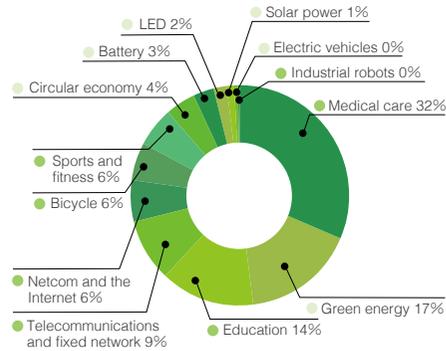
Note: Based on the Equator Principles, the risk levels of each case, from severe to minimal, are indicated with A, B, or C, and the cases would undergo reviewing processes that correspond to their level of risk.



(2) ESG Sustainable Industries

In 2020, E.SUN continued to invest resources in industries that are friendly to the environment and society and support industries such as green power, energy conservation and environmental protection, circular economy, medical care and education, while also giving full play to the spirit of responsible lending regarding industries with environmental risks (such as pulp/paper making, leather, dyeing and finishing, oil and gas, mining) and industries with higher to social risks (such as gambling, munitions, tobacco and alcohol) by exercising control through a stricter credit review process.

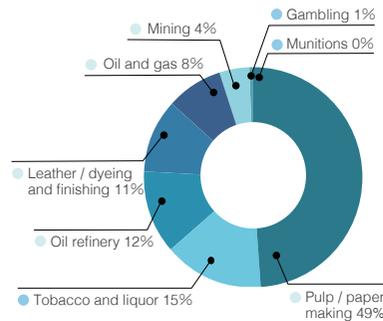
Percentage of the outstanding balance of sustainable industries in 2020



Opportunity	Industry	2019	2020
Environment	Green energy	6,881	11,106
	Bicycle	2,882	3,812
	Circular economy	3,030	2,976
	Battery	1,382	2,102
	LED	2,407	1,288
	Solar power	735	787
Society	Electric vehicles	148	308
	Medical care	18,076	21,206
	Education	8,554	9,458
	Telecommunications and fixed network	3,842	6,165
	Netcom and the Internet	3,963	4,056
	Sports and fitness	2,862	3,777
	Industrial robots	162	180
Total outstanding balance of ESG sustainable industries		54,924	67,221
Outstanding balance of ESG sustainable industries / Total corporate loan balance		7.71%	8.31%

Note:
1. In 2020, E.SUN expanded the scope of application of sustainable industries. In addition to increasing the scope of the medical industry, industries such as sports and fitness, telecommunications and fixed network, Netcom, the Internet and industrial robots were also included in these industries.
2. Interest from alternative energy industries (green and solar energy) occupies 0.43% of our total revenue, and that from energy-efficient industries (bicycle, battery, electric vehicle and LED) occupies 0.11% of our total revenue.
(Unit: NT\$M)

Percentage of the outstanding balance of industries with environmental and social risks in 2020



Risk	Industry	2019	2020
Environment	Pulp / paper making	3,455	3,945
	Oil refinery	2,077	968
	Leather / dyeing and printing	115	890
	Oil and gas	918	668
	Mining	47	355
Society	Tobacco and liquor	1,275	1,200
	Gambling	34	35
	Munitions	0	0
Total outstanding balance of industries with environmental and social risks		7,911	8,061
Outstanding balance of industries with environmental and social risks / Total corporate loan balance		1.11%	1.00%

Note:
3. In 2020, we expanded the scope of industries with environmental and social risks to include some businesses in the fields of leather/dyeing and finishing and pulp/paper making. The outstanding balance of these industries increased to NT\$7,911 million in 2020 from NT\$4,461 million in 2019.
(Unit: NT\$M)

E.SUN also carefully evaluates the ESG risks of each corporate loan. Even in regard to companies that aren't members of high-risk industries, E.SUN would check on every loan applicant to see whether they're involved in major environmental and social concerns. In 2020, 4 loan cases, with 3 domestic applicants and 1 from overseas, were declined due to high ESG risks and their failure to propose specific mitigation measures, totaling at NT\$1.83 billion in the rejected amount.

Company	A	B	C	D
Risk	Environment	Corporate governance	Society	Environment
Reason	Violation of E.SUN's coal ban policy	Parent company and top management were involved in scandals	Business model is prone to consumer disputes	Environmental protection concerns

Supporting green finance and responding to the call for low-carbon homes

E.SUN has long attached great importance to environmental sustainability and actively responded to international trends and industrial policies. It therefore continues to develop special products such as green finance and green energy project financing to help increase the proportion of the power generated from renewable energy and promote energy conservation and carbon reduction.

(1) Green energy project financing

Starting from small and medium-sized solar rooftops, E.SUN has recently been actively involved in project financings for large-scale power plants such as offshore wind power and ground-based solar power plants. In recent years, we have successively established offshore wind power and green energy expert in the headquarter to participate in important domestic wind power and solar projects. In the future, E.SUN will continue to invest resources to master new trends of green energy.

2015	2017	2018	2019	2020
<ul style="list-style-type: none"> Sign the Equator Principles 	<ul style="list-style-type: none"> Established offshore wind power task force First Australian onshore wind power case 	<ul style="list-style-type: none"> First North American power station case First local offshore wind power financial consulting case 	<ul style="list-style-type: none"> Taiwan's first bank to stop undertaking financing projects for coal-fired power stations Cooperated with the government in establishing policies 	<ul style="list-style-type: none"> Lead arranger of domestic wind power project financing Participated in domestic large-scale solar power plant project financing

Towards a new milestone in green energy:

- ✓ ESG and brand benefits
- ✓ Meet international standards
- ✓ Improve professionalism
- ✓ Seize new business opportunities

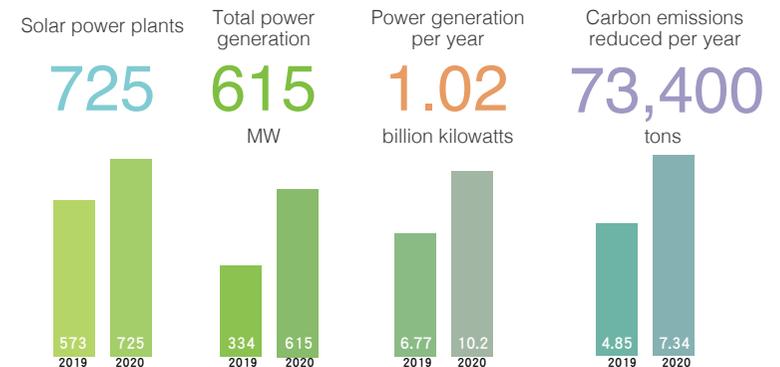
Green energy project financing	Outstanding balance as of 2020 (NT\$M)	Total amount of loans in project financing position	Percentage of green / sustainable infrastructure finance vs. total value of infrastructure finance
<ul style="list-style-type: none"> Domestic solar photovoltaic project financing Domestic offshore wind power project financing Domestic onshore wind power project financing Overseas solar photovoltaic project financing Overseas offshore wind power project financing 	11,106	16,510	67.27%

Note:
In 2019, the overall project financing position was NT\$9.658 billion, and the content contains only large-scale project financings such as Equator Principles and overseas cases. In 2020, the statistical scope was expanded to include small and medium-sized green energy projects. According to the 2019 statistical standards, the overall project financing position in 2020 would have been NT\$14.132 billion, and green energy project financings would have accounted for 78.59% of overall project financing.

· Solar photovoltaic

E.SUN incorporates inclusive financing with project financing and provided the Solar Panel Rooftop project in 2014 to encourage small and medium enterprises and regional developers in promoting rooftop solar power stations. In recent years, it has leveraged its project financing evaluation experience to successively invest in large-scale ground-mounted and floating solar power plants. According to the carbon emission per kilowatt-hour of electricity of 0.509 kilograms per kilowatt-hour announced by the Bureau of Energy, the results are as follows.

In 2020, E.SUN supported domestic solar photovoltaic plants, resulting in 360MW of power generation, which was 3.3 times more than 109MW in 2019, with one of the contributors being a large-scale project in the Changbin Intertidal Zone. In addition to the challenging construction technology, E.SUN's internal assessment process also pays attention to local biodiversity to confirm that the development process will not have a significant impact on the wetland ecology.



Note for the statistics:
In 2020, E.SUN introduced science-based emissions reduction targets and adjusted the standards related to power-generation project financings. "Solar power plants" include both domestic and overseas ones; "power generation per year" is calculated by combining the expected amount of power generated by each plant, which is then converted to carbon emissions reduced per year based on the proportion of loans (balance/project cost).



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· Wind power generation

Taiwan Straits has abundant wind farm resources, and offshore wind power has been listed as a key energy development goal in the country, thereby attracting many major international developers to invest in the Taiwanese market. To enhance the evaluation capabilities of offshore wind power lending projects, E.SUN set up an inter-departmental project task force in 2017 to study and gain professional knowledge of the offshore wind power industry and supply chain, technologies, and finance, so as to better assess the risk of these industries. Through actual participation in outstanding projects with long-term stable cash flow, we continue to accumulate experience in projects relating to financing and the Equator Principles.

2020 Results

- Domestic offshore wind power: E.SUN participated in large-scale domestic syndicated loans and served as joint mandated lead arranger.
- Onshore wind power: Served as the lead bank of an international syndicated loan and the domestic collateral management bank. This case is also the first case of onshore wind power evaluated in accordance with the Equator Principles in Taiwan.
- The cumulative installed capacity of wind power projects at home and abroad that E.SUN has participated in is 3,746MW, including 2,210MW from offshore wind power and 1,536MW from onshore wind power. According to the electric carbon emission coefficient announced by the Bureau of Energy stating that domestic carbon emissions per kilowatt-hour of electricity is 0.509 kg, the United Nations International Financial Institution (IFI) greenhouse gas accounting guidelines which discloses the energy emission coefficients of various countries, as well as the proportion of loan balances, it was estimated that the carbon reduction benefits of wind power project financing was about 193,000 tons of carbon emissions.

[Case] 2020 Onshore Wind Power Project

E.SUN acted as the lead arranger of the syndicated loan and the domestic collateral management bank. In addition to conducting environmental and social assessments in accordance with the Equator Principles, the bank also considered the low-frequency noise of onshore wind power, which is related to the rights of local residents. Therefore, the head office and business units visited the site twice to conduct on-site surveys. Taking the sites for building the 17 onshore wind power stations as the center point, through walking and measurement, it was confirmed that there are no residents and legal buildings within 250 meters of the sites, thereby exempting the project from environmental assessment requirements. The entire process demonstrates E.SUN's fulfillment of due diligence in project financing.

(2) Sustainability-linked Loans

To encourage companies to set up their own ESG development goals and continue to invest in sustainability-related activities, referencing the LMA Sustainability Linked Loan Principles, E.SUN plans related regulations and operating methods, and negotiates and agrees on the establishment of sustainability development goals with the companies it finances. If an enterprise achieves its goals, E.SUN will offer financial service discounts. In September 2020, E.SUN undertook the bank's first sustainability-linked loan. By 2020, a total of 4 cases had been evaluated and 1 case approved, and the current balance is NT\$290 million. In the future, E.SUN will continue to refine its operating procedures and plan to incorporate the performance of related products into the assessment of business units, guide business units to grasp the sustainable development process of customers through incentive mechanisms, and actively promote sustainability-linked financial products to enhance the bank's influence in the environmental and social aspects.





Responsible Investment

Referencing the Principles for Responsible Investment (PRI), E.SUN incorporated ESG issues into investment analyses and decision-making processes, signifying the importance the bank attaches to the corporate social responsibility performance of the invested target. The "Securities Sustainable Investment Management Principles" states that a negative list must be made for industries or enterprises that are potentially controversial, such as the tobacco, firearms, gambling, fur trade, mining and logging industries. Loan applications must be subject to due diligence evaluation and stringently reviewed, and E.SUN will only undertake loans that have been evaluated as posing no adverse effect on the sustainable development of the environment, society, and governance.

E.SUN also incorporates ESG indicators of impartial institutions at home and abroad into investment review standards, such as DJSI, MSCI ESG rating, RobecoSAM score, Bloomberg ESG score, Taiwan Enterprise Sustainability Award, Sustainalytics ESG risk rating, Taiwan Sustainability Index constituent stocks, Taiwan companies Governance evaluation, etc., preferentially selecting medium and low ESG risk companies as investment targets. As of December 2020, E.SUN Bank's bond investments categorized as low-to-medium ESG risk occupied a ratio of 98.66%, and equity investments categorized as low-to-medium ESG risk occupied a ratio of 100%.

Furthermore, through shareholder activism, E.SUN promotes the sustainable development of invested companies through communication with investee companies, participation in shareholder meetings, and exercise of voting rights. For example, in 2020, E.SUN sent emails to more than 80% of the persons in charge of investment targets, expressing that E.SUN not only pays attention to the company's financial performance but also ESG performance, and that the bank hopes to connect business partners in the value chain to work together on climate change, environmental protection and social welfare.

Green bonds amounting to

NT3 billion

Total of green bonds

3 New Taiwan Dollar **1** US Dollar

The bank has the highest issuance among Taiwan's domestic banks, in New Taiwan Dollars as well as foreign currencies. The funds raised are lent to industries in renewable energy, greenhouse gas reduction, and water resources conservation.

Green bond issuance				Green bond balance as of 2020 (NT\$M)	Aggregate amount of bond issuance (NT\$M)	Percentage of circulating financial bond balance
2017/5/19	E.SUN Bank	USD	60,000,000	7,711	74,768	10.31%
2018/4/24	E.SUN Bank	TWD	1,100,000,000			
2018/4/24	E.SUN Bank	TWD	1,100,000,000			
2018/4/24	E.SUN Bank	TWD	1,100,000,000			

In addition to issuing green bonds, E.SUN also assists customers in raising funds for sustainable development activities. Since 2017, it has acted as the underwriter of 7 green bond issuances, with a total underwriting amount of more than NT\$7.1 billion, including serving as the underwriter for the first foreign issuance (Crédit Agricole CIB) and the largest issuance made by a private enterprise (Chimei). These efforts made over the years have been continuously recognized by professional institutions and, in 2020, enabled E.SUN to win the title of Best Bond house in Formosa awarded by The Asset for the fifth year consecutively.

Green bonds underwriting				2020 green bond underwriting volume (NT\$M)	2020 overall bond underwriting volume (NT\$M)	Proportion of underwriting volume in the year
2020/7/17	Crédit Agricole CIB 2020-2	TWD	100,000,000	1,250	116,178	1.08%
2020/11/13	Ørsted	TWD	250,000,000			
2020/12/2	TSMC 2020-6 (5Y)	TWD	100,000,000			
2020/12/25	HSBC 2020-2 (5Y)	TWD	800,000,000			

4.1.2 Retail Banking SASB : FN-MF-000.B

Promotion of sustainable development topics: Reconstruction of Urban Unsafe and Old Buildings Loan

"Let us help you and your family build a more secure and comfortable house, create a better quality of life, and work together for the safety of old houses in Taiwan and the new outlook of the city."

21

Number of approvals in 2020

NT652 million

Amount approved

According to statistics from the Construction and Planning Agency of the Ministry of the Interior, there are more than 4.3 million old houses in Taiwan over 30 years old, accounting for about 50% of all houses in Taiwan. The lack of earthquake resistance of old houses has become a hidden concern for people's living safety.

In order to help homeowners create a safer and more comfortable living environment, E.SUN responded to the government's policy on the reconstruction of urban unsafe and old buildings, and established a promotion working team dedicated to urban renewal of dangerous and old buildings. Starting in 2019, E.SUN began training more than 50 financial consultants with building renewing promoter qualifications, and cooperated with well-known construction management companies to launch the "Reconstruction of Urban Unsafe and Old Buildings Loan" in 2020 to improve the living safety of customers and create a more senior-friendly environment.

"Home is the starting point for creating dreams.

E.SUN wants to fulfill the customer's dream of a home, but also to protect their eternal home."

E.SUN not only satisfies customers' desire to buy and repair their homes through diversified mortgage solutions, but also integrates housing loans with environmental and social issues, and continues to launch numerous housing loan projects that promote sustainability, including "green buildings," "care-free mortgage" and "integrity loans." In 2020, E.SUN assisted more than 10,000 customers in achieving their dreams of building a home. The balance of sustainable mortgages reached NT\$95.6 billion, accounting for 20.78% of the total purchase.

Case:

Mr. O lives in an old apartment with a house age of more than 45 years. With the passing of years, apart from the mottled appearance and serious water leakage, the fragile structure of the house has been assessed by experts as largely unable to withstand the risk of earthquakes. Considering the safety and health of his family, Mr. O decided to carry out redevelopment of the old building after negotiating with other homeowners.

In order to ensure that the reconstruction funds are obtained in a timely and sufficient manner, E.SUN partnered with the construction management company, using considerate and professional financial solutions to allow the reconstruction funds to be allocated in batches according to the construction inspection progress of the construction company, and ensure that funds are used for specific purposes. E.SUN furthermore provided relevant tax planning for the homeowner, allowing them to be free of worry during the process of reconstruction.

After reconstruction, the original 5-story old apartment was transformed into a 10-story brand-new building with barrier-free ramps, elevators and other friendly facilities, not only making the living space safer and more convenient, but also allowing homeowners to stay in the neighborhood they're familiar with, recall the good memories of the past, and create happy memories with family members.

Purchase and renovation mortgages		Dimensions	Mortgage projects that promote sustainability	2020	Proportion of total purchase and renovation mortgage balance (%)
Residential mortgage	Number of cases: 84,037 households Loan balance: NT\$406.5 billion	Environment	Green buildings (Promotes purchase of certified green buildings)	Number of cases: 122 households Loan balance: NT\$1.198 billion	20.78%
Commercial mortgage	Number of cases: 6,743 venues Loan balance: NT\$52.5 billion	Society	Care-free mortgage (Supports young people to form their own families, and grants lower-income families housing subsidy and a grace period)	Number of cases: 9,324 households Loan balance: NT\$93.051 billion	
Renovation mortgage	Number of cases: 2,424 households Loan balance: NT\$1.1 billion		Integrity loan (Encourages customers to pay back on time/early by offering favorable interest rates)	Number of cases: 1,298 households Loan balance: NT\$2.621 billion	
Total balance	NT\$460.1 billion	Total		Number of cases: 10,595 households Loan balance: NT\$95.621 billion	

Green Building revenue pct:0.02%, Affordable Real Estate Revenue%:0.03%. Affordable Real Estate includes youth's housing grant, government housing subsidies and the earthquake victim loan.

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■ Managing lending risks SASB : FN-CB-410a.2

"We manage the potential risks of lending to society and the environment, actively exert financial influence, and drive individuals and small businesses to give due consideration to social and environmental sustainability issues."

In terms of personal loans, E.SUN focuses primarily on ESG, money laundering prevention and collateral damage issues. Through risk identification, stakeholder negotiation and dynamic tracking, E.SUN is committed to fulfilling its social responsibilities, actively managing lending risks, and working with the society to create co-prosperity.

(1) Loan review

E.SUN actively investigates ESG-related information when customers apply for loans. If the company, person in charge or individual who applies for loans has been involved in ESG illegal cases, such as environmental pollution, illegal fundraising, human rights violations, etc., E.SUN will actively negotiate with customers and request customers to provide a reasonable explanation and issue related improvement measures and results, and adjust the loan conditions according to the circumstances of the case. If the case is considered a major hazard or if effective improvement measures cannot be established after counseling, the loan will not be approved.

(2) Anti-money laundering

To prevent funds from flowing into money laundering and terrorism financing accounts, since April 2018, Know Your Customer (KYC) and Customer Due Diligence (CDD) procedures have been applied to any new individual loan, incremental loan or transfer of loan, and all loan applications filed by persons who have been sanctioned as announced by government agencies will be declined. If the applicant is identified as a high-risk customer, E.SUN will further conduct Enhanced Due Diligence (EDD), and the subsequent loan review can only be conducted after the approval of a supervisor with anti-money laundering professional license. In 2020, a total of 3,567 cases were submitted for EDD, of which about 63 were not accepted due to factors such as high-risk occupations.

(3) Climate change

In order to monitor the risk of real estate value impairment that may be caused by climate change, E.SUN has an independent department responsible for collateral valuation, revealing information such as soil liquefaction potential areas in the valuation report. In cases of high risk, the bank will not approve the loan or counsel the borrower to shift the risk of natural disasters through insurance. In addition to valuation control, E.SUN is connected to the AR5 scenario of the "Disaster Management Information Platform of the Ministry of Science and Technology" to identify flooding risks every year and reveal the proportion of credit collaterals in areas with high flooding risks in total assets, which was 1.15% in 2020.

ESG Exclusion

- During the credit investigation process, E.SUN discovered that the customer had altered the expiration date of a drug and put it on the shelf for sale. After verification, the bank declined the loan application.
- During mortgage review, E.SUN discovered that the customer had been involved in insider trading. After confirming with the customer that the lawsuit was still ongoing, E.SUN declined the loan application.
- The "E.SUN Small Business Lending Operating Guidelines" clearly stipulate that the target customer groups should exclude customers with more complicated backgrounds that may violate ESG or money laundering prevention.

Responsible Products - Credit Cards SASB : FN-CF-000.A \ FN-CF-000.B

In 2019, all of our credit cards obtained the carbon label, and we purchased carbon credits from the wind power farm in Changbin Industrial Park to offset carbon emissions. After verified by a third party, we reached the carbon-neutral goal. We have issued **3.36 million carbon-neutral cards** by 2020. Before 2025, all cards circulating will be replaced by carbon neutral cards. For other ESG credit cards, please see the table below:

ESG Credit Card		Contents	2020 issued cards	Proportion	Donated amount
Social Welfare	World Card	0.3% of general spending is allocated for donating to the "E.SUN Golden Seed Project" to build E.SUN Libraries for primary schools in rural areas, providing a warm and comfortable reading environment for children in rural areas.	600,000	10%	NT\$41,000,000
	Nan Shan Life Co-branded Card	0.1% of general spending was allocated for donating to the NanShan Happiness Fund to support community care for disadvantaged patients who fall into economic hardship.			
	Tsing Hua Recognition Card	0.2% of general spending is allocated for donating to National Tsing Hua University's "Rising Sun Project" to assist outstanding students who are socially and economically disadvantaged and lack educational resources to receive education and enabling economically disadvantaged students to turn their lives around.			
	Charity Card	0.2% of general spending is allocated to sponsor the blood donation charity fund.			
Environmental Conservation	ETC Easy Card	E.SUN allocates 0.1% of the auto-top-up amount to a sustainability account for holding E.SUN CSR charity events.	620,000	10%	NT\$8,590,000
	E.SUN Business Platinum Card	For customers who choose e-billing, 0.2% of general spending is allocated for donating to the "One Tree Per Person. E.SUN Plants Trees" activity.			
	Formosan Bear Conservation Card	0.2% of general spending is allocated to the Taipei City Zoo animal conservation fund. For card holders who donate to the fund, E.SUN rewards them with triple bonus.			
	Easy Card	E.SUN offers the second 30 minutes of YouBike services for free in the following month to customers who spend NT\$3,000 or more on their E.SUN credit card in any given month.			
	E.SUN Infinite Card	E.SUN offers the second and third 30 minutes of YouBike services for free in the following month to customers who use their E.SUN credit card once in any given month, regardless of spending amount.			
Overall			6,350,000	100%	NT\$49,590,000

Note: 1. BSI's investigation proved that we issued more than 1.36 million carbon-neutral credit cards in 2020, which offset 1,196 tons of carbon emissions. We thus demonstrated the achievement of carbon neutrality in response to PAS 2060:2014.
2. The carbon credits we purchased were from the wind power farm in Changbin Industrial Park.
3. The total number of active credit cards was 4.49 million as of the end of 2020.

Customer engagement on ESG

E.SUN, proactive in identifying ESG risks and opportunities, invites customers to engage in ESG activities. In terms of our housing loans, we, in addition to assessing and communicating ESG risks to customers, also invite customers to use sustainable housing loans and services. In so doing, we hope to raise their awareness of sustainability and encourage them to take actions. In terms of credit cards, E.SUN invites customers to get to know carbon-neutral cards. We have launched diverse selections for them to choose from based on their needs and thus participate in ESG measures through shopping with the card. The results are as follows:

ESG Engagement

- To build a sustainable senior-friendly living environment, E.SUN worked with construction management companies to launch Reconstruction of Urban Unsafe and Old Buildings Loan. While assisting customers in planning the redevelopment of old buildings, we also encourage them to incorporate green elements in the design. For customers receiving the green building bulk reward, we may offer a lower interest rate or transaction fee depending on the situation. E.SUN, through the provision of resources and information, invites customers to promote the sustainable development of cities with us.
- E.SUN invited credit card holders to respond to green actions by signing up for e-bills. We would donate 0.2% of the amount of purchases made by E.SUN Business Platinum Card holders that signed up for e-bills to "Plant a tree, Plant a life" E.SUN plant trees project Customers could contribute to protecting the environment simply by using the card to pay.

15%
Proportion of customers invited to interact or participate in ESG in 2020

■ ESG is incorporated into wealth management, taking into account both customer investment rights and sustainable finance SASB : FN-AC-410a.2

ESG product promotion

E.SUN incorporates ESG assessments in the review process of wealth management products, and refers to the ESG ratings of third-party impartial institutions (such as Bloomberg, Morningstar, etc.), rigorously screens wealth management products with ESG themes and concepts, and divides the ESG assessment scores into three levels, "positive, neutral and negative." If the product is evaluated as negative, an explanation must be provided and approved by all review members, otherwise it will not be put on the market and offered to customers for purchase. Instruments with positive ESG performance are actively promoted through diversified marketing approaches. In terms of wealth management business partners, E.SUN also simultaneously review their environmental, social and corporate governance practices, and works with partners in jointly promoting ESG-related financial products to achieve sustainable finance.

2020 Outcomes

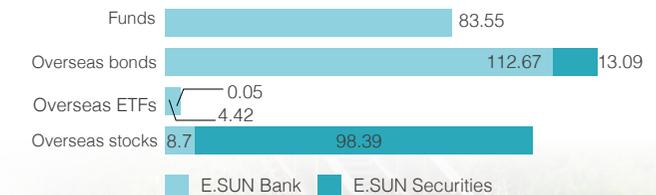
- Continued to review the environmental, social and corporate governance practices of wealth management business partners, jointly implemented ESG policies, and planned to complete the signing of Sustainability Commitment Statement for E.SUN Bank Wealth Management Partners with major wealth management business partners.
- Formally incorporated ESG assessment into the key points of product review, and strictly controlled the wealth management products provided to customers through the formulation of governing principles. Prioritized the evaluation of products with ESG themes or relatively positive ratings in putting products on the market, and declined to sell three products throughout the year due to potential involvement in socially controversial industries such as tobacco, gambling, negative perception of human rights, etc. At the same time, funds with ESG themes or positive ratings are chosen as the branch reference "recommended funds" on a monthly basis. By the end of 2020, the proportion of positive ESG funds among recommended funds was nearly 30%.
- Marketing Campaigns: E.SUN is the first company to launch a regular fixed(varying)-amount investment activity combining retirement and ESG themed funds on digital channels, "E.SUN Retirement Fun," allowing customers to plan for retirement and financial management while participating in environmental sustainability and social issues. As of December 31, 2020, accumulated sales reached NT\$85 million, and the number of transactions (including renewal deductions) reached 9,000. At the same time, in conjunction with the "50th Anniversary of Earth Day," funds with ESG themes such as climate change and sustainability were selected to participate in preferential project activities on digital channels.
- Based on the above, as of the end of 2020, E.SUN put a total of 1,055 wealth management products with ESG themes on the market, and total sales of ESG-themed products reached NT\$20.9 billion.
- E.SUN Securities, on the other hand, is also committed to the promotion of ESG-related products. In 2020, the total sales proportion of ESG-themed products in E.SUN Bank and E.SUN Securities was 17%, enabling the joint promotion of environmental sustainability while improving asset allocation.

76%

Proportion of customers invited to interact or participate in ESG in 2020.

Product	Sales of ESG products (NT\$100 million)	Sales of total products (NT\$100 million)	Percentage of ESG products sales vs. total products sales
E.SUN Bank	209.34	1,433.44	14.60%
E.SUN Securities	111.53	445.07	25.06%
Total	320.87	1,878.51	17.08%

ESG-related wealth management product sales in 2020 (Unit: NT\$100 million)



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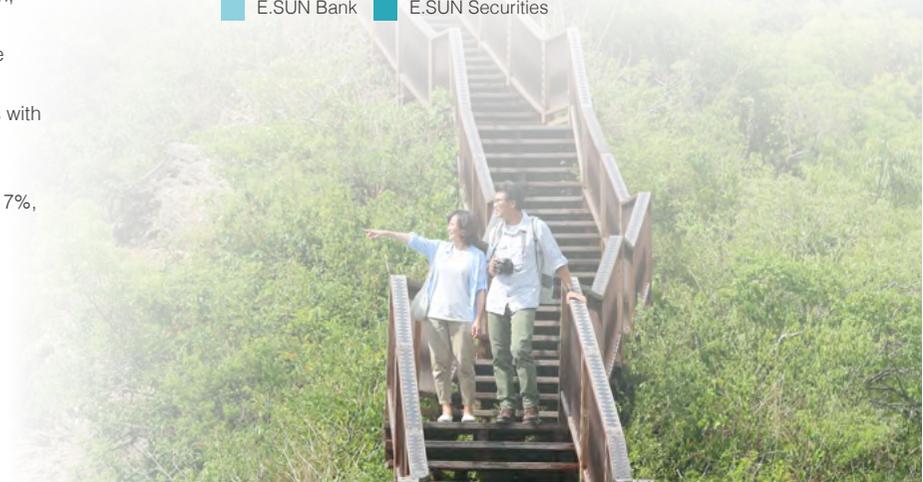
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Appendix



4.2 Inclusive Finance

■ GRI: 203-1、203-2、413-1；GRI G4 FINANCIAL SERVICES SECTOR: FS1、FS3、FS5、FS7、FS9、FS10、FS13、FS14、FS16

To help with the development of businesses with unique local features and to support social businesses in exerting greater impact, E.SUN has utilized its financial expertise in connecting the public and private sectors to create one-stop solutions, and is committed to helping small companies with "high social influence" to pursue and realize their dreams.

(1) **Regional revitalization** : In response to government policies, E.SUN supports the transformation and upgrading of characteristic industries in Taiwan, promotes the balanced development of urban and rural areas, and drives a sustainable positive cycle between urban and rural areas.

(2) **Social innovation enterprises**: E.SUN empowers social enterprises and social innovation enterprises with its financial profession, assisting them in putting their ideals into practice, and extending the power of changing society.

【 Regional revitalization 】

"Let young people take root in the embrace of their hometown and bloom into beautiful flowers."

Taiwan has many industrial clusters with local characteristics. However, due to remoteness and lack of job opportunities, local populations continue to migrate to urban areas, causing for local industries the crisis of worker shortage. The lack of systematic counseling resources also makes it difficult for local enterprises to transform. Most of them adhere to traditional methods of operation, resulting in low gross profit margins and greatly reducing the willingness of young people to return to their hometowns for employment. As such, the problem of urban and rural development imbalance is becoming increasingly severe.

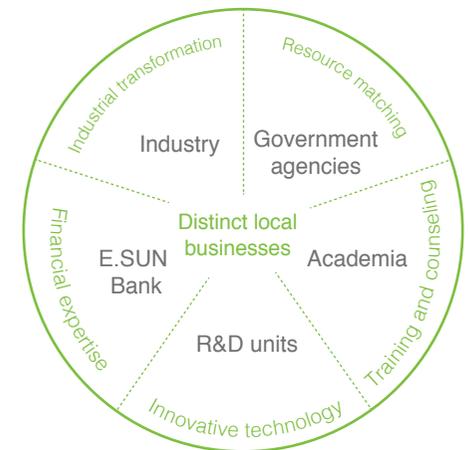
To cultivate Taiwan's characteristic industries, E.SUN has been leading the industry in launching the "Regional Revitalization Project" since 2018. Through the power of 139 branches across Taiwan and local industry associations, E.SUN closely observes industry characteristics, explores business opportunities and conducts in-depth visits. According to the needs and potential of local industry players, E.SUN coordinates head office units and branch teams in the design of financial counseling programs.

In 2020, E.SUN continued to expand the scope of projects, linking partners across different sectors and combining the strengths of industry, government, academia, and research to create unique programs with adequate funds, resources, counseling, and technology. Distinct local industries can not only obtain sufficient resources and funds, but also use the "E.SUN comprehensive digital financial platform-e-Click services" to apply for loans unrestricted by time and location. Replenished and invigorated by timely financing, these unique businesses, resulted from the younger generation's effort, were able to grow and prosper in the familiar surroundings of their hometowns.

Case: Upgrading of local traditional industries -- the spectacular transformation of the towel industry

Mr. O is the second-generation owner of a traditional towel weaving factory. Taking into account the meager profit of foundry and limited development, Mr. O was determined to revolutionize traditional towel manufacturing approaches and inject innovative technology and artistic aesthetics into the towel industry that has been established for more than 30 years. With this proposal, he successfully obtained the government's "Local SBIR Project" innovative research and development certification.

However, when companies are expanding their factories, because traditional industries have less revenue than large companies, banks either require a longer review period or are only willing to provide a limited amount of funds, making it difficult for Mr. O to raise sufficient funds in a short period of time. Later, through the cooperation between E.SUN and local industry associations, Mr. O applied for a loan from E.SUN through the "Regional Revitalization Project" Following the rapid application process, he immediately obtained factory financing and R&D working capital, successfully produced innovative products and took large-scale orders, happily opening a new page for the transformation of the traditional industry.



2020 Outcomes

Fostered the establishment and transformation of

20⁺ distinct local industries across Taiwan

Balance **NT\$5.891 billion**

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[Social innovation enterprises]

"E.SUN supports social innovation actions and lights up the dreams."

With an aspiration to make the society better, social innovation enterprises utilize technology or innovative business models to solve social issues. At present, Taiwan's social entrepreneurial enterprises are mostly in the early stage. Due to insufficient visibility, lack of experience, or weak financial structures, it's often hard for them to acquire or integrate resources and expand the business scale.

In response to this issue, E.SUN and the Taipei City Government first launched the "Smile & Hope Loan" in 2019, incorporating the four major social enterprise incubation units, the Taiwan Small & Medium Enterprise Counseling Foundation, and the Small & Medium Enterprise Credit Guarantee Fund of Taiwan into the loan application process to offer financing services that help social enterprises improve their corporate financial condition and obtain funding. The depth and breadth of support was further expanded in 2020, extending the scope of service targets from social enterprises in Taipei City to social innovation enterprises throughout all of Taiwan, thereby building an ecosystem that is conducive to social innovation.

In addition to funding, E.SUN also assists social entrepreneurs in broadening their financial knowledge as well as enhancing brand exposure and sales channels. E.SUN actively participates in the social entrepreneurship forum, attentively listens to the thoughts of entrepreneurs, and shares financial knowledge for continuous empowerment. The bank also promoted social innovation products to employees through the E.SUN welfare website, and further planned to publish reports on social innovation brands in the E.SUN Smile bimonthly journal to continue to drive public participation from the inside out, thus lighting up for society the stars that dreams are made of with practical actions.

Case: Social innovation enterprise proposal--Environmentally friendly tableware

As the economy grows exponentially, pollution of the marine environment is also exacerbating. To solve the problem of plastic waste, Mr. O embarked on an entrepreneurial road to realize the concept of environmental sustainability. Using what he learned in the past, he recycled agricultural waste into 100% decomposable environmentally friendly tableware and straws with a brand concept and innovative technology highly affirmed by the market. In the recent process of research and development of new products, Mr. O needed to purchase new types of machinery and equipment. However, due to the short establishment time of the company and unstable orders in the initial phases of business operation, it was hard for Mr. O to apply for financing. After seeking assistance from a social enterprise incubator, Mr. O applied for a "Smile & Hope Loan" from E.SUN. Through the exclusive loan application process and a dedicated review team, he quickly obtained NT\$3 million in working capital, successfully purchased equipment, expanded business, and successfully realized his dream of contributing to environmental protection.

2020 Outcomes

Assisted **21** social enterprises in obtaining startup funding





■ Outcomes of inclusive finance

In order to provide enterprises and individuals with affordable and sustainable financial services, to achieve economic inclusive growth, and to promote social equity and welfare, E.SUN has long been concerned with social issues and is committed to integrating the spirit of inclusive finance with the financial industry. In addition to insight into the needs of "small businesses and microfinance institutions" and designing diversified loan projects correspondingly, E.SUN is also committed to actively improving the accessibility, usability and service quality of financial services for "disadvantaged and underserved groups," aiming to make the most suitable financial services available to all members of society.

2020 Inclusive finance outcomes		
Client	Social value	Economic value
	Number of customers	Balance (NT\$100 million)
Small-Sized Business	17,584	1,018.08
Microfinance Institution (Note)	-	5.81
Low-Income Social Groups	2,663	15.62
Underserved Groups/Underserved Geographies	6,666	110.95
Sum	26,913	1,150.46

Note: The loans here refer to Cambodia MFI Loans.
(they provide micro-financing with good service quality to fulfill needs of disadvantaged residents in rural regions)

4.2.1 Small businesses and microfinance institutions SASB : FN-CN-240a.1

According to 2020 White Paper on Small and Medium Enterprises in Taiwan, there were 1,491,420 SMEs in Taiwan in 2019, occupying 97.65% of all enterprises; the number of their employees reached 9,054,000, occupying 78.73% of all employed population. It's clear that SMEs are an important foundation for steady economic growth and a huge source of jobs. Small businesses with a revenue under NT\$50 million, due to its smaller scale and relatively weak financial system, would require external financial support to adopt to the changes of the environment and for business expansion.

E.SUN has actively responded to the UN's Sustainable Development Goals (SDGs), and we achieved SDG8 Decent Work and Economic Growth through assisting with SMEs' growth. E.SUN has for many years been helping small businesses grow and develop by providing diversified loan programs for purposes such as entrepreneurship counseling, factory purchases and operating funds. In 2020, E.SUN provided support to a total of nearly 18,000 small enterprises, and the cumulative balance exceeded NT\$100 billion. The Ministry of Economic Affairs and Small & Medium Enterprise Credit Guarantee Fund of Taiwan awarded a number of awards such as winner of the "Billion Guarantees Scheme" and the "Direct Guarantee Excellence Award." E.SUN's head office has furthermore been awarded the "Excellent SME Credit Guarantee Partner Award" for 15 consecutive years, setting the best record in Taiwan's financial industry.

Small-Sized Business						
Project	2018		2019		2020	
	Number of customers	Amount (NT\$100 million)	Number of customers	Amount (NT\$100 million)	Number of customers	Amount (NT\$100 million)
Startup loan (Helping start-ups sustain by offering quick access to financing)	1,480	16.60	1,744	18.40	2,592	21.82
Distinct local business loan (Providing financing exclusively to businesses with local characteristics, balancing the gap between urban and rural)	897	53.45	953	55.77	1,099	58.91
Social innovation enterprise loan (Smile & Hope Loan included to help social enterprises and social innovation enterprises grow and become financially healthy)	-	-	9	0.20	21	0.70
Commercial mortgage (Loan for procurement of office and manufacturing facility)	3,245	267.91	3,712	309.53	4,137	369.06
Working capital loan (Working capital for small businesses)	12,506	592.18	13,269	605.38	16,064	649.03
Total number of customers and amount (customers granted more than 1 loan are counted only once)					17,584	1,018.08

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4.2.2 Disadvantaged and underserved groups

"Let the light of financial services shine to every corner where people in need, bringing people warmth and strength."

E.SUN is committed to the development of inclusive finance with a focus on the accessibility and usability of financial services, and financial risk resistance so as to reduce the wealth gap, promote social equity and achieve inclusive growth.

■ Expanding "financial service accessibility" --Friendly and convenient financial services

To provide customers with convenient and comprehensive financial services, with customer experience as the core, E.SUN deeply probed into customer demand scenarios by integrating resources from 139 physical branches, automated service equipment, online banking, mobile banking, official website, customer service center and other multiple virtual and real channels. For remote areas, people with disabilities, foreigners and new immigrants, E.SUN created friendly and convenient financial services.

Groups	Friendly financial services
Resident of remote areas	<p>[Physical channels]</p> <ul style="list-style-type: none"> · E.SUN set up ATMs at highly-frequented locations such as Taiwan Railway Stations and convenience stores to provide residents in remote areas with high-quality and convenient services. · The bank also deployed ATMs in areas with few bank automation equipment within one kilometer, such as the Family Mart convenience store in Jiashi Township, Hsinchu County (Jiashi Nahuy Store), the RT-Mart (Taitung Store) in Taitung City, Taitung County, and Chung Jen Junior College of Nursing, Health Science and Management in Dalin Township, Chiayi County, etc. <p>[Digital channels]</p> <ul style="list-style-type: none"> · E.SUN launched the online account opening channel "e-Click opening account." In 2020, products such as credit cards and securities accounts were integrated into the account opening process, so that residents in remote areas can complete the account opening procedures without having to visit a branch in person as well as apply for a variety of products and enjoy discounts on interbank withdrawal/transfer fees, foreign currency purchases, and credit card payments, etc. · Through E.SUN's mobile banking APP, we provide all customers with fully digitalized mobile financial services. Customers can conduct real-time processing of transfers, payment and other daily needs without the hassle of visiting a branch, monitor personalized accounting information using their mobile phones, and also decide when and where to purchase foreign currency and make investment plans. As of 2020, a total of 2.2 million customers have downloaded the APP. · It requires financial knowledge and related experiences to spot suitable wealth management products or allocate one's assets. When financial consultants assist customers in choosing products, they are often unable to fully satisfy all customers' financial consulting services due to time, geographical constraints and limited resources. In 2020, E.SUN pioneered the "AI Selection of Fund," which is the first AI financial cognition preference recommendation model built by a member of Taiwan's financial industry. It can provide individual recommendations for fund targets based on customers' risk tolerance levels, transaction records and other information, which not only lowers the threshold and makes investment simpler, but is also comprehensively and freely provided to all customers so that anyone can easily use it anytime, anywhere. Since its launch in March 2020 to December, AI Selection of Fund has accumulated nearly 130,000 users, among which up to 94% of users are the members of general public who are not E.SUN's wealth management client, signifying that E.SUN has successfully realized the spirit of undifferentiated, equal and inclusive finance.

Groups Friendly financial services

Mentally or physically handicapped	Item	2018	2019	2020
	Barrier-free bank counters	47	51	138
	Accessible bathrooms	117	120	111*
	Wheelchair friendly ATMs	698	821	959
	Internet banking/mobile banking	Certified AA grade by Web Accessibility Standard 2.0	Friendly online banking / mobile banking service section	Friendly online banking / mobile banking service section

* In 2020, the certification standard for barrier-free toilets was adjusted from "Conforming to Building Regulations" to "Conforming to FSC Standards," therefore the number has been slightly modified.

[Physical channels]

- **Accessible facilities:** Automated facilities installed at every branch are not taller than 120 cm and are equipped with voice recognition, alert sound and lights, and service bell. Responding to regulator's policy guideline to build a friendly branch environment, all customers with disability can apply for waiver of ATM cross-bank withdraw fee charges. Each applicant can apply for one account, and is entitled to 3 withdraws per month.
- **Barrier-free for wheelchairs:** In 2020, all branches in Taiwan (except the Nanshan Plaza branch, which is serviced by dedicated personnel) have completed the deployment of barrier-free counters, and are continuing to build barrier-free toilets and ramps.
- **Service for the hearing-impaired:** E.SUN offers online application and various ways of notification (including SMS and email written communications). Sign language and other assistive communication methods are also provided to help the hearing-impaired complete transactions.
- **Service for the visually-impaired:** The visually-impaired can use fingerprints and signing symbols to replace their signature for their wealth management or deposit/remittance transactions. It is also optional for customers to complete their transactions by providing a witness or by court notary.

[Digital channels]

- Online banking obtained AA grade certification by Web Accessibility Standard 2.0 in 2018, a banking friendly section was established in 2019, and non-designated account transfer and mobile device binding services were added in 2020. In addition, E.SUN provides voice OTP services for online banking and mobile banking for customers who have forgotten their account and password, so that visually impaired customers enjoy access to a friendly financial service experience.
- Customers with disability can understand more about the accessibility services provided by the bank through announcements on branch bulletins, E.SUN's official website, and the Customer Charter. They can also look up locations of accessible ATMs on the banking association's website.

Foreigner or new immigrant

[Physical channels]

- **Borderless communication:** In response to the policy of "Blueprint of bilingual country in 2030" and to meet the financial needs of foreigners, E.SUN is the leading financial institution in Taiwan to set up a bilingual branch in National Taiwan University. As of 2020, the bank has set up 17 bilingual demonstration counter branches and is continuing to adjust application forms to bilingual versions. More bilingual services will continue to be available in the future to be in line with international standards.
- **Automation:** To provide expats and new immigrants with convenient financial services, E.SUN has deployed ATMs (including CDM) with bilingual operation interfaces in locations that expats visit often such as Taiwan Railway Stations, department stores, colleges and universities, and large medical institutions.

[Digital channels]

- E.SUN Online Banking is available in bilingual (Chinese and English) versions. Foreign customers can easily cross language barriers and enjoy a real-time digital financial experience.

Number of bilingual ATMs installed in 2020			
Taiwan Railway Stations	Department stores	Colleges	Medical institutions
27	14	16	40

Note 1: Definition of resident of remote areas: According to the Ministry of the Interior, where a local administrative area's density of population is one fifth lower than the average of the country or off-shore island that is over 7.5 km to municipalities and county governments. There are 65 administrative areas that meet the criteria.

Note 2: Definition of persons with disabilities: According to the definition of the Ministry of Health and Welfare.

Note 3: Definition of new immigrants: As defined by the Ministry of the Interior, new immigrants are: foreigners, stateless persons, nationals living in the Mainland China, Hong Kong and Macau married with Taiwanese and those naturalized with a resident permit in Taiwan.

Note 4: E.SUN provide customers with free deposit accounts, including 77,830 residents in remote areas, 15,653 persons with disabilities, and 173,832 foreigners or new immigrants.

■ Enhancing the "usability of financial services"--Customized and diversified product services SASB : FN-CB-240a.3

(1) Inclusive financial products

To enable everyone to enjoy financial services in an affordable way, E.SUN has introduced the concept of financial inclusion into product design. With insight into the core needs of disadvantaged groups, and targeting low-income households and underserved groups, E.SUN offers exclusive financial solutions.

	Project	2018		2019		2020	
		Number of customers	Amount (NT\$100 million)	Number of customers	Amount (NT\$100 million)	Number of customers	Amount (NT\$100 million)
Low-Income Social Groups	Residential subsidy loan (Assisting lower income families with home improvement and home purchases)	647	9.36	728	10.56	874	13
	Debt negotiation and repayment plan services (Debt restructuring for families facing incidents)	2,104	3.73	2,158	3.52	1,768	2.48
	Earthquake disaster victims (Post-disaster reconstruction loan service)	78	0.33	60	0.23	21	0.14
	Total number of accounts and balance					2,663	15.62
	Project	2018		2019		2020	
		Number of customers	Amount (NT\$100 million)	Number of customers	Amount (NT\$100 million)	Number of customers	Amount (NT\$100 million)
Underserved Groups/ Underserved Geographies	Loans for new immigrants (Assisting new immigrants in settling down in response to government policy)	2,878	53.74	3,147	68.26	4,159	88.56
	Loans to remote rural areas as defined by the Ministry of Interior (Providing financing exclusive to distinct local businesses, balancing the gap between urban and rural)	1,848	19.25	1,767	19.46	2,034	19.85
	Student loans (Assisting outstanding students in financing their overseas studies)	317	2.32	305	2.16	288	2
	Loans for startup funding for young entrepreneurs (Assisting young start-up entrepreneurs to build their businesses and creating a conducive environment)	420	0.95	313	0.67	206	0.85
	Total number of accounts and balance (customers granted more than 1 loan are counted only once)					6,666	110.95

(2) Inclusive financial innovation services

With the onset of the digitalization trend and the impact of COVID-19, E.SUN believes that the development of inclusive finance is highly relevant to the evolution of digital finance. The use of innovative technology will help provide financial services to all levels of society and make financial services simpler and more friendly. In 2015, E.SUN established the "Comprehensive Digital Financial Platform-e-Click Services" to provide customers with complete digital financial services such as online account opening, card application, loan application, foreign exchange and wealth management, and continues to improve the utilization rate and functions of each platform in its bid to provide non-stop financial services.

Products/services	2020 Outcomes	Pieces of paper required for application/completion at the counter (per case)	2020 total number	Saved carbon emissions (tCO2e)
e-Click opening account	A full online account opening channel. In 2020, about 40,000 customers completed account opening through the website, accounting for 14% of the total number of accounts opened, which is double the number of accounts opened in 2019.	6	39,542	1.8
e-Click Online Card Application	Customers can easily apply for credit card online. In 2020, the number of online personal credit card applications was more than 470,000, accounting for 65% of total applications.	5	531,941	20.21
e-Click loan	Customers can easily apply for loan online. In 2020, number of online personal loan applications was more than 85,000, 80% of total applications.	9	85,000	5.81
e-Click Mortgage	There were more than 2,000 applications in 2020 and that is 5% of total cases.	-	-	-
e-Click foreign currency exchange	98% of foreign currency exchange were conducted online in 2020 with 67.8% of foreign currency exchange volume.	2	5,104,000	77.58
e-Click wealth management	More than 1,450,000 transactions of mutual fund subscription were conducted online in 2020, more than 63% of total transactions.	-	547,819	21.82
Sum		-	-	127.22

Note 1: e-Click foreign exchange calculation channel includes 5.001 million online banking/mobile banking cases and 103,000 E. SUN eBanking cases.

Note 2: Channels calculated under e-Click wealth management include personal online banking/mobile banking/corporate internet banking/wealth management express, and the transaction scope includes the signing of the master agreement, KYC, investment and wealth management (application, transfer and redemption) and online insurance, etc., with the number of sheets of paper and cases varying based on different scenarios. In 2020, e-Click wealth management cases achieved total savings of 2.871 million sheets of paper.

Note 3: The carbon reduction of digital products/services is calculated according to the EPA Taiwan Carbon Footprint, which states that the carbon emissions of one sheet of A4 paper is 0.0076 kg of CO2e.

■ Enhancing "financial risk resistance"-- Financial knowledge promotion and education SASB : FN-CB-240a.4

The cultivation of correct financial concepts and behaviors, such as the calculation of income and expense, the understanding of interest and foreign exchange rate, the effect of compound interest, and the importance of financial discipline, all of which are important basic financial concepts. E.SUN is committed to improving public financial literacy and strengthening financial risk resistance through promoting and imparting financial knowledge.

(1) Establishing correct financial management concepts for future generations

E.SUN x PaGamO (Little financial experts) use digital platforms as the medium to impart financial knowledge to school children. Financial-related knowledge designed by E.SUN's professional financial management team is added to the elementary school and junior high school worlds on PaGamO, providing financial management education question bank on a regular basis. By combining financial management parent-child camps, students are taught good financial management concepts that enable them to master related knowledge. A total of 285,000 participants have taken part since 2020.

(2) Improving the basic financial literacy of the general public

· Improving the legibility of financial information

E.SUN regularly updates "Forex Daily," the weekly market report and "Fund World" on the official website. In addition, the bank also shares finance concepts on social media so that the public can quickly receive financial information. About 7 million people browsed the related information in 2020.

· Enhancing awareness of investment transaction risks

To strengthen customers' awareness of their own rights and interests and in cooperation with the policy enforced by the competent authority, E.SUN displays short videos on preventive measures produced by the Bankers Association using various broadcasting equipment (including TV walls, ATMs, computers in the consulting rooms, and iPads used by financial consultants) placed in the lobbies of each branch. Customers are asked to watch the relevant video content before handling financial transactions, so as to implement promotion of risk awareness before investment transactions and to remind customers to pay attention to safeguarding their own rights and interests. As of the end of 2020, the number of viewers was 22,702, of which 5,063 were from the financial management special customer group.

Note: Financial management special customer group: To strengthen the risk control of wealth management businesses, and based on the bank's duty to protect investors, individuals who are 70 years old (inclusive) or older, whose level of education is junior high school or lower (inclusive), and have a national health insurance certificate of catastrophic illness, will undergo KYC to check for overdue payments and investments above their risk appetite when they perform wealth management-related transactions.

· Financial Literacy Initiatives

Project	2018	2019	2020
E.SUN x PaGamO (Using digital platforms as the medium to impart financial knowledge to school children)	-	Events: 10 Participants: 77,000 persons	Events: 10 Participants: 285,000 persons
E.SUN Bank - Digital Lifestyle and Special Offers Facebook Fan Page (Shares financial information and discounts through the Facebook fan page)	-	Facebook fan page Followers: 148,000 persons	Facebook fan page Followers: 302,000 persons
Financial advocacy activities (Campuses, communities, prisons, E.SUN libraries)	Events: 36 Participants: 2,210 persons	Events: 30 Participants: 1,820 persons	Events: 42 Participants: 2,242 persons



4.3 Treating Customers Fairly and Customer Experience

■ GRI : 102-2 、 417-1 、 417-2 、 417-3 ; GRI G4 FINANCIAL SERVICES SECTOR: FS15 ; SASB : FN-CF-270a.4

To respond to the international trend of protecting the rights of financial consumers and the "Principles for Financial Service Industries to Treat Customers Fairly" by Financial Supervisory Commission, E.SUN has ensured our employees' compliance and awareness of related regulations. We continue to build a culture of treating customers fairly and, centering around customer experience, ensure service quality, the protection of customer rights, and improve customer engagement. In addition to helping customers to understand the content of our financial products and services, we also make sure to disclose necessary information to customers and care for them through diverse channels to continue improving customer experience.

■ Bank-wide implementation of the Principles of Treating Customers Fairly

To promote a corporate culture centered on treating customers fairly, the bank formulated the "E.SUN Bank Treating Customers Fairly Policy and Strategy" and "E.SUN Securities Fair Customer Treatment Policy and Strategy" in accordance with the "Principle for Financial Service Industries to Treat Clients Fairly," adopting the principles of fairness, equality, and reciprocity to protect the interests and rights of customers. The bank also set up a dedicated team to promote the principle of treating customers fairly, thus reinforcing the operation of the three lines of defense. A total of 12 treating customers fairly monthly meetings were held in 2020. In addition to tracking related matters and implementation status, participants of the meetings from various units also share and communicate to serve as reference direction for implementing treating customers fairly in business development. In addition, with regard to the indicators of the principle of treating customers fairly, units in the first, second, and third lines of defense were invited to discuss about ways to strengthen the implementation of the principle of treating customers fairly.

While engaging in business development, E.SUN attaches great importance to the protection of customer rights and related laws and regulations. All new products and services must pass the "New Products and Services Compliance Assessment" and "New Products and Services Risk Management Assessment" before launch with the assessment jointly conducted by the first and second lines of defense. In 2020, a total of 32 cases were assessed and approved in line with internal and external standards such as the principle of treating customers fairly, ensuring that product information is fully disclosed in the product manual so that customers can understand their rights and possible risks they may face.

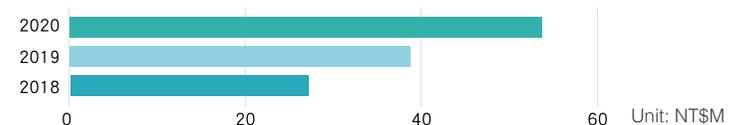
To provide a complete communication platform with customers, E.SUN has established multiple complaint channels, and has formulated the "E.SUN Bank Consumer Dispute Resolution Principles and Flowchart" and "E.SUN Securities Consumer Dispute Handling Procedures," requiring all business units to establish a task team for handling customer complaints. In addition, the time limit for case processing is clearly stipulated, so that more customer feedback can be responded to and processed in the shortest time through the establishment of the system. In 2020, a new treating customers fairly section was set up on the E.SUN official website to explain the structure and nine principles that E.SUN is promoting, treating customers fairly task force, and diverse communicating channels.

	2018	2019	2020
Customer complaint feedback (cases)	1,657	883	1,014
Forwarded by the competent authority (cases)(Including Financial Supervisory Commission complaints, telephone calls, and Financial Ombudsman Institution cases of dispute and mediations)	655	489	619
Provided financial negotiation (%)	0.2	0.2	0.8
Case not closed at year-end (%)	0.9	0	2.6
Number of complaints solved (%)	99.1	100	97.4
Number of positive customer feedback	882	1,118	1,458

While the overall number of customer complaints in 2020 has increased due to bailout cases, E.SUN has actively responded to and handled such cases, and formulated plans for related response measures for different types of customer complaints, such as: Financial consultant incident response, bailout loan deferred payment, customer complaint handling mechanisms, and announcement of customer rights and interests, thus strengthening customer rights and implementing treating customers fairly.

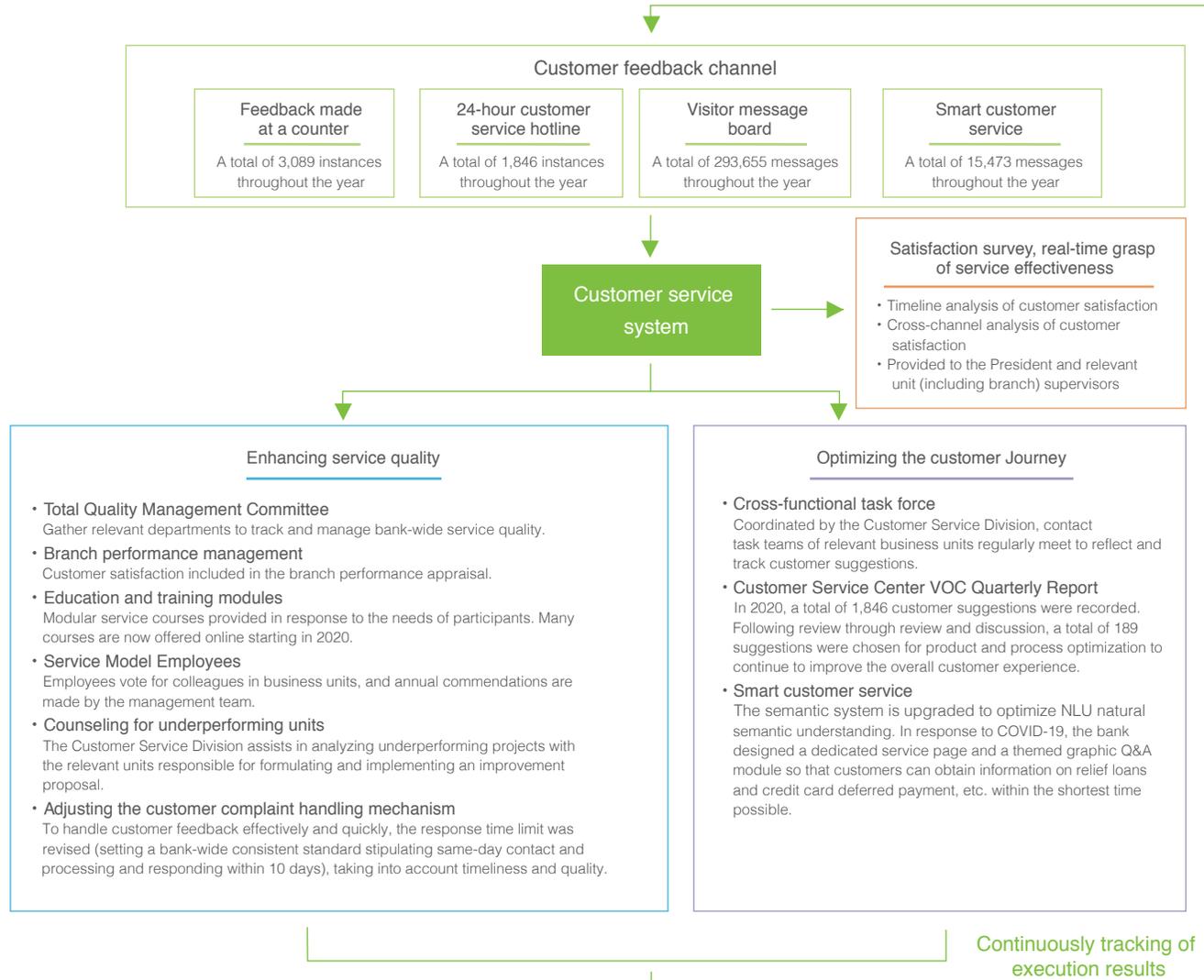
E.SUN is committed to protecting customer assets, pioneering an intelligent anti-fraud platform, and establishing a two-way inspection mechanism for outward and inward remittance. If the system finds a suspected fraud, a warning will immediately pop up to prompt inspection and remind customers to confirm, constituting a mechanism that has been recognized and awarded by external parties. In 2020, E.SUN successfully blocked 319 cases of fraud, which amounted to NT\$53,541,746 (including foreign currencies), effectively preventing customers from being deceived and together maintaining social and financial order.

Amount of money from blocked fraud



■ Building a customer-centric experience

E.SUN attaches great importance to customer experience and is committed to listening to and understanding customers' voices. In so doing, we hope to form actionable plans to make E.SUN better, thus forming a virtuous circle of continuously improving service quality. Since 2016, E.SUN has been conducting customer satisfaction surveys for services such as account opening, loans, at the counter transactions, mobile banking, and smart customer service. The results of the survey are included in the key performance evaluation items of each business unit, and is also scheduled to be included in the evaluation of the business divisions of the head office to strengthen the bank's attention to customer experience. To design services that are more in line with customer experience, E.SUN formulated a "Customer Experience Proposal Form" in 2020. Through a complete customer service system and the task team in various business units that have been established, the bank seeks to efficiently improve and enhance customer experience with real-time, interactive communication.



Overview of Customer Satisfaction Implementation

Year	Physical channels		Digital channels		Active customer attrition rate	Customer complaint rate	Overall customer satisfaction rate*	Coverage rate*
	Satisfaction rate	Percentage of service volume	Satisfaction rate	Percentage of service volume				
2018	91.12%	10%	90.53%	90%	8.07%	0.4%	82.12%	76.19%
2019	93.34%	5%	90.81%	95%	7.38%	0.2%	83.36%	84.80%
2020	94.87%	3%	93.11%	97%	7.49%	0.2%	85.47%	85.13%

Note:

E.SUN's active customers is defined as customers who performed one or more financial transactions with the bank in the most recent 6 months or who has more than 250 EUR (NT\$8,741) in the balance of their accounts
Coverage rate = Number of questionnaires distributed / Number of active customers

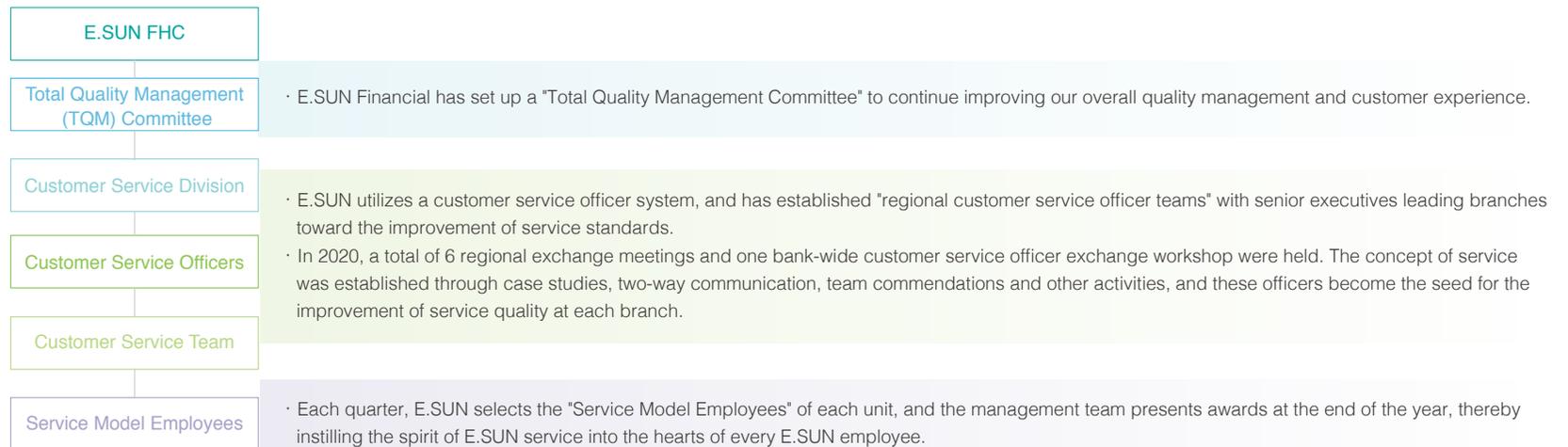
Overall customer satisfaction rate* =

(Physical channel customer satisfaction rate*Percentage of services volume + Digital channel customer satisfaction rate*Percentage of services volume) - Active customer attrition rate - Customer complaint rate

(1) Heartwarming customer services

By expanding the system of customer service officers, service model employees and lobby receptionists, E.SUN continues to provide customers with considerate, timely and precisely tailored services. In order to enhance its service DNA, E.SUN has continuously improved its service quality management practices, and strives to become the bank that customers most prefer.

(2) Customer Service Management System



Service Model Employees of the Season selected every quarter are the service leaders of each division who ensure that the service spirit of E.SUN can be ingrained in the minds of every E.SUN employee. Over the last 3 years, a total of 290 model employees have been selected.
Service Model Employee webpage link





■ Modularized service training courses that helped improve service quality

Preliminary courses: Customer Service and Etiquette

Targets: All new colleagues participate in the courses. (new tellers, assistant specialists, interns)

Purpose: Establish consistent service standards and build team consensus.

Advanced courses: Treating Customers Fairly and Customer Experience

Targets: Mid-level supervisors. (140 supervisors in total participated in the courses)

Purpose: Improve service management capabilities, lead the team to provide good customer service, and acquaint oneself with the principles and measures of treating customers fairly.

On-job training: Customer Service Officer Time

Targets: All colleagues. (about 8,000 persons)
Purpose: Learn from benchmarks, share cases, different professions, and books, and each unit engages in exchange for more than 30 minutes a week.

Customer Mr. Guo

One night, a customer named Mr. Guo went to the branch ATM to make a deposit. There was no problem with the first deposit, but the ATM showed a failure when depositing the second batch, and the whereabouts of the deposited cash was unknown at the time. The customer hurriedly called the E.SUN Customer Service Center to explain, and staff at the customer service center responded positively and patiently to the situation encountered: "Hello, sir, please rest assured, as we are unable to confirm the machine's cash amount right now, we have temporarily shut down the ATM. Our branch colleagues will process the issue immediately and contact you tomorrow morning." The next morning, a teller at the branch called the customer to inquire about the operating process and explained that it would be processed immediately. The customer received a refund to his account on the same day. The customer then left a message on the guest message board, praising the teller from the branch and the staff from the customer service center for their patient assistance enabling customers to rest assured!

- Whether branch colleagues or the customer service center, E.SUN is committed to helping customers with empathy. ~

Customer Mr. Zhang

A customer named Mr. Zhang made a special trip to open an account with his mother and his elder brother, the latter of whom has both hands disabled. When he stepped into our branch, he was very nervous, and there were still many customers waiting at the service counter. A supervisor came forward and extended a helping hand when he found out. Mr. Zhang's brother said that compensation for an occupational accident had been paid to the account, and that he wanted to apply for a credit card since other members of the family also banked with E.SUN. He meant to open an account with E.SUN, but was under a lot of stress upon entering the bank with both hands disabled... The customer said that both the supervisor and service staff showed empathy and tried their best to help complete his financial needs that brought the customer to the bank. Originally, he thought that people with severe disabilities would be treated differently, but was unexpectedly surprised and moved after entering the branch. E.SUN staff not only offer cordial services, but moreover show great kindness and patience to their customers, which is really considerate and reassuring.

- E.SUN treats customers with the best approach, and ensures every considerate gesture is memorable for its customers. ~





4.4 FinTech and Innovation

■ GRI: 203-1、203-2；GRI G4 FINANCIAL SERVICES SECTOR: FS1、FS5、FS7、FS10

The fast advancement of technology has made AI technology, big data, and machine learning more prevalent. These, combined with the impact brought about by Covid-19, have accelerated the migration of customers to digital channels. Under such a trend, E.SUN, with AI as the key technology, provides customers with real-time, safer, and more convenient digital financial services through digital transformation, which was made possible by our culture of experimentation and cross-functional teams. To fully utilize the capacity of AI technology, E.SUN built the first Machine Learning as a Service platform in the financial industry as a bridge that connects AI technology and business procedures. It provides a variety of innovative AI solutions, including consumer protection, fund target recommendations, internal control detection, and abnormality alert among others.

AI Selection of Fund

The first self-built AI financial management cognitive preference recommendation model in the financial industry that is able to find the 5 most suitable funds for customers in 7 seconds.

E.SUN Extremely Fast Loan

The nation's first fully digitalized process loan that enables customer to obtain funds in as little as 58 seconds for minimum amounts of just NT\$20,000.

Watch-listed account detection

The first model built using machine learning for automatically identifying fraudulent accounts, improving accuracy by 40 times compared with traditional methods.

E.SUN Wallet

A digital financial platform that integrates payment and life to create a seamless customer card experience that has accumulated more than one million downloads.

Credit card fraudulent transaction detection

The first artificial intelligence credit card fraud detection system established in Taiwan. Each transaction can be evaluated within 0.1 seconds, and a total of NT\$113 million in fraudulent use losses was reduced in 2020.





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E.SUN Wallet

Following the launch of the "Instant Card-linking" and "Card Management" functions in 2019, in 2020, three major functions including "Card Management 2.0," "Consumption Category Inquiry" and "Scan & Go" were further made available on E.SUN Wallet, continuing to provide convenient mobile payment services for creating a seamless card-using experience for customers.

(1) Card Management 2.0

The "Card Management" service that extremely popular with the digital community was enhanced by adding the "single designated limit setting" function. Customers can set different purchase limits according to the usage habits for each card, providing a more convenient card management experience. For example, customers can set a single limit of NT\$1,000 for credit cards used for purchases of small amounts. This allows the system to help control spending limits, and reduces the risk of card loss and theft.

(2) Consumption category inquiry

Through data analysis and user feedback, E.SUN understands that customers like to check consumption status in real time. In response, the bank launched a new function entitled "Consumption Category Inquiry" which divides consumption into general consumption, online general consumption, overseas general consumption, general F&B consumption, supermarket QR code payment and other categories. This allows customers to easily track their spending through the classification function and calculate the reward points for various types of consumption.

(3) Scan & Go

The payment QR code combines carrier and membership functions. When customers use the "E.SUN Wallet" to spend at cooperating convenience stores, they only need to scan the payment QR code once to complete multiple tasks such as payment, invoice storage, points accumulation, and obtaining member discounts, thereby enjoying full access to the conveniences of mobile payment.

E.SUN Extremely Fast Loan

In 2015, E.SUN became the first financial institution to launch e-Click loans, providing customers with online loan application services, saving customers the hassle of visiting a branch and saving their valuable time while contributing to reducing carbon emissions with paperless operations. In February 2020, E.SUN again engaged in innovation and pioneered a fully digital process, "E.SUN Extremely Fast Loan" using AI technology to create a loan process with zero manual intervention through which customers can obtain funds in as little as 58 seconds. In addition, different from traditional credit limits entailing amounts of at least hundreds of thousands, Extremely Fast Loan enables loan applications of as little as NT\$20,000 and can also be flexibly repaid, providing customers with both speedy and flexible loan services. As of the end of December 2020, the E.SUN Extremely Fast Loan disbursement amount has reached more than NT\$30 million, and is able to save nearly 95% of case costs compared to loans made using paper-based processes.

AI Selection of Fund

For the first time in Taiwan's financial industry, a bank built its own AI wealth management cognitive preference recommendation model. The model gives recommendations for personalized fund target matching based on customers' risk tolerance levels, transaction records and other information, making investment simple and easy to understand, and provides all customers with inclusive financial services. After the service was launched, the number of online fund transactions in 2020 increased by 2.3 times compared with the previous year, accounting for 66% of overall fund transactions.





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Watch-listed account detection system

To counteract the endless stream of fraud cases, traditional financial institutions have been using manual flagging of watch-listed accounts to prevent further fraud. However, due to low accuracy, additional manual phone calls to customers are required to eliminate misjudgment of account transactions. The lengthy confirmation process causes customer distress and a time gap in protection. By introducing the MLaaS system, E.SUN built a model using machine learning for automatically identifying watch-listed accounts with accuracy 40 times higher than that of traditional manual flagging. This not only reduces the frequency of interrupting customers with manual phone calls, the model judgment result can also be directly connected to the accounting system to speed up flagging of the watch-listed account, thereby achieving the effect of real-time synchronization of information, and enhancing the timeliness and comprehensiveness of fraud prevention.

Credit card fraudulent transaction detection system

Through the use of AI technology, the bank is able to overcome sporadic and complex methods of fraud that are difficult to prevent. E.SUN generated a model database of nearly 400 factors through exploratory data analysis, and used the Gradient Boosting Decision Tree (GBDT) algorithm to improve the generalization and predictive ability of the model. Data cache technology was then further applied to perform abnormality monitoring of the latest transaction data at all times so that each credit card transaction can undergo risk evaluation within 0.1 seconds, thus accurately and quickly protecting the security of customer transactions.

Mobile PayPass

Due to the impacts of the COVID-19 pandemic, the volume of online and mobile transfer transactions grew significantly in 2020; in particular, the number of mobile transfer transactions grew by as much as 65%. In response to changes in consumer habits, E.SUN launched the E.SUN PayPass API. As long as online shoppers can interface with E.SUN PayPass, they can directly call the mobile banking apps of multiple financial institutions on the online shopping platform, saving the time needed to integrate the mobile banking APPs of various banks. Additionally, consumers do not need to enter the transfer account number and amount on their own; payment can be completed as long as customers pass the fingerprint or password security authentication of mobile banking, thereby offering customers a more efficient shopping experience.



5 Climate Change Risks

GRI : 102-12、201-2
SASB : FN-CB-410a.2

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E.SUN will continue using a robust reporting framework based on the Recommendations of the Task Force on Climate-related Financial Disclosures to provide the four major pillars of guidance for disclosing important climate-related information: governance, strategy, risk management, and metrics and targets. This year, based on the conclusion made previously, we performed comprehensive evaluations of transition risks and introduced scenario analysis to further engage in both quantitative and qualitative impact assessment, thereby developing countermeasures for risk management. E.SUN leverages our influence in the financial industry to guide capital to those industries with lower climate change risk and higher climate change opportunity and contributes to Taiwan's transformation to low-carbon environment.

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

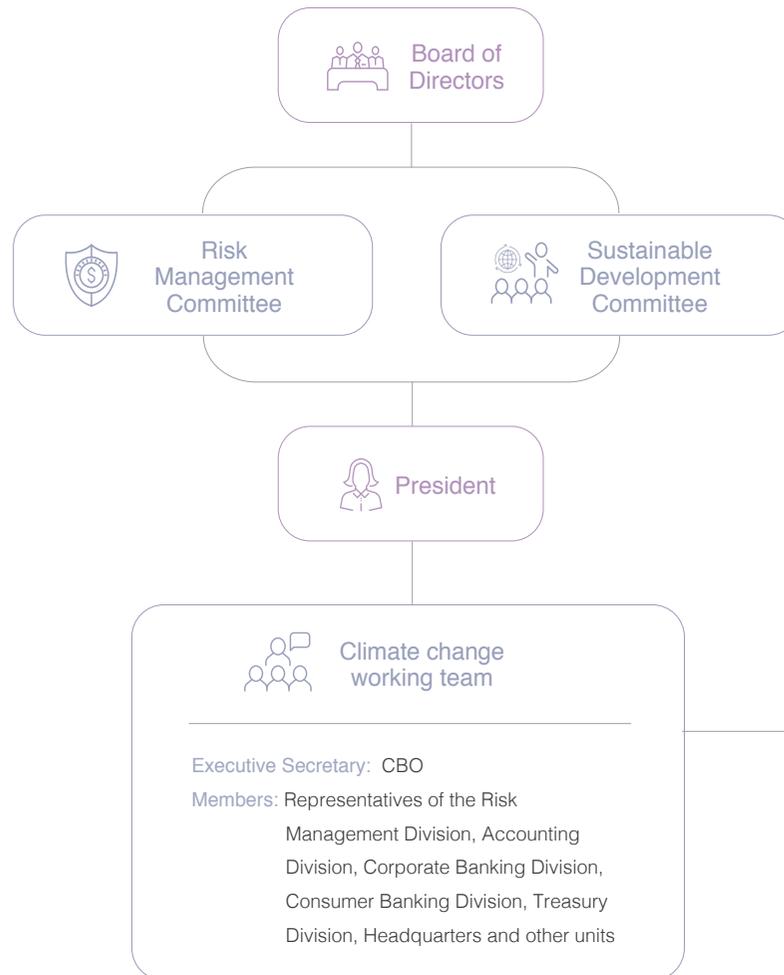


TCFD key factors

Governance	Strategy	Risk Management	Metrics and Targets
<ul style="list-style-type: none"> Became a signatory to the TCFD in 2017. The Sustainable Development Committee under the board of directors is the highest management unit for climate change, and the climate change working team under its jurisdiction is the specific executive unit The President oversees the management of climate change goals and achievement status, and results reported to the president by the climate change working team. Climate risk is included in the scope of bank-wide risk management scope, and the Chief Risk Officer regularly reports relevant issues to the board of directors. 	<ul style="list-style-type: none"> Based on internal research data and industrial experience, ESUN identifies major climate risks and opportunities in the short, medium and long term. Assesses the impact of high-climate risk industries on loan and investment businesses. Estimates the impact of different carbon reduction paths and different timelines on business operations, and sets long-term carbon reduction goals. Information disclosure on climate change and promotes efficiency on energy usage. Actively develops financial services and products that help customers reduce carbon emissions or adapt to climate change. 	<ul style="list-style-type: none"> E.SUN evaluates and manages high-risk climate issues in accordance with the procedures of identification, measurement, monitoring and reporting. Reinforces management of high-carbon emission industries, such as prohibiting the financing of coal-fired projects, and strengthening the review of climate change adaptation capabilities of high-climate risk companies during the due diligence process. Identifies assets that are susceptible to climate impact, and develops related mitigation measures, such as asking for loan collateral or setting risk exposure limitation for collaterals in areas prone to flooding. 	<ul style="list-style-type: none"> 100% inventory of Scope 1 and 2 carbon emissions, and continuous addition of Scope 3 inventory items. By 2030, domestic business locations will use 100% renewable energy, and by 2050, E.SUN will become a net-zero carbon bank to improve its adaptability. Continue to promote green energy project financing, by 2025, domestic renewable energy installation capacity will reach 3.4GW, and domestic renewable energy project financing will reach NT\$20 billion.

5.1 Governance

Climate Change Governance Organizational Structure



The Sustainable Development Committee provides guidance and supervises the completion status of climate change management policies and practical actions. Various climate change goals and achievement statuses are coordinated and managed by the President, and jointly promoted by the climate change working team in coordination with relevant units, such as scenario analysis and stress testing by the Risk Management Division. The Headquarters Corporate Banking Division is responsible for grasping opportunities such as green energy project financing.

The main duties of the climate change working team:

- Detect and manage environmental, social and corporate governance issues related to company operations
- Understand international trends and/or standards, promote the internationalization of E.SUN, and improve internal management mechanisms
- Participate in the formulation of TCFD banking industry-related guidelines and reports

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5.2 Strategy

E.SUN's subsidiaries first inventory the possible impacts of various climate change risks and conduct matrix analysis, including risks and opportunities arising from the company's operating activities due to direct or indirect physical impacts caused by extreme weather events, transformational impacts due to regulations, technologies or market demand, and other cultural and social impacts. Risk management strategy plans are established based on the analysis results that serve as the basis of actions taken to respond to climate change, and management costs and financial impact are estimated based on such plans. Data collected in the process described above are used in systematic assessments of the association between climate change and finance in order to reduce risks and exploit opportunities.

Transition risks



Policies and regulations

Medium-term risk/moderate risk

Description

Whether it is the EU carbon border tax, the ban on the sale of gasoline vehicles in the UK and Japan, or Taiwan's greenhouse gas reduction regulations, all policies will increase operating costs for enterprises and in cases of severity may impact business operations. These changes have an impact on E.SUN's loan and investment businesses.

Response

Pay close attention to relevant laws and regulations, and encourage customers to introduce low-carbon operating equipment, use renewable energy, and apply for green building licenses.

Physical risks



Heavy rain, typhoon, landslide

Short-term risk/low risk

Description

1. Loan collaterals are damaged due to extreme weather events, thereby affecting E.SUN's creditor rights.
2. Operational equipment is interrupted due to extreme weather events, thus affecting business operations and giving rise to credit risks.

Response

Regularly monitor the degree of exposure in high-risk areas. If circumstances reach alert level, the price will be re-evaluated, and regional total amount control will be activated at the same time. When risk exposure reaches high-level alert, purchase of relevant disaster insurance will be assessed to shift risks and strengthen credit protection.

Description of short, medium, and long term intervals

Within 1 year	1 to 5 years	5 to 10 years
Short-term risk	Mid-term risk	Long-term risk

Description of impact

Risk level	Low	Moderate	High
Capital adequacy ratio effects	Down 0.1%	Down 0.1% - 0.5%	Down 0.5%
Converted amount (NT\$)	Below 1.5 billion	1.5 - 7.5 billion	Above 7.5 billion



Technical risk

Long-term risk/low risk

Description

To effectively achieve the global carbon reduction goal, it is estimated that the conversion efficiency of renewable energy, energy storage equipment power and carbon capture technology will continue to improve. The process may cause enterprises with insufficient innovation capabilities or manufacturers with incorrect judgments of technology types to face operating difficulties.

Response

Continue to participate in climate change related seminars, conduct in-depth research on industrial technology and development trends, and timely cooperate with consultants or external experts to avoid investing in or granting loans to businesses that aren't our targets.



Uneven rainfall distribution

Short-term risk/low risk

Description

Insufficient rainfall will lead to production issues for many manufacturing and agriculture industries. The semiconductor industry and other industries that use greater amounts of water may also suffer damage due to water shortages, which will affect E.SUN's creditor rights.

Response

Encourage corporate customers to increase the proportion of water recycling and reuse, and diversify production bases or increase inventory and increase backup water sources in seasons prone to water shortages.

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■ Climate opportunities

(1) How many business opportunities are derived from climate change?

Taiwan's vision for its power generation structure

According to the government's energy transition vision, by 2025, the proportion of low-carbon natural gas will increase to 50%, the proportion of renewable energy power generation will increase to 20%, and the proportion of coal-fired power generation will be reduced to less than 30%, thus attaining the goal of a nuclear-free homeland with nuclear power generation accounting for 0%. In 2019, total energy consumption in Taiwan was 148 million kilograms of oil equivalent, and total electricity consumption in the same year was 265.5 billion kilowatt-hours.



Offshore wind power output value

By 2025, offshore wind power will reach the target of 5.7GW, and overall output value is estimated to exceed

NT\$1.2-1.5 trillion



Solar photovoltaics output value

In 2025, solar photovoltaic is expected to reach the target of 20GW, and overall output value is estimated to exceed

NT\$340 billion



Renewable energy purchase amount

Assuming that the overall energy consumption remains the same, renewable energy power generation needs to increase from 15.2 billion kWh in 2019 to 53.1 billion kWh in 2025. If the average price of renewable energy is calculated at NT\$4 per kWh, by 2025 the purchase of renewable energy alone will amount to 37.9 billion kWh X NT\$4 =

NT\$151.6 billion

It is estimated that by 2025, business opportunities derived from the increase of renewable energy to 20% will amount to nearly NT\$ 2 trillion.

(2) Market demand for renewable energy increases

Market demand for renewable energy increases and market participants are more willing to invest in green industries. In this scenario, financial institutions can seize the opportunity to expand their business scope. (For relevant actions, please refer to Chapter 4, Sustainable Finance)

Response action

The No. 1 Brand in Green Bonds

Bond issuance
Issued 3 tranches of NTD green bonds and 1 tranche of USD green bonds, with a total amount of NT\$7.7 billion in circulation at the end of 2020, the highest amount issued among domestic banks

Green bonds underwriting	Goal
Served as the underwriter for 7 green bond issues with a total amount of over NT\$7.1 billion	Increase the amount of green bond underwriting at a growth rate of 30% over the next 3-5 years
Invested in expert underwriting human resources	Cost is estimated at NT\$6.35 million per year

Green loans

We established solar and offshore wind power teams to provide financial services at every stage of renewable energy project financings and to support industries, including green electricity and those related to environmental protection.

Preparation period	Establishment period	Operating period
Developers: Capital account opening, financing quota and criteria planning, issuance of bank performance bond	Developers: Project financing. Contractors: Supply chain financing services such as purchase financing, equipment financing, or accounts receivable financing	New investors: Debt issuance and securitization service introduction

(3) Digital transformation, promoting paperless processes

Response action

Total annual reduction of 79.8 million sheets

1,435 sessions on the e-Learning platform with about 268,727 participants	Reduced 1.075 million sheets of paper	Reduced 8.6 metric tons of CO2 equivalents
E.SUN enforces paperless processes in the office, electronic payroll, and electronic training materials; the total number of documents sent and received was 16,498.	Reduced 160,000 sheets of paper and 16,000 kraft paper bags	Reduced 3.4 metric tons of CO2 equivalents
Credit cardholders are encouraged to opt for electronic statements; 1.64 million cardholders have applied for the service	Reduced 78.72 million sheets	Reduced 630 metric tons of CO2 equivalents
Total	Reduced 79.8 million sheets	Reduced 642 metric tons of CO2 equivalents



5.3 Risk Management

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■ Climate Change Management Procedures



Identification

- Identify the impact that climate change may have on company operations
- Review on climate change risk in due diligence
- Incorporate issues of climate change risks and opportunities in the business process management, analysis, execution and decision-making of securities investment and underwriting



Evaluation

- Conduct stress tests on the bank's climate change risks and incorporate them into the bank's risk appetite for overall risk tolerance assessment
- Conduct scenario analysis for different timelines, including short-term, medium-term, and long-term
- Assess transition/physical risks



Monitoring

- Establish indicators that link to climate factors. Lower relevant risk exposure if the indicators are triggered.
- Introduce the Science Based Target initiative (SBTi)
- Set up a climate change working team responsible for identifying and evaluating the risks and opportunities of climate change, assisting the development of quantified methods and indicators, and further developing related management measures

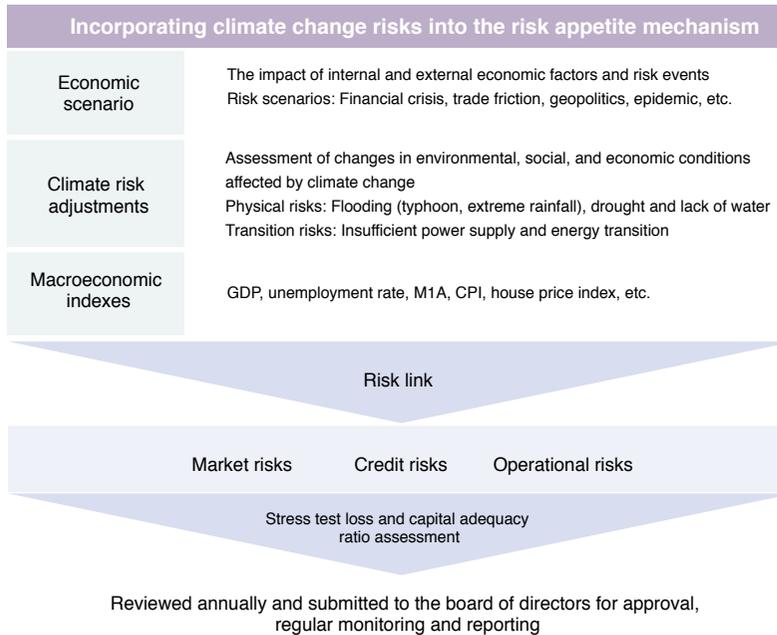


Reporting

- The President oversees the management of climate change goals and achievement status, and results are reported to the president by the climate change working team. The president then commission the CRO to report to the board of directors.
- Follow TCFD in disclosure of financial information to external parties

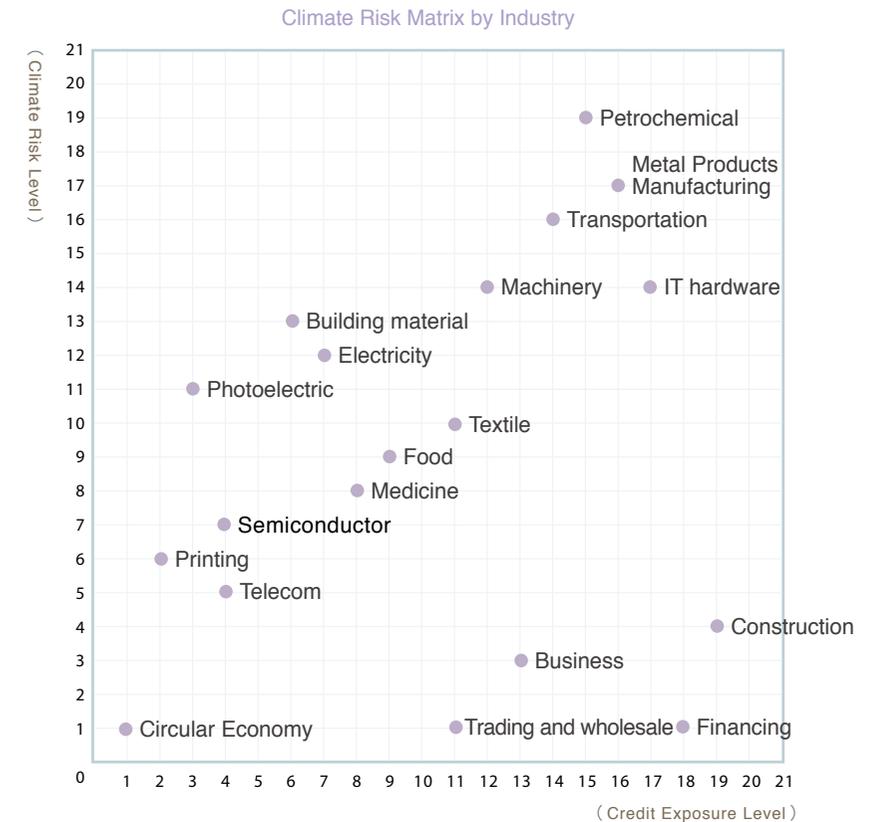
Integrate management mechanisms for climate change and financial stress scenarios

Both the financial environment and climate change are complex events in a non-linear and dynamic environment. Through scenario analysis, climate change risks are combined with traditional financial stress scenarios to make risk measurement more comprehensive. When establishing the scenario, in addition to utilizing traditional economic recession caused by financial crises or risk events as the main scenario, the potential impact of climate change is also considered. For example, the physical risks caused by common natural disasters (typhoons and flooding, etc.) in Taiwan, or the transition risks of power supply issues arising from transition into green energy, may have an impact on macroeconomics. The relevant impacts are adjusted to include the increase in stress on GDP, unemployment rate and other general economic indicators under stressful scenarios. The calculation results of stress test loss and capital adequacy ratio are comprehensively evaluated and the control indicators are set. The above-mentioned mechanism will be reviewed and revised annually, and submitted to the board of directors for approval.



Industry-specific climate risk identification and management

E.SUN Bank referenced external research reports and ranked industries based on their climate risk level and E.SUN Bank's credit exposure concentration to establish E.SUN's industry-specific climate risk matrix. The industries that are the most sensitive to and highly impacted by climate change were determined to be the petrochemical industry, metal products manufacturing industry, and transportation industry. Subsequently, to effectively control the climate risks that may arise from the loan business, E.SUN will strengthen the review of the climate change adaptation capabilities of customers belonging to the aforementioned industries during the credit check and review process. Main analysis results are shown in the chart below: industry. Main analysis results are shown in the chart below:

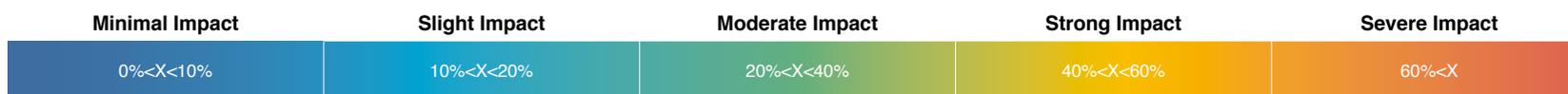


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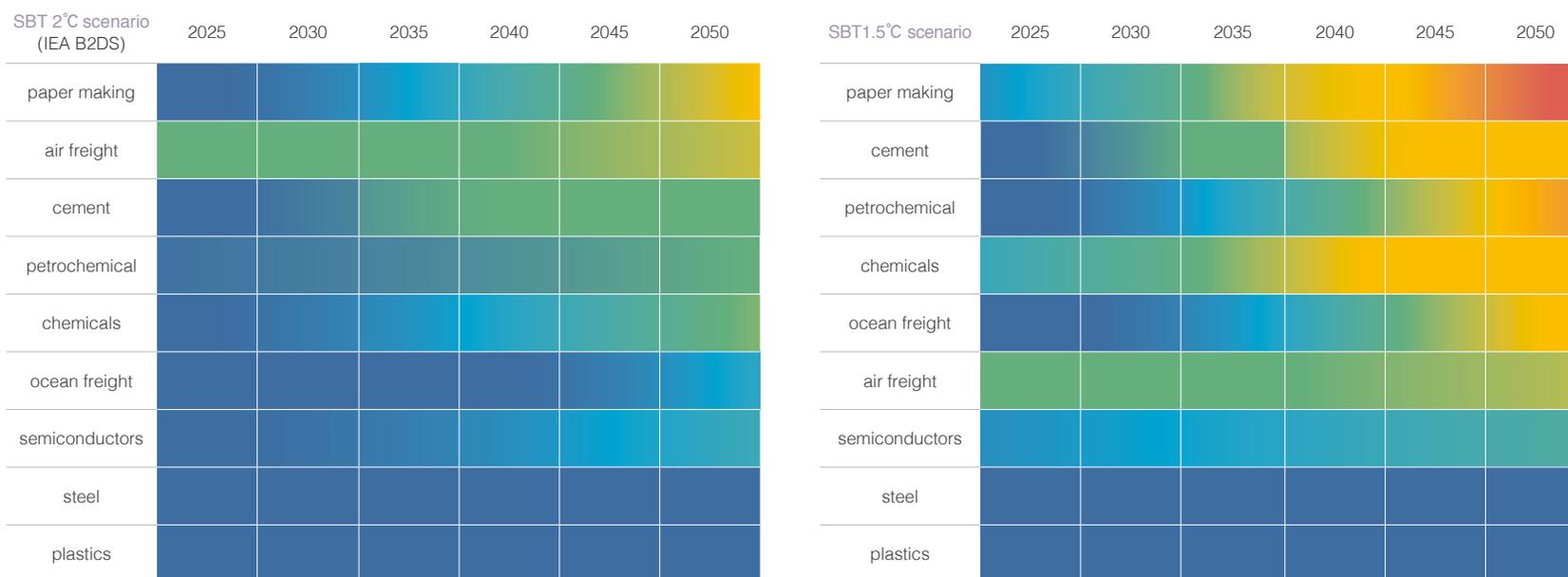
Transition risk impact assessment

Goals established in response to the Paris Agreement, which calls for "limiting the average of global warming by 2100 to well below 2, preferably to 1.5 degrees Celsius," regulators in various countries have gradually strengthened their carbon reduction efforts in high-carbon industries. Companies who don't make necessary moves to transform in time will earn less profit due to extra cost, which will result in loss for the financial industry in terms of its loans and investment. This year, E.SUN continued to deepen its cooperation with external consultants, setting its SBT of limiting global warming to well below 2°C and the even more stringent SBT of 1.5°C as the transformation risk assessment scenarios for loans and investments. The bank also considering the future revenue forecasts of various industries and different climate scenarios as well as parameters such as carbon emission prediction and international carbon taxes/fees to establish a scenario-based analysis model. We investigated the investment and financing positions of high-carbon industries (steel, cement, paper making, chemicals, petrochemical, plastics, ocean freight, air freight, and semiconductors) to which we have granted loans and used the scenario-based analysis model to quantify the financial impact sustained by E.SUN due to climate risks borne by the investment and financing targets of the aforementioned high-carbon industries under different climate scenarios and time scales. The results of transformation risk scenario analysis are as follows:



Note: X=(expected loss on corporate customers in the industry after raising the temperature - expected loss on corporate customers in the industry before raising the temperature) / expected loss on corporate customers in the industry before raising the temperature

Financial Impact Heat Map of expected loss in different industries



Note: We used SBT WB2D, 1.5D reduction pathway, and UNEP FI international carbon price prediction to analyze carbon-related costs for our corporate customers in industries of high-carbon emissions from 2020 to 2025 under the circumstances when the temperature raises 1.5°C and 2°C to assess their credit risk and expected loss. By December 2020, the outstanding balance of the above 9 industries of high-carbon emissions will be NT\$98,011 million, occupying 12.11% of all outstanding balances for corporate customers.



Physical Climate Risk Adaption

E.SUN incorporates climate change risks into existing operations, new operations and mortgage business. Before new operations and mortgage application, in addition to considering factors such as the population, land price, and house value of the area where the branch or collateral is located, flooding risk of the area is subsequently included to comprehensively evaluate the loan ratio and approval authority. Regarding existing loan cases, E.SUN will regularly monitor the exposure level in high-risk areas. When the overall collateral exposure reaches mid-level alert, the bank will review the price fluctuations of high-risk collaterals and re-evaluate prices, and activate regional total amount control in high-risk areas. When risk exposure reaches high-level alert, purchase of relevant disaster insurance will be assessed to shift risks and strengthen credit protection.

Physical risk impact assessment ■ SASB : FN-MF-450 a.1

(1) RCP8.5 Scenario

As climate change exacerbates and the intensity and frequency of extreme rainfall in Taiwan increases, the value of E.SUN's real estate collateral and proprietary buildings may be reduced or lost due to extreme weather events, resulting in damage to the bank's claims. In order to actively identify and control the risks of climate change, based on the RCP8.5 flood disaster risk data provided on the Disaster Management Information Platform of the Ministry of Science and Technology (MOST), E.SUN compared the locations of collaterals provided by customers and E.SUN's proprietary buildings with the high-risk areas that are prone to flooding or low-lying terrain, calculated the impacted amount, and formulated corresponding control measures.

According to calculations, under the RCP8.5 scenario, 7,683 real estate guarantee cases are located in high-risk areas, and the balance of affected collateral cases is NT\$34.1 billion, accounting for 1.15% of E.SUN's total assets. In addition, it is estimated that loss due to impact on proprietary buildings is about NT\$1.3 billion, accounting for 0.04% of the bank's total assets.

	RCP8.5 End of the century (2075 - 2099)	
	Loan collateral	Proprietary buildings
Number of cases	7,683	-
Affected amount (NT\$B)	34.1	1.3
Percentage in E.SUN's total assets (%)	1.15%	0.04%

(2) RCP4.5 Scenario

Frequency and intensity of flood and drought may increase and cause water shortage from unstable distribution of precipitation, and impact the productivity of company.

Risk Description	Financial Impact	Estimation of Financial Impact
Lower productivity for water shortage	Revenue decreases	We did the calculation using the number of days of water shortage presented in RCP 4.5 Scenario, and the result was that there would be a revenue decrease of 0.34% for the petrochemical industry due to limited water supply in 2030. This will affect our customers' performance; we estimate that 7 corporate customers in the petrochemical industry will receive worse credit ratings, thus leading to E.SUN's loss of NT\$347 million.

Note: The loss of NT\$347 million was calculated based on the 7 corporate customers' outstanding balance as of the end of December 2020.

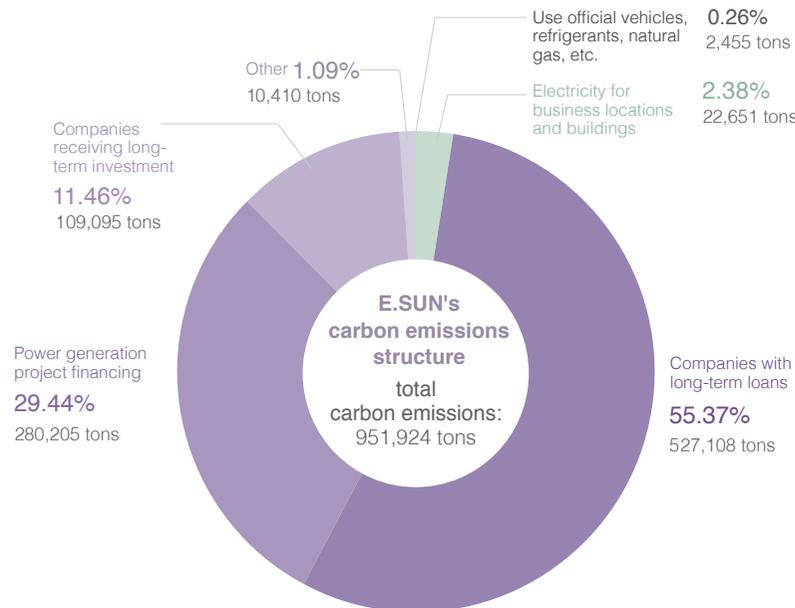
5.4 Metrics and Targets

2019 E.SUN's carbon emissions structure

To tackle the immense challenge of attaining the goal of net zero carbon, E.SUN started with an understanding of the current carbon emissions status, from the carbon emissions of its own operations to the carbon emissions derived during business operations, and then set reduction targets in order of sequence after performing a thorough inventory. In 2020, through analyzing data from CDP and the 2019 ESG reports of businesses we invested in and customers we granted loans for, we were able to calculate E.SUN's 2019 carbon emission structure. The year-round carbon emissions due to business operation was around 950,000 tons. 2.64% were direct emissions and electricity for operations from us, and more than 96.27% were from businesses we invested in and customers we granted loans for. Therefore, E.SUN incorporated climate change and greenhouse gas emission factors into the investment and financing business process, including prudently assessing high-carbon emissions industries, and continuing to establish clear indicators to encourage internal personnel to engage corporate customers or investees that actively seek to achieve carbon emissions targets, thus exerting the bank's influence and contributing to Taiwan's transformation into a low-carbon country.

How does E.SUN inventory investment and financing targets?

Using "The Global GHG Accounting and Reporting Standard for the Financial Industry" guidance tool issued by the "Partnership for Carbon Accounting Financials" (PCAF), E.SUN first conducted an inventory of high-carbon industries and projects. For instance, where the carbon emissions arising from business operations of a customer is 1 million tons, and loans and investments provided by E.SUN account for 1% of said company's assets, then E.SUN will recognize 10,000 tons of carbon emissions in ESUN's scope 3 emissions.



Item	Measures for reducing greenhouse gas emissions
Scope 1 Use official vehicles, refrigerants, natural gas, etc.	Replace with hybrid or electric vehicles
Scope 2 Electricity for business locations and buildings	Increase the ratio of renewable energy use
Scope 3 Companies with long-term loans ¹	Help customers reduce carbon emissions through initiatives and sustainable financial products, and preferentially finance green building projects
Scope 3 Power generation project financing ²	Prioritize projects of renewable energy or are with lower energy consumption
Scope 3 Companies receiving long-term investment ³	Help invested companies reduce carbon emissions through initiatives and sustainable financial products and services
Scope 3 Others (procurement process, credit card manufacturing and disposal process, employee travel, waste disposal, etc.)	Engage in carbon neutralization and research and development of recycled card materials

Note 1. The carbon emissions of power generation project financing mainly come from natural gas, and the electricity generated by solar and wind power stations is equivalent to about 260,000 tons of avoided carbon emissions.
 Note 2. The carbon emissions of electricity project financings mainly come from natural gas, and 260,000 tons of carbon emissions were prevented through the use of solar- and wind-powered electricity.
 Note 3. The carbon emissions from companies receiving long-term investment were those distributed to the equity and corporate bond of listed companies that E.SUN invested in.
 Note 4. The above data of carbon emissions were certified using the ISO14046 standard by SGS, who then issued a statement.

■ Science Based Reduction initiative (SBTi) setting

The Science Based Reduction initiative (SBTi) is an international initiative jointly launched by the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the World Wide Fund for Nature (WWF) and the United Nations Global Compact (UNGC). For companies that set carbon reduction targets based on climate science, SBTi provides a reduction target that helps these companies actually avoid the impact of climate change while also ensuring that the reduction targets pledged and set are consistent in time and extent with the target set in the "Paris Climate Agreement," which is to limit global warming to no more than 2°C or even below 1.5°C. Working with the SBTi, E.SUN identified its own carbon reduction path through the establishment of targets. This signifies E.SUN's commitment to protecting the environment as a corporate citizen.



(1) SBTs set up by financial institutions

Banks should set targets for limiting global warming to no more than 2°C or less in the following three aspects.

Scope 1: Direct greenhouse (GHG) emissions that occur due to the manufacturing process or from the facilities of an organization

Scope 2: Indirect GHG emissions associated with the purchase and use of electricity, steam or heat;

Scope 3: Adopt SBTi's Financial Sector Science Based Targets Guidance Pilot Version 1.1 to establish carbon reduction goals for important financial assets (Scope 3, FI-C15 Investment).

(2) Establishment and submission of Science Based Reduction targets

E.SUN has submitted its target to SBTi (Science Based Target initiative) in 2020, and thus become the first financial institutions in 2021 to set goals on carbon reduction based on 1.5°C . Our plan is as follows:



6 Environmental Sustainability

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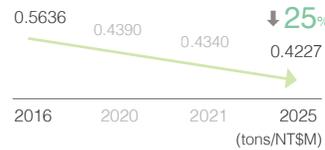


6.1 Sustainable Operating Environment

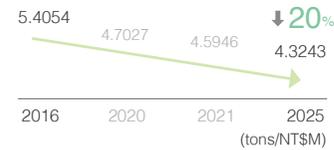
Disasters caused by climate change are devastating the world. Controlling the rising temperatures have now become an important international issue. The Environmental Sustainability Team under E.SUN's Sustainable Development Committee establishes environmental conservation and energy efficiency targets, methods and projects. The team conducts regular reviews and deliver regular reports to the executives. It also promotes energy efficiency and carbon reduction programs to reduce GHG emissions caused by energy consumption. Promote environmental education, establish a culture of environmental protection and energy conservation, and implement environmental protection and energy conservation measures through environmental protection and energy conservation policies. Establish carbon, water usage, and waste reduction targets, and perform annual third-party verification to check compliance.

Sustainable operating environment goals

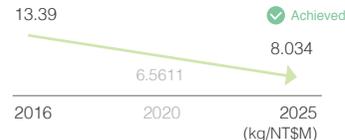
Carbon emissions from business operations



Water usage from business operations



Waste from business operations



Percentage of renewable energy



Note: 1. The goals for the reduction of carbon emissions, water usage and waste are set based on the figures in 2016.
2. We have updated the goal for waste reduction in 2025 to 56% because we reached the original goal of 40%.

Carbon reduction

GRI : 302-1、302-3、305-1、305-2、305-3、305-4

2020 Outcome	2021 Target	2025 Target
Reduce carbon emissions per unit revenue by 21%	Reduce carbon emissions per unit revenue by 23%	Reduce carbon emissions per unit revenue by 25%
The ratio of renewable energy use is 1.9%	The ratio of renewable energy use is 10%	The ratio of renewable energy use is 50%

Note: In 2016, carbon emissions per unit revenue was 0.5636 metric tons/NT\$ million, and this is used as the baseline.

Installed solar panels, Purchased renewable energy certificates, Replaced and improved old air-conditioning equipment, Replaced outdated lighting with LED bulbs, Turn off signage lighting automatically

Renewable energy



- Solar panels were installed at 16 locations, with a total installed capacity of 118.4 kW, and an annual power generation capacity of about 161,000 kWh, which is equivalent to a reduction of 81.8 tons of carbon emissions.
- After purchasing renewable energy certificates for 4 consecutive years, 210 T-RECs and 925 I-RECs were acquired, totaling 1,135 certificates, which is equivalent to 1,135,000 kWh of green electricity and a carbon emissions reduction of 577.7 tons.

Air conditioning energy savings



- Replaced and improved the old air conditioning units.
- Circulating fans are installed and regularly maintained.
- The energy savings of air-conditioning in 2020 totaled 165,659 kWh of electricity annually, which is equivalent to the reduction of 84.3 tons of carbon emissions.

Lighting energy savings



- Replaced old energy-consuming lighting equipment with LED energy-saving bulbs and installed sensor lighting equipment.
- The effect of replacing lighting equipment in 2020 will save about 83,974 kWh of electricity annually, which is equivalent to a reduction of 42.7 tons of carbon emissions.
- In the summer, when electricity consumption is at its peak, signage lighting is turned off for 100 days. After four consecutive years of implementation, this has resulted in a total of 258,850 kWh of electricity saved, which is equivalent to a reduction of 131.8 tons of carbon emissions.

Green building



- Received 3 LEED gold-level international certifications, namely for the server rooms of the Hope and Technology buildings and the SUN HR Development Center.
- There are a total of 1 EEWB Gold Grade Green Architecture Certified Building (Hope Building), and 8 branches with green building labels (Chiayi, Daya, Yuanlin, Toufen, Changhua, Annan, East Tainan and Shalu Branches).emissions.

Management and certification



- Introduced ISO 50001 Energy Management Systems to analyze key factors influencing E.SUN's energy consumption and establish performance indicators, action plans, and goals related to energy consumption.
- Introduced ISO14064 Greenhouse Gas Inventory to verify the main greenhouse gas emission sources through a third party, and review the emissions of Scope 1, 2, and 3 every year, continue to expand the scope, and review the achievement of the reduction targets.



2020 Greenhouse Gas Emissions

Total emissions 78,975.887 Metric tons of CO₂e

Direct emission of CO ₂ e in metric tons	2,398.9824	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		2,398.9824	1,878.5000	222.0082	62.7517	235.7224	-	-	-
Indirect emissions of CO ₂ e in metric tons	76,567.9047	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		22,298.5929	22,298.5929	-	-	-	-	-	-
Scope 3 (1): Indirect GHG emissions from transportation		28.8622	28.8622	-	-	-	-	-	-
Scope 3 (2): Indirect GHG emissions from products used by the organization		52,860.6459	52,860.6459	-	-	-	-	-	-
Scope 3 (3): Indirect GHG emissions from the use of the organization's products		1,388.8038	1,388.8038	-	-	-	-	-	-
GHG emission to total emissions (%)		-	99.34	0.28	0.08	0.3	-	-	-

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 dated April 2017) published by the Environmental Protection Administration.
- Electricity parameter is 0.509 kg CO₂e/kWh by Energy Bureau, MOEA 2019.
- According to ISO 14064-1 Greenhouse gases Part 1: Specification with guidance, emission = activities*emission parameter*GWP.
- Reference to refrigerant GWP and IPCC, AR4.
- GHG inventory is performed based on operational control.

2017-2020 GHG Emissions

	2017	2018	2019	2020
Scope 1 (t-CO ₂ e)	2,639	2,516	2,455	2,399
Scope 2 (t-CO ₂ e)	21,190	21,593	22,651	22,299
Total emissions (t-CO ₂ e)	23,829	24,109	25,106	24,698
Carbon emissions/revenue (t-CO ₂ e / NT\$ million)	0.5168	0.4877	0.4605	0.4390

2017-2020 Energy Consumption

	2017	2018	2019	2020
Power consumption (MWh)	40,056	40,911	42,498	44,177
Other energy usage (GJ)	27,695	26,417	25,333	27,124
Total energy usage (GJ)	171,896	173,696	178,326	186,159
Energy/revenue (GJ/NT\$ million)	3.728	3.514	3.271	3.310

Note 1: 1MWh = 3.6GJ

Note 2: 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.

Result of water usage reduction in 2020

Established the rainwater recycling system and replaced old water equipment, resulting in saving

12.456 thousand tons of water

Water Usage Reduction ■ GRI : 303-1 、 303-3

2020 Outcome	2021 Target	2025 Target
Reduce water usage per unit revenue by 13%	Reduce water usage per unit revenue by 15%	Reduce water usage per unit revenue by 20%

Note: In 2016, water usage per unit revenue was 5.4054 metric tons/NT\$ million, and this is used as the baseline

2017-2020 Water usage

	2017	2018	2019	2020
Water (Tons)	206,726	228,700	244,804	264,917
Usage of water/revenue (Tons/NT\$ million)	4.4836	4.6268	4.4900	4.7097

Note: In 2020, the increase in water usage was attributed to the pandemic.



Water usage information

- E.SUN's water comes 100% from the Taiwan Water Corporation, and all water is fresh water. None of the water comes from groundwater or other sources. Office buildings and operational locations supply water for use by employees and some customers has no overall impact on water sources, and is mainly used for drinking, the air conditioning system, and cleaning.
- The used water is legally discharged to the sewage system or the discharged water system specified by the region, and the discharged water meets the discharged water standard.



Rainwater recycling

- The rainwater recovery system in the Hope Campus will use rainwater for landscaping watering or air-conditioning cooling water, which will reduce annual water usage by 10.65 megaliters.
- The Dengfeng Building is equipped with rainwater recycling system. Processed rainwater is used to water plants. In a year, 0.715 megaliters of water was saved.



Water efficiency devices

- Water saving devices with water-saving labels are used to fully adjust the water flow of the faucets.
- In 2020, the effect of replacing water usage equipment resulted in annual water savings of about 0.396 megaliters.



Management and certification

- Collect water usage data of each site through the monthly system report, and track and review the trend of increases and decreases in usage. Water conservation signs are posted near the water usage equipment to develop a habit of water conservation.
- Introduced the water footprint ISO14046 inventory and evaluate it according to the methodology of Boulay et al. (2016), to obtain an overview of water supplies in various regions.

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Waste reduction ■ GRI : 306-3

2020 Outcome	2025 Target	2025 New Target
Reduce waste per unit revenue by 51%	Reduce waste per unit revenue by 40% (this goal has been achieved)	Reduce waste per unit revenue by 56%

Note: In 2016, waste per unit revenue was 13.39 kg/NT\$ million, and this is used as the baseline.



Resource classification and recycling/reuse management

- In response to the compulsory garbage separation policy promulgated by the Environmental Protection Administration, Executive Yuan, E.SUN enforced the Waste Management Program, which requires the Company's waste to be classified into waste (including kitchen waste) and recycling. Each unit must weigh the waste daily before disposal (kitchen waste is not required to be weighed due to complicated execution). The weight of the waste shall be reported using various reporting systems and the final destination of the waste must be tracked regularly.
- E.SUN employees banned the use of plastic bags and employees are encouraged to bring their own reusable grocery bags.
- E.SUN FHC is the first financial institution in Taiwan to comply with the city government's total ban on disposable utensils and melamine tableware. 10,000 disposable utensils and melamine tableware used in the employee canteens of the E.SUN Headquarter Building, Summit Campus, and Hope Campus were replaced with environmentally friendly utensils. This effort is expected to reduce approximately 600,000 paper containers, which translates to a reduction of 16,320 kg in weight and the height of 5.3 Yushan Mountains if the containers were stacked together (Note: if a paper container weighs 27.2 g and measures 3.5 cm in height, the height of Yushan is 3,952 m). In addition to ensuring the health of employees at E.SUN FHC, we also endeavor to reduce waste, protect the earth, and create a healthy and eco-friendly culture.

2017-2020 Waste generation

	2017	2018	2019	2020
Waste (tons)	566.671	444.278	434.705	370.345
Recycling (tons)	242.859	190.525	185.054	224.164
Total waste (tons)	809.530	634.803	619.759	594.509
Waste/revenue (kg/NT\$ million)	12.29	8.99	7.97	6.58



Paperless process

- We invited customers to help conserve paper by not using print-out statements. All 963 ATMs nationwide an environmental protection promotion channel encouraging employees and customers to get in the habit of conserving energy.
- A total of 1,435 e-Learning sessions were held in 2020. The sessions were attended by 268,727 participants. The estimated saving on paper was 1.075 million sheets, roughly the equivalent of 8.2 metric tons of CO₂e.
- E.SUN enforces paperless processes in the office, electronic payroll, electronic training materials, and double sided printing. Printers should be set to print on both sides or multiple pages on one side to save paper and ink. In 2020, the electronic document system replaced its paper equivalent, which helped to reduce around 3.3 tons of carbon emissions with 16,498 paperless documents.
- Note: 1 document includes 10 sheets of A4 paper and a kraft bag. According to EPA Taiwan Carbon Footprint, the carbon emissions of one sheet of A4 paper weigh around 0.0076kg, and those for a kraft bag weigh around 0.124kg.
- Credit cardholders are encouraged to opt for electronic statements. 1.64 million cardholders have applied for the service. The equivalent paper consumption is 78.72 million sheets, which translate to a saving of 598.3 metric tons of CO₂e (Note: According to the EPA Taiwan Carbon Footprint, the carbon emission of one sheet of A4 paper is 0.0056 kg of CO₂.)
- New electronic billboards have been implemented to replace traditional promotional activities, and to reduce the printing of leaflets and posters.



6.2 Sustainable Ecological Conservation

E.SUN supports global conventions on biological diversity. To promote sustainable ecological development and 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 three focuses: species conservation, habitat conservation, and environmental sustainability. E.SUN believes that actions must start from home, and takes the initiative to respond to environmental sustainability initiatives worldwide and nationwide. We exert our corporate influence to call upon employees, customers and suppliers to implement environmental protection through actions for a beautiful Taiwan and a sustainable Earth.

2020 Main Achievements

Species Conservation



- The Sea Turtle Conservation Project - more than 1,200 people responded to the project together, releasing 6 sea turtles into the wild.
- Issue Formosan Bear Conservation Card 8 years in a row and donate 8 million as animal conservation fund.
- Cooperate with Yangmingshan National Park to promote butterfly conservation for 8 years in a row

Habitat Conservation



- "Plant a tree, Plant a life" E.SUN plant trees project and nurturing of 10,050 Taiwanese indigenous saplings.
- Hold Smile E.SUN environmental and coastal cleanups 11 years in a row with 4,179 participants in 2020
- Adopted trails in Yushan National Park for 12 consecutive years.

Environmenta Sustainability



- Earth Hour - E.SUN was the only assisting organizer in Taiwan.
- Encouraging customers to lead a green, low-carbon lifestyle - Approximately 210,000 YouBike rides per month by E.SUN EasyCard holders.
- Encouraged employees to cherish and reuse resources - collected 6,954 new and secondhand items.
- Raised employees' environmental awareness - 12 sessions of environmental education. Educated employees on low-carbon diet - 75.67 tons of CO₂e reduced.

6.2.1 Species Conservation

The Sea Turtle Conservation Project

E.SUN FHC, committed to preserving the nature and ecology of Taiwan, has collaborated with National Museum of Marine Biology and Aquarium in holding Taiwan Marine Environment Protection - The Sea Turtle Conservation Project for 2 consecutive years. In 2020, the Project included 4 series: Let's Go Marine Conservation, Sea Turtle Medical Station, Marine Guards Off-Campus Teaching Activities, and Cape Secret Ecological Tour. This Project has attracted more than 1,200 participants, and they have helped to release 6 sea turtles that had recovered from injury after receiving proper care back to the ocean. Through such a project, we hope to raise the public's awareness of marine ecology protection and facilitate ocean sustainability.

Sea Turtle Conservation and Education Plan

E.SUN FHC collaborated with National Museum of Marine Biology & Aquarium to launch Sea Turtle Conservation and Education Plan. We invite the public to join the action of conserving marine ecosystems so that sea turtles could once again enjoy the beautiful ocean!



Video QR code

The Sea Turtle Conservation Project Series 1: Let's Go Marine Conservation – Releasing the Sea Turtles



We invited the public to step into the shelter of National Museum of Marine Biology and Aquarium. The participants of one of the sessions were teachers and students from Daming Elementary School in Pingtung County, which participated in E.SUN Golden Seed Project. They were able to closely observe how sea turtles were taken care of in a man-made shelter and learn how to rescue a stranded or injured sea turtle through courses given by a veterinarian from the Museum. After that, they got to experience releasing sea turtles from hands-on activities. We held 2 sessions in 2020.

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The Sea Turtle Conservation Project Series 2: Sea Turtle Medical Station

In 2020, we established the Sea Turtle Medical Station, where we paid for medical devices/treatment and food so that injured sea turtles could receive great care. 10 sea turtles in total were treated.

The Sea Turtle Conservation Project Series 3: Off-Campus Teaching Activities - Why Do You Feed on Plastic, Sea Turtle?

With sea turtles being the topic, we invited Daliao Elementary School and Guopi Elementary School from Kaohsiung, and National Nanke International Experimental High School from Tainan to participate in off-campus teaching activities. Through diverse courses on marine environmental education, the students grew more interested in learning about marine creatures and became more appreciative of marine resources and ecology. W held ten such sessions in 2020.

The Sea Turtle Conservation Project Series 4: Cape Secret Ecological Tour - A Date with Sea Turtles

The contents of the activity encompass a sea turtle parent-child interactive course with participants visiting the sea turtle shelter center for guided tours. The tours enable the general public to better understand the current status of the marine environment. 5 sessions were held in 2020.

A - Hi, the Sea Turtle Conservation Mascot

For sea turtle conservation issues to gain more public attention, we designed A - Hi, the sea turtle conservation mascot, and worked with the NMMA in printing sea turtle desk pads and folders, which incorporate common life habits and illustrations of sea turtles in Taiwan, to advocate the importance of marine conservation to customers and the general public.



Taiwan Formosan Bear conservation

The Formosan black bear is Taiwan's sole native bear species. The survival of the black bear not only implies the preservation of this species in Taiwan, but also implies protecting the integrity of Taiwan's forest ecosystems and overall biodiversity. Since 2012, E.SUN FHC has been working with Taiwan black bear conservation and restoration units, including the Taiwan Endemic Species Research Institute, COA, Yushan National Park Administration, Taipei Zoo, and the Taiwan Black Bear Conservation Association to promote a series of black bear conservation activities.

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



E.SUN Bank cooperates with Taipei Zoo to issue Taiwan's CSR credit card, combining conservation and environmental concepts—the "Black Bear Affinity Card." Whenever a transaction is made using this card, 0.2% goes to an animal conservation fund. This fund has made NT\$8 million donation to Taipei Zoo, and was used for black bear conservation, habitat protection, restoration of Taiwan's native species, and environmental education program. Customers who use purchases made with the "Black Bear Affinity Card" to contribute to Taipei Zoo, Taiwan Black Bear Conservation Association, Animal Protection Association of the ROC, and Taiwan Environmental Information Association will also receive triple bonus points.

Taipei Zoo "Zoolloween" Festival

E.SUN has been supporting the Taipei Zoo's "Zoolloween" festival for 8 consecutive years since 2013. Through the diverse and interesting "Looking for Zoo Treasures" activity, visitors can learn about different types of baby animals and the importance of energy saving and carbon reduction for species conservation, thus protecting Formosan black bears and other species from the danger of extinction.

Zookeeper experience camp

For 3 consecutive years since 2018, the bank sponsored the "Little Zookeepers Scavenger Hunt" at the Taipei Zoo. Through answering questions related to black bear conservation, students learned correct knowledge of black bear ecological conservation.



Black bear "Brown Sugar" celebrates birthday

On December 26, 2020, together with Taipei Zoo, E.SUN celebrated the birth of black bear "Brown Sugar," a species of the Temperate Zone Animal Area. Through a fun and heartwarming birthday party and conservation education activities, the public gained greater awareness of the importance of conserving Formosan black bears and other indigenous species.

E.SUN Bear Conservation Promotion

We designed interesting stickers and notebooks, which embedded the behaviour, living habits, and conservation information of Formosan Black Bear. To advocate the importance of Formosan black bear conservation in Taiwan for clients and people. Established an online CSR game, LOHAS BEAR, on our official website to encourage customers and the general public to lead a green lifestyle with E.SUN Bear through everyday activities (e.g., dining, clothing, accommodation, and transportation).

Promoting butterfly conservation

E.SUN has jointly promoted butterfly conservation with Yangmingshan National Park for 8 consecutive years. In 2020, the partners planned eco-tourism for different routes and launched "Summer's Dream for Insects - Butterflies of Caoshan," an activity under the "Four Seasons of Yangmingshan" series, integrating butterfly habitat conservation in the national park with environmental education concepts. With the approach of summer butterfly season, members of the public were given the opportunity to understand the ecological environment of Yangmingshan, knowledge of butterfly biology, and the common nectar plants and butterflies of Yangmingshan. In 2020, teachers and students from one of E.SUN's Golden Seed Project schools, Sanzhi Elementary School in New Taipei City, as well as a group for the disadvantaged were specially invited to participate in the "Summer's Dream for Insects - Butterflies of Caoshan" ecological tour. Guided by E.SUN volunteers and narrators, the children were able to observe butterfly ecology, understand Taiwan's precious butterfly species and the importance of habitat conservation.



6.2.2 Habitat Conservation

"Plant a tree, Plant a life" E.SUN plant trees project



E.SUN has long been highly concerned with climate change and ocean sustainability issues. In order to slow down global warming, E.SUN has responded to the SDG 13 climate action, SDG 14 Life Below Water, and SDG 15 Life on Land with practical actions, and has been jointly promoting the "Plant a tree, Plant a life" E.SUN plant trees project for two consecutive years in collaboration with the Forestry Bureau. In 2020, the bank adopted state-owned forest land as well as coastal forests with a total area of 6.03 hectares. Over 10,050 saplings of native tree species, including *Fraxinus griffithii*, *Quercus glauca*, *Machilus thunbergii*, *Liquidambar formosana*, *Scaevola taccada*, *Casuarina equisetifolia*, and *Cerbera manghas*.

In the tree planting month of 2020, Chairman Joseph N.C.Huang of E.SUN Bank called on E.SUN volunteers to plant with their own hand native seedlings in the state-owned forest land in the Beitou and Wenshan Districts of Taipei City. On October 13, President Magi Chen of E.SUN Financial Holdings led E.SUN volunteers to plant windbreak tree seedlings in the coastal woodlands of Shimen District, New Taipei City. The activity is conducted in hopes that, by planting native Taiwanese tree seedlings by hand, all participants are able to better understand the significance of planting native and suitable tree species for the local environment. In addition to enriching local biodiversity, it also contributes to the sustainability of the environment.



"Plant a tree, Plant a life" E.SUN plant trees project - State-owned forest land



"Plant a tree, Plant a life" E.SUN plant trees project - Coastal forests



■ Adopting Bus Stops to Communicate the Importance of Protecting Nature

We adopted the Hutianqiao Bus Stop near the afforestation site of the "One Tree Per Person. E.SUN Plants Trees" project, decorating it with patterns of green leaves and the unique style of cute Formosan black bears 2 years in a row. These designs represent the circle of life in nature, and showcase E.SUN's commitment to the conservation of Formosan black bears and loving the Earth through planting trees. Most important of all, we hope that visitors with family who check in and take pictures to remember can also, at the same time, perceive the importance of protecting the natural environment through those designs full of childlike fun.



■ "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. The motto is "One Life, One Tree, LOHAS Lifestyle". We continue to invite cardholders to jointly participate in the "One Tree Per Person" project, and give back 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 of customers who apply for e-bills to tree planting programs. We've planted 30,000 trees under this project.

■ "Beautiful Taiwan, Smiling E.SUN" environmental clean-up activity

The "Beautiful Taiwan, Smile E.SUN" environmental clean-up activity has been held for 11 consecutive years since 2010. The beach cleaning activities in 2020 were planned in response to World Ocean Day and was part of Discovery's "Saving the Ocean" beach cleaning activities held throughout Taiwan on August 15 for one beach each in the northern, central, and southern regions of Taiwan, including Longmen Beach in New Taipei City, Daan Beach of Songbo Fishing Harbor in Taichung City, and the Sunset Platform in Tainan City. A total of more than 300 E.SUN volunteers participated. In response to World Cleanup Day, street cleanings were held 142 times on streets around the bank's business locations from October 5th to 16th, 2020. A total of 3,879 volunteers from E.SUN participated.



■ Adopting trails in Yushan National Park trail

We have adopted and maintained trails in Yushan National Park trail for 12 consecutive years, and use this opportunity to promote conservation and environmental education. We encourage E.SUN employees to participate and work together to protect the environment.





6.2.3 Environmental Sustainability Activity

■ GRI: 102-12 ; GRI G4 FINANCIAL SERVICES SECTOR: FS4

■ Supporting domestic and international advocacy on environmental protection

Responding to the global environmental event, Earth Hour - E.SUN was the only assisting organizer in Taiwan

For eight 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 two consecutive years starting from 2019. From 8:30 pm to 9:30 pm on March 28, E.SUN took part in this activity by turning off power to horizontal and vertical signs at all domestic and overseas branches. Customers, employees and suppliers were also invited to respond by turning off the lights for one hour through ATMs across the nation, the E.SUN official website, the E.SUN Lucky Cats Facebook fan page, and branch posters. The bank also promoted the "turn off the lights on a street" initiative, invited businesses to turn off unnecessary sources of energy consumption, collaborated on the "turn on your night vision goggles" night views activities across Taiwan, and sponsored a series of events including 30 "What! Climate Change is Real" lectures on climate change and energy conservation and the "City Nature Challenge" habitat species survey. It is E.SUN aim to call on the public to take action by caring for the land we live on, reduce energy consumption, and treat the earth in a more environmentally friendly way.



Responding to "International Polar Bear Day" and advocating awareness of climate change

As the first domestic financial institution to respond to "International Polar Bear Day", E.SUN and the National Museum of Natural Science jointly launched the "Polar Bear Environmental Education Lecture." The event originally scheduled to be held in February was postponed to November due to the epidemic. The event is divided into three parts: visiting polar bears, storytelling with picture books, and parent-child game experiences and was held in 2020 for a total of 4 times with more than 130 parents and children participating. Taichung Yongning Elementary School, one of the "E.SUN Golden Seed Project" schools, was especially invited to participate in one of the sessions. With polar bears of global concern as the protagonist, children are guided to understand the causal relationship between global warming and polar bears, so that the concepts of climate change and energy conservation and carbon reduction can take root from an early age. In addition, E.SUN shut down signboard lights and exterior wall lights for a week at business locations at home and abroad for 7 consecutive days on February 24 to implement SDG 13 climate action with specific actions.

Invited customers and employees to celebrate International Car Free Day - Approximately 210,000 YouBike rides per month by E.SUN EasyCard holders!

On International Car Free Day, E.SUN used its website, internal publicity, and Ubike marketing activities to encourage employees to come to work using a low-carbon means of transportation, such as mass transit, cycling, walking, or carpooling, and let employees participate in the various Car Free Day activities held indifferent areas to advocate eco-friendly lifestyles.

Lights Off for Summer Solstice

E.SUN participated in the "Lights Off for Summer Solstice" activity initiated by the The Society of Wilderness. The "Lights Off for 100 Days" activity was held during the peak summer electricity consumption period for 3 consecutive years at a total of 139 branches in Taiwan, and the signs, exterior wall lights and TV walls of branches were turned off throughout the day. Colleagues were also invited to jointly respond and take practical actions to reduce energy consumption.

Promoted zero-waste circular economy

Resource Circulation and Charity Sale activity

For 9 years in a row, We have taken the initiative to hold the "Resource Conservation Charity Sales Event", which includes a silent auction for second-hand items and brand new products to help squeeze more out of existing resources. In 2020, over 4,300 volunteers and colleagues who participated in the event donated a total of 6,954 brand new and second-hand items. In addition, all proceeds from the charity events were donated to the "Concern for Schoolchildren Program". In 2020, the charity event raised over NT\$8 million, directly help cover the first semester costs of more than 5,000 elementary school students.



13-Book Lovers: Magazine circulation day activity

In order to realize E.SUN's environmental protection spirit, the "13-Book Lovers: Magazine circulation day activity" has been held at the E.SUN Headquarter Building. In order to effectively achieve the goal of resource sharing, we collected the magazines that various departments had subscribed to (or had received as donations), along with employees' own books, magazines, CDs, and DVDs, they were made freely available to employees. We totally collected 2,016 items in 2020, and circulated 1,403 items, for a circulation rate of 69.59%.

Raise employee's awareness of ecological environment protection

13th of every month is "E.SUN Environment and Energy Saving Education Day"

13th of every month, the environmental volunteers promote knowledge of environmental protection. Some educational material is displayed on e-Learning platform. Besides, 13th is also the cleaning day, when employees would clean the office environment to realize the 4R concept- Reduce, Reuse, Recycle, and Refuse into practice.

Month	2020 Environment education topic
January	Out with the old and in with the new - Lunar New Year activity
February	Responding to International Polar Bear Day and caring for the earth starting from daily lifestyle habits
March	"Into the 'Wild' for the Good of the Earth" joint response to the 2020 Earth Hour
April	50th anniversary of Earth Day, taking action together to "cover the earth"!
May	Summer energy saving and carbon reduction conservation activity
June	World Ocean Day - reducing plastic consumption to save the ocean
July	Raising awareness of the ocean crisis brought about by discarded masks
August	Understanding environmental hormones
September	Responding to World Car Free Day - reducing carbon and conserving the earth
October	Golden Autumn Environment Day - green sustainability
November	Environmental protection and a new lifestyle with environmentally friendly clothing
December	Online shopping certification labels - reduce packaging and reduce waste!

Educated employees on low-carbon diet

E.SUN Vegetables Day on Mondays

Vegetarian meals are served on Mondays in employee canteen. This not only encourages employees to eat more vegetables and consume less meat but also reduces the production of carbon dioxide by the animal husbandry industry. This effort has been supported by 1.952 employees in E.SUN every week, reducing carbon emissions by roughly 75.67 tons CO₂e. (Note: For every person who does not eat meat, 760 g CO₂e of carbon emission can be

Food made from local food ingredients

From E.SUN headquarter building to training center and branches to families, our employee canteens purchase food ingredients from local food producers or neighboring areas, on the premise that a healthy balanced diet is maintained. Adequate quantity of seasonal food ingredients is purchased in order to shorten the carbon footprint by reducing food wastes and resource wastes during the transport and refrigeration process. We also show our support for organic farms by providing employees with organic fruit vouchers.

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6.3 Supplier Management

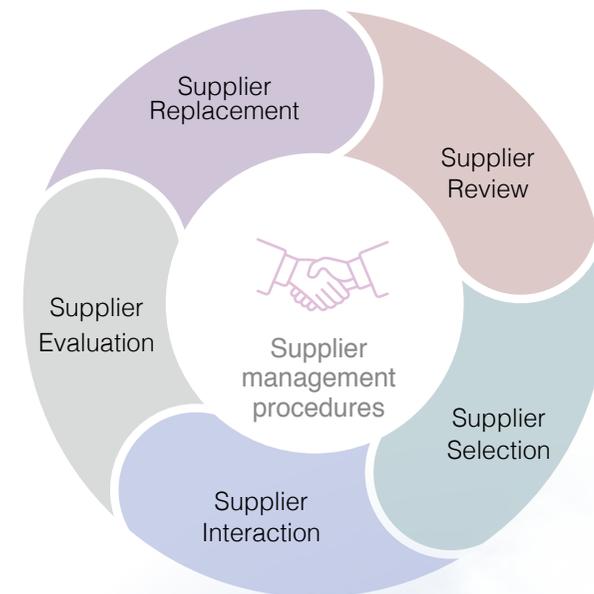
■ GRI : 102-9 、 102-10 、 204-1 、 205-2 、 308-1 、 408-1 、 409-1 、 412-3 、 414-1 、 GRI G4 FINANCIAL SERVICES SECTOR: FS5

In 2020, E.SUN worked with 1,430 suppliers chains include service supply chains, equipment supply chains, and project contractors; the service includes postal services, logistics, security, electronic equipment, telecommunications, furniture, civil engineering, and architectural design.

■ 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 2020. Accordingly, the bank formulated action plans and established the supplier items in need of regular supervision as well as measures to quantify performance. External audits and reviews were moreover conducted to examine whether all requirements were met. E.SUN selects qualified suppliers in accordance with the E.SUN Bank Supplier Management Guidelines, and works only with suppliers that comply with local regulations, 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 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 2020, E.SUN interacted with a total of 614 suppliers, all of which complied with the ethical management clause in our Corporate Social Responsibility Self-Assessment Form for Suppliers. To enhance supplier management practices, the bank introduced the Supplier's CSR Self-Assessment Form and, according to the Supplier Visit Questionnaire, occasionally pays visits to key suppliers and record the results. The purpose of the visits is to verify the status of corporate social responsibility practices by suppliers, and the assessments cover economic, environmental, and societal dimensions as well as green management practices. Furthermore, 100% of the new suppliers added in 2020 were selected in accordance with these principles. No significant deficiency and changes were discovered.



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■ Sustainable supply chain engagement

- I. 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.
- II. Ethical corporate management: Where the total purchase of goods and services exceeds NT\$1.5 million in a year, E.SUN will meet with the supplier to discuss business philosophy and highlight the importance of ethical corporate management.
- III. To communicate with our suppliers, E.SUN organized 60 meetings in 2020 at which the bank assisted suppliers with compliance to the E.SUN sustainable procurement standards, promoted the concept of corporate social responsibility, and E.SUN's policies of green procurement, anti-corruption and supplier management in the hope of promoting ESG awareness and ensuring the compliance with sustainable procurement standards together with our suppliers.

■ Sustainable Procurement Principles



Priority is given to procurement and use of various building materials, equipment and appliances that have obtained green building materials certification and environmental protection certifications that also meet the requirements of laws and regulations.



Procurements should be made based on the principle of standardization and consistency to facilitate unit adjustment, remodeling, refurbishment and other purposes of re-use.



A diverse range of initiatives are proposed to suppliers, such as equal job opportunities for ethnic minorities, women and people with disabilities.



E.SUN also reviews whether the supplier is involved in environmental pollution, violation of government labor regulations, or acts endangering social welfare, etc. If the supplier is involved in the foregoing matters, it will be required to provide explanations or excluded from cooperation.



the bank conducted green procurements amounting to NT\$ **320** million in 2020, and the cumulative amount has exceeded NT\$ **1.3** billion.

Local procurement and green procurement

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 2020 was 95.10%. 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 eco-friendly procurement principles, the bank conducted green procurements amounting to NT\$320 million in 2020, and the cumulative amount spent on green procurements has exceeded NT\$1.3 billion.

Green procurement principle

Priority purchase and use building materials, equipment, and apparatus bearing the Green Mark or Green Building Materials Mark and complying with legal requirements.

Priority purchase recovered, recyclable, low pollution, energy-saving products. We refuse to purchase products that are excessively packaged, dangerous to the environment, and cannot be readily decomposed, as well as machinery and equipment with high energy demands.

In order to facilitate modification, renovation, and redecoration for units, procurement must be standardization and consistency.

Purchased products that can enhance customer's safety and fulfill corporate social responsibility.

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 10 years in a row. The goal is to facilitate an upgrade of the green industry through green procurement and improve the conditions regarding the environment as a whole. Meanwhile, we exercise our influence through purchases and sales to raise awareness of environmental conservation and green spending among business partners and encourage them to invest in the development of green products and technology (details of green products shown in 4 Sustainable Finance) in order to create opportunities in sustainability together.

7 Human Rights Protection

7.1 Talent Cultivation and Development

■ GRI : 402-1、404-1、404-2、404-3 ; GRI G4 FINANCIAL SERVICES SECTOR : FS4、FS16

"Talent is a leading indicator and a key indicator." E.SUN upholds the core values of honesty, integrity, dutifulness and professionalism, and has always been committed to talent cultivation. Combining a culture that emphasizes discipline and a spirit of innovation, we continue to move towards a common vision to create value for customers, colleagues and the bank.

"Talents are the most important capital, and E.SUN is committed to cultivating the most professional talents"

Cultivation and training

The bank offers a diverse variety of learning and training programs, so that the training courses at each stage meet the expectations of colleagues, E.SUN and the environment.

Job rotation training

According to the willingness of colleagues and organizational needs, the bank designed cross-field cultivation plans to enhance field of vision and diversified expertise.

Performance development

Through the implementation and communication of performance management, we provide colleagues with career planning and feedback guidance to achieve goals together.

Data applications

The bank also established a human resources data center to gain insight into manpower needs and employment efficiency, and provide guidance for decision-making.

■ Cultivation and training

(1) Employment Training System

E.SUN continues to provide a complete training framework, including three main axes: training for new recruits, financial professional training, and leadership management ability training. Through the framework, the bank provides diversified learning and development for employees at various career stages that are based on multiple aspects including financial trends, corporate strategy, customer needs, and talent functions. The bank will moreover continue to reform and innovate, so that the cultivation of talents at each stage can meet the expectations of the company, the environment, and employees.

2020 Training Outcome

A total of **264** internal training courses were held and attended by a total of **127,037** persons

857 seminars hosted by professional training agencies were held and attended by a total of **5,068** persons

On average, each employee has been trained **14.1** times

The average training hours per person is **46.1** hours

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(2) Digital transformation of talent cultivation

Purpose E.SUN's talent cultivation methods have been undergoing digital transformation since 2018. In response to the epidemic in early 2020, to allow colleagues to continue learning and make effective use of time, the bank immediately digitized the original physical training courses (such as recording online courses, synchronized video teaching), using digital teaching media, platforms and tools to assist physical training so that colleagues can apply what they have learned to practice in real time.

Description	Course name	Description																			
	Regulatory compliance training courses	Immediately switched to video teaching methods, so that learning of laws and regulations by colleagues remains uninterrupted by the epidemic.																			
	Lecturer training course-Digital course teaching	Invited external consultants to teach digital course design, recording, class operation skills and interactive methods to improve the quality of digital course teaching by internal lecturers.																			
	Training for new recruits & professional training courses	Training courses are digitized so colleagues taking part in video courses can interact with each other through online software, enhancing the interaction and richness of remote teaching, making the courses more diversified and increasing the concentration of participants.																			
		<table border="1"> <thead> <tr> <th>New recruits' journey</th> <th>Before employment-1 week after employment</th> <th>Orientation</th> <th>Professional training</th> <th rowspan="2">Responsible operations certification</th> </tr> </thead> <tbody> <tr> <td>Training course</td> <td>Onboarding courses</td> <td>Orientation for new clerks</td> <td>Professional courses for all positions</td> </tr> <tr> <td>Teaching method</td> <td></td> <td></td> <td></td> <td>In addition to various digital training courses, the bank also offers online management business certification to improve the professional skills and knowledge of employees</td> </tr> <tr> <td>Blended learning</td> <td>Digital+OJT</td> <td>Digital + video + face-to-face instruction</td> <td>Digital + video + OJT</td> <td>Digital courses + unit supervisor inspection</td> </tr> </tbody> </table>	New recruits' journey	Before employment-1 week after employment	Orientation	Professional training	Responsible operations certification	Training course	Onboarding courses	Orientation for new clerks	Professional courses for all positions	Teaching method				In addition to various digital training courses, the bank also offers online management business certification to improve the professional skills and knowledge of employees	Blended learning	Digital+OJT	Digital + video + face-to-face instruction	Digital + video + OJT	Digital courses + unit supervisor inspection
New recruits' journey	Before employment-1 week after employment	Orientation	Professional training	Responsible operations certification																	
Training course	Onboarding courses	Orientation for new clerks	Professional courses for all positions																		
Teaching method				In addition to various digital training courses, the bank also offers online management business certification to improve the professional skills and knowledge of employees																	
Blended learning	Digital+OJT	Digital + video + face-to-face instruction	Digital + video + OJT	Digital courses + unit supervisor inspection																	

Video courses can be viewed multiple times, and online courses can also be watched repeatedly, which is conducive to independent review. At the same time, the quiz questions provided with the courses can help us clarify our understanding of course content and facilitate effective learning.
New Taipei Global Commercial Banking Center Colleague

The video courses allow us to interact with the lecturer, enabling us to feel as if we were in class face to face, which is very fulfilling!
Toufen Branch Colleague

This year is an exceptional case. The courses have to been digitalized and I found it pretty good to take class this way. Online courses allow us to manage time by ourselves and we can review the content if needed. We can know banking business more this way.
Chung Yuan Branch Colleague

Training category	Number of participants	Course satisfaction	Lecturer satisfaction	Course pass rate*	Course digitization rate*
Regulatory compliance training	1,003	84.0%	89.8%	100%	100%
Orientation	427	96.2%	97.0%	98%	43.1%
Professional training	87	-	-	100%	43.83%

Note:

1. Course digitization rate= (the number of digital courses/the total number of courses)*100%
2. Course pass rate = (number of students who passed the course/number of students at the start of the course) *100%, the regulatory compliance course is passed after completion; Orientation and professional courses have an elimination mechanism, and those who fail the test will be eliminated.

(3) Training program based on transformational strategies

In the face of the impact of the epidemic and changes in technology and laws and regulations, the financial industry needs to continuously evolve, and the main axis of talent cultivation must also follow corporate strategies, focusing on issues such as financial technology, sustainable development and risk control. On top of its fundamental expertise in finance, E.SUN is moreover committed to the empowerment of information technology and artificial intelligence, and gives great thought to using business development to facilitate the sustainable development of both the enterprise and society. In view of these considerations, E.SUN implemented the following two cultivation programs in 2020:

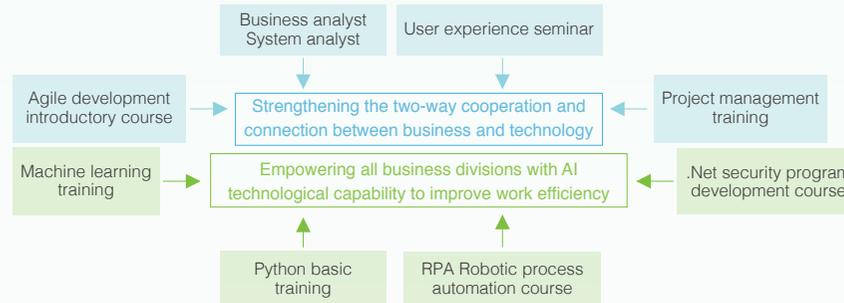
ESG Sustainable Finance Cultivation Program

Coverage	Program description	Operating efficacy and effectiveness of training programs																																														
100%	<p>Training courses for all levels and professional training course</p> <ul style="list-style-type: none"> · Objective: E.SUN has always paid great attention to ESG issues, and hopes to pass on the concept of environmental sustainability through the integration of ESG into the curriculum, so that colleagues can exert the effect of corporate social responsibility through individual actions. · Targets: All E.SUN employees · Cultivation direction: ESG is integrated into the company's operating strategy and business development direction, and incorporated into training courses for all levels, professional training courses, and team motivation activities, such as beach cleaning and mountain climbing to convey the concept of sustainability. In addition, to strengthen corporate governance, the company's organizational development, risk management, internal control and legal compliance practices are also announced through bank-wide seminars and annual online courses. <p>Corporate financial enterprise sustainable professional training</p> <ul style="list-style-type: none"> · Objective: The RM Team is given training on ESG contents, market status and international trends to enhance the RM Team's ability to communicate with hidden champion customers, grasp the potential ESG needs of enterprises, create differentiated services, and strengthen customer management and ESG product sales. · Targets: Colleagues of the head office's Corporate Banking Division and corporate banking centers · Cultivation direction: <table border="1"> <thead> <tr> <th>Training category</th> <th>Topic</th> </tr> </thead> <tbody> <tr> <td>ESG workshop</td> <td>ESG trends and customer group management, ESG and capital markets, green bonds and perpetual bonds, etc.</td> </tr> <tr> <td>Monthly video conference</td> <td>ESG Linked Loan</td> </tr> <tr> <td>Monthly motivation meetings</td> <td>Carbon footprint, sustainable development blueprint, sustainable development bonds, ESG linked loan</td> </tr> <tr> <td>Credit reviewer courses</td> <td>Sustainable finance and ESG trends and case studies</td> </tr> <tr> <td>Equator Principles education and training</td> <td>Revision of the Equator Principles and the evaluation of project financings' impact on the environment and society</td> </tr> </tbody> </table>	Training category	Topic	ESG workshop	ESG trends and customer group management, ESG and capital markets, green bonds and perpetual bonds, etc.	Monthly video conference	ESG Linked Loan	Monthly motivation meetings	Carbon footprint, sustainable development blueprint, sustainable development bonds, ESG linked loan	Credit reviewer courses	Sustainable finance and ESG trends and case studies	Equator Principles education and training	Revision of the Equator Principles and the evaluation of project financings' impact on the environment and society	<p>[Operating efficacy]</p> <p>By integrating ESG concepts into the bank's business scope, E.SUN has successfully improved operational performance, such as: Assisting companies to issue sustainability bonds, participate in the capital market, and redirect capital investment to companies that are conducive to environmental and social development; Incorporating ESG indicators into the review of wealth management products, taking into account customer investment rights and international responsible investment principles.</p> <p>[Training outcomes]</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Indicator</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>L1 Reaction</td> <td>Course satisfaction</td> <td>92.50%</td> <td>93.29%</td> </tr> <tr> <td>L2 Learning</td> <td>Course completion rate</td> <td>99.34%</td> <td>99.87%</td> </tr> <tr> <td rowspan="2">L3 Behavior</td> <td>Number of training course participants taking part in volunteer activities</td> <td>730</td> <td>862</td> </tr> <tr> <td>Staff turnover rate (Corporate Banking positions)</td> <td>6.61%</td> <td>5.19%</td> </tr> <tr> <td rowspan="3">L4 Results</td> <td>Total balance of sustainable loans (NT\$ million)</td> <td>54,924</td> <td>67,221</td> </tr> <tr> <td>Total balance of sustainable investments (NT\$ million)</td> <td>275,447</td> <td>302,719</td> </tr> <tr> <td>Total sales amount of sustainable products (NT\$ million)</td> <td>23,984</td> <td>31,894</td> </tr> <tr> <td>L5 ROI</td> <td>Profit / training course related costs</td> <td>5.95</td> <td>11.10</td> </tr> </tbody> </table>		Item	Indicator	2019	2020	L1 Reaction	Course satisfaction	92.50%	93.29%	L2 Learning	Course completion rate	99.34%	99.87%	L3 Behavior	Number of training course participants taking part in volunteer activities	730	862	Staff turnover rate (Corporate Banking positions)	6.61%	5.19%	L4 Results	Total balance of sustainable loans (NT\$ million)	54,924	67,221	Total balance of sustainable investments (NT\$ million)	275,447	302,719	Total sales amount of sustainable products (NT\$ million)	23,984	31,894	L5 ROI	Profit / training course related costs	5.95	11.10
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Technology Empowerment Cultivation Program

Coverage Program description

- 33.8% **Key Professional Digital Empowerment Course**
- **Objective:**
Accelerate the digital transformation of financial technology and build up financial technology capabilities.
 - **Targets:**
All high-potential employees
 - **Cultivation direction:**
In recent years, E.SUN has established a policy of "selection, training, staffing, and retention" for scientific and technological talents crossing into the financial industry and strengthened the digital skills of traditional financial talents, so that the two types of talents can develop in a diverse range of directions. In addition to adding financial technology courses to general training modules, business units select potential talents to give them training in professional information project management, user experience, and artificial intelligence technology, so that they become the units' digital promotion seeds for integrating digital capabilities into business development and promote the successful transformation of various channels. In 2020, these approaches have enabled the proportion of E.SUN's digital transactions to exceed 60% in all important businesses (such as wealth management, foreign currency exchange, etc.).



Advanced course for tech team supervisors

- **Objective:**
As more technological talents joined E.SUN, the collaborations between business management departments have been on a deeper level and a larger scale. We enabled seamless cross-departmental communication through training courses to raise the potential for business growth.
- **Targets:**
Mid and high-level executives of the tech team and of cross-departmental product series
- **Cultivation direction:**

Course objective	<ul style="list-style-type: none"> · Consolidate consensus on the future development of the tech team · Strengthen the thinking and methods of talent management · Initiating change through self-awareness
Course features	<ul style="list-style-type: none"> · Consensus - Discussion on future reform strategies and trends · Cases - Case study of personnel management and digital development · Environment - Using the beauty of nature to engage in dialogue with the self and others · Awareness - Opening the mind with 360-degree feedback questionnaires and guided reflection sharing · Proposal - Unifying learning and application by proposing a management plan to promote a growth-oriented mindset
Participant composition	<ul style="list-style-type: none"> · Mid and high-level executives of the tech team - three-quarters · Department manager of certain business units - one quarter

Operating efficacy and effectiveness of training programs

【 Operating efficacy 】

Integrating cross-departmental learning, financial and technological personnel engage in exchange and mutual inspiration, accelerating the development of E.SUN's digital businesses, including: effectively analyzing customer needs, recommending the most suitable products, and creating service opportunities and value; Using artificial intelligence to promote risk control and enhance customer rights protection, such as credit card fraud detection and flagged account detection.

【 Training outcomes 】

Item	Indicator	2018	2019	2020
L1 Reaction	Course satisfaction	95.2%	96.6%	93.9%
L2 Learning	Number of professional license holders related to channel transformation	726	823	892
	Number of bank employees with certified digital ability	-	1021	1531
L3 Behavior	Staff turnover rate (tech team)	10.0%	10.0%	8.68%
	IT-related employee percentage	10.5%	10.7%	11.3%
	Employee engagement (tech team)	94.7%	96.5%	93.9%
L4 Results	Number of patent acquisitions	3	11	38
	Online loan - unsecured personal loan (NT\$ hundred million)	47.10	85.58	106.77
	Online loan - mortgage (NT\$ hundred million)	52.46	65.55	101.30
	Customer satisfaction on digital platforms	90.5%	90.8%	93.1%
L5 ROI	Profit training course related costs	11.23	24.2	38.16

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Appendix

■ Job rotation training

Through rotation training, E.SUN cultivates multi-skilled professional financial talents and provides a broad career path, so that employees have the opportunity to enrich their professional skills and improve management thinking through rotating to different departments or participating in various projects. This enables them to build their own future through their own hands.

(1) Job rotation and internal talent recruitment

Item	Description	Implementation outcome	Percentage of open positions filled by internal candidates			
			2017	2018	2019	2020
Internal talent recruitment	Purpose: Encourage well-performed employees to expand capacities through applying for available internal vacancies. Targets: Employees who are willing to engage in interdisciplinary development.	In 2020, a total of 71 people applied for internal recruitment.				
Job rotation training	Purpose: Initiated by head office; cultivate talents of potential based on the company's needs while implementing internal audit and control management. Targets: High-potential employees with outstanding performance.	In 2020, a total of 508 people engaged in rotation training.	34.01%	47.26%	46.43%	73.9%

Demographic data of employees who filled out internal vacancies in 2020

Gender		Age			Position		Total
Male	Female	Under 29	30-50	Over 51	Managerial	Non-managerial	
282	297	193	364	22	170	409	579

(2) Appropriate arrangement of job rotation

E.SUN established the 5 principles of job rotation, which is in compliance with laws and regulations, in response to our business development, as well as the shortest notice period for material operational changes in job rotations for employees' career development. The bank provides employees with about 2 weeks for hand over and to prepare for working in a new environment. In the event of a situation specified in Article 11, 13 or 16 of the Labor Standards Act, the notice period shall be in accordance with the description of collective bargaining below.

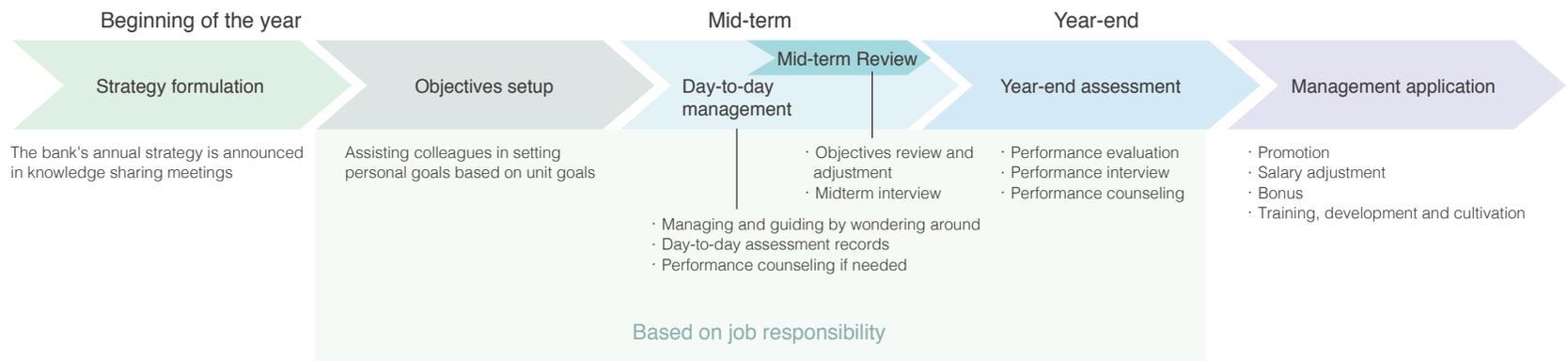
1. Notice shall be given 10 days in advance for employees who have worked at the Company for 3 months or more but less than 1 year.
2. Notice shall be given 20 days in advance for employees who have worked at the Company for 1 year or more but less than 3 years.
3. Notice shall be given 30 days in advance for employees who have worked at the Company for 3 years or more.

■ Performance development

(1) Talent development-oriented performance management system

E.SUN enforces talent development-oriented performance management. The bank identifies high potential talents through two-way communication and performance interviews, and provides them with different development opportunities that enable them to carry out their career development plans. In 2020, all E.SUN employees participated in the performance management cycle.

- **Beginning of the year** — According to the development direction of current strategies, the bank verifies the job responsibilities and performance evaluation indicators and the supervisor and colleagues jointly set performance goals to ensure that colleagues of the unit can collectively proceed in the same direction.
- **Mid-term** — Units review and adjust goals in response to environmental changes, implement daily management and assessment, and provide relevant guidance and feedback in real time.
- **End of the year** — Year-end assessments are conducted to assist colleagues in reviewing the past and looking forward to the future.



(2) Multi-dimensional evaluation for the purpose of growth and development

E.SUN has always focused on talent development and cultivation. Since 2013, the bank has been implementing a 360-degree feedback system to strengthen team communication through different dimensions of feedback, assist supervisors in self-awareness, enhance leadership and management capabilities, and to provide future reference for the improvement of management capabilities and career development. In addition to understanding the performance of one's abilities, the participant can obtain valuable information about future development through open-ended feedback. The relevant results will be applied to curriculum arrangements and personal development plans.

Outcome of the 360-degree feedback system

- In 2020, a total of **2,381** participants receiving feedback
- A total of **18,030** feedback questionnaires were received
- Each participant received an average of **7.6** feedback

■ Data applications

People Analytics establishes an HR database through collecting data and data analysis model (Tableau, SQL Queries). It conducts data analysis and provides useful information for the development strategies for positions of various levels and perform regular analysis to prevent high-risk behaviors of employees.

Item	Staff allocation	Labor structure analysis	Resignation analysis
Purpose	<ol style="list-style-type: none"> 1. Provide reference indicators for allocation recommendation based on current allocation composition of the entire bank. 2. Track movements of the market and other financial institutions through internal and external data comparison. 	<ol style="list-style-type: none"> 1. Identify labor structures that match the needs of E.SUN's development strategy through reviewing those structures of leading domestic and overseas financial institutions. 2. Analyze job content and responsibility by benchmarking the best international practice. 	<ol style="list-style-type: none"> 1. Assess the implications of the turnover rate through understanding employee engagement and employees' opinions of the HR institution and the work environment. 2. Retention preparation for selective business and positions(wealth management and IT) by peer workforce benchmarking.
Application	Always keep track of the manpower allocation of the unit, confirm the personnel balance at any time, reduce the management burden of supervisors, and assist the unit in manpower budget control.	Observe and calculate the branch headcounts growth trend by position in the past 5 years, provide recommendations for future manpower allocation of the organization, and appropriately adjust the flexibility of staff composition.	Collect relevant suggestions and the data of employees who resigned, return after resignation, or perform well as the reference for continuous improvement of the the human resources system.

7.2 Talent Attraction and Retention

■ GRI: 102-37、201-3、202-1、401-2、404-2

E.SUN carefully selects a group of like-minded partners. The bank actively invests resources in recruiting outstanding and potential talents, and is 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

Talents are both a leading indicator and a key indicator. 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 invested in industry-academia cooperation in recent years.

Item	Description	Effectiveness
Internship programs	Provide 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.	Financial specialist intern - 236 students in 2020 E.SUN summer intern - 38 students in 2020 Fintech intern - more than 20 students by 2020
Forums and lectures	Guide students to understand the financial industry and new financial trends through experience-sharing sessions, courses and hands-on projects led by E.SUN employees.	NTU Hope Seedling Program - collaborate with National Taiwan University College of Management, recruiting 25 participants in 2020. E.SUN Financial Seminar - collaborate with the Department of Finance of National Sun Yat-sen University, recruiting 99 participants in 2020. Speeches - 8 speeches held in 2020 with topics ranging banking industry and fintech etc.
Campus competitions	Hold regular competitions, where participants could learn to solve problems and find potential solutions for complex financial issues with data at hand.	E.SUN Artificial Intelligence Open Challenge - 409 teams of AI talents participated in 2020 Google Mars Digital Marketing Program - 175 applicants in 2020
Corporate visits	Get to know the work environment, corporate culture, and the current and future trends of the industry through in-person visits.	Student visits - 4 sessions in 2020, totaling 140 participants. Other visitors - 4 sessions in 2020 with participants from CTCL Education Foundation, Yulon Motor Co., Ltd., Chuan Lian Enterprise Co., Ltd., and National Taipei University.
Scholarships	Cultivate 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\$1.57 million in 2020 to students from National Taiwan University, National Chengchi University, and National Tsing Hua University, etc. Scholarships — In 2020, we awarded E.SUN Outstanding Talent Scholarship to 16 students, Diligence Scholarship to 3 students, Nursing Talent Scholarship to 9 students, and E.SUN Bank ASEAN Scholarship to 8 students.
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.	R&D Center - we established E.SUN AI and FinTech R&D Center with National 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. Project cooperation - we have collaborated with 17 professors with nearly 30 projects.

Retention

E.SUN cares about colleagues, takes care of colleagues, the bank provides incentives for attracting and retaining talents using a competitive salary and reward system that offers benefits superior to regulatory stipulations, taking care of colleagues at the workplace and at home. A comprehensive retirement protection system has also been planned to take care of colleagues from onboarding to retirement. In 2020, the retention rate of all employees was 93.5%, and the retention rate of high-performance employees was 97.5%. Each year, after the bank holds the annual knowledge sharing seminars, through anonymous questionnaire surveys, the bank seek colleagues' feedback on business strategies, salary and benefits as well as employee care, etc. to serve as the basis for improvement. Through complete and comprehensive remuneration and benefits planning, we provide employees with comprehensive protection at all stages of their life journey.

Salary and compensation

"Setting salaries based on position and bonuses based on performance"

- Setting a fixed salary according to job duties (including principal salary and various allowances)
- Providing variable salary (including bonus and remuneration) according to the company's overall, unit, and individual performance
- Linking the organization's long-term business performance and corporate governance in establishing long-term incentives and rewards.
- Participating in the market salary survey every year and providing a reasonable and competitive salary system.
- Continuously selected as a constituent stock of the TWSE RAFIR Taiwan High Compensation 100 Index since 2017
- In 2020, the average fixed salary was raised by more than 8%.
- The average monthly salary of male and female non-management personnel in Taiwan is more than twice the local basic wage.



Welfare and employee care

Making E.SUN

"the second home for employees"

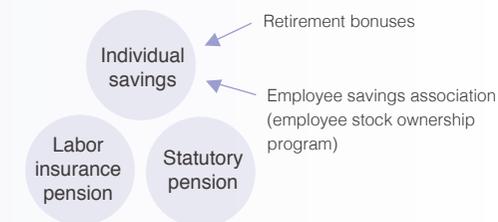
- Created a comfortable office environment and a harmonious workplace environment.
- The first bank that established the "E.SUN Baby Development Fund," which not only encouraged employees to have children, but also had the effect of inducing other enterprises to emulate, thereby generating greater social influence.
- Carry out parent-child activities and provide measures to take care of colleague and its families.
- Actively promote a variety of health and leisure activities, and pay attention to work-life balance.

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 trust. Employees who have passed probation are free to join the association, and the company contributes incentive bonuses thrice each year.

Three-pillar retirement protection



Diverse welfare measures

Friendly workplace

- Comfortable and clean workplace
- Quality mentor program
- Gender equality workplace
- Multiple working hours, flexible working hours and work at home
- Employee mess hall, parking lot, gym

Happy family

- Marriage/childbirth subsidies, NT\$100,000 in E.SUN Baby Development Fund
- Marriage related information forum
- Maternity/paternity leave superior to statutory requirements
- E.SUN handbook for new mothers, breastfeeding seminars for expecting mothers
- Breastfeeding room, pregnancy clothes
- Nursery room, maternity clothes and child supplies sharing platform
- Employee savings and employee loans

Family care

- Mother/father's day cards and monetary rewards
- Mother's Day Concert
- Child education subsidies
- A variety of family events
- Day care measures and facilities
- Chinese New Year accommodation for employees and spouses
- Special offers on children's foreign language learning activities
- Outstanding children's award and E.SUN family care from E.SUN Volunteer Foundation (sponsored by the chairman of E.SUN FHC)

Health and recreational activities

- Health examination subsidies superior to statutory requirements. Special offers from contracted businesses on travel and accommodations
- Hiking and cycling around Taiwan
- Social club activities (table tennis, badminton, aerobics classes and so on)
- Charity sales
- E.SUN choir group
- Music concerts (Vienna Boys' Choir, Mayday)
- Handcraft workshops
- Sales and exhibition activities and contract merchant discounts

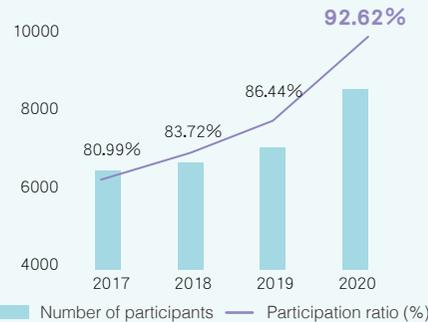
Due to excellent long-term performance, salaries were comprehensively raised in 2020

Supported by long-term profit growth and to thank all employees and management personnel for their efforts, salaries were comprehensively raised in 2020. The first wave of salary adjustments comprised increasing the monthly salaries of entry-level employees, increasing the supervisor allowance of mid-level supervisors, and the second wave comprised the promotion of mid-level supervisors and colleagues as well as increasing their performance bonuses. The annual average salary increase was over 8%, with that for entry-level colleagues even exceeding 10%.

Employee savings association participation rate continues to set new highs

E.SUN has been promoting employee savings associations for a long time to encourage colleagues to plan for retirement. In 2020, the participation rate of savings associations reached 92.62%, which is an increase of 6% from 2019, setting a record high.

Employee savings association participation ratio



Thoughts on flexible work hours – competitiveness from body-mind balance

E.SUN is committed to taking care of our employees, who value work-life balance. Our system of flexible working hours have been well-received; my coworkers said they could arrange their time better – they could choose to come to work later or get off work early without applying in advance when they needed to pick their kids up. Through this system, we can fulfill work duties while taking care of families at the same time, which contributes to better efficiency and implementation at work. This would be an advantage for E.SUN's core competitiveness and long-term growth.

-Manager from the tech team



7.3 Employee Care and Friendly Workplace

■ GRI : 403-1、403-2、403-3、403-4、403-5、403-6、403-7、403-8、403-9、403-10

E.SUN is committed to creating a happy, harmonious and friendly working environment. The bank continuously improves employee health care policy, workplace safety measures to take care of employees both mentally and physically. We provide diverse health promotion activities, attach importance to workplace safety, reduce potential hazards, hold regular occupational safety and sanitation meetings, incorporate occupational safety and sanitation management system, and acquire relevant certification. We aim to protect employees and provide them with a reliable, safety workplace through identifying and preventing risks.

■ Occupational Safety and Sanitation Committee

E.SUN has established a dedicated unit for occupational safety that regularly convenes occupational safety and health committees to communicate and coordinate various safety and health issues, and review the progress and effectiveness of occupational safety measures. The committee is committed to providing colleagues with a safe workplace environment.

■ Occupational safety and sanitation mechanism

E.SUN passed the ISO 45001 certification in 2018, becoming the first financial institution in Taiwan to obtain it. The scope covers various domestic business locations and targets all employees and contractors. In 2020, the bank continued to improve the revision of relevant documents to substantially realize occupational safety and health management. In so doing, we hope to reduce the possibility of accidents and illnesses for employees and improve operational efficiency.



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Occupational Safety and Health Education and Training and Occupational Injury Index

All units of E.SUN Bank have personnel who have obtained occupational health and safety supervisor, first aid personnel or fire protection management personnel licenses. 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.

E.SUN attaches great importance to the safety of the working environment of its employees, regularly conducts inspections of the working environment with physicians of occupational medicine, and continues to carry out relevant improvement measures. The number of occupational injuries during working hours are effectively controlled, and the frequency and severity rate of disabling injuries in 2019 and 2020 remain stable which shows that improvement measures have a positive effect on employee safety.

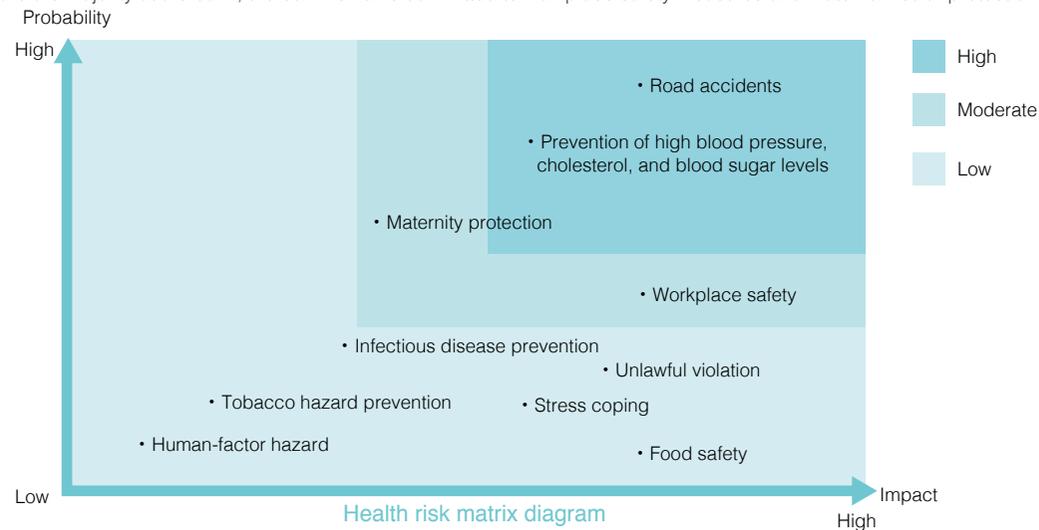
Number of valid license holders

Occupational health and safety supervisor	First-aider	Fire safety manager	Total
278	254	307	839

Item	2019			2020		
Total working days	2,120,180			2,303,384		
Total working hours	16,961,440			18,427,072		
Gender	Male	Female	Total	Male	Female	Total
Total employees with disabling injuries	8	15	23	12	13	25
Total lost work days due to disabling injury	73	120	193	50	164	214
Disabling injury frequency rate (FR)	0.47	0.88	1.36	0.65	0.71	1.36
Disabling injury severity rate (SR)	4.3	7.07	11.38	2.71	8.9	11.61

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. The assessment results for 2020 showed that risks of high blood pressure, high cholesterol, high blood sugar, and road accidents were the highest primarily because employees work sedentary jobs, lack exercising habits, and frequently work outside of the office. As E.SUN takes zero occupational accidents as its specific goal and female colleagues are the majority at the bank, the bank remains committed to workplace safety measures and maternal health protection issues.





Measure for workplace safety and healthcare issue

Impact	Risk issues	Control measures	2020 implementation outcomes	External affirmation
High	Road accidents	<ol style="list-style-type: none"> Road safety awareness courses Establishment of intrabank reporting mechanism Health status follow-up Reducing non-essential activities outside of the office and providing full transportation subsidies 	<ol style="list-style-type: none"> Carrying out traffic safety education and training and listing it as a compulsory course; 7,837 persons have completed the course. 0 people died from occupational disasters. 25 cases of injury occurred. Transportation subsidy amount was NT\$16,276,461. 	Became the first financial institution in Taiwan to receive the ISO 45001 Occupational Safety and Health Management System certification in 2018.
	Prevention of high blood pressure, cholesterol, and blood sugar levels	<ol style="list-style-type: none"> Organizing health promotion seminars and activities Medical aid consulting station Infirmary blood pressure measurement Medical examination policies superior to statutory requirements Establishment of E.SUN sports center Subsidy to multiple sports clubs 	<ol style="list-style-type: none"> Annually hosting sports activities, including cycling across Taiwan, hiking on Yushan, and the E.SUN Cup Table Tennis Tournament. Wide range of sports clubs, including table tennis, badminton, basketball, yoga, aerobics, and softball. A total of 16 health seminars were held. A total of 96 on-site services were handled, with 1,186 participants, and the satisfaction rate was 90% or more. The number of people who completed health checks was 3,521, and the health check rate was 99.7% (100% compliance). Regarding screening activities for high blood pressure, cholesterol, and blood sugar levels, the number of participants was 75. Regarding the healthy slimming class activities, 60 people lost 181 kg in total in 6 weeks and their waist circumference was reduced by 348 cm in total. 	<ol style="list-style-type: none"> Received the Healthy Workplace Certification by the Health Promotion Administration, Ministry of Health and Welfare, for the second time Received a third Sports Enterprise Certification by the Sports Administration.
Moderate	Workplace safety	<ol style="list-style-type: none"> Physician regular environmental visits Implementation of the four major protection plans Providing additional protective equipment, lighting or 24-hour security management in specific areas Allowing female colleagues to wear flat shoes Performing air quality testing Full-time nurses and occupational safety personnel Implementing the contractor management system 	<ol style="list-style-type: none"> The four major protection plans were implemented 1,168 person-times, and the completion rate was 100%. Held AED+CPR education and training, with 667 participants. 0 people died from occupational disasters. Disabling injury frequency rate was 1.36. Disabling injury severity rate was 11.61. 	<ol style="list-style-type: none"> Large-scale office buildings were rated as AED Safe Areas by the Department of Health of Taipei City Government. 34 branches in Taipei City received the Indoor Air Quality Self-Management Certification.
	Maternity protection	<ol style="list-style-type: none"> All branches have basic breastfeeding rooms, and those in large financial buildings provide sterilizers for feeding bottles, and refrigerators for breastfeeding Providing maternity clothes and the E.SUN handbook for new mothers Mini-lectures for new parents Flexible work at home system Maternity/paternity leave superior to statutory requirements Providing reinstatement assistance measures 	<ol style="list-style-type: none"> 340 maternal health care protection questionnaires were distributed to breastfeeding employees during the maternal care period (i.e., during pregnancy to one year or more than one year after child birth), and the completion rate was 100%. Reinstatement and retention rate after unpaid child care leave was 80% A total of 331 applicants for maternity leave A total of 348 employees adopted flexible and multiple working hours. A lecture on nutrition intake for pregnant and lying-in women was held in the headquarters building, with 15 participants and a participation rate of 94%. 	<ol style="list-style-type: none"> Large-scale office buildings received Excellent Breastfeeding Room Certification by the Department of Health of Taipei City Government. Received the first round of "Workplace Gender Equality Indicator Certifications" issued by the Department of Labor of Taipei City Government.

Note 1: Health check rate = number of employees who completed health checks according to health check standards / number of employees who should complete health checks according to health check standards

Note 2: All employees required by the law to take a health check in 2020 had all completed the check.

■ Creating a Healthy Workplace

Each year, based on the numerical analysis of employee health check abnormalities, epidemiology and questionnaire feedback, and combining government resources, the PDCA circular management structure is used to continuously improve and provide health promotion activities that best address employee needs.





7.4 Human rights protection mechanism and outcomes

■ GRI : 102-41 、 405-2 、 406-1 、 407-1 、 408-1 、 409-1 、 411-1 、 412-1 、 412-2 、 412-3 ; GRI G4 FINANCIAL SERVICES SECTOR: FS9

The 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 bank reviews the E.SUN Declaration of Human Rights and E.SUN FHC Human Rights Due Diligence Procedure and works with all partners to continuously strengthen and improve the management of issues related to human rights, in order to make a contribution to international human rights.

■ E.SUN - Commitment to Human Rights



Employees

9,388 employees are employed by E.SUN Financial Holdings and its subsidiaries. E.SUN's human rights policy first and foremost focuses on the protection of human rights of employees. The bank has established the Human Resources Development Committee, the Gender Equality Committee and other dedicated units, and launched the labor human rights evaluation mechanism for overseas business locations in 2020. Labor human rights evaluations have been completed at the overseas business locations of 9 countries and regions in total at a completion rate of 100%. The bank has also revised 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," and added an "Employee opinion reflection/reporting section" to improve employee communication convenience. All of these measures are undertaken due to the bank's commitment to creating a diverse, equal and inclusive environment.



Customers

E.SUN has more than 5 million checking and savings account depositors, who contribute to NT\$2.4 trillion of deposits, and our total loan balance is NT\$1.6 trillion. E.SUN attaches great importance to listening to customers' voices, and has set up a dedicated team to promote the principle of treating customers fairly. In 2020, the bank held a total of 11 "treating customer fairly workshops" to integrate the spirit of treating customers fairly into every product and service process to protect the rights and interests of customers and create customer value.



Suppliers

E.SUN works with more than 1,430 cooperative suppliers, and the total procurement amount in 2020 was approximately NT\$5.3 billion. Suppliers are E.SUN's partners in sustainable development and growth. In 2020, E.SUN formulated the "E.SUN FHC Sustainable Procurement Policy" in accordance with ISO 20400 Sustainable Procurement Guidance to in 2020, and assisted suppliers in fully implementing sustainable development and human rights protection according to the "E.SUN FHC Corporate Social Responsibility Guidelines for Suppliers" and "Statement of Commitment to Human Rights and Environmental Sustainability."

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Human rights due diligence procedure

The human rights due diligence procedure was established by the human rights protection task force. Annually, the task force reviewed the operations, value chain, new business relations (such as mergers, acquisitions or joint ventures) of E.SUN and other activities through keeping track of changes in the society, monitoring data, and distributing surveys. Then, it was able to identify and evaluate groups at risk and potential human rights issues and proceed to establishing matrices for risks related to human rights issues. It then proposed a control plan for human rights issues based on potential risks and continued to monitor and improve the results to ensure an effective implementation of our human rights policy.

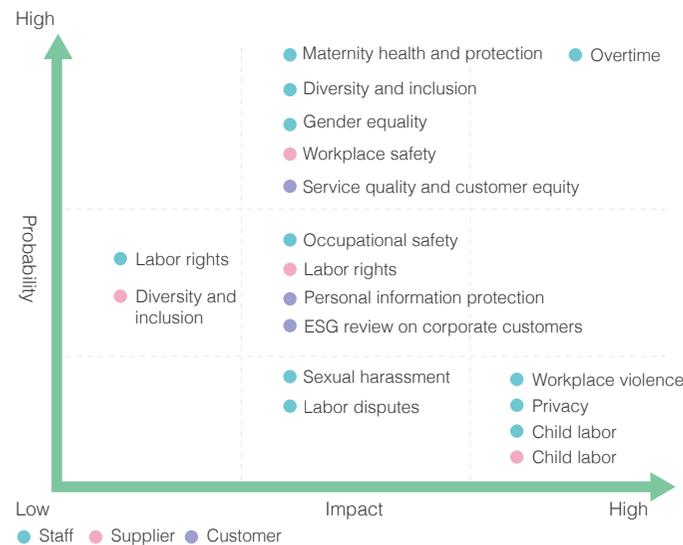


Impact identification

Item	E.SUN	Value chain		New business relations	Other activity
		Supplier / partner	Customer		
Groups exposed to human rights risks	Employee, Female, Indigenous people, People with physical disabilities	Female, Indigenous people, People with physical disabilities, Children, Dispatched labor	Customers in minority groups	Female, Indigenous people, People with physical disabilities, Children, Dispatched labor	Communities
Potential human rights risks	Diversity and inclusion, Gender equality, Maternity health and protection, Overtime work, Occupational safety	Labor rights, Occupational safety	Service quality and customer equity, Personal information protection, ESG review on corporate customers	Labor rights, Occupational safety	—

Human rights risk matrix

We established a human rights risk matrix for employees, suppliers, and customers:



Human rights control plan and results

Stakeholder	Issue	Risk identified	Total	Risk mitigation measure	Possibility of impact	Total	Remediation measure	Percentage of remediation measures carried out	Outcome
Employee	Diversity and inclusion	12.23%	26.30%	<ol style="list-style-type: none"> Assigned special job roles to employees with physical and mental disabilities, and more disables are hired. Provided barrier-free space and equipment. Recruited talents from home and abroad. Periodical reviewed and optimized gender-friendly measures. Established diverse communication channels for employees to give feedback. 	0%	0.29%	<ol style="list-style-type: none"> Proposed adjustments to management systems to Human Resource Development Committee. If there is a relating case and is certified true, the supervisor of the unit shall take joint liability. The committee of human resource development would announce proper disciplinary actions. 	100%	<ol style="list-style-type: none"> Hired 6 Taiwanese indigenous people in 2020. There were no penalties in relation to rights violation of Taiwanese indigenous people in 2020. Employees with a same-sex spouse enjoy the same rights and benefits. Adjusted the uniform code; female employees can wear flats to work.
	Gender equality	1.40%		<ol style="list-style-type: none"> Established Guidelines for the Establishment of Gender Equality Committee for E.SUN FHC and its Subsidiaries, Rules and procedures for Sexual Harassment Prevention, Complaint and Punishment of E.SUN FHC and Its Subsidiaries, and Prevention Plan for Workplace Violation. Included SDGs' gender equality into our goals. Established the recruitment policy based on equality, ensured its compliance to labor-related laws, and invited interviewers of diverse backgrounds for interviews. Included Gender Equality and Friendly Workplace course in training requirements. 	0.02%		<ol style="list-style-type: none"> Established sexual harassment reporting channels; established a gender equality and sexual harassment mailbox in 2021. Sexual Harassment Complaints Review Committee conducted investigation in an objective, fair, and professional manner, and announced proper disciplinary actions based on the result. Provided support for employees. 	<ol style="list-style-type: none"> In 2020, there were 2 cases of sexual harassment, and both had been taken care of. Awarded Workplace Gender Equality certification from Taipei City Government. 8,380 employees participated in the training course Gender Equality and Friendly Workplace. President Magi Chen, previously the CFO, was the first female to take over the position of the president of E.SUN FHC. The gap between the annual salary of female managers and their male counterparts is less than 10%. 	
	Maternity health and protection	3.59%		<ol style="list-style-type: none"> Granted employees better maternal, paternal, and parental leave packages than statutory requirements; established E.SUN Childbirth Incentive Program. Established breastfeeding rooms that provided equipment for pumping breast milk. Held lectures on maternity care and provided medical counseling. Distributed maternity health protection survey and made adjustments to the work of working mother depending on their needs. Provided taxi fare subsidy and lodging for female employees who worked overtime. 	0%		<ol style="list-style-type: none"> Provided flexitime. Provided support for employees, including counseling sessions and supportive measures given by doctors and psychologists. Provided support for employees resuming work after unpaid parental leave and adjusted their work content and location depending on their needs. 	<ol style="list-style-type: none"> Held lectures on maternity care and commissioned doctors to give counseling services, totaling 9 sessions and 87 participants. Distributed 340 surveys of maternity health protection. In 2020, 80% of the employees on parental leave returned to work. 348 people adopted the flexitime system. 	
	Overtime work	7.70%		<ol style="list-style-type: none"> Amended leave- and overtime-related regulations according to the Labor Standards Act. Added a reminder function to the attendance system. In 2021, we established a system for employees to arrange their annual leave in advance, encouraging them to fully decompress whenever suitable and maintain work-life balance. 	0%		<ol style="list-style-type: none"> Compensated employees with overtime pay. Submitted a report of the supervisor to Disciplinary Panel, and the rating of his/her department's performance evaluation in the year must be lower than Excellence. 	<ol style="list-style-type: none"> There were no penalties in relation to overtime work in 2020. 	
	Occupational safety	1.38%		<ol style="list-style-type: none"> Implemented 4 protection plans. Included lectures on traffic safety and prevention of human-caused harm in training requirements. Hired full-time nurses and professionals of occupational safety and commissioned doctors for regular visits to our workplace. Arranged air quality check. Provided lighting, signs, electronic surveillance, or 24/7 safeguards at specific areas, including parking lots and entrances. 	0.27%		<ol style="list-style-type: none"> Improved the occupational accidents reporting process and established a responsible team to manage and keep track of it. Provided information, including group and labor insurance, for employees to assist them in applying for government subsidies. Commissioned doctors of occupational medicine to evaluate the state of employees returning to work and arranged their work depending on their needs. Provided support for employees. 	<ol style="list-style-type: none"> There were no findings or penalties in relation to labor safety and health inspection in 2020. 7,837 employees participated in lectures on traffic safety and prevention of human-caused harm. 34 branches in Taipei were awarded the Indoor Air Quality Self-Management Certification, reaching a completion rate of 100%. 	



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Stakeholder	Issue	Risk identified	Total	Risk mitigation measure	Possibility of impact	Total	Remediation measure	Percentage of remediation measure carried out	Outcome
Supplier / Partner	Labor rights	1.90%	3.80%	<ol style="list-style-type: none"> Required suppliers to sign Statement of Commitment to Human Rights and Environmental Sustainability and checked regulations on human rights / sustainability and related penalty announcements. Review Corporate Social Responsibility Self-Assessment Form for Suppliers and On-Site Supplier Evaluation to determine suppliers' potential risk in human rights, occupational safety and environmental protection. Established E.SUN FHC Sustainable Procurement Policy with references from ISO 20400 to control the social, economic, and environmental impact of procurement and asked suppliers to abide by international human rights policies. 	0%	0%	<ol style="list-style-type: none"> Held supplier communication meetings to raise awareness of corporate social responsibility. Requested high-risk suppliers to provide awareness training on related issues. Periodically interviewed potentially risky suppliers to review their improvement status. Adjusted the amount of materials purchased from suppliers or terminated contractual relations, depending on the penalty imposed on a supplier. 	100%	<ol style="list-style-type: none"> 100% of our new suppliers in 2020 signed Statement of Commitment to Human Rights and Environmental Sustainability and completed Corporate Social Responsibility Self-Assessment Form for Suppliers, totaling 235 (182 from Taiwan and 53 from overseas). Among the suppliers who signed Corporate Social Responsibility Self-Assessment Form for Suppliers, there were 8 with potential labor rights risks, all of which were reviewed and kept tracked of. Held communication meetings, with participants from 60 suppliers.
	Occupational safety	1.90%							

Stakeholder	Issue	Risk identified	Total	Risk mitigation measure	Possibility of impact	Total	Remediation measure	Percentage of remediation measure carried out	Outcome
Customer	Service Quality and Customer Equity	0.013%		<ol style="list-style-type: none"> Set up TQM Committee and Treating Customers Fairly task force, coordinate and supervise bank-wide service quality by the management team. Formulated "New product/New service compliance and risk management assessment", ensured all product or service complied with the regulation and treating customers fairly. The check rate was 100%. Built intelligent risk management by developing Regtech and other new technologies. Took customer service quality and customer complaint into consideration in the performance evaluation for branches to raise the overall awareness of our service culture. Set up courses about anti-fraud, treating customers fairly, and customer service. 	0.06%		<ol style="list-style-type: none"> Set up "Treating Customers Fairly Area" on the official website, where we provided diverse reporting channels for customers. Set up dedicated team in each business units. Held customer complaint meetings monthly to track cases and report to the board of directors. Ratified by the board of directors, Consumer Dispute Resolution Principle stipulated the procedure, handling time and follow-up actions for each case. Kept track of abnormal transactions and launched push notifications on E.SUN mobile app. 		<ol style="list-style-type: none"> A total of 12 treating customers fairly monthly meetings and 11 workshops were held in 2020. In 2020, there were 1,014 customer complaints (619 from the competent authority), which was 131 more than that in 2019 due to bail out loans for the pandemic, and 1,458 pieces of positive feedback, which was 340 more than that in 2019. The overall customer satisfaction rate was 85.47%.
	Personal information protection	5.44%	6.543%	<ol style="list-style-type: none"> Established E.SUN Financial Holding Co., Ltd. and Subsidiaries Principles on Gathering, Processing and Use of Personal Information, and handled customers' information in accordance with the Personal Information Protection Act. Published Privacy Policy and Disclaimer, Mandatory Disclosure Regarding Use of Personal Data by E.SUN Bank, and Customer Right Announcement on our official website. Established cross-departmental Personal Information Protection task force according to E.SUN FHC and Subsidiaries Founding Principles of Personal Information Management Organization to review the performance of our work on personal information protection and improve related procedures annually. Acquired ISO 27001 certification for our information safety management system and PCI DSS certification for our credit card acquiring system. Introduced the data loss prevention (DLP) system. Collaborated with Financial Information Sharing and Analysis Center (F-ISAC) to participate in "F-SOC and cross-field defense" in 2020. 	0%	0.06%	<ol style="list-style-type: none"> Established E.SUN FHC and Subsidiaries Rules of Emergency Response for Personal Information Infringement. Established Emergency Response and Crisis Management task force to handle compensation measures. Regularly conducted drills on personal information loss to improve our reaction capability, further promptly dealing with the crisis and reducing the impact from the loss. Purchased cyber insurance in 2020 to reduce the risk of operation failure and relevant compensation responsibility. 	100%	<ol style="list-style-type: none"> Conducted information security training every month in 2020 and held 4 online information security courses and quizzes. 37,269 participants have passed the exam. 162 employees in the field of information security acquired ISO 27001 Lead Auditor certification. There were no findings or penalties related to customers' personal information from the governmental authority.
	ESG review on corporate customers	1.09%		<p>[Responsible lending]</p> <ol style="list-style-type: none"> Each credit application must be subject to ESG examination and AML investigation. Adopted the 4th edition of the Equator Principles and expanded the scope of its application to include more project financings; we also paid great attention to risks related to climate change, human rights, and biodiversity to improve our ability to manage environmental and social risks. Established a green energy team to participate in wind and solar power project financings, and indicated our support for the green energy industry and willingness to granting loans to them in E.SUN Bank's policy. <p>[Responsible investment]</p> <ol style="list-style-type: none"> E.SUN Principles for Sustainable Investment, with references from Principles for Responsible Investment, including the environment, society, and corporate governance in the decision-making process of investment; we prioritized businesses with lower ESG risks to invest in according to ESG indices established by domestic and international institutions. Created a list of potentially controversial industries or businesses (tobacco, munitions, gambling, fur, coal mining, and lumber industry, etc.) and conducted due diligence to carefully review them; only if they did not have severe impact on sustainability, we could proceed with the investment. 	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> <p>According to the E.SUN Securities Sustainable Investment Management Memorandum, investment in equity and fixed income shall be reviewed in accordance with its investment policy and business brochure, or the invested company shall be reviewed with investment standard and purpose quarterly. If the invested company violates ESG relating issue and has no apparent improvement plan, the bank will lower its portfolio or withdraw its investment.</p>		<ol style="list-style-type: none"> In 2020, we declined 1 application because the business operations could easily lead to disputes with customers; there were no findings or penalties related to major labor disputes or labor rights violation for the rest of the businesses receiving loans. Raise the intensity of the loan review process control for industries of higher ESG risks; in 2020, loans granted to controversial industries with potential risks occupied 1% of our total granted loans. E.SUN's equity investment was 100% in industries of mid to low ESG risks, and our bond investment in those industries reached 98.66%.

Human Rights Protection Outcomes

(1) Gender equality policies

Promoting work equality

E.SUN Financial Holdings has been actively promoting gender equality in the workplace over the long term, implementing the UN Sustainable Development Goals SDG 5: Gender Equality with specific goals and actions, and setting strategic directions such as "encouraging women to be promoted to managerial positions" and "paying attention to women's contribution to family care." In 2020, the position of President at E.SUN FHC was assumed by its former Chief Financial Officer, Magi Chen, who became the first female President of E.SUN FHC; this embodied E.SUN's commitment to passing on its corporate heritage through promoting competent managers. At present, the retention rate of female supervisors at E.SUN reaches 97.4%, and the goal is to increase the proportion of female managerial employees to 41% by 2025.

Female / male remuneration ratio in Taiwan in 2020		
Position level	Base salary	Annual remuneration
Management	98%	97%
Middle management	97%	96%
General staff	93%	91%

President Magi Chen of E.SUN FHC joined E.SUN in 1992 and was appointed as the Chief Financial Officer of E.SUN FHC in 2002. She has assisted E.SUN in launching various infrastructure projects, including launching the International Affairs Department, E.SUN's first overseas branch, the Los Angeles branch of the United States, and the Treasury Division. She has won awards such as "Asia's 25 Most Influential Women in Treasury" by The Corporate Treasurer; "Asia's Best CFO" by Corporate Governance Asia; and "National Manager Excellence Award" by the Chinese Professional Management Association.

In 2020, Magi Chen took over as President of E.SUN FHC and became the first female President of the company. President Magi Chen stated that "E.SUN FHC is the guardian of many happy families," and hopes that E.SUN becomes a happy second home for employees by providing them with an equal and friendly working environment and comprehensive benefits packages.



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 2020, the difference between the annual remuneration of men and women of the same salary grade in Taiwan was less than 10%.



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Creating a friendly environment

- E.SUN is committed to the protection of motherhood and women's rights, and has for this reason created a gender-friendly system and environment. In 2020, the bank received the first round of "Workplace Gender Equality Indicator Certifications" issued by the Department of Labor of Taipei City Government, affirming E.SUN's performance in terms of indicators such as "work-family balance," "friendly pregnancy and childcare measures," and "gender friendly measures for workplace safety." Specific measures include the provision of maternity leave and paternity leave that are superior to regulatory requirements, the provision of birth subsidies amounting to NT\$100,000 per child through the "E.SUN Baby Development Fund," and obtaining Excellent Breastfeeding Room Certification for large-scale office buildings.
- E.SUN listens to the voices and suggestions of employees, and adjusted its clothing regulations in 2020, canceling the requirement of wearing high heels with uniforms for women and thus enabling female employees to wear flat shoes.
- E.SUN supports and protects the freedom and rights of same-sex marriage through action, ensures 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, employees with same-sex spouses have applied for related benefits and marriage subsidies, and E.SUN has also completed the allocation of subsidies according to procedure.

Sexual harassment prevention

- E.SUN established 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. In 2020, E.SUN also revised the two above regulations to strengthen the functions of the Gender Equality Committee and make the sexual harassment complaint and disciplinary system more complete.
- E.SUN has formulated a Sexual Harassment Complaints Review Committee consisting of 7 committee members, and the proportion of female members is more than one-half. The chairman is Vice President or above, and the remaining posts shall be held by the employees of E.SUN FHC and its subsidiaries. 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 2020, E.SUN accepted 2 cases of sexual harassment complaints, and held sexual harassment complaint review committee meetings and initiated the investigation procedures in accordance with the "Rules and Procedures for Sexual Harassment Prevention, Complaint and Punishment of E.SUN FHC and Its Subsidiaries." During investigation, the principles of non-disclosure and confidentiality were observed, and appropriate disciplinary measures were finally given in accordance with relevant regulations.

(2) Employee communication channels

E.SUN has always upheld the importance of paying attention to and listening to the voices of employees. The bank encourages employees to join the trade union and guarantees the freedom of association of employees; in 2020, the proportion of employees joining the trade union was 12.57%. A total of 4 labor-management meetings were held to discuss 10 topics, including workdays and holidays, special leave regulations, overtime procedures, women's nighttime work, flexible working hours, epidemic prevention measures, etc. The above-mentioned labor-management agreement applies to 100% of all employees. E.SUN established a "CHRO Mailbox" to better understand the concerns of employees and listen to their suggestions and voices. In 2021, the bank also added an "Employee opinion reflection/reporting section" on the intranet to enhance the convenience and frequency with which employees express their opinions. The section includes a variety of different communication channels, enabling immediate feedback on various issues.

Added a special section for employee opinion reflection/reporting

Mentorship mailbox

- Purpose: Provide employees with flexible communication channels
- Handling procedures: Supervisors from different departments answer questions and integrate suggestions

Whistleblowing mailbox

- Purpose: Enhance E.SUN's corporate culture of integrity, transparency and sound management
- Handling procedures: Reports are accepted and investigated in accordance with the "E.SUN Procedure For Handling Whistleblowing Reports"

Gender equality and workplace bullying complaint mailbox

- Purpose: Create a friendly and gender-equitable working environment
- Handling procedures: Cases are accepted and investigated in accordance with "Rules and Procedures for Sexual Harassment Prevention, Complaint and Punishment of E.SUN FHC and Its Subsidiaries" and "Announcement on Issues Concerning E.SUN Bank Employee Grievances"

(3) 2020 Employee engagement survey

Targets : 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 : 75.5%

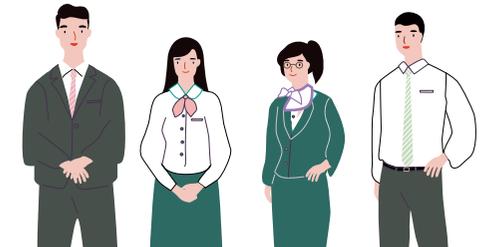
Engagement score : 96.1%

Survey result :

1. E.SUN communicates organizational development strategies with employees through knowledge sharing conferences, and sends out surveys afterwards to understand employees' job satisfaction, identification with the organization, and suggestions. In 2020, due to the epidemic, the knowledge sharing conference took place in the form of online video conferencing, and the number of participants was limited due to epidemic prevention considerations, supposedly resulting in a decrease in the response rate of feedback questionnaires.
2. This year, the percentage of employees satisfied with interdisciplinary rotation and career development increased.

Improvement measures:

1. In response to diversified and flexible work patterns and family care needs, employees may now apply for leave on an hourly basis.
2. Implemented the performance coaching mechanism to assist underperforming employees in improving their work efficiency.
3. The "Employee opinion reflection/reporting section" was added to provide more communication channels.



Employee engagement throughout the years

Item	2018	2019	2020
Male / female	96.65% / 97.23%	96.79% / 97.04%	95.86% / 96.31%
Managerial / non-managerial	98.81% / 96.05%	98.88% / 95.93%	98.61% / 94.80%
Under 30 / 31-50 / over 51	-	-	93.90% / 97.23% / 99.78%
Total	96.95%	96.93%	96.10%
Response rate	80.90%	87.20%	75.50%

8 Social Inclusion

GRI : 203-1 、 203-2 、 413-1 ; GRI G4 Financial Services Sector: : FS7

8.1 Corporate Citizenship Strategy

"E.SUN employees strive to be first-class citizens of the world.

E.SUN endeavors to become a first-rate global corporate citizen."

E.SUN, upholding the belief that business operations depend on the continuous improvement of our overall performance, CSR initiatives, and sustainable development, strives to generate great profit in order to meet stakeholders' expectations and is committed to implement CSR initiatives, through which we can give back to the society. From a long-term perspective, we, with the goal of sustainability, aim to exert greater impact and build a lasting business.

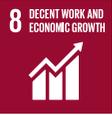
E.SUN has been actively involved in academic education, social participation, arts and humanities, and sports; we have developed projects that have enduring influences on social and economic development and responded to SDGs with actionable plans and concrete measures.

■ United Nations Sustainable Development Goals (SDGs) and Taiwan Sustainable Development Goals proposed by the National Council for Sustainable Development of the Executive Yuan

Starting from aspects such as corporate strategic direction and business operations, E.SUN identifies and ranks 9 goals of the highest relevance, including "quality education", "decent work and economic growth", and "good health and well-being." Apart from taking the initiative to act, E.SUN utilizes ESG reports, earnings calls, press conferences, media coverage, corporate publicity, on-site visits, and surveys to communicate with stakeholders, and discloses the results of our endeavor based on the corresponding terms in Taiwan Sustainable Development Goals.

*The picture is Children's Reading Room of Chiayi County Public Library; this project was in collaboration with Chiayi County Government.



Key response targets	Business drivers	Results	Mid- to long-term goals
 <p>4.3 (U) 4.5 (U) 4.7 (U) 4.4 (T)</p>	<p>Talent is a key and leading indicator. E.SUN believes that talent cultivation is essential for corporate sustainability and national competitiveness. E.SUN has long taken actions to improve the quality of education by supporting rural elementary schools, higher education, and corporate learning. We have launched the E.SUN Golden Seed Project to establish libraries for elementary schools lacking resources to improve their reading environment. We support key talent in various fields nationwide and help build up intellectual capital for our country through industry-academia collaboration, campus competitions, and the E.SUN Outstanding Talent Scholarship. In hopes of cultivating more outstanding scholars and talent, we have collaborated with prestigious universities nationwide and given out the E.SUN Academic Award to encourage professors to publish their research outcomes in international journals. We have hosted the International Masters Forum to introduce elite strategies, marketing, and new knowledge in management from worldwide sources for Taiwanese enterprises to inspire each other with new ideas, jointly find new paths for growth, and increase the competitiveness of Taiwan.</p>	<ul style="list-style-type: none"> · (S) 160 E.SUN Libraries. · (S) Care for School Children Project has helped 37,697 disadvantaged students throughout the past 3 years. · (S) English Hand in Hand Project in rural elementary schools has helped 23 schools and 1,050 students. · (S) The E.SUN Outstanding Talent Scholarship was awarded to a total of 172 students. · (C) The market share of World Card reached 27.9%. 	<ul style="list-style-type: none"> · (S) Build 200 E.SUN Libraries by 2025. · (C) The market share of World Card reaches 30% in 2025.
 <p>8.2 (U) 8.3 (U) 8.8 (U) 8.10 (U) 8.13 (T)</p>	<p>A bank is not only a business of managing credit risks and a service business to meet the needs of customers, but also an innovative business that leads social development and a public business that pursues management efficiency. With close to 1.49 million in number, SMEs in Taiwan are an important foundation on which the economy and the job market flourish. E.SUN is actively developing fintech to assist SMEs in acquiring funds and transforming business models to help boost Taiwan's economy. Meanwhile, we continue to focus on businesses with a technological niche and potential for growth, helping them to obtain government grants for technological projects and funds for research and innovation so as to drive industry upgrade. While pursuing external opportunities for development, we also value internal stability. E.SUN pays great attention to employee cultivation and care because we believe that employees are a company's most important asset. By offering a comprehensive career roadmap and welfare system, we are committed to building a sound workplace in the hope of making it a second home for employees.</p>	<ul style="list-style-type: none"> · (S) Welfare expense: on average NT\$1,338 thousand / per employee · (S) Assisted 23,700 SMEs in obtaining vital working capital. · (C) Approved NT\$429.2 billion in SMEs loans. · (C) Invested NT\$402 million in R&D in 2020 and has acquired 67 fintech-related patents by the same year (17 invention patents, 39 utility model patents, 11 design patents). · (C) The number of active customers of mobile and internet banking reached 2.15 million. · (C) e-Click Loan applications accounted for 80% of total credit and credit card loans. · (S) Total amount of electricity from wind power reached 3,746MW (offshore 2,210MW; onshore 1,536MW). 	<ul style="list-style-type: none"> · (S) Employee benefits for non-management personnel reach NT\$1.5 million per capita by 2025. · (S) Assists 25,000 SMEs in obtaining vital working capital in 2025. · (C) Issue NT\$500 billion of loans to SMEs in 2025. · (C) Issued NT\$130 billion of loans to small businesses in 2025.
 <p>3.8 (U) 3.c (U)</p>	<p>Health is the foundation of happiness and the key to the sustainable operations of a country and its enterprises. As Taiwan is firmly on the path to becoming a super-aged country, the demand for medical resources is increasing day by day, and the problem of nursing shortage has started to emerge. In addition to donating medical supplies and launching blood donation activities, E.SUN also collaborates with academic institutions to cultivate nursing talents to enhance the energy of Taiwan's social health care system. At the same time, with abundant experiences in developing fintech, the bank assists hospitals with digital transformation and provides customers with service courses, making it easier for the general public to receive quality medical services and resources. On the other hand, E.SUN regularly co-organizes free clinic and home medical services with hospitals to provide appropriate medical care for physically-challenged patients and those living in remote rural areas with scarce medical resources, so that they can live healthy lives. E.SUN will continue to support the health and medicine field with cross-industry force to create a better, healthier society.</p>	<ul style="list-style-type: none"> · (S) Collaborated with physicians to organize free home medical services, benefiting 738 people. · (S) Awarded Nursing Talent Scholarship to 9 students. · (S) Collaborated with the 6 chartered specialist associations (the medical, dental, Chinese medical, CPA, bar and architect associations) in holding blood donation activities, collecting a total of 6,890 bags of blood from 4,750 donors. · (S) E.SUN employees actively initiated a special donation activity entitled "Salute to Physicians, Nurses and Frontline Epidemic Prevention Workers" and jointly donated NT\$15 million. · (S) Donated epidemic prevention materials and thank you cards to 28 major hospitals in Taiwan to cheer for the frontline medical staff and pay tribute to them. · (S) Held E.SUN Can Help mask-gathering project and donated 100,000 masks to countries including Myanmar, Cambodia, and Japan. · (C) 33,000 credit cards of the physician series are in circulation. 	<ul style="list-style-type: none"> · (S) Benefit 20,000 people with free clinic services by 2025. · (S) Donate 60,000 bags of blood by 2025. · (C) The number of cards of the physician series in circulation reach 37,000 in 2025.

SDGs	Associated targets	Results	Mid- to long-term goals
	13.2 Integrate climate change measures into strategic planning. (U)	· (S) Issued loans to 725 solar power stations, which totaled 615 MW in power generation and helped to reduce annual carbon emissions by 73,400 tons.	· (S) The capacity from domestic renewable energy project financings reach 3.4 GW in 2025.
	13.3 Improve the agency and its employees' capabilities to mitigate climate change. (U)	· (S) Stopped issuing new loans to coal-fired power plant projects, and there would be no extensions for current contracts.	
	13.3.2 Promote change in public behavior and implement low-carbon local activities. (U)	· (S) Reduced carbon emissions by 21% per unit of revenue. · (S) Approximately 210,000 YouBike rides per month by E.SUN EasyCard holders. · (C+S) 26 loans approved in accordance with the Equator Principles. · (C) Loans granted to green industries reached NT\$22.4 billion.	
	16.4 Significantly reduce illicit financial and arms flows and combat all forms of organized crime	· (S) Successfully helped prevent fraud and saved around NT\$53.54 million (NTD and foreign currencies included).	· (S) Strengthen the disclosure of directors' salary package in 2025. · (C) Establish E.SUN global anti-money laundering system platform in 2025.
	16.6 Establish effective, responsible, and transparent institutions (U)	· (C) Acquired A rating from Taiwan Intellectual Property Management System (TIPS). · (C) Established Risk Management Committee of the board of directors.	
	16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels (U)	· (C) Linked the Board of Directors' performance evaluation results with their salary review system. · (C) 336 employees acquired the credential for Certified Anti-Money Laundering Specialist (CAMS). · (C) 548 employees acquired the credential for Professional Exam for Anti-Money Laundering and Countering Terrorism	
	12.5 Reduce waste generation, and promote recycling and reuse. (U)	· (S) Reduced water usage by 13% and waste generation by 51% per unit of revenue compared to 2016.	· (S) Reduce waste generation by 20% and total water consumption by 56% in 2025 compared to 2016. · (C) Change all E.SUN credit cards in circulation to carbon-neutral ones by 2025.
	12.6 Encourage companies to adopt sustainable development measures and disclose sustainable development information. (U)	· (S) Reached 1.195 million kg in the amount of carbon emissions offset by credit cards. · (C) Spent NT\$1.3 billion on green procurement. · (C) Issued more than 3.6 million carbon-neutral credit cards.	
	12.7 Promote green procurement (U)		
		· (S) Planted 30,000 trees for the tree-planting project. · (S) Cumulatively donated NT\$8 million to Taipei City Zoo. · (S) Promoted butterfly conservation in collaboration with Yangmingshan National Park for 8 consecutive years since 2013.	
	15.2 Sustainably manage forests. (U)	· (S) Sponsored hiking trails in Yangmingshan National Park for 12 consecutive years since 2009.	· (S) Plant 80,000 trees native to Taiwan by 2025. · (S) Hold beach-cleaning activities every year up to 2025.
	15.4 Protect mountain ecosystems. (U)	· (S) Hold Smile E.SUN beach-cleaning activities for 11 consecutive years, with the number of participants in 2020 reaching 4,179.	
	15.5 Protect and prevent endangered species from extinction. (U)	· (C) Issued a total of 490,000 Taiwan Black Bear Credit Cards, Visa Signature Cards, and ETC EasyCard Joint Credit Cards (a set percentage is contributed to the preservation of black bears, the tree-planting project, and sustainable environment accounts).	
	5.1 End discrimination against women. (U)	· (S) Awarded the certification of Workplace Gender Equality Model in its first year of launching from Department of Labor of Taipei City Government.	· (C) Percentage of female employees maintain 55% and above in 2025. · (C) In 2025, percentage of female managerial employees reach 41%, percentage of junior managerial employees reach 45%, percentage of female mid- to high-level managers reach 23%. · (C) In 2025, percentage of female sales business managerial employees reach 39% and percentage of female tech team reach 32%.
	5.4 Value women's contribution to families. (U)	· (S) Adjusted the uniform code, and now female employees can wear flats to work. · (S) Established a dedicated mailbox for gender equality and workplace bullying.	
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels	· (S) Granted employees 60 days of maternal leave and 6 days of paternal leave, which were superior to statutory requirements. · (S) Rate of reinstatement after parental leave: 80% · (C) 38.13% of managerial employees were female. · (C) The average salary for a female non-managerial employee is 93% of that for a male non-managerial employee.	
	17.3 Provide financial support for developing countries (U)	· (S) Promulgated the ASEAN Talent Scholarship to outstanding talent from Vietnam, Cambodia, and Myanmar. A total of 19 students have received the scholarship.	· (S) Continue to provide the ASEAN Talent Scholarship annually up to 2025 to help more high-performing Southeast Asian students to study and work in Taiwan. · (C) Loans granted by branches and subsidiaries in developing countries (Vietnam, Cambodia, Myanmar) reach US\$997 million in 2021.
	17.3 Offer scholarship to high-performing students in developing countries to study in Taiwan. (T)	· (S) Donated 250,000 masks to Japan, Cambodia, and Myanmar in collaboration with E.SUN overseas branches and subsidiaries. · (C) Loans granted by branches and subsidiaries in developing countries, including Vietnam, Cambodia, and Myanmar, reached US\$818 million. · (C) Issued housing loans of US\$224 million in Cambodia.	

Note: 1. (U) represents United Nations, and (T) represents Taiwan's targets.
 2. (S): Social / Environmental Benefit KPI. (C): Business Benefit KPI
 3. Numbers related to the reduction of carbon emissions, water consumption, and waste indicate changes since 2016.

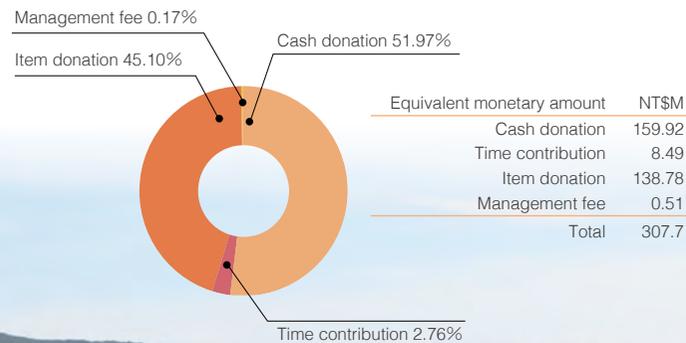
Management mechanisms for charity events

E.SUN's charity events mainly respond to society's needs, and some of them are proposals by our employees. Through questionnaire feedback of the annual knowledge-sharing conference and external interviews, the CSR task force will organize ideas, devise comprehensive plans, and submit them to E.SUN Volunteer and Social Welfare Foundation or E.SUN Foundation to apply for funds. After the plans are presented to and approved by Sustainable Development Committee, business management units will be designated to implement the plans. The CSR task force will conduct annual follow-ups and report the outcomes to Sustainable Development Committee, which will give recommendations and feedback for future improvement.

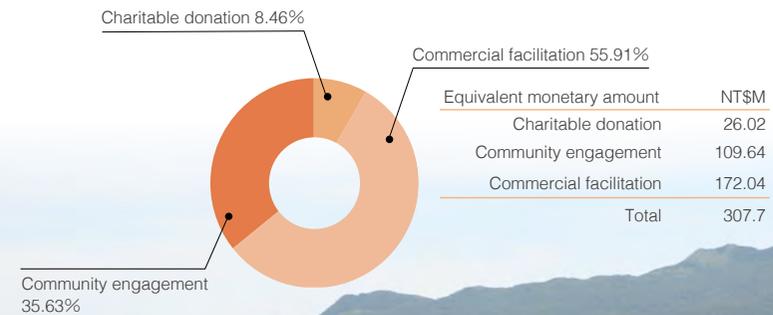
Funding and the purpose of charity events

We strive to give back to the society in which we make our living. E.SUN FHC engages in social inclusion with 5 focus areas: academic education, social engagement, arts and humanities, sports development, and disaster support. While we strive to improve our performance, E.SUN also cares about community development. Regardless of where our branches and subsidiaries are, we always visit neighboring malls, companies, schools, and hospitals with the hope to provide appropriate financial services for local communities and help to improve economic growth. In addition, we have adopted the London Benchmarking Group (LBG) framework to evaluate the overall status of resources invested. The LBG framework outlines 4 types of contribution: in-kind, cash, time, and management costs; and three motivations for evaluation: charitable gifts, community investment, and commercial initiatives.

Type of Contribution



Type of Philanthropic Activities



8.2 Academic Education

■ Improving the English proficiency of students in rural areas

Under the current wave of globalization and internationalization, bilingual education has become one of the nation's important policies. E.SUN, supportive of the education for rural children, has heard from many principals and teachers that the English proficiency of schoolchildren is exhibiting an M-shaped distribution, especially in rural areas. The main reasons are the long-term shortage of English teachers in rural areas and the inability of rural families to pay for cram schools. School children, once fall behind or have negative experiences with learning English, may carry a negative attitude towards English; furthermore, it could be difficult to carry out proficiency level-based grouping or remedial teaching due to lack of teachers.

To improve the English proficiency of rural children, E.SUN and Cave Books jointly launched the English Hand in Hand Project in 2019 to recruit English teachers to rural primary schools in Hsinchu County, Yunlin County, Chiayi Country, and Tainan City. In addition to providing free English textbooks, the project also offers after-school English tutoring sessions, where children can start from pronunciation and learn vocabularies, sentence structures, and simple conversations through playing games. In so doing, we hope to spark the children's interest in English and help them to build a solid foundation for further English learning.

By the end of 2020, 61 classes have been organized under the English Hand in Hand Project in total, benefiting 1,050 students. In addition to giving children from rural areas the opportunity to learn English, the project has also nurtured 50 English teachers through teacher training camps, which not only enables these instructors to improve their teaching skills, but also helps them to better understand and identify with the purpose of the project. This in turn enables the spread of passion and enthusiasm for teaching and helping rural children to improve English proficiency.





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English Hand in Hand Project	Since the launch of the project in 2019, English teachers have been invited to provide after-school English tutoring at rural primary schools and work together to create a better English learning environment.	A total of 61 classes have been organized, 50 English teachers have been trained, and 1,050 students have participated in the courses.
E.SUN Golden Seed Project	Since 2007, E.SUN, combining the force of our company, employees, and customers, has been allocating part of the annual fee for E.SUN World Card holders and 0.3% of their domestic card spending to build E.SUN Libraries in rural areas or areas with scarce resources, thus continuing to sow the seeds of knowledge.	As of 2020, we have built 158 E.SUN Libraries and donated 370,000 books, which have benefited more than 100,000 students.
E.SUN Academic Award	To encourage top academic research and ensure domestic research in the field of management is more closely aligned with international standards, the bank established the E.SUN Academic Award in 2010 and confers awards on professors affiliated with schools of management who publish papers in the top 3 international journals in different fields.	In 2020, 6 new winners were added, and the total number of awardees reached 39.
E-Book Collection Workshop	To integrate digital reading teaching and cultivate children's online learning ability, E.SUN is promoting the E-Book Collection Workshop project, through which it conducts digital reading promotion seminars and trains seed instructors. At the same time, in response to changes in the technological environment, the Online Digital Reading Topic Inquiry Competition was held in 2020 to provide students with opportunities to display their research results and engage in inter-school exchange.	E.SUN purchased 240 tablet computers for schools to borrow. A total of 366 teams and 1,323 students from schools around Taiwan participated in the Online Digital Reading Topic Inquiry Competition.
Climbing the Stories Mountain Reading Promotion Project	To train more reading promotion volunteers with a passion for telling stories, E.SUN published a total of 6 picture books of original Taiwanese stories and organized activities such as Storytelling Volunteer Training Courses, Story Suitcase Workshops and Storytelling Reading Promotion Services.	In 2020, a total of 6 storytelling volunteer training courses and workshops were held, and about 220 people participated in the training.
Picture Book Workshop	To encourage students to create picture books and enable picture book education to become deeply rooted, E.SUN supports the National Library of Public Information's "Picture Book Database", which collects picture books created by students, and organizes workshops of creating picture books for teachers to exchange ideas with each other.	In 2020, 70 types of original picture books were newly included, and 110 teachers participated in the workshops of creating picture books.
E.SUN Artificial Intelligence Open Challenge	E.SUN has been holding the Artificial Intelligence Open Challenge since 2019, providing de-identified data for participating teams to try a variety of different algorithm construction models. This year, anti-money laundering was the competition topic to enhance the practical application of artificial intelligence in Taiwan's industries through data-enabled problem-solving.	A total of 4 artificial intelligence open challenges have been held to date with topics including anti-money laundering, and the events have attracted the participation of 4,226 teams from home and abroad.



8.3 Social Participation

In 2020, the COVID-19 brought about immeasurable impact on the global environment, and has exerted profound influence on people's lives and the market economy. In addition to continuously perfecting preparatory work for responding to various unpredictable situations in the future, E.SUN protects customers' assets and provides bailout loans to companies and individuals while also actively supporting epidemic prevention and medical care with practical actions, thus exerting the bank's positive influence.

■ Donated epidemic prevention funds and materials to pay tribute to frontline epidemic prevention and medical staff

In order to express their gratitude to the epidemic prevention staff and support, E.SUN employees initiated a donation activity entitled "Salute to Physicians, Nurses, and Frontline Epidemic Prevention Workers", which was enthusiastically responded by many employees by donating their daily earnings. They and the E.SUN Volunteer & Social Welfare Foundation jointly donated a total of NT\$15 million to the account of Ministry of Health and Welfare Taiwan Centers for Disease Control to express their care and aid the work of epidemic prevention personnels. During the epidemic prevention period, E.SUN extended gratitude to the hard-working doctors and nurses on the front line for their courage in taking responsibility and staying at their posts to protect the health of the public. E.SUN volunteers also donated supplies and thank you cards to medical institutions, hoping to cheer up the medical staff and replenish their energy.

■ Established the E.SUN Nursing Talent Scholarship to train nursing personnel

With the advent of an aged society, society's demand for medical and elder care is increasing, and the epidemic prevention process moreover requires the concerted efforts of medical staff. In response, E.SUN has joined hands with academic institutions to cultivate more nursing talents needed by society and enhance the energy of Taiwan's social health care by supporting indicator nursing schools to promote assistance programs for economically straitened and disadvantaged students. The bank also set up the "E.SUN Nursing Talent Scholarship" to encourage students in the field of nursing to devote themselves to their studies, and after graduation, pursue careers in clinical nursing, thereby becoming nursing professionals with expertise and passion for service.

Sharings from an awardee

"My motivation to enroll in the Department of Nursing stems from a desire to help others. The change of my family circumstances during school and the need to take care of my sick father interrupted my studies for a while. Winning this scholarship not only reduces my financial burden, but also supports me spiritually by enabling me to firmly believe that I am doing the right thing. I hope that my nursing practices can be more humane and localized, and that I can go on to serve my community with this blessing bestowed upon me."

Ms. Tai from Department of Nursing,
Tzu Chi University of Science and Technology





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E.SUN Outstanding Talent Scholarship	To cultivate a key taskforce for the country's future, E.SUN has successively established the E.SUN Outstanding Talent Scholarship and E.SUN ASEAN Scholarship since 2005. Furthermore, in response to the advent of an aged society, the demand for medical and elder care is gradually increasing; therefore, the bank also set up the E.SUN Nursing Talent Scholarship in 2020 to nurture taskforces key to Taiwan's future through practical actions.	In 2020, a total of 36 students from different fields were awarded with scholarships, including 19 outstanding talents, 8 ASEAN talents and 9 nursing talents. As of 2020, a total of 172 students have been awarded.
Sending love to Lanyu	Taiwan Dental Association and E.SUN Bank jointly launched the Home Dentist Service Project, so that individuals who are seriously ill or physically challenged could enjoy access to dental care and smile again.	Due to the lack of medical resources in remote villages on outlying islands, in June 2020, Taiwan Dental Association and E.SUN Bank volunteers formed a medical team to Lanyu to offer free consultations and home dental care, so that residents of remote outlying islands enjoy access to better dental care and are able to establish accurate dental care knowledge and habits.
E.SUN Caring Children Program	Through the program, E.SUN has been providing assistance to children who come from economically disadvantaged family or encounter family emergency. The program enables children to concentrate on schoolwork and at the same time alleviates their family's financial burden. Each elementary school student is subsidized with NT\$2,000 per semester to pay for their tuition and miscellaneous fees, textbooks, extracurricular activities, after-school counseling, or other expenses.	NT\$75.39 million in total has been donated to the Caring Children Program over the past three years, helping 37,697 underprivileged children.
E.SUN Maravi Rice	E.SUN has been supporting organic agricultural development for 7 consecutive years since 2014, encouraging local farmers in Maravi to adopt organic agriculture and protect biodiversity.	E.SUN acquired 260,000 kg of Maravi Rice in total, and shared them not only to employees and VIP customers, but also in employee restaurants.
One simple act of love can inspire others to love. --Blood Donation Event	To alleviate blood shortage and help those in need, E.SUN Bank and E.SUN Volunteer Foundation have held blood donation activities for 21 consecutive years during winter and summer vacations, when seasonal blood shortages occur.	In 2020, E.SUN collaborated with the 6 chartered specialist associations and FamilyMart convenience store in organizing blood donations that attracted a total of 4,750 donors and volunteers to respond, and collected 6,980 bags of blood.

8.4 Arts and Humanities

The COVID-19 pandemic has forced us all to practice social distancing, but it also highlights the characteristics and value of close contact and emotional communication between people. Art is open to everyone, and we hope that every citizen can see and feel the wonders of artistic creations. We are especially grateful to workers in various realms of art and performing troupes as well as the schools and groups invited to participate in the activities for their company and support, because their commitment has enabled us to move forward hand in hand with greater confidence and enjoy the fascinating world of arts and humanities together.

In order to promote cultural equality, in 2020, E.SUN jointly promoted Relaxed Performance with the National Theater and Concert Hall, and fine-tuned performance contents and service methods, so that people with different needs can easily enjoy performing arts, thereby creating a viewing space for diverse audiences. In the future, E.SUN hopes to welcome the participation of more art venues, artists and audiences so that the value of inclusivity can be integrated into our lives at an accelerated pace and contribute to cultural equality.

During Relaxed Performance, the needs of the audience are considered, and the performance content and surrounding environment are fine-tuned accordingly. Not only must the performers themselves have awareness, strong sound, light, and visual effects must also be reduced in the performance environment so that the audience feel free to relax and express their own feelings. If experiencing discomfort, they can cough as needed without worrying about making noise and stretch their limbs at will without needing to sit rigidly throughout the entire program. If necessary, members of the audience can also take a break in the lobby or a quiet space. Both the theater and concert hall have dedicated spaces designed for such purposes, and pressure relief knickknacks, earplugs, and other accessories are provided to create a relaxing and friendly performance art experience for all. Whether infants, young children, people who are sensitive to sound and light, or people who are unable to sit for prolonged periods or have physical needs, all types of audiences can enjoy the programs according to their own conditions and needs. Through senior programs, childcare services, workshops, and barrier-free services such as video narration, real-time transcriptions of seminars and lectures, and sign language interpretation for the speaking- and hearing-impaired, all individuals with varying conditions can immerse themselves in the performances without pressure.

Relaxed Performance Approx. 2,705 persons

E.SUN collaborated with the National Theater and Concert Hall in sponsoring 5 relaxed performances, including Classical vs. Jazz, Fall in Love with Beethoven, and The Adventure of Spiders-Fly, Fly, Fly by Dance Forum Taipei, Now You Know What the National Concert Hall is All About, and be FUN and young with A Cappella with the Semiscon Vocal Band. Audiences invited to the performances included seniors, students from rural areas, and individuals with different physical needs and conditions. A total of 300 children from schools participating in E.SUN Libraries were also invited to take part in two of the sessions.





Theater Art Experience Education Project Approx. 1,400 persons

E.SUN joins hands with the Weiwuying National Kaohsiung Center for the Arts to offer micro courses and drama reading courses, allowing students to perform onstage. Through different experimental forms of theater education and promotion, different generations and members of the society have the opportunity to interact more closely with the performing arts. In 2020, the courses were offered in spring and autumn, and the organizers also printed youth versions of performance programs to help students acquire a more comprehensive understanding of the theater.

Let's Go to the Theater Approx. 600 persons

The theme of this 2020 collaboration between E.SUN and the National Taichung Theater was "dance". A total of 20 elementary schools were invited to the opera house to enjoy the interpretive teaching performances of Dance Forum Taipei, an iconic, innovative dance troupe within Taiwan's field of contemporary dance. They also provided body movement courses and a tour of the Opera House architecture to stimulate the students' aesthetic creativity.

Play ARTs Children's Workshop Approx. 500 persons

Referencing from Tainan Art Museum's rich experience in promoting children's aesthetic education, E.SUN took the initiative to extend the scope of children's artistic learning to off-campus venues to spark their interest in the arts. In 2020, a total of 500 students from 6 schools with E.SUN Libraries were invited to participate. The theme of each visit comprised of the art gallery's current exhibitions and DIY creative activities, where E.SUN volunteers would accompany and help guide the children, enabling them to experience the artists' creative process and inspiring their profound fondness for the land on which they live.





Van Gogh Alive - the experience Approx. 270,000 persons

E.SUN, as an avid benefactor of the arts and literature, sponsored the debut of the new exhibition "Van Gogh Alive - the experience" in Taiwan with exhibitions successively taking place at the Shin Kong Mitsukoshi department stores in Taipei and Kaohsiung from January to July 2020. The content of the exhibition is based on the concept of subverting traditional viewing methods, using multi-screen projection technology to display more than 3,000 paintings and letters of Van Gogh, which was accompanied with symphonies and sound effects, offering viewers a new way of interacting with the arts.

The Phantom of the Opera Approx. 130,000 persons

E.SUN upholds the concept of truth, goodness and beauty in promoting cultural and artistic exchanges between the East and the West. In 2020, the bank sponsored 22 performances of The Phantom of the Opera, a world-renowned classic Broadway musical, at the Taipei Arena, marking the 4th time the musical is available to audiences in Taiwan after a lapse of 6 years. With the centuries-old Paris Opera as the background and combining real events reported in the news, the writers of the musical created a distinctively unique and legendary fictional character, the Phantom. Through the moving music that resonates with the turnings of the plot by Andrew Lloyd Webber, the dramatic tension of plausibility entangled with illusion is perfectly presented, while the elegant and moving dance is another one of the key elements of this successful musical.

Disney in Concert: The Lion King Approx. 20,000 persons

E.SUN has long supported high-quality art and cultural activities. The famous Disney film The Lion King was performed in Taiwan for the first time in the form of film screenings accompanied by live orchestra performance, and there were 7 performances in 2020. They projected the real-actor version of the movie on the big screen in the concert hall, with Evergreen Symphony Orchestra, a chorus, and famous singers from home and abroad performing the soundtrack alongside the screening.

Taiwanese Composer Series Approx. 16,000 persons

E.SUN sponsors the Taiwan Composer Series project, a collaboration between Weiwuying and the Taiwan Music Institute of the National Center for Traditional Arts, hoping to present the Taiwanese musical history through connecting the north and south venues and promoting the works of Taiwanese composers through exhibitions and performances. This project enabled more people to understand the history and background of Taiwanese music and contributed to cultivating local culture for driving the development of Taiwanese music in the future. The first year of the project featured Tyzen Hsiao and Chu-Shui Chen, two renowned maestros with special connections to Kaohsiung. Through the development of this project, E.SUN seeks to bring the power of art and literature back to Kaohsiung with the concerted efforts of Weiwuying and others supporters of the initiative.





8.5 Fitness Development

■ Sports empowerment and continuous training of senior league baseball players, increasing Taiwan's international visibility

Baseball is Taiwan's national sport, and many Taiwanese still have vivid memories of various international competitions in which the national team excelled. As senior league is an important period of baseball development, E.SUN has taken the promotion of Taiwan's baseball strength as its own corporate responsibility and invested resources in the promotion and improvement of senior league infrastructure, so that baseball can be further promoted to every corner of Taiwan.

E.SUN believes that training must be systematically improved and rooted, and has therefore set up a dedicated E.SUN Senior League Development Fund Account. Utilizing the business model for credit card business development, E.SUN has been promoting the development of senior league for 14 consecutive years; we started with the sponsorship for basic sports equipment and protective gear, and extended to that for the promotion of players' skills and correct protection knowledge. Every year, E.SUN mobilizes fans to tune in to games or enter the stadium through diversified approaches, attracting more than 100,000 fans to take part in the games in person. Through the E.SUN CUP National AAA Baseball Tournament, the hall of honor in senior league baseball, senior league players are given the opportunity to showcase their achievements and create precious memories of their youth, thus enabling the E.SUN Cup to become the point of departure for the dreams of Taiwan's national baseball team!

In view of the above purpose, E.SUN hosts the E.SUN Senior League Baseball Camp and E.SUN Senior League Protection Camp every year, inviting MLB- or NPB-level coaches to Taiwan to convey the most advanced baseball concepts and correct techniques to Taiwanese players. In addition, the bank also collaborates with Chang Gung Memorial Hospital to impart on players the knowledge of sports injury ad care, thus helping them to better address physical injuries and enabling players to enjoy a better and longer sports career. On the other hand, E.SUN also provides subsidies for ball and equipment for schools in Taiwan's remote areas with relatively scarce resources, so that schools that actively develop senior baseball can have a better environment. By enabling coaches and players to concentrate on their daily skills training, E.SUN hopes to nurture more talented senior league players, who will in turn bring a brighter future for baseball in Taiwan.

The bank was furthermore the driving force behind the establishment of the E.SUN CUP National AAA Baseball Tournament, the hall of honor for senior league players in Taiwan. Every year, 10,000 high school students participate in the competition, and 20 outstanding players are selected to form the national team of Taiwan to participate in the U-18 Asian Baseball Championship and U-18 Baseball World Cup. As such, the tournament is of great significance to participating players. In the 14 years from 2007 to 2020, Taiwan's national senior league baseball team has been awarded in 9 international competitions. In addition to most recent title of champion awarded at the 2019 U18 World Cup, the team has accumulated a total of 3 golds, 3 silvers, and 3 bronzes. This demonstrates that the E.SUN Cup has honed outstanding players under high-intensity competitions, and has also assisted Taiwan senior baseball league in continuing to exhibit stellar performances in international competitions!

E.SUN CUP National AAA Baseball Tournament

- Highest-level competition for selecting members of the senior baseball national team
- 14 annual tournaments held to date with nearly 8,500 participating players
- 2007 U-18 Asian Baseball Championship - Champion
- 2010 IBAF U-18 Baseball World Cup - Champion
- 2019 U-18 Baseball World Cup - Champion

Senior League Baseball Camp

- Coach camp, pitching and catching camp, hitting camp, pitching camp
- Introduces the latest, advanced concepts from MLB and NPB to benefit the growth of both senior league coaches and players
- Wang Po-jung of the Hokkaido Nippon-Ham Fighters and Hong-Chih Kuo, former player of Taiwan's national team, have in recent years been specially invited to coach in person
- Nearly 700 persons have directly benefited cumulatively

Senior League Protection Camp

- Establishes the concept of sports injury protection and prolongs the sports careers of players
- More than 3,000 persons have participated cumulatively

Remote Caring Program Series

- Provides baseball players in rural areas with new equipment and protective gear, allowing them to focus solely on improving skills.
- Donations have been made to nearly 30 resource-poor teams cumulatively



Appendix 1 - GRI Sustainability Reporting Standards Content Index

GRI: 102-55

GRI 102: General Disclosures 2016

★ Material issues

	Disclosure	Description	Reference	Page	Note
About the Report	102-1	Name of the organization	About the Report 1 Company Information	3 12	
Table of Contents	102-2	Activities, brands, products, and services	1 Company Information 4.3 Treating Customers Fairly and Customer Experience	12 85	
2020 Sustainable Performance and Important Results	102-3	Location of headquarters	1 Company Information	12	
	102-4	Location of operations	1 Company Information	12-13	
2020 Honor and Recognitions	102-5	Ownership and legal form	1.2 Business Performance	14	
	102-6	Markets served	1 Company Information	12-13	
1 Company Information	102-7	Scale of the organization	1 Company Information 1.2 Business Performance	12-13 14	
	102-8	Information on employees and other workers	Appendix 7 - Human Resource Management indicators	163	
Sustainable 2 Development Strategy and Framework	102-9	Supply chain	6.3 Supplier Management	114	
	102-10	Significant changes to the organization and its supply chain	1.1 Vision 6.3 Supplier Management	12 114	No significant change
3 Managerial Governance	102-11	Precautionary principle or approach	2.3 Emerging Risks 3.3 Risk management 3.5 Business Continuity Plan	35 46 55	
	102-12	External initiatives	4.1 Sustainable Lending and Sustainable Investment 5 Climate Change Risks and Opportunities 6.2.3 Environmental Sustainability Activity	68 92 112	
4 Sustainable Finance	102-13	Membership of associations	3.1 Corporate Governance	42	
5 Climate Change Risks and Opportunities	102-14	Statement from senior decision-maker	Letter from the Chairman & President	5	
	102-15	Key impacts, risks, and opportunities	Letter from the Chairman & President	5	
6 Environmental Sustainability	102-16	Values, principles, standards, and norms of behavior	3.2 Code of Conduct and Ethic	43	
	102-17	Mechanisms for advice and concerns about ethics	3.2 Code of Conduct and Ethic	43	
7 Human Rights Protection	102-18	Governance structure	2.1 Sustainable Development Committee 3.1 Corporate Governance	16 37	
	102-19	Delegating authority	2.1 Sustainable Development Committee 3.1 Corporate Governance	16 37	
8 Social Inclusion	102-20	Executive-level responsibility for economic, environmental, and social topics	2.1 Sustainable Development Committee 3.1 Corporate Governance	16 37	
	102-21	Consulting stakeholders on economic, environmental, and social topics	2.2.1 Materiality Analysis 2.2.2 Stakeholder communication	17 27	
Appendix	102-22	Composition of the highest governance body and its committees	3.1 Corporate Governance	37	
	102-23	Chair of the highest governance body	3.1 Corporate Governance	37	
	102-24	Nominating and selecting the highest governance body	3.1 Corporate Governance	38	
	102-25	Conflicts of interest	3.1 Corporate Governance	40	
	102-26	Role of highest governance body in setting purpose, values, and strategy	2.1 Sustainable Development Committee 3.1 Corporate Governance	16 37	



Disclosure	Description	Reference	Page	Note
102-27	Collective knowledge of highest governance body	3.1 Corporate Governance	38	
102-28	Evaluating the highest governance body's performance	3.1 Corporate Governance	39	
102-29	Identifying and managing economic, environmental, and social impacts	2.1 Sustainable Development Committee 3.1 Corporate Governance	16 37	
102-30	Effectiveness of risk management processes	2.1 Sustainable Development Committee 3.1 Corporate Governance 3.3 Risk management	16 37 46	
102-31	Review of economic, environmental, and social topics	2.1 Sustainable Development Committee 2.2 Materiality Analysis and Stakeholder 3.1 Corporate Governance	16 17 37	
102-32	Highest governance body's role in sustainability reporting	About the Report 2.1 Sustainable Development Committee 3.1 Corporate Governance	3 16 37	
102-33	Communicating critical concerns	2.1 Sustainable Development Committee 2.2 Materiality Analysis and Stakeholder 3.1 Corporate Governance	16 17 37	
102-34	Nature and total number of critical concerns	Please visit E.SUN's official website for board resolutions	-	
102-35	Remuneration policies	3.1 Corporate Governance	40-42	
102-36	Process for determining remuneration	3.1 Corporate Governance	40-42	
102-37	Stakeholders' involvement in remuneration	3.1 Corporate Governance 7.1 Talent Cultivation and Development	40 125	
102-38	Annual total compensation ratio	3.1 Corporate Governance Appendix 7 - Human Resource Management indicators	42 167	
102-40	List of stakeholder groups	2.2.1 Materiality Analysis 2.2.2 Stakeholder communication	17 27	
102-41	Collective bargaining agreements	7.4 Human Rights Protection Mechanism and Outcome	131	We are preparing to disclose in the future.
102-42	Identifying and selecting stakeholders	2.2.1 Materiality Analysis 2.2.2 Stakeholder communication	17 27	
102-43	Approach to stakeholder engagement	2.2.2 Stakeholder communication	27	
102-44	Key topics and concerns raised	2.2.2 Stakeholder communication	27	
102-45	Entities included in the consolidated financial statements	About the Report	3	
102-46	Defining report content and topic Boundaries	2.2.1 Materiality Analysis	17-18	
102-47	List of material topics	2.2.1 Materiality Analysis	19-26	
102-48	Restatements of information	-	-	No restatements of information
102-49	Changes in reporting	About the Report 2.2.1 Materiality Analysis Appendix 3 - Material Issues	3 17-18 159	
102-50	Reporting period	About the Report	3	
102-51	Date of most recent report	About the Report	3	
102-52	Reporting cycle	About the Report	3	
102-53	Contact point for questions regarding the report	About the Report	3	
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	3	
102-55	GRI content index	Appendix 1 - GRI Sustainability Reporting Standards Content Index	151	
102-56	External assurance	About the Report	3	



GRI 103: Management Approach 2016

Disclosure	Description	Reference	Page	Note
103-1	Explanation of the material topic and its Boundaries	2.2.1 Materiality Analysis Appendix 3 - Material Issues	17-26 157	GRI management approach applies to moderately to highly important material issues of 2020, including FinTech and innovation, talent attraction & retention, risk management, climate change strategies, information security protection and personal data protection, legal compliance, talent cultivation and development, ethical management, corporate governance, sustainable finance, inclusive finance, treating customers fairly and customer experience, business continuity plan, supplier management, employee care and friendly workplace, academic education, and sustainable operating environment. Please refer to Appendix 3 for the management approach and its components.
103-2	The management approach and its components			
103-3	Evaluation of the management approach			

STANDARD DISCLOSURES PART: Topic-specific Standards

GRI 200: Economic Series

Series	Disclosure	Description	Reference	Page	Note
GRI 201: Economic ★ Performance 2016	201-1	Direct economic value generated and distributed	1.2 Business Performance	14	
	201-2	Financial implications and other risks and opportunities due to climate change	5 Climate Change Risks and Opportunities	92-102	
	201-3	Defined benefit plan obligations and other retirement plans	7.2 Talent Attraction and Retention	125	
GRI 202: ★ Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	7.2 Talent Attraction and Retention	125	
	203-1	Infrastructure investments and services provided supported	4.1 Sustainable Lending and Sustainable Investment	68	
4.2 Inclusive Finance			78		
4.4 FinTech and Innovation 8 Social Inclusion			89 139		
GRI 203: ★ Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	4.1 Sustainable Lending and Sustainable Investment	68	
			4.2 Inclusive Finance	78	
			4.4 FinTech and Innovation 8 Social Inclusion	89 139	
GRI 204: ★ Procurement Practices 2016	204-1	Proportion of spending on local suppliers	6.3 Supplier Management	116	
GRI 205: ★ Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	3.2 Code of Conduct and Ethic	44	
	205-2	Communication and training about anti-corruption policies and procedures	3.2 Code of Conduct and Ethic 6.3 Supplier Management	43-44 115	
	205-3	Confirmed incidents of corruption and actions taken	3.2 Code of Conduct and Ethic	45	
GRI 206: ★ Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.2 Code of Conduct and Ethic	45	
	GRI 207: ★ Tax 2019	207-1	Approach to tax	3.8 Tax Governance	63
207-2		Tax governance, control, and risk management	3.8 Tax Governance	63-64	
207-3		Stakeholder engagement and management of concerns related to tax	3.8 Tax Governance	64	
207-4		Country-by-country reporting	3.8 Tax Governance	65	



GRI 300: Environmental Series 2016

Series	Disclosure	Description	Reference	Page	Note
GRI 302: ★ Energy 2016	302-1	Energy consumption within the organization	6.1 Sustainable Operating Environment Appendix 8 - Sustainable Operating Environment Indicators	104-105 168	
	302-3	Energy intensity	6.1 Sustainable Operating Environment Appendix 8 - Sustainable Operating Environment Indicators	105 168	
GRI 303: Water 2018	303-1	Interactions with water as a shared resource	6.1 Sustainable Operating Environment	106	
	303-3	Water withdrawal	6.1 Sustainable Operating Environment	106	
GRI 305: ★ Emissions 2016	305-1	Direct (Scope 1) GHG emissions	6.1 Sustainable Operating Environment Appendix 8 - Sustainable Operating Environment Indicators	105 168	
	305-2	Energy indirect (Scope 2) GHG emissions	6.1 Sustainable Operating Environment Appendix 8 - Sustainable Operating Environment Indicators	105 168	
	305-3	Other indirect (Scope 3) GHG emissions	6.1 Sustainable Operating Environment Appendix 8 - Sustainable Operating Environment Indicators	105 168	
	305-4	GHG emissions intensity	6.1 Sustainable Operating Environment Appendix 8 - Sustainable Operating Environment Indicators	105 168	
GRI 306 Waste 2020	306-3	Waste generated	6.1 Sustainable Operating Environment Appendix 8 - Sustainable Operating Environment Indicators	107 168	
GRI 307: ★ Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	-	-	No related penalties.
GRI 308: ★ Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	6.3 Supplier Management	114	

GRI 400: Social Series

Series	Disclosure	Description	Reference	Page	Note
GRI 401: ★ Employment 2016	401-1	New employee hires and employee turnover	Appendix 7 - Human Resource Management indicators	164-165	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.2 Talent Attraction & Retention	126	
	401-3	Parental leave	Appendix 7 - Human Resource Management indicators	166	
GRI 402: Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	7.1 Talent Cultivation and Development	121	
GRI 403: ★ Occupational Health and Safety 2018	403-1	Occupational health and safety management system	7.3 Employee Care and Friendly Workplace	127	
	403-2	Hazard identification, risk assessment, and incident investigation	7.3 Employee Care and Friendly Workplace	128	
	403-3	Occupational health services	7.3 Employee Care and Friendly Workplace	129-130	
	403-4	Worker participation, consultation, and communication on occupational	7.3 Employee Care and Friendly Workplace	128-130	
	403-5	Worker training on occupational health and safety	7.3 Employee Care and Friendly Workplace	129	
	403-6	Promotion of worker health	7.3 Employee Care and Friendly Workplace 2020 COVID-19 pandemic control measures	120-130 10	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business operations	7.3 Employee Care and Friendly Workplace	129-130	
	403-8	Workers covered by an occupational health and safety management system	7.3 Employee Care and Friendly Workplace	127	
	403-9	Work-related injuries	7.3 Employee Care and Friendly Workplace Appendix 7 - Human Resource Management indicators	129 166	
	403-10	Work-related ill health	7.3 Employee Care and Friendly Workplace Appendix 7 - Human Resource Management indicators	129 166	



Series	Disclosure	Description	Reference	Page	Note
GRI 404: ★ Training and Education 2016	404-1	Average hours of training per year per employee	7.1 Talent Cultivation and Development Appendix 7 - Human Resource Management indicators	117 167	
	404-2	Programs for upgrading employee skills and transition assistance programs	7.1 Talent Cultivation and Development 7.2 Talent Attraction & Retention	117 125	
	404-3	Percentage of employees receiving regular performance and career development reviews	7.1 Talent Cultivation and Development	122	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	3.1 Corporate Governance Appendix 7 - Human Resource Management indicators	38 163	
	405-2	Ratio of basic salary and remuneration of women to men	7.4 Human Rights Protection Mechanism and Outcome	136	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	7.4 Human Rights Protection Mechanism and Outcome	133	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	7.4 Human Rights Protection Mechanism and Outcome	137	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	6.3 Supplier Management	114	
			7.4 Human Rights Protection Mechanism and Outcome	131	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.3 Supplier Management	114	
			7.4 Human Rights Protection Mechanism and Outcome	131	
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	7.4 Human Rights Protection Mechanism and Outcome	133	
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	7.4 Human Rights Protection Mechanism and Outcome	131	100% of operating sites in Taiwan has identified and assessed human rights impact.
	412-2	Employee training on human rights policies or procedures	7.4 Human Rights Protection Mechanism and Outcome	133	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	6.3 Supplier Management 7.4 Human Rights Protection Mechanism and Outcome	114 131	
GRI 413: ★ Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.2 Inclusive Finance	78	
			8 Social Inclusion	139	
GRI 414: ★ Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	6.3 Supplier Management	114	
GRI 415: Public Policy 2016	415-1	Political contributions	1.2 Business Performance	14	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	4.3 Treating Customers Fairly and Customer Experience	85	
	417-2	Incidents of non-compliance concerning product and service information and labeling	4.3 Treating Customers Fairly and Customer Experience	85	No such record.
	417-3	Incidents of non-compliance concerning marketing communications	4.3 Treating Customers Fairly and Customer Experience	85	No such record.
GRI 418: ★ Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.6 Information Security	60	
			3.7 Personal Data Management	62	
GRI 419: ★ Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	3.2 Code of Conduct and Ethic	44-45	

Appendix 2 - Index of GRI (Global Reporting Initiative) G4 Indicators of Financial Service Sector

Aspect	DMA / GRI	Reference	Page number	
★ Product portfolio	DMA	FS1 Policies with specific environmental and social components applicable to business lines.	4.1 Sustainable Lending and Sustainable Investment / 4.2 Inclusive Finance / 4.4 FinTech and Innovation	68 / 78 / 89
		FS2 Procedures for assessing and screening environmental and social risks in business lines.	4.1 Sustainable Lending and Sustainable Investment	68
		FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	4.1 Sustainable Lending and Sustainable Investment / 4.2 Inclusive Finance	68 / 69
		FS4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applicable to business lines.	6.2.3 Environmental Sustainability Activity / 7.1 Talent Cultivation and Development	112 / 117
		FS5 Interactions with clients / investees / business partners regarding environmental and social risks and opportunities.	4.1 Sustainable Lending and Sustainable Investment / 4.2 Inclusive Finance / 4.4 FinTech and Innovation / 6.3 Supplier Management	68 / 78 / 89 / 114
		FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	4.2 Inclusive Finance / 4.4 FinTech and Innovation / 8 Social Inclusion	78 / 89 / 139
		FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	4.1 Sustainable Lending and Sustainable Investment	68
		Audit	DMA	FS9 Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.
Active Ownership	Indicator	FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues .	4.1 Sustainable Lending and Sustainable Investment / 4.2 Inclusive Finance / 4.4 FinTech and Innovation	68 / 78 / 89
Product responsibility-Product and service labeling	DMA	FS15 Policies for the fair design and sale of financial products and services.	4.3 Treating Customers Fairly and Customer Experience	85
		FS16 Initiatives to enhance financial literacy by type of beneficiary.	4.2 Inclusive Finance / 7.1 Talent Cultivation and Development	78 / 117
G4-Society-Local Communities	Indicator	FS13 Access points in low-populated or economically disadvantaged areas by type.	4.2 Inclusive Finance	78
		FS14 Initiatives to improve access to financial services for disadvantaged people.	4.2 Inclusive Finance	78



Appendix 3 - Material Issues

GRI: 102-49; 103-1; 103-2; 103-3

Guidelines and Key Elements of Material Issues, 2020

Material Issues	Commitment	Related Policies	Responsible Department	Evaluation	Management Approaches	Complaint Mechanism
FinTech and Innovation	With customers at the core, E.SUN aims to realize digital transformation through efficient, cross-functional teams and our culture of experimentation, and boost AI-related services and platforms through automation technology.	"E.SUN Bank System Establishment, Development, and Maintenance Guidelines", "E.SUN Bank Emerging Technology Management Guidelines", "E.SUN Bank Project Management Guidelines"	Bank: Digital and Customer Department Securities: Digital Development Department	Internal audit	Plan and manage projects through proper use of methods, tools, and procedures, and integrate limited resources within a certain time frame to turn E.SUN's innovative capacity into valuable services.	<ul style="list-style-type: none"> 24-hour customer service hotline: 0800-30-1313; (02)2182-1313 Visitor message board E.SUN-i chatbot Business units - customer mailbox
Talent cultivation and development	With the belief that talent is both a leading and key indicator, E.SUN provides employees with solid, complete training and career roadmaps to improve their competency, thus creating value.	"E.SUN FHC and Subsidiaries Internal Training Guidelines", "E.SUN Bank Job Rotation Guidelines", "E.SUN FHC Human Resource Development Committee Establishment Guidelines", "E.SUN Bank Professional Certification Subsidy Guidelines"	Bank/Securities: Human Resources Division	<ul style="list-style-type: none"> Average training hours Implementation of target management (%) 	To adopt to E.SUN's strategies and environmental changes, we develop diverse talent-cultivation systems and regularly examine employees' performance to improve their competency and expand our talent pool.	Human Resources Division <ul style="list-style-type: none"> E-Mail: hrd@esunbank.com.tw Dedicated line: 02-2175-1313 ext.8731
Risk Management	To press forward with great discipline through the joint effort of the three lines of defense	Risk management policies	Risk Management Division	Management of risk management indicators	Implement risk management through the three lines of defense	Audit Committee (independent directors) E-Mail: AuditCommittee@esunbank.com.tw
Climate Change Strategies	To improve the impact assessment of climate risk and our capacity to respond, and incorporate climate risk into our business procedures to help customers and other businesses achieve low-carbon operations.	"E.SUN FHC Corporate Social Responsibility Best Practice Principles", "E.SUN FHC Sustainability Development Committee Establishment Statute"	Risk Management Division	Greenhouse gas emissions scope 1, 2, and 3	Annually report to the Board of Directors about the risk management for climate change, assess the impact of climate change, and establish an improvement plan.	Climate change working team <ul style="list-style-type: none"> E-Mail: esg@esunfhc.com Dedicated line: (02)2175-1313 ext. 9325, 9394
Information Security Protection and Personal Data Protection	To provide stable and safe information service, we've disclosed the following promise in Privacy Policy and Disclaimer on our official website: E.SUN Financial Holding Co., Ltd. and subsidiaries hereby declare that, pursuant to the "Financial Holding Company Act", "Regulations Governing Joint-Marketing by Financial Holding Companies and their Subsidiaries", "Personal Data Protection Act" and other relevant laws and regulations the collection, processing and use of your personal information by it and its subsidiaries which apply such information inter-changeably are subject to strict confidentiality measures.	<ul style="list-style-type: none"> E.SUN FHC Information Security Governance Policy E.SUN FHC and Subsidiaries Personal Information Management Organization Foundation Principles 	Bank/Securities: information security management units and the Personal Information Protection task force	<ul style="list-style-type: none"> Review the efficacy and implementation of information security protection through regular internal and external information security evaluations and checks, and evaluate the maturity of our information security using the FFIEC/CAT frames. Commission PwC Taiwan and British Standards Institution for annual audits and checks in addition to self-conducted audits. 	<ul style="list-style-type: none"> E.SUN Information Security Management Committee oversees information security management, reviews subsidiaries' policy of information security, and regularly reports to the Board of Directors. The Information Security Management Division is responsible for planning and implementing the information security management system to ensure the protection of our services and customers' personal information. Establish internal standards based on Personal Data Protection Act and other related regulations, and ensure personal information protection through compliance self-evaluation, check, and regular training. Abide by related regulations to conduct annual personal information self-evaluation and report to the President through official documents. 	<ul style="list-style-type: none"> 24/7 customer support: 0800-30-1313; 02-2182-1313 Visitor message board E.SUN-i chatbot Business units - customer mailbox
Compliance	To establish management systems for compliance and standards to deepen and broaden the scope of compliance.	"E.SUN FHC Compliance Policy, E.SUN Code of Conduct", "E.SUN FHC Report Handling Procedure"	Compliance Division	Compliance self-evaluation, compliance risk assessment, annual compliance review, on-site compliance check	Raise employees' awareness of compliance through monthly compliance training and the annual compliance test, and conduct pre-launching compliance evaluations for new services.	Report mailbox E-Mail: esbwb.fhc@email.esunbank.com.tw
Talent Attraction & Retention	E.SUN regards talent as our most precious asset. We're dedicated to selecting like-minded partners to create a happy workplace.	"E.SUN Bank Employee Benefits Committee Mutual Support Guidelines", "E.SUN FHC Salary Guidelines"	Bank/Securities: Human Resources Division	<ul style="list-style-type: none"> Employee engagement Employee Retention rate 	E.SUN provides competitive salary, benefits, and training to attract and retain talents.	Human Resources Division <ul style="list-style-type: none"> E-Mail: hrd@esunbank.com.tw Dedicated line: 02-2175-1313 ext.8731
Code of Conduct and Ethic	All E.SUN directors and executive managers have signed the statement of ethical corporate management. All E.SUN employees have signed the "E.SUN Employee Service Code of Conduct and Behavior Standards" to practice ethical management with high standards.	"Ethical Corporate Management Principles", "Ethical Corporate Management Operating Procedures and Code of Conduct", "Code of Ethical Conduct for Directors".	Corporate Governance and Nomination Committee	Compliance self-evaluation and internal audits	Through education and training, the dissemination of legal compliance, and regular inspections, the core values of ethics and integrity are internalized into the DNA of each E.SUN employee.	Report mailbox E-Mail: esbwb.fhc@email.esunbank.com.tw

About the Report

Table of Contents

2020 Sustainable Performance and Important Results

2020 Honor and Recognitions

1 Company Information

Sustainable Development Strategy and Framework

3 Managerial Governance

4 Sustainable Finance

5 Climate Change Risks and Opportunities

6 Environmental Sustainability

7 Human Rights Protection

8 Social Inclusion

Appendix



Material Issues	Commitment	Related Policies	Responsible Department	Evaluation	Management Approaches	Complaint Mechanism
Corporate Governance	As corporate governance emphasizes labor division and the balance of power, the Board of Directors oversees and leads the company to establish sustainable governance measures and create value for employees, shareholders, customers, E.SUN, and the society.	"Board of Directors Agenda Rules", rules of organization for the committees of the Board of Directors, "Board of Directors Performance Evaluation Regulations", "Subsidiary Directors and Inspectors Performance Evaluation Regulations", "Independent Directors Scope of Duty Regulations", "Corporate Governance Guidelines", and Director Manuals.	The Board of Directors and its committees	The performance evaluation by the Board of Directors, corporate governance evaluations by TWSE and other external institution, and efficacy evaluation by the Board of Directors.	E.SUN values sustainability, implements ethical, transparent operations, and discreetly discloses information to ensure the disclosed information, including those public and required by the law, is accurate and up to date. On our official website, we establish Corporate Governance Area and Stakeholders Area, our Annual Report, Sustainability Report, and public documents from earnings calls disclose plans and results of issues related to corporate governance.	Audit Committee (independent directors) E-Mail: AuditCommittee@esunbank.com.tw
Sustainable Finance	Properly utilize societal resources and leverage influence to promote the diverse operations of green finance, and simultaneously raise our customers' awareness of environmental protection and public welfare to ultimately achieve the sustainable development of the environment and society.	"E.SUN Bank Lending Policy", "E.SUN Bank Sustainable Lending Principles", "E.SUN Bank Green Energy Lending Services", "Guidelines for E.SUN Bank Corporate Finance Division - Project Financings Using the Equator Principles", "E.SUN Bank Investment Policy"	Sustainable Finance task force under Sustainability Development Committee	Internal audit	<ul style="list-style-type: none"> E.SUN complies with international regulations to establish internal policies, and takes ESG concepts into the process of credit evaluation and investment analysis. Use ESG concepts as the standard for selecting external partners and product suppliers. 	24/7 customer support: 0800-30-1313; (02)2182-1313
Inclusive Finance	Through providing quality financial products, we aim to eliminate poverty and inequality in the society, thereby boosting the robust development of the society and economy.	Established "E.SUN Bank Digital Sales Channels Management Guidelines" to ensure compliance and effective risk management, and allows E.SUN to use digital sales channels to disclose information, hold promotion activities, and incorporate new technologies, thus protecting E.SUN and our customers' rights.	Bank: Personal Banking Division	Internal audit	E.SUN leverages the core competencies of the financial industry and takes financial inclusion into annual goals. Through our open, equal, and diverse counseling and assistance, we provide the public with suitable financial services and lower the threshold for acquiring such services.	<ul style="list-style-type: none"> 24/7 customer support: 0800-30-1313; 02-21821313 Visitor message board E.SUN-i chatbot Business units - customer mailbox
Treating Customers Fairly and Customer Experience	While engaging in business development, E.SUN continues to build the culture of Treating Customers Fairly and take customer experience as the core value to ensure service quality, customer rights protection, and clear communication. In addition to helping customers to understand our products and services, we focus on disclosing information to them and care for them through diverse communication channels to improve the customer experience.	"E.SUN Bank Treating Customers Fairly Policy and Strategy", "E.SUN Securities Treating Customers Fairly Policy and Strategy", "E.SUN Bank Consumer Dispute Resolution Principles and Flowchart", "E.SUN Securities Consumer Dispute Handling Procedures"	Bank/Securities: Customer Service Division	<ul style="list-style-type: none"> Performance evaluation of Treating Customers Fairly for the financial industry The monitoring mechanism of customer satisfaction 2020 Guidelines for Domestic Business Unit Performance Review (service quality indicator) 	<ul style="list-style-type: none"> Build a culture of Treating Customers Fairly. Protect customers' rights and implement the principle of customer complaint handling. Build a system for optimizing the customer journey. 	<ul style="list-style-type: none"> 24/7 customer support: 0800-30-1313; 02-21821313 Visitor message board E.SUN-i chatbot Business units - customer mailbox
Business Continuity Plan	To minimize the impact resulted from service disruptions due to major disasters, enabling continued operations of our financial services.	"E.SUN Bank Information Security Policy", "E.SUN Bank Guidelines for Information Service Continuity Management"	IT Division	Conduct regular drills according to the business continuity plan, review their efficacy, and report to the top management.	Ensure continued operations through regular business impact analysis and thorough plans.	<ul style="list-style-type: none"> 24/7 customer support: 0800-30-1313; 02-21821313 Visitor message board E.SUN-i chatbot Business units - customer mailbox
Supplier Management	To require important suppliers to sign the "Statement of Commitment to Human Rights and Environmental Sustainability" and comply with our regulations related to suppliers management and corporate social responsibilities.	"E.SUN FHC Corporate Social Responsibility Guidelines for Suppliers", "E.SUN Bank Supplier Management Guidelines"	Bank: General Affairs Division	Internal audit	Request important suppliers to sign relevant documents during the procurement process.	General Affairs Division (procurement) Dedicated line: 02-2175-1313 ext. 8123
Employee Care and Friendly Workplace	With the goal of making E.SUN the second home for employees, we endeavor to make workplace friendly through warm and caring programs.	"E.SUN FHC Employee Retirement Regulations", "E.SUN Bank Employee Physical Examination Principle", "E.SUN Bank Occupational Safety and Health Committee", "E.SUN Bank Occupational Safety and Health Act", "E.SUN Bank Employee Benefits Committee Mutual Support Guidelines", "E.SUN Baby Development Fund Guidelines"	Bank/Securities: Human Resources Division	<ul style="list-style-type: none"> Average welfare expense for non-managerial level employees Labor system superior to the law 	E.SUN is committed to providing comprehensive employee benefits to help employees achieve work-life balance; we raise their awareness of health through certain measures and improvement plans, and adjust goals and measures based on the result and employees' feedback.	Human Resources Division <ul style="list-style-type: none"> E-Mail: hrd@esunbank.com.tw Dedicated line: 02-2175-1313 ext. 8731
Academic Education	To encourage students to actively learn and grow in order to perform outstandingly and become influential.	E.SUN helps to improve the competitiveness of Taiwan and businesses through collaborating with industries and the academia, creating good research and teaching environment, holding student competitions, and offering E.SUN Outstanding Talent Scholarship.	E.SUN Volunteer Foundation	Work report for the Board of Directors	<ul style="list-style-type: none"> E.SUN Academic Award E.SUN Golden Seed Project E.SUN Outstanding Talent Scholarship E.SUN Caring Children Program 	E.SUN Volunteer Foundation <ul style="list-style-type: none"> Dedicated line: 02-2175-1313 ext. 9300 E-Mail: volunteer@esunbank.com.tw
Sustainable Operating Environment	E.SUN sets 2016 as the base year to reduce water use, carbon emissions, and waste generation.	"E.SUN Eco-Friendly White Paper: E.SUN Green Policy", environmental/energy management policies.	Bank: General Affairs Division	Third-party certification	Establish and implement action plans for the reduction of carbon emissions, water usage, and waste generation.	General Affairs Division (design) Dedicated line: 02-2175-1313 ext. 8110



Adjustment of Material Issues, 2020

Issue	Differences between years	Explanation on changes
Business Continuity Plan	New	The pandemic in 2020 had great impact on the global economy and changed the business models for many companies. Businesses should establish business continuity plans to recover as soon as possible from service disruptions resulted from major disruptive events.
Climate Change Strategy	Integrated the opportunities of and our achievements on handling climate change risks	As climate change is an issue the catches the attention of the world, we, in order to deal with extreme weather, evaluate financial impact, and establish a mitigation policy, raised its level from a risk management issue and turn all related policies into a comprehensive Climate Change Strategy.
Compliance	Separated from Code of Conduct and Ethic	As a complete compliance system and structure is the basis for all services, we separated compliance from Code of Conduct and Ethic and turned it into an independent issue.
Protection of Information Security and Personal Information	Wording adjustment	E.SUN values customers' privacy and is committed to careful use of information; information protection, in addition to the inclusion of information security risk management, also includes how we use customers' information. Therefore, we changed the wording from "Information Security" to "Protection of Information Security and Personal Information".
Treating Customers Fairly and Customer Experience	Wording adjustment	Changed "Service Quality and Customer Experience" to "Treating Customers Fairly and Customer Experience".

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Appendix 4 - 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.	2 Sustainable Development Strategy and Framework	15
Chapter 2	Corporate Governance	Regulate and promote corporate governance.	3.1 Corporate Governance 3.2 Code of Conduct and Ethic	37 43
Chapter 3	Environmental Protection	Regulate practices for sustainability.	6 Sustainable Environment	103
Chapter 4	Social Responsibilities	Regulate practices for social welfare.	4.3 Treating Customers Fairly and Customer Experience 6.3 Supplier Management 7.3 Employee Care and Friendly Workplace	85 114 127
Chapter 5	Disclosure	Regulate and enhance disclosure of CSR.	About the Report	3
Chapter 6	Appendix	Regulate and improve the existing CSR system.	2.1 Sustainable Development Committee 3.1 Corporate Governance	16 37

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Appendix 5 - ISO26000 Index

Category	Issue	Reference
Organizational Governance	Decision-making process and structures	1 Company Information
	Due diligence	7.4 Human Rights Protection Mechanism and Outcome
Human rights	Human rights risk situations	7.4 Human Rights Protection Mechanism and Outcome
	Avoidance of complicity, including direct, beneficial, and silent complicity	3.2 Code of Conduct and Ethic
	Resolving grievances	7.1 Talent Cultivation and Development
	Discrimination and vulnerable groups	7.4 Human Rights Protection Mechanism and Outcome
	Civil and political rights	7.4 Human Rights Protection Mechanism and Outcome
	Economic, social, and and cultural rights	7 Human Rights Protection
	Fundamental principles and rights at work	7.3 Employee Care and Friendly Workplace
Labor Practices	Employment and employment relationships	7.3 Employee Care and Friendly Workplace
	Conditions of work and social protection	7 Human Rights Protection
	Social dialogue	7 Human Rights Protection
	Health and safety at work	7.3 Employee Care and Friendly Workplace
	Human development and training	7.1 Talent Cultivation and Development
Environment	Prevention of pollution	6.1 Sustainable Operating Environment
	Sustainable resource use	6.1 Sustainable Operating Environment
	Climate change mitigation and adaptation	5 Climate Change Risks and Opportunities
	Protection of the environment, biodiversity, and restoration of natural habitats	6.2 Sustainable Ecological Conservation
Fair Operating Practices	Anti-corruption	3.2 Code of Conduct and Ethic
	Responsible political involvement	3.2 Code of Conduct and Ethic
	Fair competition	3.2 Code of Conduct and Ethic
	Promoting social responsibility in the value chain	1 Company Information
Respect for property rights	Respect for property rights	3.2 Code of Conduct and Ethic
	Fair marketing, factual and unbiased information, and fair contractual practices	4.3 Treating Customers Fairly and Customer Experience
Consumer Issues	Protecting consumers' health and safety	4.3 Treating Customers Fairly and Customer Experience
	Sustainable consumption	4.4 FinTech and Innovation
	Consumer service, support, and complaint and dispute resolution	4.3 Treating Customers Fairly and Customer Experience
	Consumer data protection and privacy	4.3 Treating Customers Fairly and Customer Experience
	Access to essential services	4.4 FinTech and Innovation
	Education and awareness	4.3 Treating Customers Fairly and Customer Experience
	Community involvement	8 Social Inclusion
Community Involvement and Development	Education and culture	8.2 Academic Education 8.3 Social Participation
	Employment creation and skills development	7.1 Talent Cultivation and Development
	Technology development	7.1 Talent Cultivation and Development
	Wealth and income creation	8.4 Arts and Humanities
	Health	8.4 Arts and Humanities
	Social investment	8.4 Arts and Humanities



Appendix 6 - UN Global Compact Index

Category	Issue	Reference
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	7.4 Human Rights Protection Mechanism and Outcome
	Make sure that we are not complicit in human rights abuses	6.3 Supplier Management
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	7.4 Human Rights Protection Mechanism and Outcome
	The elimination of all forms of forced and compulsory labour	7.4 Human Rights Protection Mechanism and Outcome
	The effective abolition of child labour	7.4 Human Rights Protection Mechanism and Outcome
	The elimination of discrimination in respect of employment and occupation	7.4 Human Rights Protection Mechanism and Outcome
Environment	Businesses should support a precautionary approach to environmental challenges	5 Climate Change Risks and Opportunities
	Undertake initiatives to promote greater environmental responsibility	6 Sustainable Environment
	Encourage the development and diffusion of environmentally friendly technologies	4.1 Sustainable Lending and Sustainable Investment
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	3.2 Code of Conduct and Ethic

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Appendix 7 - Human Resource Management Indicators

■ GRI: 102-8; 102-38; 401-1; 401-3; 403-9; 403-10; 404-1; 405-1
SASB: FN-AC-330a.1

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A-1 - Employee gender distribution

Year	Item	Male	Female	Total
2018	Number	4,016	4,733	8,749
	Proportion of all employees	45.90%	54.10%	100.00%
2019	Number	4,072	4,810	8,882
	Proportion of all employees	45.85%	54.15%	100.00%
2020	Number	4,215	5,173	9,388
	Proportion of all employees	44.90%	55.10%	100.00%

A-3 - Employee educational level distribution

Year	Item	Master and above	Bachelor	Junior college	High school and under	Total
2018	Number	2,140	6,141	400	68	8,749
	Proportion of all employees	24.46%	70.19%	4.57%	0.78%	100.00%
2019	Number	2,280	6,156	378	68	8,882
	Proportion of all employees	25.67%	69.31%	4.26%	0.76%	100.00%
2020	Number	2,454	6,501	376	57	9,388
	Proportion of all employees	26.14%	69.25%	4.00%	0.61%	100.00%

A-5 - Employee language distribution

Year	Item	Chinese	English	Vietnamese	Burmese	Other	Total
2018	Number	8,665	32	25	21	6	8,749
	Proportion of all employees	99.04%	0.37%	0.28%	0.24%	0.07%	100.00%
2019	Number	8,772	43	29	28	10	8,882
	Proportion of all employees	98.76%	0.48%	0.33%	0.32%	0.11%	100.00%
2020	Number	9,259	46	35	34	14	9,388
	Proportion of all employees	98.63%	0.49%	0.37%	0.36%	0.15%	100.00%

Note: 1. The numbers are decided based on the country/region employees work in.
2. Other languages include Japanese, German, French, and Malay.

B - Female employee position distribution

Item	2018	2019	2020
Managerial employees %	37.80%	37.75%	38.13%
Junior managerial employees %	41.37%	41.39%	41.65%
Mid- to high-level managers %	20.37%	19.55%	20.78%
Sales business managerial employees %	35.82%	37.76%	37.18%
Tech team %	32.60%	30.40%	30.80%

Note: 1. Junior managerial employees refer to those marked as managerial employees(managers and above are not included) in our human resources system.
2. Mid- to high-level managers refer those marked as managerial employees(managers and above) in our human resources system.
3. Sales business managerial employees refer to everyone taking the lower-managerial positions and above of each product line's sales business.
4. Tech team refers to employees working in fintech-related departments.

A-2 - Employee age distribution

Year	Item	Under 29	30-50	Over 51	Total
2018	Number	3,793	4,651	305	8,749
	Proportion of all employees	43.35%	53.16%	3.49%	100.00%
2019	Number	3,625	4,893	364	8,882
	Proportion of all employees	40.81%	55.09%	4.10%	100.00%
2020	Number	3,794	5,160	434	9,388
	Proportion of all employees	40.41%	54.97%	4.62%	100.00%

A-4 - Employee position distribution

Year	Item	Managerial employees	Non-managerial employees	Total
2018	Number	2,529	6,220	8,749
	Proportion of all employees	28.91%	71.09%	100.00%
2019	Number	2,638	6,244	8,882
	Proportion of all employees	29.70%	70.30%	100.00%
2020	Number	2,733	6,655	9,388
	Proportion of all employees	29.11%	70.89%	100.00%

Note: Managerial employees refer to those marked as managerial employees or above in our human resources system.

A-6 - Distribution in regard to diversity and inclusion

Year	Item	People with disability	LGBTQI+	Indigenous people
2018	Number	31	-	32
	Proportion of all employees	0.35%	-	0.36%
2019	Number	46	-	35
	Proportion of all employees	0.50%	-	0.38%
2020	Number	45	2	41
	Proportion of all employees	0.47%	0.04%	0.43%

Note: 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-1 - New recruits gender distribution

Year	Item	Male	Female	Total
2017	Number	579	618	1,197
	New Employee Ratio	6.64%	7.09%	13.73%
2018	Number	488	510	998
	New Employee Ratio	5.58%	5.83%	11.41%
2019	Number	587	940	1,527
	New Employee Ratio	6.61%	10.58%	17.19%
2020	Number	469	709	1,178
	New Employee Ratio	5.00%	7.55%	12.55%

Note: 1.The new employee ratio is [(the number of new employees in the year according to each category)/(the monthly average total number of employees in the year)]*100%.
2.The monthly average total number of employees in each year: 8,720 in 2017, 8,749 in 2018, 8,882 in 2019, 9,388 in 2020.
3.Average recruitment cost per person: NT\$25,329 in 2017, NT\$32,234 in 2018, NT\$18,005 in 2019, 23,873 in 2020.

C-2 - New recruits age distribution

Year	Item	Under 29	30-50	Over 51	Total
2017	Number	1,082	110	5	1,197
	New Employee Ratio	12.41%	1.26%	0.06%	13.73%
2018	Number	856	140	2	998
	New Employee Ratio	9.79%	1.60%	0.02%	11.41%
2019	Number	1,421	104	2	1,527
	New Employee Ratio	16.00%	1.17%	0.02%	17.19%
2020	Number	1,103	73	2	1,178
	New Employee Ratio	11.75%	0.78%	0.02%	12.55%

Note: 1.The new employee ratio is [(the number of new employees in the year according to each category)/(the monthly average total number of employees in the year)]*100%.
2.The monthly average total number of employees in each year: 8,720 in 2017, 8,749 in 2018, 8,882 in 2019, 9,388 in 2020.

C-3 - New recruits position distribution

Year	Item	Managerial employees	Non-managerial employees	Total
2017	Number	57	1,140	1,197
	New Employee Ratio	0.66%	13.07%	13.73%
2018	Number	70	928	998
	New Employee Ratio	0.80%	10.61%	11.41%
2019	Number	39	1,488	1,527
	New Employee Ratio	0.44%	16.75%	17.19%
2020	Number	31	1,147	1,178
	New Employee Ratio	0.33%	12.22%	12.55%

Note: 1. Percentage of new recruits: (new recruits in the year/monthly average number of employees in the year)*100%
2. Managerial employees refer to those marked as managerial employees or above in our human resources system.

C-4 - New recruits language distribution

Year	Item	Chinese	English	Vietnamese	Burmese	Other	Total
2017	Number	1,163	5	18	8	3	1,197
	New Employee Ratio	13.34%	0.06%	0.21%	0.09%	0.03%	13.73%
2018	Number	954	15	11	12	6	998
	New Employee Ratio	10.90%	0.17%	0.13%	0.14%	0.07%	11.41%
2019	Number	1,479	14	7	19	8	1,527
	New Employee Ratio	16.65%	0.16%	0.08%	0.21%	0.09%	17.19%
2020	Number	1,135	20	8	11	4	1,178
	New Employee Ratio	12.09%	0.21%	0.09%	0.12%	0.04%	12.55%

Note: 1. The numbers are decided based on the country/region employees work in.
2. Other languages include Japanese, German, French, and Malay.



D - Turnover rate

Item	2017	2018	2019	2020
Turnover rate	8.10%	9.59%	9.12%	6.54%
Voluntary turnover rate	7.91%	9.45%	8.80%	6.24%
Data coverage (% of employee)	100%	100%	100%	100%

Note: 1. The turnover rate is calculated with all leaves due to involuntary termination, dismissal, requirement, or death taken into consideration.
2. The voluntary turnover rate for 2020 was calculated by excluding 1 death, 4 dismissals, and 23 retirement cases.

E-1 - Turnover rate gender distribution

Year	Item	Male	Female	Total
2017	Number	263	443	706
	Turnover rate	3.02%	5.08%	8.10%
2018	Number	373	466	839
	Turnover rate	4.26%	5.33%	9.59%
2019	Number	366	444	810
	Turnover rate	4.12%	5.00%	9.12%
2020	Number	282	332	614
	Turnover rate	3.00%	3.54%	6.54%

E-2 - Turnover rate age distribution

Year	Item	Under 29	30-50	Over 51	Total
2017	Number	478	215	13	706
	Turnover rate	5.48%	2.47%	0.15%	8.10%
2018	Number	513	309	17	839
	Turnover rate	5.87%	3.53%	0.19%	9.59%
2019	Number	460	317	33	810
	Turnover rate	5.18%	3.57%	0.37%	9.12%
2020	Number	332	256	26	614
	Turnover rate	3.53%	2.73%	0.28%	6.54%

E-3 - Turnover rate position distribution

Year	Item	Managerial employees	Non-managerial employees	Total
2017	Number	66	640	706
	Turnover rate	0.76%	7.34%	8.10%
2018	Number	95	744	839
	Turnover rate	1.09%	8.50%	9.59%
2019	Number	123	687	810
	Turnover rate	1.39%	7.73%	9.12%
2020	Number	92	522	614
	Turnover rate	0.98%	5.56%	6.54%

Note: Managerial employees refer to those taking lower-managerial positions and above.

E-4 - Turnover rate language distribution

Year	Item	Chinese	English	Vietnamese	Burmese	Other	Total
2017	Number	691	4	9	2	0	706
	Turnover rate	7.92%	0.05%	0.11%	0.02%	0.00%	8.10%
2018	Number	822	6	3	6	2	839
	Turnover rate	9.40%	0.07%	0.03%	0.07%	0.02%	9.59%
2019	Number	797	2	3	6	2	810
	Turnover rate	8.97%	0.02%	0.04%	0.07%	0.02%	9.12%
2020	Number	594	8	2	9	1	614
	Turnover rate	6.33%	0.09%	0.02%	0.09%	0.01%	6.54%

Note: 1. The numbers are decided based on the country/region employees work in.
2. Other languages include Japanese, German, French, and Malay.

F - Managerial employees language distribution

Item	2018	2019	2020
	Proportion of all managerial employees	Proportion of all managerial employees	Proportion of all managerial employees
Chinese	99.41%	99.43%	99.20%
English	0.47%	0.45%	0.48%
Vietnamese	0.04%	0.04%	0.14%
Burmese	0.04%	0.04%	0.07%
Other	0.04%	0.04%	0.11%
Total	100.00%	100.00%	100.00%

Note: 1. The numbers are decided based on the country/region employees work in.
2. Other languages include Japanese, German, French, and Malay.

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%	248	53.68%	119	25.76%	367	79.44%
Female	0	0.00%	61	13.20%	34	7.36%	95	20.56%
Tota	0	0.00%	309	66.88%	153	33.12%	462	100.00%
Non-managerial employees								
Male	1,434	16.07%	2,310	25.88%	104	1.17%	3,848	43.11%
Female	2,360	26.44%	2,634	29.51%	84	0.94%	5,078	56.89%
Tota	3,794	42.51%	4,944	55.39%	188	2.11%	8,926	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 2020	9	145	154
(2) Number of employees whose parental leave ended in 2020 (A)	9	138	147
(3) Number of employees that returned from parental leave in 2020 (B)	1	117	118
(4) Return rate (B/A)	11%	85%	80%
(5) Number of employees that returned from parental leave in 2019 (C)	3	134	137
(6) Number of employees that have been in service for a year after returning from parental leave in 2019 (D)	3	117	120
(7) Retention rate (D/C)	100%	87%	88%

Note: 1. The number of employees granted parental leave was 1117.

2. Employees not returning from parental leave did so due to personal reasons.

3. 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 due to their spouses' employment or before their children reach the age of three years old. All employees are qualified for parental leave.

I - Occupational injury leave

Item	Occupational sick leave		Occupational injury rate	Sick leave		Menstrual leave		Personal leave		Absentee rate	Number of lost workday
	Number of employees	Number of days		Number of employees	Number of days	Number of employees	Number of days	Number of employees	Number of days		
Male	45	297.5	2.40	459	1,797.88	0	0	181	339.5	0.10%	15.85
Female	70	523.5	3.73	888	5,445.15	379	661.5	296	631	0.31%	27.88
Total	115	821	6.13	1,347	7,243.03	379	661.5	477	970.5	0.41%	43.73

Note: 1. Total working hours = 18,776,000 (Total number of employees *Daily working hours *Total working days in a year).

2. Total working days = 2,347,000 (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 injury days *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 injury 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.

8. Absentee rate in female employees = (Number of occupational sick days taken by female employees + sick days taken by female employees + menstrual days taken by female employees + personal days taken by female employees)/ Total working days.

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	2017	2018	2019	2020
Absentee rate(%)	0.37	0.37	0.37	0.41
Data coverage (% of employee)	100%	100%	100%	100%

K - Epidemic prevention

Item	Number of employees	Number of days
Health management leave	53	320
Quarantine leave	51	510
Work from home	28	220

L - Average training hours per person

Item	2018		2019		2020	
	Male	Female	Male	Female	Male	Female
1. Training hours completed by managerial employees	15,883	4,678	18,805	4,936	15,794	4,925
2. Average training hours per person	46.2	53.2	51.6	55.8	43.2	51.3
3. Training hours completed by non-managerial employees	182,655	229,199	190,139	241,877	175,648	236,838
4. Average training hours per person	49.7	49.4	49.7	49.8	45.6	46.6
5. Total training hours	432,415		455,757		433,205	
6. Training hours per person	49.3	49.4	49.8	49.9	45.4	46.7
7. Total training hours per person	49.4		49.86		46.14	
8. Average amount spent per person (\$NT)	53,923		48,568		48,521	
9. Employee training expenses / Total Revenue	0.83%		0.86%		0.89%	
10. ROI of human capital	303%		293%		267%	

Note: Managerial employees refer to managers and above.

M - Salary and benefits for full-time non-managerial employees

Item	2018	2019	2020	Growth compared to the previous year
Number of employees	7,604	7,556	8,109	7.32%
Average salary (NT\$ thousand)	1002	1057	1091	3.22%
Median salary (NT\$ thousand)	922	966	1015	5.07%
Average spending on employee benefits (NT\$ thousand)	1195	1276	1338	4.91%

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.

N - Employee benefits more favorable than statutory requirements

Item	2018		2019		2020	
	Number of employees	Amount (NT\$)	Number of employees	Amount (NT\$)	Number of employees	Amount (NT\$)
Outstanding Children Award	105	\$911,400	129	\$1,048,800	126	\$1,131,600
Family care	73	\$2,660,000	11	—	13	—
Marriage subsidies	311	\$2,862,000	315	\$2,907,000	285	\$2,640,000
Birth subsidies	429	\$1,287,000	354	\$1,068,000	382	\$1,170,000
E.SUN Baby Development Fund	314 (315 children)	\$31,500,000	340 (342 children)	\$34,200,000	333 (338 children)	\$33,800,000
Education subsidies for employees' children	2,100	\$4,915,000	2,307	\$5,377,000	2,837	\$6,427,000
Medical subsidies for employees, their spouses, and children	1,295	\$14,538,381	1,238	\$13,162,269	1,456	\$24,879,743

Appendix 8 - Sustainable Operating Environment Indicators

■ GRI: 302-2; 302-3; 305-1; 305-2; 305-3; 305-4; 306-3

Category	Item	2017	2018	2019	2020	Remarks
About the Report	Carbon emission (ton)	2,639	2,516	2,455	2,399	
	Per capita (ton/person)	0.3026	0.2876	0.2764	0.2555	
	Scope 1 Carbon emission per unit of revenue (ton/NT\$M)	0.0572	0.0509	0.0450	0.0426	The amount of scope 1 carbon emissions was lower than 23% in 2020; target achieved.
	Data coverage ratio	100%	100%	100%	100%	
Table of Contents	Target of carbon emission (ton)	2,871	2,823	3,116	3,131	
	Scope 2 Carbon emission (ton)	21,190	21,593	22,651	22,299	The amount of scope 2 carbon emissions was lower than 3% in 2020; target achieved.
	Per capita (ton/person)	2.4300	2.4681	2.5502	2.3753	
	Scope 2 Carbon emission per unit of revenue (ton/NT\$M)	0.4596	0.4368	0.4154	0.3964	
Data coverage ratio	100%	100%	100%	100%		
2020 Sustainable Performance and Important Results	Target of carbon emission (ton)	21,369	21,011	23,206	23,321	
	Scope 3 Carbon emission (ton)	210.0642	228.2703	293.534	28.862	The amount of scope 3 carbon emissions was lower than 90% in 2020 due to the reduction of business travels resulted from the pandemic; target achieved.
	Carbon emission per unit of revenue (g/NT\$ thousand)	4.556	4.618	5.384	0.529	
	Data coverage ratio	100%	100%	100%	100%	
Target of carbon emission (ton)	193.54	223.143	220.059	299.3		
2020 Honor and Recognitions	Total non-renewable energy consumption (MWh)	47,749	48,249	49,535	51,043	2020 energy consumption was lower than 2.2%; target achieved.
	Total non-renewable energy consumption (GJ)	171,896	173,696	178,326	186,159	
	Per capita (GJ)	19.713	19.853	20.077	19.829	
	Per unit of revenue (Kwh/NT\$ thousand)	1.0356	0.9761	0.9085	0.9194	
1 Company Information	Per unit of revenue (GJ/NT\$M)	3.728	3.514	3.271	3.310	
	Data coverage	100%	100%	100%	100%	
	Target (MWh)	41,018	40,330	52,638	52,901	
	Energy consumption (MWh)	40,056	40,911	42,498	44,177	
2 Development Strategy and Framework	Purchasing and producing renewable energy (MWh)	165	170	536	828	
	Electricity cost (NT\$ thousand)	112,300	135,630	137,511	116,680	
	Total water use (ton)	206,726	228,700	244,804	264,917	We used more water than 1.9% and thus failed to achieve the target in 2020. The main reason was that the target was rather high and that the pandemic compelled people to use more water; from a long-term perspective, however, the amount is within a standard range.
	Total water use (megaliter)	206.726	228.7	244.804	264.917	
Per capita (ton/person)	23.71	26.14	27.56	28.22		
Per unit of revenue (ton/NT\$M)	4.4836	4.6268	4.4900	4.7097		
3 Managerial Governance	Data coverage	100%	100%	100%	100%	
	Total water use target (ton)	176,972	173,967	266,517	259,940	
	Total waste generated (ton)	809.530	634.803	619.759	594,509	Percentage of examined and estimated data: 2017 (15%, 85%), 2018 (95%, 5%), 2019 (95%, 5%), 2020 (95%, 5%). 2020 waste generated was lower than 25.7%; target achieved.
	Total waste used / recycled / sold (ton)	242.859	190.525	185.054	224,164	
Total waste disposed (ton)	566.671	444.278	434.705	370,345		
Waste (kg/person)	64.986	50.78	48.94	39.45		
Waste per unit of revenue (kg/NT\$M)	12.29	8.99	7.97	6.58		
Data coverage	100%	100%	100%	100%		
Target amount of waste (ton)	570.281	566.398	625.922	498.264		
5 Climate Change Risks and Opportunities	Number of employees	8,720	8,749	8,882	9,388	-
	Revenues (NT\$ thousand)	46,107,189	49,429,234	54,522,618	56,249,044	-
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Note: 1 GJ = 277.778 kWh

Appendix 9 - Economic value distributed indicators

A. Spending on trade associations and other tax-exempt groups

Institution	Amount (NT\$)	Note
The Bankers Association of The Republic Of China	8,856,556	66% for financial studies and training funds, 33% for The Bankers association fee, and 1% for financial cup related fee.
Taipei Foundation Of Finance	6,078,830	100% for training and external training fee
Trust Association of the Republic of China	2,440,391	66% for annual membership fee and 34% for training registration fee.
Taipei Exchange	1,858,887	Including 54% for financial bond OTC administrative fee and 46% for service fee.
Taiwan Securities Association	773,992	Including 98% for service fee and 2% for course registration fee.
The Insurance Agency Association of the Republic of China	251,200	Including 88% for certificate registration fee and 12% for ongoing membership fee
R.O.C. Bills Finance Association	250,000	100% for annual membership fee.
Others	206,400	
Total	20,716,256	

B. Charitable contributions and sponsorship

Category	Amount (NT\$ thousand)	Explanation
Economic Development	88,403	Contributing to the Small and Medium Enterprise Credit Guarantee Fund.
Academic Education	70,270	Golden Seed Project (including new library construction, renovation, donation of new books, etc.)
Medical and Health Care	34,613	Special needs to the dentist medical equipment donation plan; donate to the guild of physicians.
Disadvantaged Care	32,516	"Children Care Program", charity clinic activities.
Art Promotion	30,107	"Mayday" concert, The Phantom of the Opera, and The Lion King.
Sports Development	26,530	Hosted "Baseball E. SUN Cup Games and sponsored Hokkaido Nippon-Ham Fighters' s Taiwanese Day
Ecological Conservation	10,804	Sponsored Discovery' s beach-cleaning activities and implemented the tree-planting project.
Digital Technology	6,967	Established E.SUN Bank AI R&D Center in Academia Sinica and held E.SUN Artificial Intelligence Open Challenge.
Financial Education	205	Various financial lectures.
Total	300,415	

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Appendix 10 - Sustainability Accounting Standards Board (SASB) Index

Topic	Code	Category	Accounting Metric	Page	Response
Customer Privacy	FN-CF-220a.1	Quantitative	Number of account holders whose information is used for secondary purposes.	62	2020 Sustainability Report 3.7 Personal Data Management
	FN-CF-220a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with customer privacy.	62	2020 Sustainability Report 3.7 Personal Data Management
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.	60	2020 Sustainability Report 3.6 Information Security
	FN-CB-230a.2 FN-CF-230a.2	Discussion and Analysis	Description of approach to identifying and addressing data security risks.	57-58	2020 Sustainability Report 3.6 Information Security
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.	80	2020 Sustainability Report 4.2.1 Small Businesses and Microfinance Institutions
	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 2020 Annual Report P.193/256. 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.	83	2020 Sustainability Report 4.2.2 Disadvantaged and Underserved Groups. However, we haven't collected underbanked data for the standard information of SASB.
	FN-CB-240a.4	Quantitative	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers.	84	2020 Sustainability Report 4.2.2 Disadvantaged and Underserved Groups. However, we haven't collected underbanked data for the standard information of SASB.
Selling Practices	FN-CF-270a.4	Quantitative	Number of complaints filed with the Financial Supervisory Commission Republic of China (Taiwan)	85	2020 Sustainability Report 4.3 Treating Customers Fairly and Customer Experience
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.	163-164	2020 Sustainability Report Appendix 7 - Human Resource Management Indicators
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis, Investment Management	FN-CB-410a.1	Quantitative	Commercial and industrial credit exposure, by industry.	-	Our industrial credit exposure was disclosed on 2020 Annual Report P.171/256. For the standard information of SASB will be disclosed in the near future.
	FN-CB-410a.2	Discussion and Analysis	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis.	69 / 75	2020 Sustainability Report 4.1.1 Corporate Banking
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis, Investment Management	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.	77	2020 Sustainability Report 4.1.2 Retail Banking
	FN-MF-450 a.1	Quantitative	(1) Number and (2) value of mortgage loans areas prone to flood.	100	2020 Sustainability Report 5.3 Risk Management



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Topic	Code	Category	Accounting Metric	Page	Response
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.	45	2020 Sustainability Report 3.2 Code of Conduct and Ethic
	FN-CB-510a.2 FN-AC-510a.2	Discussion and Analysis	Description of whistleblower policies and procedures	44	2020 Sustainability Report 3.2 Code of Conduct and Ethic
Systemic Risk Management	FN-CB-550a.2	Discussion and Analysis	Capital adequacy management and strategy	-	2020 Annual Report P.179/256.
	FN-AC-550a.2	Discussion and Analysis	Liquidity risk management strategy	-	2020 Annual Report P.73/256.
Activity Metrics	FN-CB-000.A	Quantitative	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	12	2020 Sustainability Report 1.1 Vision
	FN-AC-000.A	Quantitative	Asset management commissioned by customers	12	2020 Sustainability Report 1.1 Vision
	FN-CB-000.B	Quantitative	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	12	2020 Sustainability Report 1.1 Vision
	FN-EX-000.A	Quantitative	Average daily number of trades executed, by product or asset class	12	2020 Sustainability Report 1.1 Vision
	FN-CF-000.A	Quantitative	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	76	2020 Sustainability Report 4.1.2 Retail Banking
	FN-CF-000.B	Quantitative	Number of (1) credit card accounts and (2) pre-paid debit card accounts	76	2020 Sustainability Report 4.1.2 Retail Banking
	FN-MF-000.B	Quantitative	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	74	2020 Sustainability Report 4.1.2 Retail Banking

Appendix 11 - Independent Assurance Opinion Statement

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INDEPENDENT ASSURANCE OPINION STATEMENT

2020 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 corporate social responsibility (CSR), 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:

- The assurance scope is consistent with the description of 2020 E.SUN FHC Sustainability report with the following exceptions:
 - The data reliability from other ISO standard verification listed in 7.1 Sustainable Operating Environment were excluded.
 - The evaluation of the nature and extent of the E.SUN FHC's adherence to AA1000 AccountAbility 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 2020 E.SUN FHC Sustainability report provides a fair view of the E.SUN FHC CSR programmes and performances during 2020. 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 2020 economic, social and environmental performance information are correctly represented. The CSR 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 (CSR) report assurers 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: Core option 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 two external stakeholders to conduct interview
- interview with 58 staffs involved in sustainability management, report preparation and provision of report information were carried out
- 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 economic, social and environmental information 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 social responsible 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 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 2020 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: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that social responsibility and 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 social responsibility and 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.



Statement No: SRA-TW-2020045 For and on behalf of BSI:
2021-04-13

...making excellence a habit.™

Peter Pu
Peter Pu, Managing Director BSI Taiwan

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A Member of the BSI Group of Companies.

Appendix 12 - Independent Auditors' Limited Assurance Report (ISAE3000 Standards)

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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 2020 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 Matters Assured" and "SASB Commercial Banks Standard: Summary of Subject Matters Assured" on page 174-176 of the 2020 Sustainability Report.

Management's Responsibilities
The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the 2020 Sustainability Report in accordance with the respective applicable criteria, 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 2020 Sustainability Report in accordance with International Standard on Assurance Engagements 3000, 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:

- Made inquiries of the persons responsible for the Subject Matter Information to understand the processes, information systems (if any), and the relevant internal controls relating to the preparation of the aforementioned

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- 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 including inquiry, observation, inspection, and reperformance on the Subject Matter Information to obtain evidence for limited assurance.

We do not provide any assurance on the 2020 Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Compliance of Independence and Quality Control 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 Statement of Auditing Standard No. 46, "Quality Control for Public Accounting Firms" in the Republic of China and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitations
Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

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 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.

PricewaterhouseCoopers, Taiwan

Chang, Jui-Ting
Chang, Jui-Ting
Partner
July 6, 2021



Summary of Subject Matters Assured

No.	Subject Matter Information	Page	Corresponding Chapter	Applicable Criteria
1	Table "G- Managerial and non-managerial employees age/gender distribution", the number of employees separated by rank, gender and age.	166	Appendix 7 - Human Resource Management Indicators	<p>The monthly average number of employees by rank, gender and age in 2020 for E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital (Note).</p> <p>Management level: Manager and above in the human resource system including managers and senior managers. Non-management level: All other employees not included in the management level.</p> <p>Note: The total number of employees does not include overseas subsidiaries' local hires.</p>
2	Table "Female / male remuneration ratio in Taiwan in 2020", the female / male remuneration ratio of base salary and annual remuneration by employee level in 2020.	136	7.4 Human Rights Protection Mechanism and Outcome	<p>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 2020.</p> <p>The definition of position level: Management level: Manager and above in the human resource system including managers and senior managers. Middle management level: 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.</p> <p>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, performance bonus, shared based compensation and long-term incentive bonus.</p> <p>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).</p> <p>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.</p>
3	Table "L- Average training hours per person", the total training hours and average training hours per person by employee rank and gender in 2020.	167	Appendix 7 - Human Resource Management Indicators	<p>Numerator: The total number of employee internal and external training hours of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital by employee rank and gender in 2020.</p> <p>Denominator: Average monthly number of employees of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital by rank and gender in 2020.</p> <p>Management level: Manager and above in the human resource system including managers and senior managers. Non-management level: All other employees not included in the management level.</p> <p>The calculation and definition of the monthly average number of employees are the same as Subject matter information No.1.</p> <p>Note: The external and internal training hours does not include internal training for compliance purposes.</p>
4	Table "C-1- New recruits gender distribution, C-2- New recruits age distribution", the number of new employees and new employee ratio in 2020. Note: 1.The new employee ratio is [(the number of new employees in the year according to each category)/(the monthly average total number of employees in the year)]*100%. 2.The monthly average total number of employees in each year: 9,388 in 2020.	164	Appendix 7 - Human Resource Management indicators	<p>The new employee ratio and the number of new employees by gender and age for E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital in 2020.</p> <p>New employee ratio: [(Number of new employees classified by gender and age in 2020 (note)) / (the monthly average number of employees in 2020)]*100%</p> <p>Note: Those who previously worked in E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital, left, and subsequently joined E.SUN Group again in 2020 are not considered new employees.</p>
5	Table "J- Absentee rate", the absentee rate and data coverage in 2020.	167	Appendix 7 - Human Resource Management indicators	<p>The absentee rate of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital in 2020, and the respective data coverage rates.</p> <p>Absentee rate = (Number of occupational sick days + sick days +menstrual leave days+ personal days) taken by employees / Total working days.</p> <p>Total working days = Monthly average number of employees * Total working days in a year announced by the Central Personnel Administration, Executive Yuan, less Labor Day holiday.</p> <p>The calculation and definition of the monthly average number of employees are the same as Subject matter information No.1.</p> <p>The data coverage rate is the ratio of the sum of the monthly average number of employees of each subsidiary that is included in the calculation divided by the monthly average number of employees of the group.</p>



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No.	Subject Matter Information	Page	Corresponding Chapter	Applicable Criteria
6	Table "2020 Inclusive finance outcomes", the number of customers and balance of Small-Sized Business Loans.	80	4.2 Inclusive Finance	<p>Number and value of small business loans of E.SUN Bank at the end of 2020.</p> <p>Small business is defined as customers whose revenues are below NT\$50 million at the time of initial account opening with E.SUN.</p> <p>The number and value of accounts exclude customers of overseas branches and subsidiaries. The number of accounts considers unique customers and unique customer is defined as accounts with the same ID number. The number of loans includes loans with zero balance at the end of 2020. The purpose of loans for small business includes capital investment, revolving credit loan, and corporate wealth management.</p>
7	Table "2020 Inclusive finance outcomes", the number of customers and balance of Low-Income Social Groups Loans and Underserved Groups / Underserved Geographies Loans.	80	4.2 Inclusive Finance	<p>Number and value of loans of E.SUN Bank by category: (a) Low-Income Social Groups and (b) Underserved Groups / Underserved Geographies at the end of 2020.</p> <p>The loans for Low-Income Social Groups include residential subsidy loan, debt negotiation and repayment plan services, and loans for earthquake disaster victims.</p> <p>The loans for Underserved Groups / Underserved Geographies include loans for new immigrants, loans to remote rural areas as defined by the Ministry of Interior, student loans, and young entrepreneur kickoff loans.</p> <p>The number and value of accounts exclude customers of overseas branches and subsidiaries. The number of accounts considers unique customers and unique customer is defined as accounts with the same ID number. The number of loans includes loans with zero balance at the end of 2020.</p>
8	In 2020, a total of 7 project financing cases to which the Equator Principles apply were approved, and 1 case was declined.	69	4.1 Sustainable lending and sustainable investment	In 2020, 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".



SASB Commercial Banks Standard: Summary of Subject Matters Assured

No.	Subject Matter Information	Page	Corresponding Chapter	Applicable Criteria
1	Table "B- Data breaches", total number of data breaches in 2020.	60	3.6 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 2020. Refers to the first point in the technical protocol of SASB FN-CB-230a.1, and based on the relevant Information Security Policies of E.SUN Financial Holding Co., Ltd., the total number of data breaches that occurred in 2020 which meet the data breach definition in SASB FN-CB-230a.1. Data breach is defined as an unauthorized movement or disclosure of sensitive information to parties outside the organization, and that resulted in a deviation from E.SUN FHC's expected outcomes for confidentiality and information security management.
2	Table "B- Data breaches", the percentage of data breaches involving personally identifiable information in 2020.	60	3.6 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 2020. Refers to the second point in the technical protocol of SASB FN-CB-230a.1, and based on the relevant Information Security Policies of E.SUN Financial Holding Co., Ltd., the total number of data breaches that occurred in 2020 which meet the data breach definition (please refer to Subject matter information no. 1) of SASB FN-CB-230a.1, and calculate the percentage of data breaches involving personally identifiable information. Personally identifiable information is defined in accordance with the "The Collection, Processing and Use of Personal Data Guideline" issued by E.SUN FHC. It refers to data that can be directly and indirectly (after data comparison) traced to an individual's identity. Its scope includes but is not limited to the definition of personal data in Article 2 of the Personal Data Protection Act.
3	Table "B- Data breaches", total number of account holders affected by data breaches involving personally identifiable information in 2020.	60	3.6 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 2020. Refers to the third point in the technical protocol of SASB FN-CB-230a.1, and based on the relevant Information Security Policies of E.SUN Financial Holding Co., Ltd., the total number of data breaches that occurred in 2020 which meet the data breach definition (please refer to Subject matter information no. 1) of SASB FN-CB-230a.1, and calculate the total number of account holders affected by the data breaches involving personally identifiable information. 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.
4	In 2020, there was zero lawsuit or monetary losses against E.SUN FHC and its subsidiaries for misconducts relating to: fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	45	3.2 Code of Conduct and Ethic	The total amount of monetary losses incurred by E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital as a result of legal proceedings associated with non-conformance of financial industry laws or regulations in 2020. Refers to the first point in the technical protocol of SASB FN-CB-510a.1, the total amount of monetary losses incurred in 2020 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. The scope of this monetary loss is the Companies' litigation caused by violation of the above laws or regulations. Monetary losses that have been confirmed and recorded in 2020 as well as the provision based on the International Financial Reporting Standards, excluding legal and other fees and expenses incurred by the Companies in their defense.
5	E.SUN FHC, E.SUN Bank and E.SUN Securities has established " Whistleblowing Channels and Procedures ". The procedure specifies the time frame for receiving and investigating cases and establishes the dedicated handling unit and independent investigation units. Whistleblowing hotlines, email addresses, and mailboxes are set up and announced on the corporate internal and official websites. These channels are available to any employee or outsider wishing to report cases. Whistleblowers' identities are kept confidential. It is also prohibited to impose unfavorable human resource measures on employees who report cases. Anonymous reporting is also enabled to actively prevent unethical, corrupt or illegal conduct.	44	3.2 Code of Conduct and Ethic	Refers to the first point in the technical protocol of SASB FN-CB-510a.2, the company's policies and procedures for disclosing whistle-blower systems are based on "Whistleblowing Channels and Procedures" of E.SUN FHC, E.SUN Bank and E.SUN Securities.
6	Table: Deposit services · Number and Value of checking and savings accounts of E.SUN Bank by segment: (a) personal and (b) small business	12	1.1 Vision	Refers to SASB's activity metric FN-CB-000.A, the number and value of checking and savings accounts of E.SUN Bank by segment: (a) personal and (b) small business at the end of 2020. The activity metric is based on E.SUN's internal definition: the number and value of accounts exclude customers of overseas branches and subsidiaries. Small business is defined as customer whose registered capital is below NT\$10 million. The number of accounts is unique personal and small businesses customers. Unique customer is defined as accounts sharing the same ID number. The number of accounts includes accounts with zero balance at the end of 2020.
7	Table: Loans · Number and Value of loans of E.SUN Bank by segment: (a) personal, (b) small business, and (c) corporate	12	1.1 Vision	
8	Note: 1. Exclude customers of overseas branches and subsidiaries. 2. Small business: 1) for checking and savings accounts: a company whose registered capital is below NT\$10 million; 2) for loans: a company whose revenue is less than NT\$50 millions.	12	1.1 Vision	Refers to SASB's activity metric FN-CB-000.B, the number and value of loans of E.SUN Bank by segment: (a) personal, (b) small business, and (c) corporate at the end of 2020. The activity metric is based on E.SUN's internal definition: the number and value of accounts exclude customers of overseas branches and subsidiaries. Small business is defined as customers whose revenues are below NT\$50 million at the time of initial account opening with E.SUN. The number of accounts considers unique customers and unique customer is defined as accounts with the same ID number. The number of loans includes loans with zero balance at the end of 2020. The purpose of loans for small business and corporates includes capital investment, revolving credit loan, and corporate wealth management. If a small business customer is an affiliate of a group company, then it is considered as a corporate customer. Affiliated company is defined by the Banking Act and the Company Act standards of the Republic of China; Group company is defined according to the Bankers Association of the Republic of China (BAROC) standards.
9	3. The purpose of loans for small business and corporates include capital investment, revolving credit loan, and corporate wealth management. 4. If a small business customer is an affiliate of a group company, then it is considered as a corporate customer.	12	1.1 Vision	

Appendix 13 - Carbon Neutralization Certificate

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bsi. Opinion Statement



Carbon Neutrality Declaration Validation Opinion Statement

This is to validate that: **E.Sun Financial Holding Company, Ltd.**
No. 115、117, Sec. 3, Minsheng E. Rd.
Songshan Dist.,
Taipei City,
105402
Taiwan

玉山金融控股股份有限公司
台灣
台北市
松山區
民生東路三段115號、117號
105402

Holds Statement No: CNCV 050-1

Validation 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 2020 Sustainability report in hard copy published in 2021' (2021年發行之2020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: 5.979 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

Originally Issue: 2021-05-26

Latest Issue: 2021-05-26

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BSI Taiwan is a subsidiary of British Standards Institution.

Statement No: CNCV 050-1

Location

E.Sun Financial Holding Company, Ltd.
No. 115、117, Sec. 3, Minsheng E. Rd.
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105402

Validation Information

E.Sun Financial Holding Company, Ltd. for its subject 'carbon footprint of 2020 Sustainability report in hard copy published in 2021' (2021年發行之2020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 2021 to 30 May 2021.
- Subject carbon footprint quantification specification: ISO 14067:2018 quantification of the subject of 'carbon footprint of 2020 Sustainability report in hard copy published in 2021'.
- GHG reductions: adopting several reduction programs within company.
- Carbon neutrality report: E.Sun Financial Holding Company, Ltd. for its subject of 'carbon footprint of 2020 Sustainability report in hard copy published in 2021' Carbon Neutrality Report, May 2021.
- 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: *GS1-1-TW-GS1001-12-2015-5347-14615 ~ GS1-1-TW-GS1001-12-2015-5347-14620*.
 - Date of retirement: 19 May 2021
 - Retirement reason details: on behalf of Carbon Neutrality of 2020 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/180226>
- 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>.

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Latest Issue: 2021-05-26

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Appendix 14 - TCFD Conformity Statement

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bsi.



Conformity Statement

Climate related Financial Disclosure

This is to conform that

E.SUN Financial Holding Co., Ltd. No. 115, Sec. 3 Min Sheng East Road Songshan Dist. Taipei City 10546 Taiwan	玉山金融控股股份有限公司 臺灣 台北市 松山區 民生東路三段 115 號 10546
---	---

Holds Statement Number <CFD 744024>

As a result of carrying out conformity check process based on TCFD requirement, BSI declares that:

- **E.SUN Financial Holding Co., Ltd.** follows Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to disclose climate-related financial information which is clear, comparable and consistent about the risks and opportunities and its financial impact. The disclosures cover four core elements and have been prepared by seven principles for effective disclosures.
- The maturity model for the Climate-related Financial Disclosures is **Level-5: Excellence** grade.

For and on behalf of BSI



Managing Director BSI Taiwan, Peter Pu

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Statement number: < CFD 744024 >

Location:

E.SUN Financial Holding Co., Ltd.
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Taiwan

玉山金融控股股份有限公司
臺灣
台北市
松山區
民生東路三段 115 號
10546

Conformity Check Overall Result:

The maturity model for the Climate-related Financial Disclosures is **Level-5: Excellence** grade.

Latest issue: 2021-06-23

Expiry date: 2022-06-22

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心清如玉，義重如山。



本報告書採用FSC™ CoC驗證紙張與大豆油墨，並以PAS 2060:2014實施碳足跡盤查，達成碳中和，經外部第三方查證，為台灣第1本「零碳」企業社會責任報告書。