

# E.SUN FHC

CSR REPORT 2011



## About the Report

E.SUN Financial Holding Co., Ltd. considers fulfillment of its corporate social responsibility (CSR) the foremost commitment and mission as it strives for sustainable growth. On top of giving priority to professionalism and integrity of conduct in all aspects of business endeavor, it is keen to act as a responsible corporate citizen should, extending love and care wherever and whenever possible. Our maxim is that earning respect matters more than earning business. Making its debut in 2010, E.SUN's CSR Report is intended to make public and transparent all relevant information so that the general public as well as stakeholders can learn more about the Company's attention and dedication to CSR fulfillment. In turn, E.SUN may well serve as a model worthy of emulation.

### Scope of the Report

The Report is published annually. The latest version mainly covers the Company's performance in the economic, social and environmental spheres during 2011 (January 1-December 31), including comparisons with its 2009 and 2010 showings when warranted. The Report covers not only E.SUN FHC itself but also its subsidiaries (E.SUN Bank, E.SUN Securities, E.SUN Venture Capital and E.SUN Insurance Brokers). All financial numbers are denominated in the Taiwan dollar while other measurements are given in metric terms. Separately, information with regard to social responsibility covers primarily two foundations (E.SUN Volunteer Foundation and E.SUN Foundation).

### Guidelines for the Report

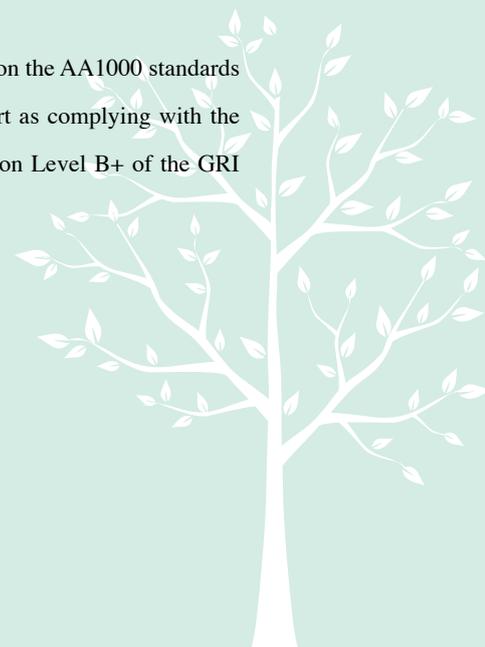
The 2011 E.SUN CSR Report is compiled in accordance with the G3.1 Guidelines and Framework of the Global Reporting Initiative (GRI). With a table of comparison against the G3.1 Guidelines also included, the Report addresses such topics as corporate governance, customer rights, employee welfare, environmental sustainability, and social responsibility. The Report is also made available on E.SUN FHC's website for browsing or download.

### External Certification of the Report

The British Standards Institution (BSI) is contracted to scrutinize the Report based on the AA1000 standards as well as the G3.1 Guidelines. The BSI checking led to its confirmation of the Report as complying with the Materiality, Stakeholder Inclusiveness and Responsiveness criteria set out in Application Level B+ of the GRI G3.1. Please refer to Appendix for the BSI statement of independent certification.

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## Message From the Chairman



Financial markets underwent further turmoil in 2011. Despite lingering concerns over the European sovereign debt and a still fragile world economy, a new equilibrium appears to be taking form in 2012.

Even with the need to cope with such an inherently unstable economic environment, a growing number of enterprises in Taiwan and around the world are taking action to fulfill their corporate social responsibility (CSR). That is, they have come to terms with the necessity of caring for the interests of stakeholders while seeking to maximize the returns for shareholders. In a recent survey of senior executives at 566 American companies conducted by the Economist Intelligence Unit (EIU), 75% of the respondents regarded an effective CSR policy as beneficial to corporate finance and competitiveness. Findings of the sort are surely a token of affirmation for companies with a proactive leaning toward CSR. Above all, they corroborate CSR's positive link to the performance of a business.

E.SUN started out with a commitment to running the best bank in Taiwan. Jade Mountain we name after Yushan, the tallest peak in Taiwan, to show our ambition. Our objective is to make an exemplary member of the financial industry and a benchmark for the service sector. We believe that businesses are meant to help people enhance their happiness. In addition to achieving corporate goals, they should also care for social development, carry out environmental protection, engage in public welfare, and promote culture and the arts. Only businesses that honor their CSR faithfully can expect to bring happiness to the general public, thereby creating a sustainable foundation for their own development and growth.

Over the past two decades, E.SUN has dedicated itself to CSR fulfillment unwaveringly. This is the case in defiance of drastic external changes, including a number of homegrown and worldwide financial storms. We have continuously put resources into the establishment of corporate systems, talent cultivation, information technology buildup, corporate governance, public welfare, environmental protection, customer services, community involvement, and culture and the arts. With expertise, service and responsibility always topping our priorities, we strive to cultivate a distinct corporate culture that features pragmatism, strength, responsibility, teamwork, harmony and happiness. Equally important are our constant pursuit of leadership, excellence and honor as well as willingness to remain grateful for whatever accomplishments we may enjoy at the end of the day. We do our best to create value for all—employees, customers, shareholders, society and the country.

In this report, we put forward a detailed account of economic, social and environmental topics of concern to stakeholders. Take corporate governance. In 2008, the Shareholders' Meeting of E.SUN FHC began to elect four independent



directors, taking more than one fourth of the board. In July 2011, the four independent directors formed the compensation committee, a grouping established ahead of the time requested by the competent authority. E.SUN FHC took the initiative to work toward corporate governance as early as 2004 when highly regarded experts were asked to serve as independent directors and help the board do a better job. In March 2012, E.SUN FHC walked away with another Platinum Award for Excellence Management in Corporate Governance in Asia. by Hong Kong's The Asset magazine in recognition of its attaining rigorous standards in all aspects of corporate endeavor. It is above all an honor that recognizes E.SUN's commitment to corporate governance. But it is really more than an honor—it is also a reminder that we must keep up our effort in this regard.

We believe in a purposeful, systematic and well-organized approach to promoting public welfare over the long haul. In academia and education, we have introduced such initiatives as the E.SUN Golden Seed Project, the E.SUN Scholarship for Growing Outstanding Students, the E.SUN Academic Awards, and the "Financial Literacy Carnival." In addition to raising donations for Japan's 311 Earthquake of 2011, E.SUN undertakes such charity initiatives as sponsoring blood drives and extending assistance to children at orphanages. To promote Taiwan's high school baseball, we sponsor the E.SUN Cup National High School Baseball Championship and the E.SUN Cup International AAA Baseball Tournament as well as the E.SUN High School Baseball Camp on Sports Injury Prevention and Rehabilitation; the E.SUN High School Baseball Training Camps; and the Care for Hinterland Baseball Teams Project. In the sphere of culture and the arts, E.SUN sponsored Cirque du Soleil's performances in Taiwan while hosting the "For Mother" concerts and "To Sir, With Love" campaign annually. Furthermore, it was the local banking community's exclusive sponsor of the Yilan International Children's Folklore & Folkgame Festival. When Vienna Boys' Choir went on a concert tour of Taiwan, E.SUN was also its exclusive sponsor. In terms of community services, E.SUN

undertakings include long-term cleanup of communities, holiday banking, participation in campus activities, financial education for students, and a full spectrum of fee-collection services.

To sustain Mother Earth and uphold the wellbeing of future generations, we also have put significant resources toward environmental protection. Since enforcing its Green Policy in 2007, E.SUN has made it a point to place equal emphasis on education and practice in this regard. Attention is paid to helping employees build and keep environmentally preferable habits and practices in every aspect of daily life. In practice, these include energy management (air-conditioning, lighting, elevators and water resources); an environmentally friendly lending policy; energy conservation by means of e-services; doing away with paper use and strengthening waste management; green procurement; tree-planting; and other activities conducive to environmental integrity. In so doing, E.SUN hopes that it will inspire emulation across society and that a quality living environment may thus emerge to benefit the entire population.

As the most trusted brand with a reputation for delivering the best possible financial services, E.SUN is fully aware of the high expectations society has placed on itself. "Those who grasp the need to give are wise but the happy ones are those who actually do the giving." We believe we have been able to deliver strong financial performance while garnering respects from our customers and the general public.

By presenting this report, we would like to share with you our commitment to CSR and concrete measures to ensure its fulfillment. We welcome and appreciate your guidance and encouragement so that we can do even better on this front. Once again, we pledge to make a responsible corporate citizen that is always ready to take action to help nurture an environment of love and care beneficial to all.

Chairman  
E.SUN Financial Holding Co., Ltd.





# I. Sustainable foundation for the development

## 1. An Excellent Corporate Culture

Over the years E.SUN has cultivated a reputation characterized by reliability and professionalism. Its credible management style, friendly and meticulous services, and wholehearted devotion to social responsibility have been well received among the general public. Since its establishment, E.SUN has identified “building institutions, cultivating talent, and developing information technology” as the three pillars of its vision for sustainable growth. With expertise, service and business always topping its priorities, the Company strives to cultivate a distinct corporate culture that features pragmatism, strength, responsibility, teamwork, harmony and happiness. Equally important are its constant pursuit of leadership, excellence and honor as well as willingness to remain grateful for whatever accomplishments it may enjoy at the end of the day. In so doing, E.SUN believes it has laid down solid groundwork for its evolution from goodness to excellence.



## 2. Corporate Social Responsibility Committee

E.SUN FHC established the Corporate Social Responsibility Committee in 2011 and made it a functional committee of the board in 2012. Convened by the chairman, it is composed of five panels charged with corporate governance, social responsibility, environmental sustainability, customer rights, and employee welfare respectively. As the Company’s highest-ranking CSR arm, it is staffed by 3 full-time employees and 30 part-time ones. Responsible for drafting, proposing and implementing annual plans and strategic designs, the committee gives priority to making sure that E.SUN FHC and its subsidiaries faithfully fulfill their corporate social responsibility and that the entire E.SUN family realize the vision of becoming a first-rate corporate citizen of the world community.

## 3. Vision for the E.SUN Brand

E.SUN gathers a team of professional managers who always uphold honesty and credibility in conducting business. The vision thus jointly formulated is a forward-looking one. Everyone at E.SUN is called upon to join the cause of seeking its realization, a process of cultural fusion that requires both wisdom and tactics. For E.SUN, this vision is its most valuable asset. For those who pursue a career here, it is both a supreme dream and a formidable challenge.

An exemplary member of the financial industry; a benchmark for the service sector.

E.SUN employees making first-class citizens of the global community and E.SUN itself, a first-class citizen of the corporate world.

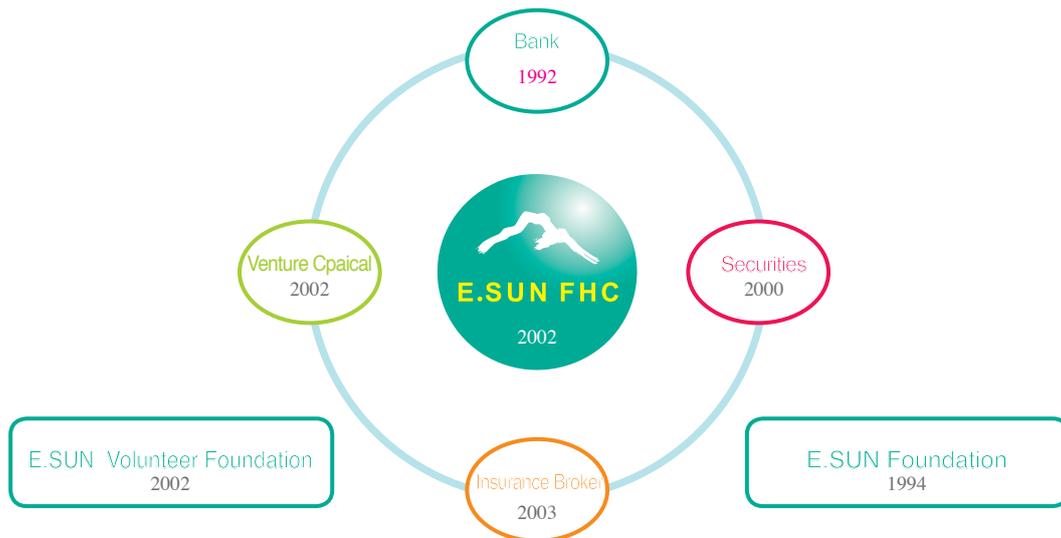
From E.SUN of Taiwan to E.SUN of the world.



## II. Introduction of E. SUN FHC

### 1. Company Profile

Established on January 28, 2002 and headquartered in Taipei, Taiwan, E.SUN FHC owns subsidiaries dealing in banking, securities, insurance broking and venture capital. As of December 31, 2011, it employed 6,009 people and had assets totaling NT\$1.16 trillion. Net profit in 2011 amounted to NT\$3.484 billion. To better fulfill its social responsibility and ensure its sustainable development, the Company has set up the E.SUN Foundation and the E.SUN Volunteer Foundation. With the belief that giving love promises to inspire more such deeds, the two entities provide the means by which E.SUN FHC and its employees can contribute their share of love and care to people in need.



### 2. Business Performance

The global financial tsunami of 2009 never seemed to entirely go away. There is no understating the complexity of the world's economic vicissitudes in 2011: debt issues plaguing the developed economies; the imperative for emerging countries to combat inflation; the “Jasmine Revolution”; the devastating 311 Earthquake in Japan; tensions on the Korean Peninsula; and flooding in Thailand. To be sure, the year 2012 promises to be equally, if not more, economically challenging.

In 2011, E.SUN FHC kept up a solid earnings capacity as it generated net profit of NT\$3.484 billion, translating into an EPS of NT\$0.82. Drawing on its eminent place among the country's elite few in terms of asset quality, E.SUN FHC absorbed the assets, liabilities and operations of Chunan Credit Cooperative on July 9, 2011. In turn, E.SUN Bank's domestic branches now number 132, up from 122 previously.

To justify the fresh and pure image it has long enjoyed, this specialized provider of financial services stands firmly by its trustworthy and upright way of doing business. Alongside its longtime endeavors toward balanced development on all fronts, it has paid equal attention to further improving risk management, corporate discipline, and work flows. E.SUN never ceases to push the bar higher for service quality, internal control and compliance mechanism as it aims for the best-performing, most trusted financial institution.



## 2.1 Business Operation

Unit:NT\$1,000

year		2010	2011
Business Operation	Net Revenue	17,415,361	20,205,264
	Net Provision	2,732,257	4,540,035
	Operating Expense	10,210,948	11,622,826
	Tax Expense	549,084	558,055
	Net Profit	3,923,072	3,484,348
	Net Revenue per employee	3,362	3,363
	Net Profit per employee(after-tax)	757	580
	Retained Earnings	6,503,368	6,728,981
Profitability	ROA(%)	0.39	0.31
	ROE(%)	7.32	5.77
	Net Profit Ratio(%)	102.73	103.96
	EPS(NT\$)	1.04	0.82

\*Subsidiary E.SUN Bank reserved additional NT\$ 2,461,981 thousand in advance in 2011 to fulfill the regulator requirement on over 1% loan coverage. Without the one-time impact, E.SUN FHC's ROE and ROA would be 9.15% and 0.49% respectively with NT\$1.30 EPS in 2011.

### Dividend Policy

Unit:NT\$

Year	2010	2011
Cash Dividend per share	0.20	0.20
Stock Dividend per share	0.70	0.50
Total	0.90	0.70

\*Dividend will be distribute on the year after the financial year.

### Tax & Deduction

Unit:NT\$1,000

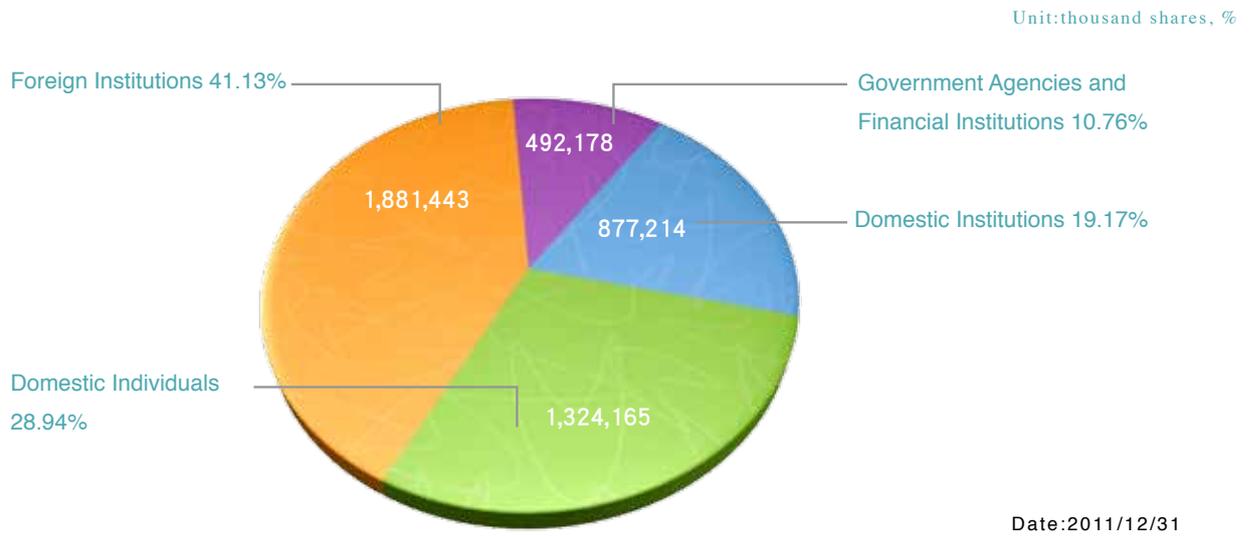
Year	2010	2011
Tax	291,067	549,745
Investment Deduction	-	-

### Donation

Unit:NT\$1,000

Year	2010	2011
Education	6,315	47,444
Charity	56,344	57,697
Arts & Culture	2,375	18,698
Economy Development	50,322	60,976
Total	115,356	184,815

## 2.2 Shareholder Structure and Credit Rating



### 2011 Credit Rating

Type	Institution	Ratings		Outlook	Effective Date
		Long Term	Short Term		
International	Moody's	Baa2	P-2	Stable	2011.11
	S&P	BBB-	A-3	Stable	2011.12
Domestic	Taiwan Rating Company (TRC)	twA	twA-1	Stable	2011.12

### 3. Service Network

With E.SUN Bank at the core, E.SUN FHC consolidates resources in six areas—brand name, culture, manpower, products, information, and customers. Always committed to integrity and credibility, it takes pride in offering a quality package of innovative, specialized services. Established with the aim of making the best bank in Taiwan in 1992, E.SUN Bank pledges to become an exemplary member of the financial industry and a benchmark for the service sector. At the end

of 2011, its assets amounted to NT\$1.1555 trillion and net worth, NT\$65.6 billion. In addition to 132 domestic branches, it has four overseas outlets (branches and representative offices) that are located in the U.S., China and Vietnam. Combined, E.SUN’s Call Center and its electronic banking and WebATM platforms as well as brick and mortar ATMs form a comprehensive service network.



### 4. Joys and Glories

The concerted hard work of everyone at E.SUN FHC has won widespread recognition among the competent authority, specialized institutions in Taiwan and abroad, and the general public. Likewise, E.SUN FHC’s commitment to quality has not gone unnoticed—it is the only business entity in Taiwan that has won a cumulative three National Quality Awards (including one accorded to Chairman Huang Yung-jen). This honor also signifies a great responsibility. We pledge to work even harder in the days ahead. The accolades E.SUN has won over the past three years include:



National Quality Award



2011

- E.SUN FHC received Platinum award in 'Excellence Management in Corporate Governance in Asia' in 2 consecutive years(The Asset Magazine).
- E.SUN Bank ranked No.1 among all financial companies in service quality award (CommonWealth Magazine).
- E.SUN Bank received the best award in most trustworthy bank(2 consecutive years), best teamwork and best performance in Wealth Management Business (Business Today).
- E.SUN Bank received numerous awards from China Productivity Center to honor the long-term efforts E. Sun has devoted to customers. These first prize awards include Services Capital Award, Happiness Award, Hospitality Award (Corporate Banking) , Corporate Culture Award, Business Strategy Award, Accountability Award and Customer Loyalty Award (Corporate & Personal Banking).
- E.SUN Bank received SME Credit Guarantee Partner Award in 6 consecutive years(MOEA, Credit Guarantee Fund).
- E.SUN Bank received Youth Entrepreneurship Loan Award for both categories of outstanding headquarters and outstanding branches-Dadun, Chihsien, Minsheng, Jhongli, and Dadun Branch also received the Best Performance Award. (National Youth Commission, Executive Yuan)
- E.SUN Bank received the merit certificate for Green Procurement by Private-Sector Enterprise and Organization in 2 consecutive years(Taipei City Government).
- E.SUN Bank received "Golden Quality award" to honor the support E.Sun has devoted to sports. (Sports Affairs Council, Executive Yuan).
- E.SUN Volunteer Foundation received award in social welfare. (Ministry of the Interior, R.O.C. (Taiwan)).
- E.SUN Foundation received award in social education. (Ministry of Education, R.O.C. (Taiwan)).
- E.SUN Bank received the award for ATM card consumption business (The Bankers Association, R.O.C.).





2010

- E.SUN FHC received Corporate Social Responsibility Award in 3 consecutive years(Commonwealth magazine).
- E.SUN FHC received Best Social Responsibility award(Taiwan Academy of Banking and Finance).
- E.SUN FHC received the certificate of corporate governance in 3 consecutive years(TCCA).
- E.SUN FHC received Platium award in 'Excellence Management in Corporate Governance in Asia'(The Asset Magazine).
- E.SUN Bank ranked No.1 among all financial companies in service quality survey in 2 consecutive years(Global View Magazine).
- E.SUN Bank was chosen as the most trustworthy and service quality bank in Wealth Management Business(Business Today).
- E.SUN Bank received SME Credit Guarantee Partner Award in 5 consecutive years(MOEA, Credit Guanrantee Fund).

2009

- E.SUN FHC received Corporate Social Responsibility honorable award(Global View magazine).
- E.SUN FHC received the first award in financial industry in Corporate Social Responsibility(Commonwealth magazine).
- E.SUN Bank was chosen as the most trustworthy bank in Wealth Management Business(Business Today).
- E.SUN Bank ranked No.1 among all financial companies in service quality survey(Global View magazine).
- E.SUN Bank received Golden Safety award and Golden Quality award (JCIC).

E.SUN will continue to provide even better financial services and demonstrate our core corporate commitment to social responsibility, paving the way for sustainable operations with society and the environment in mind. At the same time, E.SUN will strive to engage in innovative research and development in all of its operations and products, work to preserve its core values, forge progress, make the right decisions, and create a wonderful future.





### III. Stakeholder Identification and Communication

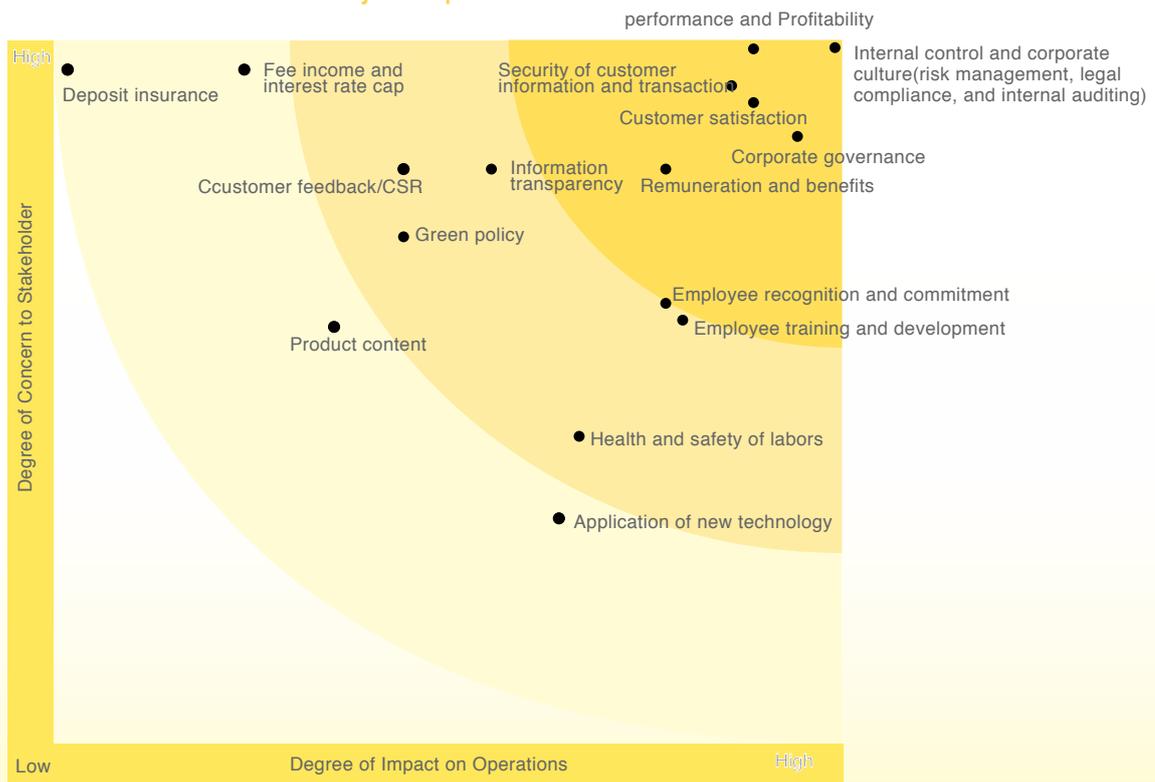
To facilitate the consolidation of internal resources, the Corporate Social Responsibility Committee of E.SUN FHC is responsible for coordination and communication within the company. Interdepartmental meetings are held to identify the stakeholders which various departments may have contact with or have an effect upon. Discussions during such meetings also cover topics of which the stakeholders may be concerned.

After discussions and estimation between the relevant departments and the Corporate Social Responsibility Committee, topics discussed are then ranked on a scale of 1-to-10, where 1 represents least important and 10

represents most important. A two-axis chart where the X-axis denotes “Degree of Concern to Stakeholders” and the Y-axis denotes “Degree of Impact on Operations” is then drawn to provide further analysis and to identify the major topics of which the stakeholders are most concerned.

According to the analysis and identification, stakeholders are divided into customers, employees, shareholders (institutions and individuals), government agencies, industry peers, contractors, nonprofit/nongovernmental organizations and the communities. A total of 13 major topics are identified, and details on measures taken to address these topics are discussed in subsequent chapters.

Chart on Stakeholders vs. Major Topics of Concern



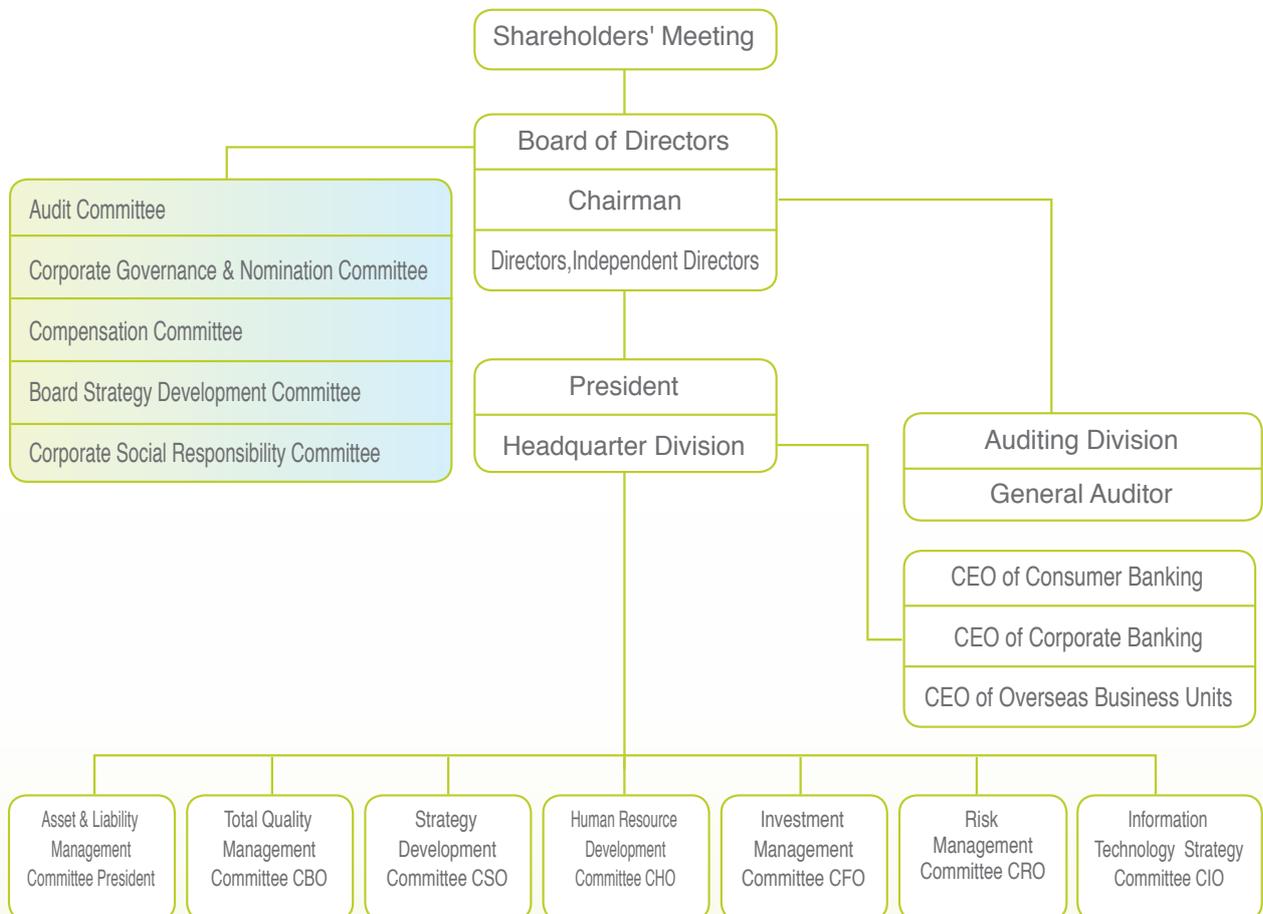
Stakeholders		Method of Communication with Stakeholders
Customers		<ul style="list-style-type: none"> <li>To provide customers with satisfactory quality and services, E.SUN FHC has created a Total Quality Management Committee, E.SUN Commercial Bank has established a Customer Service Department, and other subsidiaries have assigned customer service advisor.</li> <li>E.SUN has entrusted external market survey companies to carry out customer satisfaction surveys on the Company, collecting customer opinions on attitude, branch environment, and efficiency in handling various issues.</li> <li>E.SUN has established a customer service hotline that operates 24 hours a day. The websites of the Company and its branches have areas where customers can leave messages, providing customers with avenues to have inquiries, transactions, and opinions.</li> <li>E.SUN regularly sends account statements or e-statements, publishes the latest information and activities on the websites, and Internet bank website. The Company issues e-Newsletters, monthly magazine, and Quarterly magazines, providing customers with a variety of financial information. and publications every other month and on a quarterly basis.</li> <li>E.SUN holds personal finance seminars to provide customers with access to financial information, two-way communication and business inquiries.</li> <li>E.SUN complies with rules and regulations to ensure the safety of customer information and establishes an opt-out mechanism for customers.</li> </ul>
Employees		<ul style="list-style-type: none"> <li>E.SUN carries out employee surveys each year to enable staff to freely express their opinions on a variety of subjects.</li> <li>The Company has established a human resources system platform. Where Employees are able to check remuneration, attendance, training, and benefits any time.</li> <li>E.SUN has established a comprehensive remuneration system that clearly sets forth criteria for bonuses or promotion-related raises.</li> <li>E.SUN emphasize importance of training and education. It has established both physical and virtual learning platforms, helping employees in their career planning.</li> <li>E.SUN dedicates to building a healthy working environment and a happy second home, assisting employees in experiencing and immersing in the E.SUN corporate culture.</li> <li>E.SUN sets up aside pension reserve fund in accordance with regulations and has also established an employee savings mechanism to ensure the rights of employees upon their retirement.</li> <li>E.SUN has instituted a fair and impartial performance assessment mechanism. Combined with an internal recruitment system and an opportunity for employees to rotation, encouraging employees to develop the best of his or her abilities.</li> <li>E.SUN has implemented labor health and safety policies and complies with regulations.</li> </ul>
Shareholders	Institutions	<ul style="list-style-type: none"> <li>E.SUN holds an annual shareholders' meeting, holds institutional investor conferences each quarter, and announces business performance monthly.</li> <li>E.SUN discloses important information regularly or as needed on the Market Observation Post System and the company website.</li> </ul>
	Individuals	<ul style="list-style-type: none"> <li>E.SUN periodically participates in investment forums or seminars held by local and foreign investment institutions.</li> <li>E.SUN has established investor relations websites in both Chinese and English, providing investors with information inquiries and Date downloading.</li> <li>E.SUN has established service, public relations, and institutional relations departments, offering avenues to communications either via telephone or email.</li> </ul>
Government Agencies		<ul style="list-style-type: none"> <li>E.SUN complies with policies of regulatory authorities, participates in conferences held by these agencies and promotes financial education.</li> <li>E.SUN provides related information as required by regulators in monitoring and auditing the Company.</li> <li>E.SUN has created a comprehensive legal compliance and auditing system to ensure that it complies with all laws and regulations.</li> <li>E.SUN discloses important information regularly or as needed on the Market Observation Post System and the company website.</li> </ul>
Communities		<ul style="list-style-type: none"> <li>Each branch helps in cleaning up its neighborhood and participates in a variety of activities, such as lectures on school campuses and personal finance clinics, arousing the public attentions to and participation in environmental protection-related public service activities.</li> </ul>
Non-profit/ Non-governmental Organizations		<ul style="list-style-type: none"> <li>E.SUN FHC and each of its subsidiaries, the E.SUN Volunteers Foundation, and the E.SUN Cultural and Education Foundation strive to fulfill the Company's corporate social responsibility. Each organization is actively engaged in corporate governance, customer rights, care for employees, environmental sustainability, academic education, charity, athletic development, arts and humanities, and community-oriented activities, thereby exhibiting its concern about society and environment.</li> </ul>
Industry Peers		<ul style="list-style-type: none"> <li>E.SUN participates in related activities held by the industry association, along with business-related discusses and seminars, to create a fair and reasonable competitive environment.</li> </ul>
Contractors		<ul style="list-style-type: none"> <li>E.SUN Institutes a fair and just procurement process; give priority to the purchase and use of green building materials as well as equipment and instruments that have been certified for environmental friendliness.</li> <li>E.SUN actively Promotes environmental protection and green consumption through procurement and other business dealings.</li> </ul>



## IV. Corporate Governance

In addition to complying with the Securities and Exchange Act and the Corporate Governance Best-Practice for Financial Holding Companies, E.SUN FHC constantly improve its business process in order to maintain a healthy operation and best interest of related party. We believe that there is no shortcut or formula to corporate governance. On top of a sound corporate culture, it can only be achieved by a competent management team that engages itself in neverending pursuit for excellence.

### 1. Governance Framework



As of March 2012



## 1.1 Independence and Function of the Board

Bolstering the board of directors is the most important element in conducting corporate governance. In turn, putting in place a viable corporate structure that allows independent directors to work properly is a prerequisite for board efficacy.

- In 2004, E.SUN FHC began to recruit renowned experts of various specializations to serve as independent directors and initiated a quasi audit committee (At that time, the Securities and Exchange Act called for either the appointment of supervisors or the establishment of an audit committee since 2007). As such, E.SUN took up the task of assigning independent directors and forming an audit committee.
- When a new board was to be formed in 2008, four independent directors with their respective specializations were appointed to form a new audit committee. It must be noted that the ratio of board seats taken by E.SUN's independent directors is higher than what is required in the Securities and Exchange Act (the number of independent directors must not be lower than two and must not be less than one fifth of number of the board members).
- Operating Committees of the Board: Besides an audit committee composed of all the independent directors, E.SUN FHC has in place a corporate governance and nomination committee, a compensation committee, a board strategy development committee, and a corporate social responsibility committee to help form a solid board of directors capable of doing what it is called upon to.
- Diversity and Expertise of the Directors: E.SUN FHC's

board is composed of respected figures from the financial community, the industrial sector, and academia. Thanks to its diversified array of members, the board is able to function expertly—making objective, well-rounded decisions.

- E.SUN FHC's board is composed of 13 directors, including four independent directors accounting for over 30% of the seats. Of the 13 directors, one is female.
- The board convenes at least once every three months, E.SUN FHC's board convened a total of 10 meetings in 2011. The directors registered an attendance rate of 91.54%.
- On average, the directors are 59.84 years of age. Their respective ages are listed as follows:

Range	Number
40~49	2
50~59	4
60~69	6
70~79	1

- What follows is a table listing the range for remuneration of directors (including independent directors) in 2011. For more detailed information, please refer to the Company's annual report, which is available for download at E.SUN FHC's website (<http://www.esunfhc.com.tw/Default.aspx>) or the Taiwan Stock Exchange's Market Observation Post System ([http://emops.twse.com.tw/emops\\_all.htm](http://emops.twse.com.tw/emops_all.htm)).

## Director Compensation

Unit:NT\$1,000

Item	Compensation							
	Base Compensation(A)		Severance Pay(B)		Bonus to Directors (C)		Allowances(D)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Amount	0	0	0	0	33,359	33,359	1,160	3,200

\* Remuneration distributed to directors who are serving for year 2011.

## Remuneration Range Table

Unit:NT\$1,000

Range	Directors	
	Total(A+B+C+D)	
	The Company	Companies in the consolidated financial statements
Below NT\$ 2,000,000	Ron-Yuan Investment Co.,Ltd., Shnag Li Car Co.,Ltd., Sunlit Transportation Co.,Ltd.	Sunlit Transportation Co.,Ltd
NT\$2,000,000~NT\$ 5,000,000	E.SUN Volunteer & Social Welfare Foundation (Representative Joseph N.C. Huang),E.SUN Foundation, Hsiin Tung Yang Co.,Ltd., Allcan Investment Co.,Ltd., Chen-En Ko, Chi-Jen Lee, Jen-Jen Chang Lin, Hsin-I Lin, Shan Meng Investment Co.,Ltd.	E.SUN Volunteer & Social Welfare Foundation (Representative Joseph N.C. Huang),E.SUN Foundation, Hsiin Tung Yang Co.,Ltd., Allcan Investment Co.,Ltd., Chen-En Ko, Chi-Jen Lee, Jen-Jen Chang Lin, Hsin-I Lin, Shan Meng Investment Co.,Ltd.
NT\$5,000,000~NT\$10,000,000	E.SUN Volunteer & Social Welfare Foundation (Representative Yung-Jen Huang)	E.SUN Volunteer & Social Welfare Foundation (Representative Yung-Jen Huang)

\* The percentage of total profits distributed to directors as a whole as remuneration is based on regulations set forth in Article 36 of the Company's statute. The ratio and the adjustment of remuneration for the chairman and directors are based on regulations set forth in Article 27-1 of the statute. The remuneration reflects the level of participation in and contribution to the company's operations. At the same time, industry standards are considered. The board is authorized to decide the level of compensation

## Brief of Directors

Year	Name	Education	Experience	Current Position
Chairman	Representative of E.SUN Volunteer & Social welfare Foundation Yung-Jen Huang	Department of Cooperative Economics at National ChungHsing University	Chairman and President of E.SUN Bank	Chairman of E.SUN FHC
Director	Representative of E.SUN Volunteer & Social welfare Foundation Joseph N.C. Huang	MBA of the City University of New York	SEVP of E.SUN FHC	President of E.SUN FHC and E.SUN Bank
Director	Representative of E.SUN Foundation Kuo-Lieh Tseng	Master of Public Administration at Harvard University,	Head of Banking Bureau, FSC	Chairman of E.SUN Bank
Independent director	Chen –En Ko	PhD of Department of Accounting at University of Minnesota	Professor of Department of Accounting and Department of Engineering at National Taiwan University	Professor of Department of Accounting and Department of Engineering at National Taiwan University
Independent director	Chi-Jen Lee	MBA, University of Illinois, USA	CEO of EMBA Course at National Taiwan University	Vice President and Professor of Department of Management at National Taiwan University
Independent director	Jen-Jen Chang Lin	Master of University of Michigan	Chairman of Financial eSolution and Financial Information Service.	Independent director (Managing Director) of E.SUN Bank
Independent director	Hsin-I Lin	Bachelor of Department of Mechanical Engineering, National Cheng-Kung University	Chairman of Industrial Technology Research Institute(ITRI) Vice-Premier of Executive Yuan, Taiwan	Independent of Xin-I property
Director	Representative of Allcan Investment Co., Ltd. Chiu-Hsung Huang	PhD of Business Administration at Dela Salle University	CPA	CPA
Director	Representative of Hsin Tung Yang Co., Ltd. Jackson Mai	Kai-Nan Commercial & Technical High School	Chairman of Hsin Tung Yang Co., Ltd.	Chairman of Hsin Tung Yang Co., Ltd.
Director	Representative of Ron –Yuan Investment Co., Ltd. Chai-Kuo Chen	MBA, UCLA	Chairman of Nien-Hsing Textile, Co., Ltd.	Chairman of Nien-Hsing Textile, Co., Ltd.
Director	Representative of Shang Li Car Co., Ltd. Jian-Li Wu	Chung Jung High School	Chairman of Shang Li Car Co., Ltd.	Chairman of Shang Li Car Co., Ltd.
Director	Representative of Shan Meng Investment Co., Ltd., Wu- Lin Duh	EMBA of National Cheng Kung University	President of E.SUN Bank	Chief Branding Officer of E.SUN FHC Chairman of E.SUN Securities
Director	Representative of Sunlit Transportation Co., Ltd. Suka Chen	Master of Department of Agricultural Economics at National Taiwan University	Chairman and President of E.SUN Securities	Deputy President of E.SUN FHC CEO of Consumer Banking Division of E.SUN Bank

\* The remuneration of managers in E.SUN FHC and its subsidiaries is paid in a manner of single payment of salary by the respective manager's main company of employment. The manager receives no separate payment from other companies he or she concurrently employed within the group.

## 1.2 Functional Committees of the Board

Both E.SUN FHC and its subsidiary E.SUN Bank have installed independent directors and an audit committee. The board of E.SUN FHC is further equipped with four other operating committees to facilitate corporate governance.

As was required by law, E.SUN FHC officially launched its mechanism of independent directors in 2008. Their number accounted for more than one fourth of the total of board seats. At the Shareholders' Meeting on June 28, 2011, the four independent directors were approved to extend their tenure. Four independent directors were also assigned for E.SUN Bank on July 7, 2011. In the meantime, a set of Regulations on the Scope of Duties of Independent Directors was spelled out so that they could produce the desired effect on board functioning and corporate operations.

Separately, E.SUN FHC draws on the board's various operating committees to continuously upgrade its capacity for corporate governance: audit committee, corporate governance and nomination committee, compensation committee, board strategy development committee, and corporate social responsibility committee. These are composed mainly of the four independent directors. The attendance rate of the various operating committees in 2011 are as follows: 90% for the audit committee; 95.83% for the corporate governance and nomination committee; 100% for the compensation committee; and 92.3% for the board strategy development committee.

A summary of the E.SUN FHC board's operating committees is as follows:

#### ■ **Audit Committee**

Governed by the Company's Articles of Organization for the Audit Committee, it convened five meetings in 2011. Composed of all the independent directors, it is meant to ensure the following:

- a. Proper presentation of the Company's financial reporting;
- b. Impartiality of hiring (dismissing) certified public accountants as auditors; fulfillment of their duty by the CPAs;
- c. Effective enforcement of internal control;
- d. Compliance with pertinent laws and regulations;
- e. Management and control of existing and potential risks.

#### ■ **Corporate Governance and Nomination Committee**

Governed by the Company's Articles of Organization for the Corporate Governance and Nomination Committee, it convened three meetings in 2011. To be convened at least once a year and chaired by one of the independent directors, it is supposed to be authorized by the board to assist in:

- a. Refining the Company's corporate governance structure and mechanism;
- b. Identifying, examining and nominating candidates for independent directors of E.SUN FHC and its subsidiary E.SUN Bank as well as for directors and supervisors of the latter;
- c. Formulating a viable organizational structure for the boards of E.SUN FHC and its subsidiaries to ensure the fitness of their composition;
- d. Nominating or examining candidates for presidents of E.SUN FHC and its subsidiaries as well as for vice presidents of E.SUN FHC and its subsidiary E.SUN Bank.

#### ■ **Compensation Committee**

- Governed by the Company's Articles of Organization for the Compensation Committee, it convened two meetings in 2011.

- To be convened and chaired by one of the independent directors, it is supposed to comprise at least three directors and meet at least twice a year. Called upon to exercise the care of a prudent administrator, it is supposed to undertake the following and present proposals to the board for deliberation:

- a. Devising and examining the Company's policy, mechanism, standards, and structure with regard to evaluation of the performance of directors and senior executives as well as their remuneration;
- b. Evaluating and setting remuneration of the Company's directors and senior executives on a regular basis.

- While undertaking the duties listed above, the Compensation Committee is supposed to abide by the following principles:

- a. Taking into account practices at industry peers and building a reasonable connection between individual performance and the Company's business performance and future risks while evaluating the performance of directors and senior executives as well as their remuneration;
- b. Refraining from inducing directors and senior executives to undertake ventures in excess of the Company's risk capacity with a view to winning more generous remuneration;
- c. Taking into account characteristics of the industry and the nature of the Company's business endeavor when deciding on dispensing bonuses to directors and senior executives in recognition of their short-term performance or making changes to overall remuneration packages.

#### ■ **Board Strategy Development Committee**

- Governed by the Company's Articles of Organization for the Board Strategy Development Committee, it convened two meetings in 2011. - To be convened at least once a year and chaired by the chairman and comprise at least one of the independent directors, it is supposed to undertake the following:

- a. Convening meetings on the Company's strategic goals; presenting to the board reports that include an overall objective and concrete measures to be taken over the short, medium and long terms;
- b. Presenting to the board reports on all other strategy-related matters that may affect the Company's future development.

#### ■ **Corporate Social Responsibility Committee**

- It is governed by the Company's Articles of Organization for the Corporate Social Responsibility Committee.

- Convened by the chairman, it is supposed to meet at least once a year. Its duties include:

- a. Mapping out CSR annual plans and strategic directions;
- b. Devising CSR projects and events;
- c. Following up the implementation of CSR annual plans and strategic directions as well as CSR projects and events and reviewing their efficacy;
- d. Compiling and reviewing CSR reports;
- e. Making decisions with regard to evaluation by CSR media;
- f. Making other CSR-related decisions.

To make sure that its corporate governance work smoothly, the Company has revised or instituted the following since 2011: Rules for Proceedings of the Shareholders' Meeting; Articles of Organization for the Compensation Committee; Articles of Organization for the Corporate Governance and Nomination Committee; Rules for Dealing With Donations and Gifts; Chart on Division of Authority Among the Shareholders' Meeting, Board, and Senior Executives; Internal Control Mechanism; and Procedures for Acquiring or Disposing of Assets. To further ensure CSR fulfillment, the Company put in place a package of Principles on Integrity and Credible Business and Guidelines for Operating Procedures and Behavior in 2011.

### Corporate Governance at Work

Item		Status of Working
Shareholding Structure & Shareholders' Equity	Ways for handling shareholder suggestions or inquiries	On its website the Company sets aside a section for visitors to leave messages and lists contact information of investor relations personnel so that shareholders can raise their questions and suggestions. All these will be dealt with cautiously.
	The Company keeps track of major shareholders who wield effective control of E.SUN FHC.	In addition to the list of shareholders after stock registration, the Company keeps close track of their stockholdings by drawing from their own monthly reporting.
	Risk control & firewall mechanism: E.SUN FHC vs. affiliated companies	<ol style="list-style-type: none"> <li>1. The Company has set up an independent risk management division that oversees the risk control and management of the entire E.SUN FHC group. It is also responsible for charting E.SUN's risk management policy and related regulations.</li> <li>2. The Company has established a Risk Management Committee. Convened by the president, it is responsible for ensuring that the Company's risk management mechanism work effectively.</li> <li>3. When it comes to transactions involving stakeholders, the Company faithfully observes provisions laid down in Article 44 and Article 45 of the Financial Holding Company Act to avoid conflicts of interest and uphold its own interests.</li> </ol>
Composition and Duties of the Board	Assignment of independent directors	Four independent directors are appointed and in turn form the audit committee in place of supervisors.
	Periodic appraisal of the independence of CPAs	The Audit Committee is responsible for appraisal with regard to the appointment, dismissal and compensation of CPAs on a regular basis.
Communication With Stakeholders		<ol style="list-style-type: none"> <li>1. In addition to compiling and updating a list of stakeholders, the responsible unit is charged with the duty of communicating with them.</li> <li>2. Customers can make themselves heard through the Company's retail outlets, customer service units and other channels disclosed on E.SUN's website. Likewise, whatever issues employees may have can be dealt with through the Company's human resources units or other internal channels.</li> <li>3. The Company sees to it that it keep intact channels for communicating with stakeholders smoothly.</li> </ol>
Information Disclosure	Installation of website for disclosing financial information and corporate governance	The Company operates both Chinese and English websites where its latest financial information is disclosed. This includes unaudited monthly earnings of E.SUN FHC and its subsidiaries as well as their audited quarterly results. Meanwhile, the Company makes it a point to disclose stock price-sensitive information through the Taiwan Stock Exchange's Market Observation Post System. On top of its disclosure through the Taiwan Stock Exchange, information with regard to the Company's corporate governance can also be found in the E.SUN FHC website's investor relations and corporate governance sections.
	Other means of information disclosure	The Company holds quarterly investor briefings to facilitate investor access to its latest financial status. Information disclosed at these briefings, both in Chinese and English, is subsequently placed on the E.SUN FHC website. Investors are also welcome to direct their inquiries to the E.SUN spokesperson. Separately, the Company also undertakes overseas roadshows from time to time to keep investors updated with its operations.
Working of the nomination, compensation and other operating committees		Both E.SUN FHC and its subsidiary E.SUN Bank have installed independent directors and an audit committee. The board of E.SUN FHC is further equipped with four other operating committees: corporate governance and nomination committee, compensation committee, board strategy development committee, and corporate social responsibility committee. All of them are composed primarily of the four independent directors who meet and perform their duties according to pertinent laws and regulations, thereby enabling E.SUN FHC to continuously upgrade its capacity for corporate governance.
Training of Directors		New directors are supposed to undergo not less than 12 hours of training in the first year of their appointment. An annual minimum of three hours is required of them from the second year and of those who have been reappointed.
Provision of Liability Insurance to Directors		The Company started to provide directors, supervisors and senior executives with liability insurance in 2007. The purpose is to keep to a minimum all the risks and damages likely to confront directors and other employees charged with managerial or supervisory roles in the course of performing their duty while making a better-rounded corporate governance mechanism. These insurance policies are reviewed annually before being extended.

E.SUN FHC believes it should make a law-abiding paradigm. In addition to complying with pertinent laws and regulations, the Company makes it a point to provide independent directors and the audit committee with all the resources they need to perform their duty. In the Regulations on the Scope of Duties of Independent Directors, it is clearly stipulated that neither the Company nor any other member of the board is allowed to interfere with, reject or evade actions taken by independent directors in fulfilling their assigned duties. Independent directors are entitled to, if necessary, ask the board to assign personnel or recruit external consultant to assist.

E.SUN FHC was conferred the 2010 and 2011 Platinum Corporate Award by Hong Kong's The Asset magazine in recognition of its attaining rigorous standards in all aspects of corporate endeavor.

E.SUN FHC secured the accreditation of Taiwan's Corporate Governance Association for three years in a row, from 2009 through 2011.



## 2. Investor Relations

Since its inception in 1992, E.SUN FHC as a specialized provider of financial services has sought to enhance investor relations by paying attention to our shareholders and investors. In addition to scheduled financial disclosure, the Company is keen to keep in touch with investors by attending domestic and overseas investor forums or roadshows hosted by securities houses. On the Company's official website, there is an investor relations section—both in Chinese and in English—where real-time information is made available to institutional investors and analysts. E.SUN FHC's dedication to continuously enhancing its corporate governance and investor relations has not gone unnoticed. It is the only Taiwan company that has won the Platinum Award of excellence management in corporate governance in Asia, the highest honor in recognition of excellence in Asian business administration conferred by Hong Kong's The Asset magazine, two years in a row (2010 and 2011).

To strengthen interaction with investors, E.SUN FHC holds quarterly investor conference in Mandarin Chinese to elaborate on operating status, financial conditions and development strategies. The 2011 conference attracted 210 attendees. To help shareholders and investors in Asia, Europe and America stay up to date, the Chinese-language investor conference are subsequently followed by online presentations in English the very same evening. In 2011, E.SUN FHC also attended 12 investor forums or roadshows organized by securities house in Taiwan and in major cities across Asia, Europe and the U.S.; these conferences also brought E.SUN executives to 250 face-to-face discussions with analysts and institutional investors. All in all, they have proven effective in enhancing shareholder and investor confidence. For its part, the Company's investor relations team is proactive to gather all relevant information for the reference of E.SUN's policy making.



### 3.Risk Management

The Company undertakes risk management to uphold asset safety, customer service, and shareholder value. All aspects of business endeavor are governed by the overriding guidelines of risk management: safety and liquidity come first, followed by profitability and growth potential, with due emphasis placed on public welfare throughout the process.

#### Goals of Risk Management

- (1) Enhancing the company's reputation
- (2) Establishing a culture of risk awareness
- (3) Optimizing capital utilization
- (4) Providing suggestions in strategic management decision-making

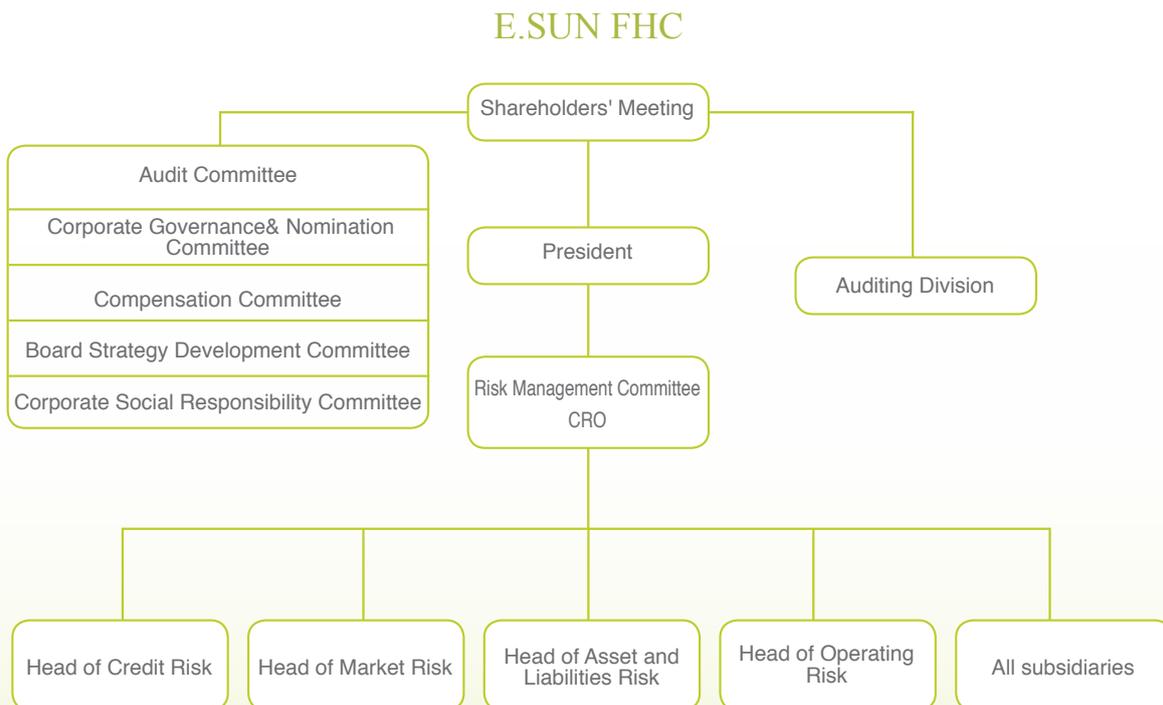
#### Tasks of Risk Management

- (1) Open, impartial and transparent information disclosure
- (2) Examining the appropriate balance of profits and risk
- (3) Ensuring strong assets
- (4) Early risk alert and risk aversion

### 3.1 Risk Management Organization Structure

Based on the Company’s operating strategy and business environment, the board is charged with deciding on the overall risk management policy and making other key decisions on this front. As the highest-ranking decision maker with regard to risk management, it shoulders the ultimate responsibility as a matter of course.

Independent and impartial, the Company’s Risk Management Committee is convened by the president, with the chief risk officer acting as executive secretary. It is responsible for instituting the Company’s operating risk management policy as well as promoting and supervising the compliance of various operations with international conventions. It is also supposed to place credit risk, market risk, operational risk, and asset-liability risk under proper management. In addition to reporting to the board its implementation of the aforementioned duties on a regular basis, it is required to disclose such information in the Company’s annual reports.



As of March 2012

### 3.2 Risk Management Mechanism

In line with the Risk Management Policy and Guiding Principles, the Company enforces various operational guidelines to cope with all sorts of risk: credit risk, market risk, operational risk, and asset-liability risk. Ours is a risk management mechanism that features effective identification, evaluation, supervision and control. Risk quota, early warning indexes, and control procedures are prescribed to enable the Company to effectively control the impact of major risks, a process with which the management team is consistently kept up to date. Meanwhile, the Company also employs this risk management mechanism in controlling and managing climate change (natural disaster) risk, reputation risk and legal risk.

Based on the risk appetite adopted by the board, the Company clearly defines the risk quota of individual products and overall business respectively. A link is built among risk appetite, decision-making, capital allocation, and quota-setting. In addition to quantitative considerations, risk appetite is also presented in qualitative terms in the communication with regard to risk management. In the meantime, periodic and unscheduled stress tests are undertaken to review the Company's risk appetite to make sure that it can accommodate changes in the macroeconomic situation and its own business environment.



### 4. Crisis Response Mechanism

E.SUN FHC and its subsidiaries comply with standard operating procedures and rules set forth in the Guidelines on Emergency Response and Crisis Management. Staying alert all the time, they take a preemptive approach in order to prevent occurrence of any crisis. In addition, drills are carried out regularly to ensure that the established crisis management measures are effective and to further enhance overall responsiveness. Both E.SUN FHC and its subsidiaries have set up their crisis management task force and assigned emergency liaison officers. In the event of an emergency or an abnormal incident, they are supposed to promptly decide on response measures that are to be implemented systematically and effectively. Timely reporting is also considered an imperative to ward off escalation of a given crisis. Equally important is consistent review and improvement to ensure that the same crisis will not repeat.

#### 4.1 Organization and Operation

Coping with emergencies or other abnormal incidents is the responsibility of the Crisis Management Task Force. It is to comprise the president, chief brand officer, chief risk officer, chief auditor, chief compliance officer, and officials with the legal affairs and customer service departments as well as representatives of the department directly involved in the incident in point. When the need arises, the president will convene the task force and appoint an executive secretary.

#### 4.2 Duties of the Crisis Management Task Force

##### ■ Preparation and Reporting:

Make sure that all relevant departments devise their respective SOP, stay attentive, and take precautions to uphold confidentiality. The latter should also be called upon to stay alert and upgrade their crisis responsiveness lest they should be taken off guard in the event of an abnormal incident.

##### ■ Tracking and Coping With the Incident

Devise response measures when an emergency or an abnormal incident does occur; join related departments and personnel in coping with it. The task force should take over the response initiative outright if a given incident already finds its way to the media.

#### ■ Post-Incident Management:

Follow up the analysis of a given incident and review of work flow management by the responsible supervisory department. If necessary, modify the countermeasures thus proposed so that a better-rounded, less costly response can be expected in the event of a comparable incident going forward.

#### ■ Knowledge Management:

Make sure that the responsible supervisory department develop a demonstrative case out of a given abnormal incident for training purposes lest history should repeat itself.

#### ■ Other Tasks and Items Deemed Necessary:

### 4.3 Disaster Management

All E.SUN units are supposed to strengthen their preventive and responsive ability for coping with natural disasters, war and pestilences that may disrupt business operations.

All undertakings with regard to personnel, property, equipment, systems, and data that may fall victim to sabotage or other threats should conform to the Operational Guidelines for Upholding Safety.

### 4.4 Brand Management

In the event of an abnormal incident in relation to business practices, personnel management or media coverage that may harm corporate reputation, the directly affected department should immediately bring the case to the Crisis Management Task Force.

It is imperative to compile and update the customer relationship management database. All departments should also consistently carry out safety management, focusing on the risks, disputes and crises that may arise in their daily operations. Well-rounded preparations include timely review and improvement as well as reporting to the Crisis Management Task Force whenever warranted.

### 4.5 Reporting of Emergencies or Abnormal Incidents

All units should appoint an emergency liaison officer who reports to E.SUN Bank's Consumer Banking Division. In its turn, the division reports to the convener of the Crisis Management Task Force. All reporting and handling of emergencies or abnormal incidents are supposed to be undertaken in tandem with E.SUN's SOP.

### 4.6 Reporting to the Competent Authority

When and if E.SUN FHC and its subsidiary E.SUN Bank experience an emergency or an abnormal incident that is covered by the Financial Supervisory Commission's order issued on March 6, 2007 (ref. Jin-Guan-Yin(3)-Zi No. 09685001530), they are supposed to file their reporting accordingly.

If any E.SUN subsidiary dealing in the securities business experiences a major incident that it is supposed to report to the Securities and Futures Bureau, Financial Supervisory Commission (e.g., a corporate entity or its employees undergo a search by the prosecution or are called in for questioning), the responsible audit official should do so immediately.

### 5. Lending Policy

As a responsible corporate citizen, E.SUN FHC adopts a lending policy that takes into account the environmental protection and public welfare records of loan-seeking companies as a key factor for final approval. In the guidelines for E.SUN Bank's lending practices, it is clearly stipulated that priority should be given to supporting green ventures dealing in alternative energy, water resources and pollution control. Likewise, preferential loans should be made available to promising companies to with energy conservation, pollution control, or introduction of environment friendly facilities.

As of 2011, E.SUN Bank recorded an outstanding balance of NT\$8.1 billion in loans to green ventures engaging in alternative energy, water resources and pollution control, up NT\$2.7 billion from 2010. In E.SUN's Green Policy white paper, lending is governed by the following principles:

- Priority should be given to supporting green ventures dealing in alternative energy, water resources and pollution control.
- Preferential loans should be made available to promising companies that seek to reduce energy waste and pollution or work toward environmental protection in other areas.
- Lending decisions should be dictated by whether loan applicants have incurred a major negative impact on environmental protection or violated pertinent laws and regulations.
- Companies recognized as major polluters and violators of pertinent laws and regulations should be excluded from loan borrowers. Action should be taken to facilitate improvement at such companies that have already secured a loan; E.SUN Bank should refrain from further lending or gradually retrieve the loan already approved when necessary.

As is stated above, lending personnel have a duty to verify if loan-seeking companies comply with environmental protection laws and regulations. They are supposed to do the following ahead of their loan decisions:

- Double-check items with regard to environment protection in filling in the credit report.
- Ask pollution-prone loan applicants for certification issued by the competent authority or a related environmental protection agency. It is imperative to check if they have been penalized in this regard and what corrective measures, if any, are being undertaken.
- Turn to government agencies for environment-related information concerning loan applicants (e.g., land registration transcripts) to determine if they have caused excessive pollution.

## 6. Honest Business/Combat Against Corruption and Bribery

Everyone in the E.SUN family shares the aspiration to make an exemplary member of the financial industry and a benchmark for the service sector. Realization of the vision calls for a workforce marked by moral integrity. As such, both E.SUN FHC and its subsidiaries enforce a code for customer service and personal behavior. It spells out requirements related to personal morals and ethics, conduct and discipline, business practices, intellectual property rights, use of the Internet and email, etc. Above all, it makes it clear how employees should abide by various laws and regulations while undertaking their duties.

The information is invariably made clear to every employee. While internal guidelines and external regulations may change over time, employees must take tests on statutory compliance and the E.SUN code for customer service and personal behavior on a regular basis:

- Employees must not make use of their positions in soliciting funds from E.SUN Bank or customers or raising donations; they must not conduct arbitrage or other deals with E.SUN Bank or secure loans from the bank through others.
- Employees must recuse themselves to avoid conflicts of interest whenever warranted; they are prohibited from making use of their positions in benefitting themselves,

spouses, relatives within the third degree, or other stakeholders with whom they have a close personal relationship.

- Employees must refrain from any act of partiality; they are prohibited from soliciting business by bribery or other illicit means.

## 7. Audit System

Under E.SUN FHC's well-rounded internal control and audit mechanism, the auditing division headed by the chief auditor reports to the board. Designed as an independent and impartial unit, it is assigned the duty of examining the Company's sales, finances, accounts, and contracts and reporting its findings to the audit committee and the board on a regular basis.

The auditing division conducts at least one general audit each year and one special audit of E.SUN FHC's financials, risk management and statutory compliance every six months. Internal audit reports are then compiled and submitted to the audit committee; reports are also to be submitted to the competent authority within two months of a given audit. Items singled out by the competent authority not only top the operational agenda of the relevant E.SUN divisions but also are included in the internal audit list. They are subject to examination in both general and special audits to ensure the validity of the Company's internal control mechanism.

## 8. Industry Organizations

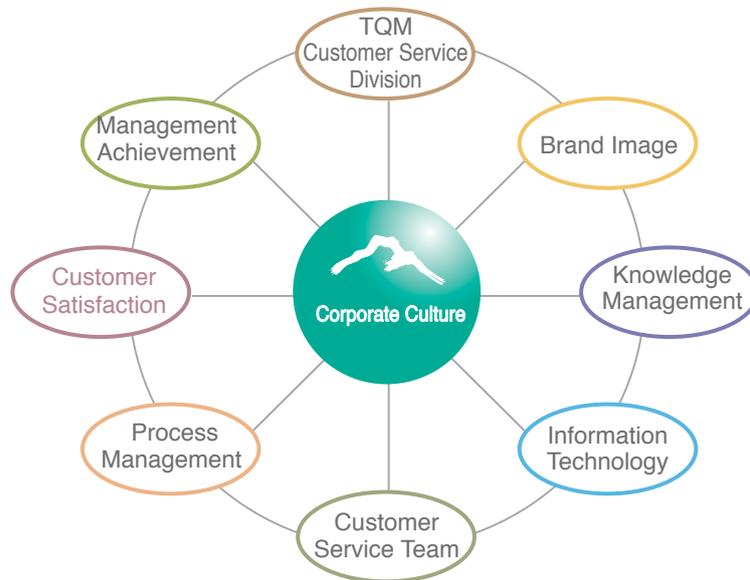
E.SUN FHC and its subsidiaries are avid participants in associations of the banking, securities and investment trust industries as well as organizations such as the Taiwan Academy of Banking and Finance, Taiwan Financial Services Roundtable, and the Chinese Excellent Management Association. E.SUN FHC Chairman Huang Yung-jen is a director of the Taiwan Academy of Banking and Finance while President Joseph N.C. Huang, a director of the Taiwan Corporate Governance Association. A director of the Bankers Association of the Republic Of China, E.SUN Bank Chairman Tseng Kuo-lieh also chairs the Financial Issue and Regulation Committee of Taiwan Financial Services Roundtable. E.SUN Securities Chairman Duh Wu-lin serves as a standing supervisor of the Chinese Excellent Management Association. As such, they work together toward a better future for Taiwan's financial services industry.



## V. Customer Rights

### 1. Total Quality Management

Under the Company's Total Quality Management (TQM) Committee, composed of senior executives, there is a customer service division. Meanwhile, all subsidiaries are equipped with customer service specialists who are intended as seeds for overall quality enhancement. Every week, they offer customer service training to help E.SUN further increase customer satisfaction.



### 2. Innovation in Product Design

To date, E.SUN has taken the lead to introduce the following innovative products and services:

- Lucky Titanium Card, Taiwan's first credit card designed specifically for women.
- E.SUN EasyCard has a unique function called "Autoload" that enables cardholders to easily add value to their cards.
- BBS online banking platform.
- Online payment collection mechanism; online accepting service for C2C chip-embedded ATM cards.

- Taiwan's first accelerator for online transfer of funds: E.SUN's WebATM website automatically pops up on the computer screen upon insertion of a chip-embedded ATM card into the card reader.



- “Online Platform for Wealth Management Winners” that enables members who have done well in mutual fund investments to share with others their success stories without disclosing their identity.
- Taiwan’s first ATM cards for the sub-accounts of family wealth management accounts.
- Information services on the mobile banking platform, such as a real-time update of the number of customers queuing at a given branch.
- “GoodCalendar,” a pioneer APP service featuring account notification to help customers stay up to date with their account balance.
- “iDesk,” a smart platform for completing forms.
- “Diamond Project,” Taiwan’s first financing product of its kind that features: (1) bonus sharing (2) combination of insurance premium and loan interest payments (3) flexible, transparent pricing.

### 3. Protection of Customer Rights

The Company seeks to help customers learn more about its products via a number of channels: its website, online banking platform, electronic direct mail (EDM), text messages, etc. Customers are also welcome to make further inquiries to E.SUN sales representatives or wealth management consultants at any branch. Separately, the Company has a 24-hour call center hotline that handles whatever queries customers may have about E.SUN products. Referral to specialized personnel will be made when necessary.

Always committed to customer service, E.SUN FHC and its subsidiaries give top priority to protecting customer data and preserving the safety of all transactions and premises.

Apart from uses permitted by law or the competent authority, the personal data, trading records and other information of customers are protected by a stringent set of measures to uphold their confidentiality. Above all, all uses are to be made in accordance with the Computer-Processed Personal Data Protection Law. The Company preserves all customers’ personal data in its tightly protected database,



which is accessible only by personnel of E.SUN FHC and its subsidiaries with proper authorization. That is, unauthorized people and units will have no means to pass the control and management mechanism and secure customers’ personal data.

Furthermore, the Company adopts a secure sockets layer (SSL) mechanism in encryption for data transmission. Firewalls are also installed to ward off hacking intrusions and unlawful acquisition of customers’ personal data. Customer passwords are stored in a 4- to 16-digit, cryptographically encoded system to prevent their being stolen. To sum up, E.SUN adopts only the best technology available to protect the security of customers’ personal data.

When it comes to product offerings, a stringent review system is implemented. A new product cannot be sold to customers until it has been reviewed and approved by an interdepartmental evaluation meeting. As is determined by their complexity, new products are first assigned an appropriate level of risk. Their official launch must not proceed until the responsible department has completed internal training and preparations with regard to operating procedures and risk control.

Before closing a deal, the Company has a duty to ensure its “Know Your Customer” (KYC) compliance. That is, it is required to secure detailed information about clients’ investment experiences, financial position, capital sources and purposes of trading in order to determine their risk tolerance. Only then can it go on to offer products to customers that best suit their needs while keeping the security of their property.



### ■ **Disclosing Statutory Regulations; Verifying Investment Fitness**

In the course of promoting business, E.SUN makes it a point to disclose to customers whatever is required by law and explain the inherent risk involved. A clearly defined KYC process is carried out to determine customers' investment fitness as well as the investment quota and products appropriate for them.

### ■ **Reminding of Risk in Marketing; Ensuring Statutory Compliance**

All marketing and promotion activities are preceded by stringent internal examination to ensure their statutory compliance. Event contents and qualifications for participation are spelled out in marketing documents or the related website. As is required by the Financial Consumer Protection Law, the Company makes it a point to give a balanced account of such items as incentives, risks and fees. Precautions are taken not to use overstated and false wording to induce or mislead customers to conclude risky transactions.

### ■ **Upgrading Website Management; Fostering Investor Use of New Technologies**

The Company's various service platforms on its website make available detailed information. An interactive, step-by-step approach is adopted to familiarize customers

with operational procedures. This is further aided by a specialized customer service team whose foremost objective is to help customers readily take advantage of E.SUN's efficient, quality services.

When it comes to controlling and managing credit card risks, information systems are adopted to dictate risk management that effectively accommodates environmental changes. Meanwhile, different models and databases are made use of in risk analysis. The objective is to attain comprehensive risk management that covers early prevention, control and management, and follow-up tracking. Due emphasis is also placed on bolstering operating procedures and reducing costs and overdue losses, thereby enhancing operational efficiency.

For its part, E.SUN FHC subsidiary E.SUN Securities draws on its rigorous internal control and superior trading platform to provide customers with a safe, quality trading environment. When placing orders directly with a dealer, customers are required to fill in the orders themselves and provide their seal or signature. Deals done over the phone are recorded in full. Those who trade electronically are required to provide their electronic signature or password. All these risk control measures are devised for the same objective: to provide customers with a safe trading environment where they can feel at ease.

To safeguard the security of its premises, E.SUN Bank has mapped out a package of operational guidelines as well as a set of responses devised for robberies and incidents of violence outside business hours. These are based on the Financial Supervisory Commission's Regulations Governing the Security Maintenance and Administration of Financial Institutions and the National Police Administration's Checklist for Evaluating Prevention of Criminal Occurrences at Financial Institutions. Separately, a supervisory team on safeguarding security is put in place to oversee implementation and examination of maintenance measures as well as training programs and periodic drills on this front.

## 4. Exemplary Employees

Voting is held quarterly to identify exemplary employees across all business branches. Those who are thus honored for three quarters or more in a given year will be further cited during E.SUN FHC's annual "knowledge-sharing" conference: against a big applause from colleagues, they will receive citations from the chairman and president.

### Exemplary Employees Cited Over the Past Three Years

Year	2009	2010	2011
Number	78	58	85

## 5. Customer Relationship Management

The Company collects customer opinions via the Internet, over the phone and on paper. In 2009 and 2011, it contracted market survey firms to survey customer satisfaction and loyalty. The respondents expressed a consistently high degree of satisfaction about E.SUN's service attitude, overall environment and reception efficiency. In particular, they gave high marks to E.SUN's wealth management business—its professionalism, investment advisors, and service procedures as well as specially designated areas for wealth management services. It is only fitting that E.SUN Bank was ranked No. 1 for three years in a row as the local weekly Business Today accorded its Most Trusted Awards to Taiwan's wealth management banking sector.

### ■ Nonstop Online Services

E.SUN's Customer Call center runs a 24-hour hotline all year round. Priority is given to providing customers with the best-defined, comprehensive information in no time.

### ■ Response to Customer Complaints

The Company offers a number of channels for customers to file their complaints: Web messages, the customer service hotline, the exclusive mailbox for customer opinions, and email. If a case is confirmed as an abnormal

incident, it should be treated as such immediately. The Crisis Management Task Force should convene a meeting of related officials to work out a proper response.

### ■ Use of Phone/Web Messages and Email

Customers are welcome to leave messages on the Web. They can specify their inquiry and leave a phone number so that someone from E.SUN can come back to them during business hours. If customers would rather use email, E.SUN is also ready to respond accordingly.





## VI. Employee Welfare

E.SUN promises a most rewarding career path! With people as its most treasured asset, the Company strives to grow a top-notch workforce with the capacity to enhance customer value. In turn, it aims for a harmonious and pleasant working environment where every employee has an opportunity to chart his or her own future.

### 1. Manpower Structure

As of the end of 2011, E.SUN FHC and its subsidiaries employed a total of 6,009 people who are aged 32.3 on average. More details with regard to E.SUN's manpower structure are listed in the following tables:

#### E.SUN FHC and its Subsidiaries

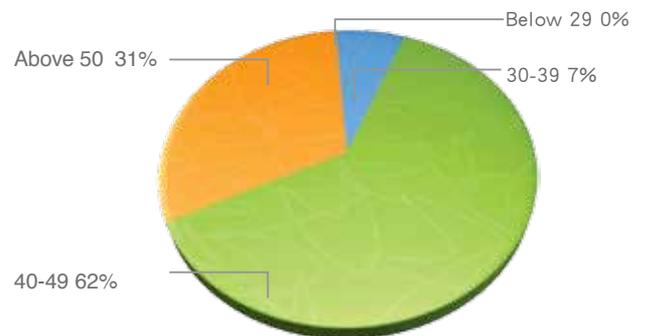
Area	Taiwan		Oversea	
	Male	Female	Male	Female
Numbers	2,598	3,328	44	39
Ratio	43.8%	56.2%	53.0%	47.0%
Total	5,926		83	
	6,009			

#### Education Background

Area	Master's	Bachelor 's	College	High School	Total
Taiwan	1,081	4,272	521	52	5,926
	18.2%	72.1%	8.8%	0.9%	100%
Oversea	35	35	6	7	83
	42.2%	42.2%	7.2%	8.4%	100%

### Age Distribution for Management Level

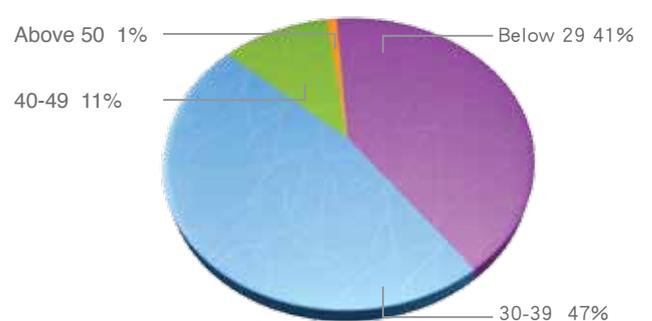
Age	Below 29	30-39	40-49	Above 50	Total
Male	0	14	140	74	228
Female	0	5	28	9	42
Total	0	19	168	83	270



Note: Management level means leaders of departments.

### Age Distribution for Non-Management Level

Age	Below 29	30-39	40-49	Above 50	Total
Male	681	1,370	342	21	2,414
Female	1,657	1,362	295	11	3,325
Total	2,338	2,732	637	32	5,739



### Age Distribution for newly-appointed employee

Area \ Item	Age				Gender		Total
	Below 29	30-39	40-49	Above 50	Male	Female	
Taiwan	1,071	127	51	8	427	830	1,257
Oversea	5	2	1	0	0	8	8
Total	1,076	129	52	8	427	838	1,265

Note: Include employees from acquired and other business proposals.

### Attrition rate

Area \ Item	Attrition Rate	Age				Gender		Total
		Below 29	30-39	40-49	Above 50	Male	Female	
Taiwan	8.5%	288	164	8	2	224	238	462
Oversea	6.2%	3	2	0	0	3	2	5
Total	8.5%	291	166	8	2	227	240	467

Note: Average figure of 2011



## 2. A Happy Second Home

The Company adopts a multipronged approach—competence and aptitude tests, structured interviews, and questionnaires—toward selecting suitable members for the E.SUN family.

### 2.1 Mentor System

Every new E.SUN employee is assigned a mentor. Not only passing on everything one is supposed to know about the financial industry, the mentor also doubles as a brother or sister for one to share some special moments in life. The generous sharing and guidance of the mentors always makes it much easier for the latecomers feel at home. Above all, these seniors are really a solid supporting force to help the new entrants to the E.SUN family grow and mature.

### 2.2 Health-Promoting Recreational Activities

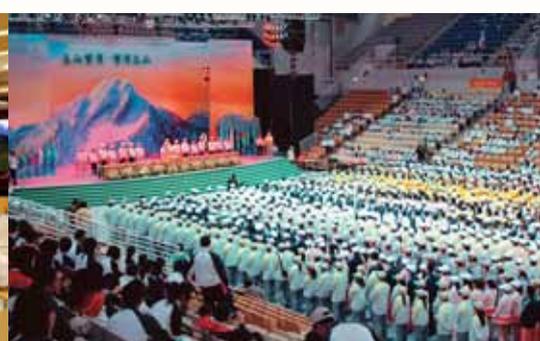
The Company holds a full spectrum of recreations, sports, travel and educational activities to help employees relax themselves and enhance physical fitness. To bring co-workers closer to one another, it has also offered a cumulative NT\$500,000 or so of subsidies to badminton, table tennis, dance and bridge clubs. In 2011, a total of 13 physical training classes attracted 980 participants.

### 2.3 Employee Restaurants

Certified nutritionists are responsible for rotating the menu so that a rich variety of meals—buffets, wheaten foods, daily specials and fresh fruit—can be served in a healthy dietary environment. Since September 2010, Monday has been made a Vegetable Day at the employee restaurants. In 2011, the Company's three employee restaurants served an average 1,300 people per day.

### 2.4 Excursions and Year-End Feast

E.SUN extends its care for employees to their families. From outings sponsored by various departments to the Company's year-end feast, E.SUN FHC makes it a point to have employees take their families along. Through these get-togethers, the families of E.SUN employees are given an opportunity to learn more about their working environment and co-workers. Separately, a total of 5,300 employees participated in E.SUN-sponsored excursions in 2011.



## 2.5 Sports Centers

In total, the Company has three sports centers at its headquarters and L&D Center that enable employees to fully develop themselves both in body and soul. By offering a wholesome and pleasurable working environment, the Company makes sure that all employees bring with them vitality and hope when reporting to duty every day.

## 2.6 Wholesome Workplace

To promote employee safety and health, the Company has set up a health knowledge zone that offers training sessions designed to enhance health awareness and management. In 2011, a total of 3,290 employees underwent a cumulative 732 hours of training. Between 2008 and 2011, the Company also organized treks for a cumulative 252 employees to climb to the peak of Jade Mountain. Above all, E.SUN does its utmost to create a safe and comfortable working environment that employees can rightfully call their second home. The Company also enforces a Public Notice System for Notifiable Communicable Diseases. When the H1N1 pandemic posed a major threat to public health in 2009, the system was activated to provide employees with timely information with regard to all sorts of precautionary measures. Separately, E.SUN also sets aside special sections in its bi-monthly and quarterly publications to provide employees and their families as well as the general public with medical information with regard to major illnesses and tips about health care at large.



Reaching the peak of Yushan is essential to experiencing the E.SUN culture.

No. of E.SUN employees reaching the peak of Yushan (2008-2011)

Year	Term	People	Total
2008	1st term, 2008	38	138
	2nd term, 2008	39	
	3rd term, 2008	31	
	4th term, 2008	30	
2009	1st term, 2009	40	40
2010	1st term, 2010	19	74
	2nd term, 2010	20	
	3rd term, 2010	35	
2011	Suspend*	-	0
Total	8 terms		252

Note: Due to redecoration.





### 3. Cultivation and Development

E.SUN considers talent cultivation a long-term commitment. This belief in growing the best financial talent has prompted the Company to buy land and build an L&D Center of its own. Since its inception in June 2004, it has served as a solid base for the Company's educational and training endeavors.

#### 3.1 L&D center

In 2011, E.SUN held a total of 135 internal training classes and participated in another 487 classes provided by specialized training institutions. A total of 21,714 person-times participated in these sessions, averaging out to four sessions for every employee. To be sure, E.SUN seeks to upgrade competitiveness by consistently enhancing the competence and expertise of its employees.

#### 3.2 e-Learning<sup>+</sup> Platform

On top of the brick and mortar setting, employees are given access to a wide range of digital learning opportunities as well. They cover financial expertise, specialized skills, service etiquette, and culture and the arts. In 2011, 265 online courses were offered and attracted attendance totaling 57,472 person-times.

#### 3.3 Career Planning

Regardless of their gender, all employees—from novices and mid-ranking officers to managers—are offered a comprehensive career plan. Alongside routine and annual appraisal of employee performance, the Company seeks to identify employee needs for further training that will facilitate either current duties or future career. Emphasis is also placed on learning in daily life where both teamwork and sharing between seniors and entrants play a crucial role. What E.SUN aims for is an organization where “students” and “teachers”

share a common commitment to lifetime learning. In effect, E.SUN regards itself as a campus for growing students who set out with a little knowledge about everything first into specialists with expertise in certain areas and ultimately into those with expertise in all areas.





### 3.4 Incentives for Employees

#### ■ Growth by Promotion

Fair and just appraisal conducted in a stringent manner is crucial to seeking out top performers and boosting morale across the entire organization. In principle, appraisal of both managers and clerks is conducted annually. Meanwhile, a promotion-by-recommendation mechanism is designed to reward employees who consistently outperform others over time. The objective, of course, is to allow the truly competent to be promoted to posts where they can bring out their potential to the fullest.

#### ■ Cultivation by Rotational Transfer

In addition to appraisal for promotion, the Company also conducts internal recruitment and selection for the sake of rotational transfer. Through their learning on different jobs and positions, both officers and rank-and-file are given an opportunity to further advance their professional competence and expertise.

## 4. Welfare Protection

### 4.1 Employee Remuneration

Formulation of a well-rounded remuneration mechanism is crucial to attract and retain talent. Regardless of their gender, E.SUN FHC employees are recompensed entirely in tandem with such objective criteria as academic backgrounds, experiences and current positions. On top of wages higher than statutory minimums both in Taiwan and abroad, employees are entitled to bonuses and promotion when these are warranted by their performance.

### 4.2 Employee Welfare

#### ■ Comprehensive Welfare

E.SUN provides a full spectrum of employee benefits: stipends for marriages, childbirths, hospitalization, education, health checkups, funerals, and injuries or disabilities; bonuses for special occasions (Mother's Day, Father's Day and the Spring Festival); employee travel; and treks to the peak of Mt. Yu (Yushan) and other club activities.

#### ■ Multilevel Insurance

The Company makes sure that all employees are fully covered by labor insurance, national health insurance, group insurance, and other general insurance schemes appropriate to the line of business in point.

#### ■ Preferential Housing Loans and Consumer Loans

To help employees become homeowners and give their family a carefree life, the Company offers those who have



E.SUN "hope engineers" on a tour of Europe led by the chairman.

completed probation access to its preferential housing loan program; such loans are to be collateralized by the properties of either employees themselves or their spouses. Another alternative is for employees to tap the Company's unsecured consumer loans.

### 4.3 Retirement

#### ■ Retirement Under the Labor Standards Act

Based on the aggregate of monthly wages, the Company appropriates a sum of money every month and deposits it in a special account at the Central Trust of China as the reserve fund for retirement benefits for employees.

#### ■ Labor Pension Act

As is required by law, the Company makes a contribution equivalent to 6% of every employee's monthly wage to his or her pension account overseen by the Bureau of Labor Insurance every month. Meanwhile, it acts on behalf of employees who opt for a regular labor pension contribution of a percentage of his or her choosing.

#### ■ Employee Savings Mechanism

The Company encourages employees to enroll in its employee savings mechanism as part of their retirement plan. After successfully completing their probation, new employees are entitled to apply for admission. The monthly input taken from their salary, to be decided upon by every participant, is to be matched by a contribution from the Company.

## 5. Emphasis on Human Rights

### 5.1 A Fair Working Environment

In line with the Act of Gender Equality in Employment, the Guidelines for Reporting and Probing Allegations Against Sexual Harassment at E.SUN FHC and Its Subsidiaries spell out how such complaints are to be filed and how designated personnel are supposed to tackle them accordingly. Employees are categorically prohibited from sexual harassment that refers to the following scenarios:

- If a person's obedience to or rejection of another's sexual advances becomes a condition of obtaining, losing or reducing their rights and interests in work, education, training, services, plans or activities;
- If texts, pictures, voices, images or other objects are used to inundate or intimidate; or if languages and behaviors of discrimination, and insults or other methods are adopted. For such reasons, another person's dignity of character is impaired; or if another person feels scared, feels disliked with hostility or feels offended; or if another person's work, education, training, services, plans, activities or other normal habits are improperly influenced.

E.SUN gives top priority to complying with all labor-related laws and regulations and fully protecting employee rights. On top of the labor-management meeting and labor union, it undertakes various measures to foster gender equality and spell out regulations over menstruation leave, family care leave, paternity leave, maternity leave, breastfeeding time, and childcare leave without pay.

In 2011, the Company received one employee complaint. It completed its investigation by the deadline and produced a written report detailing its action.

### 5.2 Labor Safety

Committed to employee safety and health, E.SUN FHC consistently strives for a comfortable working environment that employees can rightfully call a second home. Besides setting a package of operational guidelines on safety and hygiene, the Company offers regular training to personnel charged with labor safety and health, emergency care, and firefighting.

When it comes to on-the-job training for other employees, due emphasis is placed on common incidents of safety and hygiene of greater frequency and severity. By enhancing employee awareness across the board, the Company tries its utmost to prevent the occurrence of occupational accidents and accomplish an accident-free workplace.



## 6. Words From E.SUN Employees

### 6.1 “Hope Engineers”

The Training Program for Hope Engineers is the key venue where E.SUN grows its future managers. In other words, would-be E.SUN managers must come here for their “adulthood ceremony.” As of the end of 2011, the Company had held 20 such sessions.

“Whenever I looked up at the long green banner reading ‘The 19th Workshop for Hope Engineers,’ I would wonder what we could do for E.SUN. How could we contribute more to the E.SUN family? ‘This is your boat and you must make it the best!’ Hope engineers hold the key to opening up more possibilities for E.SUN. We must set an example ourselves—showing a positive, proactive attitude and outstanding professional competence while creating a harmonious, happy working environment. We must support our superiors and help our subordinates so that every member of our team can develop a common affinity and identity and work toward more glories for E.SUN.”

Vicky Chan, Wealth Management Division

“The Chairman made it clear from the very beginning that the Workshop for Hope Engineers would hopefully become the venue of E.SUN employees’ adulthood ceremony. E.SUN’s bid to become the best bank is attainable only by a first-rate team. Hope engineers are precisely supposed to act as a pivotal link within the E.SUN framework. In the course of training, I came to realize that professionalism and passion are both imperative to a knowledge-based economy. I also recognized that to attain sustainable growth, E.SUN must unwaveringly uphold its corporate culture. Meanwhile, I was profoundly impressed with the professionalism and passion of the instructors as well as the proactive teamwork of fellow trainees. I pledge to improve myself continuously and make a contribution to E.SUN.”

Yung-Shun Tu, Tainan Corporate Banking Center

“The Workshop for Hope Engineers finally drew to a perfect close. In addition to learning a lot about professional stuff, I had a deeper understanding of E.SUN’s core value—service. Meanwhile, I could feel the consequence top managers attach to talent cultivation. It took their time to join us for face-to-face discussions, helping our growth and building our capacity for management and marketing as mid-ranking officers. Their generous sharing means passing on hard-earned wisdom to the next generation of the E.SUN family. While the financial industry is rapidly changing and increasingly competitive, we are keenly aware that we are being assigned both a formidable challenge and a tremendous responsibility. I pledge to do my utmost in many more crucial moments yet to come and join E.SUN in striving for a brighter future.”

Huan-Lei Chn, Consumer Banking Division

“I’ve never been to Mt. Yu (Yushan) even though it has long been the pride of Taiwan. For a long time, E.SUN Bank had also been nothing but a name that I just knew of. But my life took a dramatic turn when I changed jobs and became a mid-ranking officer of the bank. My perception of the goals a business should strive for was also changed outright. After two stages of training for hope engineers, I came to realize that learning is not confined to passing on experiences. It also involves spontaneous observation of and reflection about the surroundings. A sense of deficiency always comes before the humility of seeking knowledge. I believe we can do anything so long as we put our heart and soul into the task. My personal goal is to become a specialist who is never confined to a specific field.”

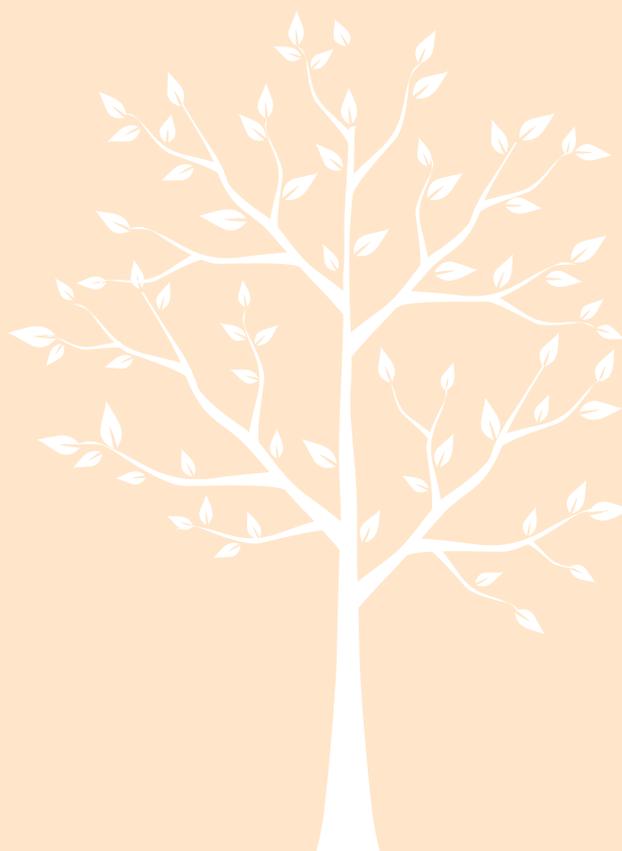
Chi-Ching Tseng, Xinyi Corporate Banking Center

“The substantial, wide-ranging training left me a profound impression. Above all, I came to realize the responsibility and mission imposed upon hope engineers. We are supposed to transform what we have learned and felt into a passion in action. We are to serve as a pivotal link in the E.SUN network and help create the greatest possible value. That is, we are to play a crucial role in crucial moments. Instead of marking an end, completion of the training is really a new beginning. As a hope engineer, I pledge to put behind my past of paying attention only to myself and to begin caring for others. I will guide my subordinates and bring out their potential. I will be proud to help build a legacy where subordinates have a chance to surpass superiors over time.”

Mu-Hsun Tsai, Wealth Management Division

“For me, intensive courses and discussions drove home the imperative for hope engineer to fully grasp the operations of various business divisions. This in turn would facilitate personal thinking at large and interdepartmental communication. Old habits should make way for new thinking. A good subordinate must work out a positive approach toward communicating with superiors. Likewise, one must cultivate a new mode of thinking appropriate to superiors as they must also adopt a positive approach to guiding subordinates. In other words, hope engineers must act as a link in making the hierarchy work effectively. No matter how complicated and exhausting our duties may be, we must always bear in mind that we should make the starting point. All that matters is execution. I pledge to put that maxim into practice every day at work.”

Ying-Ying Chang, Corporate Banking Division



## 6.2 Management Associate (MA) Program

The MA program is designed to build a reserve of talent—stars of the future that hold both potential and promise.

“Joining E.SUN started a journey of financial wonders for me. Setting out as a freshman, I completed novice training and practical training that covers a number of product lines before being engaged in product planning for wealth management and marketing planning for securities brokerage. Having built some expertise in both wealth management and securities, I have been given the opportunity to serve customers face to face. As a branch manager of E.SUN Securities, I’m now responsible for talent cultivation, operational management, customer development, and marketing. While I always like to expose myself to new operations and grow professional diversity, E.SUN has given me the best opportunities available to take up new challenges.

E.SUN is famous for an exceptional commitment to talent cultivation. It values not only professionalism, teamwork and legacy, but also honesty, credibility and integrity. I’m sincerely grateful for everything that E.SUN has offered me. I pledge to continuously speed my personal enhancement and do my very best to bring E.SUN—my second home—more glories.”

Chi-Cheng Chen, Tainan Branch, E.SUN Securities

“Having spent more than two years at E.SUN, I’m still amazed at the emphasis it places on talent cultivation—every effort is made to formulate a learning-oriented organization throughout. My gratitude goes to all the mentors who have been so earnest about teaching me. Your generous sharing has helped me grow and take up whatever challenges that might come my way. E.SUN has a comprehensive MA program that helps would-be managers develop their professional competence and leadership through educational and practical training, rotational transfer, involvement in various special projects, development of special skills, and sharing with mentors. For their part, the MAs are put to all manners of stringent test before being assigned greater responsibility. They are expected to strive continuously for self-improvement and think outside the box whenever warranted to get their job done. It is fair to say that the financial industry is now confronting a major challenge—or opportunity—not seen in a century. As a member of the E.SUN family, I’m ready to take up the responsibility of joining my co-workers and charting our common future.”

Jasper Jian, Office of the President

“As a member of the E.SUN family, I can feel its strong commitment to teamwork, talent cultivation and knowledge sharing. As the MAs undergo training by job rotation, they can observe the workings of various business divisions up close and conduct in-depth discussions. Actually getting involved in the process and receiving guidance from my mentor, I’ve been able to quickly get familiar with various operations, including their business models and competitive standing in the market. In other words, it’s a learning process of both depth and width. Having learned to integrate disparate marketing skills and accumulated a wealth of interdepartmental connections, I have rightfully developed what are generally known as “π-type” talents.

As mutual fund PM at the Wealth Management Division, I’m mainly responsible for expanding product offerings, devising marketing plans, and talking with mutual fund companies about cooperation. Meanwhile, I’m also given the opportunity to attend the strategy meetings of other business divisions; topic sharing, brainstorming, and extensive discussions not only keep me up to date with industry trends but also teach me about management at large. As an MA myself, I’m grateful for the management team’s longtime guidance and cultivation. I will certainly do my best to help E.SUN stand out on the world stage.”

Wealth Management Division

“Thanks to E.SUN’s multi level job rotation and inter departmental special project training, I’ve come to realize the collective importance of expertise, communication and integration. It explains why the MAs should develop versatility rather than specialty. Having served at the front desk and the Corporate Banking Division, I was transferred to the Hong Kong Branch where I had the opportunity to learn more about international banking, capital allocation across greater China, and cross-border operations of Taiwanese companies.



As someone who welcomes innovation and challenges, I regard working at the Hong Kong Branch as a great opportunity. I started learning to think outside the box and consider every possibility beyond the familiar. I dared to come up with innovative solutions so long as they fall within the bounds of legality. I always rejoice my choice of E.SUN, a stage where I have the opportunity to do my best to fulfill myself.”

Timothy Huang, Hong Kong Branch, E.SUN Bank

“E.SUN’s MA program is a comprehensive one. After novice training and practical training at business units and on product lines, I took my post at the Corporate Banking Division before being transferred to the Treasury Division. No matter where I was assigned, superiors would always arrange comprehensive training for me. They would adopt very stringent criteria to help me grow faster while I myself would always keep up my passion about learning—after all I would never acknowledge defeat.

In retrospect, what I have learned at E.SUN is more than expertise in corporate and treasury banking. I’ve also learned a lot in risk management, logical thinking, financial analysis, marketing planning, sales and marketing, problem solving, and responsive capacity. “Getting things done with and through people,” a concept that is familiar to students of management science, is taken for granted in E.SUN’s corporate culture. My training, solid and wide-ranging, is easily a target of envy for my classmates and friends. I appreciate E.SUN for its attentive care and the generosity and kindness of my superiors and co-workers who have helped me grow.”

Gina Tsai, Treasury Division

“Take Apple Inc. as example, its destructive innovation has invariably been rewarded with products that raise eyebrows globally. In fact, it vividly illustrates the explosive power of ‘minute difference’ comparable to that of compound interest. Stick to the right path and do the right thing—just a little more and better than others. On a hypothetical two-axis chart, the seemingly insignificant difference at the outset is set to widen to a gap not to be taken lightly over time. During my nearly two years at E.SUN, I have distinctly felt “minute difference” at work on all fronts. This is especially the case with its corporate culture, corporate governance and talent cultivation. Always striving for betterment, E.SUN has gathered a team of ordinary people to accomplish a quite extraordinary financial undertaking. I would like to welcome more young people to join E.SUN. Keep refining yourselves and you’ll surely become a dazzling gem someday.”

Solomon Lin, Treasury Division



## VII. Environmental Sustainability

### 1. Green Management Policy

Faced with a growing aggravation in climate change and global warming, E.SUN FHC is proactive to do its share in keeping up a sustainable living environment for all. In 2007, the Company implemented a Green Policy white paper as a symbol of its commitment to environmental sustainability. An interdepartmental Environmental Protection and Energy Conservation Task Force was formed to map out a viable policy and nurture a corporate culture that effectively crusades the cause. In practice, it promotes energy management across offices; energy conservation by means of e-services; keeping the use of paper to a minimum; better-rounded waste disposal; and the “One Tree a Lifetime” Reforestation Project. In addition to supporting environmental protection initiatives in Taiwan and abroad, it also organizes mountain- and beach-cleaning events, observes a Vegetable Day every Monday, and designates the 13th of every month E.SUN Environmental Awareness & Education Day.

Attention is paid to helping employees build and keep environmentally preferable habits and practices in every aspect of daily life. Starting out with all the seemingly trivial details at the workplace and home, they are ushered into a new way of life where environmental integrity often if not always tops the list. In so doing, the Company hopes that it will not only influence internal operations but also

encourage environmental awareness across society in general. In other words, it would like to create a ripple effect through which individual actions generate a broader movement among employees, customers, households and the entire corporate sector. Thus, the Company is confident of making real its vision of becoming a first-rate corporate citizen in the family of nations

### 2. Implementation and Accomplishments

#### 2.1 Office Use and Energy Management

The Company’s headquarters, Dengfeng Building, and business outlets are all located in metropolitan areas or urban townships. In keeping with the same principle, it will refrain from establishing new offices in conservation areas, wildlife habitats and hillside fields.

In 2011, the E.SUN FHC head office consumed 3,587,900 kWh of electricity, down 358,300 kWh from a year earlier. It meant that its electricity-related CO2 emissions fell by 220,722 kg to 2,210,234 kg. Likewise, its 2,719-cubic meter reduction in water use to 21,086 cubic meters translated into a 292 kg decline in CO2 emissions to 2,074 kg. With respect to the business outlets of E.SUN subsidiaries, the Company puts in place the following energy management measures:



### ■ Air-Conditioning Equipment

- In principle, air-conditioners are set to perform only ventilation before 8:00 am and after 6:30 pm.
- Offices where indoor temperature is controlled by air-conditioning equipment ought to keep it at 26-28 degrees Celsius.
- Ceiling fans are advisable for enhancing both ventilation and refrigeration.
- Replacement of outdated 500RT centrifugal chillers is supplemented by the introduction of variable-frequency control of cooling towers and fans as well as refrigerants that are pollution-free and do not harm the atmosphere. Combined, these measures are expected to bring about energy conservation by a margin of over 15%. To further cut back on the electricity bills over the long term, the Company is ready to modify its contracts with Taiwan Power Co. when necessary. E.SUN's devotion to energy conservation has not gone unnoticed—it has to date collected some NT\$1.3 million in bonuses from the Department of Economic Development, Taipei City Government.

### ■ Lighting Equipment

- High-efficiency lighting equipment and energy-saving tubes are adopted in favor of halogen bulbs. Moreover, T5 energy-saving tubes are increasingly the primary choice as their capacity for lesser heat means lesser power use.
- Lights in business and office areas are to be switched off when no one is on duty.
- Lights meant to accentuate display items such as paintings on the wall should be switched on only when these are to be presented to visitors. Except for safety concerns, all lights in non-office areas should be switched off during business hours; they should all be switched off after a business day is over.
- Lights in offices outside business areas should be switched off for one hour at noon during weekdays; the same applies to computers not in use.
- In summer, lights for vertical and horizontal signboards should stay on one hour less each day than the remainder of the year; a two-hour reduction applies to ATM lighting.

Time for lighting up vertical and horizontal signboards and ATM signs:

Signs	Vertical and Horizontal Signboards		ATM Signs	
Season	Summer	Winter	Summer	Winter
Month	Apr.-Sep.	Oct.-Mar.	Apr.-Sep.	Oct.-Mar.
Lighting time	19:00-22:00 Daily	18:00-22:00 Daily	19:00-05:00	18:00-06:00

Note:Flexible lighting time for branches in Industry parks, rural areas and residential areas.

**Elevators**

- Employees are urged to take the stairs to go anywhere less than three floors away.
- The number of active elevators is adjusted to accommodate varying demand during peak hours and off hours.

**Water Resources**

Relying only on water supplied by the state, the Company does not draw from rivers and other groundwater sources. The Company also makes it a point to conform to government regulations governing the discharge of sewage and wastewater. One example is its revamping internal piping to accommodate Taipei City’s sewer system. To be sure, the Company is never a polluter of the environment, rivers included.

- Across-the-board installation of toilets bearing the Water Conservation Label.
- Across-the-board adjustment of taps’ output capacity.

Water Use at Head Office (2010-2011)

Year	2010	2011	Increase (Decrease)
Water use (cubic meter)	23,805	21,086	-2,719
CO2 Emissions (kg)	2,367	2,075	-292

Formula for Calculating CO2 Emissions:  
 1 cubic meter = 0.1002 kg (Jan.-June, 2010)  
 1 cubic meter = 0.0984 kg (July 2010-Dec 2011)  
 Source: Taipei Water Department

Electricity Use at Head Office (2010-2011)

Year	2010	2011	Increase (Decrease)
Electricity use (degree)	3,946,200	3,588,200	-358,000
CO2 Emissions (kg)	2,478,200	2,210,234	-267,966

Formula for Calculating CO2 Emissions:  
 1 kWh = 0.64kg (Jan.-May 2010)  
 1 kWh = 0.62 kg (June 2010-May 2011)  
 1 kWh = 0.61 kg (June-Dec, 2011)  
 Source: Taiwan Power Co.

Volume of Trash and Recycled Waste at Head Office in 2011

General Wastes	Recycleable Wastes		
	Paper	Plastic	Metal
110,500kg	2,930kg	200kg	38kg



## 2.2 Energy Conservation by E-Services

The Company promotes a full spectrum of e-services, thereby conserving energy and cutting back on the use of paper:

- Customers are encouraged to make use of such e-services as telephone and online banking, WebATM, and e-trading. Meanwhile, e-billing is adopted to replace paper statements, which will also reduce postal-related consumption. Take E.SUN's electronic bills for credit cardholders. In 2011, they helped save 44 tons of A4 paper and reduce 15,168 kg of CO<sub>2</sub> emissions (according to Intergovernmental Panel on Climate Change estimates, delivering a paper bill incurs the discharge of some 6.32 g of CO<sub>2</sub>).
- Customers are also encouraged to apply for automatic payment of bills, keeping to a minimum their travel to and from the bank and thus curtailing the bank's carbon footprint.
- A comprehensive teleconferencing system is installed to accommodate one-to-one, one-to-many and many-to-many meetings across E.SUN Bank. In addition to making possible efficient communication, the practice goes a long way toward minimizing the time and costs of transportation and helping reduce the emission of greenhouse gases.

## 2.3 Doing Away With Paper and Disposing of Waste

### ■ Reducing Paper Use via Repetitive Use

- Keep paper printed only on one side for reuse and conduct printing wisely—double-sided, multiple-page-in-one, or draft-mode printing—to conserve paper and ink.
- Paper should be phased out as the means for official documents and other paperwork. Priority should be given to saving computer-generated files in favor of producing printouts. Printouts and saved files that have exceeded their designated years of preservation should be destroyed to make available storage space.

### ■ Sorting, Recycling and Reusing Resources

A highlight for E.SUN Environmental Awareness & Education Day is to promote the sorting of waste. The Company entrusts its waste disposal to a specialized firm for sorting out what can still be considered resources. Equal emphasis is placed on ensuring that the subsequent recycling incur no disruption to the environment.



- Implement the sorting of recyclable waste—paper, plastics and metals (iron and aluminum cans)—and reuse whatever that can be reused (shopping bags and one-side waste paper).
- Sort and recycle retired office equipment, including information outfits, light tubes and printer cartridges.

## 2.4 Green Procurement

In 2011, the Company procured approximately NT\$35 million of environmentally preferable products certified with the Green Mark, Energy Label, Water Conservation Label or Green Building Material Label, up from slightly over NT\$24 million in 2008. In recognition of its exemplary showing on this front, E.SUN was cited by Taipei City’s Department of Environmental Protection for three years in a row—from 2009 through 2011—as one of the top-performing private enterprises and organizations in terms of green procurement. Furthermore, E.SUN is one of the first local businesses to respond to the Environmental Protection Administration’s Green Procurement Made by Enterprises and the Public initiative. Its procurement is focused on products labeled with the EPA’s Green Mark and those certified as Class II and III environmentally preferable products. In turn, the EPA has awarded the Company a citation in recognition of its being an excellent green buyer.

E.SUN gives top priority to environmental friendliness in both consumption and procurement. A green cycle throughout the supply chain takes shape as recyclability and reusability are recognized as key considerations:

- Whenever possible, adopt green building materials and environment-friendly equipment and instruments in construction projects.
- Procure as many reusable, recyclable, low-polluting

and energy-saving products as possible. Refrain from the purchase of excessively packaged and environment-damaging products without the capacity for self-decomposition and of equipment costing more energy than others.

- Procurement should take into account the principles of standardization and uniformity. Repetitive use is thus possible in the event of remodeling or redecoration going forward.
- Procure products conducive to customer safety and convenience and considered to be deserving of a responsible corporate citizen.
- Promote environmental protection and green consumption through procurement and other business dealings, thus soliciting business partners to help achieve a maximized green cycle.





## 2.5 “One Tree a Lifetime” Reforestation Project

In 2008, the Company teamed up with National Chung Hsing University’s Hsinhua Forest Station in Tainan County to kick off a six-year reforestation project. Over this period, 10,000 of Taiwan’s endemic trees are to be planted on the grounds of the forest station. E.SUN aims to help preserve environmental integrity by boosting the ecological equilibrium at the forest station, thereby cutting back on Taiwan’s CO<sub>2</sub> emissions.

### ■ Origins and Contents

Planting saplings calls for a team of specialists as well as a viable plot in order for them to grow healthily and produce the desired effect in contributing to ecological equilibrium. E.SUN’s choice of National Chung Hsing University as its partner is prompted precisely by its meeting both requirements. Furthermore, the Company believes the decision will help improve resources allocation as forest stations in southern Taiwan also deserve financial support of the corporate sector.

Located east of the Hutoupi Scenic Area, National Chung Hsing University’s Hsinhua Forest Station is a 370-hectare expanse in Hsinhua District, Tainan City. In particular, a 90-hectare plot of the station close to the said scenic area has now been turned into the Hsinhua National Botanical Garden. Many trees planted under the reforestation projects of the 1960s have aged prematurely due to climate and environmental changes and insect pests. The project aims to rejuvenate such grounds that are now home to no more than clusters of withered trees. On top of restoring woodlands, the effort should prove conducive to enhancing ecological stability, reducing CO<sub>2</sub> emissions, and helping soil and water conservation.

### ■ Six year planting project

- Duration: October 19, 2008-December 31, 2014
- Area: All saplings are to be planted on a five-hectare plot of

the Hsinhua Forest Station, including one hectare within the Hsinhua National Botanical Garden.

- Trees: Priority is given to Taiwan’s endemic trees, such as Formosan Michelia, Taiwan Zelkova, Incense Machilus, red cedar, Formosan Incense Cedar, Formosan Ash, Formosan Sweet Gum, Chinese Pistache, soap berry tree, camphor, stout camphor tree, and Taiwan Persimmon, wherever warranted.
- Project Summary: From land preparation to weeding, the project aims to plant a total of 10,000 saplings at the Hsinhua Forest Station over six years. It takes three years for the saplings to start forming a forest. Over the course of the six-year period, the saplings will be replaced with new ones if their growth is disrupted by irresistible factors such as natural disasters, plant diseases and insect pests.





### ■ Issuance of E.SUN Visa Signature Card

In the wake of the disaster brought by Typhoon Morakot in 2009, E.SUN Bank issued the E.SUN Visa Signature card. As Taiwan’s first credit card geared toward environmental protection, it makes an appeal to cardholders to join its “One Tree a Lifetime” Reforestation Project. High on the list of benefits for cardholders is E.SUN’s pledge to plant a sapling on behalf of those who attain a preset spending minimum upon their first use of the card. The cardholder will be given a tree-planting certificate as a token of appreciation for joining a worthy cause to grow hope for Taiwan. Furthermore, cardholders are given the option of using 3,000 bonus points

accumulated subsequently to sponsor the planting of another sapling. As a reward for cardholders who agree to help with carbon reduction by switching to e-statements from paper ones, E.SUN will also set aside an additional contribution equivalent to 0.2% of every card spending to the “One Tree a Lifetime” Reforestation Project. Likewise, first-time applicants for e-statements are entitled to additional bonus points.



### Contribution of E.SUN Visa Signature Card to Environmental Protection

Name of Activity	Content	Summary of Success
Tree Planting	<ul style="list-style-type: none"> <li>E.SUN will plant one tree after a customer’s card is approved and he or she spends at least NT\$999 three times within two months. E.SUN also provides a card to notify the cardholder of the donation.</li> <li>Signature card members can convert 3,000 bonus points in adopting a sapling.</li> <li>0.2% of the charged amount of each purchase will go to the E.SUN Tree Planting Project.</li> </ul>	The E.SUN elite card is aimed at promoting environmental protection through the planting of trees. It helps to create awareness among the public to create more greenery and enables customers to take part in this initiative. To date, E.SUN has donated 10,000 saplings through “first charge” activities, loyalty point redemptions and having a percentage of each charge going toward the planting of trees.
Carbon Reduction	Customers will receive extra bonus points when they opt for E.SUN credit card e-statements and apply to have utility payments deducted directly from their accounts.	E.SUN is encouraging its customers to conserve paper, reduce the amount of mail and the fuel and carbon used in delivering the mail. Its elite card cardholders who opt for e-statements and persons who apply to have utility fees deducted directly from accounts have received loyalty point bonuses. As of the end of 2011, 11,000 of the cardholders had applied for e-statements and 6,500 customers applied for utility payment direct deductions, helping to foster a greener lifestyle.

## 2.6 Mountain- & Beach-Cleaning Campaign

Between October 22 and December 3, 2011, E.SUN volunteers brought their “green” momentum in cleaning up Planet Earth to an islandwide mountain- and beach-cleaning campaign. Participants were divided into 23 groups that were to cover 21 cleanup routes. In addition to such mountains as Xiangshan, Hushan, Jiannanshan, Yuanshan, Hutoushan, Caishan, Lidingshan, and Warship Rock, they reached as far as Meilunshan in Hualien, Taitung Forest Park, and the Guanyin Pavilion Waterfront Recreational Area in Penghu. In total, more than 5,000 people, including E.SUN volunteers and their families, took part in this mountain- and beach-cleaning campaign.

## 2.7 Responding to Domestic and Foreign Environmental Initiatives

### ■ Participation in Domestic Environmental Initiatives

#### · “Clean Up the World”

The Company teams up with the 7-11 Good Neighbor Foundation to promote “Clean Up the World,” one of the largest community-based environmental campaigns globally. Love for Planet Earth begins with cleaning up the community. E.SUN FHC is joined by its subsidiaries E.SUN Bank, E.SUN Securities, E.SUN Venture Capital and E.SUN Insurance Brokers in a common cause to inspire the general public into taking environmental cleanliness seriously and taking action accordingly.

#### · “Switch Off Lights on Summer Solstice”

The Company is also a proactive participant in the “Switch Off Lights on Summer Solstice” campaign initiated by Taiwan’s Society of Wilderness. From 8:00 pm to 9:00 pm on the night of the longest day of the year, E.SUN Bank has its branches nationwide switch off their signboard lighting. Employees are also urged to follow the lead at home. Held at a time when electricity use tends to be exceptionally heavier than other times of the year, the campaign is meant to inspire people to think twice about their consumption of energy. Perhaps they can thus develop a more environmentally friendly

approach toward using household appliances and other electricity-powered devices.

#### · Gold FM’s “Switch Off Lights on Mid-Autumn Festival”

E.SUN Bank is also a faithful participant in the “Switch Off Lights on Mid-Autumn Festival” campaign initiated by Gold FM Network. From 8:00 pm to 9:00 pm on the night of the festival, its branches nationwide will switch off their signboard lighting. Employees are also urged to follow the lead at home and take their families outdoors to admire a moon that much brighter and clearer.

#### · “2010 Yushan Festival—Guarding the Holy Mountain”

With Jade Mountain coming under the spotlight, the event was intended to heighten the awareness of conserving mountains and woods across the country. People were encouraged to get close to Taiwan’s holy mountain and show their reverence by keeping it clean and serene.

#### · Sponsoring Hiking Trails at Yushan National Park

The Company never hesitates to take action to demonstrate its love for Taiwan and fulfill its corporate social responsibility.



Participation in the “Clean Up the World” Campaign (2010-2011)

Year	Cleaning area	Participants
2011	134	2,900
2010	122	2,425



Since 2009, the E.SUN Foundation has been an avid sponsor of hiking trails at Yushan National Park that also helps promote ecological conservation and environmental education. As of the end of 2011, it had donated a cumulative NT\$1.5 million to the cause. In the meantime, it has earnestly encouraged employees to work together toward preserving environmental integrity.

**■ Responding to International Environmental Initiatives**

· Earth Hour

Earth Hour was started by World Wildlife Fund (WWF) in 2007 in Sydney, Australia. On the night of the last Saturday of March, many iconic landmarks and office buildings are supposed to dim their lights for one hour. Households and business establishments are also urged to join the call for action on climate change and global warming. E.SUN Bank responded to the call for three years in a row—2009, 2010 and 2011. Branches nationwide turned their lights off for an hour when one billion people around the world did the same and gazed up at a star-lit sky that promises hope for a brighter tomorrow.

· International Car-Free Day

The Company began observing International Car-Free Day in 2008, at which time employees were also told to choose three days every month for the same cause. These days are when E.SUN employees, without disrupting their office duties, should come to work by shifting to modes of transport conducive to reducing or even doing without carbon emissions: riding public transport or bicycles, walking, or sharing motor vehicles with others. They are also encouraged to take part in other International Car-Free Day activities as yet another step toward changing gear to an environment-friendly way of life.

**2.8 “Casting a Brick to Attract Jade”**

**■ Vegetable Day Every Monday**

Since September 2010, E.SUN has made every Monday a Vegetable Day in the belief that less consumption of meat is not only an animal-loving gesture but an act conducive to alleviating global warming and promoting world peace. It is an across-the-board initiative from E.SUN headquarters to the L&D Center and from branches to employee households. Without undermining a sufficiently nutritious diet, the employee restaurants are instructed to procure only locally produced seasonal foodstuffs or those imported from nearby regions. Their quantity must be kept at an appropriate level so as to minimize the need for refrigerated storage and production of kitchen waste while cutting short the carbon footprint incurred in the transportation process.

**■ E.SUN Environmental Awareness & Education Day**

The Company designates the 13th of each month E.SUN Environmental Awareness & Education Day. Volunteers in each unit will provide environmental protection-related information and knowledge to colleagues. With 4Rs (Reduce, Recycle, Reuse and Refuse) as the central theme, the ultimate goal is to imbue all employees with an appreciation for environmental protection as well as energy conservation and carbon reduction at home and at the workplace.

**Promotion materials for E.SUN Environmental Awareness & Education Day in 2011**

Month	Contents
1	Energy conservation measures in the workplace in accordance with the E.SUN Environmental White Paper
2	Energy conservation measures in the household according to the E.SUN Environmental White Paper
3	Five principles in reducing trash
4	Energy saving consumer electronics
5	Pattern and significance of water conservation seal
6	Secrets to conserving water
7	Recycling of four major types of appliances
8	Recycled paper
9	Secrets to reducing carbon in the home
10	Kitchen waste recycling
11	Low carbon travel
12	Energy saving appliances



## VIII. Social Responsibility



E.SUN emphasizes its participation in society. It seeks to pool the compassion of the E.SUN family and provide an environment conducive to volunteer services, helping the Company to fulfill its corporate culture of expressing its concern for the community and giving thanks. It participates in a variety of social welfare activities covering academics and education, charitable events, the development of athletics, and humanities and arts. This exhibits E.SUN's commitment to society and helps it fulfill its corporate social responsibility.



### Academia and Education

- E.SUN Golden Seed Project
- E.SUN for Outstanding Students
- E.SUN Prize
- E.SUN Chair
- Financial Literacy Carnival

### Charitable Activities

- Blood donation
- Caring for Children in Need
- Donations in the event of major disasters
- Assistance to Japan after the 2011 earthquake and tsunami
- Relief for victims of the Typhoon Morakot flooding and mudslides

### Athletic Development

- E.SUN Cup National Tournament
- E.SUN Cup International AAA Baseball Tournament
- E.SUN Baseball Sports Injuries Prevention Camp
- E.SUN Youth Baseball Pitcher & Catcher Training Camp
- Caring for Baseball Teams in Remote Areas



### Humanities and Arts

- For Mother-Music concert on Mother's Day
- Vienna Boys Choir
- I Love My Teacher activity
- Miaomiao Cat activity at schools
- Personal finance lectures on school campuses
- Neighborhood clean-up activities
- Branch anniversary celebrations
- Big balloon parade
- Weekend bank
- Neighborhood Financial Managers



## 1. Academia and Education

### 1.1 E.SUN Golden Seed Project

Children hold the future of every nation. Allowing them to grow up and learn happily must be a wish shared by every one of us. Throughout 2005 and 2006, E.SUN sponsored the lunches of 3,000 schoolchildren in remote areas across Yunlin, Chiayi, Tainan, Kaohsiung and Pingtung. In keeping with the Confucian spirit of “caring for others’ children as one’s own,” E.SUN took action to help those children in need. With other quarters in society also joining the cause and the government redoubling efforts on this front, having a decent lunch gradually became a lesser concern for schoolchildren from disadvantaged families. For its part, E.SUN moved on to consider what else it could do to help counteract the “M-shaped” society that was taking shape in Taiwan. Given the need to bridge the gap between city and countryside, it turned out that E.SUN would focus on making reading within the reach of schoolchildren in Taiwan’s less accessible corners.

In September 2007, E.SUN volunteers conducted interviews with principals and teachers of elementary schools in Yunlin, Chiayi and Pingtung to get a better idea of how schoolchildren in those remote areas were doing. Lengthy discussion and comprehensive evaluation bore fruit in the form of the E.SUN Golden Seed Project. Since the end of 2007,

E.SUN has invited customers who hold its World Card to join the cause—to equip those faraway and poorly appointed elementary schools with an E.SUN library that symbolizes a seed of knowledge.

As of the end of 2011, a total of 45 E.SUN libraries had been established at elementary schools across 18 counties and cities. On top of some 55,500 new books and NT\$2.1 million in upkeep expenses, they had incurred over NT\$100 million of cumulative outlays. After a library is set up, E.SUN will provide it with an annual subsidy of NT\$20,000 going toward electricity bills, procurement, and promotion of reading. The ultimate goal is to enable all the seeds of knowledge and hope sprout and flourish.



## Golden Seed Project

Build E.SUN libraries in rural area of Taiwan, providing better reading environment for kids



E.SUN Golden Seed Project: Schoolchildren-Related Statistics (2007-2011)

Year	Number of schools covered by the project	Number of students covered by the project
2011	15	6,200
2010	10	3,600
2009	10	2,600
2007、2008	10	2,000

As of the end of 2011, Taiwan had seen the establishment of 45 E.SUN libraries that benefit nearly 15,000 schoolchildren. It is an ongoing effort...



## E.SUN Golden Seed Project: Statistics on E.SUN Libraries (2007-2011)

Year	Number	City/County	Name of School	Launch Date
2011	Hope045	Tainan City	DASHE Elementary School	2011/12
	Hope044	Chiayi City	DATONG Elementary School	2011/12
	Hope043	Hualien County	MINGLI Elementary School	2011/11
	Hope042	Changhua County	DAXING Elementary School	2011/10
	Hope041	Taichung City	QIXING Elementary School	2011/10
	Hope040	Kaohsiung City	CHENG GONG Elementary School	2011/09
	Hope039	Penghu County	ZHONGZHENG Elementary School	2011/09
	Hope038	Taitung County	TAIPING Elementary School	2011/06
	Hope037	Pingtung County	YUTIAN Elementary School	2011/06
	Hope036	Yilan County	GUTING Elementary School	2011/05
	Hope035	Hsinchu City	GANGNAN Elementary School	2011/05
	Hope034	Yunlin County	CHAOYANG Elementary School	2011/04
	Hope033	Chiayi County	MEILIN Elementary School	2011/04
	Hope032	Hsinchu County	HEXING Elementary School	2011/03
Hope031	New Taipei City	WANLI Elementary School	2011/03	
2010	Hope030	Pingtung County	YILI Elementary School	2010/11
	Hope029	Changhua County	DAJIA Elementary School	2010/11
	Hope028	Keelung City	NUANXI Elementary School	2010/10
	Hope027	Taitung County	FENGLI Elementary School	2010/10
	Hope026	Penghu County	DONGWEI Elementary School	2010/06
	Hope025	Taoyuan County	XIHAI Elementary School	2010/06
	Hope024	Chiayi County	DANAN Elementary School	2010/05
	Hope023	Chiayi City	LINSEN Elementary School	2010/05
	Hope022	Nantou County	DUNHE Elementary School	2010/04
	Hope021	Yilan County	DONGXING Elementary School	2010/04

Year	Number	City/County	Name of School	Launch Date
2009	Hope020	Chiayi County	YONGAN Elementary School	2009/11
	Hope019	Taoyuan County	SHALUN Elementary School	2009/11
	Hope018	Tainan City	WENXIAN Elementary School	2009/10
	Hope017	Chiayi County	SHEKOU Elementary School	2009/10
	Hope016	Hualien County	FENGSHAN Elementary School	2009/06
	Hope015	Miaoli County	DABU Elementary School	2009/06
	Hope014	Taoyuan County	NEIZHA Elementary School	2009/06
	Hope013	Tainan City	JIAXING Elementary School	2009/05
	Hope012	Pingtung County	DEXIE Elementary School	2009/03
	Hope011	Pingtung County	SILIN Elementary School	2009/03
2008	Hope010	Changhua County	QINGSHUI Elementary School	2008/12
	Hope009	Taichung City	DONGSHAN Elementary School	2008/12
	Hope008	Chiayi County	LIUMEI Elementary School	2008/10
	Hope007	Chiayi County	WENGANG Elementary School	2008/10
	Hope006	Tainan City	SONGLIN Elementary School	2008/06
	Hope005	Yunlin County	JIANYANG Elementary School	2008/05
	Hope004	Yunlin County	BAOCHANG Elementary School	2008/05
	Hope003	Pingtung County	WUGOU Elementary School	2008/04
	Hope002	Kaohsiung City	FUAN Elementary School	2008/04
2007	Hope001	Chiayi County	SHUANGXI Elementary School	2007/12



#### ■ Making an Inviting Library

Emphasis is placed on making the library—both its interior and exterior—a perfect reading environment. Five colors that symbolize children's colorful dream world dominate its interior: blue, green, yellow, pink and purple. In addition to deliberate inclusion of school characteristics, decorations on the walls are designed to incorporate elements speaking distinctly of culture and the arts. In terms of internal layout, the library is divided into reading areas for high graders and low graders; a guided reading area; and a multipurpose area for audio-video and performance activities. As such, the library comprises areas of different purposes that suit the learning and teaching of different graders and their teachers alike.





### ■ Making Reading Interesting

More than anything else, the E.SUN Library is provided as a place of reading for schoolchildren in remote neighborhoods. With teachers and parents also working closely together, the ultimate purpose is to imbue the children with a lifetime habit of reading. One can often hear them say: “I really like it here”; “I’ve enjoyed coming to school more than ever since we had this library”; “My favorites are the dolls and pink little chairs. Reading in this library makes me feel as if I were in a fairyland”; “The wooden floor of the E.SUN Library is really cozy. That’s why I always love to read here after class.”

### ■ Making a Reading & Learning Center of the Community

Before the E.SUN Library became a reality, schoolchildren seldom used their school library except during reading classes. But the much improved E.SUN Library is soon recognized as an appealing place from which pupils love to borrow books of their own volition. Some schools even started or expanded their team of volunteers for hosting various events at the E.SUN Library. Others would open their library to the general public during holidays and encourage parents to join their children for some reading together. In turn, the E.SUN Library rightfully doubles as a reading and learning center of the community.



## ■ Words From Principals of Schools Equipped With an E.SUN Library



“For children, reading is something very important. I became all the more resolved to have my students understand the importance of reading when I discovered that their literacy was generally deficient,” noted Chen Mei-tzu, principal of Chiayi County’s Shuangxi Elementary School that is home to the first E.SUN Library. With hope glistening in her eyes, Chen recounted how she had yearned to create a library where her students could enjoy the pleasure of reading.

Chen believes it is crucial to make a cozy place for reading that feels like home, thereby giving children their first incentive to become intimate with books. To be sure, growing the habit of reading will shape the way how children conduct themselves and even serve as the starting point of their lifetime learning. “Children are readily moldable,” Chen said. “All we have to do is give them a stage where they can build their self-confidence; surely all children can bring out their potential.” She considers it a noble endeavor that some quarters in society are now paying attention to children’s reading and taking action to provide children in remote areas with an opportunity to strive for spiritual fulfillment as well.

Chen Mei-tzu Principal  
Shuangxi Elementary School, Chiayi County (Hope 001)



“The new library is surely a better one with more equipment. For instance, the story-telling area is equipped with specially designed chairs and an LCD TV. Teachers can thus devise a greater diversity of reading classes and children are more readily drawn into the library,” said Lin Chun-cheng, principal of Daxing Elementary School in Changhua County. “We paid special attention to arranging different seats for different graders. The lower round desks, for instance, are meant for low graders.

“We believe reading should not be restrained by space. So we do our best to make a most cozy library where children can easily find a comfortable corner of their choosing and sit down for the joy of reading.

“Our students are encouraged to put down in writing what they have learned from their reading. These notes are reviewed regularly for the reference of conferring awards. All this is meant to inspire greater interest in reading among the children so that they can keep up the process of accumulating knowledge.”

Lin Chun-cheng Principal  
Daxing Elementary School, Changhua County (Hope 042)

### 1.2 E.SUN Scholarship for Outstanding Student

The E.SUN Scholarship for Outstanding Student is meant for graduate students with humble origins or from families that have run into misfortune. By the end of every September, E.SUN begins to take applications from graduate students newly admitted to designated departments or colleges at eight universities for consideration. They are National Taiwan University, National Chengchi University, National Tsing Hua University, National Chiao Tung University, National Chung Hsing University, National Chung Cheng University, National Cheng Kung University, and National Sun Yat-sen University. After a stringent process of appraisal, those who are deemed qualified are entitled to a NT\$200,000 scholarship every academic year until they earn their master’s degree.

Since the inception of the scholarship in 2005, a total of 48 students have been rewarded a combined NT\$14.50



Awarding of E.SUN Scholarship for (2008-2011)

Item\Year	2008	2009	2010	2011
Number of Students	21	28	28	22
Total Amount (NT\$ million)	2.1	2.7	280	220

million in grants. By giving them a fair opportunity to enjoy all the learning resources and environment their peers take for granted, E.SUN hopes to help these students from underprivileged households focus on their studies and move on to become an excellent manager.

### 1.3 E.SUN Prize

In September 2010, National Taiwan University (NTU) President Lee Si-chen, NTU College of Management Dean Li Shu-hsing, E.SUN FHC Chairman Huang Yung-jen, and E.SUN Bank Chairman Tseng Kuo-lich signed contracts on the inception of the E.SUN Prize. Intended as an incentive for local academicians to publish their works in top-notch management periodicals around the world, the awards cover such areas as management, finance and accounting. To qualify, teachers of the NTU College of Management are supposed to publish papers in one of the world’s top three periodicals in their respective fields. Each author of the published papers is entitled to a cash prize of NT\$500,000 to NT\$1 million.

The 2011 awardees are Carol Hsu, an associate profession at the Department of Information Management, and Kuo Chia-wei, an assistant professor at the Department of Business Administration. Hsu’s paper “Institutional Influences on Information Systems Security Innovations” made it into Information Systems Research (ISR) while Kuo’s “Dynamic



Pricing of Limited Inventories When Customers Negotiate” was published in Operations Research.



## 1.4 E.SUN chairs

### ■ Pioneering a New Mode of Teaching

In a bid to enhance domestic research and facilitate exchanges in the sphere of knowledge management, E.SUN and the College of Management, National Taiwan University teamed up to launch the E.SUN chairs program, the first of its kind in Taiwan, in 2005. The objective was to make a new paradigm for industry-academia collaboration by inspiring innovation in management thinking and ushering in new thoughts on this front.

### ■ E.SUN and NTU Jointly Setting a New Milestone for Case Studies

Taking its lead from the world-renowned case studies at Harvard University, the Company donated the E.SUN Hall to the College of Management, National Taiwan University. Mimicking the Roman amphitheater, it is intended to be a classroom in which students are to take center stage. Barriers between the professor and students no longer exist; everybody is free to speak up and interact with one another. As Taiwan's first Harvard-style classroom, it stands out as a milestone for case studies in the country.

### ■ Inviting Lecture Professors to Taiwan

In 2007, E.SUN and the College of Management,

National Taiwan University jointly invited Robert F. Bruner, dean of the Darden School of Business, and Professor Chen Ming-er to serve as visiting professors on “Case Studies That Bring a Comprehensive Learning Experience.” In so doing, the E.SUN chairs program wanted to push Taiwan’s executive education to higher ground.



## 1.5 “Financial Literacy Carnival”

Starting in 2006, the Company became an avid participant in the “Financial Literacy Carnival” organized by the Financial Supervisory Commission, Executive Yuan. The campaign aims to impart an accurate fundamental understanding of financial affairs across local campuses and communities. As of the end of 2011, it had taken part in the campaign by assigning instructors to nearly 300 sessions.



### E.SUN's involvement in the 2011 Financial Literacy Carnival

Month	Date	Location	Target
Feb.	02/21	Tainan City	Xuejia Middle High School
Mar.	03/30	Penghu County	National Penghu University of Science and Technology
	03/23	Taipei City	Xingan Elementary School
Apr.	04/08	Yilan County	Zhuan Elementary School
	04/13	Taoyuan County	Puding Elementary School
	04/14	Pingtung County	Xinyi Elementary School
	04/19	Chiayi County	Xingang Elementary School
	04/20	Yunlin County	Qiaozhen Elementary School
	04/20	Tainan City	Shenkeng Elementary School
May	05/04	Taipei City	Jiantan Elementary School
	05/05	Miaoli County	Nanhu Middle High School
	05/14	Kaohsiung City	Social Relief Section, Social Affairs Bureau, Kaohsiung City Government
June	06/01	Yunlin County	Xinsheng Elementary School
	06/07	Taoyuan County	Dongming Elementary School
	06/10	Taipei City	Dunhua Elementary School
	06/10	Chiayi County	Xingzhong Elementary School
	06/28	Nantou County	Da-An Elementary School
	06/29	Hsinchu County	Family Education Center
July	07/04	Taipei City	Air force Tactical Control Wing
	07/05	Pingtung County	20th Group, Pingtung Wing
	07/13	Kaohsiung City	Social Affairs Bureau, Kaohsiung City Government
	07/13	Tainan City	Jingliao Elementary School
	07/20	Taichung City	Air Force Anti-Air Artillery 952nd Brigade
Aug.	8/4	Changhua County	Armed Forces Reserve Command
Sep.	9/15	Taipei City	Wuxing Elementary School
	9/16	Taipei City	Wuxing Elementary School
	9/15	Taichung City	Zhongxiao Elementary School
	9/26	Taoyuan County	Quanjiao Senior High School
	9/30	Miaoli County	Qiming Elementary School
Oct.	10/14	Taichung City	National Feng Yuan Commercial High School
Nov.	11/17	Miaoli County	Nanhu Middle High School
Dec.	12/1	Kaohsiung City	National Kaohsiung Marine University
	12/2	Kaohsiung City	National Kaohsiung Marine University
	12/6	Kaohsiung City	National Kaohsiung Marine University
	12/7	Kaohsiung City	National Kaohsiung Marine University



## 2. Charitable Activities

### 2.1 “Giving Love to Elicit More Love” Blood Drive

E.SUN holds blood drives nationwide twice a year, in February and August. In addition to the E.SUN head office, the blood donation take place in New Taipei City, Taoyuan County, Hsinchu City, Taichung City, Chiayi City, Tainan City, Kaohsiung City, and Pingtung County. In 2011, the E.SUN drives collected a total of 4,067 bags of blood (250 ml per bag), including 1,809 bags from 13 locations during February 14-26 and 2,258 bags from 14 locations during August 10-28. The collection over the course of February 9-21, 2012 amounted to 2,199 bags.

E.SUN Bank’s Benevolence Credit Card is a collaboration with the Taiwan Blood Services Foundation. On behalf of cardholders, the bank will make a contribution equivalent to 0.2% of every card swipe value to the foundation for its blood drives. As such, cardholders can easily help with a worthy cause of public welfare with every card use.

The avid participation of E.SUN employees often inspires many customers and members of the general public to follow suit. E.SUN pledges to continue extending its care and love for this land by having its employees give a helping hand to those who need it.

### 2.2 “Keeping Him Company for a While” – Care for Orphans

For E.SUN volunteers, “Keeping Him Company for a

While” is a long-term commitment to caring for children in orphanages around the country, including greater Taipei, Taoyuan, Hsinchu, Kaohsiung and Pingtung. In practice, they will take the orphans to professional baseball games and concerts, help them with their studies and cleanup of orphanages, and organize three-on-three basketball games. The E.SUN volunteer teams assigned to eight areas of responsibility nationwide are generally mobilized once or twice a year. Since 2008, nearly 10,000 volunteers have taken part in 87 such events. By taking love and warmth to where it is most needed, E.SUN does its best to leave the orphans a tender and cheerful memory.

#### Statistics on the “Giving Love to Elicit More Love” Blood Drive

Unit bags 1 bag= 250cc

Year	Feb.	August	Total
2011	1,809	2,258	4,067
2010	1,533	1,899	3,432
2009	1,674	2,046	3,720
2008	1,603	1,933	3,536

#### Statistics on the “Keeping Him Company for a While” – Care for Orphans

Year	Sessions	Person-time
2011	22	3,251
2010	27	4,267
2009	21	1,223
2008	17	971

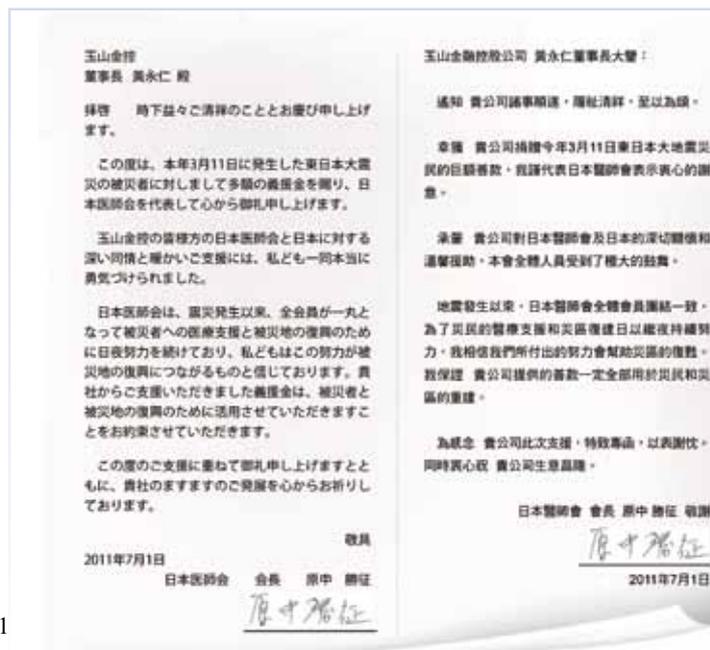


## 2.3 Donations in the Wake of Major Disasters

### ■ Japan's 311 Earthquake

E.SUN FHC started a fund-raising initiative on March 18, 2011 for the relief of Japan's latest catastrophic earthquake. In just three days 1,763 E.SUN employees responded to the call. Together with donations from the E.SUN Volunteer Foundation, the campaign pooled a total of NT\$10 million. To put the money to optimal use in medical care, E.SUN FHC President Joseph N.C. Huang entrusted it to the Taiwan Medical Association for passing on to its Japanese counterpart, the Japan Medical Association. It was considered the best possible approach as Japanese medical specialists would be well-positioned to provide badly needed humanitarian aid on the spot.

A letter from the Japan Medical Association dated July 1, 2011 recounted how the people of Japan had felt the love and care extended by their friends from E.SUN. It was an effective emotional boost that would help them put behind their suffering and reconstruct their home.



### ■ Typhoon Morakot

In 2009, Typhoon Morakot devastated southern Taiwan. E.SUN FHC employees and the E.SUN Volunteer Foundation instantly responded by raising NT\$20 million. The donation was divided among the Chiayi County, Tainan City, Kaohsiung City and Pingtung County governments for either undertaking reconstruction efforts or offering assistance to schoolchildren in the afflicted areas. While four of its branches were also flooded, E.SUN Bank urged employees to volunteer for getting involved in reconstruction work—a process that was being bogged down due to a shortage of manpower. More than 600 employees responded to the call within just two days. As was requested by the Pingtung County Government, some 210 E.SUN volunteers traveled to the stricken areas and provided whatever services called for.



### 3. Athletic Development

In 2007, an “E.SUN High School Baseball Development Fund” was established with a view to promoting the sport and making possible a local equivalent of Hanshin Koshien Stadium in Japan, the venue for the country’s national high school baseball tournaments since 1924. In collaboration with the Chinese Taipei Baseball Association, the Company now plays host to the following endeavors: E.SUN Cup National Tournament, E.SUN Youth Pitcher & Catcher Sports Injury Prevention and Rehabilitation, E.SUN High School Baseball Training Camps, and Caring for Baseball Team in Remoted Areas. In 2011, it also hosted the first E.SUN Cup International AAA Baseball Tournament. Instead of just giving lip service, E.SUN takes action to support Taiwan’s high school baseball in the hope that more players will carve a name for themselves and their country in the global arena.

#### 3.1 E.SUN Cup National Tournament Baseball Championship

Recognizing baseball as the national sport, E.SUN Bank joins the Chinese Taipei Baseball Association to co-host the E.SUN Cup National Tournament for selecting national teams to compete in the world and Asian high school baseball championships organized by the IBAF and BAF respectively. The national champion emerging from the 2010 E.SUN Cup National Tournament went on to win the trophy at the 2010

IBAF World Junior Baseball Championship, Taiwan’s first since 1983. Named in Chinese after Yushan, the highest and most beautiful peak in Taiwan, the E.SUN Cup National Tournament has been proudly established as the most esteemed high school baseball tournament in the country. Committed to building the Taiwan equivalent of Japan’s Hanshin Koshien Stadium, the Tournament has attracted a growing number of teams to participate. Its accomplishments over the years are listed in the below table:



Taiwan won the trophy at the 2010 IBAF World Junior Baseball Championship, its first since 1983.

Year	2007	2008	2009	2010	2011
Number of City/County	17	18	19	19	17
Number of Contestants	306	324	342	342	306
Numbers of Games	38	55	51	42	38



**2011 玉山盃**  
國際青棒邀請賽



### 3.2 E.SUN Cup International AAA Baseball Tournament

The first E.SUN Cup International AAA Baseball Tournament was held at the Xinzhuang Baseball Stadium in New Taipei City during December 25-27, 2011. Pitted against one another were elite teams from Taiwan, Japan and Korea. Taiwan was represented by the champion and runner-up of the 2011 E.SUN Cup National National Tournament—the Taoyuan County team (composed mainly of players from Ping-Jen Senior High School) and the Kaohsiung City team. From Japan was the Aomori team, champion of the 2011 Meiji Jingu Tournament; the Korea All-Star team comprised top players from the country’s national high school baseball tournament in 2011.

Emerging triumphantly from this competition among the finest high school baseball players in East Asia was Taiwan’s Taoyuan County team. What’s more, Taiwan’s high school baseball players must have also learned a lot in skills and concepts as well as on-the-spot responsiveness.





### 3.3 E.SUN Sports Injuries Prevention Project

E.SUN Bank, the Chinese Taipei Baseball Association and Chang Gung Memorial Hospital join forces to organize the E.SUN High School Baseball Camp on Sports Injuries Prevention Project. Emphasis is placed on helping high school baseball players take proper precautions against sports injuries early on and giving them well-rounded treatment and care if an injury is actually inflicted. Held during summer vacation, the camp generally offers the following: prevention training, personalized evaluation, health database management, post-injury care, etc. All in all, the camp seeks to ensure that players and their teams uphold their combat readiness and capacity to fight for Taiwan's glory at all times.



### 3.4 E.SUN Youth Baseball Training Camps

High school baseball lays the foundation for players to move on to adult and professional baseball. On top of all the basic skills they need to learn, players are supposed to familiarize themselves with various time-tested strategies to win the game. To contribute to the cause, a series of E.SUN Youth Baseball Training Camps has been initiated: E.SUN Youth Baseball Camp for Pitchers and Catchers, E.SUN Youth Baseball Camp for Hitters, and E.SUN High School Baseball Camp for Coaches. All high school baseball players who



Year	2007	2008	2009	2010	2011
Sessions	5	6	1	6	6
Participants	150	180	30	180	180



have what it takes will be given an opportunity to give it a shot.

With E.SUN Bank, the Chinese Taipei Baseball Association and Major League Baseball coaches working together, the E.SUN Youth Baseball Camp for Pitchers and Catchers is a platform intended for all high school baseball players in Taiwan. Over the course of one week, domestic and foreign experts team up to share their expertise and experiences with Taiwan's high school baseball coaches and players who show the potential to qualify as pitchers or catchers. What they are offered is intensive guidance and training that promise to be both physically and psychologically fulfilling. The observation and evaluation camp instructors make of the players will find their way into a database and provide long-term tracking and necessary assistance.

While Taiwan's high school baseball community has nurtured quite a few outstanding pitchers, it still has a long way to go to upgrade players' hitting capacity. A growing number of Taiwanese players have been given the opportunity to develop their career abroad, a feat that attests to their solid credentials. But most of them are pitchers. The E.SUN Youth Baseball Camp for Hitters is initiated precisely for this

purpose—training an army of hitters on a par with many local pitchers who have proven themselves in the international arena. Likewise, the E.SUN Youth Baseball Camp for Coaches has been started for an equally self-evident reason: a good coach plays an indispensable role in nurturing superior players. As such, the E.SUN Youth Baseball Training Camps aim to cultivate a greater number of “stars of Taiwan” and sustain the vitality of baseball—Taiwan's national sport.

### 3.5 Caring for Baseball Teams in Remoted Areas

Over the years the lack of funding has made the upkeep of high school baseball teams increasingly difficult in Taiwan's remote areas. Quite a few promising players have opted





to pursue their career elsewhere. To reverse the situation, E.SUN Bank joined hands with the Chinese Taipei Baseball Association to launch the Caring for Baseball Teams in Remoted Areas Project. It is meant to help those teams focus on their daily training without having to worry about all the supplies they need to keep it going. That is, the recipients of the subsidy program will be provided with brand-new baseball bats, gloves, protective gear, and practice balls.

E.SUN’s devotion to promoting high school baseball in Taiwan has paid off. Both players and teams have exhibited tremendous progress—be it in the skills or mindset needed to rise above international competition. There is good reason to believe in a brighter future for the sport in Taiwan. What’s more exciting is that E.SUN’s dedication to helping advance the sport in Taiwan has not gone unnoticed; a growing number of companies and individuals are now taking basic level baseball more seriously. Many companies have also taken action to honor their corporate social responsibility by helping

foster baseball as a quality sport and protect players’ career development, thereby contributing to the cultivation of more competent players. Thus, many quarters in society are working together to make baseball—an invigorating and wholesome sport as it is—a force that drives Taiwan forward.



Year	2007	2008	2009	2010	2011
Sessions	1	1	1	2	1
Type	Pitcher	Pitcher and Catcher	Coach	Batter	Batter
Days	5	5	4	5	5
Participants	50	80	30	80	50

### Care for School Baseball Team in Remoted Areas Project (2007-2011)

Year	Year
2011	Meho Senior High School (Pingtung County), Mailliao Senior High School(Yunlin County), Sinshe Senior High School(Taichung City), Chengte Senior High School(Hsinchu City)
2010	Tungshih Senior High School(Chiayi County), Changhua Arts Senior High School(Changhua county), Yeangder Senior High School(Hsinchu County)
2009	National Cheng Kung Commercial & Aquaculture Senior Vocational High School (Taitung County), Meho Senior High School (Pingtung County), Tungshih Senior High School(Chiayi County), National Taichung Agricultural Senior High School, Chungdau Senior High School(Yilan County)
2008	Hualien Sports Senior High School (Hualien county), Tungshih Senior High School(Chiayi County)
2007	Tungshih Senior High School(Chiayi County)



Champions of the E.SUN Cup National Tournament



2009 Champion—Tainan City (Nan Ying Vocational High School of Business & Technology)



2011 Champion—Taoyuan County (Ping-Jen Senior High School)



2008 Champion—Taipei County (Ku-Pao Home Economics & Commercial High School)



2010 Champion—Taichung City (Shi Yuan Senior High School)



2007 Champion—Taoyuan County (Ping-Jen Senior High School)



## 4. Culture and the Arts

### 4.1 “For Mother” Concerts

Mothers deserve gratitude because of their perseverance and sacrifice. Beginning in 1997, E.SUN would host “For Mother” concerts on the eve of Mother’s Day. As of 2011, it had played host to a total of 16 such concerts in Taipei, Hsinchu, Taichung, Chiayi, Tainan and Kaohsiung. Songs are performed in mandarin Chinese, Taiwanese, Japanese, English and German to convey E.SUN’s appreciation to all mothers and Taiwan as its motherland. In this sense, music is intended as a mean for not only extending the deepest gratitude of all sons and daughters to their mothers but also expressing a universal wish that society is always blessed with kindness and harmony.

#### “For Mother” Concerts

City	Year	Venue
Taipei City	2011	National Concert Hall
	2006	National Concert Hall
	2001	National Concert Hall
	2000	Da-an Park
	1999	Da-an Park
	1998	Da-an Park
	1997	228 Memorial Park
New Taipei City	2005	Multi-function Hall, New Taipei City Government
Hsinchu City	2011	Concert Hall, Hsinchu City
	2001	Hall of National Tsing Hua University
Taichung City	2008	Chung-shin Hall, Taichung City
Chiayi City	2010	Hall at University of Chiayi
	2000	Arts and Cultural Center
Tainan City	2008	Arts and Cultural Center
Kaoshung City	2007	Music Hall
Pingtung City	2010	Arts and Cultural Center

### 4.2 Vienna Boys’ Choir

E.SUN believes one constructive approach to give back to society is to help promote culture and the arts. With this in mind, it became the exclusive sponsor when Vienna Boys’ Choir went on a concert tour of Taiwan in 2011. In addition to medieval hymns, contemporary melodies, waltz, and motets, the choir incorporated into their program one of Taiwan’s classic folk songs—Longing for Spring Breeze. A special connection easily formed between the boy singers and the local audience.





### ■ Spreading Love With Singing—E.SUN Choir

E.SUN Choir is composed of kind-hearted employees who simply love singing and music. Despite all the demanding duties they have to cope with, its members know how to find time for letting their soul fly high in a world of music and joy. In the meantime, they are a frequent presence in various community events. Take E.SUN Bank's Golden Seed Project of offering assistance to elementary schools in many of Taiwan's remote corners. Whenever an E.SUN Library is to be inaugurated, E.SUN Choir will celebrate with singing, sharing a moment of joy with teachers and schoolchildren there. In order to spread warmth and love far and wide, its members are often required to practice after business hours. But their impeccable performances and the big applauses thus received make it all worthwhile.

In 2001, E.SUN Choir made its debut at the National Concert Hall—the first choir of any local financial institution to do so. It made a second and third appearance in 2006 and 2011 respectively. These achievements were made possible only by the devotion and passion of choir members. For its part, E.SUN's commitment to supporting culture and the arts proves a decisive force for making their dreams come true.





### 4.3 “To Sir, With Love”—Credit Cards for Teachers

In 1996, E.SUN Bank took the lead to issue Taiwan’s first credit card meant exclusively for teachers. To date, it is still the only local provider of such a card designed especially for teachers. As a token of heartfelt appreciation, E.SUN offers a variety of esteemed products: the Platinum, Titanium and Signature cards. Likewise, teachers are given the option of owning exclusive savings passbooks and chip-embedded ATM cards as well. As can be seen clearly, E.SUN has made efforts to provide teachers with an exquisite package of tailor-made products.

While September 28 is observed as Teachers’ Day in Taiwan, E.SUN considers the entire September as Teachers’ month. Both employees and customers are encouraged to express their appreciation outright. The bank also makes thank-you cards for employees to convey their appreciation toward teachers in words. More than just a routine greetings, it is meant to remind people of the reverence they owe to teachers.



#### E.SUN bank is Always there for you

- 2011 Thank you, Sir !  
Summer vacation for teachers  
Happy winter vacation

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- 2010 Special gifts for teachers  
Teachers' Titanium/Signature card  
New version of savings passbooks and ATM cards for Teachers

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- 2009 Tax saving and wealth management forum

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- 2008 Tax saving and wealth management forum

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- 2007 Happiness forever

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- 2006 Love gifts to teachers  
⋮
- 2002 Teachers' Platinum card  
⋮
- 1996 Taiwan's first credit card exclusively for teachers



#### 4.4 Campus Activities

##### ■ “Lucky Cat” Bringing Charm to Campuses

As E.SUN’s mascot, the “Lucky Cat” has found favor among adults and children alike. On many occasions it appears as a special guest on campus where it always brings moments of fun to students and their teachers. More than just a token of care, it symbolizes E.SUN’s commitment to helping community members understand financial matters correctly.



##### Lucky Cat Appearances on Campus in 2011

Date	Activity
2011/12/10	Anniversary of Chong Yang Elementary School (new Taipei City)
2011/11/26	Anniversary of Guang Hwa Elementary School (new Taipei City)
2011/11/12	Anniversary of Dongmen Elementary School (Hsinchu City)
2011/05/07	Anniversary of Yumin Elementary School (new Taipei City)



**■ Wealth Management Lectures on Campus**

In keeping with the spirit of pursuing prosperity together with the community where it conducts business, E.SUN teamed up with the National Teachers' Association to offer 243 lectures on taxes and wealth management at all levels of schools from 2008 through 2011. Similar events were also made available to companies or organizations in the vicinity of E.SUN branches. These events go a long way toward building a closer relationship with local schools and teachers as well as helping community residents enhance their understanding of financial matters.

Wealth Management Lectures on Campus (2008-2011)

Year	Topics	Sessions
2011	Tax related	52
2010	Welth Management related	20
2009	Tax related	128
2008	Tax related	43

4.5 Community Involvement

**■ Keep the Neighborhood Clean**

By 8:30 am every business day, managers and clerks of every E.SUN Bank branch will clean up their premises and surroundings and greet neighbors, rain or shine. Keeping the environment clean both inside and outside every E.SUN branch is one of daily duties of E.SUN employees.



**■ Anniversary Celebrations at E.SUN Branches**

E.SUN believes specialized financial services should be integrated into everyday life of the community. As such, it takes advantage of the anniversary of every branch as a perfect occasion for hosting various events to strengthen relationship with customers. On such occasions of levity and fun, an affinity naturally develops between the bank and community residents. In turn, E.SUN will be even better-positioned to provide them with a full spectrum of financial services in a friendly, efficient manner.





#### ■ “Open Your Dream” Balloon Parade

Beginning in 2010, E.SUN became an avid participant in the “Open Your Dream” balloon parade, the largest of its kind in Asia, in Kaohsiung. In December 2011, E.SUN’s “Lucky Cat” balloon joined some 30 other well-known cartoon figures for one day of fun. The hearty interaction with the crowd at the parade is a vivid illustration of E.SUN’s passion to serve the community. In a similar vein, the Lucky Cat is a fitting symbol of E.SUN’s commitment to bringing everybody happiness and wealth.



## ■ Holiday Services

E.SUN Bank has made available holiday services at Shilin and Yongan branches—from 9:00 am to 1:00 pm on Saturdays. In addition to handling deposits, withdrawals and remittances, they will help community residents examine their financial status or offer various lectures meant for the entire family. These public service events show how E.SUN truly cares for the wellbeing of communities.



## ■ E.SUN as Guardian of the Community— Comprehensive Collection Services

A community is where a good number of households cluster together. And they certainly look forward to a way of managing expenses for community upkeep that is both convenient and safe. In turn, E.SUN has come forward with its comprehensive collection of services. With the help of its considerate, convenient cash flow management, community management committees are able to maintain a much more transparent balance sheet that residents are comfortable with. E.SUN has thus been recognized as a friendly and trustworthy partner of many communities.



All members of the E.SUN family are entrusted with the responsibility and mission to provide customers with the best financial services they deserve. Their commitment to serving the community takes the form of localized financial services that promise to deliver a fully satisfying banking experience. To Honor its well-deserved reputation of being professional and prudent, this specialized provider of financial services is ready to further upgrade its treasured corporate culture by building on its trustworthy and upright way of doing business, sophisticated but friendly services, and devotion to its social responsibility of sharing love and



care with anyone who needs it. While laying a solid foundation for sustainable growth, the company is set to continue with its commitment to serving the community unwaveringly.

## **INDEPENDENT ASSURANCE OPINION STATEMENT**

### **2011 E.Sun Financial Holding Company Social Responsibility Report**

The British Standards Institution is independent to E.Sun Financial Holding Company (hereafter referred to as ESFHC in this statement) and has no financial interest in the operation of ESFHC other than for the assessment and assurance of this report.

This independent assurance opinion statement has been prepared for ESFHC 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 ESFHC. 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 ESFHC only.

#### **Scope**

The scope of engagement agreed upon with ESFHC includes the followings:

1. The assurance covers the whole report and focuses on systems and activities during the 2011 calendar year on the ESFHC headquarter and relevant operations, including E.Sun Bank, E.Sun Securities Company, E.Sun Venture Capital Company and E.Sun Insurance Brokers Company. Furthermore, social information is derived from E.Sun Foundation and E.Sun Volunteer Foundation.
2. The evaluation of the nature and extent of the ESFHC's adherence to all three AA1000 AccountAbility Principles in this report as conducted in accordance with type 1 of AA1000AS (2008) assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

#### **Opinion Statement**

We conclude that the 2011 ESFHC Corporate Social Responsibility Report Review provides a fair view of the ESFHC CSR programmes and performances during 2011. We believe that the 2011 economic, social and environment performance indicators are fairly represented. The CSR performance indicators disclosed in the report demonstrate ESFHC's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers in accordance with the AA1000 Assurance Standard (2008). We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that ESFHC's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI guidelines 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 ESFHC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on ESFHC's approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 24 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.

- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, materiality and responsiveness as described in the AA1000 AccountAbility Principles Standard (2008).

## **Conclusions**

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness and the GRI G3.1 guidelines is set out below:

### **Inclusivity**

This report has reflected a fact that ESFHC is seeking the engagement of its stakeholders. The participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability. The reporting systems are being developed to deliver the required information. 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 ESFHC's inclusivity issues, however, the future report should be further enhanced by the following areas:

- Identifying stakeholders completely to ensure that all issues which they interested are covered.
- Encouraging update sustainable development trend about financial sector continuously and integrated with corporate core strategy to ensure sustainable development performance.

### **Materiality**

ESFHC publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion the report covers the ESFHC's material issues, however, the future report should be further enhanced by the following areas:

- Considering all issues which stakeholders interested and aligning priority to decision of materiality issues with business strategy.
- Publishing a written guideline for the methodology to identify and prioritize ESFHC's material issues to enable all departments to follow continuously.

### **Responsiveness**

ESFHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for ESFHC is developed and provides the opportunity to further enhance ESFHC's responsiveness to stakeholder concerns. Issues that stakeholder concern about have been responded timely. In our professional opinion the report covers the ESFHC's responsiveness issues, however, the future report should be further enhanced by the following areas:

- Encouraging to work towards a type 2 of AA1000AS (2008) engagement with a view to providing the reliability of sustainability performance information that stakeholder concerns.
- Encouraging direct stakeholders' participation, meanwhile, continuing to develop and update the responsive strategy for stakeholders.

### **GRI-reporting**

ESFHC provided us with their self declaration of compliance within GRI G3.1 Guidelines and the classification to align with application level B+. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index are reported, partially reported or omitted. In our professional opinion the self declaration covers the ESFHC's social responsibility and sustainability issues, however, the future report will be improved by the following areas:

- Identifying all relevant indicators and reporting them to work towards assurance application level A+.
- Providing an infrastructure to systematically collect information for supporting their report including performance indicators.

### **Assurance level**

The moderate level assurance provided is in accordance with AA1000 Assurance Standard (2008) in our review, as defined by the scope and methodology described in this statement.

### **Responsibility**

This CSR report is the responsibility of the ESFHC's CEO 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 and Carbon Footprint Verifiers experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including AA1000 AS, ISO14001, OHSAS18001, ISO14064 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.

*For and on behalf of BSI:*



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*Managing Director BSI Taiwan*  
*26 Mar., 2012*



# Appendix

GRI(Global Reporting Initiative) Table

GRI Index		Refer to the CSR report	Extent of reporting	Page
<b>1. Strategy and Analysis</b>				
1.1	Statement from the most senior decision-maker of the organization.	Message from the Chairman	◎	4
1.2	Description of key impacts, risks, and opportunities	Message from the Chairman	◎	4
<b>2. Organizational Profile</b>				
2.1	Name of the organization	Company Profile	◎	7
2.2	Primary brands, products, and/or services	Company Profile	◎	7
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	Company Profile	◎	7
2.4	Location of organization's headquarters	Company Profile	◎	7
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Service Network	◎	10
2.6	Nature of ownership and legal form	Company Profile	◎	9
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	Service Network	◎	10
2.8	Scale of the reporting organization	Company Profile	◎	7
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Company Profile	◎	7
2.10	Awards received in the reporting period	Joys and Glories	◎	10/11
<b>3. Report Parameters</b>				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	About the Report	◎	1
3.2	Date of most recent previous report (if any)	About the Report	◎	1
3.3	Reporting cycle (annual, biennial, etc.)	About the Report	◎	1
3.4	Contact point for questions regarding the report or its contents	About the Report	◎	1
3.5	Process for defining report content including: Determining materiality; Prioritizing topics within the report; and Identifying stakeholders the organization expects to use the report	About the Report	◎	1
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance	About the Report	◎	1
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope)	About the Report	◎	1
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	About the Report	◎	1
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols	About the Report	◎	1
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	About the Report	◎	1
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	About the Report	◎	1
3.12	Table identifying the location of the Standard Disclosures in the report	Table of Comparison Against the GRI G3.1 Guidelines	◎	75
3.13	Policy and current practice with regard to seeking external assurance for the report	About the Report	◎	1

Note: ◎ Fully Disclose ○ Partially Disclose N.A. Not Disclose

## GRI(Global Reporting Initiative) Table

GRI Index		Refer to the CSR report	Extent of reporting	Page
<b>4. Corporate Governance</b>				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Governance Framework	◎	16
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	GRI(Global Reporting Initiative) Table	◎	80
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Governance Framework	◎	16
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Stakeholder Identification and Communication	◎	14
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Governance Framework	◎	17
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Governance Framework	◎	16/18/19
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Governance Framework	◎	18
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Message from the Chairman	◎	4
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Stakeholder Identification and Communication	◎	13
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Stakeholder Identification and Communication	◎	13
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Risk Management	◎	22
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	GRI(Global Reporting Initiative) Table	◎	80
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Industry Organizations	◎	25
4.14	List of stakeholder groups engaged by the organization.	Stakeholder Identification and Communication	◎	13/14
4.15	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Identification and Communication	◎	13
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder Identification and Communication	◎	14
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Stakeholder Identification and Communication	◎	13/14

### Economic performance indicators

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Business Performance	◎	7/8/9
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Crisis Response Mechanism/Lending Policy	○	23/24
EC3	Coverage of the organization's defined benefit plan obligations.	Welfare Protection	◎	35
EC4	Significant financial assistance received from government.	GRI(Global Reporting Initiative) Table	◎	80
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Welfare Protection	◎	35
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Implementation and Accomplishments	○	43
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Manpower Structure	◎	31
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	N.A.	N.A.	N.A.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	N.A.	N.A.	N.A.

Note:◎Fully Disclose ○Partially Disclose N.A. Not Disclose

## GRI(Global Reporting Initiative) Table

GRI Index		Refer to the CSR report	Extent of reporting	Page
<b>Environmental</b>				
EN1	Materials used by weight or volume.	GRI(Global Reporting Initiative) Table	◎	80
EN2	Percentage of materials used that are recycled input materials.	GRI(Global Reporting Initiative) Table	◎	80
EN3	Direct energy consumption by primary energy source.	N.A.	N.A.	N.A.
EN4	Indirect energy consumption by primary source.	Implementation and Accomplishments	○	42
EN5	Energy saved due to conservation and efficiency improvements.	Implementation and Accomplishments	◎	41
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Green Management Policy	◎	41
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Green Management Policy	◎	41
EN8	Total water withdrawal by source.	Implementation and Accomplishments	◎	42
EN9	Water sources significantly affected by withdrawal of water.	Implementation and Accomplishments	◎	42
EN10	Percentage and total volume of water recycled and reused.	N.A.	N.A.	N.A.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Implementation and Accomplishments	◎	41
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Implementation and Accomplishments	◎	41
EN13	Habitats protected or restored.	Implementation and Accomplishments	◎	41
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Implementation and Accomplishments	◎	41
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Implementation and Accomplishments	◎	41
EN16	Total direct and indirect greenhouse gas emissions by weight.	Implementation and Accomplishments	○	42
EN17	Other relevant indirect greenhouse gas emissions by weight.	N.A.	N.A.	N.A.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Implementation and Accomplishments	◎	41 / 42 / 43
EN19	Emissions of ozone-depleting substances by weight.	Implementation and Accomplishments	◎	41
EN20	NOx, SOx, and other significant air emissions by type and weight.	Note to the GRI G3.1 Guidelines	◎	80
EN21	Total water discharge by quality and destination.	Implementation and Accomplishments	◎	42
EN22	Total weight of waste by type and disposal method.	Implementation and Accomplishments	◎	43
EN23	Total number and volume of significant spills.	GRI(Global Reporting Initiative) Table	◎	80
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	GRI(Global Reporting Initiative) Table	◎	80
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	GRI(Global Reporting Initiative) Table	◎	80
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	N.A.	N.A.	N.A.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	GRI(Global Reporting Initiative) Table	◎	80
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	GRI(Global Reporting Initiative) Table	◎	80
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	GRI(Global Reporting Initiative) Table	◎	80
EN30	Total environmental protection expenditures and investments by type.	N.A.	N.A.	N.A.

Note:◎Fully Disclose ○Partially Disclose N.A. Not Disclose

## GRI(Global Reporting Initiative) Table

	GRI Index	Refer to the CSR report	Extent of reporting	Page
<b>Social: Labor Practices and Decent Work</b>				
LA1	Total workforce by employment type, employment contract, and region broken down by gender.	Manpower Structure	◎	30
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Manpower Structure	◎	31
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Welfare Protection	◎	35
LA4	Percentage of employees covered by collective bargaining agreements.	Emphasis on Human Rights	◎	36
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	N.A.	N.A.	N.A.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	N.A.	N.A.	N.A.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Emphasis on Human Rights	○	36
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	A Happy Second Home	◎	33
LA9	Health and safety topics covered in formal agreements with trade unions.	N.A.	N.A.	N.A.
LA10	Average hours of training per year per employee by gender and by employee category.	Cultivation and Development	○	34
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Cultivation and Development/ Welfare Protection	◎	34/35/36
LA12	Percentage of employees receiving regular performance and career development reviews by gender.	Cultivation and Development	◎	34
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Manpower Structure	◎	31
LA14	Ratio of basic salary of women to men by employee category, by significant locations of operation.	N.A.	N.A.	N.A.
LA15	Return to work and retention rates after parental leave, by gender.	N.A.	N.A.	N.A.

## Social: Human Rights

HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns or that have undergone human rights screening.	N.A.	N.A.	N.A.
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone screening on human rights and actions taken.	N.A.	N.A.	N.A.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	N.A.	N.A.	N.A.
HR4	Total number of incidents of discrimination and corrective actions taken.	GRI(Global Reporting Initiative) Table	◎	80
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Emphasis on Human Rights	○	36
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	N.A.	N.A.	N.A.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	N.A.	N.A.	N.A.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	N.A.	N.A.	N.A.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	N.A.	N.A.	N.A.
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	N.A.	N.A.	N.A.
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	N.A.	N.A.	N.A.

Note:◎Fully Disclose ○Partially Disclose N.A. Not Disclose

## GRI(Global Reporting Initiative) Table

	GRI Index	Refer to the CSR report	Extent of reporting	Page
<b>Social: Society</b>				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	N.A.	N.A.	N.A.
SO2	Percentage and total number of business units analyzed for risks related to corruption.	N.A.	N.A.	N.A.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Honest Business (Combat Against Corruption and Bribery)	◎	25
SO4	Actions taken in response to incidents of corruption.	Honest Business (Combat Against Corruption and Bribery)	◎	25
SO5	Public policy positions and participation in public policy development and lobbying.	N.A.	N.A.	N.A.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Implementation and Accomplishments	◎	80
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Implementation and Accomplishments	◎	80
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	N.A.	N.A.	N.A.
SO9	Operations with significant potential or actual negative impacts on local communities.	Implementation and Accomplishments	◎	80
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Implementation and Accomplishments	◎	80

## Social: Product Responsibility

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Implementation and Accomplishments	◎	80
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Implementation and Accomplishments	◎	80
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Protection of Customer Rights	◎	28
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	N.A.	N.A.	N.A.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Customer Relationship Management	○	29
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Protection of Customer Rights	◎	28
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	N.A.	N.A.	N.A.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	N.A.	N.A.	N.A.
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	N.A.	N.A.	N.A.

Note:◎Fully Disclose ○Partially Disclose N.A. Not Disclose

## GRI(Global Reporting Initiative) Table

GRI Index		Explanation
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	No
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Join 'Clean up the word' activity (7-11) Join 'Mid-Autumn Festival to tidy the environment, turn off their lights or save energy'(Gold FM) Join 'the Earth Hour'
EC4	Significant financial assistance received from government.	Until 2010, The total deduction amount from the loss for the first 10 years of E.SUN FHC is NT\$ 2,117,141,993.
EN1	Materials used by weight or volume.	Not Applicable for Financial Industry
EN2	Percentage of materials used that are recycled input materials.	Not Applicable for Financial Industry
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not Applicable for Financial Industry
EN23	Total number and volume of significant spills.	Not Applicable for Financial Industry
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not Applicable for Financial Industry
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not Applicable for Financial Industry
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not Applicable for Financial Industry
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Not Applicable for Financial Industry
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not Applicable for Financial Industry
HR4	Total number of incidents of discrimination and corrective actions taken.	None
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	No Donation in 2011
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not Applicable for Financial Industry
SO9	Operations with significant potential or actual negative impacts on local communities.	Not Applicable for Financial Industry
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not Applicable for Financial Industry
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not Applicable for Financial Industry
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not Applicable for Financial Industry

Note:◎Fully Disclose ○Partially Disclose N.A. Not Disclose



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