



E.SUN FHC SUSTAINABILITY REPORT 2023





Create a more prosperous Taiwan for the world

About the Report

GRI: 2-1,2-2,2-3,2-4,2-5

E.SUN Financial Holding Co., Ltd. (E.SUN FHC) appreciates your attention to our 13th Sustainability report. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Core Option, U.N. Sustainable Development Goals (SDGs), GRI Financial Services Sector Supplement, Corporate Social Responsibility Best Practice Principles for TWSE / TPEX Listed Companies, ISO 26000 guidance on social responsibility, UN Global Compact, Industry Standards issued by Sustainability Accounting Standards Board (including Commercial Bank, Consumer Finance, Investment Banking & Brokerage, Mortgage Finance, Asset Management), and the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies. E.SUN FHC published Sustainability report in both English and Chinese version every year, and the report can be downloaded from the "Sustainability" section of E.SUN FHC official website. Through publication of this Sustainability report, we hope to communicate the ideas and practices that E.SUN has adopted towards achieving sustainability with our stakeholders. We hope to learn and grow together, and bring positive influence to the society.

Period of report

The report is published every year since 2011. This year's report covers performance in economic, social and environmental indicators in 2023 (from January 1 to December 31, 2023). In order to present a more comprehensive picture of various projects and campaigns undertaken by E.SUN FHC, the report also discloses activities that occurred prior to January 1, 2023 and after December 31, 2023. The last version was published in June 2023.

Scope of report

The scope of disclosure focuses on operating activities and services of E.SUN FHC and its subsidiaries (E.SUN Bank, E.SUN Securities, and E.SUN Venture Capital, E.SUN Investment Consulting) in Taiwan, which accounts for 99.8% of E.SUN FHC's net revenue(not including E.SUN Bank's subsidiary, Bank Pro).

Statistics in this CSR report have been presented in a manner consistent with common international standards, and cover the performance of some of E.SUN FHC's overseas branches. Disclosures on social welfare and charity cover the two non-profit foundations (namely E.SUN Volunteer and Social Welfare Foundation and E.SUN Culture and Education Foundation) and subsidiaries; whereas disclosures concerning environmental protection (e.g. use of water, electricity, petrol etc) cover E.SUN's Taipei Headquarter Building, Second Headquarter Building, Summit Campus, Hope Campus, Technology Building, Boai Building, and overseas and domestic branches and subsidiaries. Any special meanings pertaining to the above quantitative indicators are explained in separate footnotes.

Reporting Basis

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



Feedback

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Standard of Information

Data category	Standard	Certifying Organization
Sustainability data	AA1000 Assurance Standards v3 (Type 2 high-level assurance)	BSI Taiwan
	Statement of Assurance Engagements Standards 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" in the Republic of China	PwC Taiwan
Financial data	Annual financial report	Deloitte
Financial data	ISO 14064-1 : 2018 Greenhouse Gas Inventory	SGS Taiwan
	ISO 14046 : 2014 Organizational Water Inventory	
	Statement of Assurance Engagements Standards 3410 : Case of Assurance on Greenhouse Gas Statement (Scope 3 Investment and Financing Portfolio Financial Carbon Emissions)	PwC Taiwan

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

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Message from the Chairman and the President

GRI: 2-22



Chairman

President

Joseph Huang

Joe Chen

The rising sun shines upon E.SUN

In 2023, the business environment faces many challenges, including inflation, rising interest rates, extreme weather events, geopolitical tensions, and AI technological innovation, all of which contribute to global uncertainty. E.SUN aspires to become a "world-class corporate citizen," and through collaboration with like-minded partners, we embark on a shared journey towards a brighter future.

Passing the Torch: Build to Last

In 1992, Mr. Yung-Jen Huang, the founder of E.SUN, named the bank after Taiwan's highest mountain, driven by the ambition to operate a distinctive bank. Over the past 31 years, E.SUN upheld its corporate values of "integrity, honesty, and responsibility" and embraced the culture of "inheritance, handover, and succession," nurturing many exceptional talents in Taiwan's financial industry. In 2023 AGM, the founder passed the torch to the new leadership team. E.SUN will uphold the founder's vision, build upon the solid foundation and persistently strive to become a world-class financial institution.

Recognizing the financial industry's profound influence on global economies and its critical role in accelerating sustainable development, E.SUN embraces sustainability as an urgent priority. This commitment fulfills our corporate citizenship obligations and reflects our deep appreciation for every E.SUN employee's dedication. Together, we will uphold integrity

and morality to build a foundation of trust within society. By leading the way in sustainable practices, E.SUN aspires to be a benchmark for the financial industry, illuminating E.SUN and Taiwan.

Integrity serves as the cornerstone of the financial industry, while corporate governance acts as a solid pillar. E.SUN adheres to the principle of transparency, continuously strengthens the effectiveness of the board, implementing robust corporate governance practices, enhancing information disclosure, and encouraging shareholder participation. In 2024, E.SUN received the "Top 5% Corporate Governance Evaluation" for the 9th time and was awarded the "CG6013 Corporate Governance System Evaluation Excellent Certification" by the Chinese Corporate Governance Association. This recognition affirms E.SUN's long-term commitment to corporate governance and its effective management.

The more we do, the more we can do

E.SUN Sustainability Team once again attended COP28 and the World Climate Summit. The chairman was invited to deliver a keynote speech on "How Sustainability is Reshaping Taiwan's Financial Market," representing Taiwan's financial industry. The speech highlighted the crucial role that the Taiwanese financial industry plays in sustainable transformation.

Facing global challenges such as climate change, biodiversity loss, and social inequity, E.SUN leverages finance as its core and creates innovative business models to deliver sustainable value. We have established dedicated sustainability teams and integrated sustainability elements into strategic planning and product development processes. Our aim is to support consumers and enterprises in their transition through the power of finance. For instance, E.SUN collaborates with external experts to build a sustainable transformation platform for corporate customers, providing comprehensive transformation solutions for their transition journey. Additionally, E.SUN offer cardholders access to track their carbon emissions from public transportation use, encouraging people to adopt eco-conscious behaviors.

As E.SUN continues to deeply engage in the field of sustainability, it has discovered that there are many areas where it can contribute. In addition to climate issues, E.SUN also actively participates in fraud prevention, including pioneering three-way call mechanisms with the police, instant anti-fraud mechanisms and AI monitoring of suspicious accounts. This collaboration with law enforcement agencies helps combat fraud. E.SUN also organizes dozens of anti-fraud seminars specifically for elderly customers, share recent cases and prevent individuals from suffering financial losses due to fraud. E.SUN also provides trust services to effectively safeguard the assets of retired

individuals according to their instructions. By utilizing the power of finance and investing in every aspect, E.SUN strives to create a diverse and inclusive society where happiness thrives.

Uniting with key partners through finance

E.SUN firmly believes that the Sustainable Development Goals (SDGs) cannot be achieved through the efforts of a few individuals alone. Therefore, the company actively collaborates with like-minded business partners to leverage the influential power of finance. For three consecutive years, E.SUN has called on companies to join the "E.SUN's ESG Sustainable Initiative," inviting nearly 160 companies from both local and international markets in 2023 to jointly announce their initiatives to reduce greenhouse gas emissions through specific energy-saving or carbon reduction initiatives, working together towards the 2050 net-zero emissions target. President Tsai has also shown her support for these efforts by attending the events for two consecutive years. Additionally, she wrote a "Offering the World a Better Taiwan" card on-site, affirming E.SUN's commitment and dedication to implementing sustainable development, as well as praising the increasing number of companies joining the ESG advocacy.

Furthermore, E.SUN has taken on a leadership role within the sustainable finance movement. Currently serves as the chair of the "Coalition of Movers and Shakers" and also as the convener of the Financial Industry Net Zero Promotion Task Force's Policy and Guidance Working Group. In this capacity, E.SUN has led the establishment of the 'Finance Carbon Emission Calculation Guide' and the 'Carbon Reduction Target Setting and Strategy Planning Guide,' establishing an important foundation for Taiwan's financial industry's transition. The Coalition will continue to drive industry

partners, promoting collaboration over competition and pooling collective wisdom and strength. This will solidify the benchmark for the financial industry and serve as an inspiration for other industries.

Create a better world because of E.SUN

In March 2024, E.SUN and CommonWealth Magazine held the 11th Masters Forum, inviting Paul Polman, former CEO of Unilever, to share his success story. During his tenure, Polman led Unilever to complete the "Sustainable Living Plan" and implement a Net Positive approach, not only significantly increasing Unilever's revenue but also working together with employees, communities, and supply chains to create a more sustainable future. Unilever became the first company to truly integrate sustainability as a core principle and achieve triple bottom line success – economic, social, and environmental.

The concept of Net Positive aligns with E.SUN's strategic direction. E.SUN has made ESG sustainable development a strategy in its fourth decade, combining innovative sustainable finance products to create value for more partners, forging new collaborative relationships. Only companies with a visionary mindset and innovative practices can lead the industry's transformation. Despite the multitude of challenges, the path to Net Positive is paved with remarkable and fruitful rewards. E.SUN persistently strives for progress, fostering a better world for all. 🌱



Honors and Recognitions



Economy

- Total assets exceeded **NT\$3.6 trillion**
- Market value ranks in the **top 20** of all listed companies in Taiwan
- Moody's upgraded the credit rating outlook for E.SUN FHC and bank to **positive**
- Ranked **1st** in SME lending for **17** years in a row among private sector banks



Environmental

- Implementing Scope 1, 2, and 3 carbon reduction based on **SBT**
- In 2023, renewable energy usage rate achieved **24.5%**, scope 1&2 carbon emissions reduced by **18.5%** compared to 2020
- Engaging with **242** outstanding enterprises to support sustainability actions, establishing sustainable transformation platform to assist companies in net zero transformation



Social

- Established **180** E.SUN Libraries
- Scholarship to a total of **281** key talents in each field for **19** consecutive years
- E.SUN Academic Award established for **13** years, with a total of **76** teachers receiving the award





Overall Performance



Forbes
Ranked 1st in Taiwan's
banking industry in the
"World's Best Banks"
(2021-2023)



The Asset
The Best Bank
in Taiwan
(2016-2023)



Asiamoney
Best Corporate
Bank
(2022-2023)



Corporate Governance Asia
Asia's Best CSR
(2020-2023)



Enterprise Asia
Responsible Business
Leadership
(2018-2023)



S&M Enterprise Credit Guarantee Fund of Taiwan
Ranked 1st in the
Financial Institution Division of the
Credit Guarantee Golden
Quality Award
(2006-2023)



Financial Innovation



The Asian Banker
Best Home Loan/
Mortgage Product in
Taiwan
(2023)



The Asset
Best Retail
Digital Payment
Experience
(2023)



Wealth Magazine
Gold Award for Best
FinTech Bank in the
FinTech Innovative
Application Award
(2016-2023)



Commercial Times
Best Nursing Trust
Innovation Award



BusinessToday
Ranked 1st for Best bank of
wealth management
(2022-2023)



BusinessWeekly
Best Digital Experience
Award
(2023)



Sustainable Development



DJSI
Constituent stock of DJSI
for 10 consecutive
years
(2014-2023)



MSCI ESG Ratings
MSCI ESG Ratings
AAA
(2022-2023)



Sustainalytics ESG Risk Ratings
Top rated of Region
and Industry
(2022-2023)



FTSE4Good
Listed in Emerging Index
(2017-2023)



CommonWealth Magazine
Ranked 1st in Large
enterprise of Corporate
Citizen Award
(2022-2023)
(2022)



TCSA
Ranked 1st in Top 10
Exemplary Sustainable
Enterprise of Taiwan,
Financial Industry
(2015-2023)



FinanceAsia
Most Progressive
DEI in Taiwan
(2023)

E.SUN won the National Quality Award for the 5 times, also the best-performing company in Taiwan

The National Quality Award is the highest honor for business quality in Taiwan, which is the first and only award issued and recognized by the Executive Yuan. Through rigorous evaluation standards and procedures, the National Quality Award leads industries towards excellent management, enhancing self-management ability and national competitiveness. E.SUN Bank once again won the "National Quality Award" in the comprehensive excellence category - "Excellence in Management Award," becoming the first company to receive this honor twice. With E.SUN Bank founder, Mr. Yung-Jen Huang previously receiving the "Practical Individual Award," E.SUN won the National Quality Award 5 times, setting the record for the best performance among Taiwanese companies.

For a company to win the "Excellence in Management Award" in the comprehensive excellence category, it is necessary to demonstrate comprehensive operational quality in eight dimensions: "Leadership," "Strategic Management," "Research and Innovation," "Customer and Market Development," "Human Resources and Knowledge Management," "Information Strategy Application and Management," "Process Management and Operational Performance." Therefore, for companies that won the "Excellence in Management Award" are not only the highest honor but also helps to motivate all staff to continue implementing the concept of excellence in management and achieving more impressive operational performance. Additionally, it can inspire other industries to learn the successful experiences.

Driving a comprehensive quality management system from top to bottom

Comprehensive quality management begins with the E.SUN culture, upholding the spirit of "Not the best but only better." All aspects are constantly progressing towards excellence. Starting from self-requirements, E.SUN's company led Taiwan's financial industry in improving service and professional standards over the past 30 years through professional management, high-

quality service, good corporate governance, rigorous risk management, and dedicated corporate social responsibility. E.SUN Bank established the "Total Quality Management Committee," which is composed of management team members. The Customer Service Division was established to execute matters related to total quality management, cultivate customer service representatives and promote customer service quality management in all units. We strive for customer satisfaction and aim to establish ourselves as a benchmark in the service industry.

The evolution of total quality management

To ensure our services meet customer needs, market changes and the every development stages of E.SUN, we formulate strategic development plans every decades. Based on these plans, each step focuses on "Service," "Professional," "Technology," and "Asian."

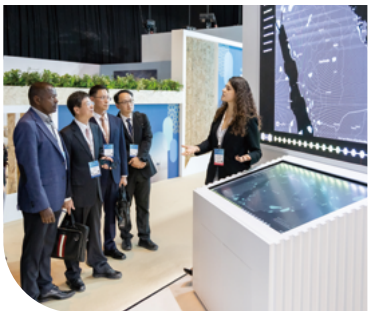
- Stage 1:** Become a model student in the financial industry and a benchmark in the service industry.
- Stage 2:** Develop professional services with depth, breadth, and sophistication. Construct the E.SUN financial business landscape.
- Stage 3:** Utilize technology to develop financial services, from business digitalization to business model digitalization.
- Stage 4:** Build a cross-border integrated Asian financial platform, advancing towards becoming the most distinctive bank in Asia.

For a long time, E.SUN established the competitiveness of our brand, services, and teamwork under the leadership and succession of our management team. At the same time, we took action to fulfill our commitment to society and Taiwan. Winning awards is not only a recognition but also a responsibility. E.SUN will continue to improve the quality of our operations, creating value for customers, shareholders, society and all E.SUN staff in the future. We will deepen our presence in Taiwan, expand our footprint in Asia. We also strive towards becoming the best-performing and most respected company.

5 awards have set the record for the best performance among Taiwanese companies



ISLAND OF HOPE



Making Taiwan a Keyword in Climate Finance

The more we do, the more we can do !

E.SUN Shines Bright at COP, Advocating for Taiwan's Financial Industry

The COP28 UN Climate Change Conference in Dubai, United Arab Emirates, with significant progress made on crucial issues including the Global Stocktake (GST), Loss and Damage mechanism, more ambitious Nationally Determined Contributions (NDCs), and gradual phasing out of fossil fuels. Building on their participation in COP27 in 2022, Joseph N.C. Huang, Chairman of E.SUN FHC once again leads the E.SUN Sustainability Team to COP28, gaining first-hand insights into the latest international trends in facing climate change and achieving net-zero solutions.

Chairman Joseph N.C. Huang, representing Taiwan's financial industry, delivered a captivating speech at the World Climate Summit (WCS), a key parallel event to COP. He discussed how sustainability is reshaping Taiwan's financial market and emphasized the crucial role played by the country's financial sector in the sustainable transition. The speech garnered enthusiastic responses from international attendees, including environmental ministers expressing concerns over climate change's adverse effects on the economy and people's lives.

Chairman Joseph N.C. Huang highlights that climate change is a global and cross-industry issue, and businesses must go beyond their traditional scope to effectively tackle it. He encourages companies to join forces and work together to achieve net-zero goals. For instance, in its corporate financial services, E.SUN has held ESG sustainability advocacy actions for three consecutive years, providing one-on-one sustainability consultations for over 150 companies. It has established a "Sustainable Transformation Platform," collaborating with 11 cross-industry consultants to offer practical

net-zero transformation solutions for businesses. Moreover, E.SUN assumes the role of Chairman of the "Coalition of Movers and Shakers" in 2024, advocating collaboration over competition. Through cooperation with the Financial Supervisory Commission and the Net Zero Taskforce, E.SUN drives the overall net-zero transformation process of Taiwan's financial industry through division of labor, knowledge sharing, and collaboration.

Beyond Finance: Safeguarding Nature's Assets

There is a growing call from important organizations to prioritize nature-based solutions, starting with the promotion of biodiversity and nature-positive growth. Chief Sustainability Officer E.SUN, Louis Chang, was invited to the 15th Climate Week NYC and World Biodiversity Summit in 2023. In his keynote speech, titled "Beyond Finance: Safeguarding Nature's Assets," Chang highlighted E.SUN's commitment to net-zero emissions, biodiversity conservation, and sustainable finance. Initiatives include participating in the TNFD task force, supporting endangered species conservation, and developing biodiversity-linked financial services. E.SUN encourages customers to protect the environment and promotes dialogue with stakeholders worldwide.

"The more we do, the more we can do!" E.SUN firmly believes that through collective efforts of international organizations, governments, industries, and markets, everyone can contribute to a more Earth-friendly approach in their respective fields. By doing so, we can help create a brighter future of sustainable development.



The Resonating Power of Music in the Soul
The melodic force that nurtures friendships and connections

Conveying gratitude and blessings through music Hosting the "Japan-Taiwan Friendship: Bonds of the Heart Concert"

E.SUN Choir is E.SUN's goodwill ambassadors; they staged a public performance at numerous critical occasions, internal and external alike, e.g., the Mother's Day, the opening ceremony of domestic and overseas branches, and charitable events. In 2024, they graced the stage of the Acros Fukuoka Symphony Hall in Japan, presenting a collection of beloved and meaningful songs from Japan and Taiwan, composing a touching chapter in the friendship between the two nations.

As an expression of gratitude for Japan's longstanding support towards Taiwan, E.SUN Bank, in collaboration with the Fukuoka Prefecture Government and Fukuoka City Government, jointly organized the "Japan-Taiwan Friendship: Bonds of the Heart Concert" on June 10th at the Acros Fukuoka Symphony Hall. The concert featured performances by the E.SUN Choir, the Chikushi Jogakuen Senior High School Choir, and the Mejihama Junior High School Wind Ensemble. In addition to the presence of numerous Taiwanese-friendly Japanese parliamentarians, local mayors, and more than 1,700 esteemed Japanese guests and Taiwanese compatriots, the event also attracted distinguished guests from organizations including the Kyushu Economic Federation, the Fukuoka Chamber of Commerce & Industry, and the Fukuoka Branch, Taipei Economic and Cultural Office in Osaka. Within the enchanting melodies and harmonious music, a sense of gratitude and blessings were exchanged.

The heartfelt voices of the choir members evoked deep resonance among the audience. As the familiar tune of "A Thousand Winds" filled the hall, many softly sang along, while others displayed expressions of pleasant surprise when the arrangement of "The Port Town in

the 13th District" intertwined with "Nagasaki Madama Butterfly" unfolded before their eyes. Furthermore, while paying tribute to the late Japanese Prime Minister Shinzo Abe through the song "Flowers Will Bloom," it moved the entire audience, leaving many visibly touched. This sincere emotional connection was not solely derived from the lyrics and music but also reflected the shared values of freedom, peace, and democracy between Japan and Taiwan. Apart from showcasing award-winning performances, the Chikushi Jogakuen Senior High School Choir and the Mejihama Junior High School Wind Ensemble included Taiwanese songs and folk melodies such as "The Moon Represents My Heart" and "Full of Spring Scenery." Through the power of music, the concert provided not only a splendid musical feast for the esteemed guests but also contributed to cultural exchange between Japan and Taiwan.

The relationship between Japan and Taiwan extends beyond extensive economic and trade ties and cultural exchanges; it encompasses cherished friendship. Music knows no boundaries and serves as an excellent bridge. It is our hope that through the universal language of music, the emotional bonds of Japan-Taiwan friendship and the values of kindness can be conveyed. E.SUN Bank will continue to deepen its presence in Japan, striving to provide more convenient and high-quality services to facilitate business exchanges, tourism, academic-industry collaborations, and financial cooperation.



01 Our Story

E.SUN, named after the highest mountain in Taiwan, representing our determination is to run the best company and become customers' favorite enterprise.

[1.1 Vision](#)

[1.2 Business Performance](#)

[1.3 Sustainable Governance](#)

[1.4 Material Issues](#)

5,818 thousand

Number of deposit accounts

9,115 persons

Number of employees

21.7 billion

Net profit after tax



1.1 Vision GRI: 2-1, 2-6

The Highest Mountain; the Best Bank

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

The benchmark in banking and service

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

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

The volunteer spirit of "one simple act of love can inspire others to love"
Focus on our core business and formulate CSR-minded business strategies

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

Local development, Asia expansion, and international connection

The fourth decade

Become the most distinctive and exemplary bank in Asia

■ Business Philosophy

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



A Professional Team; Priceless Trust

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



Warm Smiles and Memorable Services

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



Corporate Responsibility is Our Eternal Commitment

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

Value Proposition

"Pure as Jade, Sturdy as Mountain"

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

- **High-quality financial service:**

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

- **Friendly user experience:**

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

- **A trusted professional team:**

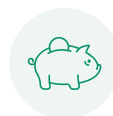
We promise to bring value and earn the trust from customers.

E.SUN FHC overview

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

E.SUN Financial Eco System

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



Deposit services

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



Loans

	Number of deposit accounts (thousand)	Total amount of deposits (NT\$M)
Personal	327.8	965,137
Small Business	18.8	114,114
Corporate Customer	7.0	637,600
Total	354.1	1,706,901

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



Wealth management service

	Assets under management (NT\$B)	Assets in custody (NT\$B)
Wealth Management	32,720	7,112

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



Foreign exchange business

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

Note: Including foreign exchange and import and export transactions



Credit card business

	Issued cards (million)	Transaction amount (NT\$B)
Credit Card	689	4,854

Note: In Taiwan and Cambodia market



Digital service

	Digital Active Customer (thousand)	Digital transaction %
Digital Active Customer	261	67%

E.SUN FHC Value Chain



Competent authority, suppliers, and business partners

Government / Competent authority

Industrial associations

Suppliers

Securities investment trust company/Insurance company

Strategic partners

NGOs

Law firm/Accounting firm

Consulting company

Media



E.SUN FHC

E.SUN Bank

E.SUN Bank (China)

Union Commercial Bank PLC (UCB)

BankPro E-Service Technology Co., Ltd.

E.SUN Securities

E.SUN Investment Consulting

E.SUN Venture Capital

Operational support

Operations supervision, product and service supply, and business cooperation



Customers and financial transaction counterparties

Individual customer

Corporate

Financial industry

Investee

Investor

Financial transactions

Financial services provision, investment, and lending





Hong Kong Branch

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



Singapore Branch

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



Dong-Nai Branch

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

Service network at home and abroad

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

Taiwan	Overseas	Virtual channels	Services and Products
<ul style="list-style-type: none"> • 130 branches • 17 security branches • 12 corporate banking regional centers • 8 consumer banking regional centers • 1,306 ATMs 	<ul style="list-style-type: none"> • China: subsidiary E.SUN Bank (China) with 5 operating sites • Cambodia : subsidiary UCB with 14 operating sites and 43 ATMs • United States : Los Angeles Branch • Hong Kong : Hong Kong Branch • Singapore : Singapore Branch • Vietnam : Dong Nai Branch, Hanoi City Representative Office, Ho Chi Minh Representative Office • Australia : Sydney Branch, Brisbane Branch • Myanmar : Yangon Branch • Japan : Tokyo Branch, Fukuoka Branch, Kumamoto Sub-branch (in preparation) • Thailand : Bangkok City Representative Office • Malaysia: Kuala Lumpur Representative Office (in preparation) 	<ul style="list-style-type: none"> • E.SUN e-Services, including 24-hour customer service hotline, smart customer service, Internet phone and Online visitor message board. • Personal internet banking • E.SUN Corporate Online Banking • Mobile Banking APP • E.SUN Wallet • WebATM • E.SUN Securities A+ mobile services 	<p>Banking Consumer financing, corporate financing, wealth management, trust services, financial products, online banking, mobile financing, and other banking services.</p> <p>Securities Brokerage, derivative financial products, credit transactions, fixed revenue products, e-commerce, and other securities services.</p> <p>Venture capital Services provided for companies at the startup stage and expansion stage, and secondarily for companies at the mezzanine stage.</p>

1.2 Business Performance

GRI: 201-1, 415-1

E.SUN is committed to professional management and long-term enhancement of stakeholders' value. We value the opinions of shareholders and investors and combine a culture of discipline with an innovative spirit to enhance tangible and intangible performance for the benefit of stakeholders. We also share our business achievements with all shareholders.

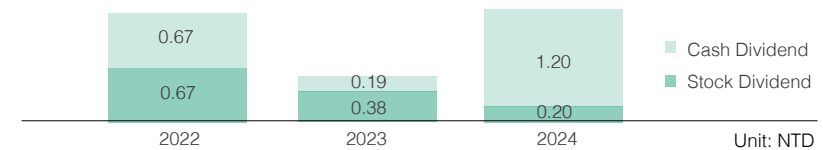
Financial Performance

E.SUN FHC's overall profit after tax in 2023 reached NT\$21.76 billion. The EPS, ROE, and ROA were NT\$1.41, 10.05% and 0.61%, respectively. The overall business maintained steady growth. In 2023, the growth rates of total loans and total deposit were 6.6% and 4.3%, respectively. Loan growth was achieved while maintaining sound asset quality. The NPL ratio was 0.16%. The NPL coverage ratio was 753.4%

Unit: NTD thousands

Item		2021	2022	2023
Management capabilities	Total assets	3,230,908,277	3,479,560,474	3,638,497,500
	Book value	194,384,642	197,090,954	236,423,847
	Net revenue (A)	57,897,440	54,805,919	66,695,571
	Net profit attributable to parent company	20,558,988	15,759,000	21,726,249
Profitability	ROA (%)	0.66%	0.47%	0.61%
	ROE (%)	10.95%	8.06%	10.05%
	EPS (NTD)	1.54	1.10	1.41
Economic value distributed (B)	Employee salaries and benefits	14,730,709	14,310,631	16,544,257
	Dividend to shareholder	17,947,582	8,565,020	21,934,800
	Tax	4,313,353	6,128,365	7,207,400
	Investment in social inclusion	314,961	360,526	427,981
	Contributions & spending in financial or trade associations	16,876	18,663	36,616
	Lobbying, interest representation/ Political campaigns / Other	0	0	0
Economic value retained	(A) - (B)	20,573,959	25,422,714	20,544,517

Dividend Distribution



Note: Dividends are calculated to two digits after the decimal. Dividends distributed in 2024 is the retained earnings of 2023.

Credit Rating

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

E.SUN Financial Holding Company

Credit rating institutions	International long-term	International short-term	Domestic long-term	Domestic short-term	Outlook	Effective Date
Moody's	A3	P-2	-	-	Positive	2024.3
Standard and Poor	-	-	twAA-	twA-1+	Stable	2023.7
S&P	BBB	A-2	-	-	Stable	2023.7

E.SUN Bank

Credit rating institutions	International long-term	International short-term	Domestic long-term	Domestic short-term	Outlook	Effective Date
Moody's	A2	P-1	-	-	Positive	2024.3
Standard and Poor	-	-	twAA+	twA-1+	Stable	2023.7
S&P	A	A-1	-	-	Stable	2023.7

E.SUN Securities

Credit rating institutions	Domestic long-term	Domestic short-term	Outlook	Effective Date
Fitch	AA-(tw)	F1+(tw)	Stable	2024.01

1.3 Sustainable Governance

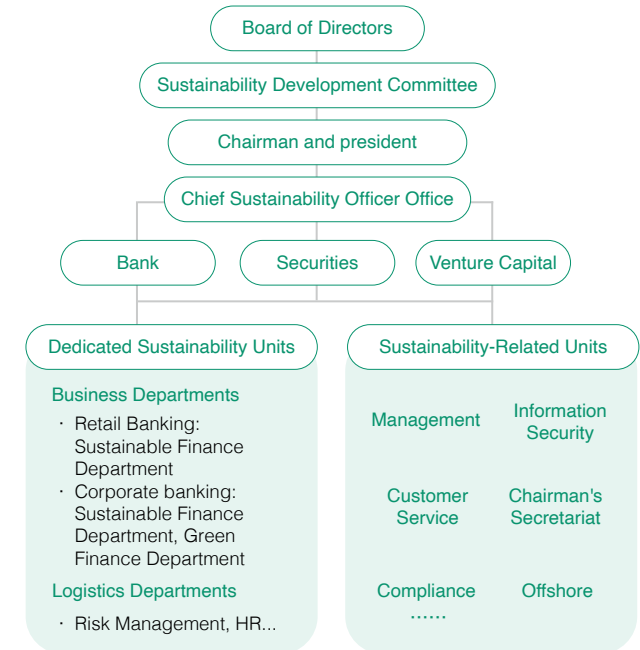
GRI : 2-13, 2-14, 2-16, 2-22

■ Comprehensive Sustainable Governance Organization

The "E.SUN FHC Sustainable Development Best Practice Principles" approved by the Board of Directors serve as the highest ESG guiding principles for the entire company. The Board has established a Sustainability Development Committee, comprising the Chairman, three independent directors, and one director, with the Chairman serving as the convener, which is the highest guiding unit for the company's sustainable development. According to the organizational regulations of the Sustainability Development Committee, the company holds at least two meetings annually and may convene additional meetings as needed. In 2023, the committee held three meetings on January 4, June 16, and November 13. The agenda included major topics, specific plans for sustainable development, and amendments to sustainable finance policies. Among the twelve Board meetings held throughout the year, ESG/sustainable development matters were included in the agenda eight times. The topics included: (1) specific plans for sustainable development; (2) overall evaluation results of corporate governance; (3) employee feedback sessions; (4) identification processes and confirmation of major topics; (5) reports on the execution of sustainable plans; and (6) revisions to sustainability-related policies and regulations. The Sustainability Development Committee appoints a Chief Sustainability Officer to coordinate sustainability-related departments. To further integrate sustainability into overall business development, dedicated sustainability units were established in the main departments of subsidiaries in 2023, ensuring stable promotion of foundational sustainability projects and innovative products.

Operational Methods

- 1 Chief Sustainability Officer Office plans annual work items
- 2 Sustainability Development Committee confirms work plans
- 3 Report to the Board of Directors
- 4 Work group executes concretely



- Dedicated units can more stably promote foundational projects and innovative products.
- Adhere to various sustainability regulations, establishing management policies and mechanisms.
- Set sustainability OKRs, track key actions, and achieve sustainability goals.

2023 Work Plan and Achievement

2023 Work Plan	2023 Achievement
Governance : Based on the Corporate Governance 3.0 "Sustainable Development Blueprint" and the "Green Finance Action Plan," continue to strengthen governance, cybersecurity protection, anti-money laundering, and fair customer treatment.	For the ninth time, ranked in the top 5% of the Corporate Governance Evaluation; subsidiaries E.SUN Bank and E.SUN Securities were also selected among the top 25% in the FSC's fair customer treatment evaluation.
Social : Create an equal, diverse, friendly, and safe workplace environment. Continue to promote initiatives in academic education, social participation, sports development, and cultural arts.	Employee engagement reached 88.1%, and the second Sustainable Finance Management Training Program was held. Promoted academic education with over 200,000 World Card members participating, completing a total of 180 E.SUN libraries.
Environmental : Follow SBT and RE100 targets, implementing energy-saving and carbon reduction in scopes 1 and 2. Promote biodiversity with systematic conservation actions.	Achieved CDP leadership level A grade. Continued reduction of Scope 1, 2, and 3 carbon emissions. Joined the TNFD pioneers and continued to encourage local agricultural transformation to organic and friendly farming practices.

2024 Work Plan

- 1.Fair Customer Treatment : Implement the spirit of the United Nations Convention on the Rights of Persons with Disabilities (CRPD) for financial equality, enhancing friendly financial service measures to ensure equal and reasonable financial services for elderly and disabled customers.
- 2.Sustainable Finance : Actively engage high-carbon customers and provide sustainability consulting services, assisting enterprises in transitioning to net-zero and achieving emission reduction goals. Guide energy transformation through green finance services and actively support the industry in establishing renewable energy installations.
- 3.Climate Change : Strengthen the management mechanism of investment and financing carbon emissions and track carbon reduction results according to the guidance of regulatory authorities, the Partnership for Carbon Accounting Financials (PCAF), and the Science Based Targets (SBT).
- 4.Environmental Sustainability : Evaluate the dependence and impact of biodiversity on operations according to the Taskforce on Nature-related Financial Disclosures (TNFD) guidelines. Collaborate with relevant partners to implement biodiversity conservation actions with a systematic approach, promoting harmonious coexistence with nature.
- 5.Friendly Work Environment : Build a diverse, equal, and inclusive (DEI) workplace, promoting innovation and gender equality among diverse talents, and creating a more flexible and positive work environment.

■ Sustainable Development Blueprint

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

Asia's Benchmark for Sustainable Development

Net zero emissions by 2050, support the sustainability of enterprises by 2030, customers' best partner

Meet international standards, maintain leadership

Start from own operations and adopt best practices

PCAF	SBTi	TNFD/RE100
TCFD	PRB	SASB
DJSI	SDGs	EPs
GRI	MSCI ESG	CDP

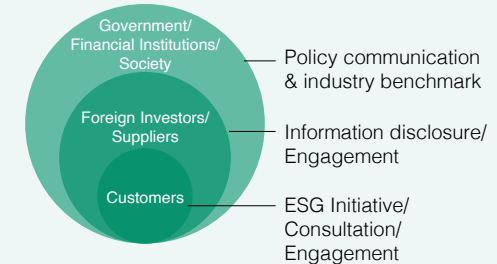
Transformation for sustainability, creating value

Continued innovation to improve sustainable financial services

Services	Green finance	Inclusive finance	Sustainability consulting
Products	Responsible lending	Responsible investment	Responsible products
Foundations	Carbon cost management	Sustainability rating	Digital Technology

Exercising influence in key matters

Value chain communication



System and risks

- Emphasize corporate governance
- Establish a sustainable governance organization

Climate change, operational resilience, FinTech, information security, human rights protection

Culture and talent

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

Honesty and integrity, volunteer spirit, talent cultivation, employee care

1.4 Material Issues

GRI: 2-12, 2-29, 3-1, 3-2, 3-3

E.SUN identify material issues by latest GRI Universal Standards 2021 and AA1000 Account Ability Principle Standard, including the principles of materiality, inclusiveness, responsiveness, and impact, to identify material issues. We further assessed the impact of each material issues on the economy, environment, and human rights. These materiality is the basis for planning our sustainable development strategy, and also the basis for information disclosures.

■ Implementation Steps

1. Confirming Organizational Connection

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

2. Focus on sustainability issues (21 sustainability issues)

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

3. Identify stakeholders (7 major stakeholder groups)

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

4. Analyze economic, environmental, and social impacts

The 'Economic, Environmental, and Social Impact Assessment Form' was sent to the 13 relevant units for the 21 sustainability issues, asking them to evaluate the positive or negative impacts on the economy, environment, and people caused or received by E.SUN's business activities/products/services, etc. The evaluation results were compiled by the office of CSO.

5. Assessing impact significance

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

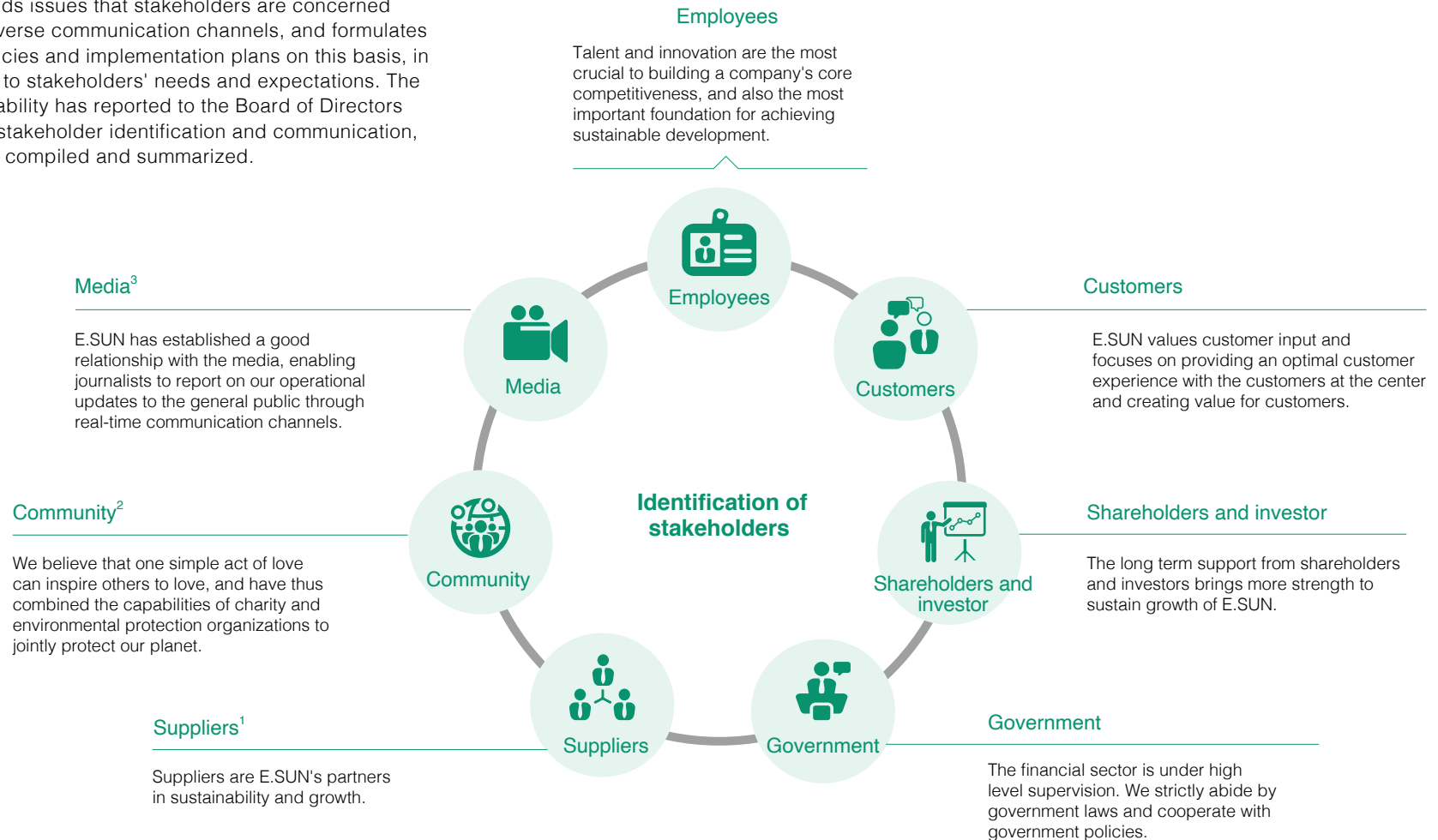
6. Confirming material Issues (12 material Issues 12 GRI themes)

Based on the significance threshold of impacts, the Office of Sustainability has selected 12 topics out of 21 sustainable issues as the major themes for the year 2023. These themes have been submitted to the Sustainable Development Committee and the Board of Directors. According to the reporting requirements of GRI, this report elaborates on the strategies, short-term, medium-term, and long-term objectives, achievements, and management policies related to the major themes. The 12 major themes for the year 2023 correspond to a total of 12 GRI topics, including 10 GRI standard topics, 1 general disclosure topic, and 1 consideration aspect of GRI G4 Financial Industry Sector Supplement.

1.4.1 Identification of stakeholders

GRI: 2-12, 2-29

E.SUN understands issues that stakeholders are concerned about through diverse communication channels, and formulates management policies and implementation plans on this basis, in order to respond to stakeholders' needs and expectations. The Office of Sustainability has reported to the Board of Directors on the results of stakeholder identification and communication, which have been compiled and summarized.



Note:

1. Suppliers include contractors and suppliers. Please see 6.3.2 Supplier Management for the types of suppliers.
2. Communities include neighborhoods around the branches and partners in charity work and environmental causes.
3. Media includes credit rating institutions and initiative organizations



Employees

Meeting objectives	Communication frequency/mode	Communication Performance	Focus Issues	E.SUN's Response	Stakeholder Response (Case)
Talent and innovation are the most important keys to the core competitiveness of an enterprise structure. Con-tinuous and good communication helps to improve employee motivation and company recognition.	<ul style="list-style-type: none"> Daily: Morning meetings Weekly, Monthly: Video conferences,work week reports, legal compliance announcements Quarterly: Labor-management meeting,Occupational Safety Committee meeting,Occupational Safety Committee Annually: Employee opinion exchange questionnaires Annually: Knowledge sharing seminars Irregularly: e-HR E.SUN Human Park platform, e-learning+ digital learning platform, various opinion response mailboxes, such as the Learning Sister mailbox, HR Manager mailbox, etc. Irregularly: Two-way communication,EIP website Irregularly: Professional training courses and development classes Contact Information: Human Resources Department E-Mail: hrd@esunbank.com.tw Hotline: (02) 2175-1313 #8701 	<ul style="list-style-type: none"> 5 Employee Communication Meetings 29 CHRO mailbox 310 Employee Opinion Communication Cases Handled 7,556 Employee Opinion Exchange Questionnaires 	<ul style="list-style-type: none"> Talent Cultivation and Development Talent Attraction and Retention Employee Care and Friendly Working Environment 	<ul style="list-style-type: none"> Talent is the key driving force for sustainable development in businesses. E.SUN has a well-established development and cultivation system, where employees can proactively apply for rotational assignments through intern recruitment mechanisms, cultivating diverse career paths and learning opportunities. The overall rewards and performance evaluation system of E.SUN is based on the overall profitability of the company, external market benchmarks, comprehensive performance, and individual performance. E.SUN will continue to enhance its compensation system and expand the distribution of variable bonuses. Setting up a diverse range of communication channels such as a CHRO mailbox, an employee feedback section, and anonymous surveys, E.SUN creates a psychologically safe environment that allows employees to feel at ease, confident, and assured. 	<p>Human Enhancement Project is dedicated to developing diverse careers through tailored education, allowing excellent individuals to become even better, enabling Every staff in E.SUN who identifies with E.SUN to contribute in different ways, fostering consensus among like-minded partners, and making the E.SUN people love E.SUN even more. (Retail Banking Department)</p> <p>The implementation of various human enhancement projects focuses on people, taking care of Every staff in E.SUN, customer experience, shareholder returns, and social responsibility. We believe that E.SUN will definitely be better in terms of sustainability. (Credit Card Department)</p> <p>We appreciate the efforts of E.SUN Bank in enhancing human resources. There have been significant changes in this year's performance assessment system, and we can feel the difference in promotions and compensation compared to previous years. Thank you for listening to the feedback from the business units.(Business Units)</p>



Customer

Meeting objectives	Communication frequency/mode	Communication Performance	Focus Issues	E.SUN's Response	Stakeholder Response (Case)
Understand market trends and motivations, improve personal service, create tangible and intangible value for customers, and continuously strengthen E.SUN's competitiveness.	<ul style="list-style-type: none"> Daily: E.SUN e-customer service (24-hour customer service hotline, intelligent text customer service, online telephone, website visitor message board), customer opinion complaint hotline and customer opinion QR code. Weekly: Customer satisfaction survey, Line official account, Facebook E.SUN Lucky Cat fan group, E.SUN digital life, health fan group Every 2 months: Smile E.SUN bimonthly magazine Quarterly: Sunrise E.SUN quarterly magazine Twice a year: Corporate customer satisfaction survey Irregular: Personal visits, telephone contact Contact method: E.SUN customer service center 24-hour service hotline (02)2182-1313 / 0800-30-1313 	<ul style="list-style-type: none"> 2,161 customer service center customer suggestions 135,073 official website visitor message board messages 80,530 customer satisfaction survey questionnaire 7,230 customer opinion QR codes A total of 715 corporate customer satisfaction questionnaires were issued 	<ul style="list-style-type: none"> Customer experience and fair treatment Financial technology and innovation Inclusive finance Information Security and Personal Data Protection Green finance 	<ul style="list-style-type: none"> Continuously enhance service quality through the Customer Service Management System and combine internal and external education and training programs to develop the professional capabilities of employees. Establish a Customer Journey Office across departments and utilize customer feedback to plan diverse online banking/mobile banking functionalities, leveraging financial technology to provide convenient digital services. Provide financially friendly services through physical and digital channels, such as planning ATMs in remote areas and ensuring accessibility in branches. Additionally, optimize the browsing experience on digital platforms and expand the application scenarios for video services. Establish an anti-fraud task force across departments, including anti-fraud education and training for employees, planning abnormal transaction monitoring models, establishing three-way calls with the Police Administration, and implementing immediate anti-fraud platforms to prevent customers from falling victim to scams. Engage in ESG (Environmental, Social, and Governance) exchanges with corporate clients through internal dedicated teams, provide sustainability recommendations such as net-zero transformation, and plan suitable sustainable financial transactions based on customer needs. 	<p>I went to the branch to handle transactions this afternoon. E.SUN's colleagues served me patiently and kindly, making me feel full of warmth. Because I am disabled, I am often discriminated against and suffer a lot of injustice. Thank you colleagues for patiently serving me for about half an hour. Thank you for your hard work! (Taihe Branch, Ms. Wu)</p> <p>As a foreigner with very poor Chinese, it is always very scary for me to go to the bank. I went to the bank to change my ID and get a new bank card, and the 2 young women who helped me were fantastic. They were both very patient, and were very friendly. They helped me feel welcome and they were able to lower my anxiety. I was really thankful for that. (Qianzhen Branch, Mr. Ke)</p> <p>Thank you for E.SUN's visit to our company this morning to explain the concept and methods of achieving net-zero emissions. It has greatly benefited us, as we went from knowing nothing to having a rough understanding and direction. We are very grateful for that. It is our duty and responsibility as individuals to love and protect the Earth and collectively build a sustainable home. (Feedback from the Sustainable Leaders Alliance, Neihu Corporate Banking, Wang Meiming)</p>



Shareholders/ Investors

Meeting objectives	Communication frequency/mode	Communication Performance	Focus Issues	E.SUN's Response	Stakeholder Response (Case)
Assist in understanding E.SUN's performance and strategic direction, strengthen their confidence in E.SUN, and be willing to support.	<ul style="list-style-type: none"> Monthly: Announce operating performance Monthly: Open information observation station Quarterly: Chinese and English legal person briefings, quarterly financial reports Quarterly: Board of Directors, functional committees Annually: Shareholders' meeting Annually: Annual report, sustainability report Irregularly: visits and teleconferences, announce credit ratings and outlooks Irregularly: Domestic and foreign roadshows, domestic and foreign investment institutions research meetings, investment forums, material information announcements Contact method: Investor Relations E-Mail: ir@esunbank.com 	<ul style="list-style-type: none"> Chinese and English legal briefings: 7 sessions Participation in investment forums or roadshows: 5 sessions Investor and analyst meetings: 120 sessions 	<ul style="list-style-type: none"> Corporate governance Risk management Green finance <p>Focus Content</p> <ul style="list-style-type: none"> Board re-election and the shaping of bank corporate culture, fostering employee cohesion. Interest rates of monetary policy in major markets, market, and credit risk management, and strategies for emerging risks. Net zero transformation and net zero policy formulated 	<ul style="list-style-type: none"> Implement the visions, the three pillars of long-term development, and management principles of E.SUN. Expose the management framework of various risk issues and report regularly to the board of directors. Actively follow international ESG sustainability standards and practices, engaging in ESG evaluation and enhance customer engagement through financial products, services. 	<p>E.SUN has cultivated a succession pipeline, fostered a high level of employee cohesion, prioritized a corporate culture that values teamwork, and has a solid performance. (Top 10 international fund management companies)</p> <p>E.SUN has been an early adopter in aligning with international standards in the CSR and ESG fields, and successfully integrated business and ESG, being a unique bank. (Singapore Asset Management Group)</p> <p>E.SUN's actions of climate change is a benchmark for the banking industry and continuously maintaining a leading position. (Well-known sovereign fund)</p>
Understand the latest trends and dynamics of regulatory supervision, support government policies and Taiwan's sustainable development.	<ul style="list-style-type: none"> Annual: Government agency evaluation Irregular: Policy research meetings, seminars, public hearings Irregular: Official documents, meetings, phone calls, emails, and public information Irregular: Financial inspections, special project meetings 	<ul style="list-style-type: none"> Respond promptly to inquiries from supervisory authorities Proactively participate in relevant meetings and courses 	<ul style="list-style-type: none"> Inclusive finance Aging population and declining birth rates response Customer experience and fair treatment Climate change response Green finance <p>Focus Content</p> <ul style="list-style-type: none"> Develop microinsurance as a force for social stability Promote financial-friendly practices and financial inclusion, and enhance public awareness on fraud prevention to safeguard property security Actively respond to global sustainable development initiatives and national net-zero emission targets. 	<ul style="list-style-type: none"> E.SUN, in collaboration with Nan Shan Life Insurance, Tainan City Government, China Life Insurance, and Hualien County Government, has jointly promoted microinsurance to provide basic insurance coverage to economically disadvantaged individuals and specific groups. Through this effort, E.SUN has provided services to over 10,000 economically vulnerable people. Build financial-friendly demonstration branches and utilize technology to reduce the digital gap, actively practice financial inclusion. E.SUN's comprehensive anti-fraud efforts include signing an MOU with the National Police Agency, pioneering a three-way call and an instant anti-fraud platform, establishing an internal anti-fraud team, and utilizing financial technology to develop anti-fraud models. These initiatives are actively implemented to prevent fraud. Cultivate 155 "Certified Professional in Sustainable Finance" and establish the E.SUN sustainability team, comprising dedicated ESG personnel responsible for implementing sustainable development initiatives within the organization. 	<ul style="list-style-type: none"> E.SUN achieved excellence performance in the "Microinsurance and Small Sum Endowment Insurance Competition" held by the Financial Supervisory Commission, specifically in the "Microinsurance Insurance Auxiliary Personnel Category." E.SUN has been invited to participate in regulatory agencies' anti-fraud meetings, sharing the bank's best practices in fraud prevention. In 2023, the chairman of the Financial Supervisory Commission, along with representatives from the Ministry of Health and Welfare, visited E.SUN for inspection and commendation. E.SUN was recognized as a benchmark and exemplary model in the financial industry. E.SUN views customer service and consumer protection as core values, implementing concrete and innovative measures. As a result, E.SUN has consistently received recognition from the Financial Supervisory Commission, ranking within the top 25% of banks in terms of treat clients fairly assessment.



Government agencies



Media

Meeting objectives	Communication frequency/mode	Communication Performance	Focus Issues	E.SUN's Response	Stakeholder Response (Case)
Strengthen E.SUN's communication with the public through media channels, gather the latest topics and trends in society and internationally.	<ul style="list-style-type: none"> Immediately: A dedicated public relations unit is responsible for handling media communications for E.SUN FHC and its subsidiaries, ensuring prompt responses to media inquiries. Semi-annual: hold a press conference on operational performance, open interviews and questions from reporters. Irregular: media interviews, press conferences, and crisis event explanation Irregular: press release, statement, and earnings announcement Irregular: Financial Holding Company's official website news release Contact: Public Relations department E-MAIL: pr@esunfhc.com Tel: (02)2175-1313#1335,8190 	<ul style="list-style-type: none"> The PR unit real-time responses to reporters reached 4,945 people Held 2 operational performance press conferences Held 43 media interviews and press conference Issued 122 press releases Released 122 press releases on website 	<ul style="list-style-type: none"> Honest management Risk management Financial technology and innovation 	<ul style="list-style-type: none"> E.SUN upholds the core values of integrity, honesty, professionalism, and responsibility, and committed to this land with an unwavering promise, striving to become the best-performing and most respected enterprise. By 2023, E.SUN has established 31 overseas branches in 10 countries. Currently, focus on the Asia-Pacific financial centers, cross-strait areas, and ASEAN region. In the next phase, plan to expand into Southeast Asia, and aim to North America and Europe in the future. E.SUN FHC board of directors has established a "Technology Advisory Committee" as a pioneer in the Taiwanese financial industry. Chaired by Chairman Joseph N.C. Huang, the committee has invited external experts from the four major domains: artificial intelligence, digital enablement, e-commerce, and information security. 	<p><i>Economic Daily News - In 2023, E.SUN FHC achieved a robust operational performance with a self-reported net income of 66.68 billion NTD. After-tax net profit reached a record high of 21.76 billion NTD, representing a growth of 38.1%.</i></p> <p><i>The Liberty Times - In 2023, E.SUN Bank's overseas branches recorded a profit of 8.226 billion NTD. In terms of proportion, the profit accounted for 34.16% of the overall profit, significantly surpassing the industry average proportion of 11.4%.</i></p> <p><i>Business Next Media - When it comes to the adoption of new technologies in the financial industry, E.SUN is among the frontrunners. E.SUN has established a team of 100 professionals dedicated to integrating AI technology with practical applications, analyzing customer data to address frontline business needs and have developed nearly 100 AI models, including image recognition and voice customer service, significantly reducing manual operation time.</i></p>
Join hands with various sectors to create a shared, harmonious new living circle, making Taiwan a better place.	<ul style="list-style-type: none"> Weekly: Close community environmental cleaning, local financial community service Annually: Organize public welfare activities, support art exhibitions, music performances, sports events, academic education, ecological conservation, etc. Irregularly: Cross-industry cooperation and visits, art lectures Contact information: E.SUN Volunteer Foundation (02) 2175-1313#9300 E-Mail: Volunteer@esunbank.com E.SUN Cultural and Educational Foundation (02) 2175-1313#9305 E-Mail: Esunfoundation@esunbank.com 	<ul style="list-style-type: none"> 184,043 beneficiaries Over 938 cooperative public welfare activity units 	<ul style="list-style-type: none"> Honest management Social Welfare Humanities and Arts Academic Education 	<ul style="list-style-type: none"> Energy-saving and carbon reduction: Actively respond to summer solstice light-off activities, Earth Hour, Beautiful Taiwan Smile E.SUN, beach and mountain cleaning activities. Public welfare activities: Charity sales, blood donation activities, overseas medical services, medical equipment donations. Organizing domestic and international art exhibitions and performances, supporting sports events, cultivating outstanding talents through scholarship programs, E.SUN Academic Awards. Organizing financial management lectures, promoting E.SUN Library storytelling, anti-drug advocacy tours, and rural English education. 	<p><i>After the transformation of the Youth Detention Center into a Correctional School, government have continued to introduce specialized courses and counseling work, changing the future of these children by education. It is gratifying to see smiles on their faces and improved interactions between teachers and students. Government is very grateful to E.SUN for their support in juvenile correctional education. This is an area that requires resources but often goes unnoticed by society. Teachers will cherish this support and work together to help students transition smoothly into education and employment, moving towards a more compassionate society. (Ministry of Justice, Minister)</i></p> <p><i>Thank you, E.SUN, for giving Zhongzheng Elementary School such a wonderful gift. The library is spacious, bright, and filled with a rich collection of books. Not only is it well-designed and fully functional internally, but it is also equipped with a smart book borrowing and returning system that allows students to easily access books. The opening of the E.SUN Library is an important milestone for Zhongzheng Elementary School since its establishment. It will serve as an important space for promoting literacy-oriented education, cultivating students' interest in reading, and enhancing their self-learning abilities. (Zhongzheng Elementary School, President)</i></p>



Community

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



Supplier

Our Story	Journey to Net Zero	Banking for Better	Building Resilience	Our People	Seeking Common Good
Meeting objectives	Communication frequency/mode	Communication Performance	Focus Issues	E.SUN's Response	Stakeholder Response (Case)
Suppliers are partners in E.SUN's sustainable development and growth. Through procurement actions, suppliers are influenced to implement responsible consumption and production practices. We strive to achieve energy efficiency, carbon reduction, and cost reduction, while delivering the concept of sustainable business operations.	<ul style="list-style-type: none"> Weekly: Pricing meetings Bi-monthly: E-mails Irregular: Website public information, supplier visits, supplier conferences 	<ul style="list-style-type: none"> Over 558 pricing meetings Bi-monthly: 138 supplier self-assessment exchanges Irregular: 15 supplier visits, supplier conference to share carbon management trend and social innovation platform mechanism 	<ul style="list-style-type: none"> Sustainable operation environment Talent cultivation and development Employee care and friendly working environment Customer experience and fair treatment 	<ul style="list-style-type: none"> Respond to green procurement policies by promoting the preferential use of environmentally-friendly products or services in our procurement processes. Talent is a leading and crucial indicator. E.SUN encourages our supplier partners to prioritize the development of their employees and value their voices. Customer experience is a crucial component of the value chain, and E.SUN appreciates suppliers who invest resources in enhancing service processes, and aims for our collaboration to create a synergistic effect where 1+1 is greater than 2. 	<p>In line with the national 2050 net-zero target, internal energy management has gradually established with energy goal program which is divided into short, medium, and long-term phases for implementation. Starting with energy conservation, water conservation, and waste reduction, we systematically plan to reduce the group's carbon emissions, and promotes the use of hydrogen products from our hydrogen energy unit nationwide. Through these systematic plans and initiatives, we aim to contribute our part towards achieving global net-zero carbon emissions. (Chung-Hsin Electric & Machinery Mfg.Corp.)</p> <p>Release a human right policy, conduct internal advocacy, and establish a hotline to provide a direct communication channel within the organization. (2) Initiate the "Hero Program," which is the first cross-national employee training project and focuses on three key areas: career development diversification, cross-national and cross-department communication, and internal transformation by using our internal resources to foster a closer relationship between employees and the company. (eCloudvalley Digital Technology)</p> <p>Maintain effective communication channels with our customers to meet their needs. As marketing activities become more diverse and consumer behavior continues to evolve to increase demand for APP. In response to this trend, we are optimizing our online reward system within the APP to better meet the expectations of our customers in the shopping center. (Tainan Spinning Retail and Distribution)</p>

1.4.2 Identification and management of material issues

The office of CSO evaluates the impact of 12 major issues on the economy, environment, and people (including human rights) in terms of actual/potential, positive/negative impact, and the likelihood of occurrence. The initial results are summarized and, after consultation with the management team, the 2023 E.SUN's material issues are selected and ranked based on the impact degree. E.SUN also develops the management mechanisms in accordance with material issues, including setting challenging targets and incorporating overall corporate risks Management (ERM). E.SUN also makes the target and linked to senior management level compensation.

1. Evaluation process:

(1) Quantitative impact:

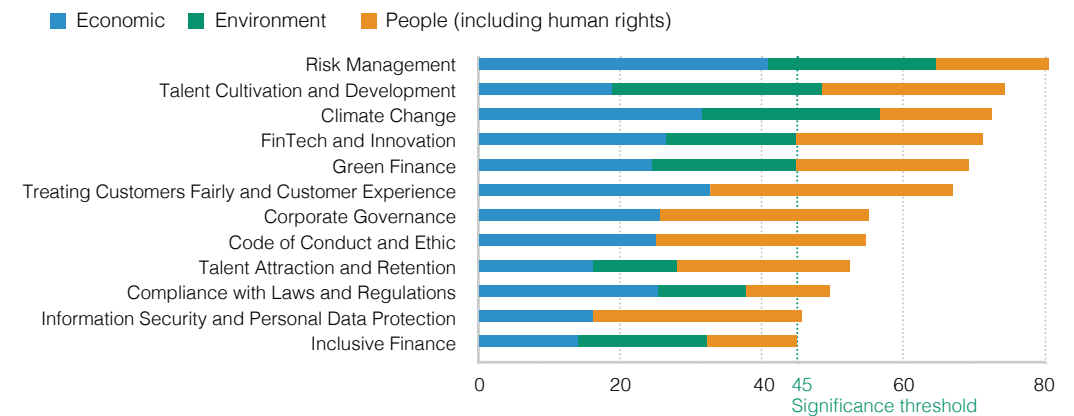
The material Issues are scored on a scale of 1-5 based on their impact on the economy/environment/people (including human rights), probability of occurrence, and are evaluated by relevant units and consolidated by the Sustainable Development Office.

	Economic		Environmental impact		Human (including human rights) impact	
	Positive	Negative	Positive	Negative	Positive	Negative
Risk Management	25.0	16.3	13.3	10.7	8.9	7.3
Talent Cultivation and Development	14.0	5.0	25.0	5.0	21.8	4.3
Climate change response	17.8	14.1	18.8	6.7	9.0	7.0
Financial Technology and Innovation	21.4	5.3	15.9	2.7	23.3	3.3
Green Finance	15.6	9.0	18.7	2.0	21.7	3.0

(2) Impact ranking:

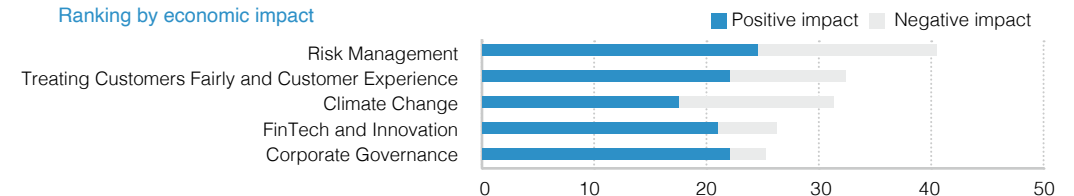
The office of CSO calculates the quantitative results of 12 material Issues' impacts. After considering the recommendations of the management team, the evaluation results are shown in the chart on the right:

Material issue impact assessment results

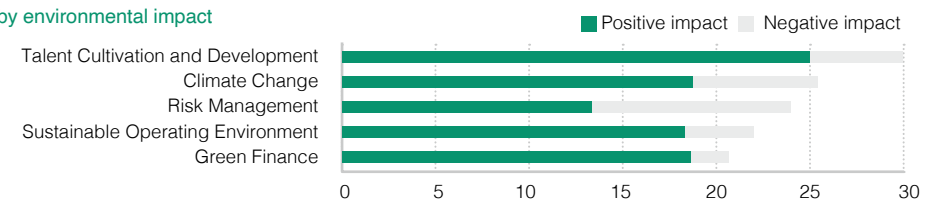


Top 5 in terms of impact on the economy, environment, and people (including human rights)

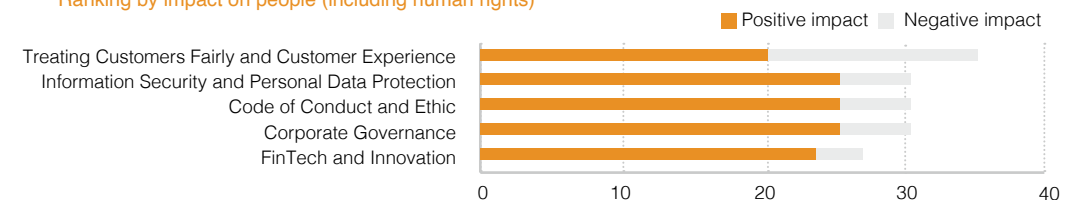
Ranking by economic impact



Ranking by environmental impact



Ranking by impact on people (including human rights)



2. Impact explanation and management measures

Material Issues	GRI Specific Theme Indicators Self-defined Material Issues	Impact Categories	Actions Taken (Corresponding Chapters/ Appendices)
Risk Management	GRI 2: General Disclosure 2021	<p>Potential/Negative/Economic & Environmental & Human (Human Rights)</p> <p>1. The financial industry is a credit business with economic risk management. Good risk management can reduce the likelihood of potential risks such as credit, market, and operational risks for E.SUN, and provide rapid and accurate response measures, protecting employees and stakeholders when incidents occur. In addition, a good risk management mechanism can help E.SUN to have a more comprehensive and quantitative assessment basis when facing climate risks.</p> <p>2. The financial industry faces higher risks of money laundering and terrorism financing. Effective risk management enables E.SUN to continue its development in a compliant manner, preventing the misuse of products and services by malicious individuals and safeguarding customers' assets. By implementing anti-money laundering and counter-terrorism financing mechanisms, we aim to disrupt pre-crime activities and jointly build a healthier and more stable financial system.</p>	<p>4.3 Risk Management</p> <p>4.5 Combating Money Laundering and Financing of Terrorism</p>
Talent Cultivation and Development	GRI 404 Training and Education	<p>Substantive/Positive/Economic & Human (Human Rights)</p> <p>"Nurture talents first, then manage the business," talent is the key driving force for sustainable business operation. E.SUN provides a comprehensive talent development system to enhance the competitiveness of its employees through cultivating skills in sustainable finance, digital technology, and global perspective. Effective talent development also enhances employees' knowledge and skills, creating a positive cycle for the economy, environment, and society, and exerting influence.</p>	<p>5.1 Talent Cultivation and Development</p>
Climate Change Factors	GRI 201-2	<p>Substantive/Positive/ Economic & Environmental</p> <p>The physical risks of climate change and transition risks may impact E.SUN's investment and business operations, further affecting the risk profile of E.SUN's asset portfolio. E.SUN's investment portfolio represents the distribution of industries invested in, indirectly affecting the local environmental ecology.</p> <p>Physical risks: Extreme weather events such as typhoons or floods may result in operational disruptions and asset damages for E.SUN's business locations, leading to financial losses and impacting profitability.</p> <p>Transition risks: Associated with carbon emission costs, if E.SUN fails to effectively manage the carbon emissions of its investment or loan portfolio, it may affect its reputation and market competitiveness.</p>	<p>2. Journey to Net Zero</p>
Financial Technology and Innovation	GRI 203 Indirect Economic Impacts GRI G4 Product Portfolio	<p>Substantive/Positive/ Economic & Human (Human Rights)</p> <p>1. E.SUN continuously adopts AI, containerization, cloud computing, microservices, and other technologies to effectively allocate and manage resources, build and optimize digital channels/platforms, and achieve rapid delivery and improved operational resilience.</p> <p>2. Deploy a comprehensive digital financial platform, integrating virtual and physical channels to actively guide customers in using our services. E.SUN aims to provide customers with complete digital financial services and continuously enhance user experience to increase their willingness to use services. This will have positive effects on the economy and achieve the goals of inclusive finance, while also reducing paper usage and carbon emissions.</p>	<p>3.4 FinTech and Innovation</p>
Green Finance	GRI 203 Indirect Economic Impacts GRI G4 Product Portfolio	<p>Substantive/Positive/ Economic & Environmental</p> <p>Lending aspect: E.SUN incorporates environmental and social risk assessment and management into its lending process, avoiding negative impacts on the ecological environment, labor rights, etc., and promotes sustainable linked loans, green lending, and other financial services to encourage enterprises to set sustainable goals, promote green energy, and support sustainable-related industries, thus bringing positive cyclical benefits to the environment and society.</p>	<p>3.1.1 Responsible Lending</p>
		<p>Substantive/Positive/ Economic & Environmental & Human (Human Rights)</p> <p>Investment aspect: Establish investment goals and continuously increase positions in sustainable investment, implement responsible investment, and support corporate sustainable fundraising through the issuance and underwriting of sustainable development bonds to guide funds into investment projects with positive environmental and social impact, and have financial influence in Taiwan net zero. This approach has positive impacts for the economy, environment, and human rights.</p>	<p>3.1.1 Responsible Lending</p>

Material Issues	GRI Specific Theme Indicators Self-defined Material Issues	Impact Categories	Actions Taken (Corresponding Chapters/Appendices)
Customer Experience and Fair Treatment	GRI 2: General Disclosure 2021 GRI G4 Product Portfolio GRI 417 marketing and labeling 2016	Substantive/Positive/ Economic & Human (Human Rights) A good customer experience affects customers' willingness to use financial services. Implement fair treatment of customers deepens trust in financial institutions, and both directly drive economic growth. E.SUN is committed to providing a better customer experience and protecting customer rights through culture building, establishing organizations, and implementing systems.	3.3 Treating Customers Fairly and Customer Experience
Corporate Governance	GRI 2: General Disclosure 2021	Substantive/Positive/ Economic Good corporate governance represents a high degree of stability and health in business operations. Through diversified channels, we continuously pay attention to and ensure the quality of information disclosure, constantly learn, review, and refine the corporate governance structure and mechanism, and enhance the trust of stakeholders in the company, so as to jointly create the company's long-term maximum value.	4.1 Corporate Governance
Integrity Management	GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior	Potential/Positive/ Economic Integrity management is fundamental to the financial industry. Good corporate governance increases the confidence of stakeholders in E.SUN, making them more willing to invest in and cooperate with the bank, which has a potential positive impact on the economy. A sound system also ensures that internal management and business activities comply with integrity management, positively affecting various business activities in the economy.	4.2 Code of Conduct and Ethic
Talent Attraction and Retention	GRI 202 Market Presence GRI 401 Employment Relations	Substantive/Positive/ Economic & Human (Human Rights) Attracting talent can make E.SUN 's personnel composition healthier,by continuously recruiting exceptional talents through diverse channels,deep-rooted campus talent brandingand optimized selection experiences, E.SUN attracts high-potential individuals.Retention measures can retain key talents and potential talents, making E.SUN more competitive. By providing competitive talent retention measures,we can achieve talent attraction and retention, improve employee professionalism, promote employee satisfaction and customer satisfaction in a positive cycle,and enable the organization to achieve stable and sustainable development.	5.2 Talent Attraction and Retention
Compliance with Laws and Regulations	GRI 2: General Disclosure 2021	Potential/Negative/Economy Implement compliance with laws and regulations, establish a good corporate culture, all services and products comply with relevant legal norms can reduce operational risks, litigation risks, and improve operational performance.	4.2 Code of Conduct and Ethic
Information Security and Personal Data Protection	GRI 418 Customer Privacy	Potential/Negative/Economic & Human (Human Rights) In the digital era, a robust information security and customer data protection system can ensure the stability and security of financial services, reducing the risk of corporate and customer information leakage. Not only must it comply with legal regulations, but it should also continuously improve internal management with high standards, strengthen employee awareness of customer rights, and implement personal data protection, enhancing customer trust in E.SUN.	4.6 Information Security and Personal Information Protection Management
Inclusive Finance	GRI 203 Indirect Economic Impacts GRI 413 Local Community Engagement and Impacts GRI G4 Product Portfolio	Substantive/Positive/ Economic & Human (Human Rights) The financial industry is a special industry. Starting from core financial business, E.SUN collaborates with both the public and private sectors to provide micro-enterprises with funding and marketing guidance resources, and offer exclusive loan projects for economically disadvantaged groups, ensuring that all segments of society have access to affordable financial services, which brings positive benefits to the economy. Furthermore, increased financial literacy levels and awareness of financial products contributes to the development of sound financial concepts among the younger generation and the establishment of a financial safety net for the elderly population.	3.2 Inclusive Finance

Material issues management targets



Risk Management

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
Utilize information technology and scientific data analysis tools to strengthen the early warning and adaptability of risk management, thereby enhancing the effectiveness of risk control.	Chief Risk Officer /60%	<ul style="list-style-type: none"> Management mechanism for the impact of interest rate risk changes on assets and liabilities . Credit risk weighted asset management indicator. The refinement ratio of the 3+1 operational risk management tool. Enhancing the effectiveness of anti-money laundering measures through the use of intelligent technology. 	<ul style="list-style-type: none"> Optimized asset and liability allocation by 50%. Increase the efficiency of capital calculation by 30%. Operational risk key indicators update increased by 10%. Increased data sharing rate for due diligence information by 50%. 	<ul style="list-style-type: none"> The liquidity coverage ratio (LCR) is projected to increase by 11% to 143.59% in 2023, achieving a growth rate of over 90% compared to 2022 (with a growth rate of 12% in 2022). Increase the efficiency of capital calculation by 30%. Operational risk key indicators update increased by 10%. Integrated due diligence systems for new account openings, private banking, and other services, achieving a business coverage rate of 60%. 	<ul style="list-style-type: none"> Completion 100% for the implementation of new market risk capital calculation methods. Enhanced RWA management mechanisms for credit risk throughout the bank, promoting RWA limits under the IRB approach. Achieved 100% calibration of operational risk database quality. Completion of the establishment of new customer anti-money laundering and counter-terrorism financing risk rating models. 	<ul style="list-style-type: none"> Improved efficiency in market risk management systems and risk sensitivity analysis by 50%. The risk weight applied to the credit risk exposure of capital proposals decreased by 20%. Enhanced cross-module management efficiency by 80%. Achieved systematization of domestic and international due diligence operations by 60%.



Talent Cultivation and Development

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
Talent-oriented performance management, combined longterm strategies with education and training, cultivates the talents needed by the organization through enterprise culture,professional training and job rotation.	Chief Human Resource Officer / 40%	Average training sessions per employee	Maintaining an average of 50 hours or more of training per employee	Average training hours per employee: 64.18 hours.	Maintaining 50 hours or more of training per employee.	Maintaining 50 hours or more of training per employee.
		Digital literacy certification	<ul style="list-style-type: none">Integration of digitalrelated courses into various professional training programs, continuously offering technologyn professional training courses.40% of domestic employees have obtained digital literacy and AI certifications.	<ul style="list-style-type: none">All professional training courses for various job categories are conducted through blended learning with 100% digital teaching materials, including BA/ PM, Agile Development Certification Training,Digital Technology Training, and Online Information Security Testing, totaling 40,358 participants.43% of domestic employees have obtained digital literacy-related learning certifications (a total of 2,696 people).	<ul style="list-style-type: none">Integration of digitalrelated courses into various professional training programs,continuously offering technology professional training courses across the bank.45% of domestic employees have obtained digital literacy, AI certification, and digital operation certifications.	<ul style="list-style-type: none">Integration of digitalrelated courses into various professional training programs, continuously offering technology professional training courses across the bank.80% of domestic employees have obtained digital literacy, AI certification, and digital operation certifications.



Climate change

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
Address potential risks caused by climate change, E.SUN establish an assessment mechanism and appropriate risk management measures to enhance our management and response capabilities, including educational training and alignment with international rating agency requirements.	Chief Risk Officer /10%	<ul style="list-style-type: none"> CDP performance Carbon reduction target achievement Education and training transparency rate 	<ul style="list-style-type: none"> Maintain a CDP climate change performance of A- or above. Scope 1, 2, and 3 carbon emissions comply with SBT. Over 90% of new employees complete climate change education and training. 	<ul style="list-style-type: none"> Achieve A in CDP climate change performance. Scope 1, 2, and 3 carbon emissions are not significantly deviating from the SBT pathway.. Incorporating climate change education and training in onboarding programs for both physical and online training for new employees. 	<ul style="list-style-type: none"> Maintain a CDP climate change performance of A- or above. Scope 1, 2, and 3 carbon emissions comply with SBT. Establishing a financial carbon inventory system for investment and financing activities. 	<ul style="list-style-type: none"> Achieve SBTi scope 1, 2, and 3 phased carbon reduction targets.
Establish and implement environmental protection and energy-saving culture, reducing operating costs.	Head of Banking Management Department / 30%	Control operating environment indicators, carbon emissions, water consumption, and waste.	Based on 2020 as the baseline year,total carbon emissions decreased by 12.6%;based on 2016 as the baseline year,water consumption per unit of revenue decreased by 15.6%; waste per unit of revenue decreased by 38.9%.	Based on 2020 as the baseline year,total carbon emissions decreased by 18.5%;based on 2016 as the baseline year,water consumption per unit of revenue decreased by 32.6%; waste per unit of revenue decreased by 42%.	Based on 2020 as the baseline year,total carbon emissions decreased by 16.8%;based on 2016 as the baseline year,water consumption per unit of revenue decreased by 17.7%; waste per unit of revenue decreased by 44.6%.	Based on 2020 as the baseline year,total carbon emissions decreased by 42%;based on 2016 as the baseline year,water consumption per unit of revenue decreased by 31.1%; waste per unit of revenue decreased by 77.8%.
Increase the use of renewable energy through cooperative procurement, self-built solar energy, and purchase of renewable energy certificates, improving operational resilience.		Review the proportion of renewable energy usage based on the amount of renewable energy consumed and total electricity consumption.	Domestic sites achieve 20% renewable energy usage ratio*.	Domestic sites achieve 28% renewable energy usage ratio.	Domestic sites achieve 30% renewable energy usage ratio.	Domestic sites achieve 100% renewable energy usage ratio.

Note:1.In order to facilitate the assessment of progress towards the 2030 target, adjustments have been made to this target compared to the 2022 Sustainability Report.

2.The proportion of renewable energy usage in domestic locations is calculated using the formula: (Renewable energy consumed at domestic locations + Green energy certificates) divided by total electricity consumption at domestic locations.



Financial Technology and Innovation

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
Optimizing digital experiences and operations, accelerating the comprehensive application of technology, and integrating technology and sustainability into financial services to empower a more resilient financial services system.	Chief Digital Officer / 20%	Percentage of active customers on digital channels (of overall active customers)	56%	57.82%	58%	65%
		Digital applications as a proportion of total (including deposits, credit cards, loans, and funds)	68%	68.53%	69%	75%



Green Finance

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
Support for credit recipients with positive environmental and social impacts, including providing green credit and assisting enterprises in setting clear ESG development goals through sustainable linked loans to accelerate corporate transition.	Executive Officer of Corporate Finance / 20%	Green credit balance	63 billion NTD	80.9 billion NTD	100 billion NTD	130 billion NTD ^{Note}
		Sustainable linked loan balance	50 billion NTD	60.1 billion NTD	66 billion NTD	Occupying 13% of the total authorized balance of corporate finance loans
Implement sustainable investments, increase the proportion of sustainable development bond investments (sustainable development bonds refer to recognized green bonds, social responsibility bonds, and sustainable development bonds).	Chief Financial Officer / 15%	Sustainable development bond investment balance	28 billion NTD	29.4 billion NTD	35 billion NTD	42 billion NTD

Note: The 2030 original target for green credit balance in 2022 was set at 100 billion NTD but planned to achieve 2024, thus the 2030 target will be adjusted in 2023.



Customer experience and fair treatment

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
Focusing on customer experience, establishing a culture of fair treatment for customers, and ensuring service quality.	General Manager	Customer satisfaction	· Maintain a satisfaction rate of over 90% across all channels.	· 2023 Achievement Status · Physical Channel: 93.4% · Digital Channel: 94.8% · Customer Service Channel: 86.2%*	· Maintain a satisfaction rate of over 90% on Physical and Digital Channel · Maintain a satisfaction rate of over 85% on Customer Service Channel.	· Maintain a satisfaction rate of over 90% across all channels.
		NPS (Net Promoter Score)	· Maintain a physical channel NPS of 60% or higher. · Maintain a digital channel NPS of 55% or higher. · Maintain a customer service channel NPS of 50% or higher.	· Physical Channel: 67.8% · Digital Channel: 61.9% · Customer Service Channel: 49.1%*	· Maintain a physical channel NPS of 60% or higher. · Maintain a digital channel NPS of 55% or higher. · Maintain a customer service channel NPS of 50% or higher.	· Maintain an NPS of 60% or higher for each channel.
		Implement the principle of fair treatment for customers	· Received the Financial Supervisory Commission's Fair Treatment of Customers Award.	· Ranked in the top 25% in the Financial Supervisory Commission's fair treatment of customers assessment.	· Received the Financial Supervisory Commission's Fair Treatment of Customers Award.	· Received the Financial Supervisory Commission's Fair Treatment of Customers Award.

Note: The call centers in the first half of 2023 was impacted due to the reopening of borders, the government's policy of distributing NT\$6,000, and the launch of new co-branded cards led to a longer wait times for customers and affected overall experience. However, as these events have come to an end and the customer service center implemented emergency measures such as manpower allocation and optimizing self-service options, the satisfaction level and NPS have shown a reversal trend in the second half of 2023.



Corporate Governance

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
Continuously strengthen the Board's functions, enhance the management team's leadership, value shareholder rights protection, and ensure accurate and transparent information.	Corporate Governance Officer / 100%	· Board functions · Information transparency · Shareholder participation	· In accordance with the newly revised "Corporate Governance Best Practice Principles," regulate the control measures for stock transactions during the closed period and establish a post-event verification and confirmation mechanism. · Implement the re-election of directors and the handling of the first-term training for new directors. · Commission an external independent professional institution to carry out the "Board Performance Evaluation" operation.	· Regulate the trading of stocks by insiders who have access to financial statements or performance information, as well as mechanisms to verify and confirm the closed period for directors by revising the "Equity Management Policy." · The 8th board of directors election has been completed, and provided directors the E.SUN Board Handbook, arranged an orientation session for the newly directors and planned an 18-hour director training program. · Assist professional institutions in evaluating the performance of board of directors through questionnaires and on-site interviews, and incorporate the relevant recommendations into priority plan for strengthening corporate governance.	· Voluntarily engage a professional third-party institution to conduct corporate governance certification. · The requirement for shareholder meeting reports regarding transactions involving the acquisition or disposition of assets with related parties included in the internal regulations. · Continuously enhance the information related to corporate governance in official website.	· Refer to the company's phased sustainable development strategy, integrate and formulate the company's governance upgrade plan for advanced deployment. · Continuously optimize the company's governance culture according to the policies of the competent authority and refer to the best domestic and foreign corporate governance principles and practices, review the company's governance structure, and promote the amendment of relevant regulations and adjustment of disclosure information.



Code of Conduct and Ethic

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
Incorporate the values of honesty and integrity into the corporate culture, creating a trusting relationship with customers.	Chief Compliance Officer / 40%	<ul style="list-style-type: none"> Education, training, and implementation assessment Risk assessment mechanism for unethical business practices. 	<ul style="list-style-type: none"> Continuously implement education, training, and promotion. Maintain 100% employee participation. Integrate dishonest behavior risk assessment activities and overall operational risk management mechanisms. 	<ul style="list-style-type: none"> Conduct integrity and ethical operation education through various training programs. Provide all directors with educational on integrity in business operations and handling of internal significant information. Implement online integrity and ethical business training and testing, with a 100% employee participation rate. Established a risk assessment mechanism for unethical behavior. 	<ul style="list-style-type: none"> Continuously implement education, training, and promotion. Maintain 100% employee participation. Establish a dynamic dashboard for assessing the risk of unethical behavior. Complete the internal regulations and relevant documents for various accountability systems by the end of June 2024, and submit to the E.SUN Accountability Committee and the Board of Directors in September. Anticipate that all senior management personnel in E.SUN will sign the declaration of responsibility by the end of November, in compliance with the "Bank's Implementation of Responsibility Map System Self-disciplinary Norms." 	<ul style="list-style-type: none"> Continuously implement education, training, and promotion. Maintain 100% employee participation. Continuously optimize the integrity management behavior risk assessment mechanism.



Talent Attraction and Retention

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
Using Our Own Hands to Create Our Own Future	Chief Human Resource Officer / 40%	Employee Engagement	Maintain employee engagement above 90%	<ul style="list-style-type: none"> 88.1% Unachieved. Compared to a growth of 3.1% in 2022, through continuous improvement of performance evaluation and compensation system via human resources enhancement projects, and proactive communication with supervisors and colleagues, the overall feedback is reflected in the results of employee engagement surveys. 	Maintain employee engagement above 90%	Maintain employee engagement above 90%
		Talent Retention Rate	Talent Retention Rate Maintains Above 90%	89%	Talent Retention Rate Maintains Above 90%	Talent Retention Rate Maintains Above 90%
		High-Performance Talent Retention Rate	High-Performance Talent Retention Rate Maintains Above 95%	95.4%	High-Performance Talent Retention Rate Maintains Above 95%	High-Performance Talent Retention Rate Maintains Above 95%
		Percentage of female managers	Maintain the percentage of female managers at 39% and above	41.5%	Maintain the percentage of female managers at 41% and above	Maintain the percentage of female managers at 41% and above



Compliance with laws and regulations

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
Embed the concept of compliance with laws and regulations in the hearts of managers and employees, emphasizing that all business operations must not exceed the risk limits, and all services must not exceed the legal boundaries, achieving zero trust in operational processes and zero tolerance for risk and regulatory violations.	Chief Compliance Officer / 100%	<ul style="list-style-type: none"> Implementation of education and training. Participation rate of compliance testing for employees. Self-assessment item updates and implementation effectiveness. Timeliness, implementation, and accuracy of compliance tracking forms. 	<ul style="list-style-type: none"> Complete the construction of the compliance management system in the fourth quarter of 2023, strengthen the mechanisms for law dissemination, consultation, communication, and reporting, improve the internal efficiency of compliance, and reduce the working hours of employees. Continuously implement compliance education and training and conduct compliance testing for the entire bank. Continuously engage in one-on-one on-site or online exchanges. 	<ul style="list-style-type: none"> The compliance management system was launched by the end of October 2023, addressing the issue of instability in the previous system, and expanded user base to overseas subsidiary units, significantly improving the efficiency of regulatory compliance. Provide compliance materials to each unit for monthly educational training and conduct a comprehensive compliance test for the entire bank in May. Conduct on-site compliance inspections and visits to Hong Kong branch, Singapore branch, and subsidiary banks in China. 	<ul style="list-style-type: none"> Continue to implement compliance education and training and conduct comprehensive compliance assessments throughout the entire bank. Maintain ongoing one-on-one exchanges with overseas units, both in-person and online. The compliance management system continues to collect user feedback and has implemented significant improvements to enhance the resilience and efficiency of compliance management to empower sustainable governance. 	<ul style="list-style-type: none"> Continuously improve through education, training, and testing to establish a proactive risk culture and deepen the overall compliance awareness of management and employees. Utilize legal compliance management systems and regulatory management systems as tools to enhance management efficiency and ensure adherence to laws and regulations.



Information Security and Personal Data Protection

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
<ul style="list-style-type: none"> Continue to obtain international professional certifications to practice information security, personal data protection, and business continuity in alignment with international standards. Establish a comprehensive governance system, cultivate a strong awareness of information security among colleagues, identify security risks and vulnerabilities, and effectively strengthen security measures. Construct a robust information security framework to enhance the availability of information services, demonstrate security resilience, and improve the maturity of our security governance. 	Chief Information Security Officer /100%	<ul style="list-style-type: none"> Strengthening E.SUN's personal data protection system. Number of successful security incidents involving customer intrusions. Obtain international professional certifications. Implementing a cloud-based zero-trust framework. 	<ul style="list-style-type: none"> The number of successful cybersecurity incidents caused by successful hacking is 0. New trust business and digital personal finance business have obtained BS10012-2017 Personal Information Management certification. E.SUN's Personal Internet Bank and Mobile Bank have obtained ISO22301:2019 Business Continuity Management System and ISO27701:2019 Privacy Information Management System certification. Establish the Breach and Attack Simulation system. Also complete the infrastructure security health diagnosis of E.SUN Financial Holdings and its subsidiaries. 	<ul style="list-style-type: none"> There were no cybersecurity incidents caused by hacking in 2023. Obtained ISO 27701 Privacy Information Management System and ISO 22301 Business Continuity Management System certifications in June 2023. Establish an intrusion attack simulation system and complete security diagnosis of E.SUN FHC and subsidiaries' infrastructure. 	<ul style="list-style-type: none"> Strengthen the personal data management system and organizational operations to ensure consistency in personal data protection mechanisms. The number of successful cybersecurity incidents caused by successful hacking is 0. Obtained ISO 27001:2022 certification for the international standard on information security management systems. Developed cloud security guidelines for operating cloud systems and complete the implementation of cloud environment security monitoring. 	<ul style="list-style-type: none"> The number of successful cybersecurity incidents caused by successful hacking is 0. E.SUN and E.SUN Securities complete the ISO/IEC27001:2022 information security management system update and continue to obtain certification. Establish a consistent personal information management system for E.SUN Financial Holdings and its subsidiaries, continue to improve the supplier risk management system and zero trust architecture.



Inclusive Finance

* Respond to GRI3-3c Policy or Commitment

Strategy*	Management Team / compensation linked to material issue	Key Performance Indicator (KPI)	2023 Target	2023 Achievement Status	2024 Target	2030 Target
Promoting inclusive financial policies to ensure that individuals and businesses from diverse backgrounds have access to suitable and diverse financial services on the basis of openness, equality, and diversity to foster social employment and economic development, eliminate inequality, and promote inclusive finance.	Executive Officer of Retail Banking / 20%	Solve the issue of limited financing for small businesses with annual revenue below 50 million, and assist individuals or businesses with significant social impact in their local communities.	<ul style="list-style-type: none"> · Increase the number of small business loan appropriation by 4,000. · Increase the number of appropriation of New ventures, local revitalization, social enterprises, and youth entrepreneurship activation funds, etc., by 1,300. 	<ul style="list-style-type: none"> · Increase the number of small business loan appropriation by 4,148. · Increase the number of appropriation of new ventures, local revitalization, social enterprises, and youth entrepreneurship activation funds, etc., by 1,599. 	<ul style="list-style-type: none"> · Increase the number of small business loan appropriation by 4,300. · Increase the number of appropriation of new ventures, local revitalization, social enterprises, and youth entrepreneurship activation funds, etc., by 1,650. 	<ul style="list-style-type: none"> · Increase the number of small business loan appropriation by 6,000. · Increase the number of appropriation of new ventures, local revitalization, social enterprises, and youth entrepreneurship activation funds, etc., by 1,800.
		Provide innovation and friendly financial service for disadvantaged, handicapped or elder customers through digital and barrier-free financial service.	<ul style="list-style-type: none"> · Add 150 visually impaired voice ATMs (at least one in each branch). · Formulate A, B, and C grades according to the barrier-free branch facility services, all of the branches are C grades in 2022. Complete 8 branches to Grade A and 13 branches to Grade B in 2023. · Optimize E.SUN bank official website's self-service information. 	<ul style="list-style-type: none"> · Install 155 visually impaired voice ATMs, with at least one in each branch, totaling 254 ATMs deployed. · Provide accessibility facilities and services in branches and establish a friendly financial classification system. Achieve the goal of having 8 branches at Grade A and 13 branches at Grade B.^{1&2} · Website has obtained the highest level of accessibility certification. Mobile bank provides visual accessibility services for visually impaired individuals. Offer ATM verification code binding for hearing-impaired individuals to ensure transaction security. 	<ul style="list-style-type: none"> · Add 150 visually impaired voice ATMs. · Continue to improve the number of branches with friendly services, with the goal of achieving 18 Grade A branches and 70 Grade B branches by 2024. · Optimize the self-service information on our official website to make it more convenient for customers to access financial services. 	<ul style="list-style-type: none"> · Replace all ATMs with visually impaired voice ATMs. · Complete 40 branches to Grade A and 97 branches to Grade B in 2030. · Continuously optimize digital channels and offer accessible financial service.

Note: 1. Branch accessibility facilities and services are provided to customers, including various alternative improvement measures, to ensure customers have convenient and barrier-free friendly financial services.

2. Six service indicators for the classification system: 1. Accessible ramps, 2. Accessible consultation rooms, 3. Wheelchair charging stations, 4. Customer service telephone lines and text service QR codes at wheelchair-friendly height, 5. Accessible parking spaces, 6. Accessible restrooms. Branch can earn 1 point for offering each of the above services. Grade A: 5-6 points, Grade B: 4 points, Grade C: 3 points or below.

02 Moving Towards Net Zero

Moving from commitment to action, E.SUN continues to increase its green assets through supporting renewable energy, phasing out of coal companies, providing green building loans, and implementing internal carbon pricing. We are steadfast in our responsibility towards net-zero emissions by 2050.

[2.1 Climate & Environment Governance Structure](#) [2.2 Climate & Environment related Risk and Opportunity](#)

[2.3 Opportunity Identification](#) [2.4 Risk Identification](#) [2.5 Carbon Emissions Structure](#)

A Level

Carbon Disclosure
Project (CDP)
Leadership A-list

21.7%

Percentage of
investments in
companies with
validated SBT

18.5%

Annual reduction
of Scope 1 & 2
emissions



Accelerating climate transition through data and technology

Aligning with international standards, employing science-based approaches to assist in decision-making and operations, driving climate transformation through sustainable innovation.

Systems and automation - Establishing a financed carbon emissions management system

E.SUN established a standardized carbon inventory mechanism to manage carbon emission data in accordance with the PCAF Standard through its Financed Carbon Emissions Inventory Management System. With this system, we have increased the automation rate, improved efficiency, and reduced operational risks. Technology assists in the generation of financed carbon emission information and target management, enabling us to respond to potential risks and opportunities in real-time.

Enhancing climate risk management - Improving our physical risk database

The physical risks of climate change pose a significant challenge to the operational resilience of banks. In addition to the potential disruption of business operations, which may impact customer service and revenue, the depreciation of credit collateral value is also a major concern. To effectively manage climate-related physical risks, E.SUN has established an internal physical risk database that integrates with its business systems to provide decision-making information. We will continue to expand our collection of climate-related risk data in order to enhance the ability of frontline staff to identify physical risks.

At the forefront of international trends - Joining TNFD Early Adopters

Since 2022, E.SUN has been implementing the LEAP methodology and has been at the forefront of integrating the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD) frameworks by publishing its "Climate and Environmental Report." This report focuses on both climate change and biodiversity, with "Nature Positive" as a key goal. The report has received recognition from the TNFD secretariat and has been shared on social media, making it a featured case study in the TNFD's Guidance for Financial Institutions. E.SUN further strengthens its commitment by being among the first globally to join TNFD Early Adopters, taking concrete action to care for this beautiful land.



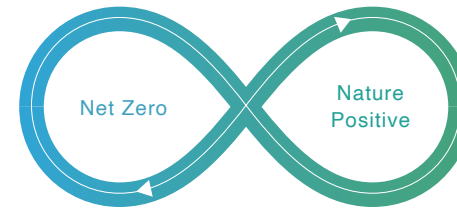
Climate and Environment Report



Moving Towards Net Zero

GRI: 2-23, 2-24, 2-25, 3-3, 201-2

E.SUN continues to follow the TCFD (Task Force on Climate-related Financial Disclosures) framework: Governance, Strategies, Risk Management, and Metrics & Targets to disclose climate-related information. We have set comprehensive coal "phase-out" goals by 2035 and Net Zero by 2050, using a scientific approach and robust risk management to move us steadily towards our net-zero target.



Initiatives Joined

2014

The first financial institution in Taiwan included in DJSI

2015

Adopted the Equator Principles

2017

First Taiwanese signatory of TCFD

2022

- First FI in Taiwan to receive validation of Science Based Targets (SBT)
- Joined TNFD, RE100, PCAF
- Appointed by the FSC as a member of Movers and Shakers on Sustainable Finance

2023

- Joined the Partnership for Biodiversity Accounting Financials (PBAF)
- Became first batch of TNFD Early Adopters

E.SUN's Climate & Environmental Actions

2019

- Quantified transition risk of fossil fuel industry
- Stopped providing project financing to coal-fired power plants
- Issued carbon-neutral credit cards

2018

Conducted business review and risk identification based on climate change

2017

Established climate change management mechanisms and set up a working team

2021

- Set net zero by 2050 target
- Established sustainable finance policy
- Launched E.SUN ESG and Sustainability Initiative

2020

- Expanded measurement of the impact of high-climate risk industries
- Compiled GHG inventory for finance and investment portfolio

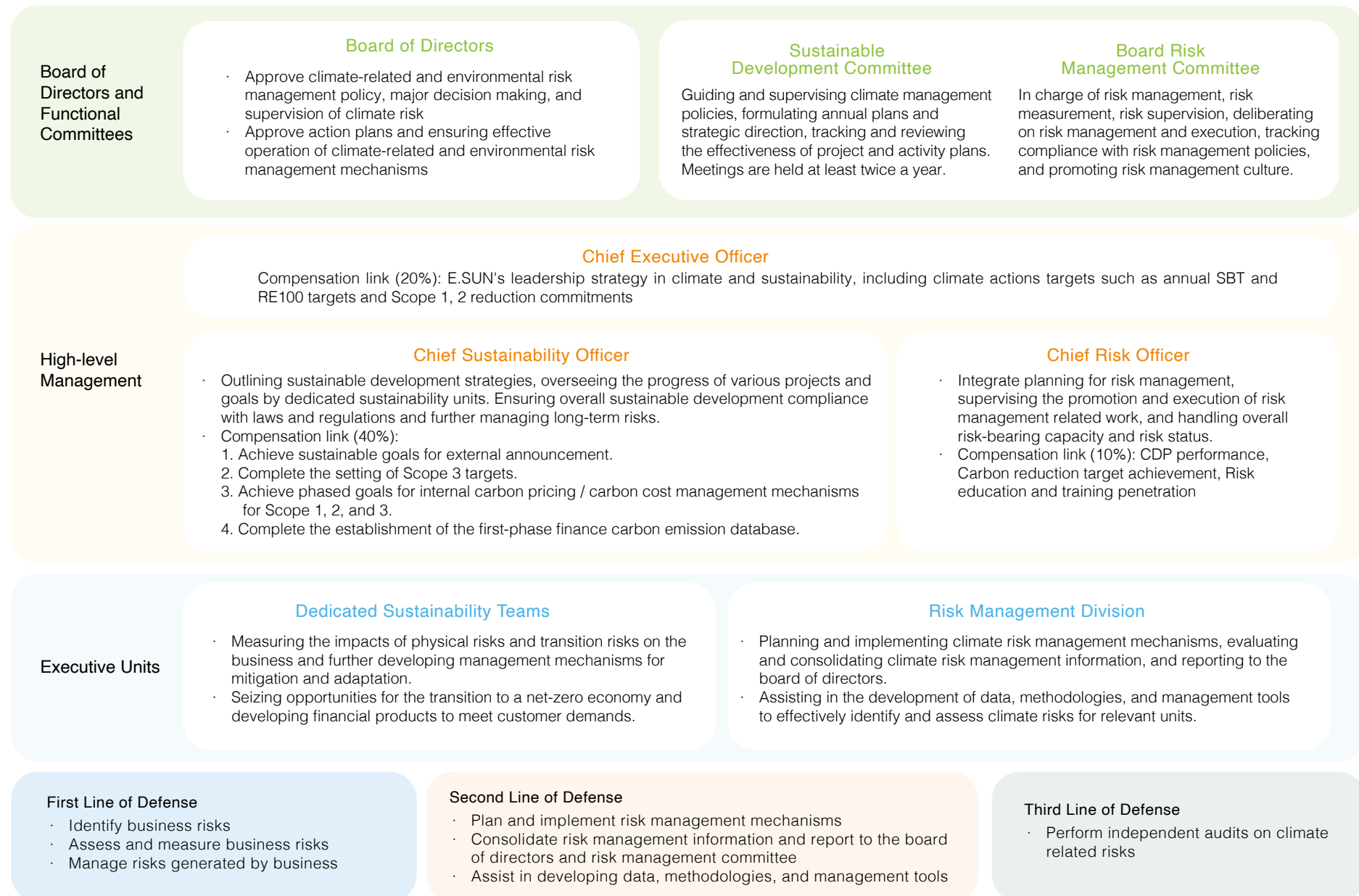
2022

- Established climate and environmental risk management policy
- Expanded E.SUN ESG Sustainability initiative to over 100 outstanding companies
- Published our first Climate and Environmental Report

2023

- Establish physical and transition risk database, strengthening risk detection
- Further expanded E.SUN ESG Sustainability initiative to 167 outstanding companies

2.1 Climate & Environment Governance Structure



2.1.1 Policy and Culture Building

In order to better integrate climate change and sustainable development into operational decision-making, management systems, and business processes, E.SUN has established a board-level Sustainable Development Committee and dedicated organizations in each major unit. Starting from the governance level, E.SUN is committed to implementing its climate and environmental culture, outlining a long-term sustainable development blueprint, and implementing it in daily operations. Internally, we systematically cultivate green finance talents, and integrate ESG and climate environment into our development strategy to support internal decision-making, management processes, and business scope.



Establish a climate & environment management culture

- Established the Sustainable Development Committee with the chairman as convener
- Establish climate and environment related policies and procedures, and regularly report on progress¹
- Arrangement of annual Climate and Sustainability education training for the Board members and Senior Management to facilitate management in understanding latest climate trends²



Cultivate climate & environment finance specialists

- Collaborated with TAISE to hold the "Sustainable Finance Manager Development Program" to enhance ESG and climate-related skills, with 155 employees in total participating
- Internal education and training integrate ESG-related topics, introducing climate environmental risk management courses in a hierarchical training program that covers senior managers, mid-level managers, specialists in all divisions, and new employees. Additionally, environmental consensus is achieved through online courses and monthly education materials
- Members of relevant project teams have accumulated international certifications such as SCR, CFA ESG, CCI, ISO 14064-1,2,3, ISO 14067, PAS 2060, etc.



Enhance climate & environment risk assessment skills

- Collaborate with external consultants to introduce climate and environmental-related technologies and establish databases for transition risks and physical risks.
- The first financial institution in Taiwan and the second financial institution in Asia to complete the SBT review
- Joined PCAF and adopted its methodology to evaluate financed emissions

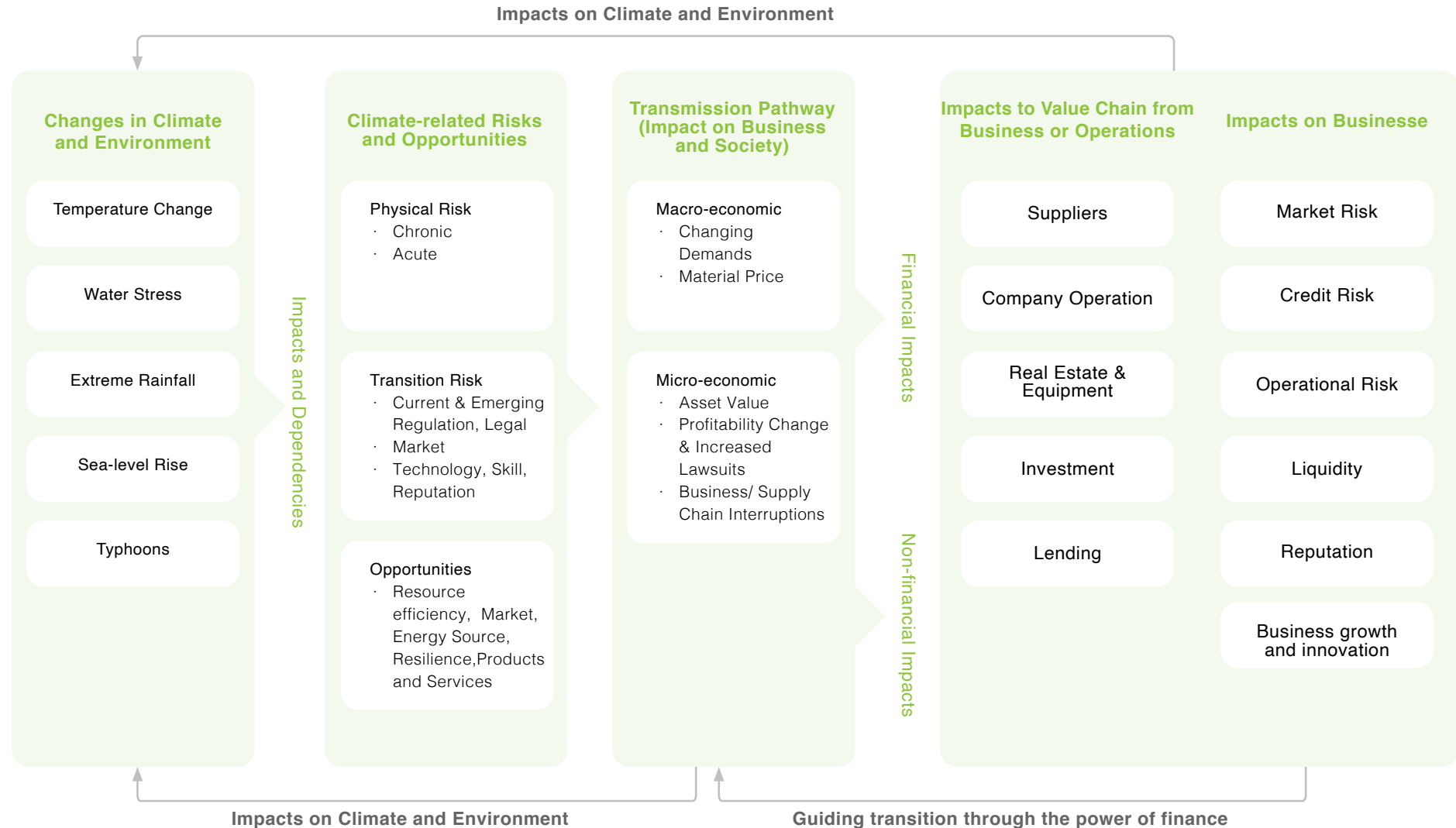
Note 1: For information on climate related government results for the Board and senior management, please see E.SUN FHC 2022 Annual Report pg37-43

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

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

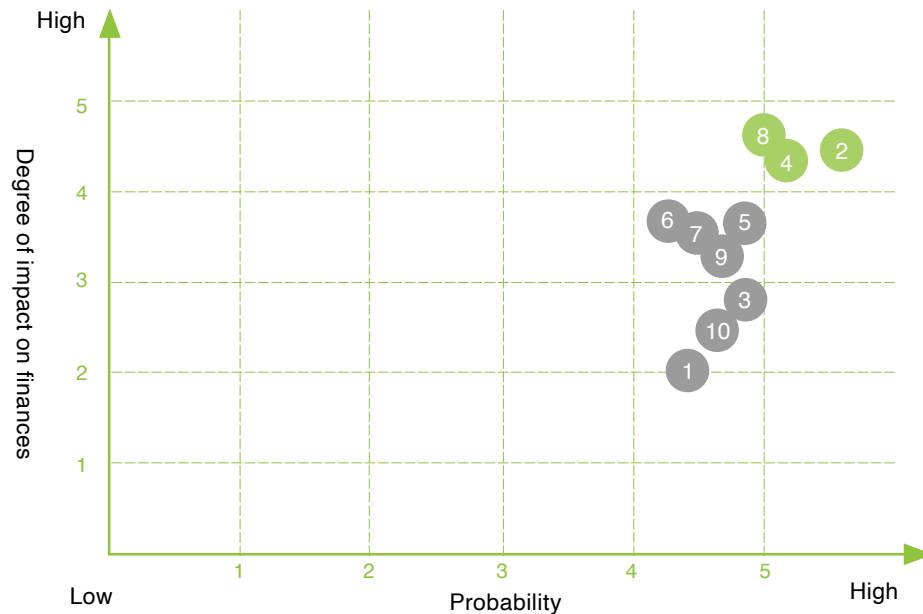
2.2 Climate & Environment related Risk and Opportunity

Financial institutions play a vital role in guiding companies through transition. E.SUN holds the concept of "Double Materiality" and tackles the risks and opportunities brought by climate change and strives to lower the negative impacts on the environment and society. We leverage the influence of finance to aid our customers in sustainable transition, joining together industry partners, government, and academia to build a better future for the environment.



2.3 Opportunity Identification

In addition to facing climate and environmental risks, E.SUN actively seeks business opportunities for climate and environmental transition. One of the key elements to achieve Net Zero is through finance. Taiwan's financial industry controls significant capital, which can be utilized through investments or financing to expedite the progress towards net zero. The EU plans to implement the Carbon Border Adjustment Mechanism (CBAM) starting in 2026, which will exert significant pressure on international supply chains for low-carbon transition. Taiwan, as a critical producer in many major industries, will also be driven to transition. The financial industry must exert a positive influence by directing funds towards climate and environmentally friendly companies. E.SUN actively develops and supports the policies of regulatory authorities, assisting customers in low-carbon transition, and supporting the development of low-carbon technologies through related businesses such as green finance, creating new opportunities for sustainable finance.



Note: ● are considered more material

	Opportunity	Potential Financial Impact(s)	Impact Period
Resource Utilization Rate	1 Green and Low Carbon Operation	Green buildings and environmentally friendly measures to save water, energy, waste and costs	Medium
	2 Process Digitalization	Invest in process digitalization to improve operational efficiency and reduce the consumption of natural resources and negative environmental impact	Short
Energy Sources	3 Renewable Energy Use	Use renewable energy to reduce dependence on fossil fuels and the impact of carbon-related costs, and to reduce GHG emissions	Long
Products and Services	4 Promoting Green Finance	Develop green products and services, direct capital to sustainable areas, help customers transition, and create business opportunities	Medium
	5 Digitalized Customer Service	Digitalized and convenient financial services to increase customer satisfaction and reduce service costs	Medium
Market	6 Corporate Sustainability Transition	Offer innovative green financial products to expand customer engagement and business opportunities.	Medium
	7 Capital Market Participation	Increase financial asset diversification and explore sustainable investment/fundraising opportunities	Medium
Resilience	8 Increase Power of Finance	1. Enhance ESG performance, meet stakeholder expectations, and collaborate with sustainability partners to leverage financial influence.	Long
	9 Talent Development	2. Nurture sustainable finance talents, enhance capacity to respond to climate change, and promote innovation through sustainability	
	10 Operational Resilience Management	3. Supply chain management and green procurement to raise operational resilience	

Note 1: Time frame definition, short-term is within 1 year, medium-term is between 1 to 10 years, and long-term is over 10 years

Note 2: Assessment on degree of impact includes potential losses or cost increase, revenue growth margin, and percentage of affected employees.

Note 3: Credit products are categorized as follows: Short-term, maturity of less than 1 year; medium-term, more than 1 year but less than 7 years; long-term, more than 7 years. Mortgage loans are mainly products with a 30-year maturity period, while corporate finance provides suitable products according to customers' needs. The product strategy is based on a 5 to 10-year cycle, during which management is done annually, and is further adjusted depending on management needs

2.3.1 Financial Plan and Response Strategy

Based on the identification of significant internal and external climate and environmental opportunities, E.SUN has formulated climate strategies and actions related to operations, business, products, and financial planning. Additionally, annual and long-term financial performance goals have been set for climate-related products (see page 31 for details) to enhance the income and asset proportion of these products. E.SUN also aims to improve internal operational efficiency and reduce manpower costs through digitalized service processes.

Benchmarking	Material Opportunities	Internal Strategies and Targets	Current Actions and Results
<ul style="list-style-type: none"> Paris Agreement Taiwan 2050 Net-zero Emissions Pathway Taiwan Green Finance Action Plan Corporate Governance 3.0 – Sustainable Development Blueprint SBTi Science-based Carbon Reduction Targets Principles for Responsible Investment (PRI) Principles for Responsible Banking (PRB) TCFD TNFD 	1. Green and Low Carbon Operation 2. Process Digitalization	<ul style="list-style-type: none"> Reduce absolute carbon emissions of Scopes1 and 2 by 42% by 2030 compared to the 2020 baseline Reduce water consumption by 20% and waste by 56% by 2025 Reduce carbon emission by revenue by 25% by 2025 100% renewable energy use at all of E.SUN's operating locations by 2040 	<ul style="list-style-type: none"> Establish rainwater recycling and water-saving devices, promote proper water-saving concepts and conserve water resources. Implement waste sorting, recycling, and reuse management, and promote going paperless. Replace energy inefficient air-conditioners and lighting equipment. Implement ISO 50001 to strengthen energy management standards. Purchase green electricity and install solar panels on E.SUN-owned buildings to increase the proportion of renewable energy use.
	3. Renewable Energy Use		
	4. Promoting Green Finance	<ul style="list-style-type: none"> E.SUN aims to be the choice sustainability partner for small-medium enterprises and other customers by 2030 	<ul style="list-style-type: none"> Support customers with positive impact on the environment and society, including green projects such as renewable energy and companies with clear ESG development objectives, etc.
	5. Digitalized Customer Service	<ul style="list-style-type: none"> Continue to deepen scope and scale of green products in line with Taiwan's 2050 net-zero emissions pathway and strategies. Target 100 billion NTD in green loans by 2030 Target Sustainability Linked Loans account for 13% of all corporate loans by 2030. 	<ul style="list-style-type: none"> Leverage the positive impact of finance and deepen relationships with customers and sustainability partners through partnerships, ESG sustainability initiatives and consulting services.
	6. Corporate Sustainability Transition	<ul style="list-style-type: none"> E.SUN will employ 10 additional personnel to develop green products, which will cost \$15M NTD assuming annual salary is \$1.5M per person. 	<ul style="list-style-type: none"> Establish dedicated green product development team to seize opportunities.
	7. Capital Market Participation		
	8. Increase Power of Finance	<ul style="list-style-type: none"> Benchmark international standards (such as CDP, DJSI, etc.) and continuously improve, reaching net-zero emissions by 2050 Actively participate in government and international organizations' sustainability and climate change-related initiatives to strengthen response capabilities 	<ul style="list-style-type: none"> Establish management structures, revise internal climate change-related regulations, integrate into daily operations and business development, and enhance risk and opportunity management capabilities.
	9. Talent Development	<ul style="list-style-type: none"> Collaborate with TAISE to establish a Sustainable Finance Manager certification to enhance ESG and climate-related skills 	<ul style="list-style-type: none"> Participate in regulatory and industry association climate-related projects to help formulate related regulations, such as the Taiwan Sustainable Taxonomy, Bankers Association climate change risk management projects, and climate stress test projects etc.
	10. Operational Resilience Management	<ul style="list-style-type: none"> Internal education and training incorporates ESG-related issues, and climate risk management training is introduced into the orientation program. 	<ul style="list-style-type: none"> Cultivate in-house sustainability and climate talent, and plan to subsidize relevant certifications. Improve mitigation capabilities by obtaining green building certifications on new constructions, building enhancements, and through operations management

2.3.2 Climate & Environment related Product and Service Overview

In response to climate change, it is essential to address customer needs by innovating products and services. E.SUN is determined to become the top choice for sustainable transition. We aim to go beyond being a provider of funds and become an enabler of the low-carbon economy. The climate-related products of E.SUN Bank for 2023 is presented in the table below. For more information about each product, please refer to the "Banking for Better" chapter.

Personal Finance

Zero Carbon Credit Card

- E.SUN Bank's **entire range of credit cards are now carbon neutral**.
- Over **6.46 million** cards have been issued

Digital e-Card

- In 2022, E.SUN Bank led the market in launching the virtual "Digital e-Card" which reached 99.5% online application rate. Physical cards are no longer provided after approval.
- This reduces the carbon emissions by 1,100 grams per card. In 2023, it is estimated to reduce carbon emissions by approximately 17.5 metric tons.

Zero-carbon ATMs

- In 2023, E.SUN Bank ATMs obtained ISO14067 certification. We use carbon credits verified and publicly disclosed by SGS, and obtained PAS 2060 certification for achieving carbon neutrality.

Digital Account Services

- Acquired market leading ISO14067 Carbon Footprint Verification and PAS 2060:2014 Carbon Neutrality specification, creating a net-zero finance circle for our customers

Innovative Inclusive Financial Services

- E.SUN promotes going paperless and reducing GHG emissions by switching to online platforms and electronic bills/statements.

Smiling Polar Bear Series Loan

- For mortgage collaterals that have the Green Building Mark issued by the Taiwan Architecture and Building Center, interest rates or fees are discounted. A total of 1,118 loans with a balance of approximately **NT\$17.03 billion** have received these incentives. The target for average annual growth rate of disbursed funds is 8% for 3 years

Note: Green building mortgage include "purchase loans" and "working capital loans."

Corporate Finance

Green Loans

- Assisting in the development of green projects, such as renewable energy, energy storage, green building, and energy-saving equipment.
- Balance reached **NT\$80.9 billion** as of Dec. 2023
- Target balance NT\$130 billion by 2030

Sustainability Linked Loans

- Encouraging companies to establish and achieve ESG development goals, with financial service incentives provided to companies that meet their targets.
- Balance reached **NT\$60.06 billion** as of Dec. 2023
- Target **13%** of total corporate loans by 2030

Sustainable Advocacy

- Inviting like-minded corporate partners to focus on sustainability and jointly reduce carbon emissions, thereby building a sustainable ecosystem through practical action.
- From 2021 to September 2023, the "E.SUN ESG Sustainability Initiative" was held with **242** companies joining the initiative.

Sustainability Consulting Services

- Combining internal expert teams with external professional consultants to provide advisory services that assist corporate clients in ESG development
- As of December 2023, engaged with a total of 167 companies on sustainability and climate-related issues, including recommending steps for carbon reduction and encouraging and assisting companies in implementing GHG inventories

Sustainability Savings

- Balance reached NT\$923 million as of Dec. 2023

Note: Climate-related products and services are estimated to create annual financial positive implications of \$2.67 billion NTD

Medium and Large Enterprises / Financial Institutions

Sustainable investments

- The balance of investments in certified green bonds, social bonds, and sustainability bonds is **NT\$29.4 billion**.
- The target balance for 2030 is **NT\$42 billion**.

Sustainable Bond Issuance

- Channeling funds to environmentally and socially friendly industries through issuance of sustainability bonds
- Total issuance reached **NT\$23.4 billion**

Sustainable Bond Underwriting

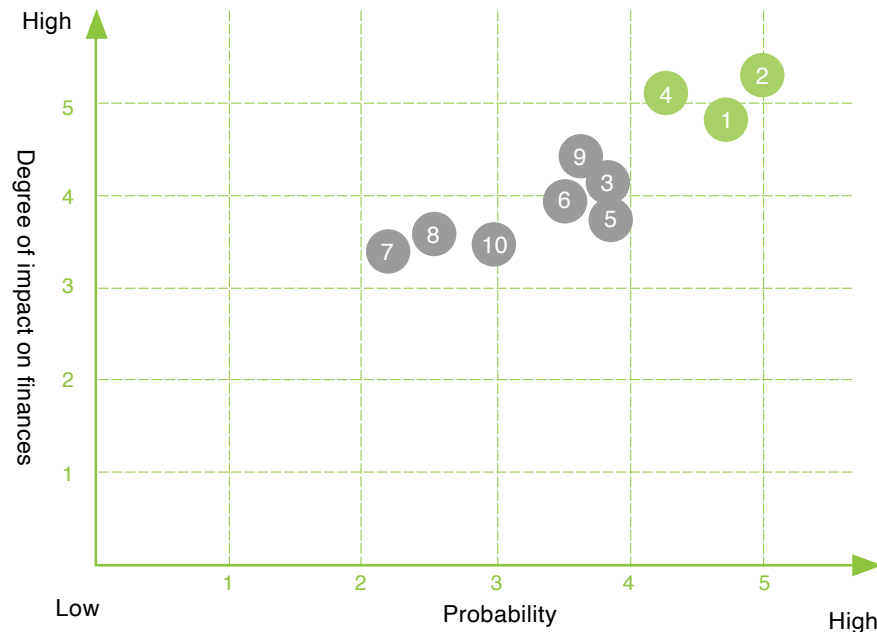
- Supporting companies in raising funds for sustainability causes and assisting them in issuing sustainability bonds
- Underwriting balance reached **NT\$25.4 billion**
- 2023 In 2023, E.SUN Securities acted as a co-underwriter for six companies in sustainable industries, with a total underwriting amount of **NT\$207 million**

Hedging and Consultation Services for Sustainability-related Projects

- Supporting environmentally friendly projects with our services by providing hedging and consultation services for sustainability-related projects, e.g., financing for offshore wind power projects and solar power projects.
- The hedging services provided amounted to **NT\$23.59 billion**.

2.4 Risk Identification

According to the WEF Global Risks Report 2024, extreme weather events, environmental changes, and natural ecosystem disruptions are the most significant risks in the next decade. Climate-related risks not only affect E.SUN's own operations but also have a greater impact on our investment and financing activities. For example, if our customers are impacted by climate-related risks, it can lead to credit deterioration or price fluctuations of E.SUN's assets. As climate change and the transition to low-carbon progress, these risks may have varying degrees of impact at different times, thereby affecting existing risks, such as credit risk, market risk, and operational risk. E.SUN considers the practical business management mechanism and life cycle of the products, and conducts climate change-related risk assessments for short, medium, and long-term periods. We integrate these assessments into the current risk management framework and review and formulate response plans regularly.



Note: ● are considered more material

	Risk Factors	Potential Financial Impacts	Term
Policy and Regulation	1 Carbon tax / fees	Financial impacts on the company, customer and clients from Carbon tax / fee.	Short
	2 Stricter regulations	Climate and Environmental policies, laws, and financial supervision become more stringent.	Short
Technology	3 Climate-sensitive Assets	Replacement of existing products and services with low carbon and environmentally friendly products may increase the uncertainty of operations and investment and financing assets	Medium
	4 Business Transition	Refining existing management mechanisms and systems or adjusting business operations and customer preferences in response to climate and natural environment issues, resulting in an increase in fees and costs (including opportunity costs).	Short
Market	5 Raw Material Prices	Price rising in water, electricity, and raw materials increases cost or negative impact on financial assets.	Medium
	6 Changing Consumer Preferences	Customers' preferences change; decision-making for operations, investment and financing requires considering ESG factors.	Medium
Reputation	7 Negative News / Litigation Risk	Negative behavior of company operations or customers, resulting in negative press and even litigation risk.	Medium
	8 Green-washing risk	Information bias or operating procedures creating risk of green-washing	Short
Acute	9 Natural Disasters	Natural disasters such as typhoons, floods, and water stress impairs assets or collaterals and interrupts operations.	Medium
Chronic	10 Natural Resource Depletion / Environment Deterioration	<ul style="list-style-type: none"> Lack or deterioration of natural resources (e.g., water shortages) on which the operation depends, impacting company or customer operations. Changes in climate patterns, rising sea level, loss of biodiversity affecting the economy, impacting our business model and that of our customers, increasing costs due to asset impairment or early replacement. 	Long

2.4.1 Impact Assessment

■ Correlation between Physical Risks and Traditional risks

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

■ Correlation between Transition Risks and Traditional risks

Business Category	Risk Impact	Major Risk Category	Risk Impact Level		
			Short-term	Medium-term	Long-term
Lending and Investment	<ul style="list-style-type: none"> The imposition of carbon taxes/fees and carbon tariffs in response to the low-carbon economic transition negatively affect high-carbon-emitting industries and enterprises that are unable to reduce carbon emissions or transition to green technology, as well as their related supply chains. Environmental assessment factors also influence factory development or operations, and products may face boycotts. High-carbon industries experience higher operating costs due to carbon cost burdens and face the risk of failure during the business transformation process. Environmental issues also impact specific sectors, resulting in fluctuations in investment position prices. 	Credit Risk	Low	Moderate	Moderate
		Market Risk	Low	Moderate	Moderate
Company Operations, Policy and Reputation	<ul style="list-style-type: none"> The imposition of carbon-related costs and increased investment in energy conservation and emission reduction (such as the use of renewable energy and energy-saving equipment) result in increased resource input. Climate change-related regulations and policies are common sources of transition risk, such as government legislation imposing carbon taxes or fees, implementing stricter energy efficiency standards for residential and commercial buildings, and imposing legal disclosure obligations for carbon emissions. When assessing policy and regulatory risks, it is necessary to consider the potential direct impact on operations and the potential indirect impact on the supply chain. Reputational risk is closely connected to how customers or the public perceive a company's commitment to low-carbon transition and upholding its environmental sustainability commitments. If a company fails to fulfill and implement its climate change commitments, it can impact the perception of stakeholders (including its upstream and downstream) and result in a negative reputation for the company, leading to the loss of customers, consumers, or suppliers, which affects the company's ability to secure funds or even recruit and retain employees. 	Operational Risk	Low	Low	Moderate
Suppliers	<ul style="list-style-type: none"> Manufacturers transfer investment and carbon-related costs as a result of transition, adjustments in service models, or legal restrictions, leading to increased payment costs. 	Operational Risk	Low	Low	Low

Low risk: Small increase in costs with little financial impact. Medium risk: Increased risk of overdrafts and fluctuations in asset prices may affect revenue growth. High risk: Increased risk of defaults on credit assets, fluctuations in investment asset prices, and extreme weather events affecting base operations, which may result in revenue decline.

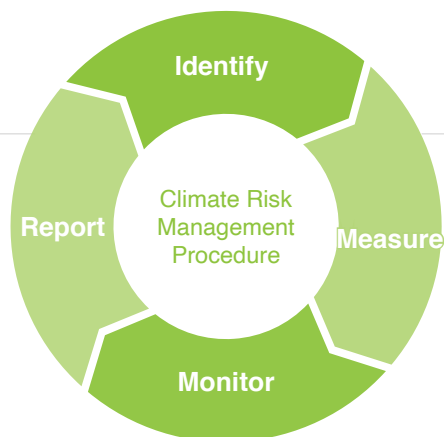
2.4.2 Climate & Environment Risk Management Procedures

Identify

- Regularly monitor relevant laws, guidelines, and publications to enhance the integrity of identifying climate-related risks that may impact business and operations.
- Establish the significance of climate-related risks and opportunities through the indicators recommended by TCFD, as well as relevant laws, guidelines, literature, and internal experts
- Strengthen the identification of companies with high climate-related risks in the lending process
- Incorporate climate change-related risks and opportunities into the management and analysis of securities investments and underwriting processes

Report

- Report on climate and environmental risks to the Board at least every six months, and regularly report risks to senior management to assess the exposure and management of climate change-related risks
- If climate & environment risks impact overall operations or business conditions, immediate appropriate management measures are taken and reported to the Board
- Disclose information according to climate & environment-related guidelines



Measure

- Conduct GHG inventories for investment and financing activities.
- Assess the proportion of climate change-sensitive assets
- Regularly conduct scenario analysis and stress tests on physical risks and transition risks to inform strategy development and risk management.

Monitor

- Establish indicators linking climate factors and reduce exposure when triggered
- Implement Science-based Targets (SBTs)
- Implement risk-based and differentiated management measures based on the results of climate & environment risk assessments

2.4.3 Climate-sensitive Assets

E.SUN employs domestic and international risk management guidelines, including those from UNEP FI and SASB, to identify industries that are particularly vulnerable to climate change impacts. These guidelines serve as both external disclosure references and internal risk decision-making tools.

As of 2023, E.SUN's investments and loans in climate-sensitive industries account for 6.29% of our total portfolio. E.SUN is committed to ambitious sustainability goals, including a complete phase-out of coal by 2035 and achieving net-zero emissions by 2050. To guide these efforts, E.SUN relies on science-based methods and robust risk management practices.

Climate-sensitive Assets

Climate-sensitive Asset Classification		Total Investment and Financing
Energy and Utilities	Fossil Fuels	0.65%
	Power Facilities and Utilities	1.50%
Transportation Industry	Transportation	0.90%
Materials and Construction	Petrochemical/Chemical	2.02%
	Metal Manufacturing/Smelting	0.56%
	Cement and Glass	0.18%
Agriculture, Food, and Forestry Products	Agriculture, Forestry, Fishing, and Animal Husbandry	0.16%
	Papermaking	0.31%
Climate-sensitive assets		6.29%
Non-climate-sensitive assets		93.71%
Total		100.00%

Note: Climate-sensitive asset positions include E.SUN Bank, Securities, and Venture Capital

2.4.4 Climate Change Scenario Analysis

SASB: FN-MF-450a.1, FN-MF-450a.2

■ Portfolio Scenario Analysis

Scenario analysis is a process of identifying and evaluating potential impacts of future events under uncertain conditions. Climate change scenario analysis, including stress testing and sensitivity analysis, conducts both quantitative and qualitative assessments of climate-related risks to understand the probable financial influences on business activities. Furthermore, the governance strategies and risk management processes will incorporate the assessment results. Using methods and scenarios set out by the "Domestic Bank's Application of Climate Change Scenario Analysis," E.SUN analyzed its investment and financial portfolio and disclosed relevant information as required by the FSC. This year we implemented advanced analysis methods, enabling a more precise identification of physical risk on financial impacts and further strengthening risk management as well as information transparency.

■ Scenario Setting

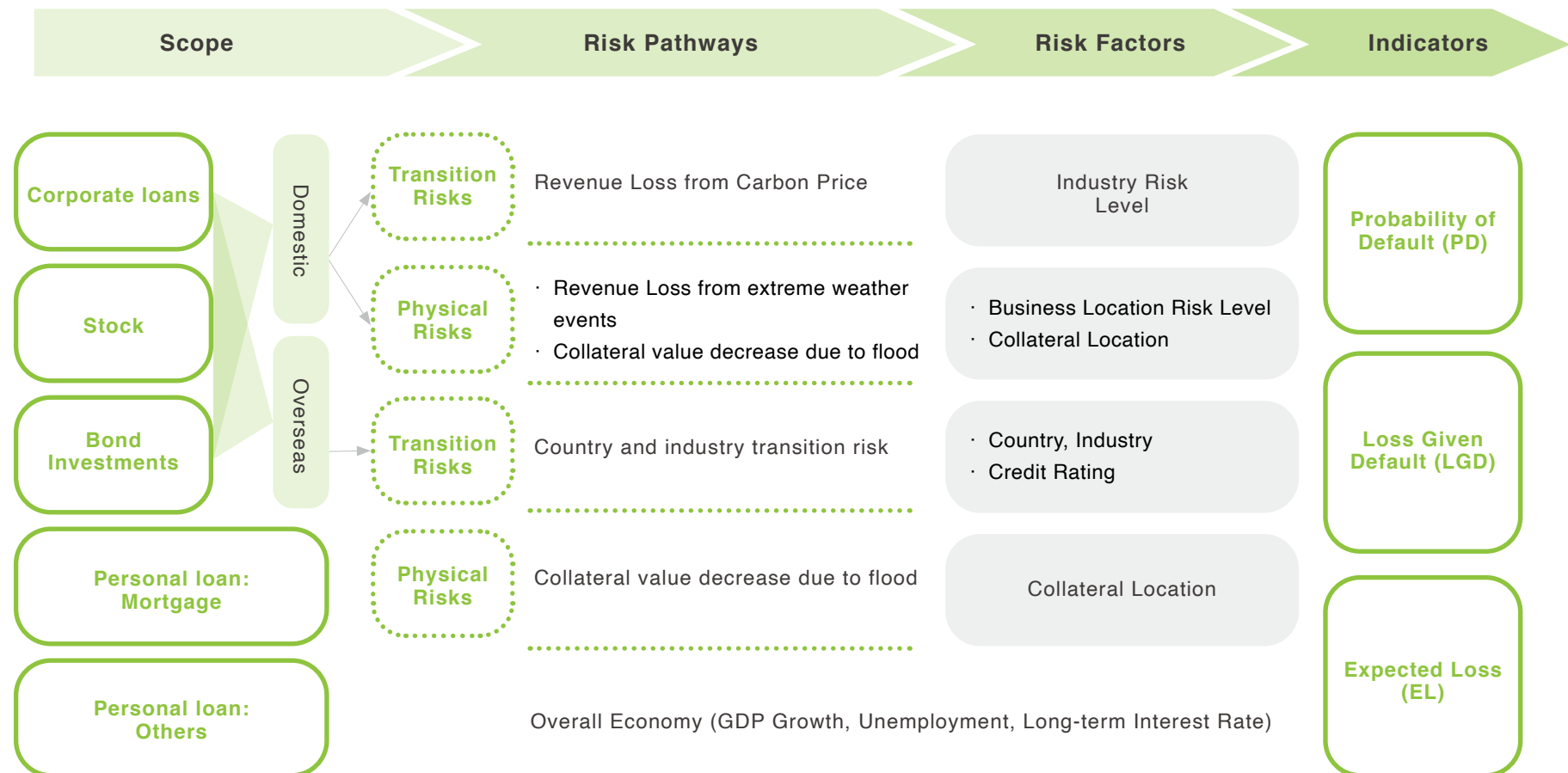
The scenarios are primarily based on the climate scenarios released by international organizations, such as The Network for Greening the Financial System (NGFS) and the UN Intergovernmental Panel on Climate Change (IPCC), and three scenarios are used: Orderly Transition, Disorderly Transition, and No Policy scenarios. The scenarios use the years 2030 and 2050 as checkpoints to analyze the impacts of climate change in the longer term. Details of scenario setting are listed as below.

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

Note: The RCP2.6 scenario represents an increase in radiation intensity to 2.6 Watts/m² in 2100, while the RCP8.5 scenario represents an increase to 8.5 Watts/m².

■ Analysis Methodology

Climate change-related risks can be categorized into transition risks and physical risks. Transition risks refer to the negative impact on operations or revenue that companies may face in order to comply with low-carbon transition regulations, including the expenses for carbon reduction and carbon taxes/fees which are primarily influenced by industry and nation factors. Physical risks refer to direct damages or losses caused by extreme weather events, which may result in the depreciation of assets, operational disruptions, or business losses. Based on statistics on natural disaster losses from the National Fire Agency and the estimated future rainfall trends by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), the main physical risks in Taiwan are hydrological-related disasters. Hence, we considered both long- and short-duration intense rainfall as well as droughts as key risk sources in the following assessment.



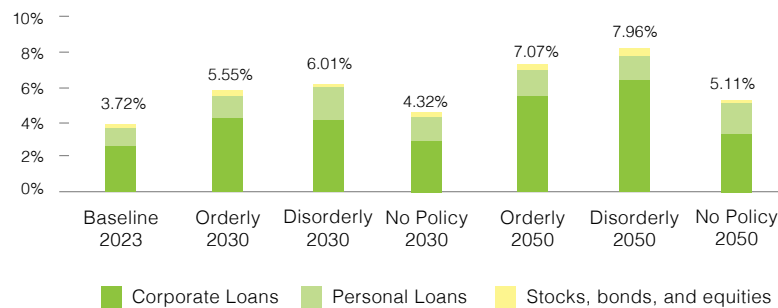
Results

1. Overview of Transition and Physical Risk Exposure in Investment and Financial Portfolio

Based on the climate scenario analysis of E.SUN FHC's net worth and pre-tax profit evaluation, the analysis includes the consolidation of banking operations, general insurance for individuals and businesses, bond and equity investments. E.SUN Bank accounts for over 99% of E.SUN FHC's assets. According to the analysis, the largest projected loss occurs in the scenario of disorderly transition in 2050, amounting to approximately 7.96% of E.SUN FHC's benchmark year (2023) net worth. Transition and physical risks are estimated to cause \$7.2B NTD and \$274M NTD in largest loss scenario respectively.

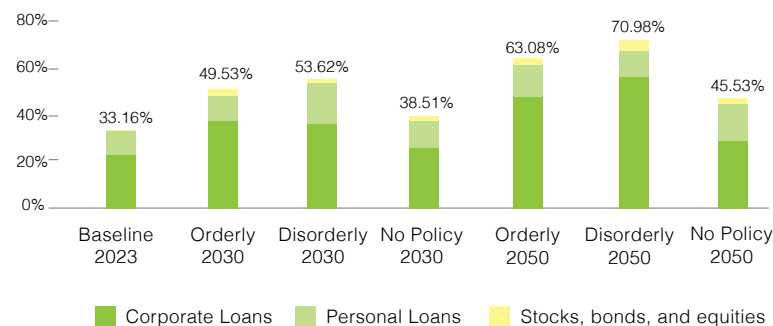
Expected loss as percentage of FHC net value

Unit: %



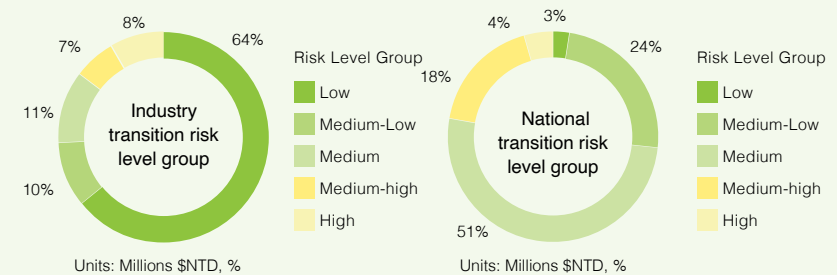
Expected loss as percentage of FHC pre-tax income

Unit: %



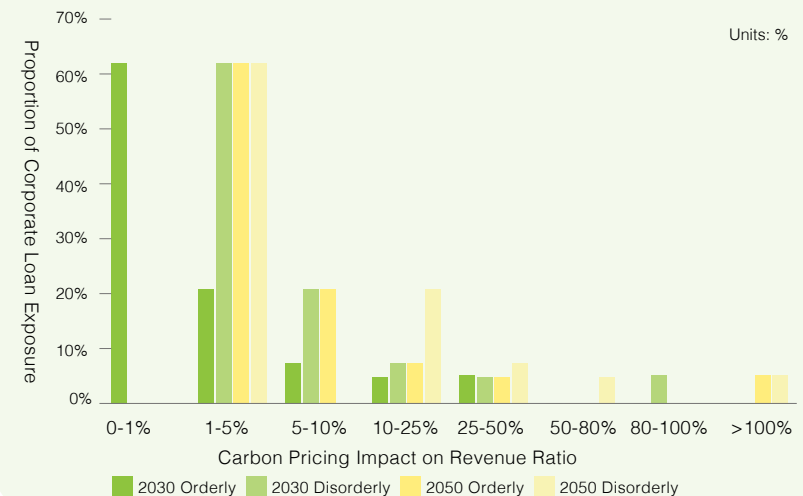
Transition Risk: Exposure Distribution by Industry and Country

The assessment of transition risks involves exposures to domestic and foreign corporate loans and investments. Analysis factors include industries and countries, with risks categorized into "Low," "Medium-Low," "Medium," "Medium-high," and "High" groups. The higher the risk level, the greater the impact on revenue due to carbon pricing. From the results of the transition risk exposure, it is observed that the impact of carbon pricing on domestic corporate loan customers' revenue is concentrated in the 1-5% range, accounting for approximately 60% of the total exposure. Additionally, around 10-20% of the exposure is affected by carbon pricing with revenue ratio ranging from 5% to 50%. In the 2050 orderly/disorderly transition scenarios, a small number of customers may experience impacts exceeding 100% of revenue ratio due to transition risks.



Transition risk distribution: Carbon price impact as percentage of revenue

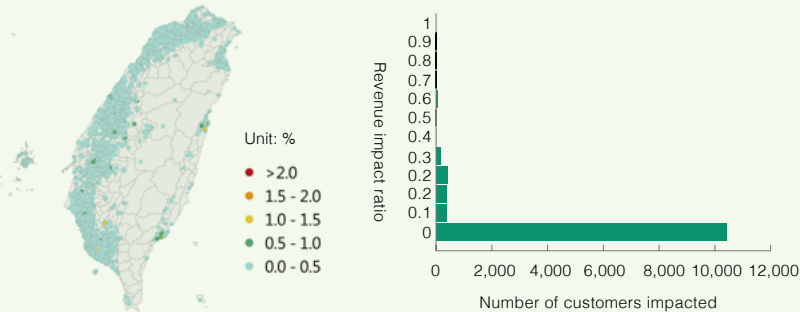
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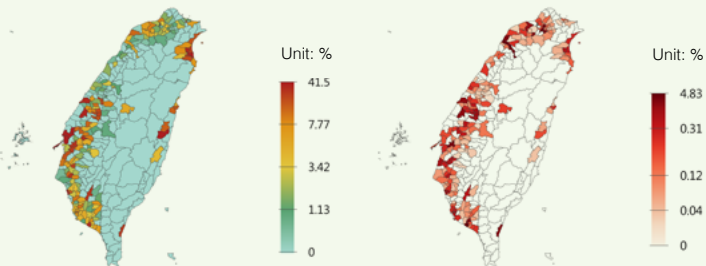
Physical Risk

Physical risks mainly consider the operating location of the customer and the potential business impact or value impairment of collateral caused by physical risks. The evaluation of domestic corporate loans includes stocks, bonds, and equity investments. Among them, the most severe case is the Disorderly Transition 2050 scenario, as shown in the graph below. Over 97% of the loan customers are affected by less than 1% due to physical risks, indicating overall manageable risks. For personal loans, the evaluation focuses on mortgages. The analysis is based on the impact of different levels of flooding on collateral value according to the Water Resources Agency flood potential data. The No Policy 2050 scenario has the highest impact level, with depreciation levels ranging from 0% to 41.5%. The impact is particularly severe in the southwest coastal region. Comparing the No Policy 2030 and No Policy 2050 scenarios, the impact on collateral value due to physical risks in the northern, central, and southern metropolitan areas will increase, with the maximum increase of approximately 4.83%.

Percentage of domestic corporate customers affected by physical risks in terms of revenue in the 2050 Disorderly Transition scenario



In the No Policy 2050 scenario, the percentage decrease in collateral value for personal loans affected by physical risks (left) and the percentage increase in collateral value impairment compared to 2030 (right)



2. Scenario Analysis for High-energy and High-carbon Industries

High-energy and high-carbon industries refer to the six major energy-consuming industries (petrochemical, electronics, steel, cement, textile, and paper making) announced by the Ministry of Economic Affairs in accordance with the Energy Management Act, classified by the Directorate General of Budget, Accounting and Statistics.

In response to climate change, countries have set the goal of achieving "Net-zero Emissions by 2050" and have proposed various measures and policies to reduce carbon emissions. These measures and policies may have significant impacts on the operations and revenues of high-energy and high-carbon industries, thus affecting their repayment capacity and increasing default risks. Therefore, it is necessary to analyze these industries to implement climate risk management. The analysis results of our domestic and international portfolios are shown in the table below, with approximately 10.33% of the portfolios belonging to high-energy and high-carbon industries, with the electronics industry accounting for the largest proportion at 7.78%. The expected losses under various scenarios, expressed as a percentage of E.SUN FHC's benchmark net worth ratio (2023), are highest in the Disorderly Transition 2050 scenario, totaling 0.73%.

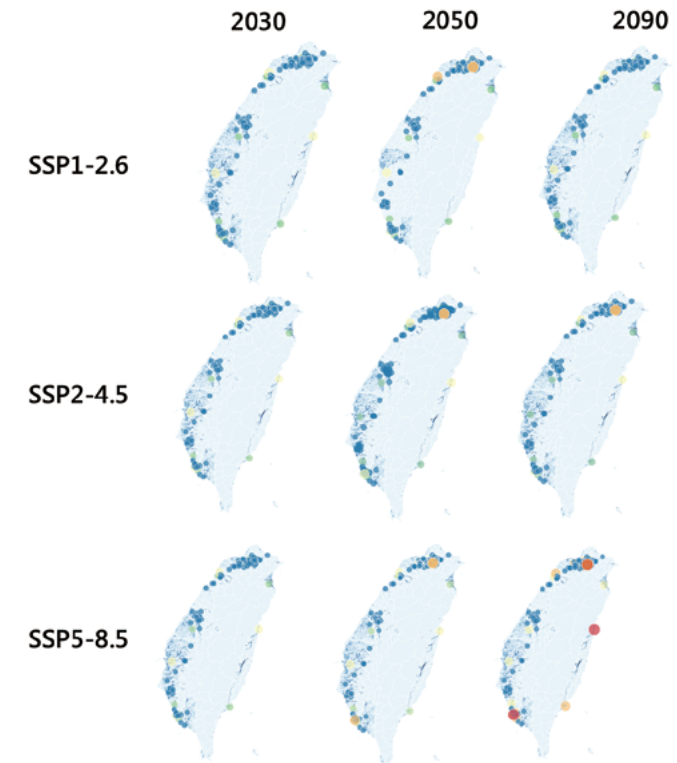
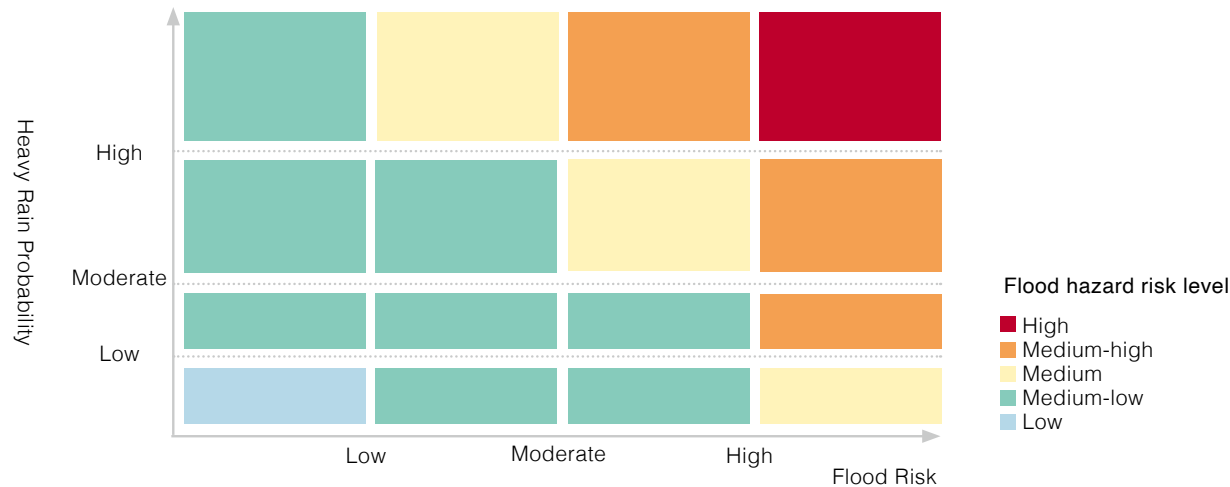
Six High-Energy and High-carbon Industries

Units: Percentage (%)

	Exposure percentage	Expected losses as percentage of FHC net value				
		Baseline	2030		2050	
			Orderly	Disorderly	Orderly	Disorderly
Petrochemicals	0.64	0.03	0.05	0.04	0.06	0.08
Electronics	7.78	0.18	0.37	0.45	0.47	0.49
Steel	0.77	0.03	0.04	0.04	0.05	0.07
Cement	0.08	0.01	0.01	0.01	0.01	0.02
Textiles	0.58	0.01	0.02	0.02	0.03	0.04
Paper making	0.48	0.01	0.02	0.02	0.02	0.03
Total	10.33	0.27	0.50	0.57	0.65	0.73

3. E.SUN Operations Scenario Analysis

Climate risks for financial institutions mainly arise from finance and investment positions. Operational transition risks primarily impact water and electricity prices and the cost of compliance, which have relatively low effects on finances. Physical risks are more likely to affect business operations and income. Therefore, our operational risk analyses focus mainly on physical risks. In reference to the IPCC physical risk analysis framework and suggestions from internal experts, a flood risk level analysis using hazards, vulnerability, and operating location (exposure) is shown in the chart below. When considering the operational lifecycle, we mainly examine the period before 2030 and 2050. The analysis results show that there are no high-risk locations within this timeframe.



Unit: Percentage of locations

Scenario	SSP1-2.6			SSP2-4.5			SSP5-8.5		
Time	2030	2050	EoC*	2030	2050	EoC*	2030	2050	EoC*
High Risk	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.09%
Medium-high Risk	0.00%	1.85%	0.00%	0.00%	1.23%	0.00%	0.00%	2.47%	4.32%
Medium Risk	3.70%	4.94%	3.70%	3.70%	3.09%	3.70%	3.70%	2.47%	5.56%
Medium-low Risk	9.26%	6.17%	9.26%	9.26%	8.64%	9.26%	9.26%	8.02%	0.00%
Low Risk	87.04%	87.04%	87.04%	87.04%	87.04%	87.04%	87.04%	87.04%	87.04%

2.4.5 Risk Management Measures

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

Scope	Material Risks	Risk Factors	Management Measures / Adaptation Plans
Low Carbon Transition	1. Carbon tax/Fees 3. Climate-sensitive Assets 4. Business Transition	Reduce operational and investment-related carbon emissions	<ul style="list-style-type: none"> Inventory Scope 1 and 2 carbon emissions, and plan mitigation measures (such as installing solar panels, using renewable energy, etc.). Follow the PCAF methodology for carbon inventory of investment and financing activities. Set targets and reduce carbon emissions according to the SBTi.
Investment	6. Changing Consumer Preferences	Stock and bond investments	<ul style="list-style-type: none"> Fulfill the responsibility as asset owners or managers by considering the ESG performance of investees. Avoid investing in companies with direct or potential environmental and social impacts, such as coal companies, and implement responsible investment. Promote or assist companies in raising sustainability awareness and implementing ESG actions through engagement.
Loans	1. Carbon tax/Fees 3. Climate-sensitive Assets 4. Business Transition	Corporate loans	<ul style="list-style-type: none"> Support companies in transitioning and responding to climate risks by providing green financing for renewable energy projects, green buildings, and other sustainable expenditures. Link loan terms to performance in ESG or sustainability indices to encourage companies to invest in sustainability. Refer to the guidance of the Banker Association's Equator Principles 4.0 for corporate loan review. Include ESG considerations in the loan process to prevent funds from flowing into high-carbon emitters such as coal-fired power projects.
	9. Natural Disasters 10. Natural Resource Depletion/ Environment Deterioration	Real estate collateral loans	<ul style="list-style-type: none"> Regularly assess and monitor the potential risk of real estate value impairment caused by climate change and continuously improve the database of physical risks, analysis methods, and scenario testing. Incorporate flood risk factors - hazards (e.g., heavy rainfall, increased typhoon frequency) and vulnerability (e.g., whether the area is prone to flooding) into the real estate collateral zoning standards and set lending limits and LTV ratios according to the zoning to control risks. Regularly manage high flood risk cases, make special notes, and carefully assess collateral located in high climate risk areas with high LTV ratios. Refuse collateral labeled as pollution-related sites or those announced by government agencies as subject to the "Soil and Groundwater Pollution Remediation Act." Strengthen processes and conditions for collateral in high landslide-risk communities.
Self Operations	9. Natural Disasters 10. Natural Resource Depletion/ Environment Deterioration	Disaster response	<ul style="list-style-type: none"> Develop the "Emergency Response and Crisis Management Measures" based on the "Financial Institution Disaster Emergency Response Measures Manual Template" and operational overview to ensure operational continuity and organizational resilience. The "Continuous Information Service Management Regulation" takes into consideration power supply interruption and regional flooding recovery.
	5. Raw Material Prices	Supplier management	<ul style="list-style-type: none"> E.SUN collaborated with external consultants to introduce AR6 scenario data, domestic disaster potential data, and analytical techniques. We conducted a physical risk assessment of our properties from 2030 to the end of the century to plan adaptation measures for service locations. By 2025, our goal is to reduce high-risk locations to within 2%, and existing high-risk locations will be monitored or prepared early for extreme weather reports to reduce climate impacts.
	2. Stricter regulations 7. Negative News/Litigation Risk 8. Green-washing Risk	Compliance and reputation	<ul style="list-style-type: none"> Implement sustainable procurement standards to manage suppliers. Establish measures to avoid greenwashing in the provision of green financial products and services and set up mechanisms for internal control.

Note: The cost of physical risk mitigation is estimated to be \$54M NTD based on salary costs for 3 extra personnel, training, and database maintenance costs over a 10-year period correlating to the IPCC Assessment Report cycle and the average mortgage life cycle.

2.4.6 Applying Differential Management of Industries

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

Management Measures	Management Description
Avoid	<ul style="list-style-type: none"> According to "E.SUN Financial Holding Co., Ltd. Sustainable Finance Policy," companies involved in illegal logging, harming endangered wildlife, developing coal mines, or setting up new coal-fired power projects should be avoided. According to "Guidelines for the Phase-Out of Coal and Unconventional Oil & Gas Industries of E.SUN Financial Holding Company," to accelerate the phase-out of high GHG emitting coal companies and unconventional oil & gas companies. Real estate collateral listed in the "Soil and Groundwater Pollution Remediation Act" should be avoided
Enhanced Management	<ul style="list-style-type: none"> Companies involved in coal-fired power generation, tobacco, gambling, mining, and leather and fur-related activities should be carefully evaluated and regularly monitored. We have signed the Equator Principles and, in accordance with Equator Principles 4.0, have included climate change assessments as a necessary item in project financing. The Equator Principles should be applied to large-scale project financing in sectors such as electricity, oil and petrochemicals, and infrastructure to classify and manage risks. Projects should be thoroughly assessed for social responsibility, appropriate environmental and social impact monitoring, and improvement planning. Analyze the practical implementation of climate-related physical and transitional risks, environmental pollution, and biodiversity issues on a case-by-case basis. Develop specific measures to address industry-specific climate and environmental risks, including carbon emissions, climate risks, biodiversity, toxic substance management, and water resources. Incorporate the hazard and vulnerability of climate risk factors into real estate collateral zoning standards to manage credit business climate risks within jurisdiction divisions. Strengthen the review process for cases in communities with high landslide risk. Establish mechanisms to encourage customers with environmental pollution penalties to address their issues.
Actively Support	<ul style="list-style-type: none"> Support social innovation and local revitalization industries by offering tailored financial services, financial counseling, and marketing resources. This contributes to Taiwan's efforts towards achieving the Sustainable Development Goals (SDGs). Increase investment and financing in forward-looking economic activities aligned with the key strategies outlined in the National Development and Reform Commission's 2050 net-zero emission pathway. This includes sectors such as wind power, solar power, hydrogen energy, forward-looking energy, power systems and energy storage, energy conservation, carbon capture utilization and storage, vehicle electrification and decarbonization, resource recycling and zero waste, and natural carbon sinks.

Note: The cost of transition risk mitigation is estimated to be \$9M NTD per year based on salary costs for 6 additional management personnel.

2.5 Carbon Emissions Structure

E.SUN began taking carbon inventory of its service locations according to the ISO14064 standard in 2014. In 2017, we expanded to 100% of locations. The inventory included Scope 1 direct GHG emissions (including emissions from electric generators, natural gas, company vehicles, and firefighting equipment) and Scope 2 indirect GHG emissions from electricity use.

The financial industry's largest source of emissions originates from its financing and investment activities. In 2023, E.SUN conducted an assessment of its financing and investment carbon emissions using the Partnership for Carbon Accounting Financials (PCAF) Second Edition standards with data from ESG reports and CDP data from its financed and invested entities. The results of the assessment have been independently verified (see Appendix 18). In addition to the total emissions, carbon intensity indicators such as Carbon Footprint and Weighted Average Carbon Intensity (WACI) are used to analyze the carbon emissions profile of financial assets. This information serves as reference for financing and investment decisions.

The Carbon Footprint represents the emissions per unit of financing and investment exposure, providing insights into whether the investment portfolio is moving towards carbon reduction. The Weighted Average Carbon Intensity is calculated based on the carbon emissions per unit of revenue from the financed and invested entities, taking into account the proportion of E.SUN's financing and investment. This indicator helps interpret changes in the carbon emissions of the financing and investment portfolio. By systematizing carbon emissions information, E.SUN closely monitors the changes in carbon-related indicators of its assets and continues to work towards its mission of achieving Net-Zero.



GHG Emissions Timeline

Unit: t-CO₂e

	2020	2021	2022	2023
Scope 1	2,399	1,858	1,844	2,161
Scope 2	22,299	22,105	20,294	17,959
Scope 3: Financed Emissions	4,710,269	3,672,612	4,945,550	5,355,042
Scope 3: Others	53,713	49,181	56,015	46,436
Total	4,788,679	3,745,755	5,023,703	5,421,598

Note: Scope 2 emission is calculated base on market base.

Scope 3 Portfolio Emissions Inventory

Unit: t-CO₂e

	2020	2021	2022	2023
Financed Emissions(t-CO ₂ e)	4,710,269	3,672,612	4,945,550	5,355,042
Carbon Footprint (t-CO ₂ e/\$M)	69.64	47.88	64.66	65.81
Weighted Average Carbon Intensity (t-CO ₂ e/\$M)	-	172.63	146.68	156.53
Inventory Coverage (%)	73.69%	75.27%	76.53%	77.62%

Note 1: Emissions from investment and financing activities for 2023 have been estimated based on the changes in our total assets reported in our financial statements

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

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

Note 4: Inventory coverage for 2023 using PCAF methodology is 100%

Note 5: Currency shown in \$USD, calculated using USD/TWD exchange rate of 12/31/2023

2.5.1 Portfolio Emissions Analysis

E.SUN analyzes the GHG emissions of its investment and financing assets based on asset types, industry, and regions. We have set different decarbonization goals for different asset types according to SBT targets and plan control mechanisms for high-carbon industries. We also engage with customers and encourage staff to increase interaction with low-carbon companies or investment targets. We hope to leverage our financial influence to help achieve net-zero emissions.

Corporate Loans

54.5%

Sovereign Bonds

19.0%

Stocks and Corporate Bonds

12.6%

Mortgages

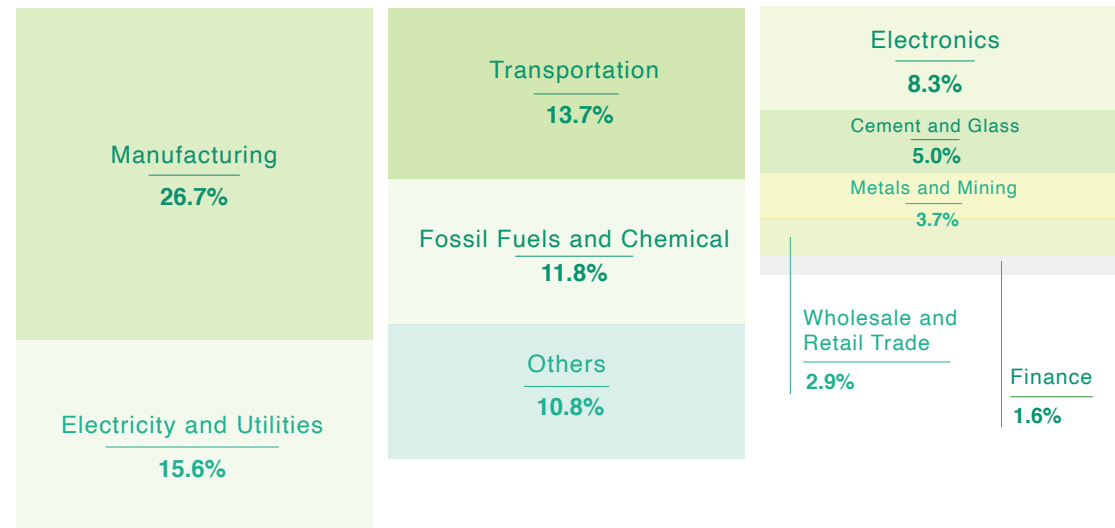
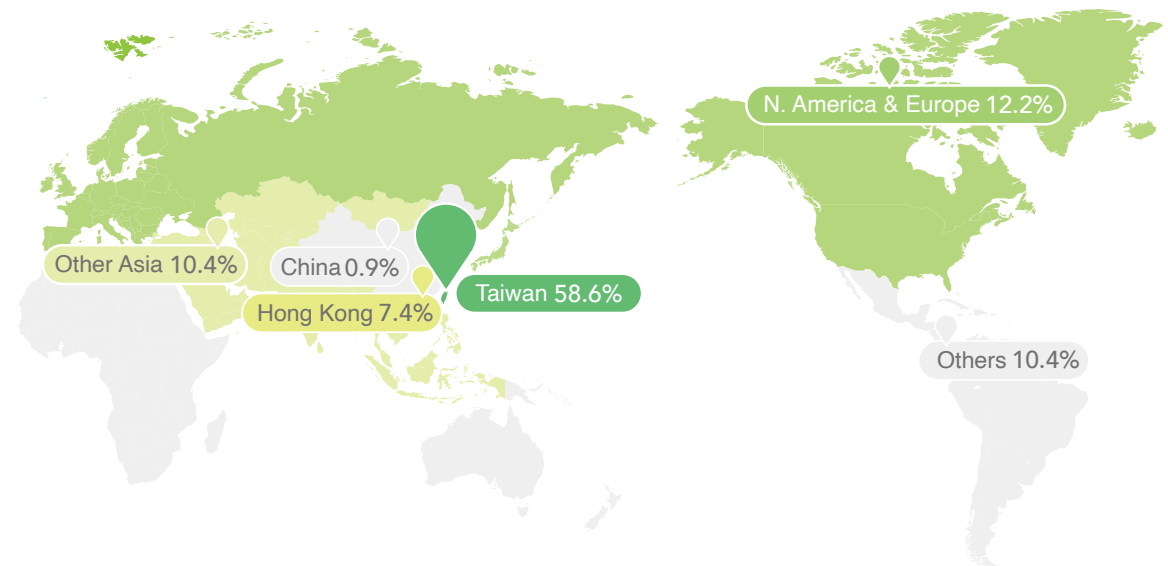
7.5%

Power Generation Project Finance

3.5%

Commercial Real Estate Loans

3.0%



2.5.2 Our Path to Net-Zero by 2050

Category	Risk Factors	SBT Targets	Net-Zero Actions
Scope 1	<ul style="list-style-type: none"> Use of Company vehicles, refrigerants, natural gas Base year: 2020 	Emission reduction percentage	<ul style="list-style-type: none"> Install solar panels, 100% of E.SUN's owned buildings equipped with solar facilities by 2025, and 100% use of renewable energy in all domestic branches by 2030. Purchase renewable energy certificates in line with government energy policies. Replace energy-consuming equipment, update old energy-consuming lighting and air-conditioning equipment with energy-saving products. 100% of E.SUN-owned buildings to obtain green building certification by 2027.
Scope 2	<ul style="list-style-type: none"> Operating locations and building electricity consumption Base year: 2020 		
Scope 3	<ul style="list-style-type: none"> Investment and Financing (based on PCAF methodology) Base year: 2019 	(1) Emission intensity of the power generation project financing	<ul style="list-style-type: none"> Since July 2019, E.SUN has committed to not support coal-fired power generation project financing, and by the end of 2021, no related balance remains. ESUN committed to phase out from coal-related companies and unconventional oil & gas related companies. Regarding unconventional oil & gas related companies, we no longer finance or invest any unconventional oil & gas related companies. Furthermore, E.SUN has no investment or credit outstanding since 2023 in terms of unconventional oil & gas related companies. As for coal mining, coal-fired power generation, coal infrastructure, there will be no new lending business and investment. Existing positions will be halved by 2030 and fully exited by the end of 2035. In 2022, we introduced internal carbon pricing to our business portfolio, combining E.SUN's attributed emissions with trusted international carbon pricing to create an accessible carbon cost concept and use it as a reference for business development. E.SUN will continue to drive sustainable development through financial initiatives and products, increasing its engagement with clients that have adopted SBTs, as well as through investments in green energy and green building projects to help customers reduce their carbon footprint. In 2021, E.SUN joined the Science Based Targets initiative (SBTi), setting a goal to reduce carbon emissions in line with a 1.5°C target. In terms of scope 3 target, E.SUN use intensity targets. The finance carbon emission in baseline year is 4,710,269 tons, it accounts for 98.3% of total base year emissions. Since the scope 3 target has several sub targets, those reduction target percentage from base year is around 49%-58%.
		(2) Emission intensity of long-term loans for the power generation industry	
		(3) Emission intensity of commercial real estate loans	
		(4) Emission intensity of long-term loans for the general service industry	
	Other (procurement process, credit card manufacturing and disposal process, employee travel, waste disposal, etc)	Percentage of loans to manufacturing companies that have certified SBTs	<ul style="list-style-type: none"> Reducing carbon emissions from credit cards by utilizing carbon neutralization and researching renewable card materials. Collaborating with suppliers to implement local and green procurement.
		Percentage of invested companies with certified SBTs	

Note 1: SBTs use increase in reduction rate compared to baseline as the target. To make the information more instinctual, we chose to present our results as a reduction percentage.

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

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

03 Banking for Better

We are committed to operating with prudence and integrity, achieving the three aims of corporate operation: comprehensive performance, corporate social responsibility, and sustainable development. In addition to constantly improving in our financial business, we also firmly invest resources in sustainable initiatives.

[3.1 Sustainable Finance](#) [3.2 Inclusive Finance](#) [3.3 Treating Customers Fairly and Customer Experience](#)
[3.4 FinTech and Innovation](#) [3.5 Promoting The Sustainable Development of Industries](#)

36 %

Percentage of
Sustainable-linked Loan

37 %

Percentage of Individual
Customers Participating
in ESG initiatives

5.4 million

Fraud Blocked

World
Climate
Summit
- THE INVESTMENT COP
Dubai, 2023





3.1 Sustainable Finance

GRI: 2-23, 2-24, 2-25, 3-3, 203-1, 203-2, GRIG4:FS1, FS2, FS3, FS5, FS8, FS9

E.SUN collaborates with hundreds of domestic and international ESG advocacy partners- Together, we commit to a better Taiwan for the world

E.SUN has called for the "E.SUN ESG Sustainable Advocacy Action" for the third consecutive year, with President Tsai Ing-wen, the Secretary-General, the Deputy Minister of the Ministry of Environment, and the Deputy Chairman of the Financial Supervisory Commission personally attending to support and encourage the initiative. E.SUN FHC Chairman Joseph N.C. Huang and over a hundred high-quality companies from domestic and international locations jointly advocate and strive to achieve the sustainable goal of zero emissions.

The "E.SUN ESG Sustainable Advocacy Action" was initiated by E.SUN in collaboration with 32 like-minded corporate partners in 2021. Through public advocacy, the ESG concept and practices are actively implemented. In 2022, it received enthusiastic responses from a total of 101 influential companies, including industry leaders and hidden champions. In 2023, the number of participating companies increased to 157, high-quality companies from Taiwan and abroad, including the top 10 global market share companies, critical zero-component suppliers, and important Taiwanese-funded enterprises in ASEAN countries such as Vietnam, Thailand, Malaysia, Cambodia, the United States, and Australia. It also collaborated with experienced consulting firms in the sustainable zero-emission field to build a sustainable transformation platform, joining hands with enterprises to move towards the 2050 goal of zero emissions and enhance Taiwan's competitiveness in sustainable industries. President Tsai Ing-wen wrote and hung a card representing blessings on scene, demonstrating the expectation

and determination to accelerate the zero-emission transformation process and implement sustainable development. The event is the proof that there is an increasing number of like-minded companies and that Taiwan has a bright future along the way. E.SUN also specially invited Helen Clarkson, CEO of The Climate Group, and Sam Kimmins, Chair of RE100, to share their expectations and encouragement to promote sustainable development in Taiwan through video presentations. In addition, Deputy Minister of the Ministry of Environment, Chairman of the Foreign Trade Association, and Professor from National Taipei University were invited to participate in expert discussions, sharing key issues such as international trends, policy leadership, corporate practices, and talent development from different perspectives of industry, government, and academia. This aims to help everyone face the challenges of zero-emission sustainability and take concrete actions related to ESG. E.SUN continues to connect with the international community and share Taiwan's experiences in sustainable zero-emission finance. Through the linkage of financial power, it showcases its influence, making Taiwan's voice heard and Taiwan's pride seen by the world. We will continue to strive and collaborate with our corporate partners to expand our global vision, strengthen Taiwan's sustainable competitiveness, and move towards a sustainable and inclusive future!

The event is the proof that there is an increasing number of like-minded companies and that Taiwan has a bright future along the way.



3.1.1 Responsible Lending

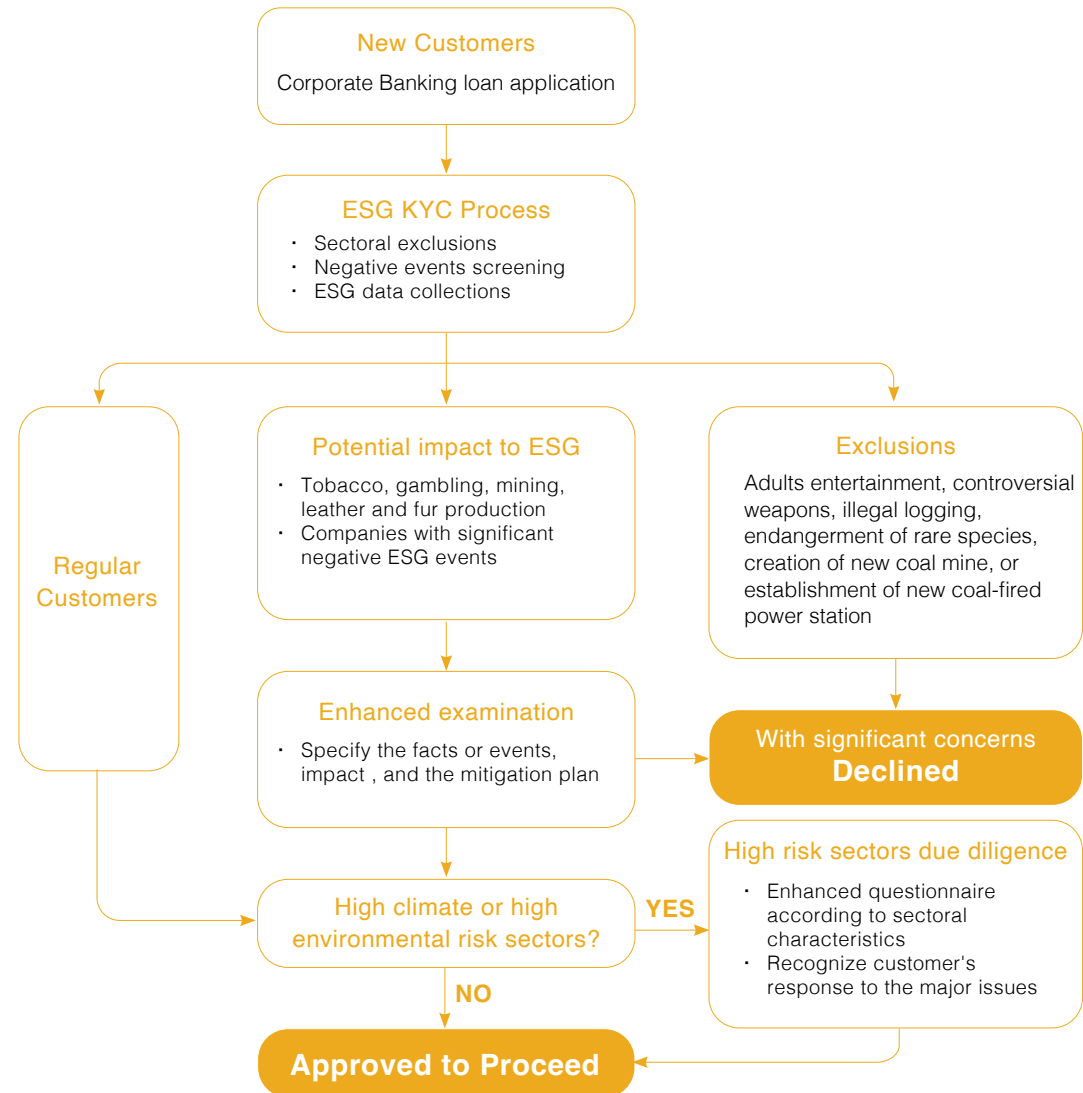
SASB: FN-CB-410a.1, FN-CB-410a.2

■ Exercising Internal and External Influence

ESG Risk Management in Credit Process

E.SUN has developed a responsible lending business process to scrutinize potential ESG risks through practical actions. Each new credit application must undergo an ESG assessment, including sensitivity industry checks, major environmental / social negative event evaluations, and collection of sustainability-related information based on different sectoral characteristics. If the counterparty is involved in activities such as arms production, pornography, illegal logging, harmful endangered wildlife, coal-fired power generation, or coal mining, the deal should be avoided. For companies related to tobacco, gambling, or those with significant past environmental and social negative events, enhanced explanations are required.

Additionally, E.SUN also has mechanisms for climate risk and environmental risk checks in the credit process. For high-risk industry, enhanced explanations based on the industry's risk characteristics are required to understand the company's environmental sustainability response.



Collection of Corporate ESG Data

Through the internal "Corporate ESG Assessment Form" and by encouraging companies to fill out the self-assessment questionnaire provided by the Joint Credit Information Center, E.SUN collects corporate customers' ESG information and the state of sustainable economic activities. In addition to assessing sustainability-related risks, the questionnaire also includes carbon emissions information, energy management information, ESG development status, and a self-assessment form for sustainable economic activities. By utilizing the questionnaire, companies can gain insight into the areas of ESG development that are of interest to external stakeholders. E.SUN can also effectively respond to the information disclosure aspects of the Financial Supervisory Commission's "Green Finance Action Plan."

Corporate ESG Evaluation Form

1. Financial data
2. Negative ESG event scanning
3. ESG data
4. Sustainable economic activities
5. High risk sectors checklist



Internal Carbon Pricing

E.SUN implemented internal carbon pricing for loan portfolio from July 2022. This pricing mechanism refers to international carbon trading mechanisms, taking into account the weighted average price in the global carbon trading market provided by the World Bank, as well as international decarbonization pathways. The annual carbon reduction targets will be set for each business unit following the decarbonization pathway, aiming to guide business units to consider the transformation risks faced by credit companies and the impact of international carbon prices.

Execution in the past 3 years

2021

- Establishment of an internal carbon pricing task force.
- Researching international carbon trading mechanisms, as well as collecting and analyzing international carbon price trends.

2022

- Implementation of internal carbon pricing for credit portfolio with the status dashboard to business units starting in July.
- Disclosure of the carbon emissions, internal carbon costs and decarbonization target associated with credit borrowers.
- Encouraging green credit and sustainable linked loan businesses through internal carbon costs exemption mechanisms.

2023

- Establishing an online version of carbon dashboard and related charts for tracking and monitoring carbon emissions.
- Providing a "credit-related carbon calculator" for business units to estimate internal carbon costs.

■ Equator Principles

Following the 4th edition of the Equator Principles framework, each project financing case will be assessed systematically based on the risks associated with climate change, human rights, and biodiversity. The objective is to enhance the capabilities of environmental and social risk management, and to continuously improve the control and monitoring processes, as well as strengthen post-loan management.

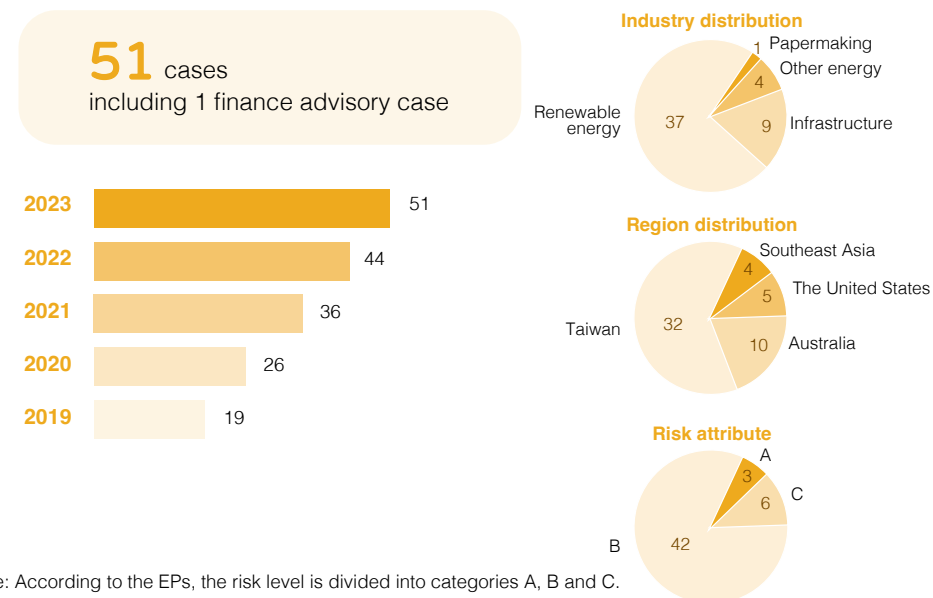
The development focus for 2023 is as follows

1. Actively participate in Equator Principles conferences and attend the Washington DC Annual Meeting to evaluate future development directions through member discussions, ensuring continuous alignment with international standards.
2. Continuously enhance biodiversity assessment capabilities by utilizing both domestic and international databases, such as the International Biodiversity Assessment Tool (IBAT), to assess the impact of projects on biodiversity. Engage in communication and dialogue with borrowers to understand how projects can address biodiversity concerns.

2023 Achievements

As of 2023, a total of 7 financing project cases have been signed following the Equator Principles and 2 cases were declined. We have totally assessed 51 cases in response to the government's renewable energy policies, and 37 of these cases were green energy projects.

Cumulative number of approved case under the Equator Principles



■ Sustainable Lending Business

E.SUN has a long-standing commitment to environmental sustainability and respond to international trends and domestic policies. We continuously support the sustainable transformation of corporate clients through sustainable lending such as green loans, sustainability-linked loans, as well as lending to ESG-friendly industries. By taking tangible actions, we aim to facilitate corporate clients in their journey towards achieving the net-zero emissions goal.

Balance unit: NT\$ Million

Sustainable lending	Balance as of 2022	Balance as of 2023
Green loans	53,741	80,926
Sustainability-Linked Loans	40,642	60,062
Total value of sustainable lending	94,383	140,988
Total value of corporate lending*	866,051	904,244
Percentage over total corporate lending	10.90%	15.59%

*The overlapped amount has been deducted when calculating the total value.

Loans to ESG-friendly Industries

E.SUN continues to allocate resources to environmentally and socially friendly industries, supporting green energy, energy storage, circular economy, healthcare, and education sectors.

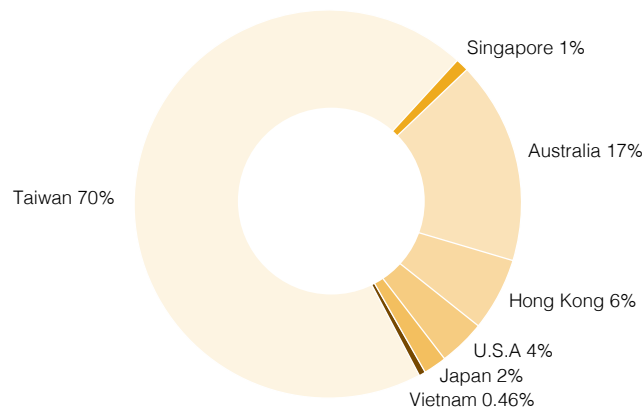
Lending to ESG-friendly industries	Industry categories	Balance as of 2022	Balance as of 2023
Environmental-friendly Industries	Solar power	1,055	1,114
	Bicycles	7,112	5,128
	LED	732	887
	Batteries	2,929	3,014
	Electric vehicles	114	92
Social-friendly Industries	Circular economy	3,439	4,241
	Medical care	24,454	25,728
	Education	6,161	5,688
	Sports & Fitness	4,360	3,440
	Telecommunications	4,176	4,994
Innovative industries*	Network communication equipment	6,456	6,005
	Industrial robots	17	48
	5+2 Innovative Industries and supply chains	211,410	215,532
Total value of loans to ESG-friendly industries		272,415	275,912

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

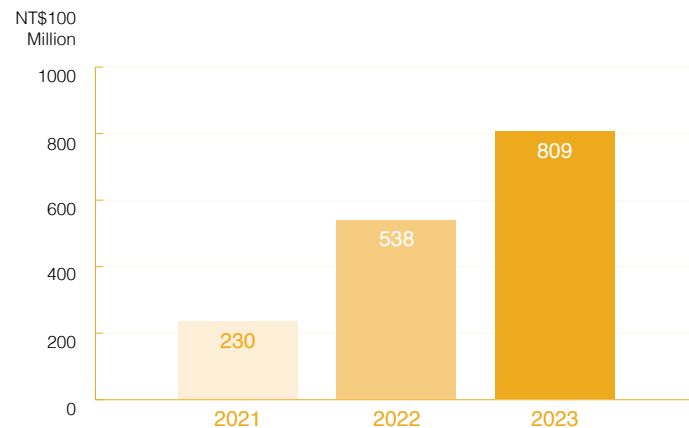
Green Loan

In order to support sustainable development of businesses, we provide green credit to assist businesses in financing green energy projects, energy storage systems, green buildings, energy-saving equipment, and other projects specifically used for green initiatives. In 2022, E.SUN adopted the Green Loan Principles of the Loan Market Association (LMA) and formulated relevant regulations and operating procedures. As of 2023, the total green credit balance reached NT\$80.9 billion, with an annual growth rate of approximately 50%. The green credit balance accounted for 7.95% of total corporate lending.

Proportion of Green loans by region (based on the balance in 2023)



Green Loans' balance for the past three years



(1) Green Project Financing

E.SUN assists businesses and the green energy industry in Taiwan, from rooftop, ground-mounted, and floating solar photovoltaic systems to fishery-solar symbiosis developed in response to the government's policy. We continue to support the solar photovoltaic industry in Taiwan by attracting investors to revitalize solar assets and reinvesting in development and construction, thereby creating a positive cycle for green investment and financing. E.SUN also participates in important offshore wind farms, solar farms, other new energy, and energy storage projects both domestically and internationally through our offshore wind power and green energy expert teams. Our footprint extends to China, Vietnam, Australia, the United States, and other countries. As of the end of 2023, the total balance of green energy and energy storage related projects reached NT\$51.4 billion (NT\$33.9 billion in 2022, reaching a 52% growth).

Important Milestones:

- 2020**
 - Led and arranged domestic wind farm project financing.
 - Participation in large-scale domestic solar farm financing.
- 2021**
 - Fully committed to developing project finance for renewable energy and expanding diverse green energy-related businesses such as domestic fishery-solar symbiosis and overseas geothermal power generation.
- 2022**
 - Launched the operation solar farm financing project.
 - Led a syndicated loan for a large-scale domestic solar portfolio.
 - Financed solar farm project in Vietnam.
- 2023**
 - Financed solar farm project in the United States.
 - The only financial institution in Taiwan to respond to The Global Renewables Alliance's 3xRenewable initiative, advocating for triple renewable energy targets.

2023	Total installed capacity	Growth rate	Expected carbon reduction	Avoided social costs of carbon
Wind Energy	447MW	+13.7%	465,000 metric tons	US\$88.3 million
Solar Energy	1,036MW	+41.5%	503,000 metric tons	US\$95.6 million

* Installed capacity: The supported project's installed capacity is recognized based on the participation ratio (i.e., allocated loan amount/project total loan amount). In 2022, the supported cases' installed capacity for wind power and solar photovoltaics were 393 MW and 732 MW respectively.

* Expected carbon reduction: Calculated based on the supported project's installed capacity (including under construction projects) x 80% (financing ratio) x 8,760 (hours) x a wind power capacity factor of 30% (or 14% for solar photovoltaic capacity) x 0.495 (electricity carbon emission factor).

* Calculated based on the electricity carbon emission factor of 0.495 kilograms per kilowatt-hour, as published by the Energy Administration, Ministry of Economic Affairs, R.O.C.

* The social cost of carbon is calculated based on \$190 per metric ton, as listed in the research report "Report on the Social Cost of Greenhouse Gases" published by the US Environmental Protection Agency (EPA) in November 2023.

Collaborating with international investors to promote a balance between solar farms and biodiversity.

In 2023, E.SUN successfully led a syndicated loan to support an international investor, P Group, for the construction of 275 MW solar farms and the refinance of commissioned projects. The project sites are located in various counties and cities across Taiwan, assisting investors in acquiring construction funds and revitalizing assets to further invest in the development of solar farms in Taiwan. Some of the project sites are located in salt marshes, and the construction design has taken into account ecological surveys to preserve the land as an ecological habitat. Annual ecological monitoring of aquatic organisms, birds, and other wildlife is conducted to minimize the impact of operations on local species, maintaining a balance between solar farms and biodiversity.

Response to local policies, supporting the energy transition

Following the enactment of the Reduction Inflation Act in the United States, it has attracted investors to invest in the construction of renewable energy projects. E.SUN participated in the financing of a 225 MW ground-mounted solar farm project in Virginia, USA. The project has an annual electricity generation of 360 million kilowatt-hours, which can meet the electricity demand of 30,000 households in the local area.

Virginia is primarily reliant on gas-fired power generation. Under the Virginia Clean Economy Act, Virginia is required to gradually phase out gas power plants by 2045 and achieve a carbon-neutral economy by 2050. E.SUN, in collaboration with major financial institutions in the United States, is utilizing its financial strength to assist the local area in accelerating the energy transition and jointly achieve the vision of a carbon-neutral homeland.

(2) Green Buildings and Energy-saving Equipment

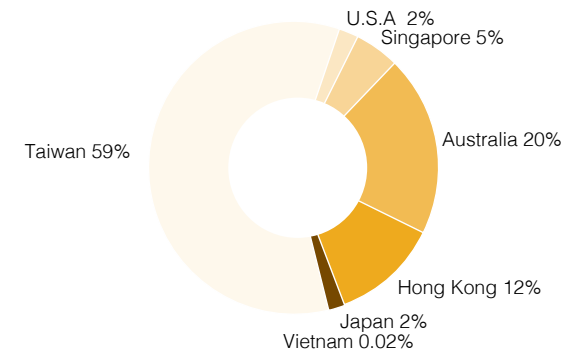
E.SUN responds to Taiwan's 2050 Net-Zero Emissions Strategy by not only assisting businesses in their "energy transition," but also supporting the promotion of "industrial transformation." This includes guiding enterprises to invest in green buildings, eco-friendly offices, energy-saving equipment, and more to reduce their energy consumption and consequently decrease their operational carbon emissions. By 2023, the balance for green buildings has increased to NT\$23.5 billion (NT\$17.6 billion in 2022), with a growth rate of 34%. Energy-saving equipment (and others) have increased to NT\$9 billion (NT\$5.1 billion in 2022), with a remarkable growth rate of 76%.

Sustainability Linked Loan

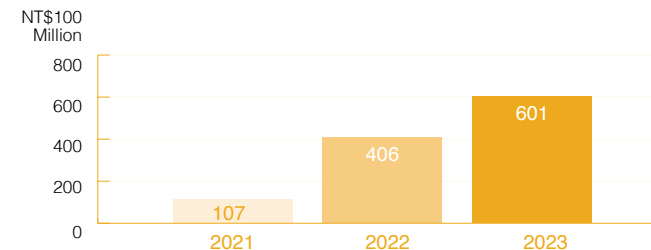
To encourage businesses to establish and achieve their ESG development goals and continue investing in sustainability, E.SUN has referred to the Sustainability Linked Loan Principles (SLLP) of the Loan Market Association (LMA) to formulate relevant regulations and operating procedures. We evaluate the company's actual investment in ESG, set sustainable development goals through joint discussions with companies, and provide financial service benefits if the company achieves those goals. As of 2023,

there have been 274 approved cases with a balance of NT\$60.1 billion (NT\$40.6 billion in 2022). The balance of sustainability linked loans accounts for 5.90% of total corporate lending. Additionally, E.SUN incorporates the sustainability linked loans into the annual performance evaluations to business units, using reward mechanisms to guide business units in understanding customer sustainability development processes and enhance their impact on the environment and society.

Proportion of Sustainability Linked loans by region (based on the balance in 2023)



Sustainability Linked loans' balance for the past three years



Assisting Corporate Success Case - Yulon Motor Co.

In addition to actively responding to the mitigation of global climate change, E.SUN has also long been concerned about the issue of biodiversity. In this regard, we have partnered with Yulon Motor Co. to sign a NT\$1 billion "Climate and Biodiversity Sustainability Linked Loan." During the loan period, E.SUN not only continues to track the climate action effectiveness of greenhouse gas emissions reduction and the proportion of renewable energy generation by the company, but also takes the lead in consulting with the company to include the restoration effectiveness of Taiwan's native tree species as a biodiversity indicator in the Taiwan.

E.SUN aims to encourage companies to take climate actions and incorporate biodiversity indicators into their sustainability strategies to achieve a vision of harmonious coexistence between humans and nature.

■ Supporting SMEs' Sustainability Development

SMEs in Taiwan play a crucial role in economic stability and employment growth. They have shown resilience in facing global challenges such as inflation and supply chain restructuring. E.SUN is dedicated to supporting them in the long term, offering a series of measures including sustainable financing, advisory consultations, and Credit Guarantee Fund support. These initiatives aim to assist SME customers in achieving sustainable transformation.

In 2023, E.SUN implemented multiple projects to provide financial support to SMEs in the field of sustainable development, including renewable energy, green buildings, and energy-saving equipment. By the end of the year, the total credit balance for sustainable financing to SMEs (including green credit and sustainability-linked loans) reached NT\$57.99 billion, accounting for 10.36% of the overall SME loan balance (compared to 6.34% in 2022).

Balance unit: NT\$ Million

	Balance in 2023
Sustainable SME loans	57,985
Total value of SME lending	559,448
% over total SME lending	10.36%

E.SUN has been a long-standing supporter of SMEs. As of the end of 2023, the balance of loans to SMEs accounted for 54.94% of total corporate lending. We also assist SMEs in their transition towards achieving net-zero emissions and becoming hidden champions through the Credit Guarantee Fund. E.SUN has continuously received the highest honor of the Credit Guarantee Outstanding Bank for 19 consecutive years. It has also been awarded the "Credit Guarantee Gold Award - Outstanding Financial Institution Group" first place for five consecutive years from the Ministry of Economic Affairs' "Outstanding Financial Institutions and Credit Managers in Small and Medium Enterprise Credit Guarantee Financing Business" awards.

Furthermore, E.SUN engages with SMEs and hidden champions in Taiwan through ESG consultation services and site visits. We assist these enterprises in understanding the sustainability trends of specific sectors and the ESG requirements of their supply chains, fostering the establishment of sustainable thinking and mechanisms within the companies. E.SUN is committed to expanding its influence and helping high-carbon-emitting SMEs, such as those in the metal productions and petrochemical industries to focus on carbon-related issues while jointly promoting carbon reduction and achieving net-zero emissions.



3.1.2 Responsible Investment

SASB: FN-IB-410a.3

E.SUN has referenced the Principles for Responsible Investment (PRI) and incorporated environmental, social, and corporate governance (ESG) issues into the investment analyses and management procedures of fixed income investments, equity investments and underwriting activities based on "Sustainable Finance Policy" and "Securities Sustainable Investment Management Principles." Furthermore, E.SUN follows "Guidelines for the Phase-Out of Coal and Unconventional Oil & Gas Industries" to achieve Net-Zero by 2050. In 2023, we didn't hold any unconventional oil & gas assets in the investment portfolio. As of December 2023, E.SUN Bank's bond investments categorized as low-to-medium ESG risk account for 98.96%, and 100% of equity investments are low-to-medium ESG risk.

	Negative Screening	Norms-Based Exclusions	Internal Evaluation Model ^{note 1}	High-risk Businesses Management ^{note 2}	Asset Class and Sector Specific Guidelines	Engagement and Shareholder Activism	Outcome Identification & Measurement
Listed Equity ^{note 3}	V	V	V	V	V	V	V
Fixed Income ^{note 3}	V	V	V	V	V		V

Note1: E.SUN incorporates ESG indicators from reputable institutions such as MSCI ESG rating, S&P Global ESG score into the internal investing evaluation model, as well as companies' SBT commitments and carbon price costs.

Note2: E.SUN sets up a management mechanism for high ESG risk enterprises that have direct or potential negative impact on the environment or the society.

Note3: "Sustainable Finance Policy" covers all AuM of active investments, passive investments and externally managed assets of E.SUN.

E.SUN has adhered to the "Stewardship Principles for Institutional Investors" since 2018 and publicly discloses annual stewardship reports on corporate governance practices. In accordance with the "Sustainable Development Engagement Guidelines," E.SUN actively engages in shareholder activism by communicating with investee companies, participating in shareholder meetings or briefings, and exercising voting rights. For instance, E.SUN has sent emails to over 80% of its long-term investing companies in 2023, fostering collaboration with businesses to take ESG actions and demonstrate a firm commitment to sustainable development.

Definition of criteria for ESG resolutions

E.SUN follows "Sustainable Development Voting Guidelines" and supports ESG resolutions that can promote the investee companies' performance in environment, society, and corporate governance, such as resolutions addressing climate change, biodiversity and gender equality.

2023 Results

In 2023, E.SUN issued 3 U.S. Dollar Denominated structured sustainable financial bonds for the first time and became the first domestic bank to provide ESG-linked financial products for high-asset customers. Following the issuance of the country's

first green bond in 2017 with a total issuance amount of approximately NT\$23 billion, E.SUN ranks first among Taiwan's domestic banks in terms of the sustainable bonds issuance scale.

2023 Sustainable Bond Issuance Overview				Percentage over Total Bond Issuance
Types of Bond	Green Bond	USD	40,900,000	100%
	Social Bond	TWD	2,900,000,000	
		USD	9,100,000	
Sustainable Bond Issuance Volume		TWD	4,437,650,000	
Total Bond Issuance Volume		TWD	4,437,650,000	

E.SUN also assists companies to raise funds for sustainable development goals. In recent years, E.SUN has acted as the underwriter of 26 green bonds, 10 sustainability bonds, 2 social bonds, and 1 sustainability-linked bond, accumulating a total of more than NT\$25 billion by the end of 2023.

2023 Sustainable Bond Underwriting Overview				Percentage over Total Bond Underwriting
Types of Bond	Green Bond	TWD	500,000,000	11.32%
		USD	15,000,000	
	Sustainability Bond	USD	33,000,000	
Green Bond and Sustainability Bond Underwriting Volume		TWD	1,976,144,000	
Sustainability-linked Bond Underwriting Volume		TWD	200,000,000	
Total Sustainable Bond Underwriting Volume		TWD	2,176,144,000	
Total Bond Underwriting Volume		TWD	19,228,157,894	

100 % of fixed income products verified

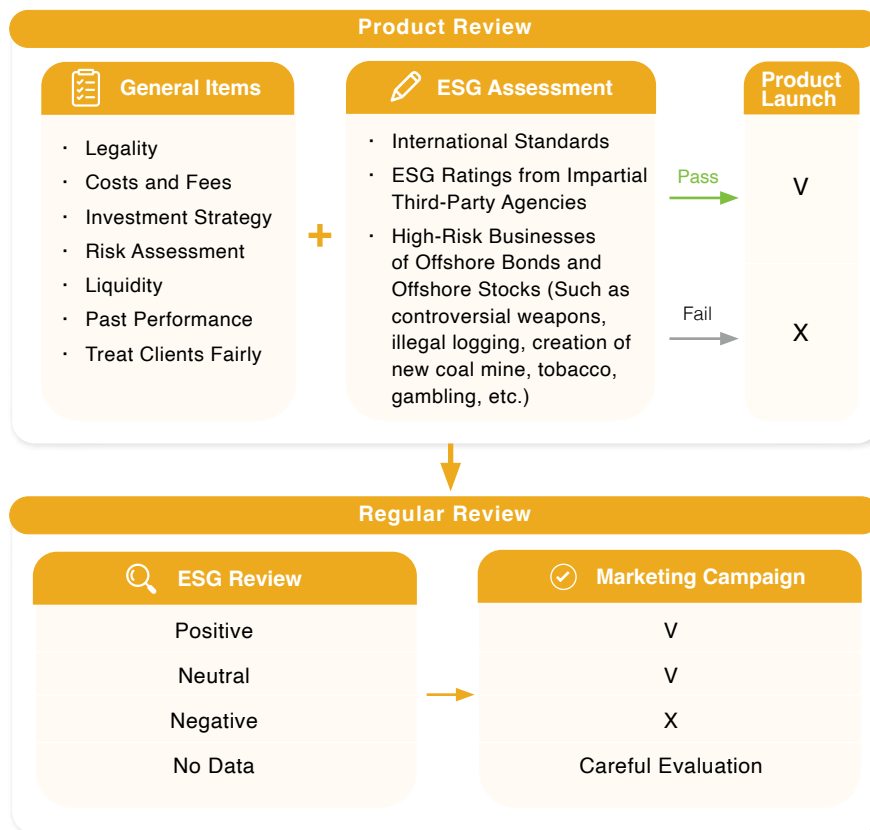
E.SUN continues to support sustainable thematic investment and financing, as well as project hedging advisory services, to provide financial support for environmentally friendly projects. In 2023, E.SUN provided Interest Rate Swap (IRS) hedging services for 7 new offshore wind power and solar energy project finance, worth NT\$5.3 billion, accumulating a total of approximately NT\$23.6 billion by the end of 2023. E.SUN will continue to leverage its financial influence to assist companies in promoting environmentally friendly projects and building a sustainable financial ecosystem.

3.1.3 Wealth Management

■ Wealth Management Products

1. Wealth Management Product ESG Rating Management

- (1) Use international standards (such as EU SFDR, ICMA's GBP, ICMA's SBP, ICMA's SBG, ICMA's SLBP, etc.), ESG ratings from impartial third-party agencies (such as MSCI, DJSI, Bloomberg, Morningstar, etc.) to assess onshore and offshore mutual funds, offshore bonds, offshore ETFs, and offshore stocks for their ESG performance and take the result into consideration during product selection process.
- (2) Review the ESG ratings of the wealth management products on the platform every month and adjust their promotion levels if there are any changes.



2. Sustainable Wealth Management Product

Sustainable AuM reaches **45.2 billion**, and percentage of sustainable AuM over total AuM reaches **14.40%**. The number of ESG funds increases **50%** in 2023, and reaches **75** ESG funds.

Unit: NT\$M

Investment Approaches	Asset under Management(AuM)
ESG Integration	3,623
Best-in-Class Screening	38,476
Thematic Investing	1,258
Impact Investing	873
Other	999
Total Sustainable AuM	45,229
Total AuM	314,142

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

Note 2: Sustainable wealth management products:

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

Note 3: Investment Approaches:

- (1) ESG Integration: Consider ESG factors into the process of investment decision.
- (2) Best-in-Class Screening: Invest in the company with positive ESG performance relative to industry peers.
- (3) Thematic Investing: Invest in certain environmental or social issues, such as energy transition, climate change, promotion of equality, and so on.
- (4) Impact Investing: The investment strategy will bring positive impact on environment and society.
- (5) Other: Funds promoting environmental or social characteristics or with a sustainable investment objective, which include but not limited to EU SFDR Article 8 or EU SFDR Article 9.

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

3. Business Partner Management

- (1) Evaluate the implementation of ESG-related practices of business partners or any material negative ESG issues to rethink the depth of business relationship with the partner.
- (2) All insurance companies and onshore fund companies cooperating with E.SUN in wealth management business have all signed the "Stewardship Principles for Institutional Investors," and offshore fund companies have all signed the "Principles for Responsible Investment (PRI)."
- (3) Invite wealth management business partners to sign the "Sustainable Development Commitment of E.SUN Bank Wealth Management Business Partner." By the end of 2023, 24 partners have signed the commitment. E.SUN continue to invite more business partners to join, hoping to leverage the power of our partners to create sustainability impact of promoting ESG investment products and implementing sustainable finance.

4. Wealth Management Consulting Services

(1) "Global Rebalance Advisory Core Engine" Incorporates ESG Elements

E.SUN integrates the perspectives of our investment research team and product experts to conduct multi-dimensional analysis of customers' investment portfolios in the "Global Rebalance Advisory Core Engine (GRACE)" system. ESG factors are included in the analysis parameters to prioritize the selection of investment targets that meet both customer needs and ESG criteria. This enables us to tailor exclusive investment solutions for our customers.

(2) Modular ESG Training Course

E.SUN have incorporated modular ESG courses into our education and training programs to continuously deepen the awareness of sustainable finance among our financial planners. This enables us to provide advisory services that meet our customers' ESG investment needs.

(3) Promoting ESG Investment Concepts

In the "E.SUN Wealth Management Perspectives" publication, we categorize articles based on different investment and wealth management needs, providing a wealth of thematic content. We have specifically established an ESG category to allow customers to easily grasp hot topics and investment trends. Additionally, we share ESG concepts through visual content on social media, offering concise and professional investment advice in order to lower the barriers for customers to engage with ESG investments.



5. Encourage Customers to Involve In Sustainable Finance

(1) "ESG Investment" Web Page Provides Various Information on ESG Products

"ESG Investment" web page provides various ESG-themed articles, including investment concepts and market research reports about ESG, and regularly updates the list of ESG funds, ESG offshore ETFs, and sustainable bonds. In addition, we have launched the ESG-themed fund investment campaign, "E.SUN ESG Funds," allowing customers to contribute to sustainable development while investing. The web page also discloses MSCI ESG Ratings of ESG funds and offshore ETFs to assist customers in seizing investment opportunities by comprehensive information on ESG products.

(2) "Wealth Management Express" Goes Paperless to Support Environmental Sustainability

"Wealth Management Express" service has been upgraded, allowing customers to conduct transactions for mutual funds, overseas bonds, overseas ETFs, and overseas stocks. Customers can receive personalized asset allocation advice from their financial planner in real time through SMS or push notifications on the mobile banking app. They can also confirm multiple transaction at once through personal internet banking (mobile version) or the mobile banking app. This enhanced convenience not only improves the transaction experience but also aligns with ESG principles through paperless transactions, contributing to environmental sustainability. As of 2023, nearly 1.5 million sheets of paper have been saved, resulting in a reduction of over 11 metric tons of carbon emissions.



6. Wealth Management Customer Due Diligence (CDD)

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

■ Trust Services

Improving service platform to meet the needs of customers in their golden years

1. Cultivating Trust Professionals

- (1) Building a cross-domain trust seed network to meet the all-round needs of individuals, families, and businesses, and established a "Trust Expert Team" in 2023 to provide customized trust services.
- (2) Continuously enhancing the expertise of staff, including incorporating trust courses into employee training programs, selecting outstanding staff to participate in eldercare financial planning and family trust planning consultant training courses, etc.
- (3) Through strategic alliances with various industries, we not only enhance the expertise of our employees but also leverage the strengths of different industries to provide assistance based on customer needs. This includes collaborating with healthcare institutions, law firms, accounting firms, and real estate appraisal firms, among others.

2. Tailor-made Services

- (1) To help customers have a clear understanding of their own situations and carry out suitable trust planning, we have introduced a "Trust KYC Form" to provide corresponding trust services based on the scale score.
- (2) Designing various trust products, including simplify caring trusts that can plan for future life in advance, spilt-over caring trusts combined with the concept of overflow, and retirement trusts with modules for designated guardians and conditional decision rights, etc.
- (3) We are continuously enhancing the digital experience for our customers, including online access to trust information, and easy deposit of trust assets through digital channels, to provide a more complete customer experience.

Achievements in 2023

Accumulated Beneficiaries of Elder Care Trust

reached **4,400** people

Accumulated Principal of Elder Care Trust (NTD)

reached **134** billion

Beneficiaries of Caring Trust per 10,000 deposit accounts

7.6 people

Proportion of Caring Trust principal balance to total trust principal balance

3.61 %*

*The principal balance of the trust assets includes money trusts (excluding securities investment trust funds and futures trust fund custody), real estate trusts, and securities trusts.

Promoting Financial Knowledge, Cultivating Trust Awareness

1. Trust Seminars

E.SUN organizes seminars such as "Insights into Taiwanese Stock Trends and Completing Asset Succession" to convey trust concepts and knowledge, allowing participants to understand how to utilize trusts for advance asset succession planning. In addition, E.SUN has held nearly 120 online/offline seminars in the past two years, attracting over 5,100 participants. Trust awareness events have also been held at places such as the New Taipei City Elderly University, Taoyuan Rehabilitation Hospital, and Chiayi Evergreen Center. E.SUN has also conducted 10 seminars on dementia and fraud prevention in collaboration with Taipei City Hospital and police agency, with a total of 160 participants.

2. Collaboration with Colleges and Universities

By 2023, E.SUN collaborates with various colleges and universities, including National Taiwan University, National Chengchi University, National Cheng Kung University, National Sun Yat-sen University, and National Taipei University. Through seminars or visits, E.SUN has shared trust concepts with students and faculty. A total of nearly 300 students participated in these activities. E.SUN has established a long-term series of financial seminars with National Sun Yat-sen University. In 2023, we introduced trust topics to explain how the financial industry can innovate and design products that contribute to society and create positive impacts in inclusive finance.

3. Taipei International Care Expo

Under the theme "E.SUN's Commitment to a Carefree and Beautiful Future, Creating a Perfect Senior Life," E.SUN shared the importance of trusts in preventing elderly fraud, reducing elder exploitation, and promoting dementia-friendly financial services. Through real-life examples and interactive sessions with customers, E.SUN demonstrated how trust structures can mitigate risks of elderly fraud. Over 12,000 people have attended these events. Additionally, E.SUN offered an online exhibition that allows people to browse E.SUN's trust services anytime from their smartphones, tablets, or computers. This allows those who cannot attend in person to learn about trusts and use them to safeguard their assets.



3.1.4 Retail Banking

■ Responsible Products

E.SUN has long valued environmental conservation and social care. In addition to actively participating in various initiatives for sustainability, we continue to promote sustainable financial products and services to encourage customers to respond to sustainable initiatives together. These include sustainable mortgages and personal loans, ESG credit cards, sustainable acquiring business, and more. Through our financial strength, we aim to create a sustainable financial ecosystem and expand our positive impact.

1.Sustainable Mortgages and Loans

E.SUN consistently launches diversified sustainable loan projects, including "green building mortgage," "electric vehicle loan," "reconstruction of urban unsafe and old building loan," and other loans to meet customers' needs. As of the end of 2023, E.SUN has assisted 9,997 customers in realizing their sustainable ideals. The balance of sustainable loans reached NT\$116.2 billion, accounting for 11.18% of the total individual customers' loan balance^{Note 1}.

Unit: NT\$ Million

Dimensions	Projects	As of the end of 2023	
		Number of Cases	Loan Balance
Environmental	Green Building Mortgage Encourages the purchase certified green buildings	1,118	17,030
	Rooftop Solar Loan Assists individual households, or small business in installing rooftop solar power generation equipment	11	17
	Electric Vehicle Loan Encourages the purchase of electric vehicles	18	52
Social	Care-free Mortgage Assists young individuals, low- to middle-income families, or customers facing economic challenges in realizing their dream of homeownership with affordable housing solutions	9,145	98,014
	Reconstruction of Urban Unsafe and Old Building Loan In response to the government's policy, assists customers in rebuilding unsafe or old buildings to improve living safety	62	1,115
Total number of cases and loan balance		9,997	116,229

Note 1: As of the end of 2023, the total loan balance (including mortgage and credit loans) amounted to NT\$1,039,954 million.

2.Zero Carbon Credit Cards

Since 2019, E.SUN Bank has been promoting the carbon footprint label for all credit cards. By the end of 2023, over 6.46 million "Zero Carbon Credit Cards" have been issued, and our goal is to convert all credit cards in force to zero carbon credit cards by 2025. For details on the other ESG-related credit cards, please consult the table below:

Category	ESG Credit Card	Content	2023 Number of Cards in Force	Proportion of the whole	Donation Amount (Thousand NTD)
Environmental	Digital e-Card (included Digital Insurance Card)	The first virtual credit card reduces carbon emissions by approximately 1.1 kilograms per card produced.	520 thousand cards	7%	859
	Kumamon Card	The first card production that utilizes the industry's innovative "stone paper" material, coupled with "PETG eco-friendly material," rendering the entire card recyclable without emitting any toxic substances when incinerated.			
	E.SUN Signature Card	When customers opt for electronic billing, 0.2% of their general consumption amount will be donated to a tree-planting program.			
	Black Bear Affinity Card	Allocate 0.2% of general consumption amount as a donation to the Taipei Zoo Animal Conservation Fund.			
	Co-branded EasyCard	Upon spending NT\$3,000 in a month, cardholders can enjoy promotional offers for riding YouBike in the following month.			
	E.SUN Infinite Card	With any purchase amount, cardholders can enjoy promotional offers for riding YouBike in the following month.			
Social	E.SUN World Card	World Card donates 0.3% of the general domestic consumption amount and Nanshan World Card donates 0.2% of the general domestic consumption amount to build libraries. Cardholders can participate in these activities while consuming and contribute to creating a warm and comfortable reading environment for children in remote area elementary schools.	730 thousand cards	10%	61,007
	E.SUN Nanshan Co-Branded Card	Allocate 0.1% of general consumption amount spending beyond insurance premiums to donate to Nanshan Happiness Fund, supporting community care and assistance projects.			
	Tsing Hua Affinity Card	Allocate 0.2% of the general consumption amount to support the "Sunrise Program" of Tsinghua University, which provides aid to economically disadvantaged students. Through this contribution, we aim to help these students transform their lives and reach their full potential.			
	Charity Card	Allocate of 0.2% of the general consumption amount to the blood donation event charity fund.			
total			1.24 million cards	17%	61,866

Note 1: In 2023, E.SUN Bank issued over 1.65 million zero-carbon credit cards, which were verified by the third-party auditor SGS to have offset 1,820 tons of CO2 equivalent. Based on the requirements of PAS 2060:2014, E.SUN Bank declared these issued credit cards have achieved carbon neutrality.

Note 2: The carbon offset for E.SUN Bank credit cards sourced from Taiwan Carbon Solution Exchange - AMI KHANH HOA SOLAR PROJECT.

Note 3: As of the end of 2023, E.SUN Bank had a total of 7.23 million credit cards in force, and a total of 4.80 million active credit cards.

3. Carbon Calculator of Payment

In order to encourage cardholders to practice carbon reduction in their daily lives, E.SUN Bank has pioneered the "Carbon Calculator of Payment" service. Moreover, it has forged a groundbreaking partnership with EasyCard Company, becoming the first financial institution in the industry to launch a public transportation carbon footprint calculation service. The Transportation Carbon Footprint Statistics via Electronic Ticket, developed by EasyCard Company, is the world's first verified by British Standards Institution (BSI) ensuring the credibility of carbon reduction data for cardholders using various forms of transportation. E.SUN cardholders can open Carbon Calculator of Payment through the E.SUN Wallet App and use E.SUN credit cards or debit cards with EasyCard functionality to ride designated public transportation such as MRT, buses, and YouBike. They can track their transportation carbon reduction data, making their daily carbon reduction efforts more tangible.



4. Zero-Carbon ATM Service

E.SUN Bank, the first financial institution in Taiwan to create a comprehensive Zero-Carbon ATM service, has developed several ATM functions to reduce carbon emissions. These functions include foreign currency withdrawal without a card, card issuance, and online banking password unlocking, aiming to reduce paper form usage and overall carbon emissions. By incorporating "ATM transactions" into carbon management, we have conducted carbon footprint verification and inventory for approximately 24.75 million ATM transactions across the bank. We prioritize using carbon credits generated by the Taiwan Taoyuan Guanyin wind farm for carbon offsetting. This has been verified and publicly disclosed by a third-party validation from SGS. We have obtained dual certifications for ISO 14067 product carbon footprint and PAS 2060 carbon neutrality. This means that every transaction made at E.SUN ATMs is a green transaction that is environmentally friendly. Through rigorous system management of carbon reduction for automated equipment, we aim to minimize our impact on the environment and enable customers to engage in ESG issues while using our ATM services, creating a zero-carbon green financial experience.

■ Considering ESG Risks in the Credit Approval Process

1. KYC/CDD Process

To ensure that all cases rigorously implement Know Your Customer (KYC) and Customer Due Diligence (CDD) procedures, E.SUN automatically screens for negative news and Anti-money laundering (AML) blacklists for each new credit case during the application process. In 2023, 99,192 cases were reviewed under CDD. Moreover, High-risk customers or industries (such as the gambling, and arms industry) were subject to enhanced due diligence (EDD), **and about 8.2% of cases underwent EDD review in 2023. To sum up, loan applications were declined upon verification to reduce potential negative impacts on society.**

2. ESG Risk Assessment

For small business loan cases, E.SUN proactively investigates potential ESG risks of customers. **In 2023, a total of 6,460 cases underwent ESG risk assessments.** On the environmental side, it is necessary to confirm whether the applying business has received environmental pollution penalties, and the applying business with pollution penalties required to provide reasonable explanations and improvement reports. E.SUN only approve the application after confirming that the customers have completed the necessary improvements; on the social side, E.SUN considers whether the responsible person is involved in illegal fundraising or violating the Labor Standards Act to encourage customers to prioritize social issues. **In 2023, E.SUN declined 16 cases due to violations of ESG principles, such as environmental pollution or labor laws.**

3. Climate Change

To holistically manage climate change risks, E.SUN strengthens climate risk management in the loan application process. During application evaluation, real estate valuation system integrates internal physical risk databases to identify flood risk levels for each case to assist appraisers in assessing the impact of climate risks, enabling judgments on price adjustments. In the post-loan management process, risk notations are added in E.SUN real estate valuation system for collaterals in high flood risk areas with higher loan-to-value ratios to evaluate and monitor the potential impairment risk to real estate values caused by climate change. As of 2023, approximately 0.14% of collaterals are located in high flood risk areas.

Engagement with clients on ESG risk

When customers apply for mortgage, E.SUN not only assesses the collateral, also investigates illegal businesses, such as gambling, during the credit evaluation process. Once verified, credit applications associated with such businesses are declined to reduce potential negative impacts on society.

■ ESG Engagement

1. E.SUN Bank Collaborate with Businesses to Support Sustainable Actions

E.SUN Bank actively participates in the Ministry of Environment's guidelines for promoting a zero-carbon, green lifestyle. In 2023 E.SUN Bank launched the "Green Acquiring Project," which provides exclusive green acquiring services to businesses that have obtained the Green Label (such as green stores, green restaurants, and eco-friendly hotels), and encourages businesses to join forces in promoting green living and enhance public awareness. The project promoted 100 green acquirers with a transaction amount of 1.16 billion and involving approximately 24,000 participants annually.

2. ESG Credit Card

In 2023, approximately 167,000 customers applied for ESG credit cards (including E.SUN World Card, E.SUN Nanshan Co-Branded Card, Tsinghua Affinity Card, Charity Card, Digital e-Card, E.SUN Signature Card, Black Bear Affinity Card, Co-branded EasyCard, Kumamon Card and E.SUN Infinite Card).

3. Collaborating with Preferred Partners to Promote Green Consumption and Respond to Energy Saving and Carbon Reduction Efforts

E.SUN has collaborated with preferred partners such as Carrefour, Poya, YouBike, and PChome to promote eco-friendly practices in daily life encompassing food, clothing, shelter, transportation, and recreational activities. By encouraging customers to complete specific green actions and fostering biodiversity conservation, habitat preservation, and environmental sustainability, we have successfully engaged customers through interactive mechanisms. During the campaign period from April to June 2023, approximately 376,000 people participated in these activities. Our goal is to encourage customers to support quality enterprises through green consumption, and inspire more people to adopt a green lifestyle, contributing to a better future for Taiwan.

4. Utilizing Official Website and Social Media to Create Positive Impact

(1) ESG Section on the Official Website

To enhance customer experience, E.SUN Bank launched a new official website in 2022, which receives approximately 7 million monthly visits, a 12% growth compared to the previous version. In order to expand financial influence, we introduced the ESG section on the website's main menu in 2023. This section integrates sustainability with financial expertise, providing a wide range of sustainable financial products and services for businesses and individuals. We aim to assist customers in achieving sustainable transformation in terms of profitability, competitiveness, and influence, serving as a reliable partner and support system. By implementing tangible changes and fostering intangible values of kindness, we aim to co-create a sustainable future with our customers.

(2) E.SUN's ESG Column on Social Media

To actively respond to sustainable development and create a positive influence, E.SUN established an ESG column on social media. In 2023, we shared over

26 posts regarding ESG-related initiatives, reaching approximately 768,000 people. These posts included sharing the environmental documentary "Melting Greenland," participation in the COP27 and COP28 to discuss Taiwan's climate-associated new finance, attendance at the World Biodiversity Summit, complete issuance of zero-carbon credit cards, and the establishment of zero-carbon ATMs. By aligning with international trends and practices, we aim to share experiences, collaborate with partners, and work together with customers to fulfill our commitment to sustainability and move towards a sustainable future.

5. Sustainable Deposits

Since August 2022, we have invited 242 companies and 11 professional consultants, private banking enterprises, etc., to participate in the ESG Sustainability Initiative. A total of 22 companies have participated in the sustainable deposits project, with a cumulative balance of approximately NT\$1.954 billion. Among them, 12 companies participated in 2023, with a balance of approximately NT\$923 million.

6. Physical Activities

E.SUN collaborated with the Ministry of Agriculture and the Corporate Synergy Development Center, jointly holding counseling sessions in Taipei and Tainan. The in-person sessions introduced the traceability verification process and loan programs, inviting practitioners who have passed the processing verification to share their experiences. The sessions, approximately 20 groups of agricultural practitioners participated in, aimed to encourage more practitioners to join the traceability verification system through financial assistance. Through public-private cooperation, we promote the sustainable prosperity of the agriculture industry.



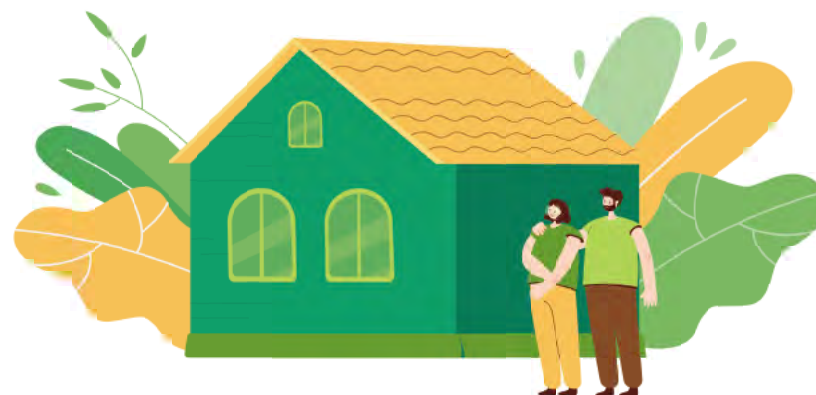
【 Retail Banking Business 】 - 2023 ESG-Related Products and Number of Individual Customer Participating

Items	Description	Number of Customers Participating	Number of Customers ^{Note 1}
Reconstruction of Urban Unsafe and Old Building Loan	Through agreement and reconstruction assistance, E.SUN helps transform old buildings into modern, environmentally friendly, and energy-efficient homes, thereby improving living safety, environmental conditions, and overall quality of urban life.	29	187,454
Green Building Mortgage	We encourage customers to choose environmentally friendly, energy efficient, and waste-reducing green buildings when purchasing houses.	470	
ESG Credit Card	A portion of revenue from credit card payments is used to construct libraries in rural areas and support environmental and wildlife conservation.	166,859	
Green Acquiring Project	In response to the Ministry of Environment's guidelines for promoting a zero-carbon, green lifestyle, we have launched the "Green Acquiring Project" that enables businesses to obtain a Green Label certification to join forces in promoting green living and enhance public awareness.	24,276	496,959
Individual Customers	Number of customers approved for mortgages, loans, and credit cards in 2023.		

Note 1: If a customer participates in more than one item, it is only counted once in the total number of customers.

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

37.7 %



3.2 Inclusive Finance

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

SASB: FN-CB-240a.1, FN-CB-240a.3

Regional Revitalization Digital Platform

"Supporting Taiwan's industries in rural areas and expanding social impact through digital capabilities"

Taiwan is rich in diverse natural resources and cultural heritage. The North excels in technology and finance, the Central excels in agriculture as well as tourism, the South excels in heavy industries alongside maritime sectors, and the East excels in indigenous cultures. However, economic growth has led to a population exodus from rural areas, widening the urban-rural divide.

Since 2018, E.SUN has been contributing to regional revitalization, utilizing its financial strength and expertise in supporting small and medium-sized enterprises. By showcasing regional uniqueness and supporting industry innovation, E.SUN facilitates employment opportunities and promotes balanced regional development.

In 2023, E.SUN partnered with Global Views Monthly to launch the "Era of Regional Revitalization" platform. It shared expert insights and success stories of revitalization teams in Taiwan, inspiring new perspectives on regional revitalization. The platform also aimed to promote regional economic development and foster emotional connections with unique industries, contributing to a brighter future for Taiwan.



Harvard Business Review Podcast Channel

"Listen, Harvard Management!" #112-5

Mary Yang & Mei-Ling Chen & Louis Chang: Revitalization Teams Need for People and Funding! How can large corporations take the lead in community development in Taiwan?

Photo source: Global Views Monthly

Case Study

E.SUN Bank supports regional revitalization, balancing urban-rural development

Ms. O, a former social worker, returned to her hometown with her husband to address the challenges faced by her tribal community. She focused on promoting local cuisine, encouraging women to re-enter the workforce, and stimulating the local economy. Despite difficulties in manpower and funding, Ms. O utilized her social work expertise to guide tribal mothers, sharing indigenous culture, building confidence, and accessing financial support through the E.SUN regional revitalization program. Through interviews on the regional revitalization platform, she increased brand exposure and promoted indigenous products, leading to successful expansion for revitalization enterprises.



Achievements by the end of 2023

Assisted **2,258** local businesses with financial support

Invested **8.464** billion in funds

3.2.1 Enhancing Usability of Financial Services

FN-CB-240a.1, FN-CB-240a.3

■ Inclusive Financial Products

In response to the United Nations' promotion of inclusive finance, E.SUN provides affordable financial products (including loans, insurance, and trusts) for microbusinesses, poor and/or low-income individuals, the elderly, youth and individuals with health condition or impairments. This reduces wealth disparity, promotes social fairness, and enables inclusive growth. E.SUN also considers the suitability for various age groups before offering financial products or services. For example, it raises the responsibility of credit investigation for individuals aged 18 to 30 to prevent younger customers from falling into debt traps due to inadequate considerations. In addition, guidelines on fair treatment of customers aged 65 and above have been established for consumer loan operations and wealth management services, to ensure appropriate financial services in the credit and investment management processes for seniors.

Unit: NT\$ Million

Product Type	Target Customers	Product Details	Number of Customers in 2023	Loan Balance in 2023
Loan	Microbusinesses ^{Note 1}	To address the challenge of "Microbusinesses" many face in obtaining financing from traditional banks, E.SUN provides financing services specifically for microbusinesses with up to 10 employees, or less than NT\$3 million in assets, or a maximum of NT\$3 in annual sales.	16,761	91,727
	Poor and / or Low-income Individuals	Provides "housing subsidies" for low-to-middle-income families for home repairs or purchases, and offers dedicated "debt negotiation and repayment plans" and "post-earthquake reconstruction" loans for customers facing income reduction due to unforeseen circumstances, to help them rebuild their homes and enhance their financial resilience.	2,763	2,474
	Young People	Through student loans, business start-up loans, and mortgages, E.SUN supports young people by providing preferential financing schemes to alleviate their financial burdens. It encourages their entrepreneurial aspirations and facilitates young families in purchasing homes and settling down.	16,552	73,767
Total			36,076	167,968

Note 1: Microbusinesses are included within small businesses (defined as those with annual revenue of less than 50 million NT dollars). In 2023, the total number of small business loan customers is 18,838, with a combined loan balance of 114,114 million NT dollars.

Impact Valuation

Employment promotion

94,190 jobs

Avoided social costs

2.37 billion

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

Unit: NT\$ Thousand

Products	Targeted Customers	Product Details	Number of Cases in 2023	Premium in 2023
Microinsurance	Poor and / or Low-income Individuals, Individuals with Health Condition or Impairments	"Microinsurance" mainly provides basic insurance coverage for economically disadvantaged individuals and specific status groups, with features such as easy insurance application and low premiums. E.SUN provides micro-accident insurance to prevent individuals and their families from falling into financial difficulties in the event of accidents. In 2023, E.SUN continues to cooperate with insurance companies and local governments (Tainan City and Hualien County) to provide microinsurance for economically disadvantaged elderly, low-income households, the near-poor households, and individuals with impairments. The number of beneficiaries has exceeded 10 thousand and increased 25% compared to 2022. To expand the impact of microinsurance, we start donations for "Residential life-additional living expense microinsurance" to construct a social safety net and fulfill our corporate social responsibility.	20	6
	Other inclusive insurance			
	Elderly People, Young People	Through the characteristics such as low insurance threshold, low premiums, and lifelong coverage, "Small Amount Insurance" allows the elderly population who are unable to purchase life insurance due to age or physical conditions, as well as the youth population with limited budgets, to have basic insurance coverage.	139	3,419
	Health-conscious People	The "Spillover-effect Insurance" combines with a self-health management mechanism to encourage customers to take good care of their health, prevent diseases at an early stage, and enjoy benefits such as premium discounts as incentives.	310	5,362

Unit: NT\$ Million

Products	Targeted Customers	Product Details	Number of Customers in 2023 ^{Note 1}	Amount in 2023 ^{Note 2}
Trust	Elderly People	To safeguard the assets and enrich the lives of our elderly customers, E.SUN Bank offers a diverse range of "elder care trusts" services. These services include simple elder care trusts that allow for early planning of future living arrangements, elder care trusts that incorporate concepts of healthy aging, and elder care trusts that incorporate modules for guardianship and conditional decision-making authority. Through cross-industry alliances, we provide assistance that meets the needs of our customers. As of 2023, E.SUN Bank ranks first in terms of both the principles and number of beneficiaries of elder care trusts among privately owned banks.	4,345	13,386


Note 1: Total number of beneficiaries

Note 2: Cumulative trust principal

3.2.2 Expanding Financial Accessibility

■ Inclusive Financial Services

E.SUN provides convenient and caring financial services for the elderly, youth, residents in remote areas, foreigner or Taiwanese new immigrants, and people with disabilities, through physical and digital channels.

Targeted Customers	Physical Channels	Digital Channels
Elderly People (including Dementia Patients)	<ul style="list-style-type: none"> · Elderly-friendly Lectures: E.SUN collaborated with the National Police Agency and major medical institutions to jointly organize ten elderly-friendly lectures in the northern, central, and southern regions, with a total of 213 participants. The lectures aimed to discuss topics related to dementia and anti-fraud issues, in order to enhance the financial awareness and healthcare consciousness of elderly customers. Additionally, E.SUN offered "Elderly Care Trust" service to ensure the security of their assets. In 2023, the program will expand and include 20 additional sessions in areas such as Penghu, Yilan, Hualien, Pingtung, and Nantou. · Dementia-friendly financial project: In response to the aging society, we have partnered with Taipei City Hospital to pioneer the "Dementia-friendly financial project" starting from 2022. This project will be implemented in Business Department and six branch locations, including Dongmen and Ren'ai branches. Through realistic simulation training, all employees in these branches will learn to identify signs of dementia and provide empathetic financial services. "Dementia-friendly navigators" will be selected to guide colleagues in this regard. In 2023, the "Dementia-Friendly Financial Program" will be expanded and continued in the northern, central, and southern regions by selecting eight branches. 	<ul style="list-style-type: none"> · Digital Account Application Follow-up Calls: For elderly customers applying for digital accounts, we implement follow-up calls to understand their health conditions, financial service information capabilities, familiarity with automated functions, and obtain relevant customer data (KYC) to fulfill the rights protection and safeguarding for the elderly.
Individuals in Rural or Hard to Reach Areas	<ul style="list-style-type: none"> · ATMs: To enhance the accessibility of financial services and ensure that residents in outlying areas have high-quality financial services. Based on the "financial institutions to establish presence in underserved areas" announced by the FSC, E.SUN have set up 17 ATMs in underserved areas, such as hospitals or FamilyMart convenience stores in Changhua Xizhou Township, Kaohsiung Hunei District, and Taitung Guanshan Town. 	<ul style="list-style-type: none"> · Embedded Financial Services: E.SUN leverage embedded financial technology to digitize the most frequently used daily financial services, connecting with preferred partners (such as convenience stores, communities, and chain brands) to embed banking services into customers' daily lives. This includes services like PLUSPay, PXPAY Plus, and Smartdaily, integrating banking services with customers' basic necessities of life, and providing a one-stop application for multiple financial services, allowing rural communities to access financial services without visiting a branch. · e.Fingo Digital Brand: e.Fingo integrates various digital financial products and services such as E.SUN's mobile banking, E.SUN Wallet, and online application, providing customers with a comprehensive digital experience. Customers can join as a member by holding any E.SUN credit card or a TWD account, utilizing gamified promotional approaches to easily acquire financial knowledge. They can also enjoy exclusive member activities such as periodic team missions and badge collections. e.Fingo enables rural communities to carry financial services with them conveniently, free from constraints of time and space.

Targeted Customers	Physical Channels	Digital Channels																	
Foreigers and / or Migrant Workers	<ul style="list-style-type: none">• Multilingual ATMs: To provide convenient financial services to foreigners, migrant workers, and new immigrants, E.SUN Bank 1,305 ATMs (including CDM) interfaces support Indonesian, Vietnamese, Thai, in addition to Chinese and English.• E.SUN Bank responds to the "Bilingual 2030 policy" and the "FSC Bilingual Nation Promotion Plan (Summary)." By the end of 2023, more than 60% of our branches have become bilingual branches (with 84 bilingual branches established). Within business lobby and convenient banking areas, we have installed bilingual queuing machines, multilingual ATMs, bilingual service signs, bilingual counters, and bilingualization of commonly used forms. We aim to provide foreign nationals with one-stop financial services and create a friendly international financial service environment.	<ul style="list-style-type: none">• Diverse Online Services: Customers can access various financial services through mobile banking (added in 2023), telephone customer service, message boards, chatbot, and text-based customer service. In order to continuously expand bilingual services, our official website, personal online banking, and mobile banking all provide bilingual versions. Additionally, we offer online appointments for foreign customers to open accounts at designated branches and English-speaking telephone customer service representatives. Our chatbot also provides bilingual real-time Q&A, making it more convenient for foreign customers to use E.SUN digital services.• Upgraded Foreign Exchange Services on Mobile Banking: To facilitate seamless foreign currency exchange, E.SUN integrates foreign currency exchange interfaces on mobile banking, providing a more intuitive and user-friendly experience through a single entry point. Furthermore, a new feature is introduced to enable foreign currency exchange reservation services, allowing customers to set up one-time or periodic reservations. Customers can also utilize periodic reservations to average the purchase cost through smile curve distribution, thus achieving greater flexibility in financial planning.																	
	<p>The FSC has taken E.SUN Bank and First Bank as role models for domestic accessible financial services. The FSC Chairperson Dr. Tien-Mu Huang inspected accessible facilities and gave a positive evaluation on the site visit of E.SUN Bank's Xinsheng Branch in June 2023. E.SUN Bank actively creates a warm and friendly service environment and has implemented multiple accessible facilities:</p> <ul style="list-style-type: none">• Accessible ATMs: ATMs with a height not exceeding 120 cm have been installed, providing voice instructions, warning reminders, and flashing lights. Responding to the policies of the authority, talking ATMs have been installed in public places such as Taiwan Railway stations, government agencies, universities and large medical institutions. By 2023, talking ATMs have been extended to all E.SUN Bank branches, with a total of 254 talking ATMs. Additionally, QR code linked to Chatbot has been placed on the ATM home page, allowing customers with hearing or speech impairments to scan and activate online text-based customer service for immediate assistance. Customers with disabilities can apply for 3 free ATM interbank withdrawals handling fees monthly, limited to one account per person.• Wheelchair accessibility: In 2023, 139 branches all have been equipped with accessible counters, accompanied by various communication tools such as communication boards, writing pads, live text-based customer service, and Braille stickers. E.SUN Bank continues to construct more accessible restrooms.• Hearing-impaired customer accessibility: In line with Treating Customers Fairly Principles, E.SUN Bank offers online application services and multiple notification methods (such as SMS, email, etc.) . Collaborating with C.N.A.D, webcams, microphones, and speakers has been installed on computer of each branch, providing real-time sign language translation services, enabling hearing-impaired customers to communicate with clerks in their familiar sign language through conference calls, meeting their financial service needs.	<ul style="list-style-type: none">• Accessible Financial Services: To provide visually impaired customers with an easy-to-use financial service experience, all services being able to be voice-narrated including the E.SUN official website's friendly service section (conformance level AAA), E.SUN friendly online banking (conformance level AA), E.SUN friendly WebATM (conformance level A), mobile banking friendly section(certified by the Taipei Parents' Association for the Visually Impaired), and E.SUN Wallet-friendly version (certified by the Taipei Parents' Association for the Visually Impaired). Approximately 460,000 people used these services in 2023. Moreover, to guide customers in finding the desired services more efficiently, we organize online educational training sessions on financial friendliness, training and educating our staff to provide personalized guidance and service for different customer groups.• Dark Mode on Mobile Banking: In 2023, E.SUN's mobile banking introduced a dark mode, allowing customers to switch between light and dark modes freely, providing better visibility for those with visual impairments and allowing them to save device battery and reduce carbon emissions. Over 60,000 people used this feature in 2023.• Friendly Information Disclosure: Individuals with impairments can access information about friendly financial services through E.SUN's business notices, the official website, and customer service regulations, providing a fee reduction feature for individuals with disabilities to set up cross-bank ATM withdrawals.																	
Individuals with Health Condition or Impairments	<table><tr><th>Item</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Accessible counters (branches)</td><td>139</td><td>139</td><td>139</td></tr><tr><td>Accessible restrooms</td><td>112</td><td>114</td><td>118</td></tr><tr><td>ATMs wheelchair accessible</td><td>1,247</td><td>1,306</td><td>1,305</td></tr></table>			Item	2021	2022	2023	Accessible counters (branches)	139	139	139	Accessible restrooms	112	114	118	ATMs wheelchair accessible	1,247	1,306	1,305
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3.2.3 Enhance Financial Literacy

FN-CB-240a.1, FN-CB-240a.3

Financial Education

Little Financial Experts

To link the two ends of an M-shaped society, E.SUN x PaGamO use digital platforms as the medium to teach students in elementary school and junior high school financial knowledge. Instead of using the traditional teaching method, gamified learning method allows students to think and find answers independently while solving problems, thereby enhancing their learning interest and motivation. A total of 580,000 participants have taken part in 2023.



Financial Knowledge Section

E.SUN Securities has established a financial education section on its official website, aimed at assisting investors in building fundamental financial knowledge through easily understandable articles. The section provides content on stock market basics, technical analysis, fundamental analysis, ETF introductions, and additional topics. In 2023, a total of 92 relevant articles were published.

Investment Lectures at Universities

In recent years, there has been a significant increase in the number of young individuals participating in the stock market. Since 2021, E.SUN Securities' subsidiary, E.SUN Investment Consulting, has collaborated with college clubs and departmental associations to organize physical or online investment lectures, imparting investment concepts and knowledge to students. These lectures have been well received by students, and as of March 2024, a total of 10 investment lectures have been conducted. Furthermore, to mitigate the default risk among young investors, E.SUN Securities has incorporated a basic knowledge questionnaire into the account opening process, enabling novice investors to understand the operational mechanisms and relevant regulations of the stock market. Moreover, a knowledge quiz focusing on 'Day Trading of Stocks' has been developed to augment the risk awareness among young clients regarding day trading.

Financial Knowledge on Social Media Platforms

E.SUN shares financial concepts and product features on social media platforms, including Facebook, Instagram and YouTube, aiming to lower the threshold for customers to access financial knowledge and improve the readability of financial information.

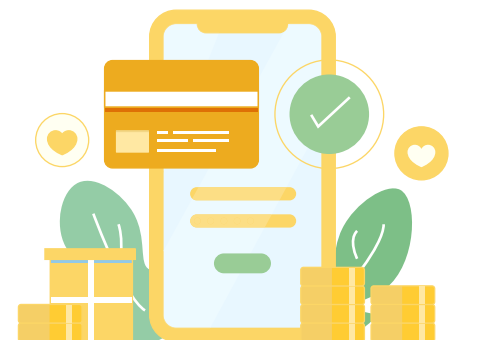


In November 2023, we published a post targeting the elderly or those planning for retirement, with the theme "How to Prepare for Retirement." Utilizing a question-and-answer format with accompanying images, we aimed to empower customers to click on the images based on their individual needs and learn how to initiate retirement planning using various trust products and services, safeguarding their retirement life! The post gained nearly 25,000 impressions by the end of the year, with approximately 2,300 interactions.

■ Business Management Tools or Trainings

Financial Lectures for Franchise Industry

E.SUN cooperates with franchised industries (such as FamilyMart convenience stores, etc.) to hold financial lectures, the topics of which include business district assessment, entrepreneurship training, financial planning services for entrepreneurs and small businesses. Currently, E.SUN has assisted more than 60 entrepreneurial teams in developing the knowledge of finance and business operation.



■ Incentives to Establish Saving Accounts

Bonuses of Digital Saving Account

Residents in rural areas can complete the procedures of opening account without going to a branch and be able to apply for comprehensive financial products and services online (such as TWD or foreign currency deposit, credit cards, personal loans, mortgage loans, Taiwan stocks, and securities sub-brokerage). To encourage underserved groups to save money, E.SUN offers interest rate bonus of TWD fixed deposit and transaction fee discount for dollar cost averaging on Taiwan stock / US stock.

Mobile Banking Transfer Service Upgrades

E.SUN's mobile banking offers convenient transfer services, allowing customers with periodical payment needs for rent, children's education fees, and more to schedule transfers and not worry about missing payments. With features such as scheduled transfers, transfers to personal accounts with the same name, transfers via mobile phone numbers, and frequent transfers, customers can complete transfers without leaving their homes. Leveraging the power of technology, we extend transfer services to daily life scenarios. For example, through integration with the "Smartdaily App," a smart community management platform, users can directly connect to E.SUN's mobile banking for payment transfers, making it easy for community residents to pay management fees digitally and solving inconveniences in their daily lives.

Inclusive Finance: Establishing Financial Literacy

		Targeted Customers	2023 Quantitative Social Impact KPI
Financial Education	E.SUN Little Financial Experts	Young People	580,000 Participants
	Financial Knowledge Section	Young People	85,000 Participants
	Investment Lectures at Universities	Young People	390 Participants
	Financial Knowledge on Social Media Platforms	Young People, Elderly People and Individuals in Rural or Hard-to-reach Areas	480,000 Participants
Total			1,145,390 Participants
Business Management Tools or Trainings	Financial Lectures for Franchise industry	Microbusinesses	60 Participants
Incentives to Establish Saving Account	Bonus of Digital Saving Account	Individuals in Rural or Hard-to-reach Areas	242,933 Applicants

3.3 Treating Customers Fairly and Customer Experience

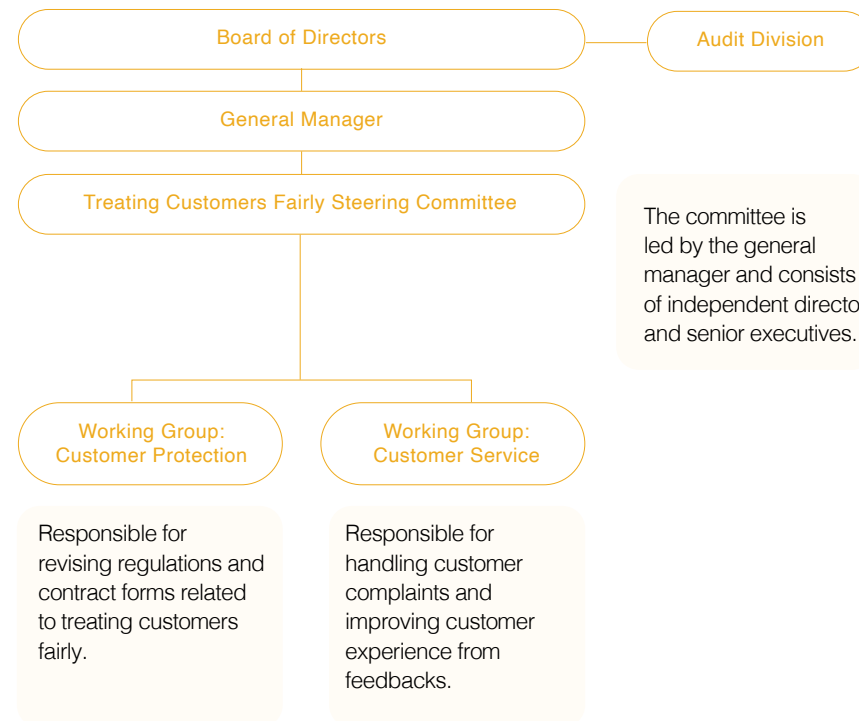
GRI: 2-25, 3-3, 417-1, 417-2, 417-3; GRI G4 Financial Services Industry Disclosure Indicator: FS15
SASB: FN-CF-270a.4

The continuous evolution of product offerings and service models in the financial services industry has underscored the growing importance of protecting customer rights and customer experience. E.SUN remains dedicated to its original service philosophy. By continuously establishing a culture and management system based on the principle of treating customers fairly, E.SUN aims to place customer experience as core value, ensuring service quality, implementing customer protection, enhancing customer communication and interaction, and providing customer-centric financial services.

■ Bank-wide Implementation of Treating Customers Fairly

E.SUN has established a corporate culture that emphasizes financial consumer protection. Approved by the Board of Directors, stipulate the "E.SUN Bank Treating Customers Fairly Policies and Strategies" and the "E.SUN Securities Treating Customers Fairly Policies and Strategies" to serve as a shared value system and code of conduct for business development. In addition, with a dedicated team appointed by the board of directors - the "Treating Customers Fairly Steering Committee" - overseeing the implementation and supervision of each department. In 2023, a total of 5 committee meetings and 27 working group meetings were conducted, leading to the completion of 94 initiatives under the treating customers fairly implement plan.

To continuously establish a culture of treating customers fairly, E.SUN follows the "E.SUN Bank Fair Treatment of Customers Principles Education and Training Program" to provide relevant training to directors and senior executives, general staff, frontline counter service personnel, and insurance agents. In 2023, E.SUN's entire staff accumulated a total of 52,345 participations in treating customers fairly-related training, with a total training time of 178,626 hours. Key course contents include an analysis of the Financial Consumer Protection Act, the Convention on the Rights of Persons with Disabilities (CRPD), and insurance protection for the elderly.



Case Study

The board of directors promotes treating customers fairly from top to down.

- Invite the board of members to participate in external courses and obtain certificates.
- Regularly report financial consumer protection progress to the board.
- Independent director is actively involved in the Treating Customers Fairly Steering Committee.

■ Customer Complaints and Rights Protection

To protect the rights and interests of financial consumers, all E.SUN business documents follow the "E.SUN FHC business document assessment," fully revealing the product information, fee calculation and campaign terms. All of the important terms and the usage of personal data are marked in clear fonts. Additionally, all marketing activities must be carefully planned and implemented before launch, including the activity rules, service procedures, customer rights, and dispute resolution mechanisms. In 2023, E.SUN completed a total of 267 assessments, and the audit rate was 100%. There is no any violations of unclear and wrong document labeling.

E.SUN places great importance on the proper handling of customer complaints and subsequent improvement, with established guidelines such as "E.SUN Bank Consumer Dispute Resolution Principles" and "E.SUN Securities Consumer Dispute Handling Procedure" to clearly define the responsibilities of the relevant departments in the three lines of defense. Since 2021, E.SUN has obtained the ISO 10002 customer complaint management system certification for three consecutive years, establishing a disciplined customer complaint management system.



1. Diversified Opinion Reflection Channel

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



2. Contact Instantly and Handle Properly

Make contact to the customer on the same day, and in principle, resolve and respond within 7 days.

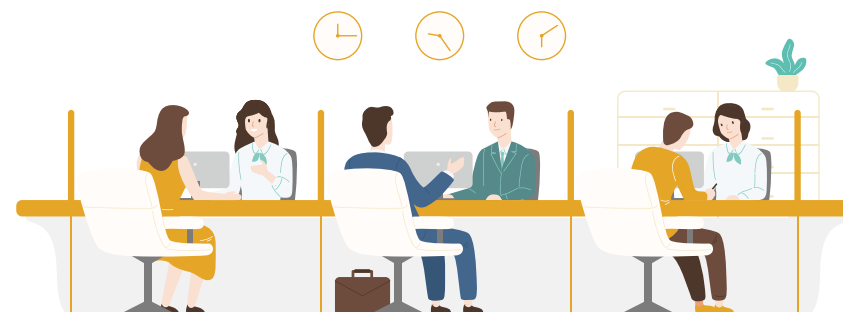


3. Root Cause Analysis; Prevention and Improvement

Cross-departmental meetings hold regularly and discuss improving actions.

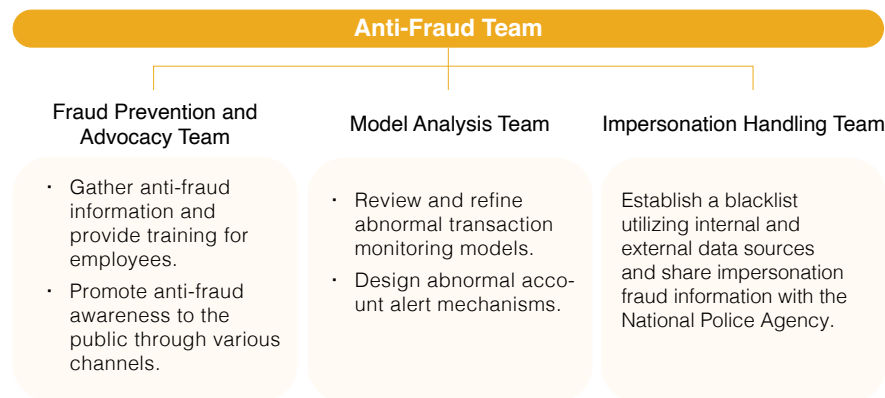
	2021	2022	2023
Customer complaint feedback (cases)	956	843	959
Forwarded by the competent authority (cases) (Including Financial Supervisory Commission complaints, telephone calls, and Financial Ombudsman Institution cases of dispute and mediations)	489	538	722
Provided financial negotiation (%)	1.0	1.4	2.6
Case not closed at year-end (%)	0.3	2.1	4.2
Number of complaints solved (%)	99.7	97.9	95.8

In addition to establishing management systems, E.SUN is taking steps to protect the groups of financial vulnerability. In response to the lowering of the legal age of adulthood under the Civil Code, E.SUN has comprehensively reviewed the status and potential risks of young customers in various products, and has adjusted operational rules, systems, contract forms, and digital platforms to strengthen transaction risk reminders. Specific measures in 2023 include: Excluding young customers from loan marketing lists, only recommend products when customers inquire on their own initiative; and send out notification letters to inform customers when the proportion of high-risk, high-return investment products reaches a certain level.



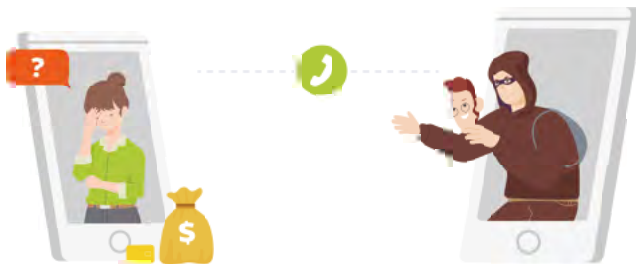
■ Fraud Prevention and Response

With fraud methods constantly updating, causing fraud cases to emerge endlessly, the amount of fraud has also repeatedly reached new highs. E.SUN diligently fulfills its management responsibilities by establishing a cross-departmental anti-fraud team, consisting of product, risk management, and technology units, to jointly intercept fraud from multiple perspectives. In 2023, a total of 956 fraud cases were intercepted, with a total amount of NT\$544,773,328, showing an increase in both the number of cases and the amount compared to the previous year. E.SUN strives to protect customers from being defrauded and maintains social financial stability.



Fraud Interception Amount

Unit: NT\$ Million



E.SUN based on the Executive Yuan's "Next-generation anti-fraud strategy guidelines, version 1.5," comprehensively implements "Identifying fraud, Preventing fraud, Intercepting fraud, Punishing fraud."

Identifying fraud via educational campaigns

- Organize 201 fraud prevention promotional activities, including the "Anti-fraud Campaign in 368 Corners of Taiwan," anti-fraud seminars for the elderly, and training programs for employees.
- Conduct branch motivation activities to enhance the sensitivity of front line employees.

Preventing fraud via telecommunications networks

- Proactively detect and take down fake E.SUN websites, apps, social media pages, and share the information with the Financial Information Sharing and Analysis Center (F-ISAC).

Intercepting fraud via money flows

- Sign MOU with the National Police Agency, establish the first three-way call and instant fraud prevention platform.
- Branches confirm with customers again before transactions with Handbook of Anti-Fraud Precautions.
- Leveraging AI to identify abnormal cash flows.
- Establish 13 operational guidelines and control measures to systematically prevent fraud.

Punishing fraud via law enforcement

- Collaborate with the National Police Agency, surveillance cameras have been installed at branches to aid law enforcement in criminal investigations and deter fraudulent activities.



Scientific Customer Experience Management

Creating Warm Customer Service

"Cultivating the most professional talents and providing the best service to customers" is E.SUN's business philosophy. E.SUN is committed to providing exceptional customer experiences through various mechanisms, including mystery shopper inspection, customer service officers, and the selection of "Best Customer Service Employee" to enhance service quality management.

Mystery Shopper Inspection

- Invite internationally certified mystery shoppers to conduct inspection on telephone customer service and front line service personnel. In addition, invite people with disabilities and elderly people to visit branches and experience accessible facilities or service.

Customer Service Officers

- Establish "customer service officers" to enhance service standards at branch.
- Engage external experts to deliver service quality training workshops, incorporating case studies and team-building activities.

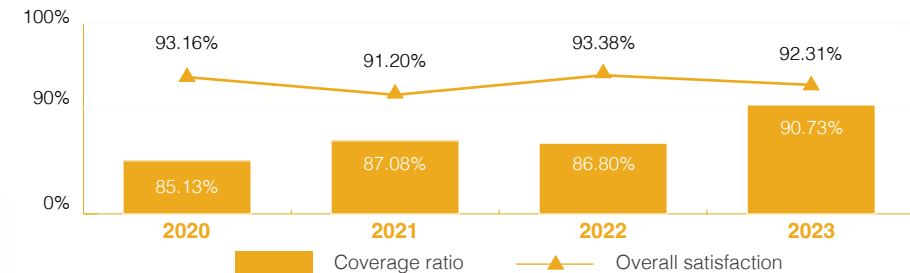
Best Customer Service Employees

- Hold an annual Best Customer Service Employees Award event to consolidate the companywide service consensus. In 2023, a total of 142 Best Customer Service Employees were selected. Colleagues are encouraged to learn from these employees.



Measuring Customer Experience and Creating a Positive Cycle

E.SUN places a high priority on customer rights and customer experience, and listens attentively to customers' voices. In 2023, E.SUN conducted satisfaction and NPS surveys across three channels: physical, digital, and call center. The overall satisfaction rate reached 92.31%, with a coverage ratio of 90.73%^{Note 1}. To further understand the feelings and experiences of customers in their interactions with E.SUN, we introduced the Net Promoter Score (NPS) indicator in 2021. In 2023, the NPS was 60.55, showing a growth trend for two consecutive years.



Note1: Coverage ratio = Number of customers reached through the satisfaction survey / Total number of customers in E.SUN

The satisfaction and NPS survey results serve not only as key performance evaluation items but also as important reference information for service optimization. E.SUN effectively manages, refines, and regularly tracks the effectiveness of customer feedback processing through the "VOC (Voice of Customer) Proposal System" and the customer experience management, creating a positive cycle of service experiences.

1. Scientific Analysis

- Utilize qualitative and quantitative analysis to map customer journeys and actively collect customer suggestions, refining key issues from a large volume of customer feedback.



3. Continuous Monitoring

- Track NPS, satisfaction and customer feedback continuously to understand optimization effectiveness and monitor progress.

2. Improvement Action

- Select proposals based on VOC proposal system and gather expertise from journey experts, business units, and IT units to enhance customer experience and bank operations processes.

Case Study

Adding Financial Consultants contact information to the mobile banking app

Through customer experience research, E.SUN identified that wealth management customers highly value the ability to access various types of information through digital channels. Based on the project findings, E.SUN implemented optimizations and added a new feature to the mobile banking app in 2023. This feature allows customers to self-service query financial advisor contact information and their membership level, ensuring their access to wealth management consultation services.



3.4 FinTech and Innovation

GRI: 2-23, 2-24, 2-25, 3-3, 203-1; GRI G4 Financial Services Sector Disclosures: FS1, FS5, FS7, FS10

■ Preface

E.SUN is committed to the development and application of financial technology. With more than 1,300 technology professionals forming a technology team responsible for overall digital development, AI applications, IT research, and information security management. Through cross-team collaboration, E.SUN improved the efficiency of digital financial technology. Information acts like the organization's nervous system, AI serves as the brain, digital is the agile limbs, and information security is the immune system. Each is indispensable. E.SUN has made significant achievements in AI, inclusive finance, and scenario-based finance. We are the first bank in Taiwan to deeply integrate artificial intelligence into various businesses and the first bank to build our core system using cloud-native technology and microservices architecture. In recent years, in addition to actively introducing agile practices and exploring cloud applications, E.SUN has also established the XDC (Experience Design Center), a dedicated team of User Experience researchers and designers to optimize customer experience across digital channels. In 2023, more than 86% of mutual fund investments, 89% of loan applications, and 98% of foreign exchange transactions were completed through digital channels. Additionally over 96% of members in the e.Fingo program were active. Specific achievements are as follows:

98% Foreign exchange transactions are completed on digital channels.

89% Loan applications are completed on digital channels.

96% Transfer transactions are completed on digital channels.

86% Mutual fund investments are completed on digital channels.

87% Credit card applications are completed on digital channels.

48% Deposit account openings are completed on digital channels.

■ Services Supported

Digital Foundation

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

Topics	Strategy Directions
AI Technology	E.SUN's proprietary MLaaS (Machine Learning as a Service) platform already hosts over 100 AI services, allowing for rapid and flexible deployment and utilization of AI model APIs. It has become a vital bridge connecting mature AI models and business systems.
	The establishment of the GENIE platform provides E.SUN staff with a single interface for using generative AI. In the wave of emerging technologies, it ensures information security, compliance, and budget management.
Operational Resilience	E.SUN proactively prepares for potential extreme scenarios in the future by leveraging the advantages of the cloud. In 2023, we promoted the backup of critical system data to the cloud.
	In order to enhance the availability of overseas information systems and reduce the impact on services in overseas branches, E.SUN had completed the migration of servers in our Singapore branch to the public cloud by 2023. We will also continue to plan and promote the migration of servers to the public cloud in other overseas branches.
Resource efficiency	To achieve optimal allocation of information resources, we provide services through virtualized environments and private clouds. We also implement monitoring and management tools to collect and analyze resource usage trends for flexible resource scheduling.
	In order to increase productivity, we implement the collaboration platforms in development process and digital tools.
Agility and Resilience	To enhance resource utilization efficiency, we have implemented a new form of wide area network (WAN) connectivity architecture called SD-WAN (Software-Defined Networking in a Wide Area Network). We have adjusted the existing network infrastructure in overseas branches and strengthened the integration and utilization of existing network connections.
	We have expanded the usage of container platforms since 2022. In addition to providing flexibility in leveraging public clouds, this expansion will enable rapid application delivery, automated deployment, and operations. Container technology also allows for automated scaling to enhance system reliability, ensuring uninterrupted application services.
Security Monitoring	Cloud Service has the diversity and high availability, and complement with on-premises services, more information service requests will be achieved by using both cloud and on-premises service. At the same time, the security of using cloud services is ensured through a security management framework.
	E.SUN continues to benchmark the supervisory configuration rules proposed by the competent authorities to expand the scope of abnormal behavior detection, and utilizes automatic threat intelligence collection to improve the efficiency of threat intelligence process, further reducing manual processing costs and increasing risk identification.

Protecting Patented Technology

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

Financial Innovation Applications

Digital Process Optimization, Service Without Interruption

Unified Application Platform	In the past, customers usually had to apply for multiple financial products to meet their shopping, investment, and travel needs. With the customer's needs at the core, E.SUN launched the new generation "Unified Application Platform" in December 2023. Customers can fill out their information only once according to their own needs and complete up to 7 financial service applications simultaneously. This includes applications for TWD and foreign currency accounts, credit cards, personal loans, mortgage loans, securities accounts, and sub-brokerage accounts. The platform also automatically completes account linking and settlement, eliminating the need for repetitive applications or in-person visits. This one-stop service saves time on tedious and repetitive application processes, solving the inconvenience of daily financial services and allowing customers to easily enjoy E.SUN's high-quality digital services.
Corporate Online Application Platform	In order to enhance the digital loan experience for businesses, E.SUN has created the "Corporate Online Application Platform." Business owners and enterprises can fill out credit application forms, agree to credit inquiries, and apply for credit guarantee fund loans through a variety of identity verification mechanisms. The platform is also integrated with business registration services, reducing the need for customers to input redundant information and addressing pain points in the application process. Subsequently, cases are automatically assigned to the corresponding account managers based on the attributes of the businesses. This integration of virtual and physical channels reduces the cost of manual operations for employees.
Embedded Financial Services	By linking with preferred partners such as convenience stores, communities, and chain brands, E.SUN integrates banking services into customers' daily life scenarios, enhancing the customer service experience. In 2023, a total of 5 scene integrations were completed, including data sharing with PLUSPay for "personal loans and account opening services," "account opening and linking services" with PLUSPay and PXPAY, integration of account payment for management fees through the Smartdaily App, embedding the E.SUN foreign currency balance inquiry in the PLUSPay travel section, and providing exchange rate inquiry services. With a customer-centric approach, E.SUN utilizes API modules to build microfinance services and scene ecosystems.
Mobile Banking	Integrating multiple innovative services within the bank, E.SUN Mobile Banking has obtained multiple patents and has an active user base of around 70%. In 2023, we will continue to focus on enhancing the customer experience and providing diverse services, including: (1) Diverse authentication modules: To ensure the security of customer transactions, E.SUN provides 12 authentication methods, including FIDO authentication (added in 2023), voice OTP, SIM card authentication, ATM verification codes, and facial/fingerprint recognition. E.SUN has obtained 2 invention patents and 5 utility model patents. In 2023, it was also approved by the government for financial innovation investment deduction. Customers can choose suitable authentication according to their own needs, providing a more flexible and secure service experience. (2) Upgrade of foreign exchange services: In 2023, the foreign currency trading interface was integrated, and a new service for reserving foreign currency transactions was added. In addition, there are 15 types of foreign currency available for online buying and selling services 24/7. Customers who need to travel or go on business trips can exchange currencies at any time, enjoying a simpler, smoother, and more considerate digital financial experience. The overall proportion of online foreign exchange transactions has exceeded 98%.

Patents Granted in E.SUN

179 patents

	Invention patents	Utility patents	Design patents
Announced in 2023	16	15	2
As of the end of 2023	69	86	24

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

AI Technology Benefits Education and Society

Traditional Chinese Intelligent Phonetic Annotation System

E.SUN has collaborated with Mandarin Daily News, a newspaper dedicated to promoting Mandarin and education, to develop a Traditional Chinese Intelligent Phonetic Annotation System. With the power of E.SUN Technology, we have overcome the challenges of traditional editing, such as heteronym and differences in fonts and formats. The editorial team of Mandarin Daily News is highly satisfied with the system, showcasing the combination of E.SUN Technology and ESG application.

Contributions to the AI Community through Open Source

As the first financial institution in Taiwan to build a self-developed AI platform using open-source technology, E.SUN Bank upholds the spirit of open source and has released four project services to the public. Additionally, E.SUN presents its research and application of financial technology at major events such as the Taiwan Artificial Intelligence Conference, PyCon TW, COSCU Open Source Conference, DevOps, and Generative AI Conference. We have accumulated over 100 speeches, demonstrating E.SUN Bank's technical strength and soft power while promoting AI inclusiveness and sharing experiences.

AI Experience Program for Rural Students

AI power is national power! E.SUN promotes AI on campuses through curriculum cooperation, student camps, and special courses. We have also partnered with the Boyo Foundation to extend our reach to rural primary schools. In addition to donating 10 robots for student learning, we also incorporate artificial intelligence technology with music appreciation to enhance understanding of AI applications in daily life among elementary school teachers and students. The learning camps were held online during the pandemic, with a total of 150 teachers and students actively participating, aiming to bridge the digital divide between urban and rural areas and sow the seeds of hope for AI.

Driving Business Growth with Data

Corporate Relationship Map

Utilizing Graph database technology, we have established a corporate relationship map that connects the supply chain, cash flow, and investment holdings of businesses. This visualizes complex and difficult-to-follow relationships in a simple manner. In addition to enhancing MGM's new customer development and deepening relationships with existing customers, it also allows for risk management of credit resources. Over half of our corporate financial business units have already implemented the corporate relationship map in their daily business promotion.

Visualization of Alert Accounts

With the significant advancements in technology, fraud techniques have become increasingly complex and unpredictable. Using Graph database technology and our own built-in relationship database, E.SUN visualizes potential relationships between accounts. This allows for more efficient detection of suspicious accounts, identifying shared relationships and networks, and timely observation and control. By incorporating new technology, we are driving the efficiency and accuracy of routine risk management operations.



AI Experience Program for Students in Remote Areas



Nurturing Talents and Promoting AI Development

E.SUN AI Open Competition

E.SUN is dedicated to financial technology innovation and considers talent cultivation as its responsibility. We have successfully hosted 9 AI challenge competitions, attracting 6,721 teams and over 10,000 participants. Through regular competitions and exchange platforms, talented individuals interested in the field of AI can practice and challenge themselves at any time. In 2023, we will collaborate with the Ministry of Education for the first time, upholding the spirit of "enterprises posing problems, talents solving them," to jointly nurture more AI talents in Taiwan and continue to shine on the international AI stage.

Industry-Academia Collaboration

Since 2018, E.SUN has collaborated with multiple colleges, the Academia Sinica, and 6 major departments to conduct AI technology research and development. This collaboration has involved over 60 prominent professors and 300 students, resulting in over 100 research achievements, 10 journal publications, and 10 outcome presentations. By bringing together the strengths of academia and industry, we are fostering financial technology innovation and cultivating interdisciplinary talents combining information, mathematics, and finance-related knowledge for Taiwanese society.

Cross-Domain Research in Technology, Law, and Finance

To promote the practical application of emerging technologies, E.SUN has established a technology and law compliance team and partnered with National Yang Ming Chiao Tung University's Technology Law Institute for AI governance framework research. We also collaborate with National Chengchi University's Finance Technology Research Center for consultations on financial practices. E.SUN presents practical operational issues and invites professors to propose research solutions. Through the exchange of industry practices and academic research, as well as interdisciplinary knowledge collisions in technology, law, and finance, we ensure the growth and evolution of AI technology while adhering to regulatory requirements, creating safe, sound, responsible, and trustworthy AI applications, and cultivating E.SUN employees into highly sought-after cross-domain talents.



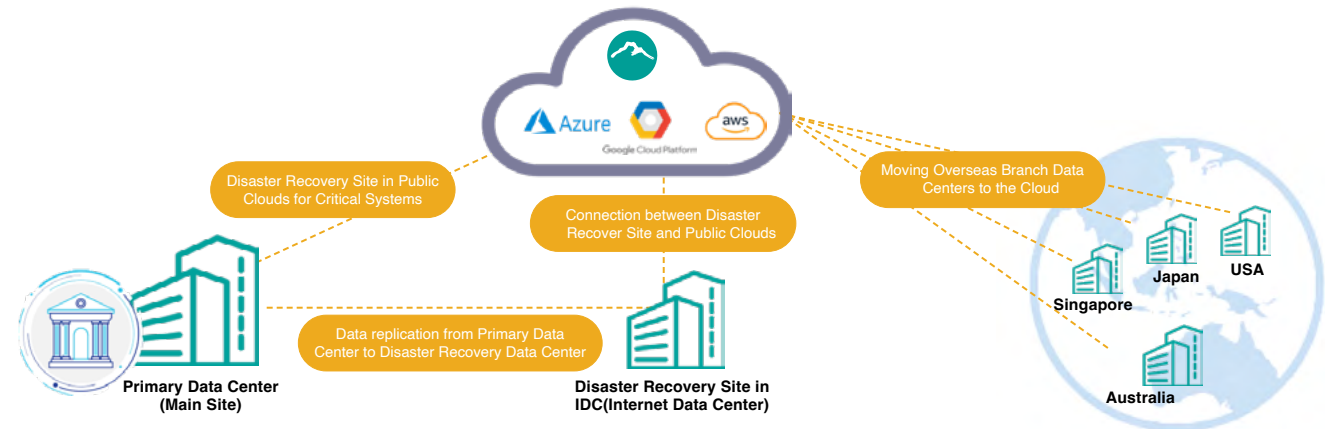
E.SUN AI Open Competition



Industry-Academia Collaboration and Exchange Seminar

Examples of Cloud and Carbon Reduction

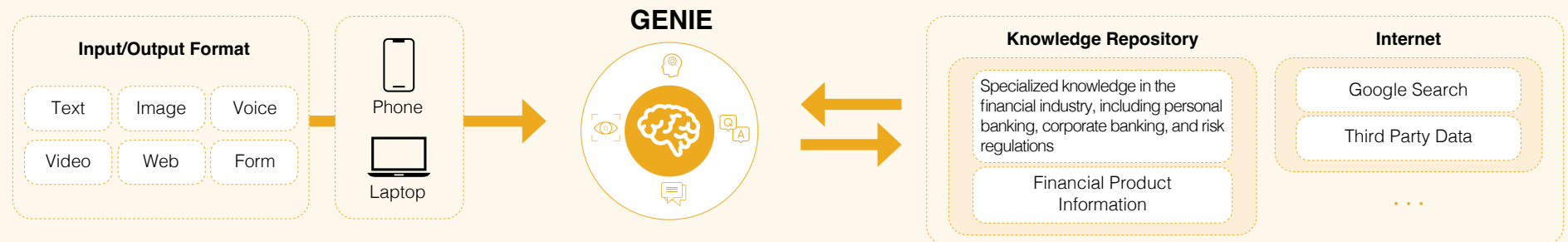
We have established an internal private cloud to enhance resource utilization and flexibility, reduce idleness and waste, and plan to retire old data centers upon reaching their lifespan. Specific application systems will be migrated to public cloud, optimizing energy consumption in data centers.



The Big Picture of E.SUN Hybrid Cloud Management

GENIE Blueprint

GENIE serves as the intelligent assistant for E.SUN Bank, driving E.SUN's digital transformation.



Key Features of GENIE

1. Communication through conversation: Intelligent dialogue, including diverse data import and export functions.
2. Integration with E.SUN's unique knowledge repository: Includes specialized knowledge in the financial industry, such as personal banking, corporate banking, and risk regulations, as well as financial product information, etc.
3. Strengthened security and risk control: Establishes a mechanism for reviewing sensitive information.

Application services and potential scenarios

text/image generation	chatbot knowledge search	programming instruction	market information summary/generation
meeting record generation	classification / analysis	intelligent customer service / knowledge search	data analysis and instruction
summary translation	audio/video data extraction	comparison of regulatory documents	customer sentiment analysis

3.5 Promoting The Sustainable Development of Industries

■ Establishing "The Coalition of Movers and Shakers on Sustainable Finance" with Peers, Aiming to Drive Financial Transformation

"Net Zero Emissions by 2050" is a global goal and also a goal for Taiwan. E.SUN Bank, along with four other financial holding companies, including Yuanta Financial Holdings, Cathay Financial Holdings, CTBC Financial Holding, and First Financial Holding, has formed the "Coalition of Movers and Shakers on Sustainable Finance" at the invitation of the Financial Supervisory Commission (FSC). We are committed to taking more proactive actions in five key areas: green procurement, investment and financing, information disclosure, assistance and promotion, and international alignment. Through these actions, we aim to guide businesses to enter the green supply chain and invest more in zero-carbon technology development. Furthermore, E.SUN Bank also serves as the convener of the "Financial Industry Net Zero Working Platform - Policy and Guideline Working Group." The achievements of the working group in 2023 include:

1. We have completed the revision of the "Guidelines for Calculating Financial Carbon Emissions (Scope 3)" and the "Guidelines for Setting Carbon Reduction Targets and Planning Strategies in the Financial Industry." These guidelines assist financial institutions of different scales and at different stages of carbon reduction to have a methodical and step-by-step reference. Starting from calculating financial carbon emissions, they provide guidance on setting specific carbon reduction targets and planning strategies. Our aim is to promote the overall transformation of Taiwan's financial industry towards achieving net-zero emissions.
2. On May 17, 2023, we organized the Financial Industry Carbon Accounting and Discussion Seminar, which included a keynote speech by Tiange Wei, the Asia Pacific Regional Lead of the Partnership for Carbon Accounting Financials (PCAF). The seminar brought together representatives from 17 cross-industry organizations, including the Financial Supervisory Commission (FSC), Carbon Disclosure Project (CDP), banking sector, insurance sector, securities sector, futures sector, and investment management sector. We believe that measurement can promote management and encourage financial industry peers to align with international standards by starting with carbon accounting. This initiative will enhance Taiwan's international competitiveness in the financial sector.
3. On October 25, 2023, we held the Seminar on Setting Carbon Reduction Targets and Planning Strategies in the Financial Industry. The seminar featured keynote speeches by experts from the Science Based Targets initiative (SBTi), Howard Shih, and the General Manager of PWC Sustainability Services Company, Chang Jui-Ting. Representatives from 26 cross-industry associations attended the seminar. The experts provided specific and clear suggestions on submitting SBT targets and implementing carbon reduction strategies, including SBT review content and timelines, data source utilization, engagement methods, and target updates. These recommendations will assist financial industry peers in their future planning and implementation efforts.



■ Cross-Border Cooperation to Jointly Support Climate Transformation

To promote the development of the domestic financial industry, E.SUN FHC and its subsidiaries actively participate in various industry associations, such as the Banking Association, Securities Association, and Trust Association. They also collaborate with non-profit organizations that contribute to industry climate transformation and sustainable development.

E.SUN FHC has established a governance framework for public policy participation. Leading by our General Manager, who ensures that the company engages in educational training before participating in public policy advocacy activities or representing industry associations. This training is aimed at understanding the goals of the Paris Agreement and promoting public policy initiatives that align with the spirit of the Paris Agreement.

Unit: NTD

Topic of Advocacy	Description of Lobbying Activities	ESUN's Expenditure on The Topic in 2023
Climate Change	<ul style="list-style-type: none"> ESUN FHC serves as the convener of the "Financial Industry Net Zero Working Platform - Policy and Guidelines Working Group" of Taiwan Financial Services Roundtable (TFSR), as well as the convener of the "Banking Industry Financing and Investment Portfolio Carbon Emission Practice Manual" project team of the Banking Association. We collaborate with both public and private sectors to discuss and develop policies and regulations for the financial industry in Taiwan, including the "Financial Industry Financial Carbon Emission (Scope 3) Calculation Guidelines" and the "Financial Industry Carbon Reduction Target Setting and Strategy Planning Guidelines," to ensure their alignment with the Paris Agreement. We support and participate in climate-related forums and events organized by industry associations or non-governmental organizations, and share our experiences and learn from leaders in various sectors, including government, industry and academia. 	\$4,897,440
Biodiversity	<ul style="list-style-type: none"> We support and participate in events such as the World Biodiversity Summit, working closely with leaders from governments, businesses, financial institutions, and civil society around the world to address key issues related to biodiversity loss, restoration, and investing in nature-based solutions. Our goal is to achieve the objectives of the Global Biodiversity Framework and the Paris Agreement. 	\$2,020,926

■ Climate Policy Positions and Activities of Trade Associations

Unit: NTD

Organization	Type	Climate Position	Climate-Related Activities	E.SUN's Expenditures for the Organization in 2023
The Bankers Association of the Republic of China	Trade Association	In line with the Paris Agreement	Established The "Bank Industry Practical Handbook on Financial Carbon Emissions of Investment and Financing Portfolio" for all banks in Taiwan to calculate their financial carbon emissions, serving as a critical foundation for the implementation of the Paris Agreement.	\$9,457,000
World Climate Foundation(WCF)	Lobbying Organization	In line with the Paris Agreement	Committed to expanding the private sector's voice, connecting with public actors in the global climate sphere, and promoting cross-sectoral partnerships to advance the implementation of the Paris Agreement, while integrating biodiversity into the dialogue.	\$5,105,400
Trust Association of R.O.C.	Trade Association	In line with the Paris Agreement	Encourage trust companies to prioritize environmentally friendly, low-energy consumption, and green building certified products. This includes utilizing recycled paper envelopes for sending transaction reports, statements, or trust contracts. Furthermore, promote electronic transactions and paperless billing to reduce negative environmental impact.	\$3,841,000
The Insurance Agents Association of the Republic of China	Trade Association	In line with the Paris Agreement	Support insurance companies in following the "Insurance Industry Climate-Related Financial Disclosure Guidelines" to improve the quality and transparency of ESG information disclosure. This will drive the insurance industry to assess and address their risks and capabilities in relation to climate change.	\$718,000
Partnership for Carbon Accounting Financials (PCAF)	Lobbying Organization	In line with the Paris Agreement	Recognizing the crucial role of financial institutions in global transition, PCAF has established a greenhouse gas accounting methodology applicable to any financial institution. Collaborating with banks and investors (pension funds, asset owners, and managers) worldwide, PCAF encourages investors to join the initiative and commit to assessing and disclosing greenhouse gas emissions associated with their investment portfolios.	\$384,413
R.O.C. Bills Finance Association	Trade Association	In line with the Paris Agreement	Develop and implement a certification and issuance mechanism for green bonds, aiming to leverage the power of the market and financial resources for ESG development. Harnessing the financial sector's influence, we strive to drive sustainability and promote positive change in environmental and social practices.	\$250,000
The Equator Principles Association	Lobbying Organization	In line with the Paris Agreement	Continuously cultivate financial institutions to expand the positive impact of their capital on climate, people, and biodiversity. Provide tools and support to association members, require members to disclose quality, and strengthen the association's governance and accountability processes.	\$238,252
Taiwan Wild Bird Federation	Lobbying Organization	In line with the Paris Agreement	Bringing together passionate individuals from around the world who care about the natural environment, we are dedicated to conserving Taiwan's environment and ecology through research and conservation of wild birds and their habitats, education, outreach, establishment and management of protected areas, publication of wild bird research reports, hosting international bird conferences, and other means.	\$200,000
Taiwan Securities Association	Trade Association	In line with the Paris Agreement	The establishment of a "Securities Firms ESG Sustainable Transformation Zone" to disclose the implementation of sustainable development by each member company of securities firms. The formulation of the "Securities Firms Climate Change Information Disclosure Guidelines" and the "Securities Firms Climate Change Scenario Analysis Guidelines" lay an important foundation for the Taiwan securities industry to practice the Paris Agreement.	\$164,000
RE100	Lobbying Organization	In line with the Paris Agreement	Calling on businesses around the world to work together to protect the natural environment by adopting 100% renewable energy production, reducing carbon emissions and environmental pollution, and addressing issues such as future fuel shortages and climate change.	\$153,765
Global Views ESG Alliance	Lobbying Organization	In line with the Paris Agreement	Bringing together businesses from different industries as members, assisting in the matching of ESG consultants in various fields, organizing sustainable trend reading clubs, publishing sustainable special publications, organizing visits to benchmark enterprises, etc., to learn across industries, inspire new sustainable thinking and new solutions.	\$150,000
CommonWealth Sustainability CWS	Lobbying Organization	In line with the Paris Agreement	Addressing the current business needs and pain points of enterprises, the organization plays a bridge between industry and government by organizing sustainable empowerment workshops, annual member conferences, benchmark enterprise visits, and publishing corporate sustainability white papers. It creates a comprehensive platform for entrepreneurs to exchange, share, and learn together.	\$120,000
CDP CM Sig	Lobbying Organization	In line with the Paris Agreement	Persuading companies to respond to CDP's disclosure requests to further promote corporate transparency in climate change, deforestation, and water security.	\$107,636
Total				\$20,889,466

■ Contributions & Other Spending

Unit: NT\$ Thousand

	2020	2021	2022	2023
Trade associations	20,716	16,876	18,663	14,430
Lobbying, interest representation or similar	0	0	0	6,459
Political campaigns / organizations / candidates donations	0	0	0	0
Total	20,716	16,876	18,663	20,889

04 Building Resilience

Adhering to the core values of integrity, honesty, professionalism, and accountability, we establish a system of professional managers to diligently promote corporate governance and risk management culture. Our aim is to build a healthy and resilient organization.

[4.1 Corporate Governance](#) [4.2 Code of Conduct and Ethic](#) [4.3 Risk Management](#)
[4.4 Anti-Money Laundering and Combating the Financing of Terrorism \(AML/CFT\)](#)
[4.5 Business Continuity Plan](#) [4.6 Information Security and Personal Information Protection Management](#)
[4.7 Tax Governance](#) [4.8 Human Rights Protection](#)

98.61 %

Average board meeting attendance

100 %

Availability rate of core systems

99 %

Employees showing alertness of social engineering email



Being the first in Financial Group to embrace the digital technology era

Technical Advisory Committee

Deepening the integration across boundaries, sectors, and industries

Gathering experts in the field of technology to create a new type of financial service

Due to the changes brought about by globalization, digitization, and rapid technological development, the world is currently in a VUCA (Volatility, Uncertainty, Complexity and Ambiguity) era. In such a time, companies need to adapt swiftly, maintain competitiveness, and continue to thrive by flexibly and robustly mastering information technology.

In active response to the changes in the digital technology era, the Board of Directors of E.SUN Financial Holdings approved the establishment of a "Technology Advisory Committee" in the second quarter of 2023. Chairman Joseph N.C. Huang serves as the convener, along with General Manager Mao-Chin Chen, Chief Technology Officer Jyh-Shing Roger Jang, and two independent directors, Professor Chun-Yao Huang and Professor Ruey-Lin Hsiao, as members. Additionally, external members with expertise in areas such as artificial intelligence, digital empowerment, e-commerce, and information security, including Lee-Feng Chien, Hsi-Peng Lu, Howard Jyan, and Chia-liang Kao, have been recruited to enhance competitiveness in digital development, intelligent applications, information research and development, and information security management.

Believing that the combined strength of experts and scholars from various disciplines, sectors, and industries can bring new perspectives, stimulate diverse problem-solving thinking, and accelerate the speed of adapting to market changes. In conjunction with E.SUN Financial's core values and financial expertise, with a customer-centric approach and technology as an accelerator, continuous innovation will undoubtedly help build a stronger and sustainable financial ecosystem, create a new and robust business model, and provide customers with safer, user-friendly, high-quality, and convenient financial services.



Chun-Yao Huang

Professor at the Department of Business Administration and Graduate Institute of Business Administration at National Taiwan University, with years of accumulated consulting experience encompassing industries such as retail, finance, technology, and internet.



Ruey-Lin Hsiao

Professor at the Institute of Technology Management and Intellectual Property at National Chengchi University, specialized in technological innovation, knowledge management, organizational innovation, qualitative research, and action research.



Lee-Feng Chien

Formerly served as the Managing Director of Google Taiwan, leading Taiwan's Google to become the largest research and development center in the Asia-Pacific region.

We aspire for E.SUN to become the most technologically advanced bank in East Asia, and firmly believe that E.SUN can achieve this goal.



Hsi-Peng Lu

An e-commerce expert and a distinguished professor at the Department of Information Management in National Taiwan University of Science and Technology. Recognized by the Stanford University as the top 2% global scientists in the field.

E.SUN's future ten-year technology development blueprint will be based on three main pillars: agility, intelligence, and security.



Howard Jyan

Formerly served as the Director-General of the National Information Security Center in the Executive Yuan, specializing in emerging technology risks, information and communication security, and governance.

Data-driven transformation, resilience achieved through cloud computing, building trust through information security, and integration driving development.



Chia-liang Kao

Co-founder of the g0v.tw initiative, dedicated to promoting open data and empowering more people to participate in public affairs through the power of technology.

We hope that E.SUN can bring Taiwan onto the world stage and showcase Taiwan to the world.

4.1 Corporate Governance

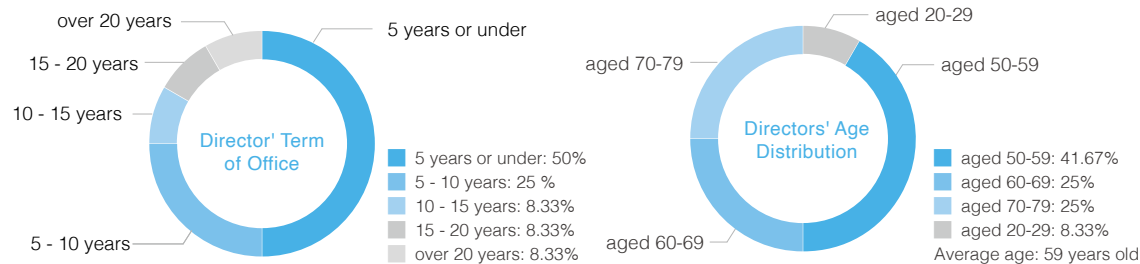
GRI: 2-9, 2-11, 2-12, 2-13, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20, 2-21, 2-28, 3-3, 405-1

■ Diverse board members

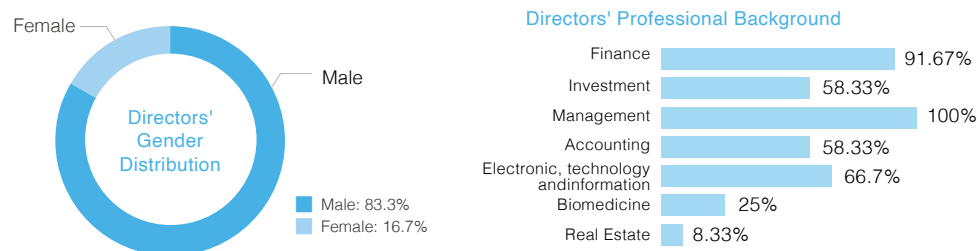
E.SUN FHC has a complete director selection system. Based on the company's industrial characteristics and future development strategies, it carefully considers the configuration and diversification standards of the board of directors. The board of directors is composed of financial industry, industry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



Board of directors
information
QR code



Note: Average term of office is 7.33 years.



Improve the director selection system

Nomination of directors - candidate nomination system

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

List review - list subject to board approval

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

Shareholders vote

- The Shareholders' Meeting adopts the cumulative voting system for electing directors.

- An electronic voting system has been introduced.

Job Execution and Evaluation

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

■ Professional guidance and operational participation

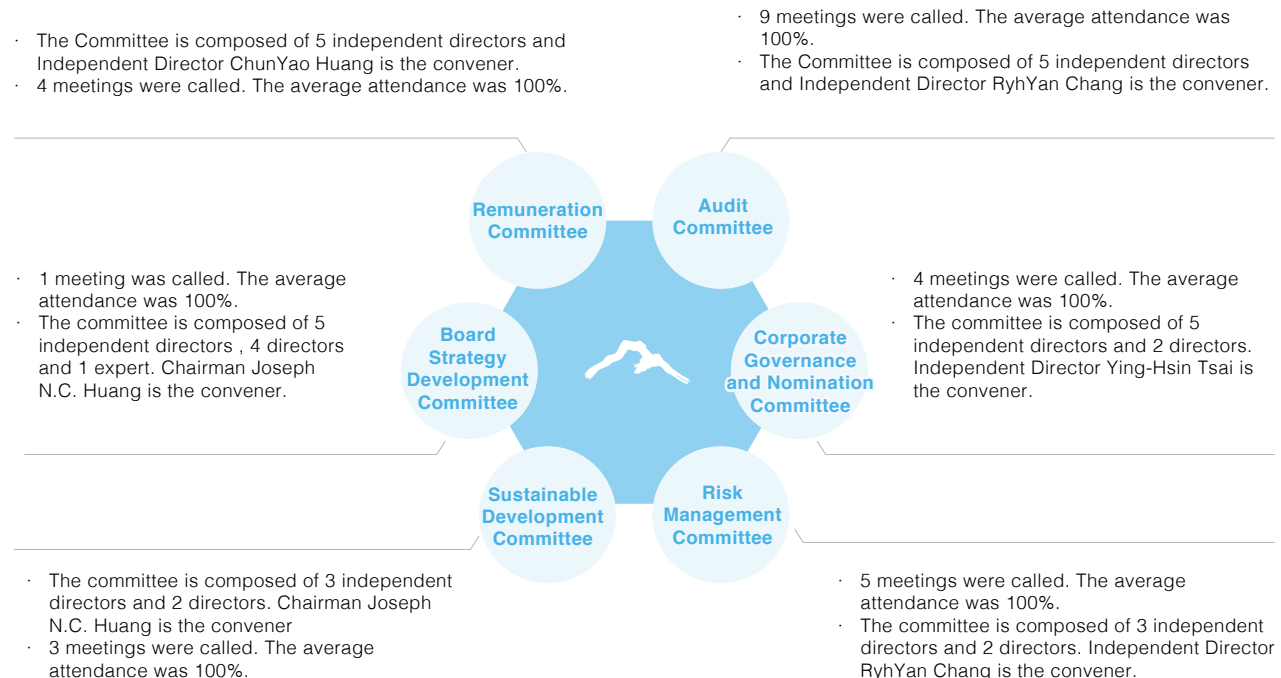
Depending on the expertise of the directors, they are invited to participate in the discussion and guidance of specific issues.

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

■ Competent functional committees

To ensure an effective Board of Directors and refine the quality of board decisions, the Audit Committee, the Corporate Governance and Nomination Committee, the Remuneration Committee, the Board Strategy Development Committee, the Sustainable Development Committee and the Risk Management Committee are created by authority and function under the Board of Directors and are responsible for deliberating proposals and major issues in the economy, the environment, the society and risks. The functional committees are composed or participated by independent directors, so that the committee's decision-making and recommendations are forward-looking, objective and comprehensive, effectively implement the mechanism of independent supervision and checks and balances, and ensure that all resolutions and actions of the board of directors are put forward. After the report and discussion of the board of directors, the board of directors asked questions or made suggestions on the aforementioned proposals at the meeting. After full discussion, the directors also inspected and supervised the implementation of the plan from the perspective of various implementation progress, and urged the management team to make adjustments in due course. Those who have an interest in the director himself or the legal person he represents should avoid it, and some proposals are also submitted to the shareholders' meeting for report and discussion, which is in the best interest of the interested party.

In order to enhance digital finance and pursue operational excellence, a Technology Advisory Board was newly established as a general committee of the Board of Directors in June 2023.



■ Protection of shareholders' rights and interests

The 2023 shareholders' general meeting will be held physically and assisted by video, providing shareholders with multiple channels for exercising their rights. In addition to continuing to proactively report proposals such as "specific promotion plan for sustainable development," "communication between the Audit Committee and the head of internal audit," "adjustment of certified accountants" and "remuneration policy for directors and managers" at the shareholders' meeting, among which "directors and managers Manager's Salary Remuneration Policy Case," report on the company's directors' and managers' remuneration payment standard review procedures, and add a new level of individual directors' remuneration. In order to protect the rights and interests of shareholders and implement equal treatment of shareholders, insiders are expressly prohibited from using undisclosed internal material information to buy and sell securities, and insiders and directors who are informed of financial reports or performance contents are not allowed to trade their stocks during the closed period, and the relevant controls on stock trading are indeed established. Management measures and inspection and confirmation mechanism.

■ Training for directors

In 2023, each director will receive an average of 17.08 hours of training, which is 6 hours higher than the legal recommendation. E. SUN organized six director training courses for a total of 18 hours, on "Principle for Financial Service Industries to Treat Clients Fairly and Case Analysis," "The Internal Ratings-Based Approach," "Trends in Anti-Money Laundering Supervision in the Asia-Pacific Region," "Convention on Financial Friendliness and the Rights of Persons with Disabilities," "Enterprise information security posture" and "Transformation of the world economic system and sustainable finance." In addition to planning course themes and arranging courses every year with reference to changes in internal and external environmental conditions and development needs, and providing directors with information on multiple courses organized by training system institutions from time to time, assessing their own professional background and needs to increase the arrangement of courses, for example: there are other directors who also Participate in "Sustainable Development and Sustainable Governance Trends," "Introduction and Case Analysis of Short-term Trading by Company Insiders," "Discussion on Sustainable Risk Trends and Response Strategies," "Strengthening Digital Resilience and Constructing Strengthening Strategies for Information Security Governance of Listed Companies" and "The impact and response of the EU carbon border adjustment mechanism (carbon tariff) on the industrial supply chain" and other courses, in order to fulfill the duty of care of faithfully executing business and benevolent managers, and give full play to the functions of business decision-making and leadership supervision.



Board of
directors
information
QR code

17

each director will receive an average of 17.08 hours of training, which is 6 hours higher than the legal recommendation

■ Attendance of directors

A total of 12 board meetings will be held in 2023. The average board meeting attendance rate was 98.61%. In order to continuously strengthen directors' participation in the operation of the board of directors, E. SUN went beyond the legal requirements and independently stipulated that "the annual attendance rate of directors should be at least 80% or more."

■ Board Effectiveness

Evaluation of board performance

Internal evaluation

The Company completed the 2023 board and functional committee performance evaluation. The results are presented below:

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

The functional committees served their purposes as intended, effectively making the board more effective. The Company presented the results of the 2023 director performance evaluation on March 15, 2024, based on self-assessments conducted by the directors themselves and peer reviews

- Self-assessment score: 99.40%.
- Overall self-assessment score: 99.20%.

External evaluation by professional institutions

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

■ Independence of directors and conflicts of interest prevention

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

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

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

In the annual report, E.SUN FHC fully discloses the concurrent positions of the directors, the top ten shareholders and related party transactions (including donations). For details, please refer to [P.15-20 of the annual report](#) and [appendix financial report P.74](#).

Director Remuneration

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

of Directors may resolve to cut back or recover director remuneration if any director is determined to have been involved in a moral hazard event or otherwise undermined the Company's public image and reputation. On January 22, 2021, the Company decided that director remuneration shall be withheld if any director concurrently holds E.SUN's managerial positions; this was put into force from the distribution of director remuneration for 2020. Relevant policies were reported at the shareholders' meeting of year 2023.

Metrics for Evaluating Performance of CEO

Culture and Brand Management

- Culture and brand management
- Risk management

Business/Financial Performance

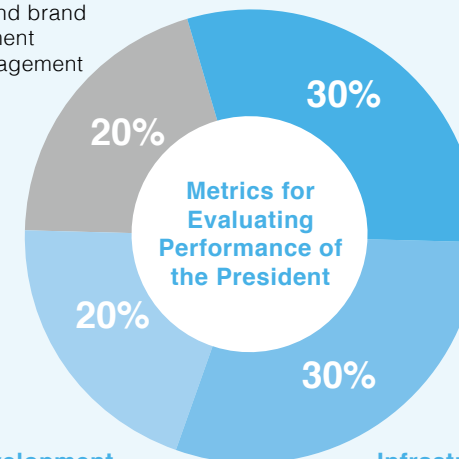
- Financial Performance: Earnings capacity and management efficiency, such as ROE, ROA, EPS, C/I Ratio, etc.
- Business Performance: Comparison with Taiwan's top five banks in total shareholder return, overall business market share growth rate.

Strategic Development

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

Infrastructure

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



CEO Overall Performance

Financial Performance: E.SUN post-tax profit reached NT\$21.748 billion, setting a new historical record and growing by 37.8% compared to 2022. E.SUN has strengthened its market position in important businesses. With robust development in business expansion, risk management, corporate governance, and profitability, the company's credit outlook was upgraded to positive by Moody's in March 2024.

Strategic Development: E.SUN has identified sustainable development as a key strategy and has achieved leading performance in financial sector. This includes being selected for the Dow Jones Sustainability Emerging Markets Index for ten consecutive years and the Dow Jones Sustainability World Index for eight times, a record not only in Taiwan but also in the Asian financial industry. Moreover, E.SUN has received the highest AAA rating from MSCI ESG for two consecutive years and ranks as a global leader in the banking sector according to Sustainalytics and other important international ESG evaluations.

Remuneration and Performance of Managers

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

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

■ Short term and Long term incentive

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

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

■ Management Ownership Requirements

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

■ Remuneration of Executives

12.31.2023 Unit: NT\$ thousand

Title	Name	Remuneration of Directors	Remuneration of Employees				Total
			Salary	Incentive Pay			
		Cash	Cash	Short-term (cash+stock)	Long-term (stock)		
Chairman of E.SUN FHC (resigned on 2023.6.9)	Yung-Jen Huang	12,594	0	0	0	12,594	
Chairman of E.SUN FHC/E.SUN Bank	Joseph N.C. Huang	24,922	0	0	0	24,922	
CEO/ President of E.SUN FHC (retired on 2023.8.1)	Magi Chen	0	5,669	0	0	5,669	
CEO/ President of E.SUN FHC (transferred from E.SUN Bank on 2023.7.14)	Mao-Chin Chen	0	7,900	15,949	3,191	27,040	
President of E.SUN Bank (assumed office on 2023.6.9)	L. C. Lin	0	6,299	9,939	2,042	18,280	
Director ^{Note 1}	(see below for the list)	38,267	0	0	0	38,267	
Independent director ^{Note 2}	(see below for the list)	48,932	0	0	0	48,932	
Senior Executive Vice Presidents ^{Note 3}	(see below for the list)		52,477	54,729	3,319	110,525	

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

Note 2: List of Directors: E.SUN Culture and Education Foundation (Representative Joseph N.C. Huang); Hsin Tung Yang Co., Ltd. (Representative Jackson Mai); Fu-Yuan Investment Co., Ltd. (Representative Rong-Chu Chen)(leaving office 2023.6.9); Fu-Yuan Investment Co., Ltd. (Representative Wei-Han Chen)(assumed office on 2023.6.9); Shang Li Car Co., Ltd. (Representative Chien-Li Wu).

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

Note 4: List of Senior Executive Vice Presidents: J. C. Wang, Oliver Hsieh, Wan-Li Hsieh, Jyh-Shing Roger Jang, Jung-Hua Lin, Wu-Ming Hsieh, Louis Chang, Cathy Kuo, Yi-Hsin Tseng, Jung Chun Chen, Danny Tang, Jeff Liu, Fion Ouyang, Huai Tsung Liu.

Note 5: CEO / President Mao-Chin Chen(transferred from E.SUN Bank on 2023.7.14) holds 5,852,000 shares of E.SUN FHC stock, with market value being 18.91 times of his salary. E.SUN FHC senior executive vice presidents hold 29,772,000 shares in total, and the average market value per person is 14.48 times more than their salary. Shares held by the presidents and senior executive vice presidents including those from spouse, minor children and Employee Stock Ownership Plan; they're without pledge and aren't linked to financial derivatives. The market value, 25.53, comes from the average value per share of the last 30 business days in 2023.

Note 6: CEO / President Mao-Chin Chen's salary and bonus received in 2023 was 19.2 times more than the mean compensation of employees, and 22.2 times more than the median compensation of employees.

Note 7: The percentage increase in the highest individual total annual remuneration is 1.99 times the percentage increase in the median total remuneration for all employees.

4.2 Code of Conduct and Ethic

GRI: 2-23,2-24,2-25,2-26,2-27,3-3,205-2,205-3,206-1

SASB: FN-CB-510a.1,FN-AC-510a.1,FN-CB-510a.2,FN-AC-510a.2

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

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

E.SUN FHC has the "Ethical Corporate Management Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" to establish sound corporate governance and risk control and management mechanisms. Aforementioned regulations applicable to E.SUN FHC's business groups and organizations, which comprise its subsidiaries, any foundation to which E.SUN FHC's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by it. These regulations clearly specify that the Corporate Governance and Nomination Committee of E.SUN FHC is designated as the solely responsible unit, stipulate that directors, managers, employees, trustees, or those with substantial control should comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, rules and regulations related to TWSE Listed and TPEX Listed Companies, other relevant laws concerning commercial operations or the operation of group enterprises and organizations in their respective locations, in order to implement ethical management. In 2023, E.SUN FHC has implemented the internal operations in accordance with the aforementioned regulations.

"Code of Ethical Conduct Directors"

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

"Commitment to Anti-Corruption, Anti-Bribery, and Anti-Competitive Behavior"

When conducting business with others, E.SUN first assesses the legitimacy of the counterparties, fully understands their ethical management status and compliance with corporate social responsibility policies, and clearly expresses its rejection of directly or indirectly providing, promising, requesting, or accepting any undue benefits in any form or name. Contracts explicitly stipulate compliance with ethical management and corporate social responsibility clauses. E.SUN adopts a zero-tolerance approach to corruption and bribery, committing that there will be no form of corruption or bribery in its global business operations, and announced on official website. According to the "Instructions for Requisition/Procurement and Supplier Management", E.SUN added 113 new suppliers in 2023, and all of them have signed the relevant terms.

"the Treating Customers Fairly Policies and Strategies"

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

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

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



E.SUN anti- corruption,
anti- bribery and anti-
competitive commitment
QR code

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

■ Education and Training System

Education and Training: E.SUN organizes various training courses covering financial laws, E.SUN Employee Service Code of Conduct and Behavior Standards. These courses aim to educate and promote integrity in business operations. Case study-based discussions are used to strengthen the concept and implementation of the three lines of defense, embedding the culture of honesty among supervisors and colleagues. The total course duration is 346.83 hours. Additionally, early stage job description meetings provide briefings on business overviews and general financial laws to prevent dishonest behavior.

Compliance Promotion: The Company's Compliance Division drives compliance education and training for all employees. In 2023, the focus is on "Ethical Corporate Management Practice Principles and Procedures for Ethical Management and Guidelines for Conduct." Through videos and cases to disseminate employees on important matters to note during business execution, with a participation rate of 100%. E.SUN also regularly provides "ethical management and handling of material internal information" promotional materials to the entire Board of Directors in July and August, with a participation rate of 100%.

Annual Tests: The company administers annual online tests for 100% of their employees. The tests cover E.SUN FHC Ethical Corporate Management Practice Principles and Procedures for Ethical Management and Guidelines for Conduct. The 2023 test participation rate is 100%.

346.83hours

total Education and Training
course duration

- **Ethical Management Violations** SASB: FN-CB-510a.1, FN-AC-510a.1
E.SUN did not engage in corruption or bribery, conflicts of interest and money laundering or insider trading in 2023. Likewise, no suit or penalty was fined. The subsidiary, E.SUN Bank, was fined by the FSC due to the personal data incident and had three cases of harassment matter. Meanwhile, all business supervisory units and overseas business locations were told to take a hard look at the Code of Ethics for Salespeople among other key compliance issues for the year. Next, the Company's Compliance Division went on to conduct inspection and evaluation with a view to effectively enforcing risk management and reducing corruption risks.

■ Whistleblowing System and Whistleblower Protection

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

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

In 2023, a total of 48 cases were accepted through whistleblowing and non-whistleblowing channels, all of which pertained to non-significant violations of internal regulations, consumer disputes, or events unrelated to banking operations. There were no violations related to integrity management. While these reports were immediately presented to the Compliance Division, the President appointed an appropriate department to conduct investigation. Investigation results were then submitted to the President, with the whistleblower's identity kept confidential and the departmental supervisor of the accused also given notice, and the relevant implementation will be reported to the Corporate Governance and Nomination Committee and the Board of Directors.

Year	2020	2021	2022	2023
Totals	28	49	33	48
After investigation, it has been confirmed that there is a violation of integrity management and code of conduct.	1	4	0	0

Integrity Management Violation	2020	2021	2022	2023
Through whistleblowing channels	1	4	0	0
Through other channels (such as self-examination, audit, etc.)	5	0	0	0
Total breaches of integrity management	6	4	0	0
Investigation completed and closed	6	4	0	0
Under investigation	0	0	0	0
Corruption	1	0	0	0

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

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

E.SUN has been paying long-term attention to domestic and international financial policies and regulatory changes. While actively expanding its business, it strictly adheres to relevant laws and regulations.

The mid-term goal is to establish a group-wide risk-based approach for identifying, assessing, controlling, measuring, monitoring, and independently reporting compliance risks, in order to comprehensively control, supervise, and support domestic and overseas departments, branches, and subsidiaries in their respective businesses, cross-departmental and cross-border compliance matters.

The long-term goal is to cultivate a compliance culture so that all employees voluntarily comply with laws, regulations, and business rules, uphold integrity and discipline, and implement the principle that "no business shall override the risk and all services shall not exceed the regulatory boundary."

In 2023, E.SUN has no cases of penalties for violating labor and environmental laws and regulations

Action Plan	Achievements in 2023
Self-Assessment on Regulatory Compliance	Conduct two self-assessments on regulatory compliance to inspect whether business units comply with laws and regulations and oversee improvements.
Regular Reporting to the Board of Directors and Audit Committee on Regulatory Compliance	Report to the Board of Directors and Audit Committee twice in 2023, enabling the governing units and senior management to fully understand the implementation status of regulatory compliance matters.
Legal Communication and Consultation	Establish a legal communication and consultation system, where the regulatory compliance management unit provides important regulations to regulatory compliance personnel of all units via email and posts on the internal web page for all E.SUN colleagues to reference for their business
Legal Coordination and Communication	In 2023, E.SUN held 7 legal compliance meetings, including 4 domestic and 3 overseas legal compliance meetings. During these meetings, important legal compliance issues were discussed, implementation experiences were shared, and cross-subsidiary issues were communicated and coordinated to ensure consistent internal opinions within the group.
Internal Regulation Review	E.SUN supervised the timely updating of various operation and management regulations according to laws and regulations, and promptly communicated with all units through a communication mechanism to ensure that all business activities comply with legal requirements.
Legal Compliance Assessment for New Products (Services)	In 2023, legal compliance assessments were conducted for 52 new products and services through the "New Product Service Legal Compliance Assessment Opinion Letter" approval process, ensuring their compliance with laws and internal regulations.
Evaluation of Legal Compliance Implementation	E.SUN conducted evaluations of legal compliance implementation for the financial holding company and its subsidiaries, aiming to improve the effectiveness of the legal compliance system.
Legal Compliance Visits	In 2023, 19 legal compliance visits were completed. Through bilateral communication, the visited units gained a clearer understanding of their legal compliance implementation in areas such as personal data protection, anti-money laundering, cross-border business, financial-friendly services, fair treatment of elderly customers, "Derivative Watch-listed Account" and fraud prevention, and other legal compliance matters.
Legal Compliance Visits of overseas units	In 2023, legal compliance visits were held with the Hong Kong branch, Singapore branch, and the Chinese subsidiary to discuss the operational status of overseas units. The meetings aimed to understand the communication of important regulations, legal compliance training, and the execution of compliance tracking matters, as well as to follow up on the improvement of compliance deficiencies, thereby strengthening legal compliance governance.
Legal compliance education training, and online quizzes	<p>(I) External courses: A total of 1,163 courses on legal compliance were attended by E.SUN employees, organized by Taiwan Academy of Banking and Finance, Taiwan Corporate Governance Association, and Securities and Futures Institute. The total number of attendees was 9,894, with a total training time of 84,292.78 hours.</p> <p>(II) Internal courses: A total of 104 training sessions were held, including new employee training, mid-level officer training, management courses, and various professional training classes, with a total of 7,864 attendees and a total training time of 182,256.5 hours. The training sessions focused on regulations, auditing, risk management, and anti-money laundering, with a total of 22,333.6 hours dedicated to strengthening employees' legal knowledge and promoting proper concepts. In addition to lectures, case studies were used to enhance the understanding of the three lines of defense mechanism and jointly manage and prevent dishonest behavior.</p> <p>(III) Other: Important provisions and cases on legal compliance were promoted during morning meetings or internal training sessions. Each month, legal compliance materials were provided, and units were required to arrange legal compliance promotion or provide online training courses during their "Legal Compliance Advocacy Time."</p>

Compliance Training Course of 2023

Month	Training Course Name	Month	Training Course Name
January	Financial Examination Focus in 2023	July	Ethical Corporate Management Practice Principles, Procedure for Handling Internal Significant Information, and Procedure for Handling Whistleblowing Reports
February	Principle for Financial Service Industries to Treat Clients Fairly	August	Principle for Financial Service Industries to Treat Clients Fairly (including Case Studies on Consumer Disputes , Financial Friendly - CRPD, and Elderly Friendly) Online Course
March	Promotion of Basic Financial Awareness	September	Amendments on Taiwan Money Laundering Control Act
April	Labor Law Regulations and Human Resources Management	October	Personal Information Protection Dissemination
May	2023 Regulatory Compliance Lecture Notes	November	Promotion of Important Regulations on Stakeholders
June	Regulatory Compliance Self-Assessment Checklist	December	Regulatory Compliance Self-Assessment Checklist

In 2023, E.SUN conducted the "Legal Compliance" e-Learning test for certain employees, with a passing standard of 90 grade. The test results are shown in the table below. To make sure that all employees have a solid grasp of applicable laws and regulations, departmental compliance officers were already urging those who failed in or did not take the test to take a makeup test.

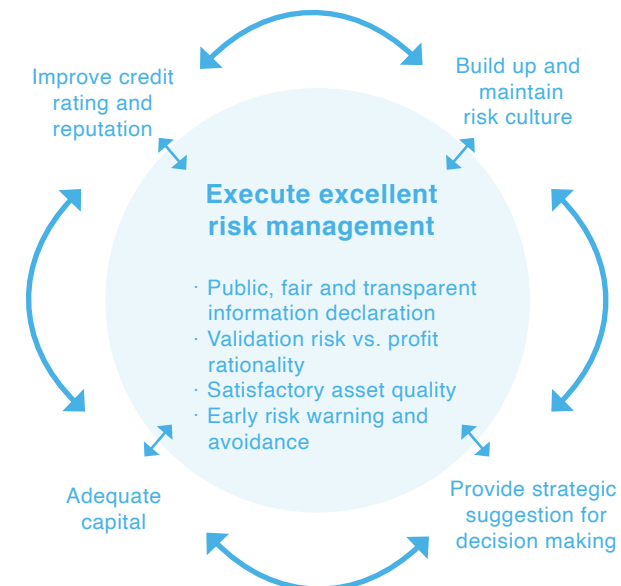
Number of Test Applicants	Passed	Failed	Absent
8,150	8,067	12	71



4.3 Risk Management

■ An inherent risk management culture

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

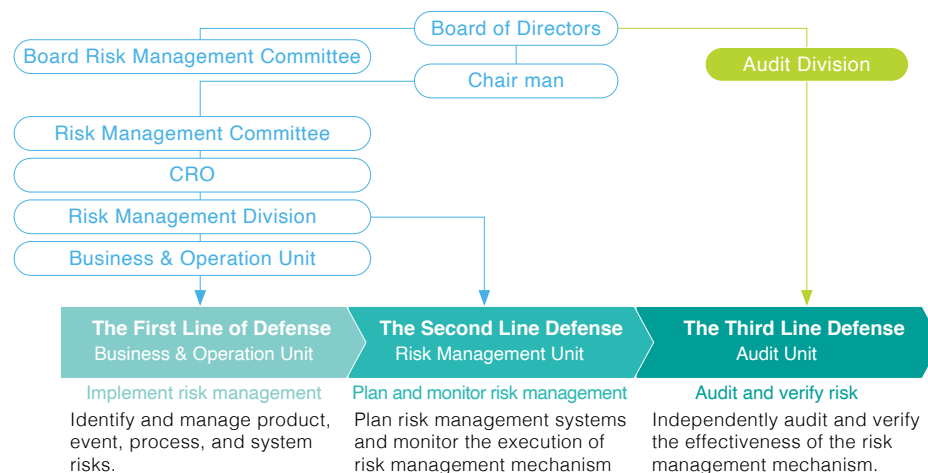


■ Risk management organization and management mechanisms

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

To strengthen communication, coordination, reporting, and recommendations on risk governance with the Board of Directors, the company has established the Board Risk Management Committee. In 2023, it held five meetings (1/4, 3/24, 4/19, 9/20, 11/8) to execute risk management decisions of the Board of Directors, review risk management policies and implementation, supervise the establishment and operation of risk management mechanisms, and examine risk management reports, risk appetite, and limits. The Risk Management Department of the company implements the risk management policies, procedures, and frameworks approved by the Board of Directors, and establishes an independent and effective risk management mechanism to evaluate and monitor the overall risk-bearing capacity of the company and its subsidiaries, current risks absorbed, devise risk response strategies, and track the implementation of risk management procedures. It regularly reports the implementation of risk management to the Board of Directors and the Board Risk Management Committee to ensure the effective operation of the risk management mechanism. And CRO serves as the top-ranking executive responsible for risk management.

Risk management units at each level are responsible for identifying and managing risks in their products, activities, processes, and systems, and establishing risk appetite limits and monitoring indicators to monitor the unit's risks. They set operational standard procedures and provide risk reports based on business content. When faced with major issues, each unit needs to assess the potential impacts that E.SUN may face in overall operations and formulate corresponding management policies to effectively manage the impacts and achieve sustainable management goals.



■ Established the risk management awareness

Extend risk horizon through training

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

On top of physical courses, E.SUN also draws on digital technology to organize online training or tests. In particular, the Covid-19 pandemic prompted the introduction of a wide range of online training and interactive courses in 2023. A total of 3,700 E.SUN employees completed risk management training by taking both e-learning and physical courses. Of the trainees, 97-100% passed the e-learning tests conducted afterwards. Separately, the Company's Risk Management Division publishes a quarterly bulletin to introduce the latest risk management regulations, trends, or practices. From time to time, departments responsible for product lines also offer educational materials for internal training at business units.

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

Reporting Mechanisms and Communication Channels

To undertake risk management efficiently in a timely manner, E.SUN has established a series of reporting mechanisms and communication channels. Upon detecting risk events or potential risks in daily operations, employees are encouraged to notify departmental supervisors right away. They can also present risk management observations and recommendations in work journals. In 2023, a total of 601 work journal entries had to do with risk management or internal control, with 81 coming with specific suggestions. All E.SUN departments are supposed to conduct risk management and internal control self-evaluation each quarter. In 2023, the Risk Management Division analyzed more than 3,000 evaluation reports from product lines, based on which it went on to compile the most important and common risk types and cases for presentation to managers and mid-ranking officers during E.SUN's annual conference. At year's end, the Company routinely conducts a survey to canvass the opinions of all employees. Of the 7,556 questionnaires thus collected in 2023, 150 touched on risk management. The Chief Risk Officer and the Risk Management Division then went on to make improvement based on survey results, report this to the President and other senior managers, and respond by videoconference to employees who had given their opinions previously.

■ Accomplishments in Risk Management in 2023

Risk assessment for new product and service

Before launching innovative products or services, the development team must list all potential risks, such as market risk, liquidity risk, credit risk, operational risk and emerging risk, to further devise or use existing relevant control mechanisms. The Risk Management Division and the Compliance Division will jointly review the new products and services to ensure that they have complied with internal and external laws and regulations and the risks are controllable before providing them to clients. In the cases of product or service adjustment or refinement where compliance, internal control or risk management is likely to be affected, risk assessment must also be conducted. In 2023, 315 domestic and overseas business risk evaluations were completed.

Basel Capital Accord - Internal Ratings-Based (IRB) Approach Implementation

E.SUN Bank has enhanced its credit risk management through the development of its internal rating systems, the improvement of credit rating models, and the establishment of operational guidelines based on regulations issued by the Financial Supervisory Committee. The Bank employs concepts such as internal credit ratings, exposure at default, and expected loss in credit granting, risk management, and capital allocation. Furthermore, to ensure the relevance, completeness, and accuracy of data collection, storage, and handling procedures, E.SUN Bank has implemented comprehensive data management guidelines. To promote understanding among the Board of Directors and senior management regarding the operation of the internal rating system and changes in risk, important information on credit rating model management in 2023 has been reported to the Board of Directors and the Risk Management Committee on twelve occasions. Additionally, periodic courses on the Basel Framework are held for directors and senior management to reinforce corporate governance.

Enhancing Overseas Branch Risk Management

To enhance the risk management capabilities of overseas units, in 2023, seven risk management education and training courses were made available on the e-learning platform. The reading rate reached 97%. In the first half of the year, assistance was provided to the Singapore branch in implementing the Business Continuity Management (BCM) mechanism within the set timeframe, in compliance with local

regulatory requirements. The Hong Kong branch has also completed the first phase of implementation. Additionally, this year, senior executives from the head office and overseas branches have participated in exchanges on risk management topics by visiting overseas or coming to Taiwan. This has been helpful in understanding the operational risks of overseas units and enhancing risk control capabilities.

Credit Risk Management Mechanism

Since 2022, E.SUN Bank has implemented its credit risk stress testing model based on credit risk factors, scenario setting, and risk grouping, in alignment with the Basel Capital Accord, to continually enhance its credit risk management mechanism. This model enables the Bank to simulate changes in risk factors and calculate expected losses under stressed scenarios. Additionally, risk appetite management and concentration risk management are conducted regularly to ensure that the Bank's risk distribution and level of risk align with its business objectives. Furthermore, the Bank considers climate change risk in its assessment of overall risks and its impact on the bank. The Board of Directors establishes risk limits for each business sector accordingly.

Market Risk Management Mechanism

E.SUN Bank has completed the LIBOR transition work in 2023, successfully amending the contracts linked to the LIBOR indicator to link alternative interest rates (such as SOFR, CMS Fallback Rate), and continue to improve the valuation complex financial products. In 2023, the Bank built SOFR CMS Spread Range Accrual Note, ESG-linked structured note and other valuation templates, and through the valuation model verification plan to confirm that the valuation model used by the Bank complies with market convention and is free from bias. In addition, in order to strengthen the Bank's complex financial product valuation capabilities, a third-party valuation verification project launched in 2023 to ensure the correctness and applicability of the Bank's valuation model through an independent third-party unit.

Counterparty Risk Management Mechanism

We continuously adjust the monitoring indicators of financial institutions and introduces a negative information detection mechanism to more promptly and accurately capture the credit risk changes of major financial institutions to reduce the impact of abnormal events. This year, the Bank established a

clients investment concentration management mechanism to regularly monitor whether clients investments are concentrated in a single product or single issuer to avoid excessive concentration of clients investments and protect the rights of clients.

Operational Risk Management Mechanism

We enhance the Operational Risk Management Tools for the application of new technology in business. For monitoring and early warning Key Risk Indicators has adjusted accordingly to capture abnormal alerts in a timely manner and plan for management measures. The overall renovation rate is close to 50% in order to better align with current business areas and new business developments. Additionally, by cross-examining between various tools, the potential high-risk processes for the year can be identified more effectively, enabling a better understanding of risk changes and support for business development.

Asset and Liquidity Management Mechanism

In 2023, E.SUN Bank introduce the automation report for all currencies liquidity gap to improve the immediacy of reporting and effectively manage the possible impact on the Bank's liquidity during the cycle of interest rate hikes initiated by local central banks. At the same time, we continue to optimize the Bank's allocation of assets and liabilities, including the interest rate period structure allocation and capital allocation of reserves, and in response to global monetary tightening policies, we enhance the Bank's liquidity risk management and interest rate risk management.

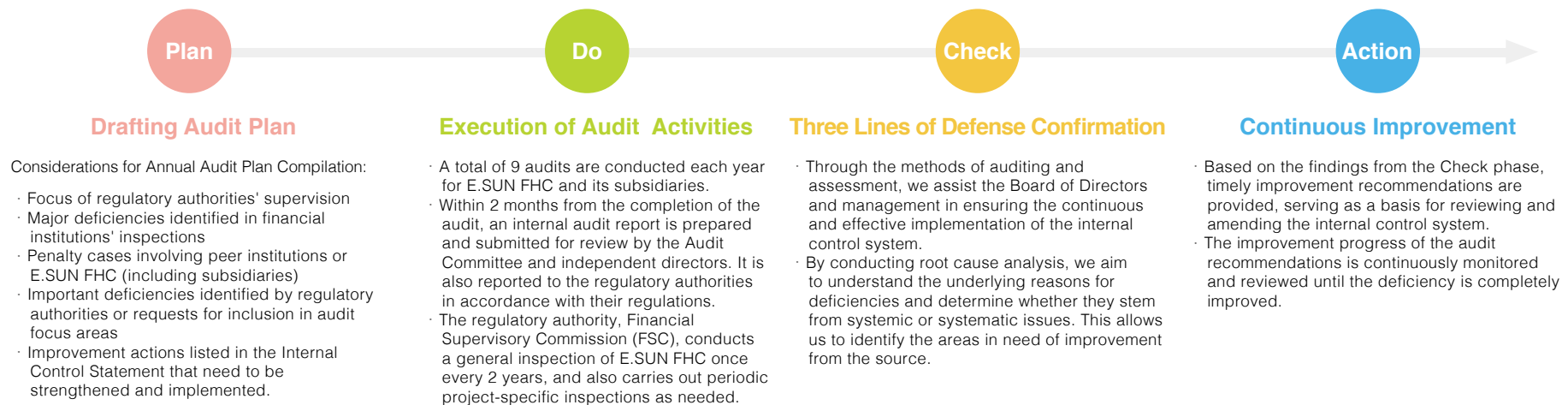
Detecting Business Risk Monitoring Indicators

In order to implement the execution of detecting business risk indicators in banks, additional regulations on detecting business risk management were established in 2023. These regulations clarify the operational processes of sending, reporting, collecting and reviewing, analyzing and reporting, and monitoring changes in business risk indicators. Operational flowcharts are also provided to enhance the operation of detecting business risks. The focus of improving monitoring indicators throughout the bank continues to be on the effectiveness of these indicators, with the main goal of enhancing the effectiveness of detecting business risk monitoring. Currently, the number of important risk monitoring indicators has been reduced from the original 66 to 51.

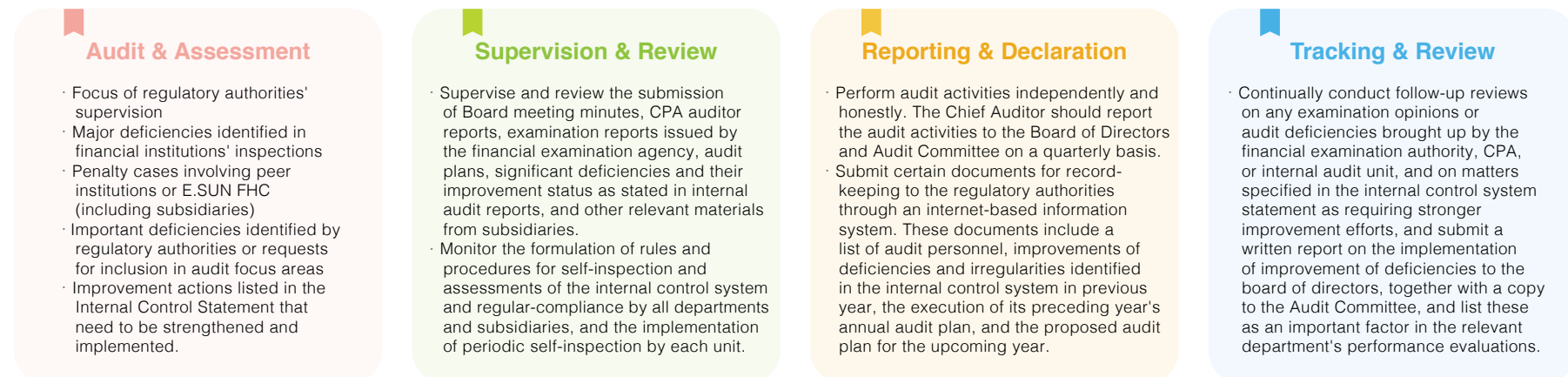
Internal Audit

In order to comply with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries," E.SUN has formulated the "Implementation Rules of Internal Audit" to effectively carry out internal audit work to enhance internal control and management and also established an Audit Division under the Board of Directors, responsible for the planning and implementation of the internal audit system. The division consists of one Chief Auditor, Audit Managers, and Audit Staff, who oversee and execute internal audit work. Audit Division assists the Board of Directors and management independently and honestly to reasonably ensure the continuous and effective implementation of the internal control system and Risk Management mechanism, and provides timely improvement suggestions as a basis for review and correction. In 2023, Audit Division has successfully completed all annual audit activities. It has also established a monitoring system to track the progress of improvement based on the audit opinions of each division and subsidiary within the company. This ensures the continuous and effective implementation of the internal control system, and Risk Management mechanism.

Internal Audit Operations



Internal Audit Business Management



4.3.1 Emerging Risks

In 2024, the World Economic Forum released a global risk report, clearly telling us that the world is gradually tilting. The phenomenon of winners only is rapidly intensifying with the vigorous development of generative AI, and various deep-fake technologies and fraudulent methods are flooding our lives, profoundly impacting our judgment and values. In the year of the 2024 international elections, will there be a rise of far-right ideologies or a decline of democratization, which will further escalate the existing international barriers and geopolitical conflicts. The world is in turmoil, and it is crucial to take the next step. In response to this, E.SUN Bank has identified four key emerging risks, developed mitigation measures and response policies, and is advancing towards sustainable development. At the same time, we are also making efforts for this beloved land.

Evaluation process

Gather information on internal and external emerging risk events

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

Identify the risk factors and risk events

- Identify incidents and risk factors that may cause impact.

Assess the risk

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

Mitigate the risk

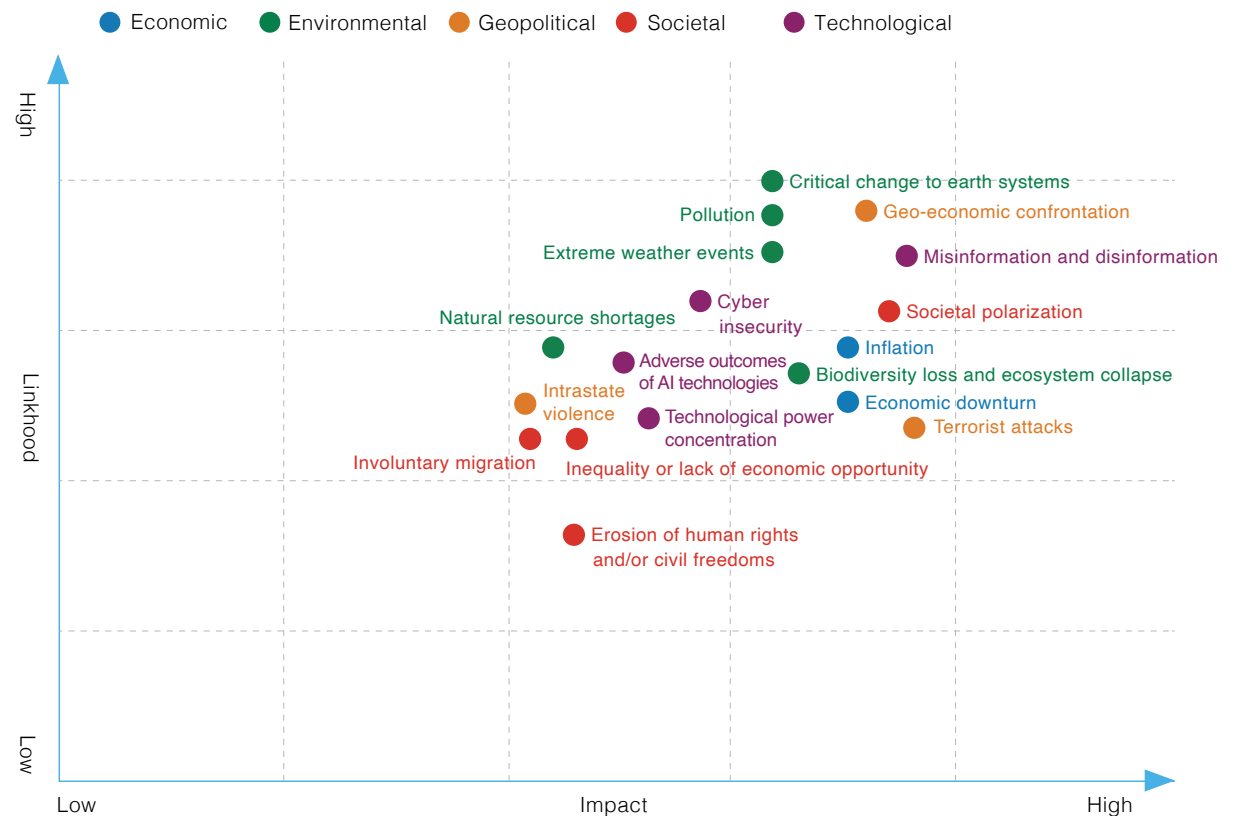
- Incorporate environmental and social issues related to operations into risk assessments.
- Establish measures and policies to mitigate risks.

Regular review and feedback

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

Matrix of Emerging Risks

The Risk Management Division selects risks related to the banking industry and to E.SUN based on the WEF The Global Risks Report of 2024 and sends questionnaires to risk management persons to conduct a survey on the possibility and level of impact. The questionnaire results are ranked to generate the emerging risk matrix diagram.



2024 Risk Factors	Description	Impact on Operations	Mitigatory Measures / Responsive Policy
Economic Critical change to earth systems	<p>The global sudden systematic environmental impact may accelerate the process of global warming, increase extreme weather events, collapse ecosystems, and increase climate and natural environmental risks, thus threatening the survival environment of supply chains, individuals, and individual clients, as well as the establishment of infrastructure and natural ecology.</p>	<p>(1) Transformation risk: Suppliers' supply processes and products must comply with carbon reduction requirements and provide carbon emission data. Suppliers who cannot comply with carbon transformation will face order loss and operational decline, which will impair the debt repayment ability of E.SUN Bank and make debt recovery difficult, affecting the quality of credit assets.</p> <p>(2) Liquidity risk: This can cause a negative impact on our operations, and investment positions may face liquidity risk or losses.</p> <p>(3) Collateral devaluation: The collateral for credit is impacted by climate change, resulting in a decline in collateral value or disruption and breakdown in the ecological industry supply chain. The operational impact on corporate clients leads to an increase in potential credit risk, possibly even loan default, with uncertain debt recovery and a decline in overall asset quality.</p> <p>(4) System operation: Damage to infrastructure caused by force majeure can lead to system operation interruptions, and the recovery process will also require significant costs.</p>	<p>(1) Internal Carbon Pricing Mechanism: The carbon-related management report helps business units understand their carbon emissions and hidden carbon costs, in order to develop discussions and increase the proportion of green credit and sustainable linked loans for high carbon targets, thereby supporting corporate carbon reduction efforts.</p> <p>(2) Sustainable Transformation: Assist companies in different industries and stages to clarify their sustainability issues and collaborate with expert consulting teams to create a "Sustainable Transformation Platform," providing customized sustainable financial service solutions for businesses.</p> <p>(3) Concentration Management: Establish suitable hedging strategies for positions with higher investment proportions and regularly review position status to understand the environmental and credit risks of investments.</p> <p>(4) Operational Impact Analysis: The information unit conducts an annual analysis of operational impacts, risk assessments, and resource inventory required to achieve goals. Based on the results of the operational impact analysis, priorities and requirements for operational continuity are determined, and system recovery and validation procedures are established to obtain ISO 22301 certification. In addition, important systems used by domestic and overseas branches undergo regular Business Recovery Site (BRS) drills each year, with the results reviewed and improvements made accordingly.</p> <p>(5) Cloud Applications: Starting from December 2023, core and critical business systems will be gradually backed up to the cloud to enhance system resilience in extreme scenarios.</p>
	<p>Global or regional economic barriers have a significant impact on the global supply chain. Countries' restrictions on the use of technology or the movement of funds may also affect companies' production due to a lack of critical technology or raw materials, subsequently impacting clients' business operations and repayment capacity.</p> <p>In addition, various new forms of cyberattacks can lead to abnormal/downtime in system services, preventing clients from using them or resulting in the leakage of clients data.</p>	<p>(1) Increase in Default Risk: Unstable supply chain leads to increased operating costs for clients and investment targets. Additionally, the high interest rate environment results in higher financial costs. If adjustments are not made or if a buyer credit crisis occurs, it may impact operating conditions and potentially increase default risk and evaluation loss.</p> <p>(2) Abnormal/Interrupted Information Systems or Data Leakage: The confidentiality, integrity, and availability of information systems are compromised, which will affect clients' rights and create a negative perception of E.SUN's system stability. It may even lead to clients data leakage, impacting reputation and affecting digital business development.</p>	<p>(1) Concentration Management: We continue to monitor changes in the international political and economic situation and the development of major issues, evaluate potential impacts, establish a high-risk clients list and regularly track it, and strengthen mid-term management for events with risks, in order to respond early and reduce impact.</p> <p>(2) ISO Certification: We have obtained the "Information Security Management System (ISMS) ISO/IEC 27001:2013" and "Business Continuity Management System (BCMS) ISO/IEC 22301:2019" certifications. All operations are carried out in accordance with international standard requirements, and a multi-layered defense architecture is adopted. Multiple protection devices are deployed at the network, server, application, database, and terminal levels. We also perform regular vulnerability scanning, penetration testing, and plan various scenarios for attack and defense drills to evaluate the effectiveness of defense and incident response capabilities.</p> <p>(3) Security Monitoring: We have established a "SOC proactive security monitoring center" to achieve real-time monitoring of information security threats and increase vigilance during special periods. In addition, we collaborate with multiple financial industry peers in the "F-SOC and cross-domain joint defense plan" to establish monitoring scenarios and share information on security incidents, in order to grasp and understand the overall information security situation and trends in the financial field, and proactively respond to risk threats, effectively enhancing overall security defense capabilities.</p>

2024 Risk Factors		Description	Impact on Operations	Mitigatory Measures / Responsive Policy
Societal	Societal polarization	The digital divide and financial inclusiveness issues are becoming more prominent as the aging population and digitalization are widely utilized in our society. Additionally, the increasing inflation exacerbates the wealth gap, leading to stagnant resource circulation and disparities in industrial development across different regions.	<p>(1) Increase in clients' complaints and rising handling costs</p> <p>The increased risk of potential clients' complaints and the subsequent rise in handling costs are due to the elderly population facing new forms of scams associated with the business model of active digital transformation or new types of businesses.</p> <p>(2) Rise in credit risk/decrease in collateral value</p> <p>Rural areas facing population outflow and excessive concentration of population in urban areas, economic decline in rural areas, and industry stagnation have led to fewer local employment opportunities and an increase in unemployment rates, affecting the repayment sources of clients and leading to an increase in credit risk. The urban-rural disparity has widened, and people are forced to migrate to urban areas for employment, resulting in a decrease in demand for collateral in rural credit markets and a decrease in real estate value.</p>	<p>(1) Customized Education and Training Plan</p> <p>We enhance the staff's assistance to elderly clients and empathy service through internal and external training. We also design counter communication aids, such as communication cards, magnifying glasses, and reading glasses, to provide friendly service tools at the counters of each branch.</p> <p>(2) Financial Product Grading and Management</p> <p>We manage financial products provided to elderly clients and implement tiered management for different ethnic groups. We also develop and design financial products based on the needs of the elderly. (Refer to section 3.2 Inclusive Finance for details)</p> <p>(3) Promoting Local Revitalization Loan Program</p> <p>In 2018, E.SUN launched the Local Revitalization Loan project, which involved understanding the pain points of local industries and collaborating with resources from government, academia, and research institutions to foster local revitalization entrepreneurs. We linked funding and guidance platforms to provide financial support and assist in brand exposure, nurturing the development of local industries with distinctive characteristics. We aim to create a friendly employment environment, alleviate the economic decline in rural areas, and promote balanced urban-rural development. (Refer to section 3.2 Inclusive Finance for details)</p>
		The generation of AI-generated illusions and biases could lead to the spread of erroneous information among users who are unaware or negligent. It could also potentially result in more information security threats through social engineering, leading to clients asset losses.	<p>(1) Internal Management Deficiencies</p> <p>If AI-generated services are improperly used by Every staff in E.SUN, information generated may be disseminated externally without review, or biased information may be provided to clients, resulting in damage to the reputation of E.SUN Bank.</p> <p>(2) Increased Risk of Data Leakage and Potential Clients Complaints</p> <p>Through erroneous or false information, such as spoofed emails, inducing bank staff or clients to use them, personal data or sensitive information within E.SUN Bank may be stolen, resulting in data leakage and an increased likelihood of potential clients complaints.</p>	<p>(1) Internal GAI Application Management</p> <p>In addition to the Data Leak Prevention (DLP) mechanism on the self-built GENIE platform, it is only accessible to internal staff at E.SUN Bank. Users are educated, trained, and informed about risks, such as false information and fake messages, to raise their awareness and ensure secure operations.</p> <p>(2) Proactive Monitoring Mechanism</p> <p>We have established a proactive monitoring, takedown, and alert mechanism for digital channels, including counterfeit websites, counterfeit applications, and counterfeit social media. We have also signed an MOU with the Criminal Investigation Bureau. When a counterfeit website is detected, our Anti-Fraud Team notifies the authorities to block the website through domestic ISPs, detects counterfeit incidents early on, and shares the information with the Financial Information Sharing and Analysis Center (F-ISAC) for peer intelligence sharing, ensuring the security of financial institutions and clients information.</p> <p>(3) Public Opinion Monitoring</p> <p>We regularly monitor and pay attention to the content and clients comments posted on E.SUN social media platforms to identify any instances that may harm the company's brand image or involve unauthorized or impersonated identities. This allows for timely responses and handling.</p>
Technological	Misinformation and disinformation			

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

GRI: 2-23,2-24,2-2

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

4.4.1 AML/CFT Organizational Structure and Managing System

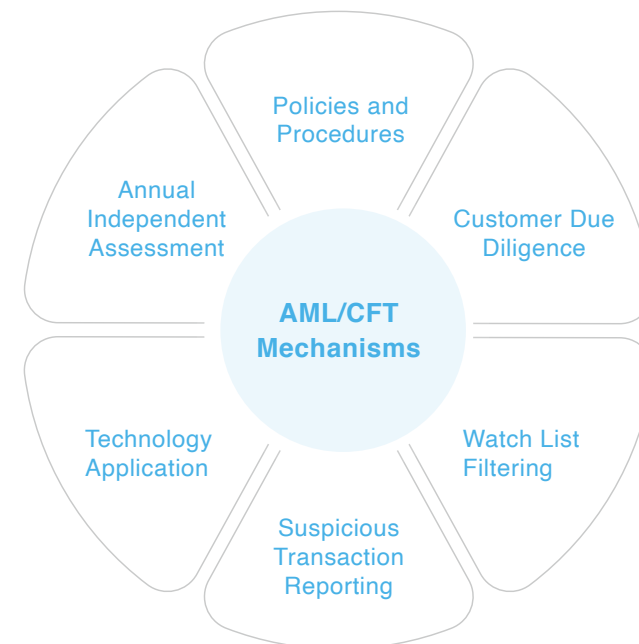
To integrate and promote the establishment and operation of overall risk management mechanism, E.SUN has set up its risk management department, which is responsible for formulating risk management policies and procedures, supervising the implementation of each subsidiary, and regularly reporting to the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

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

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

4.4.2 AML/CFT Management Program and Enhancement

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



■ Policies and Procedures

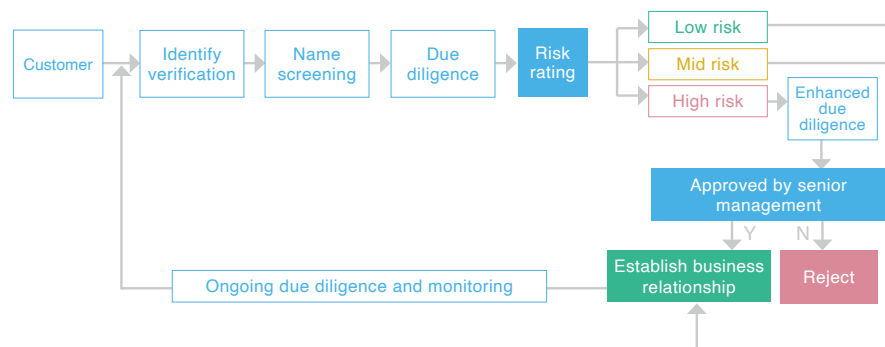
E.SUN FHC and its subsidiaries have established AML/CFT policies and procedures with regard to aspects such as due diligence, name screenings (watch list filtering), transaction monitoring, employee management, and record keeping. In 2023, E.SUN conducted regular review on relevant policies and procedures. The company has formulated "Guidelines on Group-wide Information Sharing" to set up procedures of group-wide customer due diligence information sharing, and include the overall implementation as a part of the annual performance report to the board of directors. Additionally, based on the "Risk Appetite Declaration for Money Laundering and Financing of Terrorism," the risk appetite standards of institutional risk assessment are precisely defined. Key risk indicators are monitored by the AML/CFT Risk Dashboard.

In 2023, subsidiary E.SUN Bank amended the "Anti-Money Laundering and Combating the Financing of Terrorism Policy," adjusting the criteria of customer involved with virtual currency and definition of virtual currency activities referring to the "Regulations Governing Anti-Money Laundering and Countering the Financing of Terrorism for Enterprises Handling Virtual Currency Platform or Transaction." Regulations and guidelines related to customer due diligence are also revised to include Third-Party Payment Providers (TPPP) as industry/occupation of high-risk, and online lending platform operators (P2P) as well as Virtual Asset Service Providers (VASP) as special high risk. Exceptions for beneficial owner identification of are also added.

For subsidiary E.SUN Securities, in 2023, the "Risk Appetite Declaration for Money Laundering and Financing of Terrorism" is revised to include the FATF grey list as high risk countries, in line with the Country Risk Assessment methodology of the parent company. Additionally, the "Anti-Money Laundering and Counter-Terrorism Financing Guidelines" and the "Anti-Money Laundering and Counter-Terrorism Financing Guidelines for Concurrent Futures Brokers" will be revised to establish a consistent approach and principles for accepting VASPs within the group.

■ Customer Due Diligence

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



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

Senior Management Approval and Sign Off

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

Non-Face-to-Face Due Diligence

For due diligence measures of customers from "non-face-to-face" channels, E.SUN has both applied confirmation procedures equivalent to those for face-to-face customers, and adopted adequate measures to mitigate risk. E.SUN Bank and E.SUN Securities provide specific, clear instructions for applying for digital bank accounts and online securities accounts on their official websites, including the required documents, application qualifications, and inquiry instructions on approval progress and supplementary document. Furthermore, both subsidiaries continually encourage customers to use online banking, mobile banking, or the "Personal Basic Information Update Platform (eKYC)" for online data updates to assist customers in completing account reviews. For entity customers, online data updates for account reviews are also available in 2023.

■ Watch List Filtering

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

matching accuracy with scanning engines utilizing big data and language analysis. In 2023, the system further integrates SWIFT message screening of overseas units. E.SUN Securities strengthens its efficiency and effectiveness of watch list filtering operations by utilizing the AML/CFT query system established by the Taiwan Depository & Clearing Corporation with the aid of Dow Jones Risk & Compliance database.

Combating the Financing of Terrorism and Countering Proliferation Financing

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

List (SDN-List), and lists published by the local regulatory authorities of overseas branches. In response to the recent international sanctions against Russia, subsidiary E.SUN Bank has announced relevant information on the [official website](#), reminding customers to be cautious of whether their counter parties and goods are involved with sanctions regimes in order to ensure the transactions are clear of sanctions.

PEP / RCA (Politically Exposed Person / Relative and Close Associate)

To verify whether customers and the corresponding ultimate beneficial owner belong to PEP/RCA, identifications are conducted via IT systems with name list databases during specific events, including the establishment of business relationships, the addition of new relationships, regular reviews, and trigger event reviews. If confirmed as PEP/RCA, enhanced due diligence and strengthened transaction monitoring will be conducted. Verification on source of funds and wealth along with senior management approval are also required before proceeding. Moreover, high-risk PEP/RCA customers must undergo annual reviews, and related transactions will be subject to enhanced monitoring.

■ Annual Independent Assessment

Item	Description	
Overall Assessment	Internal Control System Statement and Independent Assurance Report	Each subsidiary issues a statement on the internal control system for AML/CFT, jointly signed by the chairman, general manager, chief auditor, and the dedicated AML/CTF supervisor. The statement is filed on the website of supervisory authorities and on the company's official website. In 2023, subsidiary E.SUN Bank continues to commission PricewaterhouseCoopers (PwC) to conduct auditing of the AML/CFT internal control system, and the assurance report is issued with opinion of fair presentation in material aspects.
	Institutional Risk Assessment (IRA)	In 2023, E.SUN continues to improve its risk assessment methodology by strengthening the analysis of quantitative data and control effectiveness. In response to recent trend of crimes and financial regulatory requirements, new control points are added for the evaluation of control effectiveness. The methodology enables a holistic understanding to the money laundering and terrorist financing risk faced by E.SUN. The results are reported to the board of directors and filed with the supervisory authorities. Additionally, the "Risk Appetite Declaration for Money Laundering and Financing of Terrorism" clarifies the acceptable minimum control measures and maximum residual risk levels for the institution's AML/CTF risk assessment, further enhancing the overall risk assessment framework.
Various control mechanism effectiveness verification	Transaction Monitoring	To ensure the appropriateness of the transaction monitoring system, the dedicated unit assesses the consistency, accuracy, and rationality of transaction monitoring data under the guidance of external consultant's methodology. Through analyzing the statistical distribution of customer transaction data, the reasonableness of threshold settings is examined to evaluate whether the transaction detection logic is effective and meets the needs of E.SUN.
	Watch List Filtering	E.SUN continues to engage with independent third-party, the Society for Worldwide Interbank Financial Telecommunication (SWIFT), to verify the effectiveness of its watch list filtering system. The major testing aspects include precise matching and fuzzy matching, with a view to evaluate the system performance in customer and transaction scanning, ensuring that the requirements on system effectiveness are met.

■ Suspicious Transaction Reporting (STR)

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

If deemed suspicious, the transactions will be reported to the Financial Intelligence Center (FIU). The entire reporting processes are conducted through a dedicated computer with all portable devices blocked. All personnel in dedicated units are obliged to confidentiality agreements with a view to ensure reporting information cannot be leaked to unrelated third parties. In 2023, subsidiary E.SUN Bank has launched its self-built "Internal Suspicious Transaction Report Platform (ISTR)," optimizing the process of filing internal STR from business units to the dedicated unit. ISTR is also connected with the "Transaction Monitoring System (GAML)" for enhancements in the accuracy and efficiency of case management.

■ Technology Application

In order to enhance operational efficiency and reduce the risk of manual error, E.SUN has self-developed Robotic Process Automation (RPA) programs to handle highly repetitive, routine tasks through automation or semi-automation. Machine learning models and platforms are also applied in practical scenarios, including adverse media collection, watch list filtering, and abnormal transaction detection, combined with business logic or manual operations to improve case review efficiency. Moreover, E.SUN has exploited the technology of Artificial Intelligence (AI) by integrating self-built model into the transaction monitoring system. To assist in case investigation and analyze of customer abnormal behaviors, Alert Model and Customer Cohort Model are developed and launched at the end of 2023.

■ Record Keeping

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

■ Reinforcement through Training

To enhance the professional depth and breadth of employees as well as cultivate AML/CFT awareness and culture, E.SUN provides annual education and training sessions for all employees (including new recruits), dedicated units, supervisory officers, and frontline staffs, based on their business nature. During 2023, E.SUN held a series of video conference training with topics on practical business operations and current events, such as VASP and

TPPP, practical experience of abnormal transaction detection, internet fraud, and tax evasion, etc. Experienced industry executives and external consultants are also invited to provide training courses to help employees understand their responsibilities and continuously improve their professionalism. E.SUN has also joined the Association of Certified Anti-Money Laundering Specialists (ACAMS) as a corporate member, utilizing its online courses and global AML/CFT news database to enrich both domestic and international training materials. At the same time, the head office shares its experience on transaction investigations with overseas branches by business attributes, and provides directions for investigation during video conferences.

E.SUN continuously promotes obtaining domestic and international AML certifications, encouraging employees to enhance their professionalism and international perspectives. As of the end of 2023, 100% of AML/CFT supervisory officers at subsidiary E.SUN Bank are AML/CFT certification holders.

Group-wide AML/CFT Training

Educational training methods	2023	
	Number of participants	Total course hours (hours)
Annual Online Training and Exam	8,216	16,432
Group-wide Compliance Training (AML/CFT relevant topics)	8,256	3,968

Group-wide AML/CFT Certification in 2021-2023

Certification Name	2021	2022	2023
Domestic AML/CFT Certification	1,201	1,631	1,887
Certified Anti-Money Laundering Specialist (CAMS)	337	337	333
Certified Global Sanctions Specialist (CGSS)	5	11	16
Certified Transaction Monitoring Analyst (CTMA)	-	3	13
Certified Know Your Customer Associate (CKYCA)	-	-	2

■ Disclosure of AML/CFT Related Information

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

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

4.5.1 IT continuity plan

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

■ Routine Drills

	Information system disaster recovery and recovery drill	Distributed Denial-of-Service Protection Program Walkthrough
Drill purpose	Ensure that disaster backup systems are functioning normally, and that systems, personnel, and processes can activate the backup procedures within the set amount of time, achieving Minimum Business Continuity Objective(MBCO).	Emulating a DDoS network attack to ensure our network protection mechanism, response, and reporting procedure can actually mitigate losses and restore our equipment and services as soon as possible.
Implementation modalities	The recovery drill is conducted by tabletop exercise, formal system recovery and simulation exercise. Among these methods, formal system recovery is carried out through centralized scripts management and unified dispatch systems to verify the remote backup systems can be launched automatically.	E.SUN Bank has delegated a professional third-party information security consultant to carry out the penetration test, simulating a hacker launching a DDoS attack on E.SUN. The test sought to check how effective our defense and response systems to function normally in the event of an attack.
Drills frequency	Once a year	Once a year
Drills result	<ul style="list-style-type: none"> E.SUN Bank has completed exercise drills of 99 business systems, which include 25 business systems at our foreign branches, and 74 business systems in Taiwan. We have managed to meet our RTO(Recovery Time Objective) in all of these drills. E.SUN Securities has completed exercise drills for 18 business systems, and has met RTO(Recovery Time Objective) in all of these drills. 	Incident reporting and emergency response could be completed within 30 minutes at each stage of the attack, showing that the E.SUN's defense systems are effective.

■ IT System Disruptions

In 2023, the availability rate of E.SUN core systems were 100%, and no abnormal incident happened. In order to provide our customers with smooth and convenient access to our services, the goal of E.SUN is to provide 24x7 uninterrupted online services, and we shall continue maintaining the high availability rates of our services.

Interruption time of the core business systems in 2023	0 mins
The financial loss caused by such incidents in 2023	NTD 0

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

■ Business Continuity Certification

In order to realize E.SUN's third core philosophy, which is to implement sustainable management strategies, we aim to establish financial information resilience. Apart from conducting regular information system disaster backup and recovery exercises, E.SUN Bank obtained ISO 22301 Business Continuity Management System (BCMS) certification in 2023. Our goals are for E.SUN to be able to quickly respond to disasters such as an unexpected incident or a major information system failure, ensuring that key business operations can continue operating at minimum acceptable service levels, and optimize our allocation of resources in establishing response and recovery capabilities. Through the Plan-Do-Check-Act (PDCA) cycle with risk management as the basis, we have combined our business operations and system resources to improve financial services resilience, ensuring that our customers are able to access and use our information services in the secure environment.

■ Customer Service Quality

In order to ensure continuous delivery of quality service to our customers, we classify scenarios that may cause disruptions in the operations of our bank branches and establish relevant plans and measures to address potential service impacts.

Category	Plan Details
Human Resource Deployment Mechanism	To prevent insufficient manpower at branch locations from affecting service quality, each of our regional centers coordinates manpower deployment to maintain service levels at branches and provide customers with a satisfactory service experience.
Branch Security Protection Drills	<p>In order to prevent unexpected events, we have developed preventive measures that align with current events, seasonal occurrences, and unlawful activities. Relevant drill items include:</p> <ul style="list-style-type: none"> Safety drill items cover more than 10 different types to address various scenarios, such as earthquakes, typhoons, power outages, fires, etc. Preventive measures are established for unexpected events, including unlawful activities (such as robbery, fraud, intimidation, suspicious individuals) and demonstrations.
Drill Frequency	Each business unit conducts 2-3 drill sessions per quarter. We also organize self-defense training for staff, assign security responsibility zones, clarify task assignments, and enhance security maintenance education at branches to improve our colleagues' alertness, thereby strengthening their ability to respond to different situations.

4.6 Information Security and Personal Information Protection Management

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

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

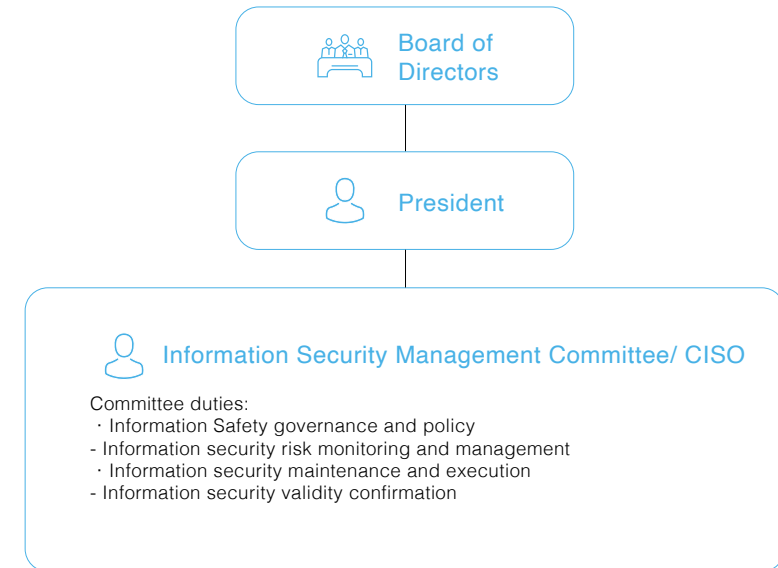
All of our information operations not only comply with domestic and foreign regulations for information security, but are continuously benchmarked against international cybersecurity standards and practices. In order to improve the protection and management of the personal information of our customers,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

■ Information Security Governance goal, strategy and practice

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

The Company has established the CISO and the Information Security Management Division, that are the highest-level information security responsible executive and dedicated information security unit, respectively, and responsible for supervising the executions of the Company's information security operations as well as the validity of the information security and risk management mechanisms. They also regularly report the overall information security implementations and results to the Risk Management Committee of E.SUN FHC's Board of Directors. In response to the development of digital technology, the "Technology Advisory Board" was established under the Board of Directors in June 2023. The Chairman will serve as the convener, and top experts and scholars in fields such as artificial intelligence, e-commerce, and information security are recruited as external members. This is to continuously enhance competitiveness in areas such as digital development, intelligent applications, information research and development, and information security management.

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



■ Information Security Management System

E.SUN Bank has already obtained the ISO/IEC 27001:2013 international certification for the Information Security Management System (ISMS). In June 2023, it was recognized by the third-party independent verification agency (BSI) and completed the ISO 27701 privacy information management system and ISO 22301 business continuity management system. In November, the two management system passed the follow-up review, and the certificate continues to be valid; the credit card acquiring system has obtained the Payment Card Industry Data Security Standard (PCI DSS) certification every year since 2017, and the certification continues to be valid. Digital Information Division of E.SUN Securities has also obtained the ISO/IEC 27001:2013 international certification for the Information Security Management System (ISMS) and passed the follow-up audit in September to ensure that various management system certifications maintain validity.

■ Information security protection and examination analysis

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

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

In 2021, E.SUN hired professional white hat hackers to conduct comprehensive penetration testing exercises. In 2022, the scope of penetration testing will be expanded to include remote working scenarios. The purpose of this drill is not to interfere with our normal operations and to ensure the security of remote working network connections. In 2023, we added email protection mechanism detection and social engineering intrusion propagation test, aimed to comprehensively exam the effectiveness of information security protection, detection and testing. Through a real hacking attack, the penetration test attempted to expose any potential risks or vulnerabilities in our critical systems. Suggestions on how our overall information security protection can be improved were raised based on the results of the exercise drill, ensuring that we are compliant with the requirements of domestic and international regulatory agencies while maintaining business continuity and safety management.

■ Information Security: Monitoring, Joint Defense, Intelligence Analysis

In support of the Financial Supervisory Commission's push for exchanging financial intelligence, E.SUN established a security operations center (SOC) in 2021 to monitor, detect, analyze, and defend against cyber threats. E.SUN continues to benchmark the supervisory configuration rules proposed by the competent authorities to improve the effectiveness and integrity.

In 2023, we completed the integration of security defense equipment, automated collection of threat intelligence, and achieved event correlation intelligence to further reduce manual processing costs and increase risk identification, meanwhile cultivating the incident response and investigation competencies of Security Operation Center (SOC) through professionals training and online information security drill platform. This helps E.SUN to continuously optimize the SOC and comprehensively enhance the timeliness in handling information

security incidents as well as the skills in managing information security threats, thereby achieving its target for joint information security surveillance and defense in the financial sector.

Information security has become a crucial component of risk management because of the rapid development of FinTech. In order to have a more holistic view of the current cybersecurity status and trend in the financial industry, E.SUN FHC and its subsidiaries have been cooperating with Financial Information Sharing and Analysis Center (F-ISAC) and have been taking a role in the F-SOC cross-organizational defense plan to enhance the implementation of cyber incident scenario monitoring and cyber incident information sharing mechanisms, making it possible for the organization to detect cyber threats quickly and to effectively strengthen the company's ability to defend unknown information security risks.

In dealing with major threats including domestic and foreign major information security incidents, network system vulnerabilities, ransomware attacks, and malware, the Company has formulated standard operating procedures for intelligence collection and handling, and risk analysis was completed for a total of 300 relevant data in 2023. Preventive response measures were proposed for issues with higher intelligence or key concerns, and 14 information security alerts were disseminated to the IT Departments of all E.SUN FHC subsidiaries in order to reduce the likelihood of impact on the overall information assets in E.SUN FHC, while also ensuring the consistency of information security defense across subsidiaries.

Event Response

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

Proactive Monitoring

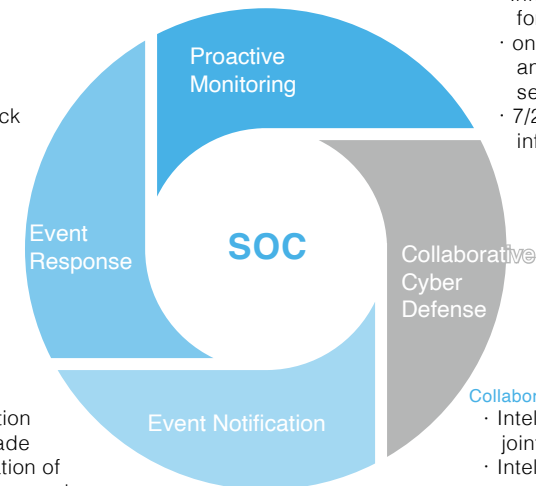
- Information management for information security
- onsolidation and analysis of information security events
- 7/24 monitoring of information security

Event Notification

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

Collaborative Cyber Defense

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



Information Security Training

E.SUN holds information security training each quarter, as well as an information security seminar every six months. In 2023, the Company recorded 100% participation and pass rates for its information security test. Internal and external specialized courses organized for technology professionals totaled 17,537 hours, with internal and external training accounting for 96% and 4% respectively.

In order to maintain E.SUN's sensitivity and ability to respond to incidents, we held 10 information security incident response drills in 2023. These drills covered scenarios such as personal information leaks, ransomware, DDoS attacks, Official website and mobile banking incidents, ATM incidents, Red team attack/defense drill, and sought to improve our employees' capacity for coordinating with one another, as well as determine the effectiveness of our response procedures. By doing so, we are able to curtail the risks and losses derived from cyberattacks.

256,705

simulated social engineering email delivered

99%

Employees showing alertness of social engineering email coming their way

Resources for Information Security

The Company persistently invests resources into information security-related matters. The amounts spent on information security in 2023 were approximately NT\$182 million, and were intended to improve systematic and technical infrastructures, enhance information security defense equipment, conduct intelligence monitoring and analysis, and organize incident response and attack/defense drills and training to enhance information security governance capacity and achieve well-rounded information security protections.

Information Security Incident

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

In 2023, there was a total of 1 penalty case issued by the Financial Supervisory Commission (FSC) due to a personal information incident, resulting in a fine of NTD 80,000. It has been confirmed that the information leakage incident was not caused by hacker intrusion or virus infection, and customer rights have been properly handled. In 2023, we received 113 fraudulent emails from external sources. After investigation, it is confirmed that there are no information security risks such as hacker intrusion and virus infection. The monitoring alerts and related control measures were effective in defense.

A- Information Security Incident	2021	2022	2023
Total number of information security breaches or incidents	0	0	0
Total number of information security incidents causing customer data loss	0	0	0
Total number of clients, customers and employees affected by information security breaches or incidents	0	0	0
Financial losses due to information security incidents	0	0	0

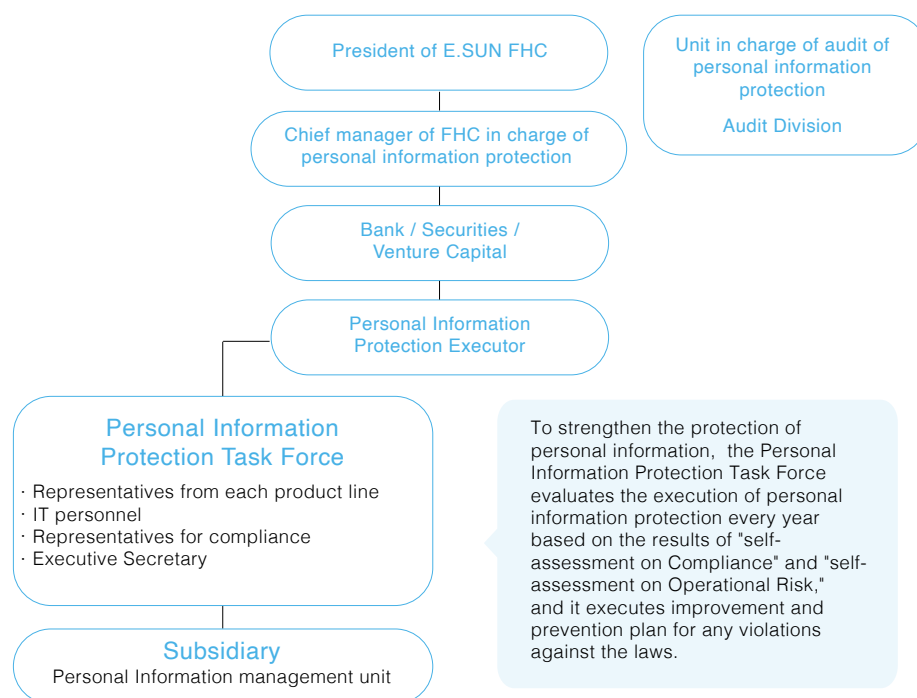
Note: The above statistics refer to computer hacking or computer virus attack incidents.

B- Data breaches	2021	2022	2023
Total number of data breaches	0	0	1
The percentage of breaches involving personally identifiable information	0%	0%	100%
Total number of account holders affected by data breaches identifiable information involving personally	0	0	15



■ Objectives and strategies of Personal information protection management

Honesty and integrity are the basic ethics for the financial employees. Personal information protection is the commitment E.SUN gives to our customers. In order to protect the personal information of customers, E.SUN established the Personal Information Protection Committee, which is responsible for establishing personal information protection regulations, such as the management measures for the collection, processing and use of personal information. The company promotes personal data protection through cross-departmental collaboration in accordance with the "E.SUN Financial Holding Co. Ltd. and Subsidiaries Personal Information Management Organization Foundation Principles" The organizational structure is shown in the figure below.



In the future, we will continue to enhance personal information management responsibilities, strengthen the implementation of personal information management operations, and evaluate existing personal information management systems. Through the integration of internal resources within the organization, we will optimize E.SUN's personal information protection principles and establish the foundation for personal information protection management within E.SUN FHC and its subsidiaries.

■ Personal Information Protection Management

In order to continue implementing E.SUN's sustainable business strategy and our principles of fair treating, we have been approved by the certification for the ISO 27701:2019 Privacy Information Management System (PIMS) in 2023. PIMS is a privacy expansion to the ISO 27001 Information Security Management System (ISMS). By satisfying these additional requirements, we could continuously improve our privacy management. We have incorporated information security and privacy protection management standards and requirements to reduce our privacy and information risks. Additionally, as of 2023 E.SUN has been approved by the certification for the BS10012:2017 - international personal information standard for 6 consecutive years.

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

■ Personal Data Protection Even

E.SUN use customers' data with the utmost care. In 2023, E.SUN collected 26 customer petitions concerning personal information leakage or misuse; 22 of them from the Financial Supervisory Commission (FSC) and the other 4 from the customers' feedback. After investigation, all cases are not concerned with any breach of laws. E.SUN always responds to customer petitions proactively and keeps enhancing staff training to improve our service quality. In 2023, as reported by the independent audit division, E.SUN do not have any deficiencies in personal information protection. E.SUN would keep the safety of personal information as top priority.

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

Cases of Personal Information	Competent Authority	Collected by E.SUN	Total
Deposits and transfers	12	1	13
Personal credit service	2	0	2
Wealth management services	0	2	2
Credit cards services	6	0	6
Corporate credit services	0	0	0
Other	2	1	3
Total	22	4	26

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

Year	2021	2022	2023
Use of personal information audited deficiency	0	0	0

■ Customer's data for secondary purposes

I. E.SUN monitors all of the usage of customers' data and evaluates whether processing for another purpose is compatible with the original purpose prior to the secondary usage.

The evaluation principles are as follows:

- (I) Relevance between the original and new purposes.
- (II) The customer's identities and background.
- (III) The secondary usage of sensitive personal information is forbidden.
- (IV) The possible consequences of the intended further processing.
- (V) Protection measure should be applied, including encryption or encoding.

II. The control mechanisms and results of customer's personal information being used for secondary purposes are as follows:

- (I) Processing: All data used are through remote desktop, and the whole process is recorded for tracking.
- (II) Output: A list review through the "Global Communication Framework" would be conducted to exclude improper customers, such as blacklists, joint-marketing rejected customers.

E.SUN has achieved institutional standardization across the dimensions of strategy, management, technology, and awareness, thereby enhancing information security governance throughout. To accommodate the rapid changes on the operational front, we have continuously refined our systems. In 2023, we continued adopting international standards, expanding our personal information protection policies, and incorporating requirements for our information security and privacy protection management systems. E.SUN also extended coverage of information security insurance to minimize the losses and impact that might derive from disruptions of operations and ensure the best possible protection for customers when making use of information services and for their personal information.

Unit: Million, %

Cases related to personal information	2022	2023
Number of customers' personal information being used for secondary purposes	5.78	6.82
Percentage of all customers	72.6%	83.5%

4.7 Tax Governance

GRI:207-1,207-2,207-3,207-4

■ Approach to tax

E.SUN carries out and complies with the letter and spirit of the tax laws to put sustainability into practice. We are committed to not using tax haven and low-tax jurisdiction for tax avoidance. We refuse to transfer value through special structure and arrangement which is not in accord with arm's length principle. We realize transparency and afford reasonable tax. We set tax governance and transfer pricing policy to be the standard of tax matters.

Principles of E.SUN Tax Governance and Transfer Pricing Policies

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

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

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

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

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

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

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

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

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

Note: For details on E.SUN's Tax Governance Policy and Transfer Pricing Policy, please refer to the official website.

■ Tax Governance and Risk Control Mechanism

The Board, the highest governance unit of tax, reviews the status of worldwide tax compliance and latest tax news every 6 months to control tax risk and know global tax trend. Below are the cases under the mechanism in 2023.

Item	Case Description
Compliance and planning	In response to Global Minimum Tax, we invited tax consultants from international accounting firms to update global tax trends in 2023. We then engaged with suitable consultants to evaluate the potential impacts accordingly.
Risk management	The Board of Directors control the frequency and amount of tax disputes to low risk level, using risks identification and three lines of defense mechanism to oversee tax matters; the hotlines and mail boxes are established internally and externally to report illegal or unethical tax-related matters.
Succession planning	We employ qualified and trained tax professionals with the right levels of expertise. We share experience on tax through internal regular meeting and participate in seminar to make progress in tax; tax knowledge is well passed down by the working papers and workflow chart.
Performance appraisal	Tax personnel's annual tax work goal is set and evaluated by SMART principle. We prohibit tax personnel from using radical tax avoidance measures to obtain high rating. We then make annual tax work schedule accordingly.

■ Stakeholder engagement and management of concerns related to tax

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



Public tax advocacy -NGO

In 2023, it was our first time to participate in peer review held by international tax advocacy organization The B Team. Companies were assessed in 7 different aspects. After 3-month assessment, we got upper-average rating, showing that we indeed put responsible tax principle into practice.



Tax authorities

Our withholding and filing cases increased significantly in 2023 because of rising interest rate. When the tax authorities asked the reason of the changes, we cooperated with the authorities and provided supplemental information to let the authorities understand the industry trends and realize the supervision.



Peers and Banker Association

Since Taiwan government is going to amend the articles related to financial industry in value added tax act in 2024, we proactively discussed the possible supplementary measures with Banker Association in 2023 and then proposed financial white paper together to make effort in the rationality of tax laws.



Independent Directors and Investors

Independent directors specialized in accounting and tax oversee our tax burden and risk through financial reports every quarter. We also disclose the changes in tax rates and tax information to the public to enhance tax transparency.

Income tax information-2023&2022

The reported tax rate of E.SUN FHC in 2023 is 17.97% which is slightly lower than the statutory tax rate (20%) and the global average banking effective tax rate (21.29%) from CSA handbook 2024 due to the tax-exempt income from offshore banking unit. The economic environment changed drastically these years. Year-over-year tax rate difference is mainly because of the fluctuation of the fair value of financial assets and liabilities, leading the recognition of unrealized revaluation loss/gain.

Unit: million NTD, %

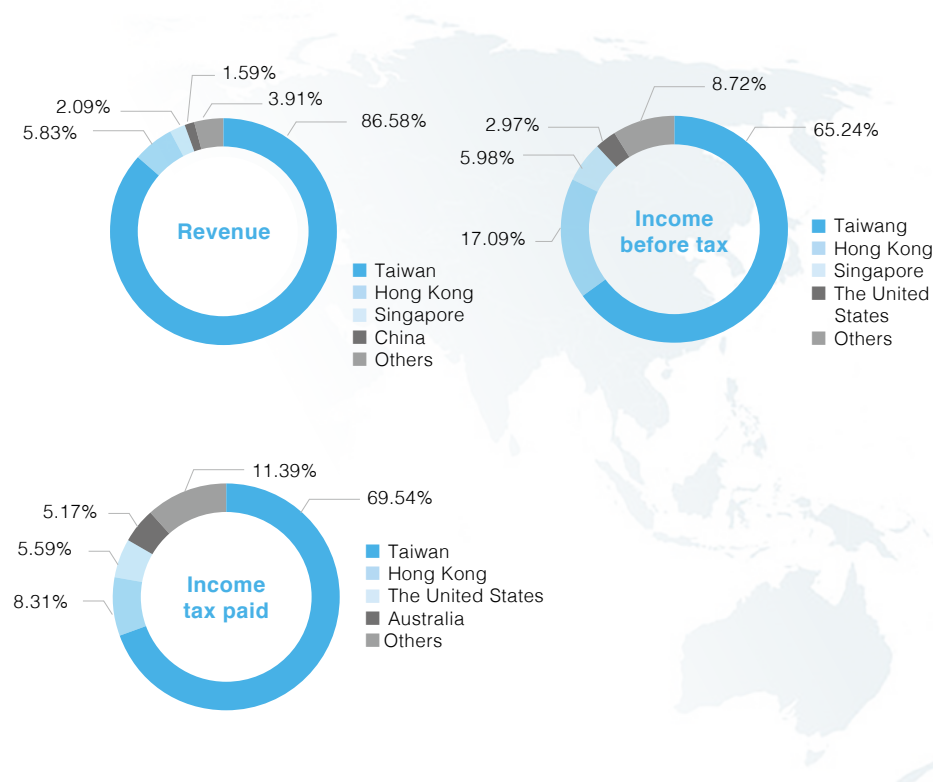
Item	2023	2022	Calculated averages
Profit before tax (A)	26,512	19,903	23,208
Reported taxes (B)	4,764	4,122	4,443
Reported tax rate (B)/(A)	17.97%	20.71%	19.14%
Adjustments (C)	Timing difference	(219)	(274)
	Major issue	136	150
	Tax-exempt income	819	447
Effective tax rate (B+C)/(A)	20.75%	20.25%	20.54%
Income tax paid (D)	4,330	3,956	4,143
Cash tax rate (D)/(A)	16.33%	19.88%	17.85%

2023 country-by-country reporting

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

Unit: million NTD / person

Tax jurisdictions	Revenues from unrelated party	Net revenue	Profit before tax	Income tax paid	Current income tax expense	Revenues from related party – cross jurisdiction	Number of employees	Tangible assets
Taiwan	97,569	77,414	17,296	3,011	2,960	4,144	8,901-9,000	32,491
Cambodia	1,896	777	290	138	24	0	401-500	1,051
China	3,291	1,423	726	106	100	25	201-300	2,622
The United States	2,913	959	788	242	223	0	1-100	7
Hong Kong	7,022	5,214	4,530	360	751	3,448	201-300	19
Singapore	4,655	1,873	1,585	82	270	109	1-100	72
Vietnam	485	387	312	58	64	71	1-100	3
Australia	3,352	849	647	224	232	1	1-100	42
Myanmar	112	273	214	46	48	240	1-100	38
Japan	1,544	250	124	63	52	1	1-100	74



4.8 Human Rights Protection

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

E.SUN aims to create a diverse, equal, inclusive, and belonging workplace environment. The Human Rights Protection Team of E.SUN Sustainable Development Committee holds meetings periodically and has formulated E.SUN human rights policies with due reference to laws and regulations and human rights development trends. Every year, the team reviews the E.SUN Declaration of Human Rights and E.SUN FHC Human Rights Due Diligence Investigation Procedures regularly, and works with all partners to continuously strengthen and improve the management of issues related to human rights.

E.SUN's inclusion in the list for the Bloomberg Gender-Equality Index 2023 demonstrates the considerable

progress we have taken in advancing gender equality. This acknowledgment reflects our commitment to aspects such as female leadership, equal remuneration, inclusive culture, anti-sexual harassment policies, and a pro-women brand. Aligning closely with the United Nations Sustainable Development Goal 5, which aims to achieve gender equality and empower women, E.SUN has proactively pursued initiatives to support these objectives. E.SUN has demonstrated its commitment to fostering a diverse, equitable, and inclusive environment. By safeguarding labor rights and nurturing a workplace that promotes employee happiness and well-being, E.SUN embodies our vision to become a leading global corporate citizen.

■ Human Rights Due Diligence Process

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

Human Rights Due Diligence Process



Impact identification

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



Assess risk

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



Establish plans

The human rights protection task force proposes mitigation and remediation measures at E.SUN Sustainable Development Committee to formulate a plan for human rights issues; the scope 100% covers all of E.SUN FHC's operating sites in Taiwan and the 31 operating sites in 10 overseas regions.



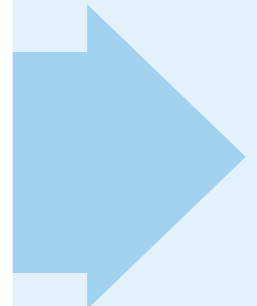
Monitor and implement

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



Review and improve

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



Impact identification

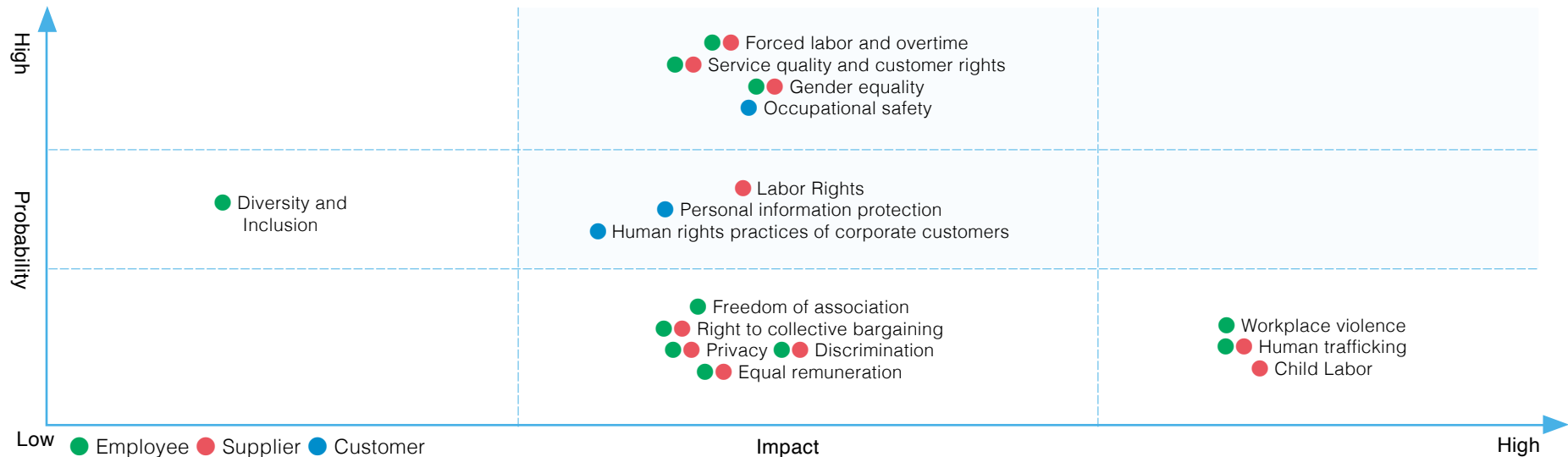
E.SUN strictly scrutinizes potential human rights risks in various aspects and implements its commitment and responsibility for human rights with relevant units following specific guidelines. For employees, we ensure that human resources policies do not jeopardize labor rights; for suppliers or partners,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

	E.SUN	Value chain		New business relations (mergers, acquisitions, joint ventures)
		Supplier/Partner	Customer	
Groups exposed to human rights risks	Employee, Women, Indigenous people, People with disabilities, Dispatched labor, Migrant workers, Non-employee workers	Women, Children, Indigenous People, People with disabilities, Dispatched labor, Migrant workers, Non-employee workers	Customers in minority groups	Women, Children, Indigenous People, People with disabilities, Dispatched labor, Migrant workers, Non-employee workers
Potential human rights risks	Diversity and inclusion, Gender equality, Forced labor, Occupational safety, Workplace violence, Privacy, The right to collective bargaining, Human trafficking, Equal remuneration, Discrimination	Forced labor, Gender equality, Occupational safety, Child labor, Freedom of association, Right to collective bargaining, Human trafficking, Equal remuneration, Discrimination	Service quality and customer right, Personal information protection, Human rights practices of corporate customers	Forced labor, Gender equality, Occupational safety, Child labor, Freedom of association, The right to collective bargaining, Human trafficking, Equal remuneration, Discrimination

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

Human rights risk matrix

In response to potential human rights risks for employees, suppliers and customers (including investment and credit subjects), we established a human rights risk matrix as follows. The mitigation and remediation actions please refer to Appendix 13 - Human Resource Management Indicators.



05 Our People

Talent is our most valuable asset, and we are committed to creating a "second home" where every employee can learn, grow, and flourish together. We strive to make E.SUN better and ensure the well-being of our employees.

5.1 [Talent Cultivation and Development](#)

5.2 [Talent Attraction and Retention](#)

5.3 [Healthy and Safe friendly workplace](#)

85.53 %

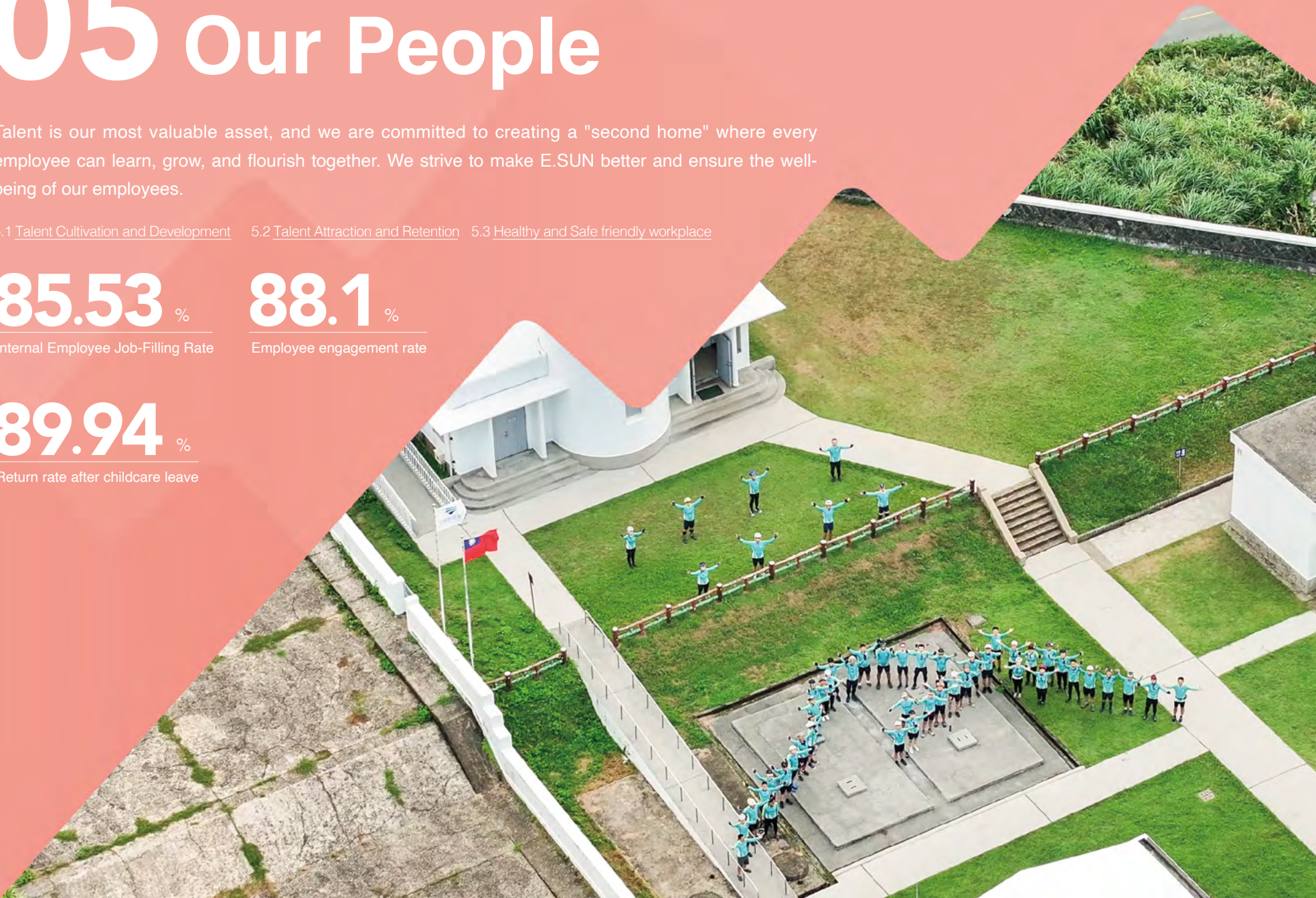
Internal Employee Job-Filling Rate

88.1 %

Employee engagement rate

89.94 %

Return rate after childcare leave





E.SUN LEAD Program: Cultivating a Multigenerational Leadership Pipeline One hundred people, one journey: Exploring the millennium-old sustainable heritage of Kyoto.

"Supporting Taiwan's industries in rural areas and expanding social impact through digital capabilities"

In order to cultivate present and future leadership teams, E.SUN has launched the "E.SUN LEAD Program Leadership Development Program" that spans a year and a half. This program aims to systematically and organically cultivate and develop E.SUN's leadership teams. It combines lectures and challenges conducted by top international professors, outstanding entrepreneurs, and consultants. Through case discussions, participants broaden their perspectives. Through action learning programs, they explore and develop strategic business approaches. They also enhance their team mentality through cycling around the island and gain insights through learning experiences at benchmark academies abroad. Additionally, the program involves the active participation of the founder, chairman, and CEO, ensuring the transmission of E.SUN's culture, stimulating leadership and strategic thinking, and cultivating an entrepreneurial spirit. This ensures a smooth baton pass and paves the way for new developments at E.SUN.

Exploring the Millennium-Old Sustainable Heritage of Kyoto

As part of the E.SUN LEAD Program overseas learning journey, in November 2023, the fourth phase of the program will specifically visit Kyoto, Japan. This trip includes visits to a top university, two thousand-year-old Zen temples, and three century-old outstanding enterprises. The aim is to explore the foundations of sustainable business from core values to the creation of a new era.

For example, during a visit to Shimadzu Corporation, participants deeply appreciate that the company's "entrepreneurial philosophy" is the

cornerstone of sustainability. With a history of 150 years, Shimadzu is now an internationally renowned equipment and instrument manufacturer, and it continues to strengthen its commitment to "contribute to society through science and technology." They view active learning of Western science as an inherent value. Shimadzu is known for being the first company in Japan to introduce X-ray machines. When the COVID-19 pandemic struck, Shimadzu was also the first company in Japan to develop a testing device. Participants learn that "what helps a company navigate through turbulent times is often the sustainable values it possesses."

Firm Beliefs, Innovative Agility, and Aesthetics

In the serene atmosphere of the Zen training hall of Myoshin-ji Temple, Vice Abbot Shosan guides the E.SUN LEAD Program participants in Zen meditation. With focused attention and mindful breaths, they experience the master's teaching of "undisturbed mind" – how to maintain inner calmness and adaptability in the face of external change.

Another notable visit is to Hosoo, a company that takes an innovative approach to preserve its internal traditional craftsmanship. Despite being a centuries-old Kyoto Nishijin-ori weaving atelier, Hosoo faced significant challenges when traditional kimono production decreased by 90%. However, the 12th-generation successor, at the age of only 40, managed to combine modern technology and innovative business models with traditional aesthetic artistry. They successfully integrated international brands and future technologies, showcasing the future of elegant Kyoto aesthetics. Participants realize that the survival of a century-old business is not solely reliant on traditional practices but rather on the ability to adapt to the changing times.

Heart as the Core of Operations, Success Linked to Correct Concepts

During a visit to Kyocera Corporation founded by the "Management Saint," Inamori Kazuo, participants gain insights from Kyocera employees who share the life philosophy and management thoughts of Inamori Kazuo. They deeply understand that without Inamori Kazuo's management principles, Kyocera would not be what it is today. They feel that the driving force behind sustainable businesses lies in the heart of management. The display of Kyocera products applied in various industries highlights the strong altruistic spirit that permeates the company. One can sense that the achievements are the result of guarding this inherent spirit.

Drawing from the example of Inamori's intervention in Japan Airlines, participants learn that as long as a company benefits society and demonstrates an altruistic approach, financial performance naturally follows. In just three years, Inamori turned around Japan Airlines from deficit to profit. This is no longer about the adoption of management skills, but the natural demonstration of performance results after integrating the concept of sustainability into our operations.

Operating under the core belief of "Revere the divine and love people," Inamori led Kyocera from its origins in ceramics to its current diversified operations. He emphasizes that for an enterprise to be sustainable, it must adhere to values that earn respect over a century. Participants observe that in Japanese multi-generational family businesses, leadership cores are often handed over to professional managers rather than family

members. This further aligns with E.SUN's pursuit of sustained value through talent development.

Towards Sustainability

Kyoto, the ancient capital of a thousand years, is an important symbol of Japan's cultural development. It is a place where numerous enterprises, institutions, and Zen temples blend tradition and innovation, continuously evolving. The participants of the E.SUN LEAD Program embark on a journey, guided by the management team, to deeply explore the humanities, aesthetics, technology, and innovation, seeking answers for leadership succession and sustainable development.

Leadership and succession are the starting points for sustainable business operations, and management and talent development are the keys to an enterprise's continuous growth. To achieve long-lasting success, the foundation must be built on the sustainability of talent. "Talent is not only an indicator of excellence but a critical one." E.SUN's focus on people and the cultivation of successive generations of outstanding talent will allow E.SUN to run faster, flying farther, and jump higher. As each E.SUN staff member upholds the core values and strives for innovation and improvement, E.SUN's ability to sustainably operate is ensured.



5.1 Talent Cultivation and Development

GRI: 3-3,402-1,404-1; GRI G4 Financial Services Sector Disclosure Indicators: FS4, FS16

E.SUN guided by our core values of integrity, honesty, responsible, and professionalism, E.SUN has long been dedicated to cultivating talent and building a robust talent pipeline. Our employees not only pursue a shared vision but also strive to create infinite value for customers, colleagues, and E.SUN itself, embodying our pursuit of excellence and our aspirations for a brighter future.

■ Cultivation and Training

Career Development System

Talent Cultivation: The Cornerstone of Enterprise Sustainability. "Cultivate talent first, then run the business." By establishing a comprehensive career development system, we at E.SUN empower our employees to continuously learn and grow throughout their careers, from onboarding to succession planning. Our training programs encompass a wide range of topics, including management practices, humanities, and financial expertise. Additionally, we align our talent development initiatives with E.SUN's 4+E strategy for the fourth decade, nurturing a new generation of exceptional individuals equipped with professional knowledge, humanistic values, and sustainable thinking. We are confident that by investing in talent development, we can not only create a brighter future for our employees but also lay a solid foundation for the enduring success of our enterprise.

Training Achievements in 2023

	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Training hours completed by managerial employees	60,030	20,304	29,288	9,566	24,031	7,760
Average training hours per person	142.6	151.5	70.9	81.8	62.9	73.9
Training hours completed by nonmanagerial employees	218,859	286,884	210,872	272,963	188,700	229,386
Average training hours per person	61.7	57.2	58.7	54.8	50.1	45.8
Total training hours	586,077		522,688		449,877	
Training hours per person	70.3	59.7	57.8	55.3	51.2	46.4
Total training hours per person	64.30		57.38		48.57	
Average amount spent per person (\$NT)	49,727		45,259		36,460	
Employee training expenses / Total Revenue	0.75%		0.75%		0.67%	
ROI of human capital	276%		254%		277%	

Note: Managerial employees refer to managers and above.

Continuous Innovation, Cultivating Talent with "Multi-Abilities"

Career development courses play a crucial role in equipping individuals with the knowledge, skills, and experiences necessary to navigate the ever-evolving professional landscape. These courses provide a platform for continuous learning and personal growth, enabling individuals to enhance their career prospects and contribute meaningfully to society.

Orientation

E.SUN orientation not only focuses on imparting financial expertise but also helps new colleagues build a value system of teamwork through diverse and engaging curriculum activities. In addition, it provides a deep understanding of E.SUN from various professional perspectives, allowing them to appreciate E.SUN's high expectations for new employees.

Trainee Feedback

The presence of the management team in the training program not only allows us to better understand Yushan, but also allows us to feel the importance the management team places on talent development.

The diverse course content, including both soft and professional skills, and the external lecturers with expertise in their respective fields left a positive impression on everyone and provided them with a wealth of knowledge.

Team Building is an important course for breaking the ice and building team cohesion. It also allows us to get to know each other quickly and have better and more effective communication in group discussions.



Leadership team

Cultivate a strong leadership pipeline

Lead change and the future

- Leading Yourself&Leading Teams
- Leading Change & Leading the Future
- Action Learning

**LEAD Leadership Program
Manager Advancement Program**

Hope Engineer

Holding the Key to E.SUN's Prowess

Exert influence

- Management skills
- Professional skills
- Marketing skills
- Humanistic cultivation
- Psychological

**Management Practice Workshop
Hope Engineer Cultivation Program**

Front-line staff

Get to know E.SUN

Integrate into the team

Develop financial expertise

- Core Value
- Professionalism
- Problem-solving skills
- Practice of discipline

**Professional Training Course
Orientation**

Hope Engineer Cultivation Program (Mid-level Manager Training Courses)

E.SUN attaches great importance to talent cultivation and cultural inheritance, and refers to its mid-level managers as "Hope Engineers." In addition to focusing on the development of leadership and management capabilities, the Hope Engineer cultivation program also incorporates more content on team building, ESG sustainable development, and international vision, cultivating the ability of Hope Engineers to lead by example, lead teams, and exert positive influence.

Trainee Feedback

Just as "without experiencing bone-chilling cold, how can one appreciate the fragrance of plum blossoms?" the three-phase course of the Hope Engineer cultivation program, while filled with various challenges, also contains many opportunities for growth and transformation. Just like a butterfly breaking out of its cocoon, it allows us to step into the next stage of our careers with greater strength and beauty.

The special report taught me the context of problem-solving, the passion for stand-up paddleboarding made me realize that the team has endless possibilities, and the comprehensive roundtable discussion gave me the opportunity to be grateful for the company's emphasis on talent cultivation. I hope to continue to exert a positive influence on the team and work together to make E.SUN shine brightly.

The three-phase course provided us with diverse learning opportunities, including professional learning and exposure to various fields such as art, music, and physical training. I believe that expanding these areas can help us maintain our passion for work and create a unique style for E.SUN employees.



E.SUN LEAD Leadership Program

With the goal of cultivating an outstanding leadership team, pass on the company's mission and vision. The course design is based on E.SUN's long-term strategic development, and a total of 13 modules are designed. Through a one-and-a-half-year learning-by-doing and reflection process, a variety of methods such as special lectures, case studies, action learning, and exchange visits are combined to develop the key capabilities of the leadership team and move towards outstanding and sustainable development.

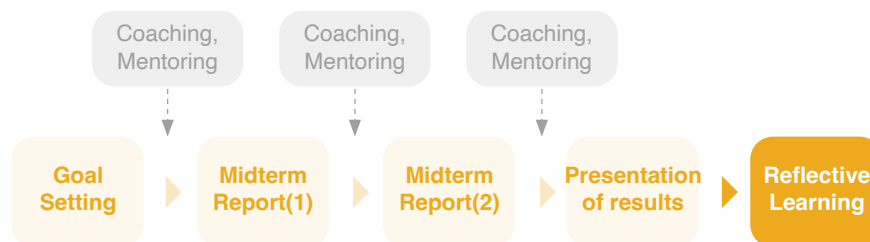
Leadership Capability Module

To support E.SUN's strategic development, the course is designed around four modules: "Leadership Development," "Strategic Decision-Making," "Innovation and Transformation," and "Excellence and Sustainability." Renowned corporate lecturers and professors from both domestic and international institutions are invited to deliver lectures, aiming to broaden the horizons of the leadership team and lead E.SUN towards sustainable development.



Action Learning Program

With a continuous focus on E.SUN's 4+E strategy, the 207 days program trains E.SUN's leadership team in strategic decision-making and innovation and transformation through "systematic problem-solving thinking" combined with methods such as "logical analysis, hypothesis thinking, strategy planning, and agile verification."



Kyoto Learning Journey

Leadership and succession are the starting points for a company's sustainable operation; management and talent development are the keys to a company's continuous growth and prosperity. The founder and management team personally led the Excellence Academy to visit Kyoto, Japan. Through visits to century-old companies and thousand-year-old temples, they learned how companies can use "innovation and transformation" to support "excellence and sustainability."



Trainee Feedback

E.SUN's footprint in Asia is expanding rapidly, which means we need more outstanding overseas managers to lead E.SUN to a brighter future. I hope to become an important seed overseas, passing on the knowledge and skills I have learned to more overseas managers, inspiring their potential, and contributing to E.SUN's development together.

On my journey from manager to leader, I have deeply realized my own shortcomings. I need to keep learning and growing in order to lead the team to success. This learning journey has made me even more passionate about leadership. I believe that as long as I continue to learn and grow, I can become a qualified leader and lead the team to create greater value.

While this learning process was challenging, I was deeply moved to be able to persevere and work hard with my team members until the very end. E.SUN is still in the midst of continuous growth, and how to move towards excellence in the future is an inescapable responsibility of every manager. I will work with my E.SUN partners to explore new growth drivers together!

■ Strategic Talent Cultivation for Future Challenges

In the face of rapid changes in the global industrial and economic environment, E.SUN has formulated strategic goals for the next decade and regards talent cultivation as the key to sustainable operation. It is not only financial professional training, but also actively responds to the development of corporate strategies. It continuously adjusts the plan direction and continues to cultivate talents in "sustainable finance" and "financial technology" to expand the financial key influence.

ESG Sustainable Finance Cultivation Program (Coverage ratio 100%)

Program Description

1. Building a Sustainable Talent Supply Chain for E.SUN

Objective	E.SUN is committed to becoming a leading brand in sustainable finance. In line with this vision, the company has adopted the approach of "cultivating talent first, then operating the business." To achieve this, E.SUN has integrated ESG elements into its career training system. In addition to inviting external professional lecturers to teach, the company has also arranged for the "E.SUN Sustainable New Team" to serve as course instructors. Through a variety of training methods, E.SUN is leading its employees to pay attention to international sustainability issues, cultivate sustainable finance expertise, and build a sustainable talent supply chain for E.SUN.
Target	All E.SUN employees
Cultivation Direction	The courses start with "building literacy" and progress through "connecting expertise," "practicing innovation," and "sustainable management" to cultivate the common literacy and expertise of E.SUN people and help E.SUN move towards sustainable management.



2.The Best Partner for Corporate Sustainability Transformation

Objective	The financial industry plays an important role in sustainable transformation, and E.SUN aims to be the "best partner" for corporate sustainable transformation. Through cultivating expertise in "responsible lending and investment," "responsible products," and "sustainability consulting," E.SUN will assist enterprises in finding sustainable solutions and establish the E.SUN Sustainability Platform to create a "preferred for preferred" model.
Target	All E.SUN employees & Sustainable Team
Cultivation Direction	All professional courses in each job category include relevant content education and training. For example: The Legal and Financial Job Category uses "in-person courses" to teach the "Sustainable Finance and Responsible Lending" business scope and process management. The Consumer Finance Job Category uses "monthly video conferences" to convey "Sustainable Consumer Finance Products" professional knowledge and precautions. Disseminate trends related to issues such as climate change and environmental sustainability to all colleagues.

3.Nurturing the Seeds of E.SUN's Sustainable Development-Sustainable Finance Manager

Objective	E.SUN is committed to becoming a benchmark enterprise for sustainable development and has pledged to achieve net-zero emissions by 2050. The "Sustainable Finance Manager Training Program" is an important part of E.SUN's plan to cultivate the seeds of sustainable development. Through professional courses and practical operations, the program helps employees accumulate knowledge and skills in sustainable finance, encourages them to apply what they have learned to their work, and become part of the "Sustainable New Team."
Target	Sustainable New Team & E.SUN practitioners with high relevance to their business scope and ESG
Cultivation Direction	E.SUN established the Sustainable New Team in 2023, setting up dedicated core and co-organizing units and linking unit performance with sustainability to accelerate the development of E.SUN's ESG. In the same year, it also held the second Sustainable Finance Manager Training Program and invited members of the Sustainable Team to join. The course was designed around four themes: "Sustainable Finance Trends and Policies," "Investment and Insurance and Value Chain," "ESG Information Disclosure and Evaluation," and "Climate Finance and Management Practices," to inspire employees' professional knowledge of sustainable finance from a shallow to deep level. A total of 154 people passed the assessment in two years and became "Sustainable Finance Managers."



4.ESG Sustainable Finance Cultivation Program-Outcomes

Item	Indicator	2023	2022	2021
L1 Reaction	Course satisfaction	97.4%	96.4%	96.2%
L2 Learning	Course completion rate	98.34%	97.73%	98.00%
L3 Behavior	Volunteer activity participation	17,803	15,895	11,645
	The number of sustainability-related certifications	84	74	37
	The number of sustainable team members	54	-	-
	The number of sustainability expert team members	20	-	-
L4 Results(NT\$ M)	Green Loans	80,926	53,741	18,726
	ESG-linked Loans	60,062	40,642	10,681
	Loans to ESG industries	275,912	272,415	261,464
	Total sustainable loans	368,766	340,876	290,871
	ESG Consumer finance loans	8,836	7,034	7,617
	The total accumulated issuance of sustainable development bonds (NT\$ B)	233.8	187.6	103.6
	The accumulated underwriting volume of sustainable development (NT\$ B)	259.3	225.6	137.6
L5 ROI	Profit / Program related costs	72.28	57.47	38.54

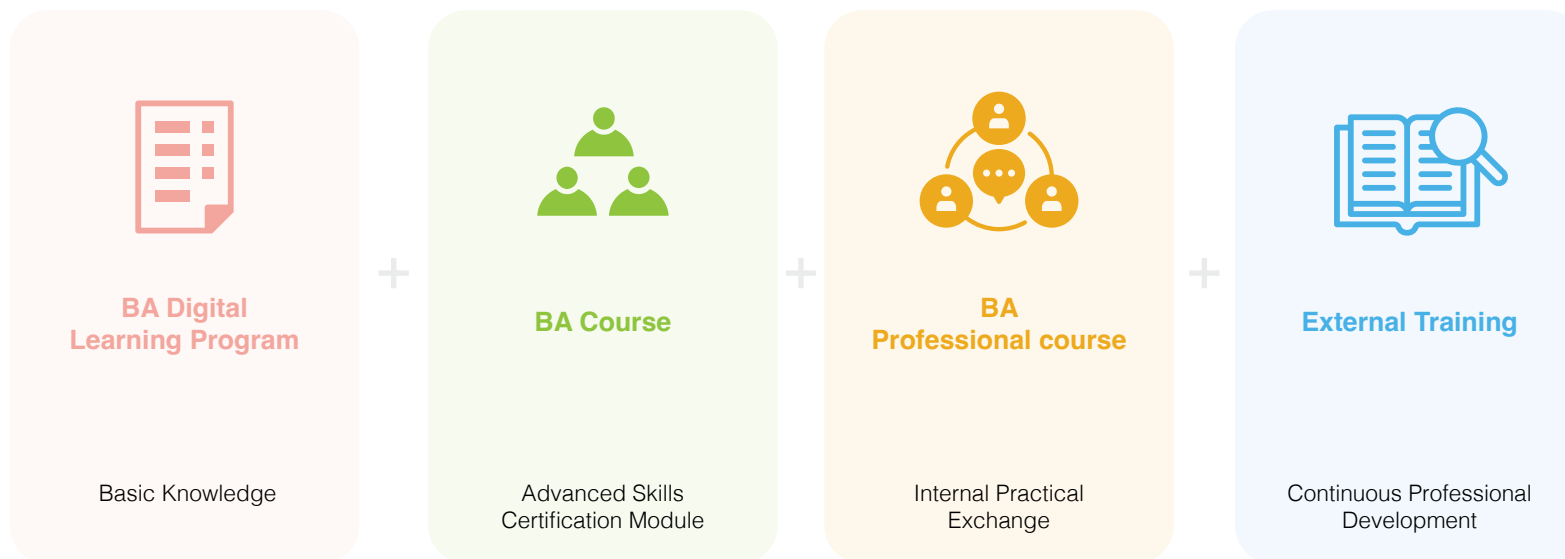
Technology Empowerment Cultivation Program (Coverage ratio 43%)

E.SUN has embarked on a remarkable journey of digital transformation, positioning itself as a "Tech-Powered E.SUN" in its third decade. As it enters its fourth decade, the bank has not only continued to enhance its financial technology expertise but has also cultivated critical roles such as Business Analysts (BA) and Team Leaders (TL). Additionally, E.SUN Bank has embraced artificial intelligence (AI) across its business domains, implementing Python and RPA training programs to drive digital transformation across all units. By leveraging technology, E.SUN Bank aims to enhance operational efficiency and competitiveness.

Program Description

1. Business Analyst (BA) Capability Cultivation Program

Objective	In today's rapidly evolving business landscape, Business Analysts (BAs) play a pivotal role in bridging the gap between business needs and technological solutions. Recognizing the importance of their expertise, E.SUN Bank has implemented a comprehensive BA development program designed to enhance the skills and capabilities of its BA workforce.
Target	Business Analyst (BA) Colleagues
Cultivation Direction	The training plan systematically enhances the capabilities of BA personnel through a progressive approach that encompasses BA digital courses, on-site training, and practical assignments. The digital courses provide foundational education in basic knowledge and institutional norms; the on-site courses include two types of courses: competency certification and professional day; the practical assignments focus on the improvement of tool application and practical skills. In addition, the courses incorporate a variety of methods such as project discussion and book reading to enhance the learning effectiveness of BA colleagues.



2.Team Leader (TL) Cultivation Program

Objective	<p>Following industry practices, E.SUN has adopted the "Engineer" title for all employees involved in IT development. This move recognizes the technical and professional nature of IT roles. To further distinguish IT career paths from general bank positions, E.SUN Bank has designed a unique career development framework for its IT professionals.</p> <p>Within this framework, Team Leaders (TLs) play a crucial role, bridging the gap between technical expertise, professional knowledge, and management skills. To empower its TLs, E.SUN has established a TL development program, offering regular training opportunities to enhance their cross-functional capabilities. Through this program, E.SUN aims to equip its TLs with the leadership skills necessary to guide IT teams towards excellence.</p>
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Target	Team Leaders (TL)
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Cultivation Direction	<p>The course is designed with three modules: "Technology," "Professionalism" and "Management." It includes professional physical courses such as programming development, supplier management and team performance management, to cultivate information unit TLs not only have information capabilities, but also understand team management responsibilities and skills, and lead the team to complete various information system developments. In addition, it also provides digital learning toolkits such as the "TL Teaching Manual" to provide TLs with daily team management guidance, and thus assist TLs in establishing their own management styles.</p>
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3.Digital Technology Professional Certifications and Grants

Objective	<p>In response to the rapid changes in the financial technology era,E.SUN has planned an "Internal Certification System" and formulated the "Special Certification Subsidy Guidelines" to encourage employees to actively obtain or take internal and external special professional certifications and licenses related to their jobs, in order to enhance E.SUN's overall digital technology capabilities.</p>
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Target	All E.SUN employees
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Internal certification	<p>E.SUN has developed courses such as "Digital Power Certification," "Digital Management Assistant Certification," "AI Series Certification" and "Information Security Management System Certification" to guide employees to actively take courses and obtain internal certifications by meeting relevant conditions, so as to enhance their personal digital technology expertise and qualities. As of the end of 2023, 3,478 employees have obtained relevant digital technology internal certifications.</p>
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External certification subsidy	<p>ncluding Certified Business Analysis Professional (CBAP), Project Management Professional (PMP), Agile Certified Practitioner (PMI-ACP), Azure Cloud Technology Courses and Certification and other certifications, each with a subsidy amount of 20,000 to 30,000 NTD. A total of 581 specialized professional certifications have been subsidized.</p>
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4. Technology Empowerment Cultivation Program-Outcomes

Item	Indicator	2023	2022	2021
L1 Reaction	Course satisfaction	96.4%	95%	97.9%
L2 Learning	Number of employees with certified digital ability	3,907*	2,982	2,434
L3 Behavior	IT-related employee percentage	11.2%	11.3%	11.3%
	Number of patent acquisition	73	52	26
	Implementing technology application projects in operational processes	5	-	-
L4 Results(NT\$ M)	Online loan - unsecured personal loan (NT\$ B)	317.48	362.47	228.76
	Online loan - mortgage (NT\$ B)	327.21	225.68	127.98
	Online loan - unsecured personal loan (applicants)	131,041	101,582	107,541
	Online loan – mortgage (applicants)	6,280	5,901	6,370
	Customer satisfaction on digital platforms	94.75%	94.04%	90.2%
	Operational process paper reduction (10,000 sheets)	334.1	-	-
	Carbon emission reduction in operational processes (tons)	61.2	-	-
L5 ROI	Profit / Program related costs	33.15	25.73	34.25

*Include both internal and external certifications, eliminating duplicates for employees with both.

■ Rotation

E.SUN cultivates talent through job rotation, placing individuals in their most suitable positions and providing opportunities for diversified development. Job rotation enables employees to accumulate professional skills, broaden their horizons, and personally craft their career paths, transforming them into the essential talents E.SUN will require in the future.

1. Rotation Training and Internal Recruitment

Item	2023	2022	2021	2020	2019	2018
Internal Employee Job-Filling Rate	85.53%	70.25%	59.24%	73.9%	46.43%	47.26%

In 2023 Job-Filling by Internal Employees	By Gender		By Age			By Identity		Total
	Male	Female	Under 29 Years Old	30-50 Years Old	Over 51 Years Old	Supervisor	NonSupervisor	
Number of People	274	264	129	364	45	238	300	538

2. Proper Arrangement of Job Rotation

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

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



5.2 Talent Attraction and Retention

GRI: 2-23, 2-24, 2-25, 2-30, 3-3, 202-1, 201-3, 202-1, 401-2, 404-2, 404-3, 405-2, 406-1, 412-2

Talents are both a leading indicator and a key indicator. E.SUN embraces talents from diverse fields in order to find the right partners. Through talent development-oriented performance management, competitive compensation system, and comprehensive welfare measures, the bank continuously improves various human resource policies and establish multiple communication channels so as to enhance talents' sense of belonging, making E.SUN the happy second home for employees.

■ Recruiting a Diverse Pool of Professionals and International Talents

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

Collaboration with Industries and Academia

Category	Item	Description	Effectiveness
Industries	E.SUN Campus Business Competition	Aligning creativity with industry experience, E.SUN collaborated with students on course and practice for project in order to build the next generation of digital financial services.	Numbers of participants In 2023, the competition attracted nearly 40 universities, 120 teams, and 500 participants. Finalist teams received scholarships, certificates, and priority consideration for internship opportunities in E.SUN.
	E.SUN AI Open Challenge	Upholding the idea of "enterprise members name the issues and participants solve the problems," since 2019, E.SUN has been holding the Artificial Intelligence Open Challenge, at which invited AI professionals to solve real financial problems with AI, thereby finding a better solution to sophisticated fin-tech decision-making.	Numbers of Participants This competition participated by a total of 394 teams of 619 professionals in 2023. So far, we have hosted 9 competitions, which were participated by more than 10,000 AI professionals from 6,721 teams.
Governments	E.SUN International Talent Cultivating Program	E.SUN signed a memorandum of understanding with the International Cooperation and Development Fund in Q4, 2021 to nurture diversifiable international talents. The bank promoted diverse finance courses and internship opportunities for foreign students.	In 2023, there were 2 international students participating in this internship. The program had attracted 15 students from 8 countries since 2021.
	College of Global Banking and Finance	E.SUN collaborated with governments to nurture excellent international finance talents by becoming one of joint contributions of National Chengchi University and National Sun Yat-Sen University.	Numbers of Participants and Sponsorship In 2023, E.SUN has sponsored NT\$10 million for National Chengchi University, and National Sun Yat-Sen University, benefited 111 students in participating in this curriculum.

Category	Item	Description	Effectiveness
Academia	Internship programs	E.SUN provided students aspiring to work in the financial industry with internship programs during each semester and summer/winter vacations to help them establish the right work attitude and improve their adaptability and competitiveness.	Interns of financial profession They include interns at the sections of financial services, wealth management, and corporate banking; there were 260 students in 2023, and 1,145 interns have been accumulated since 2014. Summer Internship program There were 31 students including 4 foreign students participated in this program in 2023, and 283 interns have been accumulated since 2011. Interns of fintech profession To facilitate digital transformation, E.SUN actively cultivate and recruit talents having information and digital skills. There were a total of 5 students in 2023, and 43 interns have been accumulated since 2019.
	Scholarships	Cultivating talents in financial, technological, humanity, and nursing fields, and those from countries of ASEAN, through sponsoring on campus activities, financial courses and scholarship, and in so doing leave a nice impression on the staff and students of the academia.	Grants Distributed nearly NT\$950 thousand in 2023 to students from National Taiwan University, National Chengchi University, and National Sun Yat-Sen University, etc. Scholarships In 2023, we awarded E.SUN Talents Scholarship to 37 students. -Nurturing outstanding management personnel Scholarship to 22 students (Management: 6 students; Technology: 5 students; Humanities: 7 students; Inspirational role model: 4 students) -Nursing Talent Scholarship to 10 students -E.SUN Bank ASEAN Scholarship to 5 students
Research	E.SUN AI and FinTech R&D Center	E.SUN has been committed to applying AI technology to various scenarios. Through the close collaboration between academia and the industry, results of research were successfully put to practical use and have thus enabled us to provide great financial services in fields such as risk control, operations, and marketing.	R&D Center The bank established E.SUN AI and FinTech R&D Center with National Yang Ming Chiao Tung University in 2018 and National Taiwan University in 2019. The bank also worked on projects under the name of Academia Sinica X E.SUN AI R&D Center with Academia Sinica in 2020. Since 2018, the bank has collaborated with the Academia Sinica and multiple universities spanning across 6 major departments, accumulated over 60 distinguished professors and 300 students for AI technology research and development.

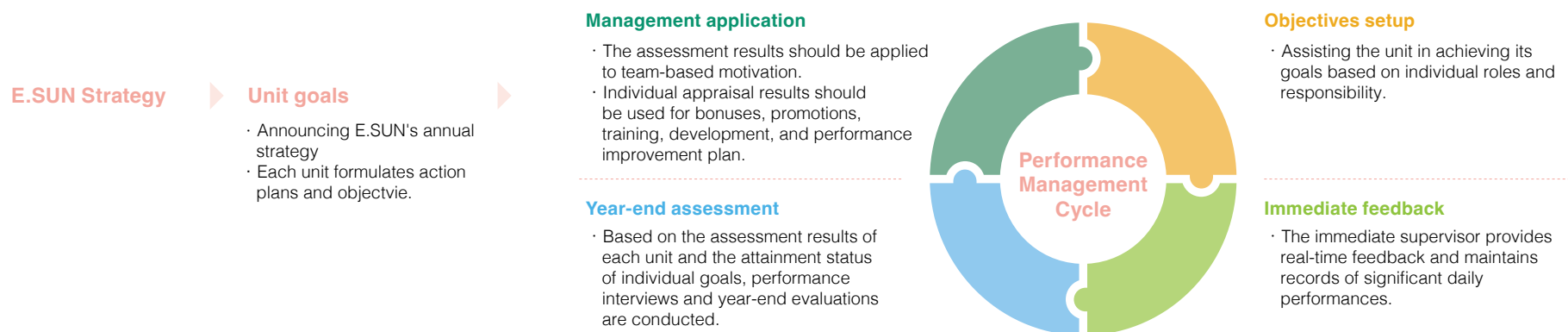
International Talents' Attraction and Cultivation

Item	Description	Effectiveness
2023 E.SUN International Talent Cultivating Program (ITCP)	Selecting foreign students studying in Taiwan to participate in English finance lectures designed by E.SUN so as to enable those students to understand the ecosystem and development of Taiwan banking industry.	Numbers of participants 15 international students joined this program, including students from Vietnam, Indonesia, Malaysia, Thailand, Spain, Honduras, Haiti, Saint Lucia, etc.
E.SUN Bank ASEAN Scholarship	Encouraging outstanding ASEAN talents to study in Taiwan, and cultivating them with international expertise and capabilities. Inviting those scholarship winners to join in E.SUN charity events.	Numbers of participants There were 5 scholarship winners in 2023. E.SUN has cultivated 38 students who are from Vietnam, Thailand, Myanmar, Cambodia, etc. since 2018.
Staffing of international talents	In response to the wave of internationalization, E.SUN has increased the hiring number of international talents since 2022 to strengthen the bilingual financial service in the banking system in Taiwan.	Numbers of participants Since 2020, E.SUN has recruited 17 foreign talents from Germany, France, Czech Republic, Malaysia, Myanmar, Thailand, Cambodia, Vietnam, etc.

■ Performance Management

E.SUN performance management system, in line with the company development strategy, establishes specific directions and goals for individual units based on personal roles and responsibility (R&R), assisting units in achieving their objectives.

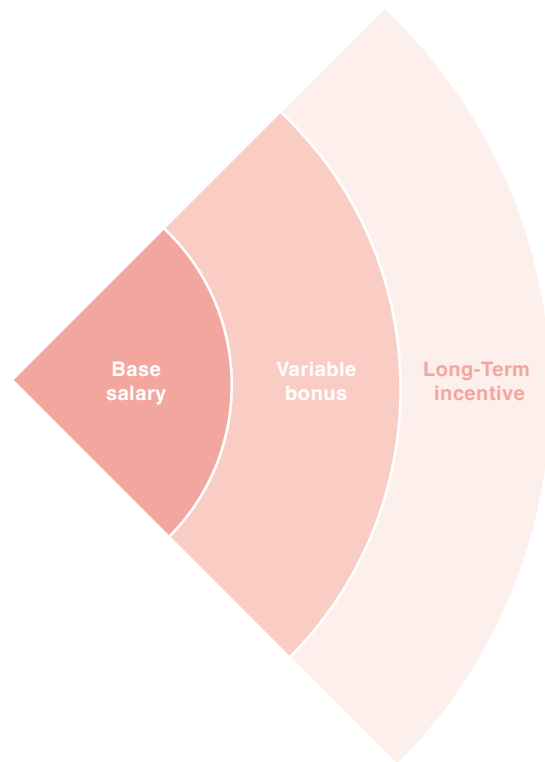
Each year, all employees to participate in the performance management cycle is utilized to facilitate clear communication and guidance through two-way communication and performance interviews, collectively working towards goal attainment. In terms of team performance, E.SUN implements an annual unit performance evaluation system to uphold its operational policies. This system links development strategies and performance indicators through goals and key outcomes, enhancing operational value and overall profitability. It also strengthens accountability performance, moving towards excellence in operations.



Assessment mechanism	Assessment frequency	Execution methods
Team-based performance appraisal	Once a year	The head office unit sets OKR indicators (business performance, infrastructure projects, core management) linked to development strategies. The business units align with organizational goals to support strategy development. Each unit sets team performance goals accordingly and allocates individual goals based on these. To ensure the achievement of team goals, performance evaluations from team to individual will include team performance results as a bonus factor. From individual to team assessments, behavioral indicators of teamwork are also included, such as the ability to share resources with team members, assist in building team consensus, and leverage personal expertise or skills to help the team overcome challenges.
Management by objectives, MBO	Once a year	Based on unit goals, measurable personal goals are jointly set by supervisors and employees with interviews.
360-Degree Feedback System	Once a year	Helping supervisors achieve self-awareness by understanding their strengths and weaknesses through feedback from different dimensions, and actively improving or enhancing leadership and management capabilities E.SUN offered Chinese and English guidance on the digital learning platform, including explanations of management competencies and learning and development recommendations, assisting domestic and overseas supervisors.
Immediate feedback	ongoing	<ul style="list-style-type: none"> · By leveraging real-time feedback, we ensure effective day-to-day management and performance assessments. Additionally, we conduct mid-year performance reviews. · We dynamically review the execution status of goals and make timely adjustments. We also initiate performance improvement plan as needed, depending on the situation.

■ Competitive Compensation System

E.SUN compensation policy is structured on position-based salary and performance-based bonuses. Base salary includes principal salary and various allowances, Variable bonus includes bonus and remuneration. Compensation adjustments are according to job duties and performance contributions, with the design of diverse long-term incentive mechanisms to align with the organization's long-term operational results. Additionally, deferred and clawback mechanisms are incorporated to enhance motivation and retention effects, continuously improving operational performance and ensuring sustainable development.



Base salary

- Setting a fixed pay according to job duties, professional skills, and market standard.
- Participating in the market salary survey every year and providing a reasonable and competitive compensation system.
- Continuously selected as a constituent stock of the TWSE RAFIR Taiwan High Compensation 100 Index since 2018.
- In 2023, the average salary was raised by 3-5%^{Note}.

Variable bonus

- Providing variable pay (including bonus and remuneration) according to the company's overall, unit, and individual performance.
- Reserving 15% of the shares for employee subscriptions when cash capital increases in 2023.

Long-Term incentive

- Employee savings association (employee stock ownership program), the company contributes incentive bonuses thrice each year. The participation rate has exceeded 90% for three consecutive years. Allotted more than NT\$200 million in matching contributions in 2023.
- Employee remuneration is distributed to employees in the form of shares.
- According to our Long-term Incentive Reward System, we provide talented employees with E.SUN Phantom Shares which will be granted after five years, so as to stimulate their creating long-term performance.
- Seniority rewards to appreciate senior employees for their rendering services, employees with a 10-year seniority will be rewarded the plaque. Distributed over NT\$10 million credit card payments.

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

■ Diverse Welfare Measures

E.Sun firmly believes in the principle of "satisfied employees lead to satisfied customers." With the goal of creating a better employee experience, the company actively promotes a workplace environment that values inclusivity, provides maternal care support, promotes health and wellness, and encourages family participation. These measures are implemented to ensure the overall well-being and satisfaction of employees at E.SUN.



Friendly workplace

- Quality mentor program
- Office spaces focused on safety, comfort, people-oriented, technologically-smart, and artistic aesthetics
- Multiple working hours, flexible working hours, parttime working option and work from home
- Employee mess hall, parking lot, gym
- Creating a diverse and inclusive workplace environment, supporting gender equality and safeguarding the rights and interests of individuals with disabilities and indigenous people
- Ceremonial leave (2 days)



Happy family

- Marriage/childbirth subsidies, NT\$100,000 in E.SUN Baby Development Fund
- E.SUN handbook for new mothers, breastfeeding seminars for expecting mothers
- Organizing Maternal Care Seminars
- Paid parental leave for the primary caregiver is more than 10 weeks, including: (a) during pregnancy – leave for Prenatal checkup, 8 days, (b) after birth – Maternity leave, 63 days. Paid parental leave for the non-primary caregiver is 8 days for "Accompanying prenatal checkup and maternity leave." All mentioned leaves above are better than legal requirement.
- All branches nationwide are equipped with breastfeeding rooms and five office buildings have been certified as "Excellent Breastfeeding Room."



Health initiative

- Employee Assistance Program (EAP) psychological counseling services
- Expanding group insurance coverage scope and improving protection for employees and their families against specific risks
- Health Check-up Subsidy
- Healthy weight loss programs / Multidimensional Health Seminar
- Jade Mountain Summit Challenge / Hiking and cycling around Taiwan
- Social club activities (table tennis, badminton, aerobics classes and so on)



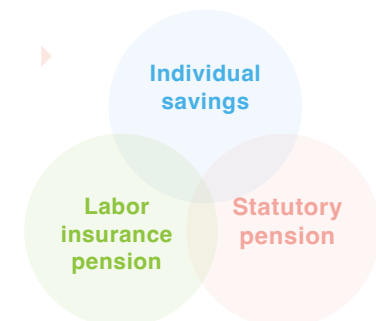
Family care

- Mother / father's day cards and monetary
- E.SUN Choir and Concert for Mothers
- Child education subsidies, Outstanding children's award and E.SUN family care
- Special offers on children's foreign language learning activities
- Chinese New Year accommodation for employees and spouses
- Offer unpaid leave superior to legal requirements
- Music concerts (Vienna Boys' Choir, Mayday) and artistic events (E.SUN Awards: artists painting E.Sun (Mt.Jade) for the celebrations for the 30th anniversary of E.SUN)

■ Comprehensive Retirement Protection

- To encourage early retirement planning, E.SUN has established the employee savings association stock trust. Employees who have passed probation are free to join the association, and the company contributes incentive bonuses thrice each year. Allotted more than NT\$20 million in matching contributions in 2023.
- Provided retirement trust projects exclusively for E.SUN employees, encouraging them to plan asset allocation early on to ensure their retirement lives.
- To reward employees with outstanding performance, retirement bonuses in addition to pension may be provided according to their work performance or special contributions.
- For those subject to the "Labor Standards Act," E.SUN allocates retirement reserves ranging from 2%-15% of employee salaries to Taiwan Bank's special accounts on a monthly basis, all of which are fully allocated.
- For those whose employment started on July 1, 2005 or opted for the new pension system, E.SUN allocates a 6% monthly pension according to the law.
- Pension for overseas employees is subject to local laws and regulations.

Three-pillar retirement protection



■ Equal Employment Measures

E.SUN has been actively promoting gender equality in the workplace for a long time. The company implements equal pay policies and a fair and just performance evaluation system to ensure fairness. E.SUN takes action to support and protect the rights and benefits of colleagues in same-sex marriages, ensuring that they and their same-sex spouses enjoy equal benefits. The goal is to create a non-discriminatory work environment.

1.Equal Remuneration

In line with internal and external fairness, E.SUN ensures equal pay for equal work between men and women. In 2023, there were no significant differences in the male-to-female pay ratio for employees in different categories in Taiwan. In E.SUN's main operating locations in Taiwan, the average monthly salary for male and female employees in general positions was double the minimum wage in Taiwan.

2.Embracing Gender Diversity

Since the legalization of same-sex marriage, E.SUN has been providing relevant benefits and marriage subsidies to colleagues in same-sex marriages in accordance with the regulations, while offering equal blessings. Keeping up with the changing trends in social equality laws, E.SUN is proactive in implementing Taiwan's national policies regarding gender equality. Gender-friendly restrooms have been set up in every owned building, ensuring convenience, security, privacy, and fairness for all individuals, including those with diverse genders, in public spaces, making the environment more humane and inclusive.

3.Sexual Harassment Prevention

E.SUN places great importance on workplace equality and gender equality, and has been actively promoting gender equality and prevention of workplace harassment. In 2023, we have invited lawyers to conduct seminars on gender equality and prevention of workplace harassment. We have also established an online platform for "Gender Equality and Prevention of Harassment" training to raise awareness of gender equality.

In order to handle cases of harassment complaints, we have established the "Guidelines for the Establishment of Gender Equality Committees in E.SUN FHC and Its Subsidiaries" and the "Guidelines for Complaints and Disciplinary Actions for Prevention of Harassment in E.SUN FHC and Its Subsidiaries." These guidelines include the establishment of a dedicated channel for harassment complaints and specify the principles and penalties for investigation and disciplinary actions, aiming to provide clear institutional protection to whistleblowers.

We have set up a Gender Harassment Complaint Evaluation Committee, with the Chief Commissioner being a senior executive officer, and a total of 9 members in the committee. The proportion of female committee members is more than 2 to 1. The committee is committed to initiating investigations within 7 days upon receipt of a complaint and completing the investigation within 2 months. In 2023, E.SUN FHC did not have any cases of discrimination, but there were 3 cases of sexual harassment. The Gender Harassment Complaint Evaluation Committee adheres to the principles of

objectivity, fairness, and professionalism, investigates and understands the incident process, provides necessary assistance to victims, and offers assistance programs and counseling services, fulfilling our corporate social responsibility of caring for colleagues. In addition, E.SUN provides various channels for employees to voice their concerns and seek assistance when needed:

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

E.SUN holds gender mainstreaming seminars every year. In 2023, the invitation was extended to members of the Gender Equality Committee, head office executives, and colleagues from various branches, with a total of 2,737 participants. In addition to the seminars, an online training on "Gender Equality and Prevention of Sexual Harassment" was also conducted in 2023. All managers were required to participate by accessing the course material on the e-Learning+ website.

Sexual Harassment Complaint Process

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

■ Employee Communication Channels

E.SUN has always upheld the importance of paying attention to and listening to the voices of employees. E.SUN encourages employees to join the trade union and guarantees the freedom of association of employees; in 2023, the proportion of employees joining the trade union was 14.08%. A total of 4 labor-management meetings were held to discuss 10 topics, including workdays and holidays, special leave regulations, overtime procedures, flexible working hours, etc. The above-mentioned labor-management agreement applies to 100% of all employees. As the labor union has not put forward any requests for collective bargaining agreements, no group agreement signed. E.SUN established a "CHRO Mailbox," "Employee opinion reflection/ reporting section" and "E.SUN employees message board" to better understand the concerns of employees and listen to their suggestions and voices. Including queries and suggestions respecting diverse issues such as pandemic control measures, personnel system, employee welfare, leader management.

Results Achieved Through Diverse Communication Channels

Communication Channel	Number of applications
CHRO mailbox	29
A special section for employee opinion reflection Including the mentorship mailbox; the reporting mailbox; and the complaint mailbox for gender equality issues and workplace bullying.	11
E.SUN employees message board	299

■ 2023 Employee Engagement Survey

Target	All Employees
Purpose	To understand employees' feedback regarding the long-term development of E.SUN and plan subsequent improvement measures to address important proposals or trends.
Topics	Aspects such as organizational commitment, career development, compensation and benefits, performance management, satisfaction with human resource systems, happiness, and adaptation to work stress.
Response rate	89.30%
Engagement score	88.10%
Survey result	1.E.SUN communicates organizational development strategies with employees through knowledge sharing seminars, and sends out surveys afterwards to understand employees' job satisfaction, identification with the organization, and suggestions. 2.Continuously improving the evaluation and compensation systems, actively communicating with managers and colleagues, and integrating feedback into the Employee Engagement Survey results. In 2023, there was a 3.1% growth compared to 2022, and based on the survey results, E.SUN has formulated improvement directions and held company-wide feedback sessions to directly address colleagues' concerns.
Improvement measures	1.Strengthening the linkage between performance evaluation results and business performance achievement, optimizing the evaluation grouping and evaluation ratio, and using One-on-One Meetings to understand colleagues' expectations and help them gain better self-awareness. 2.Benchmarking against external market standards, enhancing the compensation system, continuously expanding differentiated variable bonus distributions, and implementing performance-based salary adjustments.

Employee Engagement Rate

	2023	2022	2021	2020 ^{note1}
Male / Female	90.39% / 90.79%	84.55% / 85.34%	92.11% / 93.66%	95.86% / 96.31%
Management / Non-Management	94.16% / 85.30%	92.86% / 81.22%	96.26% / 91.50%	98.61% / 94.80%
Under 29 / 30-50 / Over 51	84.82% / 88.81% / 97.70%	80.86% / 85.95% / 96.91%	90.13% / 94.03% / 98.85%	93.90% / 97.23% / 99.78%
Total Employee engagement rate ^{note2}	88.10%	84.98%	92.97%	96.10%
Response rate	89.30%	88.40%	85.20%	75.50%

Note 1: In 2020, employee engagement age categories are divided into below 30 years old, 31-50 years old, and above 51 years old.

Note 2: Employee engagement encompasses all employees within E.SUN FHC, including domestic banks, venture capital, and securities.

5.3 Healthy and Safe friendly workplace

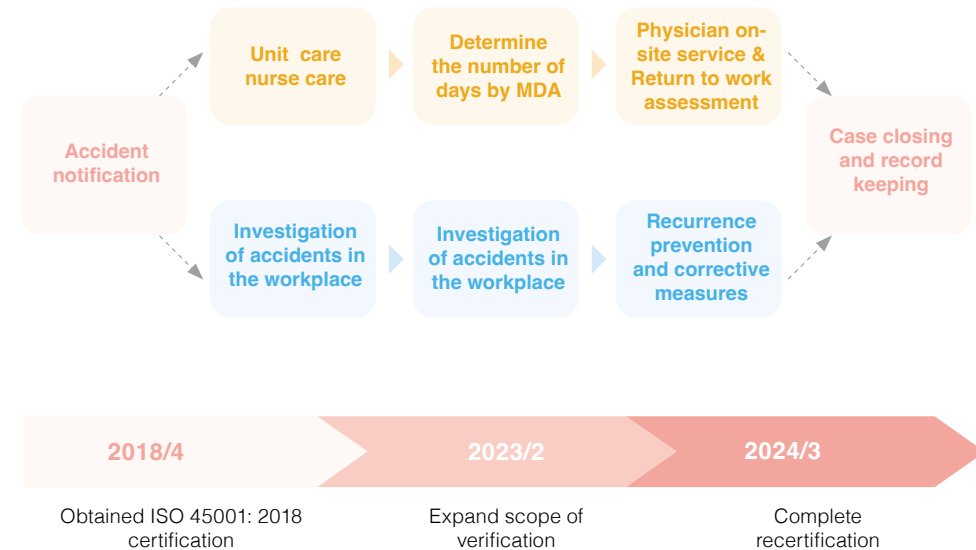
GRI: 202-1, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

E.SUN endeavors to continuously optimizing employee health care and workplace safety measures, by attaching importance to workplace safety, by implementing hazards identification, and by assessing risks, so as to reduce potentially hazardous incidents and concerns. Meanwhile, we provide diverse health promotion activities, and maintain the health of employees, unite the cohesion of employees and their families, and become the backbone of colleagues' careers, and was awarded the "Sustainable Leading Enterprise in Healthy Workforce" by the Ministry of Labor in 2023.

Occupational Health and Safety Management system

E.SUN became the first financial institution in Taiwan to pass the ISO 45001 certification, which applied to all employees and contractors. In 2023, the verification scope will be included in the newly established Second Headquarters Building, and in 2024, the re-verification of the Headquarters Building and the Second Headquarters Building will be completed. Hazards identification and risk assessment are discussed and implemented jointly by occupational safety and health affair managers and the representative of each department every year. By introducing systems and implementing the PDCA method, workplace safety is improved, and the number of occupational injuries during working hours are effectively controlled. In the past three years, the Disabling Frequency Rate (FR) has remained stable and the Disabling Severity Rate (SR) has decreased slightly. This clearly shows that improvement measures have a positive effect on employee safety.

Occupational Injury Processing Flow



	2023			2022			2021		
Total work days	2,260,520			2,296,976			2,375,500		
Total work hours	18,084,160			18,375,808			19,004,000		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total employees with disabling injuries	5	16	21	10	10	20	11	9	20
Total lost work days due to disabling injury	12	41.1	53.1	63.5	5.5	69	59	96	155
Disabling Frequency Rate	0.28	0.86	1.14	0.55	0.55	1.10	0.59	0.49	1.08
Disabling Severity Rate	1	1	2	3	0	3	3	5	8

Note: The Disabling Frequency Rate and the Disabling Severity Rate are calculated according to the announcement method of the Occupational Safety and Health Administration.

■ Occupational Safety and Health Committee / Consultive Organization Meeting

In accordance with the "Occupational Safety and Health Act," "Regulations Governing Occupational Safety and Health," and other relevant regulations, E.SUN has set up a dedicated occupational safety unit responsible for formulating and planning safety and health matters. The president of E.SUN is the chairman of the Occupational Safety and Health Committee, and the committee is composed of 9 members. The committee holds one meeting every quarter to communicate and coordinate the various safety and health issues, and to review the progress and effectiveness of occupational safety actions. There were four items on the occupational safety improvement plan for 2023, namely anti-slip floor for parking lot, parking lot speed bump, locomotive driveway floor tile repair and stair warning signs. All of them were completed. Also occupational safety targets are embedded in performance appraisal of managers. e.g. health check rate. The E.SUN unit responsible for a project irregularly convenes a consultive organization meeting with contractors and informs them of E.SUN's occupational safety and health regulations as well as the potential hazards hidden in the contracted work; contractors may also submit suggestions respecting safety and health at the meeting.

■ Occupational Safety and Health Training

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

License name	Number of holder of valid license	Return training in 2023		
		Number of people	Number of sessions	Hours
Occupational safety and health affair managers	253	228	34	204
Fire fighting management personnel	299	274	37	222
First-aid personnel	328	-	-	-
Total	880	502	71	426

■ Creating a Healthy Workplace

Each year, based on the analysis of employee health check abnormalities, health management effectiveness and epidemiology and questionnaire feedback, and we formulate annual health management plan and plan various health promotion activities. After performing the health examination, for colleagues with abnormal health examination reports or potential risks, we will conduct hierarchical management and tracking of abnormal health examination results, including providing re-examination leave, follow-up care by nurses, and on-site service consultation with doctors, etc. After conducting health lectures and health promotion activities, analyze and collect statistics on their effectiveness and satisfaction, and conduct review and improvement. The PDCA circular management structure is used to continuously improve health management plan and employee health care measures, and create a healthy and friendly workplace.

E.SUN care about the health of our employees, and also attaches great importance to mental health and stress management. We cooperate with the Taiwan Institute of Psychotherapy to provide Employee Assistance Program (EAP) psychological counseling services. In 2023, a total of 34 people completed psychological counseling and held two handcraft stress relief courses, including oil-slicked vase hand-making and fragrance brick hand-making courses. A total of 61 people participated in two sessions, providing a positive stress relief channel and understanding how to deal with stress.

P

- Regularly review occupational safety and health policies
- Formulate four major protection plans
- Screening health checkup hospital and plan
- Develop annual health management plan
- Plan various health promotion lectures and activities
- Plan annual occupational safety and health training
- Plan workplace environmental monitoring

D

- Convene the Occupational Safety and Health Committee every quarter
- Conduct questionnaire surveys and interviews on the four major protection plans
- Get annual health check-up
- Organize health lectures and health promotion activities
- Implement occupational safety and health training
- Implement workplace environmental monitoring (carbon dioxide and illumination)
- Perform job hazard identification and risk assessment

A

- Convene management review meeting
- Implement performance evaluation
- Analysis and statistics of abnormal risks in health examination reports
- Review and improve the planning of various health promotion activities
- Continuously improve health management plans and employee health care measures

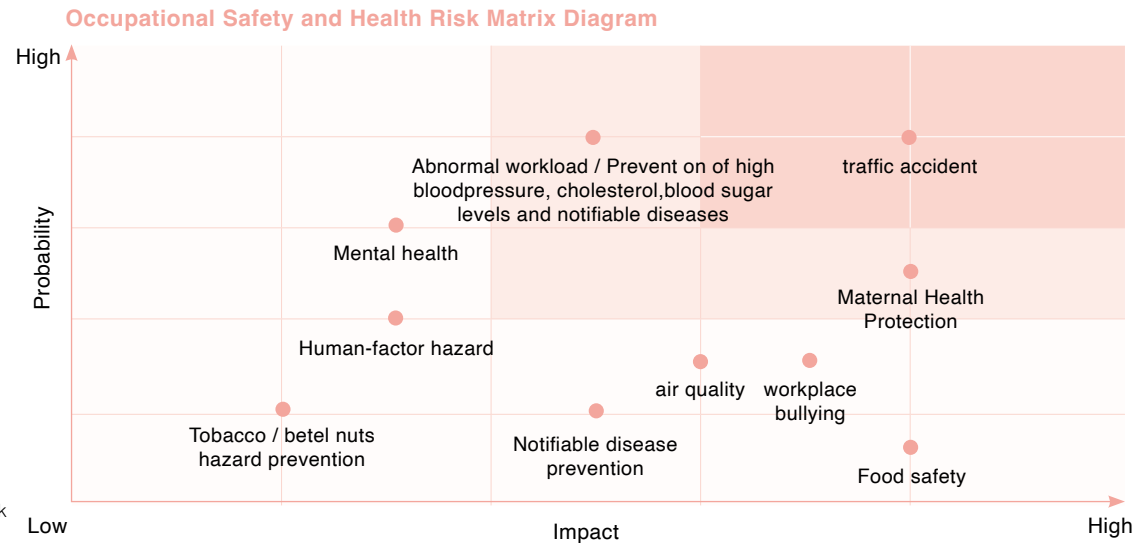
C

- Analyze the questionnaire results of the four major protection plans and conduct interviews
- Hierarchical management of abnormal health examination results
- Provide re-examination leave for high-risk abnormalities in health examination reports
- The nurse checks the health examination results and performs abnormal tracking and care
- Provide on-site physician service consultation if the health examination report is abnormal
- Analyze and compile statistics on the effectiveness and satisfaction of various health promotion plans
- Track the status of occupational safety and health training
- Investigation, handling and statistical analysis of occupational accidents

Occupational Safety and Health Risk Assessment Map

To effectively identify occupational risks, improve workplace safety, and promote health, E.SUN adopts questionnaires, self-inspection methods, and multidimensional communication channels in compliance with occupational safety laws and PDCA management practices to analyze the health risk matrix based on key indicators, including the results of four major protection plans, job type analysis, operating environment on-site visits, and health impacts. In 2023, due to the nature of the work and the high number of irregular field trips, the risk of traffic accidents will still be a high-risk issue we continue to face. As E.SUN employees mostly engage in long periods of static work and female colleagues are the majority, we remain committed to workplace safety measures and maternal health protection issues. The specific control measures are described below:

- Low risk
- Moderate risk
- High risk



Measure for Workplace Safety and Health Risk Issue

Impact	Risk issues	control measures	Implementation results in 2023
High risk	traffic accident	<ol style="list-style-type: none"> 1. E.SUN provides traffic safety courses for all employees. 2. Establish an internal reporting mechanism and cooperate with National Taiwan University Hospital to implement "The Medical Disability Advisor: Workplace Guidelines for Disability Duration (MDA)" to evaluate the optimal rest days. 3. Conduct return to work assessments based on case status and follow up regularly. 4. E.SUN reduces non-essential field activities and offers full transportation fare. 	<ol style="list-style-type: none"> 1. Traffic safety education and training are provided as compulsory courses, with 7,501 people completing them. 2. The telephone care rate for traffic injury cases was 100%, and 11 colleagues were assisted to complete return-to-work assessments. The health status of the cases was regularly tracked, and return visits and rehabilitation conditions were recorded. 3. The amount of transportation provided is NT\$179,509,185.

Impact	Risk issues	control measures	Implementation results in 2023
	Maternal Health Protection	1. Implementing the "Maternal Health Protection Plan." 2. Holding maternal health lectures. 3. Providing maternity clothes. 4. Better than legal maternity leave, prenatal leave, paternity leave, paternity check-up and paternity leave. 5. Providing a breastfeeding-friendly environment and equipment. 6. Providing re-employment assistance measures. 7. Offer Employee Assistance Program (EAP) psychological counseling services.	1. Distribute maternal health protection questionnaires to pregnant employees, those who have been pregnant for less than one year, and those who continue breastfeeding for more than one year. In 2023, 292 questionnaires were distributed, with content analyzed by National Taiwan University physicians. One employee received a job adjustment, and the rest were determined to have no relevant risks. 2. Hold a lecture on "Preparing for Breastfeeding in the Workplace" at the headquarter building, overall satisfaction with the course was 100%. 3. Provide maternity wear and send the "E.SUN Pregnancy - Mother's Handbook" upon request. 4. In 2023, there were 317 maternity leave applications, 292 prenatal leave applications, and 174 paternity check-up and paternity leave applicants. 5. Set up simple nursing rooms in branches nationwide. 6. Five self-owned office buildings in the north have passed the "Excellent Breastfeeding Room Certification" of the Department of Health, Taipei City Government. Breastfeeding rooms are equipped with bottle sterilizers, breast milk refrigerators, bottle cleansers, access control systems, and dedicated maintenance personnel for increased safety. 7. The return rate after childcare leave in 2023 is 89.94%. 8. We cooperate with the Taiwan Institute of Psychotherapy to provide Employee Assistance Program (EAP) psychological counseling services.
Medium risk	Prevention of high blood pressure, high cholesterol, and high blood sugar, and abnormal workload	1. Implementing four major protection plans. 2. Better than legal health inspection system. 3. Classified management of health examination results. 4. Providing paid leave for follow-up medical appointments. 5. On-site consultation services provided by National Taiwan University Hospital physicians. 6. Caring for colleagues on long-term sick leave. 7. Hosting various health promotion lectures and activities. 8. Host health-related events. 9. Various sports clubs. 10. Conduct emergency response training activities.	1. Four major protection plans were implemented for a total of 1,819 participants, achieving a 100% completion rate. 64 people were interviewed and 4 people were strengthened in management. 2. E.SUN offers better health check allowances and leave than legally required, with 3,037 health check completions in 2023, and a total subsidy amount of TWD 17,840,232. 3. National Taiwan University doctors and our nurses will jointly determine the grading scores according to the health examination items regulated by the Ministry of Labor, and use different lights to carry out graded health management. 4. If health check results indicate abnormalities, and an attending physician from National Taiwan University Hospital recommends a follow-up, E.SUN provides leave for employees to seek treatment. In 2023, 4 high-risk abnormal health check cases were given leave for management and follow-up. 5. National Taiwan University physician on-site consultation services are held 8 times a month, each session is 3 hours long. In 2023, a total of 96 on-site physician services will be provided, with a total of 886 participants. "Telephone interviews" and "Webex video" consultation methods will be used, and satisfaction questionnaires will be filled in. "Satisfaction" or above reached 99.8%. 6. Colleagues on long-term sick leave provided telephone care and regular follow-up to a total of 36 people. 7. A total of 8 multi-themed health lectures were held, including healthy diet, skeletal and muscle preventive health care, cardiovascular preventive health care, skin health care, etc. 8. Healthy Weight Loss Program were held 3 times, with a total of 100 supervisors participating. Nutritionists and sports coaches were invited to plan healthy eating and exercise courses every week. The six-week course helped colleagues establish correct eating concepts and good exercise habits, and a total of 231.6 kg of weight was lost. The waist circumference was reduced by 527.5 cm in total, with an average weight loss of 2.31 kg per person and a waist circumference reduction of 5.2 cm. 9. For the Climbing Jade Mountain activity, a total of 163 people will participate in 2023; for the cycling around the island activity, a total of 94 people will participate in 2023. 10. Subsidize multiple sports clubs, such as table tennis clubs, badminton clubs, tennis clubs, basketball clubs, yoga clubs, and rhythm clubs. 11. A total of 6 CPR+AED training activities were held, with a total of 980 participants, and all of its own office buildings in the north passed the "AED Safe Place Certification" of the public health bureau.

06 Seeking Common Good

The land that nurtures us is as warm and beautiful as a mother. We will start with ourselves, combining the strength of our employees, customers, partners, and the public to jointly protect this beautiful land.

6.1 [Natural Environment and Biodiversity Preservation](#)

6.2 [Social Inclusion](#)

6.3 [Sustainable Operating Environment](#)

180

E.SUN Golden Seed Libraries

23,645

Native Taiwanese tree species
Planted

28%

Utilization rate of
renewable energy





Cycling Around Taiwan, Spreading Love and Care



In October 2023, nearly a hundred senior executives from E.SUN Excellence Academy completed a ten-day cycling tour around Taiwan. They rode for public welfare, for health, and for team, using a low-carbon approach to explore the land that nurtured us.

At the same time, it is also combined with a charity event for Caring for Students Project. E.SUN Bank and E.SUN Volunteers responded by making donations. For every kilometer the cycling team rides, E.SUN Bank donates 10,000 NTD. Transforming each mile into the power of love to help more students facing economic difficulties or sudden changes in their lives.

The purpose of E.SUN's cycling tour is not only to encourage employees to develop a habit of exercising for a more fulfilling work and personal life, but also to establish a goal-oriented and disciplined team. The team members support each other during headwinds and uphill climbs, and they demonstrate disciplined actions, working together in unity to successfully accomplish the charitable mission of the cycling tour around the island.

Along the way, there were heartwarming encouragements from teammates, as well as the presence of many family members, friends, and customers who came to cheer and provide supplies. There were also many pedestrians who offered warm smiles and uplifting gestures.

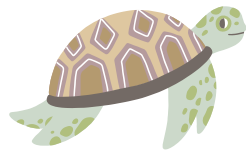
As the team arrived at the Nan'an Tribe in Hualien, everyone witnessed the Maravi Rice fields that have been supported by E.SUN for long-term organic farming. The fragrance of rice wafted through the air, and dragonflies danced in the fields. The members of E.SUN were enchanted by the scene, singing joyful songs as they journeyed through the beauty and happiness of Taiwan. With its majestic mountains and beautiful oceans, Taiwan is a place of great splendor. The E.SUN team works together, striving and protecting this land collectively.



6.1 Natural Environment and Biodiversity Preservation

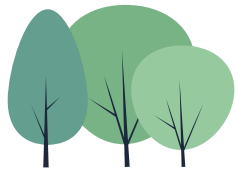
E.SUN supports the Convention on Biological Diversity to promote sustainable ecological development and achieves the United Nations Sustainable Development Goals (SDG13 Climate Action, SDG14 Life Below Water, SDG15 Life on Land). Our natural environment and biodiversity development strategy focuses on four main pillars: species conservation, habitat preservation, environmental advocacy, and staff environmental activities. We actively respond to international and domestic environmental sustainability initiatives. In 2022, we joined TNFD (Taskforce on Nature-related Financial Disclosures). By 2023, we proudly joined the ranks of TNFD Early Adopters, committing to disclose information in accordance with TNFD recommendations by 2025. Our aim is to contribute to the beauty of Taiwan and the sustainability of our planet.

2023 Main Achievements



■ Species Conservation

- "Sea Turtle Conservation Project"– Nursed 81 turtles to health and released 11 turtles back to the wild in total since project began.
- "Polar Bear Environmental Education Project"– 30 events held with over 3,000 participants since project began.
- "Formosan Black Bear Conservation Project"– 82 events held over 12 consecutive years in partnership with Taipei Zoo.



■ Habitat Conservation

- "E.SUN–NTU ESG Centenary Project"– Cultivated and planted 20,000 Taiwan endemic native cypresses in the past 2 years with NTU.
- "E.SUN Malawi Rice Project"– Protecting biodiversity through promotion of organic farming and supporting local businesses, and have purchased 380,000 kg of rice since the project began.
- "Plant a tree, Plant a life"– For 5 consecutive years, we have worked with the Forestry Bureau to promote the national forest and coastal forest planting project, and have planted 50,000 native tree seedlings.
- "Beautiful Taiwan, Smiling E.SUN" Environmental cleanup- total 7,419 participants.
- Adopting trails in Yushan National Park– Maintaining around 260 km of hiking trail facilities and cleanliness in the park.



■ Environmental Sustainability

- "Earth Hour"– We are the exclusive assisting organizer for "Earth Hour" that was started by World Wildlife Fund (WWF).
- "World Car Free Day"– In response to global initiatives, encouraging customers to engage in green living, E.SUN Easy Card Co-branded card holders took around 370,000 YouBike trips monthly.
- "130 Days Lights Out"– Voluntarily turned off signage lights during peak energy hours in the summer for 7 consecutive years, saving 495,650 kWh of electricity which is equivalent to 252.2 tons of carbon emissions.

6.1.1 Species Conservation

■ Sea Turtle Conservation Project

We collaborated with the National Museum of Marine Biology and Aquarium (NMMBA) for five consecutive years on the "Sea Turtle Conservation Project." A total of 81 turtles were treated and 11 turtles were released back into the wild over the course of the project as well. Wildlife Released Turtles in the past five years:

Turtle Species	Year	2019	2020	2021	2022	2023
Green turtle		3	1	1	2	1
Hawksbill turtle		1	-	-	-	-
Olive ridley sea turtle		2	-	-	-	-
Total		6	1	1	2	1

Injured sea turtle rescue

Since 2020, continuously supporting the establishment of sea turtle injury treatment stations for four years, providing medical supplies and caring food expenses, so that injured sea turtles can receive the most comprehensive care.

Sea turtle wildlife release

In 2023, a critically endangered green sea turtle was released into the wild. It was reported by enthusiastic citizens at Tianfu Fishing Port in Xiaoliuqiu, Pingtung. When discovered, the turtle was entangled in discarded fishing nets, and its right front flipper was injured by a fish hook. During the process of care and treatment, it was found that the turtle had ingested nylon ropes and other synthetic materials. After being carefully cared for by experts at the marine center, it was deemed fit for release back into the ocean. On the day of release, in addition to marine center staff and the Coast Guard, 46 members of the public, including E.SUN volunteers and 11 families, enthusiastically participated. The release took place at the conservation beach of Houbihu in Kenting, where everyone witnessed the moment when the turtle returned to the embrace of the ocean.

Sea Turtle Ecological Education

Invitation for school groups, social welfare organizations, and families to participate. The content includes visiting the sea turtle rehabilitation center, observing up close the care provided to sea turtles in artificial environments, veterinarian explanations at the marine center on how to handle stranded or injured sea turtles, parent-child interactive workshops, beach cleanup, and environmental conservation activities.



■ Polar Bear Environmental Education Project

Every year on February 27th, which is International Polar Bear Day, E.SUN collaborates with the National Museum of Natural Science to launch a series of polar bear conservation activities. Over the past 4 years, we have organized a total of 30 events, with nearly 3,000 people participating. The activities in 2023 included Polar Bear Environmental Education Talks, A Snapshot of Polar Bear Life art competition, and picture book workshops. Through environmental education courses centered around polar bears, we aim to raise awareness among the public about the importance of environmental conservation and wildlife protection.

Polar Bear Environmental Education Talks

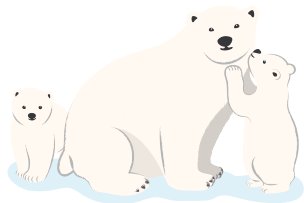
In 2023, a total of 10 Polar Bear Environmental Education seminars were held, featuring environmental education experts certified by the Ministry of Environment. A special event was organized on February 18th as part of the E.SUN Golden Seed Project, involving 40 students and teachers from Wurih Elementary School in Taichung City, along with E.SUN volunteers. The seminar covered topics such as global warming and a reading session of the picture book "Winston of Churchill: One Bear's Battle Against Global Warming". Through lively interactions, children were encouraged to contemplate the impacts of environmental and climate change on both polar bears and humans.

A Snapshot of Polar Bear Life art competition

Using polar bears as the theme, we encouraged the public to create dioramas using cardboard and recycled materials. Through the creative process, participants were encouraged to contemplate the living environment and survival conditions of polar bears, while also identifying ways to reduce energy consumption and carbon footprint in their daily lives. This activity garnered 105 submissions through an open call for entries. Among these, 7 were selected as outstanding entries, and 3 received the Popular Choice Award. The winning entries were exhibited at the NMNS from February 18th to February 28th, 2023.

Picture Book Workshops

Invited 40 students to create picture books with polar bears as the theme. Through learning about picture book-related knowledge, interpreting texts and explaining artwork, practicing storytelling, and hands-on creation of simple picture books, participants were able to explain to others the impact of climate change on polar bears and how humans can take action to mitigate global warming.



■ Formosan Black Bear Conservation Project

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

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

E.SUN Bank worked with Taipei Zoo to issue Taiwan's first credit card that incorporates environmental conservation concepts—the "Black Bear Affinity Card." 0.2% of each transaction amount goes to an animal conservation fund when using this card. This fund has totaled NT\$11 million in donations to Taipei Zoo, and has been used for black bear conservation, habitat protection, restoration of Taiwan's native species, and environmental education programs. Customers who use the card to make donations to Taipei Zoo, Taiwan Black Bear Conservation Association, Animal Protection Association of the ROC, and Taiwan Environmental Information Association also receive bonus points.

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

E.SUN Bank's Hualien Branch utilizes unique local features and dedicates its efforts to promoting animal conservation and biodiversity. The branch lobby has an audiovisual section that plays a black bear documentary produced by Yushan National Park Administration. There is also a black bear knowledge corner that provides an abundance of information on the conservation of Formosan black bears. The ATMs are wrapped in adorable pictures of the bears, in hopes it will raise awareness of animal conservation and knowledge in customers and local communities.

Promotion of Formosan black bear conservation education

For 12 consecutive years, E.SUN has collaborated with the Taipei Zoo to promote the conservation of Formosan black bears. The activities include the Formosan Black Bear- Let's Go Summer Camp, Black Bear Conservation Little Square House, Earth Day 422 - Investing in Our Planet and Living in Harmony with Nature - Million Green Actions to Reverse Endangered Species Trends, among others, totaling 82 events. In 2023, we collaborated with the zoo and the Taiwan Black Bear Conservation Association for a special Formosan Black Bear- Let's Go Summer Camp. Through lively and engaging activities such as dancing, sports, black bear DIY, and storytelling, preschool children were able to deepen their understanding of black bear conservation knowledge through interactive teaching.

■ Taiwan New Year Bird Count

Participating in the "Taiwan New Year Bird Count" event, jointly organized by the Taiwan Wild Bird Federation, Wild Bird Society of Taipei, Kaohsiung Wild Bird Society, and Taiwan Endemic Species Research Institute. This event records the changes in the number of bird species in Taiwan during the winter season. It is the largest avian citizen science event in Taiwan and serves as an important source of data for tracking changes in winter migratory birds in Taiwan.

■ Millet Revitalization Project

In collaboration with NTU, we have initiated a three-year project called the "Millet Revitalization Project." This initiative involves establishing demonstration areas for millet cultivation and organizing workshops to provide stable native millet seeds and professional planting expertise, encouraging more local residents to engage in millet cultivation. Additionally, the project will collaborate with schools and indigenous cultural experts to incorporate traditional millet rituals, ancient millet stories, and millet cultivation methods into the school curriculum. This aims to convey the significance and value of millet to indigenous culture, fostering a reconnection between millet and the land.



6.1.2 Habitat Conservation

■ "E.SUN-NTU ESG Centenary Project"

In collaboration with NTU, we will plant native conifers such as the Taiwan Red Cypress, Formosan Hinoki, Cryptomeria-like Taiwania, Taiwan Incense Cedar, and Formosan China-fir in the Yushan mountain range. 100,000 trees are expected to be planted within 10 years beginning in 2022, totaling 50 hectares in area. The forest is expected to absorb 242,000 tons of CO₂ over the course of a century, equivalent to the annual absorption of 617 Daan Forest Parks. After selective thinning, 25,000 trees will be kept to grow over a century, laying the foundation for soil and water conservation, with carbon sequestration and circular economy benefits. In 2023, a total of 12,680 trees were planted.

■ E.SUN Malawi Rice

E.SUN has been supporting the "E.SUN Malawi Rice project" for 10 consecutive years along with Yushan National Park Services and Tse-Xin Organic Agriculture Foundation, encouraging local farmers to adopt organic agriculture for sustainable food production and protect biodiversity. E.SUN acquired 380,000 kg of Malawi Rice in total and further found endangered native fish species Kikuchii's Minnow in the paddies.

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

We have organized environment cleaning and beach cleanups for 14 consecutive years since 2010. In support of World Cleanup Day, we organized street cleaning around business locations and beach cleanups between September to November. We organized a total of 161 events with a total of 7,419 volunteers, taking action to reduce plastic and waste and protect our beautiful homeland.

■ Adopting trails in Yushan National Park

We have adopted and maintained 260 km of trails in Yushan National Park trail for 15 consecutive years. We use this opportunity to promote conservation and environmental education, and encourage E.SUN employees to participate and work together to protect the environment.



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

E.SUN has been jointly promoting the "Plant a tree, Plant a life" for 5 consecutive years in collaboration with the Ministry of Agriculture. In 2023, we adopted 6.01 hectares of national and coastal forests and planted 10,965 native tree saplings, such as Formosan Ash, Formosan Sweet Gum, Formosa Acacia, and Taiwan Gordonia etc., totaling over 50,000 trees planted from 2019 to 2023. In March and October 2023, Senior Executive Vice President Mr. Hsieh and Executive Officer of Corporate Finance Mr. Ke respectively led E.SUN volunteers to plant seedlings in the state owned forests of Shilin District, Taipei City, and the coastal forests of Shimen District, New Taipei City. Lending our efforts to enriching local biodiversity and contributing to environmental sustainability.

"E.SUN Visa Signature," Taiwan's first charitable card with an emphasis on environmental awareness

E.SUN introduced the first charitable credit card with an emphasis on environmental awareness, the E.SUN Visa Signature card. We continue to invite cardholders to participate in the "Plant a tree, Plant a life" project, and give back to this land through tree planting. We encourage Visa card members to apply for electronic bills or mobile bills, and donate 0.2% of each transaction amount to tree planting programs, resulting in a total of over 50,000 trees being planted through this project.



6.1.3 Environmental Sustainability Initiatives

GRI G4 Financial Services Sector: FS4

■ Earth Hour

For 12 consecutive years, we have participated in the world's largest carbon reduction initiative, "Earth Hour." During this event, we voluntarily extend the duration of lights-out. From March 25th to 26th, for two consecutive nights, all our branches worldwide turned off exterior and signage lights. We have continuously served as a key co-organizer of the "Earth Hour" initiative led by World Wildlife Fund (WWF), promoting a series of climate change seminars. This year, we have introduced special nighttime nature observation tours, allowing people to experience forests in the dark. Through various sensory experiences, participants gain a deeper understanding of ecological diversity and develop a greater willingness to care for and protect the environment.

■ World Car Free Day

We've participated in World Car Free Day for 14 consecutive years. In 2023, we partnered with YouBike to promote low-carbon transportation, such as walking and taking mass transportation, to our customers and employees, cutting our collective carbon footprint and protecting the Earth in the process. Around 370,000 YouBike trips per month are taken by E.SUN cardholders.

■ 130 Days Lights Out

For the past 7 years, we've turned off our lights during peak energy hours in summer. From June 21st to October 29th, 2023, all 139 branches across Taiwan shut down their signage lights, exterior wall lights, and television displays for the entire day. Over the past 7 years, a total of 495,650 kWh has been saved, equivalent to reducing 252.2 metric tons of carbon emissions



6.1.4 Employee Environmental Activities

■ "E.SUN Environment and Energy Saving Education Day" on the 13th of every month

Environmental volunteers of each department promotes knowledge of environmental protection on the 13th of every month and educational material is regularly displayed on our e-Learning platform. Also, the 13th is also cleaning day, where employees would clean the office environment to put the 4R concept- Reduce, Reuse, Recycle, and Refuse into practice.

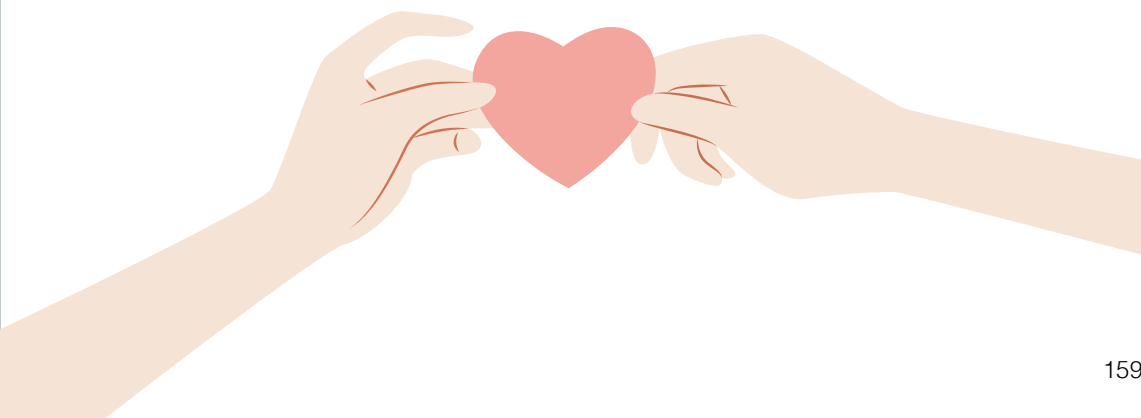
■ Resource Circulation Charity Auction

For 12 years in a row, we have held the "Resource Circulation Charity Auction," which amassed 8,370 donated items in 2023. This year, over 5,500 colleagues participated, raising over NT\$9 million in proceeds that were all donated to the "E.SUN Care for Schoolchildren Program." The program supports economically disadvantaged families and children facing sudden setbacks by alleviating the financial burden of education by assisting in the purchase of stationery, books, and participation in activities, ensuring that all children can learn happily and participate in both school and extracurricular activities.

■ 13-Book Lovers: Magazine circulation day

In order to realize E.SUN's environmental protection spirit, the "13-Book Lovers: Magazine circulation day activity" has been held at E.SUN Headquarter buildings. In order to effectively achieve the goal of resource sharing, we collected magazines that various departments had subscribed to (or had received as donations), along with employees' own books, magazines, CDs, and DVDs, which were made freely available to all employees. We collected a total of 3,246 items in 2023, and circulated 1,936 items, for a circulation rate of 59.64%.

Month	2023 Environment Education Topics
January	Green Steel
February	Carbon Pricing
March	Nature Positive
April	3D Printing Technology for Coral Reef Restoration
May	Eco-Friendly Tourism
June	Geothermal Power Generation
July	Marine Biodiversity
August	Citizen Scientists
September	Reducing Single-Use Plastics, Implementing Nationwide Plastic Reduction
October	Carbon-Free Sailing
November	Natural Carbon Sink
December	Green Concert



6.2 Social Inclusion

6.2.1 Sustainable Development Goals




"E.SUN people become world-class citizens; E.SUN Bank becomes a world-class corporate citizen"

E.SUN Financial Holding Company responds to the United Nations Sustainable Development Goals (SDGs) and the National Sustainable Development Committee of the Executive Yuan's 'Taiwan Sustainable Development Goals' by identifying, prioritizing, selecting appropriate goals, and initiating actions. E.SUN starts from corporate strategic direction and core business operations, identifying the highest relevance, including 'Quality Education' and other 9 items. Furthermore, according to the 'Taiwan Sustainable Development Goals', E.SUN discloses relevant results based on corresponding goals, supporting national sustainable development and actively practicing corporate social responsibility. (Appendix 10)

Identify the priority
order of SDGs

Measures and
performance evaluation

Reporting, integration,
and action

Key Response Targets	Business Drive	Stakeholder Engagement
<p>4 Quality Education</p> 	<p>Talent is a leading indicator and a key indicator. E.SUN believes that if a company wants to achieve sustainable operation and a country's future to be filled with competitiveness, the most important thing is talent cultivation. From rural primary schools, higher education, to corporate learning, E.SUN supported the improvement of education quality through practical actions. We launched the Golden Seed Project to build libraries for resource-poor primary schools, improving reading environments; through industry-academia cooperation, campus competitions, and cultivating outstanding talent scholarships, we support key talents in various fields in Taiwan, enriching the nation's intellectual capital; by combining the strength of top universities in Taiwan, we issue the E.SUN Academic Award, affirming professors' research achievements published in top academic journals, and cultivating more outstanding scholars and excellent students; organizing international master forums, introducing international top strategic, marketing, and management knowledge, and jointly stimulating innovative thinking with Taiwanese enterprises, finding new paths for growth and enhancing Taiwan's competitiveness.</p>	<p>Since there were no large-scale library renovation projects for rural schools by private enterprises in Taiwan before this project, E.SUN did not have references to follow. However, the determination to create libraries for rural primary schools was so strong that we discussed with children's reading education experts, school teachers and principals, and design companies to create a suitable library structure for children. After the completion of the E.SUN Library, E.SUN continues to exchange opinions with schools, regularly visit the site for understanding, maintenance, repair, and renewal, allowing teachers and students to make better use of the library, and making every new library better in the future.</p>
<p>8 Create Decent Work and Economic Growth</p> 	<p>Banking is not only a credit business for managing financial risks, a service business for meeting customer needs, but also an innovative business leading social development and a public business pursuing economic benefits. E.SUN actively develops financial technology, assists small and medium-sized enterprises in obtaining capital and transformation, and brings new momentum to economic growth. While pursuing external development, we also focus on internal stability. E.SUN values employee training and protection. We believe that employees are the most important assets of a company. With a comprehensive career blueprint and welfare system, we create a good working environment and hope to become a second home where employees are happy and united.</p>	<p>E.SUN has long-term cooperation with government resources, vigorously promoting the 'SME Credit Guarantee Fund' guarantee financing business, and also working with government agencies to develop policies, assisting SMEs in obtaining crucial operating funds. In addition, E.SUN actively explores high-quality potential enterprises, through interviews, in-depth investigations, and sharing successful experiences, guiding enterprises to participate in national-level awards, improving the quality of enterprise operations, and assisting in growth transformation.</p>
<p>3 Health and Wellbeing Good health and well-being</p> 	<p>Health is the foundation of happiness and the key to the sustainable operation of nations and enterprises. With the aging trend in Taiwan, the demand for medical resources is growing, and medical personnel are beginning to face a shortage of manpower. E.SUN not only donates medical supplies and initiates blood donation activities but also collaborates with academic institutions to cultivate the nursing talents needed by society, enhancing Taiwan's social health care capacity. At the same time, E.SUN also leverages its experience in developing financial technology to assist hospitals in digital transformation and provide customer service courses, making it easier for the public to access high-quality medical services and resources. On the other hand, E.SUN regularly cooperates with hospitals to hold free medical consultation activities and home medical services, helping more patients with mobility difficulties or living in remote areas to receive proper medical care and maintain a healthy life. E.SUN continues to invest in the health and medical fields, combining more cross-border forces, hoping to create a healthier and better society together.</p>	<p>In the home dental care service project, E.SUN cooperates with the National Association of Dentists of the Republic of China, actively communicates with dentists, and assists in providing resources needed for remote consultation, home medical services, etc. At the same time, through remote schools and patient feedback, more volunteer manpower is mobilized, and suitable equipment is donated to help dentists go deep into remote areas, improve mobile medical capabilities, and allow remote residents to receive better oral care and health.</p>

6.2.2 Academic Education

■ Focusing on English Education in Rural Areas: Encouraging Students to Speak English

In response to the wave of globalization and the government's 2030 bilingual national policy, E.SUN aims to enable children to read English from an early age, allowing them to explore a broader world. We target resource-poor, remote areas and nonurban schools to transform their libraries. In addition to providing a good reading environment, we continuously consider how to exert a greater impact and change the challenges faced by rural areas. During our visits to libraries, conversations with principals revealed the difficulties rural students face in learning English. We found that 80% of fifth-grade students in one school were unable to write the 26 English letters, let alone possess listening, speaking, reading, and writing skills.

E.SUN strives to create a high-quality English learning environment for rural children, building a bridge for them to explore the world. In recent years, we have continuously introduced high-quality bilingual children's books, purchased English books, provided digital online reading tools and resources, and cultivated E.SUN volunteers' professional learning opportunities. We also visit E.SUN libraries to tell stories and accompany children in learning English.

Furthermore, to systematically implement this project, E.SUN collaborates with Dunhuang Bookstore, Professor Chen Chaoming, and the International Talent Development Association to carry out the "English Hand-in-Hand Project" and the "English Reading Companion Project," recruiting passionate teachers and college students to teach English in rural areas. Our goal is to change children's worlds through English and reading, immerse them in a reading environment, enjoy learning, develop English learning abilities, and enrich the future competitiveness of disadvantaged students.

To date, 160 angel teachers and college students have joined E.SUN's rural English project, serving more than 3,400 students in 36 schools. Teachers and college students use students' after-school or early self-study time to visit schools and provide English guidance, dividing classes according to different age groups and abilities, using fun and engaging methods to motivate children to learn, and recognizing words, sentence patterns, and simple conversations through games, building confidence and laying a solid foundation for future English challenges. In addition, through E.SUN volunteers' self-planning, participation in project meetings, and school visits, they not only give back to society but also learn gratitude, compassion, and self-realization.



Item	Content	Achievement
English Hand-in-Hand Project	Since the project's launch in 2019, starting from resource-poor Jiayi County and Yunlin County, we have invited English teachers to provide after-school guidance in rural primary schools. To further expand teaching capacity, we collaborated with the Taiwan International Talent Development Association in 2022, adopting the concept of "home tutoring for rural children," allowing college students to accompany children in learning English and jointly striving to create a better English learning environment.	<ul style="list-style-type: none"> • In 2023, we will expand our services to include Kaohsiung City and Taichung City. • A total of 234 classes have been set up, benefiting 3,400 rural students in learning English with an open heart.
E.SUN Golden Seed Project	Since 2007, combining the efforts of E.SUN, its employees, and clients, we have donated a portion of the annual fees from E.SUN World Cards and domestic card transaction amounts to establish E.SUN libraries in rural or resource-poor areas, continuously sowing the seeds of knowledge.	<ul style="list-style-type: none"> • In 2023, 7 new E.SUN libraries were added, providing better reading environments for children and residents in rural areas. • Over 200,000 World Card holders have participated, completing a total of 180 E.SUN libraries, donating over 450,000 books, and benefiting over 140,000 children.
E.SUN Academic Award	To encourage top-notch academic research and promote domestic management research and international connections, the E.SUN Academic Award was established in 2010, rewarding professors who have published papers in the TOP3 international leading journals in different management fields.	<ul style="list-style-type: none"> • In collaboration with National Taiwan University, National Chengchi University, National Tsing Hua University, National Chiao Tung University, and 11 other benchmark universities' business schools, the E.SUN Academic Award has been established, with a total of 76 teachers receiving the award.
Climb a Story Mountain Reading Promotion Project	Since 2019, to cultivate more reading promoters who enjoy storytelling, the "Climb a Story Mountain" reading promotion project has been launched, including publishing "Taiwan Original Picture Book Stories," organizing "Storytelling Volunteer Training Courses," "Story Travel Box Workshops," and 'Storytelling Reading Promotion Services - Visiting E.SUN Libraries'.	<ul style="list-style-type: none"> • In 2023, 2 new Taiwan original picture book stories were published, with 2,000 copies printed, and 6 episodes of the Podcast "Travel with Stories" were recorded. • Cumulatively published 20 original Taiwanese picture books, printed 18,000 copies, 19 episodes of the Podcast recorded, held 291 storytelling workshops, picture book travel box workshops, and reading activities, benefiting 13,046 participants.

Item	Content	Achievement
Picture book creation workshop	Since 2017, E.SUN has encouraged students to create picture books, promoting the continuation of picture book education. E.SUN supports the National Public Information Library's 'Dream Picture Book Database', collecting student-created picture books and organizing 'Picture Book Creation Workshops' to inspire and facilitate communication.	<ul style="list-style-type: none"> • In 2023, 74 new original picture books were collected, with 72 teachers and the public participating in the picture book creation workshops. • Cumulatively collected 1,397 original picture books, with 629 teachers and the public participating in the picture book creation workshops.
Kehua Online Digital Reading Research Competition	To cultivate students' digital reading, collaborative learning, and research skills, E.SUN has supported the Taiwan Reading Culture Foundation's "Kehua Online Digital Reading Research Competition" since 2020, encouraging students from grades 4 to 9 in public and private schools across Taiwan to participate and achieve self-directed learning goals.	<ul style="list-style-type: none"> • In 2023, 848 student teams from elementary and junior high schools across Taiwan participated, with 2,759 students registering. • Cumulatively, 2,580 student teams from elementary and junior high schools across Taiwan participated, with 9,047 students registering.
E.SUN Artificial Intelligence Open Challenge	E.SUN is committed to financial technology innovation and has been organizing the AI Talent Competition since 2019, attracting outstanding talents interested in the AI field. Through continuous competitions and exchange platforms, more AI talents are cultivated in Taiwan. In 2023, for the first time, we will collaborate with the Ministry of Education to organize a competition with the theme "Unraveling the Truth - Detecting Credit Card Fraud." In the face of constantly evolving tactics used by fraud groups, participants will aim to intercept suspicious transactions and safeguard customer assets.	<ul style="list-style-type: none"> • In the 2023, 394 teams with a total of 619 participants have registered. • By the end of 2023, a total of 9 AI Open Challenges have been held, attracting 6,721 teams and over 10,000 participants.



6.2.3 Social Participation

National health is a symbol of national strength. E.SUN Bank has been deeply involved in the healthcare industry for a long time and is committed to medical charity. We work together with the medical community to collaborate and integrate resources, continuously caring for vulnerable groups in remote areas, the elderly, and patients with special needs. This includes forming medical volunteer teams to provide free clinics in remote areas and Southeast Asia, promoting home dental care with the Dental Association, implementing rural medical station projects, and participating in joint blood donation activities in the medical field. We aim to spread love and care to every corner of society, delivering a positive and beautiful force together.



Sending love to Cambodia- International medical charity event

Since 2016, E.SUN FHC, Mackay Memorial Hospital, and local associations have been conducting medical charity missions to Cambodia and Myanmar. In 2023, the "Sending Love to Cambodia- International Medical Charity Event" will be held for the fifth time. Mackay Memorial Hospital will provide medical professional services, the local association will assist in coordination and planning, and E.SUN's Cambodian subsidiary, UCB, will provide translation services. This time, E.SUN's Taiwan colleagues have also organized a volunteer team for children's welfare. They used unique Taiwanese recreational activities to alleviate the emotions of children during the medical visits. Each member played their role and contributed their expertise, serving a total of 2,100 patients in three days. The bank and the volunteers also distributed 6,000 kilograms of rice and over 2,000 sets of daily essentials and clothing to impoverished households in remote areas. Through practical assistance, they helped alleviate hunger for rural families in Cambodia. Over the years, this initiative has benefited more than 12,000 villagers and children in remote areas.



Promoting Elderly Healthcare through Public Welfare Trust

According to the National Development Council, Taiwan is about to enter an "ultra-aged society." With the increase in age, the healthcare needs of the elderly have also gradually grown. "Protecting the health of the people and caring for each elderly individual" is a collective aspiration. E.SUN Bank promotes public welfare trust business, combining the goodwill of donors and conducting interviews with frontline medical teams to understand the healthcare and rehabilitation needs of the elderly population. We assist medical teams in providing diverse and high-quality health maintenance and care for the elderly.

For example, many hospitals serve a vast jurisdiction and experience high demand for ambulance transfers. They also serve the elderly and individuals with limited mobility in the community. After assessment, the E.SUN Bodhi Aging Public Welfare Trust donates new community medical vehicles, welfare vehicles, and rehabilitation buses to enhance medical capacity and bring medical resources to underprivileged neighborhoods and villages with insufficient healthcare resources. This improves the accessibility and proximity of medical care. By combining the goodwill of donors with the financial trust model, we aim to benefit more people.



Promoting a Sustainable Healthcare Ecosystem through Cross-Industry Partnerships

E.SUN has long been providing integrated financial and technological innovation services to healthcare institutions. Starting from 2023, we are taking further steps to promote a sustainable healthcare ecosystem. Through signing Memoranda of Understanding (MOUs) with hospitals, we share E.SUN's own ESG experiences, international sustainable assessment criteria and principles, sustainable trends in the healthcare industry, as well as the sustainable practices of exemplary hospitals, to assist in promoting sustainable operations and planning future strategies for healthcare institutions. By combining the strengths of both parties, we aim to enhance social inclusion and achieve environmental sustainability goals.

The first hospital to sign an MOU with E.SUN, Taichung Veterans General Hospital, expressed their anticipation for establishing a long-term partnership with E.SUN. They invited E.SUN's sustainable experts to serve as external committee members of their Sustainable Development Committee, providing professional advice to promote sustainable operations and other consulting services in the financial field. E.SUN will continue to collaborate with more hospitals and the E.SUN Sustainable Transformation Platform to assemble advisory teams, plan resources needed for hospitals to conduct greenhouse gas inventories and compile sustainability reports, and collectively create positive impacts.

Item	Content	Achievement
E.SUN Cultivating Outstanding Talent Scholarship	E.SUN has successively established the "E.SUN Cultivating Outstanding Talent Scholarship," "E.SUN Cultivating ASEAN Talent Scholarship" since 2005, and in response to the increasing demand for medical treatment and care in the aging society, the "E.SUN Cultivating Nursing Talent Scholarship" was newly established in 2020, to practically cultivate the key forces for Taiwan's future.	<ul style="list-style-type: none"> In 2023, 37 students from different fields were awarded scholarships, including 22 outstanding talents, 5 ASEAN talents, and 10 nursing talents. A total of 281 students have been awarded scholarships.
Caring for Students Project	The Caring for Students Project was launched in 2012, providing longterm assistance to students facing economic difficulties or sudden changes in their lives. It allows them to focus on their studies without worrying about financial burdens, and alleviates the pressure on their families' educational expenses. Each student in primary school receives 2,000 TWD per semester, which can be used for tuition fees, textbooks, extracurricular education, after-school tutoring, or other related expenses.	<ul style="list-style-type: none"> In 2023, it assisted a total of 12,053 students and donated a total amount of 24.1 million TWD. Over the past 3 years, a total of 36,312 students have been assisted, with a total donation amount of 72.62 million TWD.
E.SUN Malawi Rice Project	Since 2014, E.SUN has continuously supported the 'E.SUN Malawi Rice' project for 10 years, starting from the first paddy field at the foot of Mt. Jade. The project encourages local farmers to engage in sustainable farming practices while protecting biodiversity.	<ul style="list-style-type: none"> In 2023, acquired 40,000 kg of rice, a total of 380,000 kg of rice has been purchased. Not only is "E.SUN Malawi Rice" shared with employees and important customers, but employees can also enjoy healthy and non-toxic Malawi rice in the company's cafeteria.
Spreading Love through Generosity- Blood Donation	To help alleviate blood shortages and assist more people in need, E.SUN and E.SUN Volunteers Foundation have jointly organized blood donation events for 24 consecutive years. These events are held annually during the peak blood shortage period in the winter and summer vacation time.	<ul style="list-style-type: none"> In 2023, blood donation events were jointly organized with doctors, dentists, Chinese medicine practitioners, architects, accountants, and lawyers professional associations, as well as the Nan Shan Life Insurance Company and FamilyMart. A total of 7,017 blood donors and volunteers participated, collecting 10,273 bags of blood.
Changing the future with love - E.SUN's care program for disadvantaged children and adolescents	To cultivate children's correct values and care for the growth of young people, E.SUN invests in anti-drug education and child care, ranging from grassroot education to convey anti-drug knowledge, support for disadvantaged youth families, rectification of school counseling rooms. By combining the efforts of E.SUN and external partners, we jointly protect the future of the next generation.	<ul style="list-style-type: none"> In collaboration with K-12 Education Administration and the Kaohsiung City Education Bureau, we launched the "Anti-Drug Education Mobile Vehicle" and trained E.SUN volunteers as anti-drug education advocates. In 2023, over 3,000 students benefited, with the total exceeding 8,000 students. We supported the Ministry of Health and Welfare in promoting the "Support Services for Adolescents from Adversity" program, and established two E.SUN Counseling and Guidance Rooms for Children and Adolescents from Adversity at Cheng Cheng High School and Dun-Pin High School. These facilities significantly enhanced our counseling capacity.



6.2.4 Humanities and Arts

E.SUN has long been dedicated to enriching lives through cultural and artistic activities, nourishing people's lives with aesthetics. In 2023, we were honored with the Special Award for Cultural Sustainability Development and the Permanent Award - Gold Award at the 16th Wen Xin Awards, recognizing E.SUN's contributions to the preservation and development of Taiwanese arts and culture. The award-winning "Taiwan Composers Series" event was a collaborative effort between Taiwan's flagship cultural venues, the Weiwuying National Kaohsiung Center for the Arts and the National Traditional Arts Center Taiwan Music Institute. Through interdisciplinary cooperation and diverse approaches, the event showcased the wide range of masterful compositions and innovative connections between traditional and contemporary music. It successfully conveyed local stories through music, leaving behind valuable works for future generations and nurturing the development of Taiwanese music. In the future, E.SUN will continue to promote the works of local composers, transmitting the richness and cultural heritage of Taiwan's arts, allowing the music of Taiwan to resonate on our land.

Item	Content	Achievement
Taiwanese Composer Series	E.SUN responds to the Ministry of Culture's "Reconstructing Taiwan's Music History" initiative by using the powerful force of music and culture to rebuild the Taiwanese people's identification with their own music. We aim to convey the memory of Taiwan's music culture to the next generation. For four consecutive years, we have collaborated with the Weiwuying National Kaohsiung Center for the Arts and the National Traditional Arts Center Taiwan Music Institute to organize the "Taiwan Composers Series" event. In 2023, the focus is on the works of Mr. Chen Xiaoming, a renowned music educator and composer in Taiwan, aiming to transmit the richness and cultural heritage of Taiwan's arts.	8,002 participants
Light and Easy Theater	E.SUN collaborates with the National Theater & Concert Hall to promote integrated services, providing an artistic appreciation environment that is inclusive and accommodating for audiences who cannot attend formal performances. E.SUN will also select suitable programs and invite school teachers and students from E.SUN libraries to enjoy performances at the National Theater & Concert Hall, and assist in arranging related guided tours, transportation, accommodation, dining, etc., hoping to give children in remote areas the opportunity to be touched by music.	4,397 participants
Art Into the Theater	The theme for 2023 is "Singing and Telling (Arts)." We have invited 300 students and teachers from eight schools in Yunlin County to visit the opera house. In addition, we have arranged for the Taipei Quyi Troupe and E.SUN volunteers to guide the students in exploring the art of xiangsheng (crosstalk). This program aims to enhance their understanding of quyi art, as well as develop their language expression skills, stage presence, and performance etiquette through learning xiangsheng.	300 participants
Artful Beauty Education Program for Children	E.SUN Bank collaborates with the National Taiwan Museum of Fine Arts to provide schoolchildren with the experience of "Stepping out of the Campus and into the Art Museum." The program includes visiting the current exhibition "Taiwan Soil, Free Water: The Artistic Resurrection of Wang Mei-Ming" and guiding the students to learn the shallow relief technique of "Water Buffalo Portrait" and create their own self-portrait relief. Additionally, the program offers immersive sensory experiences to expand children's understanding of sculpture art and stimulate their imaginative expression.	230 participants

Item	Content	Achievement
Artwork Collection Restoration Project	The Tainan Art Museum actively explores forgotten artworks, preserves, studies, and restores them with the support and sponsorship of E.SUN. Together, we aim to enhance the soft power of Taiwan's cultural assets. By providing long-term support for art restoration projects, we work to preserve and maintain precious cultural assets, ensuring the continuity of cultural vitality. The exhibition "Art as Medicine - Lin Hongming's Art and Artwork Restoration" will be held from June 22, 2023 to June 16, 2024. It is the first exhibition at the South Art Museum to combine art research and restoration achievements in its curatorial planning.	As of December 31, 2023, a total of 65,677 participants.
"National Treasures of the National Palace Museum in Tainan" Exhibition	This exhibition will be held at the Tainan Art Museum from December 16, 2023, to March 10, 2024. It combines cultural relics and digital rich content, including 15 popular cultural relics from the National Palace Museum and works that integrate with digital technology. By using the interesting form of ancient painting animation, the audience can immerse themselves in and experience the life scenes of ordinary people in the painting. In addition, after AI artificial intelligence learns the painting styles of Western artists Vincent Willem van Gogh, Paul Cézanne, and Oscar-Claude Monet, it creates an immersive theater called "Impression of Fuchun" that exudes European artistic charm.	129,424 participants
Play ARTs Children's Workshop	E.SUN has been committed to promoting children's art education for a long time. In 2023, we will invite six E.SUN Library schools to visit the Tainan Art Museum. In addition to visiting the architecture of the Tainan Art Museum, the itinerary also includes a special exhibition called "Entering the Landscape - Creating Land with Painting," which combines art and nature. In the collaborative learning experience area, there will be a transparent window sticker postcard creation activity. We hope to use art to explore the changing landscape of Tainan City and cultivate aesthetic appreciation, while also raising awareness of the local environment.	500 participants
E.SUN's Mission: Advancing to Taiwan History Museum	To promote and preserve Taiwan's history and culture, E.SUN collaborates with the National Taiwan History Museum for the 'E.SUN's Mission: Advancing to Taiwan History Museum' event. Inviting 5 schools from Chiayi, with 305 teachers and students to participate in the event at the National Taiwan History Museum. The activities include pre-visit lesson plans, E.SUN's mission games on the day of the event, and post-visit extended learning and sharing, allowing children to easily understand Taiwan's historical culture and increase their knowledge of Taiwan's history.	305 participants

Transforming from the "Play Train - Rainbow Train", an outreach program that takes art out of the museum and into schools, to the "Playful Art Education Project", which aims to invite children from remote areas to visit the museum, is an endeavor to utilize the abundant resources of the art museum. These resources include unique and classic original artworks, safe and well-lit facilities, exceptional artist teachers, and thoughtfully planned interactive guided lessons. The project provides a one-day immersive course that engages all five senses for children from remote areas, creating a chapter of art in their cherished childhood memories. We deeply appreciate E.SUN for recognizing our commitment to fostering art education and for supporting a children's art promotion that goes beyond superficial engagement.

- Director of the National Taiwan Museum

Since its establishment, the Tainan Art Museum has embraced the concept of being a "People's Art Museum." Its mission is to construct Taiwan's art history and promote aesthetic education through art outreach activities. Since 2020, with the support of E.SUN, we have collaborated on the "Play ARTs Children's Workshop", inviting students to participate in diverse art activities at the museum. Additionally, the Art Science Research Center of the museum has received sponsorship for the "Art Collection Conservation Project", which allows Taiwan's art and cultural assets to be preserved and continued. We are grateful for the continuous support from E.SUN throughout the years, and we have become the best partners in promoting children's art education and preserving art in Taiwan.

- Director of the Tainan Art Museum

The National Taiwan Museum of History is a museum that shares and collaborates on documenting the history of Taiwan with Taiwan and the world. In 2021, the E.SUN Foundation joined the "Dream Project" of the Museum of History, and together we invited students with special circumstances to explore Taiwan's history through the "E.SUN Mission to the Museum of History." We worked together to ignite the students' curiosity about Taiwan's history and carefully designed the "Mission at the Museum of History" interactive game. We encouraged students to perform flash mob shows and extended history education through the concept of "Having Fun at the Museum of History." This way, we allowed knowledge to be acquired outside of classrooms. Many participating students found the activities enjoyable and expressed a desire to revisit the museum, which challenged their preconceived notions of learning about Taiwan's history.

- Director of the National Taiwan Museum of History

6.2.5 Sports Development

Supporting a diverse range of events in Taiwan to showcase Taiwan to the world!

■ Creating Taiwan's own "Koshien" to cultivate more players who can compete on the world stage.

E.SUN Cup Youth Baseball Championship, alongside Japan's Koshien and South Korea's Golden Dragon Flag tournaments, is recognized as one of the top three elite high school baseball competitions in Asia. Each year, outstanding high school baseball players who excel in the tournament have the opportunity to be selected as members of the national team to represent Taiwan in the Asian Youth Baseball Championship and the U18 Baseball World Cup. With 10,000 high school students participating in the E.SUN Cup each year, only 20 players are chosen to join the Chinese Taipei team, making it the highest honor in Taiwanese youth baseball and a starting point for every young player's baseball dreams.

Since 2007, E.SUN Bank has collaborated with the Baseball Association to promote the E.SUN Cup Public Welfare Series activities for 17 consecutive years. In addition to organizing the only national team selection tournament for youth baseball players, the bank also holds hitting/fielding training camps, safety camps, and provides assistance to remote schools for baseball equipment. So far, more than 3,400 players and 40 schools have benefitted from these initiatives. In the past 17 years, the Taiwanese U18 national baseball team has achieved remarkable success at the Asian Youth Baseball Championship and the U18 Baseball World Cup, winning a total of 3 gold, 5 silver, and 3 bronze medals. This includes the championship at the Asian Youth Baseball Championship in 2007, the runners-up in 2016 and 2018, and the championships in the U18 Baseball World Cup in 2010 and 2019, as well as the runner-up positions in 2022 and 2023.

These impressive achievements have allowed Taiwan's youth baseball to gain international recognition and demonstrate its soft power. The success of the E.SUN Cup highlights how high-intensity competition and training can cultivate many excellent players. Players such as Kai-Wei Teng and Chia-Hao Sung, who have performed well in overseas professional leagues such as MLB and NPB, are prime examples. The champion team from the 2019 U18 Baseball World Cup, including players like Yu-Min Lin, Tsung-Che Cheng, and Bo-Yu Chen, have also continued to strive and compete at the domestic and international professional baseball level. Since 2021, E.SUN has collaborated with the NPB's Hokkaido Nippon-Ham Fighters and Saitama Seibu Lions to hold "Taiwan Day" events, providing support to Taiwanese players in Japan such as Po-Jung Wang and Nien-Ting Wu, while also promoting exchanges and deepening friendship between Taiwan and Japan, two countries that hold baseball dear to their hearts.

over **1.3** million participants
in 2023 E.SUN Cup total online / offline viewership

40 schools
supported with sports equipment

3,400 participants
in training camps and
protection camps

Runner-Up
U18 World Cup 2022 / 2023

Champion
U18 World Cup 2019



■ Promoting E.SUN Ju-Guang Cup to boost Taiwanese volleyball

E.SUN has achieved significant results in promoting the sustainable development of youth baseball. To replicate E.SUN's successful experience and attract more attention and support for competitions, E.SUN joined hands with the Chinese Taipei Volleyball Association in 2022 to promote the 'E.SUN Ju-Guang Cup' national volleyball competition.

The Ju-Guang Cup is the only national youth and junior men's and women's volleyball selection competition in Taiwan. Each year, about 50 schools and over 1,000 athletes participate. After the competition, 18-24 outstanding male and female athletes (depending on age limit) will be selected for training and represent Taiwan in U16-U20 international competitions. The Chinese Taipei national teams, selected in 2023, represented Taiwan in the 1st U16 Asian Volleyball Championships for both boys and girls. Both teams achieved remarkable success by defeating Pakistan and Thailand respectively, and captured the bronze medals in the inaugural U16 tournament. They also secured qualifications for the 2024 U17 World Volleyball Championships, providing Taiwan with the opportunity to continue shining on the international stage.

In addition to promoting the E.SUN Ju-Guang Cup and providing a platform for players to pursue their dreams, E.SUN Bank also presents each participating athlete with personalized protective gear during the tournament to minimize the risk of sports injuries. Furthermore, individual awards are established to recognize and encourage players who exhibit outstanding performance and innovation on the field. This tangible recognition and encouragement are meant to inspire the players. Additionally, E.SUN Bank invites the sports medicine team from Mackay Medical College to organize sports protection workshops for the coaches and players of the E.SUN Ju-Guang Cup, providing them with proper medical knowledge and aiming to extend athletes' careers.



■ Diverse involvement and support in various sporting events to promote Taiwan's sports.

In addition to long-term investment in youth baseball, volleyball, and other sports, E.SUN Bank also collaborates with like-minded partners and companies to dedicate more efforts to Taiwan's sports. The goal is not only to foster more athletes but also to raise awareness and attention towards Taiwan's sports among the general public, ultimately making Taiwan more visible and its voice heard in the world.

In professional sports, E.SUN has been supporting the "Kaohsiung Aquas Basketball Team" for three consecutive years in collaboration with Hanshin Group and FamilyMart convenience stores. In the inaugural year of the T1 League, the Kaohsiung Aquas won the championship, capturing the attention of basketball fans across Taiwan. Apart from promoting basketball, E.SUN provides exclusive financial seminars and plans for the players. It also collaborates with Kaohsiung Aquas to promote blood donation activities, extending sports engagement to charity. Furthermore, this year, E.SUN sponsors the "Taipei Whales Taisco Women's Volleyball Team" in partnership with Taiwan Kingwhale Corporation. Through event promotion, more Taiwanese citizens are encouraged to support and cheer for Taiwan's volleyball.

Beyond professional sports, E.SUN actively supports international events held in Taiwan, aiming to showcase Taiwan to the world. E.SUN has sponsored the XTERRA Asia-Pacific Off-Road Triathlon for four consecutive years. It has also supported the LAVA Xtrail off-road festival in Fulung, attracting off-road enthusiasts from over 40 countries worldwide. E.SUN's financial support and collaboration ensure that athletes have proper dining and health facilities. This not only allows Taiwanese people and athletes to experience the beauty of Taiwan through sports but also enables the world to see Taiwan through broadcasts.

E.SUN has long been supporting various sports activities in Taiwan and has been recognized with the Sports Promoter Award for six consecutive years since 2018. In 2023, it received the Gold Award in the sponsor category for the first time. E.SUN commits to continue fulfilling its corporate social responsibility, deepening its involvement in Taiwan's sports, nurturing more excellent athletes, and integrating sports with public welfare. It strives to make Taiwan's sports shine on the global stage.



6.3 Sustainable Operating Environment

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

2007

- Issued "E.Sun Environmental Protection and Energy Saving White Paper"

2011

- Established the Environmental Sustainability Group under the Corporate Social Responsibility Committee

2012

- Formulated the "Human Rights and Environmental Sustainability Commitment," encouraging business partners to jointly respond and sign

2013

- Introduced ISO 14001 Environmental Management System

First in Taiwan's financial holding industry

2014

- Implemented ISO 50001 Energy Management System and ISO 14064 Greenhouse Gas Inventory

First in Taiwan's financial industry

2015

- Introduced ISO 14046 Organizational Water Footprint Assessment

First in Taiwan's financial industry

2016

- Established and announced "E.Sun Financial Holding's Guidelines for Supplier CSR Implementation" and "Supplier CSR Self-Assessment Form"

2017

- Taiwan business locations achieved 100% certification rate in ISO 14001 and ISO 50001 audits

First in Taiwan's financial industry

- All Taiwan and overseas business locations achieved 100% certification rate in ISO 14064 and ISO 14046 audits

First in Taiwan's financial industry

2018

- E.Sun Technology Building and E.Sun Hope Building data centers obtained LEED Gold International Certification for green buildings

First green data center in Taiwan's financial industry

- "E.Sun Baby Supplies Sharing Platform" receives BS 8001 Circular Economy Certification

First in Taiwan's financial industry

2019

- E.Sun Summit Building Human Resource Development Center achieves LEED Gold International Certification for Green Building

First green training center in Taiwan's financial industry

- E.Sun Bank receives Gold Award in the first National Corporate Environmental Awards for Non-Manufacturing Category

Only in the financial industry

2020

- E.Sun Bank wins the second National Corporate Environmental Awards for Non-Manufacturing Category, Honor Environmental Enterprise Award, and Green Action Award

Only in the financial industry

- E.Sun Bank receives the National Sustainable Development Award
- Implements ISO 20400 Sustainable Procurement Standard

2021

- E.Sun Bank wins the third National Corporate Environmental Awards for Non-Manufacturing Category - Titan Award
- Establishes E.Sun's first zero-carbon branch
- Implemented ISO 46001 Water Resource Efficiency Management System
- Completed transfer the first renewable energy

2022

- Passed SBT, Science-based targets

First in Taiwan, Second in Asia, and Third among global financial institutions

- Officially became an RE100 member

First financial institution in Taiwan to be approved as a "low power consumption enterprise"

2023

- E.SUN Bank is honored to receive the Giant Award in the 5th National Corporate Environmental Awards in the Non-Manufacturing category
- The E.SUN headquarters building has obtained three green building certifications: LEED Platinum for Operations and Maintenance (O+M), LEED Zero Energy, and LEED Zero Carbon

The First financial institution in North Asia to achieve all three certifications simultaneously

- Creating a comprehensive zero carbon ATM service

First in Taiwan's financial industry



6.3.1 Sustainable Operating Environment

Disasters caused by climate change are sweeping the world, and how to control warming has become an important international issue. E.Sun has established specific goals, practices and plans for environmental protection and energy conservation, and regularly reports to high-level officials. Supervise reports and inspections, and actively promote energy-saving and carbon-reduction plans to reduce greenhouse gas emissions caused by energy use. Internally, we mainly promote environmental protection and energy-saving policies, promote environmental education, establish an environmental protection and energy-saving culture, and implement environmental protection and energy-saving measures. Externally, we cooperate with the annual DJSI, CDP and other international projects set carbon reduction, water reduction and waste reduction targets, and review the compliance status through annual third-party verification.

■ Sustainable Operating Environment Targets

Based on the 2020 baseline, E.SUN aims to reduce its total carbon emissions by **42%** by the year 2030

Based on the 2020 baseline, E.SUN aims to achieve **100%** utilization of renewable energy for domestic locations by the year 2030

Based on the 2016 baseline, E.SUN aims to reduce its water usage for revenue generation by **30%** by the year 2030

Based on the 2016 baseline, E.SUN aims to reduce its waste generation for revenue generation by **78%** by the year 2030

■ Carbon Reduction Measures

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

Outstanding Achievement 1: Zero Carbon Zero Energy Green Building - Headquarters Building

After more than 30 years of use, the E.SUN headquarters building underwent a major renovation in 2022. During the renovation, over 90% of green building materials were used, along with efficient electrical appliances and low-water consumption fixtures. The project also focused on indoor air quality, creating a well-lit and spacious environment. In addition, the building promoted clean energy by installing solar power equipment on the roof and utilizing renewable energy throughout the entire building. Charging stations were also installed in the underground parking lot, combining green electricity with green transportation. In 2023, the building achieved three green building certifications: the American LEED Platinum, Zero Energy, and Zero Carbon, making it the first financial institution in the world to receive these certifications for an existing building. By the end of 2023, 21 branches had obtained green building certifications, including 8 LEED Platinum, 6 LEED Gold, 3 EEWB Gold, and 7 EEWB Qualified. The Nanzih and Linyuan branches obtained LEED Platinum certification for their exceptional energy-saving achievements and were hailed as models of low-energy buildings worldwide. This case study was also featured in the 80th edition of the 2023 Journal of Building Engineering.

Outstanding Achievement 2: Zero Carbon ATM Services

In 2023, E.SUN launched its digital e-card and zero carbon credit card, and invested a significant amount of resources into the life cycle of ATMs. Through rigorous carbon footprint calculations and carbon offsetting, approximately 24 million customer transactions made via ATMs throughout the year were made zero-carbon. This makes E.SUN the first financial institution in Taiwan to create a comprehensive zero carbon ATM service, showcasing its strength and determination in the field of sustainable finance. This milestone not only opens a new era for the Taiwanese financial industry but also sets a new benchmark for the global banking sector.

Outstanding Achievement 3: Bank-wide LED Lighting Replacement Project

Through data analysis, E.SUN discovered that a significant number of repair cases were related to damaged light fixtures, with the number reaching thousands per year. As a result, we launched the "LED Lighting Replacement Project for All Branches by 2025" in the fourth quarter of 2023. It is estimated that this project will save 30,000 kWh of electricity per year, equivalent to 6% of the bank's annual electricity consumption.



2023 Target

Reduce total amount of carbon emissions by **12.6%**
The domestic branches have achieved a renewable energy utilization rate of 20%



2023 Outcome

Reduce total amount of carbon emissions by **18.5%**
The domestic branches have achieved a renewable energy utilization rate of 28%



2024 Target

Reduce total amount of carbon emissions by **16.8%**
The domestic branches have achieved a renewable energy utilization rate of 30%



2030 Target

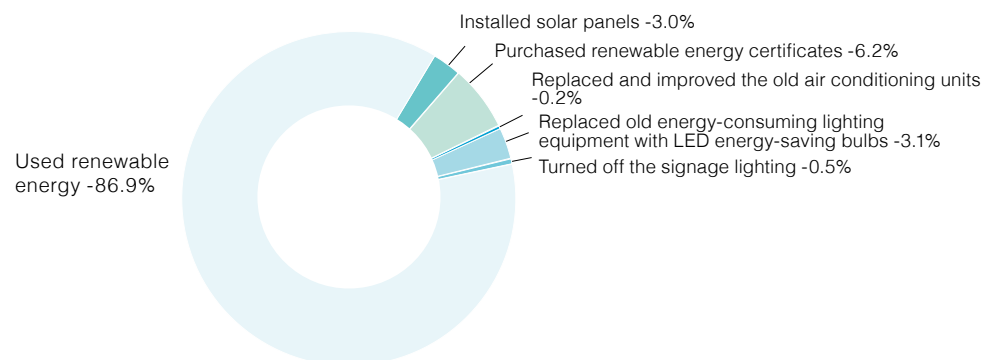
Reduce total amount of carbon emissions by **42%**
The domestic branches have achieved a renewable energy utilization rate of 100%

Note: In 2020, the carbon emissions for Scope 1 & 2 amounted to 24,698 metric tons, serving as the baseline.



Carbon Reduction in 2023

13,835,990 kWh= **6,848.8** metric tons of CO₂e



2020-2023 GHG Emissions

	2020	2021	2022	2023
Scope 1 (t-CO ₂ e)	2,399	1,857	1,844	2,161
Scope 2 (t-CO ₂ e)	22,299	22,105	20,294	17,959
Total emissions (t-CO ₂ e)	24,698	23,962	22,138	20,120
Carbon emissions / revenue (t-CO ₂ e/ NT\$M)	0.4390	0.4139	0.4039	0.3017

2020-2023 Energy Consumption

	2020	2021	2022	2023
Power consumption (MWh)	43,507	44,767	41,383	49,074
Other energy usage (GJ)	27,124	17,290	25,323	13,068
Total energy usage (GJ)	183,749	178,451	174,302	189,739
Energy/revenue (GJ / million NTD)	3.27	3.08	3.18	2.84

Note: The energy types are mainly purchased electricity (non-renewable energy) for operational activities, with petroleum, diesel, liquefied natural gas and gas as other energy sources.

Internal Carbon Pricing

To align with Taiwan's goal of achieving net-zero emissions by 2050, E.SUN is accelerating its efforts to promote energy conservation and carbon reduction. Starting in 2023, we are planning and implementing an internal carbon pricing mechanism within Scope 1 and Scope 2 emissions. The first step is to establish a carbon price, incorporating the concept of carbon cost into the cost-benefit analysis of energy conservation. Through greenhouse gas inventory analysis, we will assess the carbon emissions and carbon cost information of each department.

In 2024, we will implement internal carbon pricing in all domestic locations, integrating carbon emissions costs into daily operations. This aims to raise awareness among all departments about the need to consider carbon emissions as a cost, thereby guiding them to establish carbon management practices.

- The carbon price will be determined based on market trends, taking into consideration pricing mechanisms in the European Union, international average prices, Taiwan's projected prices and penalty pricing, as well as pricing models used by representative industries. Combining this with our carbon reduction cost per unit, the carbon price is set at USD 100 per ton of CO₂e.
- We are continuously improving our infrastructure to establish a systematic carbon emissions database. This includes deploying a data collection pipeline for power information in buildings, as well as creating a consistent environment for electricity usage. These efforts aim to enhance our ability to monitor and manage carbon emissions effectively.
- By incorporating the carbon pricing concept and reevaluating the cost-benefit analysis of energy conservation and carbon reduction, we are able to reassess the payback period and enhance the replacement benefits. This allows us to shorten the time it takes to recover the initial investment, resulting in improved cost-effectiveness of our energy-saving and carbon reduction initiatives.
- To cultivate a carbon cost management mindset in each department, we will implement carbon cost transparency through the use of "shadow price." Departments will be made aware of their estimated annual carbon costs through a billing system that reflects the carbon charges. This serves as a reminder for departments to budget for carbon costs in the following year.
- We will disclose the carbon reduction achievements of each department, highlighting that lower carbon emissions result in lower costs. This incentivizes each department to take action to reduce carbon costs and, subsequently, encourages behavior change among our staff. By emphasizing the relationship between carbon emissions and costs, we aim to foster a culture of proactive carbon footprint reduction throughout the organization.
- In the future, we will continuously adjust the carbon cost structure based on actual carbon reduction expenditures, domestic and international carbon pricing trends, and relevant carbon reduction regulations. By implementing a carbon cost management mechanism, we aim to accelerate our progress towards achieving net-zero emissions. This dynamic approach allows us to adapt our carbon pricing strategy in response to changing circumstances and optimize our carbon reduction efforts for maximum effectiveness.

■ Water Usage Reduction

GRI:303-1,303-3

Outstanding Achievement 1: Expanding the Implementation Scope of ISO 46001 Certification

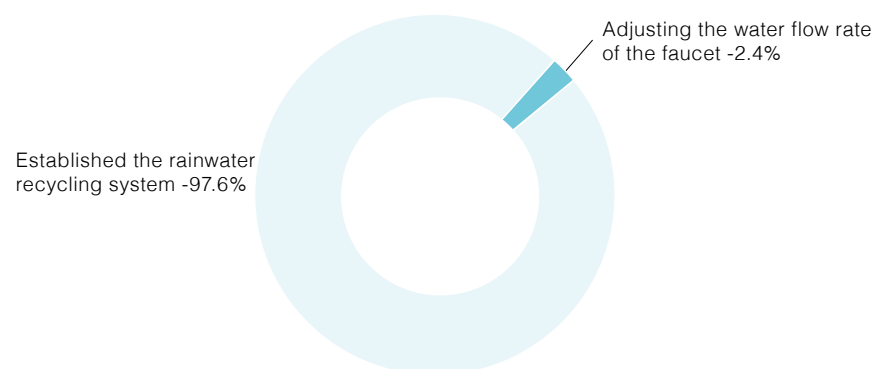
In 2021, E.SUN introduced the ISO 46001 Water Efficiency Management System and conducted a thorough review of water improvement measures across our branches. By 2022, we had increased the adoption rate to 25%. Moving forward, we will continue to expand the scope of our management and implement various measures to reduce water usage and wastewater. Additionally, we are committed to promoting correct water usage concepts, establishing good habits among our colleagues, and reducing unnecessary waste. Monthly analyses of water consumption will be conducted, along with self-checks and tracking of abnormal usage. We also encourage each branch to provide innovative ideas and showcase their achievements in water conservation.

Outstanding Achievement 2: Implementation of Rainwater Harvesting System

E.SUN has installed rainwater harvesting systems at our main office buildings - the Hope Garden Campus, the Dengfeng Building, and the 2nd Headquarters Building. These systems collect rainwater and surface runoff through a network of collection pipes. The harvested rainwater undergoes sedimentation and filtration before being utilized for landscape irrigation. By 2023, this initiative will result in a reduction of 9.286 megaliters of water usage. Additionally, we are replacing old water equipment and utilizing water-efficient appliances labeled with water-saving indicators.

2023 Water Reduction Benefit

9.514 million liters



Outstanding Achievement 3: Introduction of Micro-Hydropower Turbine

E.SUN conducts an annual ISO14046 water footprint assessment, which includes all relevant entities, to understand our water usage situation. In accordance with the ISO46001 Water Resources Management Policy, we take concrete measures to reduce water consumption and utilize water-saving equipment. In 2023, we introduced the "Micro-Hydropower Turbine" with a water-saving label. By harnessing the potential energy of water and converting it into electricity stored in batteries, we aim to save both water and electricity. Additionally, by adjusting the water flow rate of the faucets in our headquarters building, we estimate a water saving of 228 tons per year in 2023, achieving a water-saving rate of 36%.



2023 Target

Reduce water usage per unit revenue by **9%**



2023 Outcome

Reduce water usage per unit revenue by **23%**



2024 Target

Reduce water usage per unit revenue by **12%**



2030 Target

Reduce water usage per unit revenue by **30%**

Note: In 2020, water usage per unit revenue was 4.7097 metric tons/NT\$ million, and this is used as the baseline.

2020-2023 Water usage

	2020	2021	2022	2023
Water (Tons)	264,917	238,715	248,326	242,972
Usage of water/revenue (Tons / NT\$M)	4.7097	4.1231	4.5310	3.6430

■ Waste Reduction

GRI: 306-3

Outstanding Achievement 1: Eco-friendly Envelope Plastic Film

In 2021, E.SUN Bank made a significant change by replacing the non-recyclable BOPS (biaxially oriented polystyrene) window film on commonly used envelopes with PLA (polylactic acid) bioplastic. This transition earned official certification from the U.S. Department of Agriculture's Biobased program (USDA Biobased). The PLA used in these bioplastic films is derived from non-edible yam starch, and its production process significantly reduces carbon emissions. Using PLA does not result in significant greenhouse gas emissions, and it does not produce toxic substances when incinerated.

Currently in the trial phase, these environmentally friendly envelope films are estimated to reduce carbon emissions by 13.1 metric tons annually with E.SUN's monthly usage of approximately 1.563 million envelopes (equivalent to about 416.8 kilograms). E.SUN Bank actively selects eco-friendly materials, aiming to minimize environmental impact. Through the common item of envelopes, they hope to promote environmental awareness throughout society. With their corporate influence, they strive to contribute to a sustainable future with the spirit of "One love leads to more love," making every effort to create a more sustainable future.

Outstanding Achievement 2: Cancel personal seat trash can

At the headquarters of E.SUN Bank, personal trash bins have been eliminated as part of an effort to encourage colleagues to practice waste separation. Each day, the amount of waste is weighed and recorded. On a monthly basis, during environmental awareness days, the bank promotes the reduction of plastic usage and waste, as well as the adoption of a green lifestyle and green office practices. The bank encourages the avoidance of single-use products and aims to minimize waste, working towards a vision of an environmentally friendly environment.

Outstanding Achievement 3: Creating an Eco-friendly Employee Cafeteria

As a pioneer in the national financial industry, E.SUN FHC actively responds to the Taipei City Government's policy of "banning single-use and Styrofoam utensils." Starting from 2020, the entire company has implemented plastic reduction measures, and electronic posters have been placed at the entrances of our buildings and employee restaurants to promote the reduction of plastic bag usage. Additionally, reusable mugs replaced disposable cups at all events.

In response to the Green Living Initiative by the Environmental Protection Administration, E.SUN's headquarters and the 2nd headquarters building have established green employee restaurants. By replacing 10,000 disposable meal boxes and utensils with eco-friendly alternatives, the initiative has led

to the reduction of approximately 600,000 paper containers, amounting to a total weight reduction of 16,320 kilograms. This practice not only protects the health of our employees but also demonstrates our commitment to waste reduction and environmental protection while creating a culture of healthy and environmentally-friendly dining.



2023 Target
Reduce waste per unit revenue by **39%**



2023 Outcome
Reduce waste per unit revenue by **42%**



2024 Target
Reduce waste per unit revenue by **45%**



2030 Target
Reduce waste per unit revenue by **78%**

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

2020-2023 Waste generation

	2020	2021	2022	2023
Waste disposed (tons)	370	488	489	518
Recycled / reused (tons)	224	210	203	174
Total waste (tons)	595	698	692	692
Waste / revenue (kg / NT\$ Million)	6.58	8.43	8.93	7.77

Note: The opening of the Kaohsiung flagship building in 2023 will lead to an increase in the overall waste volume.

6.3.2 Supplier Management

As a financial service industry, E.SUN follows the "E.SUN Bank Supplier Management Guidelines" to ensure that suppliers fulfill corporate social responsibility and promote sustainable development. As of the end of 2023, the number of cooperating suppliers has reached 1,494. These suppliers cover various types, including information software and hardware, construction and mechanical equipment, service, and office equipment, with no significant changes.

■ Sustainable Procurement

To establish a supply chain that protects the environment, human rights, safety, and sustainable development, E.SUN continues to adopt the ISO 20400 Sustainable Procurement Standard. It reviews the performance of suppliers based on common procurement specifications and specific regulations, and conducts regular assessments through external audits to ensure compliance with the standard requirements. The common procurement specifications provide clear guidelines for environmental, social, and economic considerations, while specific procurement specifications are tailored for specific categories (such as information software and hardware, construction and mechanical equipment, etc.). As a member of the Sustainable Corporate Alliance, E.SUN also responds to the government's policy to promote circular procurement and incorporates the spirit of circular procurement into its own procurement practices.

■ Responsible Procurement

Prioritizing local suppliers is also required by the Sustainable Development Goals (SDGs). E.SUN gives priority to local suppliers in all procurement activities, and the local supplier procurement ratio is expected to reach 97% by 2023. To achieve SDG 12 "Responsible Consumption and Production," E.SUN actively participates in the Ministry of Environment policy on promoting a green lifestyle and consumption. It upholds the principles of green consumption and environmentally friendly procurement, and continuously participates in the "Private Enterprise and Group Green Procurement Implementation Plan" promoted by the Ministry of Environment. E.SUN has been awarded the "Green Procurement Benchmark Unit" by the Ministry of Environmental Protection for 14 consecutive years. The declared amount of green procurement in 2023 is approximately NT\$275 million, with a cumulative total procurement amount exceeding NT\$2.254 billion. Through procurement demand, E.SUN aims to influence the supply and promote the formation of a green supply chain, hoping to leverage its own influence and create sustainable development opportunities with supplier partners.

■ Supplier Management

E.SUN carefully selects suppliers that meet the standards based on the "E.SUN Bank Supplier Management Guidelines" and cooperates with suppliers that follow

the "E.SUN FHC Supplier Corporate Social Responsibility Implementation Guidelines." Suppliers with an annual transaction amount exceeding a certain threshold are required to complete the "Supplier Corporate Social Responsibility Self-Assessment Form" and sign the "Statement of Commitment to Human Rights and Environmental Sustainability." These documents clearly outline E.SUN's requirements and expectations regarding supplier integrity, ethical guidelines, labor management, prohibition of child labor, elimination of forced labor in any form, absence of harmful labor rights violations, basic human rights, and environmental safety and health risks. In addition, to enhance supplier management, E.SUN has established a supplier initial qualification review, mid-term risk management, and annual supplier evaluation mechanism. When establishing a business relationship with suppliers, E.SUN conducts qualification reviews and regularly evaluates transaction satisfaction, anti-money laundering and counter-terrorism financing risks, and ESG performance. Large transactions are also assessed, and the supplier evaluation results are used as a basis for classification. The related results are shown in the table below.

Item	2023	2022
Number of suppliers attended supplier conference	47	36
Number of suppliers visited	15	39
Number of suppliers discussed in supplier evaluation meetings	11	NA*
Number of suppliers that signed the Supplier Corporate Social Responsibility Self-Assessment Form and Human Rights and Statement of Commitment to Human Rights and Environmental Sustainability	248	415

* Note: This is a new system implemented in 2023, so there is no data for 2022.

Supplier Management

Initial Review

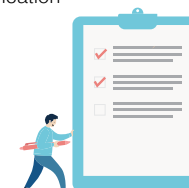
Basic information review
Signing of Statement of Commitment to Human Rights and Environmental Sustainability
Signing of Supplier Corporate Social Responsibility Self-Assessment Form
Anti-money laundering and counter-terrorism financing risk identification

Mid-term Review

Statement of Commitment to Human Rights and Environmental Sustainability and Supplier Corporate Social Responsibility Self-Assessment Form periodic Review
Review of service satisfaction
Anti-money laundering and counter-terrorism financing risk identification
Supplier visits

Final Supplier evaluation

Mid-term risk management result assessment
Review of supplier's ESG performance
Output of evaluation results



■ Sustainable Supply Chain Engagement

In 2023, we will continue to hold supplier conferences to leverage our influence and invite energy management consultants to discuss carbon management trends and share their experiences in joining the social innovation platform. We expect suppliers to contribute alongside E.SUN in addressing climate change and the transition to net zero. We will also explain the criteria for evaluating excellent suppliers, working together to create sustainable value. Through supplier visits, we will confirm their corporate operations, internal management, safety, health, and environmental standards, as well as discuss ESG development directions and potential risks. We encourage suppliers to join us early on in reducing environmental impact. For suppliers engaged in higher-risk tasks, such as renovation projects, we require compliance with occupational safety and health laws. The responsible person at the vendor and E.SUN staff must provide job safety and health education and hazard prevention training for the workers, ensuring they are aware of job risks and minimizing the harm they may encounter during operations.

■ Supplier Climate Risk Analysis

To understand the potential impact of climate risks on suppliers and grasp the indirect impacts on E.SUN, assessments have been conducted on the operational locations of key suppliers.

Physical Risks

To assess the impact of climate change on suppliers and understand the upstream impacts on E.SUN's supply chain, we conducted scenario testing for the key suppliers' operates in Taiwan, specifically focusing on the scenario of flooding. The hazard severity is based on IPCC AR6 scenario data, analyzing the impacts under low, medium, and high emissions scenarios. The climate professional consultants translated this data into localized extreme rainfall probabilities. The vulnerability is evaluated using the 3rd generation flood potential map from the Water Resources Agency, matched with flood potential information using geographic information system (GIS) technology. The two factors are integrated to assess the sensitivity (risk) levels. The results are shown in the table below.

Response to Physical Risk

Based on the assessment results, most of the physical climate risks identified under the three scenarios have minimal impact on our supply chain. At most, only 4% of suppliers may be affected. E.SUN will propose flood prevention measures and the installation of flood control equipment to suppliers with higher flood risk through on-site inspections and supplier conferences. Although the assessed impact of suppliers on E.SUN's operations is minimal, E.SUN will continue to evaluate the impact of climate risks on each supplier. If necessary, alternative procurement sources will be identified to ensure resilience and mitigate the risks associated with climate change.

Scenario Explanation	SSP1-2.6		SSP2-4.5		SSP5-8.5	
	Low Emission Scenario: Global temperature increase in 2030: 1.5 degrees Celsius Global temperature increase in 2050: 1.7 degrees Celsius		Medium Emission Scenario: Global temperature increase in 2030: 1.5 degrees Celsius Global temperature increase in 2050: 2.0 degrees Celsius		High Emission Scenario: Global temperature increase in 2030: 1.6 degrees Celsius Global temperature increase in 2050: 2.4 degrees Celsius	
	2030	2050	2030	2050	2030	2050
High Risk	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Medium-High Risk	0.00%	0.69%	0.69%	0.69%	0.00%	1.39%
Medium Risk	1.39%	2.08%	0.69%	0.69%	1.39%	1.39%
Medium-Low Risk	2.78%	1.39%	2.78%	2.78%	2.78%	1.39%
Low Emission Scenario	95.83%	95.83%	95.83%	95.83%	95.83%	95.83%

Transition risk

In order to understand the impact of carbon cost conditions on the prices of suppliers working with E.SUN, we assessed the potential scenarios of carbon fee collection. The main consideration for transition risks is the factor of suppliers passing on carbon-related costs to increase E.SUN's procurement costs. In the short term, we considered the climate law carbon fee collection scenario, and in the medium to long term, we referred to the scenarios of IEA and NGFS. The analysis is based on the revenue carbon emission coefficient of each industry and estimated the carbon emissions borne by procurement based on the procurement amount. The impact of carbon fee-related costs transferred by suppliers was estimated based on the carbon price of each scenario, and the evaluation results are shown in the table on the right. If suppliers pass on all the additional carbon fees to E.SUN, there will be an increase in the short, medium, and long term scenarios. In order to reduce the risk of future carbon fee transfers, we will promote training, communication, and encourage suppliers to establish response strategies as early as possible, thereby reducing costs and promoting the sustainable development of suppliers on a mutually beneficial basis.

Response to Transition risk

If suppliers pass on all additional carbon fees to E.SUN, it is expected that procurement amounts will increase in the short, medium, and long term scenarios. In order to reduce future risks of carbon fee transfers, we promoted exchanges on domestic and international net zero policies and regulations, the EU Carbon Border Adjustment Mechanism (CBAM), and the promotion of supply chain greening goals by international giants in the 2023 Supplier Conference. We also encourage suppliers to establish response strategies early, ensure industry competitiveness, and promote the sustainable development of suppliers on a mutually beneficial basis.

Scenario Explanation		Carbon Fee Collection for Climate Change Response Law (Short-term)	IEA 2050 Net Zero Scenario (Medium to Long-term)		NGFS 2050 Net Zero Scenario (Medium to Long-term)	
		Carbon Fee Per Ton 300 NTD	Carbon Fee Per Ton 4,248 NTD (140 USD)	Carbon Fee Per Ton 7,585 NTD (250 USD)	Carbon Fee Per Ton 4,733 NTD (156 USD)	Carbon Fee Per Ton 13,259 NTD (437 USD)
		2025	2030	2050	2030	2050
Transfer Amount (NTD Thousand)	Manufacturing	117	1,195	3,004	1,331	5,252
	Service (Financial, Services, Real Estate)	867	8,831	22,210	9,840	38,822
	Construction (Repair, Construction, Engineering)	41	418	1,052	466	1840
Carbon Fee Transfer Amount as a Percentage of Procurement Amount		0.023%	0.235%	0.590%	0.262%	1.032%

Note: The IEA carbon fee reference uses the GEC Model 2022: Net Zero Emissions by 2050 Scenario Advanced economies with net zero emissions pledges, which applies to all industries in the energy-related sector.

Note: NGFS uses the MESSAGEix-GLOBIOM 1.1 Net Zero 2050 Taiwan carbon price.

Note: The short-term scenario assumes carbon fee collection based on emissions, and the medium to long-term scenario assumes carbon-related costs calculated in the form of carbon trading (reduction of 29% by 2030, 100% reduction by 2050), with the shortfall being supplemented by the carbon price.

Appendix 1 - GRI Content Index

Statement of use	E.SUN FHC's report is prepared in accordance with GRI standards. The disclosure period of this report is the fiscal year 2023 (January 1, 2023 to December 31, 2023).
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard (s)	G4 Financial Services Sector Disclosure

GRI 2: General Disclosures 2021

★ Major Themes

GRI Standards	Disclosure Items	Chapter	Page Number	Omission/Note
2-1	Organizational Information	About the Report 1.1 Vision	3 13	
2-2	Entities included in the sustainability report	About the Report	3	
2-3	Reporting period, reporting frequency, and contact person	About the Report	3	
2-4	Information reorganization	About the Report	3	
2-5	External assurance/confirmation	About the Report	3	
2-6	Activities, value chain, and other business relationships	1.1 Vision 1.4 Material Issues	13 20	
2-7	Employees	Appendix 13 - Human Resource Management Indicators	196	
2-8	Non-employee workers	4.8 Human Rights Protection Appendix 13 - Human Resource Management Indicators	124 196	
2-9	Governance structure and composition	4.1 Corporate Governance	95	
2-10	Nomination and selection of the highest governance body	4.1 Corporate Governance	95	
2-11	Chair of the highest governing body	4.1 Corporate Governance	95	
2-12	Role of the highest governing body in overseeing risk management	4.1 Corporate Governance	95	
2-13	Delegating responsibilities for managing risks	1.3 Sustainable Governance 4.1 Corporate Governance	18 95	
2-14	The role of the highest governance body in sustainability reporting	1.3 Sustainable Governance	18	
2-15	Benefit breakthrough	4.1 Corporate Governance	95	
2-16	Communication of key significant events	4.2 Code of Conduct and Ethic	102	
2-17	Collective intelligence of the highest governance body	4.1 Corporate Governance	95	

GRI Standards	Disclosure Items	Chapter	Page Number	Omission/Note
2-18	Performance Evaluation of the Highest Governance Body	4.1 Corporate Governance	95	
2-19	Compensation Policy	4.1 Corporate Governance	95	
2-20	Compensation Determination Process	4.1 Corporate Governance	95	
2-21	Annual salary ratio	4.1 Corporate Governance	95	
2-22	Statement on sustainable development strategy	Message from the Chairman and the President 1.3 Sustainable Governance	5 18	
2-23	Policy commitment	4.2 Code of Conduct and Ethic 4.8 Human Rights Protection	102 124	
2-24	Incorporation of policy commitments	4.2 Code of Conduct and Ethic 4.8 Human Rights Protection	102 124	
2-25	Negative impact compensation process	4.2 Code of Conduct and Ethic 4.8 Human Rights Protection	102 124	
2-26	Mechanism for soliciting suggestions and proposing relevant matters	4.2 Code of Conduct and Ethic	102	
2-27	Compliance with regulations	4.2 Code of Conduct and Ethic	102	
2-28	Qualifications of cooperative members	4.1 Corporate Governance	95	
2-29	Stakeholder negotiation methods	1.4.1 Identification of stakeholders	21	
2-30	Group Agreement	5.2 Talent Attraction and Retention	140	

GRI 3: Major Theme Disclosure Items

GRI Standards	Disclosure Items	Chapter	Page Number	Omission/Note
3-1	Major Theme Decision Process			
3-2	Major Theme Checklist	1.4 Material Issues	20	
3-3	Major Theme Management			

Specific Theme Standards

GRI 200: GRI 200: Economic Series

Series	Disclosure	Description	Corresponding Chapter	Page Number	Omission/Notes
GRI 201: ★ Economic Performance 2016	201-1	Direct economic value generated and distributed by the organization	1.2 Business Performance	17	
	201-2	Financial implications and other risks and opportunities due to climate change	2.3 Opportunity Identification 2.4 Risk Identification	42 45	
	201-3	Defined benefit plan obligations and other retirement plans	5.2 Talent Attraction and Retention	140	
GRI 202: ★ Market Position 2016	202-1	Ratio of standard entry-level wage by gender compared to local minimum wage	5.2 Talent Attraction and Retention	140	
GRI 203: ★ Indirect Economic Impacts 2016	203-1	Development and impact of infrastructure investments and support services	3.2 Inclusive Finance 3.4 FinTech and Innovation 6.2 Social Inclusion	75 86 160	
	203-2	Significant indirect economic impacts	3.2 Inclusive Finance 6.2 Social Inclusion	75 160	
GRI 204: ★ Procurement Practices 2016	204-1	Proportion of spending on local suppliers	6.3.2 Supplier Management	175	
GRI 205: ★ Anti-corruption 2016	205-2	Communication and training on anti-corruption policies and procedures	4.2 Code of Conduct and Ethic 6.3.2 Supplier Management	102 175	
	205-3	Confirmed corruption incidents and actions taken	4.2 Code of Conduct and Ethic	102	
GRI 206: ★ Anti-competitive behavior 2016	206-1	Legal actions involving anti-competitive behavior, anti-trust, and monopoly practices	4.2 Code of Conduct and Ethic	102	
GRI 207: ★ Tax 2019	207-1	Tax policy	4.7 Tax Governance	121	
	207-2	Tax governance, control, and risk management	4.7 Tax Governance	121	
	207-3	Stakeholder engagement and management on tax-related issues	4.7 Tax Governance	121	
	207-4	Country Report	4.7 Tax Governance	121	

GRI 300: Environmental Series 2016

Series	Disclosure	Description	Corresponding Chapter	Page Number	Omission/Notes
GRI 302: ★ Energy 2016	302-1	Energy consumption within the organization	6.3 Sustainable Operating Environment Appendix 14 - Sustainable Operating Environment Indicators	170 203	
	302-3	Energy intensity	6.3 Sustainable Operating Environment Appendix 14 - Sustainable Operating Environment Indicators	170 203	
GRI 303: Water 2018	303-1	Interactions and impacts on shared water resources	6.3 Sustainable Operating Environmen	170	
	303-3	Water withdrawal	6.3 Sustainable Operating Environmen	170	
GRI 305: ★ Emissions2016	305-1	Direct (Scope 1) greenhouse gas emissions	6.3 Sustainable Operating Environment Appendix 14 - Sustainable Operating Environment Indicators	170 203	
	305-2	Energy Indirect (Scope 2) Greenhouse Gas Emissions	6.3 Sustainable Operating Environment Appendix 14 - Sustainable Operating Environment Indicators	170 203	
	305-3	Other Indirect (Scope 3) Greenhouse Gas Emissions	6.3 Sustainable Operating Environment Appendix 14 - Sustainable Operating Environment Indicators	170 203	
	305-4	Greenhouse gas emission intensity	6.3 Sustainable Operating Environment Appendix 14 - Sustainable Operating Environment Indicators	170 203	
GRI 306 Wastewater and Waste 2020	306-3	Generation of waste	6.3 Sustainable Operating Environment Appendix 14 - Sustainable Operating Environment Indicators	170 203	
GRI 308: ★ Supplier Environmental Assessment 2016	308-1	Adopting environmental standards for selecting new suppliers	6.3.2 Supplier Management	175	

GRI 400: Social series

Series	Disclosure	Description	Corresponding Chapter	Page Number	Omission/Notes
GRI 401: ★ Employment-related 2016	401-1	New employees and employee turnover	Appendix 13 - Human Resource Management Indicators	196	
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	5.2 Talent Attraction and Retention	140	
	401-3	Parental leave	Appendix 13 - Human Resource Management Indicators	196	
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice period for operational changes	5.1 Talent Cultivation and Development	129	
GRI 403: ★ Occupational Safety and Health 2018	403-1	Occupational Safety and Health Management System	5.3 Healthy and Safe friendly workplace	147	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	5.3 Healthy and Safe friendly workplace	147	
	403-3	Occupational Health Services	5.3 Healthy and Safe friendly workplace	147	
	403-4	Worker Participation, Consultation, and Communication on Occupational Safety and Health	5.3 Healthy and Safe friendly workplace	147	
	403-5	Training on occupational safety and health for workers	5.3 Healthy and Safe friendly workplace	147	
	403-6	Promotion of worker health	5.3 Healthy and Safe friendly workplace	147	
	403-7	Prevention and mitigation of direct work-related occupational safety and health impacts	5.3 Healthy and Safe friendly workplace	147	
	403-8	Workers covered by the occupational safety and health management system	5.3 Healthy and Safe friendly workplace	147	
	403-9	Occupational injury	5.3 Healthy and Safe friendly workplace Appendix 13 - Human Resource Management Indicators	147 196	
	403-10	Occupational diseases	5.3 Healthy and Safe friendly workplace Appendix 13 - Human Resource Management Indicators	147 196	

Series	Disclosure	Description	Corresponding Chapter	Page Number	Omission/Notes
GRI 404: ★ Training and Education 2016	404-1	Average hours of training per employee per year	5.1 Talent Cultivation and Development Appendix 13 - Human Resource Management Indicators	129 196	
	404-2	Enhancing employee competency and transitional assistance programs	5.1 Talent Cultivation and Development 5.2 Talent Attraction and Retention	129 140	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.2 Talent Attraction and Retention	140	
GRI 405: Employee diversity and equal opportunity 2016	405-1	Diversity of management units and employees	4.1 Corporate Governance Appendix 13 - Human Resource Management Indicators	95 196	
	405-2	Ratio of female to male basic salary and remuneration	4.1 Corporate Governance Appendix 13 - Human Resource Management Indicators	95 196	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and improvement actions taken by the organization	4.8 Human Rights Protection 5.2 Talent Attraction and Retention	124 140	
GRI 408: Child Labor 2016	408-1	Significant risk of child labor in operations and suppliers	4.8 Human Rights Protection 6.3.2 Supplier Management	124 175	
GRI 409: Forced or Compulsory Labor 2016	409-1	Significant risk of forced and compulsory labor incidents in operations and suppliers	4.8 Human Rights Protection 6.3.2 Supplier Management	124 175	
GRI 411: Indigenous Rights 2016	411-1	Incidents involving infringement of indigenous rights	4.8 Human Rights Protection	124	
GRI 413: ★ Local Community 2016	413-1	Operations with local community engagement, impact assessments, and development programs	3.2 Inclusive Finance 6.2 Social Inclusion	75 160	
GRI 414: ★ Supplier Social Assessment 2016	414-1	New suppliers screened using social criteria	6.3.2 Supplier Management	175	
GRI 415: Public Policy 2016	415-1	Political contributions	1.2 Business Performance	17	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	3.3 Treating Customers Fairly and Customer Experience	82	
	417-2	Incidents of non-compliance with regulations regarding product and service information and labeling	3.3 Treating Customers Fairly and Customer Experience	82	No such incidents
	417-3	Incidents of non-compliance with marketing regulations	3.3 Treating Customers Fairly and Customer Experience	82	No such incidents
GRI 418: ★ Customer Privacy 2016	418-1	Complaints regarding breaches of customer privacy or loss of customer data	4.6 Information Security and Personal Information Protection Management	117	
GRI 419: ★ Social Compliance with Economic Regulations 2016	419-1	Violations of laws and regulations in social and economic domains	4.2 Code of Conduct and Ethic	102	
Customized Major Theme			Corresponding chapter	Page number	Omission/Note
Climate change response			2.3 Opportunity Identification	42	
			2.4 Risk Identification	45	

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

Aspect	DMA/GRI Indicator		Corresponding Chapter	Page Number
★ Product Portfolio	DMA	FS1	Policies with specific environmental and social components applied to business lines.	3.1 Sustainable Finance / 3.2 Inclusive Finance / 3.4 FinTech and Innovation / 59 / 75 / 86
		FS2	Procedures for assessing and screening environmental and social risks in business lines.	3.1 Sustainable Finance / 59
		FS3	Processes for monitoring clients' implementation and compliance with environmental and social requirements included in agreements or transactions.	3.1 Sustainable Finance / 3.2 Inclusive Finance / 59 / 196
		FS4	Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	5.1 Talent Cultivation and Development / 6.1 Natural Environment and Biodiversity Preservation / 6.2 Social Inclusion / 129 / 153 / 160
		FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	3.1 Sustainable Finance / 3.2 Inclusive Finance / 3.4 FinTech and Innovation / 6.3.2 Supplier Management / 59 / 75 / 86 / 175
		FS7	Products and services designed to deliver a specific social benefit for each business line broken down by purpose and currency value.	3.2 Inclusive Finance / 3.4 FinTech and Innovation / 6.2 Social Inclusion / 75 / 86 / 160
		FS8	Products and services designed to deliver a specific environmental benefit for each business line broken down by purpose and currency value.	3.1 Sustainable Finance / 59
Assurance	DMA	FS9	Assessment of the implementation status of environmental and social policy and risk assessment processes, including the scope and frequency of assurance.	3.1 Sustainable Finance / 3.2 Inclusive Finance / 4.8 Human Rights Protection / 59 / 75 / 124
Participation	Indicator	FS10	The number and percentage of companies in the investment portfolio that have mutual impacts on environmental or social aspects, and the reporting editing organization.	3.1 Sustainable Finance / 3.2 Inclusive Finance / 3.4 FinTech and Innovation / 59 / 75 / 86
Product Responsibility - Product and Service Labeling	DMA	FS15	Relevant policies for the fair design and sales of financial products and services.	3.3 Treating Customers Fairly and Customer Experience / 82
		FS16	Relevant measures to strengthen the financial knowledge of various types of beneficiaries.	3.2 Inclusive Finance / 5.1 Talent Cultivation and Development / 75 / 129
Social – Local Communities Indicator		FS13	Types of operating outlets in low population density or economically disadvantaged areas.	3.2 Inclusive Finance / 75
		FS14	Types of operating outlets in low population density or economically disadvantaged areas. Relevant measures to promote better financial services for vulnerable groups.	3.2 Inclusive Finance / 75

Appendix 3 - Material Issues

A-1 Difference between material issues in 2023 and 2022

Major Themes	Annual Differences	Adjustment Explanation
Employee Care and Friendly Working Environment	Theme Deletion	Evaluate the impact and severity, and remove major themes

A-2 Explanation of involvement in the value chain

Major Theme	Value Chain Impact Boundary and Involvement Explanation				
	Upstream			E.SUN	Downstream
	supplier	cooperative partner	government	FHC and subsidiaries	client
1 Risk management	Business Relations		Direct	Direct	Indirect
2 Talent Cultivation and Development	Direct	Direct	Indirect	Direct	Indirect
3 Climate Change Adaptation	Business Relations	Indirect	Indirect	Direct	Business Relations
4 Financial technology and innovation	Business Relations	Business Relations	Indirect	Direct	Direct
5 Green Finance	Business Relations	Indirect	Indirect	Direct	Business Relations
6 Customer Experience and Fair Treatment			Direct	Direct	Direct
7 Corporate Governance	Indirect	Indirect	Direct	Direct	Direct
8 Code of Conduct and Ethic			Direct	Direct	Direct
9 Talent Attraction and Retention	Indirect	Indirect	Indirect	Direct	Indirect
10 Legal Compliance			Direct	Direct	Direct
11 Information Security and Personal Data Protection	Indirect	Indirect	Indirect	Indirect	Direct
12 Inclusive Finance	Business Relations	Business Relations	Indirect	Direct	Business Relations

Appendix4 - Status of Commitments for Coalition of Movers and Shakers on Sustainable Finance

Commitment	NO.	Description	2023 Achievement Status of E.SUN																																																			
Green Procurement	1	Continuously obtained the Green Mark of private organizations in green procurement by the EPA by the end of 2024.	E.SUN has obtained the Green Mark for 14 consecutive years. In 2023, the total amount of green procurement was 275 million NT dollars, accounting for 5.4% of the total procurement amount. Main green procurement items included servers, storage equipment, computer equipment, renewable energy, construction materials for renovations, and office supplies.																																																			
Green Procurement	2	By the end of 2024, promoting circular procurement into the green procurement items.	In progress, planning to incorporate circular procurement into the "E.SUN Bank Procurement Guidelines" in 2024.																																																			
Data Disclosure	1	For statistical data or items related to environmental issues in 2023 ESG Report or the TCFD report, third-party verification or assurance should be obtained.	Please refer to Appendix 18 and 19, which include information on the application and declined cases of project finance under the Equator Principles for 2023, cumulative approvals and balances of ESG-linked loans, cumulative approvals and balances of green loans, number and balance of sustainable deposits, reforestation quantity, energy usage, carbon emissions from investment and finance activities, and greenhouse gas emissions.																																																			
Data Disclosure	2	In accordance with the "Guidelines for Calculating Financial Carbon Emissions in the Financial Sector," publicly disclose the total carbon emissions from major domestic investment and financing activities that fall under the high carbon category, along with their industry classifications by the end of 2025.	<table><tr><th>Year</th><th>Sectors</th><th>Carbon Emissions (Unit: tCO₂e)</th></tr><tr><td rowspan="10">2022</td><td>1.Electronics</td><td>1. 185,425 tons</td></tr><tr><td>2.Manufacturing</td><td>2. 182,177 tons</td></tr><tr><td>3.Cement and glass</td><td>3. 147,274 tons</td></tr><tr><td>4.Oil, gas, and petrochemical</td><td>4. 143,434 tons</td></tr><tr><td>5.Transportation</td><td>5. 98,034 tons</td></tr><tr><td>6.Others</td><td>6. 77,315 tons</td></tr><tr><td>7.Metal and mining industry</td><td>7. 63,907 tons</td></tr><tr><td>8.Power and utilities industry</td><td>8. 49,174 tons</td></tr><tr><td>9.Wholesale and retail industry</td><td>9. 20,329 tons</td></tr><tr><td>10.Financial industry</td><td>10.20,022 tons</td></tr><tr><td></td><td>Total: 987,070 tons</td></tr><tr><td rowspan="10">2023</td><td>1.Manufacturing</td><td>1. 222,175 tons</td></tr><tr><td>2.Electronics</td><td>2. 180,919 tons</td></tr><tr><td>3.Cement and glass</td><td>3. 163,814 tons</td></tr><tr><td>4.Oil, gas, and petrochemical</td><td>4. 149,174 tons</td></tr><tr><td>5.Transportation</td><td>5. 88,821 tons</td></tr><tr><td>6.Other</td><td>6. 82,094 tons</td></tr><tr><td>7.Metal and mining</td><td>7. 76,172 tons</td></tr><tr><td>8.Financial</td><td>8. 29,705 tons</td></tr><tr><td>9.Power and utilities</td><td>9. 25,266 tons</td></tr><tr><td>10.Wholesale and retail</td><td>10. 19,150 tons</td></tr><tr><td></td><td>Total: 1,037,289 tons</td></tr></table>			Year	Sectors	Carbon Emissions (Unit: tCO ₂ e)	2022	1.Electronics	1. 185,425 tons	2.Manufacturing	2. 182,177 tons	3.Cement and glass	3. 147,274 tons	4.Oil, gas, and petrochemical	4. 143,434 tons	5.Transportation	5. 98,034 tons	6.Others	6. 77,315 tons	7.Metal and mining industry	7. 63,907 tons	8.Power and utilities industry	8. 49,174 tons	9.Wholesale and retail industry	9. 20,329 tons	10.Financial industry	10.20,022 tons		Total: 987,070 tons	2023	1.Manufacturing	1. 222,175 tons	2.Electronics	2. 180,919 tons	3.Cement and glass	3. 163,814 tons	4.Oil, gas, and petrochemical	4. 149,174 tons	5.Transportation	5. 88,821 tons	6.Other	6. 82,094 tons	7.Metal and mining	7. 76,172 tons	8.Financial	8. 29,705 tons	9.Power and utilities	9. 25,266 tons	10.Wholesale and retail	10. 19,150 tons		Total: 1,037,289 tons
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Data Disclosure	3	In accordance with the "Guidelines for Setting Carbon Reduction Targets and Strategic Planning in the Financial Sector," disclose the carbon reduction targets, strategies, and specific action plans for Scope 1, 2, and 3 by the end of 2025,	E.SUN has obtained the target validation from the Science Based Targets Initiative (SBTi) in 2022. Please refer to Ch2.5.2 for the carbon reduction targets, strategies, and specific action plans for SBTi Scope 1, 2, and 3.																																																			

Commitment	NO.	Description	2023 Achievement Status of E.SUN			
Investment, Financing and Engagement	1	By the end of 2025, more than half of the high carbon-emitting enterprises identified within major domestic investment and financing activities will be engaged in discussions. Efforts will be made to encourage these entities to set net-zero emissions targets by 2050.	Engagement Status in 2023			
			Number of high carbon-emitting enterprises (A)		200	
			Number of selected engaged enterprises (B)		100	
			Number of completed engaged enterprises in 2023 (C)		79	
			Number of completed engaged enterprises in 2023 that have set carbon reduction targets for 2050 (D)		24	
			Percentage of completed engagements (C/B)		79%	
			Percentage of engaged companies that have set carbon reduction targets for 2050 (D/C)		30.38%	
			The main methods of engagement include convening ESG engagement meetings and exchanging correspondence with the invested or financed companies.			
Investment, Financing and Engagement	2	For forward-looking economic activities or industries listed in the National Development Council's 2050 Net-Zero Emissions Pathway with identified key strategies, the investment and financing amounts should increase compared to the previous year, and the self-set targets should be achieved.	Status in 2023			
			Unit: (NTD)Million			
			Year		Goal	Status
			2022	62,014	62,014	
			2023	67,834	89,338	
			2024	109,038		
			2025	114,161		
Investment, Financing and Engagement	3	By the end of 2025, for projects eligible under the Equator Principles project finance, identify their nature-related financial risks based on the guidance provided by the Taskforce on Nature-related Financial Disclosures (TNFD).	Status in 2023			
			Year		Identification of nature-related financial risks for project finance targets	Disclosure Status
			2023	1. Number of project cases:7, with a cumulative total of 51 projects by the end of 2023. 2. Identified risk categories A-type risks: 0 projects B-type risks: 7 projects C-type risks: 0 projects These risks have been assessed following the International Finance Corporation (IFC) Performance Standards 1-8, including "PS3-Resource Efficiency and Pollution Prevention" and "PS6-Biodiversity." Relevant risk identification and assessment have been conducted for each project. 3. Risk exposure by category (expressed in amount): Disclosure of exposure to different risk categories for Equator projects as of December 2023 (51 projects in total): · A-type risk exposure: NT \$8.99 billion · B-type risk exposure: NT \$21.4 billion · C-type risk exposure: NT \$1.67 billion	■ Disclosed in 2022 TCFD Report	
			2024 Plan: E.SUN plans to strengthen its commitment to the Task Force on Nature-related Financial Disclosures (TNFD) in 2024 and become one of the world's first pioneer companies to join TNFD. For more details on E.SUN's TNFD disclosure plan, please refer to the cover story in Chapter 2.			
Assistance and promotion	1	By the end of 2024, provide at least one sustainable application or analytical tool that is beneficial to the market or the general public.	Year		Description	
			2023	Climate and Biodiversity Sustainable Linked Loans: The assessment of a company's climate action performance is paired with consideration of its contributions to biodiversity conservation. This aims to encourage companies to actively undertake diverse sustainable actions towards achieving the dual goals of reaching net-zero emissions by 2050 and promoting biodiversity growth.		
			Plans in 2024	Carbon Caculator of Payment: Pioneer of "Self-generated Consumption Carbon Footprint Calculation," providing individuals with monthly consumer carbon intensities and carbon footprints for seven major categories, including shopping, tourism, transportation, and more. Users can easily review the distribution of their carbon footprints and make more environmentally-friendly choices with each purchase, getting closer to a sustainable consumption behavior.		

Commitment	NO.	Description	2023 Achievement Status of E.SUN					
Assistance and promotion	2	By the end of 2024, host or participate in at least two panel discussions or knowledge-sharing seminars focused on the financial industry.	2023	<ul style="list-style-type: none">• Date: 5/17• Topic: Financial Industry Carbon Inventory Exchange Seminar• Participants: Representatives from 17 diversified institutions including FSC (Financial Supervisory Commission), CDP (Carbon Disclosure Project), banking industry, insurance industry, securities industry, futures industry, investment trust, and advisory industry.• Number of Attendees: 79 individuals				
			2023	<ul style="list-style-type: none">• Date: 10/25• Topic: Seminar on Setting Carbon Reduction Targets and Strategic Planning in the Financial Industry• Participants: Representatives from 21 diversified institutions including FSC (Financial Supervisory Commission), banking industry, insurance industry, securities industry, futures industry, investment trust, advisory industry, and 5 sustainable finance pioneer alliances.• Number of Attendees: 50 individuals				
			Plans in 2024	Planning to host a seminar on Transition Finance for FIs.				
Assistance and promotion	3	By the end of 2024, conduct at least one employee awareness survey or assessment related to knowledge on net-zero transition and industry development trends.	Year		Status			
			2023	1. Period: 2023/01/01~2023/12/31 2.				
				Survey/ Assessment		Target Audience	Number of Participants	Passing Rate
				Sustainable Finance Manger Certification Assessment		Employees in charge of sustainability-related units/ departments	81	100%
				Mid-term Exam Questions for New Employees or Assistant Officers (Including ESG-related Questions)		New employees and new assistant officers	697	94.1%
				Global Corporate banking Elite Program Test (Including Green Finance)		Colleagues in GCEP	12	100%
				Total			790	-
			3. Based on the survey or assessment results, the following actions will be taken: (1) Include sustainability courses and ESG assessments in the education and training programs for employees at all levels and job positions. (2) Integrate ESG module questions into the E.SUN Financial Literacy Certification Test. (3) Implement ESG training for all employees through online learning platforms starting from 2024.					
Plans in 2024	1. All employees are required to participate in a 3-hour online ESG course and assessment conducted internally. 2. All employees are required to complete an online ESG awareness survey or assessment at least once.							
International Alignment	1	From January 1, 2023, to the end of 2024, the goal is to be awarded/ selected in an international sustainability assessment/ratings or join one significant international sustainability initiative.	Year		Award	Initiatives		
			2023	<ul style="list-style-type: none">• Inclusion in the Dow Jones Sustainability Emerging Markets Index for 10 consecutive years.• Receiving the highest AAA rating in MSCI ESG ratings for 2 consecutive years.• Attaining the Leadership Level A rating in the Climate Disclosure Project (CDP) assessment.			3 Renewables	
			Plans in 2024	Keep proactively participating in international sustainability assessment/ratings to let the world see Taiwan			TNFD Early Adopter	

Appendix 5 - KPIs of Taiwan Sustainable Taxonomy for Financial Institutions

Purpose

In support of the nation's goal of net-zero emissions by 2050, and to encourage financial institutions to assist enterprises' transition towards a sustainable and low-carbon economy, the FSC, the Environmental Protection Administration (EPA), the Ministry of Economic Affairs (MOEA), Ministry of Transportation and Communications (MOTC), and the Ministry of the Interior (MOI) jointly issued "Taiwan Sustainable Taxonomy" on 8 December 2022. In 2023, the FSC commissioned further research to expand the application of the "Taiwan Sustainable Taxonomy" to industries and economic activities, including manufacturing, waste management and recycling, finance and insurance industries. This encourages more companies to voluntarily disclose the sustainability level of their major economic activities based on their "eligibility" and "alignment" with the criteria and to develop strategies and plans for carbon reduction and sustainable transformation based on the Taxonomy. Additionally, financial institutions are encouraged to assess investment and financing based on the Taxonomy and actively engage with businesses.

The FSC is expected to release the "Taiwan Sustainable Taxonomy 2.0" by the end of 2024. E.SUN has referred to the draft version of the "Taiwan Sustainable Taxonomy 2.0" to define general economic activities and forward-looking economic activities, conducted trial calculations for investment and financing aspects, and attempted to disclose key performance indicators for lending and investment activities in the financial industry.

KPIs of Loans (Trial)

	Taxonomy-aligned Ratio (%)	Taxonomy-eligible Ratio (%)	Taxonomy-aligned/ Taxonomy-eligible Ratio (%)
Consumer Finance	0% ^{Note}	91.98%	0%
Corporate Finance	9.84%	25.93%	37.94%
Consumer Finance + Corporate Finance	4.9%	59.29%	8.21%

KPIs of Investments (Trial)

Taxonomy-aligned Ratio (%)	Taxonomy-eligible Ratio (%)	Taxonomy-aligned/ Taxonomy-eligible Ratio (%)
10.41%	10.53%	98.83%

Note: The calculation scope for consumer finance includes Home Mortgage Loans, Green Building Mortgage Loans. Referring to the draft version of the "Taiwan Sustainable Taxonomy 2.0," Green Building Mortgage Loans need to comply with both green building certification and Building Energy-Efficiency Rating. However, there is currently no publicly available platform disclosing Building Energy-Efficiency Rating, making it difficult to obtain the necessary data.

Appendix 6 - Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies (2022.12.23 amended)

	Content	Corresponding Chapter	Page Number
Chapter 1	General Principles	Disclose the goal, entity applied to, and principles of best practices, and establish significant principles for assessing environmental, social, and corporate governance risks.	1 Our Story 12
Chapter 2	Exercising Corporate Governance	Establish a governance framework to promote sustainable development, identify stakeholders, and respond to their concerns and issues.	1.3 Sustainable Governance 1.4.1 Identification of stakeholders 4.1 Corporate Governance 4.2 Code of Conduct and Ethic 18 21 95 102
Chapter 3	Fostering a Sustainable Environment	Regulate to protect the environment, improve energy efficiency, establish environmental management systems, conduct greenhouse gas inventories, and assess climate change risks and opportunities, among others.	2 Journey to Net Zero 6 Seeking Common Good 36 151
Chapter 4	Preserving Public Welfare	Regulate to adhere to international human rights conventions, uphold gender equality, protect labor rights, prohibit discrimination, establish regular channels of communication with employees, and treat customers and consumers fairly.	3.3 Treating Customers Fairly and Customer Experience 4.5 Business Continuity Plan 4.8 Human Rights Protection 5.3 Healthy and Safe friendly workplace 6.3.2 Supplier Management 82 116 124 147 175
Chapter 5	Enhancing Disclosure of Sustainable Development Information	Regulate to ensure full disclosure of relevant and reliable information regarding sustainable development.	About the Report 3
Chapter 6	Supplementary Provisions	Regulate and improve the existing ESG system.	1.3 Sustainable Governance 4.1 Corporate Governance 18 95

Appendix 7 -Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (2024.1.26 amended)

	Content	Corresponding Chapter	Page Number
Article 2	At the end of the most recent fiscal year, the company falls into the food industry, chemical industry and financial and insurance industry prescribed in the Taiwan Stock Exchange Corporation Key Points for Classifying and Adjusting Categories of Industries of Listed Companies, it is required to prepare and file a sustainability report in Chinese according to these Rules.	1 Our Story	12
Article 3	<ul style="list-style-type: none"> A listed company that meets the requirements under Article 2 of the Rules shall prepare an annual sustainability report for the preceding year by referring to the Universal Standards, Sector Standards, and Topic Standards published by the Global Reporting Initiatives (GRI). In the report, the company shall disclose its identified material economic, environmental and social topics and impacts, topic-specific disclosure, and its reporting requirements. Additionally, companies may refer to the Sustainability Accounting Standards Board (SASB) guidelines to disclose industry-specific indicator information and include an index corresponding to SASB indicators in the report. The sustainability report mentioned in the preceding paragraph shall include relevant environmental, social and corporate governance risk assessments and lay out the performance indicators to manage the material topics identified. In the sustainability report, a listed company shall disclose what Content Index of the GRI Standards corresponds to the contents of the report and specify in the report whether the topic-specific disclosures have been assured or verified by a third party. The topic-specific disclosure referred to in Paragraph 1 shall be evaluated and disclosed by adopting the standards in compliance with the rules of the competent authorities. If the competent authorities have not promulgated the applicable standards, the company shall adopt the approach of evaluation commonly used in practice or the universally applicable international approach. 	4.1 Corporate Governance 4.2 Code of Conduct and Ethic	95 102
Article 4	<ul style="list-style-type: none"> According to Article 2, Paragraphs 1, Subparagraph 1 and 2, listed companies shall strengthen the disclosure of sustainability metrics by industry, including at minimum the following items: <ol style="list-style-type: none"> Number of data breaches, percentage involving personally identifiable information, and number of account holders affected. Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities. Number of participants in financial literacy initiatives provided to minority groups without adequate banking services. Products and services designed by individual operating units to create benefits for the environment or society. The listed companies mentioned in the preceding paragraph shall obtain an assurance report issued by a certified public accountant in accordance with the standards promulgated by the Accounting Research and Development Foundation for the disclosure of sustainability metrics for their industries in accordance with Appendix 1-1 to 1-3. 	3.2.1 Enhancing Usability of Financial Services	76
Article 4-1	<ul style="list-style-type: none"> A listed company shall dedicate a specific section of the report to the disclosure of climate-related information. Having a paid-in capital of NT\$10 billion or more shall disclose the data for the individual company from 2023, and disclose the data for the parent company and all subsidiaries in the consolidated financial statements from 2025, disclose an inventory should be conducted for Scope 1 and Scope 2 greenhouse gas emissions. The listed companies shall conduct the assurance of their Scope 1 and Scope 2 GHG emissions according to the following timetables: Having a paid-in capital of NT\$10 billion or more shall complete assurance for the individual company from 2024, and complete assurance for the parent company and all subsidiaries in the consolidated financial statements from 2027. The listed companies shall disclose carbon reduction targets, strategies, and specific action plans for the company (including subsidiaries in consolidated financial statements) according to the following timetables: Having a paid-in capital of NT\$10 billion or more shall complete disclosure from 2025. 	1.3 Sustainable Governance 2 Journey to Net Zero 4.1 Corporate Governance	18 36 95
Article 5	<ul style="list-style-type: none"> CPAs conducting assurance of sustainability metrics under Article 4, Paragraph 2, and the CPA firms to which they belong, and the personnel conducting GHG assurance under Article 4-1, Paragraph 3, and the institutions to which they belong, all shall comply with the relevant provisions of the Directions for the Implementation of Assurance Institutions of Sustainability Reports of TWSE and TPEX Listed Companies, which shall be applicable from 2024. The listed companies shall disclose the sustainability report and the link to the file of that report posted on the company's website on the internet information reporting system designated by TWSE by August 31. The listed company shall establish the operational procedure for preparation and validation of the sustainability report, and include this procedure in its internal control system. 	1.3 Sustainable Governance 4.1 Corporate Governance	18 95




Appendix 8 - ISO26000 Index

Category	Issue	Reference
Organizational Governance	Decision-making process and structures	1 Our Story
	Due diligence	4.8 Human Rights Protection
	Human rights risk situations	4.8 Human Rights Protection
	Avoidance of complicity	4.1 Corporate Governance
Human rights	Resolving grievances	5.1 Talent Cultivation and Development
	Discrimination and vulnerable groups	4.8 Human Rights Protection
	Civil and political rights	4.8 Human Rights Protection
	Economic, social and cultural rights	4.8 Human Rights Protection
	Fundamental principles and rights at work	5.2 Talent Attraction and Retention
	Employment and employment relationships	5.2 Talent Attraction and Retention
	Conditions of work and social protection	4.8 Human Rights Protection
Labor Practices	Social dialogue	4.8 Human Rights Protection
	Health and safety at work	5.3 Healthy and Safe friendly workplace
	Human development and training in the workplace	5.1 Talent Cultivation and Development
	Prevention of pollution	6.3 Sustainable Operating Environment
	Sustainable resource use	6.3 Sustainable Operating Environment
Environment	Climate change mitigation and adaptation	2.4 Risk Identification
	Protection of the environment, biodiversity and restoration of natural habitats	6.1 Natural Environment and Biodiversity Preservation
	Anti-corruption	4.2 Code of Conduct and Ethic
	Responsible political involvement	4.2 Code of Conduct and Ethic
	Fair competition	4.2 Code of Conduct and Ethic
Fair operating practices	Promoting social responsibility in the value chain	1 Our Story
	Respect for property rights	4.2 Code of Conduct and Ethic
	Fair marketing, factual and unbiased information and fair contractual practices	3.3 Treating Customers Fairly and Customer Experience
	Protecting consumers' health and safety	3.3 Treating Customers Fairly and Customer Experience
	Sustainable consumption	3.1 Sustainable Finance
	Consumer service, support, and complaint and dispute resolution	3.3 Treating Customers Fairly and Customer Experience
	Consumer data protection and privacy	3.3 Treating Customers Fairly and Customer Experience
	Access to essential services	3.3 Treating Customers Fairly and Customer Experience / 3.4 FinTech and Innovation
	Education and awareness	3.3 Treating Customers Fairly and Customer Experience
	Community engagement	6.2 Social Inclusion
	Education and culture	6.2.2 Academic Education 6.2.3 Social Participation
	Employment creation and skills development	5.1 Talent Cultivation and Development
	Technological development	5.1 Talent Cultivation and Development
	Wealth and income creation	6.2.4 Humanities and Arts
	Health	6.2.4 Humanities and Arts
	Social investment	6.2.4 Humanities and Arts

Appendix 9 - UN Global Compact Index

Category	Issue	Reference
	Businesses should support and respect the protection of internationally proclaimed human rights	4.8 Human Rights Protection
Human Rights	Make sure that we are not complicit in human rights abuses	6.3.2 Supplier Management
	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	4.8 Human Rights Protection
Labour	The elimination of all forms of forced and compulsory labour	4.8 Human Rights Protection
	The effective abolition of child labour	4.8 Human Rights Protection
	The elimination of discrimination in respect of employment and occupation	4.8 Human Rights Protection
	Businesses should support a precautionary approach to environmental challenges	2 Journey to Net Zero
Environment	Undertake initiatives to promote greater environmental responsibility	6 Seeking Common Good
	Encourage the development and diffusion of environmentally friendly technologies	3.1 Sustainable Finance
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	4.2 Code of Conduct and Ethic




Appendix 10 - SDGs Indicators

SDGs	Sub-target	Action
 4 Quality Education	4.3 Ensure equal and affordable access to education for both men and women (U)	(S) Established 180 E.SUN Libraries.
	4.5 Ensure access to education for vulnerable groups (U)	(S) Caring for Students Project, helping 36,312 people in 3 years.
	4.7 Ensure learners acquire knowledge and skills that promote sustainable development, including education for sustainable development, cultural diversity appreciation, etc. (U)	(S) Rural Elementary School English Hand-in-Hand Program, with a total of 234 classes and benefiting 3,400 rural students.
	4.8 Enhance youth access to information and communication technology (ICT) skills (T)	(S) E.SUN Talent Cultivation Scholarship, awarded to a total of 281 students.
		(S) E.SUN Academic Award, awarded to a total of 76 professors.
		(S) Rural children's experiential activities such as two-courtyard self-contained field, theater arts experience, walking through E.SUN Library, digital reading exploration contest, etc., benefiting 5,732 people in 2023.
		(S) In cooperation with the Ministry of Education and Kaohsiung City Education Bureau, E.SUN has established the "Anti-Drug Education Action Car." By 2023, more than 3,000 students will benefit from this program, with a cumulative total of over 8,000 students benefiting.
		(C) World cities account for 29.3% of the total.
		(C) Cumulatively held 9 AI Talent Open Challenges, with a total of 6,721 teams participating.
 8 Sustainable Business and Economic Growth	8.2 Enhance economic productivity through diversification, technological upgrading, and innovation (U)	(S) The average benefits spending for non-managerial staff is 1.60 million NTD.
	8.3 Provide financial services to encourage the growth of micro, small, and medium-sized enterprises (U)	(S) Assisted 27.6 thousand small and medium-sized enterprise customers in obtaining crucial operating funds.
	8.8 Promote safe working environments and protect labor rights, especially for female workers (U)	(C) The outstanding loan balance for small and medium-sized enterprises is 559.4 billion NTD.
	8.10 Provide convenient, diverse, and accessible financial services (U)	(C) Invested 540 million NTD in research and development, holding 179 related patents (69 inventions, 86 new types, and 24 designs).
	8.13 Encourage the development of renewable energy (T)	(C) E.SUN Bank's mobile banking, internet banking, and E.SUN Wallet serve 2.88 million active customers.
		(C) Digital transactions account for 68.5% of the overall ratio.
 3 Health and Wellbeing	3.8 Achieve universal health coverage (U)	(S) Collaborate with doctors to provide home medical services, serving a total of 3,684 vulnerable groups and residents in remote areas in 2023.
	3.c Increase health financing and support for health workforce in developing countries (U)	(S) Distribute E.SUN Nursing Talent Scholarships, supporting a total of 35 students.
		(S) Partner with Taiwan Blood Services Foundation to organize blood donation events, recruiting 7,017 volunteer blood donors and collecting 10,273 bags of blood.
		(S) Install 26 fixed dental treatment chairs in remote elementary schools in Hualien County, Taitung County, Chiayi County, and Kaohsiung City, serving local students and residents, and encouraging more young dentists to serve in remote areas and contribute to medical expertise.
		(S) Collaborate with the 'National Union of Chinese Medicine Doctors' to organize the first 'Chinese Medicine Festival', promoting knowledge of Chinese medicine and treatment, with 2,000 participants.
		(C) 61,000 medical professional credit cards in circulation.

Note 1: (U) United Nations; (T) National Goals

Note 2: (S) Social Goals; (C) Commercial Goals




Note 3: The calculations related to water consumption reduction and general waste reduction are all based on 2016 as the base year, carbon emission reduction based on 2020.

SDGs	Sub-target	Action
 13 Climate Actions	13.2 Integrating climate change mitigation measures into strategic planning (U) 13.3 Enhancing the capacity of institutions and employees to respond to climate change (U) 13.3.2 Promoting behavioral change among the public and implementing lowcarbon local actions (T)	(S) Wind power generation participation and capacity of 447MW, reducing 465 thousand tons of carbon emissions. (S) Solar power generation participation and capacity of 1,036MW, reducing 503 thousand tons of carbon emissions. (S) No longer providing financing for new coal-fired power plant projects, and not renewing contracts for existing projects after their term. (S) Reduce total amount of carbon emissions by 18.5%. (S) E.SUN Bank's co-branded cardholders ride YouBike approximately 4.45 million times in 2023. (C+S) 51 equator principle projects. (C) Green loans amount \$80.9 billion NTD, ESG industries \$275.9 billion NTD, and sustainable linked loans \$60 billion NTD.
 16 Peace and Justice Institutions	16.4 Reduce illicit financial flows and combat all forms of organized crime (U) 16.6 Establish effective, accountable, and transparent systems (U) 16.7 Ensure responsive, inclusive, participatory, and representative decision-making (U)	(S) Successfully assisted in thwarting 956 fraud cases, amounting to approximately NTD 544.77 million in 2023. (including foreign currency). (C) A total of 333 employees have obtained the internationally recognized Certified Anti-Money Laundering Specialist (CAMS) certification. (C) A total of 1,887 employees have obtained the 'Anti-Money Laundering and Counter-Terrorist Financing Specialist Examination' certification. (C) 16 employees have obtained the Certified Global Sanctions Specialist (CGSS) certification. (C) 13 employees have obtained the Certified Transaction Monitoring Analyst (CTMA) certification. (C) 2 employees have obtained the Certified Know Your Customer Associate (CKYCA) certification.
 12 Responsible Consumption and Production	12.5 Reduce waste generation, promote resource recovery and reuse (U) 12.6 Encourage companies to adopt sustainable practices and disclose sustainability information (U) 12.7 Promote green procurement (U)	(S) Waste reduction per unit of revenue decreased by 42%. (S) Water consumption per unit of revenue decreased by 23%. (S) E.SUN Bank's credit card system achieved carbon neutrality, offsetting a total of 1,820 tons of carbon dioxide in 2023. (C) Green procurement accumulated to 2.254 billion NTD. (C) Over 6.46 million zero-carbon credit cards issued.

Note 1: (U) United Nations; (T) National Goals

Note 2: (S) Social Goals; (C) Commercial Goals

Note 3: The calculations related to water consumption reduction and general waste reduction are all based on 2016 as the base year, carbon emission reduction based on 2020.

SDGs	Sub-target	Action
 <p>15 Terrestrial Biodiversity</p>	<p>15.2 Implement sustainable forest management (U)</p> <p>15.4 Ensure the conservation of mountain ecosystems (U)</p> <p>15.5 Protect and prevent the extinction of endangered species (U)</p>	<p>(S) Tree planting project, with a total of 70,000 native Taiwanese tree species planted.</p> <p>(S) Donated a total of 11 million NTD to Taipei Zoo.</p> <p>(S) Since 2009, E.SUN has continuously sponsored the Yushan National Park trail for 15 years.</p> <p>(S) For 14 consecutive years, E.SUN has organized the 'Beautiful Taiwan Smile Yushan' environmental cleanup and beach cleaning event, with over 7,419 participants in 2023.</p> <p>(S) Collaborating with National Taiwan University to promote the restoration of 28 native species in Nantou that were previously considered extinct. Supporting the development of a native rice product line in indigenous villages.</p> <p>(C) A total of 92,000 Taiwan Black Bear co-branded cards and Imperial Sword cards have been issued (a portion of the proceeds is donated to black bear conservation and tree planting projects).</p>
 <p>5 Gender Equality</p>	<p>5.1 Ending discrimination against women (U)</p> <p>5.4 Valuing the care and domestic work of women (U)</p> <p>5.5 Ensuring women have equal opportunities to participate in decision-making at all levels (U)</p>	<p>(S) Provides maternity leave (63 days), paternity leave (8 days), pregnancy checkup accompaniment and paternity leave (8 days), and child-rearing leave system (3 years) that are better than legal requirements.</p> <p>(S) The return-to-work rate after child-rearing is 89.94%.</p> <p>(C) 41.48% of managers are female.</p> <p>(C) The average fixed salary for general employees, with women at 98% of men's salary.</p>
 <p>17 Global partners</p>	<p>17.3 Provides financial support to developing countries (U)</p> <p>17.3 Offers Taiwan scholarships to outstanding students from developing countries for studying in Taiwan (T)</p>	<p>(S) E.SUN has provided scholarships to outstanding students from Vietnam, the Philippines, and Indonesia, supporting a total of 38 students.</p> <p>(S) E.SUN has designed an all-English financial course to cultivate foreign students studying in Taiwan (including those from Vietnam, Indonesia, Malaysia, Thailand, Honduras, Palestine, and St. Lucia), with a total of 15 students trained in 2023.</p> <p>(C) E.SUN has provided housing loans totaling USD 302 million in the Philippines.</p>

Note 1: (U) United Nations; (T) National Goals

Note 2: (S) Social Goals; (C) Commercial Goals

Note 3: The calculations related to water consumption reduction and general waste reduction are all based on 2016 as the base year, carbon emission reduction based on 2020.

Appendix 11 - TCFD Disclosure Recommendations

Recommended Disclosures		Chapter
Governance	Describe the board's oversight of climate-related risks and opportunities.	2.1 Climate & Environment Governance Structure / 2.4.2 Climate & Environment Risk Management Procedures
	Describe management's role in assessing and managing climate-related risks and opportunities	2.1 Climate & Environment Governance Structure / 2.1.1 Policy and Climate & Environment Culture Building / 2.4.2 Climate & Environment Risk Management Procedures
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2.2 Climate & Environment-related Risk and Opportunity / 2.3 Opportunity Identification / 2.4 Risk Identification
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	2.3.1 Financial Plan and Response Strategy / 2.3.2 Climate & Environment-related Product and Service Overview / 2.4.1 Impact Assessment
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2o C or lower scenario	2.3.1 Financial Plan and Response Strategy / 2.4.4 Climate Change Scenario Analysis / 6.3.2 Supplier Management
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	2.4 Risk Identification / 2.4.1 Impact Assessment
	Describe the organization's processes for managing climate-related risks	2.4.2 Climate & Environment Risk Management Procedures / 2.4.3 Climate-sensitive Assets / 3.1.1 Responsible Lending / 3.1.2 Responsible Investment / 6.3 Sustainable Operating Environment
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	2.4.5 Risk Management Measures / 2.4.6 Applying Differential Management of Industries / 3.1.1 Responsible Lending / 3.1.2 Responsible Investment
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	2.3.1 Financial Plan and Response Strategy / 2.3.2 Climate & Environment-related Product and Service Overview / 2.4.3 Climate-sensitive Assets / 3.1.1 Responsible Lending / 3.1.2 Responsible Investment / 6.3 Sustainable Operating Environment / 6.3.2 Supplier Management
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2.5 E.SUN Carbon Emissions Structure / 2.5.1 Portfolio Emissions Analysis / 2.5.2 Our Path to Net-Zero by 2050
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2.3.1 Financial Plan and Response Strategy / 2.3.2 Climate & Environment-related Product and Service Overview / 2.5.1 Portfolio Emissions Analysis / 2.5.2 Our Path to Net-Zero by 2050 / 3.1.1 Responsible Lending / 3.1.2 Responsible Investment / 6.3 Sustainable Operating Environment

Appendix 12 - 2023 Financed Emissions Structure

Asset Class Distribution

Asset Class Distribution			Financed Emissions (t-CO ₂ e)	Carbon Footprint (t-CO ₂ e/\$M)	WACI (t-CO ₂ e/\$M)	Physical Emission Intensity ²	Physical Emission Intensity Units ²	Data Quality	Inventory Coverage
Investment	Stocks and Corporate Bonds ¹		672,112	49.27	144.77			3.15	50.17%
	Sovereign Bonds	Excluding LULUCF	1,017,788	240.59	240.59			1.00	
		Including LULUCF	925,642	218.81	217.00			1.00	
Crediting	Corporate Loans		2,918,240	101.65	149.77			3.76	93.28%
	Power Generation Project Finance		186,931	121.70		0.11	t-CO ₂ e/Power Generated (MWh)	3.06	
	Commercial Real Estate Loans		160,552	57.86		0.11	t-CO ₂ e/Floor Space (m ²)	4.00	
	Mortgages		399,419	13.16		0.04	t-CO ₂ e/Floor Space (m ²)	4.00	
	Motor Vehicle Loans		-	-	-	-	t-CO ₂ e/km	-	
Total	Excluding LULUCF		5,355,042	65.91	156.53			3.60	77.62%
	Including LULUCF		5,262,897	64.78	-			3.60	

Geographical Distribution

Geographical Distribution	Financed Emissions (t-CO ₂ e)	Carbon Footprint (t-CO ₂ e/\$M)	WACI (t-CO ₂ e/\$M)
Taiwan	3,140,494	53.17	163.30
N. America & Europe	655,654	65.50	53.82
Other Asia	558,060	113.48	156.84
Others	555,881	114.40	278.93
Hong Kong	396,865	199.24	318.60
China	48,089	134.95	129.36
Total	5,355,042	65.91	156.53

Note 1: Due to PCAF 2nd Edition not yet having set guidelines for calculating Scope 3 GHG for sustainable bonds, such as green bonds, sustainability bonds, and social bonds, the carbon emissions from these types of bonds have been excluded from the investments in stocks and corporate bonds. The excluded emissions amount to 39,834 t-CO₂e. If the elements above are included, the overall inventory coverage will increase to 78.45%

Note 2: Physical Emissions Intensity refers to the efficiency of total carbon emissions from specific activities within an industry per unit of output.

Note 3: Currency shown in \$USD, calculated using USD/TWD exchange rate of 12/31/2023.

Industry distribution

Industry distribution	Financed Emissions (t-CO ₂ e)	Carbon Footprint (t-CO ₂ e/\$M)	WACI (t-CO ₂ e/\$M)
Manufacturing	1,051,005	163.47	159.92
Electricity and Utilities	613,580	281.20	1,766.76
Fossil Fuels and Chemical	463,116	247.91	454.53
Transportation	540,763	283.53	459.76
Electronics	327,248	81.47	106.41
Others	424,580	45.94	91.95
Cement and Glass	197,443	1,120.28	3,752.48
Metals and Mining	145,813	359.94	390.56
Wholesale and Retail Trade	113,156	19.87	13.22
Finance	61,131	4.15	9.53
Total	3,937,835	84.39	148.23

Appendix 13 - Human Resource Management Indicators

GRI: 2-7, 2-8, 401-1, 401-3, 403-9, 403-10, 405-1, 406-1, 412-3
SASB: FN-AC-330a.1

A-1- Employeeworkers and Non-Employeeworkers

Year	Employeeworkers	Non-employeeworkers
2021	9,262	638
2022	9,109	694
2023	9,115	1332

Note:

1. The total number of employee includes employees work in oversea branches.
2. All employees are permanent and full-time employment, excluding employees who take leave without pay.
3. Non-employee workers are those other than E.SUN's employees, including temporary workers and contractors' employees, providing services such as information, security, and cleaning.

A-3 - Employee Age Distribution

Year	Item	Under29	30-50	Over51	Total
2021	Number	3291	5540	431	9262
	Proportion of all employees	35.53%	59.82%	4.65%	100.00%
2022	Number	2995	5592	522	9109
	Proportion of all employees	32.88%	61.39%	5.73%	100.00%
2023	Number	2869	5667	579	9115
	Proportion of all employees	31.48%	62.17%	6.35%	100.00%

- Notes: 1.The total number of employee includes employees work in oversea branches
2.All employees are permanent and full-time employment, excluding employees who take leave without pay.

A-5 - Employee Position Distribution

Year	Item	Managerial employees	Non-managerial employees	Total
2021	Number	2767	6495	9262
	Proportion of all employees	29.87%	70.13%	100.00%
2022	Number	2906	6203	9109
	Proportion of all employees	31.90%	68.10%	100.00%
2023	Number	2951	6164	9115
	Proportion of all employees	32.38%	67.62%	100.00%

- Notes: 1.The total number of employee includes employees work in oversea branches
2.All employees are permanent and full-time employment, excluding employees who take leave without pay.
3.Managerial employees refer to those marked as managerial employees or above in our human resources system

A-6 - Employee National Distribution

Year	Item	Taiwan	Hong Kong	Macao	Vietnam	Cambodia	Thailand	Singapore	Myanmar	USA	China	Australia	Malaysia	Japan	South Korea	Czech Republic	French	Brunei	Total
2021	Number	8980	128	0	38	0	0	33	30	20	15	8	7	3	0	0	0	0	9262
	Proportion of all employees	96.96%	1.38%	0.00%	0.41%	0.00%	0.00%	0.36%	0.32%	0.22%	0.16%	0.09%	0.08%	0.03%	0.00%	0.00%	0.00%	0.00%	100.00%
2022	Number	8800	132	1	47	1	1	38	30	19	18	8	10	3	1	0	0	0	9109
	Proportion of all employees	96.61%	1.45%	0.01%	0.52%	0.01%	0.01%	0.42%	0.33%	0.21%	0.20%	0.09%	0.11%	0.03%	0.01%	0.00%	0.00%	0.00%	100.00%
2023	Number	8761	139	1	55	0	2	44	30	21	24	6	22	6	1	1	1	1	9115
	Proportion of all employees	96.12%	1.52%	0.01%	0.60%	0.00%	0.02%	0.48%	0.33%	0.23%	0.26%	0.07%	0.24%	0.07%	0.01%	0.01%	0.01%	0.01%	100.00%

- Notes: 1.The total number of employee includes employees work in oversea branches.
2.All employees are permanent and full-time employment.
3.The numbers are decided based on the employees' nationality.

A-2 - Employee Gender Distribution

Year	Item	Male	Female	Total
2021	Number	4152	5110	9262
	Proportion of all employees	44.83%	55.17%	100.00%
2022	Number	4007	5102	9109
	Proportion of all employees	43.99%	56.01%	100.00%
2023	Number	3968	5147	9115
	Proportion of all employees	43.53%	56.47%	100.00%

- Notes: 1.The total number of employee includes employees work in oversea branches
2.All employees are permanent and full-time employment, excluding employees who take leave without pay.

A-4 - Employee Educational Level Distribution

Year	Item	Master and above	Bachelor	Junior college	High school and under	Total
2021	Number	2503	6351	363	45	9262
	Proportion of all employees	27.02%	68.57%	3.92%	0.49%	100.00%
2022	Number	2457	6249	362	41	9109
	Proportion of all employees	26.97%	68.60%	3.97%	0.45%	100.00%
2023	Number	2539	6189	348	39	9115
	Proportion of all employees	27.86%	67.90%	3.82%	0.43%	100.00%

- Notes: 1.The total number of employee includes employees work in oversea branches
2.All employees are permanent and full-time employment, excluding employees who take leave without pay.

A-7 - Managerial Employees Nationality Distribution

Item	2020	2021	2022	2023
	Proportion of all managerial employees	Proportion of all managerial employees	Proportion of all managerial employees	Proportion of all managerial employees
Taiwan	98.20%	97.98%	97.94%	97.49%
Hong Kong	0.70%	0.90%	0.89%	1.02%
USA	0.26%	0.29%	0.28%	0.27%
Vietnam	0.22%	0.22%	0.24%	0.27%
Singapore	0.22%	0.18%	0.24%	0.34%
Australia	0.15%	0.14%	0.14%	0.10%
China	0.07%	0.11%	0.10%	0.17%
Myanmar	0.11%	0.11%	0.10%	0.20%
Japan	0.07%	0.07%	0.07%	0.10%
Malaysia	0.00%	0.00%	0.00%	0.03%
Total	100.00%	100.00%	100.00%	100.00%

Note:1.The total number of employee includes employees work in oversea branches.

2.All employees are permanent and full-time employment, excluding employees who take leave without pay.

3.The numbers are decided based on the employees' nationality.

C - Female Employee Position Distribution

Item	2020	2021	2022	2023
Women in management	38.45%	39.39%	40.85%	41.48%
Junior management positions	42.04%	43.20%	45.03%	45.49%
Top management positions	20.61%	21.56%	22.08%	24.14%
Management positions in revenue-generating functions	35.64%	40.72%	41.20%	42.41%
STEM-related positions	31.43%	30.67%	31.49%	33.01%

Note:1. Junior management employees refer to those marked as managerial employees(managers and above are not included) in our human resources system.

2. Top management employees refer those marked as managerial employees(managers and above) in our human resources system.

3. Revenue-generating function employees refer to everyone taking the lower-managerial positions and above of each product line's sales business.

4. STEM-related positions employees refer to employees working in fintech-related departments.

5. E.SUN set specific goals by 2025: the share of women in total workforce is 55% and above, all management positions reaches 43%, junior management positions reaches 47%,Top management positions reaches 25%.

D-1 - New Recruits Gender Distribution

Year	Item	Male	Female	Total
2020	Number	469	709	1,178
	New Employee Ratio	11.10%	13.44%	-
2021	Number	339	377	716
	New Employee Ratio	8.16%	7.38%	-
2022	Number	377	585	962
	New Employee Ratio	9.41%	11.47%	-
2023	Number	400	582	982
	New Employee Ratio	10.08%	11.31%	-

Note: 1. The new employee ratio is [(the number of new employees in the year according to each category)/(the total number of employees at end of year according to each category)]*100%.

2. Average hiring cost per person:NTD\$23,873 in 2020,NTD\$31,978 in 2021, NTD\$26,389 in 2022, NTD\$17,727 in 2023.

B - Distribution in Regard to Minorities

Year	Item	People with disability	LGBTQI+	Indigenous People
2021	Number	47	3	39
	Proportion of all employees	0.51%	0.03%	0.42%
2022	Number	43	1	37
	Proportion of all employees	0.47%	0.01%	0.41%
2023	Number	41	3	37
	Proportion of all employees	0.45%	0.03%	0.41%

Note:1. The total number of employee includes employees work in oversea branches.

2. All employees are permanent and full-time employment, excluding employees who take leave without pay.

3. LGBTQI+ refers to homosexual, bisexual, transgender, queer, and intersex; the number in each column is calculated through dividing the total number of married people by the number of people in same-sex marriage.

D-2 - New Recruits Age Distribution

Year	Item	Under 29	30-50	Over 51
2020	Number	1103	73	2
	New Employee Ratio	29.98%	1.34%	0.53%
2021	Number	646	70	0
	New Employee Ratio	19.63%	1.26%	0.00%
2022	Number	863	98	1
	New Employee Ratio	28.81%	1.75%	0.19%
2023	Number	861	118	3
	New Employee Ratio	29.89%	2.08%	0.52%

Note: The new employee ratio is [(the number of new employees in the year according to each category)/(the total number of employees at end of year)]*100%.

D-3 - New Recruits National Distribution

Year	Item	Taiwan	Hong Kong	Singapore	USA	Vietnam	Myanmar	China	Malaysia	Australia	Japan	French	Cambodia	Czech Republic	Brunei	Thailand	Germany
2020	Number	1084	43	14	5	8	11	8	1	1	1	1	0	0	0	0	1
	New Employee Ratio	11.76%	34.96%	41.18%	31.25%	22.22%	30.56%	44.44%	14.29%	14.29%	25.00%	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
2021	Number	647	35	12	5	5	5	4	2	1	0	0	0	0	0	0	0
	New Employee Ratio	7.20%	27.34%	36.36%	16.67%	13.16%	16.67%	26.67%	28.57%	12.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2022	Number	829	71	20	2	16	5	8	6	0	1	0	1	0	0	1	0
	New Employee Ratio	9.42%	53.79%	52.36%	10.53%	34.04%	16.67%	44.44%	60.00%	0.00%	33.33%	0.00%	100.00%	0.00%	0.00%	100.00%	0.00%
2023	Number	883	33	14	5	12	2	13	13	0	3	1	0	1	1	1	0
	New Employee Ratio	10.08%	23.74%	31.82%	23.81%	21.82%	6.67%	54.17%	59.09%	0.00%	50.00%	100.00%	0.00%	100.00%	100.00%	50.00%	0.00%

Note: 1.The total number of employee includes employees work in oversea branches.

2.All employees are permanent and full-time employment.

3.The numbers are decided based on the employees' nationality.

D-4 - New Recruits Position Distribution

Year	Item	Managerial employees	Non-managerial employees
2020	Number	31	1,147
	New Employee Ratio	1.14%	16.92%
2021	Number	17	699
	New Employee Ratio	0.61%	10.76%
2022	Number	32	930
	New Employee Ratio	1.10%	14.99%
2023	Number	41	941
	New Employee Ratio	1.39%	15.27%

Note:1.The new employee ratio is [(the number of new employees in the year according to each category)/(the total number of employees at end of year.)*100%.

2.Managerial employees refer to those marked as managerial employees or above in our human resources system.

E - Turnover Rate

Item	2020	2021	2022	2023
Turnover rate	6.45%	8.67%	10.33%	10.61%
Voluntary turnover rate	6.16%	8.11%	9.28%	9.34%
Data coverage (% of employee)	100%	100%	100%	100%

Note: 1.The turnover rate is calculated with all leaves due to voluntary termination, dismissal/severance, retirement, or death taken into consideration.

2.1 death, 80dismissal/severance, and 35 retirement cases.

F-1 - Turnover Rate Gender Distribution

Year	Item	Male	Female
2020	Number	281	332
	Turnover rate	6.65%	6.29%
2021	Number	370	433
	Turnover rate	8.91%	8.47%
2022	Number	450	491
	Turnover rate	11.23%	9.62%
2023	Number	431	536
	Turnover rate	11.65%	10.41%

Note: The turnover rate is [(the number of total employees resigned in the year according to each category)/(the total number of employees at end of year according to each category)]*100%.

F-2 - Turnover Rate Age Distribution

Year	Item	Under 29	30-50	Over 51
2020	Number	332	258	23
	Turnover rate	9.02%	4.73%	6.15%
2021	Number	439	332	32
	Turnover rate	13.34%	5.99%	7.42%
2022	Number	499	404	38
	Turnover rate	16.66%	7.22%	7.28%
2023	Number	483	434	50
	Turnover rate	16.77%	7.67%	8.73%

Note: The turnover rate is [(the number of total employees resigned in the year according to each category)/(the total number of employees at end of year according to each category)]*100%.

F-3 - Turnover Rate Position Distribution

Year	Item	Managerial employees	Non-managerial employees
2020	Number	91	522
	Turnover rate	3.34%	7.70%
2021	Number	128	675
	Turnover rate	4.63%	10.39%
2022	Number	176	765
	Turnover rate	6.06%	12.33%
2023	Number	150	817
	Turnover rate	5.08%	13.25%

Note:1. The turnover rate is [(the number of total employees resigned in the year according to each category)/(the total number of employees at end of year according to each category)]*100%.

2. Managerial employees refer to those marked as managerial employees or above in our human resources system.

F-4 - Turnover Rate Nationality Distribution

Year	Item	Taiwan	Hong Kong	Singapore	Myanmar	China	Malaysia	Vietnam	Japan	French	USA	Germany	Cambodia	Australia
2020	Number	562	25	3	9	6	1	2	0	0	4	0	0	1
	Turnover rate	6.10%	20.33%	8.82%	25.00%	33.33%	14.29%	5.56%	0.00%	0.00%	25.00%	0.00%	0.00%	14.29%
2021	Number	748	20	10	10	7	2	2	1	1	1	1	0	0
	Turnover rate	8.33%	15.63%	30.30%	33.33%	46.67%	28.57%	5.26%	33.33%	100.00%	5.00%	100.00%	0.00%	0.00%
2022	Number	859	51	12	4	6	2	3	1	0	3	0	0	0
	Turnover rate	9.76%	38.64%	31.58%	13.33%	33.33%	20.00%	6.38%	33.33%	0.00%	15.79%	0.00%	0.00%	0.00%
2023	Number	913	23	8	2	9	1	5	0	0	3	0	1	2
	Turnover rate	10.42%	16.55%	18.18%	6.67%	37.50%	4.55%	9.09%	0.00%	0.00%	14.29%	0.00%	100.00%	33.33%

Note: 1.The total number of employee includes employees work in oversea branches.

2.All employees are permanent and full-time employment.

3.The numbers are decided based on the employees' nationality.

G - Managerial and Non-Managerial Employees Age / Gender Distribution

Item	Under 29	Percentage	30-50	Percentage	Over 51	Percentage	Total	Percentage
Managerial employees								
Male	0	0.00%	237	56.29%	184	43.71%	421	75.86%
Female	0	0.00%	83	61.94%	51	38.06%	134	24.14%
Total	0	0.00%	320	57.66%	235	42.34%	555	100%
Non-managerial employees								
Male	1,045	29.46%	2,348	66.20%	154	4.34%	3,547	41.44%
Female	1,824	36.39%	2,999	59.82%	190	3.79%	5,013	58.56%
Total	2,869	33.52%	5,347	62.46%	344	4.02%	8,560	100.00%

Note: Managerial employees refer to managers and above.

H - Statistics of Unpaid Parental Leaves And Reinstatements

Item	Male	Female	Total
(1) Number of employees that applied for parental leave in 2023	23	207	230
(2) Number of employees granted parental leave in 2023	424	611	1035
(3) Number of employees whose parental leave ended in 2023 (A)	16	153	169
(4) Number of employees that returned from parental leave in 2023 (B)	13	139	152
(5) Return rate (B/A)	81.25%	90.85%	89.94%
(6) Number of employees that returned from parental leave in 2022 (C)	11	173	184
(7) Number of employees that have been in service for a year after returning from parental leave in 2022 (D)	8	157	165
(8) Retention rate (D/C)	72.73%	90.75%	89.67%

Note: 1. Employees not returning from parental leave did so due to personal reasons.

2. According to Article 16 of Act of Gender Equality in Employment and Article 36 of E.SUN Employee Handbook, employees who have been in service for 6 months may apply for unpaid parental leave before their children reach the age of three years old. All employees are qualified for parental leave.

3. The number of employees whose parental leave ended in 2023 exclude those who have left the company before 2023, and the proposal is to extend the number of employees on leave.

I - Occupational Sick Leave

Item	Number of employees that applied for occupational sick leave	Number of days that employees applied for occupational sick leave	Occupational injury rate	Number of employees that applied for sick leave	Number of days that employees applied for sick leave	Number of employees that applied for personal leave	Number of days that employees applied for personal leave"	Total working days	Absentee rate	Absentee rate Number of lost workday
Male	39	133.5	2.16	596	2,118.1	179	429.5	984,064	0.27%	7.38
Female	95	572.6	5.25	1,115	6,874.6	307	808.4	1,276,456	0.65%	31.66
Total	134	706.1	7.41	1,711	8,992.7	486	1,237.9	2,260,520	-	39.05

Note: 1. Total working hours = 18,084,160 (Total number of employees *Daily working hours *Total working days in a year).

2. Total working days = 2,260,520 (Total number of employees *Total working days in a year).

3. Lost workday is calculated based on GRI's 1-million-hour standard. Lost workday rate = Number of occupational sick leave *1,000,000 / Total working hours.

4. The total number of employees involved in incidence of occupational diseases and the number in death or disability incurred at work are both zero.

5. No overseas employee took any occupational injury leave.

6. Occupational injury rate = (Number of employees on occupational sick leave *1,000,000 / Total working hours)

7. Absentee rate in male employees = (Number of occupational sick days taken by male employees + sick days taken by male employees + personal days taken by male employees) / Total working days for male.

8. Absentee rate in female employees = (Number of occupational sick days taken by female employees + sick days taken by female employees + personal days taken by female employees) / Total working days for female.

J - Absentee Rate

Item	2020	2021	2022	2023
Absentee rate (%)	0.31	0.29	0.37	0.48
Data coverage (% of employee)	100%	100%	100%	100%

Note: 1. Absentee rate = (Number of days that employees applied for occupational sick leave + Number of employees that applied for sick leave + Number of days that employees applied for personal leave) / Total working days. Excluding employees who take leave without pay and those who resign.
2. The goal of absentee rate: below 0.7% in 2023, below 0.7% in 2024.

L - Salary and Benefits for Full-time Non-managerial Employees

Item	2021	2022	2023	Growth compared to the previous year
Number of employees	8,135	7,775	7,667	-1.39%
Average salary (NT\$ thousand)	116.8	121.0	128.3	6.03%
Median salary (NT\$ thousand)	106.9	111.3	115.6	3.86%
Average spending on employee benefits (NT\$ thousand)	140.5	135.6	160.2	18.15%

Note: 1. The figures are calculated by excluding employees acting as management as defined in Circular No. 920001301 issued by Ministry of Finance (MoF).
2. Average salary and median salary: The number and average salary of full-time non-managerial employees are calculated in accordance with Paragraph 31, Article 3 of the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds.
3. Average spending on employee benefits: The average spending on the benefits of non-managerial employees is calculated on the basis of number of people and employee benefit expense as reported in the financial statement and after excluding managerial employees.

M - Female / Male Remuneration Ratio in Taiwan in 2023 (Female:Male)

Position level	Base salary	Annual remuneration
Executive	97:100	100:100
Management level	97:100	99:100
Non-management	97:100	97:100

Note1: The male/female remuneration ratio may differ slightly due to the number of (3) Employee Assistance Programs provide counseling services. individuals and personal performance.
2: Subjects included in this salary statistics table are full-time employees in Taiwan who have worked in E.SUN for no less than 1 year.

N - Employee Benefits More Favorable Than Statutory Requirements

Item	2021		2022		2023	
	Number of employees	Amount (NT\$)	Number of employees	Amount (NT\$)	Number of employees	Amount (NT\$)
Outstanding Children Award	136	\$1,261,200	148	\$1,571,800	173	\$1,549,000
Family care	7	-	7	-	9	-
Marriage subsidies	276	\$2,537,000	322	\$3,035,000	310	\$2,938,000
Birth subsidies	345	\$1,041,000	334	\$1,032,000	359	\$1,092,000
E.SUN Baby Development Fund	354 (359 children)	\$35,900,000	318 (328 children)	\$32,800,000	331(338 children)	\$33,800,000
Education subsidies for employees' children	3,018	\$6,774,000	3,420	\$7,685,000	3,683	\$8,271,000
Medical subsidies for employees, their spouses and children	1,379	\$21,458,388	1,760	\$33,325,158	1,871	\$37,843,781

O - Human Rights Control Plan and Implementation Results

Stakeholder	Issue	Risk Identification Ratio	Total	Risk mitigation measures	Possibility of Impact	Total	Impact compensation measures	Implementation Ratio of Compensation Measures
	Gender equality and inclusion	2.81%		<ol style="list-style-type: none"> Established the "Guidelines for the Establishment of Gender Equality Committee for E.SUN FHC and its Subsidiaries," the "Rules and Procedures for Sexual Harassment Prevention, Complaint and Punishment of E.SUN FHC and its Subsidiaries," and the "Plans for Preventing Unlawful Infringement While Performing Duties at Work." Included SDG "gender equality" as a specific target. Included the promotion of gender equality and friendly workplace in mandatory training programs. Held seminars on gender equality and prevention of workplace harassment across the organization. Enhanced discussions on gender equality and bullying through case studies in each department's supervisory training courses. Talent selection policies are based on human rights and equality and in compliance with the government's labor laws and regulations, and interview committee members are required to consider diverse perspectives. Extended maternity leave for women and provided paid leave days for indigenous traditional ceremonies. Provided diverse communication and feedback channels to encourage employees to fully express their viewpoints and opinions. 	0.03%		<ol style="list-style-type: none"> Set up sexual harassment complaint channels, including hotlines, fax, and gender equality and workplace bullying complaint mailboxes. In 2023, E.SUN FHC had no incidents of discrimination. There were three reported cases of sexual harassment, two involving external customers and one occurring internally. The Sexual Harassment Complaint Review Committee conducted investigations based on principles of objectivity, fairness, and professionalism. Appropriate disciplinary actions were taken based on the review outcomes, and necessary support measures were provided to the victims. Provided consulting services under the Employee Assistance Program (EAP) 	
Employee	Forced labor and overtime	9.48%	14.14%	<ol style="list-style-type: none"> Formulated leave and overtime related regulations according to the Labor Standards Act. Implemented a system of flexible working hours. Added reminder function to the attendance system. Promoted the "annual leave" program to encourage employees to plan more adequate vacations so as to enhance their physical and mental health and promote work-life balance. 	0.00%	0.39%	<ol style="list-style-type: none"> Provided employees with adequate overtime pay. Where supervisors undergo personnel evaluation, their respective departments may not receive an excellent performance rating. 	
	Occupational safety	1.85%		<ol style="list-style-type: none"> Specialized occupational safety and health unit that employs dedicated nurses and safety personnel responsible for formulating and planning safety and health matters. Four major protective plans are implemented, and questionnaires are distributed to different groups. Based on the answers, doctors from NTUH analyze and conduct follow-up interviews, and the plan contents are incorporated into educational training courses. Included "Traffic safety promotion" as a mandatory course in the educational training program, and employees involved in accidents are required to receive traffic safety education training again. Monitored the operation environment of carbon dioxide and illumination twice a year. Provided bright lighting equipment, added reminder slogans, installed electronic surveillance equipment or provided 24-hour security in specific areas such as parking lots, entrances and exits. 	0.36%		<ol style="list-style-type: none"> Adopted internal occupational hazard reporting process and set up a dedicated unit to implement care and follow-up. Actively provided information on group insurance and labor insurance and assistance with applying for related subsidies. Hired health professionals to conduct reinstatement assessments and provide suitable work adjustments and arrangements. Provided consulting services under the Employee Assistance Program (EAP) 	100%
Supplier	Labor rights	0.00%	0.00%	<ol style="list-style-type: none"> Suppliers are required to sign the "Statement of Commitment to Human Rights and Environmental Sustainability" and regularly review the human rights and environmental sustainability clauses and penalty announcements. Used the "Corporate Social Responsibility Self-Assessment Form for Suppliers" to determine the risk of suppliers with respect to labor rights, occupational safety, and environmental protection, and irregularly visit suppliers according to the "Supplier Visit Questionnaire." Formulated the "E.SUN FHC Sustainable Procurement Policy" in accordance with the Sustainable Procurement Guidance (ISO 20400), taking into account the social, economic and environmental impacts caused by procurement practices, and requiring suppliers to jointly abide by international human rights policies. Conducted supplier evaluation meetings to manage and mitigate risks. 	11%	12%	<ol style="list-style-type: none"> Held supplier communication meetings to raise awareness of corporate social responsibility. Periodically visited suppliers of potential risk to review their improvement status. Adjusted the amount of materials purchased from suppliers or terminated contractual relations, depending on the sanction imposed on a supplier 	
	Occupational safety	0.00%			1%			

Stakeholder	Issue	Risk Identification Ratio	Total	Risk mitigation measures	Possibility of Impact	Total	Impact compensation measures	Implementation Ratio of Compensation Measures
Customer	Service quality and customer rights	7.70%		<ol style="list-style-type: none"> 1. Established the "Total Quality Management Committee" and upgraded the "Fair Customer Treatment Task Force" to the "Fair Customer Treatment Promotion Committee" to oversee the planning of E.SUN's Fair Customer Treatment Principles. 2. The "Operating Guidelines for Compliance with Laws and Risk Assessment of New Products (Services)" ensures that E.SUN Bank's introduction of various products and services complies with laws and internal regulations, prudently managing potential risks associated with business activities. 3. The "Management Guidelines for Marketing Collateral in Advertising, Business Solicitation, and Sales Activities by Subsidiaries" ensured the appropriateness and legality of all marketing materials produced for promotional activities. 4. Included service quality and customer complaint management in annual performance evaluation of business units to raise the overall service awareness of various units. 5. E.SUN values customer feedback and regularly holds "VOC Proposal Meetings" to improve customer experience based on common customer feedback 6. All employees participated in training on fair customer treatment, customer service, fraud prevention, and information security protection. 	0.00%		<ol style="list-style-type: none"> 1. Set up a fair customer treatment section on the official website to fully disclose the variety of complaint channels available to customers. 2. The "Consumer Dispute Resolution Principles" was approved by the board of directors, specifying dispute handling procedures, timeline, and follow-up methods. 3. Implemented the "Domestic Branch Consumer Dispute Handling Guidelines" to enhance frontline staff's awareness of preventing customer complaints and appropriately addressing customer feedback. 4. Analyze the root cause of customer complaints, discuss improvement plans and track improvements, and periodically summarize customer complaints for the Board of Directors. 5. Promoted fraud prevention through various channels such as its official website, mobile banking, social media platforms, and email. Strengthened transaction verification in common fraud scenarios to protect customer assets. 6. Monitored abnormal transactions and provided mobile push notifications through the E.SUN Mobile Banking APP. 	
	Personal information protection	2.73%		<ol style="list-style-type: none"> 1. Established the "Personal Information Protection Task Force" responsible for establishing personal information protection regulations, which include management measures for collection, handling, and use of personal information, and also established the "E.SUN Financial Holding Co., Ltd. and Subsidiaries Principles on Gathering, Processing and Use of Personal Information." 2. Announced the "Statement on Customer Information Confidentiality," "E.SUN Financial Holding Co., Ltd. and Subsidiaries Personal Information Management Policy," and "E.SUN Financial Holding Co., Ltd. and Subsidiaries Principles on Gathering, Processing and Use of Personal Information" on the official website. 3. Established the E.SUN FHC Information Security Management Committee to supervise information security management and review material issues related to information security throughout the group. 4. The information security management system (ISMS) obtained ISO 27001 certification, and the credit card acquiring system obtained PCI DSS certification. 5. Established the "SOC Proactive Cybersecurity Monitoring Center" in 2021 and began to link cybersecurity defense equipment, automate threat intelligence, and cultivate SOC team members' incident response and investigation skills in 2022 to continuously optimize the SOC security monitoring center. This will enhance the efficiency of handling cybersecurity incidents and the ability to manage cybersecurity threats, achieving the goal of collaborative defense in financial cybersecurity monitoring 6. Established a Data Loss Prevention (DLP) system to address potential data leakage channels such as email, internet browsing, and USB usage, effectively preventing unauthorized disclosure of personal information. 	0.00%		<ol style="list-style-type: none"> 1. Established the "E.SUN Financial Holding Co. Ltd. And Subsidiaries emergency Response Rules for Personal Information Incidents." 2. Established an Emergency Response and Crisis Management Team to handle compensation measures when a major personal information infringement incident occurs. 3. Periodically organize education, training, and promotion, and conduct information system disaster backup drills. 4. Continued to purchase information security insurance 2022 to reduce losses and impact of business suspension. 	100%
	Responsible lending and investment	1.04%		<p>[Responsible Lending]</p> <ol style="list-style-type: none"> 1. Each loan application must be subject to ESG audits on the applicant and anti money laundering investigations. 2. Adopt the fourth edition of the Equator Principles (EP IV) framework to assess the climate change, human rights, and biodiversity risks associated with project financing, and strengthen environmental and social risk management abilities. <p>[Responsible investment]</p> <ol style="list-style-type: none"> 1. Adopt ESG indicators of domestic and overseas impartial institutions as investment review standards, and give priority to enterprises with low or medium ESG risks. 2. Establish "Guidelines for Managing Sustainable Investments in Negotiable Securities," establish management mechanisms for companies with high ESG risk, and avoid doing business with companies that direct impact the environment or society. For companies that may potentially impact the environment and society, we require due diligence and careful evaluation when they submit an investment application, and may only approve the application after determining there is no material negative impact on ESG and sustainability. 	0.24%	0.24%	<p>[Responsible lending]</p> <ol style="list-style-type: none"> 1. Regarding credit extension targets on which severe penalties were imposed due to human right issues, direct/indirect credit check is conducted to understand the impact of the reported matter on corporate operations, and improvement is requested. 2. Credit extended to such targets is adjusted based on the degree of influence. In severe cases, these targets are asked to settle their debt in advance and are blacklisted. <p>[Responsible investment]</p> <ol style="list-style-type: none"> 1. In accordance with the "Guidelines for Managing Sustainable Investments in Negotiable Securities," if the invested company undergoes a significant change in its business policy and there is a possibility of significant proposals that violate governance, environmental, and social concerns, the investor should verify the issue with the company or interact with the management team to decide on an appropriate response. 2. Based on the "Sustainable Finance Policy" and "Guidelines for Managing Sustainable Investments in Negotiable Securities," the equity and fixed income investment positions of listed and OTC securities are regularly reviewed. If there is a violation of ESG risks that makes the investment position not compliant with relevant investment regulations and without a clear improvement plan, the investment position will gradually be reduced. 3. Investment cases with potential controversial issues are periodically reviewed. If significant abnormal issues are discovered, the investor will examine and interact with the invested company, carefully evaluate the investment position, and regularly monitor it. 	

Appendix 14 - Sustainable Operating Environment Indicators

GRI: 305-1, 305-2, 305-3, 305-4, 306-2

Category	Item	2020	2021	2022	2023	Remarks
Scope 1	Carbon emission (ton)	2,399	1,857	1,844	2,161	E.SUN's scope 1 target is, base on 2020, 42% deduction of absolute carbon emission on 2030, equal to 4.2% carbon emission deduction per year. Our target of scope1 carbon emission in 2023 is 2,097 tons.
	Per capita (ton/person)	0.2555	0.1989	0.2025	0.2351	
	Carbon emission per unit of revenue (ton/NT\$M)	0.0426	0.0331	0.0336	0.0324	
	Data coverage ratio	100%	100%	100%	100%	
	Target of carbon emission (ton)	3,131	2,298	2,197	2,097	
Scope 2	Carbon emission Location-based (ton)	22,640	22,656	24,403	24,339	The target setting method for market-based carbon emissions is based on the 2020 baseline, with a yearly reduction of 4.2% in total emissions.
	Carbon emission Market-based (ton)	22,299	22,105	20,294	17,959	
	Per capita (ton/person)	2.3753	2.3680	2.228	1.954	
	Carbon emission per unit of revenue (ton/NT\$M)	0.3964	0.3818	0.3703	0.2693	The target setting method for location-based carbon emissions is based on the 2020 baseline, with a yearly reduction of 1% in emissions per unit of revenue.
	Data coverage ratio	100%	100%	100%	100%	
	Target of carbon emission Location-based (ton)	22,640	23,070	21,618	26,039	
	Target of carbon emission Market-based (ton)	23,321	21,362	20,426	19,489	
Scope 3	Carbon emission (ton)	53,713	49,161	56,014	46,436	
Energy	Total consumption(MWh)	51,713	50,669	53,309	52,705	
	Total consumption(GJ)	186,159	182,408	191,913	189,739	
	Total non-renewable energy consumption(MWh)	51,043	49,570	45,313	40,676	
	Total renewable energy consumption(MWh)	670	1,099	7,996	12,029	
	Non-renewable energy consumption target(MWh)	-	48,899	46,755	44,611	
	Per capita (GJ/Person)	19.829	19.54	21.07	20.64	
	Per unit of revenue (Kwh/NT\$ thousand)	0.9194	0.8752	0.9727	0.7902	
	Per unit of revenue (GJ/NT\$M)	3.310	3.151	3.502	2.845	
	Data coverage	100%	100%	100%	100%	
Water	Total water use (ton)	264,917	238,715	248,609	242,972	Total water consumption is equal to the amount of water taken. Water consumption at E.SUN Bank is estimated to be 10% of the total water taken.
	Total water use (megaliter)	265	239	249	243	
	Water discharge (ton)	238,425	214,843	223,748	218,675	
	Water consume (ton)	26,492	23,872	24,861	24,297	
	Per capita (ton/person)	28.22	25.57	27.29	26.43	
	Per unit of revenue (ton/NT\$M)	4.7097	4.1223	4.5362	3.6430	
	Data coverage	100%	100%	100%	100%	
	Total water use target (ton)	259,940	266,014	256,758	302,834	
	Water consumption target (ton)	25,994	26,601	25,676	30,283	
Waste	Total waste generated (ton)	595	698	692	692	Percentage of examined and estimated data is 95%, 5% in 2020 to 2023
	Total waste reused / recycled / sold (ton)	224	210	203	174	
	Total waste disposed (ton)	370	488	495	518	
	Waste (kg/person)	39.45	52.30	53.73	56.4	
	Waste per unit of revenue (kg/NT\$M)	6.58	8.43	8.93	7.77	
	Data coverage	100%	100%	100%	100%	
	Target amount of waste (ton)	498	560	495	545	
Number of employees		9,388	9,335	9,109	9,192	-
Revenues (NT\$ thousand)		56,249,044	57,957,440	54,805,919	66,695,571	-

Note: 1.1 GJ = 277.778 kWh

2. Energy data is disclosed on a location-based basis..

3. General waste is disposed of through incineration.

4. The water consumption of E.SUN Bank is entirely sourced from third-party water suppliers defined by GRI, namely Taiwan Water Corporation and Taipei Water Department. It does not include water from surface water, groundwater, seawater, or recycled water sources.

2023 Greenhouse Gas Emissions

Total emissions 5,427,977.53(metric tons CO ₂ e)									
Direct emission of CO₂e in metric tons 2,160.53 (Metric tons CO₂e)	Subtotal(Metric tons CO₂e)	CO₂	CH₄	N₂O	HFCs	PFCs	SF₆	NF₃	
Scope 1: Direct greenhouse gas emissions and removal	2,160.53	904.45	512.91	26.4	716.77	-	-	-	
Indirect emissions of CO₂e in metric tons 5,425,817(Metric tonsCO₂e)	Subtotal(Metric tons CO₂e)	CO₂	CH₄	N₂O	HFCs	PFCs	SF₆	NF₃	
Scope 2: Indirect GHG emissions from imported energy (Location-base)	24,338.51	24,338.51	-	-	-	-	-	-	
Category 3 (1): Indirect GHG emissions from transportation	5,401,528.49	5,401,528.49	-	-	-	-	-	-	
1. Purchased Goods and Services	39.17	39.17	-	-	-	-	-	-	
2. Capital Goods	37,004.99	37,004.99	-	-	-	-	-	-	
3. Fuel-and-energy-related-activities (not included in Scope 1 or 2)	3,944.34	3,944.34	-	-	-	-	-	-	
4. Upstream transportation and distribution	-	-	-	-	-	-	-	-	
5. Waste generated in operations	179.37	179.37	-	-	-	-	-	-	
6. Business travel	279.74	279.74	-	-	-	-	-	-	
7. Employee commuting	3,169.08	3,169.08	-	-	-	-	-	-	
8. Upstream leased assets	-	-	-	-	-	-	-	-	
9. Downstream transportation and distribution	0.18	0.18	-	-	-	-	-	-	
10. Processing of sold products	323.85	323.85	-	-	-	-	-	-	
11. Use of sold products	1,320.36	1,320.36	-	-	-	-	-	-	
12. End of life treatment of sold products	175.41	175.41	-	-	-	-	-	-	
13. Downstream leased assets	-	-	-	-	-	-	-	-	
14. Franchises	-	-	-	-	-	-	-	-	
15. Investments	5,355,042	5,355,042	-	-	-	-	-	-	
Other upstream	0	0	-	-	-	-	-	-	
Other downstream	0	0	-	-	-	-	-	-	

Note:

1. Scope 1 emission mainly includes car fuel, diesel for power generator and natural gas; scope 2 emission mainly includes electricity; and scope 3 emission mainly includes employee travel, waste, product procurement emissions, capital commodity emissions, and product usage emissions.
2. Scope 1, Scope 2 and Scope 3 air travel includes all branches in Taiwan and overseas. Scope 3 waste and land travel inventory includes all branches in Taiwan.
3. The values for petroleum and diesel emissions are in accordance with the Greenhouse Gas Index Management Solution (version 6.0.4) published by the Environmental Protection Administration.
4. Electricity parameter is 0.495 kg CO₂e/kWh by Energy Bureau, MOEA 2023.
5. According to ISO 14064-1 Greenhouse gases Part 1: Specification with guidance, emission = activities*emission parameter*GWP.
6. The Global Warming Potential(GWP) of refrigerants to the IPCC 2021 Sixth Assessment Report.
7. GHG inventory is performed based on operational control.
8. The Scope 2 carbon emission data in this page is disclosed based on the location.

Appendix 15 - Economic Value Distributed indicators

A. Spending on Trade Associations and Other Tax-exempt Groups

Institution	Amount (NT\$ Thousand)	Note
Taiwan Academy of Banking and Finance	15,834	100% for training and external training fee.
The Bankers Association of The Republic Of China	9,457	63% for financial studies and training funds, 37% for The Bankers association fee.
Trust Association of the Republic of China	3,841	49% for annual membership fee, 39% for training registration fee and 12% for shared remittance fee.
Taipei Foundation Of Finance	2,877	100% for training and external training fee.
Taipei Exchange	1,494	Including 88% for financial bond OTC administrative fee and 12% for service fee.
The Insurance Agency Association of the Republic of China	718	Including 65% for certificate registration fee and 35% for ongoing membership fee.
The Bankers Association of Kaohsiung	525	100% for annual membership fee.
The Bankers Association of New Taipei City	511	100% for annual membership fee.
R.O.C. Bills Finance Association	250	100% for annual membership fee.
The Bankers Association of Taipei	248	100% for annual membership fee.
Taiwan Securities Association	164	81% for service fee and 19% for training registration fee.
The Bankers Association of Tainan	132	100% for annual membership fee.
Bankers Association of Hsinchu County	108	100% for annual membership fee.
Others	457	
Total	36,616	

B. Charitable Contributions and Sponsorship

Category	Amount (NT\$ Thousand)	Description
Economic Development	85,255	Mainly for donations to small and medium enterprises credit guarantee fund.
Academic Education	84,714	E.SUN Golden Seed Project for building and renovating rural elementary school libraries (including new construction, renovation, and new book assistance), E.SUN Academic Awards, and scholarships for outstanding talents.
Art Promotion	65,419	Sponsoring the Vienna Boys' Choir, Mayday concerts, the 12 Cellists of the Berlin Philharmonic Orchestra, and holding Mother's Day concerts and Fukuoka concerts.
Vulnerable Care	55,219	Primarily focusing on caring for schoolchildren, donating to earthquake relief in Turkey and the explosion incident in Pingtung.
Sports Development	44,815	Hosting the E.SUN Cup Youth Baseball Championship and sponsoring baseball-related activities, the E.SUN Ju-Guang Cup Volleyball Selection Competition, the XTERRA World Tour, and the Kaohsiung Aquas Basketball Team.
Ecological conservation	27,515	Sponsoring NTU Experimental Forest reforestation projects, organic rice in the Nan'an tribe, and the Discovery "A Good Deed Saves the Earth" initiative.
Medical and Health Care	24,609	Supporting the Ministry of Health and Welfare's "Support Services for Adolescents from Adversity," donating a counseling space to Dun Pin High School's counseling office, organizing medical charity event in Cambodia, and donating to various major hospitals and dental/medical associations.
Enhancing international competitiveness	13,593	Organizing master forums.
Financial education	13,082	Hosting financial literacy seminars, and supporting the International Finance Research Institute programs at National Sun Yat-sen University and National Chengchi University.
ESG Sustainability Actions	12,552	Organizing the E.SUN ESG Sustainability Initiative and sponsoring the COP28 UN Climate Conference.
Digital technology	1,208	Sponsoring technology-related activities.
Total	427,981	

C. Contributions & Other Spending

Category	2020	2021	2022	2023
Trade associations or tax-exempt groups	20,716	16,876	18,663	36,616
Lobbying, interest representation or similar	0	0	0	0
Political campaigns / organizations / candidates donations	0	0	0	0
Total contributions and other spending	20,716	16,876	18,663	36,616

Appendix 16 - Sustainability Accounting Standards Board (SASB) Index

Topic	Code	Category	Accounting Metric	Response	Page
Customer Privacy	FN-CF-220a.1	Quantitative	Number of account holders whose information is used for secondary purposes.	4.6 Information Security and Personal Information Protection Management	117
	FN-CF-220a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with customer privacy.	4.6 Information Security and Personal Information Protection Management	117
Data Security	FN-CB-230a.1 FN-CF-230a.1	Quantitative	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	4.6 Information Security and Personal Information Protection Management	117
	FN-CB-230a.2 FN-CF-230a.2	Qualitative	Description of approach to identifying and addressing data security risks	4.6 Information Security and Personal Information Protection Management	117
Financial Inclusion & Capacity Building	FN-CB-240a.1	Quantitative	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	3.2.2 Expanding Financial Accessibility	78
	FN-CB-240a.2	Quantitative	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Our past due information was disclosed on page 128 of the 2023 E.SUN FHC Annual Report. For the standard information of SASB will be disclosed in the near future.	
	FN-CB-240a.3	Quantitative	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	3.2.2 Expanding Financial Accessibility	78
	FN-CB-240a.4	Quantitative	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	3.2.3 Enhance Financial Literacy	80
Selling Practices	FN-CF-270a.4	Quantitative	Number of complaints filed with the Financial Supervisory Commission Republic of China (Taiwan)	3.3 Treating Customers Fairly and Customer Experience	82
Employee Diversity & Inclusion	FN-AC-330a.1	Quantitative	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Appendix 13 - Human Resource Management Indicators	196
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis, Investment Management	FN-CB-410a.1	Quantitative	Commercial and industrial credit exposure, by industry	3.1.1 Responsible Lending	60
	FN-CB-410a.2	Qualitative	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	3.1.1 Responsible Lending	60
	FN-AC-410a.1	Quantitative	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	3.1.4 Retail Banking Services	70
	FN-AC-410a.2	Quantitative	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	3.1.4 Retail Banking Services	70
	FN-IB-410a.3	Quantitative	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	3.1.2 Responsible Investment	66
Environmental Risk to Mortgaged Properties	FN-MF-450a.1	Quantitative	(1) Number and (2) value of mortgage loans in 100-year flood zones	2.4.4 Climate Change Scenario Analysis	48
	FN-MF-450a.2	Quantitative	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weatherrelated natural catastrophes, by geographic region	2.4.4 Climate Change Scenario Analysis	48

Topic	Code	Category	Accounting Metric	Response	Page
Business Ethics	FN-CB-510a.1 FN-AC-510a.1	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	4.2 Code of Conduct and Ethic	102
	FN-CB-510a.2 FN-AC-510a.2	Qualitative	Description of whistleblower policies and procedures	4.2 Code of Conduct and Ethic	102
Systemic Risk Management	FN-CB-550a.2	Qualitative	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	Page 113 - 114, 2023 Annual Report	
	FN-AC-550a.2	Qualitative	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	Page 97-99, 2023 Annual Report	
Activity	FN-AC-000.A	Quantitative	(1) Total registered and (2) total unregistered assets under management (AUM)	1.1 Vision: E.SUN Financial Eco System	14
	FN-AC-000.B	Quantitative	Total assets under custody and supervision	1.1 Vision: E.SUN Financial Eco System	14
	FN-CB-000.A	Quantitative	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	1.1 Vision: E.SUN Financial Eco System	14
	FN-CB-000.B	Quantitative	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	1.1 Vision: E.SUN Financial Eco System	14
	FN-CF-000.A	Quantitative	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	3.1.4 Retail Banking, Responsible Products, Zero Carbon Credit Cards	71
	FN-CF-000.B	Quantitative	Number of (1) credit card accounts and (2) pre-paid debit card accounts	3.1.4 Retail Banking, Responsible Products, Zero Carbon Credit Cards	71
	FN-MF-000.B	Quantitative	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	1.1 Vision: E.SUN Financial Eco System	14

Appendix 17 - Independent Assurance Opinion Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

2023 E. SUN FHC Sustainability Report

The British Standards Institution is independent to E. SUN Financial Holding Co., Ltd. (hereafter referred to as E. SUN FHC in this statement) and has no financial interest in the operation of E. SUN FHC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of E. SUN FHC only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by E. SUN FHC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to E. SUN FHC only.

Scope

The scope of engagement agreed upon with E. SUN FHC includes the following:

1. The assurance scope is consistent with the description of 2023 E. SUN FHC Sustainability Report.
2. The evaluation of the nature and extent of the E. SUN FHC's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.

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

Opinion Statement

We conclude that the 2023 E. SUN FHC Sustainability Report provides a fair view of the E. SUN FHC sustainability programmes and performances during 2023. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the E. SUN FHC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate E. SUN FHC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that E. SUN FHC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to E. SUN FHC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on E. SUN FHC's approach to stakeholder engagement. Moreover, we had sampled 2 external stakeholders to conduct interview.
- interview with 43 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of materiality assessment process.
- review of key organizational developments.
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.

- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards is set out below:

Inclusivity

In this report, it reflects that E. SUN FHC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the E. SUN FHC's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The E. SUN FHC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of E. SUN FHC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the E. SUN FHC's management and performance. In our professional opinion the report covers the E. SUN FHC's materiality assessment process and material issues.

Responsiveness

E. SUN FHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the E. SUN FHC is developed and continually provides the opportunity to further enhance E. SUN FHC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the E. SUN FHC's responsiveness issues.

Impact

E. SUN FHC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. E. SUN FHC has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the E. SUN FHC's impact issues.

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, E. SUN FHC and BSI have agreed upon to include in the scope. In our view, the data and information contained within 2023 E. SUN FHC Sustainability Report are reliable.

GRI Sustainability Reporting Standards (GRI Standards)

E. SUN FHC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the E. SUN FHC's sustainability topics.

Assurance level

The high level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This sustainability report is the responsibility of the E. SUN FHC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



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Statement No: SRA-TW-805237
2024-06-13

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.

Appendix 18 - Independent Auditors' Limited Assurance Report



Independent Limited Assurance Report

PTCM 23011252

To E.SUN Financial Holding Co., Ltd.

We have been engaged by E.SUN Financial Holding Co., Ltd. (the "Company") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2023 Sustainability Report (hereinafter referred to as the "Identified Key Performance Indicators") and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" on page 210-211 of Sustainability Report. The scope of the aforementioned Identified Key Performance Indicators is set out in the "Scope and Boundary" on page 3 of Sustainability Report.

The respective applicable criteria referred to above are the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports and FAQ issued by TWSE Listed Companies and related laws and regulations, the latest edition of the GRI Sustainability Reporting Standards (the "GRI Standards") and the GRI Sector Disclosures published by the Global Reporting Initiative (the "GRI"), the Company's financed emissions calculation criteria, which are based on the Global GHG Accounting and Reporting Standard for the Financial Industry, published by the Partnership for Carbon Accounting Financials (the "PCAF"), and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported (hereinafter referred to as the "Applicable Criteria").

Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in Sustainability Report in accordance with the respective Applicable Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

Inherent Limitation

Certain subject matter information assured involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

The quantification of the Financed Emissions data (hereinafter referred to as the "Financed Emissions") underlying the Financed Emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases, resulting in significant limitations in the availability and quality of GHG emissions data from third parties that the Company used. The absence of a commonly used generally accepted reporting framework and legislative requirements or regulation prescribing the preparation, disclosure and verification of the Company's financed emissions, the

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw



Financed Emissions needs to be read and understood together with the financed emissions calculation criteria designed by the Company.

Compliance of Independence and Quality Management Requirement

We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of the Republic of China, and the Standard on Assurance Engagements 3410 - "Assurance Engagements on Greenhouse Gas Statements" of the Republic of China. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

Financed Emissions

- Evaluated the suitability in the circumstances of the Company's use of the respective applicable criteria as the basis for preparing the Financed Emissions;
- Made inquiries of the persons responsible for the Financed Emissions to understand the processes and the information system, and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Evaluated whether the Company's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which



the estimates are based or separately developing our own estimates to evaluate the Company's estimates;

- Reconciled the Financed Emissions data back to the underlying records on a sample basis to obtain evidence for limited assurance. However, our procedures did not include corroborating the accuracy and completeness of the underlying greenhouse gas emissions and financial data from third parties; and
- Considered the presentation and disclosure of the Financed Emissions and the quality score, including the categorization of data by asset class, but excluding the coverage rate of greenhouse gas emission data.

Other Subjected Matter Information

- Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes, information systems, and the relevant internal controls relating to the preparation of the aforementioned information, to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed selective testing on the Identified Key Performance Indicators and performed including inquiries, observation, inspection, and reperformance on a selective basis to obtain evidence for limited assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls. Furthermore, our assurance does not extend to the information marked with V in Summary of Subject Matter Assured for the period ended December 31, 2022 or prior periods.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in Sustainability Report are not prepared, in all material respects, in accordance with the Applicable Criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the applicable criteria have been subsequently modified.

Chao, Yung-Chieh

CHAO, YUNG-CHIEH
For and on behalf of PricewaterhouseCoopers, Taiwan
June 27, 2024

Summary of Subject Matter Assured

No.	Item	Page	Corresponding Chapter	Applicable Criteria	The rules*														
1	<p>Total financed emissions from equity and bonds investment portfolios in 2023 was 672,112 tCO₂e and the data quality score was 3.15.</p> <p>Total financed emissions from sovereign bonds investment (excluding LULUCF) portfolios in 2023 was 1,017,788 tCO₂e and the data quality score was 1.00.</p> <p>Total financed emissions from sovereign bonds investment (including LULUCF) portfolios in 2023 was 925,462 tCO₂e and the data quality score was 1.00.</p> <p>Total financed emissions from business loans portfolios in 2023 was 2,918,240 tCO₂e and the data quality score was 3.76.</p> <p>Total financed emissions from electricity generation project finance in 2023 was 186,931 tCO₂e and the data quality score was 3.06.</p> <p>Total financed emissions from commercial real estate mortgage loans in 2023 was 160,552 tCO₂e and the data quality score was 4.00.</p> <p>Total financed emissions from mortgage loans in 2023 was 399,419 tCO₂e and the data quality score was 4.00.</p>	195	Appendix 12 - 2023 Financed Emissions Structure	<p>E.SUN FHC and its subsidiaries (the "E.SUN") referred to PCAF to design its financed emissions calculation criteria and to compile and disclose financed emissions and data quality scores by asset class.</p> <ul style="list-style-type: none">Total financed emissions for investment and financing assets: The Scope 1 and Scope 2 carbon emissions in metric tons of CO₂ equivalent (tCO₂e) related to the investment and financing assets held by E.SUN. E.SUN strives to use the "latest obtainable Scope 1 and Scope 2 emissions or estimated data":<ol style="list-style-type: none">The sources of the latest obtainable Scope 1 and Scope 2 emissions include E.SUN obtained emission data directly from investment companies, US EPA, Bloomberg, external consulting units, official websites of state-owned enterprises, carbon emissions announcements by governments, or third party public statistics.Estimated data is based on the methodology recommended by PCAF, including emissions data estimated from electricity consumption per unit area of floor (EUI) by building type, physical and economic activities, or industry-specific emissions factors from analysis of Bloomberg's emissions by industry; and attribute factors calculated from financial data of the closest financial year or book value.The scope of financed emissions for investment assets: E.SUN conducted an inventory of listed stocks, corporate bonds, and sovereign bonds held as part of proprietary investment assets as of December 31, 2023. The entity scope includes E.SUN Bank, E.SUN Securities, and E.SUN Venture Capital Company. The assets include "Financial Assets Through Profit or Loss (FVTPL)," "Financial Assets Through Other Comprehensive Income (FVTOCI)," and "Financial Assets at Amortized Cost (AC)" three accounts.The scope of financed emissions for credit assets: As of December 31, 2023, electricity generation project finance, commercial real estate mortgage, and corporate loans provided by E.SUN Bank and its overseas branches.Referred to PCAF data quality score hierarchy to calculate the weighted average data quality score of financed emissions of investment and finance assets: <table><tr><td>Assets class</td><td>Data quality score referred to PCAF</td></tr><tr><td>Equity and bonds</td><td>Table 5-3 (the data quality score table for listed equity and corporate bonds)</td></tr><tr><td>Sovereign bonds</td><td>Table 5-26 (the data quality score table for Sovereign Debt)</td></tr><tr><td>Business loans</td><td>Table 5-7 (the data quality score table for business loans and unlisted equity)</td></tr><tr><td>Power generation project finance</td><td>Table 5-10 (the data quality score table for project finance)</td></tr><tr><td>Commercial real estate mortgages</td><td>Table 5-14 (the data quality score table for CRE)</td></tr><tr><td>Mortgages</td><td>Table 5-15 (the data quality score table for mortgages)</td></tr></table>	Assets class	Data quality score referred to PCAF	Equity and bonds	Table 5-3 (the data quality score table for listed equity and corporate bonds)	Sovereign bonds	Table 5-26 (the data quality score table for Sovereign Debt)	Business loans	Table 5-7 (the data quality score table for business loans and unlisted equity)	Power generation project finance	Table 5-10 (the data quality score table for project finance)	Commercial real estate mortgages	Table 5-14 (the data quality score table for CRE)	Mortgages	Table 5-15 (the data quality score table for mortgages)	The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.
Assets class	Data quality score referred to PCAF																		
Equity and bonds	Table 5-3 (the data quality score table for listed equity and corporate bonds)																		
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Commercial real estate mortgages	Table 5-14 (the data quality score table for CRE)																		
Mortgages	Table 5-15 (the data quality score table for mortgages)																		
2	Table "B- Data breaches," total number of data breaches was 1 in 2023.	119	4.6 Information Security and Personal Information Protection Management	<p>Total number of data breaches of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital in 2023.</p> <p>Note:</p> <ul style="list-style-type: none">Total number of data breaches that occurred in 2023 were calculated on the basis of the data breach definition in "Directions for Information Security Incident" of E.SUN FHC and its subsidiaries.Total number of data breaches of E.SUN Securities and E.SUN Investment Consulting that occurred in 2023 were calculated on the basis of the data breach definition in "Precautions for contingency operations for noticing information security incidents in the securities and futures market."	Subparagraph 3 Item 1														
3	Table "B- Data breaches," the percentage of data breaches involving personally identifiable information was 100% in 2023.	119	4.6 Information Security and Personal Information Protection Management	<p>The percentage of data breaches involving personally identifiable information of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital in 2023.</p> <p>Note:</p> <ul style="list-style-type: none">Based on the data breach definition in "Directions for Information Security Incident" and "Regulation for the Implementation of the Personal Data Infringement Emergency Response" of E.SUN, statistics show the percentage of data breaches involving personally identifiable information that occurred in 2023.Numerator: Total number of data breaches involving personally identifiable information that occurred in 2023 were calculated based on the penalty cases announced by the competent authority in 2023.Denominator: Total number of data breaches that occurred in 2023 were calculated based on the number of cases announced by the competent authority. <p>Total number of data breaches of E.SUN Securities and E.SUN Investment Consulting that occurred in 2023 were calculated on the basis of the data breach definition in "Precautions for contingency operations for noticing information security incidents in the securities and futures market."</p>	Subparagraph 3 Item 1														
4	Table "B- Data breaches," total number of account holders affected by data breaches involving personally identifiable information was 15 in 2023	119	4.6 Information Security and Personal Information Protection Management	<p>Total number of account holders affected by data breaches in E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital in 2023.</p> <p>Note:</p> <ul style="list-style-type: none">Total number of account holders affected by data breaches that occurred in 2023 were calculated according to the data breach definition in "Directions for Information Security Incident" of E.SUN.Total number of account holders affected by data breaches of E.SUN Securities, and E.SUN Investment Consulting that occurred in 2023 were counted according to the data breach definition in "Precautions for contingency operations for noticing information security incidents in the securities and futures market."The number of account holders is defined as the total number of unique account holders. If there are multiple accounts for one ID, only one account will be counted.	Subparagraph 3 Item 1														
5	At the end of 2023, total Number of microbusinesses loans is 18,838, total amount is 114,114 million.	76	3.2.1 Enhancing the "Usability of Financial Services"	<p>Number and amount of microbusinesses loans of E.SUN Bank at the end of 2023.</p> <p>Note:</p> <ul style="list-style-type: none">Microbusinesses are defined in "Directions for loan business to small business" by E.SUN Bank.The number and value of accounts exclude customers of overseas branches and subsidiaries. The number of accounts are calculated based on the total number of unique customers and unique customers are defined as accounts with the same ID number.The number of loans include loans with zero balance at the end of 2023.The purpose of loans for microbusinesses includes revolving credit loans and procurement of manufacturing facility	Subparagraph 3 Item 2														
6 ✓	In 2023, E.SUN Senior Friendly Lecture a total of 213 participants.	78	3.2.2 Expanding Financial Accessibility	<p>E.SUN Senior-Friendly Lectures are hosted by various branches of E.SUN Bank. In 2023, the number of participants was cross-checked by comparing the total number of people in the event photos from ten lectures with the participant numbers presented in the sustainability report.</p>	Subparagraph 3 Item 3														
7	A total of 7 project financing cases were signed in 2023 that comply with the Equator Principles, and 2 projects were declined.	62	3.1.1 Responsible Lending	<p>In 2023, the total number of project financing cases approved and declined by E.SUN Bank to which the Equator Principles apply according to "E.SUN Bank Project Financing for Equator Principles."</p>	Subparagraph 3 Item 4														
8	By 2023, a total of 274 Sustainability-Linked loans cases have been approved, with a balance of NT\$60.1 billion	62	3.1.1 Responsible Lending	<p>The number and outstanding balance of sustainability-linked loans of E.SUN Bank at the end of 2023</p> <p>Note:</p> <ul style="list-style-type: none">Based on the "E.SUN Bank's Guidelines for Offering Corporate Banking Sustainability-Linked Loans," the company applying for the sustainability-linked loans shall present a corporate sustainability report certified or verified by a third part at a designated point of time, ensuring company's commitment to reach specific sustainability-related performance indicators.The number of sustainability-linked loans includes applicants whose loans had been granted a credit line but whose outstanding balance of loans stood at zero as of the end of 2023.Number of accounts is calculated based on the approval date.	Subparagraph 3 Item 4														

Our Story		Journey to Net Zero		Banking for Better	Building Resilience	Our People	Seeking Common Good
No.	Item	Page	Corresponding Chapter	Applicable Criteria		The rules*	
9	As of December 2023, the related balance of Green loans totaled NT\$80.9 billion	60	3.1.1 Responsible Lending	<p>The outstanding balance of green loans of E.SUN Bank at the end of 2023</p> <p>Note:</p> <ul style="list-style-type: none"> Based on the "E.SUN Bank's Guidelines for Offering Corporate Banking Green Loans," the company applying for the green loans shall present a green project investment report, ensuring the company's commitment to reach specific sustainability-related performance indicators. 		Subparagraph 3 Item 4	
10	Table "Female / male remuneration ratio in Taiwan in 2023," the female / male remuneration ratio of base salary and annual remuneration by employee level in 2023	200	Appendix 13 - Human Resource Management Indicators	<ul style="list-style-type: none"> The female / male remuneration ratio of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital employees in Taiwan in 2023. The definition of objective: Number of employees include E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital employees in Taiwan but exclude workers and employees for overseas branches and employees leave without pay. The definition of position level: Management: Managerial employees and above in the human resource system. Middle management: Supervisor positions in the human resource system. General staff (Note): All other employees not included in the management or middle management level and exclude interns, business assistants and drivers. Base salary: In monthly salary details, the amount that should be paid each month less the overtime pay. Annual remuneration: Monthly base salary, year-end bonus, compensation of employees(estimated compensation- the salary in April next year + supervisory differential pay) and long-term incentive bonus. The annual compensation ratio of male to female refers to the ratio calculated based on the average annual compensation of men as 100 versus the equivalent level for female, for example, 100:98 (that is, 100 for men and 98 for women). <p>Note: General staff does not include interns, business assistants and drivers, because the salary structure of interns, business assistants and drivers is different from other full-time employees.</p>		The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.	
11	Table "J- Absentee rate," the absentee rate and data coverage in 2023.	200	Appendix 13 - Human Resource Management Indicators	<p>The absentee rate of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital in 2023, and the respective data coverage rates.</p> <p>Note:</p> <ul style="list-style-type: none"> Absentee rate = (Number of days of occupational sickness Leave + sick leave +personal leave) taken by employees / Total working days. Total working days = Number of employees at the end of year * Total working days in 2023 announced by the Central Personnel Administration, Executive Yuan, less Labor Day holiday. Number of employees include employees of overseas branches but exclude those of overseas subsidiaries. The data coverage rate is based on the calculation that the number of employees of each subsidiary at the end of year divided by the number of employees of the group at the end of year. The total number of employees includes employees working in oversea branches. All employees are permanent and full-time employment, excluding employees who take leave without pay. 		The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.	
12	By 2023, there were 12 businesses participate in the "Sustainable Deposits" project, the accumulated balance was approximately NT\$0.923 billion.	73	3.1.4 Retail Banking	Number of participants and accumulated balance of Sustainable Deposits project of E.SUN Bank at the end of 2023		The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.	
13	<p>1. E.SUN collaborated with NTU in the "E.SUN-NTU ESG Centenary Project" and planted 12,680 saplings of native tree species in 2023.</p> <p>2. E.SUN collaborated with the Forestry Bureau to promote the "Plant a tree, Plant a life" E.SUN plant trees project and planted 10,965 saplings of native tree species in 2023.</p>	157	6.1.2 Habitat Conservation	Number of saplings planted by projects, which are held by The Experimental Forest, College of Bio-Resources and Agriculture, National Taiwan University and Forestry Bureau Council of Agriculture, Executive Yuan, donated by E.SUN bank.		The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.	
14 ✓	<p>In 2023, E.SUN non-renewable energy consumption was 40,676 MWh;</p> <p>E.SUN renewable energy consumption was 12,029 MWh.</p>	203	Appendix 14 - Sustainable Operating Environment Indicators	<ul style="list-style-type: none"> Total energy consumption (in megawatt-hours, MWh) by E.SUN (including overseas branches and subsidiaries of E.SUN Bank) in 2023, including the use of fuel and purchased energy. Usage of non-renewable fuels within the organization in 2023, including natural gas, liquefied petroleum gas, diesel, and gasoline; energy purchased and used in 2023, including purchased electricity. The data source for natural gas is the gas company bill, or the annual gas fee minus the basic fee divided by the unit price estimate. The data source for liquefied petroleum gas is procurement documents. The data source for diesel is meter readings. The data source for gasoline is the annual gas fee of E.SUN Bank (including overseas branches and subsidiaries) divided by the unit price estimate, as well as the transaction management system of E.SUN Securities. The data source for purchased electricity is the Taiwan Power Company bill and the electricity bill provided by renewable energy transfer units. The conversion of energy calorific values references the conversion units published by the International Bureau of Weights and Measures and the values announced in the "2022 Energy Statistics Handbook - Energy Product Unit Calorific Values Table" by the Bureau of Energy, Ministry of Economic Affairs. Calculations are based on the following values: gasoline at 7,800 kcal/L, natural gas at 6,635 kcal/L, and diesel at 8,400 kcal/L. The conversion units used are 4.1868 kJ/kcal and 0.277778 MWh/GJ. 		The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.	
15 ✓	<p>E.SUN FHC has the "Ethical Corporate Management Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" to establish sound corporate governance and risk control and management mechanisms. In 2023, E.SUN FHC has implemented the internal operations in accordance with the aforementioned regulations</p> <p>E.SUN did not engage in corruption or bribery, conflicts of interest and money laundering or insider trading in 2023. Likewise, no suit or penalty was fined. The subsidiary, E.SUN Bank, was fined by the FSC due to the personal data incident and had three cases of harassment matter.</p>	102, 103	4.2 Code of Conduct and Ethic	<p>E.SUN FHC has the "Ethical Corporate Management Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" relevant terms and compliance conditions, please refer to the content of 4.2 Code of Conduct and Ethic in the Sustainability Report.</p> <p>According to E.SUN FHC "Procedure For Handling Whistleblowing Reports" and "E.SUN Financial Holding Co., Ltd. and Its Subsidiaries Compliance Evaluation Instructions" measures are in place to prevent unlawful activities and promote sound management within the E.SUN. These procedures verify whether any of the following has occurred:</p> <ol style="list-style-type: none"> Corruption and bribery incidents Conflict of interest incidents Money laundering or insider trading incidents Litigations and enforcement actions Customer privacy data breach Harassment or discrimination incidents 			

Note: Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (hereinafter referred to as the "Rules") Article 4, Emphasized Disclosures and Summary of Subject Matter Assured.

Appendix 19 - Greenhouse Gas Verification Statement

Opinion TW24/00205GG

SGS

Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in year 2023 of
E.SUN Financial Holding Co., Ltd.

No.117, Sec.3, Minsheng E. Rd., Songshan Dist.,
Taipei City 105-46, Taiwan (R.O.C.)

has been verified in accordance with ISO 14064-3:2019 as
meeting the requirements of

ISO 14064-1:2018

Direct emissions
2,160.5305 tonnes of CO₂e
Indirect emissions
70,774.9992 tonnes of CO₂e
Direct emissions and indirect emissions
72,935.530 tonnes of CO₂e

Authorized by



Stephen Pao
Business Assurance Director
Date: 30 April 2024
Version: 1

TGP56B-15-1 2401
SGS Taiwan Ltd.
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 **SGS**               

This Statement is not valid without the full verification scope, objectives, criteria and findings
available on the Statement.

Page 1 of 34



心清如玉。義重如山。