

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

Approved on the 17th meeting of the 7th Term by the Board of Directors on January 14, 2022
Amended on the 23rd meeting of the 7th Term by the Board of Directors on November 11, 2022
Amended on the 7th meeting of the 8th Term by the Board of Directors on November 11, 2023
Amended on the 15th meeting of the 8th Term by the Board of Directors on September 27, 2024

Article 1 Purpose

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

Article 2 Scope of Application

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

Article 3 Definitions

1. Subsidiaries refer to business units or sub-subsidiaries wholly owned by the Company.
2. Climate and environmental risks refer to the physical and transition risks from direct impacts caused by climate or environmental factors and changes in related regulations or economic factors. These risks can negatively affect operations and business activities (such as investments and financing). For example, excessive damage to the natural environment could lead to the collapse of climate systems or ecosystems, causing systemic risks. Climate and environmental risk can be assessed through impacts and dependencies.
3. Dependencies are aspects of environmental assets and ecosystem services that a person or an organization relies on to function.
4. Impacts refer to changes in the state of nature (quality or quantity), which may result in changes to the capacity of nature to provide social and economic functions.
5. Physical risk refers to the financial impact of a changing climate and environment, including more frequent extreme weather events and gradual changes in climate and environment.
6. Transition risk refers to the financial impact that can result from the process of

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

Article 4 Roles and Responsibilities

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

1. The Company

(1) Board of Directors

- a. As the Company's highest decision-making body for creating an effective climate environmental risk management mechanism, the Board of Directors shall shoulder the ultimate responsibility for its climate environmental risk management policies.
- b. Based on the Company's overall strategy and business environment, the Board of Directors shall approve its climate environmental risk management policy and other key decisions to ensure an effective climate environmental risk management mechanism.

(2) Risk Management Division

- a. Implement climate environmental risk management decisions and compile significant risk topics quarterly for reporting to the Board of Directors and the Board Risk Management Committee.
- b. Supervise and coordinate the establishment and implementation of climate environmental risk management mechanisms across subsidiaries and perform ongoing monitoring and management.
- c. Assist in internal development of relevant quantitative methods and indicators to formulate management measures aimed at mitigating or adapting to the impacts of climate and environmental risks.

2. Subsidiaries

- (1) Subsidiaries should assess the integration of business process management and decision analysis with climate change and environmental issues applicable to their respective business endeavors. This includes identifying and evaluating climate and environment-related risks and opportunities relevant to their business operations, measuring the impact of these risks and opportunities on their business, strategy, and financial planning, setting management metrics and targets, and take appropriate process adjustments or risk mitigation and

adaptation measures.

3. Audit Division of the Company and its subsidiaries

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

Article 5 Climate Environmental Risk Management Mechanism

1. The Company and its subsidiaries shall refer to domestic and overseas laws and regulations, guidelines, and research reports with regard to climate and environment, identify the channels and mechanisms through which the physical and transition risks of climate environmental risk may aggravate traditional risks, and develop countermeasures accordingly.
2. The Company and its subsidiaries shall consider climate and environmental risks over different time frames and their potential impacts on operations and business development (including physical risks and transition risks) and may adopt risk-based management measures. For customers, assets, or business activities with high climate environmental risks, stricter management measures must be assessed and established. For those with lower risk association or impact as determined by risk assessments, existing risk management measures may be maintained.

Article 6 Monitoring, Reporting, and Internal Control

1. The Company and its subsidiaries shall routinely track climate environmental risk threatening their operations and business over different periods of time, adjust management measures when warranted, and report their climate environmental risk and management thereof to the Risk Management Division.
2. The Company shall submit a climate environmental risk report to the Board of Directors at least every six months. If a climate environmental risk impact threatens to affect overall or business operations, the Company shall immediately take proper actions and report the incident to the Board of Directors.
3. The Company and its subsidiaries shall check if they are following the approved policies and procedures using established self-assessments/self-audits or other review methods.
4. The Audit Division of the Company and its subsidiaries shall implement audits of climate environmental risk management procedures to ensure the effectiveness of their assessment and control of such management.

Article 7

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

Article 8

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

Article 9

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

Article 10

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