

# E.SUN Bank ESG Wealth Management Product Review Guidelines

2021.07.08 Implemented with the approval of the President

2021.11.26 Amended

## I. Purpose

These guidelines are enacted to follow and implement E.SUN Financial Holding Co., Ltd. Sustainable Finance Policy and incorporate ESG issues in the management of wealth management products and decisions, for the purpose of enhancing long term value for customers, employees and shareholders and practicing corporate social responsibility.

## II. Basis

In accordance with E.SUN Financial Holding Co., Ltd. Sustainable Finance Policy, and Principles of E.SUN Bank Wealth Management Products Review Panel, E.SUN Bank shall incorporate ESG assessment in business partner management and in the review process of wealth management products.

## III. Scope

E.SUN Bank shall examine the practices regarding environment, society, and governance of business partners, and incorporate ESG ratings from impartial third-party agencies into management of wealth management products, including mutual funds, offshore ETFs, offshore bonds, and offshore stocks. Since insurance products and structured notes do not have ESG ratings from impartial third-party agencies, they are not included in wealth management products under these guidelines.

## IV. Procedures and decisions

### (I) Business partners

1. Understand and evaluate the implementation of ESG-related practices or any material negative ESG issues of business partners. If the circumstances are serious, rethink the depth of business relationship with the partner.
2. In the interest of promoting ESG financial products together, consider whether business partners have signed the Principles for Responsible Investment (PRI) of the United Nations, the Stewardship Principles for Institutional Investors of the Corporate Governance Center of Taiwan Stock Exchange, or the "E.SUN Bank Wealth Management Business Partner Sustainable Development Commitment"; whether they have published sustainability reports or CSR reports; and what ESG ratings they got from impartial third-party agencies. Evaluate the overall implementation of ESG-related practices of business partners based on the criteria above.
3. The actual content of the "E.SUN Bank Wealth Management Business Partner Sustainable Development Commitment" may be modified according to the template as needed. Any modification will require the approval of the head of the Retail Banking Division on a case-by-case basis.

(II) Wealth management products

1. Assign ESG ratings of "Positive", "Neutral", "Negative", "No Data" to products by using ESG ratings from impartial third-party agencies, including but are not limited to DJSI, MSCI, Bloomberg, Sustainalytics, Standard & Poor's, and Morningstar, and take ESG ratings above into consideration during product selection process.
2. Offshore bonds and offshore stocks issued by high-risk businesses shall not be launched without due diligence evaluation to ensure there are no material ESG risks.

(III) Interim management

1. Regularly review the ESG ratings of wealth management products on the platform during product review meetings, and ensure effective product management according to the following management measures.
  - (1) Products assigned with "Positive" or "Neutral" ESG rating may be launched for subscription and included in the product promotion list of marketing campaigns.
  - (2) Products assigned with "Negative" ESG rating may be launched for subscription only after careful evaluation and approval in the meeting, but cannot be included in the product promotion list of marketing campaigns.
  - (3) Products assigned with "No Data" ESG rating may be launched for subscription and may be included in the product promotion list of marketing campaigns after a comprehensive consideration of the business partner's implementation of ESG-related practices or after careful evaluation and approval in the meeting.
2. Incorporating the implementation of ESG-related practices or any material negative ESG issues of business partners into the consideration of the depth of business relationship with the partner. For example, consider whether to include the business partner's products in the promotion list of marketing campaigns. If there is any material negative ESG issues, E.SUN Bank should ask the business partner to provide relevant explanations or improvement measures, and assess response measures in the meeting.

(V) These guidelines shall be implemented with the approval of the President.