

E.SUN Financial Holding Company Sustainable Development Engagement Guidelines

2021.12.13 Implemented with the approval of the President

2023.06.29 Amended

2024.06.25 Amended

I. Purpose

These Guidelines were established to fulfill the vision of becoming a world-class corporate citizen, striving to balance economic growth and ESG goals such as net-zero emissions by 2050 and Paris Agreement temperature goals. Based on the “E.SUN Financial Holding Co., Ltd. Sustainable Finance Policy”, E.SUN continuously drive the sustainable transformation through concrete actions, by initiating dialogues with various stakeholders, facilitating communication, and providing assistance to promote the sustainable performance and long-term value.

II. Scope

These Guidelines apply to the Company, including its subsidiaries and overseas branches and institutions, hereinafter referred to as “the Company”. These Guidelines cover all AuM of active investments and passive investments.

III. Targets and Methods of Engagement

- (I) Engagement targets include: customers with finance or investing activities, suppliers, cooperative partners, government agencies, etc., with priority given to engaging with the corresponding upper management or ESG team. For domestic corporate banking customers with large proportion of the Company's financed emissions, priority is given to engaging on climate change topic.
- (II) To increase the impact of engagement, the forms of engagement include both individual and collaborative engagement.
- (III) Engagement methods include but are not limited to participating in or hosting physical/online interviews, meetings, forums, educational training; written/electronic/verbal communication; participating in shareholder meetings or investor conferences of engagement targets, making statements or exercising voting rights, etc.

IV. Principles and Topics of Engagement

- (I) Engagement Principles: The Company chooses its engagement targets according to the actual business situations, sustainability performance and achievements in environmental, social, and corporate governance aspects, and the proportion of the Company's financed emissions. Regularly review the progress of engagement objectives, evaluate the effectiveness of engagement, and adopt possible actions after engagement.
- (II) To promote the engagement target's performance in environmental, social, and corporate governance aspects while enhancing long-term value, the ESG engagement topics are as follows:
 - i. Environmental Aspect:
 1. Climate Change: Encourage engagement targets to promote or disclose the following items, including: climate risk management mechanisms, climate

goals align with the Paris Agreement, greenhouse gas reduction targets, and promoting energy efficiency and renewable energy use.

2. Biodiversity: Encourage engagement targets to promote or disclose policies related to direct or indirect impacts on biodiversity, such as deforestation, circular economy, water resource use, and waste management.

ii. Social Aspect:

1. Gender Equality and Diversity in the Workplace: Encourage engagement targets to promote or disclose gender pay ratio, employee diversity data, sexual harassment prevention programs, and creating a diverse and inclusive working environment.
2. Workplace Safety: Encourage the promotion of occupational safety and health management mechanisms and employee health care measures.

iii. Corporate Governance Aspect:

1. Board structure: Encourage the promotion of board composition and structural development, advancing independence and diversity.
2. Compensation policy: Encourage the connection between enterprise management level compensation and sustainable performance.

V. Engagement outcomes and management

- (I) The Company and its subsidiaries should establish relevant engagement processes, retain related documents for future reference, and provide a basis for continuous tracking of engagement outcomes. A management mechanism for engagement outcomes should be established, including setting engagement periods, planning post-engagement action plans, tracking the achievement of engagement objectives, and conducting grading based on engagement outcomes, serving as a basis for subsequent engagement and future adjustments.
- (II) If the improvement of the engagement target is not in line with the engagement objective, continuous dialogue should be conducted with the senior management team of the engagement target, emphasizing the Company's value and position in the engagement topics. If the engagement outcomes still do not meet expectations, the Company will not rule out adopting collaborative engagement or reducing/phasing out investment.

VI. The Guidelines have been implemented with the approval of the President.