

# E.SUN Financial Holding Company Sustainable Development Voting Guidelines

2023.06.29 Implemented with the approval of the President

## I. Purpose

These Guidelines were established to implement shareholder activism, exert financial influence, promote the financial interests and sustainable performance of investee companies through voting, and in accordance with the “E.SUN Financial Holding Co., Ltd. Sustainable Finance Policy.”

## II. Scope

These Guidelines apply to the Company, including its subsidiaries and overseas branches and institutions, hereinafter referred to as “the Company”.

## III. Voting Principles

(I) The Company supports ESG resolutions that can promote the investee companies' performance in environment, society, and corporate governance, while enhancing long-term shareholder value, as follows:

i. Environmental aspect:

1. Climate change and energy transition: Support resolutions seeking the following actions, including implement practices or provide disclosure on climate risk management mechanisms, climate goals in line with the Paris Agreement, greenhouse gas reduction targets, impacts related to coal, oil, and gas operations, and policies to promote energy efficiency and renewable energy use.
2. Biodiversity: Support resolutions seeking the following actions, including implement practices or provide disclosure on deforestation, circular economy, water resource usage, and waste management.

ii. Social aspect:

1. Gender equality and diversity in the workplace: Support resolutions seeking the following actions, including implement practices or provide disclosure on gender pay ratio, employee diversity data, and plans for creating an inclusive and diverse working environment.
2. Workplace safety: Support resolutions seeking to improve occupational safety and health, employee well-being, and prevention of sexual harassment.

iii. Corporate governance aspect:

1. Board structure: Support resolutions seeking to promote the healthy composition of the board. The Company would vote against the proposals if we have concerns over the appointment of one or more directors and/or if there is a lack of diversity of the board generally.
2. Compensation policy: Support resolutions seeking to link the compensation to be paid to executives with sustainable performance.

(II) The Company would vote against the proposals if they violate the spirit of corporate governance (such as false financial reporting, money laundering, etc.) or

have a negative impact on the environment/society (such as environmental pollution, violation of human rights and labor rights, etc.)

- (III) If the Company's ongoing engagement with the investee company remains unresponsive or unsuccessful, or the sustainable performance of the investee company do not meet expectations, the Company will make a statement at the shareholders' meeting.

**IV. Proxy voting decision-making process**

- (I) Except as required by law, upon receiving the notice of the shareholders' meeting, the relevant ESG resolutions should be handled by the responsible unit, including the appointment of the representatives to attend, voting decisions and the relevant procedures should be followed and documented for future reference.
- (II) Before voting at the shareholders' meeting of the investee company, the Company should carefully evaluate each resolution according to these Guidelines to determine how to exercise our voting rights, whether to make a statement, and the content of the statement. If necessary, the Company should communicate or engage with the investee company before the shareholders' meeting.

**V. If external service providers provide the Company with voting recommendations, they must be consistent with these Guidelines before they can be adopted.**

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