



E.SUN FHC SUSTAINABILITY REPORT 2021





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 11th 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 "ESG" 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 aspects in 2021 (from January 1 to December 31, 2021). 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, 2021 and after December 31, 2021. The last version was published in June 2021.

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% (not including E.SUN Bank's subsidiary, Bank Pro) of E.SUN FHC's net revenue. 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'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, Summit Campus, Hope Campus, Technology Building, Boai Building, and overseas and domestic branches. 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: core option
	G4 Financial Services Sector Supplement Guidelines Integrated reporting
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

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 No. 1, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" in the Republic of China	PwC Taiwan
	Task Force on Climate-related Financial Disclosures	BSI Taiwan
Financial data	Annual financial report	Deloitte
Environmental data	ISO 14064-1 : 2018 Greenhouse Gas Inventory	SGS Taiwan
	ISO 14046 : 2014 Organizational Water Inventory	
	ISO 14064-3 : Carbon emissions of lending and investment portfolio	

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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Feedback

Table of Contents

Message from the Chairman and the President	005
---	-----

Honors and Recognitions	007
-------------------------	-----

Cover Story 008

Footprints along the pursuit of excellence	008
Endless gratitude and blessings	009
Cultivating outstanding international students	010
Plant for the Planet	011

1 Our Story 012

1.1 Vision	013
1.2 Business Performance	016
1.3 Sustainable Development Committee	017
1.4 E.SUN's Sustainable Development Blueprint	018
1.5 Materiality Analysis	019
1.6 Communication with stakeholders	030



Appendix 1 - GRI Sustainability Reporting Standards Content Index	155
Appendix 2 - Index of GRI (Global Reporting Initiative) G4 Indicators of Financial Service Sector	160
Appendix 3 - Material Issues	161
Appendix 4 - Corporate Social Responsibility Best Practice Principles for TWSE / GTSM Listed Companies	163
Appendix 5 - Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies	163
Appendix 6 - ISO26000 Index	164
Appendix 7 - UN Global Compact Index	164

2 Journey to Net Zero 034

2.1 Governance	036
2.2 Climate Change Strategies	037
2.2.1 Climate Change Risks	038
2.2.2 Opportunities	040
2.3 Risk Management	043
2.3.1 Climate Change Management Procedures	043
2.3.2 Identification and Management of Climate Risks by Industry	043
2.3.3 Scenario Analysis (Stress Test)	044
2.3.4 Climate Risk Management Measures	048
2.4 From GHG Accounting Towards Net Zero	049
2.4.1 E.SUN's GHG Emission Structure	049
2.4.2 Financed Emissions in 2020	050
2.4.3 On the Way to 2050 Net Zero	051

3 Banking for Better 052

3.1 Sustainable Finance	053
3.1.1 Responsible Lending	054
3.1.2 Responsible Investment	058
3.1.3 Retail Banking	059
3.2 Inclusive Finance	064
3.2.1 Supporting small businesses and microfinance institutions	067
3.2.2 Developing financial products and services for elderly people	068
3.2.3 Disadvantaged and underserved groups	069
3.3 FinTech and Innovation	074

4 Building Resilience 076

4.1 Corporate Governance	077
4.2 Code of Conduct and Ethic	082
4.3 Risk Management	084
4.4 Emerging Risks and Opportunities	086
4.5 Anti-money laundering and Combating the financing of terrorism (AML/CFT)	089
4.6 Business Continuity Plan	093
4.6.1 IT continuity plan	093
4.6.2 Control of Major Communicable Diseases	094
4.7 Information Security	095
4.8 Personal Information Protection Management	098
4.9 Tax Governance	099
4.9.1 Approach to tax	099
4.9.2 Tax Governance and Risk Control Mechanism	100
4.9.3 Stakeholder engagement and management	100
4.9.4 E.SUN FHC income tax information for the past two years	101
4.9.5 2021 country-by-country reporting	101
4.10 Human Rights Protection	102
4.10.1 Treating Customers Fairly and Customer Experience	103
4.10.2 Supplier Management	109

5 Our People 110

5.1 Talent Cultivation and Development	111
5.2 Talent Attraction and Retention	119
5.3 Employee Care and Friendly Workplace	124

6 Seeking Common Good 132

6.1 Sustainable Operating Environment	135
6.2 Sustainable Ecological Conservation	139
6.2.1 Species Conservation	139
6.2.2 Habitat Conservation	141
6.2.3 Environmental Sustainability Activity	142
6.3 Social Inclusion	144
6.3.1 Academic Education	148
6.3.2 Social Participation	150
6.3.3 Arts and Humanities	152
6.3.4 Fitness Development	154

Appendix 8 - Human Resource Management Indicators	165
Appendix 9 - Sustainable Operating Environment Indicators	172
Appendix 10 - Economic value distributed indicators	173
Appendix 11 - Sustainability Accounting Standards Board (SASB) Index	174
Appendix 12 - Independent Assurance Opinion Statement	176
Appendix 13 - Carbon Neutralization Certificate	177
Appendix 14 - TCFD Conformity Statement	177
Appendix 15 - Greenhouse Gas Verification Statement	178
Appendix 16 - Independent Auditors' Limited Assurance Report	179

Message from the Chairman and the President

GRI : 2-22



A company with a soul needs to have a noble vision, and incorporate its core values into goals and a mission to create a positive impact on stakeholders. E.SUN had three visions when it was founded 30 years ago, and it allowed E.SUN to set out on a different path towards a brilliant future through the hands of generations of E.SUN members, laying the foundation for E.SUN to grow for a hundred years.

Chairman, E.SUN FHC

Yung-Jen Huang

President, E.SUN FHC

Maqi Chen

■ The flywheel of E.SUN's growth has begun to turn

E.SUN turns 30 years old in 2022.

The founder named E.SUN after the highest mountain in Taiwan in 1992 with the goal of establishing the best bank under the three visions: "E.SUN of Taiwan, E.SUN of the world" "An Exemplar for the Financial Industry A Benchmark for the Service Industry," and "E.SUN employees strive to be first-class citizens of the world; E.SUN endeavors to become a first-rate global corporate citizen." After 30 years, E.SUN achieved excellent performance in tangible and intangible indicators for overall performance, corporate social responsibility, and sustainable development. We have achieved steady asset growth, rapid increase in market cap, and continued to generate record high profits, creating great value for employees, shareholders, and this land. We are adopting international practices in ESG and sustainable development, and became the first financial institution in Taiwan included in DJSI in 2014. This is the 8th consecutive year E.SUN was selected into the DJSI and ranked in the top 10 worldwide in the past 5 years, both setting new records.

With one eye on the present and one eye on the future. E.SUN is fully aware that the recognition it is receiving today is based on its choices and efforts in the past, and our decisions and actions today will be the start of an even brighter future. Hence, as we enter the fourth decade, E.SUN will continue to focus on the three strategies "Expanding domestic and overseas operations, leading FinTech developments, and strengthening the three lines of defense" with the mission of "ESG and sustainable development," developing towards the goal of "the Highest Mountain; the Best Bank."

■ We are on the right path

As the pandemic rages on and geopolitical disputes become even more severe, people are gradually becoming aware that global risks concern every single people. The frequent occurrence of extreme weather events around the world has made everyone aware that if climate actions fail, no amount of EPS or assets will have any meaning. Hence, achieving the goal of "zero carbon" has become the most important mission of this era.

In 2021, ESG issues became the center of attention and the United Nations formed the Glasgow Climate Pact in COP26, the European Union formally announced the Carbon Border Adjustment Mechanism (CBAM), and Taiwan's government set the goal to achieve net zero emissions by 2050. The goal of sustainable development does not only involve actions by companies and individuals, but has gradually been transformed into practical actions and path under international consensus, government policy, and market mechanisms, transitioning from a moral call to institutional support.

■ CSOP of the Sustainable Development Blueprint

However, the path to sustainable development is not a matter for specific individuals, nor is it a challenge for any generation, but an issue that all of mankind must squarely face. In February 2021, E.SUN collaborated with 32 outstanding enterprises in Taiwan to openly support ESG sustainability actions, ringing the bell of hope for Taiwan's environment and future. "E.SUN not only holds itself to a high standard, but also contributes to the well-being of all." E.SUN pools the wisdom of companies with the same values, and links sustainable financial products and services to provide ESG consulting services, allowing the power of capital to have a greater positive impact.

Moreover, E.SUN has planned its pursuit of ESG and sustainable development into an executable sustainable development blueprint for four major aspects of business management CSOP: Culture, Strategy, Organization, People.

When E.SUN is formulating strategies each year, departments will report business strategies for the coming year. Departments propose potential ways for combining their business with ESG in the report, making sustainable development an important consideration when strategies are being formulated. This year, departments proposed systematic, procedural SBTs to achieve E.SUN's milestones for net zero emissions by 2050. The scope of carbon reduction does not only cover E.SUN's operations, but also includes key investment and lending positions of the financial industry, making E.SUN Taiwan's 1st and Asia's 2nd financial institution to receive approval from the Science Based Targets Initiative (SBTi) for its SBTs.

In response to the needs for developing sustainable finance, E.SUN FHC was the first in Taiwan's financial industry to establish the position of Chief Sustainability Officer (CSO), and appointed President Magi Chen as the CSO. Furthermore, the 6 task forces under the Sustainable Development Committee of E.SUN FHC's Board

of Directors carry out various tasks, and organize departments to help customers formulate carbon reduction plans and provide complete ESG financial solutions through green loans, responsible investment and issuance, and underwriting for sustainable development bonds.

E.SUN cultivates talent with sustainability concepts, and members of E.SUN take courses on ESG financial practices in each stage of their career, from joining E.SUN, becoming a mid-level supervisor, to managerial officer training. Sustainable finance talent today need to have financial expertise as the basis, and also need ESG values for sustainability concepts to lead E.SUN forward and become internalized into the corporate culture.

■ 30th Anniversary of E.SUN, Sustainable Future

In the words of Alfred Nobel: "To spread knowledge is to spread happiness." E.SUN is a learning organization and has invited 9 internationally renowned management experts to forums starting in 2012. E.SUN invited Jim Collins, the author of Good to Great and Turning Your Business into an Enduring Great Company and one of the most influential management experts in the world, to give a speech in 2022, during which he proposed the blueprint for companies to achieve sustainable excellence. A company with a soul needs to have a noble vision, and incorporate its core values into goals and a mission to create a positive impact on stakeholders.

30th Anniversary of E.SUN, Sustainable Future. E.SUN had three visions when it was founded 30 years ago, and it allowed E.SUN to set out on a different path towards a brilliant future through the hands of generations of E.SUN members, laying the foundation for E.SUN to grow for a hundred years. We will continue to incorporate ESG into our core business, in order to create a better future for society, the environment, and this land. It is like spring with almond blossoms for a future full of hope. 🌱

SUSTAINABLE DEVELOPMENT GOALS



Honors and Recognitions

Economy

- Total assets exceeded **NT\$3 trillion**
- Market value ranks in the **top 20** of all listed companies in Taiwan, with an annual growth rate of 17.6%
- Net revenue collected from service fees have grown for **13 years** in a row
- Foreign currency deposits have grown by over \$100 million for 5 years in a row
- S&P ratings for subsidiary E.SUN Bank have been improved to **A/ stable**

Social

- Established **166** E.SUN Libraries
- Provided the E.SUN Foundation Scholarship to a total of **208** key talents in each field over **17** consecutive years
- Ranked **1st** in corporate bailout loans that amounted to **NT\$141.8** billion
- Our house call dentist program and healthcare visit program for elementary schools in remote regions have already benefited a total of **2,208** elders and children.

Environmental

- The first financial institution in Taiwan to pass the review of **SBTs**
- Collaborated with **32** outstanding enterprises in Taiwan to openly support ESG sustainability actions
- Ranked **1st** in amount of sustainability bonds issued by financial institutions for investment in industries friendly to the environment and society

Overall Performance



Forbes

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



Enterprise Asia

Awarded the Responsible Business Leadership for the 4th consecutive year. (2018-2021)



The Asset

Awarded the Best Bank in Taiwan for the 5th time. (2015-2018, 2021)



S&M Enterprise Credit Guarantee Fund of Taiwan

Ranked 1st in the Financial Institution Division of the Credit Guarantee Golden Quality Award by for 16 consecutive years



Asiamoney

Awarded the Best SME Bank for the 4th time.



HR Asia

Awarded the Most Caring Companies Award for the 2nd consecutive year. (2020-2021)



Corporate Governance Asia

Awarded the Asia's Best CEO for the 6th time. (2015-2016, 2018-2021)

Financial Innovation



IDC

Won the Future Enterprise Award and the Special Award for Digital Resiliency (2021)



The Asian Banker

Won the Best Big Data, Artificial Intelligence, and Machine Learning Project in Taiwan (2021)



The Asset

Won the Best Financial Artificial Intelligence Project in Taiwan



Wealth Magazine

- Won the Gold Award for Best FinTech Bank in the FinTech Innovative Application Award (2016-2021)
- Won the Best Digital Banking Award in the securities category of the Wealth Management Award (2019-2021)



Commercial Times

Won the first prize of Digital Financial Service Award. (2021)

Sustainable Development



DJSI

Being selected as a constituent stock of the DJSI for 8 consecutive years, ranked in the top 10 worldwide in the Banks Industry Group in the past 5 years (2014-2021)



MSCI ESG Ratings

Receiving AA in MSCI ESG Ratings for the 4th consecutive year. (2018-2021)



Sustainalytics ESG Risk Ratings

Ranked top 1% among global banking industry in Sustainalytics ESG Risk Ratings. (2021)



FTSE4Good

Listed in FTSE4GOOD Emerging Index for the 5th consecutive year. (2017-2021)



Finance Asia

Won the Best Sustainable Bank in Taiwan for 2 consecutive years (2020-2021)



CommonWealth magazine

Awarded 1st in the financial industry in Corporate Citizenship Award for 14 consecutive years. (2007-2010, 2012-2021)



Environmental Protection Administration, Executive Yuan
Won the Master Award, in the National Enterprise Environmental Protection Award (2021)



TCSA

Placed 1st among financial institutions in the Top Ten Domestic Corporations for 7 consecutive years (2015-2021)



WHITE DEER (Taipei) / KOHEI NAWA

E.SUN Second Headquarters Building Inauguration

Footprints along the pursuit of excellence

2022 marks the 30th anniversary of E.SUN Bank. With immense joy and thanks, we'd like to share with you our endeavors and achievements in making E.SUN the second home to employees in the past 30 years. Meanwhile, we stride and secure every step leading to the peak.

Mission Start Point

Determined to become the best bank in Taiwan

Upholding the ideal of becoming the best bank in Taiwan, E.SUN brought together a group of professional financial managers in our first business place (currently the Chengzhong Branch) in Wuchang Street of Taipei City and started our business in 1992.

In 1999, E.SUN built the E.SUN HR Development Center, namely, Dengfeng Building, on own purchased land. Dengfeng Building is the cradle of growth and learning for E.SUN employees because it is where all training programs take place, from employee orientation courses, mid-level officer training programs, to the LEAD program. In 2003, E.SUN further purchased the headquarters building situated at Sec. 3, Minsheng E. Rd, Taipei City. As the various units such as the corporate financing unit, consumer financing unit, and wealth management unit successively moved in, we integrated the product lines of E.SUN Bank and E.SUN FHC, thus laying a solid foundation for E.SUN.

E.SUN of Arts

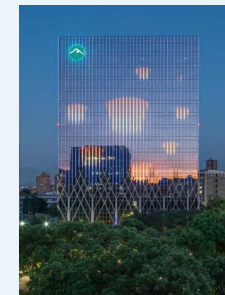
Living in symbiosis with Mother Nature toward a sustainable future

Going into the fourth decade, with great gratitude, E.SUN inaugurated the second headquarters building. Sitting on the tree-lined avenue of Dunhua N. Rd. of Taipei City, the building fuses architecture and sustainability, in that it uses only renewable energy and is certified with green building marks such as the green building LEED Gold Certification, green building EEWH Gold Level Certification, and Taiwan Intelligent Building Silver Label. The building, designed by Takamatsu Shin, a contemporary leading Japanese architect, features a design concept of living in symbiosis with nature, stretching into the sky like boughs. Sitting on the tree-lined Dunhua N. Road, it exudes thriving vitality, as if wishing E.SUN an extending and prosperous growth like a tree.

Sitting outside E.SUN's second headquarters building is the most eye-catching outdoor artwork 《White Deer (Taipei)》, which is designed by the contemporary Japanese artist Kohei Nawa, who applied modern technology to interpret the "sacred deer" existing in ancient Japanese

mythology. The White Deers, being Mother Nature's envoy, have long antlers, bringing the coming of spring, and the advent of peace, hope, and love, guarding E.SUN and the land of Taiwan. Standing in the plaza is another artwork (Bore Block), a sculpture made of copper and stainless steel by the artist Jonathan Prince from New York, USA. The circular hollow at the sculpture's center symbolizes a rising sun that welcomes the vigor and hope of the morning and shines on the lush trees and grass on our operating location in Dunhua North Road.

For E.SUN, being in the financial industry means being committed to sustainable development, which can be achieved only with our competitive employees. By offering them an elaborate cultivation program, a cozy and good office environment, and thus the best place for learning and work, we expect each of them to realize their dreams here upholding and fostering E.SUN's spirit, thus jointly heading toward a future that is artistic, innovative, and sustainable.



(Left to the picture) (Bore Block), a sculpture made of copper and stainless steel by the artist Jonathan Prince from New York, USA. The circular hollow at the sculpture's center symbolizes a rising sun that welcomes the vigor and hope of the morning.

(Right to the picture) We turned on the LED lights on the exterior walls during the pandemic, featuring rising sky lanterns, praying for Taiwan.

Hosting the "Eternal Love Concert" and "For Mothers~Mother's Day Music Concerts"

Endless gratitude and blessings

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. 2022 was the fifth time that they had staged a performance at the National Concert Hall singing a series of songs about love and hometown in different languages; their music transcended time and border, unleashing the most beautiful and blessed moment of every audience.

Arts and Care that Showcase the Powers of Music Singing about love and hope to deliver truth, virtue, and beauty

E.SUN Choir Group is composed of E.SUN managers who have great passion for music, culture, and art. Supported by the company and coached by professional tutors, the Choir members diligently practice singing after work and grow together, showcasing their temperament and sophistication through their beautiful voices. They tour the concert halls of counties and cities in Taiwan every year. They even impressed guests with their performance at Taiwan's three art palaces, namely, National Concert Hall, National Taichung Theater, and Weiwuying National Kaohsiung Center for the Arts.

This concert featured songs sung in different languages to praise the love for hometown, for purity, for the world, for friendship, and for mothers' love, conveying our thanks to customers and partners who have supported us for long, and our mothers and this land that have nurtured

and nourished us. In addition, the medical staff of Taiwan fought the pandemic by holding on in the most difficult yet critical post, both in academic research and in the front line, doing what they could to guard the health of Taiwan and the world. Meanwhile, counties worldwide such as the US, Japan, Poland, Czech, Lithuania, and the Slovak Republic rendered their support by donating COVID-19 vaccines to Taiwan, demonstrating their cherishing the friendship with us. As such, E.SUN invited many outstanding physicians, professors from medical schools, medical staff, the representatives of the missions and association of the various countries to this concert, where they enjoyed the musical feast we had prepared for them. E.SUN Choir sang "Together We Are One"; "千の風になって" (Do Not Stand at My Grave and Weep); "Going Home", a famous Czech song; "Zahučaly Chladné Vetry", "Znaszli Ten Kraj", and "Těvyne Mūsų", the folk songs of the Slovak Republic, Poland, and Lithuania; and "台灣是寶島" (Taiwan Is a Precious Island), conveying our deepest respect, gratitude, and blessings to them.



E.SUN hosted the "Eternal Love Concert" and "For Mothers~Mother's Day Music Concerts" at National Concert Hall and Weiwuying National Kaohsiung Center for the Arts, respectively, delivering rich and impressive musical feast to guests.



Open the window to the world

Cultivating outstanding international students to build bridges of friendly exchanges

Talent is a key indicator of national and corporate sustainability development. E.SUN strives to cultivate outstanding international students to sow seeds of knowledge and friendship, and build the bridge for international cooperation and exchanges, in hopes of creating a positive impact on students and giving back to society to create a better future.

Working with the International Cooperation and Development Fund (TaiwanICDF) to cultivate international financial talent

TaiwanICDF supports the development of economic, social, and human resources by friendly or developing countries under the vision of "Partnerships for Progress and Sustainable Development." E.SUN collaborated with TaiwanICDF in organizing the International Student Industry-Academia Collaboration Internship Program, which encourages international students from Honduras, Haiti, and Indonesia to study and work in business and finance in Taiwan. E.SUN provides professional financial training through internships in consumer banking, corporate banking, FinTech, and business units, as well as participation in E.SUN volunteer activities, deepening cultural and financial exchanges with international students. This allows E.SUN to fulfill its social responsibility and exert its influence as a global citizen.

Distributed the ASEAN Talent Scholarship

With regard to E.SUN's overseas strategy for developing Asia's financial platform, besides actively expanding locations in ASEAN countries, we continue to expand cooperation with many universities and offer the ASEAN Talent Scholarship, encouraging ASEAN students from Cambodia, Myanmar, and Vietnam to actively learn in Taiwan and develop their international abilities. This will allow them to contribute to society and work towards their ideals, regardless of whether they return to their country or stay in Taiwan.

Promoting financial education for students to plant seeds of hope in finance

Basic financial education that provides the correct concepts, attitude, values, and abilities should not be limited to a few privileged people. E.SUN's subsidiary in China visited elementary schools in remote areas of Inner Mongolia, and E.SUN personnel with financial expertise served as lecturers in courses on anti-money laundering, anti-fraud, and correct concepts of saving for 3-6 graders. The courses aim to prevent leakage or theft of personal data, in order to protect their rights from infringement. The courses also help children gain the right financial values and perspective of consumption, helping children get into the habit of saving money. E.SUN sincerely hopes to instill the right concepts of saving and spending, loans and credit, and risk management and investment in children through basic financial education, and help children realize the blueprint for their dreams in life.

Friendly international relationships need to be based on mutual understanding and trust. E.SUN will continue to combine its financial expertise with education to cultivate talent for society, in hopes that these students will become a bridge for good relations between Taiwan and international society. We will build partnerships to contribute to international society and jointly move forward on the path to sustainable development.



(Upper figure) E.SUN set up the E.SUN ASEAN Talent Scholarship in 2018 to encourage outstanding students from Cambodia, Myanmar, and Vietnam to study in graduate school in Taiwan.

(Lower figure) International students from allied or friendly countries experience banking practices at the NTU branch while they are interns of E.SUN.



Join NTU in Planting Trees—A Centennial Commitment

Plant for the Planet, Afforestation for Sustainability

Long committed to addressing global warming, E.SUN Financial Holding Co., Ltd. has sponsored tree planting by the Forestry Bureau, Council of Agriculture for four years in a row. This year it teamed up with National Taiwan University for a 10-year tree planting initiative. As it joins partners to lay a solid foundation for carbon fixation and the circular economy, E.SUN FHC hopes to help keep a lid on temperature rises and carbon dioxide emissions, thereby creating a brighter future of sustainability.

Ten years to grow trees, but a hundred to rear people E.SUN–NTU ESG Centenary Project

As global warming heats up by the day, E.SUN FHC is proactive to endorse the UN's Sustainable Development Goals, in particular Goal 13 Climate Action and Goal 15 Life on Land, by taking action. A highlight for this year is the E.SUN–NTU ESG Centenary Project. Launched on March 25, it comprises two subprojects, with one aimed at planting 100,000 cypress trees native to Taiwan and the other at reviving millet cultivation in Xinyi Township, Nantou County. Joining forces and resources, E.SUN FHC and NTU honor their commitment to society by taking action to protect the environment and ecosystem of Taiwan, thereby forging a sustainable symbiosis between the economy and nature.

The first subproject focuses on growing cypress trees unique to Taiwan in the Yushan mountain range. These include *Chamaecyparis formosensis* (Taiwan Red Cypress), *Chamaecyparis taiwanensis*, *Taiwania*, *Calocedrus formosana* (Taiwan Incense Cedar), and *Taiwan cunninghamia*. A total of 100,000 trees will be planted in an area of 50 hectares over 10 years. These are expected to help reduce 242,000 tons of carbon dioxide emissions over the coming century, equivalent to 617 times the annual carbon absorption

of Taipei's Da'an Forest Park. After thinnings, some 25,000 trees will be left to grow 100 years and beyond. On top of helping with homeland security and soil and water conservation, this subproject promises to bring benefits in carbon fixation and the circular economy.

The second subproject aims to revive 28 varieties of millet that were once native to Xinyi Township, Nantou County but are now all but extinct. This is to be done through NTU ushering in the said varieties from a U.S. seed bank. The goal is to revitalize the Bunun community's millet industry and tribal culture and, in turn, extend a cultural heritage unique to Taiwan's aborigines.



E.SUN Bank Chairman Joseph N.C. Huang (3rd from right) and NTU President Kuan Chung-min (3rd from left) making a joint appearance for the E.SUN–NTU ESG Centenary Project, a collaboration honoring their commitment to society





CH1

Our Story

E.SUN is dedicated to manage business with integrity and climb over three mountains of corporate management: overall performance, corporate social responsibility and sustainable development. In past 30 years, we keep improving our financial expertise and commit to devoting resources into sustainable development by following "3i", innovation, integration, influence. To create a better society, we engage ourselves first, with our people highly participate, combine our financial expertise and invite external partners to join us.

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" which possesses a sense of purpose to "operate the best bank"** and establish systems run by experts.

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.

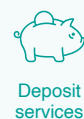
- **High-quality financial service** :
E.SUN invests in talent cultivation to provide services with high quality and professionalism to satisfy customers' needs.
- **Friendly user experience** :
E.SUN focuses on financial innovation and continues to innovate in order to enhance customer experience.
- **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\$133,546 million
Total assets	NT\$3,230,908 million
Number of employees	9,262 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-CB-000A.B, SASB-MF-000.B



Deposit services

	Number of deposit accounts (thousand)	Total amount of deposits (NT\$M)
Personal	5,404.6	1,286,236
Small Business	189.3	180,214
Corporate Customer	21.1	1,228,613
Total	5,615	2,695,063



Loans

	Number of deposit accounts (thousand)	Total amount of deposits (NT\$M)
Personal	339.3	889,006
Small Business	19.1	102,518
Corporate Customer	8.3	777,117
Total	366.63	1,768,641

Note 1: Small business: Defined as corporate customers with registered capital below NT\$10 million; defined as corporate customers with revenue below NT\$50 million for loans.
Note 2: If a small business customer is an affiliate of a group company, then it is considered as a corporate customer.



Wealth management service

	Assets under management (NT\$B)	Assets in custody (NT\$B)
Wealth Management	3,165.9	619.5

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 (thousand)	Average daily trading volume (NT\$M)
Average daily number of transactions	29,758	37,640

Note: Including foreign exchange and import and export transactions



Credit card business

	Issued cards (million)	Transaction amount (NT\$B)
Credit Card	664	456.6



Digital Service

	Digital Active Customer (thousand)	Digital transaction %
Digital Active Customer	2,470	66%



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

Operational support
Operations supervision, product and service supply, and business cooperation



E.SUN FHC

- E.SUN Bank
- E.SUN Bank (China)
- Union Commercial Bank PLC (UCB)
- E.SUN Securities
- E.SUN Venture Capital

Financial transactions
Financial services provision, investment, and lending



Customers and financial transaction counterparties

- Individual customer
- Corporate
- Financial industry
- Investee
- Investor



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 2021, 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.

139 branches

17 branches of E.Sun Securities

12 regional centers

8 regional management centers

Taiwan	Overseas	Virtual channels	Services and Products
<ul style="list-style-type: none"> • 139 branches • 12 regional centers (Corporate Banking) • 8 regional management centers (Consumer Banking) • 17 branches of E.Sun Securities • 1,101 ATMs • 146 Foreign Currency ATMs 	<ul style="list-style-type: none"> • 5 operating sites under E.SUN Bank (China), China subsidiary • 14 branches and 41 ATMs of Union Commercial Bank (Cambodian subsidiary) • Hong Kong Branch • Los Angeles Branch • Singapore Branch • Dong-Nai Branch • Sydney Branch • Brisbane Branch • Yangon Branch • Tokyo Branch • Hanoi City Representative Office (Vietnam) • Bangkok City Representative Office (Thailand) (Preparing) • Ho Chi Minh City Representative Office (Vietnam) (Preparing) 	<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 mainly 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 was founded with an expertise-driven management that made a long term commitment to creating value for stakeholders and to listening to the voices of shareholders and investors. The core value of E.SUN focuses on disciplined corporate culture and entrepreneurship, which aims to enhance its tangible and intangible value and then share the result with all stakeholders.

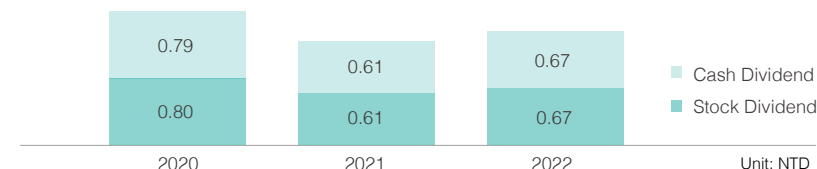
Financial Performance

E.SUN FHC's overall profit after tax in 2021 reached NT\$20.56 billion. The EPS, ROE, and ROA were NT\$1.54, 10.95% and 0.66%, respectively. The overall business maintained steady growth. In 2021, the growth rates of total loans and total deposit were 8.7% and 8.6%, respectively. Loan growth was achieved while maintaining sound asset quality. The NPL ratio was 0.16%. The NPL coverage ratio was 783.8%.

Unit: NTD thousands

Item		2019	2020	2021
Management capabilities	Total assets	2,498,358,191	2,971,744,682	3,230,908,277
	Book value	173,181,100	181,600,577	194,384,642
	Net revenue	54,522,618	56,249,044	57,897,440
	Net profit attributable to parent company	20,105,129	18,026,592	20,558,988
Profitability	ROA (%)	0.84	0.66	0.66%
	ROE (%)	12.07	10.17	10.95%
	EPS (NTD)	1.73	1.43	1.54
Economic value distributed	Employee salaries and benefits	12,779,300	14,216,281	14,730,709
	Dividend to shareholder	18,451,766	15,345,931	17,947,582
	Tax	4,714,130	5,682,662	4,313,353
	Investment in social inclusion	374,207	307,706	314,961
	Expenditures in studies and campaigns of financial industry policies	19,760	20,716	16,876
	Political donations	0	0	0

Dividend Distribution



Note: Dividends are calculated to two digits after the decimal. Dividends distributed in 2022 is the retained earnings of 2021.

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	-	-	Stable	2022.02
Standard and Poor	-	-	twAA-	twA-1+	Stable	2021.07
S&P	BBB	A-2	-	-	Stable	2021.07

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	-	-	Stable	2022.02
Standard and Poor	-	-	twAA+	twA-1+	Stable	2021.07
S&P	A	A-2	-	-	Positive	2022.05

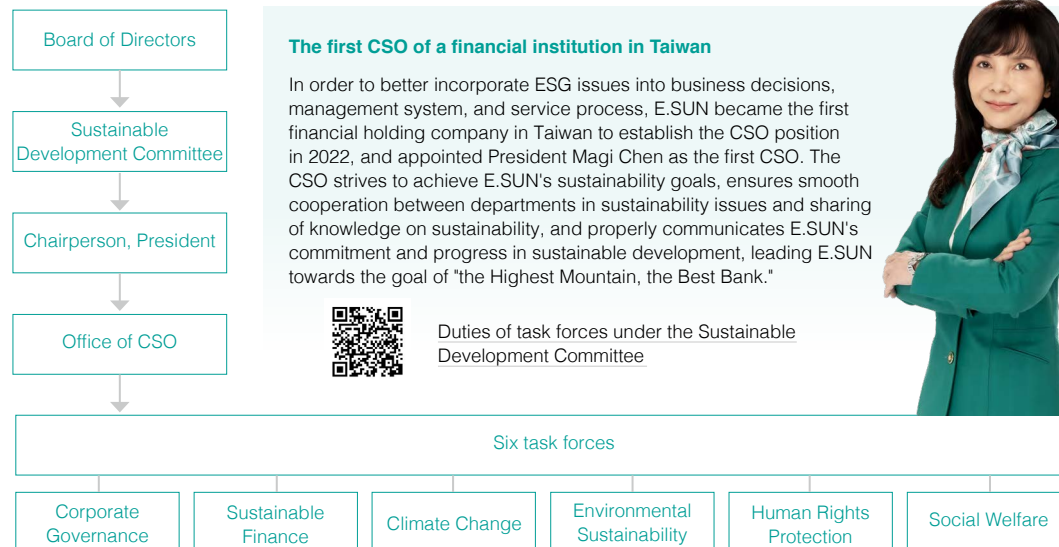
E.SUN Securities

Credit rating institutions	Domestic long-term	Domestic short-term	Outlook	Effective Date
Fitch	AA-(tw)	F1+(tw)	Stable	2022.02

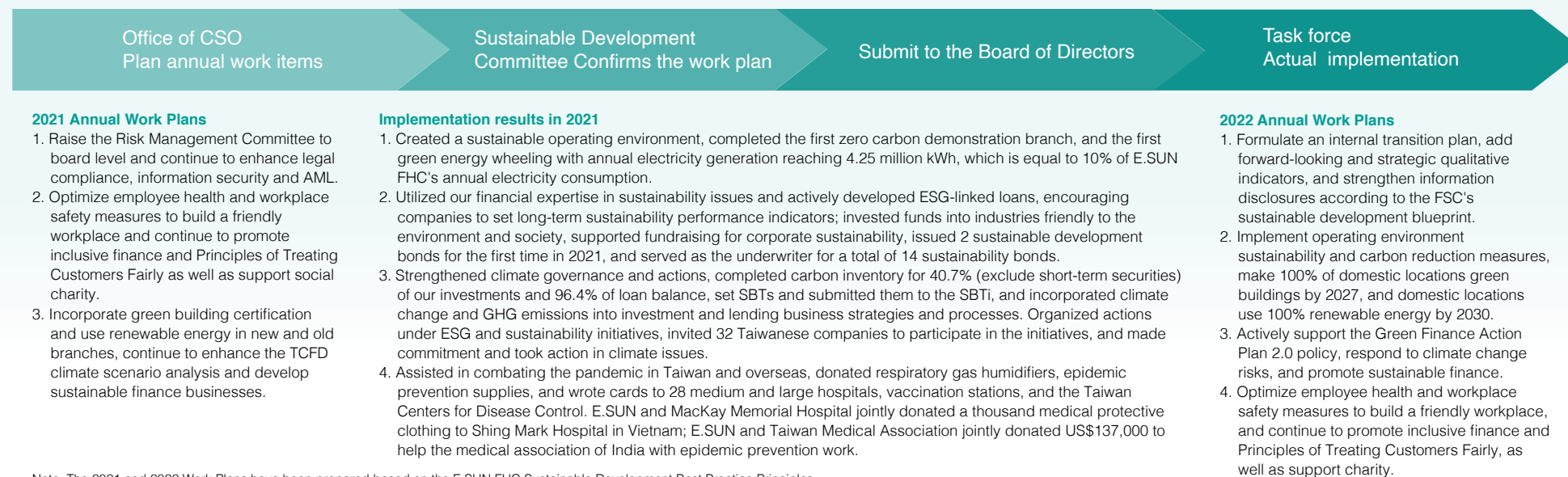
1.3 Sustainable Development Committee

GRI : 2-13 、 2-14 、 2-16

E.SUN FHC established the CSR Committee in 2011 and renamed it the Sustainable Development Committee in January 2021, making it the dedicated unit for the Company's sustainable development. The chairperson is the convener and the committee is formed by all Board members (including 2 independent directors). Six task forces operate under the Committee, covering: corporate governance, sustainable finance, climate change, environmental sustainability, human rights protection, and social welfare. Each task force is formed by members of departments in subsidiaries, effectively integrating resources and implementing sustainability strategies in each department. ESG strategy and implementation results are reported to the Board of Directors at least twice each year. During the 10 Board meetings convened in 2021, 60% of agenda items were related to ESG and sustainable development.



Operation of the Sustainable Development Committee



Note: The 2021 and 2022 Work Plans have been prepared based on the E.SUN FHC Sustainable Development Best Practice Principles

1.4 E.SUN's Sustainable Development Blueprint

In the fourth decade, E.SUN's goal is to become one of Asia's most distinguished banks, and also become the benchmark in Asia for sustainable development. In order to realize this goal one step at a time in a disciplined manner, E.SUN aims to achieve net zero emissions by 2050, support the sustainability of SMEs by 2030, and become customers' best partner. As such, we planned a sustainable development blueprint that includes 2 platform and 3 important strategies.

Culture and talent

Continue to make sustainability a part of employees' DNA through training and volunteer activities, and further actively take part in sustainability actions from their hearts.

System and risks

Continue to develop the ability to identify sustainability risks and establish a corporate governance organization and management system.

Meet international standards, maintain leadership

Continue to push ourselves to meet the highest international standards and practices, and utilize E.SUN's culture to find a way to quickly adopt and implement the standards and practices.

Transformation for sustainability, creating value

Provide diverse sustainable financial services based on customer needs, and create common value for customers and E.SUN.

Exercising influence in key matters

Work together with like-minded partners in exerting positive and far-reaching influence through different methods.

Asia's Benchmark for Sustainable Development

Net zero emissions by 2050, support the sustainability of SMEs 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

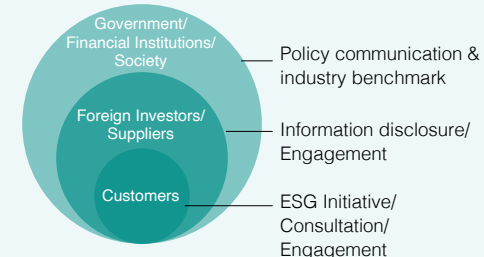
Transformation for sustainability, creating value

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

1.5 Materiality Analysis

GRI : 2-29、3-1、3-2、3-3

E.SUN identify material issues by latest GRI Universal Standards 2021 and AA 1000 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. Identify targets of communication

7 Key Stakeholder Groups

According to the five aspects of the AA1000 Stakeholder Engagement Standard: influence, tension, responsibility, dependency, and diverse perspectives, a stakeholder questionnaire was distributed to members of the Sustainable Development Committee's task forces. The results were approved by task forces of the Sustainable Development Committee, and stakeholders were divided into 7 groups by level of importance: customers, employees, shareholders/investors, government agencies, media (including credit rating institutions), communities (surrounding communities, charity, environmental protection, and industry-academia collaboration partners), and suppliers.

4. Analyze the level of impact on sustainable development

18 internal questionnaires

We distributed the "Sustainability Issue Impact Assessment Form" to task forces of the Sustainable Development Committee, and assessed the 26 sustainability issues from 6 aspects, including increase revenue, reduce cost, increase customer satisfaction, lower operational risks, and create innovation opportunities, collective a total of 18 effective questionnaires.

2. Collect sustainability issues

26 sustainability issues

After referencing international sustainability regulations and standards (GRI Standards, SASB, SDGs, GRI Financial Services Sector Supplement, ISO 26000, TCFD), sustainable investment ratings (DJSI, CDP, MSCI), cases of domestic and foreign financial institutions, and the stakeholder communication process, task forces under the Sustainable Development Committee summarized and listed 26 sustainability issues.

5. Verify material issues

18 material issues

The Sustainable Development Committee's task forces examined the results of steps 3 and 4, and made adjustments according to suggestions of the management team, selecting 18 medium and high concern sustainability issues as material issues for the current year. They then prepared a materiality matrix and reported it to the Sustainable Development Committee and Board of Directors.

3. Survey stakeholders' level of concern

780 external questionnaires

The 2021 E.SUN FHC Stakeholders ESG Questionnaire surveyed the level of concern that the 7 groups of stakeholders have for the 26 sustainability issues. Task forces of the Sustainable Development Committee identify subjects with a close relationship and influence, and collected 780 effective questionnaires, including customers (31), employees (623), shareholders/investors (3), government agencies (25), media (9), communities (53), and suppliers (36).

6. Assess the significance of impact

3 impact indicators

Steps 1-5 were implemented and completed between September and November 2021. After the GRI Universal Standards 2010 was announced in October 2021, task forces of the Sustainable Development Committee further assessed the intensity and probability of impacts that operating activities relating to the 18 material issues have on the economy, environment, and human rights, and determined the boundaries of impacts and involvement of material issues in the value chain. E.SUN verified that the 18 material issues all had a significant impact through this step.

Nearly 50,000 customer opinions

We used AI to analyze nearly 50,000 customer opinions between January and September 2021 (sources include customer satisfaction questionnaires and visitor message board), and quickly learned the contents of a large number of customer opinions by finding keywords and further observing the issues they are concerned about, including customer services, customer experience, inclusive finance, and personal data protection.

7. Verify the priority of issues and disclose contents

16 GRI topics

Task forces of the Sustainable Development Committee prioritize the material issues according to their impact, and describe response strategies, short-term, mid-term, and long-term goals, and management policies for each issue in this Report according to reporting requirements. The 18 material issues correspond to 16 GRI topics, including 11 topics, 4 general-disclosure topics, and 1 aspect in the GRI G4 Guidelines and Financial Services Sector Supplement.

Note: Please refer to Appendix 3 A.1 for adjustments to material issues in 2021

Material issue impact assessment

Task forces of the Sustainable Development Committee assessed the impact of 18 material issues on the economy, environment, and people (human rights), comprehensively assessed their actual/potential and positive/negative impact and probability of occurrence, and summarized preliminary results. E.SUN's material issues in 2021 were then ranked by impact according to recommendations of the management team:

1. Evaluation process:

(1) Quantitative impact :

Departments rated the impact of material issues on the economy/environment/people (including human rights) and probability of occurrence on a 5-point scale, and then task forces of the Sustainable Development Committee summarized result. An example is given below:

	Economic				Environment				People (including human rights)			
	Impact		Probability		Impact		Probability		Impact		Probability	
	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
Talent Cultivation and Development	5	3.5	5	1	2.3	-	4.3	-	4	3	4	2
FinTech and Innovation	5	4	5	2	2	-	3.5	-	3	5	5	1
Climate change risks	2	3	4.3	5	3	3	4	3	2	-	4	-
Risk Management	4	3	4	2	3	4	2.3	3	2	-	5	-
Treating Customers Fairly and Customer Experience	5	4	4	1.6	2	-	3	-	4	3	3	2

(2) Impact ranking :

Task forces of the Sustainable Development Committee calculated the quantified impact of the 18 material issues, and obtained assessment results after comprehensively considering the management team's recommendations:

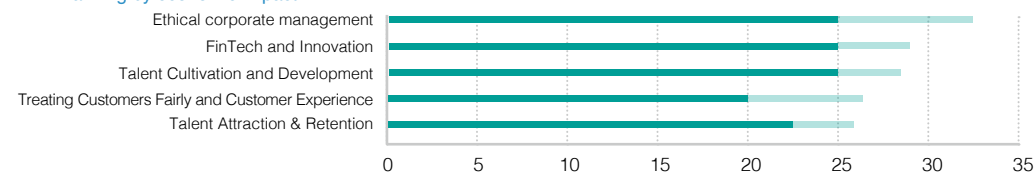
Material issue impact assessment results



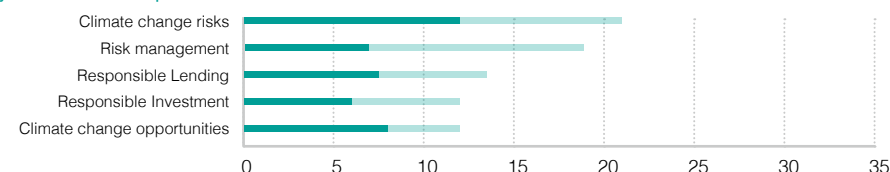
Top 5 in terms of impact on the economy, environment, and people (including human rights)

Positive impact Negative impact

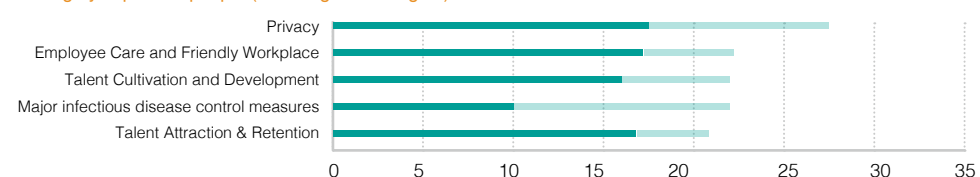
Ranking by economic impact



Ranking by environmental impact



Ranking by impact on people (including human rights)



2. Description of impact and management approach

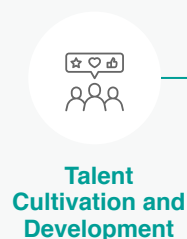
	Material issues in 2021	GRI Topic Standards	Description of impact	Management Approach (Corresponding Chapter/Annex)
1	Talent Cultivation and Development	GRI 404 Training and Education	Focusing on talent cultivation and enhancing employee's competencies is the only way to stand out in the severe cross-industry competition. E.SUN has included even more ESG courses in its training program in hopes of cultivating even more sustainable finance talent to help society become sustainable. E.SUN has provided NT\$261.4 billion in loans to sustainable industries, and having more sustainable finance talent will have a positive impact on the economy and environment.	5.2 Talent Attraction & Retention Appendix 8 Human Resources Management Indicators
2	FinTech and Innovation	GRI 203 Indirect Economic Impact GRI G4 Product Portfolio	E.SUN continues to use big data, AI, and blockchain technologies together with integrated and innovative financial services to create a thoughtful and convenient digital lifestyle for customers. E.SUN also provides customers with channels for quickly reporting issues, and over 80% of incoming calls are correctly directed to corresponding questions, reducing the wait time by approximately 2.6x, and effectively reducing the manual processing time of information by 93%. Furthermore, the complete information security warning rules and change monitoring mechanism effectively protects customers' human rights. Digital financial services reduces paper use and further reduces carbon emissions, which has a positive impact on the environment.	3.3 FinTech and Innovation
3	Climate Change Risks	GRI 201 Economic Performance GRI 307 Environmental Compliance	Climate change may have a short-term impact on the scope of business, but from a mid-term and long-term perspective, management of GHG emissions and carbon assets will increase the resilience of E.SUN's business, and drive operations towards sustainability and climate-friendly, which will have a positive economic and environmental impact. E.SUN's ESG performance will not only increase employees' recognition and engagement, and will more easily attract outstanding talent to join E.SUN.	2. Journey to Net Zero
4	Risk Management	GRI 207 Tax	Well-rounded London Interbank Offered Rate (LIBOR) transition plan, good credit risk model management mechanisms, and updated operational risk management framework in response to business development provide benefits and positive feedback to overall asset positions and business income. Investment markets and new loan products, as well as new risk patterns, related to environmental trends and issues create a positive feedback look for reputation, business income, and customer relationships.	4.3 Risk Management
5	Treating Customers Fairly and Customer Experience	GRI 2: General Disclosures 2021	E.SUN periodically conducts customer satisfaction and NPS surveys, which allow customers to provide feedback on their service experience, and provide recommendations for E.SUN to make improvement. E.SUN treats customers fairly, actively communicates with customers, and properly handles customer complaints. The above all create a positive cycle and indirectly drive economic growth. E.SUN also provides diverse channels (24-hour customer service hotline, chatbot, and visitor message board) for customer feedback, which has a positive impact on customers' human rights.	4.10.1 Treating Customers Fairly and Customer Experience
6	Ethical Corporate Management	GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior	E.SUN takes ethical corporate management very seriously, and not only arranges training and testing for ethical corporate management, but also established guidelines for E.SUN employees. Management also formulated and monitor the implementation of the ethical corporate management policy and unethical conduct prevention plan, and periodically report to the Board of Directors. Furthermore, all directors and senior managers have signed and comply with the Ethical Corporate Management Statement, which states that they uphold the principles of ethical corporate management when engaging in business conduct. We actively assist the Board of Directors in fulfilling its commitment to ethical corporate management, and supervising the Company's internal management and business activities to ensure compliance with ethical corporate management. This has a positive impact on business activities from an economic perspective.	4.2 Code of Conducts and Ethics

Material issues in 2021		GRI Topic Standards	Description of impact	Management Approach (Corresponding Chapter/Annex)
7	Privacy	GRI 418 Customer Privacy	Customer data protection is E.SUN's commitment to customers. We continue to improve regulations and operating procedures, compliance self-evaluation, self-audits, and periodic bank-wide education and training. This raises employees' awareness of customers' human rights and implements personal data protection to prevent damages in lawsuits and fines imposed by the competent authority, which has a positive economic impact and impact on human rights.	4.8 Personal Information Protection
8	Talent Attraction & Retention	GRI 202 Market Presence GRI 401 Employment	E.SUN provides internship programs for students who plan on entering the financial sector, in order to enhance their adaptability and competitiveness in the workplace. We also sponsor colleges and provide scholarships to cultivate outstanding talent with potential. Furthermore, E.SUN implements competitive talent retention measures to attract and retain talent, increase employee engagement, and create a positive cycle of employee and customer satisfaction, so that the Company can achieve steady development.	5.2 Talent Attraction & Retention
9	Major Infectious Disease Control Measures	GRI 403 Occupational Health and Safety	E.SUN established an epidemic prevention team in response to COVID-19, and implemented a comprehensive epidemic prevention plan to ensure the impact of the pandemic is effectively mitigated, maintain normal operations, and provide customer services. E.SUN helps companies get through business crises through relief loans, which indirectly reduces the impact on workers' livelihood and income. We developed zero contact financial services, which reduce contact and lower the risk of customers being infected. For cases notified by the competent authority, E.SUN cooperates with quarantine and contract tracing measures to ensure employees' health and safety. Maintaining business continuity and carrying out risk management in response to the characteristics of the financial sector, this has a positive economic impact.	4.6.2 Major Infectious Disease Control Measures
10	Compliance	GRI 2: General Disclosures 2021 GRI 419 Socioeconomic Compliance	E.SUN implements measures for compliance and to create a good corporate culture. Service and products all comply with laws and regulations, which lower operational risks, lowers the risk of fines, and improves business performance.	4.2 Code of Conducts and Ethics
11	Information Security	GRI 418 Customer Privacy	E.SUN attaches great importance to information security, and ensures the stability and safety of financial services through a comprehensive system and effective monitoring, not only complying with laws and regulations, but also continuing to improve internal management to meet high standards, increasing customers' trust in E.SUN, which has a positive economic impact. With regard to human rights, complete information security lowers the risk of leaking the Company and customers' information, increasing employees and customers' sense of security.	4.7 Information Security
12	Climate Change Opportunities	GRI 201 Economic Performance	Even though funds need to be invested in the short-term to respond to climate change, environmental protection and energy conservation in operations and the development of green financial products aligned with the trend of net zero emissions is expected to generate economic and environmental benefits in the future. It will also get employees into the good habit of energy conservation and carbon reduction.	2.2.2 Opportunities

Material issues in 2021		GRI Topic Standards	Description of impact	Management Approach (Corresponding Chapter/Annex)
13	Responsible Lending	GRI 203 Indirect Economic Impact GRI G4 Product Portfolio	E.SUN has adopted high standards for social and environmental risk assessment and management systems according to the Equator Principles (EPs), ensuring that loans will not create a material potential risk or negative impact on the ecological environment and labor rights. Furthermore, leveraging the ESG related instrument such as sustainability-linked loan or green loan, we encourage clients to set up ESG targets and adopt more green energy, as well as support the development of sustainable industries.	3.1.1 Responsible Lending
14	Employee Care and Friendly Workplace	GRI 403 Occupational Health and Safety	E.SUN cares about employees' needs, created a friendly work environment, and conducts hazard identification and risk assessment to reduce potential hazard incidents and increase employee engagement. We continue to optimize the health examination system and improve general equality measures, caring for employees' health while achieving work-life balance and protecting employees' human rights.	4.6 Business Continuity Plan
15	Responsible Investment	GRI 203 Indirect Economic Impact GRI G4 Product Portfolio	E.SUN incorporates ESG related issues into its investment analysis and decision-making process. Funds raised from sustainable development bonds (refers to recognized green bonds, social responsibility bonds, and sustainable development bonds) issued by investees are used for green investment plans and social welfare investment plans, which have a positive impact on the economy, environment, and human rights.	3.1.2 Responsible Investment
16	Inclusive Finance	GRI 203 Indirect Economic Impact GRI 413 Local Communities GRI G4 Product Portfolio	E.SUN launched AI and FinTech applications based on customers' needs, working together with public and private sectors to provide small businesses with funds and marketing and guidance resources, which help small businesses achieve sustainable development and have a positive economic impact. With regard to environmental concerns, E.SUN provides fully online channels for opening accounts. Opening accounts on our website reduces carbon emissions. Furthermore, E.SUN also provides the economically underprivileged with exclusive loans, allowing all groups in society to obtain affordable financial services.	3.2 Inclusive Financial
17	Human Rights Protection	GRI 2: General Disclosures 2021	E.SUN complies with the human rights policy and ensures the fairness of management mechanisms, such as salaries and promotions, so that it does not discriminate against race, nationality, gender, or sexual orientation. We continue to encourage the promotion of female employees to reduce the gender wage gap. Suppliers are E.SUN's long-term partners for promoting environmental sustainability. We understand suppliers' human rights measures through close cooperation, self-evaluation reviews, and communication during meetings. We do not do business with suppliers that do not meet human rights standards.	4.10 Human Rights Protection
18	Corporate Governance	GRI 2: General Disclosures 2021	E.SUN attaches importance to corporate governance, and commissioned an external independent institution to conduct Board performance evaluations. The guidance and exchanges with assessment committee members provide E.SUN with a professional and objective assessment report. E.SUN also actively participates in major evaluations in Taiwan and overseas, and has gained a good reputation, which has a positive impact on E.SUN's business activities.	4.1 Corporate Governance

Note: Please refer to "Appendix 3 - A.2 Boundaries of the Involvement of Material Issues in the Value Chain and Communication Channels" for the relationship between material issues and E.SUN's value chain.

Material Issue Development Goals



Strategy	Key Performance Indicators (KPI)	2021 Target	Status	2022 Target	2025 Target
Talent development-oriented performance management	Average training hours per employee	<ul style="list-style-type: none"> Maintain an average of 50 training hours and above per employee. 	<ul style="list-style-type: none"> Employees received an average of 48.57 training hours and above. <small>Note 1</small> 	<ul style="list-style-type: none"> Maintain an average of 45 training hours and above per employee. 	<ul style="list-style-type: none"> Maintain an average of 50 training hours and above per employee.
	Number of employees with certification of digital ability	<ul style="list-style-type: none"> The ratio of digital professional training courses for all positions reaches 50%, and continue to provide training on AI module training, technology, RPA, and machine learning. The ratio of domestic employees who obtain digital ability related learning certifications reaches 25% (approximately 2,400 people). 	<ul style="list-style-type: none"> The ratio of digital professional training courses for all positions reaches 80%, and continue to provide training on AI module training, technology, RPA, and machine learning. The ratio of domestic employees who obtain digital ability related learning certifications reaches 26% (a total of 2,434 people). 	<ul style="list-style-type: none"> Add digital courses to professional training for all positions, and continue to provide bank-wide professional technology training courses. The ratio of domestic employees who obtain digital ability related learning certifications reaches 35%. 	<ul style="list-style-type: none"> Add digital courses to professional training for all positions, and continue to provide bank-wide professional technology training courses. The ratio of domestic employees who obtain digital ability related learning certifications reaches 80%.
Optimize digital experience and operations, accelerate digital transformation through technology, and further communicate brand value with customers.	Number of active customers on digital channels (percentage of overall active customers of the bank) <small>Note 2</small>	2.65 million (57%)	2.47 million (51%)	-	-
	Digital transaction volume of foreign currency <small>Note 3</small>	168 billion	NT\$161.2 billion <small>Note 3</small>	-	-
	Digital sales rate (includes deposits, credit cards, loans, mortgages, and funds)	Goals added in 2021	-	67%	70%

Note:

- Even though the number of training courses did not decrease in 2021, many classroom courses were taught via video chat due to the pandemic. We shortened the number of course hours to 1-1.5 hours for better results, so the average training hours per employee did not reach the goal of 50 hours.
- Since digital adoption target we set in 2021 has reached 51%, on average one out of every two active customers used digital services in 2021, and the development of services has matured. In the future, we will provide total solutions based on customers' needs to create value for customers, and the KPI was thus updated to digital sales rate.
- Offered the first online payment of large sums for inward remittance of foreign exchange and Dual-Currency Investment (DCI) products on dual platforms (Internet banking and mobile banking) in 2021. Digital channels accounted for 99% of foreign exchange transactions during the pandemic, the highest of all products.



Climate Change Risks



Risk Management

Strategy	Key Performance Indicators (KPI)	2021 Target	Status	2022 Target	2025 Target
Formulate evaluation mechanisms and appropriate risk management strategies for the possible risks resulting from climate change.	<ul style="list-style-type: none"> CDP performance Achievement of carbon reduction goals 	<ul style="list-style-type: none"> Incorporate climate change scenarios into stress test. Maintain a score of A- or above in CDP climate change. Scope 1 and 2 emissions do not exceed the target value. Add investment and financing to the scope surveyed for Scope 3 	<ul style="list-style-type: none"> Complete a stress test and disclose results in the ESG report. Achieved a score of A in CDP climate change. Completed the survey of investments and loans for Scope 3 and disclosed results in the ESG report. 	<ul style="list-style-type: none"> Reviewed and revised management mechanisms for climate change risks in accordance with guidelines of the competent authority. Assisted the Bankers Association of the Republic of China in preparing a climate risk stress test and completed calculation and assessment 	Achieved Scopes 1, 2, and 3 carbon reduction goals of the SBTi.
Optimize digital experience and operations, accelerate digital transformation through technology, and further communicate brand value with customers.	Number of active customers on digital channels (percentage of overall active customers of the bank) ^{Note 2} Digital transaction volume of foreign currency ^{Note 3} Digital sales rate (includes deposits, credit cards, loans, mortgages, and funds)	2.65 million (57%) 168 billion Goals added in 2021	2.47 million (51%) NT\$161.2 billion -	-	-
<ul style="list-style-type: none"> Utilize information technology and scientific data analysis tools to strengthen warning and response abilities for market risk management. Monitor risks with scientific approaches to enhance risk control efficiency. Utilize risk data to strengthen the risk pattern management model. 	Adjust the completion rate of the assessment system in response to the LIBOR transition Completion of the credit risk model management mechanism Update of the base structure reaches 50%	Continue to refine E.SUN's financial transaction management mechanisms and systems to be geared to international regulations and changes in the transaction practices in the financial markets (such as the LIBOR transition mechanism) to ensure the smooth implementation of E.SUN's financial product transactions and market risk management. Establish a management system with model levels (high / medium / low / extremely low) and adopt control measures of different strengths depending on the level. Refine model establishment, verification, monitoring procedures and improve the consistency of model management and monitoring mechanism of the entire bank. The new operational risk management system was launched as scheduled to provide optimized management platform to strengthen the entire management framework.	We completed the adjustment to the bank-wide financial product assessment system in 2021 in response to the LIBOR transition, and it will help assess the impact of LIBOR transition and new alternative interest rate products. Established the E.SUN Bank Credit Rating Model and Risk Assessment Management Guidelines, which covers modeling, verification, and monitoring procedures. Units can carry out consistent model management and monitoring procedures according to the guidelines. Completed the launch of all modules in Taiwan and overseas in October 2021, and usage of the module reached 90% in November.	Continue to optimize the interest rate risk management mechanism, and effectively manage the potential impact of central banks around the world raising interest rates. Incorporate credit risk management mechanisms into the credit rating model, and use scientific methods to further enhance bank-wide credit risk management abilities and strengthen the Bank's soundness. Update base layer management parameters in response to business development, in order to achieve more detailed management of operational risk patterns.	Increase the depth of the team's professional knowledge, and develop effective market risk management mechanisms to lower the impact of rapid changes in the financial market and amendments to international law. Adopt the Basel III finalising framework for the calculation of E.SUN's capital adequacy ratio to comply with international management standards. Enhance E.SUN's credit risk management mechanism through the establishment of the IRB model, the incorporation of business applications and the optimization of regulations and systems. Improve operational risk management module, improve cross-tool information analysis, and establish a leveled risk management model to objectively verify critical risk.



Treating Customers Fairly and Customer Experience



Ethical Corporate Management



Privacy



Talent Attraction & Retention



Major Infectious Disease Control Measures

Strategy	Key Performance Indicators (KPI)	2021 Target	Status	2022 Target	2025 Target
Create a culture of treating customers fairly based on the customer experience to ensure service quality.	Customer satisfaction	Maintain 85% satisfaction	<ul style="list-style-type: none"> Physical: 92.54% Digital: 90.15% Call Center: 91.52% 	Maintain satisfaction of all channels at 90% and above ^{Note 4}	Maintain satisfaction of all channels at 90% and above
	NPS	Implement NPS	NPS : 53.98%	Maintain NPS at 40% and above ^{Note 5}	Maintain NPS at 40% and above
	Principles of Treating Customers Fairly	Adopt the certification of ISO10002 Customer Satisfaction Management System	Obtained ISO10002 certification from the impartial third party British Standards Institution (BSI) on November 25, 2021	Pass the annual certification of the BSI for ISO10002	Be commended by the FSC for treating customers fairly or rank top 25% ^{Note 6}
Internalize the value of code of conducts and ethics into our culture to foster trust of customers and investors to us	The practice into training programs and tests.	<ul style="list-style-type: none"> Training and promotion. 100% employee participation 	<ul style="list-style-type: none"> Promote the value of code of conducts and ethics in many training programs. Provide the board of directors with information on "education and training in ethical corporate management and the management of material insider information" during July and August. Education and tests on ethical management were implemented and employee participation rate was 100%. 	<ul style="list-style-type: none"> Training and promotion. 100% employee participation 	<ul style="list-style-type: none"> Training and promotion. 100% employee participation Optimize the mechanism for evaluating the risks of unethical conduct. (New addition)
Continue to obtain international professional certifications to meet international standards for personal data protection.	International professional certification	E.SUN Bank continues to obtain BS10012 2017 Personal Information Management System certification, protect personal data in the organization's possession, and ensure the effectiveness of related personal data management mechanisms.	Obtained BS10012 2017 personal data protection certificate for insurance agent, deposits, and transfer services issued by the BSI on October 6, 2021 (effective period: 2022.1.1-2024.12.31)	Obtain the BS10012 2017 personal data protection certificate for consumer banking services	Product lines of E.SUN Bank's Consumer Banking Division all obtain international professional certifications, and encourage other product lines to also obtain international professional certifications.
Build your stage with your own hands	Employee engagement	Maintain employee engagement at 95% and above.	92.97% ^{Note 7}	Maintain employee engagement at 95% and above.	Maintain employee engagement at 95% and above.
	Employee retention rate	Maintain employee retention rate at 90% and above.	91.33%	Maintain employee retention rate at 90% and above.	Maintain employee retention rate at 90% and above.
	Retention rate of high-performing talent	Maintain retention rate of high-performing talent at 95% and above.	96.20%	Maintain retention rate of high-performing talent at 95% and above.	Maintain retention rate of high-performing talent at 95% and above.
Maintain employee health and business continuity.	No workplace clusters of infectious diseases and cases that affect operations	N / A	<ul style="list-style-type: none"> Provided paid "health management leave", "vaccination leave" and "pandemic-relief quarantine leave" Total NT\$19.19 million of "consideration money rewards" Total NT\$2.73 million of "collective quarantine subsidy" Provide job support bonus for personnel who supports operations on the condition that pandemic control measures be strengthened 	Continue to improve COVID-19 epidemic prevention measures	Continue to improve major infectious disease control measures




Note:

4. E.SUN adopted the new method to calculate the yearly overall satisfaction. As a result, E.SUN readjusts the target rate to 90%.

5. The NPS for 2022 and 2025 was set after referencing the international benchmark.




6. The ratio was adjusted from 20% to 25% because the FSC adjusted the award winning ratio in October 2021.

7. Due to the impact of the pandemic and epidemic prevention measures, team building measures and incentives were limited. We will continue to improve two-way communication and employee care measures in 2022 to increase employee engagement.

	Strategy	Key Performance Indicators (KPI)	2021 Target	Status	2022 Target	2025 Target
 Compliance	<p>Establish supervisors' and employees' awareness on legal compliance and emphasize the belief that no business activity shall take precedence over risk control and all services shall comply with laws and regulations in order to achieve "zero tolerance on risks and discipline, and zero trust in operational procedures."</p>	<ul style="list-style-type: none"> Education and training implementation status Employee participation rate in legal compliance tests Self-assessment item update and degree of implementation Timeliness, realization and level of details of the legal compliance follow-up sheet 	<ul style="list-style-type: none"> Continue to realize legal compliance education and training and organize legal compliance tests for the entire bank. Promote the self-reporting and self-correction culture at the first line of defense and the coordination mechanism between the first and the second lines of defense. Continue to conduct one-on-one video conferencing with the overseas branches in response to the pandemic. 	<ul style="list-style-type: none"> Provided compliance teaching materials to each unit each month for training, and administered a compliance test for the entire bank in May. Added a mechanism for business units to propose and add points to compliance assessments, and encouraged business units to discover and improve deficiencies. Conducted one-to-one online inspections of Dong-Nai Branch, Hong Kong Branch, Singapore Branch, China Subsidiary, and Cambodia Subsidiary according to the inspection plan. 	<ul style="list-style-type: none"> Establish a compliance system to integrate the domestic and overseas compliance operations, reduce labor cost and improve compliance management performance Assist in implementing the principle of treating customers fairly, and protect customers' interests during business development Continue to realize legal compliance education and training and administer compliance tests for the entire bank. Continue to engage in one-on-one online exchanges with overseas branches. 	<ul style="list-style-type: none"> Continue to build an active risk culture and deepen the supervisors' and employees' awareness on compliance through education and tests. Use the compliance management system and regulation management system as tools to improve management performance and ensure compliance
 Information Security	<p>Establish comprehensive corporate governance, cultivate employees' awareness of information security, identify information security risks and weaknesses, and conduct effective enhancement.</p>	<ul style="list-style-type: none"> Obtain international professional certifications Number of information security incidents that hackers successfully hacked the system Number of independently developed information security tools 	<ul style="list-style-type: none"> E.SUN Bank included the information unit of the Credit Card Division in the scope of information security management system verification ISO/IEC 27001. E.SUN Securities set a timetable to obtain ISO/IEC 27001 Information Security Management System (ISMS). Benchmark against domestic and international monitoring and work with the F-SOC to formulate consistent monitoring principles and management regulations. 	<ul style="list-style-type: none"> Subsidiary E.SUN Bank expanded the applicable scope of ISO/IEC 27001 to credit card related information systems, and E.SUN Securities formulated a plan to implement ISO/IEC 27001 Information Security Management Systems. Established a Security Operation Center (SOC), integrated financial information security monitoring and joint defense goals, and completed setting monitoring scenarios and sharing information security events under the F-SOC and cross-domain joint defense plan. 	<ul style="list-style-type: none"> E.SUN Securities obtained ISO/IEC 27001 Information Security Management System (ISMS). E.SUN Bank implements ISO 27701 privacy information management system. Set the timetable for E.SUN Bank to obtain ISO 22301 Business Continuity Management. The number of information security incidents that hackers successfully hacked the system was 0. Independently develop 2 information security tools or more. 	<ul style="list-style-type: none"> E.SUN Bank and E.SUN Securities will continue to obtain ISO/IEC 27001 information security management systems certification Establish a complete framework of information security protection, increase the availability of information services, demonstrate information security resilience, and enhance the maturity of information security management.
 Climate Change Opportunities	<ul style="list-style-type: none"> Created an environmental and energy-saving culture and implemented related measures to lower operating costs. Increase the ratio of renewable energy use to strengthen operational resilience through procurement agreements, solar panel installation, and purchase of T-RECs. 	<p>Monitor and control environmental indicators, carbon emissions, water consumption, and waste.</p> <p>Examine the ratio of renewable energy use based on electricity consumption.</p>	<p>With 2016 as the base year, water consumption per unit revenue will be reduced by 15%; carbon emission per unit revenue will be reduced by 23%; and waste per unit revenue will be reduced by 52%.</p> <p>The ratio of renewable energy use reaches 10%</p>	<p>With 2016 as the base year, water consumption per unit revenue will be reduced by 25%; carbon emission per unit revenue will be reduced by 26%; and waste per unit revenue will be reduced by 37%.</p> <p>The ratio of renewable energy use reaches 10%</p>	<p>With 2020 as the baseline year, reduce total carbon emissions by 8.4% and water consumption per unit revenue will be reduced by 14%; with 2016 as the baseline year, reduce waste per unit revenue by 40%. <small>Note 8</small></p> <p>The ratio of renewable energy use reaches 20%</p>	<ul style="list-style-type: none"> With 2020 as the baseline year, reduce total carbon emissions by 21% and water consumption per unit revenue by 20%<small>Note 7</small>. With 2016 as the baseline year, reduce waste per unit revenue by 50%. <p>The ratio of renewable energy use reaches 50%</p>

Note:




8. The carbon emission and water consumption goals originally set to be achieved in 2025 in the SBTs was achieved in 2021, so E.SUN used 2020 as the baseline year and set new carbon emission and water consumption goals.

	Strategy	Key Performance Indicators (KPI)	2021 Target	Status	2022 Target	2025 Target
 Responsible lending	Support borrowers that have a positive impact on the environment and society, including renewable energy projects and companies with clear ESG development goals.	Balance of green loans ^{Note 9}	13 billion NTD	Balance of NT\$18.7 billion	NT\$30 billion	NT\$70 billion
		Balance of ESG linked loans	8 billion NTD	NT\$10.68 billion	NT\$30 billion	Accounts for 10% of the balance of corporate loans
 Employee Care and Friendly Workplace	Create a second home where employees can be happy by creating a friendly working environment.	Establish a labor system that is superior to statutory requirements	Establish a labor system that is superior to statutory requirements.	E.SUN provides 60 days maternity leave, 6 days paternity leave, unpaid child care leave and medical examination policies, which are superior to statutory requirements.	Establish a labor system that is superior to statutory requirements.	Continue to improve employee care and health promotion measures to create a friendly workplace environment.
		Employee health exam participation rate	Employee health exam participation rate 90% and above.	95.7%	Employee health exam participation rate 90% and above.	
		Average welfare expense for non-managerial level employees	Average welfare expense for non-managerial level employees of NT\$1.35 million and above	Average welfare expense for non-managerial level employees of NT\$1.405 million	Average welfare expense for non-managerial level employees of NT\$1.43 million and above	Average welfare expense for non-managerial level employees reaches NT\$1.5 million and above
 Responsible Investment	Implement E.SUN's sustainable investments and increase the investment position in sustainable development bonds	Balance of investments in sustainable development bonds ^{Note 10}	N / A	N / A	NT\$16 billion	NT\$32 billion

Note:

9. Green loans refers to funds that are clearly used for types of project financing applicable to green loans, environmental protection benefits can be estimated, and fund use and implementation status can be tracked.

10. Sustainable development bonds refers to recognized green bonds, social responsibility bonds, and sustainable development bonds. The total amount of investments in sustainable development bonds was approximately NT\$12.7 billion at the end of 2021. We began to set investment goals, regularly review and disclose the balance in the Sustainability Report, and track the implementation status of responsible investment in 2022.

	Strategy	Key Performance Indicators (KPI)	2021 Target	Status	2022 Target	2025 Target
 Inclusive Finance	Combine online real-time application and offline dedicated staff service to provide financial services that are friendly, speedy and accurate to allow different groups in the society to enjoy diverse financial services and to stipulate employment and economic development in the process.	Solve the difficulty of financing for small enterprises	Balance of small business loans reaches NT\$108 billion.	Balance of small business loans was NT\$102.5 billion ^{Note 11}	Balance of small business loans reaches NT\$108 billion.	Balance of small business loans reaches NT\$113 billion. ^{Note 11}
		Help enterprises with high social impact, such as startup companies, regional revitalization, social innovation enterprises, grow and flourish.	New material issues	N/A	Number of startup loan, regional revitalization loan, social innovation enterprises loan reaches 4,200.	Number of startup loan, regional revitalization loan, social innovation enterprises loan reaches 5,000.
 Human Rights Protection	Create a work environment with diversity, equality, and tolerance, and assist and ensure that suppliers implement sustainable development and human rights protection measures.	Percentage of female managers	New material issues	<ul style="list-style-type: none"> The percentage of female managers is 39.39% 100% suppliers sign the "Statement of Commitment to Human Rights and Environmental Sustainability." 	Maintain the percentage of female managers at 39% and above	Increase the percentage of female managers to 41%
		Number of suppliers that sign the "Statement of Commitment to Human Rights and Environmental Sustainability"			Continue to require new suppliers to sign the "Statement of Commitment to Human Rights and Environmental Sustainability."	Continue the signing of the "Statement of Commitment to Human Rights and Environmental Sustainability"
 Corporate Governance	Continue to strengthen the competencies of the Board of Directors and enhance the leadership capabilities of the management team, while ensuring full information disclosure to protect the rights of shareholders.	<ul style="list-style-type: none"> Competencies of the Board of Directors Information transparency Shareholder engagement 	<ul style="list-style-type: none"> Promote the establishment of the Board Risk Management Committee to comply with international standards. To ensure the quality of disclosure of non-financial information, E.SUN will continue to enhance the information transparency on the Company's English website. Improving on the indicators in the Corporate Governance Evaluation by the TWSE where E.SUN did not score and the suggestions by the commissioned external professional assessment institutions are listed as priorities in the corporate governance enhancement plan. 	<ul style="list-style-type: none"> Established Risk Management Committee under the Board of Directors on January 22, 2021. Continue to improve information transparency on the Company's English website, and periodically update information on the English website. Actively improve on the indicators in the Corporate Governance Evaluation by the TWSE where E.SUN did not score, and continue to improve corporate governance according to suggestions by the external professional assessment institution. 	<ul style="list-style-type: none"> Continue to examine the performance evaluation indicators of the Board of Directors and add forward-looking and strategic quantified indicators. Improve disclosures of corporate governance information on the MOPS and websites of subsidiaries. Complete preparations for structure planning and diversity of the next term of directors. 	<ul style="list-style-type: none"> Compile and formulate an early deployment of corporate governance upgrade plan based on the "Corporate Governance 3.0 - Sustainable Development Blueprint" and referencing the Company's developmental strategies by stage. Continue to improve corporate governance evaluation indicators, and make rolling adjustments to corporate governance regulations and information disclosures.

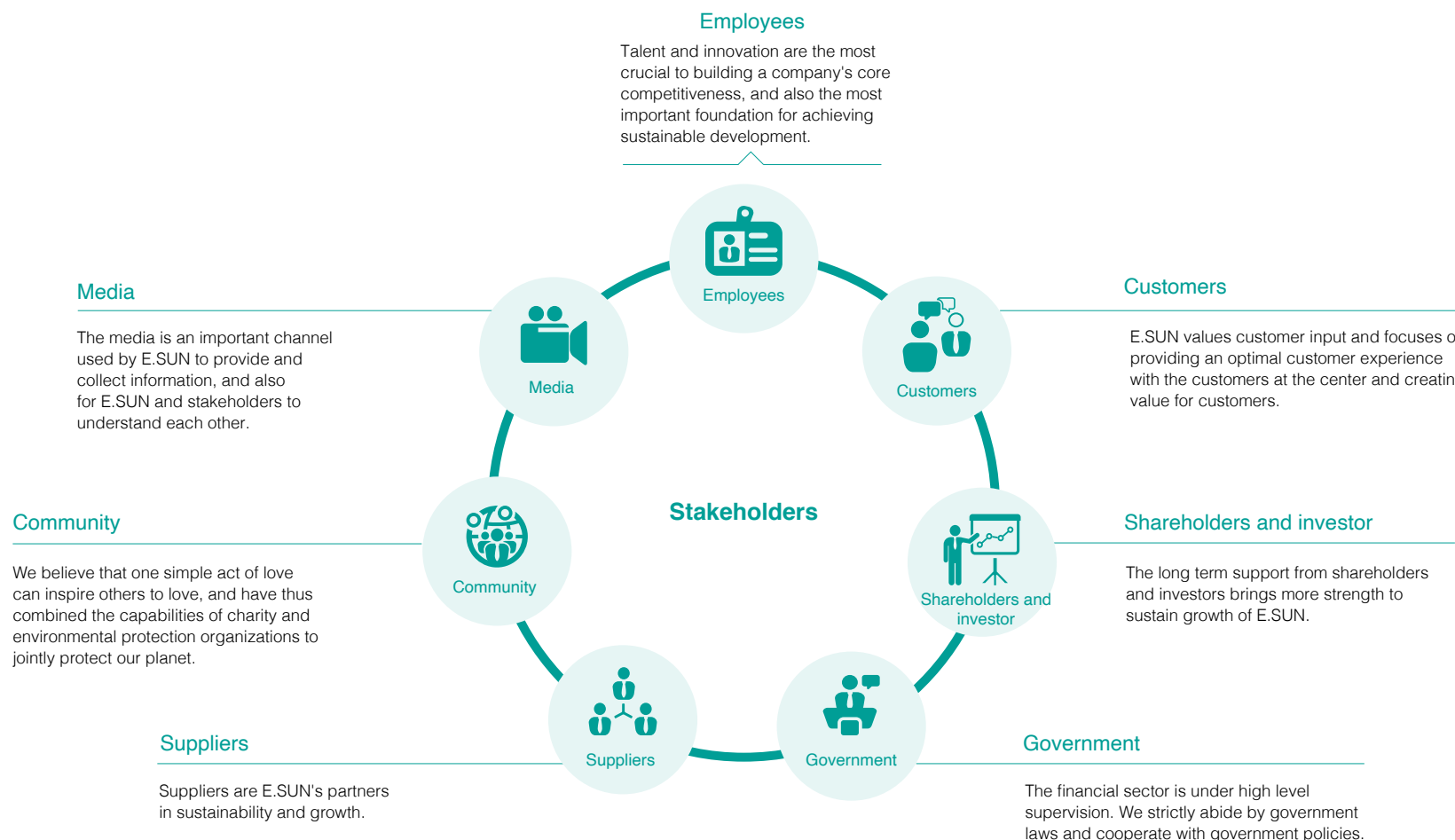
Note:

11. Owing to the social benefits which startup business, regional revitalization, and social innovation enterprises generate, we adjust our small business lending strategies to satisfy the funding needs of those businesses. We also adjust the target of small business — Balance of small business loans reaches NT\$113 billion in 2025.

1.6 Communication with stakeholders

GRI : 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. Task forces of the Sustainable Development Committee summarize and report issues of concern to stakeholders, communication, and implementation to the Board of Directors each year.



Note:

1. Suppliers include contractors and suppliers. Please see 4.10.2 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

Issue

- Talent Attraction & Retention
- Employee Care and Friendly Workplace
- Talent Cultivation and Development
- Human Rights Protection



Communication Frequency and Channels

- Daily: Morning meetings
- Weekly, Monthly: Weekly report, Compliance training, video conferences
- Quarterly: Corporate union meetings
- Annual: Employee opinion surveys
- Annual: Knowledge Sharing Meetings
- Non-scheduled: E.SUN e-HR Portal / Feedback mailboxes, Letters to Senior / Employees e-Learning platform, Two-way report, training courses.
- Non-scheduled: Two-way reporting, EIP portal
- Non-scheduled: Professional training courses and cultivation courses
- Contact method: Human Resources E-Mail: Hrd@esunbank.com.tw, hotline: (02)2175-1313 # 8701

Actual results in communication

- 5 employee communication meetings
- 393 employee opinion communications and handling
- 6,942 employee opinion surveys

E.SUN attaches great importance to human resources, and provides a complete system from education and training of new employees to benefits.

Financial Service Employees

ESG is E.SUN's business opportunity and also social responsibility. We hope to provide more education and training on green energy related international trends, and allow the entire bank to gain more knowledge on green finance

Corporate Banking Division Supervisor

The management team providing higher salaries and better benefits continues to encourage us. We believe that the human resource improvement engineering that was announced will provide E.SUN with greater motivation and generate greater positive effects. It will continue to drive the entire team and allow E.SUN's business performance to take a leap forward.

Tech Team Information Security Supervisor



Customers

Issue

- Privacy
- Ethical corporate management
- Treating Customers Fairly and Customer Experience



Communication Frequency and Channels

- Daily: E.SUN e-Services, including 24-hour customer service hotline, Smart text customer service, Internet phone and Online visitor message board.
- Daily: Customer complaint hotline and mailbox, E.SUN-i chatbot
- Weekly: Customer satisfaction surveys, Line account, E.SUN Lucky Cats Facebook fan page, and E.SUN Bank - Digital Lifestyle and Special Offers fan page
- Every two months: Smile E.SUN
- Quarterly: Sunrise E.SUN
- Non-scheduled: Visits by customer representatives, and phone calls
- Contact method: E.SUN Customer Service Center 24-hour service hotline (02)2182-1313 / 0800-30-1313

Actual results in communication

- 1,983 customer suggestions via the customer service center
- 17,337 customer satisfaction feedback
- 1,217 feedback from customer opinion cards at branches

I am a foreign spouse that recently obtained a R.O.C. ID card, so I went to E.SUN Bank to update my personal data. The time coincided with the new policy of changing ARC number, so I did not successfully change my personal data. The branch actively handled the situation and helped inquire the National Immigration Agency, and successfully changed my personal data the second I visited the branch. I am grateful to the branch for providing assistance to my special situation, and once again thanked the team of E.SUN Bank for their thoughtful assistance!

By Miss Wang, Customer of Zhunan Branch

Even though the online application for relief loans was a bit slow at first, the website design is convenient to use, file upload is convenient and fast, text messages are sent at any time to keep customers up-to-date on the progress of their application. When customers encounter issues in the process and call customer services, customer service personnel have a good attitude and are still professional and friendly despite being busy. The funds were quickly disbursed after application, and I am grateful to bank personnel. It is so good to have E.SUN Bank!

By Miss Li, customer who applied for a relief loan online



Shareholder

Issue

- Privacy
- Ethical corporate management
- Risk management
- Information security



Communication Frequency and Channels

- Monthly: Announcement of business performance
- Monthly: Market Observation Post System
- Quarterly: Earnings call in Chinese and English session and financial reports
- Quarterly: Board of directors and functional committees
- Annual: Shareholder Meeting
- Annual: Annual reports & Annual E.SUN FHC Sustainability Report
- Non-scheduled: Visits by investors or host the conference call, disclosure of credit rating
- Non-scheduled: Non-deal Road shows, domestic/international institutional investor conferences, investment forum, and disclosure of material information
- Contact method: IR E-Mail: ir@esunbank.com.tw

Actual results in communication

- 8 earnings calls in Chinese and English
- Participation in 8 investment forums or roadshows
- 127 investor and analyst meetings

E.SUN performs better than competitors in terms of asset quality and risk management regardless of changes in the external environment.

Top ten international fund management companies

E.SUN's growth strategy and profitability has remained stable for a long period of time, and it communicates clearly with investors, which is highly satisfactory.

Renowned American asset management group

We have high expectations for E.SUN, which has adopted international practices and aligned its strategies with the top banks worldwide.

Well-known sovereign wealth fund



Government

Issue

- Privacy
- Support academic education
- Ethical corporate management
- Compliance



Communication Frequency and Channels

- Annual: Government performance evaluation
- Non-scheduled: Policy conferences, forums, and public hearings
- Non-scheduled: Official letters, meetings, telephone, email, and public information
- Non-scheduled: Financial inspections and project meetings
- Contact method: Compliance (02)2175-1313 #8800

Actual results in communication

- Timely response to inquiries by competent authorities
- Active participation in relevant meetings and courses

Being invited by the authority to share and offer advice for sustainable finance development, including responsible lending, responsible investment and information disclosure. Sharing experience of DJSI evaluation process with the authority, including why we attended, E.SUN's feature and lesson learned.

E.SUN maintained operation uninterrupted during 2021 Myanmar coup, and offered treasury and cash service for Taiwanese companies while keeping the safety of our employees as priority. E.SUN was invited by the authority to share our practice during the coup, demonstrating E.SUN's risk management and resilience.

Attending the Information Safety and Operation Continuity Meeting held by Taiwan Academy of Banking and Finance to share our information safety protection, operation continuity plan and experience of core system transformation.



Suppliers

Issue

- Major infectious disease control measures
- Privacy
- Compliance
- Supplier Management



Communication Frequency and Channels	Actual results in communication
<ul style="list-style-type: none"> Weekly: Bargaining meetings Every two weeks: Visits by customer representatives, meetings and email Non-scheduled: Website disclosure and supplier meetings Contact method: General Affairs 02-2175-1313 #8123 	<ul style="list-style-type: none"> Over 400 price negotiation meetings 43 Supplier questionnaires Note: The suppliers' conference was canceled in 2021 due to the pandemic, and a questionnaire survey was conducted instead. 100% of suppliers signed the Corporate Social Responsibility Self-Assessment Form for Suppliers and commitment in 2021

E.SUN spares no effort in social care and environmental protection, and continues to promote sustainable development concepts among suppliers. In an era of extreme weather events and social, political, and economic turmoil, we are honored to be able to work with partners that share the same beliefs on the path to sustainable development. ~ Well-known property insurance company in Taiwan

E.SUN insists on epidemic prevention and urges everyone to formulate a thorough policy plan to protect the rights and interests of employees of both parties. We also arrange different frequencies of online meetings for matters at different levels to improve communication efficiency. We view E.SUN as a role model and adopt the same standards for internal and external governance. With regard to social responsibility, E.SUN has spared no effort in the promotion of Earth Day, and leads suppliers in contributing to the environment. E.SUN is open to exchanges relating to sustainable development, and allows both parties to learn from each other and grow together, creating a positive cycle. We look forward to continuing working with E.SUN in the future. ~ Well-known information technology company in Taiwan



Community

Issue

- Support academic education
- Privacy
- Sustainable Ecological Conservation



Communication Frequency and Channels	Actual results in communication
<ul style="list-style-type: none"> Weekly: Neighborhood cleanup programs at the branches Annual: Clean-up activities and cycling across Taiwan Annual: Lights off for the summer solstice, Earth Hour campaign Non-scheduled: Forums, workshops, and charitable or environmental campaigns Contact method: E.SUN Volunteers 02-2175-1313 #9300 E-Mail: volunteer@esunbank.com.tw 	<ul style="list-style-type: none"> Over 139,685 beneficiaries Over 679 cooperated public welfare groups

After the E.SUN library was opened, students began to go to the library a lot. There was a student who was a bit hyperactive and could not concentrate in class, the teacher moved the class to the library once, and he suddenly became quiet among the books as if he was unplugged. This made other students in the class curious about reading, and the teacher was astonished to see all of these changes. ~ Principal of Tongle Elementary School

We are grateful for our partner that shares the same ideals for calling on employees, family members, and customers to jointly clean gold coast. The actions taken by the cross-industry alliance have raised awareness of environmental protection, and contribute to the protection of Earth's environment. ~ Superintendent Chiu of Chi Mei Medical Center



Media

Issue

- FinTech and Innovation
- Privacy
- Information security
- Compliance



Communication Frequency and Channels	Actual results in communication
<ul style="list-style-type: none"> Daily: Hotlines and email to dedicated departments, hotlines and email to spokesperson Monthly: Monthly business overview Annual: Questionnaires and surveys Non-scheduled: News, media interviews, issue interviews, and press conferences Contact method: Public Relations E-Mail: pr@esunbank.com.tw 	<ul style="list-style-type: none"> 95 press releases were published

E.SUN FHC strives to incorporate ESG into its business strategies, and continue demonstrate the key influence of financial institutions in sustainability. Internally, it focuses on people-oriented and technology-oriented talent cultivation. Externally, it continues to engage in technology innovation and cross-industry collaboration, not only giving hope to micro and small enterprises, but also leading sustainable finance and contributing to creating a low-carbon homeland. ~ 《CommonWealth Magazine》

Despite the higher international ESG standards, E.SUN FHC has been selected as a constituent stock of the DJSI Emerging Markets Index the most times among financial institutions in Taiwan. During the severe outbreak of COVID-19 last year, E.SUN insisted on supporting education in rural areas, and continued to implement the E.SUN Golden Seed Project, which has established 166 libraries as of 2021. ~ 《Wealth Magazine》



CH2

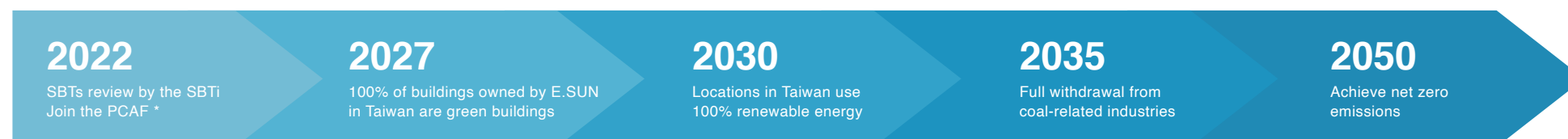
Journey to Net Zero

E.SUN takes the lead in committing to net zero emissions by 2050, establishes a climate change governance structure in accordance with international standards such as TCFD, PCAF, and SBT, and continually improves the management mechanism for greenhouse gas emission, climate change risks and opportunities. In addition to continuously improving energy efficiency, we also incorporate climate risk thinking into business and adjusts our portfolio to a lower-carbon emission structure, by financing renewable energy and green buildings, phasing out coal-related industries, and establishing an internal carbon pricing mechanism, step by step to achieve the goal of net-zero emissions by 2050.

Toward Net Zero Emissions

GRI : 2-23、2-24、2-25、3-3、201-2

E.SUN will continue using a robust reporting framework based on the Recommendations of the Task Force on Climate-related Financial Disclosures to provide the four major pillars of guidance for disclosing important climate-related information: governance, strategy, risk management, and metrics and targets. We have already received notice from the Science Based Targets Initiative (SBTi) that our SBTs were approved. E.SUN is the first financial institution in Taiwan and the second in Asia to complete the SBTs review. The emission reduction scope covers our operations and includes critical investment and lending positions. With regard to the management of climate change risks, besides developing corresponding management measures and scenario tests according to domestic and international guidelines, we also actively engage in exchanges with the competent authority and participate in the formulation of management measures to grow together with Taiwan's financial industry. We start with energy conservation and greenhouse gas (GHG) emissions reduction in our operations for opportunities brought by climate change, increasing the resilience of our operations, providing innovative green products and services, and engaging in promotions and initiatives. We hope to leverage our influence in the financial industry to guide capital to industries with lower climate change risk and higher climate change opportunities and contribute to Taiwan's transformation into a low-carbon economy.



Note : PCAF stands for the Partnership for Carbon Accounting Financials.

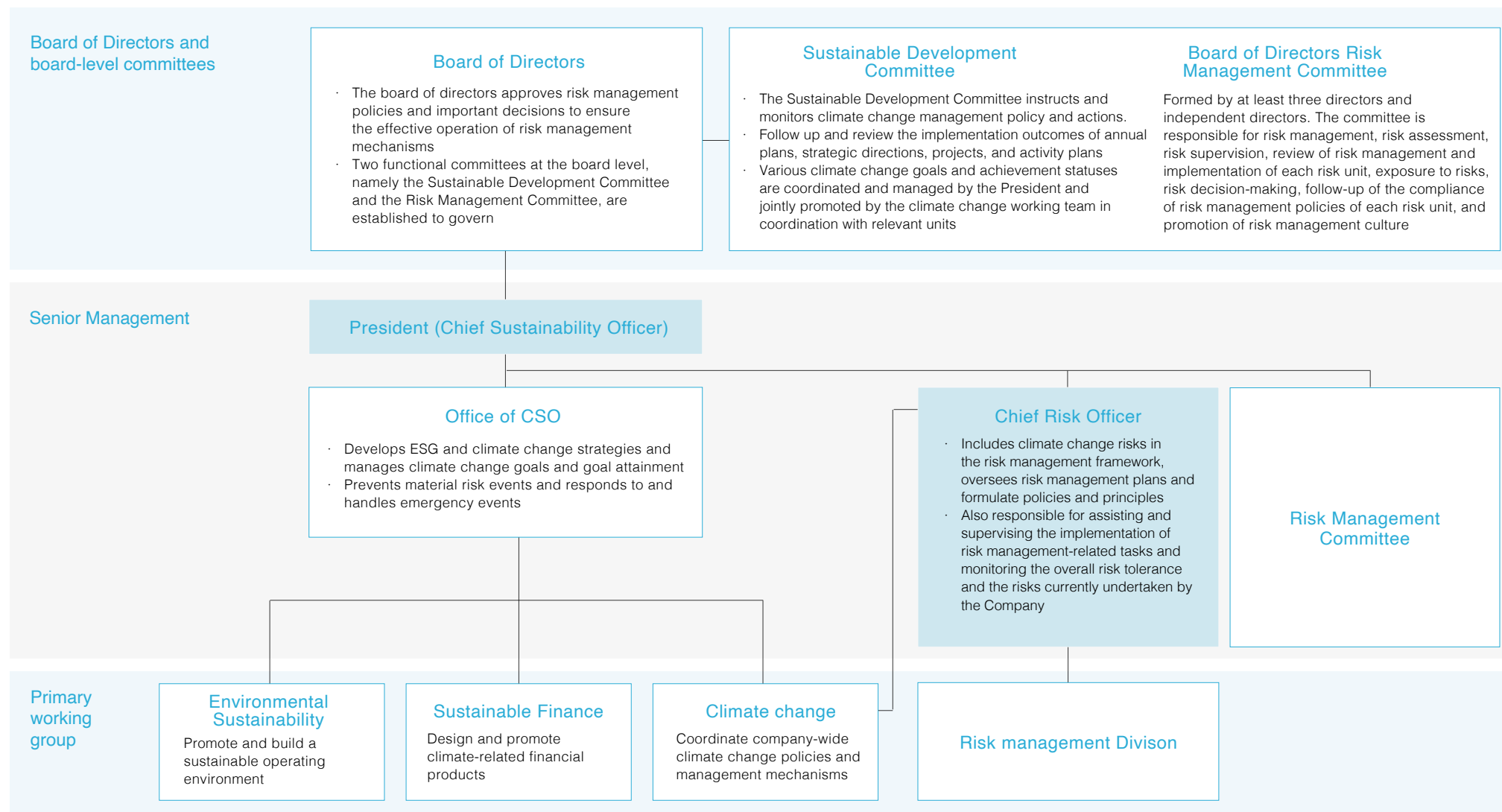
■ E.SUN's actions on climate change risk management based on TCFD

2017	<ul style="list-style-type: none"> Became the first Taiwanese signatory company of TCFD. Set up a working team to form strategies on climate change and established a management mechanism for the board
2018	<ul style="list-style-type: none"> Concluded the physical risk and transition risk by business review and risk identification
2019	<ul style="list-style-type: none"> Conducted scenario tests for climate change risks to estimate the financial impact. Stopped providing project financing to coal-fired power plants
2020	<ul style="list-style-type: none"> Compiled a GHG inventory and plan to submitted targets to the SBTi Expanded measurement of the impact of high-climate risk industries in different scenarios
2021	<ul style="list-style-type: none"> Set the goal to become a company with net zero emissions by 2050 Revised sustainable finance and climate change risk management policies and framework for better management



2.1 Governance

■ Climate Change Governance Organizational Structure



2.2 Climate Change Strategies

According to the Sixth Assessment Report of the UN's Intergovernmental Panel on Climate Change (IPCC AR6) issued in 2021-2022, global temperature has increased by about 1.1°C from 1850-1990. Climate change also frequents and intensifies extreme weather events, including extremely high temperatures on land and at sea, extreme rainfall, drought, and wildfire. To lessen climate change, greenhouse gas (GHG) emissions must be reduced roughly by half by 2030, net-zero emissions must be realized by 2050, and negative carbon technology must be used so that the goal of controlling temperature rise within 1.5 degree Celsius can be achieved.

In response to the Paris Agreement's goal, "limiting global temperature increase to well below 2 degrees Celsius, while pursuing efforts to limit the increase to 1.5 degrees" the supervisory authorities of countries are strengthening their GHG emission reduction efforts. Taiwan also declared Net Zero 2050 as a development goal in 2021 and planned to amend the Greenhouse Gas Reduction and Management Act into the Climate Change Response Act. The Legislative Yuan has begun review in 2022, and the amendment is expected to strengthen climate change management. It will also help drive the development of a low carbon economy, such as renewable energy, green building, and replacing old equipment.

E.SUN's first inventory of the possible impacts of various climate change risks, including risks and opportunities arising from the company's operating activities due to physical impacts caused by extreme weather events, transformational impacts due to regulations, technologies, or market demand, and other cultural and social impacts. Risk management strategy plans are established based on the analysis results that serve as the basis of actions taken to respond to climate change, and management costs and financial impact are estimated based on such plans. Data collected in the process described above are used in systematic assessments of the association between climate change and finance to reduce risks and exploit opportunities.

Description of short, medium, and long-term intervals

Within 1 year	1 to 10 years	10 years ~ 2050
Short-term	Mid-term	Long-term

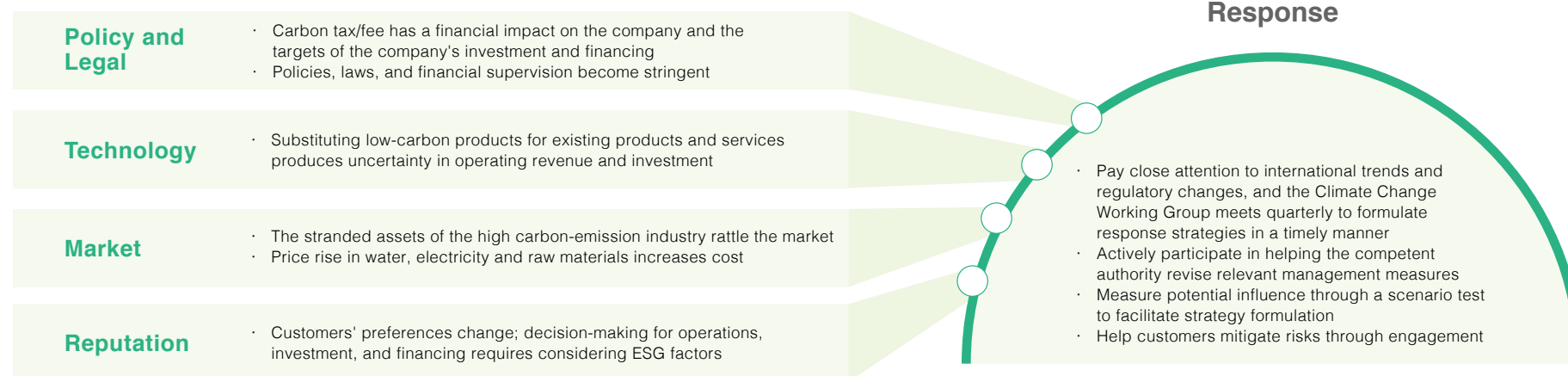
Description of impact level

Low	Moderate	High
A slight rise in cost, having a mild financial impact	A rise in risk and cost, which might impact the growth of operating revenue	Increased default risk of loans, fluctuations in investment asset prices, and extreme weather events affecting operations, may lead to the risk of revenue recession

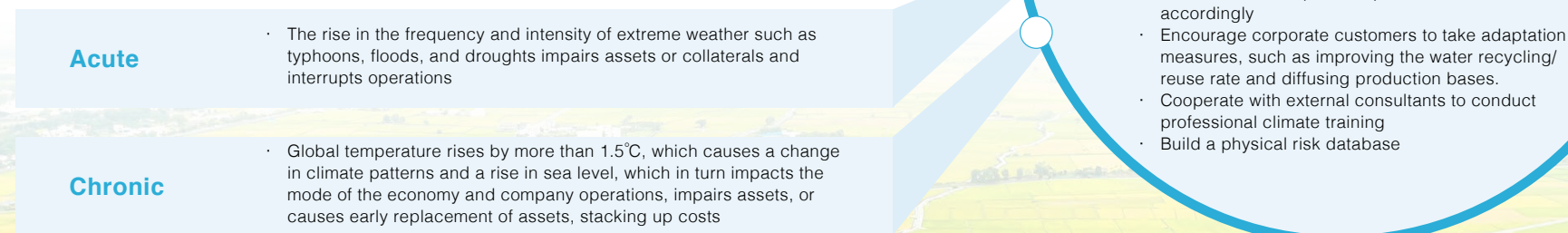
2.2.1 Climate Change Risks

Apart from affecting the business operations of financial institutions, the greater risk posed by climate change is the impact on lending and investment assets, such as the credit deterioration for loans or price fluctuations in investments. Climate changes and the low carbon transition shall pose varying levels of impact at different times, in turn affecting the existing risks (such as credit risk, market risk, and operational risk). E.SUN has established short, medium, and long-term climate change assessments, which consider our internal management framework and the expected lifetime of the assets. These assessments can be integrated into our existing risk management framework and serve as a way to monitor climate change impacts regularly and formulate new measures.

Transition risk factors



Physical risk factors



■ Identification of physical risks

Business categories	Risk impact	Major risk category	Risk impact level		
			Short-term	Medium-term	Long-term
Lending	Natural disasters impair the value of collaterals, or impact customers' operations (e.g., due to shortage of water or electricity), disrupting the supply chain and therefore pushing up the credit risks	Credit risks	Low	Moderate	Moderate
Investment	Extreme weather impacts macroeconomic factors (e.g., GDP, unemployment rate) or physical risk events, adversely impacting our investment targets (e.g., operating revenues decline, additional operating cost, and supply disruption) and thereby causing a fluctuation in the price of our investment position	Market risks	Low	Moderate	Moderate
Own operations	Operating bases impacted by extreme weather (e.g., severe typhoons, torrential rains, or droughts) see their office buildings, dormitories, and equipment damaged and operations disrupted	Operational risks	Low	Low	Moderate
Suppliers	Natural disasters damage the infrastructures (e.g., electricity and network infrastructures) and so are likely to disrupt services provisions	Operational risks	Low	Low	Moderate

■ Identification of transition risks

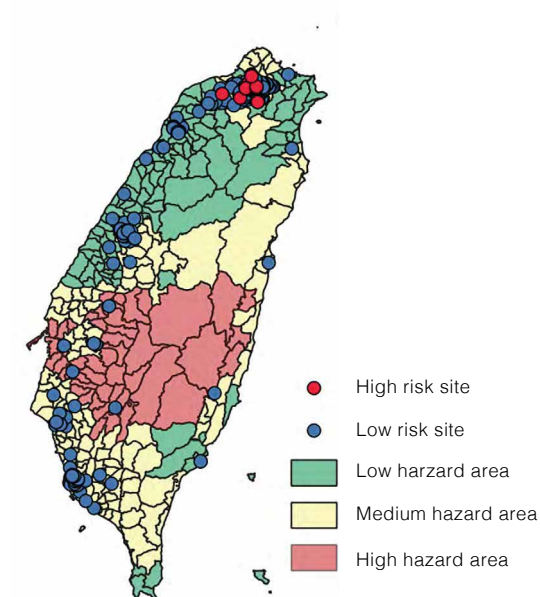
Business categories	Risk impact	Major risk category	Risk impact level		
			Short-term	Medium-term	Long-term
Lending	Carbon tax/fee and carbon tariffs levied to encourage the transition to a low-carbon economy adversely impact the financial position of the high carbon-emission industry, the industry where carbon reduction is not likely, and their related supply chains	Credit risks	Low	Moderate	Moderate
Investment	The high carbon-emission industry will face a rise in operating cost (due to the burden of carbon fee cost) and a chance that business transition may fail, causing a fluctuation in the price of our investment	Market risks	Low	Moderate	Moderate
Own operations	The rise in energy-conservation and carbon-reduction investment (e.g., using renewable energies or energy-efficient equipment) stacks up the cost	Operational risks	Low	Low	Moderate
Suppliers	Suppliers pass on investment and carbon-related costs due to transition, increasing costs	Operational risks	Low	Low	Low

■ Physical risks map of business locations and main suppliers

Using a geographic information system (GIS) which allows mapping hazard area and risk potential zones, makes analyzing physical risk more efficient. The visualized graphic presentation makes it easier to understand the risk profile, which benefits the formulation of management measures in response. In scenario SSP5-8.5 for 2030/2050, the flood risk map for the Company's business locations and suppliers shows that among the Company's 207 business locations and 204 suppliers, a total of 0/5 business sites (only 1 is a self-owned building) and 2/4 suppliers are located in high-risk areas (relatively high hazard of torrential rain and located in a flood damage potential area), subsequent mitigation measures or relocation will be planned according to the lease/use period.

High risk sites (SSP5-8.5)	2030	2050
business locations (leased)	0	4
business locations (self-owned)	0	1
Main suppliers	2	4

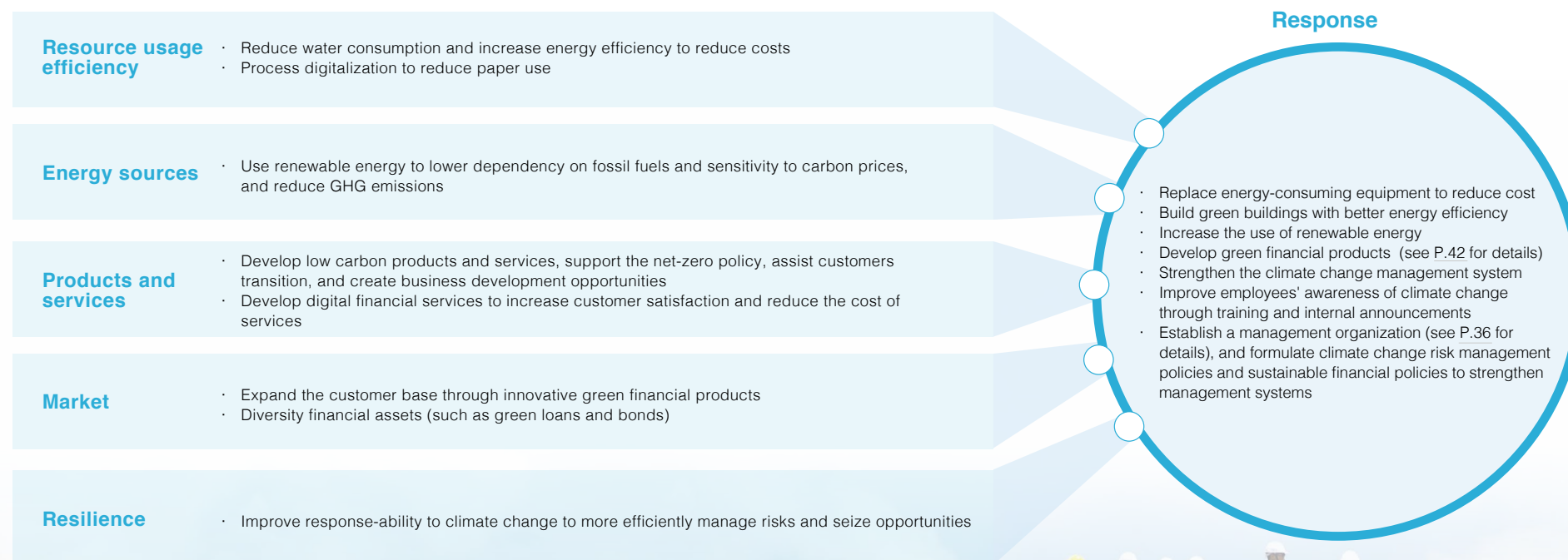
Flood Risk map



2.2.2 Opportunities

As was resolved at the UN's COP26 Climate Summit, reducing GHG emissions and phasing down unabated coal power, and end inefficient fossil fuel subsidies have become the consensus among nations. The EU planned to adopt the Carbon Border Adjustment Mechanism (CBAM) in 2026. International giants such as Apple, Microsoft, and Google outlined their GHG emissions reduction goals, and demanded that their supply chains implement green production. GHG emission management have become a critical part of an enterprise's operations. On the other hand, the financial industry should leverage its influence to channel funds through environmentally-friendly industries, such as green energy, electric cars, green steel, hydrogen energy, sustainable agriculture, etc. Aside from actively developing responsible finance, green finance, and digital finance, E.SUN also helps customers transition to low carbon while creating business opportunities.

Climate change opportunities



■ Response strategies for climate change strategies and financial plans

Climate-related opportunities	Current actions	Internal goals	Long-term goals
Resource efficiency	<ul style="list-style-type: none"> Establish ofof rainwater recovery equipment; use of water efficiency devices; and advocacy of water conservation Resources classification and recycling/reuse management; promoting going paperless Replacement of energy-consuming equipment such as the air conditioners and lighting fixtures Introduction of ISO50001 to enhance energy management Purchase green electricity and installing solar panels in our bank dormitories to improve the ratio of renewable energy 	<ul style="list-style-type: none"> By 2030, scope1 & 2 GHG emissions will be reduced by 42% By 2025, water usage per unit revenue will be reduced by 20%, and waste per unit revenue will be reduced by 50% By 2030, 100% of the Bank's total energy consumption will come from green energy sources 	
Energy source			
Products and services	<ul style="list-style-type: none"> Promote renewable energy, green buildings, ESG bonds, and other green finance products to facilitate business development and customer base management Exerting positive financial influence through engagement, ESG sustainability initiative, and consultation services, and deepening our ties with customers and sustainability partners 	<ul style="list-style-type: none"> By 2030, commit to becoming the sustainability backing for SMEs and the best sustainability partners for customers We aim to continuously expand the scope and scale of our green products following "Taiwan's Pathway to Net-Zero Emissions in 2050 and Strategy Description" and IPCC AR6 	<ul style="list-style-type: none"> Paris Agreement Taiwan's Pathway to Net-Zero Emissions in 2050 Green Finance Action Plan 2.0 (Taiwan Financial Supervisory Commission ; FSC) Corporate Governance 3.0 - Sustainable Development Roadmap (Taiwan FSC) SBT
Markets			
Resilience	<ul style="list-style-type: none"> Establishing a management organization; revising internal regulations respecting climate change and incorporating them into daily operations and business development; enhancing risk management and opportunity seizure Participating in climate-related projects organized by the supervisory competent authority or industry association and helping formulate related regulations Cultivating internal sustainability talents and climate talents and planning to subsidize the obtainment of related licenses Obtaining the Green Building certification by improving new buildings and existing buildings and through operational management, thereby enhancing our ability to reduce emissions 	<ul style="list-style-type: none"> We aim to actively participate in the initiatives related to climate change that the government or international organizations propose, so as to enhance our ability to respond to climate change We aim to have 100% of our buildings certified against the Green Building certification by 2027 By benchmarking against international standards (e.g., sustainability evaluation such as CDP and DJSI), we aim to achieve net-zero emissions by 2050 	

■ Summary of climate-related products and services

Better bringing customers farther than charging alone. We always resort to our products and services when thinking about how we could help customers' problems. As a trend of transition to a green supply chain emerges in the world, nations successfully unveil their net-zeros goals. Instead of simply being a lender, we aim to become an enabler. We have assembled a Solar and Offshore Wind Power Team, offering financial services to renewable energy projects at every stage. We also support the industry that engages in green power generation or pursues energy conservation, and environmentally friendliness, helping customers transition to net-zero emission. E.SUN's primary products and their scale at the end of 2021 are summarized in the table below; for product details, refer to "CH3 Banking for Better".

Consumer Banking

Green building mortgage

- A preferential interest rate is provided to those who provide mortgage collaterals that satisfy the criteria for the Green Building Mark of the Taiwan Architecture & Building Center.
- Totalling **423 units** of building, or **NT\$ 5.73 billion**^{Note}
- 2025 target annual allocation **11 billion**^{Note}

Zero-carbon credit cards

- Attaining **carbon neutrality for all series** of credit cards of the bank
- 4.02 million issued cards

Inclusive financial innovation services

- Online platforms; electronic bills/statements; going paperless and reducing the GHG emission generated by customers' movement

Corporate Finance

Green loans

- To support business sustainability and extend green loans for green projects to assist enterprises in investing in clean energy, energy storage systems, water resources and environmental pollution control, environmental protection products or equipment, and green buildings, etc.
- Balance reaching **NT\$18.73 billion**
- 2025 target balance reaching **NT\$70 billion**

Sustainability-linked loans

- Encouraging enterprises to set and achieve ESG goals and providing them with preferential financial services if they achieve their goals
- Balance reaching **NT\$10.68 billion**
- 2025 target reaching **10% of the balance of corporate loan**

Sustainability initiative

- Invite like-minded business partners to focus on sustainability and joint carbon reduction, and then take practical actions to build a sustainable ecosystem
- In 2021, the "E.Sun ESG Sustainability Initiative" was launched, and **32 companies** joined the advocate

Sustainability consulting services

- Combining internal expert team and external professional consultants, assist corporate customers in developing ESG through consultative consulting services.
- Conduct consulting service exchanges with **45 companies** in 2021, recommend carbon reduction steps, encourage and assist companies in introducing greenhouse gas inventory

Medium and Large-sized Enterprises/Financial Institutions

Responsible investments

- Invest in green bonds, social bonds, and sustainability bonds
- Balance reaching **NT\$12.7 billion**
- 2025 target balance reaching **NT\$32 billion**

Sustainability bond issuance

- Channeling funds to industry that is friendly to the society and environment through issuance of sustainability bonds
- Total issuance reaching **NT\$10.36 billion**

Sustainability bonds underwriting

- Supporting enterprises in raising funds for sustainability causes and assisting them in issuing sustainability bonds
- Amount of underwriting reaching **NT\$13.76 billion**

Hedging and consultation services for sustainability-related projects

- Supporting environmentally friendly projects with our financial services by providing hedging and consultation services for sustainability-related projects, e.g., financing for offshore wind power projects and solar power projects
- Hedging services provided reaching **NT\$11.7 billion**

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

2.3 Risk Management

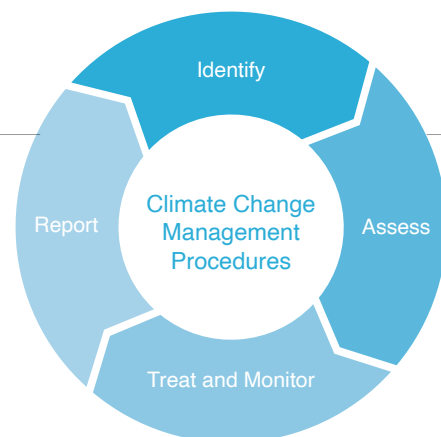
2.3.1 Climate Change Management Procedures

Identify

- Identify the impact that climate change may have on company operations
- Review climate change risk in due diligence
- Incorporate issues of climate change risks and opportunities in the business process management, analysis, execution and decision-making of investment and underwriting
- The Climate Change Team holds a quarterly meeting to discuss related issues.

Report

- The President oversees the management of climate change goals and achievement status, and results are reported to the president by the climate change working team. The president then commissions the CRO to report to the board of directors
- Listing climate change risk as a topic to be presented at the Risk Management Committee meeting
- Submitting a climate risk report to the board of directors semiannually and periodically reviewing internal regulations
- Follow TCFD in disclosure of financial information to external parties



Assess

- Conduct stress tests on the bank's climate change risks and incorporate them into the bank's risk appetite for overall risk tolerance assessment
- Identify climate-sensitive assets(carbon assets) according to TCFD guidelines and measure the proportion of related assets
- Conduct scenario analysis for different timelines, including short-term, medium-term, and long-term

Treat and Monitor

- Establish indicators that link to climate factors. Lower relevant risk exposure if the indicators are triggered.
- Introduce the Science Based Target initiative (SBTi)
- Reviewing the financial impact of climate change through the scenario test and the stress test regularly

2.3.2 Identification and Management of Climate Risks by Industry

E.SUN used the TCFD guidelines and external research reports (e.g., UNEP FI) to identify vulnerable businesses to climate change. The results may be a reference for information disclosure and internal risk decision-making. We also adopted a risk-based management mechanism. E.SUN identified the climate-sensitive industries and our exposure percentages, shown as follows: Among the climate-sensitive sectors, most of them are high carbon-emission industries that are relatively sensitive to transition risks. We use the PCAF method to regularly inventory the GHG emissions of the investment/financing positions and reduce the emissions. By supporting renewable energy industries and preventing capital flows to coal-powered projects and other carbon-intensive projects, we strengthen the overall resilience of our assets to climate risks.

	Classification	Loans	Investment	Sum
Energy	Fossil fuels	0.22%	0.49%	0.28%
	Power supply	0.74%	2.36%	1.09%
	Utilities	0.19%	0.01%	0.15%
Transportation	Airline	0.42%	0.00%	0.33%
	Sea-based Shipping	0.75%	0.06%	0.60%
Materials and Buildings	Petrochemical/Chemical	2.64%	1.84%	2.47%
	Metal fabrication/smelting	2.68%	0.21%	2.15%
	Cement	0.07%	0.70%	0.21%
Agriculture, Food, and Forest Products	Agriculture/Forestry/Fishery/Animal husbandry	0.30%	0.00%	0.24%
	Papermaking	0.41%	0.00%	0.32%
Climate-sensitive assets		8.43%	5.68%	7.84%
Non-climate-sensitive assets		91.57%	94.66%	92.23%
Total		100.00%	100.00%	100.00%

Note 1: The inventory scope includes domestic and overseas operational bases, and covers lendings, which include lendings at Bank (corporate financing and consumer financing, excluding the accounts receivable for credit cards) and lendings at Securities, and investment, which consists of the stocks and bonds (excluding short-term bills) at the Bank, Securities, and Venture Capital.

Note 2: The energy industry does not include the renewable energy generation industry.

2.3.3 Scenario Analysis(Stress test)

SASB：FN-MF-450 a.1、FN-MF-450a.2

Scenario analysis is the process of identifying and evaluating potential impacts for possible situations in the future within a specific scope when facing uncertain conditions. E.SUN conducts climate change scenario (stress) tests to identify climate risks and opportunities, assess the potential financial impact of climate risks, and assist strategic planning and risk management, using a combination of short-term and long-term methodologies to meet different management needs. For short-term risks (within 1 year), which are mainly financial risks and include climate change risks, we consider key issues and use assessment results to manage risk appetite in daily operations. For mid-term and long-term risks, we referenced scenarios of international organizations, such as the IPCC, International Energy Agency (IEA), and the Network for Greening the Financial System (NGFS), to determine the impact of climate change over a relatively long period.



■ Including climate change risks into financial stress tests of conventional risk management, so that risk assessment is more comprehensive

We combined climate change risks with conventional financial stress tests. The scenarios analyzed included a traditional evaluation of the impact of financial crisis, and also considered the potential impact of climate change. For example, the physical risks caused by typhoons and flooding, which are common natural disasters in Taiwan, or the transition risks of carbon pricing policy and energy supply, may have an impact on the overall economy within a short period of time. Related effects are stressed through adjustments to macroeconomic metrics. The stress test results and capital adequacy ratio are comprehensively evaluated, and the control indicators are set. The mechanism as mentioned above will be reviewed and revised annually and submitted to the Board of Directors for approval.

■ Using climate change scenario (stress) tests to provide a reference for long-term risk strategies

The timing and the extent of the impact of climate change risk are highly uncertain, and there are limited historical experience and analysis methods to follow. The effect over a relatively long period must be considered, so it is hard to use conventional risk analysis methods for assessment. Due to the impact of climate change, the intensity and frequency of extreme rainfall have increased in Taiwan. Extreme weather events may cause the value of the property provided to E.SUN as collateral to be impaired, and floods and droughts may impact the operations of companies that E.SUN invested in or provided loans to, impacting creditor's rights. As countries around the world step up control of GHG emissions and collect carbon fees/taxes and tariffs, if companies do not complete the transition in time, then carbon-related fees and the cost of GHG control will affect their profits, causing financial institutions to sustain the higher risk of losses from investments and loans. The climate change task force referenced climate scenarios released by international organizations and simulated primary risk factors of our exposure with guidance from external consultants and after discussions during internal expert meetings. The simulations assessed the risk of climate change to provide a basis for decision-making.

■ Scenario assumptions for the interdependence of physical and transition risks

Physical risks and transition risks are not two independent risks. For example, if the time of transition to a low carbon economy is too late, it will cause physical risk to increase. An ambitious low-carbon transition can help mitigate physical risks, but policies and carbon-related costs will impose a more significant burden on companies. If governments and companies face the issue of climate change negatively, it may lead to the dilemma of facing high transition and physical risks at the same time in the future. The scenario used for the climate change scenario (stress) test this year includes both physical risks and transition risks and integrates the impact of both risks to provide a more comprehensive risk assessment. Scenario settings are summarized in the table as follows:

■ Description of climate change scenarios

Item	Scenario 1 Net Zero 2050	Scenario 2 Late Policy Action
Description of scenario	<ul style="list-style-type: none"> The world actively engages in low carbon transition to achieve net-zero emissions by 2050 Carbon-related fees/taxes are the main risk factor; companies would be requested to pay for emissions exceeding the goal on the carbon reduction path 	<ul style="list-style-type: none"> GHG emission reduction policies are only taken after 2030, which may cause higher physical risk
Transition risks	<ul style="list-style-type: none"> Carbon price: NGFS Net Zero 2050(world) Carbon reduction path: Annual reduction must reach 4.2% each year compared with the baseline year (SBT1.5) 	<ul style="list-style-type: none"> Carbon price: NGFS Delayed Transition (world) Carbon reduction path: Annual reduction must reach 3.3% each year starting after 2030 compared with the baseline year
Physical risks	<ul style="list-style-type: none"> IPCC AR6 SSP1-1.9 	<ul style="list-style-type: none"> IPCC AR6 SSP5-8.5

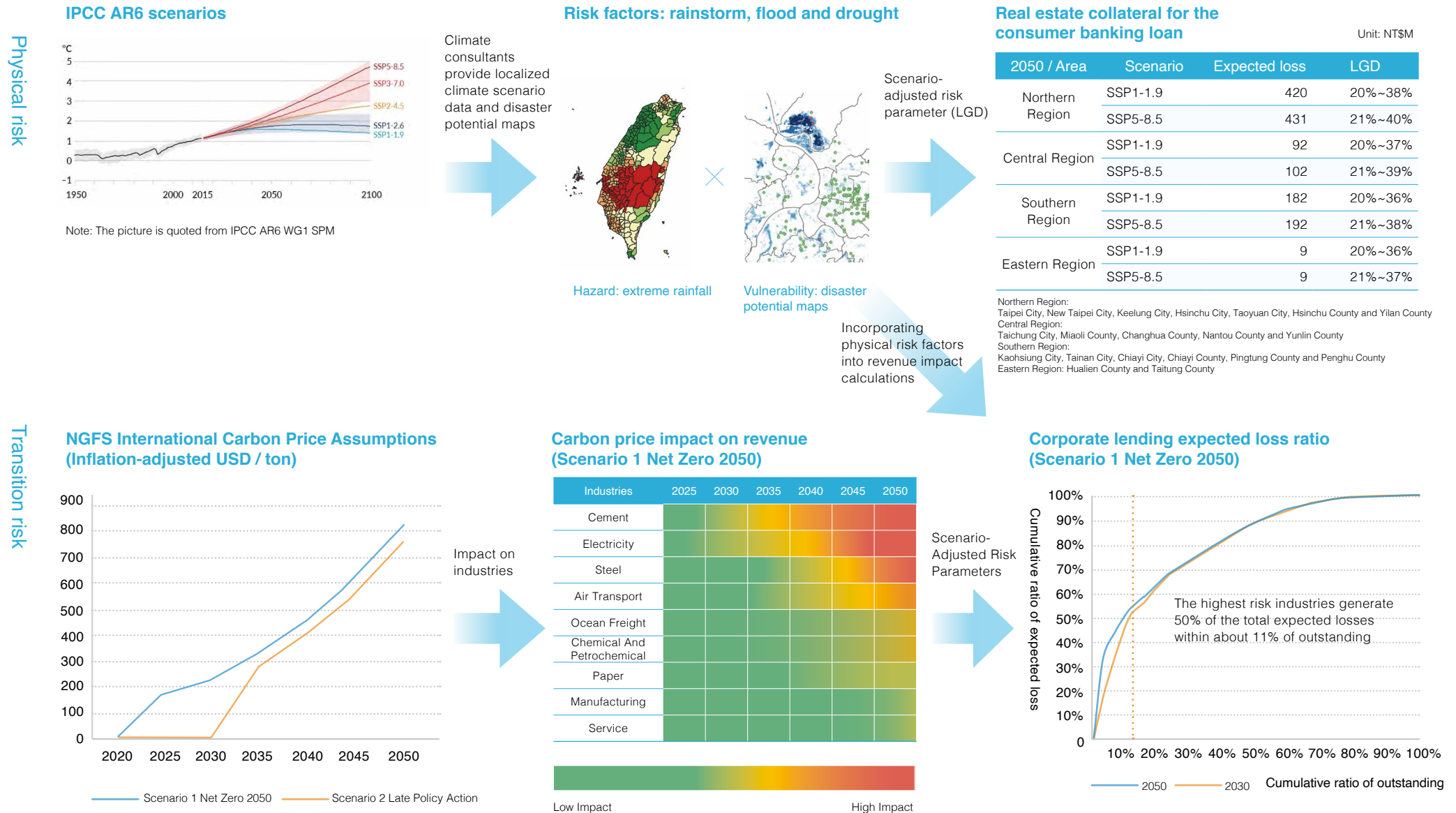
Note: Carbon price assumptions based on NGFS Scenario Explorer hosted by IIASA release 2.2 REMIND-MagPIE 2.1-4.2 and then adjusted for inflation

■ Risk factors and methodology

Scope	Risk factor		Financial impact
Corporate banking lending (physical risks are limited to Taiwan)	Transition risks: Carbon price	<ul style="list-style-type: none"> Payment of carbon-related fees causes the deterioration in the company's financial position 	<ul style="list-style-type: none"> Summarizes the financial impact of the abovementioned risk factors, uses a model to calculate the impact on PD, and calculates the expected loss Most considerable expected loss ratio is about 4 BPs
	Suspension due to rainstorm	<ul style="list-style-type: none"> The expected number of days exceeding the statutory number of disaster prevention leave days in each administrative district is used to calculate the percentage of decline in revenue caused by the suspension. 	
	Physical risks Flood repair costs	<ul style="list-style-type: none"> Calculate the hazard of rainfall exceeding 650 mm within 24 hours in each administrative district Compare the flood potential map to determine the vulnerability Estimate the cost of repair for losses caused by floods by industry 	
	Water shortage	<ul style="list-style-type: none"> The hazard drought in each county/city (determined based on alert level) Estimate the additional cost of water withdrawal by county/city and industry 	
Real estate collateral for the consumer banking loan (physical risks are limited to Taiwan)	Physical risks – Reduction in the value of collateral due to flooding caused by torrential rain*	<ul style="list-style-type: none"> The hazard of rainfall exceeding 650 mm within 24 hours in each administrative district Use the collateral flood loss model to analyze the reduction in value caused by flood 	<ul style="list-style-type: none"> With consideration of the expected loss of collateral value, the model is used to calculate the impact on LGD and further calculate the expected loss Under the SSP5-8.5 scenario in 2050, 9,172 real estate guarantee cases are located in highrisk areas (The impairment of real estate value is above 40%), and the balance of affected collateral cases is NT\$31.6 billion, accounting for 0.98% of E.SUN's total assets.
Bond and Equity Investments	Transition risks: Carbon price	<ul style="list-style-type: none"> Payment of carbon-related fees by the target company causes an increase in cost, and the loss ratio is set based on deterioration in the company's financial position 	<ul style="list-style-type: none"> The expected loss is calculated based on changes in the target's loss ratio or international credit rating Most considerable expected loss ratio is about 25 BPs
	Transition risks: Country and industry transition risks	<ul style="list-style-type: none"> With consideration of the transition risks of the target's country and industry, historical data and judgment of internal experts are considered to evaluate changes in international credit rating in the scenario 	

Note: BP is 0.01%. Expected loss is the increased loss compared to the base scenario (current end 2021).

Evaluation process



■ Evaluation of calculation results

An assessment of our portfolio, which includes Corporate banking lending, Real estate collateral for the consumer banking loan, and investment positions, reveals that the most considerable losses occur in scenario 1 of 2050, with the number of losses increasing NT\$ 1.494 billion (about 7 BPs).

- Based on our estimates, transition risk outweighs the physical risk. Expected losses are mainly derived from our investments and financing in carbon intensive industries.
- Regarding scenario 1, where expected losses are relatively high, we have considered our policy to phase out coal-related industries by 2035 and our strategy of engaging with our customers to help them through the transition. By simulating our hypothetical future portfolio (total asset value unchanged, but lower proportion of loans and investments into high carbon-emitting industries), our calculations show that these management measures can reduce maximum expected losses by 69% in 2050, making our portfolio more resilient.

Figure 1: Expected losses under different scenarios

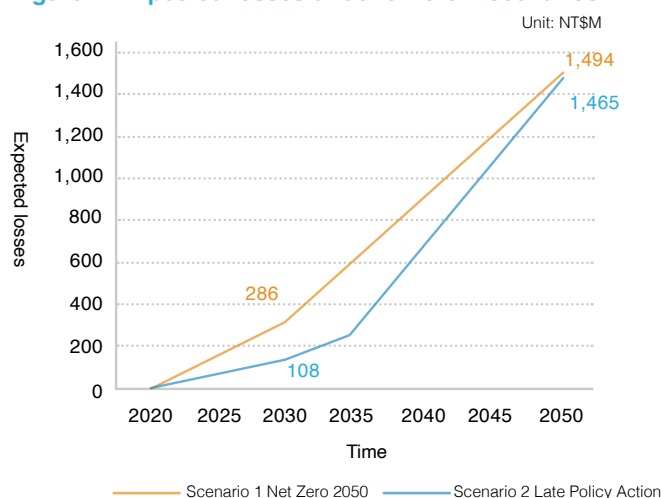
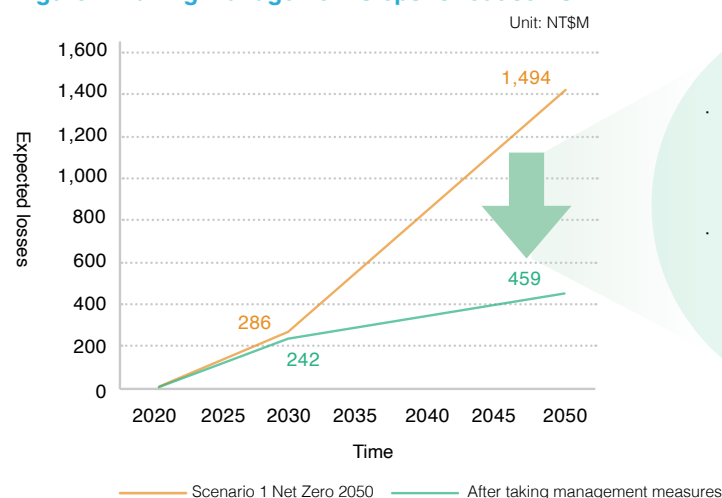


Figure 2: Taking management steps to reduce risk



Management measures

- We plan to reduce our investment position's exposure to carbon-related industries by 50% by 2027 and completely exit these investments by 2031.
- Reduce high emission sector loans and investments, and engage with customers to promote the transition towards low carbon.

■ Lessons learned

- The discussion and calculation process of scenario tests help related personnel better understand the path of climate change risks and potential impact on assets through numbers, which assists them formulate strategies and management measures.
- In terms of transition risks caused by carbon-related fees/taxes, it mainly impacts specific industries with relatively high GHG emissions, such as power supply, cement, and metal manufacturing (e.g. steel industry). Companies that cannot carry out transition plans soon will face greater risk.
- Physical risks are determined by geographic location. In the case of extreme rainfall, if the company or collateral is located in a low-lying/poor drainage area with high flood potential and a high assists of extreme rainfall, it will have a relatively high risk. Droughts are determined based on the likelihood the area, water supply and demand, and the industry's business model (e.g. papermaking and petrochemical industries are more vulnerable). Physical risks can be adapted through the company's adaptation plans.
- Climate change scenario (stress) tests are simulations based on assumptions and are not used to provide predictions. Due to the impact of climate change on the environment and economy is highly complex and uncertain, so caution must be exercised when referencing related values.

2.3.4 Climate Risk Management Measures

Based on qualitative identification and quantitative assessment and scenario (stress) test analysis of climate change risks, the critical points of climate risk management measures taken are summarized in the following table:

Service	Scope	Management process
Low carbon transition	Reducing the GHG emissions generated by own operations, investment, and financing.	<ul style="list-style-type: none"> · Inventorying scope 1 and scope 2 emissions, and planing reduction measures (e.g. installation of solar panels or use of renewable energy) · Adopting the PCAF methodology to inventory the carbon generated by financing activities · Setting goals in accordance with SBTi and submitting commitments
Investment	Stock & Bond Investments	<ul style="list-style-type: none"> · Fulfilling our responsibilities as an asset owner or administrator; making investment decisions based on the targets' corporate social responsibility performance · Avoiding dealing with enterprises that directly or indirectly impact the environment and society, e.g., those engaging in establishing a coal mining or a coal-fired power generation project · Encourage or assist companies to pay attention to ESG issues and launch ESG actions through discussions
Lending	Corporate loans	<ul style="list-style-type: none"> · Promoting green lending; supporting capital expenditures for renewable energy projects, green buildings, and circular equipment to the effect of energy-saving and carbon-reduction; assisting enterprises in transition to cope with climate risks · Linking lending criteria to sustainability indicator or an enterprise's overall performance in terms of the environment, society, and corporate governance, to encourage enterprises to invest in this regard · Reviewing and controlling the companies of a specific scale in accordance with the Equator Principles · Incorporating the consideration of ESG in the credit lending criteria to avoid funding carbon-intensive items such as project financing for coal-fired power generation projects
	Secured mortgage loans	<ul style="list-style-type: none"> · Periodically and annually assessing and monitoring the risk of real estate value impairment that may be caused by climate change so as to continuously improve the database, analysis method, and scenario test for physical risks · Added the flood risk factors – hazard and vulnerability to the standard for dividing collateral into areas. A credit limit and maximum loan-to-value ratio are set for each site to control the risk of collateral value loss · Periodically carried out interim management of cases with high flood risk. When collateral severely loses value, we further examine repayment by the customer, arrange a visit by personnel, and evaluate limiting the incremental loan ratio · Disclosing information such as the soil liquefaction potential areas in the valuation report to serve as a reference for credit extension decision-making
Own operations	Disaster response and information services	<ul style="list-style-type: none"> · Formulating the "Emergency Response and Crisis Management Procedures" following the "Disaster Emergency Response Manual Template for Financial Institutions" of the competent authority to ensure operational continuity and organizational resilience · Stipulating on the "Information Service System Continuity Procedures," a recovery of the information service system from electricity supply disruption or regional floods · By collaborating with external expert on introducing the AR6 scenario data, domestic disaster potentials analysis data to assess the risks for our business locations (from 2030 to the end of this century), we plan the adaptation measures for 100% existing locations and provide reference for location selection in the future. We set a target that the percentage of high risk operations of total operations should reduce to below 2% in 2025, and for existing high risk locations, we will prepare waterproof gate when facing extremely heavy rain, in the hope to adapt risks through long-term planning. · Import sustainable procurement standards to manage suppliers (details in 4.10.2 Supplier Management)

2.4 From GHG Accounting Towards Net Zero

2.4.1 E.SUN's GHG Emission Structure

In 2021, the UN COP26 reached the Glasgow Climate Pact, the first climate agreement that specifies a plan to reduce the use of coal. E.SUN started with ourselves and took action. To tackle the immense challenge of achieving net-zero emissions, E.SUN started by understanding the current state of GHG emissions, and taking inventory of our service locations and business operations. We then set emission reduction targets in sequence, taking concrete action which continuously keeps our philosophy of net-zero emissions in mind when making investment and funding decisions, including no longer providing project financing to coal-fired power plants, issuing zero-carbon mission credit cards, and announcing our plan to phase out all coal investments by 2035.

From 2014 onwards, we have begun taking carbon inventory of our service locations. In 2017, we expanded these operations to take inventory for 100% of our domestic and foreign sites. The inventory included scope 1 direct greenhouse gas emissions (including emissions from electricity generators, natural gas, company vehicles, and firefighting equipment), and scope 2 indirect greenhouse gas emissions from consuming electricity. Considering the fact that the largest source of emissions for companies in the financial industry is investment and financing activities, we adopted the Global GHG Accounting and Reporting Standard for the Financial Industry issued by the Partnership for Carbon Accounting Financials (PCAF) in 2020 to take carbon inventory for our material assets. We used the ESG reports and CDP information published by our investees to calculate their GHG emissions. For instance, if the GHG emissions arising from the business operations of a customer are 1 million tons, and loans and investments provided by E.SUN account for 1% of said company's assets, then we will recognize 10,000 tons of GHG emissions as our scope 3 emissions. According to this calculation method, GHG emissions from our investment and financing activities account for over 98% of our annual total emissions.



GHG Emissions Timeline

	2018	2019	2020	2021
Scope 1	2,516	2,455	2,399	1,858
Scope 2	21,593	22,443	22,299	22,105
Scope 3 : Financed Emissions	842,584	916,408	4,710,269	5,001,736
Scope 3 : others	42,156	52,100	53,713	49,181
In total (tons)	908,849	993,407	4,788,679	5,074,480

Financed Emissions Timeline

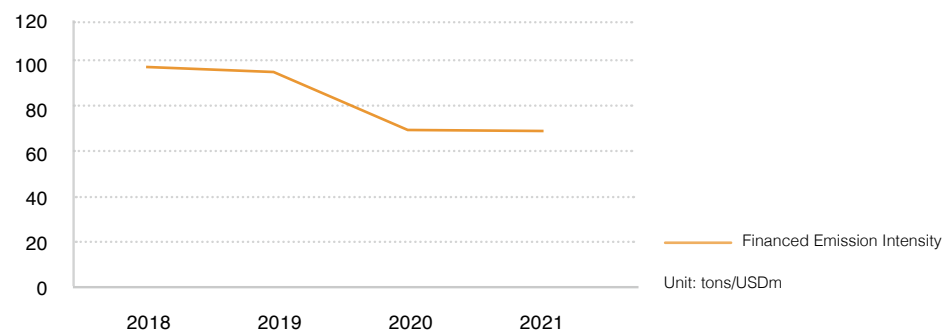
	2018	2019	2020	2021
Financed Emissions (tons)	842,584	916,408	4,710,269	5,001,736
Financed Emission Intensity (tons/USDm)	96.30	95.36	69.64	68.20
Coverage (%)	12.47%	12.50%	73.69%	74.09%

Note 1: Emissions from investments and financing activities for 2018 and 2021 have been estimated based on the increases or decreases in our total assets reported in our financial statements.

Note 2: Level of GHG emissions from investment and financing = GHG emissions from investment position/inventoried investment position balance as of December 2021

Note 3: Inventory coverage = inventoried investment position balance / Sum of FVPL, FVOCI, AC, loans, and discounted items

Financed Emission Intensity Timeline

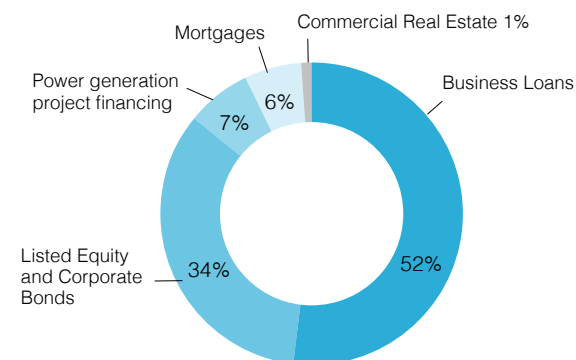


2.4.2 Financed Emissions in 2020

In 2021, E.SUN analyzed the ESG reports and CDP information published by our investees in 2020, and used this information to break down our GHG emissions for 2020. Through currently available data, we have taken carbon inventory for 40.7% (exclude short-term securities) of our investments and 96.4% of loan balance. Total annual GHG emissions from business operations amounted to approximately 4.79 million tons, of which less than 1% are derived from direct emissions and electricity consumed for business operations. Over 98% of emissions are derived from our investees and financed projects. Therefore, we have analyzed our GHG emissions from investees and financed projects according to asset type, industry category, and region. We have set different science-based targets (SBTs) for each different type of asset, planned out systems for managing high carbon-emitting industries, and engaged with our customers, encouraging our employees to engage with corporate customers or investees who are actively reducing their GHG emissions. We hope to use the power of finance to do our part in achieving net-zero emissions.

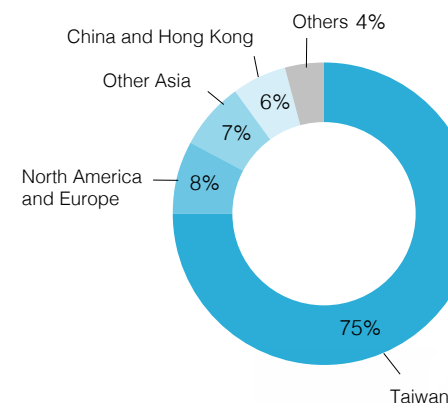


Asset class



	Financed emissions (tons)	Emission intensity (tons/USDm)
Listed Equity and Corporate Bonds	1,608,930	113.05
Business Loans	2,441,064	94.86
Power generation project financing	327,145	843.45
Commercial Real Estate	53,393	42.87
Mortgages	279,736	10.74

Country/Region



	Financed emissions (tons)	Emission intensity (tons/USDm)
Taiwan	3,515,858	69.48
China and Hong Kong	277,114	86.24
North America and Europe	330,518	94.45
Other Asia	399,102	56.37
Others	187,678	57.88

Sector/Industry

	Financed emissions (tons)		Emission intensity (tons/USDm)
Finance and Sovereignty	1,396,767	31.5%	90.69
Electricity and Utilities	685,685	15.5%	624.74
Metal	555,754	12.5%	365.81
Fossil Fuels and Chemistry	440,832	9.9%	235.86
Wholesale and retail trade	382,120	8.6%	86.86
Manufacturing	252,425	5.7%	56.51
Transportation	250,045	5.6%	187.35
Electronics	194,322	4.4%	55.34
Cement	88,656	2.0%	584.37
Other industry	183,926	4.2%	23.44

Notes: Emissions intensity refers to the Carbon Footprint from the TCFD guideline: Total carbon emissions for a portfolio normalized by the market value of the portfolio.

2.4.3 On the way to 2050 net zero

Item	Risk Factor	SBTs	Measures for reducing greenhouse gas emissions
Scope 1	Use of company cars, refrigerant, and gas and natural gas	<ul style="list-style-type: none"> The baseline year is 2020 The goal is to achieve a 42% reduction by 2030, and 2.9% achieved to date 	<ul style="list-style-type: none"> The goal is to reduce the amount by 42% by 2030 Installing solar panels; building solar energy facilities on 100% of our buildings by 2025 Purchasing green electricity; by 2030, 100% of the Bank's total energy consumption will come from green energy sources Purchasing renewable energy certificates in support of government energy policy. Phasing out energy-consuming equipment; substituting energy-efficient products for old energy-consuming lighting fixtures and air conditioners Building green buildings - we aim to have 100% of our buildings certified against the Green Building certification by 2027
Scope 2	Electricity for business locations and buildings		
Scope 3	Investment and financing (based on PCAF methodology)	<ul style="list-style-type: none"> The baseline year is 2019 Power company project financing emission intensity (tCO₂e/MWh), the goal is to achieve a 49.7% reduction by 2030 and is 6.9% achieved to date Commercial real estate financing emission intensity (tCO₂e/m²), the goal is to achieve a 58.7% reduction by 2030, and 3.0% achieved to date Power company long-term financing emission intensity (tCO₂e/MWh), the goal is to achieve a 49.3% reduction by 2030, and 6.1% achieved to date Service industry long-term financing emission intensity (tCO₂e/m²), the goal is to achieve a 58.0% reduction by 2030, and 4.1% achieved to date The percentage of manufacturing company borrowers that passed the SBTs reaches 33.3% in 2026 and was 11.1% achieved to date Percentage of investee companies that passed the SBTs reaches 34% in 2026, and was 10.12% achieved to date 	<ul style="list-style-type: none"> We committed not to financing coal-fired power generation projects from July 2019 onwards; there were no balances in this regard at the end of 2021. Accelerating the phrasal withdrawal of funds from coal-related business and non-traditional fossil fuels mining activities in 2021; in principle, no new financing will be provided starting from the end of 2030. The goal is to entirely withdraw our involvement by 2035 We joined SBT in 2021, adopting a 1.5°C-aligned science-based target for emission reduction Helping customers reduce GHG emissions through initiatives and sustainable financial products, particularly by increasingly financing enterprises having joined SBT, and by increasing our position of investment and financing of which the underlying assets are green energy and green buildings E.SUN initiated the internal carbon pricing project which will gradually incorporate carbon costs into our lending portfolio management in the future. Through integrating the carbon prices of various countries announced by World Bank periodically, we set up the internal shadow price to calculate the implicit costs of the carbon emissions that E.SUN needs to undertake from each business loan. Additionally, the ESG related loan such as sustainability-linked loan and green loan will enjoy discounted carbon cost as the reward mechanism. By adopting the carbon pricing project, we expect to enhance the consensus to carbon issues, as well as direct the internal behavior and encourage more low-carbon business.
	Others (Procurement procedures; credit card production and disposal processes; employees' business travels; waste disposal, etc.)		<ul style="list-style-type: none"> Engaging in carbon neutralization and research and development of recycled card materials Implementing local procurement and green procurement for supplier engagement



CH3

Banking for Better

Customers give over to E.SUN their trust and capital. We are thus entrusted with the responsibility of diverting resources toward where they are most needed and in turn creating a positive force in the community. From earnings to competitiveness and impact, we are committed to ushering in innovative financial services and helping customers shift to the path of sustainability. We promise to make the best partner on this path that makes possible a virtuous cycle across the financial services industry. E.SUN is set to keep up its integration of finance and sustainability and maximize its impact on this front by consolidating internal and external resources.

3.1 Sustainable Finance

GRI : 2-23, 2-24, 2-25, 3-3, 203-1, 203-2 ; GRI G4 Financial Services Sector Disclosures: FS1, FS2, FS3, FS5, FS8, FS9, FS10

Increase Impact through engagement and initiative

E.SUN's ESG Sustainability Initiative

Climate change not only has a serious impact on the real economy, but has also become a key factor affecting business operations. Governments and NGOs around the world, even large transnational corporations, have proposed mitigation measures and policies, and many companies have begun to reduce carbon emissions, calling for a joint response from the supply chain. At this critical moment, E.SUN launched the ESG Sustainability Initiative Action Plan to combine the joint initiatives of like-minded partners. The aim is to, starting from E.SUN, influence corporate customers who will then exert their own influence on the supply chain and other stakeholders, thereby jointly utilizing ESG influence to achieve the goal and vision of sustainable development.

1. We held a press conference in February, inviting 32 like-minded business partners to become joint signatories to long-term goals for energy conservation and carbon reduction, and work together with E.SUN to exert positive influence and promote environmental sustainability. In addition, a sustainability initiative section was established on the company website in October to share the ESG achievements of all signatories. By sharing real-life cases, we can gather collective intelligence, unleash a stronger influence, and encourage more companies to engage in learning and exchange, thereby furthering ESG developments.
2. In total, five large-scale forums were held to an audience of chairmen and executive officers from listed companies and SMEs to guide them on applying ESG concepts and in turn exert an impact on their business management.
3. We established a project taskforce, and engaged in ESG issues with enterprises. By the end of the year, E.SUN has engaged with 46 enterprises, including large enterprises and SMEs, to share our experiences in ESG transformation and inform them of the ESG financial products and services that we provide to encourage and facilitate corporate transformation. Sustainable financial products include sustainability-linked loans, green loan and green bonds. In addition, we also recommended third-party consultants who are capable of assisting enterprises in preparing sustainability reports or in investigating carbon inventory. Additionally, E.SUN used e-mails to communicate with 52 corporate debtors in ESG issues, focusing particularly on those in carbon-intensive industries (e.g., oil and gas, electronic manufacturing, cement, paper-making, and steel). We shared our sustainability practices and gave them suggestions, hoping that these companies would strive toward net zero goal and reinforce their ESG management mechanisms.
4. Engagement results: In 2021 E.SUN has engaged with 129 enterprises including the ESG events initiators and the companies we provided on-site ESG engagement, as well as the enterprises applied for sustainability-linked loan. As the result, the outstanding loan balance of these companies has reached NT\$30.265 billion as of 2021/12, accounting for 3.87% of the total wholesale banking loan balance. Through E.SUN's engagement and assistance, 57 enterprises have successfully set up their ESG development targets as the results.



Initiative Story

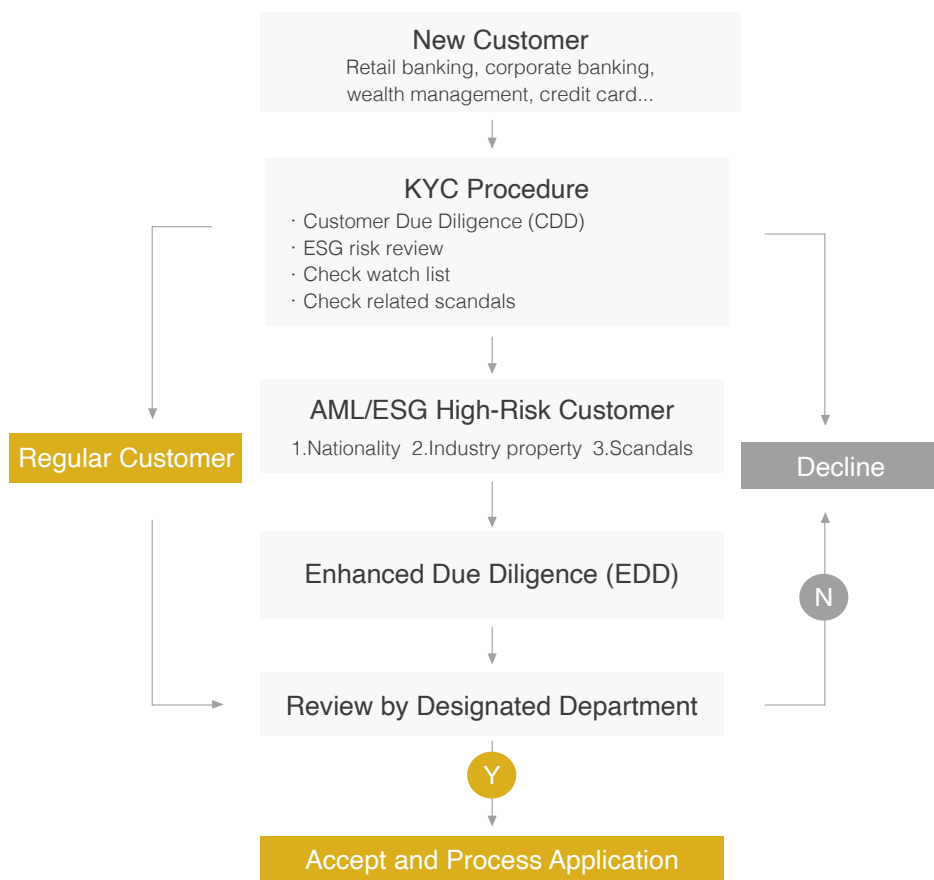
3.87%

of ESG engagement in corporate banking segment

3.1.1 Responsible Lending

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

E.SUN complies with its Sustainable Finance Policy when developing responsible lending, responsible investment, and engagement mechanisms as well as various sustainable finance products, and takes actions to control potential ESG risks. We prohibit dealing with businesses involved in controversial arms trade, pornography, illegal logging, endangerment of endangered species, coal mine, or coal-fired power station projects, and conduct rigorous assessments on commercial activities involving tobacco, gambling, mining, leather and fur production, etc. Concerning corporate customers, every lending case must be scrutinized to check if a lender is associated with negative issues such as pollution and violation of human rights. If a case poses ESG risks, E.SUN discloses relevant information in its due diligence report and conducts stringent risk management.



Counseling SMEs on receiving recognition and keeping them competitive

By endorsing the strength of SMEs and counseling them to receive recognition, E.SUN helps SMEs to improve their management systems and commit to growth, innovation, transformation, and improving their brand images. In so doing, we hope to boost the overall competitiveness of Taiwanese industry. E.SUN continues to encourage and counsel small and medium-sized enterprises that are robust, outstanding and committed to fulfilling corporate social responsibilities to apply for the National Award of Outstanding SMEs and the Rising Star Award. Through on-site visits, the bank obtains a deep understanding of the business characteristics of these companies, and analyzes their risks, profitability and potential for growth. In the process of working with them, we offer suggestions on their customer engagement strategies, operational management, and internal systems. By continuing to guide the growth of the companies and enabling them to keep up with international standards, E.SUN exerts its positive influence as a member of the financial industry.

Case: CHD TECH



Our congratulations go to Chyi Ding Technologies Co., Ltd. (CHD TECH) for winning the 30th National Award of Outstanding SMEs. It mainly specializes in control equipment for precision manufacturing, manufacturing environment integration, energy conservation services, and cleanroom installation. Over the years E.SUN has provided the firm with funds and foreign exchange and cash flow services to facilitate its overseas expansion. In 2011, E.SUN helped CHD TECH acquire its first plant/office building. In 2019, E.SUN assisted the firm in applying to three government programs and subsequently securing government resources as well as starting construction on a new plant/office building with floor space of over 8,900 square meters that was completed in 2021. Upon E.SUN's recommendation, CHD TECH went on to win both the 24th Rising Star Award and the 30th National Award of Outstanding SMEs. In the days ahead, the firm is set to keep funneling R&D resources toward developing more sophisticated equipment and devising energy conservation initiatives for clients, thereby attaining both corporate and environmental sustainability.

■ Sustainable lending services

With continued global warming and increase in extreme climate events, the Taiwan government has actively promoted renewable energy and developed the Green Finance Action Plan 2.0 to encourage investments from financial institutions. As a long-term advocate of environmental sustainability, E.SUN responds to international trends and major domestic policies, continues to develop special products such as renewable energy project financing, sustainability-linked loans, and green loans to support the use of renewable electricity and promote energy conservation and carbon reduction.

(NT\$M)

Sustainability lending services	Outstanding balance as of 2020	Outstanding balance as of 2021
Loans to ESG industries	249,685	261,464
Green loans	11,106	18,726
Sustainability-linked loans	285	10,681
Total sustainable loans	261,076	290,871
Percentage of total corporate outstanding balance	32.27%	32.85%

1. Loans to ESG industries

In 2021, E.SUN continued to invest resources in industries that are friendly to the environment and society, such as industries involved in green power generation, energy conservation and environmental protection, circular economy, medical care and education, and supported key industrial development policies promulgated by the government. As of December 2021, we have extended NT\$251.86 billion in loans to these industries (compared to the NT\$249.685 billion in 2020).

(NT\$M)

Loans to sustainability-related industries	Industry	Outstanding loan balance as of 2020*	Outstanding loan balance as of 2021
Environment-friendly industries	Solar power	787	883
	Bicycle	3,812	6,000
	LED	1,288	729
	Batteries	2,102	2,576
	Electric vehicles	308	353
Community-friendly industries	Circular economy	2,976	3,144
	Medical care	21,206	22,733
	Education	9,458	7,105
	Sports and fitness	3,777	4,206
	Telecommunications and fixed network	6,165	3,540
Innovative industries*	Network communications and Internet	4,056	4,924
	Industrial robots	180	83
	5+2 Innovative Industries and their supply chains	193,570	205,188
Total loans to sustainability-related industries		249,685	261,464

* Scope of disclosure was increased in 2021 to include the statistics of loans lent to 5+2 Innovative Industries in support of the government's plan. However, the national defense industry and industries associated with higher risk of sustainability in the supply chain (e.g., cement, plastic, steel, etc.) were excluded.

* Excluding overlapped calculations from environment-friendly industries, community-friendly industries, green loans, and sustainability-linked loans mentioned above.

2. Green loans

In 2021, E.SUN established relevant bylaws and regulations with reference to the Loan Market Association's Green Loan Principles. The purpose of this is to support business sustainability and extend green loans for green projects to assist enterprises in investing in clean energy, energy storage systems, water resources and environmental pollution control, environmental protection products or equipment, and green buildings, etc.

A case of success: a solar photovoltaic project

In 2021, E.SUN participated in a large ground-based solar project in Kaohsiung. The project involved using a Horizontal Single Axis Tracking system to generate electricity more efficiently. In assessing the project, E.SUN valued the opinions of local stakeholders, collected letters from different authorities, attended meetings with local residents, and confirmed the local contributions made by the company so as to ensure that the project development poses no major negative impact on local residents.

Green energy project financing

E.SUN harnesses its financial expertise to assist enterprises and industries with the promotion of green energy development. Starting with small and medium-sized solar rooftops to recent developments in large-scale power plants such as offshore wind power and ground-based solar power, we truly understand that investing in green energy industry financing is not only in line with global trends and in support of industrial development requirements, but also increases E.SUN's professional capabilities and creates more business opportunities. In recent years, E.SUN's green energy project financing business has exhibited favorable development, in both quality and quantity. It has successively established head office offshore wind power and green energy expert teams to participate in important domestic wind power and solar projects. As of December 2021, E.SUN reported an outstanding loan balance of NT\$18.726 billion (compared to the NT\$11.106 billion in 2020).

2017

- Established offshore wind power task force
- First Australian onshore wind power case

2018

- First North American power station case
- First local offshore wind power financial consulting case

2019

- Taiwan's first bank to stop undertaking financing projects for coal-fired power stations
- Cooperated with the government in establishing policies

2020

- Lead arranger of domestic wind power project financing
- Participated in domestic large-scale solar power plant project financing

2021

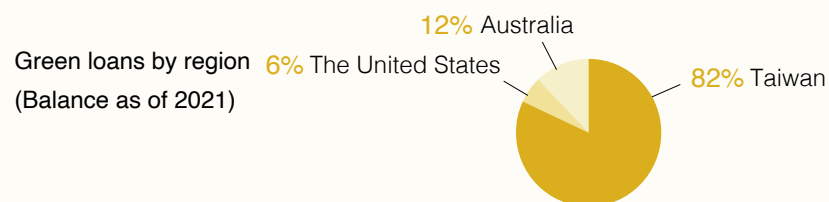
- Special emphasis is placed on developing project finance for renewable energy initiatives, including photovoltaic cogeneration facilities on domestic aquaculture farms and overseas geothermal generation facilities that have become operational.
- A green banking unit is established to further promote the business.

(NT\$M)

Green energy projects	Outstanding balance as of 2021	Total outstanding balance of green energy projects	Total outstanding balance of infrastructure related projects	Percentage of green projects in total infrastructure projects
Wind power projects	11,816			
Solar photovoltaic projects	6,090	18,726	28,563	65.6%
Geothermal Power Projects	820			

Supporting Diverse Sources of Renewable Energy

In 2021, E.SUN supported the world's largest geothermal field in San Francisco, California, which operates 13 geothermal power plants, generating 725 MW of geothermal electricity from an 87-miles long steam pipeline. Geothermal energy is a source of renewable energy that can steadily supply power all year round, unlike wind power and solar power which generate different amount of electricity during peak and off-peak periods. This geothermal field is considered a base load power plant that can steadily supply the market's power demand. In this geothermal field, its water consumption is also in line with the spirit of sustainability, with 60% of water sourced from urban wastewater and 40% from recycled water. E.SUN will continue to develop more green energy project financing, and actively assess and invest more in green energy power plants that conform to global sustainability trends.



Wind power generation	3,746 MW of electricity generated by participating power plants	183 kilotonnes of carbon emissions reduced	470 Da'an Forest Parks
Solar photovoltaic	1,495 MW of electricity generated by participating power plants	73 kilotonnes of carbon emissions reduced	188 Da'an Forest Parks

*Calculation is based on the carbon emission per kilowatt-hour of electricity of 0.502 kilograms per kilowatt-hour announced by the Bureau of Energy / 389 tons of CO₂ that can be absorbed by Da'an Forest Parks

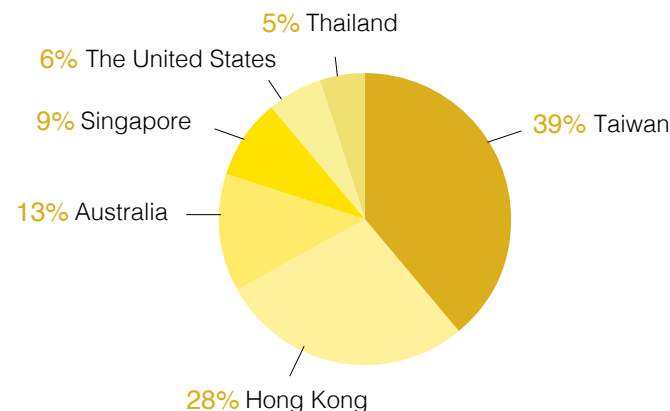
3. Sustainability-linked Loans

To encourage companies to set up their own ESG development goals and continue to invest in sustainability-related activities, referencing the LMA Sustainability Linked Loan Principles, E.SUN assesses a company's actual ESG investments, engages with companies on setting a sustainability goal, and offers financial service discounts if this goal is achieved. As of 2021, E.SUN has approved 55 loan applications or NT\$56.435 billion in total, and the outstanding loan balance was NT\$10.681 billion. In the future, E.SUN will plan to incorporate the performance of related products into the assessment of business units, guide business units to grasp the sustainable development process of customers through incentive mechanisms, and actively promote sustainability-linked financial products to enhance the bank's influence in the environmental and social aspects.

A case of success: U-Ming Marine

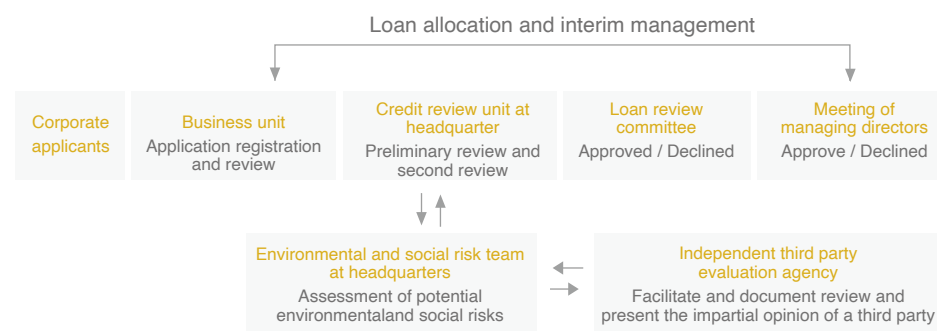
In February 2021, E.SUN approved a Sustainability Linked Loan of US\$44.75 million to the wholly-owned subsidiary of U-Ming Marine. The company will be using the loan to buy a LNG dual fuel tanker, which is an eco-friendly ship built by a domestic ship-owner. Although this tanker is pricier, it is fueled by liquefied natural gas (LNG) and low sulfur fuel, which can substantially reduce GHG emissions and minimize impact on the environment. We play our part in protecting the environment by harnessing our power as a financial institution to guide and assist enterprises in reducing carbon emissions.

Sustainability-linked loans by region (Balance as of 2021)



■ Equator Principles

E.SUN has long supported large-scale projects that contribute to social development. Since it became one of the first domestic financial institutions to adopt the Equator Principles in 2015, E.SUN has participated in a number of large-scale project financings for electric power, infrastructure, etc. at home and abroad. Furthermore, in accordance with the international standards of the Equator Principles Association, E.SUN manages project financing risks in a hierarchical manner, carefully assesses whether the project development process fulfills environmental and social responsibilities, and properly formulates environmental and social impact monitoring and improvement plans. Adopting the fourth edition of the Equator Principles framework, E.SUN assesses the climate change, human rights, and biodiversity risks associated with the projects it finances and continues to fine-tune its control process to strengthen post-loan management. EP-based assessments and undertakings are as follows:



2021 Results

Agreements have been signed for a total of 10 project financing cases to which the Equator Principles and 1 case (involving coal transportation) was declined. We have assessed 36 cases in response to the government's renewable energy policies, and 24 of these cases were green energy projects.

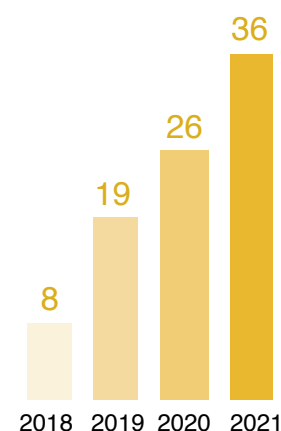
Case

Project A involved building a ground-based solar PV field in Kaohsiung. The project is fully in compliance with local laws and regulations, but E.SUN encouraged the company to adopt the Equator Principles in its assessment and to produce a third-party due diligence report, which provides an international perspective on sustainable development and serves to ensure that the project development and operational process will not have a significant impact on the environment and society. E.SUN will continue to spread positive impact and work with customers to promote environmental sustainability.

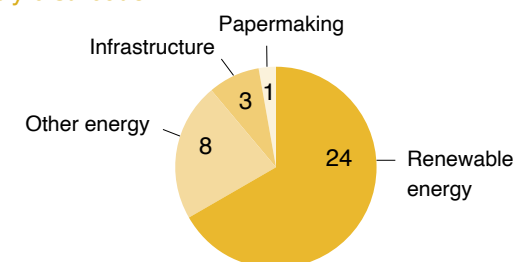


Cumulative number of approved cases under the Equator Principles

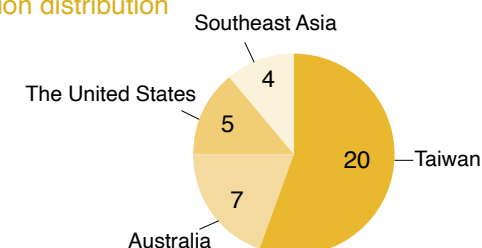
36 one case as finance advisory



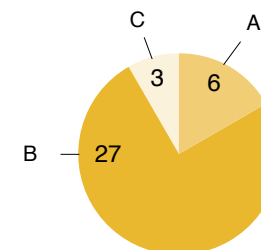
Industry distribution



Region distribution



Risk attribute



Note: Based on the Equator Principles, the risk levels of each case, from severe to minimal, are indicated with A, B, or C, and the cases would undergo reviewing processes that correspond to their level of risk.

3.1.2 Responsible Investment

SASB : FN-IB-410a.3

"E.SUN Sustainable Finance Policy" illustrated that E.SUN will consider the ESG performance of investee companies. Referencing the Principles for Responsible Investment (PRI), E.SUN incorporated ESG issues into investment analyses and decision-making processes, signifying the importance the bank attaches to the corporate social responsibility performance of the invested target. The "Securities Sustainable Investment Management Principles" states that a negative list must be made for industries or enterprises that are potentially controversial, such as the adult entertainment, controversial weapons, illegal logging, endangerment of rare species, creation of new coal mine, or establishment of new coal-fired power station.

About Businesses involved in commercial activities such as coal-fired power, tobacco, gambling, mining, leather and fur production etc. shall undergo rigorous assessments and monitored on a regular basis.

E.SUN also incorporates ESG indicators of impartial institutions at home and abroad into investment review standards, such as DJSI, MSCI ESG rating, DJSI ESG scores, Bloomberg ESG score, Taiwan Enterprise Sustainability Award, Sustainability ESG risk rating, Taiwan Sustainability Index constituent stocks, Taiwan companies Governance evaluation, etc., preferentially selecting medium and low ESG risk companies as investment targets. As of December 2021, E.SUN Bank's bond investments categorized as low-to-medium ESG risk occupied a ratio of 99.42%, and equity investments categorized as low-to-medium ESG risk occupied a ratio of 100%.

Furthermore, through shareholder activism, E.SUN promotes the sustainable development of invested companies through communication with investee companies, participation in shareholder meetings, and exercise of voting rights. For example, in 2021, E.SUN sent emails to more than 70% of its investee companies, expressing that E.SUN not only pays attention to the company's financial performance but also ESG performance, and that the bank hopes to connect business partners in the value chain to work together on climate change, environmental protection and social welfare.

2021 Results

E.SUN continued to invest in environment- and community-friendly industries in 2021 and issued two sustainable development bonds (worth NT\$1.6 billion in total) for the first time. Following the issuance of the country's first green bonds in 2017 with a total of 5 New Taiwan Dollar and 1 US Dollar green and sustainable development bonds, E.SUN issues the most sustainability bonds among Taiwan's domestic banks, in New Taiwan Dollars as well as foreign currencies. Currently, sustainability bonds amount to 12.53% of E.SUN's total bonds issued. Because E.SUN adopts a financial management strategy that integrates the concept of sustainable development, the funds raised are lent to support green investment plans involving renewable energy, greenhouse gas reduction, and water resource conservation, as well as socially beneficial investment plans such as basic service requirements, affordable housing, socioeconomic advancement, and protection of interests and rights.

(NT\$M)

Sustainable bond issued by E.SUN			Sustainable bond balance as of 2021	Aggregate amount of bond issuance	Percentage of circulating financial bond balance
Green Bonds	USD	60,000,000	9,261	73,893	12.53%
	NTD	1,100,000,000			
	NTD	3,000,000,000			
	NTD	3,000,000,000			
Sustainability Bonds	NTD	500,000,000			
	NTD	1,100,000,000			

E.SUN is committed to becoming the top brand in sustainable bond market. In recent years, E.SUN has acted as the underwriter of 11 green bonds, 2 sustainability bonds, and 1 social bond, with a total underwriting amount of more than NT\$13.7 billion, including serving as the underwriter for the first green bond issued by a foreign issuer (Crédit Agricole CIB), the first NTD green bond issued by a foreign corporate (Orsted), the first sustainability bond of a foreign financial institution (Goldman Sachs) and acting as liquidity provider for the first sustainability bond issued by sovereign (Chile government bond). E.SUN is also the first financial institution acted as the underwriter of NT \$1.5 billion "perpetual index linked commercial promissory note" in Taiwan (Far EasTone telecommunications) following the issuance of perpetual index linked loan. Through our competence in the financial industry, E.SUN helps companies fulfill their needs in ESG and make our contribution to Taiwan's sustainable development. These efforts made over the years have been continuously recognized by professional institutions and, in 2021, enabled E.SUN to win the title of Best Bond house in Formosa awarded by The Asset for the sixth year consecutively.

(NT\$M)

Sustainable bonds underwriting				2021 Sustainable bonds underwriting volume	2021 overall bonds underwriting volume	Proportion of underwriting volume in the year
2021/05/10	Crédit Agricole CIB	NTD	300	8,160	276,302	2.95%
2021/06/25	Chailease Finance Co., Ltd.	NTD	300			
2021/10/29	Taiwan Cooperative Bank	NTD	700			
2021/11/15	Taiwan Power Company	NTD	130			
2021/07/02	Goldman Sachs	USD	50			
2021/10/08	Natixis	USD	110			
2021/12/05	First Commercial Bank	NTD	800			
2021/05/19	Far EasTone (FRCP)	NTD	1,500			

E.SUN provided advisory services through underwriting sustainability bond process. On the other hand, green energy is key to net zero transition and also a new engine for future economic development. The development of zero-carbon energy sources such as offshore wind power and solar power can promote the transformation of energy and power supply structures to low-carbon or zerocarbon structures. E.SUN Bank actively finances offshore wind power and solar power projects, providing sustainability related project hedging services as well as financial services to support environmentally friendly projects. We provided Interest Rate Swap (IRS) hedging services for 4 new offshore wind power and solar energy project finance, worth NT\$4.8 billion, in 2021, accumulating a total of approximately NT\$11.7 billion by the end of 2021. E.SUN will continue to unleash its financial expertise to exert its influence and assist enterprises in implementing environmentally friendly projects and giving their full support to government policies.

3.1.3 Retail Banking

Promotion of sustainable development topics: Reconstruction of Urban Unsafe and Old Buildings Loan

"Let us help you and your family create happy memories in a safer and comfortable living environment and paint a brand new look for your home and city."

Taiwan is facing a crisis caused by elderly people living in old houses. According to government statistics, more than 31% of its population are people over the age of 55, and nearly 50% of houses in Taiwan are more than 30 years old. Old houses are not strong enough to withstand earthquake and also lack firefighting equipment and barrier-free spaces, both of which affect the safety and quality of life of Taiwanese citizens. E.SUN accompanies homeowners throughout the process as they build a safer and warmer home. In response to the government's policy for reconstruction of urban unsafe and old buildings, E.SUN established a promotion working team dedicated to urban renewal of dangerous and old buildings, cultivated approximately 50 financial consultants with building renewing promoter qualifications, and launched the "Reconstruction of Urban Unsafe and Old Buildings Loan" in 2020 to actively help homeowners create a safer living environment.

E.SUN participated in the 3rd Urban Renewal Expo organized by the Ministry of the Interior in 2021. During the expo, digital methods were used to interact with visitors, promote safe housing concepts, and provide a detailed explanation of all the financial services that E.SUN offers in relation to the reconstruction of dangerous and old buildings. Additionally, E.SUN linked its internal trust and tax planning resources to offer a one-stop financial service, and partnered up with external construction management companies to ensure the smooth progress of reconstruction projects. Through these efforts, E.SUN is committed to helping customers live safely and building a more age-friendly environment, where happy memories are constantly created, thereby creating a better and more resilient city.

2021 Outcomes

NT1.35 billion

Amount approved

44

Number of approvals

Sustainable mortgage

In our path to promoting sustainable development, E.SUN pays constant attention to environmental and social issues and launches a diverse range of ESG and sustainability-linked mortgages to help customers build their dream home. These products include "green buildings," "care-free mortgage." As of the end of 2021, E.SUN assisted more than 10,000 customers in achieving their dreams of building a home. The balance of sustainable mortgages reached NT\$96.2 billion, accounting for 20% of the total purchase and repair balance.

(NT\$M)

Dimensions	Mortgage projects that promote sustainability	2021		Total loan balance
		Number of cases	Loan balance	
Environment	Green buildings	382	4,758	96,158
	Promotes purchase of certified green buildings			
Society	Care-free mortgage	9,223	91,400	490,710
	Supports young people to form their own families, and grants lower-income families housing subsidy and a grace period			
		-	-	

Green Building revenue pct:0.07%, Affordable Real Estate Revenue%:0.03%. Affordable Real Estate includes Government housing subsidies for the youth, Government housing subsidies and the earthquake victim loan.

Sustainable Investment Products

(NT\$M)

Products	Retail Banking Customers	
	AuM	
ESG Mutual Funds	403	1,166.30
ESG Overseas ETFs	763.3	
Total AuM of investment products		52,326

Advisory services on ESG topics

In order to assist the development of small businesses, E.SUN provides comprehensive financial consulting services. In addition to designing customized loan programs, we also advise enterprises in transformation and assist in matching emerging technology resources. In 2021, total value of ESG based advisory services is NT\$2,512 thousand, accounting for 7.01% of total advisory services.

(NT\$ Thousand)

Services	Retail Banking Customers	
	Advisory fee	
Distinct local business consulting	2,482	2,512
Social innovation enterprise consulting	30	
Total value of advisory services		35,860

Managing lending risks

“E.SUN actively manages the potential ESG risks of lending funds, and continues to expand the influence of responsible lending.”

E.SUN takes into consideration ESG aspects when making decisions about lending money to individual and small businesses; this serves to encourage customers to pay more attention to social and environmental sustainability issues. By reviewing information on ESG, anti-money laundering, and climate risks, we identify, evaluate, and manage lending risks and actively exert our financial influence to direct fund flows toward sustainable development.

(1) Loan review

E.SUN actively investigates ESG-related information when customers apply for loans. If the company or person in charge or individual who applies for loans has been involved in ESG illegal cases, such as environmental pollution, illegal fundraising, human rights violations, etc., E.SUN will actively negotiate with customers and request customers to provide a reasonable explanation and issue related improvement measures and results, and adjust the loan conditions according to the circumstances of the case. If the case is considered a major hazard or if effective improvement measures cannot be established after counseling, the loan will not be approved.

(2) Anti-money laundering

To prevent money laundering and terrorism financing, E.SUN had implemented Know Your Customer (KYC) and Customer Due Diligence (CDD) procedures into every lending business applications. If a customer who has been sanctioned as announced by government agencies will be declined. If the applicant is identified as a high-risk customer, E.SUN will further conduct Enhanced Due Diligence (EDD), and the subsequent loan review can only be conducted after the approval of a supervisor with anti-money laundering professional license. In 2021, a total of 108,978 cases were review as CDD, 564 submitted for EDD.

(3) Climate change

In order to monitor the risk of real estate value impairment that may be caused by climate change, E.SUN has an independent department responsible for collateral valuation, revealing information such as soil liquefaction potential areas in the valuation report. In cases of high risk, the bank will not approve the loan or counsel the borrower to shift the risk of natural disasters through insurance. In addition to valuation control, E.SUN identifies flooding risks every year and reveal the proportion of credit collaterals in areas with high flooding risks in total assets, which was 0.98% in 2021.



ESG Exclusion

- When performing credit checks for mortgage applications, we reject the applications of customers whose business is found to involve gambling or private lending.
- In reviewing loans for small businesses, we reject the applications of customers whose factories have been fined multiple times by the government for environmental pollution and violating the Waste Disposal Act and after confirming with the customer that improvement has not been completed.

■ ESG Engagement

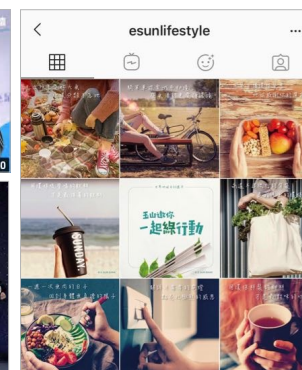
"Every choice is a vote for the world we want to live in." Technological advancement has imperceptibly embedded financial services into the daily lives of customers, and sustainability starts from daily life. E.SUN strives to utilize diverse channels (brick-and-mortar branches, official website, mobile banking app, Internet banking, social media, audiovisual platform, and books and magazines) and leverage media partners (CommonWealth Magazine, Discovery) to promote international sustainability trends and disseminate knowledge to raise customers' sustainability awareness and concepts.

Disseminating Sustainability Knowledge to Raise Sustainability Awareness

- Co-organize the [SDGs International Forum] with CommonWealth Magazine and release videos online to promote green finance
- Communicate environmental protection concepts on Instagram to encourage incorporating environmental protection into daily life
- Work together with Discovery to introduce audiences to the extinction of species around the world caused by climate change, and invite customers to join the ranks of supporting Earth.
- E.SUN Bank's website has a page dedicated to introducing loans for reconstructing old and dangerous buildings; customers are encouraged to develop green buildings and smart buildings.
- Smile E.SUN, a bimonthly publication, has a column titled "Protecting Polar Bears" to educate customers on environmental sustainability concepts.

Utilizing Financial Business to Encourage Participation in Sustainability

As customers become better versed in sustainability, E.SUN will combine sustainability with financial services based on the core concept of Sustainability as a Service, and provide customers with financial solutions that will have a greater positive impact on Earth. For Earth Day in 2021, we collaborated with Carrefour, FamilyMart, and Gogoro in organizing the "E.SUN will go green" activity series, combining the capabilities of customers through financial choices, such as consumption, payment, loan, and investment to promote new sustainable lifestyles, jointly creating a wonderful new future with E.SUN.



11.83 %

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

[Retail Banking Business] - ESG-related Products and Number of Individual Customers Participating

Item	Description	Number of customers participating	Number of customers
Loans for the reconstruction of unsafe and old buildings	We will engage customers to reconstruct old buildings into modern, eco-friendly, and energy efficient housing that meets social needs. It will also improve the overall quality and functionality of urban areas for daily life and improve the safety of housing.	12	
Green building loans	We encourage customers to choose eco-friendly, energy efficient green buildings that generate less waste when purchasing houses.	115	
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.	48,983	51,889
ESG-themed funds	We selected 8 investment products that feature ESG, giving consideration to both sustainability and investment opportunities.	82	
"E.SUN on the go" activity series	For Earth Day, we encourage customers to purchase electric scooters, organic food products, energy efficient home appliances, and apply for e-statements.	3,028	
Credit / lending clients in retail banking segment	Number of customers approved for mortgages, credit loans, and credit cards in 2021	-	438,768

■ Responsible Products

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

1. Investment Products

Our wealth management practice is integrated with our core competencies and employs the cash flow-oriented characteristics of the financial industry to fulfill our responsibilities to business partners and pre-market launch product reviews. Customers are provided with diverse investment products and services related to sustainable finance to reduce the social and environmental impact and increase the economic and social benefits thereby helping customers and investors pursue sustainable returns.

Management of External Partners

- (1) All insurance companies that cooperate with the Bank for wealth management business have signed the Compliance Statement of the "Stewardship Principles for Institutional Investors"
- (2) All onshore fund institutions that cooperate with the Bank in wealth management business have signed the Compliance Statement of the "Stewardship Principles for Institutional Investors"
- (3) All offshore fund institutions that cooperate with the Bank in wealth management business have signed the "Principles for Responsible Investment (PRI)"

100%

Insurance Companies

100%

Onshore Fund Institutions

100%

Offshore Fund Institutions

Wealth Management Customer Due Diligence (CDD)

When E.SUN provides services to wealth management customers, Know Your Customer (KYC) and Customer Due Diligence (CDD) procedures have been implemented. The methodology includes customer identity, source of fund, transaction activities, purpose of accounts, etc., and implements the anti-money laundering and countering the financing of terrorism management mechanism.

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.

Product Management

- (1) E.SUN established the E.SUN Bank ESG Wealth Management Product Review Policy to implement the review of business partners and selection of wealth management products. ESG ratings from impartial third parties (e.g., MSCI, DJSI, Bloomberg, Morningstar, etc.) to assess onshore and offshore mutual funds, overseas bonds, overseas ETFs, overseas stocks, special stocks, and other wealth management products.
- (2) Wealth management business partners are invited to sign the "E.SUN Bank Wealth Management Service Commitment to Sustainable Development for Partners." As of December 2021, three business partners have signed the commitment, and we continue to invite more business partners to join the rank, hoping to gather the forces of our business partners to exert their sustainability influence and collectively promote ESG-related financial products to practice sustainable finance.
- (3) E.SUN implements "product review", "interim management" and applies exclusions in our advisory business, taking into consideration the ESG implementation status of its business partners or whether they are involved in major ESG disputes to carefully consider the extent of business dealings with them. The degree to which an existing investment product is promoted will be adjusted if there are any changes to the product's ESG rating. Exclusion cases in 2021 are below, one product didn't launch because it was associated with businesses that have direct or potential impact on the environment or the society. We keep track of any changes to the ESG ratings of offered investment products each month. Six investment products have been classified as a "not proactively recommended investment option" after issues with human rights controversies and arms production have been discovered.

ESG Rating Management for Wealth Management Products Positive, average, negative, no data

ESG ratings (by impartial third-party agency)

- Products with positive and average ESG ratings may be launched and included in marketing campaigns or project events.
- Products with negative ESG ratings may be launched only after careful evaluation and approval, but they may not be included in marketing campaigns or project events.
- Products with no ESG ratings may be launched for customers to purchase or subscribe. These products may be recommended for investments or included in marketing campaigns or project events only after careful evaluation and approval or after a comprehensive consideration of the business partner's ESG implementation status.

Interim management

- For partners who have material negative ESG issues, we will carefully examine the extent of our business relationship with them.
- The degree to which an existing investment product is promoted will be adjusted if there are any changes to the product's ESG rating.

Marketing promotion

- (1) We offered the "TCB Environmental & Socially Responsible Multi-Asset Fund," which is the first ESG multi-asset fund reviewed through the FSC's Disclosure Rule for ESG funds. The fund focuses on environmental opportunity stocks and social responsibility bonds, and helps customers seize sustainable investment opportunities, while lowering the fluctuation of their investment portfolio.
- (2) The ESG themed fund investment activity, "E.SUN ESG Fund," allows customers to plan for financial management while doing their bit in sustainability. In 2021, accumulated sales reached NT\$24.76 million, and the number of transactions (including renewal deductions) reached 2,644. In response to "Earth Day", we also selected ESG-themed funds such as climate change and sustainability to launch project activities on digital channels.

Advisory Services on ESG Topics

- (1) We established an ESG investment research team to promote investments in topics related to environmental sustainability such as wind power, electric vehicles, carbon neutrality, and water resources. In 2022, we began planning the publication of quarterly ESG-related market research reports as an investment research resource aimed at promoting ESG-related wealth management businesses to accelerate the process of ESG popularization.
- (2) With the global rise of sustainable investing, E.SUN Investment Consulting included the sustainability evaluation system into the reports of individual stocks, helping investors from E.SUN Bank and E.SUN Securities understand the ESG performance of Taiwanese companies.
- (3) Starting in 2022, E.SUN will provide modularized ESG issues and provide training regularly to deepen marketers' awareness on sustainable finance.

7.9% Percentage of advisory clients we have engaged with in wealth management segment

Note: Number of customers of investing ESG products / Number of wealth management customers (NT\$M)

Products	Wealth Management Customers		Services	Wealth Management Customers	
	AuM			Advisory fee	
ESG Mutual Funds	4,604	5248.3	ESG Investment Analysis Reports	6.228	
ESG Overseas Bonds	8.3				
ESG Overseas ETFs	636				
Total AuM of investment products		186,618	Total value of the advisory services		41.52

Note: 1. ESG mutual funds and ESG overseas ETFs are the funds which meet the ESG requirements of Financial Supervisory Commission.

Note: 2. Green bonds, social bonds, and sustainability bonds are included in ESG overseas bonds.

Note: 3. Asset under management (AuM) of investment products is calculated at present value.

2. Credit Cards

SASB : FN-CF-000.A, FN-CF-000.B

In 2019, all of our credit cards obtained the carbon label, and we purchased carbon credits from the wind power farm in Changbin Industrial Park to offset carbon emissions. After verified by a third party, we reached the carbon-neutral goal. We have issued **4.02 million carbon-neutral cards by 2021**. Before 2025, all cards circulating will be replaced by carbon neutral cards. For other ESG credit cards, please see the table below:

ESG Credit Card		Contents	2021 Issued Cards	Proportion	Donated Amount (NT\$Thousand)
Social Welfare	World Card	0.3% of general spending is allocated for donating to the "E.SUN Golden Seed Project" to build E.SUN Libraries for primary schools in rural areas, providing a warm and comfortable reading environment for children in rural areas.	630,000	10%	42,280
	Nan Shan Life Co-branded Card	Except the insurance fee to NanShan, 0.1% of general spending was allocated for donating to the NanShan Happiness Fund to support community care for disadvantaged patients who fall into economic hardship.			
	Tsing Hua Recognition Card	Through credit card welcome bonus and 0.2% of general spending is allocated for donating to National Tsing Hua University's "Rising Sun Project" to assist outstanding students who are socially and economically disadvantaged and lack educational resources to receive education and enabling economically disadvantaged students to turn their lives around.			
	Charity Card	0.2% of general spending is allocated to sponsor the blood donation charity fund.			
Environmental Conservation	ETC Easy Card	E.SUN allocates 0.1% of the auto-top-up amount to a sustainability account for holding E.SUN CSR charity events.	590,000	9%	900
	E.SUN Business Platinum Card	For customers who choose e-billing, 0.2% of general spending is allocated for donating to the "One Tree Per Person. E.SUN Plants Trees" activity.			
	Formosan Bear Conservation Card	0.2% of general spending is allocated to the Taipei City Zoo animal conservation fund. For card holders who donate to the fund, E.SUN rewards them with triple bonus.			
	Easy Card	E.SUN offers the second 30 minutes of YouBike services for free in the following month to customers who spend NT\$3,000 or more on their E.SUN credit card in any given month.			
	E.SUN Infinite Card	E.SUN offers the second and third 30 minutes of YouBike services for free in the following month to customers who use their E.SUN credit card once in any given month, regardless of spending amount.			
Overall			6,620,000	100%	43,180

Note:1. BSI's investigation proved that we issued more than 0.65 million carbon-neutral credit cards in 2021, which offset 573 tons of carbon emissions.

We thus demonstrated the achievement of carbon neutrality in response to PAS 2060:2014.

2. The carbon credits we purchased were from the wind power farm in Changbin Industrial Park.

3. The total number of issued credit cards was 6.62 million and the total number of active credit cards was 4.53 million as of the end of 2021.

Green Transportation

Encourage cardholders to take green transportation and purchase electric vehicles, including cooperating with Taiwan High Speed Rail to use bonus points to redeem tickets, upgrade seats. redemption of bonuses/price increases for high-speed rail business class upgrades. The amount of co-consumerism in 2021 is 4.32 billion.

	High Speed Rail	Ubike	Electric Vehicles	Total
NT\$ Thousand	3,470,000	250	850,350	4,320,600

3.2 Inclusive Finance

GRI: 2 -23, 2-24, 2-25, 3-3, 203-1, 203-2, 413-1;

GRI G4 Financial Services Sector Disclosures: FS1, FS3, FS5, FS7, FS9, FS10, FS13, FS14, FS16

Regional revitalization: Support the transformation and upgrading of characteristic industries in Taiwan, promote the balanced development of urban and rural areas, and shine a spotlight on the local economy.

"Helping young people to pursue their dream in their hometown and supporting the growth of local industries."

There are many industrial clusters with local characteristics in Taiwan. However, due to remoteness and lack of job opportunities, local populations continue to migrate to urban areas, causing worker shortage in local industries. The lack of counseling resources also makes it difficult for local enterprises to transform. To cultivate characteristic industries in Taiwan, E.SUN has been leading the industry in launching the "Regional Revitalization team" since 2018. According to the needs and potential of local industry players, E.SUN coordinates head office units and branch teams in the design of financial counseling programs. Furthermore, E.SUN followed government policy, continued to expand the scope of projects, linking partners across different sectors and combining the strengths of industry, government, academia, and research to create unique programs with adequate funds, resources, counseling, and technology. Replenished and invigorated by timely financing, these unique businesses, resulted from the younger generation's effort, were able to grow and prosper in the familiar surroundings of their hometowns.

In 2021, E.SUN began spreading the positive influence of the financial sector, placing focus on two main axes: "Supporting Local Industry Upgrade" and "Encouraging Young People to Start a Business in their Hometown." E.SUN co-organized an "Online Financial Placemaking Seminar" with the government's local incubator unit, and developed a service that offers both advisory and financing solutions for "young people returning to their hometown" and "local businesses," thus facilitating the spread of financial services across the whole of Taiwan to support the development of local industries and young people.

Case | E.SUN Financial Placemaking Seminar supports local placemaking teams to pursue their dream

E.SUN is a long-term supporter of local placemaking initiatives. To better meet local needs and understand the pain points that young people experience when returning to their hometown, E.SUN began cooperating with TownWay in 2021. Located in Zhushan Township of Nantou, TownWay is a company that has been certified by the Ministry of Economic Affairs to be a "Local Creative Workshop for Young People." E.SUN and TownWay jointly hosted an online "Zhushan Financial Placemaking Seminar" to discuss how E.SUN will leverage its financial expertise to forge a sustainable tie with local placemaking teams during the pandemic in Taiwan. Through a face-to-face communication online, we described our different financing plans, used soft methods to interact with more than 20 teams, answered any questions they have about finance, and provided local services through our expert teams from E.SUN's Douliu Branch. This model has garnered positive feedback from many of the young participants. E.SUN will continue to work with different industries and harness their power to inject new energy into the development of local industries in Taiwan.

2021 Outcomes

1,160 local businesses participated in Regional revitalization

5.46 billion in outstanding loans



E.SUN interacted with 20 placemaking teams via a video call, providing them real-time financial advisory service.

Social innovation enterprises: Provide social innovation funds, financial guidance, and marketing resources, and work with academia to cultivate future stars of social enterprises to spread the power of making a difference in our society.

"Nurturing the seeds of social enterprises and supporting the sustainable development of social innovation."

Social entrepreneurial enterprises are mostly in the early stage in Taiwan. Due to insufficient visibility, lack of experience, or weak financial structures, it's hard for them to acquire or integrate resources and expand the business scale.

E.SUN is committed to developing one-stop financial services to satisfy the needs of those who have been neglected in traditional banking and provide a banking-friendly environment that is characterized by three stages: "budding, growth, and stability." In addition to planning the "Smile & Hope Loan" with Taipei City Department of Economic Development, in 2021, E.SUN devoted our efforts in academic cultivation programs, becoming one of the sponsors the "6th Yunus Award: Social Innovation and Entrepreneurship Competition," which was organized by the Yunus Social Business Centre of National Central University. This competition had attracted 142 teams and was focused on the topic "circular economy." One of the participating teams, REcarbon proposed a solution to climate change: linking credit card spending to carbon footprint and converting it to points, which can be used to help disadvantaged individuals and contribute to the society. With this idea, REcarbon won second place in the competition as well as E.SUN's Excellence in Sustainable Development Award. Through this, E.SUN joins the academic community to cultivate seeds of social enterprises, exert a positive influence, and support the development of social innovation.

2021 Outcomes

26 Assisted with the development of 26 social innovation enterprises

Case I

Assisting chicken farmers in building a stable micro-production network

Mr. O has been paying attention to economic issues in rural areas and disadvantaged people for a long time. He resolved to start a business to assist small chicken farmers in providing a steady supply of high-quality meat products to restaurant owners. The objective of his business is to provide guidance for indigenous farmers who are members of the Wu Jie Tribe in Ren'ai Township of Nantou, Da Wu Tribe in Wutai Township of Pingtung County, and Atayal tribe in Datong Township of Yilan. Mr. O, however, struggled with applying for loans for these farmers. The farmers are skilled in breeding chicken but they lacked sales channels and a stable cash flow. Fortunately, the Taipei City Government directed Mr. O to E.SUN Bank's Smile & Hope Loan. Mr. O was approved for the loan and quickly acquired the much needed working capital to help the farmers build a stable micro-production network, and also to physical and online marketing campaigns to boost the development of tribes in rural areas and create benefits.



142 teams participated in the 6th Yunus Award: Social Innovation and Entrepreneurship Competition.



Pandemic Relief

For a period of time in 2021, Taiwan was placed under Level 3 epidemic warning nationwide. Many businesses ran into difficulties, thereby adversely affecting the incomes and livelihoods of their employees. In support of government policy, E.SUN promptly set up a task force to provide businesses and their employees with relief loans. Meanwhile, digital technology was introduced for devising an online application process and the delivery of zero-contact financial services to spare customers the risk of infection.

Labor Relief

6.9 Billion approved loan amount | **111,499** Cases

To help pandemic-inflicted people secure funds quickly, E.SUN established a fully online, zero-contact process for filing and reviewing applications, signing contracts, and releasing loans. From loan application to loan release, it used to be a three-day process. Now it only takes less than one hour. With up to 10,000 loan releases a day, our 24/7 automatic loan release system ensures customer access to capital anytime, anywhere. In 2021, E.SUN processed more than 110,000 labor relief loan applications in a single month. While 94.8% of such applications were filed online, total approved loan amounts rose over 50% from last year.

Business Relief

63.6 Billion approved loan amount | **5,375** Cases

Likewise, priority was given to speeding up the loan application process while minimizing the risk of infection from interpersonal contact. Taking its lead from the relief 2.0 initiatives of government agencies, E.SUN immediately set up a special section on its website for the downloading of application documents. Meanwhile, an online platform was installed for applicants to make appointments so as to avoid a big crowd at a single location. In 2021, E.SUN had assisted a total of 5,375 businesses in securing relief funds and deferrals for paying back existing loans to tide over an unusually difficult time.

Outcomes of inclusive finance

2021 Inclusive finance outcomes

Client	Social value (Number of customers)	Economic value (NT\$M)
Small-Sized Business	19,119	102,518
Microfinance Institution (Note)	-	350
Low income Social Groups	3,961	2,501
Underserved Groups / Underserved Geographies	7,716	12,654
Total	30,796	118,023

Note: The loans here refer to Cambodia MFI Loans.(they provide micro-financing with good service quality to fulfill needs of disadvantaged residents in rural regions)



3.2.1 Supporting small businesses and microfinance institutions

SMEs are the key driver of socioeconomic development. The pandemic, however, has caused many SMEs to suspend business operation or report a sharp decline in revenue, whereas small businesses struggled to stay afloat during the pandemic because of their small size and difficulty in acquiring funds. To help small businesses strengthen their financial structure and grow, E.SUN cooperates with external partners to provide entrepreneurial counseling resources for new and local businesses and launch various financing solutions.

nearly 20,000 small businesses

2021, E.SUN gave support to accumulating over NT\$100 billion in loan balance.

Small-Sized Business						
Project	2019		2020		2021	
	Number of customers	Amount (NT\$M)	Number of customers	Amount (NT\$M)	Number of customers	Amount (NT\$M)
Startup loan Helping start-ups sustain by offering quick access to financing	1,744	1,840	2,592	2,182	2,871	2,069
Distinct local business loan Providing financing exclusively to businesses with local characteristics, balancing the gap between urban and rural	953	5,577	1,099	5,891	1,160	5,469
Social innovation enterprise loan (Smile & Hope Loan included) help social enterprises and social innovation enterprises grow and become financially healthy	9	20	21	70	26	79
Commercial mortgage Loan for procurement of office and manufacturing facility	3,712	30,953	4,137	36,906	4,042	37,527
Working capital loan Working capital for small businesses	13,269	60,538	16,064	64,903	17,614	64,991
Total number of customers and amount					19,119	102,518
Microfinance Institution						
Project	2019		2020		2021	
	Amount (NT\$M)		Amount (NT\$M)		Amount (NT\$M)	
Cambodia MFI Loans Providing micro-financing service to fulfill needs of disadvantaged residents in rural regions		815		581		350

3.2.2 Developing financial products and services for elderly people

"E.SUN cares for the elderly and helps customers to live an exciting life"

According to the National Development Council, Taiwan will become a "super-aged society" by 2025 with elderly citizens making up more than 20% of its population. To take care of elderly people, E.SUN strives to build an elder financial protection network. In addition to inquiring after elderly customers, E.SUN also visits different communities to host financial education and awareness campaign activities and promote wealth management concepts. Furthermore, we combine external healthcare resources with the resources of nursing institutions to launch different age-friendly financial products that will help elderly people to better protect their retirement life and lead a happy life in old age.

■ Building a friendly financial protection network

· Care measures

(1) Understanding customer needs

Bank clerks will watch out for customers, especially those who have poor eyesight, hearing problems, limited mobility, or need physical support, and provide appropriate assistance immediately.

(2) Preventing financial fraud

Bank clerks will talk to elderly customers when they wish to perform transactions of NT\$30,000 or more (cash withdrawals, transactions without passbook, domestic money transfers) so as to protect them from financial fraud.

(3) Managing the wealth of elderly customers

E.SUN strengthens product suitability, and checks that customers are aware of a product's risks.

· Planning age-friendly financial products

(1) Reverse mortgage combined with retirement trust

E.SUN offers a reverse mortgage loan, which pays a monthly payment to the customer's account to satisfy elderly people's needs to be financially independent. This service can be combined with a retirement trust to safeguard customers' properties and address the concerns that elderly customers may have about losing their mobility in old age, which will prevent them from using their funds as they wish.

(2) Diverse innovative trust services:

E.SUN Bank has established a Trust Services Strategic Development Committee, training over 150 financial advisors to provide financial planning services for elderly people. We launched a variety of innovative trust products and services to meet the needs of different customers. For example, our prepaid trust service allows customers to open a trust account early so that they can access their funds whenever they need; foreign currency trusts facilitate the allocation of different retirement assets; and large sums of money earned from real estate transactions can be put into a retirement trust to allow for immediate management and prevent the risk of misappropriation. E.SUN forms alliances with different industries to offer home pickup services, prescription pickup and delivery services, and medical referral services, thereby meeting more than just the financial needs of elderly customers for life after retirement. In 2021, E.SUN Bank actively promotes ESG, and our elderly care trust net increase NT\$2.4 billion, ranking first in Taiwan.



Category	2020			2021			
	Trust property balance	Total trust property	Proportion of total trust property (%)	Trust property balance	Growth rate of trust property balance	Total trust property	Proportion of total trust property (%)
Employees benefit trust	5,574	25,077	22.23%	6,598	18.37%	27,091	24.35%
Reconstruction of unsafe and old buildings trust	-		-	317	-		1.17%
Elderly care trust	2,097		8.36%	4,512	115.16%		16.65%
Total	7,671		30.59%	11,427	48.96%		42.18%

Note: Total trust property excluding non-discretionary money trust and fund custody.

3.2.3 Disadvantaged and underserved groups

SASB: FN-CB-240a.1, 240a.3, 240a.4

"People" are always the first priority when E.SUN delivers financial services. It's our goal to give warmth and illuminate every corner of the society.

E.SUN is an active supporter of government policies, committed to developing the three major aspects of inclusive finance — promote the access to financial services, usability of financial services, and quality of financial services. We adopt a number of measures to not only create a friendly banking environment, but also satisfy the needs of everyone in society. Affordable financial products and services are provided to achieve inclusive growth, improve wealth gaps, and promote social equality and public welfare.

Expanding "financial service accessibility"- Friendly and convenient financial services

To provide convenient and comprehensive financial services, E.SUN values customer experience and deeply probed into customer demand scenarios by integrating resources from 139 physical branches, automated service equipment, online banking, mobile banking, official website, customer service center and other multiple virtual channels. For rural areas, people with disabilities, foreigners and new immigrants, E.SUN also provides friendly and convenient financial services.

Groups

Friendly financial services

[Physical channels]

Resident of remote areas

- E.SUN set up ATMs at highly-frequented locations such as Taiwan Railway Stations and convenience stores to provide residents in remote areas with high-quality and convenient services.
- E.SUN set ATMs in rural area within one kilometer, such as the Family Mart convenience store in Jianshi Township, Hsinchu County (Jianshi Nahuy Store), the RT-Mart (Taitung Store) in Taitung City, Taitung County, and Chung Jen Junior College of Nursing, Health Science and anagement in Dalin Township, Chiayi County, etc.

[Digital channels]

- E.SUN Bank continues to develop and update the functions of E.SUN Mobile Banking app and E.SUN Wallet, and strives to integrate all digital financial services, so that all customers get to enjoy an easy, consistent, and personalized experience wherever they are. We further add value through AI and create personalized interactions, enabling everyone to easily integrate digital banking in their lives, or to be more accurate, in their hands. Digitally active customers in non-metropolitan areas have increased by more than 300,000 in 2021 or 16% compared to 2020, while those in rural areas grew by 22%.
- Digital saving account is the point at which customers start using the various digital financial services of E.SUN. Residents living in rural areas can open a digital saving account without having to visit a branch in person. Nowadays, customers can open a digital NTD account and a foreign currency account simultaneously, securities account, and apply for a credit card. More than 80% of customers who hold a digital saving account use more than two financial products/services.

[Physical channels]

Foreigner or new immigrant

- **Borderless communication:** As of 2021, E.SUN Bank operates 30 bilingual branches, offering bilingual banking areas, interest/exchange rate digital displays, and commonly used banking forms. The service locations of our bilingual branches are also provided on the bank's website. In future, we will continue to provide more comprehensive bilingual services and create a friendly bilingual financial services environment for foreigners.
- **Automation:** To provide expats and new immigrants convenient financial services, E.SUN has deployed ATMs (including CDM) with bilingual operation interfaces in locations where expats frequent, such as transportation hubs (Taiwan Railway and MRT stations), department stores, colleges and universities, and large medical institutions

Number of bilingual ATMs installed in 2021

Taiwan Railway Stations	Department stores	Colleges	Medical institutions
27	14	17	45

[Digital channels]

- E.SUN Online Banking is available in bilingual (Chinese and English) versions. Foreign customers can easily cross language barriers and enjoy a real-time digital financial service.
- To prevent recurring OTP fraud events and enable expats to enjoy friendly financial service, E.SUN introduced an English Voice OTP service in 2021, allowing expat customers to receive a set of password (OTP) through a phone call from E.SUN's system. This service can be set as high importance in function settings, including for first-time applications for E.SUN's personal internet banking or when a customer forgets his/her password, and authentication method is upgraded from SMS OTP to voice OTP, which is more secure.

Groups

Friendly financial services

Item	2019	2020	2021
Barrier-free bank counters	51	138	139
Accessible bathrooms	120	111*	112
Wheelchair friendly ATMs	821	959	1,247

* In 2020, the certification standard for barrier-free toilets was adjusted from "Conforming to Building Regulations" to "Conforming to FSC Standards," therefore the number has been slightly modified.

[Physical channels]

People
with
physical
and
mental
disabilities

- **Accessible facilities:** Automated facilities installed at every branch are not taller than 120 cm and are equipped with voice recognition, alert sound and lights, and service bells. E.SUN responds to regulator's policy guideline to build a friendly branch environment; therefore, all customers with disability can apply for waiver of ATM cross-bank withdraw fee charges. Each applicant can apply for one account, and is entitled to 3 withdraws per month.
- **Service for the hearing-impaired:** E.SUN offers online application and various ways of notification (including SMS and email written communications). Sign language and other assistive communication methods are also provided to help the hearing-impaired complete transactions.
- **Service for people with hearing impairment:** E.SUN offers online application and various ways of notification (including SMS and email written communications) to abide by the principles of responsible banking and treating customers fairly. We also collaborate with Chinese National Association of the Deaf R.O.C. to offer sign language interpretation services through video calls. Computers in our branches are installed with a camera, microphone, and speaker, and sign language interpretation is provided by the Association through video calls. Thus, customers with hearing impairment are able to communicate with bank clerks in sign language and obtain the financial services that they need through a group video call.

[Digital channels]

- E.SUN Wallet is now available in a user-friendly version, which features a streamlined page consisting of functions that are commonly used by customers. Text-to-speech function is available for all services, thus enabling customers with visual or hearing impairment to easily enjoy financial service experiences.
- E.SUN provides the following friendly financial services for disadvantaged groups: A user-friendly Internet banking website (web accessibility conformance level AA), interest rate and foreign exchange rate information network (web accessibility conformance level AAA), friendly Web ATM (web accessibility conformance level A), a banking friendly section in mobile banking app, and a banking friendly version of E.SUN Wallet. All of these services enable users to make payments conveniently, check interest rates, foreign exchange rates, and personal banking details, perform designated/non-designated account transfers in NTD, and withdraw cash from another bank's ATM at no additional service charge, which is an offer exclusively available for customers with physical and mental disabilities.
- To optimize customer experience and cater to the needs of different customers all the while ensuring information security, E.SUN provides a visitor message board for people with hearing or speech impairment to request for services, and dedicated personnel will reach out to provide assistance as requested. For people with visual impairment, voice OTP services are offered in lieu of traditional SMS to increase the security of key process verifications.
- Customers with disability can understand more about the accessibility services provided by the bank through announcements on branch bulletins, E.SUN's official website, and the Customer Charter. They can also look up locations of accessible ATMs on the banking association's website.

Note1: Definition of new immigrants: As defined by the Ministry of the Interior, new immigrants are: foreigners, stateless persons, nationals living in the Mainland China, Hong Kong and Macau married with Taiwanese and those naturalized with a resident permit in Taiwan.

Note2: People who have disability card or disability Identified by the Ministry of Health and Welfare.

Enhancing the "usability of financial services"- Customized and diversified product services

1. Facilitate sustainable local development

To enable everyone to enjoy financial services in an affordable way, E.SUN has introduced the concept of financial inclusion into product design. With insight into the core needs of disadvantaged groups, low-income households and underserved groups, E.SUN offers exclusive financial solutions.

(1) Micro Insurance

To provide basic coverage at lower premium for economically disadvantaged individuals and people with specific status, in 2016, E.SUN began cooperating with Nan Shan Life Insurance Company and China Life Insurance to promote microinsurance policies. E.SUN has reached the targeted number of microinsurance policies between 2016 and 2020, and issued 191 policies in 2021, which was an increase of 21% from 2020. Over the past two years, E.SUN has focused on promoting the concept of microinsurance in non-metropolitan areas where social resources are relatively scarce, such as Taitung and Hsinchu, and provided basic life insurance coverage for economically disadvantaged individuals and people with specific status to fulfill our corporate social responsibilities. E.SUN adheres to the spirit of community care so as to inject a stream of positive energy into Taiwan. In 2022, E.SUN will further leverage the resources of its business partners to expand the influence of microinsurance so that every disadvantaged families get to enjoy the benefits of microinsurance.

(2) Banking services to underserved groups

(NT\$Thousand)

Insurance product	Number	Premium	Applicable to
Spillover-effect Insurance	949	17,240	Health-conscious people
Microinsurance	191	58	The economically disadvantaged with specific status, including respective family members
Small Amount Whole Life Insurance	3	65	· People with Limited budget · Elderly · Freshman in the workplace
Total	1,143	17,363	

Low income Social Groups

Project	2019		2020		2021	
	Number of customers	Amount (NT\$M)	Number of customers	Amount (NT\$M)	Number of customers	Amount (NT\$M)
Residential subsidy loan Assisting low-income families with home improvement and home purchases	728	1,056	874	1,300	993	1,496
Debt negotiation and repayment plan services Debt restructuring for families facing incidents	2,158	352	1,768	248	2,951	995
Earthquake disaster victims Post-disaster reconstruction loan service	60	23	21	14	17	11
Total number of accounts and balance					3,961	2,501

Underserved Groups / Underserved Geographies

Project	2019		2020		2021	
	Number of customers	Amount (NT\$M)	Number of customers	Amount (NT\$M)	Number of customers	Amount (NT\$M)
Loans for new immigrants Assisting new immigrants in settling down in response to government policy	3,147	6,826	4,159	8,856	4,711	10,103
Loans to remote rural areas as defined by the Ministry of Interior Providing financing exclusive to distinct local businesses, balancing the gap between urban and rural	1,767	1,946	2,034	1,985	2,370	2,199
Student loans Assisting outstanding students in financing their overseas studies	305	216	288	200	284	197
Loans for startup funding for young entrepreneurs Assisting young start-up entrepreneurs to build their businesses and creating a conducive environment	313	67	206	85	373	178
Total number of accounts and balance					7,716	12,654

2. Inclusive financial innovation services

COVID prevention and work-from-home measures have become the new normal as Taiwan enters a post-pandemic era in 2021. This change has also accelerated the process of digital transformation, making people more reliant on mobile devices and digital services. To satisfy the needs of customers in various everyday scenarios, banks must expedite the development of financial and digital technologies to that customers may use online platforms to complete multiple financial services.

(1) E.SUN has been devoted to development of financial technology. In 2015, E.SUN established the "Comprehensive Digital Financial Platform-e-Click Services" to provide customers with complete digital financial services such as online account opening, card application, loan application, foreign exchange and wealth management, and continues to improve the utilization rate and functions of each platform in its bid to provide non-stop financial services.

Products / services	2021 Outcomes	Pieces of paper required for application / completion at the counter (per case)	Total number	Saved carbon emissions (tCO2e)
e-Click opening account	A full-online account opening channel. In 2021, about 190,000 customers completed account opening through the website, accounting for 33% of the total number of accounts opened, has grown twice than 2020.	6	189,430	8.64
e-Click Online Card Application	Customers can easily apply for credit cards online. In 2021, the number of online personal credit card applications was more than 346,000, accounting for 65.5% of total applications.	5	346,229	13.16
e-Click loan	Customers can easily apply for loan online. In 2021, the amount of online personal loan applications was more than 131,000, 96.5% of total applications.	3.5	131,202	3.50
e-Click Mortgage	There were more than 3,500 applications in 2021.	-	-	-
e-Click foreign currency exchange	75% of foreign currency exchange were conducted online in 2021 with 99% of foreign currency exchange volume.	2	5,220,000	79.34
e-Click wealth management	More than 430,000 transactions of mutual fund subscription were conducted online in 2021, more than 77% of total transactions.	-	643,882	19.16
Total		-	-	123.8

(2) Unlike industry peers who have taken the approach of directly linking digital brands to a single product, E.SUN makes use of simple digital operations and easy connection to deepen customers' digital experience, developing the e.Fingo digital brand. Furthermore, by benchmarking against the key indicators of global banking digital development: digital activity, digital stickiness, and digital sales, we established various membership mechanisms, such as reward points, point transfers, member get member (MGM) remarketing, team competitions, and badge collection, etc. to create network effects between customers and between products. Take member reward points and badge collection as example :

- Reward points: Customers can earn point rewards when they engage in a financial transaction with E.SUN, and then use the points to off-set charges on other financial transactions or to redeem over 100 products that are in popular demand. This mechanism helps deepen customers' stickiness toward our digital financial services.
- Badge collection: To make the mobile banking app more interesting and relevant in daily life, digital badges are rewarded, allowing for soft interactions with users. This feature is the first of its kind in the financial industry of Taiwan.

(3) E.SUN Securities employs innovative financial technology to optimize online service processes and provide customers with convenient digital investment services, thereby creating a friendly environment for young people to invest in stocks. In 2021, the number of online account openers increased by 13.79 % compared to 2020. In future, E.SUN Securities will continue to leverage its financial expertise, harness the power of digital technology, integrate the research resources of E.SUN Investment Consulting, a subsidiary of E.SUN, link the service networks of branches of E.SUN Securities and E.SUN Bank, and strive to become the most distinctive securities broker in Taiwan.

Products / Services	2021 Outcomes
Online Securities Account Opening	Provide online securities account opening service. Number of new opened accounts is 105,741 in 2021. The YoY growth rate of percentage of online to total new opening accounts is 13.79%.
e-Click Stock DCA Investment	1. Provide Stock DCA investment service. The number of accounts applying this service is 20,146 in 2021, and the number of accounts below 40 years-old is 14,603 (72.49%). 2. The number of accounts applying this service grows 318.92% , and the percentage of accounts below 40 years-old grows 4.55% in 2021.
Securities Online Trading	1. Provide Securities online trading service. Percentage of online trading is 91.64% in 2021 and 88.73% in 2020. 2. Provide ESG information with Sustainability Ratings of Taiwan Stocks in E-Trader Trading App.

■ Enhancing "financial risk resistance"—Financial knowledge promotion and education

· Establishing correct financial management concepts for future generations

E.SUN x PaGamO (Little Financial Experts) use digital platforms as the medium to impart financial knowledge to school children. Financial-related knowledge designed by E.SUN's professional financial management team is added to the elementary school and junior high school worlds on PaGamO, providing financial management education question bank on a regular basis. By combining financial management parent-child camps, students are taught good financial management concepts that enable them to master related knowledge. A total of 433,000 participants have taken part in 2021.



· Improving the basic financial literacy of the general public

To make our wealth management services more friendly and to satisfy customers' need for financial information, E.SUN regularly updates the market information section of its official website, including "Forex Daily," weekly market reports, and "Fund World." These sections provide professional investment suggestions through simple and easy-to-understand reviews and comments. Infographics is used to keep customers up-to-date on market dynamics and outlooks. Customers can also subscribe to our weekly market reports to receive weekly updates on the financial market and keep abreast of market trends. Also available on our official website, "E.SUN Wealth Management Views" provides articles on a wide variety of topics, which are categorized by different investment and wealth management needs, thus helping customers to easily understand various wealth management perspectives. E.SUN also shares finance concepts and product features on social media, using a variety of topics and visualization methods, which can lower the threshold for customers to access financial knowledge and enhance the readability of financial information, thereby realizing the spirit of financial inclusion. E.SUN's website has attracted nearly 7 million visitors in 2021.

· Financial awareness campaigns

E.SUN has been cooperating with the Banking Bureau of Financial Supervisory Commission to promote financial education in schools and communities. A financial lecturer is appointed to travel across Taiwan to promote financial knowledge to senior citizens, community residents, social welfare organizations, and students. Short video clips, talks, and Q&A sessions are used to provide vivid descriptions and initiate lively discussions that will help listeners to develop financial literacy. During these activities, emphasis is also placed on fraud prevention and remedies as well as terms and conditions regarding consumer rights and obligations. A total of 42 financial awareness campaigns were held in 2021, with 4,208 participants.

Case | New Taipei City Veterans Service Area—Promoting Better Financial

To better serve and care for veterans and their spouse, E.SUN has cooperated with the Banking Bureau of Financial Supervisory Commission to host a lecture on "Improving Financial Literacy" in the New Taipei City Veterans Service Area. Using professional explanations and easy-to-understand slogans such as "earn more, spend less, save more," "manage your debts first, then your wealth" or "invest in yourself," we attempt to help elderly veterans learn the correct ways to manage their money and finance. We also remind them to watch out for financial frauds, things to take note of when using their credit card, and debt settlement/negotiation mechanisms, among other rights to remedies.



Financial Literacy Initiatives

Project	2019	2020	2021
E.SUN x PaGamO Using digital platforms as the medium to impart financial knowledge to school children	Events: 10 Participants: 77,000 persons	Events: 10 Participants: 285,000 persons	Events: 9 Participants: 433,000 persons
E.SUN Bank - Digital Lifestyle and Special Offers Facebook Fan Page Shares financial information and discounts through the Facebook fan page	Facebook fan page Followers: 451,000 persons	Facebook fan page Followers: 465,000 persons	Facebook fan page Followers: 470,000 persons
Financial advocacy activities Campuses, communities, prisons, E.SUN libraries	Events: 30 Participants: 1,820 persons	Events: 42 Participants: 2,242 persons	Events: 42 Participants: 4,208 persons

3.3 FinTech and Innovation

GRI: 2-23, 2-24, 2-25, 3-3, 203-1, 203-2;

GRI G4 Financial Services Sector Disclosures: FS1, FS5, FS7, FS10

E.SUN has been investing in financial technology for a long time. We have a tech team comprising more than 1,300 technologists to oversee digital developments, smart applications, information research and development, and information security management. Our technologists improve the performance of digital financial technologies through cross-team collaboration. In this process, continual improvement is a must. If information is analogous to the human nervous system, then AI is the brain, digital applications represent our hands and feet, and information security is the immune system. Each of these components is indispensable. E.SUN has attained fruitful outcomes in the areas of smart finance, inclusive finance, and scenario-based finance, being not only the first bank in Taiwan to incorporate artificial intelligence into its various business operations, but also the first to develop its core systems with open-source cloud native technologies and a microservice architecture. E.SUN Bank's digital customer growth exceeded 1.5-fold in the past three years, with over mutual fund investment, unsecured personal loan applications, 99% of foreign exchange transactions, and 88% of securities account opened/completed through digital channels. A detailed description of our achievements is as follows:

Digital infrastructure

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.

Strategy Directions

Take advantage of cloud services, improve the speed and quality of IT support services, strengthen security control and improve user satisfaction, and gradually achieve the goal of net zero carbon emissions.

Strengthen the application of digital tools to promote collaboration and increase team productivity.

Build a new type of WAN connection architecture for overseas branches and strengthen the quality of digital infrastructures.

Continue to promote cloud-native systems to increase scalability, focusing particularly on packaging microservices into system containers for automated management.

Establish a Site Reliability Engineering (SRE) team to strengthen the quality of maintenance and management.

Develop an integrated voice platform in-house, collect new technologies and applications, and rapidly iterate various smart voice services to keep up with market trends.

Simulate human behaviors through software robots to automatically perform repetitive routine operations, and eliminate breakpoints in the interface between systems and internal and external platforms to relieve system development resources.

Protecting Patented Technology

As a pioneer of financial technology and digital transformation, E.SUN must protect its intellectual property and increase the capacity for technological innovation. Therefore, E.SUN adopted the Taiwan Intellectual Property Management System (TIPS) in 2020, and passed the TIPS A-Level verification in 2020 and 2021. In addition, we improve the competitive advantages of our services and technologies by implementing intellectual property risk assessments in the R&D process, patent proposal review mechanisms, proposal rewards, intellectual property-related promotion and education, and talent training, etc. As at the end of 2021, E.SUN Bank has submitted nearly 200 patent applications for payment, payment collection, identity verification, information control, and information security features, and subsequently applied them in innovative financial services, including Extremely Fast Loan and cardless payment services. E.SUN will continue to strengthen the cornerstone of its business development by protecting the information intellectual property rights of its various core operations, and continue to improve its corporate governance practices, so as to advance toward sustainable development.

[Patents granted in E.SUN]

	Invention patent	Utility patent	Design patent
Announced in 2021	13	20	-
As of the end of 2021	30	57	11

200 Patents application

150% Total number of digital customers growth rate

96% Unsecured personal loan applications

Financial Innovative Applications

Smart voice navigation	This application recognizes a speaker's intent. Customers "ask a question" to interact with a customer service bot. Using this application reduces customers' waiting time by 2.6 times.
e-Click loan	This is the nation's first fully digitalized process loan. As we continue to optimize our loan application process, 96% of loans are now applied via our e-Click Loan service, and 98% of loan applications are reviewed automatically.
Security threats intelligence and monitoring	Using robotic process automation (RPA) to improve the process by which we manage our information security intelligence and monitor our information security, can effectively reduce 93% of the time and cost we spend on maintaining information security operations.
Image recognition for wire transfer forms	An image recognition model combining AI deep learning is developed in-house to handle wire transfers more efficiently. This model improved our service efficiency by 13% and freed up 30% of human resources.
E.SUN Wallet	This is an all-in-one digital platform providing payment services, services required on a daily basis, and banking services. We continue to develop the interface of this app so that it offers personalization services that give customers greater autonomy. The app has accumulated more than one million downloads.
E.SUN Mobile Banking	E.SUN's mobile banking app allows users to easily and consistently experience personalized and intelligent services. Digitally active users of E.SUN's mobile banking app have exceeded 70%, and the average number of sign ins surpassed the record of leading banks in Asia.

E.SUN Mobile Banking

E.SUN Bank continues to develop and update functions of the E.SUN Mobile Banking, and strives to integrate all digital financial services through the app, allowing all customers to enjoy an easy, consistent, and personalized experience when they have different needs. We further add value through AI and create personalized interactions, which allow everyone to easily control digital banking in their lives in the palm of their hands. By upgrading Wealth Management Express to provide wealth management customers with consistent services from online to offline and providing "transfer again" and "diversified verification" among other personalized services, we strive to make E.SUN Mobile Banking app a thoughtful assistant that belongs to everyone.

(1) Transfer again

Use of the "Transfer Again" function has increased by more than 20% in recent years and is the most commonly used function. We observed that customers often repeatedly make transfers to the same account. With the rapid transfer function "Transfer Again," customers can find information on transfers made in the past in the transaction details, and automatically import the beneficiary, debit account number, amount, and remarks, shortening the transfer process from 2 minutes to 20 seconds.

(2) Diversified verification

Our mobile banking app has a large number of customers with different needs and habits. It provides at least 5 verification methods, including voice OTP, SMS OTP, touch ID, simple passwords, and graphical passwords. Customers can choose the method they are most accustomed to when logging in or making a transaction. On average quick login services are used over 10 million times per month. Besides significantly shortening the operating time of customers, it also increases the success rate of transactions.





Resilience

CH4

Building Resilience

Over the years E.SUN has stood by honesty, integrity, and professionalism as its core values. Priority is given to creating a corporate culture defined by disciplined governance and risk management, further improving legal compliance and internal control, and bolstering management of emerging risks, thereby building a healthy, resilient business structure.

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



Group photo of 7th board of directors at E.SUN Second Headquarters

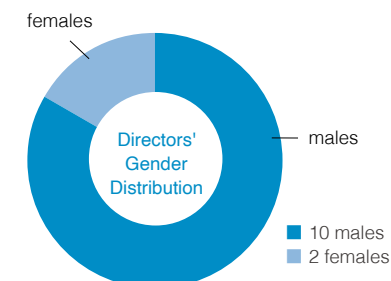
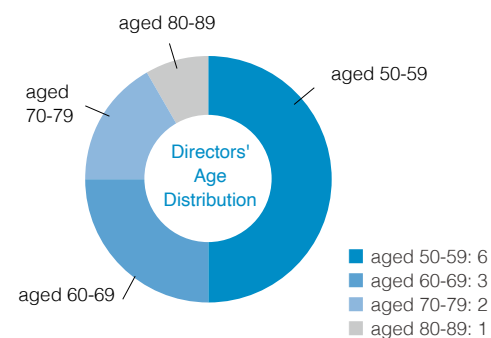
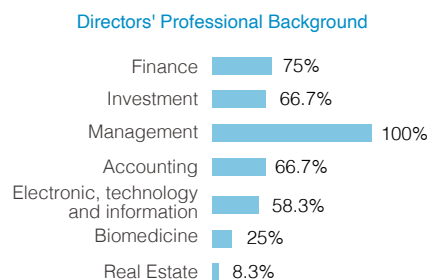
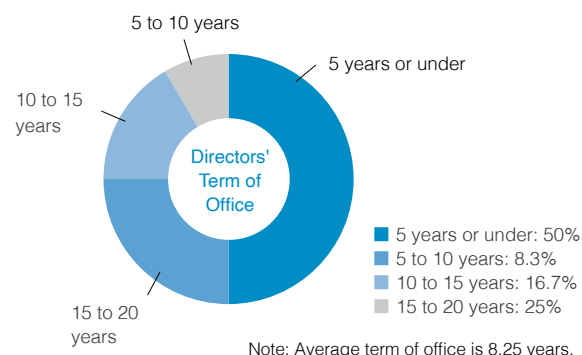
Professional guidance and operational participation

Depending on the expertise of the independent 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 2021, 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 in corporate governance, as a result to align with international standards and enhance the risk control 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.

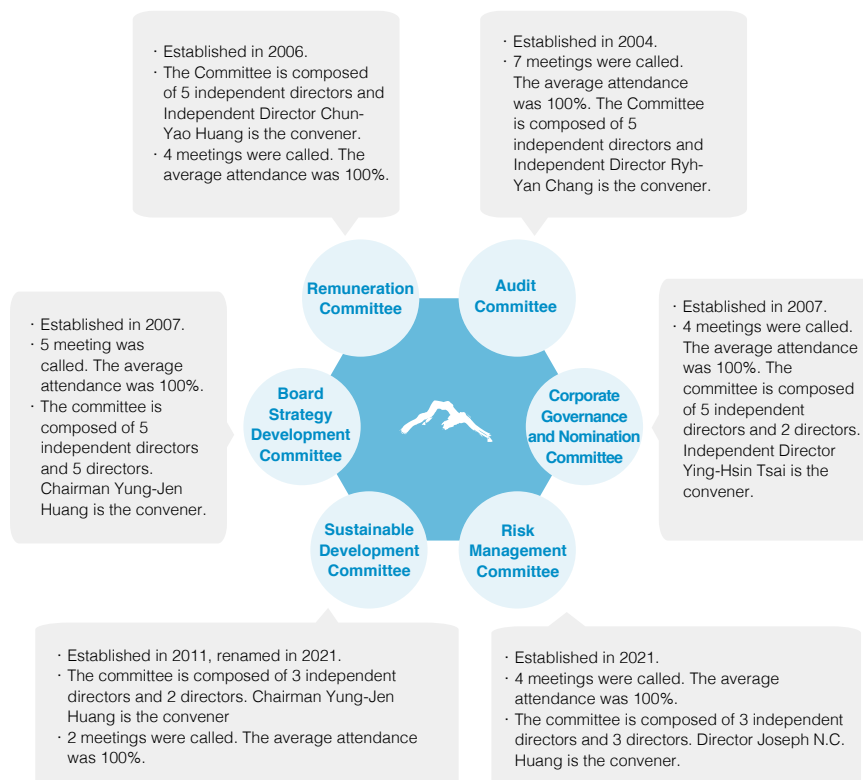
Diverse board members

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.



■ 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.



■ Protection of shareholders' rights and interests

The Company continues to protect the interests of shareholders and pursue sustainable development. In addition to constantly and proactively reporting the "specific promotion plan for sustainable development", "communication between the Audit Committee and the head of internal audit", "adjustment of certified public accountants" and "remuneration policy for directors and managers" at the shareholders' meetings, the "report on the remuneration policy for directors and managers" at the annual shareholders' meeting of year 2022 not only reported the procedures for considering the remuneration standards for directors and managers of the Company, but further enacted related remuneration rules for directors in accordance with the strategic objectives of the latest version of "the corporate governance blueprint", and added new remuneration brackets for individual directors.

100%

board meeting attendance 10 board meetings in 2021

■ Board Effectiveness

Evaluation of board performance

Internal evaluation

The Company completed the 2021 board and functional committee performance evaluation. The results are presented below:

1. The board actively partakes in the Company's operations; 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 2021 director performance evaluation on March 11, 2021, based on self-assessments conducted by the directors themselves and peer reviews

- Self-assessment score: 99.53%.
- Overall self-assessment score: 99.47%.

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 and 2020, the Company was awarded the CG6011 (2017) and CG6012 (2019), the corporate governance system evaluation, "exceptional" certification, and the relevant recommendations were listed as priority corporate governance improvement plans.

Training for directors

In 2021, each director received an average of 11.67 hours of training (required by law is 6 hours). E.SUN organized 3 director training courses in the company, for a total of 9 hours, on "AML and CFT Managerial Challenges and Trends", "Post-pandemic Digital Governance Trends" and "From the Principle of Fair Hospitality to Financial Consumer Protection". Besides, each non-executive director attends risk management related external courses once annually. In 2021, the entire Board attended the AML and CFT International Trends Forum. Furthermore, directors are encouraged to participate in other courses or forums in order to be geared to international important risk management indicators or knowledge, so as to strengthen the Board's risk management function. In addition, directors are provided with a variety of external courses that help them to gain a better understanding of their fields and fulfill their duties of loyalty and due diligence as business decision makers and leaders.

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. 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.

Remuneration Policy

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 2022.

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, continued service, risk management, etc. to formulate a long-term incentive system.

Purpose	To encourage E.SUN managers to achieve and surpass Company goals, create profit, improve business performance, take into account the reasonable linkage to future risks and evaluate managers' remuneration.
Review process	Manager remuneration policies and structures are reviewed by the Remuneration Committee and submitted to the Board for decision.
Salary 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 compensations intended as incentives 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.
Risk linkage	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.

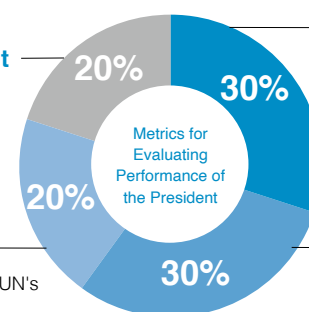
Metrics for Evaluating Performance of the President

Culture and Brand Management

- Culture and brand management
- Risk management

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.



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.

Infrastructure

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

■ Incentive Reward System

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- and long-term compensation. 30% of CEO's short-term bonus shall be paid by a deferred equity-based method. On the other hand, 100% of CEO's long term bonus shall be distributed in the form of stocks with vesting period of 5 years. · Variable compensation shall take into account related performance metrics in recent five 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 A+ employee: promotion in advance; for 3 consecutive A+ 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 Award and marked-up bonus for departments which have superior performance for 4 years in a row. · E.SUN Excellence Contribution Award was established to inspire every department to exceed their goals in the long run, and to make contribution.

■ Management Ownership Requirements

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

12.31.2021 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	Yung-Jen Huang	25,556	0	0	0	25,556
Chairman of E.SUN Bank	Joseph N.C. Huang	24,353	0	0	0	24,353
CEO/ President of E.SUN FHC	Magi Chen	0	7,428 ^{Note5}	15,120	2,780	25,328 ^{Note6}
President of E.SUN Bank	Mao-Chin Chen	0	7,537	15,120	2,780	25,437
Director ^{Note 2}	(see below for the list)	26,857	0	0	0	26,857
Independent director ^{Note3}	(see below for the list)	43,748	0	0	0	43,748
Senior Executive Vice Presidents ^{Note 4}	(see below for the list)		61,860	70,280	6,394	138,534

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); 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: Ben Chen, J. C. Wang, Cheng-Chou Hsu, Oliver Hsieh, Wan-Li Hsieh, L. C. Lin, Wu-Ming Hsieh, Louis Chang, Jung-Hua Lin, Jyh-Shing Roger Jang, Cathy Kuo, Bruce Lee (retired on 1.4.2021), Yi-Hsin Tseng, Te-Ming Chung, Mei-Ling Liu, Danny Tang (assuming office on 26.7.2021), Yao-Pin Lin, Fion Ouyang, Jeff Liu (assuming office on 18.11.2021).

Note 5: CEO / President Magi Chen holds 3,389,000 shares of E.SUN FHC stock, with their market value being 12.68 times of her salary. President Mao-Chin Chen of E.SUN Bank holds 4,385,000 shares of E.SUN FHC stock, with their market value being 16.17 times more than his salary. E.SUN FHC senior executive vice presidents hold 42,034,000 shares in total, and the average market value per person is 18.89 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, 27.8, comes from the average value per share of the last 30 business days in 2021.

Note 6: CEO / President Magi Chen's salary and bonus received in 2021 was 20 times more than the mean compensation of employees, and 23 times more than the median compensation of employees.

■ Contribution to industry development

The financial holding company and its subsidiaries actively participate in activities organized by The Bankers Association of the Republic of China, Taiwan Securities Association, Trust Association of R.O.C., TABF and TFSR in order to promote the development of the domestic financial industry.

Name / Title	Title	Issue or Topic
Shen Chun-yi, Chief Payment Officer	Chairman, Electronic Payment Committee, Bankers Association	Loose regulatory policy for FinTech. (1)The transfer transactions between financial institutions and on-line platforms through mobile, and how to promote electronic payments and enhance payment convenience. (2)Open-banking: E.SUN support to build a safe and convenient for open banking services. How to connect the information between banks, government, and third-party service provider? How to set out complete approach for banks to implement Open APIs? Those are key issues for Taiwan financial market.
Oliver Shieh, Chief Risk Officer	Vice Chairman, Risk Management Committee, Bankers Association Member, Risk Management Section, Operations Committee	Support comprehensive risk management policy. E.SUN has joined the climate risk team in Bankers Association, we also provide our experiences since we were the first TCFD signatory in Taiwan in 2017. The CRO also shared his risk management skills and recommendations on systems; research on regulations governing crisis management in the banking industry.

4.2 Code of Conduct and Ethic

GRI:2-23、2-24、2-25、2-26、2-27、3-3、205-1、205-2、205-3、206-1
SASB: FN-CB-510a.1,510a.2 FN-AC-510a.1, 510a.2

E.SUN builds ethical corporate culture and emphasizes codes of conduct and has established guidelines for all employees.



Regulations, Guidelines and Commitment

- "Ethical Corporate Management Best Practice Principles" and "Ethical Procedures and Code of Conduct"
- "Code of Ethical Conduct of Directors"
- "E.Sun Employee Service Code of Conduct and Behavior Standards"
- "E.SUN's Commitment to Anti-corruption, Anti-bribery, and Anti-competitive Behavior"
- "the Treating Customers Fairly Policies and Strategies"
- "the Regulations Governing the Concurrent Serving Management for Responsible Persons"



Applicability

- E.SUN directors, managers, employees, nominees, and other entities with substantive control
- Suppliers



Evaluation Mechanism and Relevant Practices

- Risk evaluation mechanism for unethical behaviors is established. Preventive measures and relevant management mechanisms are included in the procedures of selfassessment on legal compliance. Regular analyses are conducted to review the adequacy and effectiveness of the preventive mechanisms.
- Effective management and implementation is achieved through self-assessment and self-evaluation for compliance. In addition, high-risk units are selected for the legal compliance test on important management issues with the aim of improving and adjusting the legal compliance mechanism.
- The audit unit performs independent risk-oriented audits to ensure the uninterrupted operation of the organization as a whole. All units work together to manage and prevent unethical behavior.
- E.SUN also links employee performance with remuneration and includes ethical management in the performance assessment and human resource policies with a clear and effective disciplinary system in place.
- All E.SUN directors and executive managers have signed the statement of ethical corporate management; All E.SUN employees have signed the "E.SUN Employee Service Code of Conduct and Behavior Standards."
- The Company will assess the legitimacy of counterparties and acquire a full understanding of their ethical management practices and compliance with the corporate social responsibility policy before starting a business with suppliers. Contracts always contain explicit provisions on ethical management and corporate social responsibility. Corruption and bribery are handled with zero tolerance. E.SUN promises that its business activities around the globe are free from any form of corruption and bribery.

380 hours Ethical management training sessions totaling hours

100% Participation of the entire Board of Directors in training on ethical management and handling of material internal information

100% Participation of the entire E.SUN workforce in tests on regulations governing ethical management, stakeholders, and personal information protection

■ Ethical Management Violations

SASB : FN-CB-510a.1、FN-AC-510a.1

E.SUN did not engage in any corruption & bribery fraud, insider trading, anticompetitive, antitrust, or antimonopoly behavior, or market manipulation in 2021. Likewise, no suit or penalty was leveled against the Company. Meanwhile, all business supervisory units and overseas outlets 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 corporate culture of trust and transparency and promote sound business, the Company has adopted the Regulations for Handling Whistleblower Reports also applicable to subsidiaries, juristic persons where the Company's cumulative donations, direct or indirect, have exceeded 50% of their capital, and other affiliates or organizations over which the Company has substantive control. The procedure specifies the time frame for receiving and investigating cases and establishes the dedicated handling unit and independent investigation units. Whistleblowing hotlines, email addresses, and mailboxes have been set up and announced on the corporate internal and official websites. These channels are available to any employee or outsider wishing to report cases. Whistleblowers' identities are kept confidential. It is also prohibited to impose unfavorable human resource measures on employees who report cases. Anonymous reporting is also enabled to actively prevent unethical, corrupt or illegal conduct.

Of the 49 whistleblower reports handled in 2021, 3 cases are internal breaches, the rest cases are consumer disputes or non-banking matters. 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.

Reporting on whistle-blower cases

Total whistle-blower cases	Via other channels	Internal breach	Number of substantiated cases	Number of cases under investigation	Corruption & Bribery cases
49	0	3	0	0	0

Internal Breaches Cases

Case	Type	Description	Follow-Up
1	Personal Discipline	The accused compiled financial statements on behalf of customers.	Already dealt with pursuant to internal regulations for employee rewards and penalties.
2	Personal Discipline	The accused traded equities on margin during office hours.	
3	Personal Discipline	The accused used improper language at work.	

■ Legal Compliance

SASB : FN-CB-510a.1 \ FN-AC-510a.1

E.SUN always closely monitors the latest changes to the financial policies and laws and regulations adopted by regulatory authorities both at home and abroad. Priority is given to ensuring compliance even as the Company vigorously strives for business expansion.

Action Plan	Accomplishments in 2021														
Reporting to the Board of Directors and Audit Committee	Two reports were presented to the Board of Directors and Audit Committee in 2021 in order to keep governance units and senior managers fully informed of the Company's latest status in terms of legal compliance.														
Counseling and Communication	<p>Meetings for compliance officers A total of eight such meetings—four for domestic compliance officers and four for their overseas counterparts—were held to elaborate on important compliance issues.</p> <p>Establishment of a communication and consultation system for laws and regulations This is to make sure that all operational and management regulations are updated in tandem with applicable laws and regulations. Such key statutory updates are relayed to departmental compliance officers by email and posted on the internal website to get across to all employees.</p> <p>On-the-spot compliance checks Bilateral communication is undertaken in and outside the country to learn about the inspected party's status in personal information protection, anti-money laundering, and other key operations as well as track its progress in correcting compliance deficiencies. This face-to-face approach goes a long way toward strengthening compliance governance.</p>														
Assessment of New Products (Services)	<p>Compliance assessment opinion statements for new products or services Such statements were signed and issued in 2021 to ascertain that 55 new products or services comply with applicable laws and internal regulations.</p>														
Training	<p>External courses A total of 3,076 E.SUN employees attended 194 courses organized by the Taiwan Academy of Banking and Finance, the Taiwan Corporate Governance Association, and the Securities and Futures Institute. Training time totaled 32,172.5 hours.</p> <p>Internal courses A total of 6,440 E.SUN employees attended 128 courses intended for new hires, mid-ranking officers, and managers or for specific specializations. Training time totaled 131,591.5 hours.</p> <p>Morning meetings or internal sessions Compliance materials were provided on a monthly basis so that individual units can raise awareness of compliance or provide online training courses during periods set aside precisely for this purpose.</p>														
On Line Test	<p>An online test was conducted on all E.SUN employees to determine their familiarity with legal compliance. A minimum score of 90 was required to pass this test. Test results are listed 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.</p> <table><tr><th>Number of Test Applicants</th><th>Passed</th><th>Failed</th><th>Absent</th><th>Average Score</th></tr><tr><td>8,553</td><td>8,509</td><td>4</td><td>40</td><td>96.65</td></tr></table>					Number of Test Applicants	Passed	Failed	Absent	Average Score	8,553	8,509	4	40	96.65
Number of Test Applicants	Passed	Failed	Absent	Average Score											
8,553	8,509	4	40	96.65											

Penalties imposed on E.SUN FHC and its subsidiaries by the competent authority and corrective measures taken in 2021

The competent authority imposed on the Company one penalty that came with a fine of NT\$240,000 in 2021. E.SUN Securities was found to have failed to do the following as required by applicable regulations: specify in reconciliation statements the fact that bought foreign bonds were kept at a custodian institution in the place of transaction; have risk management personnel or others outside the trading department ascertain price reasonability before buying foreign securities and conduct follow-up customer due diligence; strengthen due diligence in a timely manner after an upward adjustment in customer risk level to high; present a self-evaluation report on personal information protection on a regular basis. While the competent authority slapped a fine of NT\$240,000 and asked for rectification, E.SUN Securities has updated internal regulations and adjusted operational procedures accordingly.

4.3 Risk Management

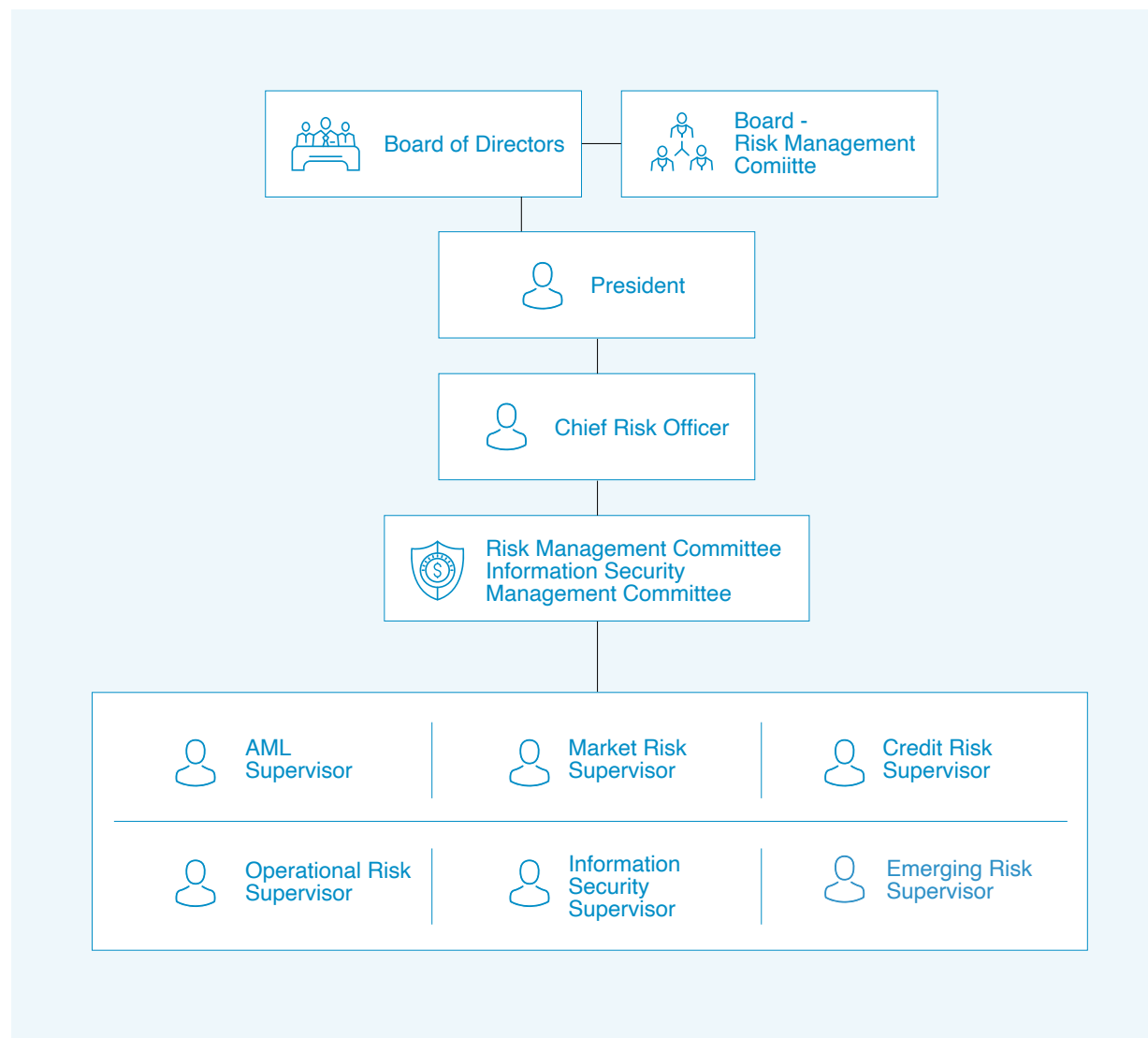
GRI:2-23、2-24、2-25、3-3

■ An inherent risk management culture

The vision of risk management is to protect assets, enhance customer 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 risk governance communication, coordination, reporting, and recommendation within the Board of Directors, the Company has established a boardlevel Risk Management Committee responsible for reviewing business risk management policies, ensuring compliance with international risk management regulations, promoting and creating risk management systems, and reinforcing the functions and duties of the Risk Management Committee over time. For example, recently climate change risk factor has been incorporated in the risk appetite mechanism, and stress tests have been performed to evaluate the impact on the Company's overall risk level to decide the quotas for the Company's various business operations. We also have the Risk Management Committee under the management level and convenes quarterly and when necessary, subject to the needs for strategic development or environmental changes. The RMC reviews the appropriateness of risk mitigation measures proposed by risk management units at every level. The Committee is responsible for matters pertaining to credit risk, market risk, operational risk, and asset & liability risks. Reports of overall risk management implementation status are made to the Board of Directors periodically.



■ 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 2021. A total of 3,661 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.

3,661

E.SUN employees completed risk management training by taking both e-learning and physical courses

■ Accomplishments in Risk Management in 2021

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 2021, a total of 1,215 work journal entries had to do with risk management or internal control, with 69 coming with specific suggestions. All E.SUN departments are supposed to conduct risk management and internal control self-evaluation each quarter. In 2021, 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 Bank's annual conference. At year's end, the Company routinely conducts a survey to canvass the opinions of all employees. Of the 6,942 questionnaires thus collected in 2021, 148 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.

Credit Risk Management Mechanism

Introduced IRB across the board. Refined PD, LGD, and EAD credit rating models to ensure their compliance with applicable regulations and capacity for differentiation. Credit rating results were applied to assignment of lending authority and responsibility, interest pricing, ceiling management, post-lending management, and performance assessment. Reports on applications of the aforesaid credit rating models were presented to the Board of Directors and Risk Management Committee on a regular basis.

Beginning in 2021, IRB was ushered in on top of the standardized approach for calculating risk-weighted assets so as to help all departments get hold of risks in their respective operations. Meanwhile, risk appetite and concentration management was implemented on a regular basis to ensure that the Bank does not go beyond the maximum risk exposure commensurate with its business goals.

1,215

work journal entries had to do with risk management or internal control

Market Risk Management Mechanism

The market risk management mechanism comprises market risk and asset and liability management. In anticipation of the 2022 migration away from LIBOR, the said mechanism was modified to accommodate the use of alternative reference rates in product rating and risk assessment. Meanwhile, the system for verifying the product-rating model underwent review with a view to refining its capacity for both pre-verification and subsequent periodic review. Separately, an optimized ALM system was adopted to simulate the interest rate and cash flow types of every transaction and predict the Bank's overall asset and liability position, net interest income, and liquidity shortfall. Simulation results were then used for the reference of business development strategies and asset and liability risk management.

Operational Risk Management Mechanism

Under the new standardized approach toward managing operational risk, a set of operating procedures was implemented for loss provisions and subsequent handling to enhance the efficiency in capital utilization. Any loss derived from operational risk was accounted for under a fitting accounting entry and linked to the new system for reporting operational risk incidents. This laid a solid foundation for full compliance with the new standardized approach for operational risk capital calculation. Separately, pertinent departments in the headquarters were asked to monitor and analyze various business risk indicators on a regular basis and file reports to both management and the Board of Directors.

4.4 Emerging Risks

The World Economic Forum's Global Risks Report 2022 brings to light how the Covid-19 pandemic of the past couple of years has exerted a social and economic impact far greater than what many would normally associate with a worldwide epidemic. Social cohesion and people's mental health were adversely affected while wealth gaps, technological inequality, and the digital divide worsened.

Commitments of countries to a host of global issues are being put to test. Against the acceleration in both environmental degradation and extreme climate, E.SUN has identified four key emerging risks and devised mitigatory measures and a responsive policy so that it can stay on the path of sustainable development and do its share for the homeland.

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

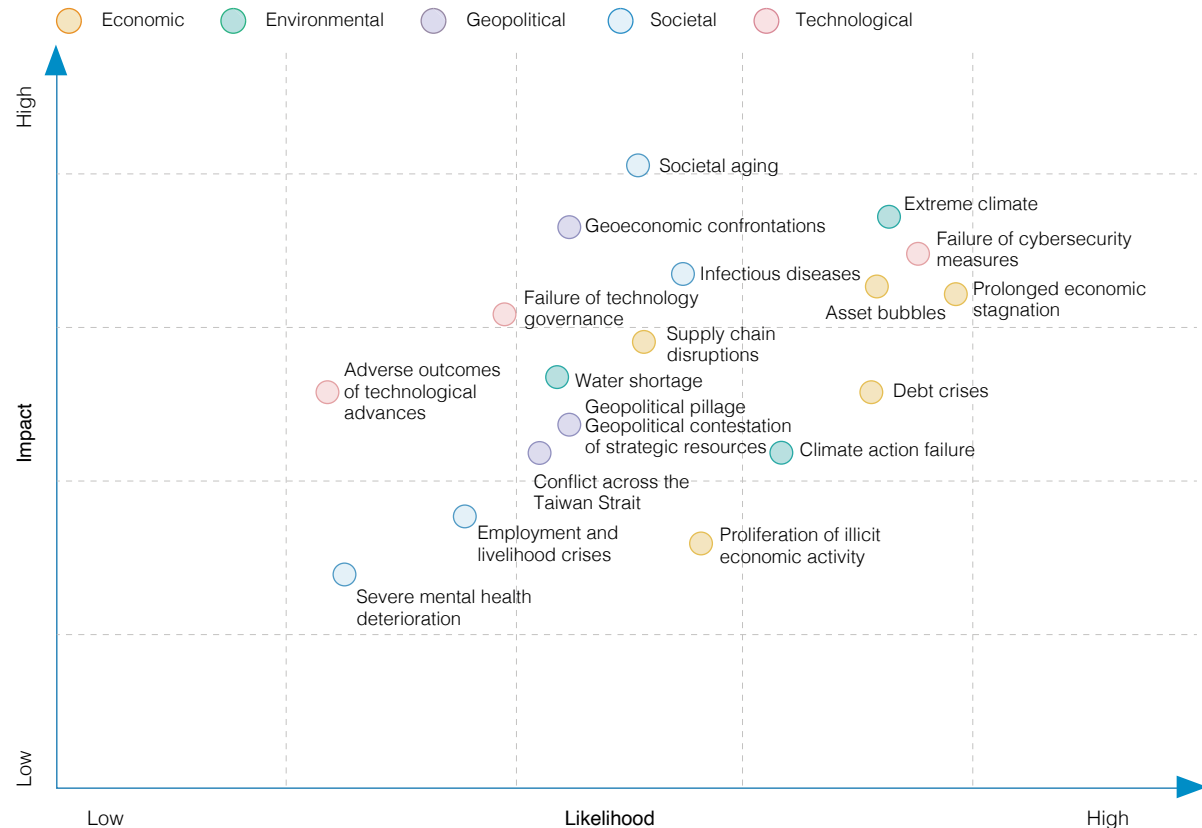
- Incorporate environmental and social issues related to operations into risk assessments.
- Establish measures and policies to mitigate risks.

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 2022 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.





After our evaluation process, we identified certain emerging risks. Further more, we assess their short term and long term impact, and develop mitigating actions and responsive policy.

Short term (1-3 years)

Risk Factor	Description	Impact on Operations	Mitigatory Measures / Responsive Policy
 <p>Asset Bubble Bursts</p>	<p>Overheating Asset prices soar rapidly, leading to customers overinflating investment and thus creating an inherent risk of a big drop going forward.</p>	<p>Direct Impact A decline in market liquidity readily results in economic losses by pushing capital costs and interest rate risk higher. And the worst-case scenario is an estimated loss of around NT\$5.5 billion.</p>	<p>Exposure Limits In addition to investment, the Company will expand the range of business dealings with customers to prevent excessive concentration. This will be supplemented by the Company's regular examination of LCR control and exposure/limit management.</p>
	<p>Asset Devaluation A market collapse is set off by greatly inflated asset prices or massive fiscal and/or monetary stimulus. Market liquidity tightens and overall interest rate risk increases, thus undermining investment positions.</p>	<p>Devaluation of Customer Assets A market collapse is set to incur asset losses for customers. This will surely undermine wealth management business and even disrupt capital allocations among businesses, thereby hurting asset quality at large.</p>	<p>Early-Warning Mechanism Regarding industry trends, we have conducted video conference training for about 4,000 people for one hour per week in all branches. Establish an investment research center and an early-warning mechanism to predict the probability of major financial events, simulate possible scenarios, and specify types of properties suitable for investment. Also put in place are monitoring and control of such properties' downside risk and follow-up tracking of the investment portfolio's performance and status of debts affected.</p>
 <p>Economic Stagnation</p>	<p>Economic Weakening With debts piling up across the global financial system and inflation running high, central banks resort to monetary tightening and thus send business costs skyrocketing. Export orders and new businesses contract and wage growth slows, thereby undermining consumer spending.</p>	<p>Direct Impact A spike in overall credit risk led to contraction in investment and financing positions and drops in business volumes and earnings. With debt collections in doubt and credit costs rising, the worst-case scenario is an estimated loss of around NT\$21.5 billion.</p>	<p>Strengthening Management Enforce risk control by drawing on the Company's lending policy, industry management, and case-by-case review. Refine credit rating and loss-from-default models to better reflect borrower risk and assess lending risk more efficiently.</p>
		<p>Purchase Intention Cardholders tend to spend less and it is increasingly difficult for the Company's contracted vendors to stay in business, thereby reducing partner channels, potential customers, and hence earnings.</p>	<p>Service Diversification Offer greater payment conveniences to convince customers to conduct daily transactions with credit cards or mobile payment. Make inroads into the environmental protection and education sectors over the long term.</p>

Long term (3-5 years+)

Risk Factor	Description	Impact on Operations	Mitigatory Measures / Responsive Policy
 Extreme Climate	Transition Risk The international community has adopted policies to reduce GHG emissions and phase out fossil fuels. The U.S., Japan, Korea, and other countries are considering taking their lead from the EU to levy carbon duties. Taiwan's draft Climate Change Response Act also includes a carbon levy and these related might increase the negative impact of the finance by cost rise of client, also lead to financial asset Impairment.	Climate disasters affect bank operations Due to extreme weather, employees commute or branches interrupt, which may lead to client complaints and losses of business opportunities, and will increase maintenance costs from the damage of branches.	Business Continuity Plan When emergencies occur, the regional joint ventures deploy support manpower and nearby branches for backup operations, and continue to provide financial services with digital channels. If the physical property is damaged, the corresponding insurance has been carried out to reduce the loss of the property damage.
	Physical Risk Global warming has brought about extreme climate events such as cold fronts, wild fires, heavy rainfall, and droughts and would disrupted to client's and E.SUN's operation, even more expense from the damage of equipment, and the impairment of value of collateral affects the debt security	Default of credit clients and loss of investment position evaluation Corporate customer operations are impacted by climate change (transition risk or physical risk) or due to lack of low-carbon transformation capabilities, resulting in loan default or decline in market value, resulting in deterioration of asset quality or risk of falling investment target prices.	Track and Adapt to Regulatory Changes In addition to closely following the latest domestic and overseas regulations, policies, and guidelines, the climate change work panel and related departments meet regularly and present reports accordingly. This makes possible early and timely responses to mitigate the impact that may result.
 Cybersecurity	Information Sharing Problems in the transmission process of online application services such as credit card and credit loan applications lead to data tampering by hackers, leakage of a large number of shared data or abnormal operation of the online banking system.	Net-zero carbon emissions in financial industry lead to clients churn and increased costs In response to international trends and policy directions, E.SUN announce will achieve net zero by 2050. However, since our main business is concentrated in Taiwan and Asia, the awareness and regulations related to climate change in Europe and the United States are still in their infancy, and the opportunity to reduce finance emissions is more limited. limit. The de-carbonization process of the asset portfolio will limit investment and financing targets, resulting in the loss of business opportunities. High communication cost of negotiation is high may affect the clients' relationship and even cause the loss of clients. Green premiums and carbon offsets for green assets will also increase costs and affect profitability.	Adjusted the degree of concentration of industry Consider the climate risk factor when adjust the exposure limit of industry, review of investee operations is conducted regularly. The said exposure limits are subject to revision in accordance with the latest market changes. Climate risk stress scenario analysis is made part of risk appetite evaluation.
	Cloud Services If client's device is implanted by a Trojan horse or defrauded by a phishing website, the bank account password information may be leaked, or even the account funds will be stolen.	Cost of Financial supervision has rise To strengthen climate supervision, the competent authority may take more ambitious measures, such as enhancing the control of specific industries/geographical areas, increasing the provisions or Risk weighted assets, etc. Financial and business models may need to modify to respond.	Training Climate risk training courses, including those for ARM/RMs, totaled 5,532 hours. Meanwhile, a due diligence inspection process is being implemented to build a comprehensive management framework.
	Information Leakage of bank account Information Leakage of client's personal data or financial trading record from information sharing and cloud services will not only undermine E.SUN's reputation but also damage to the rights and interests of cooperative of sharing institutions, and even let client's data been sold or extorted by hackers.	Systematic Anomalies/Disruptions Hackers take advantage on the design features of the cloud service architecture and focus on the relevant services provided by the financial industry in the cloud, resulting in service anomalies/interruptions, and even counterfeiting client's transactions, stealing client's account balances, causing client to have poor perception of the E.SUN's system stability and loss of rights and interests damage.	Assistance in Customer Transition To promote carbon reduction as a financial services provider, E.SUN is proactive to enhance customer awareness on this front, introduce third-party carbon footprint verification, and link loans to rooftop solar power generation.
		Long-Term Impact Faulty upkeep of clients' personal information and failure to keep operational systems running smoothly are likely to make them reluctant to entrust information to E.SUN and use its digital services going forward. This will surely deal a heavy blow to the Bank's business development in the days ahead.	<ol style="list-style-type: none"> 1. With data sharing management policy and mechanism already in place, E.SUN would make adjustment follow by the extension of business. And take active protection by block the firewall, intrusion prevention systems (IPS) and defensive equipment against denial of service attacks are introduced to establish a technological vulnerability management mechanism. Vulnerability assessment and penetration tests are conducted on a regular basis to ensure a secure information environment throughout. 2. Control mechanism, which is handled through multiple control and notification measures, including abnormal login monitoring mechanism reaching specific monitoring threshold, client notification (such as login attempts from non-Taiwan IP addresses) and two-factor authentication (e.g. linking to devices). 3. After completing a comprehensive evaluation of cloud services, E.SUN has established a task force to plan and track market trends. In addition to creating a well-rounded cloud management system, E.SUN is ready to conduct structural adjustment in step with the pace of deregulation by the Supervisor.

4.5 Anti-money laundering and combating the financing of terrorism (AML/CFT)

GRI:2-23、2-24、2-25

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 the amendments to domestic and overseas AML/CFT policies and procedures, refining customer due diligence (CDD) and control measures, optimizing AML monitoring and watch-list filtering systems, and providing comprehensive training to strengthen the quality of domestic and overseas AML personnel.

■ Organizational structure of AML and CFT and managing system

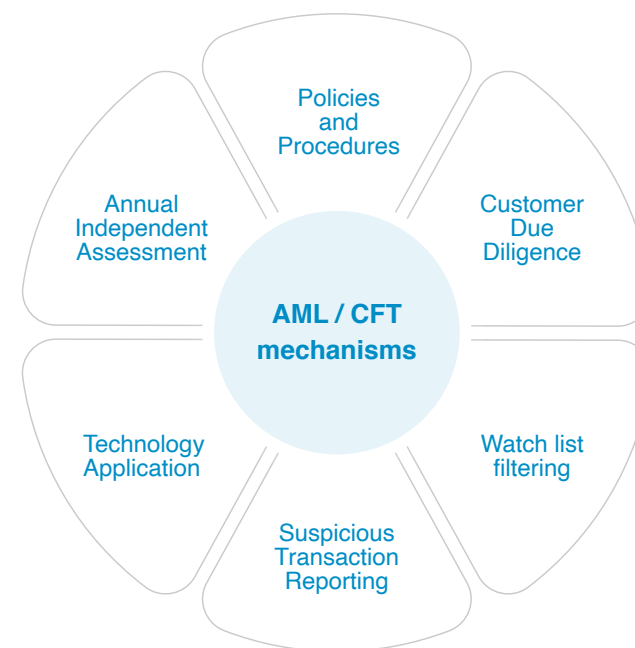
In order to integrate and promote the establishment and operation of E.SUN's risk management mechanism, E.SUN has set up a risk management department, which is responsible for formulating risk management policies and principles, supervising the implementation of each subsidiary, and regularly reporting 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:

- (A) Appoint a dedicated supervisor to promote, coordinate, and supervise the implementation of various AML/CFT matters, and report to senior management regularly.
- (B) The dedicated unit or dedicated personnel is responsible for formulating AML/CFT policies and operating, comprehensively monitoring transaction monitoring, reporting suspicious transaction, and managing matters related to AML in overseas branches. The current situation or implementation results will be reported to the dedicated supervisor and the parent company on a regular and irregular basis.
- (C) The appoint supervisor officers are set up in the risk management or compliance departments and domestic and foreign business units under each business division, who are responsible for supervising the implementation of AML/CFT-related matters in their subordinate units.
- (D) Audit division formulates audit items in accordance with relevant regulations on internal control and conduct audits regularly.

■ 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 against international AML laws and regulations; amends domestic and overseas AML policies and procedures; refines due diligence customer review and control measures, and constantly develops global AML monitoring systems, all for the benefit of AML/CFT in the overall financial environment. For the trend of international AML governance, the Company continually pays attention to the guidance announced by organizations such as the Financial Action Task Force on Money Laundering (FATF) and to the international money laundering and fraud trends, such as: environmental crimes, medical crimes, terrorism financing, expansion of arms, digitization, TBML, etc. E.SUN FHC adheres to competent authorities' rules and strengthens the AML/CFT mechanisms of each of its subsidiaries according to the policies and procedures of FATF Forty Recommendations. There are 6 dimensions under E.SUN FHC's AML/CFT management mechanisms: Policy and procedures (record keeping included), customer due diligence (CDD), watch list filtering (terrorism financing included), suspicious transaction reporting (STR), technology application, and annual independent assessment. Specific actions taken are described below:



Policies and Procedures

E.SUN FHC and its subsidiaries have established the AML/CFT policies and procedures with regard to aspects such as due diligence, name screenings (terrorism financing), transaction monitoring, employee management, and record keeping. In 2021, E.SUN FHC amended "Guidelines on information sharing", updating procedures for sharing customer due diligence information, and reported the overall implementation of information sharing to the board of directors.

In 2021, the subsidiary E.SUN Bank amended "Policy of Money Laundering and Counter Terrorism Risk Appetite", setting the appetite standard for money laundering and terrorism financing institutional risk assessment. In addition, E.SUN Bank formulated "Guidelines on information sharing" to standardize the relevant operating procedures such as information sharing requests, provisions, and exchanges. The revised "Anti-Money laundering and countering terrorism financing guidelines on adverse media" in 2021 expands the scope of negative news by determining whether the customer is involved in crimes with a moderate (inclusive) threat level or above in the "Money Laundering and Terrorism Financing Threat Rating Scale" of national money laundering and terrorism financing risk assessment report.

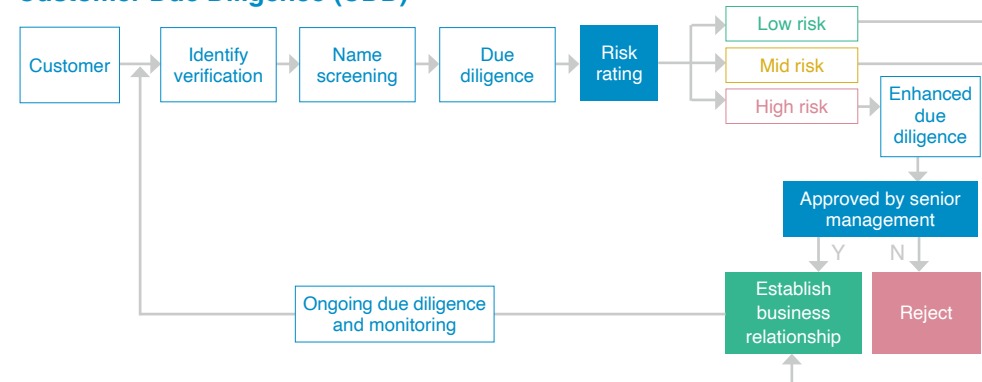
The subsidiary E.SUN Securities regularly reviews the "Policy of risk appetite" ensuring the risk appetite index's appropriateness, and also amended the "E.SUN Securities' Notes on Anti-money Laundering and Counter Terrorism Financing" and the "E.SUN Securities Concurrent Futures Commission Merchants' Notes on Anti-money Laundering and Counter Terrorism Financing". The "E.SUN Securities Control Mechanisms of AML/CFT" was revised to effectively conduct customer identity verification measures, transaction monitoring and ongoing review mechanisms using the risk-based approach and to verify the equity shareholding structure and beneficial owners of legal persons, groups or trust customers. The internal three lines of defense structure is used to ensure the effectiveness of the AML/CFT plan.

E.SUN have publicly announced several relevant documents on 2-3 Anti-Crime Policy & Measures, the Corporate Governance section of E.SUN FHC official website. Major amendments of these documents recently are briefed as follows: For "E.SUN FHC AML and Countering Terrorism Financing Policy", group wide AML annual plan and performance must be submitted to the board for review. Regarding "The Risk Appetite Declaration for Anti-Crime of E.SUN FHC", each group member shall at minimum achieve "acceptable control" in the overall level of control measures, and the maximum residual risk level allowed is "medium risk" level. Concerning "AML Questionnaire" (Wolfsberg AML Questionnaire), major modifications in 2022 were adding Section 4 "Anti-Bribery & Corruption (ABC)" and Section 10 "Sanction".

Record Keeping

All documents and information obtained for the implementation of customer identity verification and due diligence measures, including relevant identification and verification of customer identity information, are stored by E.SUN for at least 5 years after the end of the business relationship with the customer or the end of the temporary transaction.

Customer Due Diligence (CDD)



Customer AML Common Platform

E.SUN built a large project for CDD/EDD enhancement, a comprehensive system named CAML, it consolidates the latest information to significantly increase the mastery of customers' identification and background (beneficial owner, occupation, nationality, place of register, structure, etc.) for our company. CAML can link directly into the public governmental database to produce the shareholder structures for more precise beneficial owner identification. On top of it, CAML is developed to significantly integrate different reviews of customers such as KYC, periodic reviews, and trigger events on one platform, in an effort to increase the overall accuracy and efficiency of CDD/EDD.

Senior management approval and sign off

When assessing the customer's risk, the customer's occupation, job title, and industry characteristics should be considered. If the industry category is assessed by E.SUN as prone to be used to assist money laundering or terrorism financing, its strengthens EDD measures when establishing or adding new business relationships, and confirms the source of funds and wealth of customers, etc. The aforementioned customer transactions can only be undertaken following senior management approval. If there exists relationship establishment relating to extremely risk of money laundering and terrorism financing, such as Iran and DPRK etc., E.SUN would reject the business relationship and transactions. Moreover, E.SUN does not accept corporate customer whose main business items is related to virtual currency.

Non-face-to-face customer due diligence (CDD)

For the digital accounts of the subsidiary E.SUN Bank and the online securities account opening/additional opening of futures, credit, lending, and re-entrustment accounts of the subsidiary E.SUN Bank, the feature is that the account is opened online, and is not limited by time and geography. It also specifically and clearly announces the relevant application procedures on the official website, including the information to be prepared, application qualifications, approval progress / additional document search, etc. In addition, in terms of customer periodical reviews, the subsidiary E.SUN Bank has set up an e-KYC customer identity update platform, and continues to encourage to use online banking/mobile banking to update online information on the official website. E.SUN have newly introduced AI to digital account opening procedure to increase the examination speed and eliminate risks. Customers can use on-line banking or e-KYC on our website to update information. The functions of the e-KYC is remedied to better output batch list of accounts that needed imposing restriction or releasing account lock. Besides, the email verification mechanism is extended to increase the on-line channel verification function for high-risk customers.

Watch list filtering

Countering financing of terrorism and combating proliferation financing

When a customer establishes a business relationship with E.SUN or E.SUN provides new services to customers, the name of the customer and their associates are checked immediately, and the checking list is updated daily and batch scanning operations are performed. When doing a specific transaction, the name filtering is also performed on the relevant parties of the transaction (such as the payee of the outgoing remittance transaction or the remitter of the inward remittance transaction, etc.). The list selected by E.SUN for filtering includes but is not limited to the Taiwan Ministry of Justice (MOJ) sanctions List, the United Nations Security Council (UNSC) comprehensive sanction list, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) designated sanctions list (SDN-List), and the list issued by the competent authorities of the country/region where E.SUN's overseas branches are located, etc. Moreover, E.SUN has also established a group information sharing mechanism. Subsidiaries and branches provide a list of high-risk and rejected accounts that can be shared and included in the group's self-built list for screening to help the group as a whole effectively identify, evaluate, and manage customers' ML/FT risk. At the same time, responsible unit pays attention to sanctions-related information published by FATF, the United Nations, and competent authorities of various countries, and national transparency and corruption-related indicators, etc., and regularly update the country risk list to control relevant regional risks. The lists are in lines with the latest sanction trend, in response to the Ukrainian-Russian Conflict, Russia and its sensitive sectors are closely watched.

PEP/RCA

When establishing and adding new business relationships or conducting periodical review and triggering event review, to screen whether customers and their beneficial owners and senior managers are PEPs/RCAs, E.SUN uses the information system to assist in the verification of identities against watch lists in the database. If the aforementioned person is confirmed to be PEPs/RCAs, E.SUN will conduct EDD and strengthen transaction monitoring to confirm the source of funds and wealth of customers, etc., and the approval of senior management is required before business relationships are established. The periodical review for high risk PEPs/RCAs customer would be conducted every year, and their transactions would be more strictly monitored.

Annual independent assessments

Item		Description
Comprehensive evaluation	Internal control statement and independent assurance report	The chairmen, president, chief auditor and dedicated AML/CFT responsible officer of the respective local subsidiaries shall jointly issue a statement on internal control for AML/CFT, which will be filled via a website designated by the competent financial authority of the Company's host country, the FSC.E.SUN Bank commissioned PricewaterhouseCoopers (PwC) to conduct auditing of AML/CFT-related internal control in 2021 to enhance the preciseness and efficiency.
	Institutional Risk Assessment, IRA	For this year's IRA, E.SUN selected a suitable consulting company to carry out a risk assessment methodology improvement project, strengthened the introduction of quantitative data and the assessment of anti-bribery and corruption (ABC), and the management and control of weapons proliferation. E.SUN reported to the Board of Directors upon completing the institutional risk evaluation report and submitted the report to competent authorities. Furthermore, the "The Risk Appetite Declaration for Money Laundering and Financing of Terrorism" specifies the organization's appetite for money laundering and terrorist financing risk assessment standards, which includes the minimum level of control measures that should be achieved and the maximum level of residual risk that can be tolerated, so as to improve the overall risk assessment framework.
Effectiveness verification of the systems	Transaction monitoring	To ensure the appropriateness of the transaction monitoring system, E.SUN selected a suitable advisory company to evaluate the consistency, correctness and reasonableness of transaction monitoring data. By analyzing the statistical distribution of customer transaction data, the bank reviewed the reasonableness of threshold settings to evaluate whether the transaction detection logic is effective in detection and meets the needs of E.SUN. Thresholds for certain typologies were adjusted (one address with multiples company registered and cross-border etc.) recently for better accuracy.
	Watch list Filtering	Every year, E.SUN engages an independent third party, the world-leading Society Worldwide Interbank Financial Telecommunication, to assist of the implementation of sanctions list screening system testing services. Through two major testing aspects: precise comparison and fuzzy comparison, use of watch list filtering system in customer filtering and transaction filtering is observed to determine its performance and confirm that the effectiveness of watch list filtering meets requirements.
	Customer risk rating	In 2021, the E.SUN conducted verification of the system correctness and model suitability of the customer risk rating model by an independent third-party consultant, to ensure that the current risk rating model setting conforms to the requirements of the regulations, and to effectively detect the potential high risk customers by the risk-based method. The final verification result is that there is no difference, and there are no major deficiencies found. In the future, we will refer to the consultant's advice, re-examine the customer risk factor items and continue to optimize the customer risk rating system model.

Suspicious Transaction Report

Refer to the scenarios published by the government and with the assistant of the system and dedicated personnel's monitoring, the scope of monitoring includes customers, employees, and financial institutions that deal with E.SUN. When conducting transactions or establishing a business relationship with the aforementioned parties, dedicated personnel reviews their potential involvement in money laundering or terrorism financing. E.SUN also conducts an enhanced analysis and information collection on potential high risk customers based on the philosophy of prioritizing risks. The review process includes determining whether occupation, industry, source of fund, purpose of transaction and transaction activities are consistent with past activities. The record of investigation process should be kept.

After the investigation, the dedicated personnel submit suspicious transactions reports to the Investigation Bureau of the Ministry of Justice with information on customers or transactions suspicious of money laundering or terrorism financing. All suspicious transaction reports are filed on a designated computer, where the use of portable devices is prohibited. Every staff in the AML department is required to sign a confidentiality agreement to ensure that filed information cannot be transferred to an unrelated third party to prevent information leakage. Regarding the monitoring of transactions suspicious of money laundering, in 2021, the functional modules of the system were optimized, including the addition of monitoring of suspicious money laundering typologies to expand the monitored targets and business scopes, the adjustments on monitoring logic and parameter threshold, transaction analysis function and managerial reports to enhance the monitoring effect.

Technology Application

Through the self-developed Robotic Process Automation (RPA) program, the highly repetitive routine operations can be processed in an automated or semi-automated way to improve the operation efficiency or reduce the risk of human error. Also, E.SUN developed the machine learning model and platform, the application includes adverse media collection, watch list filtering, and abnormal transaction detection, etc., combined with business logic or manual operations, to improve the efficiency of case review.

Reinforcement through Training

To reinforce AML/CFT training and to increase staff awareness of AML, appropriate contents and hours of training on AML/CFT are arranged annually by categories based on the roles of employees, which include new employees, AML officers at the accountable unit, AML supervisory officers of each unit, Board of Directors, senior management, legal and compliance personnel, internal auditors, and the front-line staff. During 2021, a series of video conference training has been rolled out by the AML Department, for domestic and overseas units to attend. During the more difficult stages of the COVID-19 pandemic, pre-recorded online courses were provided instead to avoid morning gatherings in cooperation with the pandemic control measures. The courses focus on topics with high connection to business unit practices, including international AML trend or practical cases. In addition, E.SUN invited professional supervisors or senior managers from the same field with practical experiences to provide training in order for employees to understand the AML and CFT responsibilities and to acquire the relevant expertise. In addition, E.SUN Bank has joined the enterprise membership of ACAMS. Benefits include online training as well as access to a forward-looking global news database on AML/CFT, thereby providing additional overseas and domestic training materials, enhancing the depth and breadth of employees' expertise, and shaping the AML/CFT awareness and culture among our units. Furthermore, E.SUN continues to promote obtaining AML certification, and certified global sanctions specialist (CGSS) has been added to the special certification that can apply for allowance in 2021. By the end of 2021, 98.5% of the AML/CFT supervisory officers of the subsidiary E.SUN Bank has been AML certified, which is a 32.5% increase as compared to the end of 2019.

AML/CFT training

Training	2021	
	Number of employees	Class hours
Annual online training and exam	8,524	17,048
Groupwide compliance training (AML/CFT relevant topics)	8,964	4,482

Groupwide AML/CFT certification in 2019-2021

Certification	2019	2020	2021
Domestic professional AML/CFT certification	217	548	1,201
Certified Anti-Money Laundering Specialist (CAMS)	322	336	337
Certified Global Sanction Specialist (CGSS)	-	-	5

Disclosure of information related to AML

To enhance information transparency, E.SUN FHC has set up an AML section on the [official website](#) to disclose the E.SUN FHC AML and Countering Terrorism Financing Policy, The Risk Appetite Declaration for Anti-Crime of E.SUN FHC, and AML Questionnaire (Wolfsberg AML Questionnaire). The Statement on Internal Control for AML/CFT are also disclosed on the official websites of subsidiary [E.SUN Bank](#) and [E.SUN Securities](#).



4.6 Business Continuity Plan

GRI:2-23、2-24、2-25

4.6.1 IT continuity plan

E.SUN has established a Business Continuity Plan and conducts periodical business impact analyses and drills to assure adequate responses to disaster and to ensure the minimization of impact on business when the IT services encounter sudden disasters and the fast recovery of key services.

Routine Drills

- To ensure the effectiveness of the plan, we conduct ID disaster backup and recovery drills twice a year. On top of written simulation, system recovery, and scenario simulation, cutting-edge tools are being introduced to develop automated scripts for the plan. Complex switching procedures are greatly automated to keep repetitive labor and human errors to a minimum.
- In 2021, we did 88 rounds of business system exercises: 27 for overseas systems and 61 for domestic ones. As many as 98% of the tested systems were successfully restored across the board within four hours as originally targeted. A second exercise would be conducted on the few that missed the deadline the first time to ensure the well-roundedness of our system backup environment.

IT System Disruptions

The Company's core saving and lending system availability rate came in at 100% in 2021. In 2021, there were three abnormal events, but the core system wasn't affected. System repairs were promptly conducted, followed by the introduction of corrective and preventive measures and replacement of related equipment later on. Committed to efficient delivery of customer convenience, E.SUN aims for uninterrupted 7/24 online services and will further increase the system availability rate going forward. In 2022, it will continue to optimize system's capacity, providing customers with a convenient service.

IT Infrastructure abnormal incidents in 2021	3
The financial loss caused by such incidents in 2021	NTD: 0

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

100%

Core System availability rate



Customer Service Quality

To continue to provide the customers with the best service, all business units have categorized the scenarios that can cause business interruptions and have formulated relevant plans and handling measures to respond to the possible impact on service.

Category	Business Continuity Plan
Human resources management	In order to prevent service quality problems caused by lack of manpower in branches, interbank human resources adjustments can be made to maintain branch service standard and to provide customers with the best service experience
Branch safety protection drill	Regarding common special circumstances that may affect branch operation, such as natural disasters (earthquakes, typhoons, power outages and fires), illegal behaviors (such as robberies, frauds, threats and suspicious figures) and other factors of force majeure, prevention measures and drills are formulated and simulation drills are conducted quarterly

4.6.2 Control of Major Communicable Diseases

GRI:2-23、2-24、2-25、3-3

While E.SUN Bank has established an occupational safety and health management system, the Human Resources Division's Labor Safety Section is charged with the duty of addressing major communicable diseases. It is responsible for getting hold of the most up-to-date epidemic information and countermeasures warranted. For their part, E.SUN outlets are to report back their latest status while securing notification of the countermeasures being implemented at the moment. Priority is given to ensuring the transparency and timeliness of anti-epidemic information across the board.

Domestic Anti-Epidemic Measures and Subsidies

Anti-Epidemic Subsidies

Type	Measures															
	All employees were encouraged to get vaccinated to enhance their immunity against the coronavirus. Leave for vaccination (with full pay) was offered to protect the health of colleagues, family members, and customers as well as employees themselves.															
Paid leave for vaccination	<table><tr><th>Type of Leave</th><th>Number of Leave Takers</th><th>Number of Days Taken</th></tr><tr><td>Family care leave</td><td>1,665</td><td>8,582.70</td></tr><tr><td>Quarantine leave</td><td>208</td><td>2,043.00</td></tr><tr><td>Health management leave</td><td>219</td><td>1,125.50</td></tr><tr><td>Vaccination leave</td><td>8,843</td><td>29,309.70</td></tr></table>	Type of Leave	Number of Leave Takers	Number of Days Taken	Family care leave	1,665	8,582.70	Quarantine leave	208	2,043.00	Health management leave	219	1,125.50	Vaccination leave	8,843	29,309.70
	Type of Leave	Number of Leave Takers	Number of Days Taken													
	Family care leave	1,665	8,582.70													
	Quarantine leave	208	2,043.00													
	Health management leave	219	1,125.50													
Vaccination leave	8,843	29,309.70														
Provision of COVID-19 rapid test kits	COVID-19 rapid test kits for use in the home were made available to all employees so that they could test themselves at the end of long holidays and report results to their respective departmental heads. In case of a positive result, the employee in question needed not report to work the following day and, instead, should seek medical attention as soon as possible															
Epidemic insurance	On top of group insurance, employees were placed under the coverage of epidemic insurance. In case of hospitalization or confinement to ICU or negative-pressure isolation for treatment of any legally defined communicable disease, employees shall be entitled to a daily compensation of NT\$1,000-1,500 as well as existing group insurance payments. With premiums fully paid by the Company, this epidemic insurance package covers not only employees but also their spouses and children.															

Anti-Epidemic Mechanism and Countermeasures in Case of Confirmed Infection

Type	Anti-Epidemic Measures
Backup Mechanism	Such arrangements as work from home, off-site work, and regional backup teams shall be initiated when and if the pandemic warrants it, thereby keeping up business operations should any given business location be forced to shut down temporarily.
Simulation Drill	To prepare for the worst, an on-site drill was conducted to simulate branches supporting one another for backup personnel in accordance with previously announced operating procedures while taking into account the actual status in terms of employees taking leave.
Confirmed Infections of Employees	Upon confirmation of infection, the employee in question shall seek medical attention and report the diagnostic outcome promptly. After being notified by the competent authority of confirmed infection or compulsory isolation, notice shall be given to the departmental head and the head office's anti-epidemic task force in a timely manner. The branch backup mechanism shall be initiated after the affected business venue undergoes cleaning and sanitization. With priority given to preventing a further outbreak and keeping employees and customers healthy, these measures are to be taken to uphold business continuity and risk management at the same time.

Overseas Anti-Epidemic Measures and Subsidies

Overseas Anti-Epidemic Measures

Type	Anti-Epidemic Measures
Head Office Backup	E.SUN Bank's treasury, information technology, and information security divisions as well as International Affairs Department were responsible for lending support to overseas outlets in implementing emergency response measures, thereby keeping up operations on condition of compliance with personnel, operation, and information security management regulations.
14 UCB Branches	To prevent clusters from forming at the counter, the Business Department adopted a reservation-only approach to serve customers. The other branches extended service time by one hour during weekdays, with two of them staying open for half a day on weekends.
Routine Rapid Testing	As was dictated by the latest developments in the host country, across-the-board rapid testing was conducted every week or every other week.

Overseas Anti-Epidemic Supplies and Support

In line with the policies of their respective host governments, overseas outlets offered relief loans to a total of 249 customers (30 juristic persons and 219 natural persons). As of the end of 2021, the outstanding balance of such loans came in at US\$89 million (US\$74.5 million for juristic persons and US\$14.5 million for natural persons).

* Employees: The head office provided overseas outlets with necessary supplies (COVID-19 rapid test kits and oximeters) and equipped their employees with countermeasures in case of confirmed infection.

Country	Anti-Epidemic Supplies and Support
Cambodia	100 oximeters, 1,000 COVID-19 rapid test kits
Australia	250 COVID-19 rapid test kits

4.7 Information Security

GRI : 2-23 、2-24 、2-25 、3-3 、418- 1

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

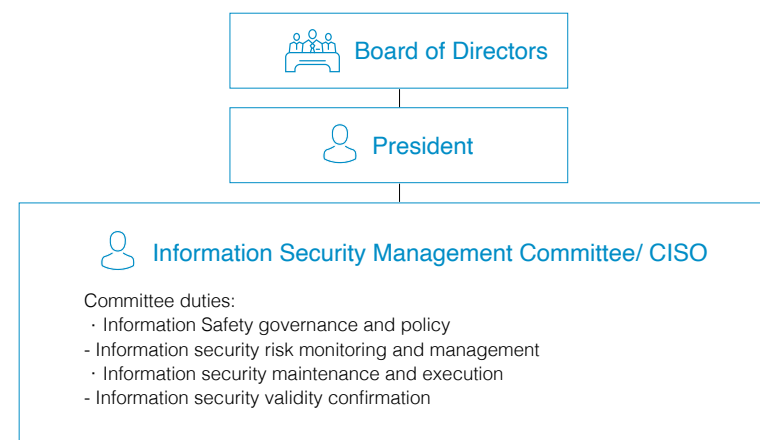
E.SUN continues to improve and strengthen our governance system for information security measures and information security protection. The Information Security Management Division, an independent, dedicated information security unit, oversees the entire information security operations of E.SUN FHC. All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

Information Security Governance System

The Board of Directors is responsible for reviewing overall information security policies of E.SUN FHC. In 2021, the board of directors has decided on seven issues for information security, including the revision of information security policies, 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 appointed a chief information security officer (CISO) to supervise the overall implementation of information security operations, inspect the effectiveness of information security risk management mechanisms, and report to the Board of Directors with regard to the overall effectiveness of relevant management conducted by the information security management organizations. The CISO is the highest information security officer. In 2021, The CISO report information security issues to risk management committee twice. Every year, the chairman, president, chief auditor, and the chief officer of the dedicated information security office shall jointly issue a Declaration of Overall Information Security Implementation.

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.

E.SUN's vision of information security is to establish a tight and effective information security defense network. Under this vision, E.SUN gradually improves the comprehensive protection capacity based on the consistency in information security governance. The aim is to become a benchmark enterprise of information security governance maturity.

The Information Security Management Division is responsible for the Company's governance, promotion, and risk management of information security. For information security governance, it manages a comprehensive governance system, ensures compliance with regulation, promotes implementation of security procedure, and raises the employees' awareness and professional abilities of information security. The division utilizes technologies to identify information security risks and weaknesses, conducts effective enhancement, establishes a comprehensive governance system and information security protection capacity and raises employees' information security awareness.

■ Information Security Management System

After passing reexamination in May 2021, E.SUN's (ISMS) ISO/IEC 27001: 2013 certificate won extended validity for another three years. In addition to E.SUN Bank's information technology and information security divisions, the certificate also became applicable to its credit card information system from 2021. Beginning in 2017, E.SUN Bank also secured a PCI DSS certificate for its credit card acquiring system each year.

E.SUN is committed to further refining and expanding its information security management system. Inclusion of E.SUN Bank's Intelligent Finance Division and E.SUN Securities is slated for 2022. Efforts are also under way to achieve institutional standardization across the dimensions of strategy, management, technology, and perception, thereby enhancing information security governance throughout. To accommodate the rapid changes on the operational front, E.SUN has planned to implement ISO 27701 standards for privacy information management in 2021 so that it could draw on its ISO 27001-compliant information security management system to implement a comprehensive policy for personal information protection. The goal is to integrate endeavors toward meeting requirements for both information security and privacy protection.

In today's dynamic world of fintech innovation, E.SUN conducts an IT disaster backup and recovery drill every six months to bolster information resilience and ensure sustainable development. Furthermore, E.SUN is planning to introduce ISO 22301 standards for business continuity management and draw on its risk management to consolidate resources across operations and systems. In 2021, 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.

■ 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, spam filtering, hacking detection and defense and internet usage 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 tests 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 regulations to inspect the compliance, information structure, internet activity, network / server / end device security settings, application security, etc. Various security tests are combined to detect and mend information security threats and weaknesses 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 Bank organized an offensive and defensive exercise in which white hat hackers were entrusted, without disrupting regular operations, to verify the effectiveness of the aforesaid cybersecurity protection, detection and inspection measures. Hacker attacks were thus simulated to seek out the potential risks and technological vulnerabilities threatening the Bank's critical systems. Out of findings of the exercise came recommendations on how the Company could do better in protecting information security and complying with domestic and overseas regulations governing business continuity and security 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. In addition to monitoring cyber threats on a real-time basis, E.SUN's SOC is set to standardize the documentation process for information security events and help formulate joint defense for information security in the financial industry. That is, E.SUN will define scenarios for monitoring and sharing information security events under the government's F-SOC cross-sector joint defense framework. In the days ahead, priority will be given to further enhance E.SUN's capacity for responding to cyber threats and other emergencies through the establishment of a scenario-based information security warning system and an automatic response mechanism, as well as provision of specialized training.

In the face of major information security events and such threats as system vulnerabilities and ransomware and malware attacks from within and without, E.SUN places special emphasis on creating SOP for intelligence collection and processing. To become better internationally aligned, E.SUN began including overseas outlets as sources of intelligence from 2021. A total of 361 pieces of intelligence underwent analysis during the year. For those associated with high risk or key issues of concern, preventive measures were adopted and 22 alerts were sent to information units under E.SUN FHC to ward off any impact on the Company's information assets and keep its information security defense intact.

Event Response

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

Proactive Monitoring

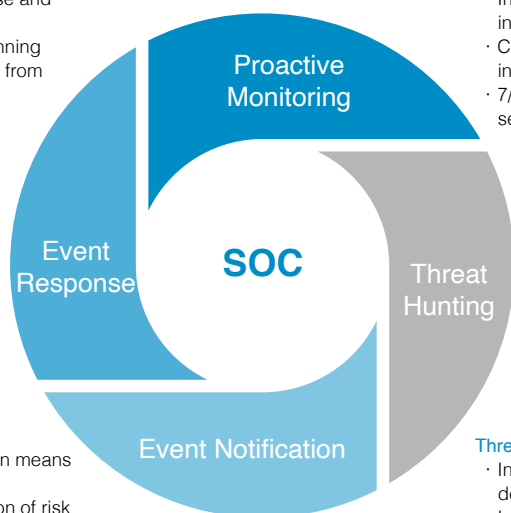
- Information management for information security
- Consolidation and analysis of information security events
- 7/24 monitoring of information security

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

Threat Hunting

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



310,341 simulated social engineering email delivered

99% Employees showing alertness of social engineering email coming their way

■ Information Security Training and Contest

Personnel training includes specialized training on information security. As of the end of 2021, a total of 130 E.SUN employees had been certified as ISO 27001 lead auditors. In 2021, the Company recorded 100% participation and pass rates for its information security test. Internal and external specialized courses organized for technology professionals totaled 6,217 hours, with internal and external training accounting for 92% and 8% respectively.

6,217 information security training (hour)

To bolster the capacity of information security personnel for conducting investigations, we partnered with a company specializing in this field to devise a real-world hacking event as the backdrop for an information security contest. A total of 36 employees from E.SUN FHC's six information units participated in this competition and learned how an event probe is supposed to proceed. Based on their respective specializations, these participants formed response teams, thereby putting to test their capacity for coordinating with one another and responsiveness to information security incidents. The goal was to curtail the risks and losses derived from cyberattacks and hacker threats by building up an autonomous capability to respond to complex intrusions or attacks.

■ Resources Set Aside for Information Security

Committed to allocating resources for information security, E.SUN recorded a 10.33% increase in such spending in 2021. Resources were funneled mainly toward enhancing governance and technology infrastructure, strengthening defense equipment, monitoring and analyzing intelligence, and conducting emergency response and offensive/defensive drills and training to upgrade information security capabilities and guard such security across the board.

■ 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 Bank 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 the past three years, the information security incidents and the financial losses arising thereof are shown in the following chart. In the incident in 2021, E.SUN received a colleague's notice that a vendor's email system was compromised. After inspecting the information security equipment and relevant host computer, it was verified that there was no information security risk such as hacking or virus infection. Besides, some Taiwan securities company were hacked in 2021.

A number of local brokerages were hit by hacker attacks at the end of 2021. The Company immediately implemented preventive measures: blocking suspicious access attempts, taking the initiative to contact customers when warranted, adding an OTP mechanism to text messaging, bolstering the monitoring of erroneous logins, and introducing a big data model. The Company did not sustain any damage from the aforesaid hacker attacks.

A- Information Security Incident	2019	2020	2021
Total number of information security incidents	0	0	0
Total number of information security incidents causing customer data loss	0	0	0
Total number of customers affected by information security incidents	0	0	0
Financial losses due to information security incidents	0	0	0

B- Data breaches	2019	2020	2021
Total number of data breaches	0	0	0
The percentage of breaches involving personally identifiable information	0%	0%	0%
Total number of account holders affected by data breaches involving personally identifiable information	0	0	0



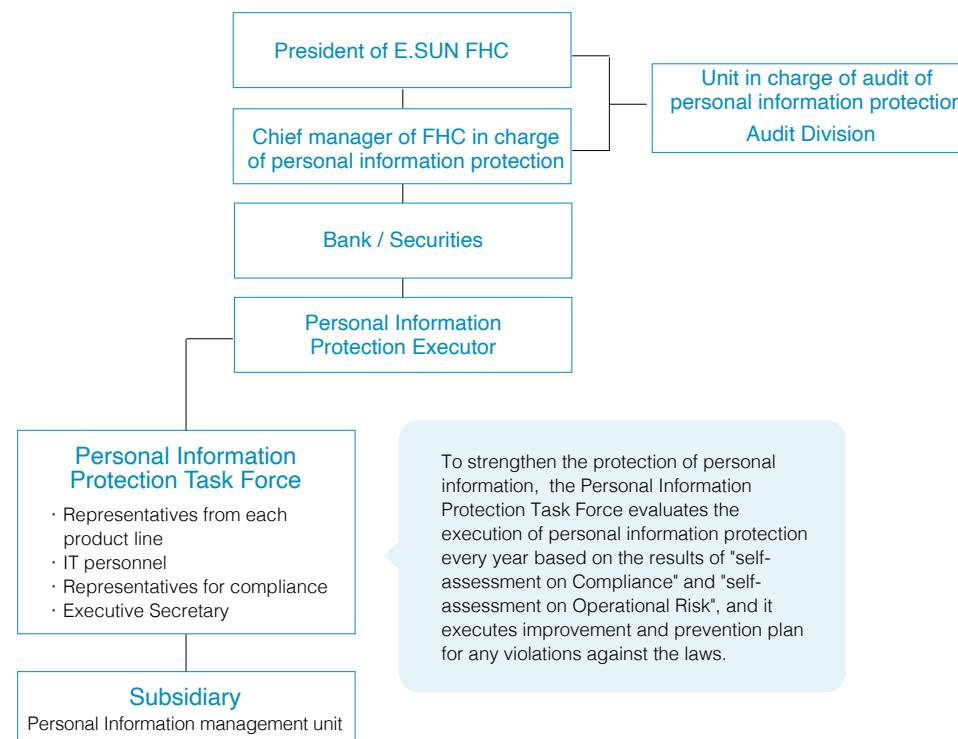
4.8 Personal Information Protection Management

GRI: 2-23、2-24、2-25、3-3、418-1

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

Honesty and integrity are the basic ethics for a bank employee. Personal information protection is the commitment E.SUN gives to its customers. In order to protect customers' personal information, E.SUN FHC announced "Privacy Policy and Disclaimer," "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. The regulations ensure the safety of our customers' personal information and the legitimacy of gathering, using the information. 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. E.SUN FHC has achieved the international standards for the personal information of BS 10012:2017 for 4 consecutive years.

The Personal Information Protection Task Force is responsible for building personal information protection regulations, which include management measures for collection, handling, and use of personal information. The Company followed "E.SUN Financial Holding Co. Ltd. and Subsidiaries Personal Information Management Organization Foundation Principles" to examine and adjust the personal information inventory and the business information framework. The organizational structure is shown in the chart below.



E.SUN FHC and subsidiaries use customers' data with the utmost care. In 2021, E.SUN collected 30 customer petitions concerning personal information leakage or misuse; 16 of them from the Financial Supervisory Commission (FSC) and the other 14 from the customers' feedback.

After investigation, all cases are not concerned with any breach of laws, and E.SUN have not been fined by the FSC in the year. E.SUN always responds to customer petitions seriously and proactively. In 2021, 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	5	0	5
Personal credit service	2	5	7
Wealth management services	1	2	3
Credit cards services	2	3	5
Corporate credit services	0	0	0
Other	6	4	10
Total	16	14	30

Statistics of the Number of Audited Deficiency in Terms of the Use of Personal Information in Recent Years

Year	2019	2020	2021
Use of personal information audited deficiency	0	0	0

Customer's data for secondary purposes

I. E.SUN monitors 100% 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 link between the original and new purposes.
- (II) The customer's identities and background.
- (III) Nature of the information, the secondary usage of sensitive personal information is forbidden.
- (IV) The possible consequences of the intended further processing.
- (V) If any protection is 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.

Unit: NTD Million 、 %

Cases related to personal information	2020	2021
Number of customers' personal information being used for secondary purposes	7.18	5.69
Percentage of all customers	76.6%	73.9%

4.9 Tax Governance

GRI:2-23、2-24、2-25、207-1、207-2、207-3、207-4

4.9.1 Approach to tax

Nine 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 accurately and prepare related documents timely.
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 contractual terms of related-party transactions should be similar to non-related-party's.

For details on E.SUN's Tax Governance Policy and Transfer Pricing Policy, please see E.SUN FHC's official website.

4.9.2 Tax Governance and Risk Control Mechanism

The Board reviews tax governance report prepared by the responsible unit with tax compliance status and latest tax news inside every 6 months, which is the way the Board controls internal tax risk and knows global tax trend. Under the effective risk management framework, E.SUN controls the frequency and amount of tax disputes to a low risk level.

Item		Description
Tax strategies	Compliance and planning	The system enhancement and process reformation improved the efficiency of daily tax treatments. In 2021, the working days of filing yearly various incomes of tax residents largely decreased. However, we still work hard on developing others tax systems and incorporating technology into the routine work to enhance efficiency and accuracy.
	Succession planning	Professional knowledge on taxes is passed down through the establishment of operation manuals, working papers, experience sharing and the establishment of the agent system.
	Performance appraisal	Tax personnel's performance is highly related to the annual tax work plan. Performance is evaluated via the achievement of goals. It is prohibited to adopt radical tax avoidance measures to obtain performance.
Tax risk management mechanism	Three lines of defense	Under the mechanism of three lines of defense and Key Risk Indicators, 5 low-risk anomalies were found in 2021. Therefore, we immediately made improvement action plans and executed the actions by the end of the year to ensure that tax treatments were in accord with tax laws and internal standards.
	Board of Directors	Using the risks identification and the three lines of defense mechanism, high-risk tax incidents will be reported to the highest governance unit, the Board of Directors.
Whistleblowing mechanism on tax incidents		Whistleblowing hotlines and mail boxes are established for employees and stakeholders to report illegal or unethical tax-related matters.
The assurance process of tax disclosure		Tax information disclosed in public channels such as the official website and annual reports is audited by a certified public accountant.

4.9.3 Stakeholder engagement and management

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.



Tax authorities

We proactively contact tax authorities to discuss the proper tax treatments when we have questions. We also prepare supporting documents immediately after getting the notice letter and cooperate with the authorities when they perform a tax audit.



Public advocacy -NGO

E.SUN discusses tax issues with investors and other international companies by participating in the meetings hold by international NGO-The B Team. We expect that we can convey the idea of responsible tax to our employees, suppliers and other companies.



Peers and Banker Association

In 2021, the banker association couldn't hold physical meetings because of the pandemic. However, E.SUN still worked hard on discussing the tax system of financial holding companies with other members by online meetings, hoping that financial industry can be taxed in a fair and growth-friendly way.



Independent Directors and Investors

We discuss tax issues with independent directors through board meetings which is also the way independent directors oversee our tax governance framework. Besides, we also disclose the analysis of changes in tax rates and our work on the sustainability issue of tax publicly to investors.

4.9.4 E.SUN FHC income tax information for the past two years

The effective tax rate of E.SUN FHC in 2021 is 21.84% which is close to the statutory tax rate (20%) and the global average banking effective tax rate (20.90%) from CSA companion 2022. However, the cash tax rate decreased with that of 2020. Timing difference of paying the tax and COVID-19 are the main reason. In 2020, the central banks around the world announced the interest rate cut because of the outbreak of COVID-19, leading the profit of the banks below expectations. As Taiwanese companies pay the assessed income tax in May of the following year, the amount of tax we paid in 2021 decreased.

Unit: million NTD, %

	2021	2020	Calculated averages
Profit before tax (A)	23,959	20,529	22,244
Reported taxes (B)	3,374	2,481	2,928
Reported tax rate (B)/(A)	14.08%	12.09%	13.16%
Adjustments (D)	Temporary difference	222	212
	One-time difference	-	157
	Tax-exempt income	1,636	1,711
Adjusted reported taxes (E)=(B)+(D)	5,232	4,636	4,935
Effective tax rate (E)/(A)	21.84%	22.58%	22.18%
Income tax paid (F)	2,270	3,841	3,056
Cash tax rate (F)/(A)	9.47%	18.71%	13.74%

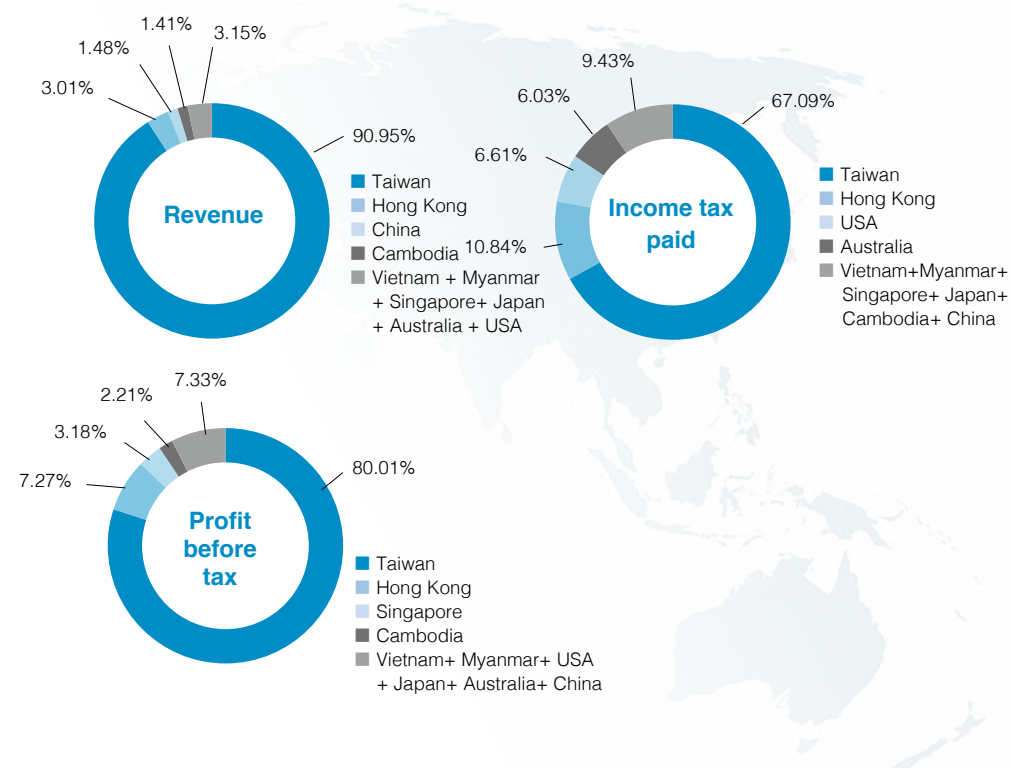
4.9.5 2021 country-by-country reporting

E.SUN has 28 sites in 9 overseas areas, mainly in Asia Pacific financial center, Taiwan, China, Hong Kong and ASEAN. Through the integration of sites, E.SUN provides Taiwanese companies and local customers with cross-border financial services without interruption. The tax information in each tax jurisdiction is as follows:

Unit: million NTD / person

Tax jurisdictions	Revenues from unrelated party	Net revenue	Profit before tax	Income tax paid	Income tax accrued (current year)	Cross-jurisdiction revenues from related party	Number of employees	Tangible assets
Taiwan	60,129	72,238	19,171	1,523	2,829	536	9,201-9300	31,712
China	2,192	1,171	505	99	90	0	201-300	2,753
Cambodia	1,397	1,122	529	24	109	0	401-500	1,097
The United States	715	629	512	150	147	1	1-100	8
Hong Kong	2,506	2,394	1,742	246	257	299	101-200	27
Singapore	1,049	888	762	22	131	3	1-100	11
Vietnam	139	45	45	6	10	4	1-100	5
Australia	582	528	392	137	98	0	1-100	55
Myanmar	165	153	96	24	25	10	1-100	44
Japan	295	263	205	39	44	9	1-100	25

Notes: For the detailed information of current tax expense, cash tax paid, expected tax at statutory tax rate and others, please refer to the tax contribution report on E.SUN FHC official website.

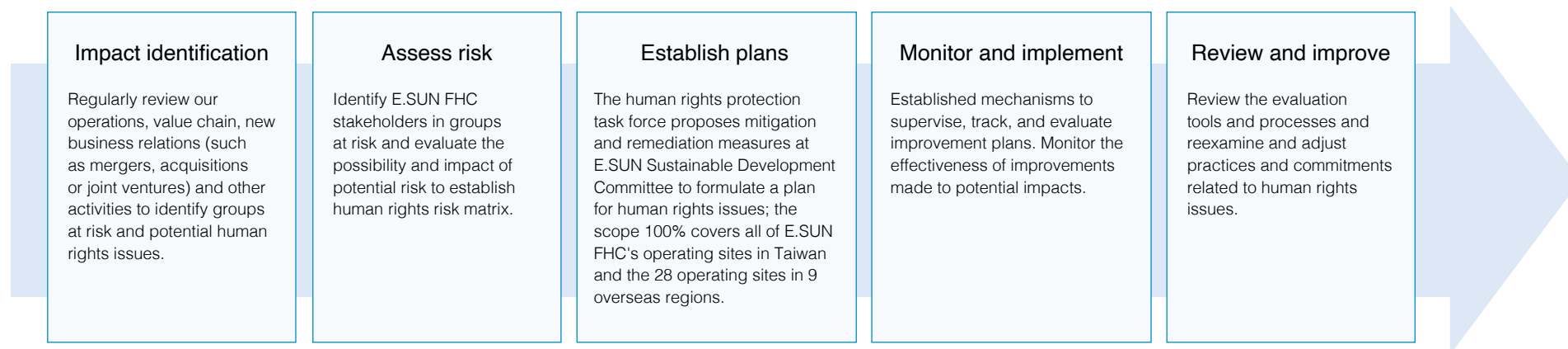


4.10 Human Rights Protection

GRI:2-8、2-23、2-24、3-3、408-1、409-1、412-1、412-2、412-3；GRI G4 Financial services sector disclosures indicators: FS9

To realize the vision of becoming first-class citizens of the world, 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 bank 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, in order to make a contribution to international human rights.

■ Human rights due diligence procedure



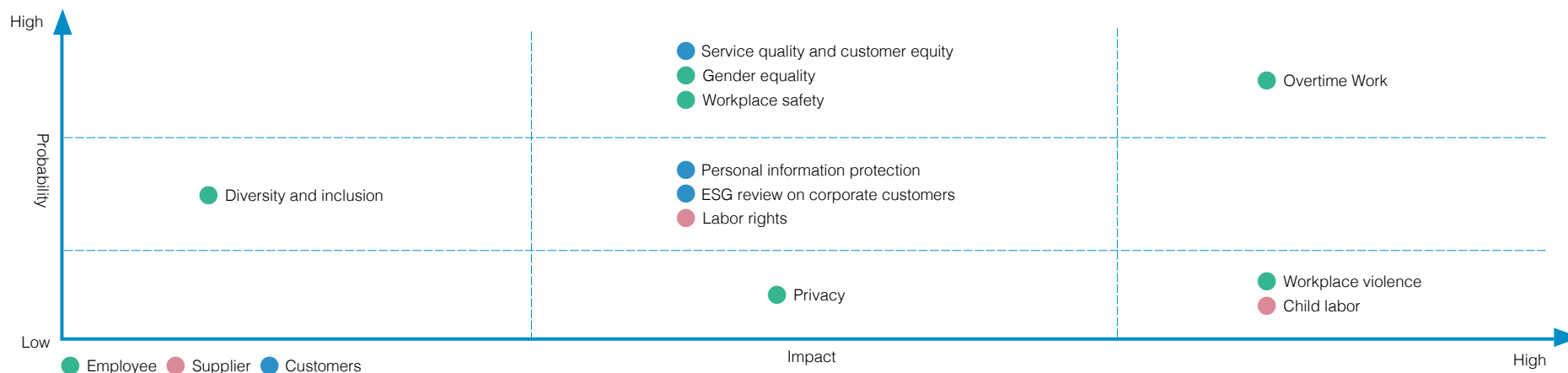
■ Impact identification

	E.SUN	Value chain		New business relations	Other activity
		Supplier / partner	Customer		
Groups exposed to human rights risks	Employee, Female, Indigenous people, People with physical disabilities, Non-employee worker	Female, Indigenous people, People with physical disabilities, Children, Dispatched labor, Non-employee worker	Customers in minority groups	Female, Indigenous people, People with physical disabilities, Children, Dispatched labor	Communities
Potential human rights risks	Diversity and inclusion, Gender equality, Workplace violence, Overtime work, Occupational safety, Privacy	Labor rights, Occupational safety, Child labor	Service quality and customer equity, Personal information protection, ESG review on corporate customers	Labor rights, Occupational safety	-

Note: Non-employee workers are those other than E.SUN's employees, including interns, temporary workers, and contractors' employees. Non-employee workers totaled 2,771 people in 2021, which did not differ significantly from the level last year.

Human rights risk matrix

We established a human rights risk matrix for employees, suppliers, and customers. The mitigation and remediation actions please refer to [Appendix 8 - Human Resource Management Indicators](#).



4.10.1 Treating Customers Fairly and Customer Experience

GRI:2-25、3-3、417-1、417-2、417-3；GRI G4 Financial services sector:FS15 SASB: FN-CF-270a.4

Service is the core value of E.SUN Bank. E.SUN tries to understand customer needs and strives for better customer experience by continuously listening to their voice. E.SUN fuses technology with finance to provide diverse and convenient financial. Even during the pandemic, the 24/7 mobile bank and chatbot provide customers with convenient and considerate financial experience anywhere, anytime. To respond to the international trend of protecting the rights of financial consumers, E.SUN persists in establishing our corporate culture that accommodate the Principles of Treating Customers Fairly while developing our business. Products and services procedures are reviewed against each principle before being launched. In doing so, we continuously leverage financial professionalism and services to understand and care for customers, thereby promoting consumer rights protection and fulfilling the spirit of treating customers fairly.

Bank-wide implementation of Treating Customers Fairly

E.SUN actively implements each spirit of the Principles of Treating Customers Fairly. In 2021, E.SUN upgraded the "Treating Customers Fairly Task Force" to the "Treating Customers Fairly Steering Committee". Compliance Division and Customer Service Division are responsible for planning and promoting the Principles of Treating Customers Fairly in E.SUN. In 2021, a total of 17 meetings were held. There were 20 motions in which the reporting or discussion, or a director's speech at the Board meeting involved the Principles of Treating Customers Fairly. The committee's resolution and directives were carried out accordingly, thereby strengthening the overall operation of the three lines of defense. To implement treating customers fairly, E.SUN has formulated "E.SUN Bank Treating Customers Fairly Policies and Strategies", "E.SUN Securities Treating Customers Fairly Policies and Strategies", and "E.SUN Bank Treating Customers Fairly Steering Committee Operating Directions". Besides incorporating them into the internal control and audit systems, we also included the principle of treating customers fairly into training courses and regularly conduct advocacy and staff training, which was participated by 52,067 staff for 137,211 hours. In 2021, E.SUN was the first bank in Taiwan to select the Principles of Treating Customers Fairly as the topic to conduct a mystery shopper audit on branches to inspect the conformity of products and services with the three principles, namely the principle of suitability, the principle of advertising and solicitation accuracy, and the principle of due care and fiduciary duties. The audit indicated a conformity rate of 90% and above. E.SUN takes actions at every aspect to promote the Principles of Treating Customers Fairly and in doing so incorporate it into our corporate culture that is centered on services.

To ensure legal compliance and customer rights protection, each type of business, before being launched, shall undergo a joint review conducted by the first and second line of defense against the "New Product Service Compliance Risk Assessment Procedure". In 2021, E.SUN completed the assessment of "New Product Service Compliance Risk Assessment Procedure" and approved 55 pieces. During the course of business, each business unit also conducted an inspection through a self-assessment of risk control. To make customers aware of their rights and potential risks they may face, E.SUN assessed 174 items of business procedures against the Principles of Treating Customers Fairly and, once the risk level was identified, adopted action plans for improvement purpose.

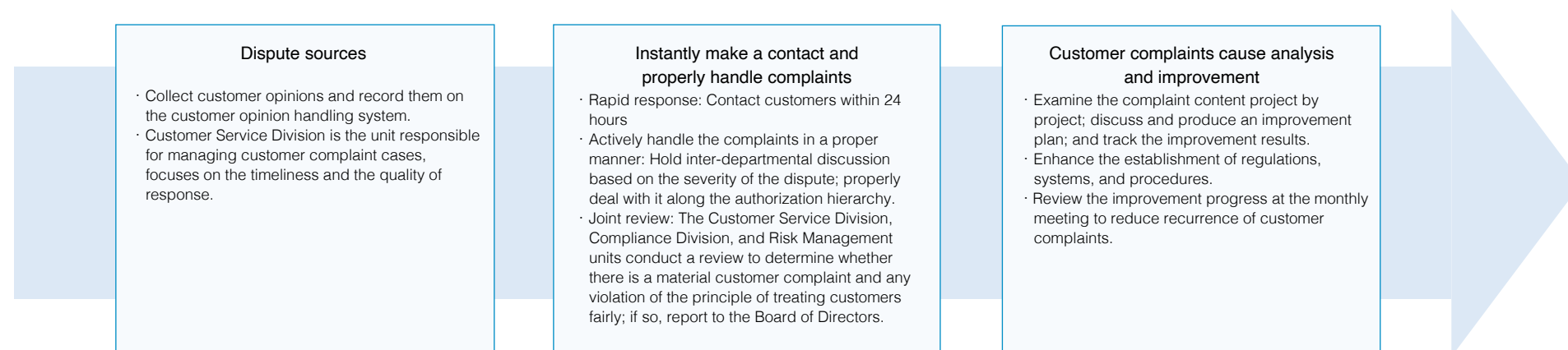
■ Customer complaints handling and customer rights protection

E.SUN seizes every opportunity to grow and advance. We classified the complaint cases by business, and by product, into 15 types, analyzed major the complaint pattern and, based on this, implemented preventive measures, improvement measures, and advancement measures. In addition, we enhance the management of the complaints indicating a violation of the principle of treating customers fairly, as well as the complaints submitted by the aged/physically impaired/mentally ill /vulnerable groups. We inventory customer complaint cases among the different departments in terms of root causes, review, and implementation of improvement programs; advance the system abnormalities reporting and the response mechanism; and exercise due care and fiduciary duties. We regularly summarize customer complaint cases and submit them to the Board of Directors, so that the management team can get a good grasp of the progress of any consumer dispute.

	2019	2020	2021
Customer complaint feedback (cases)	883	1,014	956
Forwarded by the competent authority (cases) (Including Financial Supervisory Commission complaints, telephone calls, and Financial Ombudsman Institution cases of dispute and mediations)	489	619	489
Provided financial negotiation (%)	0.2	0.8	1.0
Case not closed at year-end (%)	0	2.6	0.3
Number of complaints solved (%)	100	97.4	99.7

Measure 1: Improve the Consumer Dispute Resolution Procedures and take settlement as the highest priority, thereby accelerating the handling of customer complaints effectively.

Instantly make a contact and properly handle complaints, so as to review the causes, avoid them, and make an improvement.



Measure 2: Introduce ISO10002 to align with international standards and strengthen financial consumer protection

Enhance customer complaints handling procedures and systems; certified by the ISO10002 (Customer Satisfaction Management System) Certification conducted by the British Standards Institution, an independent third party, in 2021, establishing a customer reflection management mechanism that is more demanding than as required by external institutions.

1. Root cause analysis; prevention and improvement

- Enhance the root cause analysis, and prevention and improvement projects for customer complaint cases.
- Enhance the review and improvement for complaints of the same type that recurred within 30 days.

2. Settlement rate management

Ensure that customer complaints are properly dealt with; set a goal to reduce the recurrence of the same dispute; reach a settlement rate above 90%.

3. Enhance the spirit of self-improvement and self-correction

Assemble an internal ISO audit team to sample the complaint cases for review, inspect the complaint filing procedures; propose issues and improvements, so as to achieve continuous improvement.



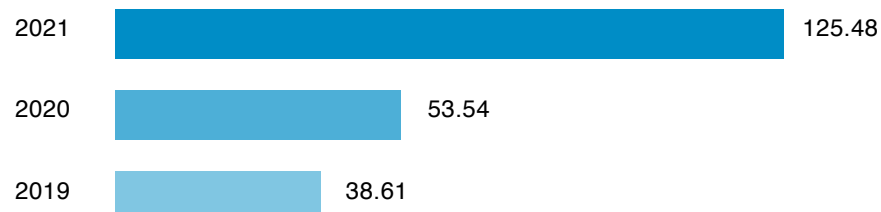
Measure 3: Watch over customer assets via interagency anti-fraud efforts

Frauds have been recurring in the past few years. To fulfill the role as an administrator and safeguard customers' assets, E.SUN has established an inter-departmental Anti-fraud Task Force. We also established an abnormal transaction monitoring model and designed an abnormal account alert mechanism; created a blacklist jointly with the National Police Agency; and enhanced employee training and advocacy among the general public. In 2021, E.SUN successfully blocked 340 cases of fraud, which amounted to NT\$125,482,915 (excluding foreign currency remittance), up 134.37% from the previous year, effectively preventing customers from being deceived and maintaining social and financial order.

340 cases of fraud blocked

125 million amount of fraud blocked

Blocked fraud in monetary value (Unit: NT\$M)



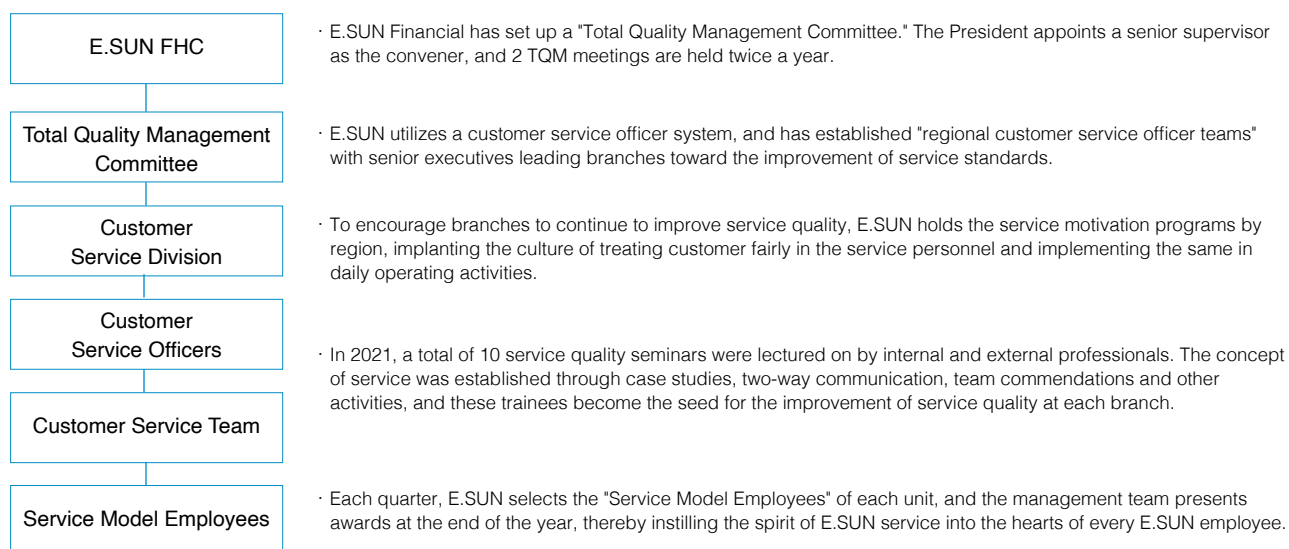
【E.SUN website: Anti-fraud Section】

By consolidating the various anti-fraud announcement, E.SUN added the "Anti-fraud Section" to our official website. Aside from reminding customers to be alert, E.SUN also gave them instruction as to how to respond when encountering a fraud, including: Sharing of common fraud patterns; case sharing; actions to be taken when encountering a fraud.



■ Create Customer Satisfaction from Customer-Centric Standpoint

E.SUN continuously deepens the corporate culture of service by the "Customer Service Management System", which is a top-down advocacy mechanism. To upgrade service quality management, external mystery shopper inspection has been ushered in across physical, digital, and call center channels. Emphasis is placed on enhancing customer satisfaction across the board and striving for services that truly cater to customer needs. The ultimate goal is to consolidate E.SUN's standing as the favorite bank among customers.



Case | Better service quality with science

To enhance service quality, and to avert the scenario where our operating procedures or services adversely impact customer rights, the executives have been certified by the "TSAA Mystery Shopper Certification". E.SUN also provide training for customer service officer team at different region at the same time. In 2021, E.SUN collaborated with an external consulting company for the first time on the "mystery shopper project", examining the satisfaction rate and implementation results from the perspective of a third party. Through the suggestions derived by the mystery shopper, E.SUN finds out the service gap, and formulate short-, medium-, and long-term improvement plans accordingly, so as to stand by the side of customers and implement the protection for their rights.



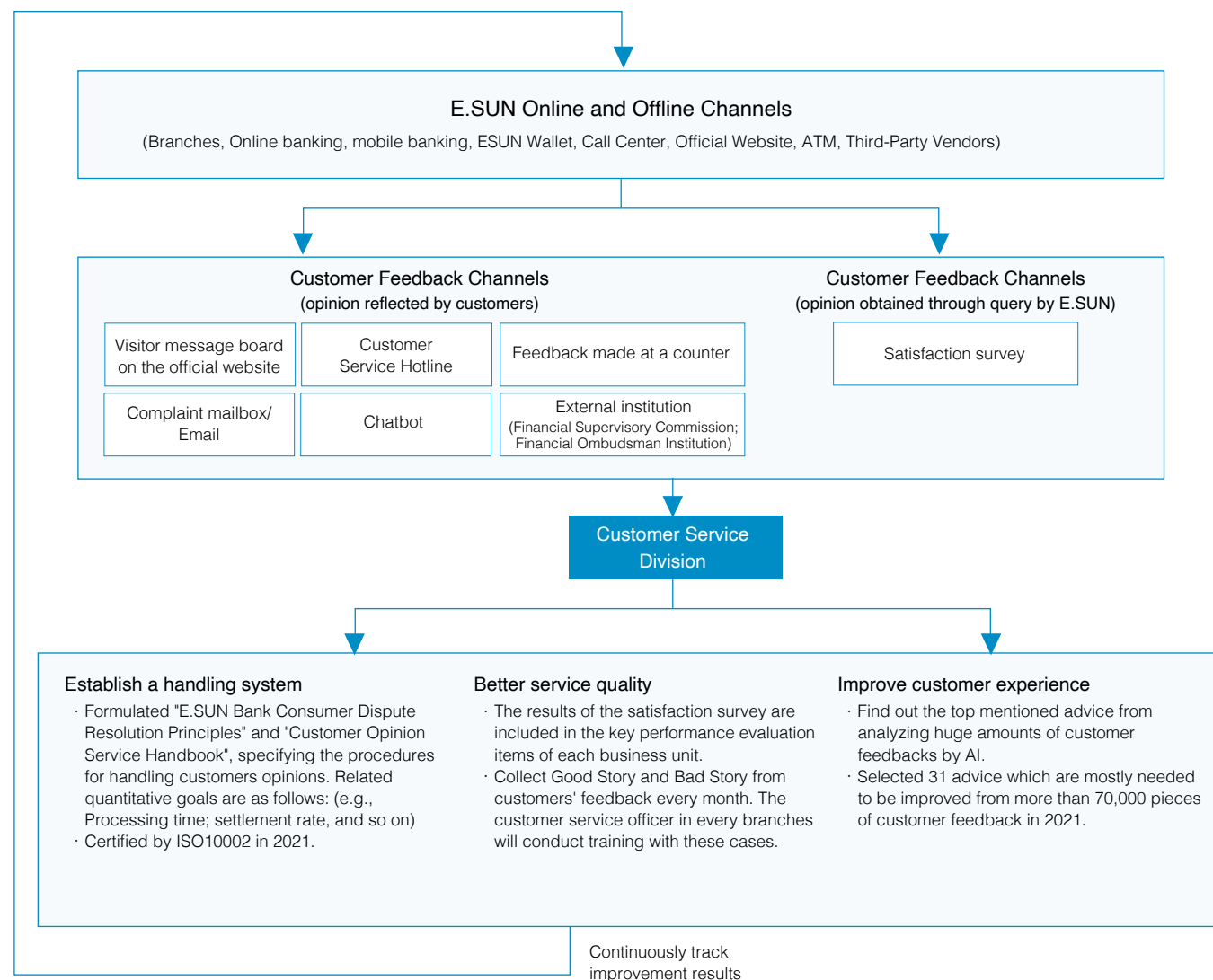
【 Best Customer Service Employees 】

Service Model Employees of the Season selected every quarter are the service leaders of each division who ensure that the service spirit of E.SUN can be ingrained in the minds of every E.SUN employee. In 2021, a total of 166 model employees have been selected, and 18 out of 166 is received permanent Service Model Honor.



Highly valuing the opinion of each customer, E.SUN listens to customers to know their expectations, and to look for actions that will enhance the customer experience. Started from 2016, E.SUN has been surveying the satisfaction rate for online services and offline services. The survey results, aside from being a critical criterion for the performance evaluation of each business unit, are also a critical reference for E.SUN to optimize each type of services. To more effectively manage customer opinions, in 2021, E.SUN launched the "Customer Experience Improvement Program", which was undertaken by the Customer Service Division, a dedicated unit, which was responsible for coordinating the establishment of channels through which customers may convey their opinions, handling customer opinions, and tracking the follow-up improvement. In doing so, E.SUN created a virtuous circle, thereby creating customer satisfaction and recommendations.

Customer Experience Improvement Program



Case | Streamlining the account opening procedures

Since 2020, E.SUN has received customer complaints reflecting the lengthy time they had to spend or the offense they felt when they were opening an account. The management team highly valued such feedback and set up a project team dedicated to improving the procedures. The Independent Director, Professor Ruey-Lin Hsiao was highly participate in the team. Professor Hsiao fused methodology with academic and financial practicals to explore customers' pain points in opening an account with E.SUN, and to make improvement. In the short-term aspect, E.SUN adjusted the form design and the KYC procedures; in the long-term aspect, E.SUN will remake the O2O procedures. The short-term improvement measures yielded an increase in customer satisfaction rate for account opening by 2%, and have since seen no complaints about account opening.

Case | Mobile banking service improvement

The pandemic has frequented customers' use of digital services, boosting their feedback on mobile banking services at the same time. The analysis indicates the most common customers suggestions, namely "Time deposit function", "Query about the number of times of fee-free transfer and the number of times already used", and "The transfer notification allows an option as to whether to conceal own number". E.SUN's development team then refers to such customer suggestions when designing the development procedures, in order to satisfy customers needs and improve user experiences.

To measure customer satisfaction rate and their willingness to make a recommendation, E.SUN launched the Net Promoter Score (NPS) to benchmark against the standard of peers and those in different industries at home and abroad. Meanwhile, to listen to more diverse voices, E.SUN actively expands the scope of survey, including survey collection and distribution channels and survey items, so as to provide more diverse two-way communication channels.

91.20% Overall satisfaction *

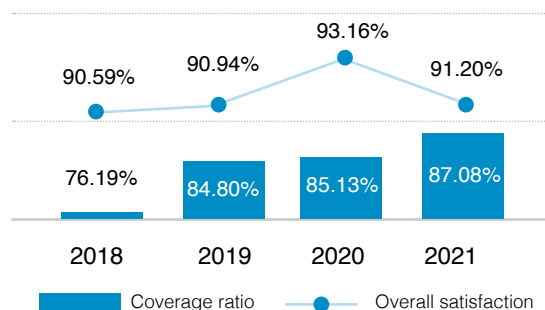
53.98% NPS

87.08% Coverage ratio **

* To obtain yearly overall satisfaction rate, E.SUN adopted the weighted average to better calculate different types of service. (Physical service is 92.54%, digital service is 90.15%, call center service is 91.52%.)
Adjustment of the calculation rules for the coverage ratio.

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

Overall satisfaction 、 Coverage ratio



Note 1: E.SUN adopted new calculating method in 2021. In order to ensure the consistency of the calculation, the satisfaction rate of 2018~2020 were recalculated using the new method.

Note 2: E.SUN conducted general satisfaction survey in 2021, which includes customers who rarely use E.SUN service. As a result, the satisfaction rate of 2021 was lower than that of 2020. However, the satisfaction rate still surpasses the target rate and demonstrates upward trend since 2018.

Case I Offering suitable services from the needs of customer

Ms. Huang, a senior customer aged 86, was denied access to her online bank account due to incorrectly entering her user ID and password; she came to one of our branches for help. Things didn't go well at first because she was relatively slow in motion and unfamiliar with computer operation. Despite so, E.SUN's receptionist at the lobby guided her step by step, patiently and with a soft tone, to completing the change of email passwords and application for online banking services. Feeling deeply gratified, Ms. Huang phoned the head office to express her gratitude, stating that the E.SUN colleague, as opposed to being impatient - as was common with customers of old age, patiently and carefully guided her through, and that she wishes to express her being moved.

Service has always been in E.SUN's DNA. Only by offering warm and memorable services with sincerity can we create real value for customers.

4.10.2 Supplier Management

GRI:2-25、204-1、205-2、308-1、408-1、409-1、412-3、414-1；GRI G4 Financial services sector:FS5

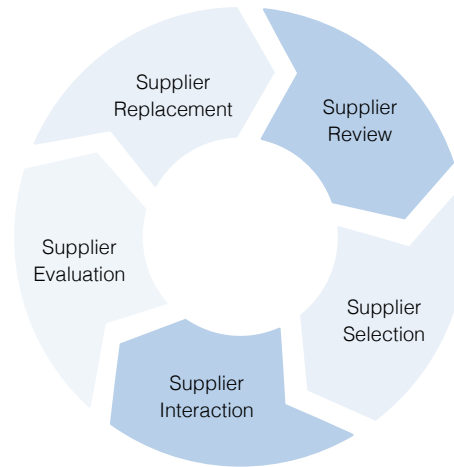
In 2021, E.SUN worked with 1,649 suppliers chains include service supply chains, equipment supply chains, and project contractors; the service includes postal services, logistics, security, electronic equipment, telecommunications, furniture, civil engineering, and architectural design.

Implementing sustainable procurement standards

To establish a supply chain that protects the environment, human rights, safety, health and sustainable development, E.SUN implemented ISO 20400 Sustainable Procurement - Guidance to devise procurement policies in 2021. We stipulated in the regulations governing supplier management that the state of the supply chain be understood through an investigation, and that supplier management be conducted to prevent, address, correct, or control potentially adverse sustainability impacts. Accordingly, the bank formulated action plans and established the supplier items in need of regular supervision as well as measures to quantify performance. External audits and reviews were moreover conducted to examine whether all requirements were met. E.SUN selects qualified suppliers in accordance with the E.SUN Bank Supplier Management Guidelines, and works only with suppliers that comply with local regulations, have signed the Statement of Commitment to Human Rights and Environmental Sustainability, and adhere to the E.SUN FHC Corporate Social Responsibility Guidelines for Suppliers. The statement clearly specifies E.SUN's requirements and expectations of the supplier regarding environmental health and safety, prohibition of child labor, labor management, elimination of any form of forced labor, absence of damage to basic labor rights, basic human rights, the code of ethics, and ethical management.

In 2021, E.SUN interacted with a total of 706 suppliers, all of which complied with the ethical management clause in our Corporate Social Responsibility Self-Assessment Form for Suppliers. To enhance supplier management practices, the bank introduced the Supplier's CSR Self-Assessment Form and, according to the Supplier Visit Questionnaire, occasionally pays visits to key suppliers and record the results. The purpose of the visits is to verify the status of corporate social responsibility practices by suppliers, and the assessments cover economic, environmental, and societal dimensions as well as green management practices. Furthermore, 100% of the new suppliers added in 2021 were selected in accordance with these principles. No significant deficiency and changes were discovered.

Supplier management procedures



Sustainable supply chain engagement

- We require suppliers performing highly dangerous work, including subcontractors in new building projects or branch renovation projects, to comply with the Occupational Safety and Health Act. In addition, responsible persons of said suppliers and E.SUN employees must provide health and safety training for the operators involved and raise awareness against danger in order to reduce injuries in the process.
- Ethical corporate management: Where the total purchase of goods and services exceeds NT\$1.5 million in a year, E.SUN will meet with the supplier to discuss business philosophy and highlight the importance of ethical corporate management.
- The Supplier Convention was canceled in 2021 due to the pandemic. We selected 43 suppliers based on transaction frequency to do a questionnaire on sustainability with them. Suppliers described their plans on the supplier self-assessment questionnaire. On their plans, they stipulated that they acquire information security certification, that they enhance employee welfare measures (including aligning their labor practices with local laws and regulations), and that they enhance green purchasing.

Sustainable Procurement Principles

- Priority is given to procurement and use of various building materials, equipment and appliances that have obtained green building materials certification and environmental protection certifications that also meet the requirements of laws and regulations.
- Procurements should be made based on the principle of standardization and consistency to facilitate unit adjustment, remodeling, refurbishment and other purposes of re-use.
- Continuously improve the supplier management mechanism, including streamlining the document application process and identify the risk of transaction counterparties, and so on.
- A diverse range of initiatives are proposed to suppliers, such as equal job opportunities for ethnic minorities, women and people with disabilities.
- E.SUN also reviews whether the supplier is involved in environmental pollution, violation of government labor regulations, or acts endangering social welfare, etc. If the supplier is involved in the foregoing matters, it will be required to provide explanations or excluded from cooperation.

Local procurement and green procurement

E.SUN has long adhered to the local procurement policy. As a priority, local suppliers are the main sources of goods for various types of procurements. The proportion of expenditures on local suppliers in 2021 was 97%. To fulfill SDG 12, "Responsible Consumption and Production", E.SUN has actively responded to the green lifestyle and consumption policy for the public promoted by the Taiwan EPA. Upholding green and eco-friendly procurement principles, the bank conducted green procurements amounting to NT\$215 million in 2021, and the cumulative amount spent on green procurements has exceeded NT\$1.5 billion.

E.SUN continues to participate in the EPA's Green Procurement Program for Private Enterprises and Organizations. E.SUN has been named an outstanding benchmark organization for "Green Procurement by Private Enterprises and Organizations" by Environmental Protection Administration Executive Yuan for 10 years in a row. The goal is to facilitate an upgrade of the green industry through green procurement and improve the conditions regarding the environment as a whole. Meanwhile, we exercise our influence through purchases and sales to raise awareness of environmental conservation and green spending among business partners and encourage them to invest in the development of green products and technology in order to create opportunities in sustainability together.





CH5

Our People

E.SUN is committed to "making E.SUN the second home for employees" by providing a competitive salary, different development opportunities and diverse welfare measures that meet the needs of colleagues, so as to attract and retain the most suitable talents to build a hopeful future together.

5.1 Talent Cultivation and Development

GRI: 3-3, 402-1, 404-1, 404-2, 404-3; GRI G4 Financial services sector Disclosures indicators: FS4, FS16

Upholding the idea of "Talent is a key and leading indicator", E.SUN has been committed to talent cultivation and development, building a work environment that can inspire employees' passion, unleash their potential, and enable self-worth in them. In doing so, we have become the enterprise that they take pride in, and therefore their favorite.

■ Cultivation and training

(1) Employment Training System

E.SUN continues to provide a complete training framework, including three main axes: training for new recruits, financial professional training, and leadership management ability training. Through the framework, the bank provides diversified learning and development for employees at various career stages that are based on multiple aspects including financial trends, corporate strategy, customer needs, and talent functions. The bank will moreover continue to reform and innovate, so that the cultivation of talents at each stage can meet the expectations of the company, the environment, and employees.

2021 Training Outcome

- A total of **394** internal training courses were held and attended by a total of **176,573** persons
- **914** seminars hosted by professional training agencies were held and attended by a total of **5,585** persons
- On average, each employee has been trained **19.7** times
- The average training hours per person is **48.57** hours

(2) A "hybrid learning mode" comprising remote / online / classroom learning

To cope with the pandemic and avoid inter-county commuting, E.SUN shifted the education and training to videoconferencing courses in mid-2020. As the pandemic trended to its peak in Q2 2021, E.SUN started to allow employees to work from home, or work a staggered shift, causing the videoconferencing courses to discontinue. As so, we shifted the courses to remote ones conducted through Webex so as to continue the training. In addition, by leveraging the built-in interactive function of Webex and other interactive platforms, courses were lectured in a way that saw their richness and interactivity increase.



Course name	Description
Professional courses for all positions	<ul style="list-style-type: none"> By applying the Webex videoconferencing technology to the digital courses on E.SUN's "e-Learning+" platform, we delivered a hybrid teaching mode, using synchronous and asynchronous courses to enrich diversity and richness. In addition, the interactive functions and platforms improved the interaction among lecturers and trainees in synchronous courses. After the pandemic eases, staff in northern Taiwan will take classroom courses, whereas staff in central and southern Taiwan will take remote synchronous courses by Webex video conferencing in order to avoid large-scale inter-county commuting.
Orientation for new clerks	By dividing the class into 8 groups of 4-5 trainees each, we offered courses to each group at 8 separate sites by Webex videoconferencing, providing a remote learning experience while enabling face-to-face interchange among trainees. In this way, lecturers can design courses more flexibly, and in doing so improve the richness and contents of the courses as a whole.



Corporate Banking Assistant Relationship Manager (ARM) courses

Type of training	Participants	Number of participants	Satisfaction rate for the course	Satisfaction rate for the lecturer	Pass rate for the course
Professional training	Corporate Banking ARMs; Personal Finance AOs; Financial Consultants	1,474	95.95%	95.95%	100%
Orientation	New clerks	295	96.05%	96.18%	100%

(3) Strategic talent cultivation

Corporate strategy	Training courses	Course objective	Participants	Course content						
Establish 139 bilingual branches in Taiwan by 2026	Bilingual branch seeds cultivation courses	Improve the interaction in the English language between Corporate Banking staff and foreign-national customers in the existing 30 bilingual branches	30 bilingual branch seeds	<p>Courses are divided into three stages, namely Pre-test, English Speaking Workshop, and post-test;</p> <p>(1) Pre-test and Post-test: Professional oral proficiency tests, such as Q&A or role-playing in a particular scenario</p> <p>(2) English Speaking Workshop: Courses are tailored to financial services topics, and lectured on in groups by foreign-national teachers.</p> <div></div> <p>Bilingual branch seeds cultivation courses</p>						
Cultivate an extremely professional expert team and integrate resources of the financial holding company to develop private banking	Private Banking consensus camp	Build consensus among the Private Banking Team and strengthen the capability to manage customers	Northern, Central, and Southern Private Banking Center Private Banking Division	<p>Leverage diverse courses lectured on by internal and external lectures to broaden the horizon of the Private Banking Team while improving its customer management capability and language conversation proficiency</p> <p>Private Banking Talent Cultivation Resources</p> <table><tr><td>Private Banking Workshop</td><td>External professional courses</td><td>Online courses for financial consultants</td></tr><tr><td>Soft issues sharing</td><td>Interchange among PBCs about license test tutorial</td><td>Basic teaching materials for products</td></tr></table>	Private Banking Workshop	External professional courses	Online courses for financial consultants	Soft issues sharing	Interchange among PBCs about license test tutorial	Basic teaching materials for products
Private Banking Workshop	External professional courses	Online courses for financial consultants								
Soft issues sharing	Interchange among PBCs about license test tutorial	Basic teaching materials for products								

Outcome

Course name	Number of participants	Satisfaction rate for the course	Satisfaction rate for the lecturer	Facilitate business in practice
Bilingual branch seeds cultivation courses	60	93.8%	93.0%	92.4%
Private Banking consensus camp	75	94.4%	91.6%	94.4%

(4) Enterprise Transformation Cultivation Program

When facing a volatile external environment, a resilient enterprise should be capable of forecasting, preparing for, and adapting to continuous environmental changes, thereby creating new competencies through a reform or a transformation - that's when sustainable management and long-term value are achieved. In recent years, in addition to focusing on heavily cultivating our financial professions, we have provided training courses and activities related to fintech and sustainable development, strengthening our financial "sustainability" and "technological capacity". Two major cultivation programs implemented in 2021 are as follows:

■ ESG Sustainable Finance Cultivation Program

Coverage ratio 100%

Program description

1. Universal Improvement in ESG Awareness Across the Bank

Objective:

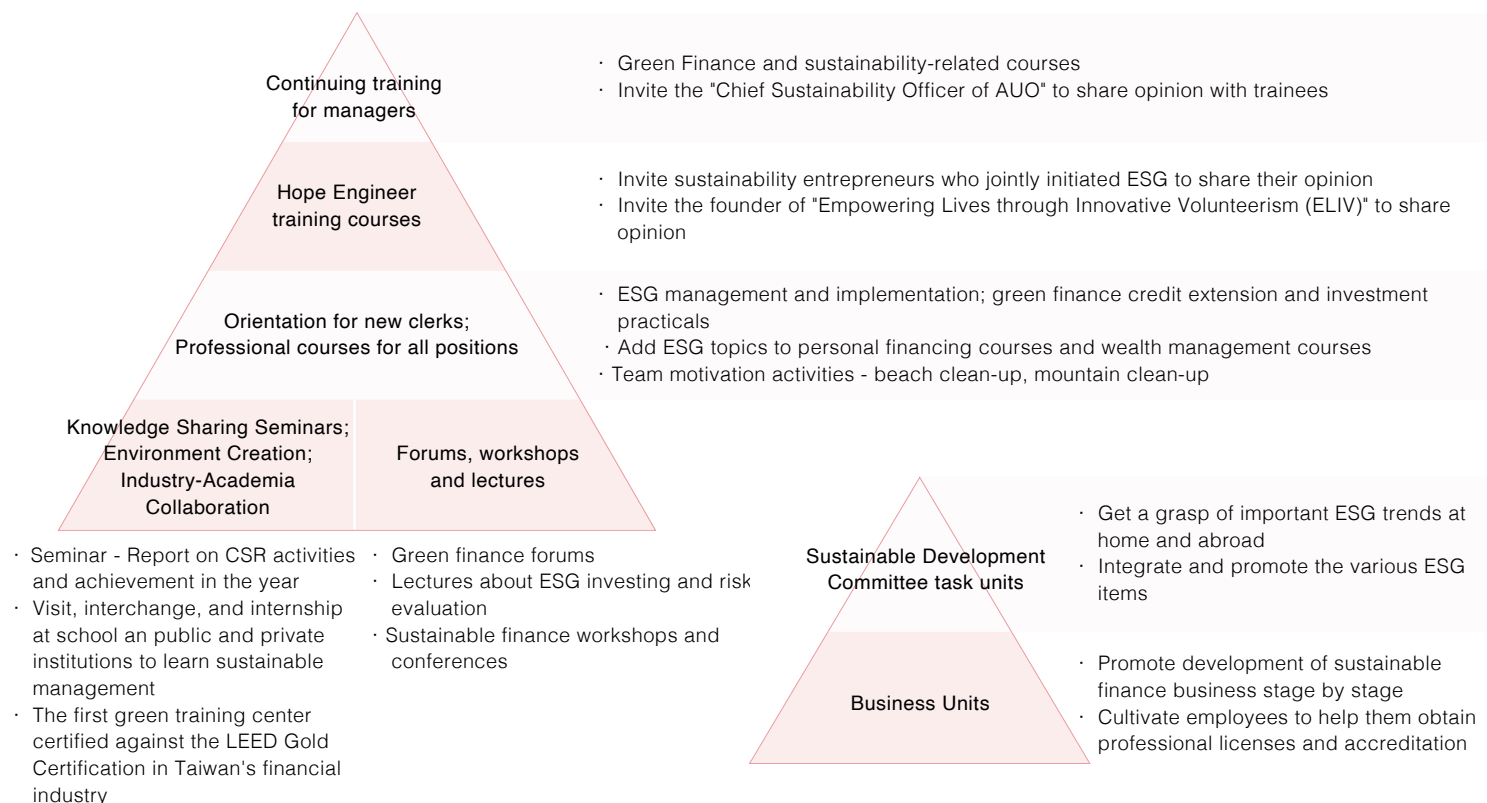
Sustainability-conscious talents are one of the core competitiveness of an enterprise in the future. Given this, we hope to create a virtuous circle for sustainability and business performance by hosting various education and training to improve the ESG awareness of our employees, and by encouraging them to fuse sustainability concepts with financial professionalism. Also, by providing diverse volunteer activities to make our employees engage in sustainability issues on a recurring basis, we hope to improve the ESG awareness across the Bank, thereby heading toward sustainable development jointly with them.

Targets:

All E.SUN employees

Cultivation direction:

Fuse ESG issues into courses tailored to employees at different level and in different position, and invite external lecturers and entrepreneurs to share their opinion on sustainability issues, so as to constantly improve the sustainability thinking of all employees to pursue enterprise growth. Host volunteer activities such as beach clean-up and mountain clean-up for employees to fulfill sustainability through participation in person. In addition, to continue to strengthen corporate governance, the company's organizational development, risk management, internal control, and legal compliance practices are also announced through bank-wide seminars.



2. Corporate sustainable development professional training - corporate banking

Objective:

By taking periodic and non-periodic diverse training, the RM team is expected to improve its ESG thinking, get a good grasp of sustainability regulations and trends as well as supply chain requirements, and advance its ability to communicate with hidden champion customers, thereby identifying the ESG pain points and potential demands of E.SUN, becoming E.SUN's best partner towards ESG transformation, and continuing to strengthen customer management and ESG products sales, and in doing so sharpening E.SUN's sustainability competitiveness.

Targets:

Managerial colleagues of the head office's Corporate Banking Division and the various regional centers; 16 sessions of education and training courses were held in 2021, reaching 5,000 people.

Monthly meeting / ESG education and training	No. of sessions	Reach
Intermediate-size and small and medium-size monthly meeting of the Global Commercial Banking Center	11	1,821
Customer Base Management	8	2,664
Domestic and overseas Corporate Banking	1	824
China subsidiary	1	43
Overseas (all entities)	2	418
All Corporate Banking entities	1	615
SBT (all domestic entities)	1	615
PRM Workshop; ARM advanced courses	2	149

Cultivation direction



Business benefits and effectiveness of training programs

【 Business benefits 】

By constantly getting grasp of sustainability trends and customer needs, E.SUN has fused the spirit of ESG with business, for instance: We encourage customers to set ESG goals; offer ESG-linked loans; engage in project financing for projects concerning the various renewable energies; assist customers in issuing sustainable bonds; and increasing the ratio of ESG loans to total loans for consecutive years, successfully creating a virtuous circle for ESG and business performance.

【 Training outcomes 】

Item	Indicator	2019	2020	2021
L1 Reaction	Course satisfaction	92.50%	93.29%	94.80%
L2 Learning	Course completion rate	99.34%	99.87%	98.00%
L3 Behavior	Number of training course participants taking part in volunteer activities	730	862	296
	Staff turnover rate (Corporate Banking positions)	6.61%	5.19%	7.1%
L4 Results (NT\$ M)	Green loans	-	11,106	18,726
	ESG-linked Loans	-	285	10,681
	Loans to ESG industries	-	249,685	261,464
	Total sustainable loans	275,447	261,076	290,871
	Sustainable bonds underwriting	5,915	1,250	8,160
L5 ROI	Profit / training course related costs	5.95	43.11	38.54



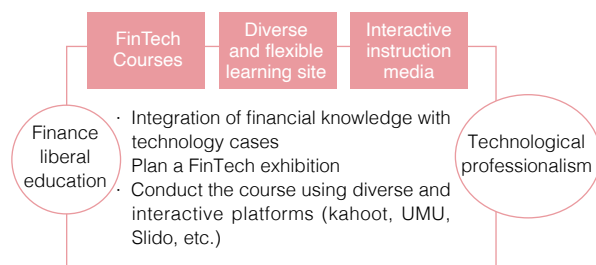
■ Technology empowerment cultivation program

Coverage ratio 28%

Program description

1. Tech Team orientation for new clerks

- Objective:
Adhering to the principle of aligning professionalism with job duties and talent with job posts, E.SUN plans the orientation courses for new clerks of the dedicated Tech Team, in the hope to foster fresh tech talents through such dedicated courses.
- Targets:
Tech Team new clerks
- Cultivation direction:
Course contents and interaction methods are designed by professional course, by learning site, and by instruction media, based on the knowledge background and professional competencies of the Tech Team. By fusing financial liberal education with technological professionalism, we create the dedicated orientation courses, which are conducted through diverse interactive platforms to increase the fun and richness.



2. Tech Team management capability and technological capacity cultivation program

- Objective:
To improve the communication and coordination efficiency of the Tech Team, E.SUN leverages the collaboration among different teams to accelerate our fintech development and digital transformation. As so, the Information Technology Division adjusted its organization structure in 2021. By continuously strengthening the fintech strength of the Tech Team and each sales department, we hope to cultivate more exceptional tech talents.
- Targets:
Tech Team leaders; potential talents of each unit
- Cultivation direction:
In consequence of its organizational adjustment, the Information Technology Division holds monthly leader meeting to share management issues. Through the sharing, the Tech Team leaders will improve their managerial capability and exert their influence, thereby facilitating collaboration among teams.
In addition, the professional skills of the Tech Team as a whole are constantly cultivated in terms of information security, data, and technologies. Employees' knowledge and professions are improved and applied to business practicals. Potential talents for each sales management unit are cultivated, so as to integrate technology with the business of each sales management unit to accelerate a Bank-wide digital transformation.

Course name	Number of participants	Hours	Course content and objectives
Tech Team lecturer training courses	36	8.5	Enhance the instruction skills of internal lecturers, and their capability to design courses and interact with trainees, so as to cultivate more exceptional lecturers.
Training courses for advanced PM	68	12	
Training courses for reserved PM	50	5	
Training courses for ABA & ASA	53	16	
Training courses for BA & 5A	86	5	
RPA developer cultivation program	86	32	
Python	43	9	
ISO 27001:2013 lead auditors courses	24	24	<ul style="list-style-type: none"> Cultivate employees for them to establish or enhance the knowledge and professional capability required of their job position Help employees improve the professional capability required of their job position and apply such capability to their job Continuously strengthen the knowledge and professionalism respecting information security

3. Subsidies for professional technological licenses and certifications

· Objective:

The objectives are to actively cultivate technological professionals; and to encourage employees to improve technological skills and obtain special-purpose and professional licenses, so as to align with the development of strategy in the future.

· Targets:

Tech Team leaders

· Subsidized items:

1. Microsoft Associate Certification; Microsoft Specialist Certification; PMI-ACP (Agile Certified Practitioner) ; SAS Certified Predictive Modeler Using SAS Enterprise Miner; SAS Certified Platform Administrator for SAS 9; Oracle Certified Master; Java Oracle Certified Expert, and so on - each may be subsidized NT\$ 20,000~30,000; so far, 238 pieces of special-purpose professional licenses was subsidized.
2. Technology-driven digital transformation" is the development strategy that E.SUN holds as advancing towards our fourth decade. The cloud technology, in particular, is one of the core competencies. In order to strengthen our cloud technology strength, we collaborate with Microsoft. For instance, we fully subsidize our Tech Team members for them to take the "Azure certification courses", which have been registered by 350 Tech Team leaders.



Business benefits and effectiveness of training programs

【 Business benefits 】

Accelerated by the fintech power, E.SUN's digital business has had a healthy growth in the past few years. The collaboration and brainstorming between the Tech Team and each sales management unit further advance our pace toward digital transformation. For instance: We have deepened customers' digital experience; achieved good sales figures for various digital products; established innovative financial products such as "E-click loan" using AI technology to create a loan process with zero manual intervention through which customers can obtain funds in as few as 58 seconds and created human-oriented digital distribution channels, constantly improving our mobile banking services and Internet banking services and thereby providing more quality customer experience.

【 Training outcomes 】

Item	Indicator	2018	2019	2020	2021
L1 Reaction	Course satisfaction	95.2%	96.6%	93.9%	97.9%
L2 Learning	Number of professional license holders related to channel transformation	726	823	892	992
	Number of bank employees with certified digital ability	-	1,021	1,531	2,434
	Staff turnover rate (tech team)	10.5%	10.7%	11.3%	11.3%
L3 Behavior	IT-related employee percentage	94.7%	96.5%	93.9%	87.16% ^{Note}
	Number of patent acquisition	3	11	38	26
L4 Results	Online loan - unsecured personal loan (NT\$ B)	4.71	8.558	10.667	22.876
	Online loan - mortgage (NT\$ B)	5.246	6.555	10.13	12.798
	Online loan - unsecured personal loan (applicants)	19,955	30,990	66,988	107,541
	Online loan - mortgage (applicants)	3,548	4,590	5,258	6,370
	Customer satisfaction on digital platforms	90.5%	90.8%	93.1%	90.2%
L5 ROI	Profit training course related costs	11.23	24.2	38.16	38.16

Note: The results of employee engagement survey and improvement measures, please refer to p.131.

■ Job rotation training

Through rotation training, E.SUN cultivates multi-skilled professional financial talents and provides a broad career path, so that employees have the opportunity to enrich their professional skills and improve management thinking through rotating to different departments or participating in various projects. This enables them to build their own future through their own hands.

1. Job rotation and internal talent recruitment

Item	Description	Implementation outcome
Internal talent recruitment	Purpose: Encourage well-performed employees to expand capacities through applying for available internal vacancies. Targets: Employees who are willing to engage in interdisciplinary development.	In 2021, a total of 84 people applied for internal recruitment.
Job rotation training	Purpose: Initiated by head office; cultivate talents of potential based on the company's needs while implementing internal audit and control management. Targets: High-potential employees with outstanding performance.	In 2021, a total of 551 people engaged in rotation training.

Percentage of open positions filled by internal candidates

Item	2018	2019	2020	2021
Percentage of open positions filled by internal candidates	47.26%	46.43%	73.95%	59.24%

Demographic data of employees who filled out internal vacancies in 2021	Gender		Age			Position		Total
	Male	Female	Under 29	30-50	Over 51	Managerial	Non-managerial	
Persons	308	327	184	419	32	219	416	635

2. Appropriate arrangement of job rotation

E.SUN comply with laws and regulation of 5 principles of job rotation, in response to our business development, as well as the shortest notice period for material operational changes in job rotations for employees' career development. The bank provides employees with about 2 weeks for hand over and to prepare for working in a new environment. In the event of a situation specified in Article 11, 13 or 16 of the Labor Standards Act, the notice period as below.

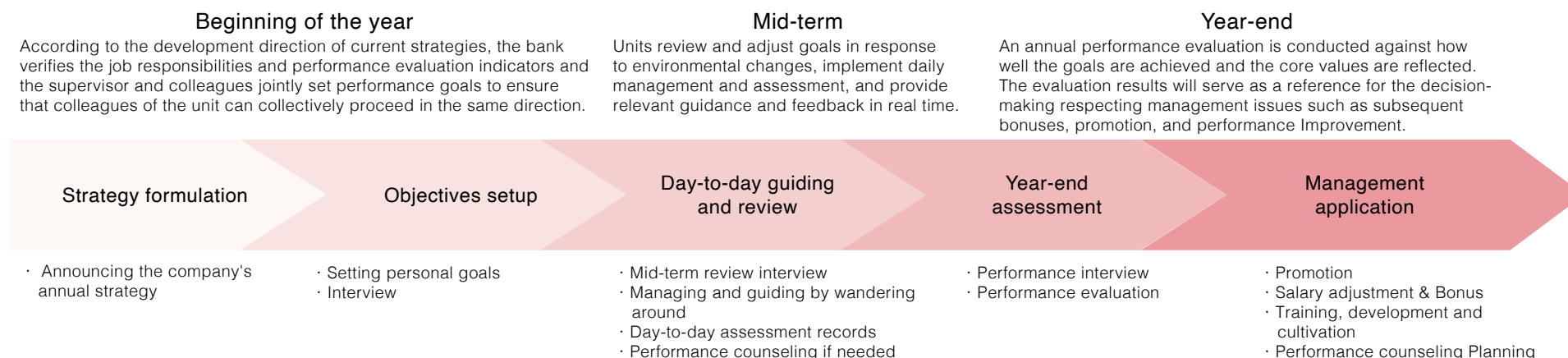
1. Notice shall be given 10 days in advance for employees who have worked at the Company for 3 months or more but less than 1 year.
2. Notice shall be given 20 days in advance for employees who have worked at the Company for 1 year or more but less than 3 years.
3. Notice shall be given 30 days in advance for employees who have worked at the Company for 3 years or more.



■ Performance development

1. Talent development-oriented performance management system

E.SUN enforces talent development-oriented performance management. The bank identifies high potential talents through two-way communication and performance interviews, and provides them with different development opportunities that enable them to carry out their career development plans. In 2021, all E.SUN employees participated in the performance management cycle, which offered specific description and guidance that enabled all employees to fulfill tasks such as goal setting and year-end performance evaluation. In addition, a performance improvement and KPI workshop was provided to improve performance management transparency and leaders' performance management capability.



2. Multi-dimensional evaluation for the purpose of growth and development

E.SUN has always focused on talent development and cultivation. Since 2013, the bank has been implementing a 360-degree feedback system to strengthen team communication through different dimensions of feedback, assist supervisors in self-awareness, enhance leadership and management capabilities, and to provide future reference for the improvement of management capabilities and career development.

In 2021, we replenished our e-learning platform with the Chinese-language and English-language guidelines, a description of managerial occupational competency, and suggestion of learning and development. In doing so, we helped leaders at home and abroad understand their competency performance and their strength and weakness, which may render a reference for their self-development and career development in the future. In addition to understanding the performance of one's abilities, the participant can obtain valuable information about future development through open-ended feedback. The relevant results will be applied to curriculum arrangements and personal development plans.

Outcome of the 360-degree feedback system

In 2021, a total of **2,472** participants receiving feedback

A total of **18,015** feedback questionnaires were received

Each participant received an average of **7.3** feedback

5.2 Talent Attraction and Retention

GRI: 3-3, 201-3, 202-1, 401-2, 404-2

E.SUN carefully selects a group of like-minded partners. The bank actively invests resources in recruiting outstanding and potential talents, and is committed to "making E.SUN the second home for employees" by providing a competitive salary and welfare system that meets the needs of colleagues, so as to attract and retain the most suitable talents to build a hopeful future together.

■ Recruiting a Diverse Pool of Professionals

Talents are both a leading indicator and a key indicator. 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 invested in industry-academia cooperation in recent years.

Item	Description	Effectiveness
Internship programs	Provide 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. In recent years, to accelerate the development of innovative financial technology products and services, through the recruitment of talents of diverse backgrounds, students from related disciplines such as business management, information science and technology, law, and foreign languages have been called on to participate in Internship programs.	<p>Interns of financial profession They include interns at the sections of financial services, wealth management, and trust; there were 151 students in 2021, and has been 695 interns since 2014.</p> <p>Interns of fintech professions To facilitate digital transformation, we actively cultivate and recruit talents having information and digital skills. There were a total of 12 students in 2021, and has been 32 interns since 2019.</p>
Forums and lectures	Speakers engaging in financial work share their experience in their professional fields with students, so that students understand the financial innovation development trend and practicals of management of retail banking, corporate banking, and smart banking. Through great speeches, symposiums, and courses sharing, plus interaction with students, the speakers hoped to give students an understanding of the financial industry and thus a new thinking mode and value.	<p>E.SUN Financial Seminar Collaborate with the Department of Finance of National Sun Yat-sen University, 11 courses and 100 participants were included.</p> <p>Courses of the Institute of Finance, NYCU 4 speeches with topics covering banking and fintech were included.</p>
Campus competitions	<p>E.SUN has been valuing cultivation of digital, technological, and inter-discipline talents. We constantly host campus contest to provide students with an opportunity to exert creativity, discover themselves, and understand fintech.</p> <p>Upholding the idea of "enterprise members name the issues and participants solve the problems", since 2019, we have been holding the Artificial Intelligence Open Challenge, at which we invited AI professionals to solve real financial problems with AI, thereby finding a better solution to sophisticated fin-tech decision-making.</p>	<p>At the E.SUN Commercial Bank x National Chengchi University Campus Business Contest, the preliminary review featured more than 100 teams composed of 500 students of different disciplines from 26 universities.</p> <p>E.SUN AI Open Challenge We hosted such competitions separately in the summer and the winter in 2021, participated by a total of 1,326 teams of professionals, a record in the financial industry in Taiwan. So far, we have hosted 6 competitions, which were participated by more than 8,000 AI professionals from 5,524 teams.</p> <p>Google digital Talnet program In 2021, a total of 24 applicants submitted their resume, though only one applicant actually checked in. Since collaboration with Google in 2014, we have recruited 30 digital marketing talents.</p>



Item	Description	Effectiveness
Corporate visits	Get to know the work environment, corporate culture, and the current and future trends of the industry through in-person visits.	Student visits 4 sessions in 2021, totaling 225 participants.
Scholarships	Cultivate talents in financial, technological, humanity, and nursing fields, and those from countries of ASEAN, through sponsoring oncampus activities, financial courses and scholarship, and in so doing leave a nice impression on the staff and students of the academia.	Grants Distributed NT\$0.96 million in 2021 to students from National Taiwan University, National Chengchi University, and National Sun Yat-Sen University, etc. Scholarships In 2021, we awarded E.SUN Outstanding Talent Scholarship to 36 students, Nursing Talent Scholarship to 8 students, and E.SUN Bank ASEAN Scholarship to 7 students.
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 We established E.SUN AI and FinTech R&D Center with National Chiao Tung University in 2018, and AI and FinTech R&D Center with National Taiwan University in 2019, and worked on projects under the name of Academia Sinica X E.SUN AI R&D Center with Academia Sinica in 2020. Project cooperation We have collaborated with 30 professors with nearly 27 projects done, 20 projects in progress.



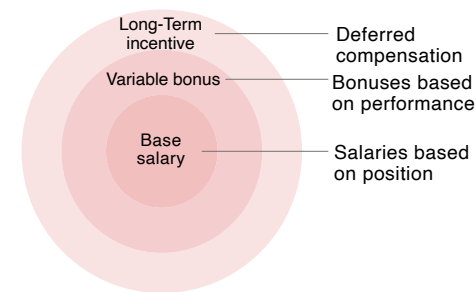
■ Retention

E.SUN cares about colleagues, takes care of colleagues, the bank provides incentives for attracting and retaining talents using a competitive salary and reward system that offers benefits superior to regulatory stipulations, taking care of colleagues at the workplace and at home. A comprehensive retirement protection system has also been planned to take care of colleagues from onboarding to retirement. Each year, after the bank holds the annual knowledge sharing seminars, through anonymous questionnaire surveys, the bank seek colleagues' feedback on business strategies, salary and benefits as well as employee care, etc. to serve as the basis for improvement. Through complete and comprehensive remuneration and benefits planning, we provide employees with comprehensive protection at all stages of their life journey.

■ Comprehensive remuneration and benefits planning

Salary and compensation "Setting salaries based on position and bonuses based on performance"

- Participating in the market salary survey every year and providing a reasonable and competitive salary system.
 - Setting a fixed salary according to job duties, professional skills, and market standard (including principal salary and various allowances)
 - Providing variable salary (including bonus and remuneration) according to the company's overall, unit, and individual performance.
 - Linking the organization's long-term business performance and corporate governance in establishing long-term incentives and rewards.
 - Continuously selected as a constituent stock of the TWSE RAFIR Taiwan High Compensation 100 Index since 2018.
 - In 2021, the average salary was raised by 3-5%^{Note}.
 - The average monthly salary of male and female ^{Note} non-management personnel in Taiwan is more than 1.9 times the local basic wage.
- Note: 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.



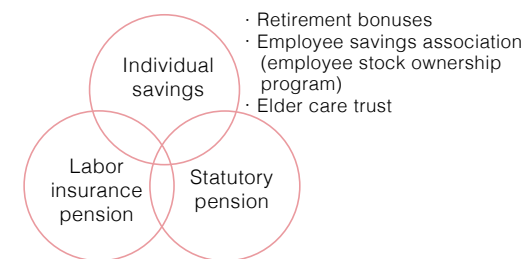
Welfare and employee care Making E.SUN "the second home for employees"

- Provided complete, comprehensive, and diverse welfare and employee care measures and established a solid talent foundation and a harmonious workplace environment.
- Created a workplace that gives an air of environmental friendliness, innovative technology, and arts by incorporating the concept of environmental sustainability management.
- Actively promote a variety of health and leisure activities, and pay attention to work-life balance.
- The first bank that established the "E.SUN Baby Development Fund", which not only encouraged employees to have children, but also had the effect of inducing other enterprises to emulate, thereby generating greater social influence.
- Aside from labor insurance and health insurance, other insurances are also provided, including life insurance, accident insurance, and critical illness insurance. Insurance premiums of an employee and his/her spouse and children are fully born by E.Sun; insurances for parents may be purchased at the employee's expense.



Retirement protection Encouraging long-term savings and ensuring retirement

- 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.
- To reward employees with outstanding performance, retirement bonuses in addition to pension may be provided according to their work performance or special contributions.
- 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. Provided retirement trust projects exclusively for E.SUN employees, encouraging them to plan asset allocation early on to ensure their retirement lives.



Three-pillar retirement protection

Diverse and long-term incentives

E.SUN provides all employees with diverse and long-term incentives to encourage their stay with us; we also encourage them to create long-term overall performance to facilitate our sustainable development.

Diverse and long-term incentives	Implementation method
Employee savings association (employee stock ownership program)	Employees are free to make monthly contributions to purchase the shares of E.SUN FINANCIAL HOLDING according to personal plans while the company contributes incentive bonuses thrice each year. In doing so, we encourage employees to hold our shares for the long-term.
Employee remuneration	Employee remuneration is distributed to employees in the form of shares to make them the owner of E.SUN.
Long term incentive	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 Glory Commemorative Coin.

Diverse welfare measures

ESUN cares about colleagues, provides diverse and comprehensive welfare measures, and values work-life balance, so as to create a happy second home for employees.

Friendly workplace

- Quality mentor program
- Comfortable, clean and gender equality workplace
- Multiple working hours, flexible working hours, part-time working option and work from home.
- Employee mess hall, parking lot, gym

Happy family

- Marriage / childbirth subsidies, NT\$100,000 in E.SUN Baby Development Fund
- Marriage related information forum
- Maternity / paternity leave superior to statutory requirements
- E.SUN handbook for new mothers, breastfeeding seminars for expecting mothers
- Breastfeeding room, pregnancy clothes
- Nursery room, maternity clothes and child supplies sharing platform
- Employee savings and employee loans

Health and recreational activities

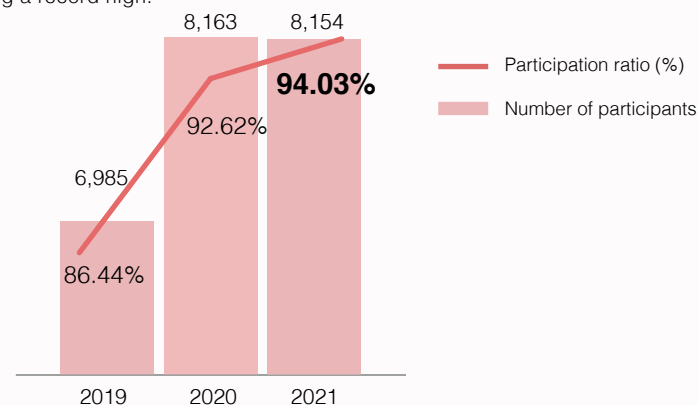
- Employee travel subsidies and accommodations
- Hiking and cycling around Taiwan
- Social club activities (table tennis, badminton, aerobics classes and so on)
- Sales and exhibition activities and contract merchant discounts
- Charity sales
- E.SUN choir group
- Music concerts (Vienna Boys' Choir, Mayday)
- Handcraft workshops

Family care

- Mother / father's day cards and monetary rewards
- Mother's Day Concert
- Child education subsidies, Outstanding children's award and E.SUN family care
- Family events
- Day care measures and facilities
- Chinese New Year accommodation for employees and spouses
- Special offers on children's foreign language learning activities
- Offer leave without pay

Employee savings association participation rate continues to set new highs

E.SUN has been promoting employee savings associations for a long time to encourage colleagues to plan for retirement. In 2021, the participation rate of savings associations reached 94.03%, which is an increase of 8% from 2019, setting a record high.



Consideration for employees' needs to fight the pandemic gives them peace of mind

Distributed consideration money rewards in the amount of **NT\$19.19** million overseas in 2021.

Collective quarantine subsidy in the amount of **NT\$2.73** million

As the COVID-19 pandemic was raging worldwide, to reduce the risk of cross-border movement and show our consideration for the feelings of our employees stationed abroad, we started offering "consideration money rewards" in 2020. In 2021, a total of NT\$19.19 million of "consideration money rewards" was distributed. As the pandemic worsened in the 2nd half of 2021, quarantine measures at borders became even stringent. To relieve employees' burden, for those who came back to Taiwan for a collective quarantine at their own expense, a collective quarantine subsidy will be granted. Subsidies amounted to NT2.73 million in 2021. In doing so, we strengthened our care for employees stationed abroad.

Item	2020	2021
Overseas consideration money rewards (NT\$10,000)	2,167	1,919
Collective quarantine subsidy (NT\$10,000)	-	273

Diverse paid leave supports employees

Taiwan was impacted by the COVID-19 pandemic in 2021. To guard the health of employees, their families, and customers, we encouraged employees to receive the COVID-19 vaccine by providing 2 days of fully paid "vaccination leave" for each dose, from the 1st dose through the 3rd dose. To show our consideration for employees need to take care of their children during the pandemic, we provided them with fully paid "pandemic-relief care leave" up to a certain number of days. In addition, in support of the pandemic control requirements, we provided paid "health monitoring leave" and "pandemic-relief quarantine leave". By providing diverse paid leaves, we became a strong backing for our employees.

Pandemic insurance ; job support bonus

To maintain the health of employees and their families, in addition to the group insurance already in place, E.SUN provided the pandemic insurance to extend the coverage for our employees during the pandemic. To attain operational continuity during the pandemic, when actually being impacted by the pandemic, E.SUN will assign personnel to support operations on the condition that pandemic control measures be strengthened, and will reward such personnel an amount of job support bonus on a project by project basis to demonstrate our willingness to fight the pandemic with them.



5.3 Employee Care and Friendly Workplace

GRI: 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 build a happy and harmonious workplace that embraces friendliness. We optimize employee health care and workplace safety measures every year 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 physical and mental health of employees. By uniting employees and family members, E.SUN hopes to become the strongest support for furthering colleagues' careers, and to become a happy enterprise that feels like a second home.

■ Occupational health and safety management system

In 2018, E.SUN became the first financial institution in Taiwan to pass the ISO45001 certification, which applied to all employees and contractors. We renewed the certificate in 2021 upon its expiration date. In 2022, we further passed the TOSHMS certification. Hazards identification and risk assessment are discussed and implemented jointly by occupational safety personnel and the representative of each department every year. The operation that was judged a high-risk operation for 2021 was "Commute/Go outside to visit customers". As so, traffic safety training was given at the on-job occupational safety training in that year. When an occupational hazard other than a traffic accident occurs, the occupational safety leader will assemble related personnel and jointly investigate the occupational hazard, and will propose countermeasures. By introducing systems and implementing the PDCA method, workplace safety is improved. The number of occupational injuries during working hours are effectively controlled, and the frequency and severity rate of disabling injuries in the past three years has remained stable. This clearly shows that improvement measures have a positive effect on employee safety.



	2019			2020			2021		
Total work days	2,220,500			2,347,000			2,315,080		
Total work hours	17,764,000			18,776,000			18,520,640		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total employees with disabling injuries	8	15	23	12	13	25	11	9	20
Total lost work days due to disabling injury	72	62	134	50	164	214	59	96	155
Disabling injury frequency rate (FR)	0.45	0.84	1.29	0.64	0.69	1.33	0.59	0.49	1.08
Disabling injury severity rate (SR)	4	3	8	3	9	11	3	5	8

■ Occupational Safety Committee meeting / 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 Occupational Safety and Health Committee is composed of 10 members from HR and managers' business units, including the occupational safety personnel, department heads, and labor representatives. The president of E.SUN Bank is the chairman of the Occupational Safety and Health Committee. 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 two items on the occupational safety improvement plan for 2021, namely adding an alert sticker to machines in branches across Taiwan and adding guardrails - both 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, with the number of trainees totaling 7,926 people. All operating bases of E.SUN have at least one licensed occupational health and safety supervisor, one licensed emergency medical technician, and one licensed fire fighting management personnel. 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.

Number of holder of valid license	Quantity
Occupational health and safety supervisor	282
First-aid personnel	291
Fire fighting management personnel	302
Total	875

7,926 Trainees in OSH education

875 Number of valid license holders

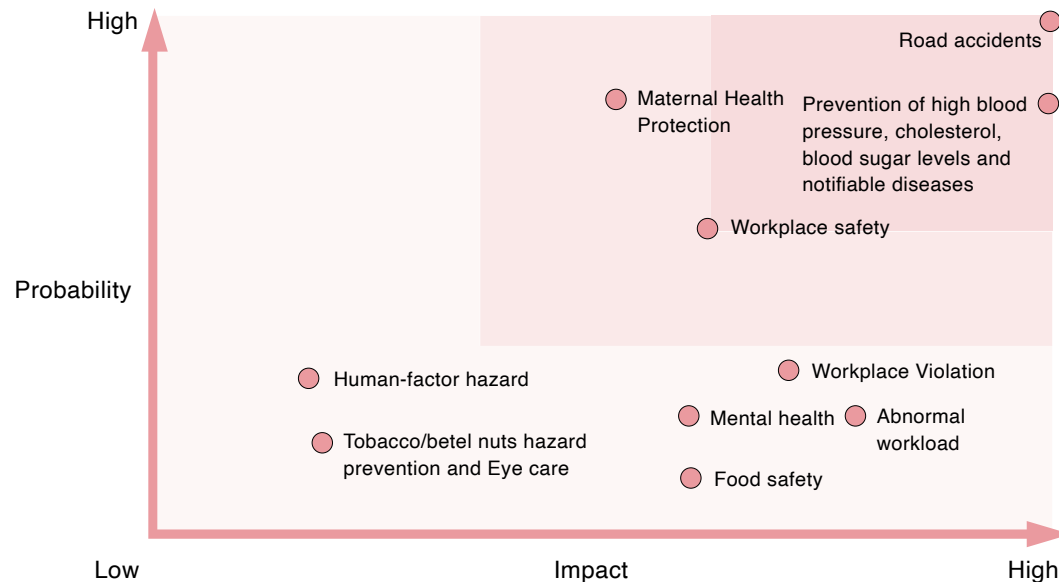


■ OHS Governance Assessments

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. Besides the impact of COVID-19, the assessment results for 2021 showed that risks of high blood pressure, high cholesterol, high blood sugar, road accidents and notifiable diseases were the highest primarily because employees work sedentary jobs, lack exercising habits, and frequently work outside of the office. As E.SUN takes zero occupational accidents as its specific goal and female colleagues are the majority at the bank, the bank remains committed to workplace safety measures and maternal health protection issues.

Health risk matrix diagram

Low Moderate High



■ Measure for workplace safety and healthcare issue

Impact

High

Risk issues

Road accidents

Control measures

1. Road safety awareness courses
2. Establishment of intrabank reporting mechanism
3. Health status follow-up
4. Reducing non-essential activities outside of the office and providing full transportation subsidies

2021
implementation
outcomes

1. Carrying out traffic safety education and training and listing it as a compulsory course; 7,926 persons have completed the course.
2. 0 people died from occupational disasters
3. 20 cases of injury occurred.
4. Transportation subsidy amount was NT\$91,313,215

External
affirmation

Became the first financial institution in Taiwan to receive the ISO 45001 Occupational Safety and Health Management System certification



Impact		Moderate	
Risk issues	Workplace safety	Maternal Health Protection	
Control measures	<ol style="list-style-type: none"> 1. Physician regular environmental visits 2. Implementation of the four major protection plans 3. Providing additional protective equipment, lighting or 24-hour security management in specific areas 	<ol style="list-style-type: none"> 4. Allowing female colleagues to wear flat shoes 5. Conduct workplace monitoring 6. Full-time nurses and occupational safety personnel 7. Implementing the contractor 	<ol style="list-style-type: none"> 1. Provide an environment and equipment friendly for breast feeding. 2. Organize maternity health seminars. 3. Implement "Regulations of the Maternity Health Protection at the Workplace". 4. Providing maternity clothes and allowing to wear flat shoes 5. Provide E.SUN handbook for new mothers. 6. Maternity/paternity leave superior to statutory requirements. 7. Offer multiple and flexible working hour schemes and allow working from home. 8. Providing reinstatement assistance measures. 9. Provide counseling services through the Employee Assistance Programs (EAP).
2021 implementation outcomes	<ol style="list-style-type: none"> 1. The four major protection plans were implemented 1,437 persontimes, and the completion rate was 100%. 2. 0 person died of work-related health problems or occupational hazards 3. Disabling injury frequency rate was 1.09 in 2021, which is lower than the rate in 2020(FR:1.33). 4. Disabling injury severity rate was 8, which is lower than the rate in 2020(SR:11). 5. The completion rate of occupational safety and health training is 98.5% in 2021. 6. Participated in the Workplace safety and Health week which is held by ministry of labor. 	<ol style="list-style-type: none"> 1. Set up simple breastfeeding rooms in all branches in Taiwan. 2. Breastfeeding rooms in large financial buildings were equipped with a baby bottle sterilizer, a fridge for breast milk only, and a bottle cleaner, and were access-controlled and managed by dedicated personnel for enhanced security. 3. Held the "Balance between Baby Sleep and Workplace Breastfeeding" seminar at the Headquarters building. 4. In 2021, 333 maternal health care protection questionnaires were distributed to breastfeeding employees during the maternal care period (i.e., during pregnancy to one year or more than one year after child birth). The responded content was judged by an NTU physician through analysis and interview to have no hazard. 5. Provided maternity clothes and, upon application, the E.SUN handbook for new mothers. 6. A total of 351 applicants for maternity leave in 2021. 7. A total of 1,491 employees adopted flexible and multiple working hours in 2021. 8. Reinstatement and retention rate after unpaid child care leave was 86.59% in 2021. 9. Collaborated with the Taiwan Institute of Psychotherapy to provide employees with professional counseling services; there were 20 counseling cases in 2021 respecting "Parent-child Relationship" and "workplace stress". 	
External affirmation	<ol style="list-style-type: none"> 1. Became the first financial institution in Taiwan to receive the ISO 45001 Occupational Safety and Health Management System certification. 2. Large-scale office buildings were rated as AED Safe Areas by the Department of Health, Taipei City Government. 3. Participated in the Healthy Workplace Certification and National Workplace Safety and Health Week. 	<ol style="list-style-type: none"> 1. 3 large-scale office buildings in northern Taiwan received Excellent Breastfeeding Room Certification by the Department of Health, Taipei City Government. 2. Received the first round of "Workplace Gender Equality Indicator Certifications" issued by the Department of Labor, Taipei City Government. 	

■ Creating a Healthy Workplace

Each year, based on the analysis of employee health check abnormalities and epidemiology and questionnaire feedback, we further our employee health care measures. The PDCA circular management structure is used to continuously improve and create a healthy and friendly workplace.

ACTION

In the future, we will continue to improve employee care measures through systematic management methods and risk analysis of abnormal health checks become the strongest support for the health of colleagues in the workplace

CHECK

Health examinations

The number of people who completed health checks was 1,682, and the amount of subsidies was NT\$ 12,611,980.

Healthy slimming class

Held one session, 30 participants, during which, during which employees lost 110.2 kg in total and their waist circumference was reduced by 231 cm in total. On average, they each reduced body weight by 3.67 kg and waist circumference by 7.7 cm.

Health management class

1,127 people participated, walking a total of 400 million steps, which are roughly 300,000 km in distance, equivalent to 7.6 times the circumference of the Earth.

Health seminars

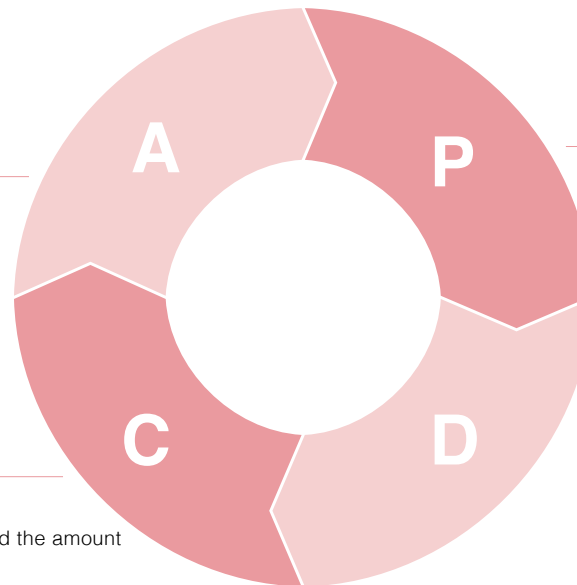
Held health-promoting lectures involving diverse health topics, such as muscle relaxation skills for people with a sedentary lifestyle, occupational safety maintenance, and so on.

Onsite services provided by NTU physicians:

A total of 96 sessions were held, with 754 participants, and the questionnaire satisfaction rate was 90% or more.

Influenza vaccine

Conducted 3 influenza vaccine administration sessions.



PLAN

Continue to optimize the system and measures; provide health promotion activities that best address employee needs

DO

1. Provide health check subsidies and time limits that are superior to statutory requirements, in addition to an official leave.
2. If an employee has a health check abnormality, the employee will be offered an official leave for him/her to do a follow-up consultation.
3. On-site consultation services given by NTU physicians 8 times per month.
4. Organized healthy slimming class activities
5. Organized health management class activities
6. Organized health seminars on multiple topics
7. Conducted influenza vaccine administration sessions



■ Equal Work, Equal Pay; Diverse Communication Channels

GRI : 2-23、2-24、2-25、2-30、405-2、407-1

1. Gender equality policies

· Equal remuneration

E.SUN's remuneration policy is based on the duties of employees and complies with labor laws and regulations, including the Republic of China Labor Standards Act, Act of Gender Equality in Employment, and Employment Service Act. Salary standards are not differentiated due to gender. In 2021, the difference between the annual remuneration of men and women of the same salary grade in Taiwan was less than 10%.

Female / male remuneration ratio in Taiwan in 2021 (Female : Male)

Position level	Base salary	Annual remuneration
Management	100 : 100	98 : 100
Middle management	98 : 100	100 : 100
General staff	98 : 100	98 : 100

Note1: The male/female remuneration ratio may differ slightly due to the number of individuals and personal performance.

Note2: 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.

· Creating a friendly environment

E.SUN supports and protects the freedom and rights of same-sex marriage through action, ensures that employees and their same-sex spouses enjoy the same benefits, and is committed to creating a workplace free of discrimination. Since same-sex marriage became legalized in Taiwan, employees with same-sex spouses have applied for related benefits and marriage subsidies, and E.SUN has also completed the allocation of subsidies according to procedure.

· Sexual harassment prevention

E.SUN established the "Guidelines for the Establishment of Gender Equality Committee for E.SUN FHC and its Subsidiaries" and "Rules and Procedures for Sexual Harassment Prevention, Complaint and Punishment of E.SUN FHC and Its Subsidiaries" to clearly regulate complaint channels, complaint methods, investigation and review principles and penalties, and has announced the above regulations on the intranet. E.SUN has formulated a Sexual Harassment Complaints Review Committee consisting of 7 committee members, and the proportion of female members is more than one-half. The chairman is Vice President or above, and the remaining posts shall be held by the employees of E.SUN FHC and its subsidiaries. The investigation of a sexual harassment complaint incident shall commence within 7 days from the date the complaint was filed or referral was made to the Complaints Review Committee, and shall be completed within 2 months. There was no incidents of discrimination and sexual harassment in E.SUN in 2021.

2. Employee communication channels

E.SUN has always upheld the importance of paying attention to and listening to the voices of employees. The bank encourages employees to join the trade union and guarantees the freedom of association of employees; in 2021, the proportion of employees joining the trade union was 13.46%. A total of 4 labor-management meetings were held to discuss 10 topics, including workdays and holidays, special leave regulations, overtime procedures, women's nighttime work, flexible working hours, epidemic prevention measures, etc. The abovementioned labor-management agreement applies to 100% of all employees. 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.

【 Results achieved through diverse communication channels 】

Communication Channel	Number of applications	Type of opinion
CHRO mailbox	25	Including queries and suggestions respecting diverse issues such as pandemic control measures, personnel system, employee welfare, leader management.
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	26	
E.SUN employees message board	342 pieces	

0

incidents of discrimination and sexual harassment

393

employee feedback

3. 2021 Employee engagement survey

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 : Commitment to organization, career development, remuneration, performance management, satisfaction with human resource systems, etc.

Response rate : 85.2%

Engagement score : 92.97%

Survey result :

- (1) E.SUN communicates organizational development strategies with employees through knowledge sharing conferences, and sends out surveys afterwards to understand employees' job satisfaction, identification with the organization, and suggestions.
- (2) Employees' satisfaction rate for the fairness of annual remuneration and annual assessment increased this year. And employees hope E.SUN can keep providing competitive Compensation and enhancing performance management policy.

Improvement measures:

- (1) Facilitate two-way communication between employees and leaders by advancing the performance management system.
- (2) Implemented the performance coaching mechanism to assist underperforming employees in improving their work efficiency.
- (3) Allow a flexible dress code (e.g., polo shirts) to suit the needs of diverse business attributes and in support of environmental protection and energy conservation.
- (4) The preferential interests accrued on employees demand deposits are incorporated into their monthly salary and distributed; in addition, the number of base units for pension is raised, so as to enhance the protection for retirement life.

Employee engagement throughout the years

	2018	2019	2020	2021
Total	96.95%	96.93%	96.10%	92.97%
Response rate	80.90%	87.20%	75.50%	85.20%
Male	96.65%	96.79%	95.86%	92.11%
Female	97.23%	97.04%	96.31%	93.66%
Managerial	98.81%	98.88%	98.61%	96.26%
Non-manageria	96.05%	95.93%	94.80%	91.50%
Under 29	-	-	93.90%	90.13%
30-50	-	-	97.23%	94.03%
Over 51	-	-	99.78%	98.85%





CH6

Seeking Common Good

Taiwan, Formosa, our most beautiful home. E.SUN is determined to become a world-class corporate citizen, starting from ourselves, creating a sustainable operating environment, and combining the strength of employees, customers, partners, and the society, investing in ecological conservation, academic education, social participation, humanities and arts, fitness development and other fields, listen to the voice of the environment and society, and continue to write the story that belongs to this land.

2021 Highlights

■ Developed E.SUN's First Zero Carbon Demonstration Branch

E.SUN's Chiayi Branch was established in 1992, and was a first generation branch established when E.SUN was first founded, becoming a good neighbor to local communities for nearly 30 years. The transformation of buildings is a key strategy for E.SUN to develop into a bank with net zero emissions by 2050, and measures are divided into two aspects – energy conservation and carbon reduction. E.SUN's first zero carbon demonstration branch was established in Chiayi in 2021, and shows E.SUN's determination to achieve environmental sustainability. In the future, we will continue to improve the energy efficiency of our operations, and exert every effort to develop even more low-carbon and eco-friendly locations.



E.SUN's First Zero Carbon Demonstration Branch

Zero carbon transformation measures of the Chiayi Branch



Installation of solar panels

Installed solar panels on the branch's roof, and the approximately 16,000 kWh of electricity generated each year will be used by the branch



Renovation into a green building

Obtained Taiwan green building certificate and US LEED gold certification



Promotion of environmental protection education

Set up an environment promotion section in the lobby, and allow customers to gain knowledge on environmental protection through videos and leaflets when they visit a branch



Adoption of renewable energy

Signed a renewable energy wheeling contract with renewable energy companies, and successfully completed E.SUN's first renewable energy wheeling at the end of 2021



Implementation of carbon neutrality

Purchased carbon rights to neutralize the 87.18 tons CO₂e generated in 2020

Key Impact

Promote smart zero carbon buildings

Install solar panels on the roofs of branches to lower dependence on external electricity supply
Renovation into a green building and obtain Taiwan and international green building certifications
Actively sign renewable energy wheeling contracts with renewable energy companies



Raise the ESG awareness of customers and employees

Set up an environment promotion section in the lobby to provide customers with knowledge on environmental protection

Establish a zero carbon branch transformation model

After establishing the first zero carbon demonstration branch, duplicate the business model to other branches

■ Completed the First Green Energy Wheeling – A Milestone Closer to 100% Renewable Energy

E.SUN supports net zero emissions and declared that it will use 100% renewable energy by 2030, increasing the percentage of renewable energy by 10% each year to gradually reach the goal. By building solar power equipment and purchasing green energy, the first green energy wheeling project was completed in 2021. The annual energy production of solar power projects that have already completed energy wheeling has reached 4.25 million kWh or 10% of the annual power consumption. The company's model zero-carbon Chiayi Branch and the soon-to-open second headquarters building will be the first to start using green energy.

E.SUN began planning the procurement of renewable energy early 2020, and started by analyzing its electricity consumption. We then discussed suitable sites and electricity generation methods with external power companies. We signed an electricity purchase agreement after numerous meetings, and finally completed the first renewable energy wheeling in December 2021 after completing the review process of Taiwan Power Company, Bureau of Energy, local government, and Bureau of Standards, Metrology and Inspection.

Key Impact

Reached an important milestone of RE100

- Renewable energy purchased by E.SUN accounts for approximately 18% of annual electricity consumption

Understand the current renewable energy purchase process and pain points of companies

- Accelerates the adoption of renewable energy and allows electricity purchase experience to be shared with customers

■ Combine renewable energy with chargers, encourage customers and employees to use electric vehicles, and develop cities that are friendly to electric vehicles

Governments around the world are providing purchase subsidies and tax reductions to encourage citizens to use electric vehicles due to the rising awareness of environmental protection. According to the path to net zero emissions in 2050 announced by the National Development Council, electric vehicles will account for 100% of newly sold vehicles in 2040 to reduce carbon emissions in the transportation sectors. Besides providing subsidies or discounts, improving the environment for electric vehicles by increasing the number of chargers is the only way electric vehicle drivers will not be anxious about charging, which will increase their willingness to use electric vehicles and popularize electric vehicles faster.

E.SUN began planning the installation of electric vehicle chargers in 2020. After careful evaluation of charging efficiency, universality of equipment, and actual usage, we installed 6 sets of chargers in each of the parking lots of two office buildings in Taipei City in March 2021 for use by customers and employees. Furthermore, the installation of chargers is expected to increase electricity consumption of E.SUN's office buildings by 2%. E.SUN is also actively engaging in energy transformation and successfully completed renewable energy wheeling in two office buildings at the end of 2021, combining green transportation with renewable energy to lay the foundation for zero carbon transportation. E.SUN works with customers and employees to implement low carbon concepts in their behavioral model, developing cities friendly to electric vehicles.

Key Impact

Improved the usage environment for electric vehicles

- Installed 12 electric vehicle chargers

Responded to electricity consumption of transportation through energy transformation

- Completed renewable energy wheeling in office buildings that installed chargers

Worked together with customers and employees to implement low carbon transportation

- The parking lots of office buildings have chargers for customers and employees to use

100%

Use renewable energy by 2030

4.25

 million kWh

The annual energy production of solar power projects that have already completed energy wheeling

18%

Renewable energy ratio of E.SUN's annual electricity consumption

12

electric vehicle chargers

■ Using eco-friendly plastic materials to make envelope film, using innovative technologies to realize a circular economy

Envelopes are a frequently used product by financial institutions, including reconciliation statements for customers to verify their transaction information, credit card statements, and various notices. However, the transparent film on conventional envelopes releases a large amount of GHG that damages the environment in the production process and after being incinerated. E.SUN began working with envelope suppliers in 2021 to use biomass plastic for the transparent film to support environmental sustainability. The biomass plastic received the USDA 100% Certified Biobased Product label, which has the highest creditability in the world. Biomass plastic is an "eco-friendly plastic material" made from non-edible corn and tapioca powder. Carbon emissions from the production process decreases from 3.24kg CO₂e to 0.62kg CO₂e per kilogram compared with plastic. Biomass plastic does not generate toxic substances when incinerated, and carbon dioxide absorbed in its growth process is released back to nature when it is incinerated, which is part of the natural carbon cycle. Hence, this portion of carbon emissions does not need to be calculated in GHG emissions, significantly lowering the damage to the environment compared with conventional envelopes. Eco-friendly envelopes are currently used for reconciliation statements. Besides continuing to promote electronic statements, we also plan to expand the scope of eco-friendly envelopes. Using the approximately 1.563 million reconciliation statements mailed by E.SUN each month, we expect to reduce carbon emissions by 9,813.6kg CO₂ each year.

Environmental protection is an international common issue. E.SUN selected eco-friendly materials for envelopes commonly used for customers to reduce the environmental damage caused by waste, and also exerted influence on envelope suppliers to promote the use of eco-friendly envelopes in even more industries, contributing to a sustainable future.

9,813.6 kg Carbon emissions we expect to reduce by

Using eco-friendly plastic materials to make envelope film

Key Impact

Actively developed eco-friendly products and continued to improve sustainable financial services

- Replaced the material used to make film on conventional envelopes with biomass plastic to reduce carbon emissions
- Integrated deposit, loan, investment, and insurance statements into a single reconciliation statement
- Continued to encourage customers to use electronic statements

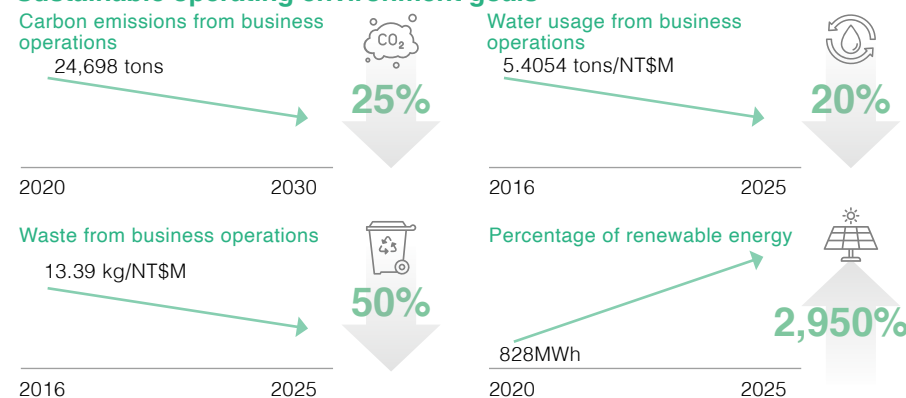
Understand the current renewable energy purchase process and pain points of companies

- Actively developed eco-friendly envelopes with suppliers and promoted its use by even more companies

6.1 Sustainable Operating Environment

E.SUN Environmental Protection and Energy Conservation White Paper was announced in 2007, we promoted environmental education, established a culture of environmental protection and energy conservation, and implemented environmental protection and energy conservation measures, taking steps towards sustainable operating environment. Disasters caused by climate change are devastating the world in recent years, controlling the rising temperatures have now become an important international issue. To achieve the 2050 target of net-zero bank, E.SUN is diligently creating a sustainable operating environment by establishing carbon, water usage, and waste reduction targets, performing annual third-party verification to check compliance, conducting regular reviews and delivering regular reports to the executives.

Sustainable operating environment goals



■ Carbon reduction

GRI : 302-1, 302-3, 305-1, 305-2, 305-3, 305-4

2021 Outcome	2022 Target	2025 Target
Reduce carbon emissions per unit revenue by 26% (Reach the original 2025 target ahead of time)	Reduce total amount of carbon emissions by 8.4%	Reduce total amount of carbon emissions by 21%
The ratio of renewable energy use is 10%	The ratio of renewable energy use is 20%	The ratio of renewable energy use is 50%

Note: In 2016, carbon emissions per unit revenue was 0.5636 metric tons / NT\$ million, and this is used as the baseline.

- Installed solar panels
- Purchased renewable energy certificates
- Replaced and improved the old air conditioning units
- Replaced old energy-consuming lighting equipment with LED energy-saving bulbs
- Turned off the signage lighting

Carbon reduction in 2021

1,550,405 kWh=

778 metric tons of CO₂e

1. Renewable energy

- Solar panels were installed at 20 locations, with a total installed capacity of 164.31 kW, and an annual power generation capacity of about 223,000 kWh, which is equivalent to a reduction of 111.7 tons of carbon emissions.
- After purchasing renewable energy certificates for 5 consecutive years, 259 T-RECs and 1975 I-RECs were acquired, totaling 2,234 certificates, which is equivalent to 2,234,000 kWh of green electricity and a carbon emissions reduction of 1137.1 tons.

2. Air conditioning energy savings

- Replaced and improved the old air conditioning units
- Circulating fans are installed and regularly maintained.
- The energy savings of air-conditioning in 2021 totaled 52,306 kWh of electricity annually, which is equivalent to the reduction of 26.3 tons of carbon emissions.

3. Lighting energy savings

- Replaced old energy-consuming lighting equipment with LED energy-saving bulbs and installed sensor lighting equipment
- The effect of replacing lighting equipment in 2021 will save about 98,034 kWh of electricity annually, which is equivalent to a reduction of 49.9 tons of carbon emissions.
- In the summer, when electricity consumption is at its peak, signage lighting is turned off for 100 days for five consecutive years. We increase to 130 days in 2021. This has resulted in a total of 366,915 kWh of electricity saved, which is equivalent to a reduction of 171.5 tons of carbon emissions.

4. Green building

- Received 6 LEED gold-level international certifications, namely for the server rooms of the Hope and Technology buildings, the SUN HR Development Center, the second HQ and Dali Branch.
- There are a total of 4 EEWG Gold Grade Green Architecture Certified Buildings (Hope Building, HQ2 and Rende Branch), and 8 branches with green building labels (Chiayi, Daya, Yuanlin, Tufen, Changhua, Annan, East Tainan and Shalu Branches).

5. Management and certification

- Introduced ISO 50001 Energy Management Systems to analyze key factors influencing E.SUN's energy consumption and establish performance indicators, action plans, and goals related to energy consumption.
- Introduced ISO 14064 Greenhouse Gas Inventory to verify the main greenhouse gas emission sources through a third party, and review the emissions of Scope 1, 2, and 3 every year, continue to expand the scope, and review the achievement of the reduction targets.

111.7 tons

Carbon emissions reduced by using renewable energy

18 sites

Obtain green building certification

2021 Greenhouse Gas Emissions

Total emissions 73,675.102 (Metric tons of CO₂e)

Direct emission of CO ₂ e in metric tons 1,857.3015	Subtotal (Metric tons/CO ₂ e)	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃
Scope 1: Direct greenhouse gas emissions and removal	1,857.3015	1,196.8926	321.7557	39.6463	299.0069	-	-	-
Indirect emissions of CO ₂ e in metric tons 71,817.8005	Subtotal (Metric tons/CO ₂ e)	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃
Scope 2: Indirect GHG emissions from imported energy	22,656.4234	22,656.4234	-	-	-	-	-	-
Scope 3 (1): Indirect GHG emissions from transportation	43.3699	43.3699	-	-	-	-	-	-
Scope 3 (2): Indirect GHG emissions from products used by the organization	48,668.0975	48,668.0975	-	-	-	-	-	-
Scope 3 (3): Indirect GHG emissions from the use of the organization's products	449.9096	449.9096	-	-	-	-	-	-
GHG emission to total emissions (%)	100%	99.02%	0.52%	0.05%	0.41%	-	-	-

- 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 0.502 kg CO₂e/kWh by Energy Bureau, MOEA 2020.
 5. According to ISO 14064-1 Greenhouse gases Part 1: Specification with guidance, emission = activities*emission parameter*GWP.
 6. Reference to refrigerant GWP and IPCC, AR4
 7. GHG inventory is performed based on operational control.

2018~2021 GHG Emissions

	2018	2019	2020	2021
Scope 1 (t-CO ₂ e)	2,516	2,455	2,399	1,857
Scope 2 (t-CO ₂ e)	21,593	22,443	22,299	22,105
Total emissions (t-CO ₂ e)	24,109	24,898	24,698	23,962
Carbon emissions / revenue (t-CO ₂ e / NT\$M)	0.4877	0.4566	0.4390	0.4139

2018~2021 Energy Consumption

	2018	2019	2020	2021
Power consumption (MWh)	40,911	42,498	44,177	44,767
Other energy usage (GJ)	26,417	25,333	27,124	17,290
Total energy usage (GJ)	173,696	178,326	186,159	182,408
Energy/revenue (GJ / NT\$M)	3.514	3.271	3.310	3.151

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.

Water Usage Reduction

GRI : 303-1, 303-3

2021 Outcome	2022 Target	2025 Target
Reduce water usage per unit revenue by 24%	Reduce water usage per unit revenue by 25%	Reduce water usage per unit revenue by 30%

Note: In 2016, water usage per unit revenue was 5.4054 metric tons/NT\$ million, and this is used as the baseline

- Established the rainwater recycling system
- Replaced old water equipment

Result of water usage reduction in 2021

11.022 thousand tons of water

1. Water usage information

- E.SUN's water comes 100% from the Taiwan Water Corporation, and all water is fresh water. None of the water comes from groundwater or other sources. Office buildings and operational locations supply water for use by employees and some customers has no overall impact on water sources, and is mainly used for drinking, the air conditioning system, and cleaning.
- The used water is legally discharged to the sewage system or the discharged water system specified by the region, and the discharged water meets the discharged water standard.

2. Rainwater recycling

- The rainwater recovery system in the Hope Campus will use rainwater for landscaping watering or air-conditioning cooling water, which will reduce annual water usage by 10.013 megaliters.
- The Dengfeng Building is equipped with rainwater recycling system. Processed rainwater is used to water plants. In a year, 0.613 megaliters of water was saved.

3. Water efficiency devices

- Water saving devices with water-saving labels are used to fully adjust the water flow of the faucets.
- In 2021, the effect of replacing water usage equipment resulted in annual water savings of about 0.396 megaliters.

4. Management and certification

- Water conservation signs are posted near the water usage equipment to develop a habit of water conservation.
- Collect water usage data of each site through the monthly system report, and track and review the trend of increases and decreases in usage.
- Introduced the water footprint ISO14046 inventory and evaluate it according to the methodology of Boulay et al. (2016), to obtain an overview of water supplies in various regions.
- Introduced ISO 46001 Water efficiency management systems in 2021, certification is covered by the HQ, Xinzhuang, Tuchen, Fuxing, Changchun, Chenchung, Xindian, Mucha, Erchong, Banqiao and Nantucheng Branches.

2018~2021 Water usage

	2018	2019	2020	2021
Water (Tons)	228,700	244,804	264,917	238,715
Usage of water/revenue (Tons / NT\$M)	4.6268	4.4900	4.7097	4.1231

Note: In 2020, the increase in water usage was attributed to the pandemic.

Waste reduction

GRI : 306-3

2021 Outcome	2022 Target	2025 Target
Reduce waste per unit revenue by 37%	Reduce waste per unit revenue by 40%	Reduce waste per unit revenue by 50%

Note: In 2016, waste per unit revenue was 13.39 kg/NT\$ million, and this is used as the baseline.

113

 Million

Sheets of paper we saved from holding online courses.

679

 tons

Carbon emissions reduced by promoting electronic statements to cardholders



2018~2021 Waste generation

	2018	2019	2020	2021
Waste disposed (tons)	444.278	434.705	370.345	488.215
Recycled / reused (tons)	190.525	185.054	224.164	209.542
Total waste (tons)	634.803	619.759	594.509	697.757
Waste / revenue (kg/NT\$ million)	8.99	7.97	6.58	8.43

1. Resource classification and recycling/reuse management

- In response to the compulsory garbage separation policy promulgated by the Environmental Protection Administration, Executive Yuan, E.SUN enforced the Waste Management Program, which requires the Company's waste to be classified into waste (including kitchen waste) and recycling. Each unit must weigh the waste daily before disposal (kitchen waste is not required to be weighed due to complicated execution). The weight of the waste shall be reported using various reporting systems and the final destination of the waste must be tracked regularly.
- E.SUN employees banned the use of plastic bags and employees are encouraged to bring their own reusable grocery bags.
- E.SUN FHC is the first financial institution in Taiwan to comply with the city government's total ban on disposable utensils and melamine tableware. 10,000 disposable utensils and melamine tableware used in the employee canteens of the E.SUN Headquarter Building, Summit Campus, and Hope Campus were replaced with environmentally friendly utensils. This effort is expected to reduce approximately 600,000 paper containers, which translates to a reduction of 16,320 kg in weight and the height of 5.3 Yushan Mountains if the containers were stacked together (Note: if a paper container weighs 27.2 g and measures 3.5 cm in height, the height of Yushan is 3,952 m). In addition to ensuring the health of employees at E.SUN FHC, we also endeavor to reduce waste, protect the earth, and create a healthy and eco-friendly culture.

2. Paperless process

- We invited customers to help conserve paper by not using print-out statements. All 1,194 ATMs nationwide an environmental protection promotion channel encouraging employees and customers to get in the habit of conserving energy.
- A total of 1,057 e-Learning sessions were held in 2021. The sessions were attended by 282,535 participants. The estimated saving on paper was 1.13 million sheets, roughly the equivalent of 8.6 metric tons of CO₂e.
- E.SUN enforces paperless processes in the office, electronic payroll, electronic training materials, and double sided printing. Printers should be set to print on both sides or multiple pages on one side to save paper and ink. In 2021, the electronic document system replaced its paper equivalent, which helped to reduce around 3.3 tons of carbon emissions with 15,977 paperless documents. (Note: 1 document includes 10 sheets of A4 paper and a kraft bag. According to EPA Taiwan Carbon Footprint, the carbon emissions of one sheet of A4 paper weigh around 0.0076kg, and those for a kraft bag weigh around 0.124kg.)
- Credit cardholders are encouraged to opt for electronic statements. 1.86 million cardholders have applied for the service. The equivalent paper consumption is 89.28 million sheets, which translate to a saving of 679 metric tons of CO₂e. (Note: According to the EPA Taiwan Carbon Footprint, the carbon emission of one sheet of A4 paper is 0.0076 kg of CO₂e.)
- New electronic billboards have been implemented to replace traditional promotional activities, and to reduce the printing of leaflets and posters.

6.2 Sustainable Ecological Conservation

E.SUN supports global conventions on biological diversity. To promote sustainable ecological development and fulfill the United Nation's sustainable development goals (SDG 13 Climate Action, SDG 14 Life Below Water, and SDG 15 Life on Land), E.SUN's sustainable ecological development strategy comprises three focuses: species conservation, habitat conservation, and environmental sustainability. E.SUN believes that actions must start from home, and takes the initiative to respond to environmental sustainability initiatives worldwide and nationwide. We exert our corporate influence to call upon employees, customers and suppliers to implement environmental protection through actions for a beautiful Taiwan and a sustainable Earth.

2021 Main Achievements



Species Conservation

- "Sea Turtle Conservation Project" – Treated 35 and released 16 sea turtles that were injured and recovered after treatment.
- "Polar Bear Environmental Education Project" – Organized a total of 13 events with over 1,000 participants.
- Issue Formosan Bear Conservation Card 9 years in a row and donate 9 million as animal conservation fund.



Habitat Conservation

- "Plant a tree, Plant a life" E.SUN plant trees project and nurturing of 30,000 Taiwanese indigenous saplings.
- Hold Smile E.SUN environmental and coastal cleanups 12 years in a row with 3,686 participants in 2021.
- Adopted trails in Yushan National Park for 13 consecutive years.



Environmental Sustainability

- Earth Hour - E.SUN was the only assisting organizer in Taiwan.
- Encouraging customers to lead a green, low-carbon lifestyle - Approximately 360,000 YouBike rides per month by E.SUN EasyCard holders.
- Encouraged employees to cherish and reuse resources - collected 7,276 new and secondhand items.
- Raised employees' environmental awareness - 12 sessions of environmental education.
- Educated employees on low-carbon diet - 49.48 tons of CO₂e reduced.

6.2.1 Species Conservation

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

■ The Sea Turtle Conservation Project

E.SUN FHC has monitored the marine ecological environment and biodiversity conservation for years, and collaborated with the National Museum of Marine Biology and Aquarium (NMMBA) for 3 consecutive years in the "Taiwan Marine Environment Protection – Sea Turtle Conservation Project," which is divided into three series "sea turtle conservation," "injured sea turtle rescue," and "environmental education" with over a thousand participants. Furthermore, the project provides medical supplies and food to provide stranded sea turtles that were injured with more complete care. During the project period, the NMMBA treated 25 and released 7 sea turtles that were injured and recovered after treatment, including 5 green sea turtles, 1 olive ridley sea turtle, and 1 hawksbill turtle.

Sea Turtle Conservation and Education Plan

E.SUN FHC collaborated with National Museum of Marine Biology & Aquarium to launch Sea Turtle Conservation and Education Plan. We invite the public to join the action of conserving marine ecosystems so that sea turtles could once again enjoy the beautiful ocean!



Video QR Code

The Sea Turtle Conservation Project Series 1: The Sea Turtle Conservation

We invited the public to step into the shelter of National Museum of Marine Biology and Aquarium. 34 participants of one of the sessions were teachers and students from KE-LIAO Elementary School in Kaohsiung City, which participated in E.SUN Golden Seed Project. They were able to closely observe how sea turtles were taken care of in a man-made shelter and learn how to rescue a stranded or injured sea turtle through courses given by a veterinarian from the Museum. After that, they got to experience releasing sea turtles from hands-on activities.



The Sea Turtle Conservation Project Series 2: Sea Turtle Rehab

We established the Sea Turtle Medical Station 2 years in a row, where we paid for medical devices/treatment and food so that injured sea turtles could receive great care. 10 sea turtles in total were treated.

The Sea Turtle Conservation Project Series 3: Environmental Education

Field trips featuring sea turtles, courses include introduction to the dilemma faced by sea turtles around the world, sea turtle conservation goods DIY, visit to the NMMBA to see specimens, and seeing sea turtles up close and their care in the Rehabilitation Center for Sea Turtles.

A - Hi, the Sea Turtle Conservation Mascot

For sea turtle conservation issues to gain more public attention, we designed A - Hi, the sea turtle conservation mascot, and worked with the NMMBA in printing sea turtle desk pads and folders, which incorporate common life habits and illustrations of sea turtles in Taiwan, to advocate the importance of marine conservation to customers and the general public.



■ Taiwan Formosan Bear conservation

The Formosan black bear is Taiwan's sole native bear species. The survival of the black bear not only implies the preservation of this species in Taiwan, but also implies protecting the integrity of Taiwan's forest ecosystems and overall biodiversity. Since 2012, E.SUN FHC has been working with Taiwan black bear conservation and restoration units, including the Taiwan Endemic Species Research Institute, COA, Yushan National Park Administration, Taipei Zoo, and the Taiwan Black Bear Conservation Association to promote a series of black bear conservation activities.

Issuance of Taiwan's first credit card combining conservation and environmental concept—the "Black Bear Affinity Card."



E.SUN Bank cooperates with Taipei Zoo to issue Taiwan's CSR credit card, combining conservation and environmental concepts—the "Black Bear Affinity Card." Whenever a transaction is made using this card, 0.2% goes to an animal conservation fund. This fund has made NT\$9 million donation to Taipei Zoo, and was used for black bear conservation, habitat protection, restoration of Taiwan's native species, and environmental education program. Customers who use purchases made with the "Black Bear Affinity Card" to contribute to Taipei Zoo, Taiwan Black Bear Conservation Association, Animal Protection Association of the ROC, and Taiwan Environmental Information Association will also receive triple bonus points.

The first specialty branch in Taiwan featuring animal conservation "Black Bear Branch"

E.SUN Bank's Hualien Branch utilizes local features and dedicates its efforts to promoting animal conservation and biodiversity. Visitors will immediately see a black bear doll when they walk into the branch's lobby, and the waiting area has an audiovisual section that plays a documentary of E.SUN caring for bears produced by Yushan National Park Administration. There is also black bear academy that provides an abundance of information on conservation of Formosan black bear (*Ursus thibetanus formosanus*). The ATM service area wraps the ATM in pictures of Formosan black bear, in hopes that the adorable pictures of bears combined with financial services will raise awareness and increase knowledge of customers and local communities of animal conservation.



Promotion of Formosan black bear conservation education

E.SUN supported the "Bear Friends" experience camp organized by Taipei Zoo in 2021. Stories shared by zookeepers and experience courses related to the Formosan black bear introduced students to the habits and living environment of Formosan black bear, and they learned the correct knowledge on black bear ecological conservation.



E.SUN Bear Conservation Promotion

We designed interesting stickers and notebooks, which embedded the behaviour, living habits, and conservation information of Formosan Black Bear. To advocate the importance of Formosan black bear conservation in Taiwan for clients and people. Established an online CSR game, LOHAS BEAR, on our official website to encourage customers and the general public to lead a green lifestyle with E.SUN Bear through everyday activities (e.g., dining, clothing, accommodation, and transportation).

■ Polar Bear Environmental Education Project

Polar bears are listed as a vulnerable species (VU) on the IUCN Red List of Threatened Species, and one of the most severely impacted species by climate change. E.SUN and the National Museum of Natural Science jointly organized a series for 2 consecutive years; subjects included parents and children, kindergarten students, and the general public; a total of 13 events were organized with over 1,000 participants. The events in 2021 were divided into "Polar Bear Environmental Education Seminars" and "Polar Bear Games," and all featured International Polar Bear Day sponsored by Polar Bears International (PBI), in hopes of drawing public attention to the survival environment of polar bears and ecological issues in the north pole.

Polar Bear Environmental Education Seminar

Activities included observation of polar bear specimen, appreciation of polar bear videos, and game experience. E.SUN volunteers accompanied teachers and students of Taichung Tou-Bian Elementary School, one of the schools in the E.SUN Golden Seed Project, in one of the events. Participants explored the physical features and living environment of polar bear through the process of observing a polar bear specimen up close, while interacting through a Q&A. The film showed was "Orphans of the Earth – The Extinction of Polar Bears," which won the Mandarin Sustainability News Award. Discussions after the film ended guided children to think about and practice ways for slowing global warming. As for the game experience, students stood on newspaper representing sea ice to feel how the ice melting would affect the survival of polar bears.



Polar Bear Games

We invited citizens to participate in a series of polar bear games, including "difficulties of living in the north pole," "difficulty of finding food," "secrets to finding companions" and "how to survive in so much heat," and hope that activities of International Polar Bear Day will raise citizens' awareness of climate change and further develop good habits for energy conservation and carbon reduction.

1,000 people

participate in polar bear conservation events

7.15 hectares

State-owned forest land adopted in 2021

6.2.2 Habitat Conservation

■ "Plant a tree, Plant a life" E.SUN plant trees project

In order to reduce habitat loss, E.SUN has been jointly promoting the "Plant a tree, Plant a life" for 3 consecutive years in collaboration with the Forestry Bureau. In 2021, the bank as well as coastal forests with a total area of 7.15 hectares. Over 30,000 saplings of native tree species, including *Fraxinus griffithii*, *Quercus glauca*, *Machilus thunbergii*, *Liquidambar formosana*, *Scaevola taccada*, *Casuarina equisetifolia*, and *Cerbera manghas*.

In the tree planting month of 2021, President Mao-Chin Chen of E.SUN Bank called on 50 E.SUN volunteers to plant with their own hand native seedlings in the state-owned forest land in the Xinyi District of Keelung City. On October 22, HR Director Jhih-Cheng Wang of E.SUN Financial Holdings led 50 E.SUN volunteers to plant wind break tree seedlings in the coastal woodlands of Sanzhi District, New Taipei City. The activity is conducted in hopes that, by planting native Taiwanese tree seedlings by hand, all participants are able to better understand the significance of planting native and suitable tree species for the local environment. In addition to enriching local biodiversity, it also contributes to the sustainability of the environment.



One Lifetime One Tree, E.SUN Plants Trees



One Lifetime One Tree, E.SUN Plants Trees

■ Adopting Bus Stops to Communicate the Importance of Protecting Nature

We adopted Tienhuqiao Bus Stop near the forestation site of "One Lifetime One Tree, E.SUN Plants Trees" for 3 consecutive years, using the unique design of green leaves and an adorable Formosan black bear to symbolize life and growth in nature, while showing E.SUN's efforts to restore Formosan black bear and plant trees for the planet. More importantly, we hope that the interesting design will allow parents and children who visit this place to check in and take photos to also understand the importance of cherishing the natural environment!



■ "E.SUN Visa Signature", Taiwan's first charitable card with an emphasis on environmental awareness

In 2009, E.SUN Bank introduced the first charitable credit card with an emphasis on environmental awareness, the E.SUN Visa Signature card. The motto is "One Life, One Tree, LOHAS Lifestyle". We continue to invite cardholders to jointly participate in the "One Tree Per Person" 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 of customers who apply for e-bills to tree planting programs. We've planted 40,000 trees under this project.

■ "Beautiful Taiwan, Smiling E.SUN" environmental clean-up activity

We have organized environment cleaning and beach cleanups under Smile E.SUN for 12 consecutive years since 2010. In support of World Cleanup Day, we organized street cleaning around business locations and beach cleanups on May 2 and from September 27 to October 5. We organized a total of 149 cleanups with a total of 3,686 E.SUN volunteers, taking action to reduce plastic and waste and protect our beautiful homeland.

■ Adopting trails in Yushan National Park trail

We have adopted and maintained trails in Yushan National Park trail for 13 consecutive years, and use this opportunity to promote conservation and environmental education. We encourage E.SUN employees to participate and work together to protect the environment.

6.2.3 Environmental Sustainability Activity

GRI G4 Financial Services Sector : FS4

■ Supporting domestic and international advocacy on environmental protection

Responding to the global environmental event, Earth Hour - E.SUN was the only assisting organizer in Taiwan

For nine consecutive years, E.SUN has responded to the Earth Hour environmental conservation activity initiated by The Society of Wilderness (SOW) and the World Wildlife Fund (WWF), and has moreover been the main assisting organizer in Taiwan for three consecutive years starting from 2019. In 2021, from 8:30 pm to 9:30 pm during March 26 to 28, E.SUN took part in this activity by turning off power to horizontal and vertical signs at all domestic and overseas branches. Customers, employees and suppliers were also invited to respond by turning off the lights for one hour through ATMs across the nation, the E.SUN official website, the E.SUN Lucky Cats Facebook fan page, and branch posters. The bank also promoted the "turn off the lights on a street" initiative, invited businesses to turn off unnecessary sources of energy consumption, collaborated on the "turn on your night vision goggles" night views activities across Taiwan, and sponsored a series of events including 11 "What! Climate Change is Real" lectures on climate change and energy conservation, the "City Nature Challenge" habitat species survey and the "Micro-revolution on Land" online film festival, etc. It is E.SUN aim to call on the public to take action by caring for the land we live on, reduce energy consumption, and treat the earth in a more environmentally friendly way, in hopes that the events will draw public attention to climate change and concern for ecology and natural habitats.



Responding to "International Polar Bear Day" and advocating awareness of climate change

As the first domestic financial institution to respond to "International Polar Bear Day", E.SUN and the National Museum of Natural Science jointly launched the "Polar Bear Environmental Education Lecture." for 3 consecutive years. E.SUN shut down signboard lights and exterior wall lights for a week at business locations at home and abroad for 8 consecutive days on February 22 to implement SDG 13 climate action with specific actions and offered the "Smiling Polar Bear" financing project, jointly cherishing our planet together with customers.

Invited customers and employees to celebrate International Car Free Day

~ Approximately 360,000 YouBike rides per month by E.SUN EasyCard

On International Car Free Day, E.SUN used its website, internal publicity, and Ubike marketing activities to encourage employees to come to work using a low-carbon means of transportation, such as mass transit, cycling, walking, or carpooling, and let employees participate in the various Car Free Day activities held in different areas to advocate eco-friendly lifestyles.



Lights Off for Summer Solstice

We participated in the "Summer solstice ~ Lights out day" event organized by the Society of Wilderness, turning off lights at peak electricity consumption during summer solstice for 5 consecutive years. The previous 4 years lights were turned off for 100 days. After seeing the urgency of energy conservation in 2021, we started the event earlier and adjusted to turning off lights for 130 days from May 24 to September 30; all 139 branches around Taiwan turn off their signboards. We saved a total of 366,915 kWh over 5 years, which is equal to reducing carbon emissions by 171.5 tons.

Promoted zero-waste circular economy

Resource Circulation and Charity Sale activity

For 10 years in a row, We have taken the initiative to hold the "Resource Conservation Charity Sales Event", which includes a silent auction for second-hand items and brand new products to help squeeze more out of existing resources. In 2021, over 4,000 volunteers and colleagues who participated in the event donated a total of 7,276 brand new and second-hand items. In addition, all proceeds from the charity events were donated to the "Concern for Schoolchildren Program". In 2021, the charity event raised over NT\$6.03 million, directly help cover the first semester costs of more than 3,000 elementary school students.



13-Book Lovers: Magazine circulation day activity

In order to realize E.SUN's environmental protection spirit, the "13-Book Lovers: Magazine circulation day activity" has been held at the E.SUN Headquarter Building. In order to effectively achieve the goal of resource sharing, we collected the magazines that various departments had subscribed to (or had received as donations), along with employees' own books, magazines, CDs, and DVDs, they were made freely available to employees. We totally collected 1,699 items in 2021, and circulated 1,264 items, for a circulation rate of 74.4%.

Raise employee's awareness of ecological environment protection

13th of every month is "E.SUN Environment and Energy Saving Education Day"

13th of every month, the environmental volunteers promote knowledge of environmental protection. Some educational material is displayed on e-Learning platform. Besides, 13th is also the cleaning day, when employees would clean the office environment to realize the 4R concept- Reduce, Reuse, Recycle, and Refuse into practice.

Month	2021 Environment education topic
January	Epidemic prevention and environmental protection in the post-pandemic era
February	International Polar Bear Day on February 27
March	E.SUN's ESG Sustainability Initiative, Fulfilling Corporate Social Responsibility
April	Cherish water resources together
May	Take mass transportation to collect environmental protection points
June	Support epidemic prevention measures and implement environmental protection and waster reduction
July	New option for air pollution prevention, new trend of carbon reduction through electric vehicles
August	Green swan effect
September	Support World Car Free Day towards low carbon sustainable lifestyles
October	Protecting the ocean starts with you and me
November	Conventional energy transformation starts with renewable energy
December	Sustainable travel

Educated employees on low-carbon diet

E.SUN Vegetables Day on Mondays

Vegetarian meals are served on Mondays in employee canteen. This not only encourages employees to eat more vegetables and consume less meat but also reduces the production of carbon dioxide by the animal husbandry industry. This effort has been supported by 1,415 employees in E.SUN every week, reducing carbon emissions by roughly 49.48 tons CO₂e.

(Note: For every person who does not eat meat, 780g CO₂e of carbon emission can be

Food made from local food ingredients

From E.SUN headquarter building to training center and branches to families, our employee canteens purchase food ingredients from local food producers or neighboring areas, on the premise that a healthy balanced diet is maintained. Adequate quantity of seasonal food ingredients is purchased in order to shorten the carbon footprint by reducing food wastes and resource wastes during the transport and refrigeration process. We also show our support for organic farms by providing employees with organic fruit vouchers.

6.3 Social Inclusion

GRI : 203-1, 203-2, 413-1; Financial Services Sector Disclosures: FS7

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

E.SUN FHC supports the United Nations Sustainable Development Goals (SDGs) and the Taiwan SDGs set by the National Council for Sustainable Development, Executive Yuan through concrete goals and actions. Through the process of identifying, prioritizing, and selecting suitable goals and taking action, E.SUN identified 9 goals, including Quality Education, that most relevant to its business strategies and operations, and further disclosed results corresponding to each goal of the Taiwan SDGs, supporting the nation's sustainable development while actively fulfilling our corporate social responsibility.




Corporate Citizenship Strategy




Identify the priority of SDGs




Assessment and
performance evaluation

Reporting, integration,
and action

Key response targets	Business drivers	Stakeholder communication
4 Quality Education	Talent is a key and leading indicator. E.SUN believes that talent cultivation is essential for corporate sustainability and national competitiveness. E.SUN has long taken actions to improve the quality of education by supporting rural elementary schools, higher education, and corporate learning. We establish libraries for elementary schools lacking resources. We support key talent in various fields nationwide through industry-academia cooperation, E.SUN Outstanding Talent Scholarship, and the E.SUN Academic Award. We have hosted the International Masters Forum to introduce elite strategies, marketing, and new knowledge in management for Taiwanese enterprises. E.SUN's emphasis on talent cultivation makes consumers more willing to use World Card, and makes outstanding talents feel confident when they join E.SUN, which not only reduces recruitment costs, but also provides a better foundation for the company's future.	Take the Golden Seed Project for example, before this project, there was no such large-scale library renovation project provided by private enterprises for rural schools in Taiwan, so E.SUN did not have many objects to refer to. However, the determination to build libraries in remote areas is so strong, so we discussed with children's reading education experts, school teachers and principals, and interior design companies about how to build libraries suitable for children. After the completion of E.SUN Library, E.SUN will continue to exchange opinions with the schools, and regularly visit them to understand, maintain, repair and renew the libraries, so that teachers and children can make the most of the libraries.
8 Create Decent Work and Economic Growth	A bank is not only a business of managing credit risks and a service business to meet the needs of customers, but also an innovative business that leads social development and a public business that pursues management efficiency. While pursuing external opportunities for development, we also value internal stability. E.SUN is actively developing fintech to create a good working environment and improve employee productivity, and assist SMEs in acquiring funds and transforming business models. E.SUN is committed to providing convenient financial services that are as easy to obtain as water and electricity, which not only helps those who have difficulty in obtaining funds, but also high-end customers are more willing to use E.SUN's financial services.	Taking the cultivation of small and medium-sized enterprises as an example, E.SUN has combined government resources to vigorously promote the "SME Credit Guarantee Fund" to guarantee financing business for a long time, and also communicates with government agencies to recommend policies to help small and medium-sized enterprises obtain important capital for operation. In addition, E.SUN actively explores high-quality potential companies, through interviews, in-depth investigations and sharing of successful experiences, to guide companies to participate in national awards, improve their operational physique, and assist in growth and transformation.
3 Good health and well-being	Health is the foundation of happiness and the key to the sustainable operations of a country and its enterprises. As Taiwan is becoming a super-aged country, the demand for medical resources is increasing day by day, and the problem of nursing shortage has started to emerge. E.SUN donating medical supplies and launching blood donation activities, and collaborates with academic institutions to cultivate nursing talents to enhance the energy of Taiwan's social health care system. On the other hand, E.SUN regularly co-organizes free clinic and home medical services with hospitals to provide appropriate medical care for physically-challenged patients and those living in remote rural areas with scarce medical resources. By continuing to invest in medical resources, together with cross-industry forces to help disadvantaged groups, E.SUN has been highly recognized by the physician customer base, and credit card, loan, and wealth management business for physicians has grown steadily.	E.SUN initiated the home-based dental project with Taiwan Dental Association and provided resources for rural dental practice, aiming to improve people's oral hygiene in remote areas. Based on the feedback from patients, E.SUN recruited volunteers and donated medical equipment to support dentists with better mobility in rural areas.

SDGs	Associated targets	Results	Mid- to long-term goals
4 Quality education 	4.3 Ensure equal access for all women and men to affordable education (U) 4.5 Ensure equal access to education the vulnerable (U) 4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including through education for sustainable development and appreciation of cultural diversity (U) 4.4 Increase the number of youth who have ICT skills (T)	(S) 166 E.SUN Libraries. (S) Care for School Children Project has helped 36,846 disadvantaged students throughout the past 3 years. (S) English Hand in Hand Project in rural elementary schools has opened 108 classess and 1,867 students. (S) The E.SUN Outstanding Talent Scholarship was awarded to a total of 208 students. (S) A total of 51 professors have received the E.SUN Academic Award. (S) National Theater and Concert Hall Dream Come True Program, Relaxed Performance, Play ART's Children's Workshop, Theater Art Experience, and Visits to E.SUN Libraries helped 4,596 children in rural areas in 2021. (C) The market share of World Card reached 29.4%. (C) Held a total of 6 E.SUN AI Open Competitions with a total of 5,552 teams.	(S) Build 200 E.SUN Libraries by 2025. (C) The market share of World Card reaches 30% in 2025.
8 Decent work and economic growth 	8.2 Increase economic productivity through diversification, technology upgrade, and innovation. (U) 8.3 Encourage the growth of micro-, small- and medium-sized enterprises through access to financial services (U) 8.8 Protect labour rights and promote safe and secure working environments for all workers (in particular women worker) (U) 8.10 Provide convenient access to diverse financial services (U) 8.13 Encourage the development of renewable energy (T)	(S) Average expenses on employee benefits was NT\$1.405 million. (S) Assisted 25,400 SMEs in obtaining vital working capital. (C) Approved NT\$469.7 billion in SMEs loans. (C) Invested NT\$540 million in R&D in 2021 and has acquired 98 fintech-related patents by the same year (30 invention patents, 57 utility model patents, 11 design patents). (C) The number of active customers of mobile and internet banking reached 2.47 million. (C) e-Click Loan applications accounted for 97% of total credit and credit card loans. (S) Total amount of electricity from wind power reached 4,042MW (offshore 2,506MW; onshore 1,536MW).	(S) Employee benefits for non-management personnel reach NT\$1.5 million per capita by 2025. (S) Assists 25,000 SMEs in obtaining vital working capital in 2025. (C) Issue NT\$500 billion of loans to SMEs in 2025. (C) Issued NT\$113 billion of loans to small businesses in 2025.
3 Good health and well-being 	3.8 Achieve universal health coverage 3.C Increase health financing and support for the health workforce in developing countries	(S) Collaborated with physicians to organize free home medical services, benefiting 2,058 people. (S) Awarded Nursing Talent Scholarship to 17 students. (S) Collaborated with the 6 chartered specialist associations (the medical, dental, Chinese medical, CPA, bar and architect associations) in holding blood donation activities, collecting a total of 7,070 bags of blood from 4,715 donors. (S) Installed 23 dental chairs in elementary schools in rural areas of Hualien County, Taitung County, and Kaohsiung City to provide services to children and local residents. We also encourage young dentists to contribute their medical expertise by providing services in rural areas. (C) 51,000 credit cards of the physician series are in circulation.	(S) Benefit 20,000 people with free clinic services by 2025. (S) Donate 60,000 bags of blood by 2025. (C) The number of cards of the physician series in circulation reach 37,000 in 2025.

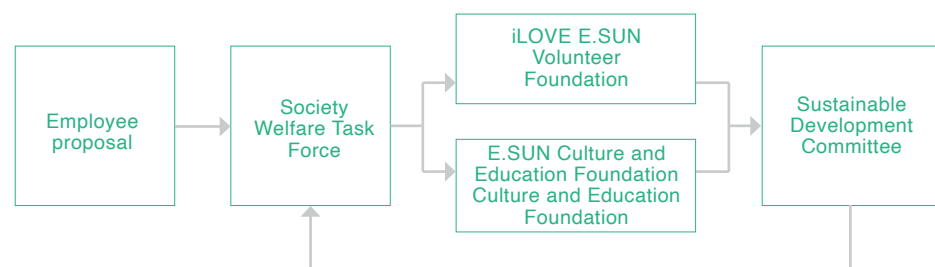
SDGs	Associated targets	Results	Mid- to long-term goals
13 Climate action 	13.2 Integrate climate change measures into strategic planning. (U) 13.3 Improve the agency and its employees' capabilities to mitigate climate change. (U) 13.3.2 Promote change in public behavior and implement low-carbon local activities. (T)	(S) Issued loans to 839 solar power stations, which totaled 1,240 MW in power generation and helped to reduce annual carbon emissions by 778,000 tons (S) Stopped issuing new loans to coal-fired power plant projects, and there would be no extensions for current contracts (S) Reduced carbon emissions by 26% per unit of revenue (S) Approximately 360,000 YouBike rides per month by E.SUN EasyCard holders (C+S) 36 loans approved in accordance with the Equator Principles. (C) Loans granted to green industries reached NT\$29.2 billion.	(S) The total amount of sustainable finance reaches NT\$340 billion in 2025. (S) The capacity from domestic renewable energy project financings reach 3.4 GW in 2025.
16 Peace, justice and strong institutions 	16.4 Significantly reduce illicit financial and arms flows and combat all forms of organized crime (U) 16.6 Establish effective, responsible, and transparent institutions (U) 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels (U)	(S) Successfully helped prevent fraud and saved around NT\$125.48 million (NTD and foreign currencies included). (C) 337 employees acquired the credential for Certified Anti-Money Laundering Specialist (CAMS). (C) 1,207 employees acquired the credential for Professional Exam for Anti-Money Laundering and Countering Terrorism (C) 5 employees obtain the CGSS certification	(S) Strengthen the disclosure of directors' salary package in 2025. (C) Establish E.SUN global anti-money laundering system platform in 2025.
12 Responsible consumption and production 	12.5 Reduce waste generation, and promote recycling and reuse. (U) 12.6 Encourage companies to adopt sustainable development measures and disclose sustainable development information. (U) 12.7 Promote green procurement (U)	(S) Reduce waste generated per unit revenue by 37%. (S) Reduce water consumption per unit revenue by 24%. (S) Credit card carbon neutrality 573 ton. (C) Spent NT\$1.5 billion on green procurement. (C) Issued more than 4.02 million carbon-neutral credit cards.	(S) Reduce waste generated per unit revenue by 50% and water consumption per unit revenue by 30% in 2025 compared to 2016 (C) Change all E.SUN credit cards in circulation to carbonneutral ones by 2025.

SDGs	Associated targets	Results	Mid- to long-term goals
15 Life on land 	15.2 Sustainably manage forests. (U) 15.4 Protect mountain ecosystems. (U) 15.5 Protect and prevent endangered species from extinction. (U)	(S) Planted 40,000 trees for the tree-planting project (S) Cumulatively donated NT\$9 million to Taipei City Zoo. (S) Sponsored hiking trails in Yangmingshan National Park for 13 consecutive years since 2009. (S) Hold Smile E.SUN beach-cleaning activities for 12 consecutive years, with the number of participants in 2021 reaching 3,686. (C) Issued a total of 496,000 Taiwan Black Bear Credit Cards, Visa Signature Cards, and ETC EasyCard Joint Credit Cards (a set percentage is contributed to the preservation of black bears, the tree-planting project, and sustainable environment accounts).	(S) Plant 80,000 trees native to Taiwan by 2025. (S) Hold beach-cleaning activities every year up to 2025
5 Gender equality 	5.1 End discrimination against women. (U) 5.4 Value women's contribution to families. (U) 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels. (U)	(S) Awarded the certification of Workplace Gender Equality Model in its first year of launching from Department of Labor of Taipei City Government. (S) Won the Taiwan Corporate Sustainability Awards – Gender Equality Leadership Award (S) Provide maternity leave (60 days), paternity leave (6 days), and unpaid parental leave (3 years), which are superior to statutory requirements. (S) Rate of reinstatement after parental leave: 86.59% (C) 39.39% of managerial employees were female. (C) The average salary for a female non-managerial employee is 98% of that for a male nonmanagerial employee.	(C) The share of women in total workforce is 55% and above in 2025. (C) In 2025, share of women in all management positions reaches 41%, junior management positions reaches 45%, top management positions reaches 23%. (C) In 2025, share of women in management positions in revenue-generating functions reaches 42%, STEM-related positions reaches 32%.
17 Partnerships for the goals 	17.3 Provide financial support for developing countries (U) 17.3 Offer scholarship to high-performing students in developing countries to study in Taiwan. (T)	(S) Promulgated the ASEAN Talent Scholarship to outstanding talent from Vietnam, Cambodia, and Myanmar. A total of 26 students have received the scholarship. (S) E.SUN and MacKay Memorial Hospital jointly donated over a thousand medical protective clothing to Shing Mark Hospital in Vietnam; E.SUN and Taiwan Medical Association made a joint donation to help the medical association of India with epidemic prevention work. (C) Loans granted by branches and subsidiaries in developing countries, including Vietnam, Cambodia, and Myanmar, reached US\$793 million. (C) Issued housing loans of US\$271 million in Cambodia. (C) Overseas units supported local policies by providing relief loans totaling US\$89 million to 249 borrowers.	(S) Continue to provide the ASEAN Talent Scholarship annually up to 2025 to help more high-performing Southeast Asian students to study and work in Taiwan.

Note: 1. (U) represents United Nations, and (T) represents Taiwan's targets.

2. (S): Social / Environmental Benefit KPI. (C): Business Benefit KPI

3. Numbers related to the reduction of carbon emissions, water consumption, and waste indicate changes since 2016.



■ Management mechanisms for charity events

E.SUN's charity events mainly respond to society's needs, and some of them are proposals by our employees. Through questionnaire feedback of the annual knowledgesharing conference and external interviews, the CSR task force will organize ideas, devise comprehensive plans, and submit them to E.SUN Volunteer and Social Welfare Foundation or E.SUN Foundation to apply for funds. After the plans are presented to and approved by Sustainable Development Committee, business management units will be designated to implement the plans. The CSR task force will conduct annual follow-ups and report the outcomes to Sustainable Development Committee, which will give recommendations and feedback for future improvement.

Type of Philanthropic Activities

Equivalent monetary amount	NT\$M	Ratio
Charitable donations	31.56	9.98%
Community investments	103.61	32.77%
Commercial initiatives	181.01	57.25%

Type of Contribution

Equivalent monetary amount	NT\$M	Ratio
Cash donation	165.13	52.23%
Time contribution	10.52	3.33%
Item donation	139.92	44.25%
Management overheads	0.61	0.19%
Total	316.18	

6.3.1 Academic Education

■ Improving the English proficiency of students in rural areas

Under the current wave of globalization and internationalization, bilingual education has become one of the nation's important policies. E.SUN, supportive of the education for rural children, has heard from many principals and teachers that the English proficiency of schoolchildren is exhibiting an M-shaped distribution, especially in rural areas. The main reasons are the long-term shortage of English teachers in rural areas and the inability of rural families to pay for cram schools. School children, once fall behind or have negative experiences with learning English, may carry a negative attitude towards English; furthermore, it could be difficult to carry out proficiency level-based grouping or remedial teaching due to lack of teachers.

To improve the English proficiency of rural children, E.SUN and Cave Books jointly launched the English Hand in Hand Project in 2019 to recruit English teachers to rural primary schools in Hsinchu County, Yunlin County, Chiayi Country, and Tainan City. In addition to providing free English textbooks, the project also offers after-school English tutoring sessions, where children can start from pronunciation and learn vocabularies, sentence structures, and simple conversations through playing games. In so doing, we hope to spark the children's interest in English and help them to build a solid foundation for further English learning.

By the end of 2021, 108 classes have been organized under the English Hand in Hand Project in total, benefiting 1,867 students. In addition to giving children from rural areas the opportunity to learn English, the project has also nurtured English teachers through teacher training camps, which not only enables these instructors to improve their teaching skills, but also helps them to better understand and identify with the purpose of the project. This in turn enables the spread of passion and enthusiasm for teaching and helping rural children to improve English proficiency.



Item	Content	Achievement
English Hand in Hand Project	Since the project was launched in 2019, we started with Chiayi County and Yunlin County, which lack resources, and invited English teachers to teach after-class English courses at elementary schools in rural areas, providing students with speaking practice and gamified courses each week, working together to provide a better English learning environment.	<ul style="list-style-type: none"> Offered a total of 47 courses with 817 students in Tainan County and Hsinchu County in 2021. A total of 108 classes have been organized, and 1,867 students have participated in the courses.
E.SUN Golden Seed Project	Since 2007, E.SUN, combining the force of our company, employees, and customers, has been allocating part of the annual fee for E.SUN World Card holders and 0.3% of their domestic card spending to build E.SUN Libraries in rural areas or areas with scarce resources, thus continuing to sow the seeds of knowledge	<ul style="list-style-type: none"> Added 8 E.SUN Libraries in 2021 to provide students and residents of rural areas with a better reading environment. As of 2021, we have built 166 E.SUN Libraries and donated 420,000 books, which have benefited more than 120,000 students.
E.SUN Academic Award	To encourage top academic research and ensure domestic research in the field of management is more closely aligned with international standards, the bank established the E.SUN Academic Award in 2010 and confers awards on professors affiliated with schools of management who publish papers in the top 3 international journals in different fields.	<ul style="list-style-type: none"> In 2021, 12 new winners were added, and the total number of awardees reached 51.
Climbing the Stories Mountain Reading Promotion Project	To train more reading promotion volunteers with a passion for telling stories, E.SUN published picture books of original Taiwanese stories and organized activities such as Storytelling Volunteer Training Courses, Story Suitcase Workshops and Storytelling Reading Promotion Services.	<ul style="list-style-type: none"> In 2021, we published 4 original illustrated storybooks and printed 4,000 copies, and organized a total of 39 offline and online training courses for storytelling volunteers and story suitcase workshops, which had a total of 3,126 participants. Published a total of 16 original illustrated storybooks and printed 14,000 copies, and organized a total of 53 offline and online training courses for storytelling volunteers and story suitcase workshops, which had a total of 3,452 participants.
Picture Book Workshop	To encourage students to create picture books and enable picture book education to become deeply rooted, E.SUN supports the National Library of Public Information's "Picture Book Database", which collects picture books created by students, and organizes workshops of creating picture books for teachers to exchange ideas with each other.	<ul style="list-style-type: none"> Collected 98 original illustrated books in 2021, and 80 teachers and citizens participated in the illustrated book workshop. Collected a total of 1,222 original illustrated books, and 430 teachers and citizens participated in the illustrated book workshop.
Elementary School and Junior High School Online Reading Project Inquiry Contest	E.SUN began supporting Taiwan Reading Culture Foundation in organizing the "Elementary School and Junior High School Online Reading Project Inquiry Contest" in 2020, in order to train students in the inquiry process through digital reading and group learning. We encourage teachers and students nationwide to participate and jointly achieve self-learning goals.	<ul style="list-style-type: none"> A total of 715 elementary school and junior high school teams with 2,597 students participated in 2021. A total of 1,081 elementary school and junior high school teams with 3,920 students have participated.
E.SUN Artificial Intelligence Open Challenge	E.SUN has been holding the Artificial Intelligence Open Challenge since 2019, providing de-identified data for participating teams to try a variety of different algorithm construction models. This year, anti-money laundering was the competition topic to enhance the practical application of artificial intelligence in Taiwan's industries through data-enabled problem-solving.	<ul style="list-style-type: none"> Held 2 E.SUN AI Open Competitions in 2021, contents include recognition of images with handwritten Chinese characters and credit card consumption predictions, attracting a total of 1,326 teams in Taiwan and overseas. A total of 6 artificial intelligence open challenges have been held to date with topics including anti-money laundering, and the events have attracted the participation of 5,552 teams from home and abroad.

6.3.2 Social Participation

■ Love Without Borders, Donations to Epidemic Prevention Funds and Donations of Medical Supplies to Other Countries

COVID-19 impacted the global environment, but Taiwan was able to control the epidemic situation with its medical expertise and citizens' cooperation. In contrast, the pandemic rages on in other parts of the world, and has been especially dire in countries with scarce healthcare resources, poor health environment, and wide wealth gap, such as India and Vietnam. Based on the spirit of humanitarian aid and global citizenship, E.SUN Bank and Taiwan Dental Association jointly donated US\$100,000 to India's medical association to provide medical devices and supplies (including oxygen, medication, and vaccines), and also provide financial aid to health workers. Vietnam also faces a shortage of healthcare resources, and E.SUN Bank and MacKay Memorial Hospital jointly donated 1,000 masks, 1,000 face shields, and 1,000 protective clothing, providing local medical institutions with the aid they need the most.



■ Utilizing the Power of Six Associations to Raise Funds for the Kaohsiung Cheng Chung Cheng Building Fire Accident, and Provide Victims with Medical Assistance

E.SUN and six national federations have worked together for years in social care and charity events. After the fire accident at Kaohsiung's Cheng Chung Cheng Building, E.SUN and Taiwan Medical Association, Taiwan Dental Association, National Union of Chinese Medical Doctors' Association, National Architect Association, National Federation of CPA Associations, and Taiwan Bar Association jointly organized a donation event for the fire accident. Bank employees and association members voluntarily donated their income for a day or made a one-time donation to the public assistance account of the Social Affairs Bureau of Kaohsiung City Government. The donations were used to provide victims with healthcare subsidies, consolation money, and

The school nurse of Taitung County Taimali Township Daxi Elementary School said that the school originally used a reclining chair and simple dental equipment, and children strongly resisted getting their teeth checked. Now they have a better dental chair, children can experience getting their teeth.

Director General Lee Po-Chang of the National Health Insurance Administration, Ministry of Health and Welfare recognized dentists for their contributions to the healthcare of rural areas, and specially thanked E.SUN Bank for donating comfortable equipment that will allow dentists to uphold.

Chairperson Chen Chien-Chih of Taiwan Dental Associationsaid that dentists have been concerned about healthcare for the underprivileged for years, and strive to provide residents of rural areas with better oral care and health. He thanked E.SUN Bank for seeing the love and passion of dentists and for donating equipment and providing volunteers to help even more dentists achieve their mission of providing healthcare in rural areas.

help find accommodations for them, in hopes of allowing victims to return to normal life within the shortest time possible. Psychological recovery and rebuilding their homes is a long path that requires professional assistance and care, so the six associations also utilized the power of healthcare and professional consulting to help patients and family members with subsequent treatment, life, and social reconstruction.

■ Delivering Love to Rural Areas, Installing Dental Chairs, and Providing Home-based Services

There are 81 townships around Taiwan that do not have a dentist, making it hard for residents to seek treatment. According to statistics of the Ministry of Health and Welfare, Taiwan's DMFT of 2.5 is higher than the goal of 2 set by the WHO, and the issue is even more severe among children in rural areas. Dentists voluntarily providing services at schools in rural areas will greatly improve the issue of decayed teeth among children. To provide residents of rural areas with equal access to healthcare, E.SUN Bank and Taiwan Dental Association jointly implemented the project "E.SUN Sends Love, Health Workers Provide Protection" and will install 23 dental chairs in elementary schools in rural areas of Hualien County, Taitung County, and Kaohsiung City, increasing mobile healthcare capacity and caring for the oral health of students in rural areas.

■ Established the E.SUN Nursing Talent Scholarship to train nursing personnel

With the advent of an aged society, society's demand for medical and elder care is increasing, and the epidemic prevention process moreover requires the concerted efforts of medical staff. In response, E.SUN has joined hands with academic institutions to cultivate more nursing talents needed by society and enhance the energy of Taiwan's social health care by supporting indicator nursing schools to promote assistance programs for economically straitened and disadvantaged students. The bank also set up the "E.SUN Nursing Talent Scholarship" to encourage students in the field of nursing to devote themselves to their studies, and after graduation, pursue careers in clinical nursing, thereby becoming nursing professionals with expertise and passion for service.



Item	Content	Achievement
E.SUN Outstanding Talent Scholarship	To cultivate a key taskforce for the country's future, E.SUN has successively established the E.SUN Outstanding Talent Scholarship and E.SUN ASEAN Scholarship since 2005. Furthermore, in response to the advent of an aged society, the demand for medical and elder care is gradually increasing; therefore, the bank also set up the E.SUN Nursing Talent Scholarship in 2020 to nurture taskforces key to Taiwan's future through practical actions.	In 2021, a total of 36 students from different fields were awarded with scholarships, including 21 outstanding talents, 7 ASEAN talents and 8 nursing talents. As of 2021, a total of 208 students have been awarded.
E.SUN Sends Love, Health Workers Provide Protection / Donating dental chairs to rural areas	In 2021, E.SUN Bank and Taiwan Dental Association jointly implemented the project "E.SUN Sends Love, Health Workers Provide Protection" and installed 23 dental chairs in elementary schools in rural areas, in order to increase mobile healthcare capacity and care for the oral health of students in rural areas.	<ul style="list-style-type: none"> We continued to implement the Home-based Dental Service Project, in which a total of 142 dentists joined and served 696 patients a total of 2,058 times. To increase the oral care capacity of rural areas, we installed 23 dental chairs in elementary schools in rural areas of Hualien County, Taitung County, and Kaohsiung City in 2021 to provide services to children and local residents. We also encourage young dentists to contribute their medical expertise by providing services in rural areas.
E.SUN Caring Children Program	Through the program, E.SUN has been providing assistance to children who come from economically disadvantaged family or encounter family emergency. The program enables children to concentrate on schoolwork and at the same time alleviates their family's financial burden. Each elementary school student is subsidized with NT\$2,000 per semester to pay for their tuition and miscellaneous fees, textbooks, extracurricular activities, after-school counseling, or other expenses.	NT\$73.69 million in total has been donated to the Caring Children Program over the past three years, helping 36,846 underprivileged children.
E.SUN Maravi Rice	E.SUN has been supporting organic agricultural development for 8 consecutive years since 2014, encouraging local farmers in Maravi to adopt organic agriculture and protect biodiversity.	E.SUN acquired 300,000 kg of Maravi Rice in total, and shared them not only to employees and VIP customers, but also in employee restaurants.
"One simple act of love can inspire others to love" – Blood Donation Event	To alleviate blood shortage and help those in need, E.SUN Bank and E.SUN Volunteer Foundation have held blood donation activities for 22 consecutive years during winter and summer vacations, when seasonal blood shortages occur.	In 2021, E.SUN collaborated with the 6 chartered specialist associations and FamilyMart convenience store in organizing blood donations that attracted a total of 4,715 donors and volunteers to respond, and collected 7,070 bags of blood.



6.3.3 Arts and Humanities




E.SUN has monitored the development of culture and arts for years, and promotes cultural equality and aesthetic education, for which it has gained considerable recognition on the path to sustainable development, including winning the Group Award of the Social Education Contribution Award from the Ministry of Education, Excellent Group Award of the Art Education Contribution Award from the Ministry of Education, and the Permanent Exhibition Award in the Arts and Business Awards from the Ministry of Culture. This has given us greater confidence to continue forward and spread seeds of culture and artistic energy. From classroom to theater, we have constructed a complete art learning process to develop children's art literacy in three stages: "advance learning," "watch performance," and "sharing and discussion after performance." The cooperation of art venues, artists, and performance groups, as well as the participation of school teachers and students and E.SUN volunteers, is needed in the process of promoting art education. E.SUN combines internal and external resources and capabilities, and exerts its influence to facilitate art exchanges between urban and rural areas, giving children in rural areas the opportunity to explore the world of art. Children are the future of a nation and face a challenging future. By developing their art and cultural literacy, we will help children calmly face the environment and further make the world a better place. Besides implementing the project in schools in rural areas, we are also utilizing local resources to organize art education events, allowing children to enjoy abundant art education resources through the promotion of education, which will raise their interest in art and create a positive force in society, so that more aesthetic values will be introduced to the public.







Excellent Group Award of the Art Education Contribution Award from the Ministry of Education



Permanent Exhibition Award in the Arts and Business Awards from the Ministry of Culture

	Content	Number of beneficiaries in 2021
	<p>Relaxed Performance</p> <p>E.SUN and the National Theater and Concert Hall co-organized "Relaxed Performance," jointly implementing inclusive service and program measures, so that people can enjoy relaxed performance after a long period of epidemic prevention measures. E.SUN was the name sponsor of 3 Relaxed Performance programs in 2021, namely be FUN and young with A Cappella, NTCH Organ Concert, and Muddy Basin Ramblers concert, in 2021. Invitations were sent to elderly people and people with different physical needs and conditions to watch the performance. Relaxed and interesting interactions were elaborately designed to create a friendly venue for different groups. Due to the pandemic, school teachers and students could not be invited to watch performances in the NTCH. For art resources to enter education venues, E.SUN became the name sponsor of the elementary school resource pack under the NTCH Open School project "Animal Mission – Saint-Saens' Music Stone." We provided teaching plans and two video courses in E.SUN Library free of charge for art education courses, allowing schools to become a venue for art and closing the gap in art education between urban and rural areas.</p>	<p>Approx. 1,355 persons</p>
	<p>Theater Art Experience Education Project</p> <p>The pandemic temporarily closed schools and made students stay at home, but the Theater Arts Experience Education Project – Spring Reader's Theater Course jointly offered by E.SUN and National Kaohsiung Center for the Arts was not suspended, and subsequent classes were completed online, allowing art education to strike root and not need to be put on hold. We collaborated with 8 junior high schools and elementary schools in southern Taiwan in the first half of 2021. This was the first time a military academy – Chung Cheng Armed Forces Preparatory School and Kaohsiung Municipal Cishan Junior High School, which is neither a mountain school nor an urban school, joined the project and allowed cultural equality among the youth to take a big step forward. Under the guidance of school teachers and theater mentors, the schools gave online presentations starting in June and showed the abundant results of the reader's theater course over the past six months.</p>	<p>Approx. 919 persons</p>
	<p>Let's go to the theater</p> <p>E.SUN and National Taichung Theater co-organized an event under the theme "Circus" in 2021, and invited a total of approximately 600 teachers and students from 11 schools in Taoyuan City and Hsinchu County to visit the theater while complying with epidemic prevention requirements of the Ministry of Culture. In the morning, they watched the circus performance "Pandora's Box" by the ten-year-old Formosa Circus Art (FOCA), performing a unique contemporary drama and physical discourse. In the afternoon, they participated in a workshop led by Eye Catching Circus, which inspired their imagination and creativity through interesting interactions and an actual experience of the physical movements and fun of performing.</p>	<p>Approx. 600 persons</p>

	Content	Number of beneficiaries in 2021
	<p>Play ARTs Children's Workshop</p> <p>Play ART's Children's Workshop invites teachers and students of southern Taiwan to visit Tainan Art Museum, and hopes to grow together with children through art. Besides arranging a tour of the architecture and admiring the special exhibition "Building Blocks, Building Happiness," we utilized the fragmented roof design of Tainan Art Museum that combines aesthetics with scientific principles, and led students to experience making a kite using hemp rope, double-sided tape, cotton paper, and glass paper based on mathematical principles.</p>	Approx. 600 persons
	<p>Taiwanese Composer Series</p> <p>E.SUN monitors the development of local art in Taiwan, and co-organized the Kuo Chih-Yuan Exhibition and Kuo Chih-Yuan Memorial Concert with the National Kaohsiung Center for the Arts and Taiwan Music Institute of the National Center for Traditional Arts, paying homage to a master who has dedicated his life to Taiwan's national music. This performance has profound meaning to the development of music in Taiwan, and the joint promotion by centers in northern and southern Taiwan along with E.SUN's support will allow beautiful melodies to continue to be passed down.</p>	Approx. 10,843 persons
	<p>Build a professional classroom for music and art</p> <p>E.SUN has been involved in academic education and talent cultivation for years, and worked together with National Taipei University of Nursing and Health Sciences in building a new professional classroom for music and art, using the warm texture of a wooden wall with yellow and green tones. The classroom provides a simple, warm, and comfortable space for teachers and students to share music and art in a relaxed atmosphere, and expand the breadth and depth of their body, mind, and soul. The music classroom has high quality stereo and professional sound absorption equipment, and will be able to present musical features in detail and show the power of music. The university plans to not only use the classroom for teaching, but also make it a place for art learning, exhibitions, and performances of teachers, students, and communities.</p>	Approx. 5,000 persons
	<p>Monet & Friends: Life, Light & Colour</p> <p>E.SUN is the sponsor of many large art exhibitions in Taiwan, assisting the promotion and innovation of different arts. Monet & Friends: Life, Light & Colour was held in Kaohsiung and Taipei in phases according to the government's epidemic prevention requirements. The exhibition recreated over 2,000 masterpieces of 18 impressionism masters, such as Monet, Renoir, Cezanne, and Degas, using modern technology for impressionism's pursuit of light and color.</p>	Approximately 130,000 participants

6.3.4 Fitness Development

Sports empowerment and continuous training of senior league baseball players, increasing Taiwan's international visibility

Baseball is Taiwan's national sport, and many nationals have vivid and profound memories of various international competitions in which the national team excelled. As senior league is an important period of baseball development, E.SUN has taken the promotion of Taiwan's baseball strength as its own corporate responsibility, and has invested resources in the promotion and improvement of senior league infrastructure, so that baseball can be further promoted to every corner of Taiwan.

E.SUN believes it is necessary to make systematic improvements, and has thus promoted charity events for the development of youth baseball for 15 consecutive years. There are four themes of charity events for youth baseball, starting from sponsorship for basic gear and protective gear to improving the skills of players and promoting correct protection knowledge. Finally, by planning the E.SUN Cup Youth Baseball Championship, we give youth baseball players a stage where they can present their results and leave an imprint of their youth. We selected 20 high school players to become members of the national team, and represented Taiwan in challenging the world in the Asian AA Baseball Championship and U-18 Baseball World Cup. This has made the E.SUN Cup the starting point for realizing their dreams of making it to the national team.

In terms of basic training, we organize the "E.SUN Youth Baseball Training Camp" and "E.SUN Youth Baseball Defense Camp" each year, and invite MLB or NPB-level coaches to Taiwan and teach young baseball players the most advanced baseball concepts and correct techniques. In a different aspect, we are working with Chang Gung Memorial Hospital to provide players with better concepts for caring for sports injuries, in order to prevent sports injuries from causing greater damage to their body and extend their careers. E.SUN will also provide suitable gear subsidies to schools in remote areas of Taiwan that have scarce resources, allowing schools actively developing youth baseball to have a better environment, so that coaches and players can focus more on their daily skills training. This will further train even more talented young players and make Taiwan's baseball even better.

Lastly, E.SUN organizes the only national team selection for youth baseball in Taiwan – "E.SUN Cup Youth Baseball Championship" each year, and 10,000 high school students participate each year in hopes of shining on a stage to fulfill their dreams. In the 15 years from 2007 to 2021, Taiwan's national senior league baseball team has been awarded in 9 international competitions. In addition to most recent title of champion awarded at the 2019 U18 World Cup, the team has accumulated a total of 3 golds, 3 silvers and 3 bronzes. This demonstrates that the E.SUN Cup has honed outstanding players under high-intensity competitions, and has also assisted Taiwan senior baseball league to continue exhibiting stellar performances throughout the years with outstanding achievements in international competitions!

9,000 people

Participate in E.SUN Cup Youth Baseball Championship

36 schools

Made donations to remote areas



E.SUN Cup Youth Baseball Championship

- Highest-level competition for selecting members of the senior baseball national team
- Organized for 15 consecutive years with over 9,000 participants
- 2007 U-18 Asian Baseball Championship - Champion
- 2010 IBAF U-18 Baseball World Cup - Champion
- 2019 World Junior Baseball Championship

Senior League Baseball Camp

- Coach camp, pitching and catching camp, hitting camp, pitching camp
- Introduced advanced concepts of the MLB and NPB for young baseball players and coaches to grow together
- Wang Po-Jung of the Nippon-ham Fighters and Liu Chih-Jung of the Red Sox personally provided instructions



Senior League Protection Camp

- Establishes the concept of sports injury protection and prolongs the sports careers of players
- Cumulative total of approximately 3,000 participants

Remote Caring Program Series

- Care is extended to teams in remote areas with focus on improving their skills, and providing new equipment and protective gear
- Made donations to 36 schools that lack resources



Appendix 1 - GRI Sustainability Reporting Standards Content Index

Statement of use	E.SUN FHC follows GRI to publish this report. The report covers performance in economic, social and environmental aspects in 2021 (from January 1 to December 31, 2021).
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	G4 Financial Services Sector Supplement Guidelines Integrated reporting and SASB

GRI 2: General Disclosures 2021

★ Material issues

Disclosure	Description	Reference	Page	Note
2-1	Organizational details	About the Report 1.1 Vision	3 14-15	
2-2	Entities included in the organization's sustainability reporting	About the Report	3	
2-3	Reporting period, frequency and contact point	About the Report	3	
2-4	Restatements of information	About the Report	3	
2-5	External assurance	About the Report	3	
2-6	Activities, value chain and other business relationships	1.1 Vision	13-15	
2-7	Employees	Appendix 8 - Human Resource Management Indicators	165	
2-8	Workers who are not employees	4.10 Human Rights Protection	102	
2-9	Governance structure and composition	4.1 Corporate Governance	77	
2-10	Nomination and selection of the highest governance body	Please refer to E.SUN FHC official website for the election method of directors	-	
2-11	Chair of the highest governance body	4.1 Corporate Governance	78	
2-12	Role of the highest governance body in overseeing the management of impacts	4.1 Corporate Governance	78	
2-13	Delegation of responsibility for managing impacts	1.3 Sustainable Development Committee 4.1 Corporate Governance	17 78	
2-14	Role of the highest governance body in sustainability reporting	1.3 Sustainable Development Committee	17	
2-15	Conflicts of interest	4.1 Corporate Governance	78	
2-16	Communication of critical concerns	1.3 Sustainable Development Committee 4.1 Corporate Governance	17 78	
2-17	Collective knowledge of the highest governance body	4.1 Corporate Governance	78	
2-18	Evaluation of the performance of the highest governance body	4.1 Corporate Governance	78	
2-19	Remuneration policies	4.1 Corporate Governance	79	

Disclosure	Description	Reference	Page	Note
2-20	Process to determine remuneration	4.1 Corporate Governance	79	
2-21	Annual total compensation ratio	4.1 Corporate Governance	79	
2-22	Statement on sustainable development strategy	Message from the Chairman and the President	5	
2-23	Policy commitments	3.1 Sustainable Finance	53	
		3.2 Inclusive Finance	64	
		3.3 FinTech and Innovation	74	
		4.2 Code of Conduct and Ethic	82	
		4.9 Tax Governance	99	
		4.10 Human Rights Protection	102	
		5.3 Employee Care and Friendly Workplace	130	
2-24	Embedding policy commitments	3.1 Sustainable Finance	53	
		3.2 Inclusive Finance	64	
		3.3 FinTech and Innovation	74	
		4.2 Code of Conduct and Ethic	82	
		4.9 Tax Governance	99	
		4.10 Human Rights Protection	102	
		5.3 Employee Care and Friendly Workplace	130	
2-25	Processes to remediate negative impacts	3.1 Sustainable Finance	53	
		3.2 Inclusive Finance	64	
		3.3 FinTech and Innovation	74	
		4.2 Code of Conduct and Ethic	82	
		4.9 Tax Governance	99	
		4.10 Human Rights Protection	102	
		4.10.2 Supplier Management	109	
		5.3 Employee Care and Friendly Workplace	130	
2-26	Mechanisms for seeking advice and raising concerns	4.2 Code of Conduct and Ethic	82	
2-27	Compliance with laws and regulations	4.2 Code of Conduct and Ethic	83	
2-28	Membership associations	4.1 Corporate Governance	81	
2-29	Approach to stakeholder engagement	1.6 Communication with stakeholders	30	
2-30	Collective bargaining agreements	5.3 Employee Care and Friendly Workplace	130	

GRI 3: Material Topics 2021

Disclosure	Description	Reference	Page	Note
3-1	Process to determine material topics	1.5 Materiality Analysis Appendix 3 - Material Issues	19-29	
3-2	List of material topics		161-162	
3-3	Management of material topics			

STANDARD DISCLOSURES PART: Topic-specific Standards

GRI 200: Economic Series

Series	Disclosure	Description	Reference	Page	Note
GRI 201: ★ Economic Performance 2016	201-1	Direct economic value generated and distributed	1.2 Business Performance	16	
	201-2	Financial implications and other risks and opportunities due to climate change	2 Journey to Net Zero	35-49	
	201-3	Defined benefit plan obligations and other retirement plans	5.2 Talent Attraction and Retention	121	
GRI 202: ★ Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.2 Talent Attraction and Retention	121	
GRI 203: ★ Indirect Economic Impacts 2016	203-1	Infrastructure investments and services provided supported	3.1 Sustainable Finance	53	
			3.2 Inclusive Finance	64	
			3.3 FinTech and Innovation	74	
			6.3 Social Inclusion	144	
	203-2	Significant indirect economic impacts	3.1 Sustainable Finance	53	
			3.2 Inclusive Finance	64	
			3.3 FinTech and Innovation	74	
			6.3 Social Inclusion	144	
GRI 204: ★ Procurement Practices 2016	204-1	Proportion of spending on local suppliers	4.10.2 Supplier Management	109	
GRI 205: ★ Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	4.2 Code of Conduct and Ethic	82	
	205-2	Communication and training about anti-corruption policies and procedures	4.2 Code of Conduct and Ethic 4.10.2 Supplier Management	82 109	
	205-3	Confirmed incidents of corruption and actions taken	4.2 Code of Conduct and Ethic	82	
GRI 206: ★ Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.2 Code of Conduct and Ethic	82	
GRI 207: ★ Tax 2019	207-1	Approach to tax	4.9.1 Approach to tax	99	
	207-2	Tax governance, control, and risk management	4.9.2 Tax Governance and Risk Control Mechanism	100	
	207-3	Stakeholder engagement and management of concerns related to tax	4.9.3 Stakeholder engagement and management	100	
	207-4	Country-by-country reporting	4.9.4 E.SUN FHC income tax information for the past two years 4.9.5 2021 country-by-country reporting	101	

GRI 300: Environmental Series 2016

Series	Disclosure	Description	Reference	Page	Note
GRI 302: ★ Energy 2016	302-1	Energy consumption within the organization	6.1 Sustainable Operating Environment Appendix 9 - Sustainable Operating Environment Indicators	135-137 172	
	302-3	Energy intensity	6.1 Sustainable Operating Environment Appendix 9 - Sustainable Operating Environment Indicators	137 172	
GRI 303: Water 2018	303-1	Interactions with water as a shared resource	6.1 Sustainable Operating Environment	137	
	303-3	Water withdrawal	6.1 Sustainable Operating Environment	137	
GRI 305: ★ Emissions 2016	305-1	Direct (Scope 1) GHG emissions	6.1 Sustainable Operating Environment Appendix 9 - Sustainable Operating Environment Indicators	136-137 172	
	305-2	Energy indirect (Scope 2) GHG emissions	6.1 Sustainable Operating Environment Appendix 9 - Sustainable Operating Environment Indicators	136-137 172	
	305-3	Other indirect (Scope 3) GHG emissions	6.1 Sustainable Operating Environment Appendix 9 - Sustainable Operating Environment Indicators	136-137 172	
	305-4	GHG emissions intensity	6.1 Sustainable Operating Environment Appendix 9 - Sustainable Operating Environment Indicators	136-137 172	
GRI 306 Effluents and Waste 2020	306-3	Waste generated	6.1 Sustainable Operating Environment Appendix 9 - Sustainable Operating Environment Indicators	138 172	
	307-1	Non-compliance with environmental laws and regulations	-	-	No related penalties.
GRI 307: ★ Environmental Compliance 2016					
GRI 308: ★ Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	4.10.2 Supplier Management	109	

GRI 400: Social Series

Series	Disclosure	Description	Reference	Page	Note
GRI 401: ★ Employment 2016	401-1	New employee hires and employee turnover	Appendix 8 - Human Resource Management Indicators	166	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Talent Attraction and Retention	122	
	401-3	Parental leave	Appendix 8 - Human Resource Management Indicators	168	
GRI 402: Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.1 Talent Cultivation and Development	117	
GRI 403: ★ Occupational Health and Safety 2018	403-1	Occupational health and safety management system	5.3 Employee Care and Friendly Workplace	124	
	403-2	Hazard identification, risk assessment, and incident investigation	5.3 Employee Care and Friendly Workplace	126	
	403-3	Occupational health services	5.3 Employee Care and Friendly Workplace	129	
	403-4	Worker participation, consultation, and communication on occupational	5.3 Employee Care and Friendly Workplace	125	
	403-5	Worker training on occupational health and safety	5.3 Employee Care and Friendly Workplace	125	
	403-6	Promotion of worker health	5.3 Employee Care and Friendly Workplace 4.6.2 Control of Major Communicable Diseases	124-131 94-95	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business operations	5.3 Employee Care and Friendly Workplace	126	
	403-8	Workers covered by an occupational health and safety management system	5.3 Employee Care and Friendly Workplace	126	
	403-9	Work-related injuries	5.3 Employee Care and Friendly Workplace Appendix 8 - Human Resource Management Indicators	126 168	
	403-10	Work-related ill health	5.3 Employee Care and Friendly Workplace Appendix 8 - Human Resource Management Indicators	126 168	

Series	Disclosure	Description	Reference	Page	Note
GRI 404: ★ Training and Education 2016	404-1	Average hours of training per year per employee	5.1 Talent Cultivation and Development Appendix 8 - Human Resource Management Indicators	111 169	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.1 Talent Cultivation and Development 5.2 Talent Attraction and Retention	111 119-121	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.1 Talent Cultivation and Development	118	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.1 Corporate Governance Appendix 8 - Human Resource Management Indicators	77-78 165	
	405-2	Ratio of basic salary and remuneration of women to men	5.3 Employee Care and Friendly Workplace	130	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Appendix 8 - Human Resource Management Indicators	170	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.3 Employee Care and Friendly Workplace	130	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	4.10 Human Rights Protection 4.10.2 Supplier Management	102-103 109	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.10 Human Rights Protection 4.10.2 Supplier Management	102 109	
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	-	-	No such record.
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	4.10 Human Rights Protection	102	100% of operating sites in Taiwan has identified and assessed human rights impact.
	412-2	Employee training on human rights policies or procedures	4.10 Human Rights Protection Appendix 8 - Human Resource Management Indicators	102 170	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	4.10 Human Rights Protection 4.10.2 Supplier Management	102 109	
GRI 413: ★ Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	3.2 Inclusive Finance 6.3 Social Inclusion	64 144	
GRI 414: ★ Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	4.10.2 Supplier Management	109	
GRI 415: Public Policy 2016	415-1	Political contributions	1.2 Business Performance	16	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	4.10.1 Treating Customers Fairly and Customer Experience	103-104	
	417-2	Incidents of non-compliance concerning product and service information and labeling	4.10.1 Treating Customers Fairly and Customer Experience	103-104	No such record.
	417-3	Incidents of non-compliance concerning marketing communications	4.10.1 Treating Customers Fairly and Customer Experience	103-104	No such record.
GRI 418: ★ Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.7 Information Security 4.8 Personal Information Protection Management	98 99	
GRI 419: ★ Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	4.2 Code of Conduct and Ethic	82	

Appendix 2 - Index of GRI (Global Reporting Initiative) G4 Indicators of Financial Service Sector

Aspect			DMA / GRI	Reference	Page number
★ Product portfolio	DMA	FS1	Policies with specific environmental and social components applicable to business lines.	3.1 Sustainable Finance	53
				3.2 Inclusive Finance	64
				3.3 FinTech and Innovation	74
		FS2	Procedures for assessing and screening environmental and social risks in business lines.	3.1 Sustainable Finance	53
		FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	3.1 Sustainable Finance	53
				3.2 Inclusive Finance	64
		FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applicable to business lines.	5.1 Talent Cultivation and Development	111
				6.2.3 Environmental Sustainability Activity	142
Audit	DMA	FS5	Interactions with clients / investees / business partners regarding environmental and social risks and opportunities.	3.1 Sustainable Finance	53
				3.2 Inclusive Finance	64
				3.3 FinTech and Innovation	74
				4.10.2 Supplier Management	109
		FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	3.2 Inclusive Finance	64
				3.3 FinTech and Innovation	74
		FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	6.3 Social Inclusion	144
				3.1 Sustainable Finance	53
Active Ownership	Indicator	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues .	3.1 Sustainable Finance	53
				3.2 Inclusive Finance	64
				3.3 FinTech and Innovation	74
Product responsibility-Product and service labeling	DMA	FS15	Policies for the fair design and sale of financial products and services.	4.10.1 Treating Customers Fairly and Customer Experience	103
		FS16	Initiatives to enhance financial literacy by type of beneficiary.	3.2 Inclusive Finance	64
G4-Society-Local Communities	Indicator	FS13	Access points in low-populated or economically disadvantaged areas by type.	5.1 Talent Cultivation and Development	111
				3.2 Inclusive Finance	64
G4-Society-Local Communities	Indicator	FS14	Initiatives to improve access to financial services for disadvantaged people.	3.2 Inclusive Finance	64
				3.2 Inclusive Finance	64

Appendix 3 - Material Issues

A-1 Adjustment of Material Issues, 2021

Issue	Differences between years	Explanation on changes
Information security	Split the issue	Information security covers a wide range of topics. Besides personal data protection, it also includes information security systems and management system. Personal data protection focuses on the security of customers' personal data, and has different contents than "Information Security Protection and Personal Data Protection." Hence, the issue was split into "Information Security" and "Personal Data Protection."
Privacy		
Climate change risks	Split the issue	Climate change is an issue that has attracted global attention. In order to effectively respond to extreme weather events, assess the financial impact, improve the climate change adaptation policy, and identify related risks and opportunities, we split "Climate Change Strategy" into "Climate Change Risks" and "Climate Change Opportunities."
Climate change opportunities		
Responsible lending	Split the issue	Considering that "Sustainable Finance" covers an extensive scope, we split the issue into "Responsible Lending" and "Responsible Investment" to let stakeholders better understand E.SUN's influence in responsible lending and responsible investment.
Responsible investment		
Major infectious disease control measures	Adjusted the name	We adjusted "Business Continuity Plan" into "Major Infectious Disease Control Measures."

A.2 Involvement of Value Chain in Material Issues in 2021

E.SUN's value chain includes upstream (supplier, partners, government), E.SUN's operations (including FHC and subsidiaries), and downstream (customers). Overall, it is responsible for providing and receiving all of E.SUN's products and services. The impact and involvement of material issues in the value chain are described in the table below:

Material Issues	E.SUN's activities and impact	Boundaries of impact and degree of involvement in the value chain				
		Upstream		E.SUN	Downstream	
		Suppliers	Partners	Government	FHC and subsidiaries	Customers
1 Talent Cultivation and Development	E.SUN incorporated ESG issues into courses, and invited external lecturers and entrepreneurs to share sustainability issues. We co-organized beach cleanups with government agencies, and invited new employees to participate in training courses, encouraging employees to help customers achieve sustainability. This directly impacts partners, governments, and employees, and indirectly impacts customers.		Direct	Direct	Direct	Indirect
2 Ethical corporate management	We organize employee education and training and administer tests. Employees sign the E.SUN Employee Service Code of Conduct and Behavior Standards, and seek to achieve the high standards, implement ethical corporate management, protect customers' rights and interests, and also avoid fines from the competent authority. This directly impacts employees, government and customers. Furthermore, E.SUN requires suppliers and partners to sign ethical corporate management related clauses to build good business relationships.	Commercial	Commercial	Direct	Direct	Direct
3 Climate change risks	E.SUN set the goal to achieve net zero emissions and implemented the SBTs in response to climate change. Internal employees directly developed quantitative methods and indicators, and reviewed important investment and loan assets, which impact business relationships with customers and also indirectly impact the government and financial supervisory authority's climate change policy.			Indirect	Direct	Business
4 FinTech and Innovation	AI voice navigation improves the efficiency and quality of responses to customers' questions and solutions for their problems, which directly impacts customers. The use of technology improves the efficiency of E.SUN's employees in collecting information and monitoring information security threats, and has a direct impact.				Direct	Direct
5 Risk management	In response to the transition from LIBOR, E.SUN has upgraded its current valuation system to protect customers' rights and interests, and also added suitable clauses to trading contracts, in order to comply with international market practices and regulations of the competent authority. We have made active efforts to let customers fully understand their rights and interests in the transition, so that customers and smoothly transition between contracts, thereby maintaining good customer relationships.	Direct	Direct	Direct	Direct	Business
6 Treating Customers Fairly and Customer Experience	Understand customer satisfaction through customer satisfaction and NPS surveys, and further improve the quality of services and customers' experience. Directly impacts employees and customers. The competent authority checks if the design of business and service processes treats customers' fairly and reasonably based on the principle of treating customers fairly, and directly impacts the competent authority.			Direct	Direct	Direct

Material Issues			Boundaries of impact and degree of involvement in the value chain						
			Upstream			E.SUN	Downstream		
			Suppliers	Partners	Government	FHC and subsidiaries	Customers		
7	Privacy	The implementation of BS10012 2017 Personal Information Management System increases the competent authority's recognition of E.SUN's personal data protection mechanisms, and has an indirect impact. The continued improvement of regulations and operating procedures for the protection of customers' personal data has a direct impact on customers.			Indirect		Direct		
8	Talent Attraction & Retention	E.SUN is jointly promoting internship programs and providing scholarships to colleges, which have indirect and direct positive impacts on partners. For internal employees, E.SUN continues to provide more competitive salaries, bonuses, and diverse benefits, which have a direct impact.			Indirect/ Direct		Direct		
9	Major infectious disease control measures	E.SUN supported government policies in response to COVID-19 by offering labor and business relief loans, while maintaining financial services. E.SUN employees are direct participants, so it has a direct impact on the competent authority and employees. Financial services were not suspended during the pandemic, so it has a business impact on customers.			Direct	Direct	Business		
10	Compliance	E.SUN raised employees' compliance awareness through monthly education and training sessions, such as personal data protection, AML, or the principle of treating customers fairly. This allows us to maintain compliance, protect customers' rights and interests, and reduce fines imposed by the competent authority as our business continues to grow.			Direct	Direct	Direct		
11	Information security	The subsidiaries E.SUN Bank and E.SUN Securities expanded the scope of application and verification of ISO/IEC 27001 Information Security Management Systems, and established a Security Operation Center (SOC), which indirectly impacts suppliers and also indirectly improves the financial supervision by the competent authority. E.SUN is able to securely provide services to customers through a well-rounded management system.			Indirect	Indirect	Direct	Direct	
12	Climate change opportunities	Mitigation and adaptation measures taken in response to climate change, whether it may be environmental protection and energy conservation in own operations, using renewable energy, increasing suppliers' resilience in ESG issues, and developing sustainable/green products, will help create opportunities for the Company and has a business impact on customers. It has an indirect and direct impact on the government and suppliers. Furthermore, the Company's ESG performance also helps build consensus among employees and creates a positive impact.			Direct	Indirect	Direct	Business	
13	Responsible Lending	E.SUN implemented the EPs to support the Green Finance 2.0 Policy, and requires development projects to analyze the environmental and social impact, which indirectly impacts the government and directly impacts E.SUN. E.SUN provides customers with green energy project financing, and invited business partners to participate in E.SUN's ESG initiatives and actions, influencing companies and customers through business relationships.				Indirect	Direct	Business	
14	Employee Care and Friendly Workplace	E.SUN works with health examination institutions nationwide to provide employees with a leave system and health examination system better than regulatory requirements, which indirectly impacts business partners and has a direct positive impact on employees.			Indirect		Direct		
15	Responsible Investment	Investees issue sustainable development bonds to meet sustainability related funding needs, and E.SUN offers the sustainable development bonds for customers to invest in, building a business relationship with partners and customers. E.SUN Bank continues to increase its investment position in sustainable development bonds and exert its financial influence.			Business		Direct	Business	
16	Inclusive finance	E.SUN and partners in other industries jointly promote micro insurance, retirement trust, and small business loans, and jointly offered the Smile & Hope Loan with Taipei City Government. E.SUN employees actively promote and help customers access financial services, which forms a business relationship between partners, government agencies, and customers, and has a direct impact on employees.			Business	Business	Direct	Business	
17	Human Rights Protection	E.SUN provides employees with gender equality measures and diversity and inclusiveness measures, which has a direct impact on employees; this complies with the government's Act of Gender Equality in Employment and related regulations, and has an indirect impact on the government. Suppliers are required to sign a self-evaluation form and commitment to human rights, which indirectly impacts suppliers.			Indirect	Indirect	Direct		
18	Corporate governance	E.SUN commissioned an external independent professional institution to conduct board performance evaluations, and thereby improve its brand reputation, which indirectly impacts the willingness of suppliers and partners to work with E.SUN, and directly impacts the competent authority and customers' trust in E.SUN. Continue to strengthen competencies of the board of directors, enhance leadership capabilities of the management team; directly impacts E.SUN's directors and management team.			Indirect	Indirect	Direct	Direct	Direct

Appendix 4 - Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies

	Content	Reference	Page
Chapter 1	General Guideline	Disclose the goal, entity applied to, and principles of best practices.	1.Our Story 12
Chapter 2	Corporate Governance	Regulate and promote corporate governance.	4.1 Corporate Governance 77 4.2 Code of Conduct and Ethic 82
Chapter 3	Environmental Protection	Regulate practices for sustainability.	6. Seeking Common Good 132
Chapter 4	Social Responsibilities	Regulate practices for social welfare.	4.10.1 Treating Customers Fairly and Customer Experience 103 4.10.2 Supplier Management 109 5.3 Employee Care and Friendly Workplace 124
Chapter 5	Disclosure	Regulate and enhance disclosure of CSR.	About the Report 3
Chapter 6	Appendix	Regulate and improve the existing CSR system.	1.3 Sustainable Development Committee 17 4.1 Corporate Governance 77

Appendix 5 - Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

	Content	Reference	Page
Article 2, Paragraph 1, Subparagraph 1	The most recent accounting year has come to a close, and companies described in our Guidelines for Dividing Listed Companies into Industry Categories and Related Adjustments as operating in the food, chemicals, and financial and insurance industry are required to prepare and submit the Chinese versions of their Corporate Social Responsibility reports.	1.Our Story	12
Article 3	The listed companies which fit the criteria described in Article 2 shall prepare sustainability reports on their previous year's activities based on the Global Reporting Initiative (GRI) standards published by the GRI standards organization, industry-based disclosures, and other standards relevant to their industry. These reports shall at a minimum disclose all information required by the GRI Core Option, and disclose material economic, environmental, and social issues identified by the company, their management philosophy, items required to be disclosed, and meet other reporting requirements.	4.1 Corporate Governance 77 4.2 Code of Conduct and Ethic 82	
Article 4 Paragraph 3	Listed companies within the financial and insurance industry shall disclose their management approaches, topic-specific disclosures and their reporting requirements for operation and business in major topic on data security, financial inclusion, and sustainable finance. Their reporting requirements shall include at least the following items: (I) Number of data breaches, percentage involving personally identifiable information, and number of account holders affected. (II) Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities. (III) Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services. (IV) Products and services designed by individual operating units to create benefits for the environment or society.	6. Seeking Common Good	132
Article 4 Paragraph 4	The listed companies described in Article 2 shall disclose: (I) Their total number of non-managerial employees, the average and median salaries of full-time non-managerial employees, and how these figures have changed compared to the previous year. (II) How the company is managing climate-related risks and opportunities, the real and potential impact of climate issues on the company, how climate-related risk is identified, evaluated, and managed, and the metrics and goals used to evaluate and manage climate issues.	4.10.1 Treating Customers Fairly and Customer Experience 103 4.10.2 Supplier Management 109 5.3 Employee Care and Friendly Workplace 124	
Article 5	The sustainability reports prepared by companies in the food industry, the listed companies described in Article 2, Paragraph 1, Subparagraph 2, companies in the chemicals industry, and companies in the financial and insurance industry, should be provided with an accountant's opinion from an accounting firm adhering to the standards published by the Accounting Research and Development Foundation. The accountant's opinion should cover all disclosure items required by Article 4, Subparagraph 1, Item 1 to Item 7, Article 4 Subparagraph 2 Item 1 to item 4, and Article 4, Subparagraph 3, Item 1 to Item 4. Listed companies which fit the criteria described in Article 2, Paragraph 1 should upload their sustainability report, and provide a link to the sustainability report published on their company's website, through an online information submission system designated by us before June 30 each year. However, companies which have not yet prepared a sustainability report this year, prepared a sustainability report which does not meet GRI standards, or prepared a sustainability report which has not yet been audited and provided with an accountant's opinion as described in the above paragraph, may have their report submission deadlines extended to September 30. Listed companies should establish a set of working procedures for preparing and verifying their sustainability reports, and include these procedures into their internal controls system.	1.3 Sustainable Development Committee 17 4.1 Corporate Governance 77	

Appendix 6 - ISO26000 Index

Category	Issue	Reference
Organizational Governance	Decision-making process and structures	1.Our Story
Human rights	Due diligence	4.10 Human Rights Protection
	Human rights risk situations	4.10 Human Rights Protection
	Avoidance of complicity	4.1 Corporate Governance
	Resolving grievances	5.1 Talent Cultivation and Development
	Discrimination and vulnerable groups	4.10 Human Rights Protection
	Civil and political rights	4.10 Human Rights Protection
	Economic, social and cultural rights	4.10 Human Rights Protection
Labor Practices	Fundamental principles and rights at work	5.3 Employee Care and Friendly Workplace
	Employment and employment relationships	5.3 Employee Care and Friendly Workplace
	Conditions of work and social protection	4.10 Human Rights Protection
	Social dialogue	4.10 Human Rights Protection
	Health and safety at work	5.3 Employee Care and Friendly Workplace
Environment	Human development and training in the workplace	5.1 Talent Cultivation and Development
	Prevention of pollution	6.1 Sustainable Operating Environment
	Sustainable resource use	6.1 Sustainable Operating Environment
	Climate change mitigation and adaptation	2.3 Risk Management
Fair operating practices	Protection of the environment, biodiversity and restoration of natural habitats	6.2 Sustainable Ecological Conservation
	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
	Promoting social responsibility in the value chain	1.Our Story
Consumer issues	Respect for property rights	4.2 Code of Conduct and Ethic
	Fair marketing, factual and unbiased information and fair contractual practices	4.10.1 Treating Customers Fairly and Customer Experience
	Protecting consumers' health and safety	4.10.1 Treating Customers Fairly and Customer Experience
	Sustainable consumption	3.1 Sustainable Finance
	Consumer service, support, and complaint and dispute resolution	4.10.1 Treating Customers Fairly and Customer Experience
	Consumer data protection and privacy	4.10.1 Treating Customers Fairly and Customer Experience
	Access to essential services	3.3 FinTech and Innovation / 4.10.1 Treating Customers Fairly and Customer Experience
Community involvement and development	Educational and awareness	4.10.1 Treating Customers Fairly and Customer Experience
	Community engagement	6.3 Social Inclusion
	Education and culture	6.3.1 Academic Education / 6.3.2 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	6.3.3 Arts and Humanities
	Health	6.3.3 Arts and Humanities
	Social investment	6.3.3 Arts and Humanities

Appendix 7 - UN Global Compact Index

Category	Issue	Reference
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	4.10 Human Rights Protection
	Make sure that we are not complicit in human rights abuses	4.10.2 Supplier Management
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	4.10 Human Rights Protection
	The elimination of all forms of forced and compulsory labour	4.10 Human Rights Protection
	The effective abolition of child labour	4.10 Human Rights Protection
	The elimination of discrimination in respect of employment and occupation	4.10 Human Rights Protection
Environment	Businesses should support a precautionary approach to environmental challenges	2. Journey to Net Zero
	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 8 - Human Resource Management Indicators

GRI: 2-7、401-1、401-3、403-9、403-10、405-1、406-1、412-3
SASB: FN-AC-330a.1

A-1 - Employee gender distribution

Year	Item	Male	Female	Total
2019	Number	4,180	5,074	9,254
	Proportion of all employees	45.17%	54.83%	100.00%
2020	Number	4,227	5,275	9,502
	Proportion of all employees	44.49%	55.51%	100.00%
2021	Number	4,152	5,110	9,262
	Proportion of all employees	44.83%	55.17%	100.00%

Note: 1.The total number of employee includes employees work in oversea branches.
2.All employees are permanent and full-time employment.

A-3 - Employee educational level distribution

Year	Item	Master and above	Bachelor	Junior college	High school and under	Total
2019	Number	2,393	6,426	362	73	9,254
	Proportion of all employees	25.86%	69.44%	3.91%	0.79%	100.00%
2020	Number	2,520	6,551	377	54	9,502
	Proportion of all employees	26.52%	68.94%	3.97%	0.57%	100.00%
2021	Number	2,503	6,351	363	45	9,262
	Proportion of all employees	27.02%	68.57%	3.92%	0.49%	100.00%

Note: 1.The total number of employee includes employees work in oversea branches.
2.All employees are permanent and full-time employment.

A-5 - Nationality share of total employees

Year	Item	Taiwan	Hong Kong	Vietnam	Singapore	Myanmar	USA	China	Australia	Malaysia	Japan	Germany	French	Total
2018	Number	8,585	103	28	15	24	15	11	5	3	5	-	-	8,794
	Proportion of all employees	97.62%	1.17%	0.32%	0.17%	0.27%	0.17%	0.13%	0.06%	0.03%	0.06%	0.00%	0.00%	100.00%
2019	Number	9,002	111	31	25	35	16	17	7	7	3	-	-	9,254
	Proportion of all employees	97.28%	1.20%	0.33%	0.27%	0.38%	0.17%	0.18%	0.08%	0.08%	0.03%	0.00%	0.00%	100.00%
2020	Number	9,219	123	36	34	36	16	18	7	7	4	1	1	9,502
	Proportion of all employees	97.02%	1.29%	0.38%	0.36%	0.38%	0.17%	0.19%	0.07%	0.07%	0.04%	0.01%	0.01%	100.00%
2021	Number	8,980	128	38	33	30	20	15	8	7	3	-	-	9,262
	Proportion of all employees	96.96%	1.38%	0.41%	0.36%	0.32%	0.22%	0.16%	0.09%	0.08%	0.03%	0.00%	0.00%	100.00%

Note:1.The total number of employee includes employees work in oversea branches.
2.All employees are permanent and full-time employment.
3.The numbers are decided based on the employees' nationality.

A-6 - Nationality share in management positions

Item	2018	2019	2020	2021
	Proportion of all managerial employees	Proportion of all managerial employees	Proportion of all managerial employees	Proportion of all managerial employees
Taiwan	98.73%	98.84%	98.20%	97.98%
Hong Kong	0.62%	0.66%	0.70%	0.90%
USA	0.12%	0.15%	0.26%	0.29%
Vietnam	0.04%	0.00%	0.22%	0.22%
Singapore	0.23%	0.15%	0.22%	0.18%
Australia	0.15%	0.15%	0.15%	0.14%
China	0.00%	0.00%	0.07%	0.11%
Myanmar	0.08%	0.04%	0.11%	0.11%
Japan	0.04%	0.04%	0.07%	0.07%
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.
3.The numbers are decided based on the employees' nationality.

A-2 - Employee age distribution

Year	Item	Under 29	30-50	Over 51	Total
2019	Number	3,853	5,097	304	9,254
	Proportion of all employees	41.63%	55.08%	3.29%	100.00%
2020	Number	3,679	5,449	374	9,502
	Proportion of all employees	38.72%	57.34%	3.94%	100.00%
2021	Number	3,291	5,540	431	9,262
	Proportion of all employees	35.53%	59.82%	4.65%	100.00%

Note: 1.The total number of employee includes employees work in oversea branches.
2.All employees are permanent and full-time employment.

A-4 - Employee position distribution

Year	Item	Managerial employees	Non-managerial employees	Total
2019	Number	2,748	6,506	9,254
	Proportion of all employees	29.70%	70.30%	100.00%
2020	Number	2,723	6,779	9,502
	Proportion of all employees	28.66%	71.34%	100.00%
2021	Number	2,767	6,495	9,262
	Proportion of all employees	29.87%	70.13%	100.00%

Note: 1.The total number of employee includes employees work in oversea branches.
2.All employees are permanent and full-time employment.
3.Managerial employees refer to those marked as managerial employees or above in our human resources system.

B - Distribution in regard to minorities

Year	Item	People with disability	LGBTQI+	Indigenous People
2019	Number	46	-	35
	Proportion of all employees	0.50%	-	0.38%
2020	Number	45	2	41
	Proportion of all employees	0.47%	0.02%	0.43%
2021	Number	47	3	39
	Proportion of all employees	0.51%	0.03%	0.42%

Note: 1.The total number of employee includes employees work in oversea branches.
2.All employees are permanent and full-time employment.
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.

C - Female employee position distribution

Item	2019	2020	2021
	Ratio	Ratio	Ratio
STEM-related positions	30.14%	31.43%	30.67%
All management positions	37.74%	38.45%	39.39%
Junior management positions	41.21%	42.04%	43.20%
Top management positions	19.17%	20.61%	21.56%
Management positions in revenue-generating functions	27.07%	35.64%	40.72%

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.

D-1 - New recruits gender distribution

Year	Item	Male	Female	Total
2018	Number	488	510	998
	New Employee Ratio	5.55%	5.80%	11.35%
2019	Number	587	940	1,527
	New Employee Ratio	6.34%	10.16%	16.50%
2020	Number	469	709	1,178
	New Employee Ratio	4.94%	7.46%	12.40%
2021	Number	339	377	716
	New Employee Ratio	3.66%	4.07%	7.73%

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. The total number of employees at the end of each year: 8,794 in 2018, 9,254 in 2019, 9,502 in 2020, 9,262 in 2021.
 3. Average hiring cost per person: NT\$32,234 in 2018, NT\$18,005 in 2019, NT\$23,873 in 2020, NT\$31,978 in 2021.

D-2 - New recruits age distribution

Year	Item	Under 29	30-50	Over 51	Total
2018	Number	856	141	1	998
	New Employee Ratio	9.73%	1.60%	0.01%	11.35%
2019	Number	1,421	104	2	1,527
	New Employee Ratio	15.36%	1.12%	0.02%	16.50%
2020	Number	1,103	73	2	1,178
	New Employee Ratio	11.61%	0.77%	0.02%	12.40%
2021	Number	646	70	-	716
	New Employee Ratio	6.97%	0.76%	0.00%	7.73%

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. The total number of employees at the end of each year: 8,794 in 2018, 9,254 in 2019, 9,502 in 2020, 9,262 in 2021.

D-3 - New recruits position distribution

Year	Item	Managerial employees	Non-managerial employees	Total
2018	Number	61	937	998
	New Employee Ratio	0.69%	10.65%	11.35%
2019	Number	41	1,486	1,527
	New Employee Ratio	0.44%	16.06%	16.50%
2020	Number	31	1,147	1,178
	New Employee Ratio	0.33%	12.07%	12.40%
2021	Number	17	699	716
	New Employee Ratio	0.18%	7.55%	7.73%

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.

D-4 - New recruits national distribution

Year	Item	Taiwan	Hong Kong	Singapore	USA	Vietnam	Myanmar	China	Malaysia	Australia	Japan	French	Cambodia	Germany	Total
2018	Number	890	57	12	2	11	12	7	3	1	3	-	-	-	998
	New Employee Ratio	10.12%	0.65%	0.14%	0.02%	0.13%	0.14%	0.08%	0.03%	0.01%	0.03%	0.00%	0.00%	0.00%	11.35%
2019	Number	1,439	25	14	2	7	19	10	6	4	1	-	-	-	1,527
	New Employee Ratio	15.55%	0.27%	0.15%	0.02%	0.08%	0.21%	0.11%	0.06%	0.04%	0.01%	0.00%	0.00%	0.00%	16.50%
2020	Number	1,084	43	14	5	8	11	8	1	1	1	1	-	1	1,178
	New Employee Ratio	11.41%	0.45%	0.15%	0.05%	0.08%	0.12%	0.08%	0.01%	0.01%	0.01%	0.01%	0.00%	0.01%	12.40%
2021	Number	647	35	12	5	5	5	4	2	1	-	-	-	-	716
	New Employee Ratio	6.99%	0.38%	0.13%	0.05%	0.05%	0.05%	0.04%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	7.73%

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.

E - Turnover rate

Item	2018	2019	2020	2021
Turnover rate	9.54%	8.75%	6.45%	8.67%
Voluntary turnover rate	9.40%	8.45%	6.16%	8.11%
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. The voluntary turnover rate for 2021 was calculated by excluding 1 death, 28 dismissal/severance, and 23 retirement cases.

F-1 - Turnover rate gender distribution

Year	Item	Male	Female	Total
2018	Number	373	466	839
	Turnover rate	4.24%	5.30%	9.54%
2019	Number	366	444	810
	Turnover rate	3.96%	4.80%	8.76%
2020	Number	281	332	613
	Turnover rate	2.96%	3.49%	6.45%
2021	Number	370	433	803
	Turnover rate	3.99%	4.68%	8.67%

F-2 - Turnover rate age distribution

Year	Item	Under 29	30-50	Over 51	Total
2018	Number	513	312	14	839
	Turnover rate	5.83%	3.55%	0.16%	9.54%
2019	Number	460	323	27	810
	Turnover rate	4.97%	3.49%	0.29%	8.75%
2020	Number	332	258	23	613
	Turnover rate	3.49%	2.72%	0.24%	6.45%
2021	Number	439	332	32	803
	Turnover rate	4.74%	3.58%	0.35%	8.67%

F-3 - Turnover rate position distribution

Year	Item	Managerial employees	Non-managerial employees	Total
2018	Number	107	732	839
	Turnover rate	1.22%	8.32%	9.54%
2019	Number	141	669	810
	Turnover rate	1.52%	7.23%	8.75%
2020	Number	91	522	613
	Turnover rate	0.96%	5.49%	6.45%
2021	Number	128	675	803
	Turnover rate	1.38%	7.29%	8.67%

Note: 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	Australia	Total
2018	Number	787	26	3	6	9	2	3	0	0	1	0	2	839
	Turnover rate	8.95%	0.30%	0.03%	0.07%	0.10%	0.02%	0.03%	0.00%	0.00%	0.01%	0.00%	0.02%	9.54%
2019	Number	787	8	2	7	1	1	3	1	0	0	0	0	810
	Turnover rate	8.50%	0.09%	0.02%	0.08%	0.01%	0.01%	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%	8.75%
2020	Number	562	25	3	9	6	1	2	0	0	4	0	1	613
	Turnover rate	5.91%	0.26%	0.03%	0.09%	0.06%	0.01%	0.02%	0.00%	0.00%	0.04%	0.00%	0.01%	6.45%
2021	Number	748	20	10	10	7	2	2	1	1	1	1	0	803
	Turnover rate	8.08%	0.22%	0.11%	0.11%	0.08%	0.02%	0.02%	0.01%	0.01%	0.01%	0.01%	0.00%	8.67%

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%	235	61.52%	147	38.48%	382	78.44%
Female	0	0.00%	60	57.14%	45	42.86%	105	21.56%
Total	0	0.00%	295	60.57%	192	39.43%	487	100.00%
Non-managerial employees								
Male	1,243	32.97%	2,413	64.01%	114	3.02%	3,770	42.96%
Female	2,048	40.92%	2,832	56.58%	125	2.50%	5,005	57.04%
Total	3,291	37.50%	5,245	59.77%	239	2.72%	8,775	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 2021	13	184	197
(2) Number of employees granted parental leave in 2021	391	591	982
(3) Number of employees whose parental leave ended in 2021 (A)	10	154	164
(4) Number of employees that returned from parental leave in 2021 (B)	5	137	142
(5) Return rate (B/A)	50.00%	88.96%	86.59%
(6) Number of employees that returned from parental leave in 2020 (C)	1	117	118
(7) Number of employees that have been in service for a year after returning from parental leave in 2020 (D)	1	110	111
(8) Retention rate (D/C)	100.00%	94.02%	94.07%

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.

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	Absentee rate	Number of lost workday
Male	40	349.30	2.18	354	1,262.20	134	327.70	0.08%	19.01
Female	76	513.40	4.14	758	5,148.30	166	453.50	0.27%	27.94
Total	116	862.70	6.31	1,112	6,410.50	300	781.20	0.35%	46.95

Note: 1. Total working hours = 18,375,808 (Total number of employees *Daily working hours *Total working days in a year).

2. Total working days = 2,296,976 (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.

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.

9. The Australian law now stipulates that people can use sick/ carer's leaves in hourly increments, and therefore days of sick leave are calculated to 2 decimal places

J - Absentee rate

Item	2018	2019	2020	2021
Absentee rate(%)	0.34	0.34	0.38	0.35
Data coverage (% of employee)	100%	100%	100%	100%

K - Epidemic prevention

Item	Number of employees	Number of days
Health management leave	219	1,125.50
Quarantine leave	208	2,043.00
Vaccination leave	8,843	29,309.70

L - Average training hours per person

Item	2018			2019			2020			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
1. Average training hours per manager	46.2	53.2	47.6	51.6	55.8	52.4	43.2	51.3	44.8	62.9	73.9	65.3
2. Average training hours per non-managerial employee	49.7	49.4	49.5	49.7	49.8	49.7	45.6	46.6	46.2	50.1	45.8	47.6
3. Average training hours per person	48.9	49.4	49.17	50.0	48.6	49.25	45.3	45.8	45.59	51.2	46.4	48.57
4. Average amount spent per person (\$NT)		53,923			48,568			48,521			36,460	
5. Employee training expenses / Total revenue		0.83%			0.86%			0.89%			0.67%	
6. ROI of human capital		303%			293%			267%			277%	

Note: Managers refer to managers and above.

M - Salary and benefits for full-time non-managerial employees

Item	2019	2020	2021	Growth compared to the previous year
Number of employees	7,556	8,109	8,135	0.32%
Average salary (NT\$ thousand)	105.7	109.1	116.8	7.06%
Median salary (NT\$ thousand)	96.6	101.5	106.9	5.32%
Average spending on employee benefits (NT\$ thousand)	127.6	133.8	140.5	5.01%

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.

N - Employee benefits more favorable than statutory requirements

Item	2019		2020		2021	
	Number of employees	Amount (NT\$)	Number of employees	Amount (NT\$)	Number of employees	Amount (NT\$)
Outstanding Children Award	129	\$1,048,800	126	\$1,131,600	136	\$1,261,200
Family care	11	—	13	—	7	—
Marriage subsidies	315	\$2,907,000	285	\$2,640,000	276	\$2,537,000
Birth subsidies	354	\$1,068,000	382	\$1,170,000	345	\$1,041,000
E.SUN Baby Development Fund	340 (342 children)	\$34,200,000	333 (338 children)	\$33,800,000	354 (359 children)	\$35,900,000
Education subsidies for employees' children	2,307	\$5,377,000	2,837	\$6,427,000	3,018	\$6,774,000
Medical subsidies for employees, their spouses, and children	1,238	\$13,162,269	1,456	\$24,879,743	1,379	\$21,458,388

O - Human rights control plan and implementation results

Stakeholder	Issue	Risk identification ratio	Total	Risk mitigation measures	Possibility of impact	Total	Remediation actions	Implementation ratio of compensation measures
Employee	Gender equality and sexual harassment	6.22%		<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. 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. Included the promotion of gender equality and friendly workplace in mandatory training programs. 	0%		<ol style="list-style-type: none"> Set up sexual harassment complaint channels, including hotlines, fax, and gender equality and workplace bullying complaint mailboxes. The Sexual Harassment Complaints Review Committee upholds the principles of objectivity, fairness, and professionalism when conducting investigations, and imposes punishments as deemed appropriate based on the review results. Provided consulting services under the Employee Assistance Program (EAP). 	
	Forced labor and overtime	7.00%	14.45%	<ol style="list-style-type: none"> Formulated leave and overtime related regulations according to the Labor Standards Act. Added reminder function to the attendance system. In 2021, the bank promoted the "annual leave" program to encourage colleagues to plan more adequate vacations so as to enhance their physical and mental health and promote work-family balance. 	0%	0.21%	<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	1.23%		<ol style="list-style-type: none"> Set up a dedicated occupational safety unit responsible for formulating and planning safety and health matters. Implemented the four major protection plans Included "road safety awareness" and "ergonomic hazard prevention" as compulsory education and training courses. Employed full-time nurses and occupational safety personnel, and engaged physicians to perform regular office environment inspections. Performed air quality testing 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. 	0.21%		<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. Use 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. 	0%	0.00%	<ol style="list-style-type: none"> Held supplier communication meetings to raise awareness of corporate social responsibility. Requested high-risk suppliers to provide awareness training on related issues. 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. 	

Stakeholder	Issue	Risk identification ratio	Total	Risk mitigation measures	Possibility of impact	Total	Remediation actions	Implementation ratio of compensation measures
Customer	Service quality and customer rights	8.60%	15.33%	<ol style="list-style-type: none"> Established the "Total Quality Management Committee" and upgraded the "Fair Customer Treatment Task Force" to the "Fair Customer Treatment Promotion Committee" in 2021 to oversee the planning of E.SUN's Fair Customer Treatment Principles. Established a new product/new service launch inspection process. The three lines of defense ensure whether the new launch complies with internal and external regulations and the principle of treating customers fairly. The inspection rate was 100%. Included service quality and customer complaint management in annual performance evaluations of business units to raise the overall service awareness of various units. In 2021, E.SUN collaborated with an external consulting company for the first time on the "mystery shopper project", examining bankwide service implementation and satisfaction from the perspective of a third party, and formulating short-, mid-, and long-term improvement plans. We implemented education and training on fraud prevention, treating customers fairly, and customer service, and established a cross-departmental anti-fraud team, establishing an abnormal transaction monitoring model and designing an abnormal account alert mechanism, while working with the National Police Agency to compile a blacklist. 	0.41%		<ol style="list-style-type: none"> Set up a fair customer treatment section on the official website to fully disclose the variety of complaint channels available to customers. Analyze the root cause of customer complaints, discuss improvement plans and track improvements, and periodically summarize customer complaints for the Board of Directors. The "Consumer Dispute Resolution Principles" was approved by the board of directors, specifying dispute handling procedures, timeline, and follow-up methods. Monitored abnormal transactions and provided mobile push notifications through the E.SUN Mobile Banking APP. 	
	Personal information protection	5.00%		<ol style="list-style-type: none"> 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." 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. 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. The information security management system (ISMS) obtained ISO 27001 certification, and the credit card acquiring system obtained PCI DSS certification. Established the Security Operation Center (SOC) in 2021 and completed setting monitoring scenarios and sharing information security events under the "F-SOC and Cross-domain Joint Defense Plan," monitoring information security threats in real-time. 	0%	0.41%	<ol style="list-style-type: none"> Established the "E.SUN Financial Holding Co. Ltd. and Subsidiaries Emergency Response Rules for Personal Information Incidents." Established an Emergency Response and Crisis Management Team to handle compensation measures when a major personal information infringement incident occurs. Periodically organize education, training, and promotion, and conduct information system disaster backup drills. Continued to purchase information security insurance in 2021 to reduce losses and impact of business suspension. 	100%
	Responsible lending, responsible investment	1.73%		<p>[Responsible Lending]</p> <ol style="list-style-type: none"> Each loan application must be subject to ESG audits on the applicant and anti-money laundering investigations. 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. Reference the LMA (Loan Market Association) Sustainability Linked Loan Principles, plan related rules and regulations, and jointly set sustainable development goals with companies. Provide financial service discounts if the company achieves the goals. <p>[Responsible investment]</p> <ol style="list-style-type: none"> Adopt ESG indicators of domestic and overseas impartial institutions as investment review standards, and give priority to enterprises with low or medium ESG risks. 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%		<p>[Responsible Lending]</p> <ol style="list-style-type: none"> 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. 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"> FX working memo indicates that investment in industries or enterprises that are potentially controversial must be subject to periodic evaluations based on review frequency. If there are potential adverse effects on the sustainable development of the environment, society, and governance, the issuer's improvement plans should be obtained and understood. The Investment Management Committee periodically reviews investments that are potentially controversial. Investments found to be associated with issues of major irregularity are retracted immediately. 	

Appendix 9 - Sustainable Operating Environment Indicators

GRI: 305-1、305-2、305-3、305-4、306-2

Category	Item	2018	2019	2020	2021	Remarks
Scope 1	Carbon emission (ton)	2,516	2,455	2,399	1,857	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 2021 is 2,298 ton.
	Per capita (ton/person)	0.2861	0.2653	0.2525	0.2005	
	Carbon emission per unit of revenue (ton/NT\$M)	0.0509	0.0450	0.0426	0.0321	
	Data coverage ratio	100%	100%	100%	100%	
	Target of carbon emission (ton)	2,823	3,116	3,131	2,298	
Scope 2	Carbon emission Location-based (ton)	21,593	22,651	22,640	22,656	E.SUN's scope 2 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 scope2 carbon emission in 2021 is 21,362 ton.
	Carbon emission Market-based (ton)	21,593	22,443	22,299	22,105	
	Per capita (ton/person)	2.4681	2.5268	2.3753	2.3680	
	Carbon emission per unit of revenue (ton/NT\$M)	0.4368	0.4116	0.3964	0.3818	
	Data coverage ratio	100%	100%	100%	100%	
Scope 3 Business travel	Target of carbon emission (ton)	21,011	23,206	23,321	21,362	
	Carbon emission (ton)	228,2703	293,534	28,862	43,3699	
	Carbon emission per unit of revenue (g/NT\$ thousand)	4.618	5.384	0.529	0.771	
	Data coverage ratio	100%	100%	100%	100%	
	Target of carbon emission (ton)	223,143	220,059	299.3	302.6	
Energy	Total non-renewable energy consumption (MWh)	48,249	49,535	51,713	50,669	
	Total non-renewable energy consumption (GJ)	173,696	178,326	186,166	182,408	
	Per capita (GJ)	19.752	19.270	19.592	19.694	
	Per unit of revenue (Kwh/NT\$ thousand)	0.9761	0.9085	0.9194	0.8752	
	Per unit of revenue (GJ/NT\$M)	3.514	3.271	3.310	3.151	
	Data coverage	100%	100%	100%	100%	
	Energy consumption target (MWh)	40,330	52,638	52,901	49,541	
	Energy consumption (MWh)	40,911	42,498	44,177	44,767	
	Purchasing and producing renewable energy (MWh)	170	536	828	1,322	
Water	Total water use (ton)	228,700	244,804	264,917	238,715	
	Total water use (megaliter)	228.7	244.804	264.917	238.715	
	Per capita (ton/person)	26.01	26.45	27.88	25.77	
	Per unit of revenue (ton/NT\$M)	4.6268	4.4900	4.7097	4.1231	
	Data coverage	100%	100%	100%	100%	
Waste	Total water use target (ton)	173,967	266,517	259,940	266,014	
	Total waste generated (ton)	634.803	619.759	594.509	697.757	
	Total waste reused / recycled / sold (ton)	190.525	185.054	224.164	209.542	
	Total waste disposed (ton)	444.278	434.705	370.345	488.215	
	Waste (kg/person)	50.52	46.97	38.98	52.71	
	Waste per unit of revenue (kg/NT\$M)	8.99	7.97	6.58	8.43	
	Data coverage	100%	100%	100%	100%	
	Target amount of waste (ton)	566.398	625.922	498.264	372.118	
Number of employees		8,794	9,254	9,502	9,262	-
Revenues (NT\$ thousand)		49,429,234	54,522,618	56,249,044	57,897,440	-

Note: 1 GJ = 277.778 kWh

Appendix 10 - Economic value distributed indicators

A. Spending on trade associations and other tax-exempt groups

Institution	Amount (NT\$)	Note
The Bankers Association of The Republic Of China	9,232,738	65% for financial studies and training funds, 35% for The Bankers association fee.
Trust Association of the Republic of China	2,756,806	62% for annual membership fee and 38% for training registration fee.
Taipei Foundation Of Finance	1,654,995	100% for training and external training fee.
Taipei Exchange	1,550,517	Including 75% for financial bond OTC administrative fee and 25% for service fee.
Taiwan Securities Association	936,187	Including 96% for service fee and 4% for course registration fee.
R.O.C. Bills Finance Association	250,000	100% for annual membership fee.
The Insurance Agency Association of the Republic of China	247,800	Including 88% for certificate registration fee and 12% for ongoing membership fee.
Others	247,300	
Total	16,876,343	

B. Charitable contributions and sponsorship

Category	Amount (NT\$ thousand)	Explanation
Academic Education	105,306	Golden Seed Project (including new library construction, renovation, donation of new books, etc.); donate to National Taipei University of Nursing and Health Sciences in building a new professional classroom for music and art.
Economic Development	82,698	Contributing to the Small and Medium Enterprise Credit Guarantee Fund.
Disadvantaged Care	42,804	"Children Care Program", raise Funds for the Kaohsiung Cheng Chung Cheng Building Fire Accident.
Medical and Health Care	26,586	Donations to Epidemic Prevention Funds and Donations of Medical Supplies to Other Countries, install dental chairs in elementary schools in rural areas, donate to the guild of physicians.
Art Promotion	22,136	"Mayday" concert, Monet & Friends: Life, Light & Colour, Relaxed Performance.
Sports Development	15,659	Hosted "Baseball E.SUN Cup Games", sponsor the XTERRA Global Off-Road Triathlon Tour.
Ecological Conservation	8,489	Implemented the tree-planting project, supporting organic agricultural development.
Digital Technology	1,660	Held E.SUN Artificial Intelligence Open Challenge, sponsor technology-related competitions and events.
Financial Education	235	Various financial lectures.
Total	300,415	

C. Contributions & Other Spending

Unit: NTD Thousand

	2018	2019	2020	2021
Trade associations or tax-exempt groups	14,913	19,760	20,716	16,876
Lobbying, interest representation or similar	0	0	0	0
Political campaigns / organizations / candidates donations	0	0	0	0
Total contributions and other spending	14,913	19,760	20,716	16,876

Appendix 11 - 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.	4.8 Personal Information Protection Management, 2021 Sustainability Report	99
	FN-CF-220a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with customer privacy.	4.8 Personal Information Protection Management, 2021 Sustainability Report	99
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 ²	4.7 Information Security, 2021 Sustainability Report	98
	FN-CB-230a.2 FN-CF-230a.2	Discussion and Analysis	Description of approach to identifying and addressing data security risks	4.7 Information Security, 2021 Sustainability Report	95-97
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	3.2.1 Supporting small businesses and microfinance institutions, 2021 Sustainability Report	67
	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 244/314 of the 2021 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	3.2.3 Disadvantaged and underserved groups, 2021 Sustainability Report	71
	FN-CB-240a.4	Quantitative	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	3.2.3 Disadvantaged and underserved groups, 2021 Sustainability Report	73
Selling Practices	FN-CF-270a.4	Quantitative	Number of complaints filed with the Financial Supervisory Commission Republic of China (Taiwan)	4.10.1 Treating Customers Fairly and Customer Experience, 2021 Sustainability Report	104
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 ⁴	Appendix 8 - Human Resource Management Indicators, 2021 Sustainability Report	166
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, 2021 Sustainability Report	55
	FN-CB-410a.2	Discussion and Analysis	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	3.1.1 Responsible Lending, 2021 Sustainability Report	54
	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	3.1.3 Retail Banking, 2021 Sustainability Report	58,62
	FN-AC-410a.2	Discussion and Analysis	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	3.1.3 Retail Banking, 2021 Sustainability Report	62
	FN-IB-410a.3	Discussion and Analysis	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	3.1.2 Responsible Investment, 2021 Sustainability Report	58
Environmental Risk to Mortgaged Properties	FN-MF-450a.1	Quantitative	(1) Number and (2) value of mortgage loans in 100-year flood zones	2.3.3 Scenario Analysis(Stress test) , 2021 Sustainability Report	46
	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	2.3.3 Scenario Analysis(Stress test) , 2021 Sustainability Report	46

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, 2021 Sustainability Report	82-83
	FN-CB-510a.2 FN-AC-510a.2	Discussion and Analysis	Description of whistleblower policies and procedures	4.2 Code of Conduct and Ethic, 2021 Sustainability Report	82
Systemic Risk Management	FN-CB-550a.2	Discussion and Analysis	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Page 229/314 , 2021 Annual Report.	-
	FN-AC-550a.2	Discussion and Analysis	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	Page 136/314 , 2021 Annual Report.	-
Activity	FN-AC-000.A	Quantitative	(1) Total registered and (2) total unregistered assets under management (AUM)	E.SUN Financial Ecosystem, 2021 Sustainability Report	14
	FN-AC-000.B	Quantitative	Total assets under custody and supervision	E.SUN Financial Ecosystem, 2021 Sustainability Report	14
	FN-CB-000.A	Quantitative	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	E.SUN Financial Ecosystem, 2021 Sustainability Report	14
	FN-CB-000.B	Quantitative	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	E.SUN Financial Ecosystem, 2021 Sustainability Report	14
	FN-CF-000.A	Quantitative	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	Pages 63 , 2021 Sustainability Report. The number of active debit card is 676,000.	63
	FN-CF-000.B	Quantitative	Number of (1) credit card accounts and (2) pre-paid debit card accounts	Pages 63 , 2021 Sustainability Report. The number of debit card is 1,656,000.	63
	FN-MF-000.B	Quantitative	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	E.SUN Financial Ecosystem, 2021 Sustainability Report	14

Appendix 12 - Independent Assurance Opinion Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

2021 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, 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 followings:

1. The assurance scope is consistent with the description of 2021 E.SUN FHC Sustainability Report with the following exceptions:
 - The data reliability from other ISO standard verification listed in 8.1 Sustainable Operating Environment were excluded.
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 2021 E.SUN FHC Sustainability Report provides a fair view of the E.SUN FHC sustainability programmes and performances during 2021. 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 2021 economic, social and environmental performance information 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:2021 were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level 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 two external stakeholders to conduct interview
- interview with 69 staffs involved in sustainability management, report preparation and provision of report information were carried out
- 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 economic, social and environmental information 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 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 2021 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 by a relevant topic-specific GRI Standard, comply with all reporting requirements for the topic-specific 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 Lead 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.



AA1000
Licensed Report
000-4/V3-3GVTV

Statement No: SRA-TW-2021049
2022-04-10

For and on behalf of BSI:



...making excellence a habit.™

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 13 - Carbon Neutralization Certificate

Opinion Statement

Carbon Neutrality Declaration
Verification Opinion Statement

This is to verify that:

<p>E.Sun Financial Holding Company, Ltd. No. 115, Sec. 3 Minsheng E. Rd. Songshan Dist. Taipei City 105402</p>	<p>玉山金融控股股份有限公司 台北市 松山區 民生東路三段 115 號、117 號 105402</p>
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Holds Statement No: CNCV 769181


Verification opinion statement

As a result of carrying out the verification in accordance with PAS 2060:2014, it is the opinion of BSI that:

- **E.Sun Financial Holding Company, Ltd.** for its subject 'carbon footprint of 2021 Sustainability report in hard copy published in 2022' (2022 年發行之 2021 年度永續報告書紙本碳足跡) has been certified as the carbon neutral report for the first application period.
- No material misstatements in this carbon neutrality declaration were revealed.

BSI herewith confirms that carbon neutrality information in above period as follows:
Subject GHG emissions: 4.188 tonnes of CO₂ equivalent
Retired offset carbon credits: 5.000 tonnes of CO₂ equivalent

For and on behalf of BSI:


 Managing Director BSI Taiwan, Peter Pu



Originally Issue: 2022-05-30 Latest Issue: 2022-05-30

Page: 1 of 2

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The British Standards Institution is independent to the above named client and has no financial interest in the above named client. This Opinion Statement has been prepared for the above named client only for the purposes of verifying its statements relating to its carbon emissions more particularly described in the scope. It was not prepared for any other purpose. The British Standards Institution will not, in providing this 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 Opinion Statement may be read. This Opinion Statement is prepared on the basis of review by The British Standards Institution of information presented to it by the above named client. 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 Opinion Statement or matters relating to it should be addressed to the above named client only.
Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
BSI Taiwan is a subsidiary of British Standards Institution.

Appendix 14 - TCFD Conformity Statement

Conformity Statement

Climate related Financial Disclosure

This is to conform that:


<p>E.SUN Financial Holding Co., Ltd. No. 115, Sec. 3 Min Sheng East Road Songshan Dist. Taipei City 10546 Taiwan</p>	<p>玉山金融控股股份有限公司 臺灣 台北市 松山區 民生東路三段 115 號 10546</p>
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Holds Statement Number < CFD 768544 >

As a result of carrying out conformity check process based on TCFD requirement, BSI declares that:

- **E.SUN Financial Holding Co., Ltd.** follows Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to disclose climate-related financial information which is clear, comparable and consistent about the risks and opportunities and its financial impact. The disclosures cover four core elements and have been prepared by seven principles for effective disclosures.
- The maturity model for the Climate-related Financial Disclosures is **Level-5+ Excellence** grade.

For and on behalf of BSI


 Managing Director BSI Taiwan, Peter Pu

Latest issue: 2022-05-17
Expiry date: 2023-05-16

Page 1 of 2

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The British Standards Institution is independent to the above named client and has no financial interest in the above named client. This Conformity Statement has been prepared for the above named client only for the purposes of verifying its statements relating to its climate related financial disclosures more particularly described in the scope. It was not prepared for any other purpose. The British Standards Institution will not, in providing this Conformity 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 Conformity Statement may be read. Any queries that may arise by virtue of this Conformity Statement or matters relating to it should be addressed to the above named client only.
Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114700, Taiwan, R.O.C.
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Appendix 15 - Greenhouse Gas Verification Statement

Statement TW22/00119GG

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2021 of

E.SUN Financial Holding Co., Ltd.
No.115, Sec.3, Minsheng E. Rd., Songshan Dist.,
Taipei City 105-46, Taiwan (R.O.C.)has been verified in accordance with ISO 14064-3:2006 as
meeting the requirements of
ISO 14064-1:2018

Direct emissions

1,857.3015 tonnes of CO₂e

Indirect emissions

71,817.8005 tonnes of CO₂e

Direct emissions and indirect emissions

73,675.102 tonnes of CO₂e

Authorized by



David Huang

Senior Director

Date: 19 May 2022

Version 1

TGP56A-15-6 2103

SGS Taiwan Ltd.

No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,
New Taipei City 24803, Taiwan

t (02) 22993279 f (02)22999453 www.sgs.com

This Statement is not valid without the full verification scope, objectives, criteria and findings
available on the Statement.

Page 1 of 29

Statement TW22/00218GG

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2020 of

**E.SUN Financial Holding
Company, Ltd.**
No.115, No.117, Sec.3, Minsheng E. Rd., Songshan Dist.,
Taipei City, Taiwan (R.O.C)

has been verified in accordance with ISO 14064-3:2006

Scope 3: Other indirect emissions

4,710,268.6442 tonnes of CO₂e

Authorized by



David Huang

Senior Director

Date: 20 June 2022

Version 1

TGP 58A-15-2 2101

SGS Taiwan Ltd.

No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,
New Taipei City 24803, Taiwan

t (02) 22993279 f (02)22999453 www.sgs.com

This Statement is not valid without the full verification scope, objectives, criteria and findings
available on pages 2 to 3 of this Statement.

Page 1 of 3

Appendix 16 - Independent Auditors' Limited Assurance Report



Independent Limited Assurance Report

PWC21000671

To E.SUN Financial Holding CO., Ltd.

We have been engaged by E.SUN Financial Holding CO., Ltd. ("Company") to perform assurance procedures on the sustainability performance information identified by the Company and reported in the 2021 Sustainability Report, and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The sustainability performance information identified by the Company (hereinafter referred to as the "Subject Matter Information") and the respective applicable criteria are stated in the "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" on page 180-181 of the 2021 Sustainability Report.

The respective applicable criteria referred to above are the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability and FAQ issued by TWSE Listed Companies, and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.

Management's Responsibilities

The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the 2021 Sustainability Report in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports and FAQ issued by TWSE Listed Companies, and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance work on the Subject Matter Information disclosed in the 2021 Sustainability Report in accordance with the Statement of Assurance Engagements Standards No. 1, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" in the Republic of China, to identify whether any amendment is required of the Subject Matter Information to be prepared, in all

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
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T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw



material respects, in accordance with the respective applicable criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and designing and performing procedures to address the identified areas. 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.

The extent of the assurance work we performed were based on the identified risk areas and determined materiality, and given the circumstances of the engagement, we designed and performed the following procedures:

- Made inquiries of the persons responsible for the Subject Matter Information to understand 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 analytical procedures on the Subject Matter Information and performed selective testing including inquiry, observation, inspection, and reperformance to obtain evidence for limited assurance.

We do not provide any assurance on the 2021 Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Compliance of Independence and Quality Control Requirement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Statement of Auditing Standard No. 46, "Quality Control for Public Accounting Firms" in the Republic of China and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Inherent Limitation

Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial information. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendment that is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports and FAQ issued by TWSE Listed Companies, and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. If the Subject Matter Information or the applicable criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

PricewaterhouseCoopers, Taiwan

Lin, Wei-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan
July 7, 2022

Summary of Subject Matters Assured

No.	Item	Page	Corresponding Chapter	Applicable Criteria	the Rules*
1	Table "B- Data breaches", total number of data breaches in 2021.	98	4.7 Information Security	<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 2021.</p> <p>Note:</p> <ul style="list-style-type: none"> Total number of data breaches that occurred in 2021 were calculated on the basis of the data breach definition in "Directions for Information Security Incident" of E.SUN Financial Holding Company, Ltd. and its subsidiaries. Total number of data breaches of E.SUN Securities and E.SUN Venture Capital that occurred in 2021 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
2	Table "B- Data breaches", the percentage of data breaches involving personally identifiable information in 2021.	98	4.7 Information Security	<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 2021.</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 Financial Holding Company, Ltd. and its subsidiaries, statistics show the percentage of data breaches involving personally identifiable information that occurred in 2021. Numerator: Total number of data breaches involving personally identifiable information that occurred in 2021 were calculated 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 Financial Holding Company, Ltd. and its subsidiaries. Denominator: Total number of data breaches that occurred in 2021 were calculated on the basis of the data breach definition in "Directions for Information Security Incident" of E.SUN Financial Holding Company, Ltd. and its subsidiaries. Total number of data breaches of E.SUN Securities and E.SUN Venture Capital that occurred in 2021 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", total number of account holders affected by data breaches involving personally identifiable information in 2021	98	4.7 Information Security	<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 2021.</p> <p>Note:</p> <ul style="list-style-type: none"> Total number of account holders affected by data breaches that occurred in 2021 were calculated according to the data breach definition in "Directions for Information Security Incident" of E.SUN Financial Holding Company, Ltd. and its subsidiaries. Total number of account holders affected by data breaches of E.SUN Securities, and E.SUN Venture Capital that occurred in 2021 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
4	Table "2021 Inclusive finance outcomes", the number of customers and balance of Small-Sized Business Loans.	66	3.2 Inclusive Finance	<p>Number and value of small business loans of E.SUN Bank at the end of 2021.</p> <p>Note:</p> <ul style="list-style-type: none"> Small business is 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 is calculated based on the total number of unique customers and unique customer is defined as accounts with the same ID number. The number of loans include loans with zero balance at the end of 2021. The purpose of loans for small business includes capital investment, revolving credit loan, and corporate wealth management. 	Subparagraph 3 Item 2
5	Table "Small-sized Business", the number of customers and balance of Distinct local business loan."	67	3.2.1 Supporting small businesses and microfinance institutions	<p>Number and value of distinct local business loan of small business of E.SUN Bank at the end of 2021.</p> <p>Note:</p> <ul style="list-style-type: none"> The number and value of distinct local business loan in 2021 were based on the definition of distinct local business loan in "the creative revitalization project, the innovative revitalization project, the entrepreneurial revitalization project and the compound revitalization project" defined by National Development Council and based on the counties, such as Keelung City, Miaoli County, Nantou County, Yunlin County, Yilan County, Hualien County, Taitung County, Penghu County, Kinmen County and Lianjiang County, in regional development assisted by Small & Medium Enterprise Credit Guarantee Fund of Taiwan. The definition of small business is the same as Subject matter information No.4. 	Subparagraph 3 Item 2

6	Table "Financial Literacy Initiatives", the events of E.SUN X PaGamO	73	3.2.3 Disadvantaged and underserved groups	<p>Number of courses of the 2021 E.SUN x PaGamO Financial Education Program meant for schoolchildren</p> <p>Note:</p> <ul style="list-style-type: none"> In accordance with Item 3, Subparagraph 3, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE-Listed Companies: Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services. Disadvantaged groups as defined in No. 33 of Q&A for the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE-Listed Companies (including but not limited to students, teenagers, new immigrants, the elderly, minorities, and members of low-income households) or by finance and insurance businesses. When it comes to schoolchildren as defined by the Bank in participating in E.SUN x PaGamO financial education, it is difficult to ascertain whether PaGamO account users are really students and, in turn, determine the actual number of participants. As such, number of courses in financial literacy initiatives provided to the disadvantaged without adequate banking services in 2021 is provided instead. 	Subparagraph 3 Item 3
7	In 2021, a total of 10 project financing cases to which the Equator Principles apply were approved, and 1 case was declined.	57	3.1.1 Responsible Lending	In 2021, 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".	Subparagraph 3 Item 4
8	In 2021, a total of 55 sustainability-linked loans cases, the outstanding balance is \$NTD 10,681 million.	56	3.1.1 Responsible Lending	<p>The number and outstanding balance of sustainability-linked loans of E.SUN Bank at the end of 2021</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 which applied for the sustainability-linked loans shall present a corporate sustainability report certified or verified by a third party at a designated point of time, thereby ensuring commitment of the company 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 2021. Number of accounts and outstanding balance are calculated on a consolidation basis (i.e. any given GUI number is to be calculated only once). 	Subparagraph 3 Item 4
9	Table "Female / male remuneration ratio in Taiwan in 2021", the female / male remuneration ratio of base salary and annual remuneration by employee level in 2021	130	5.3 Employee Care and Friendly Workplace	<p>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 2021.</p> <p>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.</p> <p>The definition of position level:</p> <p>Management level: Manager and above in the human resource system including managers and senior managers.</p> <p>Middle management level: Supervisor positions in the human resource system.</p> <p>General staff (Note): All other employees not included in the management or middle management level and exclude interns, business assistants and drivers.</p> <p>Base salary: In monthly salary details, the amount that should be paid each month less the overtime pay.</p> <p>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.</p> <p>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> <p>Note:</p> <p>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.
10	Table "D- Turnover rate", the turnover rate and data coverage in 2021.D	167	Appendix 8 - Human Resource Management Indicators	<p>Turnover rate of employee of E.SUN FHC, E.SUN Bank, E.SUN Securities, E.SUN Investment Consulting and E.SUN Venture Capital at the end of 2021</p> <p>Note:</p> <ul style="list-style-type: none"> Turnover rate = Total number of leaves in 2021 divided by total number of employees as of the end of 2021. Total number of leaves was calculated by including that employees who had been hired for over six month left company due to voluntary termination, severance, retirement, or death. Total number of employees include full-time and permanent employees. Number of employees include employees of overseas branches but exclude those of overseas subsidiaries. 	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 2021.	169	Appendix 8 - 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 2021, 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 2021 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 number of employees of the group at the end of year. 	The other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.

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



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