Pure as Jade, Sturdy as Mountain.
The CSR report is prepared and published on a yearly basis; this year's report covers the performance of E.SUN FHC and its subsidiaries (namely E.SUN Bank, E.SUN Securities, E.SUN Venture Capital, and E.SUN Insurance Brokers) in the 2015 financial year (from January 1 to December 31, 2015) with respect to economic, social and environmental aspects. In order to present a more comprehensive picture of various projects and campaigns undertaken by the group, the report also discloses activities that occurred prior to January 1, 2015 and after December 31, 2015. All financial figures relating to operating activities and services of E.SUN FHC and its subsidiaries in Taiwan are denominated in NTD and have been audited by certified public accountants. Related statistics in this CSR report have been presented in a manner consistent with International Financial Reporting 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 Foundation) and subsidiaries; while disclosures concerning environmental protection (e.g. use of water, electricity, petrol etc) cover E.SUN's Taipei headquarter building and branches located throughout the country. All greenhouse gas inventory data as of 2015 has been certified by third parties. Any special meanings pertaining to the above quantitative indicators are explained in separate footnotes.

This report has been prepared in accordance with GRI G4 guidelines and the disclosure standards of its financial services sector, AA1000 - Accountability, ISAE 3000, and the Integrated Reporting Framework in reference to TWSE/TPEX Corporate Social Responsibility Best-Practice Principles, the ISO26000 table, and UN Global Compact to ensure the reliability of information disclosed.

We believe that business management is all about creating values and making the world better. Through publication of this CSR report, we hope to communicate the ideas and practices that E.SUN has adopted towards achieving sustainability to our stakeholders. By sharing open and transparent information, we hope to learn and grow together, and bring positive influence to the society.
Performance of the global economy was best characterized as stagnant and volatile in 2015. Much of this was attributable to the US interest rate, which was raised for the first time in nearly seven years in December. Meanwhile, structural reforms in China have also given rise to significant uncertainty towards the world’s future economic development. In practical terms, the world was presented with falling demand and prices in oil and raw materials, which caused drastic drops in the prices of oil and raw materials, resulting in a severe economic impact on exporting countries. In response to climate changes, an agreement to reduce greenhouse gas emission was achieved during the Paris Climate Conference, which signified a new milestone towards a low-carbon economy. As challenging as changes to business management are, they also present opportunities for companies to transform and redefine themselves for the coming future.

In 2015, E.SUN once again delivered strong performance. In addition to achieving record-high financial figures, the Company also received “Best Bank Award in Taiwan” from The Asset and亚洲管理 magazine, and became the first financial institution in Taiwan’s banking history to be listed in Dow Jones Sustainability World index. E.SUN’s commitment to long-term stability and sustainability has undoubtedly been well-recognized locally and abroad.

Given the rapidly changing environment we are in, businesses no longer deal with competition solely from within the industry. We shall commit to our core value “Pure as Jade and Sturdy as Mountain” while embracing these challenges with stability and flexibility, furthermore, we will adapt and coordinate resources among business partners to develop the transient advantage to grow and provide better financial services, making E.SUN the favorite bank to all customers.

“Financial innovation, Overall performance enhancement, and Asia expansion” have been determined as E.SUN’s medium-long term strategy for the next decade, given the rise of new trends such as Asian economies, regional integration, and Fintech. Under these strategies, we shall incorporate financial innovation to create new values for customers, while at the same time expand our presence throughout Asia and boost overall performance, and establish us as a pioneer and distinguished bank in Asia.

Business development strategies for 2016:

1. Financial innovation: In response to the government’s FinTech deregulations and various policies introduced to multiply the popularity of electronic payments over the next 5 years, E.SUN has made plans to incorporate FinTech as one of its growth accelerators. Much of the Company’s effort will be devoted to developing new payment services, and combining physical and virtual channels to provide customers with the most convenient and top-quality financial experience.

2. Overall performance enhancement: Build up VIP and SME customer base, recruit financial consultants and corporate banking experts to create a cross-border team that delivers more comprehensive wealth management and corporate banking services to customers.

3. Asia expansion: The Company has been actively exploring new service locations throughout Asia and tailoring its current advantages to accommodate local features of the areas it operates in. As of April 2016, the Company had 22 overseas service locations in 7 countries, including China, Hong Kong, Singapore, USA, Australia, Vietnam, Cambodia, and Myanmar. The Company is currently preparing for the establishment of Yangon Branch in Myanmar, Tokyo Branch in Japan, and a representative office in Indonesia, while at the same time paying attention to opportunities in other Asian markets.

Fulfilling corporate social responsibility and making positive changes to the world have always been E.SUN’s commitment to the local environment. Under our value to “love, cherish, and appreciate” in mind, E.SUN encourages all employees to actively participate in volunteer work. By associating with our financial expertise, we have been able to consistently and systematically rally support from local residents and businesses toward our cause. Through these actions, E.SUN hopes to inspire positive energy within the society that expands its influence to the next level.

In 2015, E.SUN signed to become an official member of “Equator Principles,” a status that reminds it to contribute to the better future of our customers and society. There is no shortage of challenges and opportunities in the years ahead of us, which we shall embrace with conviction and a focus on sustainability and long-term values. We will be incorporating corporate social responsibilities into our core services and aim to take our performance and social commitments to the next level, thereby ensuring the respect of the society and setting new milestones in Taiwan’s banking history. I would like to extend my gratitude to all who have supported, encouraged, and placed their hope in us. In return, we shall continue to contribute to the better future of our customers and society.
Consolidating – E.SUN’s banking infrastructure

1994  • Establishment of E.SUN Cultural and Educational Foundation.
2000  • First overseas branch opened in Los Angeles.
       • Establishment of E.SUN Securities.
2001  • E.SUN Bank was awarded the “National Quality Award”.

Launching – A new era for E.SUN

2002  • Establishment of E.SUN FHC.
       • Hong Kong branch opened.
       • Establishment of E.SUN Venture Capital.
       • Founder and Chairman Yung Ren Huang was awarded the “National Quality Award”.
2003  • Establishment of E.SUN Volunteer Foundation.
       • Establishment of E.SUN Insurance Brokers.
       • Establishment of E.SUN Investment Consulting.
2004  • Successful purchase and assumption of Kaohsiung Business Bank (KBB).
       Domestic service locations reached 116.
2006  • E.SUN achieved a milestone by receiving 6 awards at the “Taiwan Banking and Finance Best Practice Awards”.
2007  • Representative office in Ho Chi Minh City, Vietnam opened.
2008  • E.SUN Bank was again awarded the “National Quality Award”.
2011  • Successful purchase and assumption of Zhunan Credit Cooperative.
       Domestic service locations increased ten and totaled 132.
       E.SUN became top 3 among private banks.

Greeting – A wonderful future for E.SUN

2012  • Singapore branch opened.
       • Dongguan branch opened, China.
       • Successful purchase and assumption of Chiayi 4th Credit Cooperative.
       Domestic service locations increased by four to a total of 136.
2013  • Representative office in Yangon, Myanmar opened.
       • Invested and held 70% equity share of United Cambodia Bank.
2014  • E.SUN Bank was awarded the “Golden Service Award” for four consecutive years, making it the 1st in the financial & banking industry.
       • E.SUN FHC was chosen as constituent stock of the DJSI, and is the first and only financial industry firm in Taiwan to receive this honor.
       • Founder and Chairman Yung Ren Huang was awarded the new “Special Contribution Award” of the Taiwan Banking and Finance Best Practice Awards.
2015  • Changan subbranch opened, Dongguan, China.
       • Preparation of Shenzhen subsidiary and branch was permitted, China.
       • Dong Nai branch opened, Vietnam.
       • E.SUN FHC set the record as the only one financial institution in Taiwan to be chosen both in “DJSI-World” and “DJSI-Emerging Markets”.
       • E.SUN FHC was awarded the “Excellence in Corporate Social Responsibility Award” for a 7th time, making it 1st in the financial industry.
       • E.SUN FHC received the Platinum Award for Excellent Management in Corporate Governance in Asia for 6 consecutive years.
       • President Joseph N.C. Huang was honored “Transaction Banker of the year in Asia Pacific” from The Asian Banker.
Performance 2015

Performing best in the financial industry

Dow Jones Sustainability Index - World
The only financial institution in Taiwan to receive this honor

Dow Jones Sustainability Index – Emerging Markets
The only financial institution in Taiwan to receive this honor consecutively

Excellence in Corporate Social Responsibility Award
1st place in the financial industry for the 7th time

Best Bank in Taiwan
Awarded “Best Bank in Taiwan Award” from Asiamoney
Awarded “Best Bank in Taiwan Award” from The Asset

Best corporate governance
Awarded the Platinum Award for Excellent Management in Corporate Governance in Asia for 6 consecutive years

Information disclosure A**
Awarded the highest information disclosure assessment rating of A** from Securities & Futures Commission

Best digital finance
Awarded “Cool Business Awards” from Gartner

Economic aspects
Profit grows over 20% for 5 consecutive years
After-tax profit of NT$12.81 billion in 2015 which is 21.7% growth compared to 2014.

59.7% from foreign investment
The percentage of foreign investment is the highest among financial holding companies at the end of 2015. Excellent corporate governance and stable management win trust from investors.

Upgraded credit rating for 2 consecutive years
In 2015, E.SUN receive an upgrade from Taiwan Rating Company.
In 2014, E.SUN was the only financial institution in Taiwan to receive an upgrade from Moody’s Rating.

Environmental aspects
The signing of Equator Principle
Incorporate business to fulfill responsibilities for environment and society in cases of project financing and construction exploitation.

Certificate for Energy conservation savings and Carbon decrease
In 2015, E.SUN is awarded “the Best Energy Conservation Savings Company” and “the Best Carbon Decrease Practice Award” from Bureau of Energy, Ministry of Economic Affairs.

100% carbon inventory
E.SUN FHC’s headquarters building and all 136 business locations have passed ISO14064-1:2006 greenhouse gas inventories.

International certification
- ISO14064-1
  First bank to complete ISO14064-1:2006 greenhouse gas inventories of headquarters building and all 136 business locations and receive a verification statement.
- ISO50001
  First bank and securities firm to simultaneously pass ISO50001 energy management system certification.
- ISO14001
  First financial holding company to pass ISO14001 environmental management system certification.
- ISO14046
  First financial institution to pass organizational water footprint inventories of headquarters building.
- ISO14067
  First financial institution to pass carbon footprint certification of ISO 14067.
- ISO20121
  First bank to pass sustainable management system certification of ISO 20121.

Social aspects
Completion of 100 E.SUN libraries
E.SUN issued Asia’s first public interest World Card, implemented the Golden Seed Project, and created a M-shaped social bridge.

The first place in “Support for Creativity Industry Project”
Highly support for cultural and creativity industry. Winning the first place again in Loan to Creativity Industry from Financial Supervisory Commission.

High Participation in volunteer activity
In 2015, each employee participated in volunteer activities for an average of more than 6 hours.
Performance of the global economy in 2015 was volatile and stagnant. In December, U.S. Fed raised interest rate by 0.25%, which signifies the end of the 7-year, near-zero interest rate. Meanwhile, China’s economy came to an end of rapid growth. The fluctuation of stock market and RMB interest rate and currency exhibited great volatility as the nation underwent a structural reform. As stagnation becomes the new norm, the demand of end users falls and the price of oil and commodity collapses, heavily impacting exporting nations.

The arrival of Bank 3.0 and Fintech has stirred up interest among U.S. and Chinese digital service providers to venture into banking services such as payment, lending, and wealth management. In the meantime, the banking industry has also been actively recruiting Fintech talents to support their digital transformation. This combination of banking, technologies and digital services has created a new perspective of how banking services can be performed, thus provides customers with more diverse and convenient services.

The rise of Asian economies and ongoing regional integration have made TPP and RCEP two of the most prominent developments in the future. Under the support of the authority, Taiwanese banks are actively expanding their presence throughout Asia to take part in the growth of Asian economies. Although there are many challenges to the path of globalization, the banking industry seems to have the confidence and resolve to expand overseas.

In response to climate changes, an agreement to reduce greenhouse gas emission was achieved during the Paris Climate Conference, which signifies a new milestone towards a low-carbon economy. As a consequence of new policies introduced by the Taiwanese authority, more and more TWSE/TPEX listed companies are being required to prepare CSR reports and incorporate social responsibilities into business activities in conformity with world trends. This, in turn, should improve overall business quality of an entire industry.

The rapidly changing environment presents a test and challenge to businesses’ adaptability. E.SUN will embrace these challenges by exploring breakthrough and innovative opportunities with meaningful, systematic and organized actions listed below, and turn crises into opportunities where we can surpass our competitors and beat them to the finish line:

1. Develop the five key elements of fintech, including domain know-how in banking, utilization of advanced technology, new customer experience, big data analysis, and social network management. Next, we shall develop our digital service brand through these progressive steps: Time to Market, Time to Volume, and Time to Value.

2. In order to develop innovative mindsets and a learning organization, the Company relies not only on internal training, but explores other opportunities to host or co-arrange campus challenges such as “Data Scientist Competition,” “Google Ignite Project,” and “E.SUN Hackathon” as means to attract talents.

Given the environment we are in, anticipation and exploitation of upcoming changes are the only means for us to develop competitive advantages and surpass our competitors.

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With regard to financial innovation, E.SUN became the first bank to be granted by the Financial Supervisory Commission (FSC) to invest in Fintech company. The addition of such a company brings innovation with respect to cash flow, distribution and marketing, thereby enabling E.SUN to provide more diverse and convenient financial services to Taiwanese companies and consumers.

With regard to overall performance, the Company maintained its total assets at NTD 1.78 trillion, total deposits at NTD 1.46 trillion, NTD current deposits at NTD 470.5 billion, foreign currency deposits at NTD 356.8 billion, and total loans at NTD 1.04 trillion. Fee income totaled NTD 15.499 billion, representing a 19.4% growth. The Company achieved significant and balanced growth across all service categories. With respect to credit cards, E.SUN continued to be the largest issuer of World Card (the premium card) with a market share of 23.74%; meanwhile, total credit card spending increased by NTD 41.2 billion to NTD 252.4 billion, which exhibited the highest growth in the market. With respect to the SME segment, E.SUN Bank ranked the first among private banks in SME lending, and set record as it won the Excellent SME Credit Guarantee Partner Award for the 10th time. In terms of wealth management services, the Company has been able to maintain a stunning 35% annual growth in wealth management fee income for four consecutive years. With regard to foreign currency deposits, total balance increased by NTD 75.2 billion or 26.70%. As for consumer loans, total lending increased by 32% to NTD 87.2 billion.

E.SUN FHC delivered record-high earnings once again in 2015, concluding net income of NTD 12.816 billion, EPS of NTD 1.63, ROE of 11.23%, ROA of 0.78%, and capital adequacy ratio of 141.73%. The Company also managed to maintain asset quality at sound level, with an NPL ratio of 0.13% and NPL coverage ratio of 930%. In terms of credit rating, Moody’s has given the financial holding company a long-term rating/short-term rating/prospect of Baa1/P-2/Stable, while the banking subsidiary received A3/P-2/Stable.

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ESUN currently owns 22 service locations in seven countries including China, Hong Kong, Singapore, USA, Australia, Vietnam, Cambodia, and Myanmar. The Company had recently opened its Chinese subsidiary in January 2016 and its Sydney Branch in April 2016, and earned the support of Myanmar central bank in March 2016 to become the first Taiwanese bank to receive branch license in Myanmar.

With respect to business sustainability, E.SUN continues to devote long-term and systematic efforts into corporate social responsibilities from different angles including corporate governance, employees, customers, society and environment. In 2015, E.SUN was selected as constituent stock of “DSGI - World,” which made it the first and only Taiwanese financial institution to be chosen for the index. Following the signing of “Equator Principles” in 2015, E.SUN became an official member of this organization, and will be working alongside 82 other financial institutions to promote economic development while ensuring sustainability of the local society and environment.
| Financial | 1. Net income: NTD 10,928,352,000 | 2. Earnings per share (EPS): NTD 1.33 | 3. Return on equity (ROE): 11.1% | 4. Return on assets (ROA): 0.72% |
| Human Resource | 1. Employee count: 7,424 | 2. Employee satisfaction: 97.4% | 3. Average training hours per person: 48.1 hours |
| Resource | 1. Electricity consumed at E.SUN Financial Building and business units nationwide: 19,940,079 kWh | Amount of green procurement in 2014: NTD 100,398,614 | Proportion of Investment in DJSI constituents: 46.9% |
| Intelligences | 1. Financial innovation awards: 13 | 2. Expensive cross-border payments and securities subsidies: NTD 133,372,000 |
| Social | 1. No. of students participating in the Golden Seed Project: 84,664 | 2. Cumulative No. of Students benefited from the Golden Seed Project: 130,133 |
| Development | The Company has identified financial innovation, total performance, Asia deployment and corporate social responsibilities as part of its long-term strategies in the third decade. These long-term strategies will be progressively achieved through a combination of medium-term (2017 to 2018) and short-term (2016) strategies. |

### Development Strategy

**Long-term strategies:**

1. **Pioneer in financial innovation**
   - Build up E.SUN’s innovative culture and introduce the right combination of innovative approaches that would promote its image as the most service-friendly, most innovative, and most technologically competitive company.

2. **Earnings per share**
   - Total performance,
   - Asia deployment
   - Corporate social responsibilities

3. **Return on assets**
   - Financial innovation
   - Total performance
   - Asia deployment
   - Corporate social responsibilities

4. **Return on equity**
   - Reduces expenses
   - Cross-border customer exposure
   - Worldwide service

5. **Earnings per share**
   - Total performance
   - Asia deployment
   - Corporate social responsibilities

6. **Return on assets**
   - Financial innovation
   - Total performance
   - Asia deployment
   - Corporate social responsibilities

7. **Return on equity**
   - Reduces expenses
   - Cross-border customer exposure
   - Worldwide service

8. **Earnings per share**
   - Total performance
   - Asia deployment
   - Corporate social responsibilities

9. **Return on assets**
   - Financial innovation
   - Total performance
   - Asia deployment
   - Corporate social responsibilities

10. **Return on equity**
    - Reduces expenses
    - Cross-border customer exposure
    - Worldwide service

**Action plans for 2016**

1. **Strategy**
   - 1. Build a flag-ship digital banking branch
   - 2. Development and launch of E.SUN Wallet APP (EWA)
   - 3. Development of Apple Pay and Android Pay
   - 4. Upgrade E.SUN’s mobile banking APP for better user experiences, while at the same time introduces new security measures.

**Strategic goals for 2017-2018**

1. 1. Promoting fintech development
   - 2. Promoting payment services
   - 3. Promoting premium customer service
   - 4. Developing new mobile payment platform
   - 5. Expanding core data applications
Overall performance leap

Long-term strategies:

Aiming to deliver the best total performance and become the most respected business with annual KPI improvements ranking at 3rd to 5th place while recruiting and nurturing more exceptional talents.

Action plans for 2016

1. Branch transformation: Divert customers to automatic processes and refine digital services. Revise existing procedures and enhance employee training for better customer experience.
2. Wealth management: Explore high net-worth customers across borders, incorporate VIP services and gain more VVIPs. Develop digital wealth management platforms such as the mobile financial advisor APP (with trading functions) and online insurance brokerage.
3. Credit card execution: customer segmentation management, optimize e-Click Online Card Application procedures, and revise statement format to promote customers' experience, cost spending, and card issuance.
4. Develop innovative digital payment products and services in response to the government's support for electronic payments.
5. E.SUN won a total of 104 awards in 2015. We will continue adding new awards to its collection in 2016.

Strategic goals for 2017~2018

1. Transform and add value to existing branches.
2. Upgrade wealth management services.
3. Become customer preferred credit card issuer.
4. Become the best brand in SME services.

Expand into Asia

Long-term strategies:

Expand overseas presence and the size of subsidiaries: develop the E.SUN's image as the leading financial brand in Asia from several aspects including corporate governance, business performance, customer service, risk management, and CSR.

Action plans for 2016

1. New oversea subsidiaries: Commence operation of the Chinese subsidiary; prepare establishment of the Sydney Branch (Australia) and Yangon Branch (Myanmar); apply license for the Tokyo Branch (Japan) and Madison Office; pay attention to opportunities in other Asian markets.
2. Optimize customers’ cross-border banking experiences: In order to satisfy Taiwanese businesses' needs for cross-border banking services, E.SUN will implement a group-wide account consolidation system while introducing a dedicated service team and products that are tailored specifically for cross-border transactions. These products and services will be coordinate among E.SUN's overseas subsidiaries to bring customers the most distinctive financial solutions.

Strategic goals for 2017~2018

1. Deploy an Asian financing platform.
2. Address customer needs for cross-border banking services.
3. Explore local features and opportunities.

The most beautiful mountain, the most favorite bank

Long-term strategies:

Our ultimate goal of business management is to coexist with the society in harmony and contribute to a better future. For many years, E.SUN has committed itself to CSR through different aspects including corporate governance, employee relationships, customers' interests, social engagement, and environmental protection. We have placed great emphasis on communicating with stakeholders, and strive to become great from good in terms of being the favorite bank of our employees, customers, shareholders, and Taiwan.

Action plans for 2016

1. E.SUN Golden Seed Project: In February 2016, E.SUN held its “Golden Seed Project Press Conference” to announce its goal towards building the next 100 E.SUN Libraries. The Company expects to raise donations for 10 E.SUN Libraries in 2016, and achieve a total of 100 libraries through donations. In 2016, E.SUN received $202,000 in donations, and 48,000 students were benefitted by the end of the year.
2. E.SUN Concern for Schoolchildren Program: The program is expected to benefit 10,000 students and contribute to a cumulative total of 46,834 students.
3. Against Principles: Following the signing of “Equator Principles” towards the end of 2015, E.SUN became one of the 83 worldwide financial institutions committed to the “Equator Principles.” In the coming year, the Company will continue refining its lending procedures to accommodate to environmental and social impacts of the Equator Principles; meanwhile, comprehensive policies and a team of specialists will be established to supervise environmental and social impacts of the E.SUN’s lending activities.
4. Certification will be implemented under ISO standards including ISO14046, ISO14064, and ISO14044-1.
5. E.SUN’s “Eternal Love Chorus Concert” has been scheduled to perform at National Concert Hall on April 13, 2016.
6. A 10-day “Cycling Across Taiwan” was held, during which 30 employees had participated throughout the entire tour.
7. The 10th annual E.SUN National Juvenile Baseball Competition was organized as an ongoing support to the youth baseball.

Strategic goals for 2017~2018

1. Balanced CSR development in the following five aspects:
   - Corporate governance
   - Employee relationships
   - Customers' rights
   - Environmental sustainability
   - Social welfare
2. Fulfillment of corporate social responsibilities in line with international trends and standards.

We shall continue to devote ourselves to corporate social responsibilities by contributing our financial expertise, and adhere strictly to corporate governance principles while committing fully in environmental protection and social welfare. Through these efforts, we aim to create value for stakeholders and realize the common vision they have shared with E.SUN.
Analysis of material issues

1. Identification of stakeholders

The scope of business of E.SUN FHC and its subsidiaries including banking, securities, insurance brokerages and venture capital. By that, all the groups and individuals that have mutual influenc- es between them and E.SUN FHC are thus defined as stakeholders. Main stakeholders are herein identified through questionnaires, interviews and experiences of experts to be employees, customers, stockholders, vendors and business partners, community residents, governmental agencies and the media.

2. Communicate with stakeholders

In order to better understand stakeholders’ benefits, we have established a communication platform on the E.SUN FHC’s official website, and invite them to share their comments and opinions from different channels are managed with efficiency and effectiveness. Stakeholders’ interests, concerns and priorities are also uncovered among these feedbacks and interactions.

The following table shows relevant communication mechanisms and issues of concern to various stakeholders:

<table>
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<tr>
<th>Stakeholder</th>
<th>Mechanisms and practices</th>
<th>Frequency</th>
<th>Priorities of issues concerned (listed in order)</th>
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<td>Employees</td>
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<td></td>
<td>1. Employee feedback:</td>
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<td>• Corporate governance and business integrity</td>
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<td>• Social welfare</td>
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3. Identification of relevant issues

Issues of concern are diverse among stakeholders both in numbers and in types. Thus, we have employed a wide range of ongoing mechanisms to interchange opinions with stakeholders, identify material issues, and accordingly draft major strategies and action plans. On the basis above, we’ve implemented systematic measures and long-term commitment to integrate internal and external resources, realize tangible approaches, and continuously monitor results and feedbacks concerning each issue.

We herein sum up with the following issues of concern regarding opinions from communication with stakeholders, internal discussion among various units’ CSR representatives, as well as the experience of external experts:

<table>
<thead>
<tr>
<th>No.</th>
<th>Issues of concern</th>
<th>No.</th>
<th>Issues of concern</th>
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<tbody>
<tr>
<td>1</td>
<td>Corporate governance</td>
<td>11</td>
<td>Management of carbon emissions</td>
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<tr>
<td>2</td>
<td>Business integrity</td>
<td>12</td>
<td>Waste management</td>
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<td>3</td>
<td>Brand image</td>
<td>13</td>
<td>Supply chain management</td>
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<tr>
<td>4</td>
<td>Operating performance</td>
<td>14</td>
<td>Adaptation strategies for climate changes</td>
</tr>
<tr>
<td>5</td>
<td>Risk management</td>
<td>15</td>
<td>Employee relationships</td>
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<tr>
<td>6</td>
<td>Service quality and customer rights</td>
<td>16</td>
<td>Manpower training</td>
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<tr>
<td>7</td>
<td>Product innovation</td>
<td>17</td>
<td>Workplace health &amp; safety</td>
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<tr>
<td>8</td>
<td>Responsible lending and investment</td>
<td>18</td>
<td>International universal human rights</td>
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<tr>
<td>9</td>
<td>Ecological protection and environmental sustainability</td>
<td>19</td>
<td>Participation of stakeholders</td>
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<tr>
<td>10</td>
<td>Management of energy and water resources</td>
<td>20</td>
<td>Social welfare</td>
</tr>
</tbody>
</table>

4. Analysis of material issues

- Analysis of stakeholders’ priorities

After employing the foregoing communication mechanisms to understand stakeholders’ priorities about above-mentioned issues, we have arranged these issues with aspects of economic, social, and environmental as shown below:

<table>
<thead>
<tr>
<th>Economy</th>
<th>Society</th>
<th>Environment</th>
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</thead>
<tbody>
<tr>
<td>E. Corporate governance, Operating performance, Business integrity</td>
<td>SF. Service quality and customer rights</td>
<td>E. Ecological protection and environmental sustainability</td>
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<tr>
<td>SF. Brand image, Risk and crisis management, Participation of stakeholders, Social welfare</td>
<td>SF. Human resource training, Workplace health &amp; safety, Employee relationships</td>
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<tr>
<td>SF. Supply chain management, Social welfare</td>
<td>SF. International universal human rights</td>
<td>SF. Management of carbon emissions, energy, water resources and waste</td>
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<tr>
<td>SF. Corporate governance, Operating performance, Business integrity, Risk management</td>
<td>SF. Manpower training, Employee relationships</td>
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<tr>
<td>SF. Product innovation, Responsible lending and investment, Supply chain management</td>
<td>SF. Service quality and customer rights, International universal human rights, Social welfare</td>
<td>SF. Climate change</td>
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<tr>
<td>SF. Participation of stakeholders</td>
<td>SF. Workplace health &amp; safety</td>
<td>SF. Management of carbon emissions, energy, water resources and waste</td>
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</table>
Arrangement in order of importance

In the following sections of this report, we will discuss our opinions in reply to the foregoing issues, and the specific methods we are using to address them. With regards to the identification of material issues, we have compiled a matrix diagram arranging the issues in accordance with the two foregoing dimensions of “stakeholders’ priorities in issues of concern” and “business impact and degree of influence.” Those issues that are on the high portion of at least one dimension are considered material issues, and include operating performance, corporate governance, business integrity, risk management, brand image, manpower training, service quality and customer rights, employee relationships, ecological protection and environmental sustainability. The matrix is shown below:

Material issues
- Risk management
- Brand image
- Manpower training
- Employee relationships
- Operating performance
- Corporate governance
- Business integrity
- Product innovation
- International universal human rights
- Supply chain management
- Climate change
- Social welfare
- Responsible lending and investment
- Management of carbon emissions, energy, water resources and waste
- Quality and customer rights
- Employee relationships
- Ecological protection and environmental sustainability

5. Draft and implementation of strategies

The strategies, GRI categories and report boundary concerning above-mentioned major issues are listed below and further details will be demonstrated in their corresponding chapters.
1. Sustainable development

An exemplar for the financial industry and a benchmark for the service industry

E.SUN employees strive to be first-class citizens of the world

E.SUN endeavors to become a first-rate global corporate citizen

Taiwan’s E.SUN, the World’s E.SUN

1.1 Brand vision

E.SUN FHC was established on January 28, 2002, and has headquarters located in Taipei, Taiwan. Subsidiaries include E.SUN Bank, E.SUN Securities, E.SUN Insurance Brokers and E.SUN Venture Capital. As of December 31, 2015, total assets reached to NT$1.78 trillion. In 2015, E.SUN FHC’s net profit after tax was NT$12.816 billion. Besides the subsidiaries, in order to better fulfill social responsibilities and achieve sustainable development, the company has established the E.SUN Foundation and E.SUN Volunteer & Social Welfare Foundation, and will continue to contribute the strength of E.SUN and its people in line with the volunteer spirit of “Love and Care” and “One simple act of love can inspire others to love.” We believe that the bigger your vision, the greater your strength. E.SUN has long relied on self-discipline, setting an example, and a consistently sincere and straightforward approach to business to establish a fresh new professional brand and image, and it is determined to create an enterprise that will last. Apart from carefully committing to our duties in corporate management, we also believe that only by faithfully engaging our corporate social responsibilities can E.SUN employees become first-class citizens of the world, and E.SUN will become a first-rate global corporate citizen.
Analysis of material issues

An exemplary individual possesses both good character and real talent, and demonstrations all-round achievement in ethical, intellectual, physical, social skills, and aesthetic education. E.SUN seeks to have the best self-discipline and greatest self-demands in the financial industry, consistently upholds a steady and straight business style, and has established a fresh new professional brand and image. Over the course of twenty-four years, our professional management, optimal service, superlative quality, demanding corporate governance, excellent risk management, and constant attention to our corporate social responsibilities has helped us to boost standards in Taiwan’s financial and service industries.

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

Apart from their refreshing professionalism in the workplace, E.SUN’s employees are also full of warmth and concern. In the spirit of “a smile will inspire even more smiles” and “one simple act of love can inspire others to love,” E.SUN employees strive to act as first-class citizens of the world. Because E.SUN believes that the meaning of its existence is to increase human welfare, beyond focusing on its corporate business, it is also actively concerned about social development, environmental protection, its responsibilities to society, and the promotion of art and culture. We feel that only by fulfilling our social responsibilities can we truly contribute to human welfare and act as a first-rate global corporate citizen.

Taiwan’s E.SUN, the World’s E.SUN

Thanks to the unstinting efforts of E.SUN’s management and all employees, E.SUN’s brand, service, and team have won the trust and affirmation of customers and society. We will continue our dedicated efforts as we strive to transform E.SUN into one of Asia’s distinctive banks. We look forward to seeing E.SUN thrive and shine on the international financial stage.

1.2 Corporate 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 long-term effort, we are advancing toward our common vision.

Expertise

When Taiwan first permitted the establishment of new banks in 1992, E.SUN was the only approved bank without support from conglomerates or government. Instead, E.SUN has relied on a professional management team formed of outstanding managers and other superb individuals to establish a professional navigation system and create a true “banker’s bank.”

Service

E.SUN's service begins with a smile, and leaves customers with a feeling of warmth. We listen to our customers, strive to satisfy customers’ needs, exceed our customers’ expectations, and win an even greater mindshare of customers’, with the goal of making E.SUN a leading financial industry brand in customers’ mind.

Business

Toward our employees, we seek to cultivate professional manpower and provide a superior work environment. Toward our customers, we seek to provide optimal service and create the largest possible value. Toward our shareholders, we rely on sincerity and fresh expertise to create outstanding overall performance. Toward society, we hope to promote public welfare by boosting economic development.
1.3 CSR governance

E.SUN FHC established a corporate social responsibility committee (CSR Committee) in 2011. The chairman serves as the committee’s convener, and there are five working groups to handle the issues of corporate governance, social welfare, environmental sustainability, customer rights, and care for employees. The working groups effectively integrate resources and boost efficiency; there were a total of 29 working group conferences in 2015. In addition, the company regularly reports CSR strategies and implementation results to the board. As a rule, the company employs systematic and well-planned methods to achieve the long-term fulfillment of its corporate social responsibilities.

E.SUN has long been devoting considerable resources to its corporate social responsibilities, and is committed to benefiting its home in Taiwan. Continuously drafted “E.SUN FHC Corporate Social Responsibility Best-Practice Principles”, “Corporate Governance Best-Practice Principles” and “Ethical Corporate Management Rules, Operating Procedures, and Action Guide”, in addition to incorporating CSR-related subject matter in new recruits training and various professional training programs. In daily life also encourage employee playing volunteer spirit. We can make the society better and maximize the social influence of the company’s CSR measures.

1.4 Recognitions and honors

- E.SUN FHC was included in Dow Jones Sustainability World Index, the first ever financial institutions in Taiwan. (2015)
- E.SUN FHC was included in Dow Jones Sustainability Emerging Market Index in 2 consecutive years. (2014-2015)
- E.SUN Bank received the Best Domestic Bank Award in Taiwan. (Asiamoney) (2015)
- E.SUN FHC received the Platinum Award for Excellence Management in Corporate Governance in Asia in 6 consecutive years, the record in Taiwan Financial industry. (Asiamoney) (2010-2015)
- E.SUN FHC received the CSR award of CommonWealth Magazine Award for 7th time (2015)
- E.SUN Bank received the award of Best Cash Management Bank in Taiwan and the award of Best SME Bank in Taiwan. (The Asian Banker) (2015)
Financial Innovation

- Received 3 Gartner awards of Digital Champion in Asiapac, Most Promising Digital Business Transformation Initiative and Most Innovation Application of Digital Technology to Grow the Business, the only bank in Asia financial industry. (2015)
- E.SUN Bank Ranked 1st place in cultural and creative lending award from Financial Supervisory Commission, demonstrating our long term support in cultural and creative industry. (2015)
- Received The Asian Banker the award of Risk Data and Analytics Technology Implementation of the year. (2015)
- Received The Asset the award of Best In Treasury and working capital - SME in Taiwan in 3 consecutive years. (2013-2015)
- Received The Asset the award of Best Initiative in Innovation (e-Click Online Card Application). (2015)
- Received MOEA the Top 15 Brand of Best Service Technology Innovation Award. (2015)


Customer Service

- Received BusinessToday Wealth Management Evaluation 7 awards, the most award of all banks. (2015)
  - Best Product Award
  - Best Service Award
  - Best Confidence Award
  - Best Public Welfare Award
  - Best Wealth Management Team Award
  - Best Customer recommendation Award
  - Best Digital Development Award

- E.SUN Bank Ranked No.1 in financial institutions for the Five-Star Service Awards 4 times. (Global View magazine) (2015)
- Received Global View magazine the five star award for 2015 Wealth Management award. (2015)
- E.SUN Bank was top-ranked among financial institutions in Golden Service Award in 4 consecutive years. (Commonwealth Magazine) (2011-2014)
- Received Timetric the award of Highly Commended: Best Customer Experience- Branch. (2015)
- Received MOEA SME Partner Award in 10 consecutive years. (2006-2015)

Sustainable development

- Received Taiwan Institute for Sustainable Energy the Top 10 Most Sustainable Company Award. (2015)
- Received Taiwan Institute for Sustainable Energy Transparency and Integrity Awards for Taiwan Corporate Sustainability Awards, Social Inclusion Awards for Taiwan Corporate Sustainability Awards and the Gold medal in financial industry for Taiwan Top 50 Corporate Sustainability Report Awards. (2015)
- Received 8 awards by Wealth Magazine the Golden Quality Award in 2015 Financial Brand & CSR Survey. (2015)
  - Best CSR of FHC (the Golden Quality Award)
  - Best Domestic Bank (the Golden Quality Award)
  - Best Management Bank (the Golden Quality Award)
  - Best Product (the Golden Quality Award)
  - Best Service (the Golden Quality Award)
  - Best Online Banking (the Golden Quality Award)
  - Best Mobile Banking (the Golden Quality Award)
  - Best Online brokerage (the Golden Quality Award)

- E.SUN FHC ranked within top 5% of Corporate Governance Evaluation. (TWSE) (2015)
- Received the certificate for the use of product Carbon-Footprint label for E.SUN World credit card and E.SUN ETC Easy Credit Card, the first in Taiwan financial industry. (2015)
2. Investor relationship

2.1 Dow Jones Sustainability Indices (DJSI)

E.SUN was listed in both “DJSI World Index” and “DJSI Emerging Markets Index” in 2015. After making the record as the first Taiwanese financial institution to be listed in “DJSI Emerging Markets Index” in 2014, E.SUN once again became Taiwan’s first and only financial institution to be listed in “DJSI World Index”.

3,470 of the world’s top companies were shortlisted for this DJSI review, but only 317 companies across 59 industries in 26 countries included the composition of “DJSI World Index.” Only 27 banks in the world were chosen for the index, and only 2 of which were from Asia. The review gave E.SUN a balanced and above-average score in economic, social and environmental aspects, and rated favorably on financial stability, customer relationship management, brand management, risk management, key talent nurturing, social welfare, climate strategy, and environmental policy. It is a milestone to show that Taiwan’s financial industry can compete with world’s top institutions.
2.2 Investor communication

In line with its professional management philosophy, E.SUN has long striven to maintain investor relations, and values the views of its shareholders and investors. While constantly upholding its core values, E.SUN is also ceaselessly encouraging progress, and seeks to combine a disciplined culture with an entrepreneurship, enabling it to create greater value that can be shared with all shareholders.

Investor Conferences and IR webpages

With regard to external communication channels, E.SUN holds quarterly investor conferences and semi-annual media conferences to disclose the Company’s operation, financial status, and development strategies. Furthermore, a bilingual IR webpages was set up providing comprehensive information for investors and analysts. To help overseas shareholders and investors to stay up to date, an online English-version investor conference is held in the evening of the day each Mandarin investor conference is held, enabling us to stay closely in touch with our global investors.

Establishment of a spokesperson system

E.SUN has established a comprehensive spokesperson, IR and PR system unifying external speaking duties and responsibilities. This system ensures that the Company can communicate effectively with shareholders and investors, and allows shareholders and investors to receive sufficient information and respond promptly.

Participation in domestic and overseas conferences and road shows

E.SUN has participated in six domestic and foreign forums and road shows hosted by securities dealers, including events held in major cities across Asia, U.S. and Europe. Took part in 200 conferences with analysts and investors, which enabled shareholders and investors to get a confidence-building better understanding of this company. E.SUN’s outstanding overall performance has won investors’ interest and trust. Nearly 60% of the Company’s equity is held by QFII, the highest in Taiwan financial industry. Further, E.SUN’s outstanding overall performance has won investors’ interest and analysts and investors, which enabled shareholders and investors to get a confidence-building better understanding of this company. E.SUN’s outstanding overall performance has won investors’ interest and trust. Nearly 60% of the Company’s equity is held by QFII, the highest in Taiwan financial industry. Furthermore, E.SUN is privileged to be awarded as the “Best IR Team in Asia” by The Asset as well as “Best IR Company in Taiwan” by Corporate Governance Asia.

2.3 Business Operating Performance

In 2015, E.SUN FHC reached net profit after tax of NT$12.8 billion, which represented growth of 21.7% compared with 2014. Earnings per share (EPS), return on equity (ROE), and return on assets (ROA) all showed a growing trend to NT$1.63, 11.23%, and 0.78% respectively. Overall lending growth remained strong in 2015, with growth rate of 9.7%, higher than market’s average rate of 2.25%. In terms of asset quality, E.SUN has long maintained asset quality benign, with NPL ratio only 0.13 %, coverage ratio of 932%.

Investor Conferences and IR webpages

With regard to external communication channels, E.SUN holds quarterly investor conferences and semi-annual media conferences to disclose the Company’s operation, financial status, and development strategies. Furthermore, a bilingual IR webpages was set up providing comprehensive information for investors and analysts. To help overseas shareholders and investors to stay up to date, an online English-version investor conference is held in the evening of the day each Mandarin investor conference is held, enabling us to stay closely in touch with our global investors.

Establishment of a spokesperson system

E.SUN has established a comprehensive spokesperson, IR and PR system unifying external speaking duties and responsibilities. This system ensures that the Company can communicate effectively with shareholders and investors, and allows shareholders and investors to receive sufficient information and respond promptly.

Participation in domestic and overseas conferences and road shows

E.SUN has participated in six domestic and foreign forums and road shows hosted by securities dealers, including events held in major cities across Asia, U.S. and Europe. Took part in 200 conferences with analysts and investors, which enabled shareholders and investors to get a confidence-building better understanding of this company. E.SUN’s outstanding overall performance has won investors’ interest and trust. Nearly 60% of the Company’s equity is held by QFII, the highest in Taiwan financial industry. Further, E.SUN is privileged to be awarded as the “Best IR Team in Asia” by The Asset as well as “Best IR Company in Taiwan” by Corporate Governance Asia.
Shareholder structure

- Foreign Institutions & Natural Persons: 1.36%
- Domestic Natural Persons: 17.84%
- Other Juridical Person: 21.05%
- Government Agencies and Financial Institutions: 59.75%

Credit Rating

<table>
<thead>
<tr>
<th>International Rating Agency</th>
<th>Long-term</th>
<th>Short-term</th>
<th>Long-term</th>
<th>Short-term</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's</td>
<td>Baa1</td>
<td>P-2</td>
<td>-</td>
<td>-</td>
<td>Stable</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>BBB-</td>
<td>A-3</td>
<td>-</td>
<td>-</td>
<td>Stable</td>
</tr>
<tr>
<td>TRC</td>
<td></td>
<td>-</td>
<td>twA+</td>
<td>twA-1</td>
<td>Stable</td>
</tr>
</tbody>
</table>

Subsidiary E.SUN Bank

| Moody's                     | A3        | P-2        | -         | -          | Stable  |
| S&P                         | BBB-      | A-2        | -         | -          | Stable  |
| TRC                         |           | -          | twAA-     | twA-1      | Stable  |

Subsidiary E.SUN Securities

| Fitch                       | -         | -          | AA-(twn)  | F1+(twn)   | Stable  |

Business Operation

<table>
<thead>
<tr>
<th>Item</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>38,489,329</td>
<td>32,754,519</td>
</tr>
<tr>
<td>Net Provision</td>
<td>3,566,430</td>
<td>2,033,689</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>20,137,748</td>
<td>17,949,763</td>
</tr>
<tr>
<td>Tax</td>
<td>1,906,172</td>
<td>2,165,739</td>
</tr>
<tr>
<td>Net Profit</td>
<td>12,816,347</td>
<td>10,528,552</td>
</tr>
<tr>
<td>Net Revenue per employee</td>
<td>4,508</td>
<td>4,266</td>
</tr>
<tr>
<td>Net Profit per employee</td>
<td>1,600</td>
<td>1,381</td>
</tr>
</tbody>
</table>

(Year) (Unit NT$ thousand)

Profitability

<table>
<thead>
<tr>
<th>Year</th>
<th>(Unit NT$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>3,484</td>
</tr>
<tr>
<td>2012</td>
<td>7,058</td>
</tr>
<tr>
<td>2013</td>
<td>8,416</td>
</tr>
<tr>
<td>2014</td>
<td>10,529</td>
</tr>
<tr>
<td>2015</td>
<td>12,816</td>
</tr>
</tbody>
</table>

EPS

<table>
<thead>
<tr>
<th>Year</th>
<th>(Unit NT$ dollar)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>0.82</td>
</tr>
<tr>
<td>2012</td>
<td>1.46</td>
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<tr>
<td>2013</td>
<td>1.53</td>
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<tr>
<td>2014</td>
<td>1.56</td>
</tr>
<tr>
<td>2015</td>
<td>1.63</td>
</tr>
</tbody>
</table>

ROE

<table>
<thead>
<tr>
<th>Year</th>
<th>(Unit%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>5.77</td>
</tr>
<tr>
<td>2012</td>
<td>10.03</td>
</tr>
<tr>
<td>2013</td>
<td>10.65</td>
</tr>
<tr>
<td>2014</td>
<td>11.11</td>
</tr>
<tr>
<td>2015</td>
<td>11.23</td>
</tr>
</tbody>
</table>

ROA

<table>
<thead>
<tr>
<th>Year</th>
<th>(Unit%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>0.31</td>
</tr>
<tr>
<td>2012</td>
<td>0.59</td>
</tr>
<tr>
<td>2013</td>
<td>0.64</td>
</tr>
<tr>
<td>2014</td>
<td>0.72</td>
</tr>
<tr>
<td>2015</td>
<td>0.77</td>
</tr>
</tbody>
</table>

Dividend

<table>
<thead>
<tr>
<th>Year</th>
<th>(Unit NT$ dollar)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.00</td>
</tr>
<tr>
<td>2014</td>
<td>0.89</td>
</tr>
<tr>
<td>2015</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Net revenue breakdown by subsidiaries

<table>
<thead>
<tr>
<th>Year</th>
<th>(Unit NT$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>4,416</td>
</tr>
<tr>
<td>2014</td>
<td>5,200</td>
</tr>
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</table>

Social Participation

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>64,161</td>
<td>77,592</td>
</tr>
<tr>
<td></td>
<td></td>
<td>53,145</td>
<td>13,742</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11,500</td>
<td>19,776</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14,422</td>
<td>30,704</td>
</tr>
<tr>
<td></td>
<td></td>
<td>86,321</td>
<td>83,875</td>
</tr>
<tr>
<td></td>
<td></td>
<td>229,549</td>
<td>225,709</td>
</tr>
</tbody>
</table>

(Year) (Unit NT$ thousand)

Stock Dividends
Cash Dividend
- dividends after taking two decimal places.

Customer care
Social care
Sustainable development
Investor relationship
Employee care
Environment care

Venture Capital 1.3%
Insurance Brokers 5.9%
Securities 1.2%
Bank 91.6%
2.4 Service network

As of April 2016, E.SUN FHC operated a service network that comprised of 136 branches under E.SUN Bank and 21 branches under E.SUN Securities in Taiwan. E.SUN continues to innovate and improve its services, combining advanced digital technologies with arts and culture to bring customers the distinctive branch experience. Branches such as Taipei (the flagship service outlet featuring digital banking and arts), Xinbin (with a cultural and aesthetic theme), Xinyi (with classic decorations), and Taichung (the wealth management hub featuring a musical theme) have all been exquisitely designed to give customers the best combined experience of banking service, arts and culture.

With regards to digital channels, E.SUN prides itself for being the innovator that brings customers the best banking experience. By utilizing a variety of service networks including Internet banking, mobile banking, website, customer service center, automated service equipment and branches, the Company aims to deliver the most secured, convenient and custom-tailored financial services that help to improve customer lifestyles.

With regards to the overseas service network, E.SUN has set its goals to develop distinctive service features that distinguish itself from other Asian banks. Driven by a business strategy to focuses on “expansion into Asia with roots in Taiwan”, the Company continues to expand operating sites outside Taiwan, and currently has 22 operating sites across 7 countries. In addition to the 5 existing overseas branches, namely Los Angeles, Hong Kong, Singapore, Dong Nai (Vietnam), and Sydney (Australia), the Company is also making preparations for the establishment of Yangon Branch in Myanmar and Tokyo Branch in Japan. Furthermore, E.SUN’s Cambodian subsidiary - Union Commercial Bank PLC (UCB) currently operates 11 branches in Cambodia. The subsidiary will continue its branch establishment in the future, as it provides E.SUN with critical entry into the ASEAN market. In the Meantime, E.SUN will continue searching for entry opportunities into other Asian markets.

Establishment of E.SUN’s Chinese subsidiary in January 2016 was the first time ever that a Taiwanese bank was granted the approval to upgrade a branch into a subsidiary. This transition made E.SUN the first Taiwanese bank in southern China and the first foreign bank in Guangdong Free Trade Zone. China subsidiary currently has 4 service locations (including head office, Shenzhen Branch, Dongguan Branch, and Changan Sub-branch), and will be coordinating with E.SUN’s Hong Kong Branch and service locations in ASEAN to form an extensive Asian financial platform.

With 136 branches, 13 corporate banking centers, 16 consumer banking centers, 16 wealth management centers, 21 branches of E.SUN Securities, 4 service locations under the Chinese subsidiary, 11 service locations under UCB (Cambodian subsidiary), Hong Kong Branch, Los Angeles Branch (USA), Singapore Branch, Southern Branch (Australia), Dong Nai Branch (Vietnam), Yangon Representative Offices (Myanmar), Ho Chi Minh City Representative Offices (Vietnam), E.SUN e-Services (24H call center), E.SUN Personal Online Banking, Mobile banking and cash-in services, E.SUN Corporate Online Banking, WebATM, ATM, Foreign currency ATM.

2.5 Corporate governance

Governance framework of E.SUN FHC

Competent functional committees

The Board of Directors has multiple functional committees established to support and enhance its decisions, including: Audit Committee, Corporate Governance and Nomination Committee, Remuneration Committee, Board Strategic Development Committee, and Corporate Social Responsibility Committee. All functional committees comprise entirely or partially of independent directors to ensure that the committees function not only to support, but also to supervise and check the board’s decisions for stakeholders’ best interest.
Diverse board members

The board consists of scholars and professionals from banking and as well as other industries. They are assisted by 4 independent directors of different professional backgrounds. The board has 2 female directors, and all directors possess the decision making capacity, risk management skills, and managerial expertise that are relevant to the financial industry. The Audit Committee comprises entirely of independent directors, whereas other functional committees such as Corporate Governance and Nomination Committee, Remuneration Committee, Board Strategy Development Committee, and Corporate Social Responsibility Committee also consist mainly of independent directors. These independent directors add vision, objectivity and comprehensiveness to various decisions and suggestions made by committees, and ultimately contribute to the quality of strategies, plans and decisions made by the board.

E.SUN’s board diversity policy has been outlined clearly in its “Director Election Rules,” which recommends board members to be elected in conformity with the planned layout. Board members should be diversified in terms of the following:

<table>
<thead>
<tr>
<th>Basic profile and value</th>
<th>Professional knowledge/skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender, age, nationality or culture</td>
<td>Career background, professional skills or industry experience</td>
</tr>
</tbody>
</table>

Board performance evaluation system

E.SUN has “Board of Directors Performance Evaluation Policy” in place to assess performance of the board, the functional committees and individual directors from different perspectives. The evaluation procedure is as follows:

I. Evaluation of board performance
   1. Each year, the Company evaluates board performance of the previous year using the board performance scorecard.
   2. Board performance is evaluated by the Corporate Governance and Nomination Committee, and subsequently resolved by the Board of Directors.

II. Evaluation of functional committee performance
   1. Each year, the Company evaluates performance of various functional committees in the previous year using the committee performance scorecard.
   2. Performance is evaluated by the respective functional committees, and subsequently reported to the Board of Directors.

III. Evaluation of director performance
   1. At the beginning of each year, directors are required to evaluate their own performance (self-assessment) and the performance of other directors (overall assessment) in the previous year, using a designated scorecard.
   2. The board meeting organizer will consolidate directors’ self-assessments and overall assessments to conclude the final performance score for each director. This result is subsequently presented for the Chairman’s review.

Business integrity policy

The Company has a Corporate Governance and Nomination Committee in place to supervise the establishment and execution of business integrity policies and fraud prevention measures, and thereby maintain business integrity. The committee’s work progress is reported to the Board of Directors on a regular basis.

Corporate social responsibilities

A Corporate Social Responsibility Committee has been created under the Board of Directors along with a set of “Corporate Social Responsibility Code of Conduct” to guide the Company towards fulfilling social responsibilities and contributing to the improvement of the economy, environment and society, and thereby ensure sustainability.

Insurance of directors’ liabilities

Rapid changes in the economy, competitive environment and regulations are making businesses more difficult to manage. In order to recruit capable talents and empower them to make tough decisions, the Company has insured against the liabilities of its management, directors, supervisors and key staff, which mitigates legal and financial risks and losses that the Company or the above parties may be prone to when performing duties.

- Directors’ age group

![Age Group Chart]

- 50~59 (16% or 2 persons)
- 60~69 (25% or 3 persons)
- 70~79 (59% or 7 persons)
### Director profiles

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Date of Election</th>
<th>Education and experience</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Yung-Jen Huang</td>
<td>2014.6.20</td>
<td>Bachelor of Department of Cooperative Economics at National Chung Hsing University The founder of E.SUN Bank</td>
<td>None</td>
</tr>
<tr>
<td>Director</td>
<td>Ben Chen</td>
<td>2014.6.20</td>
<td>MBA of the City University of New York, special contribution award(TABF) President and Chief Strategic Officer of E.SUN FHC President and director of E.SUN Bank</td>
<td>Chairman of E.SUN Bank</td>
</tr>
<tr>
<td>Director</td>
<td>Ron-Chu Chen</td>
<td>2014.6.20</td>
<td>Master of Public Administration of Harvard University Director of Banking Bureau, Financial Supervisory Commission</td>
<td>Managing Director of E.SUN Bank</td>
</tr>
<tr>
<td>Director</td>
<td>Chien-Li Wu</td>
<td>2014.6.20</td>
<td>Master of Public Administration of Harvard University Director of Banking Bureau, Financial Supervisory Commission</td>
<td>Chairman of E.SUN Bank</td>
</tr>
<tr>
<td>Director</td>
<td>Chiu-Hsiong Huang</td>
<td>2014.6.20</td>
<td>PhD of Department of Accounting at University of Tennessee Director of E.SUN Foundation(Representative Joseph N.C. Huang), E.SUN Foundation(Representative Gary K.L. Tseng), Hsin Tung Yang Co.,Ltd.(Representative Jackson Mai), E.SUN Social Welfare Foundation(Representative Magi Chen), Sunlit Transportation Co.,Ltd.(Representative Ben Chen).</td>
<td>Independent Director of E.SUN Bank</td>
</tr>
<tr>
<td>Director</td>
<td>Gary K.S. Tseng</td>
<td>2014.6.20</td>
<td>PhD of Business Administration, University of Illinois, USA. Professor of management of National Taiwan University</td>
<td>Independent Director of E.SUN Bank</td>
</tr>
<tr>
<td>Director</td>
<td>Ji-Ren Lee</td>
<td>2014.6.20</td>
<td>PhD of Business Administration, University of Illinois, USA.</td>
<td>Independent Director of E.SUN Bank</td>
</tr>
<tr>
<td>Director</td>
<td>Chen-Chen Chang Lin</td>
<td>2014.6.20</td>
<td>Master of Mathematics and Statistics of University of Michigan Chairman of Financial Information Service Co., Ltd.</td>
<td>Independent Director of E.SUN Bank</td>
</tr>
<tr>
<td>Director</td>
<td>Mia-Kao Lin</td>
<td>2014.6.20</td>
<td>Bachelor of Department of Mechanical Engineering, National Cheng-Kung University Vice President, Executive Yuan</td>
<td>Independent Director of E.SUN Bank</td>
</tr>
<tr>
<td>Director</td>
<td>Magi Chen</td>
<td>2014.6.20</td>
<td>MBA of the University of Tennessee CFO of E.SUN FHC Director of E.SUN Bank</td>
<td>Managing Director of E.SUN Bank</td>
</tr>
<tr>
<td>Director</td>
<td>Ben Chen</td>
<td>2014.6.20</td>
<td>Bachelor of Department of Business Administration, Soochow University CEO of Consumer banking division and Director of E.SUN Bank</td>
<td>Chairman of E.SUN Bank</td>
</tr>
</tbody>
</table>

### Remuneration of Directors and Independent Director

#### Remuneration

<table>
<thead>
<tr>
<th>Position</th>
<th>Base Compensation (A)</th>
<th>Bonus to Directors (B)</th>
<th>Severance Pay (C)</th>
<th>Allowances (D)</th>
<th>Ratio of total compensation(A+B+C+D+E+F+G) to net income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>None</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>None</td>
</tr>
<tr>
<td>Director</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Director</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
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</tr>
<tr>
<td>Director</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
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</tr>
<tr>
<td>Director</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Director</td>
<td>None</td>
<td>None</td>
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<td>None</td>
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<tr>
<td>Director</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Director</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

#### Relevant remuneration received by directors who are also employees

<table>
<thead>
<tr>
<th>Position</th>
<th>Stock Stock Options (H)</th>
<th>Exercisable Employee Stock Options (I)</th>
<th>Amount of restricted stock meant for employees acquired (K)</th>
<th>Ratio of total remuneration (A+B+C+D+E+F+G+H+I+K) to net income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>0</td>
<td>0</td>
<td>97,000</td>
<td>1.00%</td>
</tr>
<tr>
<td>Director</td>
<td>0</td>
<td>0</td>
<td>15,177</td>
<td>0.84%</td>
</tr>
<tr>
<td>Director</td>
<td>0</td>
<td>0</td>
<td>30,468</td>
<td>1.35%</td>
</tr>
<tr>
<td>Director</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Director</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Director</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Director</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Director</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

#### Note

Remuneration distributed to directors who are serving for year 2015.
### Remuneration bracket table

<table>
<thead>
<tr>
<th>Range of remuneration paid to directors</th>
<th>Sum of first 4 remunerations (A+B+C+D)</th>
<th>Sum of first 7 remunerations (A+B+C+D+E+F+G)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below NT$ 2,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT$ 2,000,000 — NT$ 5,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT$ 5,000,000 — NT$ 10,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT$ 10,000,000 — NT$ 15,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT$ 15,000,000 — NT$ 30,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT$ 30,000,000 — NT$ 50,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT$ 50,000,000 — NT$ 100,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT$ 100,000,000 and above</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>107,054</td>
<td>133,037</td>
</tr>
</tbody>
</table>

(Unit NT$ thousand)

- Total remuneration to the Company’s directors was determined based on percentages specified in Article 36 of the Articles of Incorporation, remuneration to the Chairman and individual directors was adjusted according to the percentages stated in Article 27-1 and based on their individual involvements and contributions to the Company’s operations, in reference to peer level. These proposals are raised by the Remuneration Committee and ultimately approved by the Board of Directors.

### Directors’ independence and avoidance of conflicting interests

Four independent directors were elected during E.SUN FHC’s annual general meeting dated June 20, 2014 to serve a term of 3 years; together, they account for more than 30% of board members. The Company’s “Rules on Independent Director Duties” have outlined terms such as “Any objections or qualified opinions expressed by independent directors must be detailed in board meeting minutes,” “No member of the Company or the board shall in any way obstruct, reject, or prevent independent directors from performing duties,” and “Independent directors may request the board to assign certain personnel or engage experts to assist in their duties where necessary.” These rules provide independent directors with the authorities they need to fulfill their duties for the benefit of the board and the Company.

The “Stakeholder Transaction Policy” has been created as a means to regulate and ensure fairness and 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 ICP gains.

According to E.SUN FHC’s Board of Directors Conference Rules: if a director, or the corporate entity that the director represents, is considered a stakeholder to the discussed agenda, the director must state the stakes involved during the current meeting session and shall disassociate from all discussions and voting if such stakes are in conflict against the Company’s interests. In which case, the director may not exercise voting rights on behalf of other directors.

### Avoidance of conflicting-interest agenda by directors

<table>
<thead>
<tr>
<th>Director</th>
<th>Agenda</th>
<th>Reasons for avoiding conflict of interests</th>
<th>Participation in voting activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joseph N.C. Huang</td>
<td>- Amendment to Manager Remuneration Standards</td>
<td>The agenda concerned the director’s own interests</td>
<td>Dissociated from discussion and voting</td>
</tr>
<tr>
<td>Magi Chen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ben Chen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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Board functional committees

The attendance rates of the various functional committees in 2015 were as follows: Audit Committee: 100%, Corporate Governance and Nomination Committee: 100%, Board Strategy Committee: 87.5%, Corporate Social Responsibility Committee: 100%.

Audit Committee
The Audit Committee is composed of all independent directors, and the Company has drafted Rules Governing the Scope of Powers of Independent Directors. The Audit Committee convened six meetings in 2015. Matters supervised by the Audit Committee:

1. The proper issuance of the Company’s financial statements.
2. Selection (dismissal) of an auditing CPA and assessment of independence and performance.
3. Effective implementation of the Company’s internal controls.
4. The Company’s legal and regulatory compliance.
5. Control of the Company’s existing or potential risk.

Corporate Governance and Nomination Committee
The Company has determined Organizational Rules of the Corporate Governance and Nomination Committee, and independent directors must serve as the convener and chairman of this committee. The Corporate Governance and Nomination Committee met three times in 2015. Main duties of the Corporate Governance and Nomination Committee:

1. Ensuring the soundness of the corporate governance organization and systems, and implementation of business integrity policy.
2. Location, review, and nomination of director, independent director, and supervisor candidates for the Company and its subsidiaries.
3. Establishment and development of the board organizational framework for the Company and its subsidiaries.
4. Nomination or review of general manager and deputy general manager candidates for the Company and its subsidiaries.

Remuneration Committee
The Company has determined Organizational Rules of the Remuneration Committee, and this committee must consist of all independent directors. The Remuneration Committee met twice in 2015. Main duties of the Remuneration Committee:

1. Determining and regularly reviewing the performance and salary compensation policies, systems, standards, and structures of the Company’s directors and managers, upper managers at the level of deputy general manager and above at banking subsidiaries, and general managers of other subsidiaries. (the foregoing are referred to below as “subsidiary upper managers”)
2. Regular assessment and determination of the salary compensation of this company’s directors and managers, and subsidiary upper managers.

Board Strategy Committee
The Company has determined Organizational Rules of the Board Strategy Committee, and the board chairman must serve as the convener and chairman of this committee. The independent directors must participate in this committee. The Board Strategy Committee convened two meetings in 2015. Main duties of the Board Strategy Committee:

1. Convening meetings concerning strategic developmental goals, submitting reports to the board concerning such issues as overall objectives and short-/mid-/long-term developmental strategies.
2. Submission of reports to the board concerning other major strategic matters sufficient to influence the Company’s future development.

Corporate Social Responsibility Committee
The Company has determined Organizational Rules of the Corporate Social Responsibility; the chairman of the board shall serve as the convener. The Corporate Social Responsibility Committee convened five meetings in 2015. Main duties of the Corporate Social Responsibility Committee:

1. Determination of an annual corporate social responsibility plan and strategic directions.
2. Determination of corporate social responsibility projects and activity plans.
3. Tracking and review of the implementation and results of the annual corporate social responsibility plan, strategic directions, projects, and activity plans.
5. Determination of related matters in media evaluation of corporate social responsibility.
2.6 Ethical Corporate Management

Emphasis on ethics and gratitude

E.SUN’s corporate culture guides the service attitude and behavior of all company employees. E.SUN’s corporate culture reflects its 3+1 business philosophy and common vision: “realism, strength, responsibility,” “teamwork, harmony, happiness,” “leadership, excellence, honor,” and “contentment, cherishing relationships, and gratitude.” Starting with new employee training, this philosophy is internalized in the DNA of every E.SUN employee through a process of intuitive understanding, instruction by the management team, the personal examples of managers and mid-level officers, and learning through teamwork.

Draft on the E.SUN Service Agreement

The “E.SUN Service Agreement” lays out clear principles for employee behavior, including ethics and personal integrity, individual conduct and discipline, service behavior, intellectual property rights, and use of the Internet and e-mail. In general, this agreement charges employees with upholding laws and regulations while performing their duties, and emphasizes that colleagues may not violate the principal of integrity in the course of their work. During the course of new employee training, legal affairs personnel and the head of the human resources department explain the various terms of the E.SUN Service Agreement. Employees must take regular or occasional tests concerning legal compliance and E.SUN’s Service Agreement.

Excerpts from the content of the “E.SUN Service Agreement”:

- Employees may not take advantage of their duties to get loans from E.SUN Bank or its customers, or solicit contributions without authorization, and may not engage in transactions or arbitrage with, or borrowing from, E.SUN Bank in another person’s name.
- Employees must strictly uphold the principle of avoidance of benefit, and may not take advantage of opportunities provided by their duties to benefit or convenience themselves, a spouse, relative within the third degree of kinship, or other person with whom they have major private interested relationships.
- Employees may not engage in any partiality, nor may they use bribes or other improper methods to secure business.
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Drafting an Ethical Corporate Management Rules, Operating Procedures, and Action Guide

In order to establish a corporate culture of integrity and promote sound development, this company has established rules prohibiting dishonest behavior and providing a reference framework for sound business operations.

This company’s directors, managers, employees, entrustees, and persons possessing substantial control ability may not, when engaging in business actions, directly or indirectly provide, promise, require, or receive any illegitimate benefit, and may not engage in any dishonest behavior violating the law or principles of integrity, or acting against their entrusted duties, in order to seek to obtain or maintain their benefit.

Before engaging in business transactions, this company shall take the lawfulness of its agents, vendors, customers, and other business partners, and whether any dishonest actions were committed by them, before engaging in any business transactions, and this company should avoid engaging in transactions with any dishonest partners. In addition, the contracts signed with such partners shall state that they shall uphold business integrity principles, and this company may promptly terminate or dissolve such contracts if the other parties engage in any dishonest behavior.

In order to put business integrity management on a sound footing, the corporate governance and nomination committee shall serve as the dedicated unit responsible for drafting and overseeing implementation of the Company’s business integrity policy and precautionary plans, and shall regularly report the implementation status of the following matters to the board:

(1) Education and awareness

With regard to training courses for new employees, it contains the legal knowledge for financial personnel, the service rules and code of conduct of E.SUN employees in order to increase their awareness and education. The committee shall also compile business integrity rules and major internal material information as well as case studies to enable employees to know the awareness concerning their duty.

(2) External announcement of business integrity policy

The Company shall disclose its business integrity policy on the Company website, and shall also publicize this policy in external activities such as institutional investor explanatory meetings, with the goal of ensuring that partners and other service-related organizations and personnel have a clear understanding of this company’s business integrity beliefs and rules.

(3) Implementation of business integrity policy

The Company’s business integrity rules explicitly state that the Company shall avoid transactions with dishonest parties. The Company shall also explicitly note terms concerning trustworthy conduct in business contracts, and incorporate business integrity in employees’ performance evaluations and human resource policies, which shall also contain clear and effective rewards & punishments and appeal systems.

(4) Effectiveness of business integrity maintenance measures

The Company shall rely on business units’ self-audits and self-review of legal compliance to achieve effective control and implementation, and independent audits by the audit unit shall ensure the functioning of business integrity mechanisms as a whole, joint management, and prevention of dishonest behavior.
Establishment of communication channels

The Company has established an e-mail address for contacting independent directors, and has announced it on the Company’s website:

- Corporate governance area
- Stakeholder area
  https://www.esunfhc.com/en/stakeholders
  (provides an effective channel of communication for employees, stockholders, and stakeholders)
- Audit committee (independent directors) contact method
  AuditCommittee@email.esunbank.com.tw

Legal compliance

E.SUN has established an effective legal compliance system framework, and determined the “E.SUN FHC Legal Compliance Policy” and “E.SUN FHC Legal and Regulatory Compliance System Guidelines.” With regard to the implementation of legal compliance matters, the organization’s legal compliance manager reports to the board and audit committee on a half-year basis which ensures that the board and relevant upper managers have a grasp of the state of legal compliance implementation.

- Main duties
  E.SUN FHC has established a legal compliance management unit, which is responsible for planning, management, and implementation of the legal compliance system, and ensuring compliance with external laws and regulations in all matters. The following are the unit’s main duties:
  - Establishment of clear and appropriate legal and regulatory notification, consulting, coordination, and communication systems.
  - Supervision of the updating of operation and management rules at appropriate times in compliance with relevant laws and regulations, and thereby ensure that all operating activities are in compliance with laws and regulations.
  - Determination of legal compliance assessment content and procedures, and supervision of regular self-assessment of state of implementation by various units.
  - Planning of legal compliance training classes, and providing appropriate legal and regulatory training to personnel at all units.
  - Issuance of statements of compliance with laws and regulations when the Company applies for new products or services.

- Legal compliance self-assessment system
  E.SUN conducts a legal compliance self-assessment once each half-year. This self-assessment is intended to determine whether all units comply with laws and regulations when engaging in business, and whether improvements have been completed. In order to ensure the effectiveness of the legal compliance system, in accordance with law, E.SUN FHC and its subsidiaries have also established a review system examining the state of implementation of legal compliance. In order to boost implementation of the legal compliance system, the legal compliance unit shall evaluate the state of legal compliance implementation at all units of affiliated companies.

- Clear reporting mechanisms
  The Company has determined relevant legal compliance procedures. In the case of major violations of laws or regulations, the organization’s legal compliance manager shall be notified. In the case of violations of business integrity rules, the executive of the legal compliance management unit shall be notified.

- On-site inspection of legal compliance
  In order to increase awareness of the state of legal compliance, starting in 2013, management units have conducted 46 on-site inspection visits of legal compliance at implementing units. These inspection visits have effectively enhanced legal compliance awareness, communication, and consulting.

- Communication mechanisms and training
  An appropriate legal and regulatory notification, consulting, coordination, and communications system has been established between units, and between the Company and its subsidiaries. When needed, the legal compliance management unit shall provide information on legal and regulatory updates and revisions to legal compliance personnel at relevant units, and shall regularly hold training sessions aimed at creating awareness of important laws and regulations. In addition, important legal compliance matters are communicated via the holding of legal compliance manager conferences, which serve to promote the sharing of experience. If an issue spans different subsidiaries, apart from providing their views, the legal compliance unit shall assist with communication and coordination at the subsidiaries, with the goal of ensuring the consistency of internal views throughout the Group.

- 2015 legal compliance awareness classes

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<th>Month</th>
<th>Training class</th>
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<tr>
<td>January</td>
<td>Protecting personal information</td>
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<tr>
<td>February</td>
<td>Awareness concerning the Financial Supervisory Commission’s financial industry sanction cases in 2014</td>
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<tr>
<td>March</td>
<td>Introduction to intellectual property rights - Copyrights</td>
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<td>April</td>
<td>Awareness concerning money laundering controls and efforts to cut off funding for terrorism in 2015</td>
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<tr>
<td>May</td>
<td>Awareness concerning cross-selling regulations</td>
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<tr>
<td>June</td>
<td>Legal compliance self-assessment</td>
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<tr>
<td>July</td>
<td>Awareness concerning labor laws and regulations and human resources; Awareness concerning management</td>
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<tr>
<td>August</td>
<td>2015 legal compliance lecture notes</td>
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<tr>
<td>September</td>
<td>Awareness concerning business integrity and handling of major internal information</td>
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<td>October</td>
<td>Awareness concerning telephone marketing regulations</td>
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<td>November</td>
<td>2H 2015 awareness concerning controls on money laundering</td>
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<tr>
<td>December</td>
<td>Legal compliance self-assessment</td>
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Promoting the development of the financial industry

To promote the development of the domestic financial industry, E.SUN FHC and its subsidiaries actively participate in the activities of organizations including the Bankers Association of the R.O.C., Taiwan Securities Association, Trust Association of R.O.C., Taiwan Academy of Banking and Finance, Taiwan Financial Services Roundtable, Chinese Excellent Management Association. E.SUN FHC President Joseph N.C. Huang is the director of the Taiwan Corporate Governance Association; E.SUN Bank Chairman Tseng Kuo-lieh is a director of the Bankers Association of the R.O.C.; a member of the Financial Supervisory Commission’s financial research and development fund management committee, and a member of the Taiwan Academy of Banking and Finance’s board training and guidance committee; and Wang Jyh-Cheng, chief human resource officer at E.SUN Bank, is a supervisor of the Chinese Excellent Management Association. These individuals provide recommendations concerning practical operations at appropriate times, and are striving to do their part to improve the domestic financial environment as a whole.

2.7 Risk Management

The goal of risk management is to preserve the safety of assets, enhance customer service quality, and increase shareholder value. In the wake of the 2008 financial crisis, economic stimulus and structural reform measures undertaken by the world’s leading economies have had a spillover effect, which has caused financial market fluctuations to intensify. In addition, in order to reform the financial oversight environment and strengthen financial stability, international financial oversight and customer rights protection requirements have been tightened, and the importance of network security and personal financial rights has continued to rise in the wake of the rapid emergence of digital finance and financial technology. In the face of the potential impact of global warming and climate change on corporate operations, how to identify risk and seize opportunity has become a new risk management issue. We at E.SUN have always made “no services or operations can be considered beyond risk” our watchword and we uphold the highest guiding principles of risk management: safety and liquidity first, profitability second, growth next, and always pay attention to the public interest.

E.SUN’s risk management objectives:

- Maintaining asset security
- Enhancing customer service quality
- Maximizing shareholder value
Organization and policy

Risk management organization framework:

1. E.SUN FHC’s board of directors
   In E.SUN FHC’s risk management mechanisms, the board of directors is the highest decision-making unit and bears ultimate responsibility for overall risk management. The board approves all overall risk management policies and major decisions on the basis of the Company’s operating strategies and business environment.

2. Risk Management Committee
   In order to strengthen the board’s risk management communication, coordination, reporting, and recommendations, E.SUN FHC has established an independent, impartial Risk Management Committee; the president serves as the chairman of this committee, while the chief risk officer serves as executive secretary. The committee is responsible for drafting and reviewing various risk management policies, refers to and abides by international risk management guidelines, promotes the establishment and implementation of risk management systems, and strives to strengthen its functions and powers in line with changes in the times.

The Risk Management Committee meets regularly on a quarterly basis, and also when needed. The committee reviews whether the risk mitigation strategies proposed by the committee or risk units to address individual risk items are appropriate in view of the Company’s development strategies and changes in the internal and external business environment. The committee is responsible for appropriately managing credit risk, market risk, operating risk, and asset and liability risk, regularly reporting the state of risk management implementation to the board, and disclosing the state of risk management on annual financial statements.

3. Subsidiaries’ risk management units
   Risk management units at all levels bear responsibility for establishing risk tolerance and monitoring indicators that can be used to monitor risk in the unit. Risk management units also determine standard operating procedures, and submit risk reports reflecting business content. Apart from bearing responsibility to the Company’s board, subsidiary risk management units must also bear responsibility to E.SUN FHC’s Risk Management Committee.

Risk management categories:

- The risk management categories of this company and its subsidiaries encompass all major risks in the operating process, and include credit risk, market risk, liquidity risk, and operating risk. In addition, potential risks also include legal risk, strategy risk, reputation risk, geopolitical risk, and climate change (natural disasters) risk.

Risk management mechanisms:

- Risk management involves three lines of defense, where the first line consists of business management and operating units, which are responsible for identifying and managing risks connected with their products, activities, processes, and systems; the second line of defense consists of risk management units, which are chiefly responsible for planning the risk management system and supervising the implementation of risk management mechanisms; and the third line of defense consists of the auditing unit, which is chiefly responsible for independent audits and verification of the effectiveness of risk management mechanisms.

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<tr>
<td>Business management / operating units</td>
<td>Risk management unit</td>
<td>Auditing unit</td>
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<tr>
<td>Implementing risk management</td>
<td>Planning and supervision</td>
<td>Audit and verification</td>
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Major risk management mechanisms:

- **Credit risk management**
  With regard to credit risk management goals and development strategies, we comply with the competent authority’s legal and regulatory system, and have drafted “Credit Risk Management Guidelines” and internal credit policy and transaction counterparty credit risk control mechanisms as a basis for credit risk management during the course of business development. We continuously monitor and assess domestic and foreign economic and financial trends, and make appropriate revisions to our internal regulations at suitable times. Due to the quickening pace of global climate change in recent years, the Company has adjusted its centralized monitoring of businesses or transaction counterparties with high carbon emissions, which is included in internal regulations. Management is accomplished by determining credit risk limits and transaction counterparty limits, such as credit lines, industry type, country, and business group, all of which must comply with the competent authority’s regulations.

- **Market risk management**
  In order to effectively control the market risk caused by price fluctuations in equity, products, interest rates, and exchange rates, and the mutual linkage between these fluctuations, all financial product transactions must be conducted in accordance with the Company’s “Market Risk Management Guidelines.” Regular assessment of the transaction value of company’s financial products is performed in accordance with regulations, and reports concerning market risk exposure and stress test results are made to the board and E.SUN FHC’s Risk Management Committee in order to better control market risk.
Operating risk management

This Company has determined “Operating Risk Management Guidelines” in order to provide consistent guiding principles for the effective identification, assessment, supervision, and control of operating risks that may be encountered, and has established comprehensive operating risk management mechanisms able to monitor changes in operating risk. The auditing unit regularly audits the implementation of operating risk management procedures, which ensures that operating risk management assessment and control procedures are implemented as effectively as possible.

Asset and liability risk management

In order to avoid possible losses due to inability to liquidate assets or obtain financing so as to fulfill its responsibility to provide funds for the full period, E.SUN FHC and its subsidiaries have drafted “Liquidity Risk Management Guidelines” able to ensure control of asset and liability funds shortage adequacy, and have established liquidity early warning indicators for use when observing the state of financial market funds. If any early warning indicators are triggered, funds emergency response mechanisms will be activated, ensuring that this company or a subsidiary will have sufficient liquidity.

Managing climate risk

Responding to the rise in risk caused by global climate change, E.SUN has been taking advantage of its expertise and influence in the financial industry as it continues to monitor the impacts caused by climate change, and observes whether climate change’s influence on financial markets or economic development will increase the risk of the bank’s financial product investments, credit services, and other business operations. Climate change risk events are regularly reported to the board, which facilitates control of risk and search for potential development opportunities.

Deepening risk management culture

In order to continue to deepen our risk management culture, which is characterized by “no services or operations can be considered beyond risk,” E.SUN has made the board the highest unit in charge of risk management, and has included risk management as performance assessment indicators for all units and managers, whose salary compensation should be tied to future risk to some extent, and must also be consistent with the Company’s short-, mid-, and long-term operating performance.

E.SUN continues to provide directors and members of the management team annual workshops on corporate governance and risk management, and also arranges “risk, procedures, discipline” units in classes for new employees, middle managers, and supervisors. This has ensured that all employees are familiar with E.SUN FHC’s risk management awareness, determination, and actions. In addition, E.SUN conducts unit self-audits and bank-wide legal compliance self-assessments and online learning sessions on a half-year basis. All new products and services must undergo legal compliance and risk management review before their introduction, and we make sure that all personnel can effectively implement risk management in the course of our business development.

Emergency incident management mechanisms

E.SUN FHC and its subsidiaries have drafted “Emergency Response and Crisis Management Operating Guidelines” and standard operating procedures in order to protect against and respond to emergencies, strengthen response capabilities, and put crisis management on a sound footing. To prevent crises, we maintain a high level of vigilance at all times, and conduct regular training.

Organization

When an emergency or abnormal event occurs, the president, chief brand officer, chief risk officer, general auditor, chief compliance officer, legal division, customer service division, and the unit in which the abnormal event occurred will, when necessary, organize an emergency response and crisis management task force (“crisis management task force”); the general manager shall serve as the task force’s convener, and shall assign an executive secretary to bear responsibility for operations. All units must establish an “emergency contact person,” and the list of such persons shall be managed by E.SUN Bank’s consumer banking division. The emergency contact persons shall play a liaison role in the event of emergencies, and shall bear responsibility to the convener.

Operation procedure

We have established a crisis management task force and emergency contact personnel, drafted management or response measures addressing emergencies and abnormal events, meticulously plan and systematically implement effective response actions, and perform real-time notification so as to keep crises from worsening. We also perform continuous review and improvement, and take active steps to prevent the recurrence of crises.

Disaster management

In the case of major disasters interfering with the normal implementation of services, including natural disasters constituting Acts of God and human-caused disasters such as war and disease outbreaks, all units must take protective measures and strengthen their response capabilities. All personnel, property, equipment, systems, and data that is vulnerable to destruction or security threats shall be handled in accordance with the “Security Maintenance Operating Standards.”

All units perform quarterly on-site security maintenance exercises, which are under the general management of our subsidiary E.SUN Bank. These exercises are intended to address fire safety (fire alarms), theft, robbery, embezzlement, replenishment of cash, destruction of automated equipment, theft from customers, fraudulent acceptance of funds, suspicious persons, intimidation, vandalism, and bank runs. We also conduct cross-exercises paired with police awareness announcements. We conducted a total of 544 on-site drills throughout 2015.
2.8 Responsible lending and investment

A bank’s assets and resources are mainly from the public's trust and support. Because of this, apart from attentiveness to our core business areas and maintenance of sufficient effectiveness, we must also fulfill our corporate social responsibilities. The financial industry’s role in society is like the role of blood in the body: Our financing and various financial products not only play funding intermediary roles, we are also relying on the provision of new services involving innovative methods to satisfy the constantly-evolving financial needs of our customers.

SMEs play important role in Taiwan’s economic development. E.SUN has long term support for the development of Taiwan's SMEs, and continues to progress in its cash management, cross-border trade, and electronic payment services in line with the goal of making the “E.SUN professional team, the best partner for corporates.” Thanks to its assistance for corporate operation and development, E.SUN is the ideal financial partner for corporate in Taiwan. Especially Taiwan’s cultural and creativity industry is still at an embryonic stage, they need funding services from the financial industry. Therefore, we aim to deeply support Taiwan’s soft power development.

In order to make our living environment even better, and ensure that the next generation can continue to enjoy green mountains and clear waters, E.SUN hopes to rely on its expertise and influence in the financial industry to jointly protect our beautiful homeland. With regard to the subsidiary E.SUN Bank’s credit policy, Section 3 clearly states that lending should support the green energy industry, including alternative energy, water resource, and pollution control enterprises. We consequently provide appropriate financing assistance to outstanding companies dedicated to lessening energy consumption, reducing pollution, or acquiring environmental protection facilities, such as through our “Solar Roof Financing Program” and “Green Energy and Industrial Equipment Export Loan Program.”

E.SUN Bank incorporated the “Equator Principles” in its lending policy in 2014, and specifically states that it will support enterprises that emphasize their social responsibilities. E.SUN Bank further signed the “Equator Principles” in 2015, which made it one of 83 financial institutions worldwide that have signed this document. While tending to its core financial business, E.SUN will actively strive to exert a positive influence on the financial industry.

- The Equator Principles consist of a set of voluntary guidelines established by the world’s major financial institutions on the basis of the policies and principles of international financial companies and banks in 2003. The Equator Principles seek to determine, assess, and manage the social and environmental risk of project financing.

- Tangible results of lending policy:
  - SME loans: We received the MOEA’s and Credit Guarantee Fund’s Credit Guarantee Partner Awards for ten consecutive years; the Financial Supervisory Commission's assessment as Grade A in the “Domestic Bank Enhanced SME Lending Program” for three consecutive years; The Asian Banker’s “Taiwan’s Best SME Bank; and The Asset’s “Best in Treasury and Working Capital - SME in Taiwan” for three consecutive years.
  - SME innovation development: The “SME innovation development loans” provide financing assistance to SMEs with R&D and innovation capabilities. Total amount of loan was NT$190 million in 2015, accounted for 18.7% of market, and gave E.SUN Bank a rank of second among all banks in Taiwan.
  - financing for the cultural and creativity industry: E.SUN Bank received 1st place in the Financial Supervisory Commission’s assessment of financial support for creative industries for two consecutive years, and was awarded the MOEA’s and Credit Guarantee Fund’s “Credit Guarantee Partner Award – Helping Young Entrepreneurs Establish Startup Award.”
  - Green energy industry loans and investment: E.SUN Bank has provided credit to a total of 230 firms in the green energy industry, and has also engaged in asset investment, preference in companies with sustainable development plans. Approximately 5% of these investment targets are on the Dow Jones Sustainability Index (DJSI) or GS Sustainability Focus List.

- Remaining price of Cultural and creative industries

Environmental data issued by government agencies shall be checked to determine whether a company is a polluter and shall serve as the basis for credit assessment.

Credit reviews pay close attention to whether corporate operation has major negative effects on environmental protection, or violates environmental protection laws or regulations.

If a prospective borrower is a major polluter, credit personnel shall request a proof of pollution control issued by the competent authority or environmental protection unit, and shall check whether the Company has been penalized by an environmental protection unit, and if so, what follow-up improvements have been made.
Innovation is the cornerstone of E.SUN’s comprehensive development strategy. In response to technological trends and users’ requirements, we hoped to utilize digital financial services to further improve people’s lives, making financial services in Taiwan more efficient. Thus E.SUN has been actively promoting digital services, innovative products, channel transformations, and focusing ourselves on cloud computing, mobile finance and big data analytics. We endeavor to improve our customers’ experiences through modern technologies in the following aspects:

3.1 Digital innovations in financial services

Innovation is the cornerstone of E.SUN’s comprehensive development strategy. In response to technological trends and users’ requirements, we hoped to utilize digital financial services to further improve people’s lives, making financial services in Taiwan more efficient. Thus E.SUN has been actively promoting digital services, innovative products, channel transformations, and focusing ourselves on cloud computing, mobile finance and big data analytics. We endeavor to improve our customers’ experiences through modern technologies in the following aspects:

3. Customer care

3.1 Digital innovations in financial services
Bank 3.0 applications enable customers to access financial services more conveniently

As the regulatory authority gradually allows financial services institutions to offer services intended to be available in Bank 3.0, E.SUN is actively developing our digital banking services. By re-examining and redesigning our business processes, we have made breakthroughs regarding the limitations imposed by brick-and-mortar branch offices. We can now offer financial services complete with big data analytics so that our customers can access our warm and personalized services effortlessly in the digital world.

O2O applications facilitate payments in community life

With new payment services emerging on a continuous basis, we have utilized the concept of O2O to connect consumers’ online and offline behaviors, to implement a convenient community that facilitates payment, and to develop innovative business models.

Actively investing in FinTech to raise the standards of the e-commerce and financial technology in Taiwan

With the investment in BankPro E-Service Technology Co. Ltd., E.SUN became the first financial services organization in the country approved by the FSC to invest in the FinTech industry. Looking forward, E.SUN will be investing additional resources to strengthen new payment services and digital financial services platforms so as to provide high quality, convenient and secure integrated financial services solutions, to enhance partnerships with enterprises and other financial services corporations, as well as to increase the overall standards of the e-commerce and financial technology in Taiwan.

Focusing on financial innovation and enabling a digital lifestyle

Cash transactions represent 75% of retail payments in Taiwan. Apart from the inconvenience from handling cash, there are also numerous regulatory and societal issues, such as counterfeit bills and money laundering. Therefore, the Financial Supervisory Commission has proposed an initiative to increase the proportion of electronic payments by twofold through encouraging the use of various payment cards and mobile phones, so that a cash-free society may become a reality.

E.SUN is committed to financial innovation. Through the use of big data technology, we anticipate our customers’ needs and provide financial information that is useful to them. We have also made significant improvements in the areas of mobile payment applications, online paperless financial services, and inter-industry collaboration and innovation. Moreover, E.SUN has introduced the following innovative digital products over the past few years:

- **E-Click Loan Application**: A convenient online service that frees users from the limitations of time and space and allows account owners or credit card customers to apply for new credit cards, set up credit card installment payments and request other services. It is no longer necessary for the customers to go through the complicated procedure: visiting a branch office or specific location to pick up the application form, attaching the required documents, and submitting the completed application package by mail. With E-Click Online Card Application, there is no need for the bank to print out a large quantity of paper-based application forms or letters, and the customers no longer need to submit photocopies of their ID cards or financial support documents in paper form. We are truly on a path to paperless and green financial services.

- **HCE mobile phone credit card**: E.SUN’s online application has been certified by the ISO 14067 Services Carbon Footprint International Standard, the first in the financial services industry, providing our customers with a new experience in digital banking services available 24 hours a day.

In March 2015 E.SUN introduced the Online Card Application, a convenient online service that frees users from the limitations of time and space and allows account owners or credit card customers to apply for new credit cards, set up credit card installment payments and request other services. It is no longer necessary for the customers to go through the complicated procedure: visiting a branch office or specific location to pick up the application form, attaching the required documents, and submitting the completed application package by mail. With E-Click Online Card Application, there is no need for the bank to print out a large quantity of paper-based application forms or letters, and the customers no longer need to submit photocopies of their ID cards or financial support documents in paper form. We are truly on a path to paperless and green financial services.

In December 2015 E.SUN launched the first HCE mobile phone credit card in the country, adopting the innovative host card emulation (HCE) technology which stores credit card information on cloud servers and complete transactions by providing virtual card numbers. Different from NFC-enabled smartphone credit card, the functions are not bound to a specific telecom carrier or limited by smartphone models, so customers do not need to visit a telecom retail outlet to exchange for a dedicated SIM card. E.SUN credit cardholders simply use an Android mobile device with NFC to download the E.SUN Wallet app. Upon a successful authentication procedure, the app will bind the device to an existing E.SUN credit card, thus allowing the customer to make purchases at over 50,000 affiliated merchants around the country. In addition, HCE mobile phone credit cards complete transactions via virtual card numbers to avoid the risk of credit card numbers being leaked, further improving transaction security.
In collaboration with Ant Financial Services Group’s Alipay payment platform, E.SUN launched the cross-border O2O QR code payment services in November 2015 to enable visitors from Mainland China to pay for their purchases in Taiwan through the Alipay platform with their mobile handsets instead of cash. The payment procedure is entirely identical to what they are already accustomed to. All they need to do is to present the barcode of their Alipay wallet on the cell phone and scan it with the merchant’s cash register or mobile app to make a quick payment. Customers can also simply scan the QR code provided by the retailer and enter the purchase amount in NT dollar, and the merchant will receive an instantaneous payment notification to complete the transaction.

As of December 31, 2015, the number of our affiliated vendors exceeded 5,000, covering famous Taiwanese brands and attractions, such as department stores, convenience stores, night markets and shopping district vendors, and specialty stores. It is expected that the new service will bring crowds of consumers to these merchants, which will be beneficial to the local consumer market and industries.

Paper-based monthly statements involve printing, use of paper, and mailing, all of which lead to CO2 emission. To contribute our part of efforts to the environmental protection, E.SUN Bank has implemented D.Bill, the all-new digital statement system. Based on technologies such as RWD and HTML5, it offers a highly interactive and optimized user experience for our customers on various devices and platforms. In addition, D.Bill provides not only monthly statement information but also categorization of purchases, which keeps customers better informed of their own purchase patterns and the total amount spent in each category for the year. Combined with big data analytics, the system can also provide customized marketing event information and messages based on each customer’s preference, offering a brand new experience.

E.SUN has been actively investing in big data analytics technology, which allows us to learn customers’ needs through their clicks on the website as well as their online behaviors. In the past we were only able to offer personalized financial services to our VIP customers, however now we can treat each of our online customers the same way with this new digital technology. In addition, this technology has received the “Award for Most Innovative Application of Digital Technology to Grow the Business” from world renowned IT research and advisory firm- Gartner, Inc.

In September 2015, E.SUN launched the brand new official website combined with built-in big data analytics capabilities and the three specially designed features: “Intuitive browsing”, “Customized exclusive services” and “Digital finance section”. The purpose is to enable customers to gain timely access to new information on a variety of devices. E.SUN is the first financial services provider in the country to put together a dedicated UX team. Beginning with the official portal, users can feel the clean, uncluttered and context-based graphics that guide them through all website functions, which are designed with e-commerce in mind. New menus and user interface elements facilitate search, and users can click on the items of their interest to locate the desired information quickly.

In the “Digital finance section”, the “online teller” is available 24/7 throughout the year. Customers are not constrained by time or space and can apply for credit cards or personal loans, manage their money or make payments with this one-stop-shop service. The website subsequently won “Best user experience” and “Best enterprise and product website of the year” categories in the “One More Click” awards. Customers can enjoy a convenient life by processing digital financial information at their fingertips.

In January 2015 E.SUN became the first bank to introduce the Mobile Point of Sale (mPOS) platform for UnionPay cards, thus providing Mainland Chinese visitors a more innovative and convenient shopping experience. By connecting the mPOS credit card reader to a smart mobile device and installing a dedicated mobile app, merchants can now accept credit card payments at any location desired. The mPOS card reader offers the advantages of tight size and the ease of transportation; it is especially suitable for businesses such as delivery service, taxi, specialty gift shops and shopping districts. In addition, the mPOS mobile card payment system is safeguarded by the SSL encryption mechanism so that the customers’ personal information is well protected. To complete a purchase, cardholders simply provide their signatures on the mobile device, and they can choose to receive an electronic authorization form by either a text or e-mail, creating a highly secured transaction environment.
3.2 Service Quality Management

E.SUN believes there is always room for improvement in the quality of services we provide. To achieve customer satisfaction and to enhance customer value, E.SUN has established the Total Quality Management (TQM) Committee, which is chaired by the Chief Brand Officer. The committee met twice in 2015 and continues to improve customer relations management and customers’ service experience.

Our “service quality performance review” initiative includes monthly audits of key assessment areas, as well as occasional video conferences reminding various departments of matters requiring attention. We have also established “regional customer service teams” and various units at our subsidiaries have assigned “customer service officers” tasked with advanced service quality. We hold weekly customer service training sessions and conduct interdepartmental service case discussions. In 2015 we also launched the QR Code system and postage-paid customer surveys to collect comments and suggestions from our customers in an effort to broadly improve service quality and provide superior services.

To prepare ourselves for Bank 3.0, E.SUN continues to improve our service quality via optimized systems and actively develops electronic platforms and digital services, including: Simplified voucher categories, application form printing service, and enhanced service efficiency. Moreover, we offer appointment scheduling service which allows our customers simply fill out their account and transaction information in advance at home with their own computers or mobile devices, and receive a special QR code. Upon arrival at the bank, the customer retrieves a queue ticket with this QR code and completes the transaction quickly and efficiently without filling any form. In addition, Wealth Management Division has implemented the WISE wealth management transaction/operation/information system and the E.SUN NICE insurance system, which integrate internal operations with customer service functions and improve the business processes and service quality of our wealth management service, thus further enhancing our customers’ experience and satisfaction.

Customer satisfaction surveys

In order to improve customer satisfaction and to continue to create memorable experiences for our customers, E.SUN has established customer service task forces to conduct on-site surveys of branches, e-banking customer satisfaction surveys, e-banking service interview surveys, recruitment and loan procedure improvement interview surveys, and randomized surveys of financial consultant services and wealth management service. A number of channels are also available for customer complaints. At all of our 136 branch offices throughout the country, we have made customer suggestion boxes available, and our official website also has an online “visitor message board” feature. As indicated by these surveys, 94.13% of the customers are highly satisfied with our service quality. In 2016 we will also launch an initiative to actively care for our customers. We plan to design surveys based on product categories relevant to each customer, so that we can collect their suggestions and forward them to relevant departments in a timely manner for service improvement purposes.

Optimized system process

In order to further enhance customer experiences, E.SUN introduced the next-generation New Branch System (NBS). All current transaction procedures and processes are fully integrated with form printing services, and the number of fund transfer slips has been streamlined from the original two to just one for each transaction. When the new system went live, service personnel also began to inform customers of these new and convenient services. Mr. Hsu points out that in the past he was under tremendous pressure whenever he needed to visit the bank. Now he praises E.SUN for the much simplified procedure and for the bank’s environmentally friendly practices and personalized services.

In March 2016 we added the “Scheduled Services” feature, which allows customers to reserve bank services ahead of time at home with a personal computer or mobile phone. Upon arrival at the branch office, they will receive priority service and save a great deal of waiting time.
3.3 Protecting customers’ rights

E.SUN is dedicated to protecting customers’ personal information. In May 2015 we received the latest ISO/IEC 27001 international certification for the Information Security Management System (ISMS), which reflects our commitment to information security management: confidentiality, completeness and usability for implementing secure and reliable information services conforming to international standards. In conjunction with Taiwan’s newly-implemented Personal Data Protection Act and the overall plans drafted by E.SUN FRC and subsidiaries, we have commissioned Deloitte & Touche to perform a full-scale inventory of our information operations, review all processes, and examine and strengthen the company’s existing information system framework and hardware/software specifications, ensuring that they meet the highest standards and can maintain the security and confidentiality of customer information.

In the area of risk management, while effectively managing risks through legal compliance, risk control, and internal audits, we protect the rights and personal information of customers through the use of rigorous internal controls and highly user-friendly transaction platforms, which offer customers a secure, stable, and fast transaction environment. We comply with the regulatory authority’s laws and regulations when implementing transactions and account operations, and also pre-transaction planning, during-transaction monitoring, and post-transaction audits in accordance with our thorough, rigorous operating procedures. We have also incorporated elements of legal compliance into our employee performance appraisal procedure, conducted regular scheduled compliance training so as to improve the quality of our legal compliance operations.

In order to maintain market order, all E.SUN personnel responsible for transactions (including front, middle, and back office personnel and brokers) are responsible for maintaining strict confidentiality. Except when required by law or formally authorized, all transaction information is kept confidential, preserving customers’ information security. To maintain the fairness of market transactions, no transaction related personnel may use internal information to perform unauthorized transactions for personal gain or to benefit a certain party. E.SUN has developed strict internal control principles, and detailed operating procedures cover all processes from front-office transactions to back-office settlement. Cross checking is, regular internal audits and special audits are performed to confirm accuracy of customer transactions.

E.SUN has developed a comprehensive management mechanism to respond to major incidents. When an emergency situation or incident arises in the market or if significant changes in a major economic indicator have occurred, the team of experts at the corporate headquarters will meet immediately to discuss market outlook and any measures that should be taken. In addition, customers that we judge to be affected most by the incident will be notified within 24 hours by text, telephone or other means.

To ensure effective consumer protection, apart from presenting basic information about our product and service offerings, all service application forms on the E.SUN website also indicate the relevant fees and expenses and possible risk involved, and detailed product information is also provided. A spreadsheet function is available to assist customers who wish to perform asset allocation on their own. Information concerning all products is also fully disclosed in product manuals and prospectuses. The company’s website, application forms, bills, DMS, EDAs, rights handbooks, contractual terms, advertisements, and publicity materials fully disclose relevant information concerning corporate banking, consumer banking, wealth management, and credit card products as well as sample expense calculations and activity content. This ensures that customers understand how products are used and the content of discount offers. With respect to the use and protection of customer’s personal information or particularly important provisions and clauses in application forms, the relevant words are clearly labeled in distinct colors or fonts to ensure that consumers fully understand their rights, possible risks and how the Bank makes use of their information. We also create customer value by conducting a variety of advertising and awareness activities targeting customers with different attributes.

To safeguard the rights of customers, the remuneration and reward structure of E.SUN’s financial advisors, marketing and sales staff is not directly tied to the employees’ sales performance. As a result, our sales staff can offer asset allocation recommendations or assessments of services applications from the perspectives of the customers in a personalized manner. Moreover, to help curb money laundering activities and financial fraud, whenever customers visit the bank to make withdrawals or fund transfers in local or foreign currency, our tellers will take the opportunity to communicate financial fraud awareness with them. Our staff members also periodically attend anti-fraud training sessions so that they can better prevent customers from frauds.

Rectifications of problematic business practices (as determined by the FSC) in 2015

Telemarketers of Subsidiary, E.SUN Insurance Brokers Co., Ltd., were found to have violated the Directions for Insurance Enterprises Engaging in Telemarketing Insurance Products. Furthermore, the subsidiary was found to be lacking robust internal audit practices. These two findings constituted violations against Article 49, Subparagraphs 5 and 27 of Regulations Governing Insurance Brokers and Articles 9 and 19 of Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies, for which the subsidiary was fined NT$1,200,000.

In 2015, the regulatory authority determined that a total of 84 cases in insurance sales by Taiwan’s financial services industry were in violation of regulations. The total amount of penalty reached NT$1.1 million. E.SUN was responsible for one of these 84 cases, which represented 1.19% of the total number of cases. In terms of monetary amount, the percentage was 1.32%. With respect to this particular violation, E.SUN has made relevant improvements to conform to the provisions of Articles 9 and 19 of Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies. We have also enhanced the random sampling of our salespeople’s telephone conversations with customers to ensure that our front-line marketing staff are up to standards in terms of handling potentially problematic sales tactics. To respond to the level of importance attached by the regulatory authority and our customers regarding the sales of insurance products, E.SUN will continue to work hard to safeguard our customers’ rights.
Case Study: warm and memorable services

3.4 Warm and memorable services

E.SUN’s 24-hour seamless customer services

To provide customers with expanded services with the highest quality and to continue to cultivate customer relations, E.SUN has made available dual customer service centers in the country’s northern and southern regions with the 24-hour hotline: (02) 2182-1313. For further service and consultation, customers can get in touch with our customer service representatives via our “smart text customer service”, “Internet phone”, “visitor message board”, and “customer service via telephone.” We endeavor to solve our customers’ problems promptly, provide a variety of options with interactive financial services available anytime, anywhere.

Barrier-free online banking services

The E.SUN website conforms to the standards prescribed in Class A+ barrier-free public “interest rate and foreign exchange rate information network.” We received the A+ certification from the National Communications Commission on May 6, 2016. Visually impaired users are able to access our website via screen reader software or a braille display. Information available to these users include: savings interest rates (NT dollar, foreign currencies) and spot exchange rates. The service is a great convenience to our visually impaired customers.

E.SUN Corporate Online Banking - Upgraded services

To provide our enterprise customers with an even more favorable user experience, E.SUN’s Corporate Online Banking website has been upgraded with new software and hardware equipment. The new system enables enterprise customers to gain faster access to our online banking and transaction services. With the new web page design, customers are presented with a cleaner, more color-balanced and easier-to-use interface as well as a more visually appealing experience. Currently we also support tablet computers and high-resolution displays. Customers have full access to our banking services from the comfort of their own homes.
A lifestyle of convenience with E.SUN credit cards, a total solution provider

E.SUN is committed to providing customers with all the conveniences life has to offer. We have since added the following new features to our mobile banking platform: mobile card application and online submission of documents for applications not yet completed. We have also integrated our system with the ACH payment platform to offer a variety of service application options and micro-payments via electronic tickets. Our customers save a great deal of time that would otherwise be spent at our branch offices. With E.SUN credit cards customers can experience all the great conveniences in life.

- **E-Click Online Card Application**

  The E.SUN e-Click Online Card Application is a convenient online service application platform that frees users from the limitations of time and space. This offers a paperless, green environment for financial services. There are no paper application forms to fill out and paper documents to submit. The conveniences that it offers are available 24 hours a day.

- **Customers are encouraged to use EasyCard, icash auto-reload features and to configure eTag connections**

  E.SUN partners with electronic ticket operators such as EasyCard and icash to offer a variety of services and events, enabling customers to take advantage of the convenience of micropayments and eTag auto-reload with these platforms.

- **Payment agent**

  We provide payment services via our online platform and paper-based application forms for various utilities (water, electricity, natural gas, telephone, cable TV) and roadside parking fees. The simple application procedure enables customers to make payments effortlessly. Our customized electronic statement offers useful features based on the customer’s purchase pattern. Events and special offers that may be of interest to the customer are made available via this platform.

- **QR Code for making credit card payments**

  Customers can now simply scan the QR Code on the bank statement or key in the information online to make credit card payments easily.

Paperless transactions

The E.SUN personal online banking website makes available first-time KYC and online signing/renewing of principal agreements for specific monetary trust contracts. The mobile banking app has also added the new “mutual fund subscription” feature, which incorporates the fund stop-loss/stop-gain notification service. Customers can now gain timely access to their investment portfolios and market information via a variety of channels with these paperless and environmentally friendly digital services.

Microinsurance to ensure basic financial protection to underprivileged citizens

To provide the economically underprivileged in the country with basic personal insurance coverage and to fill the gap of the government’s social security programs or social assistance mechanism, as well as to fulfill our corporate social responsibility, E.SUN has partnered with insurance companies to offer microinsurance policies to this sector of our society to cover specific risks.

E.SUN insurance care trusts provide a LOHAS lifestyle

Taiwan has been suffering from low birth rates. The population structure has undergone a severe change. It is expected that in the foreseeable future one wage-earning citizen will have to carry a higher burden in supporting elderly retirees compared with previous generations. As a result, citizens of Taiwan are advised to plan for their retirements early while they are still in their productive years. To meet the retirement needs of our citizens, E.SUN has partnered with insurance companies to introduce an insurance care trust product that incorporates long-term nursing care. This product can be linked to long-term care insurance, annuities or endowment payments. It offers comprehensive protection and a worry-free retirement lifestyle. In addition, to enable customers to take advantage of trust protection at a lower cost, E.SUN’s insurance care trust product has adopted a flexible trust management mechanism. Administrative fees are charged for the first time only when funds are deposited into the dedicated account, and when the account contains no assets, no fees will be charged. Customers may decide for themselves how much to put into the trust account based on their financial requirements so that they can enjoy a more flexible retirement arrangement.

"Microinsurance to ensure basic financial protection to underprivileged citizens"}

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Trustee signs trust agreement and hands over trust properties in accordance with instructions</td>
</tr>
<tr>
<td>2.</td>
<td>Trustee can be paid into a trust account</td>
</tr>
<tr>
<td>3.</td>
<td>Trustee is the insurance beneficiary</td>
</tr>
<tr>
<td>4.</td>
<td>Trustee beneficiary’s organization designated by trustee</td>
</tr>
</tbody>
</table>

**Trustees:**
- Self-owned capital can be paid into a trust account
- Can be linked with many types of policies
- Self-deposited funds can be transferred into account
- Can be invested or put in a CD

**Trust Beneficiary:**
- Can be paid from accounts held in trust

**Self-owned capital can be paid into a trust account**
“Digital loan service,” “digital mortgage” enables financial services that benefit the masses

E.SUN has actively involved in the development of financial services that benefit the masses, enabling the general public and individuals with limited assets to get in touch with the Bank. Based on the implications of our big data analytics, we have created a “digital loan service” and “digital mortgage” platform to provide “e-Click Loan Application” services and the online “home mortgage credit line and rate assessment” service to allow potential borrowers to gain access to this information without the need to visit our branch offices, thus saving them time and costs.

E.SUN will also be publishing our credit levy review standards and indicators on the official website. We are committed to making the Internet an open, shared, equal, collaborative medium for financial services. With our big data analytic capabilities, we aim to meet the financing needs of a large sector of the population. As of 2015, we completed the disbursement of funds for 15,000 cases of online loan applications. E.SUN will continue to develop a diverse digital financial services integration platform, enabling customers living in sparsely populated or remote areas to have access to a full range of convenient financial services.

Micro SMEs and young entrepreneur loans

E.SUN is actively developing our microenterprise and young entrepreneur loans business. Based on our customers’ needs, we offer our services at low transaction costs in order to become the solid support that young entrepreneurs require to be successful in their endeavors. As of 2015 our young entrepreneur loan balance continued to grow, and we completed the disbursement of funds to a total of 824 proprietors, with an average approved amount of NT$650,000. For the fifth time we were awarded the “Credit Guarantee Partner Award - Support for Young Entrepreneurs Award.” With respect to microenterprise, we focused on customers with NT$30 million in annual turnover. We utilized a fast-changing consumer finance service model in conjunction with the credit guarantee mechanism to address the problem of the inability of microenterprises to provide collaterals for their loan. We also help our customers to enhance their low-term competitiveness and growth potential. Thus far we have completed the disbursement of funds for a total of 24,000 microenterprise loans, with an average approved amount of NT$4.43 million.

E.SUN is committed to helping microenterprises and young entrepreneurs to not only succeed in their endeavors but also to embark on a journey to innovation. Our four principles include the enhancing financing, stabilizing foundation, establishing benchmarks and standards, and expanding business opportunities. We aim to provide professional services and stress efficiency and quality so that we can help Taiwanese enterprises to lay a solid foundation domestically as well as to continue to grow, flourish and be highly competitive.

Case Study:

Mr. Liu works at a national park as a conservation official. One day he received a phone call at work. One of his family members called to inform him of an emergency need for funds. Mr. Liu was therefore under pressure to apply for a personal loan as quickly as possible, and he wanted to know all the options available to him, including interest rate, terms and credit limit. However, due to the remoteness of his workplace, there were no nearby financial institutions available. He was extremely worried that his family might suffer with him being away and unable to render help in a timely manner.

Fortunately, Mr. Liu knew about E.SUN’s e-Click Loan Application, although he was not yet a customer at the time. Concerned that his loan application with E.SUN might be rejected, he picked up the courage to contact the bank. E.SUN’s teller was able to help Mr. Liu complete his loan application online and he quickly learned of the preliminary terms and conditions for the loan, which happened to meet his family’s financing requirements. Having understood Mr. Liu’s professional background and the nature of his work, our staff was also able to offer him discounts and other special offers. The loan was finally approved with mutual trust, and the customer was satisfied and appreciative of the assistance rendered.
4. Employee care

Cultivation of talents training is the foundation of any great and enduring enterprise, and is the source of E.SUN’s core competitiveness. E.SUN relies on a comprehensive manpower development system to ensure that all employees have access to a full range of learning opportunities and career development paths. Furthermore, we want the Company to be “the second home of our employees,” hoping to provide personnel with an outstanding working environment, and making those persons who hope to develop their careers at E.SUN paint their futures with their own hands.

Employees of E.SUN FHC and its subsidiaries:

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Average age</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,914</td>
<td>31.83 years</td>
</tr>
</tbody>
</table>
Employees of E.SUN FHC and its subsidiaries

- Taiwan:
  - Over 50: 3,357 (56.4% Male, 43.6% Female)
  - 40~49: 4,338 (59.4% Male, 40.6% Female)
- Overseas:
  - Over 50: 130 (Male), 89 (Female)
  - 40~49: 188 (Male), 115 (Female)

Total: 7,914 people

Age/gender distribution of managerial level

- Over 50: Male 80, Female 25
- 40~49: Male 188, Female 115
- 30~39: Male 1,430, Female 1,510
- Under 29: Male 2,445, Female 2,445

Total: 351 people

Educational level

- Taiwan:
  - Master: 1,569 (59.9% Male, 40.1% Female)
  - Bachelor: 5,621 (52.5% Male, 47.5% Female)
  - College: 452
  - High school and below: 53

Total: 7,695 people

Age/gender distribution of non-managerial level

- Over 50: Male 53, Female 25
- 40~49: Male 177, Female 377
- 30~39: Male 1,430, Female 1,510
- Under 29: Male 2,445, Female 2,445

Total: 7,563 people

Note: Majority of E.SUN’s business operation based in Taiwan in 2015 with local hiring ratio of 100%.
1. There are 801 employees who are qualified for parental leave.

2. The foregoing employees who do not return all voluntarily resign for family or personal reasons.

3. The absence rate is calculated based on the GRI standard of 100,000 hours.

4. The total number of occupational disease and fatal occupational injury both are zero.

5. Employees at overseas locations have never taken occupational injury leave.

6. The total number of employees is based on the average total employees at E.SUN FHC throughout 2015.

7. E.SUN offers parental leave in accordance with the Labor Standards Law. Any employee who has worked for at least a half-year at E.SUN may apply for unpaid parental leave for children under 3 years old due to spouse’s employment. Each instance of parental leave shall last for no less than six months as a rule, and may continue until children are 3 years old. However, it shall not exceed two years of care for the youngest child. When two or more children need care, the length of leave without pay shall be combined, and may not exceed two years of care for the youngest child.
4.2 Employee relations

An equal working environment

In order to maintain employees’ basic human rights, E.SUN has drafted a “Human Rights and Environmental Sustainability Pledge” to uphold with relevant labor laws and regulations, provide 100% protection of employees’ lawful rights, allow no discrimination in employment on the basis of gender, ethnicity, age, marital or family status, maintain reasonable compensation and employment conditions, and ensure equal opportunity in training and promotion. We prohibit hiring of underage workers below the age of 16, and oppose all forms of forced labor and circumstances that violate basic worker rights.

Furthermore, the “E.SUN Service Agreement” clearly specifies guidelines for employee behavior, including ethics and personal integrity, individual conduct and discipline, service behavior, intellectual property rights, and use of the Internet and e-mail. These guidelines are explained to each employee when they first report for work, and we hold at least two tests for legal compliance and the E.SUN Service Agreement each year.

Any relocation of personnel due to the Company’s development needs (because of the establishment or moving of business locations) or need for rotation as part of an employee’s career development must comply with the “Five Principles for Relocation,” which is based on relevant law. Employees who must be relocated will be given 1-2 weeks to hand over their duties to their successors and prepare for work in a new environment. Notification time must comply with the following requirements if the circumstances stated in articles 11, 13, and 16 of the Labor Standards Act occur:

1. Persons who have worked continuously for at least 3 months, but less than 1 year, must receive at least 10 days of prior notice.
2. Persons who have worked continuously for at least 1 year, but less than 3 years, must receive at least 20 days of prior notice.
3. Persons who have worked continuously for at least 3 years must receive at least 30 days of prior notice.

E.SUN has taken active measures to maintain a healthy working environment for both genders, and has issued the “E.SUN FHC and Subsidiaries Sexual Harassment Prevention Complaint and Investigation Handling Regulations” in an effort to prevent the occurrence of sexual harassment incidents and protect the rights of victims. We also provide sound complaint channels for making sexual harassment complaints, and dedicated groups to bear responsibility for coordination and solving problems.

In addition, E.SUN also provides menstrual leave, family care leave, maternity leave, paternity leave, breastfeeding breaks, and parental leave without pay. In addition, we have established convenient, private, and safe breastfeeding rooms, and promote work-family balance.

Employee communication

In line with our long term beliefs, we have established a wide range of communication channels to carefully listen to our employees’ suggestions. We believe that listening to our colleagues’ voices is the essence of valuing and interacting with them. We have established multiple channels for responding problems, including oral, internet, email and reports. We rely on numerous methods to collect relevant feedback to cover employees’ needs, which allows us to constantly improve shortcomings. The following methods are used to communicate with employees:

- Regular employee satisfaction surveys
  - We conduct annual employee satisfaction surveys in order to gauge the level of our employees’ on-the-job satisfaction and gather feedback concerning E.SUN’s development guidance. For instance, a survey for all employees conducted in 2015 had a questionnaire recovery rate of 94.1%.

- Organizational health surveys conducted by external consultants
  - We hire external consultants to conduct anonymous organizational surveys, which cover multiple aspects including working environment and corporate culture, leadership methods, and employee participation in business development as well as growth momentum. These surveys can reveal employees’ views and needs with regard to the organization, and the consultants’ analysis helps to understand comprehensive needs for improvement.

### Economy

<table>
<thead>
<tr>
<th>Year</th>
<th>Employee’s satisfaction rate</th>
<th>Questionnaire recovery rate</th>
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</thead>
<tbody>
<tr>
<td>2011</td>
<td>98.0%</td>
<td>90.6%</td>
</tr>
<tr>
<td>2012</td>
<td>98.8%</td>
<td>95.5%</td>
</tr>
<tr>
<td>2013</td>
<td>98.3%</td>
<td>98.6%</td>
</tr>
<tr>
<td>2014</td>
<td>97.6%</td>
<td>92.9%</td>
</tr>
<tr>
<td>2015</td>
<td>97.7%</td>
<td>94.1%</td>
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</table>
Employee safety

To promote employee occupational safety and create a safe, healthy, and sound working environment, E.SUN has established a dedicated safety unit, arranged education and training, determined safety regulations, and conducted on-site exercises. According to the Bank’s annual occupational injury statistical report, the total number of occupational disease, occupational disability and fatal occupational injury all are zero.

- Establishment of a dedicated unit to bear responsibility for all bank health and safety; drafting the “Employee Health and Safety Working Rules” in order to promote labor safety and health.
- Establishment of an employee health and safety committee and determination of committee rules in accordance with law. This committee chiefly consists of health- and safety-related technicians, engineers, business unit managers, healthcare personnel, and labor union representatives. The committee is composed of 7 members.
- The general manager shall assign the executive of the administrative affairs office or human resources office to serve as chairperson. Besides, shall also assign one executive secretary to assist in handling relevant affairs. The union representatives shall be recommended by the union, and shall account for at least one third of participants. The heads of relevant divisions and departments shall use the conference to work in coordination between headquarters’ business units’ views concerning health and safety issues.

**Comment forms**

Comment forms enable E.SUN to listen to employees’ opinion concerning the Company’s business directions, management teams and mentors’ styles, and the future development of the Company or individuals. “Workplace proposals” allow employees to make improvement recommendations, and include “new recruits training program procedure improvement proposal” and “crisis management case study proposal” etc.

**eHHR**

In order to provide a convenient communication platform for employees, E.SUN established “eHHR” in July 2013. With a succinct, convenient Web interface and browsing approach, employees can find the latest news, benefits, and employee rights on eHHR platform. A bulletin lets employees’ needs and opinions be responded quickly. A half-year after eHHR was established, 64 messages had been left on the website, and 64 responses made, for a response rate of 100%.

The labor-management conference shall be held on a quarterly basis to discuss labor health and safety policies. Issues including female employee’s health protections, in-service training for labor safety, and prevention of illegal harassment when employees are performing their duties were discussed in 2015, and the key points of the 2016 health and safety plan were proposed. These conferences have helped improve E.SUN’s health and safety policy, and are creating a better and more comfortable working environment for employees.

E.SUN has established a labor-management conference and labor union, and holds regular labor-management conferences on a quarterly basis. Labor representatives must comprise at least one-third of conference participants, and are able to fully voice their colleagues’ recommendations at the conferences, which are responsible for determining reasonable working hours, rest times, special holidays, and scheduled holidays. In 2015, no labor-management disputes led to the request of compensation for damages.

E.SUN provides regular training to departmental health and safety managers, first aid personnel, and fire prevention management personnel. In addition, general health and safety in-service training is provided to employees on a regular basis. Every new E.SUN employee receives three hours of health and safety training as part of their pre-service training. In 2015, 143 health and safety trainings were held, and a total of 8,342 person times of such training was finished.

E.SUN has formulated “Emergency Response and Crisis Handling Operating Guidelines” and standard operating procedures; besides, in order to prevent emergencies. E.SUN maintains a high level of safety vigilance at all times, conducts exercises and checks the effectiveness of safety measures regularly.

Each unit conducts quarterly on-site “safety and protection exercises” focusing on fire safety (fire alarms), control of explosive substances, control of burglary and robbery, control of fraud, banknote safety, vandalism of equipment, control of pick-pockets, control of fraudulent withdrawal, suspicious persons, intimidation, vandalism, control bank runs, etc.; cross-exercises may also be arranged in conjunction with police administration awareness campaigns.

**Labor safety emergency response measures**

E.SUN’s emergency response management procedures clear-cut emergency response handling procedures, including “organization and duties of emergency response command center personnel”, “accident response procedures”, “emergency response notification procedures”, and “on-site deployment and escape route maps”. All operating units have established labor safety managers, first aid personnel, and fire prevention managers, who are responsible for maintaining health, safety, and other relevant matters in their respective units. At the same time, in order to promptly update health and safety knowledge, relevant certification personnel receive refresher training every two years to bring their health and safety knowledge up to date, and we have also established the “E.SUN-Bank Labor Health and Safety Autonomous Inspection Plan,” which calls for safety personnel in all units to perform daily health and safety inspection of the work environment, facilities, personnel, operating procedures, and working methods in order to realize health and safety management within each unit. In 2015, one full-time nurse was hired to serve as an employee health service nurse, and a physician engaged to perform workplace consulting and provide workplace health management services on a quarterly basis. In 2015, no employees suffered death, disability, or injury due to occupational accidents.
4.3 A happy workplace

Mentor system

Every new E.SUN employee is assigned a mentor, who provides financial knowledge to the employee, and imparts life lessons, like a brother or a sister, understanding and caring, mentors help E.SUN employees grow in the workplace due to selfless sharing their knowledge and life experiences with the new recruits.

Diverse recreational activities

In order to foster bonding between employees, E.SUN strongly encourages beneficial leisure-time entertainment, including promoting club activities and holding cultural, recreational, sports, and travel events regularly. The Company has helped establish baseball, badminton, table tennis, dance, and bridge clubs, and assists club members to participate in competitions, at which they have displayed excellent performance. In addition, E.SUN holds mountain climbing activities and bicycle trips around Taiwan, which give employees opportunities to challenge their limits while supporting and encouraging each other and achieving the goal of happiness.

Establishment of an employee cafeteria

Apart from providing employees with a well-lit, spacious dining environment, the employee cafeteria has a menu planned by a certified nutritionist, and offers a wide range of healthy, sanitary meals. Options include buffet dishes, noodle dishes, daily specials, and fresh fruit. The three employee cafeterias served an average of 1,300 meals daily in 2015.

Leisure travel and year-end parties

The families are an important support for each E.SUN’s employees. As a result, E.SUN values interaction with employees’ families. Families are always invited to attend leisure travel activities, year-end banquets, family activities, Mountain clean-up activities, and balloon parade. We want family members to understand E.SUN’s working environment and the Company’s personnel. We provided subsidies for leisure travel and year-end parties in 2015, which were attended over 15,000 person-times.

Health talks

To boost employees’ safety and well-being, and increase loyalty, E.SUN provides annual health check-ups to employees with the assistance of professional medical organizations. The Company also offers health classes on such topics as “the living environment and personal health,” “long-term care insurance,” and “sleep and modern people’s health.” These classes have heightened employees’ health consciousness and promoted health management. A total of 4,249 employees attended the classes in 2015, and accumulated approximately 8,342 hours of in-class time.

Tenth anniversary commemorative coins

To increase loyalty, employees who have worked at E.SUN for ten years are publicly recognized by the management team at annual knowledge sharing conferences, where they are appreciated for their long-term efforts, professionalism, and sincere work attitude.

Overseas travel

It is said that, to attain wisdom, it is better to travel ten thousand miles than to read ten thousand books.” We therefore arrange for outstanding managers and representative of mid-level officers to visit different countries and experience their cultures, and these trips are led by senior managers. The intercultural experience acquired from these trips inspires broader perspectives. A total of 323 persons (including employees and families) participate in these tourists in 2015, and visited Britain, France, Spain, New Zealand, Japan, Singapore, China, Hong Kong, etc.

Banquets of music and art

E.SUN provides long-term support to art and cultural activities, including music, the arts, movies, etc., while providing employees many opportunities to enjoy music and the arts with their families. Activities held during 2015 included the “Disney Frozen Exhibition,” “Vienna Boys’ Choir Concert,” “Mother’s Day Concert,” and “Hybrid Original Tournament.”
New Year’s holiday accommodation

Every Chinese New Year Holiday, the Learning and Development center (L&D Center) located at Taipei provides lodging for personnel and their family that away from their working place. This benefit also lets family members understand E.SUN’s work environment, and offers numerous facilities and services. E.SUN employees and their families have easily taken advantage of this lodging service since the time it was initiated, and a total of 898 employees and dependents registered to stay at the center during the most recent three years (2013-2015).

Wear Lucky Cat leisure shirts and volunteer Polo shirts on Fridays

E.SUN employees can wear leisure shirts bearing E.SUN’s Lucky Cat logo every Friday. Apart from blessing customers “prosperity and good fortune,” the shirt also conveys the enthusiastic and vigorous character of E.SUN. And in order to promote environmental education and expand social participation, we launched “volunteer Polo shirts,” which can also be worn on Fridays. By wearing Lucky Cat leisure shirts or volunteer polo shirts, employees convey the spirit of volunteerism and encourage customers to do likewise and make our homeland a better place.

Mother’s and Father’s Day cards and gifts

On the eve of Mother’s Day and Father’s Day each year, the chairman and E.SUN management team show their gratitude to all employees’ parents. Apart from cards, they also send a Mother’s Day present and monetary gift. This is yet another expression of E.SUN’s corporate culture of contentment and gratitude.

### Cards (person times) | Presents (person times) | Monetary gifts (NT$)
---|---|---
7,213 | 7,538 | 37,920,000

*(2015 Mother’s Day gift statistics)*

### Cards (person times) | Monetary gifts (NT$)
---|---
6,535 | 38,805,000

*(2015 Father’s Day gift statistics)*

4.4 Cultivation and development

Cultivating the most professional talents and providing customers the best possible service are E.SUN’s top responsibilities.” All E.SUN employees can paint their futures with their own hands. E.SUN values the uniqueness and originality of each employee. The interaction of team members with different backgrounds provides an endless source of innovation, which helps E.SUN tap new markets and communicate with different groups of customers.

E.SUN considers employees to be its most important assets, and has consistently striven to train and cultivate its human resources. We provide a full range of training and learning opportunities to employees, and offer an excellent working environment. In 2015, E.SUN held a total of 305 internal training classes, as well as 938 professional organizational training workshops, which were attended 62,137 person times. On average, each employee participated in 7.85 training sessions.

#### Area | Gender | Male | Female
---|---|---|---
Management training hours | 16,247 | 3,172
Average training hours | 57.8 | 44.7
Non-management training hours | 158,261 | 170,742
Average training hours | 49.4 | 39.2
Total training hours | 348,422 | 348,422
Average training hours per capita | 50.0 | 39.3
Average training hours per capita | 44.0 | 39.3

*The forging statistics include employees in Taiwan and overseas.*

### Career development

E.SUN has established a comprehensive training system and career development roadmap in line with its organizational strategies. By three models of training, on-the-job learning, learning through training, and self-development, we ensure that employees grow together with E.SUN in a learning organization environment.

New recruits training programs

Professional specialty cultivation

Internal and external training

Corporate culture classes

- Banking practice and finance knowledge
- Information system operation
- Basic financial skills
- Professional economic knowledge

Branch Internships

- Mentoring experience transmission
- Professional specialty training and practice
- On-the-job training
- e-Learning

Internal training

- Professional Training and language training
- Innovation competitions
- Mid-level officer training program
- Executive management classes for managers
- External training
E.SUN training system includes three main categories of training for new recruits, management leadership training, and financial professional training. From new staffs to the management team, all personnel attend classes which contain the skills they need at each stage of their career. Apart from imparting professional expertise, E.SUN also strives to cultivate “shaped” talent by internal recruitment, rotation between different units, and training for second areas of expertise. We hope to create a round talent through training, experiencing and tempering to ensure that our human resources supply chain is seamless and flexible.

Self-development is an important part in the career development process. E.SUN uses a 360-degree viewpoint feedback tool to help supervisors measure what capacities they need to enhance, and uses individual development plans (IDPs) in conjunction with a wide range of learning development resources to encourage supervisors to learn voluntarily. By these ways, E.SUN hope to achieve the ultimate goal of boosting supervisors’ management skills against the challenges in the future.

E. Sun L&D Center

On the 10th anniversary of its establishment, E.SUN Bank decided to establish the “E.SUN L&D Center” as a dedicated training site for E.SUN employees, and the new high-rise building was completed in 2004. E.SUN’s “E.SUN L&D Center” is designed to accommodate both training classes and medium/large conferences. Main space includes the following seven categories.

<table>
<thead>
<tr>
<th>Item</th>
<th>E.SUN L &amp; D Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching space</td>
<td>A superbly-equipped international conference room, E.SUN LEAD program, general-purpose classroom, and specialized classroom.</td>
</tr>
<tr>
<td>Library</td>
<td>The E.SUN library, which is designed to promote learning and interest reading.</td>
</tr>
<tr>
<td>Computer classroom</td>
<td>Computer equipment and operating systems focusing on practical business needs.</td>
</tr>
<tr>
<td>Discussion rooms</td>
<td>13 group discussion rooms and 5 seminar rooms.</td>
</tr>
<tr>
<td>Lodging &amp; suite</td>
<td>A comfortable, well-furnished lodging area can accommodate up to 350 persons at the same time.</td>
</tr>
<tr>
<td>Dining</td>
<td>Dining options include a Chinese/western-style restaurant accommodating more than 350 persons and a buffet-style cafeteria.</td>
</tr>
<tr>
<td>Leisure space</td>
<td>A general-purpose leisure plaza, sanitary classroom (three large, sanitary-classrooms and three small, sanitary-classrooms), and a general leisure area.</td>
</tr>
</tbody>
</table>

The building also displays many art works. The most notable of these is the large-scale work “A Music Power,” which was made by the French-born American artist and was exhibited at the National Concert Hall for two years. Apart from furthering their professional development, employees have an opportunity to enhance their aesthetic sensibility, while at the L&D Center. Every corner of the L&D Center is designed to enhance and nurture the dedication and attentiveness of E.SUN Bank employees.

E.SUN LEAD program

“Leadership and the transmission of values are the starting point of corporate sustainability; management and talent are the keys to lasting corporate success.” The result of dedicated planning by E.SUN’s management team, the E.SUN LEAD program leadership talent training program is intended to objectively, systematically and organized training for current and future successors.

There were 3 classes be held from 2013 to 2015, each class lasted 1.5 years, and a total of 160 executives were participated, and there were 300 executives involved in the program. E.SUN LEAD programs focus on four major topics in terms of self-leadership, team leadership, business leadership, and revolution leadership. E.SUN engages prominent professors from National Taiwan University, outstanding entrepreneurs, world-class consultants, and benchmark overseas to share their knowledge and use varied teaching models—including special lectures, case studies, topical discussions, practical exchanges, on-site visits, case projects, and e-learning—in order to inspire new perspective among tomorrow’s leaders, who will lead E.SUN not only the superior performance but the most respected corporate.

Cultivating talent with an international perspective

Overseas expansion is an important strategy for E.SUN’s third decade. In this age of global competition/cooperation, E.SUN has responded to its overseas growth by continuously training management talent with an international outlook. Apart from those employees who are currently in the near future assigned overseas, E.SUN is also focusing on managers, mid-level officers, and MAs. E.SUN provides a variety of training programs to cultivate colleagues become international professional financial specialists.

E.SUN’s international financial manpower training classes provide training in such areas as the political/economic/cultural characteristics of foreign areas, business development, intercultural communication, and intercultural leadership. In terms of culture, we arrange for supervisors who have been previously assigned overseas to share their experience with other employees, aiming at allowing new overseas employee to quickly adapt to the local culture and way of life. In terms of business, we rotate personnel who will be assigned overseas through various business units in a modular learning framework. By gaining a preliminary understanding of cross-border business practices, these employees can get up to speed quicker after assuming their overseas posts. Furthermore, we also recruit outstanding local manpower overseas in order to strengthen our international financial human resources reserves.

With regard to continuing education overseas, employee selected by different business unit executives to participate in continuing education, fact-finding trips, and seminars. Employees were arranged to Oxford, the University of Pennsylvania, schools in Singapore, China Europe International Business School and Hong Kong, China and Seattle, aiming at enhancing their professional, management and leadership skills.

In addition, E.SUN held joint international master forums with Commonwealth Magazine in 2012, 2013, 2014, and 2015; the 2012 forum featured business strategy master Gary Hamel, the 2013 event featured innovation guru Clayton Christensen, the 2014 forum featured contemporary marketing expert Philip Kotler, and the 2015 forum featured fast economic guru Rita McGrath. Apart from holding these major forums, E.SUN also invited the foregoing masters to give talks at E.SUN, and engage in discussion with E.SUN’s managers and mid-level officers.
Innovation competitions

E.SUN has held innovation competitions for three consecutive years (2013-2015). These events attracted employees and managers of all business units, and innovative proposals cover products, processes, marketing, customer management, and business model. The participants received training in innovation workshops, and underwent the competition stages of preliminary review, review, and final judgment. The judges and participating personnel have asked many insightful questions, and members of the management team have highly participated. The competitions not only increased the innovation of E.SUN, but also planted the seeds of creativity.

In 2015, there were 29 teams and a total of 211 members, which included 173 team members and 38 consultants, participated in competition. A total of 77 proposals have been made over the course of three years, and 15 of these are running now, especially 9 proposals have been successfully launched.

<table>
<thead>
<tr>
<th>Year</th>
<th>Teams</th>
<th>Members</th>
<th>Consultants</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>29</td>
<td>173</td>
<td>38</td>
<td>211</td>
</tr>
<tr>
<td>2014</td>
<td>25</td>
<td>200</td>
<td>25</td>
<td>225</td>
</tr>
<tr>
<td>2013</td>
<td>23</td>
<td>181</td>
<td>23</td>
<td>204</td>
</tr>
</tbody>
</table>

e-learning

E.SUN has established an “Anywhere/Anytime” training environment based on its “e-learning+” system. The convenient learning platform covers a wide range of classes such as financial knowledge, service etiquette, professional functions, and the arts & humanities. Apart from increasing their professional knowledge, these classes also allow colleagues to improve their knowledge of the liberal arts. In 2015, leadership and management classes were added to the e-learning platform, which helped supervisors to enhance the skills of management.

Knowledge sharing seminars

Our annual knowledge sharing seminars is an important activity for the management team and all E.SUN employees to reach a consensus concerning strategic goals and business directions for the coming year. These events guided executive managers, employees, and even new recruits to the consistent goals and outlook, and thus all staffs will clearly know the roles they will play in E.SUN’s development strategic, and gain team spirit to against future challenges.

Assisting employees with continuing education and examinations

In order to encourage employees to enhance their professional financial skills and obtain professional licenses, to overcome future challenges, E.SUN has drafted a “Special Professional License Incentive Subsidy Program.” This incentive program provides subsidies to E.SUN employees covering the cost of various professional examinations, including the bar, CPA, CFA, CFP, FRM, and PMP examinations. As of the end of 2015, a total of $4,200,000 in subsidies has been provided.

Accumulating transient competitive advantages is the key to success in this fast-paced age. E.SUN’s MA training relies on rotating among business units to ensure that MAs quickly accumulate knowledge in various areas, and gain a broad perspective of banking. With regard to strategy, MAs have many opportunities to participate in management meetings and major projects, giving them chances to absorb the thinking and decision-making skills from senior managers, and learn to timely express their insight precisely. The knowledge and sense of fulfillment gained from E.SUN’s training process exceeds any MBA program. Our intern system allows MAs to experience work in different departments before selecting an appropriate business unit, and create financial blueprints for their own career.

I am very happy to have the opportunity to participate in E.SUN’s Tip training program in 2015. This program gave me an in-depth experience of E.SUN’s culture of emphasizing on teamwork and innovative, and that was the main reason I decided to pursue my career at E.SUN. The Company has devoted extensive resources to the MA program, which enabled me to enjoy all round learning within a relatively short period of time. Beyond gradually accumulating professional expertise in different areas of business, this also enhanced my interdisciplinary cooperation skills. And apart from the very productive MA training, there were many opportunities to participate in various activities. In particular, I was very honored to participate in the 100th E.SUN Golden Seed Project library inauguration ceremony, which made me appreciate E.SUN’s dedication to Taiwan and its commitment to making Taiwan even better. I feel proud to be a part of E.SUN.

Create your bright career at E. SUN!

(Tsai Yao-yu
Institutional Finance Business Office / MBA, University of St. Andrews

Cheng Wen-ting
Institutional Finance Business Office / Graduate Institute of Business Administration, National Taiwan University

(Word from the MAs)
4.5 Welfare and Security

Salary scheme

A comprehensive salary system is an important means of attracting, motivating, and retaining talent. E.SUN’s salary framework is designed to maintain the principles of internal balance and external fairness.

With regard to internal balance, apart from basing fixed salary on grade, employees can also receive considerable subsidies reflecting their factors such as their actual duties and commodity prices in the area where they are located. Fixed salaries may be adjusted on an annual basis in accordance with performance and promotions; approximately 4.6% of employees received salary adjustments in 2015. In addition, variable pay may be adjusted depending on the Company’s overall performance during the year. Furthermore, adjustments to variable pay also follow the rule of “make outstanding employees even more better.” Apart from the Company’s overall performance and team performance, variable pay may also be adjusted on the basis of individual performance, including tangible and intangible assessment, and male and female employees receive equal salaries. In addition, employees demonstrate outstanding performance will receive an incentive in the form of even more pay. Compensation is set on the basis of objective criteria such as employees’ education/work experience, position, and work duties.

With regard to external fairness, we began incorporating data from market compensation surveys in our salary considerations starting in 2013, and we have worked with consultants to optimize the competitiveness of our salaries. In 2015, the average salary of all employees (fixed salary plus variable pay) complied with industry standards. In addition, there were 7,563 non-managerial employees in 2015, and the average welfare spending is 990,000 TWD, which represent an increase of 36,408 TWD than 2014. And the total welfare spending increased 10.6% than 2014.

Salary scheme

<table>
<thead>
<tr>
<th>Building a happy second home</th>
<th>Concern for the family</th>
<th>Health promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee welfare</td>
<td>Various subsidies and types of insurance</td>
<td>E.SUN’s family concern and Outstanding Child Award</td>
</tr>
<tr>
<td>Preferential savings deposits for employees</td>
<td>Family care leave and paternity leave better than required by law</td>
<td>Family care leave and paternity leave better than required by law</td>
</tr>
<tr>
<td>Employee savings trust</td>
<td>Subsidized mortgage and consumer loans</td>
<td>Early care measures and care for mothers in the workplace</td>
</tr>
<tr>
<td>Employees Insurance</td>
<td>Preferential employee deposits and employee savings trust</td>
<td></td>
</tr>
<tr>
<td>In order to secure employees, we purchase various types of insurance for our employees.</td>
<td>We provide employees a preferential interest rate on deposits and the rate is decided by the board rate plus a certain increment. Furthermore, in order to encourage employees to prepare for a secure retirement, we have established an employee saving trust.</td>
<td></td>
</tr>
<tr>
<td>Employee group insurance includes regular life insurance, accident insurance, medical insurance, and business travel insurance.</td>
<td>We provide employees a preferential interest rate on deposits and the rate is decided by the board rate plus a certain increment. Furthermore, in order to encourage employees to prepare for a secure retirement, we have established an employee saving trust.</td>
<td></td>
</tr>
<tr>
<td>All insurance premiums are paid by the Company.</td>
<td>Employees who have passed their probationary period may apply to join the trust. In 2015, the Company contributed a total of NT$50,231,000 in subsidies to the trust.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Total amount of 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marriage subsidies</td>
<td>2,301,000</td>
</tr>
<tr>
<td>Birth subsidies</td>
<td>966,000</td>
</tr>
<tr>
<td>Child education subsidies</td>
<td>3,722,000</td>
</tr>
<tr>
<td>Spouse or child medical subsidies</td>
<td>19,266,789</td>
</tr>
<tr>
<td>Employee family member leisure travel subsidies</td>
<td>3,701,730</td>
</tr>
<tr>
<td>Employee family member year-end party subsidies</td>
<td>13,685,686</td>
</tr>
</tbody>
</table>

Care for employee

- **Subsidies**

  E.SUN cares about its employees. In accordance with the “Employee Welfare Fund Act,” we have established an employee welfare committee, and we provide various employee benefits in line with our belief in “work-family balance.” including marriage, birth, hospitalization, education, health check-up, funeral, and disability benefits, other subsidies (for Mother’s Day, Father’s Day, and the Chinese New Year’s holiday), employee travel, climbing Mt. Yushan, and club activities. During 2015, a total of 285 E.SUN employees got married and 322 babies were born to E.SUN employees; these milestones are messages of hope for society.

- **Employees Insurance**

  In order to secure employees, we purchase various types of insurance for our employees. Apart from the labor insurance and national health insurance required by law, we also provide employees group insurance, comprehensive business insurance, and other necessary insurance. Employee group insurance includes regular life insurance, accident insurance, medical insurance, and business travel insurance. All insurance premiums are paid by the Company.

- **Preferential employee deposits and employee savings trust**

  We provide employees a preferential interest rate on deposits and the rate is decided by the board rate plus a certain increment. Furthermore, in order to encourage employees to prepare for a secure retirement, we have established an employee saving trust. Trust members can make monthly deposits based on their personal financial plans, and the Company Trust makes contributions as a form of subsidy every six months, helping employees to fulfill their retirement plans and the Company ensuring a comfortable life in their retirement. All employees who have passed their probationary period may apply to join the trust. In 2015, the Company contributed a total of NT$30,231,000 in subsidies to the trust.
• Subsidized mortgage and consumer loans
To help employees become homeowners and enjoy happy family lives, all employees, even those who are still in their probation periods, may apply for mortgage and unsecured consumer loans with preferential interest rates. And in order to take care of employees and their families, employees’ parents who wish to build, purchase, or renovate homes may also receive employee family member loans.

Care about Family

• E.SUN’s Family Concern and Outstanding Child Award
E.SUN FHC Founder and Chairman Yung Ren Huang contributed 3 million shares of E.SUN FHC’s stock to establish the E.SUN Family Concern and Outstanding Child Award. This award provides short-term economic support to meet the needs of any E.SUN employees who suffer from sickness or injury, family tragedies, or natural disasters, and also offers grants to elementary, junior high school, high school, university, and graduate students who display exceptional scholastic performance or participate and win awards in major domestic or foreign competitions. All employees can submit applications for this award. In 2015, there are 84 cases of Outstanding Child Award and 14 cases of Family Concern.

• Childcare facilities and measures
E.SUN has engaged in authorized chain daycares to provide childcare service to employees at a discount, which complies with the requirements of the Gender Equality in Employment Act.

• Family care leave and paternity leave
We offer flexible family care mechanisms, and provide family care leave and paternity leave that are more generous than required by law. Both male and female employees can take up to seven days of family care leave each year, and this time does not count as regular leave of absence. Any employees who require this leave may submit an application. As for paternity leave, male employees may apply to take leave within 30 days before or after their spouses give birth, and this broader period of applicability ensures that male personnel will have sufficient time to spend with their family members.

Care for pregnant employee

• Care about working environment
We have invited a designer to produce custom-made clothing for pregnant women, which ensures that pregnant employee will have comfortable outfits at work. We have also produced the “E.SUN Smooth Pregnancy—New Mother’s Caring Handbook,” which contains health care information concerning all stages of pregnancy. This handbook explains the different stages of pregnancy and fetal growth, possible discomfort during pregnancy, key nutrients needed by pregnant women, and how to apply for labor insurance, health insurance, and group insurance after the child is born. The handbook expresses the hopes of E.SUN and pregnant women for the next generation.

• Nursing room
E.SUN has established many convenient and safe breastfeeding rooms. In 2014 and 2015, we passed the superior certification of nursing room by the Bureau of Health, Taipei City Government. The rooms are equipped with refrigerators, TVs, sofa, bottle sterilizer pots and detergent and so on. The average usage per month in 2015 is 297.
Health promotion

- Regular health check-ups and tracking

We have established a dedicated team for employee health management-related matters. We conduct employee health check-ups on an annual basis in conjunction with superior hospitals and clinics, and the check-up items and frequency are better than required by law. Following recommendations from physicians at National Taiwan University, we have added abdominal ultrasound and hepatitis B screening to our check-ups, and we conduct cancer screening in accordance with the Ministry of Health and Welfare’s four-cancer screening policy. This program makes colleagues find out quickly about any potential health problems. In addition, the Department of Environmental and Occupational Medicine at National Taiwan University helps analyze employees’ health check-up reports, selects employee health problems that most need improvement from the data in group abnormal reports, and establish activity plans and health education content. Furthermore, any abnormalities in employees’ health check-up items are subjected to individual management, the employees are reminded to receive regular follow-ups, and we help with work e-assessment and new arrangements.

- Health seminars

We regularly arrange for doctors from National Taiwan University Hospital to give health seminars at the Company. These seminars have provided employees with new medical knowledge concerning such topics as stress relief, liver health, and prevention of high blood pressure, high blood lipid, and high blood sugar. We also arrange for professional nutritionists to share correct dietary concepts and help colleagues improve their dietary and living habits.

- Employment security in workplace certification

In 2015, in order to provide and reliable place for mothers to nurse their babies and enhance the hardware and software of the nursery room security, we passed the superior certification of nursery room by the Bureau of Health, Taipei City Government. In addition, we have responded to cases of cardiac arrest among employees caused by arrhythmia by taking steps to reduce resuscitation time, which has reduced death rate before such individuals arrive at a hospital. E.Sun passed the Ministry of Health and Welfare’s Healthy Workplace certification in 2015, reflecting its efforts to create a workplace in which employees can feel safe and secure.

- Employee health consulting and concern measures

Working with the Department of Environmental and Occupational Medicine at National Taiwan University, we have specialist physicians to provide monthly on-site health consulting concerning physiological and psychological issues. We have also increased awareness among employees that they can make reservations to consult with these doctors. We want our employees to take any physiological and psychological problems seriously, and take advantage of these consulting opportunities with a positive attitude. In 2015, the total fee of the health consulting is NT$162,000.

- Issuing publications to publicize health and disease prevention knowledge

Our quarterly public Sunrise and bimonthly Smile E.Sun contain health columns, and we invite authoritative doctors affiliated with famous hospitals and clinics to share information concerning major diseases and preventive healthcare knowledge. We have further established a “notifiable communicable disease announcement and reporting system” to provide real-time information about communicable diseases, allowing employees to take preventive measures and perform notification.

- Posting of calorie counts in employee cafeterias

E.Sun started providing staffs cafeteria from 2005. Professional nutritionists plan the menus in our three employee cafeterias, and we post calorie counts along with daily menus in order to help employees manage their nutrition and calorie intake. We hope to provide employees varied, healthy dining options, including buffet items, noodle dishes, daily specials, and fresh fruit. Starting in September 2010, we have implemented meatless Monday “vegetarian days” in order to promote health and respond to environmental energy conservation and carbon reduction needs. We provided approximately 1,300 meals daily at our three employee cafeterias in 2015.

- Participating in healthy workplace self-certification; establishing a healthy workplace

In order to promote the concept of exercise, we play music at a certain time to remind colleagues to stretch out and do morning calisthenics. Furthermore, we also provide various fitness facilities, including treadmills, exercise bikes, and weight training equipment at three fitness centers located at our headquarter building and the L&D Center. We hire external experts to provide instruction to our ping-pong club, badminton club, yoga club, aerobics and MV dance club from Monday to Friday, and regularly hold bank-wide sports competitions. We make sure that E.Sun employees have plenty of spaces for after-work exercise and recreation, and we want everyone at E.Sun to put their vitality into action in a healthy, happy working environment. We held three fitness classes (including 36 sessions) in 2014; and 900 employees participated. In 2015, the total amount of subsidy for clubs is NT$206,917, for mountain climbing is NT$54,550, for a bike trip around Taiwan is NT$2,846,700. All staff show their vitality by a wide range of activities.
5. Environment care

Environmental/energy management policy

- Striving to promote energy conservation and carbon reduction, boost energy management effectiveness, and reduce environmental/energy impact.
- Implementing green purchasing, achieving effective supply chain management.
- Ensuring that corporate operation and all activities comply with laws and regulations, and making environmental sustainability the foremost consideration.

SUN FHC believes that the purpose of a company’s existence is to increase human welfare, beyond focusing on its corporate business; it is also actively involved in environmental protection, energy conservation & carbon reduction, and environmental education. We believe that only by fully discharging our social responsibilities can we attain sustainable management and a lasting enterprise.

Since we issued and began implementing the ESUN Green Policy, we have dedicated ourselves to environmental protection, and our efforts have included implementation of an environmentally-friendly energy conservation policy, promotion of environmental education, establishment of an energy-conserving culture, and realization of energy conservation measures. The handling and disposal of all-office equipment, computer equipment, paper, water, and power used in ESUN’s everyday operations, as well as sewage, waste, and general refuse, complies with laws and regulations. We have also drafted an environmental/energy management policy, taking “green finance, cherishing the Earth, and environmental sustainability” as its main theme, and have voluntarily adopted various international management systems in an effort to actively promote our environmental action plans.

5.1 Energy and greenhouse gas management

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In 2015, we passed 6 types of external environmental protection certification and participated in the Carbon Disclosure Project. We are using our corporate strength to call on employees, customers, business partners, and the public to collectively become first-class citizens of the world.

Taking the lead in the financial industry, we have formally incorporated “carbon neutrality” in our energy conservation and carbon reduction goals, and held the activity “E.SUN Cycling Across Taiwan: paying love forward” as a demonstration activity. We hope to achieve 100% carbon neutrality through setting targets for the lowest possible carbon emissions, conducting carbon footprint inventories, and purchasing carbon offsets, and thereby reach the goal of zero carbon emissions. The international certification organization SGS has performed impartial third party verification of our carbon reduction efforts, and granted us certificates for dual international standards, and we have become Taiwan’s first bank to implement a “carbon neutral activity.”

ISO 20121 is an activity sustainable development and management system standard, and provides a standard framework applicable to all organizations for the planning and implementation of organizational activities. The most notable application of ISO 20121 was in the London Olympics. Setting a precedent for the financial industry, E.SUN has adopted this standard for its Cycling around Taiwan activity, and uses the PDiCA (Plan, Do, Check, and Act) framework to analyze the effects of the potential social, economic, and environmental impacts of activity items. E.SUN plans to extend the scope of this standard to its overall supply chain, the community, and participating stakeholders, which will enable it to thoroughly discharge its corporate social responsibilities, reduce its environmental footprint and resource use, and cut costs.

ISO 14064-1: 2006 greenhouse gas inventory verification

ISO 14064-1 greenhouse gas inventories at the E.SUN Financial Building and all branches in Taiwan for three consecutive years. Our inventory for 2015 indicated that total greenhouse gas emissions from gas, natural gas, gasoline/diesel, fire extinguishers, gas-insulated circuit breakers, and NFF refrigerants, and electric power usage during operating activities was equivalent to 12,681.746 tons of carbon dioxide. Our greenhouse gas inventories are helping us monitor and control our carbon emissions, and have enabled us to draft a greenhouse gas reduction action plan that will let us do our part in reducing global warming and its environmental impact.

ISO 14001 environmental management system verification

Since introduction of ISO 14001 environmental management system in 2013, we have drafted energy conservation targets, performed regular inventory, reviewed and shared ideas concerning reduction of greenhouse gas emissions, water conservation, and reduction of power and company fuel use as part of our campaign to realize our environmental protection and energy conservation policies.

ISO 50001 energy management system verification

We adopted the ISO 50001 energy management system in 2014, and employ energy reviews to analyze key factors affecting our energy use, have established energy baselines and energy management performance indicators, energy targets, energy management action plans, and energy management procedural documents, and seek to achieve continuing improvement of energy performance, reduce energy expenses, effectively reduce carbon emissions, and realize effective power conservation. ISO 50001 also provides a basis for the selection of energy conservation equipment. We are further responding to the Bureau of Energy’s “Voluntary Energy Conservation Promotion Plan” by drafting an energy conservation plan of reducing energy consumption by 5% within three years; this plan was successfully completed in 2015, and its significant energy conservation led to our winning the MOEA’s 2015 “Corporate Energy Efficiency Award.”

International Carbon Disclosure Project

In response to increasingly severe climate change and global warming, E.SUN is taking concrete actions to manage its carbon dioxide emissions. Starting in 2013, we have actively participated in the “Carbon Disclosure Project” (CDP), which was founded by mainstream international investment institutions, and become a CDP signatory. The CDP calls for the public disclosure of greenhouse gas emissions and relevant carbon management information. In 2015, E.SUN FHC’s CDP disclosure was assessed as 94C, and we will continue to strive for environmental sustainability.

E.SUN’s Financial Building, Dengfeng Building, and all business sites are all located in cities, towns, and townships, and are not in any protected zones, habitats, or mountain slopes. All future bank buildings will be constructed in accordance with this principle, and we will continue to use green building materials and develop green buildings.

As a member of the financial service industry, our main source of greenhouse gas emissions is from us of electricity. In order to promote a low-carbon emission environment, we employ carbon fees, water fees, and electric power fees in an internal pricing system that provides performance indicators for all business departments. All units must submit “monthly energy conservation/carbon reduction reports;” which include water fees, electric power fees, and telecommunication charges. These fees can be compared with the fees for the same period of the previous year. All units have adopted energy conservation/carbon reduction measures, and must explain the reason if their power consumption during any one month exceeds that of the previous month or the same period of the previous year by more than 15%. Furthermore, environmental sustainability activities and implementation results are included in the performance assessment of all personnel with relevant environmental management duties. We hope that every E.SUN employee will cherish the Earth, take environmental sustainability as his or her mission, and work together to make Taiwan even better.
Energy saving measures

- E.SUN adopts high-power lamps and power-saving lamp tubes and use energy-efficient 15 lamps instead of existing power-saving lamps to control power usage.
- Lighting of parking facilities, emergency, floor instruction, and exit instruction are provided by LED bulbs.
- Light in lobbies and offices must be turned off when staffs are not in the office.
- Lamps used for display, including painting illumination lights, except when external guests are present and it is wished to display the picture, shall be kept turned off in non-office areas, except for lights needed for the sake of safety, other lights should be kept off during working hours, and all lights should be turned off after working hours.
- E.SUN carries out energy conservation management by turning off not only lights from lobbies for 1 hour of noon, but also computers that is not used.
- Turn off sign lamps for 2 hours to reduce illumination.
- Smart switch for lighting in elevators.

Saving Lighting energy

- We have configured the air conditioner and to raise the temperature by 1 degree Celsius.
- We have adjusted a/cron settings in accordance with our energy saving policy. To reduce power consumption, air-conditioners are set to provide ventilation only before 8 AM and after 6:30 PM.
- Use ceiling fans to increase air convection and cooling efficiency.
- The ambient temperature in office should be set between 26°C and 28°C.
- Blinds are installed on windows to prevent direct exposure from sunshine and reduce use of air conditioning.
- Temperature monitoring system are installed to improve efficiency.

Saving Elevator energy

- In order to consume energy and reduce carbon emissions, employees working below the third floor should be encouraged to use the stairs.
- The number of in-service elevators should be controlled depending on whether it is currently working hours.
- Company headquarters employs microcomputer-controlled power-saving intelligent elevator to achieve energy conservation and carbon reduction.

Water resource management

- Bathrooms in the E.SUN’s headquarters are fully equipped with water-saving toilets which complied with the EPA’s mark, and water-saving devices are used extensively on faucets to reduce water flow.
- Performed periodic inspection on water tower, tank, pipe, and junctions to examine leakage.
- Recycled rainwater for garden usage and watering flower.
- Tracked and managed data of water usage in E.SUN Financial Building and branches. The result is published regularly to allow every business unit to understand and improve water efficiency.
- Water tanks are washed twice annually, and water quality tests are performed at the same time to check whether the pH value and chlorine content comply with national standards.
- All 31 floor-mounted and tabletop drinking water machines on various floors of E.SUN’s headquarters are monitored monthly. In order to maintain water quality and safety, the certified institution conduct regular monitor and sampling every three months and replace filters every six months.
- E.SUN’s water resource comes from the Taiwan Water Corporation, which does not use any groundwater or other sources. All buildings’ water only used by employees and some customers, and there is no significant impact on water sources. All wastewater is discharged into rivers and the sea via sewer lines.
- Published the water saving statements. The statement includes: 1. Water saving policy and green procurement, 2. Enforcement of environmentally responsible lending and support for green development.

Vehicle fuel savings

- In conjunction with energy conservation awareness, personnel are asked to use public transportation or carpool when taking business trips.
- Company vehicle use is controlled, and trips are pooled as much as possible in order to reduce vehicle use.
- Daily gasoline and diesel use is managed in order to boost the effectiveness of energy conservation efforts.

Published the water saving statements. The statement includes: 1. Water saving policy and green procurement, 2. Enforcement of environmentally responsible lending and support for green development.

Consumption of water in recent two year:
- 2015: 3,697,400 m3 Water consumption
- 2014: 3,622,800 m3 Water consumption

Fuel consumption:
- 2015: 16,317,279 kWh total power use
- 2014: 15,737,992 kWh total power use

Carbon emission:
- 2015: 8,501 Carbon emissions (equivalent tons of carbon dioxide)
- 2014: 8,320 Carbon emissions (equivalent tons of carbon dioxide)

(Header information)

- (Consumption of water in recent two years.)
- Basis on electricity emission parameter, 2015 by MOEA, Bureau of Energy, 0.521kg CO2 ton/kWh.
- Basis on electricity emission parameter, 2014 by MOEA, Bureau of Energy, 0.521kg CO2 ton/kWh.
- Headcount increase by 6% in 2015.

(Recyclables)

- Recyclables (iron/aluminum cans)
- 2015: 168 kg Recyclables
- 2014: 30 kg Recyclables

(Recyclables (iron/aluminum cans))

- Emission calculation based on GHG calculator by EPA.

(Recyclables (iron/aluminum cans))
Energy conservation through e-services: Specific measures for reducing paper use and energy consumption

**Promotion of e-services**

1. The use of digital and mobile operating procedures has encouraged customers to use telephone banking, WebATM, online banking, and electronic order placement, etc., and we are saving paper and postage through the use of e-mail billing and digital reconciliation statements.

2. The use of automatic deduction agreements for various bills has enabled customers to reduce their visits to bank branches, which has lessened their transportation costs and reduced their carbon footprint.

3. Approximately 37,000 people have signed up to receive electronic credit card bill, which has reduced paper consumption by approximately 17.76 million sheets and lessened greenhouse gas emissions by the equivalent of 319.68 tons of carbon dioxide.

4. We invited customers to help conserve paper by not using print-out statements:
   - All ATM machines nationwide are promoting our environmental protection/energy conservation policy by inviting customers forgo using print-out statements. This has made our 622 ATMs nationwide an environmental protection promotion channel encouraging employees and customers to get in the habit of conserving energy.
   - We hold 1,108 online courses in 2015, which were attended approximately 278,514 person times. These classes saved approximately 557,000 sheets of paper, and reduce emissions by the equivalent of 10 tons of carbon dioxide.

5. Videoconferencing/telephone conferences:
   - The establishment of videoconferencing equipment has enabled the use of one-to-one, one-to-many, and many-to-many videoconferencing systems. This has boosted working and communication efficiency, reduced unnecessary transportation and time costs, and lessened greenhouse gas emissions due to in-person transportation. A total of 2,837 videoconferences were held in 2015. For example, in the case of banking affairs conferences, which were held using a videoconferencing mechanism, approximately 64,165 kilometers of vehicle travel would be necessary if the conferences had been held in person; reducing this amount of travel therefore saved the equivalent of 13.2 tons of carbon dioxide for the year. We also continue to promote telephone conferences, which can enable personnel in different countries to hold meetings that reduce considerable energy consumption and carbon emissions by replacing business trips.

**Resource classification and recycling management measures**

- Office trash is classified as ordinary trash, recyclable resources, and kitchen waste. The headquarters building’s waste management company gathers waste in a refuse room on floor B3, and notifies a waste management company to purchase and process these items. Apart from performing trash classification, in order to minimize the production of trash, we encourage employees to use environmentally-friendly cups, chopsticks, and bags.

- We employ multiple-use envelopes within the company, which reduces waste by reusing envelopes that have already been mailed or used once.

- Establishment of battery recycling bares: We are continuing to place battery recycling bares in the lobbies of our business locations, and the batteries we collect are regularly removed and processed by EPA-approved recyclers. We also promote the use of environmentally-friendly rechargeable batteries.

- We classify and recycle waste office equipment, including information appliance, lamp tubes, and printer cartridges, etc.

- Ordinary trash is taken to a waste incinerator by an approved waste clearance and disposal company. Apart from performing trash classification, in order to minimize the production of trash, we encourage employees and customers to use environmentally-friendly cups, chopsticks, and bags.

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<table>
<thead>
<tr>
<th>Types</th>
<th>Vertical or horizontal marquees</th>
<th>ATM signs</th>
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<tr>
<td>Season</td>
<td>Summit: April - September</td>
<td>Winter: October - March</td>
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<tr>
<td>General areas</td>
<td>Daily: 19:00–22:00</td>
<td>Daily: 18:00–22:00</td>
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<tr>
<td>Special areas</td>
<td>Daily: 19:00–20:00</td>
<td>Daily: 18:00–20:00</td>
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<tr>
<td>Industry, offices, suburn, and residential</td>
<td>Daily: 19:00–25:00</td>
<td>Daily: 18:00–26:00</td>
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</tbody>
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(Vertical and horizontal marquees and ATM sign illumination times)

EOCO
5.2 The Equator Principles

E.SUN Commercial Bank's lending policies explicitly state that involvement in green energy, including alternative energy, water resource, and pollution control enterprises, and the fulfillment of corporate social responsibilities shall be considered in investment decisions. As of the end of 2015, loans had been made to 230 companies in green energy-related areas. Approximately 39% of E.SUN Commercial Bank’s investment portfolio of corporate debt and financial debt involved companies on the Dow Jones Sustainability Index (DJSI) or GS Sustain Focus List.

The Equator Principles consists of a set of voluntary guidelines. Starting in 2003, these principles have been used by financial institutions to assess major financing cases and determine social and environmental risk. After obtaining feedback from numerous banks, the 3rd edition of the Equator Principles was issued in 2013. The Equator Principles serve as a global framework for the assessment of the social and environmental effects of financing cases, and are currently employed by 83 financial institutions worldwide.

Use of the Equator Principles is an important means of connecting E.SUN’s professional banking expertise with its CSR fulfillment. As a result of the Equator Principles, E.SUN Commercial Bank is applying intensified due diligence in its assessment of financing cases that may have significant environmental or social impacts, uses a grading approach to manage project risk, and assists customers in drafting environmental impact monitoring and improvement projects.

E.SUN Commercial Bank currently implements painstaking loan review procedures that reflect the Equator Principles framework. It has adjusted its existing procedures, eased adoption break-in, and established a dedicated Equator Principles team to bear responsibility for review and control of the social and environmental risk of lending cases. This team is also responsible for internal communication within the Bank and externally. Apart from ensuring that all relevant personnel understand the Equator Principles framework and their utilization, this campaign has also helped customers to assess and manage the environmental and social risks of their financing in accordance with Equator Principles and other relevant guidelines.

Signing the Equator Principles has been both an honor and a responsibility. E.SUN Commercial Bank will pay even greater attention to the control environmental and social risk in the future, respond more fully to the public’s concern for the credit assets in financing projects, and rely on its risk control expertise and influence on the allocation of resources, plus application of the Equator Principles, to pursue sustainable development in cooperation with customers.
5.3 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. For four years, 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, in a government/industry/academic campaign to promote a series of black bear conservation activities. Responding to the need for conservation and protection of biodiversity in Taiwan, as well as to encourage people to cherish the Earth, we seek to use our corporate advantages to induce public concern for conservation issues, and take tangible actions to support black bear conservation. We want to get people to appreciate and understand this beautiful island, so that they will do their part to protect Taiwan’s natural ecology.

Issuance of Taiwan’s first public interest credit card combining conservation and environmental concepts—the “Black Bear Affinity Card”

E.SUN Commercial Bank cooperate 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. The first contribution from this fund was a NT$3 million donation to Taipei Zoo, and was used for black bear conservation, habitat protection, restoration of Taiwan’s native species, and environmental education program. We expect that the use of this card will boost the public’s sense of responsibility for environmental protection, and enable cardholders to do their part for wildlife conservation when making credit card consumption.

Persons 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 the usual amount of bonus points. For a long time, E.SUN has always felt that it is our responsibility as a company to fulfill its corporate social responsibilities. E.SUN also hopes that it can plant the seeds of conservation by making an example of itself for society, and join forces with the public in making Taiwan better.

“2015 Black Bear Run” charity marathon

The “2015 Black Bear Run” charity marathon conducted by E.SUN attracted 5,000 participants, and E.SUN volunteers who spontaneously participate in the road race team. We hope that this event induced even more people to take an interest in Formosan black bear conservation. Members of the public also had an opportunity to visit the wildlife rescue center at National Pingtung University of Science and Technology, and listen to information on the current state of black bear conservation work, which ensured that the public got a further understanding of the bear’s ecology, conservation, and cultural value.

“Finding the Best Keeper” Taiwan black bear conservation awareness activity

E.SUN holds the “Finding the Best Keeper” Taiwan black bear conservation awareness activity at Taipei Zoo during the New Year’s break, at VIP family summer camp, and at elementary school celebrations. Through lively Q&A games to enhance the importance of black bear conservation and impart relevant knowledge, ensuring that black bear conservation concepts took root among Taiwan’s younger generation. Close to 10,000 families attended the five sessions of this activity.
5.4 Supply Chain Management

E.SUN’s supply 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. E.SUN are devoted to assess both new and exist supply chains in terms of their competence, and has established a “Human Rights and Environmental Sustainability Pledge,” including environmental/health/safety risks, employee management, basic human rights, and ethics guidelines. In 2015, new supply chains all signed the pledge, and make their effort to maintain environmental sustainability. In general, supply chain management consists of the four aspects of planning, implementation, auditing, and revision to improve management effectiveness.

Supply chain product and service quality management

We establish quality targets for supply chains’ products and services, and draft plans and procedures to ensure targets are met. We assess results and distance from targets during the subsequent implementation process, and provide suggestions for improvement.

We rigorously implement plans and targets, and collect data resulting from implementation.

With regard to product and service quality assessment and auditing, we compare actual results with preset targets in the wake of planning and implementation, and provide revised plans ensuring greater future feasibility.

Following the planning, implementation, and auditing of supply chain product and service management, we rely on our revised plans to find appropriate methods for reducing the discrepancies between targets and actual implementation results, which will ensure that planned steps will be easier to implement and more comprehensive during the next implementation stage.

E.SUN mainly operates in Taiwan and Taiwanese domestic vendors are preferred consideration for cooperation. Procurement is governed by "E.SUN’s policy for administrative management" and qualified vendors are selected in accordance with standard of vendor management system.

Environmental requirements for Supplier Conduct Principles ~E.SUN FHC “Human Rights and Environmental Sustainability Pledge” Both parties should establish

- specific environmental protection and energy conservation policy and measures, and should drive to promote corporate cultures based on environmental sustainability, protect the Earth, cherish resources, and encourage environmental protection and energy conservation.
- Both parties’ corporate management must take great care not to have any major negative impact on the environment or violate environmental protection laws and regulations; all operations should comply with environmental protection policies.

Green purchasing

E.SUN response to government agencies to promote the universal green living, upholds the principles of green consumption and procurement. Every year, the company purchases large quantities of environmentally-friendly products bearing the Green Mark, Energy Mark, Water Conservation Mark, and Green Building Material Mark since 2010. We also raised green building material use to 45% (comparing with a standard of 30%), as of 2013 the total purchase amount of up to NT$323.64 million, among the top private companies in Taiwan, apart also from time to time in the “green energy Yushan Education Day” cognitive colleagues to strengthen the green mark and power, green building materials, to improve my colleagues on environmental procurement will mark the product. We hope to promote green production and procurement through increased recycling, repair, and regeneration.

In addition to upholding the principles of green consumption and eco-friendly procurement, E.SUN is responding to the government’s promotion of green procurement by participating in the EPA’s “Green Procurement Implementation Plan for Private Enterprises and Groups,” which calls for the procurement of Green Mark products and type 2 and 3 eco-friendly products. As a result, we have been granted the honor of “Outstanding Green Procurement by a Private Enterprise or Group” by the Taipei City Bureau of Environmental Protection for seven consecutive years, and have won the EPA’s “Outstanding Green Procurement Unit” for six consecutive years. With our green procurement efforts, we will promote the development of the domestic environmental industry and improve the overall state of environmental protection in Taiwan.

Our chief procurement measures have included

- We preferentially purchase and use building materials, equipment, and apparatus bearing the Green Mark or Green Building Materials Mark and complying with legal requirements.
- We preferentially purchase recovered, recyclable, low pollution, energy-saving products. We refuse to purchase products that are excessively packaged, dangerous to the environment, and cannot be readily decomposed, as well as machinery and equipment with high energy demands.
- In order to facilitate modernization, renovation, and redecoration during continued use by our various units, procurement must comply with the principles of standardization and consistency.
- We purchase other products that can increase customer safety and convenience, and fulfill our corporate social responsibilities.
- We rely on the rating of our procurement and business services to promote environmental protection and the green consumerism concept, and we encourage our business partners to comply with and honor green principles.
E.SUN Environmental Awareness and Education Day on the 13th of each month

In recent years, the issues of climate change and global warming have attracted growing global attention. In view of the potential impact of the greenhouse effect on the world’s landscape and climate, E.SUN take proactive action in environmental education intended to foster love for the Earth and environmental consciousness. E.SUN is also participating in various domestic and foreign environmental protection activities, including Youbike, turning off the lights on the summer solstice, “Turn off the lights for the Mid-Autumn Festival”, International Car Free Day and the Earth Hour international activity. In 2015, these activities reduced CO2 emissions by 116 tons (Note: based on the 2015 power emission coefficient of 0.528 kg CO2e), and showed how tangible actions can promote environmental sustainability.

5.5 Promotion of Environmental Education

We have designated the 13th day of each month E.SUN Environmental Awareness and Education Day. On this day, E.SUN volunteers provide environmental-related information and knowledge to colleagues, and use the company’s e-learning platform to regularly issue environmental protection and energy conservation teaching materials. Taking the “3Rs”—Reduce, Recycle, and Reuse—as a basis, we are devoted to cooperate the concepts of environmental protection, energy conservation, and carbon reduction with all employees’ daily life.

Green buildings

Responding to the Ministry of the Interior’s Ecological City & Green Building Promotion Program, which takes energy-saving, resource-saving, low-pollution green buildings as its key mission, E.SUN has striven to realize its corporate goal of environmental sustainability, and has incorporated green buildings among its key programs. As a result, E.SUN seeks to ensure that any newly-built banks are green buildings.

In 2015, the new Taiping branch received the Green Building Mark, and it is expected that the new credit card building will apply for a Gold Green Building License when it is completed in 2016. We are striving to do our part for sustainability by creating buildings that are “ecological, energy-conserving, waste-reducing, and healthy.”

Training Material for Environmental Day, 2015

• Implementing recycling and reuse—doing our utmost to protect the environment!
• The Chinese documentary film “Under the Dome” shows the severe air pollution that is common in China, but the problem of air pollution is a global issue.
• Purchasing products bearing the Wetlands Mark helps protect the Earth through green consumerism.
• The RCA incident tells us that we must not let harm befall this land of Taiwan.
• E.SUN has adopted carbon neutrality and the ISO 20121 activity sustainable management standards as it strives to conserve energy and reduce carbon emissions.
• The simplest way to cherish the Earth is to conserve energy and reduce carbon emissions.
• The sea belongs to you, me, and the world.
• Natural energy—renewable energy.
• Preventing dengue fever must start from some basic efforts.
• Let’s work to create a toxin-free nature.
• Fight warming! The world looks forward eagerly to the Paris climate agreement.
Every Monday is “E.SUN Vegetable Day.” On this day, an average of 1,300 people at headquarters and the Dengfeng building eat meatless vegetarian food. This reminds employees to care for their health by eating light food, and make their effort to ease global warming, cherish animals, and protect the Earth’s environment. Apart from this, to promote balanced nutrition and healthy eating, our employees cafeteria preferentially purchase foods stuffs produced in Taiwan or nearby, and try to obtain suitable quantities of in-season foods. By reducing transport and refrigeration costs, minimizing kitchen waste, and lessening waste of resources during the transport process, we are reducing our carbon footprint.

Environmental sustainability accounts

Environmental sustainability is E.SUN’s long-term pledge and commitment. In order to protect the Earth, the E.SUN ETC Easy Card has established environmental sustainability accounts, which are a first for Taiwan’s financial industry. Whenever cardholders make a purchase using their card, E.SUN will contribute 0.1% of the transaction value to an environmental sustainability account using the eTag stored value feature, and funds from the accounts are used for environmental protection, energy conservation, and preservation of Taiwan’s natural ecology, making Taiwan even more beautiful. In addition, the E.SUN ETC Easy Card (titanium gold card) and E.SUN ETC Easy Card (signature card) were have been the BPA’s Carbon Footprint Label certification. Furthermore, following verification by SGS, the E.SUN ETC Easy Card passed PAS 2050: 2011 carbon footprint and ISO14046 water footprint international standard certification, making this the first credit card in Taiwan to pass these two certifications. The card’s Carbon Label logo reminds every cardholder of the importance of environmental protection and the reduction of carbon emissions.

Resource Circulation and Charity Sale activity

Managers and employees at E.SUN’s headquarters and the Dengfeng campus took the initiative in holding the “Resource Circulation Charity Sale” activity, in order to practice E.SUN people attach importance to environmental protection, can effectively meet the purpose of sharing resources, while individuals can play a loving, will not side with items donated by charity, there is a need to make use of my relationship to environmental protection, can effectively meet the purpose of sharing resources, while individuals can play a loving, will not side with items donated by charity, there is a need to make use of my relationship to environmental protection, can effectively meet the purpose of sharing resources, while individuals can play a loving, will not side with items donated by charity, there is a need to make use of my relationship.

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 Financial 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 3,622 items in 2015, and circulated 2,365 items, for a circulation rate of 79.09%.

Promoting E.SUN Youbike

E.SUN’s Easy Card enjoys the highest market share in Taiwan. In order to conserve energy, reduce carbon emissions, and cherish the Earth, we are continuing to implement the “E.SUN Youbike Smile 123” bicycle rental discount program together with the Giant Corp. and the governments of Taipei, New Taipei, Taichung, and Changhua. This program calls on customers and the public to embrace a healthy, active lifestyle, save energy and reduce carbon dioxide emissions, and work together to build a better future by protecting the land.

E.SUN Cycling Across Taiwan: Paying Love Forward

E.SUN FHC and E.SUN Commercial Bank held “E.SUNE.SUN Bicycle Ride Across Taiwan: Paying Love Forward” activity, which took place March 17-26, 2015. A cycling team composed of 30 E.SUN volunteers from around the country embarked from company headquarters on a ride all the way around the island of Taiwan. The company donated NT$10,000 to the “E.SUN Concern for Schoolchildren Program” for each kilometer the cyclists traveled. During the past two years, this activity has helped more than 10,000 schoolchildren from economically-disadvantaged households, or from families who have suffered tragedies, to learn and grow without worries. In the course of the Cycling Across Taiwan activity, in order to draw attention to the need to conserve energy and reduce carbon emissions, the E.SUN volunteers visited local farms throughout Taiwan and the E.SUN Maravi rice field, and conducted group purchases of organic, toxin-free agricultural products on behalf of the company. In order to get E.SUN employees involved and incorporate the concepts of environmental protection and sustainability in the design of the activity. The closing ceremony complied with the ISO 20121 event sustainable management system for Taiwan’s financial industry first. The E.SUN water conservation manifesto, which encourages water conservation and drought resistance, was also announced at this time. We hope to jointly protect the environment together with the public, and reduce the impact of human activities on the environment.
Promoting butterfly conservation

E.SUN has co-organized the “Yangmingshan Butterfly Festival” in Yangmingshan National Park for three years in a row. This event promoted butterfly habitat conservation and environmental education, and relied on ecological experiences and a wide range of awareness methods to encourage the public to participate in a series of butterfly festival activities, which included guided butterfly-watching tours at Mt. Dadun and Caoshan, a butterfly ecology exhibition, talks about butterflies, and a concert. This event taught people about butterflies using a lively approach, and gave participants a solid understanding of butterfly ecology and butterfly knowledge. E.SUN also arranged for students and teachers from Qingshan Elementary School in Xindian, which is a participant in the E.SUN Golden Seed Project, to visit Yangmingshan and take part in the butterfly festival activities. In addition, the school was given books about Taiwan’s butterflies, so that when the children return to school, they could continue to absorb butterfly knowledge from these books, increasing their love of butterflies and nature.

Adopting trails in Yushan National Park trail

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

Tree-planting and tree adoption project

E.SUN has assisted with Pingtung County Governments for the second year to promote a tree planting and tree adoption project. This project involves the planting and adoption of trees at eight elementary and middle schools in the county, the forest area at the county government’s Xiangtan Forestry Nursery, and school environmental landscaping areas. It is expected that the project will result in the planting of more than 6,000 tree seedlings, which will reduce carbon in the atmosphere by more than 72,000 kg, and thus help ease the problem of global warming.

Becoming a member of the Taiwan Beautification Association

This association was established for the purpose of maintaining a clean environment and public toilets, while helping volunteers train their inner strength. E.SUN FHC is the 65th branch. For five years, managers have led nearly 45 E.SUN environmental volunteers in participating in clean-up activities. We hope that our employees’ physical involvement in cleaning up the community will arouse the public’s concern and love for the environment.

Clean Up the World

Responding to the 7-11 Good Neighbor Foundation’s Clean Up the World activity, 4,000 volunteers from 205 units in E.SUN’s financial business unit and at branches embarked on a cleaning campaign at 146 locations nationwide, and gathered a total of 660 bags of trash. We hope that these volunteers’ hard work, in conjunction with our corporate influence, will inspire local clean-up activities, and make the public aware of the need to clean up our communities and create a better living environment.

“Beautiful Taiwan, Smiling E.SUN” environmental clean-up activity

In order to create an even better living environment, and fulfill their corporate social responsibilities, apart from conducting environmental education, and promoting energy conservation and reductions in carbon emissions, E.SUN employees have responded enthusiastically to environmental clean-up campaigns. A total of 4,013 employees from 207 units in E.SUN’s financial business unit and at branches participated in the “Beautiful Taiwan, Smiling E.SUN” environmental clean-up activity, which was led by E.SUN personnel and focused on the streets near branches, and nearby communities and public areas. This activity aroused people’s concern for environmental protection, gave the living environment around E.SUN offices a whole new look, and gave participants healthy exercise and a new outlook.
Lights off for the summer solstice

E.SUN participates in the Society of Wilderness’ “Lights off for the Summer Solstice” activity by turning off sign lighting at all branches from eight o’clock to nine o’clock on the evening of the summer solstice—the longest day of the year, and inviting employees to join in. While relying on tangible actions to reduce energy consumption, this activity also encourages everyone to turn off their 3C products, go outside, personally appreciate the environment, learn how to adapt to a new lifestyle, and reflect on how everyone has the power to change the world.

Turn off the lights for the Mid-Autumn Festival: Appreciating the Brightness of the Moon

We must all work to protect this beautiful land, and must do our part to reduce global warming. E.SUN responded to Gold FM’s “Turn off the lights for the Mid-Autumn Festival” activity by turning off the lights of all vertical and horizontal signs at all branches from eight o’clock to nine o’clock on the evening of the Mid-Autumn Festival. All employees were encouraged to also turn off their household lights for the same one-hour period in this very simple and healthy activity showing our love for the Earth.

Earth Hour

The Earth Hour activity was initiated by the World Wildlife Fund in Sydney, Australia. At eight o’clock in the evening on the last Saturday in March, many landmark buildings and corporate towers switched off their lights to save power, and employees, customers, and nearby residents were encouraged to follow suit. Group action will be needed as we face the threat of global climate change. But as long as we adjust our living habits, and take easy steps in our everyday lives, we can reduce our energy consumption and contribute to environmental protection.

For the fifth consecutive year, E.SUN took part in this activity by turning off power to horizontal and vertical signs at all branches one hour early. This year’s activity placed special emphasis on water resources and the need to reduce food waste, and we also used it as another way to encourage public participation in environmental protection.

International Car Free Day

International Car Free Day was initiated in France, and Taiwan soon followed suit. With strong support from private groups and government encouragement, Car Free Day provides an opportunity to promote energy conservation and use of eco-friendly, sustainable transportation. On 2015 International Car Free Day, E.SUN used its website, internal publicity, and Youbike 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.
6. Social care

- E.SUN Golden Seed Project
- Industry-Academic Collaboration
- E.SUN Academic Award
- E.SUN Scholarships for Outstanding Managerial Talents
- International Master Forum

6.1 Academic Education Series

[ E.SUN Golden Seed Project ]

Project background

Our care for children in remote areas has always been a long-term commitment of the E.SUN Volunteer Foundation. It is our collective wish to provide these children with an environment where they may learn and grow in joy and happiness. E.SUN Volunteer Foundation has previously mobilized E.SUN employees for the organization of lunch donations in 2005 and 2006 to over 3,000 children living in remote areas in Yunlin, Chiayi, Tainan, Kaohsiung, and Pingtung, thereby providing care to children in need. Since 2007, we have been attempting to understand and contemplate which areas require our further assistance. E.SUN Volunteers continue to advance toward elementary schools in rural areas to gain insight into the needs of schools, teachers, and children. Through these visits, they have identified four major phenomena: The M-shaped society trend has led to a shortage of educational resources in remote areas, where a high percentage of students come from economically disadvantaged families, the stable supply of teachers is lacking, and the role of schools as community centers is weakening.

Upon identifying the problems encountered by rural elementary schools, E.SUN decided to initiate E.SUN Golden Seed Project and improve the reading environments of children from elementary schools in remote areas or those with limited resources by building heartwarming, comfortable E.SUN Libraries. The underlying implication of E.SUN Golden Seed Project suggests that every child is a seed with a future of unlimited possibilities. Simply by nurturing the seed with fertilized soil, clean water, and sufficient sunshine, all seeds are capable of sprouting into majestic trees that can, one day, converge and form a bushy, thriving forest, thereby contributing to the beauty of Taiwan.
Active participation among E.SUN employees and customers

In order to maximize the benefits of E.SUN Golden Seed Project and ensure its sustainable management, E.SUN has issued the first charity premium card in Asia—E.SUN World Card—that combines financial and charitable services and applies innovative approaches to linking the two ends of an M-shaped society. For every purchase made with the card, E.SUN’s VIP customers are able to simultaneously provide assistance to children living in remote regions.

With the completion of E.SUN libraries one after another, E.SUN Golden Seed Project has also attracted recognition from increasing numbers of VIP customers. As a result, more funds are being invested in this program, facilitating the maintenance, replenishment, and repair of these libraries. With the concerted efforts of World Card customers, E.SUN and E.SUN volunteers, 100 libraries have been constructed from 2007 to 2015 in 19 counties and cities across Taiwan, bringing change to over 50,000 children.

In February 2016, E.SUN published a memoir titled E.SUN Libraries: Cherishing the Hope of the Future, documenting the happenings and heartwarming stories of the library project since its inception. The memoir was delivered to each and every one of our World Card customers and E.SUN employees, sharing the happiness emanating from the outcomes of their contribution.

Achieving the milestone of building 100 E.SUN Libraries in rural areas

Over the course of 8 years, 100 E.SUN Libraries have been built. This is, however, not the end of the story, but a brand new beginning. When our team of E.SUN Volunteers visited rural schools across Taiwan, we saw many children in all corners of Taiwan longing for good reading environments. Therefore, E.SUN will continue offering education in rural areas, helping more children open another window to the world. In a thanksgiving press conference held in February 2016 on behalf of E.SUN library, we expressed our gratitude toward our VIP customers and also announced our determination to build another 100 E.SUN libraries.

Reading can change a child’s life. We hope that the 100 E.SUN libraries continue to raise public awareness on the shortage of educational resources in remote areas and attract social investments, thereby shortening the reading gap in rural townships in Taiwan.

<table>
<thead>
<tr>
<th>Year</th>
<th>Added schools</th>
<th>Accumulated schools</th>
<th>Accumulated number of beneficiary schoolchildren</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>15</td>
<td>100</td>
<td>50,494</td>
</tr>
<tr>
<td>2014</td>
<td>15</td>
<td>85</td>
<td>40,133</td>
</tr>
</tbody>
</table>

---

I am E.SUN Library,
Quietly I wait in the serenity of Wanli Elementary School.
I love seeing young readers come and go,
As they purge the wealth of books in my collection.

I am E.SUN Library,
I extend my warm, loving hands,
To welcome visiting children,
I love showing them the sea of books,
And watching them read in happiness.

I am E.SUN Library,
I love lending children books,
And showing them funny pictures,
I’m even happier showing children marvelous storybooks,
The number of visitors simply gives me joy.

I am E.SUN Library,
I open my doors and let in the sunshine,
Welcoming everyone to read my books,
I have a tiny wish,
That each child would fall in love with reading,
Especially through my books,
And grow into a person filled with wisdom and intelligence.

---

“The Wonders of E.SUN Library,” a poem written by hopeful children to express their appreciation of E.SUN Library.
(Students gradesfrom Wanli Elementary School using first-person narrative to personally themselves as E.SUN Library)
The “Industry-Academic Cooperative Project” with Top 10 Universities

In 2015, E.SUN initiated Industry-academic Cooperative Project in an effort to nurture financial professionals and to strengthen key capabilities in job environment for students. It is a platform that enables interaction between industry and academy by joint efforts with top 10 universities, including NTU, NCCU, NTHU, NCTU, NTU, NTUST, NCU, CCU, NCKU, and NSYSU. E.SUN’s Industry-academic Cooperative Project has broadened the scope of cooperation and shaped an alliance between industry and the academies. In addition, it also features internship program, as well as other initiatives that can facilitate the students with preparation for their career, such as corporate visits, financial workshops, and topic researches. It allows more students to understand career path in the financial industry and bridges the gap between theory and practically.

For the internship program, the TI-P internship program with NTU is highly commended by faculty and students. It is a program that can narrow distance between industry and academia through its comprehensive training module. With the successful experience with NTU, E.SUN has extended the internship program and allowed more students to participate in practical operations of financial industry. The outperforming interns can be given opportunity for job interview or even admission to an official position at E.SUN. In addition, in response to the trend of Fintech, E.SUN has collaborated with NTU Information and Technology School to commence a course titled “Financial Innovation and Application”. The course is lectured by senior management and mentored by middle officers of E.SUN. It contains a wide array of aspects, including financial knowledge, case study, and project practice.

In 2016, E.SUN will start a master degree program of financial innovation with NSYSU. This is the first time that E.SUN and NSYSU work together, and the cooperation also contribute to balance the unequal distribution of educational resource between northern and southern Taiwan. We hope to discover more excellent financial talents through the degree program. E.SUN will continue to develop more cooperative programs with different schools based on characteristics and resources that they possess. Talents are the most valuable asset of a corporate. E.SUN wishes to improve environment for industry and schools to cooperate and to spread more seeds of knowledge in the financial industry. In the future, the seeds of knowledge will sprout, grow and flourish, bringing more intellectual capital and professionals for financial industry.

E.SUN Academic Award - integrating Taiwan research with the international community

NTU College of Management hosted a ceremony on June 17 in honor of E.SUN FHC’s efforts in offering the E.SUN Academic Award and improving the E.SUN Hall. A certificate of appreciation was awarded to President of NTU, Yang Pan-Chyr, and Dean of NTU College of Management, Ruey-Shian Andy Guo. At the ceremony, the 2015 E.SUN Academic Award was awarded. NTU President Yang Pan-Chyr emphasized that Taiwan is in need of more enterprises like E.SUN FHC, enterprises that are passionate for Taiwan’s wellbeing, harbor a strong sense of purpose toward national society, practice social responsibilities, and provide multidimensional assistance to academic institutions.

Since its establishment five years ago, E.SUN Academic Award has been awarded to 10 leading teachers in their respective fields of research to the value of over 6.5 million. E.SUN FHC continues to help the NTU College of Management in building Asia’s first standard Harvard case method classroom—E.SUN Hall—which was further upgraded in 2015 to a “Digital Learning Benchmark Classroom” fully equipped with smart recording systems. To date, the utilization rate of this facility has exceeded 5,000, enabling students to learn management and leadership skills through the interactive, role simulations of case analyses and group discussions.

E.SUN Scholarship for Outstanding Managerial Talents

Human resources are the foundation on which the nation and industry develop. In the age of global competition, the E.SUN Volunteer Foundation has sought to train more outstanding managerial talents for Taiwan. Established in 2005, the E.SUN Scholarships for Outstanding Managerial Talents are intended to provide scholarships to outstanding master’s students who are economically disadvantaged or face family problems over the course of their study, and ensure that talented individuals can devote themselves to their studies without economic pressure, and can become outstanding management personnel.

During every August and September, E.SUN begins to accept applications from outstanding first year master’s students in designated departments (no in-service students) of eight universities, namely National Taiwan University, National Chengchi University, National Taidung University, National Chiao Tung University, National Chung Hsing University, National Chung Cheng University, National Cheng Kung University and National Sun Yat-sen University. After a rigorous review process, those who are deemed qualified may receive a NT$100,000 scholarship every academic year that they continue to meet the award conditions until they earn their master’s degree.

To encourage research projects of excellence and boost Taiwan’s competitiveness, in 2015, we announced our intention to extend the scope of the E.SUN Academic Award through collaborations with prestigious universities in Taiwan, including NTU College of Management, NCCU College of Commerce, NTU College of Technology Management, and NCTU College of Management. A 5-year scholarship to the value of NT$40 million is offered to encourage teachers to publish their research outcomes in international journals, elevate Taiwan’s management research standards, and become better aligned with international standards.

The E.SUN Academic Award is awarded to professors in the college of management who published papers in the Top 3 international journals within their respective fields of research. This approach not only expands the scope of cooperation but also promotes excellent domestic research and encourages outstanding teachers to step onto the global academic stage.

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<table>
<thead>
<tr>
<th>Name</th>
<th>Publication</th>
<th>Journal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yu-Ren Zeng</td>
<td>Generalized Almost Stochastic Dominance</td>
<td>Operations Research</td>
</tr>
<tr>
<td>Chen-Juan Lin</td>
<td>Capital market consequences of audit partner quality</td>
<td>The Accounting Review</td>
</tr>
</tbody>
</table>

* Recipients of the 2015 E.SUN Academic Award.
To date, the E.SUN Scholarship for Outstanding Managerial Talents has provided a total of NT$23.5 million in scholarships to outstanding students. We hope that, with the aid of this scholarship, the recipients will be able to devote themselves to their studies, hone their skills in areas of knowledge, and eventually make significant contributions to society.

Many touching stories are told at the annual awards ceremony. For instance, moved by E.SUN’s kind assistance, one recipient concurrently provided free tutoring to five high school students from poor families, which realized the ideal of transmitting caring to even more people in need of help. Another student asked how to join E.SUN’s volunteers, and expressed a wish to pay back society in various ways.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of recipients</th>
<th>Total amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>17 persons</td>
<td>NT$3.4 million</td>
</tr>
<tr>
<td>2014</td>
<td>17 persons</td>
<td>NT$3.4 million</td>
</tr>
</tbody>
</table>

International Masters Forum - Rita Gunther McGrath

For four consecutive years, E.SUN FHC has hosted the International Masters Forum. Since 2012, we have successively invited strategist Gary Hamel, master of innovation Clayton M. Christensen, marketing expert Philip Kotler to visit Taiwan. In 2015, we invited globally recognized expert on strategy and innovation, Rita Gunther McGrath, to give a talk on “Cross-Border Strategy: Creating Transient Competitive Advantage.” In her presentation, Rita shared her viewpoints on how to grasp the key to competitive advantage in a constantly growing environment, make flexible adjustment, and identify new strategies in the era of a fast economy.

TIP Internship Program

To help students successfully connect to the workplace, discover their strengths and interests through corporate internships, and learn how to enrich themselves and boost their competitiveness before they embark on their careers, E.SUN began participating in National Taiwan University’s TIP summer internship program in 2011. We hope that these summer internships, which involve rapid rotations through different business units and participation in practical operations, will provide students with a wealth of opportunities for learning and understanding banking practice.

Similar to the MA program, E.SUN has established an internship program with all-inclusive training modules. The internship is divided into two stages. The first stage consists of a series of rotating internships in different departments, including the personal finance, corporate finance, wealth management, finance, and credit card departments, which gives students a more comprehensive understanding of banking operations. The second stage consists of a focused internship in a single department, students are able to gain an in-depth understanding of actual banking operations via long term participation in the department’s operations and a case report.

The internship process gives students ample opportunity to learn about the industry and our company. Guidance and interchange with E.SUN’s mentors helps establish a correct work ethic and attitude. In order to increase their competitiveness after graduation, we believe that students should build up a good career foundation while they are still in school. Since implementation of the TIP summer internship program began, numerous outstanding students have entered the E.SUN MA program, and are well on their way to becoming all-round financial professionals.

Google Ignite Project

E.SUN collaborated with Google in investing in the Google Ignite project, to provide a comprehensive and extensive digital marketing practical course that closely matches the needs of the business community. New graduates who did not major in digital marketing or did not receive relevant professional training are thus able to acquire digital marketing capabilities. In addition, enterprises are given the opportunity to perceive the tangible, effective competitive power resulting from Internet advantage possessed by the younger generations. Ultimately, the project aims at assisting Taiwanese young adults and enterprises in applying the power of the Internet for the creation of new business models.
SAS Data Mining Project Competition

Waves of big data continue to engulf the world. Big data applications have also become the key to success for enterprises around the globe. E.SUN Bank has been working with SAS four years in a row in hosting the Information Scientist Series Competition. In 2015, 24 universities and colleges in northern, central, and southern Taiwan participated. 600 students formed into 150 teams to join the fun and challenges. The highlights of this competition are the themes of big data analysis and digital marketing. Through analysis of online news and blog entries, participants gained insight into the potential behaviors of consumer groups and the association between market orientations and potential business opportunities. It is thus that opportunities may be captured at the first instance to quickly respond to market demands. Through participation in this program, students are able to learn in terms of both theory and practice. Thanks to the competition, more connections were established between academia and industry. Students are thus enabled to experience big data applications in person and to furthermore use their creativity and professional capabilities to become the future star of big data analysis and digital marketing planning.

Global Young Leaders for Asian Markets

Talented employees are crucial assets for enterprises and the key to a nation’s competitive power. E.SUN FHC participated in the Global Young Leaders for Asian Markets project hosted by the Global Brand Management Association. Together with 10 major universities in Taiwan, WCCU, NTNU, NCTU, NCKU, HTMU, National Taipei University, National Taipei University of Technology, National Chi Nan University, Fu Jen Catholic University, and Feng Chia University, as well as four major accounting firms and multiple prestigious cooperative enterprises, E.SUN FHC built a pool of overseas talent supply chains to help Taiwanese enterprises extend their presence in Asia.

NTU Hope Seedling Program

E.SUN and five other enterprises including Deloitte Taiwan and SAS collaborated with NTU College of Management Career Development Office for the launch of the Integrated Hope Seedling Program in an effort to shorten industry-academia gaps. In 2015, 20 NTU master students attended the half-day course program every month at E.SUN. Those showing outstanding performances will be given the chance to intern at E.SUN during summer vacation.

6.2 Social Participation Series

E.SUN Care for Schoolchildren Program

To provide assistance to schoolchildren who are economically disadvantaged or facing unexpected family problems, E.SUN continued to launch the Program. We hope this project will enable children to focus on their studies and provide timely educational assistance to families. This project provides each elementary school student NT$2,000 for each semester, which can be used to pay for tuition, books, and other expenses. Also, by holding the “E.SUN Bicycle Ride Around Taiwan: Sending Love Everywhere” activity, E.SUN donated a total of NT$10 million to help the underprivileged children grow up with joy and sense of stability.

<table>
<thead>
<tr>
<th>Year</th>
<th>Donations</th>
<th>Donated amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>10,264</td>
<td>NT$20,528,000</td>
</tr>
<tr>
<td>2015</td>
<td>10,480</td>
<td>NT$20,960,000</td>
</tr>
</tbody>
</table>

(Results of the E.SUN Concern for Schoolchildren Program during the most recent two years)

Caring for Children in Need — Caring for Orphanage Children

Thanks to E.SUN volunteers’ enthusiastic involvement, the Caring for Children in Need program continues to be held in every corner of Taiwan. This program launched in 2004, and has last for 12 years. E.SUN volunteers devoted themselves to accompany orphanage children in activities in Taipei, Taoyuan, Taichung, Yulin-Chiai, and Kaohsiung, including professional baseball games, concerts, three-on-three basketball games, and the E.SUN Night of Disney, and provide tutoring as well. Each year E.SUN volunteers hold at least one or two sessions in order to provide the children warm and joyful memories.

<table>
<thead>
<tr>
<th>Year</th>
<th>Sessions</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>15</td>
<td>369 persons</td>
</tr>
<tr>
<td>2015</td>
<td>13</td>
<td>340 persons</td>
</tr>
</tbody>
</table>

(Overview of Caring for Children in Need for the most recent two years)
E.SUN Maravi

The E.SUN Maravi project promotes organic farming methods and transformation of local industries, and encourages farmers to engage in organic crop rotation schemes combining food production with biodiversity. All crops are purchased by E.SUN, which provides them to its employees and major customers. This project aims to sustain Taiwan’s indigenous ecology and protect nature.

The name “Maravi” refers to an organic farming district in the Nanan area. Nanan Village is located near the east entrance to Yushan National Park, and was the first area irrigated from the Lakulaku River. Irrigated with the pollution-free water of the Lakulaku River, Maravi means “coming together” in the Bunun indigenous language. The E.SUN Maravi project seeks to attract public attention to ecological conservation and work together to protect the beautiful island.

“One Simple Act of Love Can Inspire Others to Love” Blood Donation Event

To alleviate shortage of blood and help those in need, E.SUN Bank and E.SUN Volunteer Foundation have initiated blood drives for 16 consecutive years, specifically during winter and summer vacations when seasonal blood shortages occur. In addition to encouraging employees and their spouses to participate, E.SUN also invited customers and the public to participate in the event through the Internet, posters, pamphlets, and SMS.

<table>
<thead>
<tr>
<th>Year</th>
<th>February</th>
<th>August</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2,303 bags</td>
<td>2,049 bags</td>
<td>4,352 bags</td>
</tr>
<tr>
<td>2014</td>
<td>2,225 bags</td>
<td>2,411 bags</td>
<td>4,636 bags</td>
</tr>
</tbody>
</table>

“Blood donation results during the most recent two years.”

Finance Knowledge Carnival

E.SUN frequently partakes in the Finance Knowledge Carnival hosted by the Financial Supervisory Commission and assisted in promoting the On-Campus and In-Community Finance Education Promotion Activity. As at the end of 2015, over 300 sessions have been held to which lecturers were invited to inform the public of correct financial knowledge.

Handmade Cookies Fund-Raising Project

Established by a team of students from the Creativity and Entrepreneurship Program and Keelung City Parents’ Association for Persons with Intellectual Disability, the Handmade Cookie Bakery has raised NT$1 million to build a living center and new kitchens for children with intellectual disabilities. E.SUN has invested resources to help the Handmade Cookie Bakery establish online sales channels and a diversified order payment system. In addition to inviting E.SUN employees, we also invited E.SUN customers through eDMs.
6.3 Fitness Promotion Series

E.SUN has provided long-term sponsorship to athletics, the arts, and cultural activities. Baseball is Taiwan’s national sport, and the teamwork and fighting spirit of Taiwan’s national teams unites the hearts of all citizens. E.SUN has consequently provided serious support for youth baseball in Taiwan. E.SUN sponsored events include the E.SUN Cup National High School Baseball Championship, E.SUN High School Baseball Camp on Sports Injury Prevention and Rehabilitation, E.SUN Youth Baseball Training Camp, and Caring for Baseball Teams in Remote Areas.

E.SUN Cup National High School Baseball Championship

High school is a critical moment in the development of a baseball player, and we have always paid our attention to the cultivation of high school baseball player. E.SUN works with the Chinese Taipei Baseball Association to promote the E.SUN Cup National High School Baseball Championship and select national teams to compete in world/Asian high school baseball championships organized by the IBAF and BAF. The E.SUN Cup National High School Baseball Championship is the pinnacle of youth baseball in Taiwan, and becomes a milestone where athletes can present their hard work and talent. Since the E.SUN Cup was first held, numerous participating players have gone on to professional baseball careers in US, Japan, and Taiwan.

E.SUN Youth Baseball Training Camp

In order for high school baseball players to advance to adult and professional baseball, apart from continuous training in basic skills, correct concepts and pitching and catching skills should also be taught to players. Centered on the E.SUN High school Baseball Pitcher & Catcher Training Camp, E. Sun Bank organizes a series of activities, including high school Baseball Pitcher & Catcher Camp, High school Baseball Batter Camp, high school Baseball Coach Camp, and high school Baseball Pitcher Camp. Through observation and evaluation conducted by camp instructors, an outstanding player database has been established, and is used for long-term follow-up and provision of needed assistance. In 2015, E.SUN works with the Chinese Taipei Baseball Association again to invite the coaches, appointed by MLB, to visit Taiwan for the 18-day training camp. The course includes “pitcher training”, “infielder and outfielder training”, “tactics training”, “simulation game”, “videotape analysis and guidance” and “catcher training.” We hope that through the full range of course, young players can learn more advanced and more efficient training methods, and we can continue to enhance the competitiveness of Taiwan youth baseball.

Caring for baseball teams in remote areas

Youth baseball training in remote areas has run into problems due to shortages of funding, and many promising players have been lost. In order to take care of youth baseball teams in remote areas, and to ensure that teams can practice without worrying about shortages of bats, balls, and other equipment, E.SUN has collaborated with the Chinese Taipei Baseball Association to hold “Caring for Baseball Teams in Remote Areas.” This project assists to youth baseball teams in remote areas by providing brand new baseball bats, gloves, protective gear, and practice balls, which makes teams to conduct training easily.

E.SUN high school baseball camp on sports injury prevention and rehabilitation

The fervor of a baseball game inevitably affects every player. Players always try to play their hardest especially represented their school, in the athletic development process, continuous, intense training and competition will enable the athletes to improve their skills; however, they may also cause sports injuries. In light of this situation, since 2007, E.SUN has worked with the Chinese Taipei Baseball Association and other sports injury prevention groups to hold the E.SUN High School Baseball Camp on Sports Injury Prevention and Rehabilitation, which provides young baseball players better sports injury examination, and ensures that athletes with sports injuries received the most appropriate treatment. By correct sports injury prevention, this program helps athletes to strengthen their muscles and take appropriate action in the wake of injuries, in order to prevent the worsening of sports injuries. We hope to that young athletes can improve their skills while enjoy healthier and longer athletic careers.

<table>
<thead>
<tr>
<th>Year</th>
<th>Recipient school</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Huade Vocational High School of Technology, Dader Industrial and Commercial Vocational High School</td>
</tr>
<tr>
<td>2014</td>
<td>Yuli High School, Luxing High School</td>
</tr>
<tr>
<td>2013</td>
<td>Tainan Marine Fishery Vocational School, Yingge Vocational High School</td>
</tr>
<tr>
<td>2012</td>
<td>Chiayi High School, National Taichung College</td>
</tr>
<tr>
<td>2011</td>
<td>Pingtung Meihe High School, Yunlin Malliao High School, Taichung Xinxue High School, Hsinchu Chingde High School</td>
</tr>
<tr>
<td>2010</td>
<td>Chiayi Dangshi High School, Changhua Arts High School, Hsinchu Yingde High School</td>
</tr>
<tr>
<td>2009</td>
<td>Taichung Cheng-Kung Commercial &amp; Aquaculture Vocational High School, Meihe High School, Dongshi High School</td>
</tr>
<tr>
<td>2008</td>
<td>Taichung Agricultural High School, Yilan Zhongdiao High School</td>
</tr>
<tr>
<td>2007</td>
<td>Hualien Experimental Physical Education High School, Chiayi Dangshi High School</td>
</tr>
</tbody>
</table>
6.4 Arts and Humanities Series

For Mother—Mother’s Day Music Concerts

May is a month in which we thank our mothers for their dedications. E.SUN embraces an organizational culture that encourages employees to love in time, and always embrace the corporate culture: “contentment, cherishing relationships, and gratitude.” In 2015, E.SUN hosted two music concerts for mothers the day before Mother’s Day, one in Taoyuan and the other in New Taipei City. The concerts were performed by the E.SUN Choir Group, ProArte, Zhuang Jing Elementary School, and Chi-Jen Primary School. Employees’ mothers and customers were invited to listen to our expression of gratitude for the love and dedication mothers have devoted to their families.

E.SUN Choir Group is composed of E.SUN members who have great passion for music, culture, and art. The group is the one and only music group formed by members of the finance industry in Taiwan and also the only choir group to have performed, four times in total, in the National Performing Arts Center. As the song “Wishing You Happiness” begins during the concert, each member of the E.SUN Choir Group sang out their love for mothers in the most sincere, appreciative manner. At the same time, bunches of single carnations were handed out to all present mothers to wish them a happy Mother’s day. The performance touched the hearts of many mothers in attendance.

Vienna Boys’ Choir

Sponsored by E.SUN Bank, the Vienna Boys’ Choir with over 500 years of history was able to perform for the fifth time in Taiwan. Through their numerous Taiwan performances, the choir group has gained popularity among Taiwanese citizens and has become highly anticipated by their local fans. In 2015, led by the overseas Chinese conductor and member of the Haydn Group, Chih-Bing Tseng, the choir group performed 6 concerts in Taiwan and provided their fans with musical feasts of moving melodies. This time, we especially cooperated with the Chiayi and Tainan City Social Affairs Bureaus, and invited disadvantaged groups to attend the concert. Through these performances and the beautiful voices of these angelic singers, we hope to instill beauty and warmth into society.

Yilan International Children’s Folklore and Folkgame Festival

For six years in a row, E.SUN has cooperated with Yilan municipal government in hosting the Yilan International Children’s Folklore and Folkgame Festival. With “flying” as its central theme, the festival offers a wide variety of activities to the public, including water activities and DIY courses. TV anime Heaven Kid, the first Taiwanese film that received the Houston Film Critics Society Award was also aired at the festival, which contributed greatly towards boosting the tourism industry and local culture of Yilan.

Cello Seeking For A Bride

E.SUN Bank collaborated with renowned Taiwanese cello player, Cheng-Chieh Chang, in hosting the E.SUN Music Concert: Single Cello Seeks Mate. With children as the target audience, the concert was both creative and clever, using cello along with various other musical instruments to vividly provide a performance of classical music. Four sessions of music performances were held in Taichung, Tainan, and Taipei and attended by parents and their children. These performances promoted parent-child interactions and inspired children to let their imaginations run wild. To extend our love and care for the society, children who have a passion for music but are lacking in musical resources were also invited to attend the performance.
**Disney Frozen Exhibition**

In 2015, we sponsored the Disney Frozen Exhibition held at the Chiang Kai-shek Memorial Hall and provided charity tickets to Taipei City Social Affairs Bureau to invite 1,000 disadvantaged children to attend the rare event. By using an entertainment-based educational approach, children were introduced into the iconic scenes of Frozen, a film released by Walt Disney Pictures. The event delivered warmth and happiness amidst the cold winter, allowing children to experience the fun and courage of the Frozen world.

**National Theater and National Concert Hall Art of Zero Distance - Dream Come True Project**

In conjunction with the National Theater and National Concert Hall Art of Zero Distance - Dream Come True Project, E.SUN invited 282 teachers and students from junior high schools in remote areas of Taoyuan, including the Da Gang Junior High School, Hsing-Fu Junior High School, Cao Ta Junior High School, and Zhuwei Junior High School, to attend the Film Music in Concert event, a concert performed by musicians with physical and mental disabilities at the National Performing Arts Center. This event not only inspired people’s passion for life, but also opened the spiritual window through music melodies close the gap between performers and audience, thereby providing heartwarming care and spreading the power of love.

**Dream Mall Giant Balloon Parade**

For 6 consecutive years, E.SUN has participated in hot air balloon events to promote the local tourism of Taiwan. This year, E.SUN sponsored the event at Dream Mall in Kaohsiung. 120 E.SUN employees with Japanese lucky cat hot air balloons were available to interact with the participating guests and celebrate the coming of a brand new year.
Appendix 1: Comparative table of GRI (Global Reporting Initiative) G4 indicators

<table>
<thead>
<tr>
<th>G4 Content Index</th>
<th>Reference</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-1</td>
<td>Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization’s strategy for addressing sustainability.</td>
<td>A Message from the Chairman</td>
</tr>
<tr>
<td>G4-2</td>
<td>Provide a description of key impacts, risks, and opportunities.</td>
<td>2.7 Risk Management</td>
</tr>
<tr>
<td>G4-3</td>
<td>Report the name of the organization.</td>
<td>1.1 Brand Vision</td>
</tr>
<tr>
<td>G4-4</td>
<td>Report the primary brands, products, and services.</td>
<td>1.1 Brand Vision</td>
</tr>
<tr>
<td>G4-5</td>
<td>Report the location of the organization’s headquarters.</td>
<td>1.1 Brand Vision</td>
</tr>
<tr>
<td>G4-6</td>
<td>Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.</td>
<td>1.1 Brand Vision</td>
</tr>
<tr>
<td>G4-7</td>
<td>Report the nature of ownership and legal form.</td>
<td>2.3 Business Performance</td>
</tr>
<tr>
<td>G4-8</td>
<td>Report the market served (including geographic breakdown, sector served, and types of customers and beneficiaries).</td>
<td>2.4 Human Resources Structure</td>
</tr>
<tr>
<td>G4-9</td>
<td>Report the total number of employees by employment type and gender.</td>
<td>1.1 Brand Vision 2.3 Business Structure</td>
</tr>
<tr>
<td>G4-10</td>
<td>Report the total number of employees by employment contract and gender.</td>
<td>2.4 Human Resources Structure</td>
</tr>
<tr>
<td>G4-11</td>
<td>Report the organization’s supply chain.</td>
<td>4.2 Employee Relations</td>
</tr>
<tr>
<td>G4-12</td>
<td>Report any significant changes during the reporting period regarding the organization’s size, structure, ownership, or its supply chain, including:</td>
<td>5.3 Vendor Management</td>
</tr>
<tr>
<td></td>
<td>1. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions.</td>
<td>No significant change in organization in 2015</td>
</tr>
<tr>
<td></td>
<td>2. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).</td>
<td></td>
</tr>
<tr>
<td>G4-13</td>
<td>Report whether and how the precautionary approach or principle is addressed by the organization.</td>
<td>2.8 Responsible Lending and Investment</td>
</tr>
<tr>
<td>G4-14</td>
<td>List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or on which it endorses.</td>
<td>6 Environmental Protection</td>
</tr>
<tr>
<td>G4-15</td>
<td>List membership of associations (such as industry associations) and national or international advocacy organizations in which the organization participates.</td>
<td>2.6 Business Integrity</td>
</tr>
<tr>
<td>G4-16</td>
<td>List all entities included in the organization’s consolidated financial statements or equivalent documents.</td>
<td>About this Report</td>
</tr>
</tbody>
</table>

Appendix 2: Comparative table of GRI (Global Reporting Initiative) G4 indicators

Identified Material Aspects and Boundaries

<table>
<thead>
<tr>
<th>G4 Content Index</th>
<th>Reference</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-18</td>
<td>Report the process for defining the report content and the Aspect Boundaries.</td>
<td>Analysis of Material Issue</td>
</tr>
<tr>
<td>G4-19</td>
<td>List all the material aspects identified in the process for defining report content.</td>
<td>Analysis of Material Issue</td>
</tr>
<tr>
<td>G4-20</td>
<td>For each material aspect, report the Aspect Boundary within the organization.</td>
<td>Analysis of Material Issue</td>
</tr>
<tr>
<td>G4-21</td>
<td>For each material aspect, report the Aspect Boundary outside the organization.</td>
<td>Analysis of Material Issue</td>
</tr>
<tr>
<td>G4-22</td>
<td>Report the effect of any re-statement of information provided in previous reports, and the reasons for such re-statements.</td>
<td>Analysis of Material Issue</td>
</tr>
<tr>
<td>G4-23</td>
<td>Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.</td>
<td>None</td>
</tr>
</tbody>
</table>

Stakeholder Engagement

| G4-24 | Report a list of stakeholder groups engaged by the organization. | Analysis of Material Issue |
| G4-25 | Report the basis for identification and selection of stakeholders with whom to engage. | Analysis of Material Issue |
| G4-26 | Report the organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. | Analysis of Material Issue |
| G4-27 | Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns. | Analysis of Material Issue |

G4-28 | Reporting period (such as fiscal or calendar year) for information provided. | About this Report |
| G4-29 | State most recent previous report (if any). | About this Report |
| G4-30 | Reporting cycle (such as annual, biennial). | About this Report |
| G4-31 | Provide the contact point for questions regarding the report or its contents. | About this Report |
| G4-32 | Report the ‘in accordance’ option the organization has chosen. | About this Report |
| G4-33 | Report the policy and current practice with regard to seeking external assurance for the report. | Appendix 4 Assurance |

G4-34 | Report the governance structure of the organization, including committees of the highest governance body. | 2.5 Corporate Governance |
| G4-36 | Report whether the organization has appointed an executive level position or positions with responsibility for economic, environmental and social topics. | |
| G4-38 | Report the composition of the highest governance body and its committees. | 2.5 Corporate Governance |
| G4-40 | Report processes for the highest governance body to ensure conflicts of interest are disclosed. | 2.5 Corporate Governance |
| G4-41 | Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration. | 2.5 Corporate Governance |

Corporate Governance
Appendix 2: Comparative table of GRI (Global Reporting Initiative)

### G4 indicators of financial service sector

<table>
<thead>
<tr>
<th>Aspect</th>
<th>GRI category</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product and service information</td>
<td>G4-PR1</td>
<td>Type of product and service information required by the organization and procedures for product and service information and labeling, and percentage of significant products and service categories subject to such information requirements.</td>
</tr>
<tr>
<td>Marketing communications</td>
<td>G4-PR2</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.</td>
</tr>
<tr>
<td>Customer privacy</td>
<td>G4-PR3</td>
<td>Total number of substantiated complaints regarding breaches of customer privacy analyses of customer data.</td>
</tr>
<tr>
<td>Compliance with laws</td>
<td>G4-PR4</td>
<td>Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.</td>
</tr>
<tr>
<td>Customer health and safety</td>
<td>G4-PR5</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.</td>
</tr>
<tr>
<td>Compliance with laws</td>
<td>G4-SO3</td>
<td>Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.</td>
</tr>
<tr>
<td>Anti-corruption</td>
<td>G4-SO4</td>
<td>Communication and training on anti-corruption policies and procedures.</td>
</tr>
<tr>
<td>Compliance with laws</td>
<td>G4-SO5</td>
<td>Confirmed incidents of corruption and actions taken.</td>
</tr>
<tr>
<td>Local community</td>
<td>G4-SO9</td>
<td>Percentage of operations with implemented local community engagement, impact assessments, and development programs.</td>
</tr>
<tr>
<td>Formal grievance mechanisms of Human rights</td>
<td>G4-HR12</td>
<td>Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.</td>
</tr>
</tbody>
</table>

### G4 special disclosure of social – product and service labelling, local community

<table>
<thead>
<tr>
<th>Category</th>
<th>G4 indicators</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMA</td>
<td>F51</td>
<td>Procedures for assessing and screening environmental and social risks in business lines.</td>
</tr>
<tr>
<td>Material product portfolio</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit</td>
<td>F50</td>
<td>Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.</td>
</tr>
<tr>
<td>Active participation</td>
<td>F51</td>
<td>Percentage and number of companies held in the institution’s portfolio with the reporting organization has interacted on environmental or social issues.</td>
</tr>
<tr>
<td></td>
<td>F52</td>
<td>Percentage of assets subject to positive and negative environmental or social screening.</td>
</tr>
<tr>
<td></td>
<td>F53</td>
<td>Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advise on voting.</td>
</tr>
<tr>
<td>CSR</td>
<td>F15</td>
<td>Policies for the fair design and sale of financial products and services.</td>
</tr>
<tr>
<td></td>
<td>F16</td>
<td>Policies to enhance financial literacy by type of beneficiary.</td>
</tr>
<tr>
<td>G4 - Society-Local community</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>F13</td>
<td>Allocation of funds to improve access to financial services for disadvantaged people.</td>
</tr>
<tr>
<td></td>
<td>F16</td>
<td>Policies to enhance access to financial services for disadvantaged people.</td>
</tr>
</tbody>
</table>

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### Table 2: Comparative table of GRI (Global Reporting Initiative)

<table>
<thead>
<tr>
<th>Category</th>
<th>GRI indicator</th>
<th>Reference</th>
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<tbody>
<tr>
<td>Material product portfolio</td>
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<td></td>
</tr>
<tr>
<td>Audit</td>
<td>F50</td>
<td>Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.</td>
</tr>
<tr>
<td>Active participation</td>
<td>F51</td>
<td>Percentage and number of companies held in the institution’s portfolio with the reporting organization has interacted on environmental or social issues.</td>
</tr>
<tr>
<td></td>
<td>F52</td>
<td>Percentage of assets subject to positive and negative environmental or social screening.</td>
</tr>
<tr>
<td></td>
<td>F53</td>
<td>Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advise on voting.</td>
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</tbody>
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### Table 3: Comparative table of GRI (Global Reporting Initiative)

<table>
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<tr>
<th>Category</th>
<th>GRI indicator</th>
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<tr>
<td>Material product portfolio</td>
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<td></td>
</tr>
<tr>
<td>Audit</td>
<td>F50</td>
<td>Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.</td>
</tr>
<tr>
<td>Active participation</td>
<td>F51</td>
<td>Percentage and number of companies held in the institution’s portfolio with the reporting organization has interacted on environmental or social issues.</td>
</tr>
<tr>
<td></td>
<td>F52</td>
<td>Percentage of assets subject to positive and negative environmental or social screening.</td>
</tr>
<tr>
<td></td>
<td>F53</td>
<td>Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advise on voting.</td>
</tr>
</tbody>
</table>

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### Table 4: Comparative table of GRI (Global Reporting Initiative)

<table>
<thead>
<tr>
<th>Category</th>
<th>GRI category</th>
<th>Reference</th>
</tr>
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<tr>
<td>Material product portfolio</td>
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<td></td>
</tr>
<tr>
<td>Audit</td>
<td>F50</td>
<td>Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.</td>
</tr>
<tr>
<td>Active participation</td>
<td>F51</td>
<td>Percentage and number of companies held in the institution’s portfolio with the reporting organization has interacted on environmental or social issues.</td>
</tr>
<tr>
<td></td>
<td>F52</td>
<td>Percentage of assets subject to positive and negative environmental or social screening.</td>
</tr>
<tr>
<td></td>
<td>F53</td>
<td>Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advise on voting.</td>
</tr>
</tbody>
</table>
Appendix 3: CSR best-practice principles for listed and OTC traded companies

<table>
<thead>
<tr>
<th>Chapter</th>
<th>General Guideline</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1</td>
<td>General Guideline</td>
<td>Disclose the goal, entity applied to, and principles of best practices.</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>Corporate Governance</td>
<td>Regulate and promote corporate governance.</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Environmental Protection</td>
<td>Regulate practices for sustainability.</td>
</tr>
<tr>
<td>Chapter 4</td>
<td>Social Responsibilities</td>
<td>Regulate practices for social welfare.</td>
</tr>
<tr>
<td>Chapter 5</td>
<td>Disclosure</td>
<td>Regulate and enhance disclosure of CSR.</td>
</tr>
<tr>
<td>Chapter 6</td>
<td>Appendix</td>
<td>Regulate and improve the existing CSR system.</td>
</tr>
</tbody>
</table>

Appendix 4: Comparative table of ISO 26000 terms

<table>
<thead>
<tr>
<th>Category</th>
<th>Content</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human rights</td>
<td>Decision-making process and structures</td>
<td>Sustainable Development</td>
</tr>
<tr>
<td></td>
<td>Due diligence</td>
<td>Social Responsibility</td>
</tr>
<tr>
<td></td>
<td>Human rights risk situations</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Avoidance of complicity</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Resolving grievances</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Discrimination and vulnerable groups</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Civil and political rights</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Economic, social and cultural rights</td>
<td>Social Responsibility</td>
</tr>
<tr>
<td></td>
<td>Fundamental principles and rights at work</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td>Labor Practices</td>
<td>Employment and employment relationships</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Conditions of work and social protection</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Social dialogue</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Health and safety at work</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Human development and training in the workplace</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td>Environment</td>
<td>Prevention of pollution</td>
<td>Environmental Protection</td>
</tr>
<tr>
<td></td>
<td>Sustainable resource use</td>
<td>Environmental Protection</td>
</tr>
<tr>
<td></td>
<td>Climate change mitigation and adaptation</td>
<td>Environmental Protection</td>
</tr>
<tr>
<td></td>
<td>Protection of the environment, biodiversity and restoration of natural habitats</td>
<td>Environmental Protection</td>
</tr>
<tr>
<td>Fair Operating Practices</td>
<td>Ant-corruption</td>
<td>Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Responsible political involvement</td>
<td>Investor Relationship</td>
</tr>
<tr>
<td></td>
<td>Fair competition</td>
<td>Investor Relationship</td>
</tr>
<tr>
<td></td>
<td>Promoting social responsibility in the value chain</td>
<td>Sustainable Development</td>
</tr>
<tr>
<td></td>
<td>Respect for property rights</td>
<td>Investor Relationship</td>
</tr>
<tr>
<td>Consumer issues</td>
<td>Fair marketing, factual and unbiased information and fair contractual practices</td>
<td>Customer Care</td>
</tr>
<tr>
<td></td>
<td>Protecting consumers’ Health and safety</td>
<td>Customer Care</td>
</tr>
<tr>
<td></td>
<td>Consumer service, support and complaint and dispute resolution</td>
<td>Customer Care</td>
</tr>
<tr>
<td></td>
<td>Consumer data protection and privacy</td>
<td>Customer Care</td>
</tr>
<tr>
<td></td>
<td>Access to essential services</td>
<td>Customer Care</td>
</tr>
<tr>
<td></td>
<td>Educational and awareness</td>
<td>Customer Care</td>
</tr>
<tr>
<td>Community involvement and Development</td>
<td>Community involvement</td>
<td>Social Responsibility</td>
</tr>
<tr>
<td></td>
<td>Education and culture</td>
<td>Social Responsibility</td>
</tr>
<tr>
<td></td>
<td>Employment creation and skills development</td>
<td>Social Responsibility</td>
</tr>
<tr>
<td></td>
<td>Technology development and access</td>
<td>Social Responsibility</td>
</tr>
<tr>
<td></td>
<td>Wealth and income creation</td>
<td>Social Responsibility</td>
</tr>
<tr>
<td></td>
<td>Health</td>
<td>Investor Relationship</td>
</tr>
<tr>
<td></td>
<td>Social investment</td>
<td>Investor Relationship</td>
</tr>
</tbody>
</table>
Appendix 5: Comparative table of terms in the UN Global Compact

<table>
<thead>
<tr>
<th>Category</th>
<th>Content</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights</td>
<td>Businesses should support and respect the protection of internationally proclaimed human rights.</td>
<td>4. Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Businesses should make sure that they are not complicit in human-rights abuses.</td>
<td>4. Employee Welfare</td>
</tr>
<tr>
<td>Labor</td>
<td>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</td>
<td>4. Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Businesses should uphold the elimination of all forms of forced and compulsory labour.</td>
<td>4. Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Businesses should uphold the effective abolition of child labour.</td>
<td>4. Employee Welfare</td>
</tr>
<tr>
<td></td>
<td>Businesses should uphold the elimination of discrimination in respect of employment and occupation.</td>
<td>4. Employee Welfare</td>
</tr>
<tr>
<td>Environment</td>
<td>Businesses should support a precautionary approach to environmental challenges.</td>
<td>5. Responsible Business Leadership</td>
</tr>
<tr>
<td></td>
<td>Businesses should undertake initiatives to promote greater environmental responsibility.</td>
<td>5. Environmental Protection</td>
</tr>
<tr>
<td></td>
<td>Business should encourage the development and diffusion of environmentally friendly technologies.</td>
<td>2.8 Business Strategy</td>
</tr>
<tr>
<td>Anti-Corruption</td>
<td>Businesses should work against corruption in all its forms, including extortion and bribery.</td>
<td>2.6 Business Integrity</td>
</tr>
</tbody>
</table>

Appendix 6: Assurance opinion

INDEPENDENT ASSURANCE OPINION STATEMENT
2015 E.Sun Financial Holding Company LTD. Corporate Social Responsibility Report

The British Standards Institution is independent to E.Sun Financial Holding Company 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 assurance of this report.

This independent assurance opinion statement has been prepared for E.Sun FHC only for the purposes of assuring its statements relating to its corporate social responsibility (CSR), more particularly described in the Scope below. It was 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 following:
1. The assurance covers the whole report focused on systems and activities during the 2015 calendar year on the E.Sun FHC headquarter and subsidiary companies, including E.Sun Bank, E.Sun Securities, E.Sun Venture Capital Company and E.Sun Insurance Brokers Company. Furthermore, social information is derived from E.Sun Foundation and E.Sun Volunteer Foundation as well as 4 subsidiary companies. The environmental information for water and energy usages are derived from Taipai city E.Sun financial building and other banking offices.
2. The evaluation of the nature and extent of the E.Sun FHC’s adherence to all three AA1000 Accountability Principles in this report as conducted in accordance with type 1 of AA1000AS (2008) assurance engagement and therefore, the information/data disclosed in the report is verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement
We conclude that the 2015 E.Sun FHC Corporate Social Responsibility Report provides a fair view of the E.Sun FHC CSR programme and performances during 2015. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the FHC and the sample taken. We believe that the 2015 economic, social and environmental performance indicators are fairly represented. The CSR performance indicators disclosed in the report demonstrate E.Sun FHC’s efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers in accordance with the AA1000 Assurance Standard (2008). We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide suitable evidence that E.Sun FHC’s description of their approach to AA1000 Assurance Standard and their self-declaration in accordance with the core option of GRI 04 guidelines were fairly stated.

Methodology
Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:
- a top management 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 and staffs on E.Sun FHC’s approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 12 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the report.
- an assessment of the company’s reporting and management processes concerning this reporting against the principles of Inclusivity, materiality and responsiveness as described in the AA1000 Accountability Principles Standard (2008).

Conclusions
A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness and the GRI sustainability reporting guidelines is set out below:

Inclusivity

This report has reflected a fact that E.SUN FHC is continuously seeking the engagement of its stakeholders. The participation of stakeholders has been continuously in developing and achieving an accountable and strategic response to sustainability. The reporting systems are being developed to deliver the required information. 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.

Materiality

E.Sun FHC has published sustainability information that enables its stakeholders to make informed judgments about the company’s management and performance. In our professional opinion the report covers the E.SUN FHC’s material issues, however, the future report should be further enhanced by the following areas:

— Considering stakeholders’ concerns and the latest development regarding environmental and social aspects in financial sector to enable the framework for future reporting in sustainability.

Responsiveness

E.Sun FHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for E.Sun FHC is developed and provides the opportunity to further enhance E.Sun FHC’s responsiveness to stakeholder concerns. Issues that concern the stakeholders have been responded timely. In our professional opinion the report covers the E.Sun FHC’s responsiveness issues, however, the future report should be further enhanced by the following areas:

— Encouraging to work towards a type 2 of AA1000AS (2008) engagement with a view to providing the reliability of sustainability performance information that stakeholders concern.

GRI-reporting

E.Sun FHC provided us with their self-declaration in accordance with the Guidelines: the Core option (at least one indicator related to each identified material aspect). Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index are reported, partially reported or omitted. In our professional opinion the self-declaration covers the E.Sun FHC’s social responsibility and sustainability issues, however, the future report will be improved by the following areas:

— Continuously focus on the implementation of CSR procedure and programs as to correspond to the updated relevant guidelines.

Assurance level

The moderate level assurance provided is in accordance with AA1000 Assurance Standard (2008) in our review, as defined by the scope and methodology described in this statement.

Responsibility

This CSR report is the responsibility of the E.Sun FHC’s CEO 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 and Carbon Footprint Verifiers experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including AA1000 AS, IS014001, CHSAS18001, IS014064 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 Far Trading Code of Practice.

For and on behalf of BSI:

Peter Pu
Managing Director BSI Taiwan
06 May, 2016

Taiwan Headquaters: 5F Floor, No. 39, Rui Fu Rd, Neihu Dist., Taipei 111, Taiwan, R.O.C.

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INDEPENDENT AUDITOR’S LIMITED ASSURANCE REPORT

The Board of Directors and Shareholders
E.SUN Financial Holding Co., Ltd.

We have performed a limited assurance engagement on the selected subject matter information (see Appendix A) in the Corporate Social Responsibility Report (“the Report”) of E.SUN Financial Holding Co., Ltd. (“the Company”) for the year ended December 31, 2015.

Responsibilities of Management for the Report

Management is responsible for the preparation of the Report in accordance with Taiwanese Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies and the G4 Sustainability Reporting Guidelines published and Sector Guidance by the Global Reporting Initiative (GRI) and other applicable rules according to its sector features, and for such internal control as management determines is necessary to enable the preparation of the Report that are free from material misstatement.

Auditor’s Responsibilities for the Limited Assurance Engagement performed on the Report

We conducted our work on the selected subject matter information (see Appendix A) in the Report in accordance with the International Standard on Assurance Engagements (ISAE) 3000 to issue a limited assurance report on the preparation, in all material respects, of the Report. The nature, timing and extent of procedures performed in a limited assurance engagement are different and more limited than a reasonable assurance engagement and, therefore, a less assurance level is obtained than a reasonable assurance.

We applied professional judgment in the planning and conduct of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed included, but not limited to:

— Obtaining and reading the Report.
— Inquiries of responsible management level and non-management level personnel to understand the policies and procedures for the preparation of the Report.
— Inquiries of persons responsible for the preparation of the Report to understand the process, controls, and information systems in the preparation of the selected subject matter information.
— Analyzing and evaluating, on a test basis, the documents and records supporting the selected subject matter information.

Independence and Quality Controls

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, the firm applies Statement of Auditing Standards No. 46 “Quality Control for Public Accounting Firms” in the Republic of China and, accordingly, maintains a comprehensive system of quality controls, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected subject matter information in the Report are, in all material aspects, not prepared in accordance with the above mentioned reporting criteria.

Deloitte & Touche
Taiwan, Republic of China
June 14th, 2016

Member of Deloitte Touche Tohmatsu Limited
## Appendix A

### Summary of Selected Subject Matter Information

<table>
<thead>
<tr>
<th>#</th>
<th>GRI G4 Index</th>
<th>Descriptions of Indicators</th>
<th>Corresponding Section</th>
<th>Applicable Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GRI G4-EN29</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations</td>
<td>Appendix</td>
<td>Total number and monetary value of penalty of environmental laws and regulations</td>
</tr>
<tr>
<td>2</td>
<td>GRI G4-LA2</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation</td>
<td>Benefits and Protections</td>
<td>Benefits provided to full-time employees by significant locations of operation</td>
</tr>
<tr>
<td>3</td>
<td>GRI G4-LA3</td>
<td>Return to work and retention rates after parental leave, by gender</td>
<td>Human Resources Structure</td>
<td>Return to work and retention rates after parental leave, by gender</td>
</tr>
<tr>
<td>4</td>
<td>GRI G4-LA9</td>
<td>Average hours of training per year per employee by gender, and by employee category</td>
<td>Cultivation and Development</td>
<td>Average hours of training per year per employee by gender, and by employee category</td>
</tr>
<tr>
<td>5</td>
<td>GRI G4-LA13</td>
<td>Percentage of employees receiving regular performance and career development reviews, by gender and by employee category</td>
<td>Human Resources Structure</td>
<td>Percentage of employees receiving regular performance reviews, by gender, age group, and employee category</td>
</tr>
<tr>
<td>6</td>
<td>GRI G4-LA22</td>
<td>Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity</td>
<td>Human Resources Structure</td>
<td>Composition of governance bodies by gender, age group and educational background, breakdown of employees per employee category, by gender, age group and employee category</td>
</tr>
<tr>
<td>7</td>
<td>GRI G4-SCF</td>
<td>Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes</td>
<td>Appendix</td>
<td>Total number and monetary value of penalty of anti-competitive behavior, anti-trust, and monopoly practices</td>
</tr>
<tr>
<td>8</td>
<td>GRI G4-SCM</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations</td>
<td>Appendix</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations</td>
</tr>
<tr>
<td>9</td>
<td>GRI G4-PBI</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes</td>
<td>Protection of Customer Rights and Interests</td>
<td>Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship</td>
</tr>
<tr>
<td>10</td>
<td>GRI G4-PBB</td>
<td>Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services</td>
<td>Appendix</td>
<td>Total number and monetary value of penalty related to products and services</td>
</tr>
</tbody>
</table>

### Notice to Readers

For the convenience of readers, the independent auditor’s limited assurance report on the accompanying summary of selected subject matter information has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditor’s limited assurance report and summary of selected subject matter information shall prevail.