

O-Bank's Sustainable Credit and Investment Policy

Approved by the 9th meeting of the 9th Board of Directors on May 2, 2024

Article 1 Purpose

In order to follow the international "Equator Principles" and comply with the spirit of Environmental, Social and Governance (ESG), this policy is hereby adopted to implement the sustainable development of O-Bank, and incorporate the sustainable development goals into the Bank's credit and investment business.

Article 2 Scope of application

Credit cases of domestic and foreign business units, stock and bond investments of financial trading units, including OBU branches.

Article 3 Principle of sustainability

1. Continue to pay attention to the risks of climate and nature and the international trend of sustainable development, consider the changes in the business model and the overall environment, and provide the required financial products and services in a timely manner. Balance profits and social responsibilities, and fulfill the global citizenship responsibilities of environmental protection, social participation and corporate governance.
2. Based on the enterprise spirit of "Fulfilling Oneself by Benefiting Others", sustainable finance should be actively implemented in the O-bank's credit and investment business, and incorporate relevant risk factors into review considerations, and establish credit and investment principles with sustainable risk awareness.

Article 4 Credit and investment principles

1. Prudently assess the potential risks of the case to the environment, society, corporate governance, and nature through credit granting practices. Corporate credit cases need to examine the potential risks of the case to the environment, society, corporate governance, and nature based on the Bank's "Guidelines for Corporate Sustainability-linked Loans", and evaluate whether creditors are involved in environmental pollution, human rights violations, insufficient corporate governance or violation of integrity management, and other negative issues, or whether they belong to high-risk industries that have an adverse impact on the sustainable development of the environment and society. Personal credit cases need to assess the environmental risks in the area where the client's real estate collateral is located, as well as whether there are potential social risks in the client's identity, industry and use of funds based on the Bank's "Sustainable Credit Policy in Consumer Finance".
2. Supporting industries that are friendly to the environment and society, provide appropriate financing services to companies that are committed to reducing energy consumption, reducing pollution, or introducing environmental protection facilities, and encourage creditors to use resources for improving environmental, social, corporate governance, and climate and nature to promote the sustainable development of society.
3. For sensitive industries and other industries with environmental and social risks, due diligence should be investigated and carefully evaluated. If judged to be classified as ESG high-risk attributes and the application amount exceeds a certain amount of credit or investment cases, it will be listed as an object of prudence and strict risk management will be carried out.
4. The Bank's stock and bond investments must follow the bank's "Financial

Transactions Handbook" and "Equity Transactions Handbook", and introduce the concept of sustainable investment, including but not limited to: review of environmentally-oriented greenhouse gas emissions, energy conservation and nature conservation connections; social-oriented gender equality and employee training, etc.; governance-oriented board operation.

5. When handling credit and investment business, it is necessary to use various query tools to check whether customers or investment objects have encountered major negative news events such as environmental and ecological protection, product safety, industrial safety, labor rights and interests, corporate governance, and violations of human rights; If there is a relevant incident, the review or investment unit shall assess the impact of the negative incident and fully disclose it, and continue to track and evaluate the subsequent impact. In the case of credit granting, there will be discretion to downgrade the corporate credit rating, solicit appropriate collateral, and make improvements within a time limit.
6. A credit case applying the Equator Principles shall comply with the relevant regulations of the Equator Principles.

Article 5 Prohibited credit extension and investment objects

The credit and investment transaction objects shall comply with the relevant principles and spirit, and the transactions shall be prohibited for the following objects.

1. The sanctioned countries and the companies in that country listed in the announcement of the Legal and Compliance Division of O-Bank.
2. The target of the designated sanctions listed for violation of money laundering or capital terrorism as determined by foreign governments, international organizations, and domestic authorities.
3. Enterprises that engage in illegal weapons manufacturing and trading, illegal gaming, pornography, environmental damage and refuse to handle environmental impact assessments, and illegal hunting and killing of animals.

Article 6 Credit granting and investment industry management

1. The bank should identify environmentally and socially friendly industries and encourage increased credit and investment in related industries, including but not limited to: green energy, clean transportation, light emitting diode, pollution prevention, afforestation, green building, medical care services, education, infrastructure, and health.
2. Industries that are sensitive to environmental and social risks will be undertaken with caution, including but not limited to leather dyeing and finishing, oil and gas exploration and mining, oil refining, earth and rock mining, munitions, gaming, tobacco, pesticide and environmental medicine manufacturing, and high carbon emissions.
3. Industries with high climate risks should be identified and credit and investment in related industries should be gradually reduced, including but not limited to: petroleum and coal products, mining and earth and stone taking, fertilizer and nitrogen compound manufacturing, cement and its products manufacturing, steel manufacturing, aluminum manufacturing, animal husbandry, leather and fur finishing, textile, chemical raw materials manufacturing, pulp, paper and paper products manufacturing, pesticide and environmental medicine manufacturing, semiconductor, power generation, ocean shipping, and shipping. For industries with high climate risks, all credit and investment cases should fill in the "TCFD Climate Risk Checklist" to conduct climate risk assessment.

Article 7 Post-loan and post-investment management

1. The bank should pay attention to the current status of credit-granting

clients and investees, and review from time to time whether clients and investees are fulfilling their corporate responsibilities, improvement of environmental protection measures, and implementation of corporate governance. If it is unfavorable to the sustainable development of environment and society, it is necessary to find out and assist customers to improve.

2. For the sustainable performance of corporate credit customers and investees, the Bank should set key performance indicators and track them every year. The key performance indicators include credit and investment ratio targets for outstanding ESG performance, and credit and investment ratio targets for poor ESG performance. External sustainability assessments for reference include MSCI ESG Rating, Sustainalytics ESG Risk Rating, and TWSE Corporate Governance Evaluation.
3. If corporate credit customers or investees continue to fail to comply with this policy, the Bank should terminate credit transactions or dispose of investment if necessary.

Article 8 Other provisions

Any matters not set forth herein shall be governed by law and applicable regulations.

Article 9 Implementation and amendment

1. This policy will be implemented after being approved by the board of directors, and it will be the same when amended.
2. If Article 4 of this policy only involves the name change of the relevant provisions quoted, the president is authorized to revise it after approval.