

# **Mega Financial Holding Company Ltd.**

## **Sustainable Finance Policy**

### **Article 1 (Purpose and Basis)**

In order for Mega Financial Holding Company Ltd. to pursue the sustainable growth of the group and construct a blueprint for sustainable development, lead the Company and its subsidiaries in developing a business model that encompasses both economic growth and environmental protection, conform to the Sustainable Development Goals (SDGs) of the United Nations, and follow the international sustainable finance initiative and the relevant green finance policies promoted by the regulators, the Company specifically formulates this policy demonstrating how leading financial institution can leverage its core business to express the positive influence of a sustainable society and realize corporate social responsibility, improve financial inclusion, and foster the development and innovation of low-carbon economic industries.

### **Article 2 (Responsible department)**

The department responsible for this policy is the Business Development Department.

### **Article 3 (Applicable parties)**

This policy applies to the Company and its subsidiaries.

Subsidiaries mentioned in the preceding paragraph refer to other companies directly invested in by the Company and for which it holds more than 50% of the total issued voting shares or total capital, or for which more than half of its directors are directly appointed by the Company.

### **Article 4 (Compliance)**

The Company's and its subsidiaries' credit, investment, and insurance underwriting and ruling processes and product review management mechanisms shall be based on the sustainable financial scope and classifications defined by the regulator and be with reference to the relevant domestic and foreign sustainability standards, such as the Institutional Investor Stewardship Principles, the Bankers Association's Credit Regulations, the FSC's Green Finance Action Plan, the Equator Principles (EP), the Principals for Responsible Investment (PRI), the Principles for Sustainable Insurance (PSI), and the Principles for Responsible Banking (PRB), as well as other environmental, social, and governance principles, standards, and guidelines such as the IFC Performance Standards & EHS Guidelines, IFC Exclusion List and United Nations Convention on Biological Diversity(CBD).

In addition to the aforementioned principles, standards, and guidelines, the

Company and its subsidiaries' overseas branches shall also comply with local laws and regulations as well as the sustainable financial requirements of the supervisory authority.

#### Article 5 (Implementation principles)

The policy implementation principles are as follows:

##### 1. Sustainable financial products/services

To adapt to the development trends and classification principles of international sustainable finance initiatives and green finance and inclusive finance related policies set forth by the competent authority, we encourage the group's companies to offer low-carbon credit, investment, insurance underwriting, and related sustainable financial products, support companies with environmental protection, social responsibility, or sustainable governance, and assist customers in developing green energy industries and transforming into green economies in order to build a sustainable society.

##### 2. International initiative participation

We encourage the Company and its subsidiaries to proactively participate in and sign ESG-related international initiatives and principles.

##### 3. Operation management

The Company and its subsidiaries shall maintain an operating philosophy of honesty, accountability, and innovation, establish and continuously review and revise relevant management mechanisms, develop and grasp ESG strategies and objectives, assist customers in transforming into low-carbon economies, and utilize financial market power to promote sustainable development. ESG issues are incorporated into the credit, investment and insurance underwriting assessment and decision process, and the effectiveness to promote ESG is regularly reviewed in order to develop sustainable business talent, deeply cultivate a sustainable corporate culture, strengthen discussions on major topics of sustainability with all stakeholders, and improve ESG information disclosure.

The Company and its subsidiaries shall conduct due diligence and prudential assessment of customers and suppliers who have sustainable development disputes to reduce the risk of serious adverse effects on ESG and sustainable development.

##### 4. Risk management

The Company and its subsidiaries shall gradually incorporate climate change, biological diversity and other ESG-related risk factors into the risk management framework, identify risks that may impact corporate sustainability, and establish quantitative metrics and targets in order to

measure and monitor risk levels, manage overall risks according to risk appetite, and provide references for operation and management decision-making in accordance with established risk management processes.

#### 5. Leading sustainable value

In addition to formulating policies and administrative measures that incorporate ESG/SDGs considerations based on business characteristics, the Company and its subsidiaries shall promote internally through guidance, education, and training, and implementation of related processes, and actively lead customers, investors, and the public to create sustainable value.

#### Article 6 (Disclosure of information)

The effectiveness of this policy will be disclosed in the Company's Sustainability Report and external website in accordance with applicable international guidelines and will also be disclosed in relevant publications and at the regulator's request.

#### Article 7 (Miscellaneous)

The Company's subsidiaries shall establish relevant sustainable financial practices for their subsidiary companies to follow.

The subsidiary companies mentioned in the preceding paragraph refer to companies that comply with the provisions of Article 369-2 and Article 369-3 of the Company Act.

Each subsidiary company shall report the sustainable finance-related management regulations and measures established in accordance with this policy, if the approval level is the Board of Directors, to the Company's Sustainable Development Committee for future reference after they are reported for discussion and approved.

#### Article 8 (Matters not covered)

Any matter not covered by this policy shall be handled in accordance with relevant laws and regulations and the Company's relevant regulations.

#### Article 9 (Approval)

This policy shall enter into effect upon approval by the Board of Directors; the same is true for amendments and the repeal thereof.

#### Article 10 (Revision History)

This Policy was formulated on March 23, 2021. The first amendment was made on June 28, 2022. The second amendment was made on January 31, 2023.