



Sustainable Credit Principles for O-Bank

1. Purpose

In order to achieve the goal of sustainable operation and development, O-Bank deeply believes that the most important mission for a company is to pursue profit while at the same time caring for the environment and society. Therefore, for the purpose of complying with the international trend of sustainable development, ESG, and accomplishing a win-win vision for O-Bank and credit applicants, O-Bank actively works to fulfill corporate social responsibility in our credit business, seeks to build credit principles that reflect a consciousness of sustainable risk, and takes environmental, social, and governance (ESG) issues and related risk factors into consideration by upholding the enterprise spirit of “self-completion through benefiting others.”

2. Credit Principles and Credit Review

- (1) Credit is one of the main businesses of financial institutions. In order to comply with sustainable business concepts and to promote corporate social responsibility within our core competencies, O-Bank ought to operate in accordance with international Equator Principles regarding credit review matters.
- (2) O-Bank takes the Equator Principles and ESG concerns into consideration in conducting credit business so as to promote environmental and financial sustainability. O-Bank assesses the potential environmental, social, and corporate governance risks that loans could involve. In the corporate credit application process, credit applicants shall be reviewed to check whether they have been involved with negative issues like environmental pollution or human rights violations, or have been classified as a high-risk institution that has had an adverse impact on environmental or social sustainability. In personal credit applications, whether the use of loan proceeds complies with ESG principles shall be taken into consideration.
- (3) Once a credit application has been assessed and classified as posing a high ESG risk due to the possibility of a significant impact on environment and society, if the credit line exceeds a designated amount, the applicant shall then be listed as a borrower to be dealt with cautiously, and rigorous credit risk management shall be undertaken.

(4) When undertaking credit operation and post-loan management, the credit analysis unit ought to actively utilize various inquiry tools to examine whether the credit applicant has been involved with significant negative incidents involving, for example, environmental protection, product safety, industrial safety, labor rights, corporate governance, or human rights. If such incidents have occurred, after assessing and fully disclosing the influence, the credit analysis unit ought to apply methods like downgrading the credit rating, collecting collateral, or requiring corrective action within a limited time period, and conduct follow-up assessments of any ongoing influence.

3. Mission

O-Bank will constantly make diligent efforts to carry out the Sustainable Credit Principles based on the principle and spirit of ESG, strike a proper balance between earning profits and fulfilling social responsibility, and will strive, as a citizen of the Earth, to properly fulfill the responsibility of environmental protection, social engagement, and corporate governance.