O-Bank’s Sustainable Credit and Investment Policy

Approved by the 9th meeting of the 21st Board of Directors on October 1, 2025

Article 1 Basis and purpose

In accordance with the United Nations Principles for Responsible Investment (PRI) and the United Nations Principles for Responsible Banking (PRB), in order to implement the Bank’s sustainable development and strengthen the Bank’s management of Environmental, Social and Governance (ESG) risks, this policy is formulated to incorporate the principles of sustainable development into the Bank’s credit and investment business.

Article 2 Scope of application

Credit cases of the Bank’s domestic and overseas business units (including OBU branches), medium- and long-term holdings (banking book) of stock and bond investments held by financial trading units (including all active and passive investments).

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 Promoting Sustainability of Corporate Loan and credits", 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 , and assess their ESG risk rating. 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. 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 , and assess its ESG rating.
3. 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.

4. 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 Bank’s 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.
4. The control objects specified in the Bank’s “Guidelines for Exclusion and Management of Coal and Unconventional Oil and Gas Related Industries”.
5. Forestry companies involved in logging in tropical rainforests, primary forests, and legally protected areas; companies engaged in palm oil production, manufacturing, and trade, but have not obtained the Roundtable on Sustainable Palm Oil (RSPO) certification or related certification for sustainable palm oil supply.
6. Fishing involves the use of drift nets or other destructive methods (such as electric shock, explosives, etc.) and the manufacture of drift nets.

Article 6 Asset class specific guidelines and management for credit and investment

1. Investment:
   (1) Scope: the medium- and long-term holdings (banking book) of stock and bond investments (including all active and passive investments).
   (2) Guiding principles:
   When investing in stocks and bonds, the Bank shall refer to the core spirit of the United Nations Principles for Responsible Investment (PRI) and incorporate the principles of responsible investment into investment analysis and decision-making. Based on the external sustainability evaluation results of the investee companies, the investee companies are divided into relatively good, ordinary and relatively poor ESG performance levels, and a ratio target is set to increase the Bank's investment positions with relatively good ESG performance and reduce investment positions with relatively poor ESG performance.
   For investee companies without external sustainability evaluation results, sustainability assessments should be conducted and their ESG ratings assessed.
      i. In principle, investments are not allowed for companies that are classified as high ESG risk classification. However, if investments are made in green bonds, social responsibility bonds, sustainable development bonds or sustainable development-linked bonds issued by high-risk ESG clients, a quota can be applied for on a case-by-case basis and

approved by the President.

ii. For companies that are classified as medium ESG risk classification, if the Bank wish to invest, it must state the reason and obtain approval from the President.

iii. For companies that are classified as low ESG risk classification, investment will be made according to general procedures.

2. Financing:
   (1) Scope: project financing and corporate financing.
   (2) Guiding principles:
   When undertaking corporate credit cases, the Bank shall refer to the core spirit of the United Nations Principles for Responsible Banking (PRB) and the international Green Loan Principles (GLP), carefully assess the ESG risks of corporate customers, and incorporate sustainable development factors into the credit review process. All corporate credit cases of the Bank are subject to sustainability assessments, and their ESG ratings are assessed based on the external sustainability evaluation results of corporate customers:
      i. In principle, companies that are classified as high ESG risk classification should not be accepted. However, exceptions may be made if the funds are used for green expenditures. If the credit application limit originally falls within the authority of a person below the President, it should be raised to the President for approval.
      ii. For companies with medium ESG risk classification, or companies with low ESG risk classification but relatively poor sustainability assessment from external results, in addition to using funds for green expenditures, financing control measures should be adopted for them (such as downgrading their corporate credit rating, requiring appropriate collateral on a case-by-case basis, requiring corrective action before a specified deadline, or increasing loan interest rates, etc.), and continuous tracking and assessment of subsequent impacts should be carried out to encourage companies to improve their ESG performance.
      iii. For companies with low ESG risk classification and relatively good sustainability assessment from external results, or for companies in environmentally and socially friendly industries, appropriate financing assistance, credit rating upgrades, or preferential terms and conditions may be provided.

   The green expenditure scope and financing control measures mechanism mentioned above shall be handled in accordance with the Bank's "Guidelines for Promoting Sustainability of Corporate Loan and credits".

Article 7 Sector specific guidelines and management for credit and investment

When handling investment and financing business, the Bank shall identify the industries to which the corporate credit clients and the investee companies belong, and conduct due diligence on their potential environmental, social and corporate governance risks, which shall serve as a reference for the Bank's investment and financing decisions, position management and assessment of risks and opportunities.

1. For environmentally friendly industries: Encourage increased credit and investment in related industries, including but not limited to: green energy, clean transportation, light-emitting diodes, pollution prevention, afforestation and green buildings.
2. For socially friendly industries: Encourage increased credit and investment in related industries, including but not limited to medical care services, education, infrastructure and health industries.

3. Industries with high climate and environmental risks:
   (1) High carbon emission industries
   Gradually reduce the credit and investment positions in high-carbon emission industries, and all high-carbon emission industry cases should conduct climate risk assessment. If the total score of the risk assessment reaches the standard for control measures, it must be handled in accordance with the control measures (for corporate customers, credit control measures include lowering the corporate credit rating, collecting appropriate collateral based on case-by-case consideration, improving within a time limit or increasing loan interest rates; for investment targets, the investment approval level should be raised to the approval of the President, and the climate risk and improvement status of the investment target must be re-evaluated annually to determine whether to continue holding the target). Related industries include but are not limited to semiconductors, electricity supplier, ocean transportation, petroleum and coal product manufacturing, mining and quarrying, fertilizer and nitrogen compound manufacturing, cement and its products manufacturing, basic iron and steel manufacturing, aluminum manufacturing, etc.
   (2) Industries that pose risks to the environment:
   Gradually reduce the credit and investment positions in environmental risk industries, and all environmental risk industry cases should conduct climate risk assessment. If the total score of the risk assessment reaches the standard for control measures, it must be handled in accordance with the control measures (for corporate customers, credit control measures include lowering the corporate credit rating, collecting appropriate collateral based on case-by-case consideration, improving within a time limit or increasing loan interest rates; for investment targets, the investment approval level should be raised to the approval of the President, and the climate risk and improvement status of the investment target must be re-evaluated annually to determine whether to continue holding the target). Related industries include but are not limited to animal husbandry, tanning and dressing of leather and pelts, textile industry, raw chemicals manufacturing, pulp and paper products manufacturing, pesticide and environmental agents manufacturing, petroleum and coal products manufacturing, mining and quarrying, fertilizer and nitrogen compound manufacturing, cement and its products manufacturing, basic iron and steel manufacturing, aluminum manufacturing, etc.
4. Industries that pose risks to the society: Credit and investment in related industries should be carefully assessed and subject to strict risk management. Relevant industries include but are not limited to munitions, gaming and betting activities, and tobacco industries.

Article 8 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 (KPIs) and track them every year. By regularly identifying implementation outcomes and measuring indicator performance, the Bank aims to achieve positive

contributions to sustainable financial results such as mitigating climate change, protecting biodiversity, protecting human rights, equity and inclusion and anti-corruption, etc. The Key Performance Indicators include financial carbon emission reduction targets, credit and investment ratio targets for outstanding ESG performance, and credit and investment ratio targets for poor ESG performance, etc. The relevant indicators can be set with reference to 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 9 Other provisions

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

Article 10 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.