

Cathay Financial Holdings Policy on Mutual Prosperity in Society

Formulated on 2017.03.16

Revised on 2022.05.13

Responsible Unit: Corporate Sustainability Office

Article 1 (Purpose of Formulation)

Cathay Financial Holdings (hereinafter referred to as CFH) formulated this policy for the purpose of conducting due diligence to fulfill the social responsibilities of the enterprise and responding to the needs of society by referencing Cathay Financial Holdings Corporate Sustainability Principles, Cathay Financial Holdings Corporate Sustainability Committee Organizational Regulations and Sustainable Development Goals (SDGs). This policy provides guidance on utilization of core competencies for promoting sustainability actions and creating good shared values and positive influence.

Article 2 (Applicable Scope)

The applicable scope of the policy includes CFH and its subsidiaries: Cathay Life, Cathay United Bank, Cathay Century, Cathay Securities, and Cathay SITE. (Hereinafter collectively referred to as every subsidiary company)

Article 3 (Basic Principles and Claims)

For the purpose of taking action to promote mutual prosperity in society, every subsidiary company shall continuously pay attention to the trends of corporate sustainability and know the operations of best practices according to the attributes of the financial industry. The major issues include brand image management (brand value assessment/brand management strategy), promotion of public welfare activity, and corporate social welfare strategy and effectiveness (social return).

Article 4 (Method of Realization)

- I. Every subsidiary company shall uphold the brand spirit of "Happiness is Giving Happiness" and evaluate as well as manage their impact on communities. Also, every subsidiary company and key stakeholders may form alliances for the organization of activities for mutual prosperity in society, donation-in-kind, participation in corporate volunteer services, or other public welfare cooperation to promote community development and mutual prosperity in society.
- II. Every subsidiary company shall focus their influence in their mutual prosperity in society on the themes of sustainability strategy development: climate, health, and empowerment, and their corresponding SDGs targets. This includes but not limited to relevant activities such as environmental protection, social initiatives, and education promotion.
- III. Every subsidiary company shall follow the principles of financial transparency, information disclosure, and engaging stakeholders to establish business and social-environmental influence

indicators for projects and also shall devise implementation plans and goals to promote such actions.

Article 5 (Disclosure)

CFH shall disclose relevant information on sustainability in its Corporate Sustainability Report, Shareholder Annual Report, and website to facilitate the communication between CFH and key stakeholders.

Article 6 (Formulation, Revision, Enforcement, and Repeal)

The formulation, revision or repeal of the policy shall be approved by the Board of Directors.

The policy is effective on the date of enforcement. The revision or repeal of the policy shall take effect on the date of revision or repeal.