GRI 2-22

Message from the Chairman

Chairman

蔡宏圖

Steadily navigating through change, Cathay FHC is committed to being a stable force for a prosperous Taiwan. We sincerely invite all sectors to join hands to create a better future—"Better Together"!

In 2025, the global political and economic landscape continued to undergo restructuring amid uncertainty. Changes in geopolitics and trade policies profoundly affected global supply chain configurations and economic momentum. Extreme weather intensified environmental pressures on water resources, biodiversity, and food production, significantly impacting energy supply, human health, and economic development. These factors accelerated the demand for industrial and financial system transformation and operational resilience. At the same time, the explosive growth of generative AI, while accelerating innovation applications, also amplified information security vulnerabilities, further challenging enterprises' investment pressures and risk resistance in the digital era. Additionally, the talent gap caused by an ultra-aging population and declining birth rates added long-term challenges and uncertainties to business operations. Amid multiple intertwined systemic risks, how enterprises can steer steadily forward and build long-term operational resilience has become a critical issue.

Facing external environmental uncertainties, Cathay FHC has transformed challenges into growth momentum through prudent management and precise market insight. We continue to fully align our three core business engines—insurance, banking, and asset management—with international standards, while steadily advancing our three sustainability pillars: climate, health, and empowerment. In this steady progress, we have translated our sustainability commitments into tangible achievements. In 2026, Cathay was selected for the S&P Global Sustainability Yearbook, ranking within the top 5% of the global insurance industry—a distinguished honor among more than 9,000 companies worldwide. We have also been included for eight consecutive years in the highest-level Dow Jones Sustainability World Index and have maintained an 11-year presence in the Emerging Markets Index. Additionally, Cathay received the highest AAA rating in the MSCI ESG assessment. In the third Sustainable Finance Evaluation, Cathay Life, Cathay United Bank, Cathay Century, Cathay Securities, and Cathay SITE—all five major subsidiaries—were recognized within the top 25% of the rankings. These accomplishments affirm our steadfast adherence to the right values. Looking ahead, Cathay FHC will continue to embrace the core spirit of "Better Together" by collaborating with stakeholders across all sectors, steadily advancing toward the vision of becoming a leading financial institution in the Asia-Pacific region.

Climate

Cathay FHC recognizes the critical role of the financial industry in guiding the transition to net zero and in nature conservation. In response to the dual challenges of climate and environmental change, we are committed to transforming the global sustainability agenda into tangible momentum for driving local industry transformation.

At the international initiative level, Cathay continues to exert influence on the global stage. In 2025, we were invited three times to the London Stock Exchange to share Asia's development potential in energy transition; we participated four times in Climate Week NYC, engaging in dialogues with leaders from various sectors to showcase the Taiwanese financial industry's commitment to climate and biodiversity; and for the fifth consecutive year, we took part in the United Nations Climate Change Conference (COP). Cathay is the only Taiwanese financial institution to have entered the COP Blue Zone three times, deepening dialogue with global industry, government, and academia, continuously enhancing our international influence and contributing Taiwan's wisdom and actions to global issues.

With a global perspective grounded in local engagement, the Group actively leverages its capital influence to drive industry-wide prosperity. Cathay FHC has hosted the "Cathay Sustainable Finance and Climate Change Summit" for nine consecutive years, fostering new competitiveness in sustainable finance from policy to enterprise. In its own net-zero transition, Cathay remains steadfast. As the first financial institution in Taiwan to commit to the RE100 initiative and the sixth in Asia to have its science-based carbon reduction targets approved by the Science Based Targets Initiative (SBTi), the Group continuously advances operational carbon reduction and extends carbon management to the core of its financial services. In 2025, Cathay became the industry's first financial institution to obtain "product carbon neutrality" certification for its insurance products. At the same time, Cathay continues to deepen sustainable supply chain management, hosting a sustainable suppliers conference with over 110 suppliers participating, jointly advancing the industry toward a low-carbon, sustainable future.

Health

Physical, mental, and financial well-being are the foundation of building social resilience. In response to the challenges posed by a super-aged society and the impact of digital technology, Cathay FHC regards "health" as a key solution to addressing social needs and is systematically developing a comprehensive health ecosystem.

In the area of personal health, Cathay Life has made a long-term commitment under the theme "Empower Your Health," integrating innovative insurance products and digital health platforms to promote mechanisms that extend the benefits of health insurance. This approach guides policyholders from "ex-post protection" toward "ex-ante prevention." At the same time, through the FitBack App, which has surpassed 1.7 million members, Cathay accompanies users in cultivating both physical and mental health habits. In 2025, this commitment was further extended to a nationwide initiative with the launch of the largest walking event in the financial industry, the "Cathay Walking Challenge," which attracted over 5,000 participants and encouraged the public to incorporate healthy behaviors into their daily lives.

In terms of financial health, in response to increasingly sophisticated and difficult-to-detect fraud schemes, Cathay FHC has consolidated Group resources to promote Cathay Shield. This initiative integrates knowledge education, technological monitoring, customer care, and cross-industry alliances to establish a comprehensive fraud prevention mechanism covering early warning, identification, and interception. It enhances abnormal behavior detection capabilities and connects digital and physical channels to create an all-encompassing financial protection network. Cathay FHC also actively extends its protective boundaries by assisting industry partners in strengthening operational resilience. Cathay Century pioneered the "Enterprise Risk Assessment System," which helps corporate clients identify potential risks in advance, thereby enhancing risk control, disaster prevention, and response capabilities, serving as a solid foundation for stable corporate development.

Empowerment

Talent is the key foundation for a company's sustainable development and the core driving force behind innovation and resilience. Cathay FHC firmly believes that a sustainable culture rooted in ESG Inside must ultimately be realized by people. Therefore, we regard cultivating future talent as a vital mission, continuously empowering youth, women, and underprivileged groups from employees to the broader society.

In workforce empowerment, facing a multigenerational and cross-disciplinary workplace, Cathay centers on the "Cathay Inclusive Town" to create a friendly environment characterized by transparent communication and psychological safety. The Group has established a robust empowerment mechanism that, through individual development plans, 360-degree competency feedback, and personality assessments, provides personalized support to employees for continuous improvement and growth. At the same time, flexible policies such as "FlexiPacing" are promoted to balance career development with family care, enabling employees to fully realize their potential in the right roles.

In terms of social empowerment, Cathay FHC continues to deepen its social impact through diverse initiatives. In "Youth Empowerment," the Group promotes financial literacy education in high schools, impact investing on campuses, and the popularization of critical thinking education. For six consecutive years, Cathay has held the "Cathay Climate Change Youth Forum," which, for the first time, integrated climate ethics and artistic expression to cultivate sustainable literacy and future competitiveness among the younger generation. In "Women's Empowerment," Cathay supports women in realizing their potential and self-worth through platforms such as the Academy for Women Entrepreneurs and the Women in Science & Technology Convention. In "Support for the Disadvantaged," the Group assists underprivileged students in overcoming financial difficulties, fostering a spirit of challenge, encouraging proposal development, and boldly pursuing their dreams through the Elevated Tree Program and the Cathay Dream Fulfillment Program for Schoolchildren.