

Cathay FHC's 2024 Human Rights Impact Management Report

The purpose of this report is to communicate information to stakeholders who are concerned with or affected by Cathay's human rights issues, regarding the company's implementation of human rights due diligence, mitigation measures, remediation procedures, and complaint mechanisms. The scope of this report covers our own operations, contractors and Tier I suppliers and joint ventures. The reporting period covers January 1, 2024, to December 31, 2024. Any deviations from this timeframe are addressed in the relevant sections.

1. Human Rights Related Policies

Cathay has always attached importance to human rights, and complies with the principles set forth in the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, UN Global Compact, and International Labour Organization, to fulfill our corporate social responsibility and protect the basic human rights of all employees, customers, and stakeholders. We respect internationally recognized basic human rights policies, including freedom of association, care for underprivileged groups, prohibition of using child labor, elimination of all forms of human trafficking, forced labor, and elimination of discrimination in employment. We strictly abide by local labor regulations and established the Cathay Financial Holdings Human Rights Policy.

We ensure that the Cathay Financial Holdings Human Rights Policy is implemented within Cathay to protect human rights. Cathay treats all employees with dignity and respects all employees, contracted, and part time workers. We also established the Cathay FHC Sustainable Procurement Policy and Corporate Social Responsibility Code of Practice for Suppliers and require suppliers to comply with the same standards. Human rights management policies are all disclosed on the official website of Cathay FHC to clearly communicate Cathay's emphasis and commitment to human rights management.

Policy and Declaration	Subjects	Policy Content
Cathay FHC's Declaration of Sustainability Values	Employees, Cathay FHC and its subsidiaries, suppliers, joint ventures, and other business partners	Cathay FHC (including Cathay FHC and its subsidiaries) uphold the core values of "Integrity, Accountability, and Innovation," and referenced international regulations such as the Organization for Economic Co- operation and Development (OECD) Guidelines for Multinational Enterprises and UN Global Compact, as well as the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies. We incorporated international principles of responsible investment and lending into related codes of conduct, human rights declaration, occupational safety and health and environment policies, and public welfare policy according to the Company's businesses and overall business activities. We summarized these policies into a "Value Declaration" that declares how Cathay will comply with professional ethics, lawfully and reasonably engage in business, and also dedicate efforts to lower environmental, social and governance risks. It is our goal to create benefits for the economy, society, and environment.

Policy and Declaration	Subjects	Policy Content
Cathay FHC Human Rights Policy	Employees, Cathay FHC and its subsidiaries, suppliers, joint ventures, and other business partners	Cathay FHC (including Cathay FHC and its subsidiaries) comply with the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, UN Global Compact, and International Labour Organization to fulfill our corporate social responsibility and protect the basic human rights of all employees, customers, and stakeholders. We describe our approach to the management of human rights in the Human Rights Policy.
Cathay FHC Sustainable Procurement Policy	Cathay FHC and its subsidiaries	Cathay FHC (including Cathay FHC and its subsidiaries) implemented sustainable procurement concepts of ISO 20400: Sustainable Procurement Guidance to jointly resolve social, economic, and environmental issues with suppliers, lower procurement risks, and create sustainable business opportunities. We require suppliers to take human rights management seriously, in order to achieve goals of supply chain sustainability management.
Corporate Social Responsibility Code of Practice for Suppliers	Suppliers	We expect all of our suppliers to fulfill their corporate social responsibility, and established the Corporate Social Responsibility Code of Practice for Suppliers, integrating ESG considerations to management potential supply chain risks. We have made a joint commitment with suppliers to abide by and attach importance to human rights issues, in order to implement our ESG value strategy.
Cathay FHC Code of Ethical Conduct	Employees, Cathay FHC and its subsidiaries	Cathay FHC (including Cathay FHC and its subsidiaries) strictly prohibits violations of human rights principles in the Code of Ethical Conduct, such as equal employment, prohibition of discrimination and harassment, and supporting the UN Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights, respecting internationally recognized basic human rights.
Cathay FHC Corporate Sustainability Principles	Cathay FHC and its directly and indirectly controlled subsidiaries	Cathay FHC (including Cathay FHC and its subsidiaries) attaches importance to ESG risks, value, and opportunities, and joins in the implementation of international principles, including human rights related international standards, based on the businesses and overall business activities of each company. We review and improve the corporate sustainability system established by each company on this basis to improve their corporate sustainability performance.
Cathay FHC Responsible Investment and Lending Policy	Cathay FHC and its subsidiaries	Cathay FHC (including Cathay FHC and its subsidiaries) increase the long- term value of investments/loans and lower related risks through important ESG information. We continue to monitor trends in responsible investment and lending, understand best practices, and review and improve the management system on this basis.

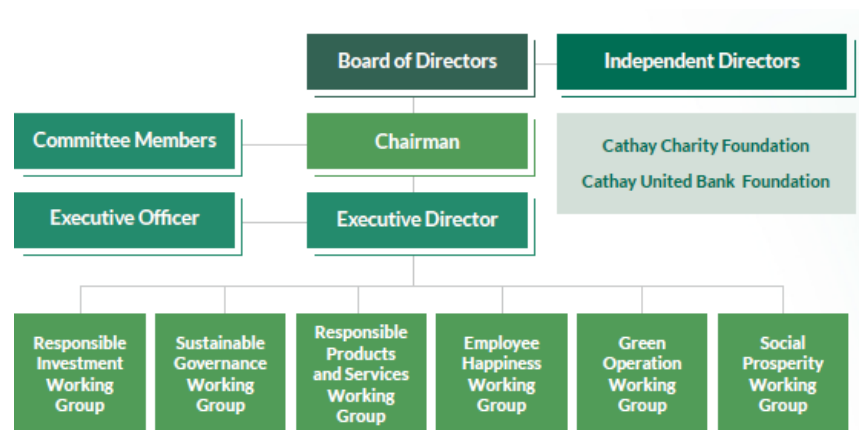
Cathay FHC Engagement Policy	Cathay FHC and its subsidiaries	Cathay FHC (including Cathay FHC and its subsidiaries) is supportive of sound corporate governance and values shareholders' rights and information transparency. Cathay FHC incorporates "Corporate Engagement and Shareholder Action" into the investment/lending process, providing the subject of engagement with insights about environmental, social and corporate governance to help the company make improvements, increase value or reduce the Company's risks. Cathay FHC fulfills the responsibilities of management after investing/lending and exerts its influence on responsible investment/lending.
Cathay FHC's Privacy Policy	Cathay FHC and its subsidiaries,	Cathay FHC (including Cathay FHC and its subsidiaries) strengthens personal data protection and management by collecting, processing, and using personal data, protecting the rights and privacy of customers, and lowering operational risks in accordance with the "Financial Holding Company Act", "Rules Concerning Cross-Selling by Financial Holding Company Subsidiaries", "Personal Data Protection Act", and other relevant regulations.

2. Reference Standards for Establishing Human Rights Related Policies

<ul style="list-style-type: none"> ● UN Universal Declaration of Human Rights ● UN Guiding Principles on Business and Human Rights ● International Labour Organization ● OECD Guidelines for Multinational Enterprises ● UN Global Compact ● Principles for Sustainable Insurance (PSI) ● Principles for Responsible Banking (PRB) ● Principles for Responsible Investment (PRI) 	<ul style="list-style-type: none"> ● Equator Principles (EPs) ● ISO 20400 Sustainable Procurement Guidelines ● Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies ● FSC Corporate Governance 3.0 – Sustainable Development Blueprint ● Labor Standards Act of Taiwan ● Act of Gender Equality in Employment ● Personal Data Protection Act
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3. Human Rights Management and Governance Framework

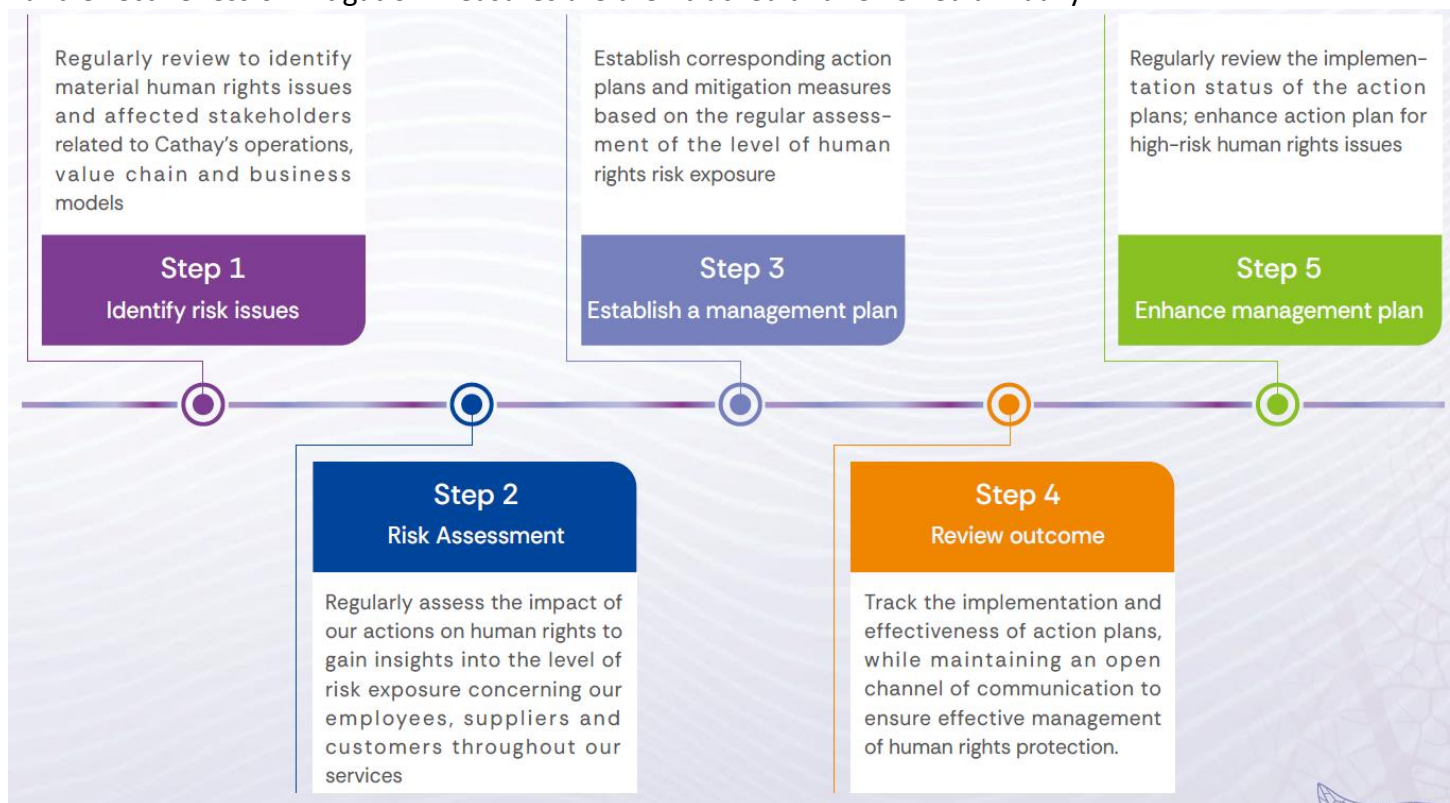
Cathay attaches importance to human rights issues and human rights management. Related issues involve a wide range of departments and units. Cathay FHC conducts due diligence and manages human rights risks of different subjects and human rights issues through six working groups under the Cathay CS Committee.



Employee	Employee Happiness Working Group Sustainable Governance Working Group Social Prosperity Working Group
Suppliers	Green Operation Working Group
Lending clients/ Investment targets and their supply chains	Responsible Investment Working Group
Customer	Responsible Products and Services Working Group
Joint ventures	Employee Happiness Working Group
Cathay's empowerment initiatives target, including youth, women, the elderly, and disadvantaged groups	Social Prosperity Working Group

4. Due Diligence Procedures

Cathay established the "Cathay FHC Human Rights Policy" to protect the basic human rights of all employees, customers, and stakeholders, and also established a human rights risk investigation process to periodically evaluate the impact of persons of interest and improve management. We took into consideration international human rights frameworks, the company's development strategy, and external trends, and selected risk issues after inquiring the opinions of stakeholders, including Cathay FHC's CS Committee, employees, and external consultants. Cathay conducts human rights due diligence on a regular basis. We examined the risk rating of each issue and identified high risk groups for management purposes. The implementation and effectiveness of mitigation measures are then tracked and reviewed annually.



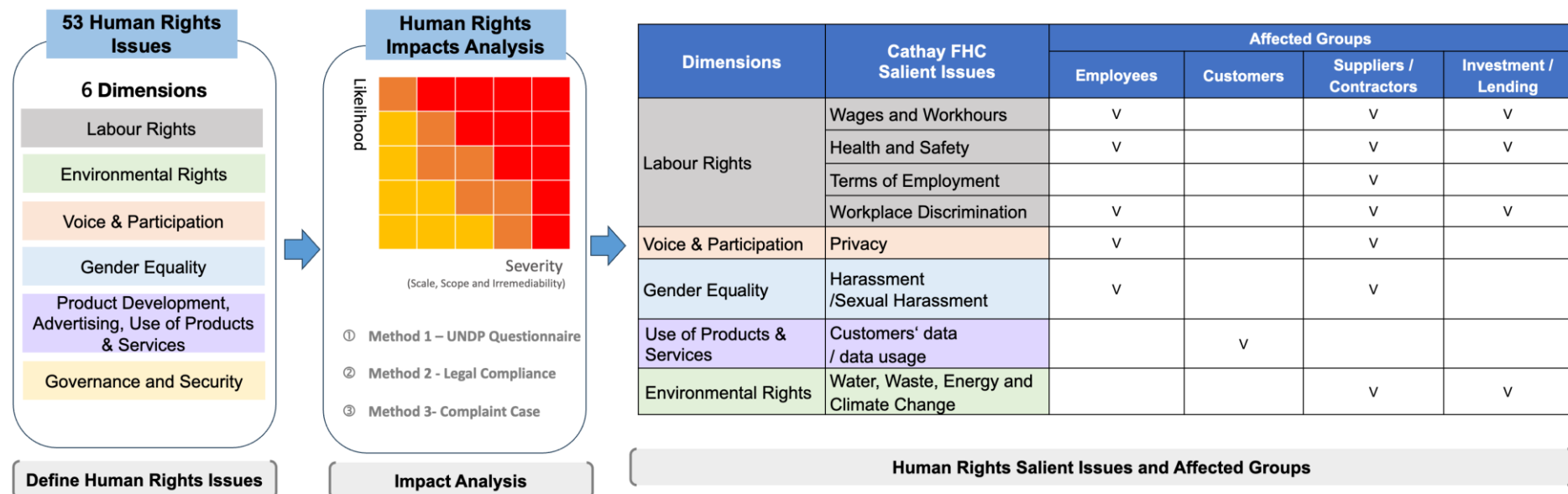
● Human Right Due Diligence Scope

The most recent due diligence was conducted in 2023. Cathay's Human Rights Due Diligence covers Cathay FHC's own operations, which include 703 sites across the group—691 business locations in Taiwan and 12 overseas branches and offices—along with 24 joint venture sites and its supply chain. As of the end of 2023, Cathay FHC had 1,227 suppliers.

5. Human Rights Risk/Impact Assessment Methods

● Human Rights Salient Issues

Cathay FHC has adopted a framework for addressing human rights issues in the financial industry, as proposed by the United Nations Development Programme (UNDP). This framework encompasses six dimensions—Labor Rights, Environmental Rights, Voice & Participation, Gender Equality, Product Development, Advertising & Use of Products & Services, and Governance & Security. It includes 53 indicators and utilizes a human rights impact matrix to identify salient issues based on two main axes: Severity and Likelihood. The framework also assesses the potential impact of these issues across the past, present, and future, using three factors: Scale, Scope, and Irremediability. By integrating compliance data and grievance cases, eight salient issues and vulnerable groups were identified for Cathay FHC's value chain.



- **Cathay's Human Rights Risk/Impact Assessment Methods**

Risk level	High risk severity	Medium risk severity	Low risk severity
High frequency	(3 , 3) High risk	(2 , 3) High risk	(1 , 3) Medium risk
Medium frequency	(3 , 2) High risk	(2 , 2) Medium risk	(1 , 2) Low risk
Low frequency	(3 , 1) Medium risk	(2 , 1) Low risk	(1 , 1) Low risk

(1) Risk severity: 3=High risk severity, 2=Medium risk severity, 1=Low risk severity]

(2) Frequency of occurrence: 3=High frequency, 2=Medium frequency, 1=Low frequency

(3) Risk level:

High risk	Human rights risks have a significant effect on stakeholders in the value chain
Medium risk	Operations and value chain infringe on the human rights of stakeholders and affect operations
Low risk	Potential or mild infringement on human rights by operations or value chain

- **Risk Assessment Overview**

Category	% of total assessed in last three years	% of total assessed where risks have been identified	% of risk with mitigation actions taken
Own operations	100	3.3	100
Contractors and Tier I suppliers	100	0	100
Joint ventures	100	0	100

Stakeholders	Risk issues	Stakeholders that may potentially be impacted	Risk assessment method	Source
Employee	Force labor, prolonged working hours	<ul style="list-style-type: none"> ✓ Own employees ✓ Female ✓ Indigenous ✓ people ✓ Migrant workers ✓ Employees with disabilities ✓ Interns ✓ Children 	<ul style="list-style-type: none"> ● Globally, employees that worked > 45 hours of overtime in a single month are determined to be high risk. ● At Taiwan operations site, the limits set by the Labor Standards Act are observed: extended working hours shall not exceed 4 hours per day and 46 hours per month. 	<ul style="list-style-type: none"> ● Work hours statistics
	Fair Wage		<ul style="list-style-type: none"> ● All compensation policies must comply with applicable local laws ● Fixed wages for full-time employees must cover decent living needs without reliance on excessive overtime or variable bonus income ● Salaries shall not differ on the basis of gender, sexual orientation, race, socioeconomic status, age, marital or family status, language, religion, political affiliation, nationality, appearance, physical features, or disability 	<ul style="list-style-type: none"> ● Employee compensation statistics ● Regular reviews of factors such as market benchmarks, overall economic conditions(e.g. inflation, CPI index)
	Occupational Safety and Health		<ul style="list-style-type: none"> ● The Occupational Safety and Health Committee is responsible for reporting on occupational safety issues and presenting its findings at Cathay FHC's monthly "administrative collaboration meetings" for prompt review of relevant strategies and progress on action plan implementation. ● Cathay FHC provides all employees with a free medical check-up once every 2 years, and analyzes' employees' health risks based on results ● Maternal healthy and safety: Workplace Maternity Healthcare Protection Program 	<ul style="list-style-type: none"> ● Occupational accident reporting ● Employee mental health survey ● Employee medical check-up results
	Diversity, inclusion, and equal opportunity (including discrimination, harassment, subconscious bias, workplace violence, human trafficking, child labor, freedom of association, and collective bargaining rights)		<ul style="list-style-type: none"> ● Discrimination/workplace misconduct: monitored via employee complaints and annual employee feedback ● Child labor: Age on the resume or registration data is reviewed ● Freedom of association: Protect the rights of all employees to participate in clubs and associations ● Collective bargaining: Cathay FHC conducts Labor-Management Meetings in compliance with the "Guidelines for Implementing Labor-Management Meeting." 	<ul style="list-style-type: none"> ● Employee grievance channels ● Percentage of employees represented by an Independent Trade Union

Customer	Customer Rights	✓Consumer finance customers ✓Corporate finance customers	<ul style="list-style-type: none"> ● Use Net Promoter Score (NPS) to measure brand loyalty and customer recommendation ● Each subsidiary has a dedicated Service Quality Team responsible for planning, promoting, and tracking service quality improvements. ● Treating Customers Fairly Committee holds biannual meetings with independent directors. At these meetings, the committee tracks important measurements, reviews how things are being put into action, checks on improvements, and reports the results to the board. 	<ul style="list-style-type: none"> ● Depending on the nature of the business, large-scale reputable market research firms are commissioned to conduct customer satisfaction surveys covering areas such as sales personnel performance, call center services, claims services, counter services, and online services. ● Regular monitoring of fair treatment practices
	Personal data protection		<ul style="list-style-type: none"> ● Cathay FHC has established the "Personal Information Management Committee" to incorporate personal data protection into the company's existing risk management framework. 	<ul style="list-style-type: none"> ● Number of personal data breach incidents tracked annually ● Number of cases fined for personal data violation incidents tracked annually ● Operational risk events ● Review issues (originated from personal data authentication, financial examination, and internal/external audits) ● Internal management mechanisms ● External whistleblowing mailbox

Lending clients/ Investment targets and their supply chains	Companies involved in controversial weapons, the adult entertainment industry, controversial conduct, or located in countries with significant human rights controversies or violations of international human rights consensus	✓Stakeholders of the investment and Lending, including those in its supply chain	<ul style="list-style-type: none"> The Responsible Investment Working Group of CFH's Corporate Sustainability Committee shall annually prepare an "Investment and Lending Exclusion List" comprising high environmental, social, and ethical risks according to the Standards for Areas of Concern(including Controversial industries, Controversial countries and Controversial behaviors). Every subsidiary shall be notified of the list after it is approved by the President under the authorization of the Board of Directors. 	<ul style="list-style-type: none"> Cathay Financial Holdings and Subsidiaries' Investment and Lending Exclusion Policy
	Human rights-related controversies, including but not limited to human rights concerns, negative impacts on local communities, or labor-related issues		<ul style="list-style-type: none"> CFH has established a comprehensive mechanism for pre-investment/lending review and engagements after Investment and Lending to assess the human rights risks. For details, please refer to the CFH 2024 Sustainability Report 5.2Responsible Investment/Lending 	<ul style="list-style-type: none"> Calculated the ratio of high human rights risk corporate loans/investments to all corporate loans/investments Government fine records ESG evaluation results of each institution Issued the Company's Sustainability Report and Annual Report News
Suppliers	Occupational Safety and Health	✓Employees of suppliers	<ul style="list-style-type: none"> Questionnaire survey, news monitoring Evaluate and provide training to suppliers for sustainability measures (including human rights issues) each year All suppliers signed Cathay's Declaration of Sustainability Values 	<ul style="list-style-type: none"> Self-evaluation questionnaire surveys Annual on-site review of suppliers Government fine records
	Personal data protection			
	Diversity, inclusion, and equal opportunity (including: No child labor, no discrimination, equal pay, no forced labor, and prohibition of human trafficking)			

Joint ventures	Occupational Safety and Health	✓ Employees of joint ventures	<ul style="list-style-type: none"> ● Questionnaire survey, news monitoring ● All joint ventures signed Cathay's Declaration of Sustainability Values (contains the commitment to human rights protection), and implement human rights protection 	<ul style="list-style-type: none"> ● Self-evaluation questionnaire surveys ● Government fine records
	Personal data protection			
	Diversity, inclusion, and equal opportunity (including: No child labor, no discrimination, equal pay, no forced labor, and prohibition of human trafficking)			

6. Human Rights Risk Mitigation and Remediation Mechanisms

Stakeholders	Risk Issues	Mitigation measures	Results of Mitigation Measures	Remediation Mechanisms and Resources
Employee	Prolonged working hours	<ul style="list-style-type: none"> Promote and implement a daily/monthly overtime limit Overtime work shall be compensated with overtime pay and shall not exceed statutory limits for daily or monthly work hours The Human Resources department regularly reviews back office system data for employees with excessive overtime hours and proactively notifies their respective supervisors Establish a system for transformation working hours/flexible working hours Establish a "work-from-home" system Administer mental health evaluation questionnaire 	<ul style="list-style-type: none"> 96% response rate to mental health evaluation questionnaire in 2024; 96% response rate for abnormal workload self-assessment All employees are eligible to apply for a work-from-home arrangement based on the nature of their responsibilities and personal status. 	<ul style="list-style-type: none"> The company has clearly defined the overtime compensation mechanism in the work rules and internal management guidelines. These documents specify the regulations for extended working hours and overtime pay. Employees may choose to receive overtime pay or take compensatory leave based on their preferences. Employees can check their work hours, overtime hours, and corresponding compensation in the HR system. If they have any questions about the calculations, they can contact the Human Resources department or file a complaint through the group's grievance mechanism. Implementation of the management mechanism for employees at risk of illness due to work overload
	Fair Wage	<ul style="list-style-type: none"> Compile and disclose gender pay comparison data, covering general staff, entry level manager, mid-level manager, and high-level manager. Furthermore, based on job roles and responsibilities, Cathay FHC further categorize non-managerial positions into senior professionals, professionals, and administrative staff to examine pay disparities among different groups. 	<ul style="list-style-type: none"> Cathay's 2024 gender pay comparison analysis indicates that, under equivalent roles and responsibilities, the pay ratio between male and female employees—across general staff, entry level manager, mid-level manager, and high level manager—ranged from 100:94 to 100:106, showing no significant disparity. 	<ul style="list-style-type: none"> Cathay guarantees that all full-time employees receive a fixed wage sufficient for basic living needs and regularly review its alignment with living-wage benchmarks. In addition, the company has established performance-oriented variable compensation. Employees may earn variable compensation through performance-linked bonuses and incentive programmes.

		<ul style="list-style-type: none"> ● Fixed salaries are reviewed each year to uphold employees' standard of living and ensure competitive compensation ● An annual review is conducted on factors such as the Consumer Price Index (CPI) and market benchmarks to ensure that employee compensation appropriately reflects job responsibilities, individual capabilities, and performance, while also complying with or exceeding the statutory minimum wage requirements ● Employees are provided clear visibility into Cathay's compensation philosophy and the components of their salary packages 	<ul style="list-style-type: none"> ● The company's internal analysis conducted in 2024 confirms that our compensation policies are aligned with prevailing living wage standards across operating regions. Ongoing efforts will be made to monitor and enhance these policies to ensure employees are adequately supported in maintaining a decent standard of living. 	<ul style="list-style-type: none"> ● Establish a comprehensive compensation structure and payroll system. Employees with any concerns may consult their department supervisors or the Human Resources department.
	Occupational Safety and Health	<ul style="list-style-type: none"> ● Free employee health check-ups ● Administer musculoskeletal disorders questionnaires ● Administer occupational safety and health inspection ● Implement occupational safety training ● Hold health promotion activities ● Ensure first-aid equipment and AED access 	<ul style="list-style-type: none"> ● Offers free health checkups to employees every two years to regularly monitor blood sugar, blood pressure, cholesterol, and obesity in employees; over 30,000 employees received health checkups in 2024 ● 50% response rate to musculoskeletal disorders questionnaire in 2024 ● 9,400 employees participated in the 2024 weight-loss contest, losing a total of 26,000kg 	<ul style="list-style-type: none"> ● Implement occupational disaster reporting and response mechanism ● Assist with group and labor insurance enrollment ● Employee Assistance Program (EAP) provides professional counseling
	Diversity, inclusion, and equal opportunity (including discrimination, harassment,	<ul style="list-style-type: none"> ● Code of Conduct for Employee and Code of Ethics state that discrimination and sexual harassment are human rights violations 	<ul style="list-style-type: none"> ● The Code of Conduct for Employee training coverage was 100% with a 100% completion rate; Held unconscious bias workshop in 2024. 	<ul style="list-style-type: none"> ● Establish reporting and complaint response mechanism. Ensure access to follow-up consultation services for the victim

	subconscious bias, workplace violence, human trafficking, equal pay, child labor, freedom of association, and collective bargaining rights)	<ul style="list-style-type: none"> ● Ensure access to accessible facilities and assistive devices at the workplace ● Establish target for hiring locally at overseas markets ● Promote human rights awareness through newsletters and seminars ● Ensure thorough communication of material labor management issues and execute actions based on the outcome of labor-management meetings 	<ul style="list-style-type: none"> ● 292 indigenous people of Taiwan and 433 employees (1% of total workforce) with disability/disabilities under Cathay's employment in 2024 ● Cathay's workforce consists of 15 different nationalities. ● Cathay has never employed child labor ● 25 labor-management meetings held in 2024 	<ul style="list-style-type: none"> ● After committee review, disciplinary action will be taken against the offending employee
Customer	Customer Rights	<ul style="list-style-type: none"> ● Service Quality Committee reviews service strategies with subsidiaries ● Treating Customers Fairly Committee holds biannual meetings with independent directors. At these meetings, the committee tracks important measurements, reviews how things are being put into action, checks on improvements, and reports the results to the board. ● Commissioned large, credible market research companies to conduct satisfaction surveys based on the nature of their business. ● Implement employee training 	<ul style="list-style-type: none"> ● 98.09 in 2024 satisfaction rating across Cathay FHC subsidiaries ● In 2024, Cathay Life and Cathay Century were both recognized by the FSC for excellence in "Treating Customers Fairly," ranking in the top 25% of the financial industry. Cathay Life is the only life insurance company to have received this recognition for six consecutive years. ● Cathay FHC subsidiaries continue to provide training to raise compliance awareness in employees and enforce fair customer treatment 	<ul style="list-style-type: none"> ● Multiple accessible complaint channels and dedicated handling teams ● "Taking the initiative to respond to customer complaints and care for customers" serves as the highest governing principle when establishing guidelines for handling customer complaints. The company strives to contact customers and provide solutions as quickly as possible.
	Personal data protection	<ul style="list-style-type: none"> ● Establish Personal Information Management Committee ● Establish comprehensive personal information management mechanism ● Obtained the certification for BSI 10012:2017 - Personal Information Management System ● Implement personal information protection training 	<ul style="list-style-type: none"> ● 100% personal information training completion rate in 2024 across Cathay FHC & subsidiaries 	<ul style="list-style-type: none"> ● Establish the "Protocol for Responding to Personal Information Breaches" ● Establish regular contingency plan exercises

Lending clients and their supply chains	<p>1.Companies involved in controversial weapons, the adult entertainment industry, controversial conduct, or located in countries with significant human rights controversies or violations of international human rights consensus</p> <p>2.Human rights-related controversies, including but not limited to human rights concerns, negative impacts on local communities, or labor-related issues</p>	<ul style="list-style-type: none"> ● Exclude the clients listed in the group's and its subsidiaries' lending exclusion lists, which include companies involved in controversial weapons, adult entertainment, and controversial activities. ● Exclude national government or government agencies from controversial countries that systematically violate the international consensus on human rights or are involved in material human rights disputes. ● Establish ESG guidelines for corporate lending to assess industry, environmental, human rights, safety, governance, climate, and nature related risks associated with the borrower and the lending case. ● Develop EPs implementation guidelines and conduct pre-lending reviews in accordance with the EPs to evaluate the potential environmental and social impacts of projects, including those related to biodiversity, climate change, and human rights. Also, conduct ongoing post-loan monitoring for high-impact projects. 	<ul style="list-style-type: none"> ● In 2024, 90% of corporate lending cases have undergone human rights due diligence. The assessment focuses on, but is not limited to, human rights risk factors such as labor relations, occupational safety issues, and forced or voluntary work suspension. Lending clients involved in related controversial incidents are classified as human rights risk cases. ● In 2024, human rights risk cases accounted for 2.9% of the lending portfolio. For such cases, business units shall provide an explanation of the ESG incident and submit an ESG risk management plan. As of 2024, 100% of these cases included explanations, risk mitigation measures and follow-up review items. ● Related projects are all evaluated and managed based on the EPs. 	<ul style="list-style-type: none"> ● Subsidiaries shall not lend to companies on the lending exclusion list. In principle, no additional lending shall be granted for existing loans. Subsequent actions, such as communication, engagement or loan recall, will be undertaken based on the management needs and strategic decisions of each subsidiary. ● Continue to monitor ESG performance in corporate loans and require ESG remediation from lending clients that exceed a specified ESG risk threshold. ● Clients are monitored to ensure compliance with the EPs and to improve communication with stakeholders. Follow-up management is conducted on the progress of clients' action plans after lending.
Investment targets and their supply chains	<p>communities, or labor-related issues</p>	<ul style="list-style-type: none"> ● Exclude the investees listed in the group's and its subsidiaries' investment exclusion lists, which include companies involved in controversial weapons, adult entertainment and controversial activities. 	<ul style="list-style-type: none"> ● As of 2024, 83% of Cathay's investment portfolio has undergone human rights due diligence, with 0.2% identified as involving human rights risks. ● Mitigation measures have been applied to investees with 	<ul style="list-style-type: none"> ● Subsidiaries shall not invest in companies on the exclusion list. In principle, no additional investments shall be made in existing investment targets. Further actions, such as engagement, negotiation or divestment, should be undertaken

		<ul style="list-style-type: none"> ● Exclude national government from countries that systematically violate the international consensus on human rights or are involved in material human rights disputes. ● The group's investment risk assessment process incorporates ESG factors, with the social dimension covering aspects including but not limited to human capital, product responsibility, and stakeholder conflicts. Post-investment, the ESG performance of investee companies is continually monitored. 	<p>identified human rights risks. The measures include, but are not limited to, issuance of ESG risk assessment reports and engagement. Of the investees identified as having risk, 100% have implemented mitigation measures implemented in 2024.</p>	<p>based on the management needs and strategic decisions of each subsidiary.</p>
Suppliers	<p>1.Occupational Safety and Health</p> <p>2.Personal data protection</p> <p>3.Diversity, inclusion, and equal opportunity (including: No child labor, no discrimination, equal pay, no forced labor, and prohibition of human trafficking)</p>	<ul style="list-style-type: none"> ● Establish Cathay FHC Sustainable Procurement Policy and implement ISO 20400 - Sustainable Procurement Guidelines ● Implement the management of sustainability self-evaluation for suppliers ● Require suppliers to sign Cathay's Declaration of Sustainability Values ● Conduct sustainability training for supplier (including the human rights pledge) ● Hold annual supplier conference 	<ul style="list-style-type: none"> ● All Cathay suppliers have completed the sustainability training ● As of 2024, all Cathay FHC suppliers have signed Cathay's Declaration of Sustainability Values 	<ul style="list-style-type: none"> ● Conduct regular supplier evaluations. Those that fall below a rating threshold are removed from the supplier list ● The procurement contract requires suppliers to adhere to the principles of corporate social responsibility and to comply with regulations. The supplier is liable for damages if there is a breach of contract

Joint ventures	1. Occupational Safety and Health 2. Personal data protection 3. Diversity, inclusion, and equal opportunity (including: No child labor, no discrimination, equal pay, no forced labor, and prohibition of human trafficking)	<ul style="list-style-type: none"> ● Strengthen engagement with JVs through the use of the Cathay Overseas Network ● Require JVs to sign Cathay's Declaration of Sustainability Values 	<ul style="list-style-type: none"> ● All JVs have signed Cathay's Declaration of Sustainability Values (including the human rights pledge) 	<ul style="list-style-type: none"> ● If survey reveals risks, JVs must implement corrective actions
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7. 2024 Human Rights Impacts and Remedial/Corrective Measures

Human Rights Impact	Stakeholders	Description	Remedial Measures	Corrective Measures
Personal Data Breaches	Customer	<ul style="list-style-type: none"> ● In 2024, there were 18 reported cases of data breaches. A total of 199 customers were affected. ● Customer complaints revealed that these were caused by individual oversights by financial consultants or sales agents during information communication and email delivery. 	Obtained timely understanding and consent from affected individuals and resolved the incidents appropriately.	<ul style="list-style-type: none"> ● Supervise third-party partners in the proper handling of customer data. ● Continue employee education and strengthen awareness campaigns. ● Ongoing enhancement and monitoring of the use of customers' personal information.
Overtime	Own employees	<ul style="list-style-type: none"> ● One incident at Cathay Life in 2024 where overtime pay was not granted as required. ● On average, 124 employees per month exceeded 45 hours of extended work per month, totaling 1,486 instances throughout the year across the group. 	<ul style="list-style-type: none"> ● In response to comments from the competent authority regarding the basis for overtime pay calculation at Cathay Life, the company is conducting a thorough review of current salary items. Any disputed components will be adjusted to ensure compliance with legal regulations. ● For employees with excessive overtime hours, the HR department proactively notifies the respective department supervisor 	<ul style="list-style-type: none"> ● Use system tools to track attendance and help employees and supervisors manage work and overtime hours. ● Review excessive overtime hours and manpower allocation every quarter.
Discrimination and Harassment (including sexual and non-sexual harassment)	Own employees	<ul style="list-style-type: none"> ● In 2024, 1 case was reported at Cathay FHC, and 8 cases at Cathay Life. 	<ul style="list-style-type: none"> ● Case-based remedial support was provided as needed, including but not limited to Employee Assistance Program (e.g., counseling) 	<ul style="list-style-type: none"> ● Following a decision by the Sexual Harassment Complaint Investigation Committee, disciplinary measures were imposed on the offender based on the severity of the violation.

				<p>These measures may include job reassignment or dismissal.</p> <ul style="list-style-type: none"> ● Continue strengthening awareness of gender equality through internal training to enhance supervisors' and employees' sensitivity and preventive awareness regarding gender issues in the workplace.
Unlawful Infringement	Own employees	<ul style="list-style-type: none"> ● Two incidents of unlawful infringement were reported at Cathay Life in 2024. 	<ul style="list-style-type: none"> ● Designated personnel conducted investigations accompanied by third-party labor representatives. In addition to interviewing the victims, they also interviewed selected witnesses. Judgments were made based on the content of the interviews, evidence, and other objective factors. ● The Employee Assistance Program (EAP) provided consultation services to victims for evaluation, and nurses followed up with appropriate care. 	<ul style="list-style-type: none"> ● Those found to be in violation were referred to the HR Department for disciplinary action.

8. Complaint Mechanisms and Reporting Channels

Cathay established clear whistleblowing and complaint channels to create a corporate culture of integrity and transparency and facilitate sound operations, in order to implement the Company's Code of Ethical Conduct and Ethical Corporate Management Best Practice Principles, and protect the lawful rights and interests of whistleblowers and related persons. Employees are the most important and highly valued asset of Cathay FHC, and it is for this reason we have dedicated our efforts to creating a safe, health, and friendly work environment that respects human rights and is free of discrimination and harassment. Cathay FHC believes that highly engaged employees are the foundation of a company's competitiveness, and it is the employer's responsibility to properly take care of employees. Hence, Cathay FHC provides salaries linked to market standards, as well as a complete system of benefits to care for all employees. We provide diverse learning and career development channels based on employees' abilities and expertise. Cathay employees can mail or e-mail their opinions to the Human Resources Department. We established an internal communication website for employees to login and express their opinions, so as to understand what employees truly need. We have established a variety of two-way communication channels to listen to employees' voices.

● Complaint/Whistleblowing Channels

Letters	Recipient: Compliance Dept. – Whistleblowing Cases Address of recipient: 18F, No. 296, Section 4, Ren'ai Road, Taipei City, Taiwan (R.O.C.)
E-mail	Cathay's whistleblowing mailbox: group@cathayholdings.com.tw
Hotline	Whistleblowing hotline: 02-27005228 Customer service hotline: Cathay Life: 0800-036-599 Cathay United Bank: 0800-818-001 Cathay Century: 0800-036-599 press 2
Intranet	Employee opinion and complaints section

● Complaint/Whistleblowing Handling Procedures

