



國泰金控
Cathay Financial Holdings

BETTER
TOGETHER

SUSTAINABILITY REPORT 2024

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Chairman

蔡若園



Message from the Chairman GRI 2-22

In 2024, the global political and economic landscape faces unprecedented disruption. Intensifying geopolitical tensions, regional conflicts, persistent inflation, and uncertain interest rate paths have deepened economic imbalances and market volatility. Meanwhile, environmental issues such as climate change and biodiversity loss, along with social challenges including aging populations, declining birthrates, and rising financial crimes and fraud, have placed increasing pressure on Taiwan's sustainable development.

Amid these overlapping systemic risks—from evolving global dynamics to tighter financial regulations and ESG-related operational challenges—Cathay sees transformation as opportunity. Through our core engines of insurance, banking, and asset management, we are aligning with global sustainability frameworks and advancing a forward-looking strategy focused on climate, health, and empowerment.

Cathay has been recognized for its leadership in sustainability: selected as a DJSI World Index constituent for seven consecutive years and a DJSI Emerging Markets Index constituent for ten years. Our MSCI ESG rating was upgraded to AAA, and we continue to perform strongly in Taiwan's Sustainable Finance Evaluation, with Cathay Life, Cathay United Bank, Cathay Century Insurance, and Cathay Securities ranking in the top 25% of the industry. Guided by the vision of becoming the leading financial institution in Asia-Pacific, Cathay remains committed to resilience and sustainability under the ethos "Sustainable Cathay, Always with You", creating long-term value in partnership with our stakeholders.

As the global sustainability landscape evolves, Cathay remains steadfast in its commitment to inclusive and sustainable progress. We sincerely invite all stakeholders to join us in being BETTER TOGETHER—co-creating a better future.

Climate

Cathay recognizes the long-term impact of climate change on industries and the economy, and the critical role finance plays in enabling a low-carbon transition. We continue to develop innovative sustainable financial products and actively participate in global climate initiatives—bringing international best practices to Taiwan and amplifying Taiwan's experience on the world stage. In 2024, Cathay hosted its Sustainable Finance and Climate Change Summit for the eighth consecutive year, engaging companies representing 82% of Taiwan's stock market capitalization. We returned to the London Stock Exchange to highlight finance's role in accelerating the energy transition and addressed key topics like biodiversity and water resources at Climate Week NYC—our third appearance. Cathay also remains the only Taiwanese financial institution to sign the Valuing Water Finance Initiative and has participated in the UN Climate Change Conference of the Parties (COP) for four consecutive years. At COP29, we were the only Taiwanese financial institution to host a forum in the Blue Zone, sharing Asia's perspective. As a climate finance leader, Cathay was Taiwan's first RE100 member and Asia's sixth SBTi-approved financial group. In 2024, Cathay and four subsidiaries achieved PAS 2060 carbon neutrality at head-quarters and 23 sites—advancing our net-zero transition.

Health

The rise of super-aged societies, the advancement of AI, and emerging technologies are rapidly transforming industries and daily life. Individuals are now compelled to re-evaluate their approach to health, retirement, financial planning, and fraud awareness. In response, Cathay is strengthening its efforts in both health promotion and financial health. Cathay Life published the industry's first Annual Report on Policyholders' Health and launched the health initiative Empower Your Health, integrating innovative insurance products, digital health tools, and preventive care. Resources from the FitBack app were consolidated and enhanced, and the Wellness Lab was established to help policyholders reduce health risks and lead healthier lives.

As fraud threats grow more complex, Cathay has upgraded its anti-fraud initiative with Cathay Shield 2.0, a group-wide, systemized response combining human expertise, technology, and public-private collaboration across life, P&C, and banking arms. In financial health, Cathay advances AI governance through its proprietary GAIA framework, integrating AI, data, and talent to expand smart financial services. These efforts also promote financial inclusion and help build long-term financial resilience across society.

Empowerment

Cathay is committed to nurturing future talent by empowering diverse groups—including employees, youth, women, and underprivileged communities—to broaden their horizons and develop the courage to break boundaries. We offer structured and inclusive development resources, fostering a workplace where all employees can thrive amid evolving social and economic challenges. In recognition of these efforts, Cathay was named one of Forbes' 2024 World's Best Employers—the only Taiwanese company to rank in the global top 100, marking our best performance to date. To build a resilient and diverse talent pipeline, Cathay supports a range of empowerment initiatives: Financial Literacy Mini Courses for High School Students, Impact Investment Campus Roadshow and critical thinking, and the Cathay Climate Change Youth Forum, now in its fifth year. We also champion female entrepreneurship through active participation in the Academy for Women Entrepreneurs and support underprivileged children through our Cathay Dream Come True Program, helping them overcome barriers and pursue brighter futures.

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Cathay Sustainability Story I: Cathay's 8th Climate Summit, evolving from sustainability dialogues to practical workshops on net-zero implementation.

Energy and capital are two key drivers of the net-zero transition. As a firm advocate of real action in sustainable finance, Cathay FHC has hosted the Cathay Sustainable Finance and Climate Change Summit for eight consecutive years. The 2024 summit centered on the theme "Net Zero Transition Competitiveness," with a dual focus on sustainable finance and energy transition. The event brought together international and domestic leaders from government, industry, and academia—including Jens Nielsen, CEO of the World Climate Foundation (WCF), and Sam Kimmins, Head of Energy at the Climate Group—to explore global climate finance, carbon markets, energy transition, and trends in Taiwan's renewable energy development. The summit aimed to dissect the challenges of energy transition and inspire Taiwanese enterprises to develop and act on strategic responses.

In line with Cathay's belief that helping investees and borrowers decarbonize is reducing our own carbon footprint, the summit was followed by the Net Zero Transition Practical Workshop. The workshop focused on two key areas: net-zero transition and sustainability disclosure. Experts from abroad, local consultants, and academics shared insights on topics such as TNFD-aligned nature risk management, net-zero operational strategies, IFRS Sustainability Disclosure Standards, carbon trading, and natural carbon sinks. The event fostered cross-sector dialogue and sparked actionable climate solutions. As a pioneer in climate finance, Cathay FHC continues to introduce key international trends—such as climate change, water resources, biodiversity, and natural capital—into Taiwan. Leveraging its core competencies, Cathay actively collaborates with both the public and private sectors to raise awareness and drive climate action across industries in Taiwan.

[Learn more about the highlights of the 2024 Cathay Sustainable Finance and Climate Change Summit](#)

Key Insights

"Energy" and "capital" are both crucial to achieving net-zero transformation. We need a robust financial ecosystem and engagement from enterprises in the industrial value chain to invest resources and amplify Taiwan's influence on the global stage.

Hong-Tu Tsai
Cathay FHC Chairman

By analyzing international energy transition trends, we identified four major challenges in Taiwan's electricity procurement system and proposed that green power purchase agreements (PPAs) can improve green energy accessibility for small businesses.

Sam Kimmins
Head of Energy, Climate Group

COP29 has been dubbed the "Finance COP." It holds deep significance for global efforts to address climate change and biodiversity loss, and financial institutions play a key role in realizing climate goals.

Jens Nielsen
Chairman of the World Climate Foundation (WCF)

Achievements



8 years
of forum hosting



82%
TWSE market capitalization ratio of participating companies



4,800
participants



54%
Carbon emissions of participating companies/ Total emissions in Taiwan



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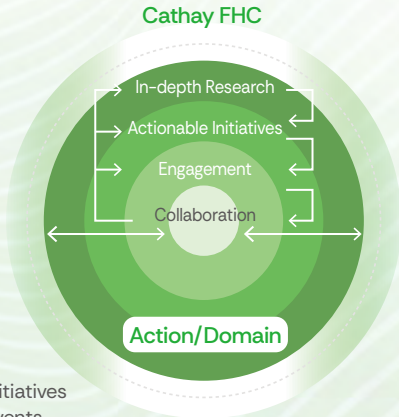
Cathay Sustainability Story II: Asian Climate Advocacy – Climate Action Accelerator

Cathay has been actively engaged with climate issues for over a decade, conducting in-depth research and participating in global initiatives to bring the latest international trends back to Taiwan. As of 2024, Cathay has become the first or only Taiwanese financial institution to participate in 15 major international climate initiatives. To support corporate transition efforts, Cathay proactively engages with investees, advocating for their decarbonization and enhancing their international presence. Three of Cathay’s engagement targets—with a combined annual carbon emission of over 120 million metric tons—have already committed to achieving net-zero emissions or Science Based Targets (SBTs).

Through close collaboration with international partners and a unique engagement strategy, Cathay has earned strong recognition from global organizations and investors, enabling deeper participation in international climate action. In 2024, Cathay took part in three major climate advocacy highlights: participating in the 29th UN Climate Change Conference (COP29) for the fourth consecutive year, attending Climate Week NYC for the third time, and receiving our second invitation to speak at the London Stock Exchange.

Partners

- International Investors
- International Initiatives (ex: AIGCC, Ceres, World Climate Foundation...)



Stakeholders Influenced

- Investees & Borrowers
- Industry
- Financial Sector
- Governments
- International Organizations

- International Initiatives
- International Events (e.g., AIGCC, Asia Utilities Engagement Conference, COP Summits...)

Global Summits & Forums	Actions	Key Achievements
The 29th United Nations Climate Change Conference (COP29)	<ul style="list-style-type: none">• Co-hosted the Asia Finance Event with the World Climate Foundation (WCF), aiming to strengthen collaboration between the public and private sectors and foster an enabling environment for Asia’s low-carbon transition.• Cathay FHC President Lee Chang-Ken was once again invited as the opening speaker at the World Climate Summit (WCS), a major COP29 affiliate event. He highlighted the emerging climate industrial revolution as a critical opportunity for driving net-zero transition.• Cathay also hosted the COP29 Cathay Global Climate Leaders Roundtable for the second consecutive year. The roundtable brought together over 20 global and domestic leaders from climate organizations, businesses, and policymaking institutions to explore the theme “Challenges and Solutions of Climate Finance & Energy Transition.” The discussion laid an important foundation for driving innovation and systemic change through cross-sector collaboration.	<ul style="list-style-type: none">• Fourth consecutive year• The only Taiwanese financial institution to host an event in the COP29 Blue Zone.
Climate Week NYC – World Biodiversity Summit (WBS)	<ul style="list-style-type: none">• At the World Biodiversity Summit during New York Climate Week, Cathay’s Chief Investment Officer (CIO) Sophia Cheng participated in the panel “Valuing Natural Capital: Creating Markets for Nature,” offering insights on global nature investment trends. She emphasized that if each person influences a stakeholder, nature investments can scale more effectively.• Sophia Cheng was also invited by Ceres Valuing Water Finance Initiative to speak at a water stewardship forum. With her “Drops of Change: Building Climate Resilience through Water Stewardship” talk, she was Taiwan’s sole representative at the event.	<ul style="list-style-type: none">• Third participation• The only Taiwanese financial institution to sign the Ceres Valuing Water Finance Initiative
London Stock Exchange – Climate Investment Summit	<ul style="list-style-type: none">• Cathay FHC President Lee Chang-Ken was a panelist at “Renewable Returns: The Business Case for Mature Energy Technologies,” where he shared Southeast Asia’s key pain points in renewable energy development, the evolution of Taiwan’s energy transition, and Cathay’s role as a regional pioneer in renewable investment.	<ul style="list-style-type: none">• Second invitation to speak at the London Stock Exchange

Key Insights

Explore new investment instruments and financial models to enhance the impact of climate finance. By leveraging the expertise and insights of distinguished participants at the event, the aim is to share perspectives on scaling climate finance through public-private partnerships and work together to find practical solutions to climate challenges in Asia and beyond.

” Lee Chang-Ken
Cathay FHC President

We need to invest more resources in sustainable supply chains, impact investing, and building natural ecosystems to expand the biodiversity market. Globally, 416 organizations from 51 countries have adopted the Taskforce on Nature-related Financial Disclosures (TNFD), with 45% based in Asia—highlighting the region’s strong willingness to take proactive steps in nature-related action.

” Sophia Cheng
Cathay FHC Chief Investment Officer

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Cathay Sustainability Story III: Empowering Youth through Critical Thinking

In today's information-saturated world, the young people generation need more than just knowledge—they need the ability to discern, think critically, and make sound decisions.

There is a group of young change-makers quietly working toward this vision: the youth instructors from Lead For Taiwan (LFT).

Cathay believes that sustainability, finance, and even life decisions all stem from critical thinking. That's why since 2022, we've partnered with LFT to promote the widespread adoption of critical thinking education. A group of passionate university students undergo rigorous training in sustainability case studies and teaching techniques before stepping into high school classrooms to help students develop the power to "think well."

In 2024, Cathay and LFT co-hosted Taiwan's first-ever international forum dedicated to critical thinking education—LIGHT UP Critical Thinking Generation: International Critical Thinking Education Forum. The forum featured speakers from around the world sharing real-life teaching experiences and explored how critical thinking is evolving in the age of AI. Special sessions were also held on the intersection of finance and critical thinking. Cathay FHC's Chief Investment Officer Sophia Cheng, Executive Vice President Selina Weng, and Dean Fang Yuan-yi of the College of Sustainability and Innovation at Chinese Culture University discussed the interdisciplinary skills required of future talent from both industry and academic perspectives.

With university students as educators and the financial industry as an enabler of education, Cathay is lighting the spark of critical thinking in every high school classroom. This initiative empowers youth to explore their identities, chart career paths, and launch innovative ventures. For more on Cathay's youth empowerment efforts, see [CH4.2.1 Youth Empowerment](#).

• Taiwan's First Framework for Promoting Critical Thinking Education

01

Lecturer Training for College Students



Train college students to conduct case studies into sustainability issues, acquire critical thinking skills, and become high school teachers to teach critical thinking

02

Summer/Winter Critical Thinking Camps



Assess university student lecturers on their ability to guide high school students across Taiwan to engage in critical thinking

03

Critical Thinking Electives for High School Students



Partner with high schools/vocational schools across Taiwan to offer diverse critical thinking courses for students and prompt them to explore future issues

Amplifying Impact: From Empowered to Empowering

- I first learned about LFT in high school. As a student, I experienced the transformative power of critical thinking education, which led me to join the lecturer training program. Over two years, I've found a path through uncertainty. The program helped me face myself with more confidence and reaffirm my belief in the future of education and a better society.
- During training, I learned how to think systematically and guide others through thoughtful inquiry, to dive deep into the question and look for more profound values. While preparing lessons, I transformed complex theories into engaging materials that sparked active participation from high school students. At first, I thought critical thinking was just about verifying facts in the news. But through this journey, I discovered it's also about culture, upbringing, and the interplay of subjectivity and objectivity.

Lead for Taiwan
Seventh Cohort of Instructor Trainees

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Cathay Sustainability Story IV: Every Step Counts

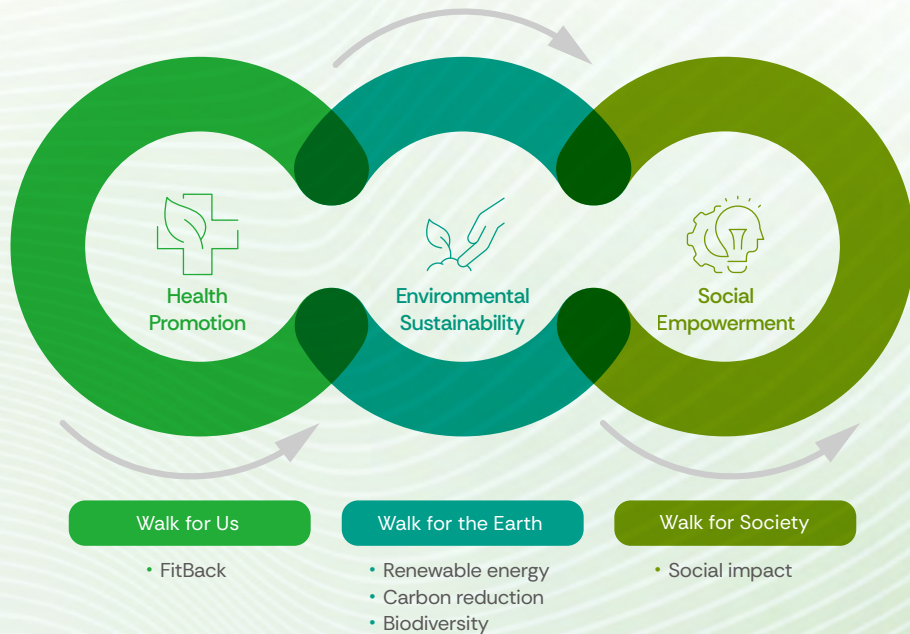
Cathay has long upheld a people-centered philosophy, making it a mission to safeguard the physical, mental, and financial well-being of its policyholders. To promote physical health, Cathay Life upgraded its health promotion program in 2018 with the FitBack App. Users who complete health tasks not only enjoy policy-linked bonus rewards but can also redeem a variety of wellness services, making health management both rewarding and fun. To further expand the positive impact generated by users, Cathay Life launched the “Every Step Counts” initiative in 2022. This campaign encourages users to turn their healthy actions into support for sustainability. When users collectively reach a designated step goal, Cathay converts those steps into charity funds supporting green energy development, biodiversity protection, and local revitalization projects—advancing the three key sustainability goals of health promotion, environmental sustainability, and community empowerment.

Over the past three years, Cathay has mobilized employees from its financial and property groups, group insurance corporate clients, and app users to join the walking challenge. Together, they have taken 164.5 billion steps across 658,000 participants, converting those efforts into NT\$19.7 million in charitable funds. These funds have supported three green electricity circulation mechanisms, generating 2.13 million kWh of green electricity, with proceeds continually reinvested into local communities in Penghu, Pingtung, and Gongliao, providing resources for development and education.

 [【Every Step Counts】 Making Every Step Meaningful in 2024](#)

• Public Impact (2022–2024)

	2022	2023	2024
 Project			
	Solar Energy @ Hua-Yu Elementary School, Penghu County	Solar Energy @ Majia Township, Pingtung County	Solar Energy @ Pingtung County herbal gardens
 Actions	Supported the installation of solar panels on the rooftop to transform intense island sunlight into school electricity. Hua-Yu will become Taiwan’s first near-zero-energy island elementary school.	Installed solar power systems to strengthen indigenous community industry, boost local employment, and use energy profits for rural revitalization, women’s vocational training, and tribal cultural education.	Built solar panels above greenhouses to cultivate local crops and rare plants, supporting biodiversity and ecological education through school partnerships. In addition to ensuring a just energy transition and enhancing rural economic stability through agrivoltaics, these efforts also promote employment among disadvantaged groups and expand Cathay’s positive influence on stakeholders.
			
			Placemaking @ Gongliao, New Taipei City
			Cathay Life collaborated with the National Taiwan Ocean University’s USR (NTOU USR) team to conduct field interviews and identify the real needs of local residents in Gongliao. Drawing on innovative thinking, the Placemaking @ Gongliao project was launched not only to address local challenges but also to ensure that a portion of the project’s revenue is reinvested in the community. Additionally, the program supports university students in engaging directly with local agricultural and fishery industries, encouraging them to apply creativity and promote local culture—nurturing future leaders in community revitalization.



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Cathay Sustainability Story V: Building a Leadership Pipeline – The Cathay Leadership Flagship Fleet

Amid trends such as digital transformation, the ESG wave, global talent shortages, declining birthrates, and population aging, companies face critical challenges in leadership development and talent cultivation. These include intensified cross-industry talent competition, potential waves of retirement, and a declining willingness among employees to take on leadership roles. Cathay FHC believes talent is the key to advancing sustainable development. Since 2022, it has implemented a workplace empowerment blueprint focused on four focus areas—one of which is “building a leadership pipeline.” This strengthens the talent pool across all management levels, deepens bench strength, and ensures alignment of talent development, leadership cultivation with company goals. Programs have been launched for Future Talent, Key Talent, and Core Talent, alongside the Cathay Management Associate Program and a Retiree Talent Pool to promote intergenerational knowledge transfer and cultivate new-generation leaders. Cross-disciplinary rotations are encouraged to broaden employee experience across the group. Managers are also empowered to take on coaching and developmental roles.

• Cathay Leadership Flagship Fleet Highlights

	Data-Driven Talent Development	Redefining Managerial Roles	Cross-Departmental and Cross-Functional Development Opportunities	Dynamic Talent Pool Management
Actions	<ul style="list-style-type: none">Utilizes objective assessment tools to facilitate talent development discussions. Predictive models empower managers with data-driven insights for team management and employee development, enabling personalized growth recommendationsThe group has also established organizational talent risk indicators to enable early identification and proactive management through regular tracking and discussion.	<ul style="list-style-type: none">Shifting the role of managers from traditional supervisors to coaches and mentors who support employee growth—enhancing engagement and job satisfaction.	<ul style="list-style-type: none">Talent Incubators: Nurture high-potential employees through dedicated units, such as the Cathay GMA financial strategist program.Talent Relay Stations: Key development rotations provide critical experiences for individuals preparing to take on important roles. Example: One IT leadership development initiative.	<ul style="list-style-type: none">A systematic annual talent review process integrates employee aspirations, capability assessments, and organizational needs. The talent pool is dynamically adjusted to reflect evolving market conditions and internal strategies, transforming it into a responsive and strategic talent resource.
Achievements	<div><div>84% of frontline managers (including senior staff) have completed leadership potential assessments.</div></div> <div><div>96% of general staff have completed personality and competency assessments.</div></div>	<div><div>More than 90% of employees have set up individual development plans (IDPs), aligned with key competencies for their respective levels.</div></div> <div><div>In 2024, the “Leadership & Management” dimension in the employee engagement survey obtained a score of 4.24 out of 5—the second-highest result in the past five years.</div></div> <div><div>99% of middle and senior managers met the competency requirements for their positions in the 360-degree evaluation.</div></div>	<div><div>In the GMA Program, 100% of talent have cross-company experience across 3 companies within the group.</div></div> <div><div>55% have been promoted to managerial level or higher.</div></div>	<div><div>100% execution rate for key position talent reviews.</div></div> <div><div>High-performing talent retention rate exceeds 95%.</div></div>

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About Cathay FHC

Overview of Operations GRI : 2-1、2-6、201-1

Cathay Financial Holdings (hereinafter “Cathay FHC,” including Cathay Life, Cathay United Bank, Cathay Century, Cathay Securities, Cathay SITE, and Cathay Venture) is committed to creating maximum value for our shareholders, customers, and employees, while upholding our core values of “Integrity, Accountability, and Innovation.” We maintain agility in our business strategy to effectively respond to the ever-changing market environment, leverage our core financial competencies, enhance digital applications and innovation, and effectively integrate group synergies to provide financial services that are comprehensive, convenient, and personalized. Cathay FHC will continue to focus on our three engines of growth “Insurance + Banking + Asset Management” as we advance toward our vision of becoming “a leading financial institution in the Asia-Pacific region.”

In 2024, the global economy experienced moderate growth, inflation eased in major economies, and financial markets rose, driven by AI applications. Thanks to the concerted efforts of our employees, Cathay FHC delivered outstanding performance, posting a consolidated after-tax profit of NT\$111.2 billion (US\$3.39 billion), the second highest in the company’s history, and earnings per share of NT\$7.29. Our subsidiaries Cathay United Bank (“CUB”), Cathay Century, Cathay Securities, and Cathay SITE all achieved record-high profits, while Cathay Life reported its second-highest profit on record.

Cathay’s Operations

Headquarters	Taipei
Number of Employees	53,743
Number of Customers	15.34 million
After-tax profits	NT\$111.2 billion
Business Locations in Asia	969

Note: The number of employees is based on data as of December 31, 2024, and includes personnel from Cathay FHC and our domestic and overseas subsidiaries and sub-subsidiaries. The figures covers directors (including outside directors), executives, general employees, and contract-based staff, while excluding supervisors, dispatched workers, outsourced labor, and external personnel. Duplicate counts due to part-time workers holding multiple positions have been removed. Among the total, 40 directors did not concurrently serve as employees.



Greater China

- Cathay Lujiazui Life Insurance currently operates 12 offices (including its headquarter and branch offices) and 51 business locations across China.
- CUB has a subsidiary and 7 business locations in China, as well as a branch in Hong Kong. CUB (China) and the Hong Kong branch collaborate in strengthening cross-border business, focus on niche customer segments, diversify services, and expand the scope of green finance.
- Cathay Insurance (China) is committed to achieving digital-only and intelligent services and expanding e-commerce-related business.

- | | |
|--------------|---|
| 1 Liaoning | Cathay Lujiazui Life Insurance |
| 2 Beijing | Cathay Lujiazui Life Insurance, Cathay Insurance (China), BSCOM Cathay Asset Management |
| 3 Tianjin | Cathay Lujiazui Life Insurance |
| 4 Shandong | Cathay Lujiazui Life Insurance, Cathay Insurance (China),CUB |
| 5 Henan | Cathay Lujiazui Life Insurance |
| 6 Jiangsu | Cathay Lujiazui Life Insurance, Cathay Insurance (China) |
| 7 Sichuan | Cathay Lujiazui Life Insurance, Cathay Insurance (China) |
| 8 Hubei | Cathay Insurance (China) |
| 9 Shanghai | Cathay Lujiazui Life Insurance, Cathay Insurance (China),CUB |
| 10 Zhejiang | Cathay Lujiazui Life Insurance, Cathay Insurance (China) |
| 11 Fujian | Cathay Lujiazui Life Insurance, Cathay Insurance (China) |
| 12 Xiamen | Cathay Lujiazui Life Insurance |
| 13 Guangdong | Cathay Lujiazui Life Insurance, Cathay Insurance (China) |
| 14 Hong Kong | CUB, Cathay Securities |

Southeast Asia

- Cathay Life (Vietnam) owns 142 business locations and maintains steady growth momentum.
 - CUB operates 59 business locations across nine ASEAN countries. CUB continues to support customers in enhancing business resilience through its extensive network, innovative products, and digital services.
 - Cathay Insurance (Vietnam) accelerates its digital transformation and expand its business scale.
- | | | | |
|----------------|--------------------------|-------------|--|
| 15 Philippines | Cathay United Bank (CUB) | 20 Vietnam | Cathay Life (Vietnam), Cathay Insurance (Vietnam), CUB |
| 16 Cambodia | Cathay United Bank (CUB) | 21 Laos | Cathay United Bank (CUB) |
| 17 Singapore | Cathay United Bank (CUB) | 22 Thailand | Cathay United Bank (CUB) |
| 18 Indonesia | Cathay United Bank (CUB) | 23 Myanmar | Cathay United Bank (CUB) |
| 19 Malaysia | Cathay United Bank (CUB) | | |

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Financial performance in the last three years

	2022	2023	2024
 Operational Capability	Consolidated total assets (NT\$ billion)	12,071	12,810
	Profit from operations (NT\$ billion)	341	297
	Average revenue per employee (NT\$ thousand)	6,055	5,363
	Average earnings per employee (NT\$ thousand)	673	932
 Profitability	Consolidated shareholder equity (NT\$ billion)	612	801
	Consolidated after-tax profits (NT\$ billion)	38	51.5
	Consolidated after-tax EPS (NT\$)	2.58	3.24
	Consolidated return on assets (%)	0.32	0.41
	Consolidated return on equity (%)	4.98	7.29
	Outstanding shares (million)	16,203	16,203
 Distributed Economic Value	Book value per share (NT\$)	34.6	47.5
	Operating Expenses (NT\$ million)	88,610	94,013
	Employee Benefit Expenses (NT\$ million)	54,004	53,667
	Dividends Distributed to Shareholders (NT\$ million)	16,593	32,743
	Taxes Paid to Government (NT\$ million)	17,432	14,086
	Community Investments (NT\$ million)	382	420
	Political Contributions (NT\$)	0	0
	Economic Value Retained (NT\$ billion)	-11.52	35.98

Note 1: Economic Value Retained = Direct Economic Value Generated – Economic Value Distributed. "Direct Economic Value Generated" refers to revenue. "Economic Value Distributed" includes operating costs, employee salaries and benefits, payments made to investors and governments, and community investments.

Note 2: "Average revenue per employee (NT\$ thousand)" and "Average earnings per employee (NT\$ thousand)" are calculated based on the "average number of employees" disclosed in the consolidated financial statements.

Note 3: Certain 2023 figures have been restated due to the reclassification of discontinued operations in the financial statements.

Cathay FHC and its subsidiaries fully comply with laws and regulations in the sale of products and services.

Cathay Life	Highlights	Profits
Life, accident, health, annuity, and investment-linked insurance	Highest market share in terms of total premium income, first-year premium income, and first-year equivalent premium income	NT\$ 67.3 billion
Cathay United Bank (CUB)	Highlights	Profits
Wealth management, consumer banking, corporate banking, international finance, e-banking, trust services, investments, and sales of financial products	Second largest privately owned bank in Taiwan with the most extensive locations in ASEAN countries	NT\$ 38.3 billion
Cathay Century	Highlights	Profits
Car, fire, marine, engineering, other insurance	Second largest market share in terms of premium income	NT\$ 2.6 billion
Cathay Securities (incl. Cathay Futures)	Highlights	Profits
Securities underwriting, proprietary/consigned trading of local and foreign securities, margin trading, securities lending, share administration, wealth management, and auxiliary futures services	Establish a fully digital business model, with continued growth in domestic brokerage market share and the No. 1 market share in sub-brokerage business	NT\$ 4.2 billion
Cathay SITE	Highlights	Profits
Securities investment trusts, discretionary investments, securities investment consulting, and futures trusts	Largest securities investment trust company in Taiwan in terms of AUM	NT\$ 2.4 billion
Cathay Venture	Highlights	Profits
Investing in and providing assistance to unlisted companies with growth potential to maximize return on investment	Sixth largest FHC VC in terms of capital	NT\$ 600 million

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|| Credit Ratings

Cathay FHC secured BBB+ and Baa1 credit ratings from international credit rating agencies, S&P Global Ratings and Moody's Ratings, respectively. Both also rated Cathay FHC's outlook as "Stable," indicating that Cathay FHC delivers great financial results and performs well in risk management.

Credit Rating Agency	Credit Rating (Long-/short-term)	Outlook	Last Rating Date
Taiwan Ratings	TwAA / TwA-1+	Stable	2024 / 10 / 22
S&P Global Ratings	BBB+ / A-2	Stable	2024 / 10 / 22
Moody's Ratings	Baa1	Stable	2024 / 06 / 11

|| Tax Management

Cathay FHC's Tax Governance Policy establishes the Board of Directors as the highest-level decision-maker for managing tax risks. The accounting department of the Finance Division is in charge of tax affairs and regularly reports to the Risk Management Division. The Risk Management Division then gives an annual report on tax governance to the board to ensure effective operation of the tax management mechanisms. Cathay FHC's policy on tax governance is predicated on the principles of integrity and good faith, and we abide by the following:



Regulatory Compliance

Pledge compliance with the tax laws and regulations of each jurisdiction in which we operate and, in accordance with international tax standards, accurately calculate and file tax returns prior to legal deadlines to fulfill our tax obligations.



Risk Management

Built a sound framework and corporate culture to manage tax risks. Carefully evaluate tax risks and response measures whilst considering the optimal overall tax burden, as well as the impact on our reputation, risk management, and sustainability values under globalized operations.



Substantive Finances

We do not manipulate tax structures, transfer profits to areas with lower taxes or use tax havens with the intent of avoiding taxes. Transactions between related parties must abide by the arm's length principles and comply with the transfer pricing rules of the jurisdiction of operation – fulfilling our tax obligations within the jurisdiction where value is created.



Information Transparency

Publicly disclose tax information to stakeholders on a regular basis to uphold information transparency.



Honest Communication

Forge mutual trust and open communication with the tax authorities of the jurisdiction of operation by providing practical and professional input from the industry and helping them improve the overall tax environment and system.



Talent Cultivation

Cultivate talent by providing both domestic and overseas training to elevate employee competency in tax governance. Manage tax affairs with good faith and integrity and control tax risks to ensure corporate sustainability, maintain shareholder equity, and fulfill corporate social responsibility.

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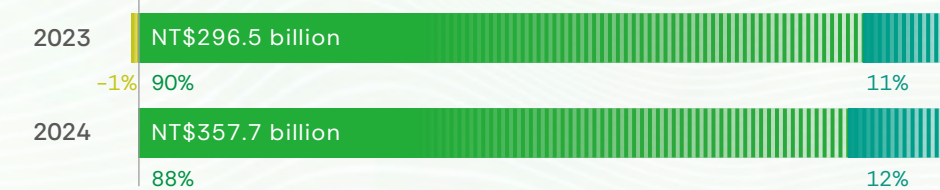
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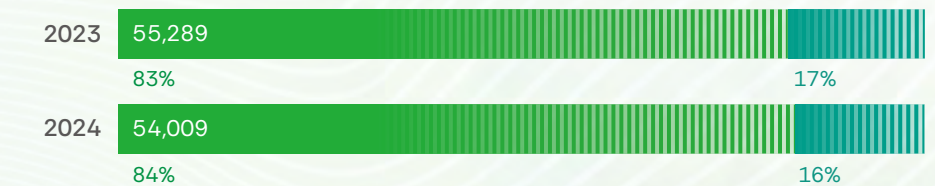
• Tax Information by Country

Cathay FHC pledges to comply with the tax laws and regulations of the jurisdiction of operation and to accurately calculate and file tax returns. Cathay FHC's global profit from operations for 2024 was NT\$357.7 billion, with profit before income tax from continuing operations totaling NT\$126.8 billion. The global average number of employees was 54,009 and our operations covered insurance, investment, and interest income. In 2024, Cathay FHC paid NT\$14.3 billion in taxes, including corporate income tax, undistributed profits tax, business tax, and house and land taxes. As Taiwan is our main area of operations, it accounted for 88% of global Profit from operations, 96% of global profit before income tax from continuing operations, 84% of the global workforce, and 87% of taxes paid worldwide..

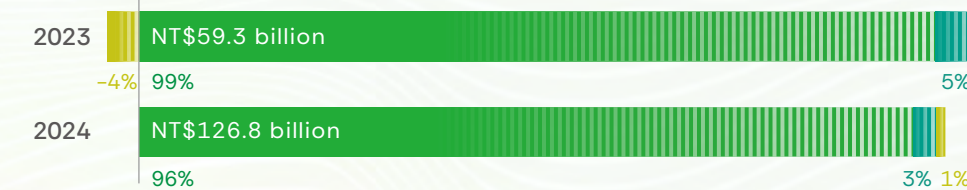
■ Net Revenue



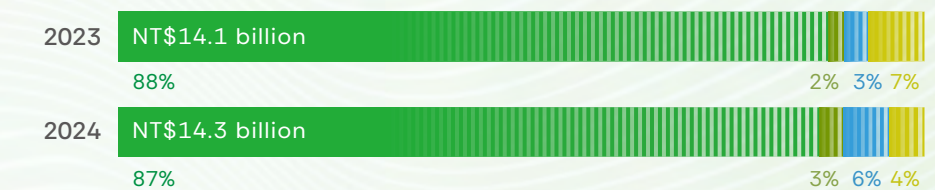
■ Average Number of Employees (Excluding discontinued operations)



■ Profit Before Tax of Continuing Operations



■ Taxes Paid



■ Taiwan ■ Asia Region ■ Other Regions ■ China ■ Vietnam

Note: The scope of "average number of employees" is consistent with that used in the consolidated financial statements.

Unit: NT\$billion, %

• Income Tax Information

Cathay FHC's effective tax rate in 2024 was 13.11%. The increase compared to the previous period was mainly due to additional tax payments related to the Income Basic Tax in 2024. When adjusting for factors such as tax-exempt income, the effective tax rate for 2024 was 21.03%, resulting in an average effective tax rate of 23.89% over the two periods.

Year		2023	2024	Two-year average
Profit before income tax (A)		59.31	126.84	93.08
Income Tax Expense (B)		6.74	16.63	11.69
Effective tax rate (B)/(A)		11.36%	13.11%	12.55%
Tax Impact Amount of Adjustment Items (D)	Total Amount of Tax-Exempt Income Tax	11.08	17.60	14.34
	Additional Tax Amount Required to Income Basic Tax	(0.02)	(7.56)	(3.79)
Adjusted Tax Income Expense (E)=(B)+(D)		17.80	26.67	22.24
Adjusted Effective Tax Rate (E)/(A)		30.01%	21.03%	23.89%
Income Tax Paid (F)		6.89	0.0	3.45
Cash Effective Tax Rate (F)/(A)		11.62%	0.00%	3.70%

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Sustainability Awards and Recognition




Dow Jones Sustainability Index (DJSI)

Maintained position as a constituent of the Dow Jones Sustainability World Index (DJSI World) for seven consecutive years and of the Dow Jones Sustainability Emerging Markets Index (DJSI Emerging Markets) for ten years, making Cathay the longest-standing insurance-sector constituent among Taiwanese financial institutions.




CDP

Received Leadership Level A- in Climate Change 2024. Cathay FHC earned an A rating in all six assessed dimensions—risk management processes, investment and lending portfolio management, environmental policy, value chain engagement, climate strategy, and climate governance—outperforming the global financial sector average and receiving international recognition.




MSCI

Received AAA Level from the MSCI ESG Rating with Cathay's excellent ESG management, performing "best in class relative to peers" in vulnerability to climate change, human resource development, privacy and information security, responsible investing, financial inclusion, and corporate action.



FTSE4GOOD

Selected as a constituent of the FTSE4Good Emerging Index for ten consecutive years.




Corporate Governance Evaluation

Ranked in top 6-20% in the 11th Corporate Governance Evaluation.




CommonWealth Magazine's Excellence in Corporate Social Responsibility Award

Ranked third in the Financial Holding category of CommonWealth Magazine's Excellence in Corporate Social Responsibility Award for large enterprises. Named one of the top ten companies on the CSR list a total of 12 times and also listed on the CommonWealth Taiwan Talent Sustainability Award Top 100, recognizing Cathay's strength in talent sustainability.



Wealth Magazine Taiwan Financial Award

Won six major honors at the 2024 Wealth Magazine Taiwan Financial Awards: Cathay FHC received the "Excellence in Sustainable Finance Award" once again; Cathay Century was awarded the "Gold Award for Property Insurance Customer Recommendation" under "consumer finance brand"; Cathay Life, CUB, and Cathay Securities each received "Customer Recommendation Excellence Awards" in their respective sectors. Additionally, CUB was recognized with the "Impact Trust Award."



Buying Power

Received the Top Procurement Award under the "Buying Power – Social Innovation Products and Services Procurement Award" organized by the Small and Medium Enterprise and Startup Administration, MOEA, and was also recognized with the Diverse Procurement Award.

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Sustainability Awards and Recognition



Sustainalytics

Ranked 3rd globally in the life insurance industry, with Cathay achieving top risk ratings in human capital, product governance, business ethics, stakeholder governance, and financial ESG integration—a testament to its outstanding ESG management capabilities.



Global Views Monthly's ESG Corporate Sustainability Award

Ranked number one in the financial and insurance industry for ESG performance by Global Views Monthly for three years running. As such, appeared on the annual honor roll for three consecutive years starting in 2022; Also received two exemplary awards in 2024 under "Special Project"—for "Workplace Inclusion" and "Education Promotion."



TWSIA Taiwan Sustainable Investment Awards

Cathay FHC, Cathay Life, CUB, Cathay Securities, and Cathay SITE received exemplary awards for "Institutional Impact" Cathay Securities received the Gold Award in the "Individual Impact – Corporate Engagement" category, while both Cathay Securities and Cathay SITE were honored with Gold Awards in the "Individual Impact – ESG Innovation" category.



Taiwan Corporate Sustainability Awards

Received top honors in the Top Ten Sustainable Companies Award – Services Category and Platinum in the Corporate Sustainability Report Award – Finance and Insurance Category I, and also swept six Sustainability Performance Awards, including "Climate Leadership," "Growth through Innovation," "Information Security Leadership," and "People Development Leadership."



HR Asia – Best Companies to Work for in Asia

Cathay FHC and Cathay Securities were honored with the HR Asia Best Companies to Work for in Asia 2024 award. Cathay FHC also received three special category awards: the Diversity, Equity & Inclusion (DEI) Award, the Most Caring Company Award, and the Sustainable Workplace Award.



FTSE4Good TIP Taiwan ESG Index

Selected as a constituent for the eighth consecutive year.

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Sustainability Strategies & Governance

1.1 Sustainable Governance and Management

1.2 Focus Areas & Blueprint of Sustainable Development

1.3 Stakeholder Engagement and Materiality Analysis

The International Sustainability Standards Board (ISSB)'s "General Requirements for Disclosure of Sustainability-related Financial Information" (IFRS S1) and "Climate-related Disclosures" (IFRS S2) officially took effect in 2024. These new standards mark a significant step forward in enhancing transparency regarding sustainability-related risks and opportunities, thereby supporting decision-making by investors and other stakeholders. According to S&P Global's Top 10 Sustainability Trends to Watch in 2025, both governments and corporations will face new policy landscapes and ongoing geopolitical uncertainty as they advance sustainability, climate, and energy transition strategies. In the face of external challenges, Cathay Financial Holdings remains committed to its core values of Integrity, Accountability, and Innovation. The company continues to deepen its Climate, Health, and Empowerment sustainability strategy blueprint by integrating resources across its subsidiaries, regularly tracking performance, and embedding ESG practices into its operations to strengthen governance.



Enhancing and Implementing Cathay's Sustainability Strategy Blueprint

Cathay focuses its strategic ambition and key development goals through the sustainability strategy blueprint, ensuring effective implementation and governance mechanisms. The ESG Strategy Committee tracks the execution performance of the strategy and regularly reports to the Board of Directors and the Corporate Sustainability Committee for review and oversight.



Pioneer and Leader in Promoting Sustainable Finance

Cathay FHC is one of the five founding members of the Financial Supervisory Commission (FSC)'s Coalition of Movers and Shakers on Sustainable Finance, taking primary responsibility for the "Working Group for Capital and Statistics" and serving as an important driver behind Taiwan's net-zero emissions objectives.



Identifying Material Sustainable Topics with Double Materiality

Cathay FHC continues to enhance its materiality assessment methodology by integrating the results of its Impact Measurement and Valuation (IMV) framework and aligning them with its Climate, Health, and Empowerment sustainability strategy blueprint, thereby strengthening overall sustainability management.

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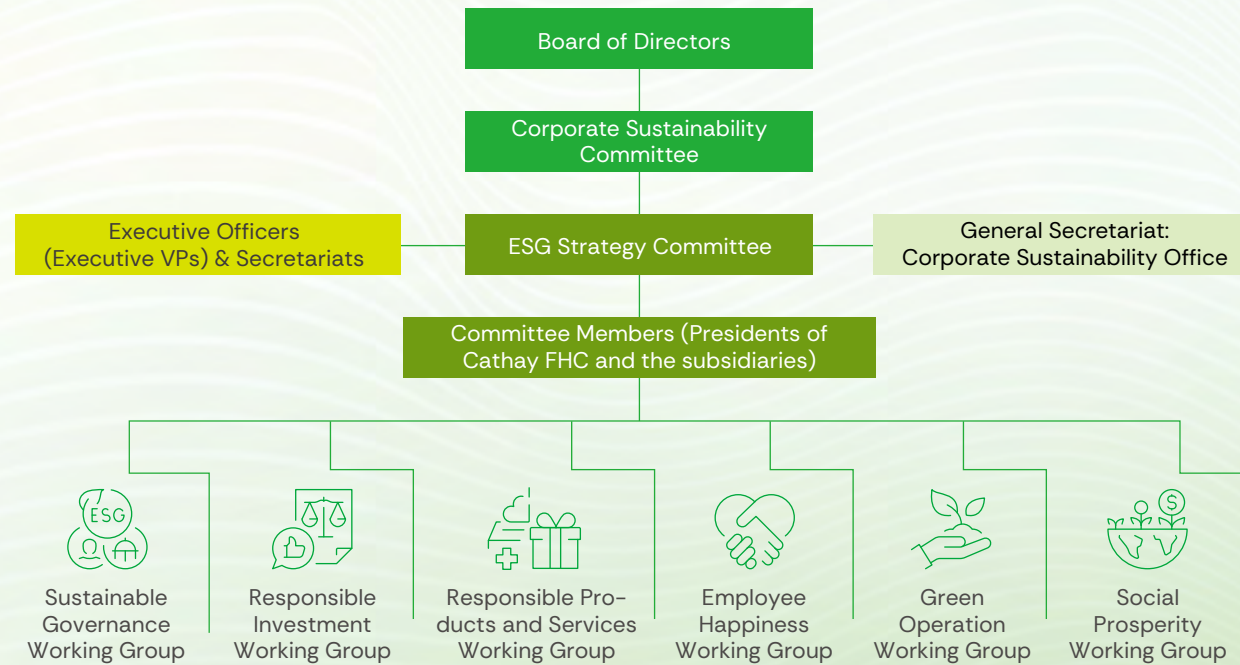
1.1 Sustainable Governance and Management

GRI : 2-12、2-13、2-14、2-16

Cathay manages FHC and its subsidiaries per the company's Corporate Sustainability Principles and Corporate Governance Best Practice Principles, which covers governance across economic, environmental, and social aspects. For better Sustainable governance and to enhance the effectiveness of the Board of Directors, Cathay FHC established the functional committee on Corporate Sustainability Committee on January 1, 2025. The Committee operates under formally defined organizational rules and comprises at least three board members, including no fewer than one independent director. It is responsible for overseeing and making decisions on matters related to sustainability policies, strategic direction, and annual plans.

Under the Corporate Sustainability Committee (企業永續發展委員會), the ESG Strategy Committee (formerly the Corporate Sustainability Committee, 企業永續委員會) is responsible for planning and implementing corporate sustainability initiatives. The committee is composed of the Presidents of Cathay FHC and its subsidiaries, with the Corporate Sustainability Office serving as the secretariat. The Office is dedicated to coordinating sustainability efforts across the Group. To address key sustainability topics, six task forces have been established, each led by senior executives. The ESG Strategy Committee convenes quarterly, inviting experts and scholars to share insights on international trends and sustainability issues. The Committee is responsible for formulating the Group's sustainability strategy, project initiatives, and annual objectives. It also reviews the progress of each task force and regularly reports key developments and implementation outcomes to the Board of Directors and the CSD Committee. In 2024, key items reported included: the review and revision of sustainability policies; stakeholder concerns and engagement efforts; progress on implementing Cathay's Climate, Health, and Empowerment sustainability strategy blueprint; updates on the Science Based Targets initiative (SBTi) and the transition toward net-zero operations; as well as the overall execution of sustainability-related governance and initiatives. In addition, each subsidiary has established its own corporate sustainability committee in accordance with its organizational structure. These committees convene quarterly, contributing to a cohesive, group-wide sustainability governance framework.

1.1.1 Cathay FHC's Corporate Sustainability Structure & Function



Cathay's Declaration of Sustainability Values

Cathay's Declaration of Sustainability Values declares how Cathay will comply with professional ethics, lawfully and reasonably engage in business, and also dedicate efforts to lower Environmental, Social and Governance (ESG) risks.

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1.1.2 Milestones

2011

- Established Cathay FHC Corporate Social Responsibility (CSR) Committee with five working groups

2012

- Set forth the Corporate Social Responsibility Code of Practice
- Published the first CS Report
- Joined the Carbon Disclosure Project (CDP)

2013

- Established the CSR rewarding mechanism
- Corporate sustainability training incorporated into new employee orientation
- Responded to ESG messages from international institutional investors

2014

- The CSR Committee was reestablished as the Corporate Sustainability (CS) Committee under the board and supervised by an independent director
- Established the Responsible Investment Working Group

2015

- Responded to and was selected for the Dow Jones Sustainability Emerging Markets Index (DJSI Emerging Markets)
- Became Taiwan's first signatory to the Equator Principles (EPs)
- Acquired Conning, Inc., a PRI signatory

2020

- Established the Corporate Sustainability Office under the Cathay FHC President's management
- Reexamined the four focus areas and established "Climate, Health, and Empowerment" as the three new focus areas for strategic sustainable development
- Investigated the link between sustainability actions and brand perception

2019

- Updated the 2016 four focus areas of sustainable development
- Began to follow the TCFD in 2017. The TCFD task force, led by the Chief Risk Officer, began to monitor climate-related risks in 2018.

2018

- CUB pledges to comply with the UN's Principles for Responsible Banking (PRB)
- Selected for the DJSI World Index
- Cathay Life releases the first Stewardship Report in Taiwan
- Audited all indexes within the CS Report

2017

- Cathay Century pledges to comply with the UN's Principles for Sustainable Insurance (PSI)
- Dual secretaries instituted for the six CS working groups
- Investigated the causality between sustainability and business performance

2016

- Cathay Life pledges to comply with the UN's Principles for Sustainable Insurance (PSI)
- Convened a strategy advancement meeting with the six CS working groups and defined the four focus areas of sustainable development
- Incorporated Social Return on Investment (SROI)
- Became a signatory to Taiwan's Stewardship Principles for Institutional Investors

2021

- CS Committee's operations and discussions focus on communicating the three focus areas of sustainable development to stakeholders
- Tied Cathay FHC President's remuneration package to sustainability performance to promote sustainable governance
- Pledged to comply with RE100 to underscore our climate commitment. Aiming to achieve 100% use of renewable energy at our Taiwan facilities by 2030 and net-zero carbon emissions by 2050.
- Releases Cathay's first ESG Integration Report

2022

- CS Committee finalizes sustainability blueprint detailing the strategy and implementation of the three focus areas
- Tied remuneration packages for presidents and senior executives of Cathay FHC and its subsidiaries to sustainability performance to implement sustainable governance
- Joined the Taiwan Financial Supervisory Commission (FSC)'s Coalition of Movers and Shakers on Sustainable Finance
- Emission reduction targets officially verified by the Science Based Targets Initiative (SBTi)
- Releases Cathay's first TCFD Report

2023

- Cathay FHC, as a pioneer of sustainability, continues to hone in on our strategic ambitions and key development objectives through our strategic blueprint. We continue to monitor progress and refine the strategic blueprint and its implementation.
- First financial institution in Taiwan invited to the UN Climate Change Conference (COP28) Blue Zone, organizing and contributing to important side events
- The only company in Taiwan to join the World Biodiversity Summit (WBS) during UN's Climate Week NYC for two consecutive years
- First financial institution in Taiwan to speak about sustainable finance at the London Stock Exchange's Climate Investment Summit
- One of the five founding members of the FSC's Coalition of Movers and Shakers on Sustainable Finance; leads the Working Group for Capital and Statistics

2024

- Cathay FHC President Lee Chang-Ken was invited to speak at the London Stock Exchange's Climate Investment Summit for the second time, making Cathay the first Taiwanese financial institution to be featured at the LSE summit twice.
- Cathay FHC Chief Investment Officer Sophia Cheng was invited to speak at the World Biodiversity Summit (WBS), where she represented Taiwan as the sole delegate. She was also invited by the Ceres Valuing Water Finance Initiative to share insights on "Drops of Change: Building Climate Resilience through Water Stewardship."
- Cathay Life's Wuri Building in Taichung became the first officially certified Net Zero Building in Taiwan. It received a Level 1+ rating for building performance and was awarded the Diamond-level Green Building Label.

2025

- Established the board-level Corporate Sustainability Committee.

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1.2 Focus Areas & Blueprint of Sustainable Development

Cathay aims to be the best financial institution in the Asia Pacific. As such, we have incorporated corporate sustainability into our decision-making processes for the three major branches of our operations: insurance, banking, and asset management. We shall implement sustainable finance by making use of our core competencies in capital and risk management. Cathay set forth the three sustainability focus areas of climate, health, and empowerment, and then evaluated the risks and opportunities that our core operations present to the UN SDGs. We then aligned the three focus areas with 10 SDGs and implemented them in our daily operations. As we strive to provide the best service in the financial industry, we can also solve social and environmental issues and empower stakeholders with greater resilience.

|| Cathay's Sustainability Strategy Blueprint

Corporate Vision						
To be the Best Financial Institution in the Asia Pacific						
Core Values						
Integrity, Accountability, and Innovation						
Three Focuses	Climate		Health		Empowerment	
Dimension	Low-Carbon Economy	Environmental Sustainability	Health Promotion	Financial Health	Workplace Empowerment	Social Empowerment
Strategic Ambition	<ul style="list-style-type: none"> Net Zero Emissions in Financial Assets by 2050 Leader in Climate Engagement Actions Provide Comprehensive Sustainable Finance Solution 	<ul style="list-style-type: none"> Green Energy Green Operations Green Real Estate 	<ul style="list-style-type: none"> Expand the Health Ecosystem Build Age-friendly Services Support Employee Wellbeing 	<ul style="list-style-type: none"> Best Custodian of Client Assets Benchmark Inclusive Finance Businesses in Taiwan 	<ul style="list-style-type: none"> Employee Reskilling Employee Upskilling Build a Leadership Pipeline Build an Inclusive Workplace 	<ul style="list-style-type: none"> Youth Empowerment Female Empowerment Helping the Underprivileged
SDGs	For more specifics on ambitions and actions, please refer to 2.1 Low-Carbon Economy	For more specifics on ambitions and actions, please refer to 2.2 Environmental Sustainability	For more specifics on ambitions and actions, please refer to 3.1 Health Promotion	For more specifics on ambitions and actions, please refer to 3.2 Financial Health	For more specifics on ambitions and actions, please refer to 4.1 Workplace Empowerment	For more specifics on ambitions and actions, please refer to 4.2 Social Empowerment
Material Issues	<ul style="list-style-type: none"> Financial products with environmental/social benefits Responsible Investment and Financing Decarbonization Strategy for Financial Assets 	<ul style="list-style-type: none"> Environmental Impact of Operations 	<ul style="list-style-type: none"> Health promotion and life security Employee health and well-being 	<ul style="list-style-type: none"> FinTech / Digital Transformation and Innovation Financial Crimes and Anti-Fraud Financial Planning and Services Financial Inclusion 	<ul style="list-style-type: none"> Talent Skills & Development Attracting and Retaining Talents 	<ul style="list-style-type: none"> Helping the Underprivileged
Stakeholders	Investors, Government, Public Associations, Customers		Employee, Customers, Suppliers, Community		Employee	Employee, Youth, Community

|| Building our Sustainability Strategy Blueprint

Cathay uses a three-step process to hone in on our three focus areas and six dimensions of sustainable development. We align them with 10 SDGs and 19 material topics to fully implement sustainable governance. Please visit [Cathay FHC's official website](#) for details on how we contributed to SDGs in 2024.

2019 : Identify Key Impacts

- Review:** Former four focus areas
Renewable energy and infrastructure, aging society and health, women's issues, community and financial inclusion
- Interview:** 12 senior executives
- Analyze:** International and domestic trends and issues

2021 : Develop Focus Areas

Determine sustainability focuses – "climate, health, and empowerment," and evaluate core operations for SDG risks and opportunities

2022-24 : Monitor and Manage

- Set up the Roadmap Planning Team
Cross-subsidiary research of international trends
- Set quantifiable short-, mid-, and long-term goals
Basis for implementing sustainable strategies
- Regularly monitor effectiveness
Cathay and its subsidiaries regularly review implementation performance and report progress to Cathay's ESG Strategy Committee and the Corporate Sustainability Development Committee, thereby ensuring effective sustainability governance.

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• 【Climate】 Low-Carbon Economy



In the past six decades, Cathay has earned the abiding trust of our shareholders and customers, growing our assets over time to NT\$13 trillion. The effect of climate change on economic, environmental, social, and cultural stability is increasing day by day. As Taiwan’s largest financial institution, Cathay is committed to the proper use of all capital and working with shareholders and customers. We will accompany our investees and borrowers in their low-carbon transition to furnish a zero-carbon society, striving to become the largest, most influential benchmark company as a force for stability and happiness for the whole of society.

Strategy	Stakeholders	Relevant section
1 Net Zero Emissions in Financial Assets by 2050	Customers ; Investors ; Government	
2 Leader in Climate Engagement Actions	Customers ; Investors ; Government ; Public Associations	For more specifics on the above goals and action plans, please refer to 2.1 Low-Carbon Economy .
3 Provide Comprehensive Sustainable Finance Solution	Customers	

• 【Climate】 Sustainable Environment



As one of Taiwan’s largest financial institutions with a presence both domestically and internationally, Cathay Financial Holdings has made Climate a core pillar of its sustainability strategy. By spotlighting three key focus areas—Green Energy, Green Operations, and Green Real Estate—Cathay is launching targeted initiatives and setting long-term goals, steadily implementing its Zero-Carbon Operation Transition Plan to fulfill its commitment to achieving net-zero emissions by 2050. Throughout its zero-carbon transition, Cathay aims to adopt agile approaches to reshape workplace models and enhance the employee experience. In addition, Cathay leverages its real estate ecosystem to expand its sustainability impact—advocating for easier access to renewable energy for clients and working together with them to advance shared net-zero goals and a sustainable economy.

Strategy	Stakeholders	Relevant section
1 2050 Net Zero Operations – Green Energy : Business locations in Taiwan will use 100% renewable energy by 2030, and business locations worldwide will use 100% renewable energy by 2050	Employees ; Customers	
2 2050 Net Zero Operations – Green Operation : Mobilize operations, digitalize services, and share workspaces in order to incorporate sharing and circulation into planning and creation of a low-carbon workplace	Employees ; Customers	For more specifics on the above goals and action plans, please refer to 2.2 Environmental Sustainability
3 2050 Net Zero Operations – Green Real Estate : Furnish an ecosystem of low-carbon buildings and drive industry participation in the energy transition	Employees ; Customers	

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• 【Health】 Health Promotion



Taiwan is currently dealing with demographic challenges such as an aging population and declining birth rates. As the largest financial institution in Taiwan, Cathay FHC serves one out of two Taiwanese citizens. Therefore, we seek to tap into our influence and extend the sphere of health promotion from the individual to each and every home. Meanwhile, Cathay is also concerned with traffic safety in schools, as well as general risks to personal safety. For the elderly, Cathay is also concerned with their physical, emotional, and mental wellbeing. Employees especially, are Cathay’s most important asset, so we seek to become their biggest supporter by providing comprehensive care for their wellbeing. Our goal is to realize the vision of “Total Well-Being for All Ages at Home” to help the public, customers and our employees.

Strategy	Stakeholders	Relevant section
1 Expand the ecosystem of promoting physical and mental health: raise awareness for physical and mental wellbeing, as well as accident prevention; foster the ability to monitor and manage their own health among the public; reiterate the value of ex-ante “prevention” and ex-post “reimbursement”; and exert our influence for the general wellbeing of all humanity	Employees ; Customers ; Suppliers ; Youths ; Community	
2 Enhance age-friendly services and create a safety net to support healthy and sustainable lifestyles for older people. By 2030, enable older adults to live healthy and dignified lives through financial products and services, and create an age-friendly safety net that promotes the overall health of older policyholders.	Employees ; Customers ; Community	For more specifics on the above ambitions and action plans, please refer to 3.1 Health Promotion
3 Support Employee Wellbeing and Become their Biggest Supporters	Employees	

• 【Health】 Financial Health



Cathay FHC manages businesses in insurance, banking, and asset management. Cathay is a financial group with assets totaling NT\$13.8 trillion, 54,000 employees, and serves approximately 15.34 million customers – more than half of Taiwan’s population. As the largest privately-held financial holdings company in Taiwan, it is our responsibility to enable everyone to find the right financial products and services at Cathay to achieve a sound personal balance sheet and improve their financial health. We hope to prosper alongside our customers, empowering all with the rights and means to make sound financial decisions, realize their goals, and become a stabilizing force for society.

Strategy	Stakeholders	Relevant section
1 Become the Best Custodian of Client Assets: Provide diverse financial planning and management tools to help the public make sound financial decisions to ensure a sense of security and happiness amidst social changes.	Customers ; Government	
2 Benchmark Company for Financial Inclusion in Taiwan: Leverage AI to provide equitable and friendly financial services, promoting their usability and accessibility; support various communities to strengthen financial inclusion; and educate the public to raise financial literacy.	Customers ; Youths ; Community	For more specifics on the above ambitions and action plans, please refer to 3.2 Financial Health

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• 【Empowerment】 Workplace Empowerment



Vision

Cathay is committed to becoming a fintech company. In response to the rapid development of digital technologies and the evolving digital business environment, we encourage our employees to cultivate diverse digital competencies and continuously innovate to deliver the best digital financial services to our customers. As such, we are driving a comprehensive digital transformation across the Group, continually strengthening cross-disciplinary thinking and equipping our employees with the essential skills required for digital transformation and emerging technologies. At Cathay, we believe that talent is critical to the sustainable development of our operations. Therefore, Cathay FHC has long been dedicated to talent cultivation and development, and we value our employees as we would our customers. By aligning talent development with digital transformation strategies, we pledge to support our employees with the four pillars of workplace empowerment.

Strategy	Stakeholders	Relevant section
1 Employee Reskilling : Identify future human resource needs, as well as the professional knowledge and skills to adapt to future trends	Employees	For more specifics on the above ambitions and action plans, please refer to 4.1 Workplace Empowerment .
2 Employee Upskilling : Provide training materials corresponding to the different developmental needs of employees at different stages to ensure the continued elevation of employee capabilities	Employees	
3 Build a Leadership Pipeline : Deepen leadership and management talent pipelines and strengthen cultivation of talent pool at all levels to ensure sustainable development	Employees	
4 Foster a diverse, equitable, and inclusive (DEI) workplace : Building a respectful, inclusive, and welcoming environment with the core belief of creating a "Place for All." By offering diverse resources, the company helps individuals find a sense of belonging, thereby creating value for individuals, the company, and society at large.	Employees	

• 【Empowerment】 Social Empowerment



Vision

Cathay Financial Holdings envisions building an inclusive and equitable society. Guided by the spirit of "To Be Where We Are Needed," Cathay actively engages diverse stakeholder groups, empowering them to enhance their quality of life through their own capabilities. By forming strategic partnerships across sectors, Cathay drives sustainable actions that support youth, women, and underrepresented communities—equipping them with the knowledge and skills to thrive with confidence, independence, and purpose in a rapidly changing world.

Strategy	Stakeholders	Relevant section
1 Youth Empowerment - Future Leaders	Youths ; Community	For more specifics on the above ambitions and action plans, please refer to 4.2 Social Empowerment
2 Women Empowerment - New Role Models	Youths ; Community	
3 Supporting the Underprivileged - Social Safety Net	Employees ; Youths ; Community	

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1.3 Stakeholder Engagement and Materiality Analysis

GRI : 2-12、2-16、2-29、3-1、3-2、3-3

1.3.1 Stakeholder Engagement

Cathay FHC engages with stakeholders in accordance with the four fundamental principles outlined in AA1000 Stakeholder Engagement Standard (AA1000 SES): Materiality, Inclusivity, Responsiveness, and Impact. In the meantime, we identified nine major stakeholder groups with our sustainability blueprint designed to hone in on our sustainability strategies. We engage with stakeholders through diverse channels and mechanisms to listen to, understand, and respond to their voices and needs. We aim to establish mutual benefit and trust through continued communication and engagement.

For more information on Cathay FHC's communication channel, engagement frequency and feedback mechanisms, as well as the complete list of interactions in 2024, please see [the Cathay FHC official website](#).



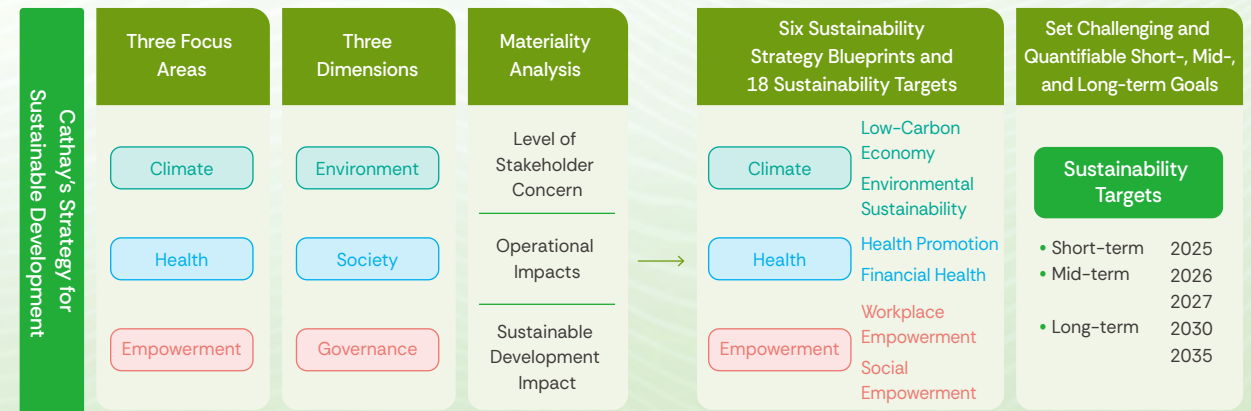
1.3.2 Materiality Analysis

|| Materiality Analysis of CS Issues and Formulation of Sustainable Strategies

Cathay FHC conducts annual materiality analyses in accordance with the "GRI Universal Standards 2021" and "GRI 3: Material Topics 2021." The analyses integrate the concept of double materiality as outlined by the European Financial Reporting Advisory Group (EFRAG) under the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). In addition, Cathay incorporates international impact assessment methodologies, including those developed by the Value Balancing Alliance (VBA) and Harvard Business School's Impact-Weighted Accounts initiative, to further refine its materiality assessments. By developing an impact-based materiality assessment approach—CS Issue Materiality Analysis—Cathay FHC evaluates its external impacts on the economy, environment, people, and human rights. This process is used to identify material topics for 2024, shape stakeholder engagement strategies, and inform the internal development of its sustainability strategy blueprint.

In its double materiality analysis, Cathay FHC integrates Financial Materiality by assessing the degree of operational impact within the company to prioritize sustainability issues based on their financial implications or impact on corporate value. This is further complemented by the methodology of Impact Materiality, which evaluates the significance of the company's sustainability issues on external stakeholders through both monetary and non-monetary assessments, allowing for effective prioritization. Guided by the value-driven principles of its three sustainability pillars—Climate, Health, and Empowerment—Cathay systematically advances corporate sustainability, striving to create shared social value for all stakeholders.

Cathay FHC takes a multi-layered approach to defining material topics, considering factors such as stakeholder concerns, operational impacts, and sustainability impact—based on survey results. These are further aligned with long-term internal goals and senior executive compensation. A total of 19 material topics were identified, confirmed by the ESG Strategy Committee, and subsequently reported to the Corporate Sustainability Committee and the Board of Directors. Besides setting long-term objectives, the process integrates enterprise risk management (ERM) to identify risk factors, severity, and probability of occurrence in order to systematically manage material risks. The results of the materiality analysis have been verified by an independent third party, BSI Taiwan.



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CS Issues Materiality Analysis Process

Identification

1 Compile and Identify

By analyzing global sustainability disclosure standards, sustainability ratings, industry benchmarks, international trend reports, and our sustainability vision and organizational development goals, Cathay FHC conducts daily operations and interacts with stakeholders to ensure ongoing communication and feedback.

2 Identify Potential Issues

Confirm 27 CS issues:

- Related to governance: 9
- Related to environment: 6
- Related to society: 12

Note: To more accurately reflect the meaning and scope of each topic-and to comprehensively represent Cathay's sustainability priorities and direction-several ESG topic names have been adjusted compared to the previous year. "Corporate Governance" has been renamed to "Corporate Governance and Ethical Corporate Management"; "Risk Management" has been revised to "Risk and Crisis Management"; "Sustainable Procurement and Supplier Management" has been changed to "Sustainable Supply Chain Management"; "Ethics and Compliance" has been updated to "Regulatory Compliance"; and "Human Rights" has been more precisely expressed as "Safeguarding Human Rights." "Digital Transformation and Innovation" was expanded to "FinTech / Digital Transformation and Innovation"; "Real Estate Management" was revised to "Green Leasing and Real Estate Management"; and "Carbon Emissions in Financial Assets" was renamed to "Decarbonization Strategy for Financial Assets." "Responsible Finance" and "Sustainable Financial Products" have been renamed to "Responsible Investment and Financing" and "Financial products with environmental/social benefits," respectively. The original "Healthy and Agile Workplace Environment" issue has been divided into two separate issues: "Workplace Digital Transformation" and "Employee Health and Well-being." Additionally, a new issue, "Financial Crimes and Anti-Fraud," has been introduced.

Analyze and Assess the Significance of Impact

3 Level of Stakeholder Concern

Cathay FHC invited its nine major stakeholder groups to provide feedback on the level of their concern regarding 27 CS issues through a questionnaire. A total of 3,346 stakeholders responded

- Including investors: 529
- Suppliers: 74
- Government organizations: 10
- Employees: 1,153
- Media: 38
- Communities: 21
- Customers: 1,379
- Public associations: 11
- Youth: 131

4 Operational Impacts

To identify the impact of ESG issues on our operations, a materiality assessment questionnaire was distributed to 21 senior executives, including the Cathay FHC Vice President, presidents and vice presidents of Cathay subsidiaries, senior executives, and ESG Strategy Committee members. They were asked to assess the degree of impact of CS issues on the company's operations or value (operations development, customer trust, corporate image, reputation as best employer, social prosperity).

According to the survey analysis results, the issues identified as having the greatest impact on operations are "Corporate Governance and Ethical Corporate Management," "Risk and Crisis Management," "Business Performance," "Financial Crimes and Anti-Fraud," "Financial products with environmental/social benefits," "Health Promotion and Life Security," and "Customer Relationship Management."

5 Sustainable Development Impact

Cathay FHC refers to the impact metrics suggested by Harvard Business School's Impact-Weighted Accounts, as well as the profits and losses of five major capitals (5C P&L) methodologies defined in the biannual Impact Measurement & Valuation (IMV), to assess the significance of the impact of sustainability issues.

Confirm

6 Define

Once impacts are identified and prioritized, they are incorporated into discussions regarding the sustainability strategy blueprint with senior managers and the sustainability team. Nineteen material CS issues are then finalized and reported to the ESG Strategy Committee, then submitted to the CSD Committee and the board of directors.

Disclose and Report

7 Disclose and Formulate Long-term Sustainability Goals

Disclose contents of material issues that correspond to the GRI Standard; set corresponding short-, mid-, and long-term goals and disclose them in the Cathay FHC sustainability report. For progress and achievements in 2024, please refer to the official Cathay FHC site.

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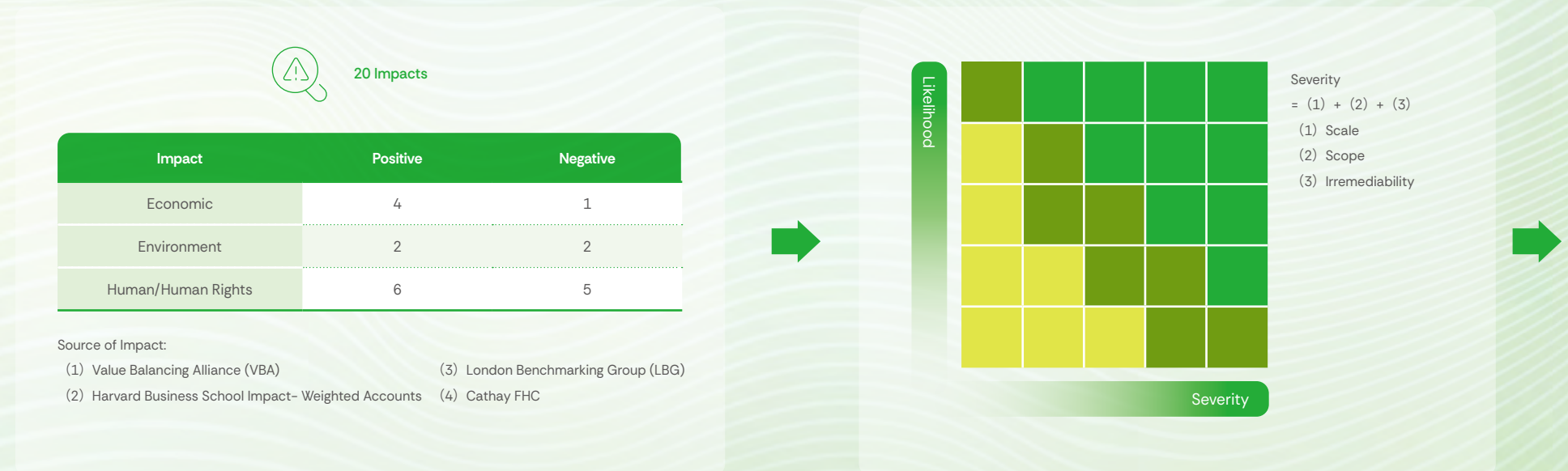
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|| The Significance of CS Issue Impacts

Cathay FHC refers to recommendations from Harvard Business School's Impact-Weighted Accounts initiative and the Value Balancing Alliance (VBA), and has integrated its own sustainability context to develop 20 external impact metrics. Cathay FHC invited 21 executives and employees related to ESG topics to evaluate both positive and negative impacts in terms of scale, scope, irreparability, past occurrences (actual), and future probability (potential). This process helps identify the significant impacts caused or facilitated by the company and prioritize ESG issues based on their materiality. Cathay has established significance thresholds to identify eight external sustainability impacts that are highly relevant to the company, categorized under economic, environmental, and people (human rights) dimensions. These include five positive impacts and three negative impacts: "Economic/Positive: Product and service innovation contributes to the development of the financial industry"; "Economic/Positive: Tax payments and other fees paid to the government help support infrastructure and social welfare"; "Environmental/Positive: Supporting industries in sustainable or green transitions

through investments, lending, and financial products and services"; "Environmental/Positive: Participating in domestic and international initiatives or organizations to promote sustainability awareness among industries and stakeholders"; "People (Human Rights)/Positive: Providing affordable products or services to underserved or disadvantaged groups (e.g., financial inclusion products and services)"; "Economic/Negative: Improper use of funds may impact financial markets"; "Environmental/Negative: Investments, loans, or financial products and services may contribute to climate or ecological impact by supporting high-emission or highly polluting industries"; "People (Human Rights)/Negative: Misuse of data or privacy breaches may harm the rights of employees and customers." The analysis revealed that four topics—"Financial products with environmental/social benefits," "Responsible Investment and Financing," "Corporate Governance and Ethical Corporate Management," and "FinTech/Digital Transformation and Innovation"—have the greatest impact on driving the occurrence of the eight significant impacts. Please refer to the diagram right for the visualization of sustainability impact pathways.

• Sustainability Impact Pathway of Cathay's Impact Valuation



Defining Positive and Negative Impacts

Determine materiality threshold

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• Sustainability Impact Pathway of Cathay's Impact Valuation

8 Significant Impacts		Relevant ESG Issues
+ Economic	Product and service innovation contributes to the development of the financial industry	E、J、K、N、W
+ Economic	Tax payments and other fees paid to the government help support infrastructure and social welfare	A、C、D、I、M、Y、Z
- Economic	Improper use of funds may impact financial markets	A、B、C、F、J、K
+ Environmental	Supporting industries in sustainable or green transitions through investments, lending, and financial products and services	B、E、J、K、L、M、P
+ Environmental	Participating in domestic and international initiatives or organizations to promote sustainability awareness among industries and stakeholders	A、G、J、K、L
- Environmental	Investments, loans, or financial products and services may contribute to climate or ecological impact by supporting high-emission or high pollution industries	J、K、L、M、O
+ People / Human Rights	Providing affordable products or services to underserved or disadvantaged groups (e.g., financial inclusion products and services)	E、H、J、W、X、Z
- People / Human Rights	Misuse of data or privacy breaches may harm the rights of employees and customers	A、B、D、E、F、I

Company ESG Issues

A	Corporate Governance and Ethical Corporate Management
B	Risk and Crisis Management
C	Business Performance
D	Regulatory Compliance
E	FinTech / Digital Transformation and Innovation
F	Privacy and Information Security
G	Sustainable Supply Chain Management
H	Safeguarding Human Rights
I	Financial Crimes and Anti-Fraud
J	Financial products with environmental/social benefits
K	Responsible Investment and Financing
L	Decarbonization Strategy for Financial Assets
M	Environmental Impact of Operations
N	Green Leasing and Real Estate Management
O	Nature & Biodiversity
P	Health promotion and life security
Q	Talent and Skill Development
R	Employee health and well-being
S	Workplace Digital Transformation
T	Attracting and Retaining Talents
U	Inclusive Workplace
V	Customer Relationship Management
W	Financial Planning and Services
X	Financial Inclusion
Y	Youth Empowerment
Z	Helping the Underprivileged
a	Female Empowerment



Level of Impact	CS Issues
Primary Impacts	<ul style="list-style-type: none">Financial products with environmental/social benefitsResponsible Investment and FinancingCorporate Governance and Ethical Corporate ManagementFinTech / Digital Transformation and Innovation
Secondary impacts	<ul style="list-style-type: none">Risk and Crisis ManagementDecarbonization Strategy for Financial AssetsEnvironmental Impact of OperationsBusiness PerformanceRegulatory CompliancePrivacy and Information SecurityFinancial Crimes and Anti-FraudFinancial Planning and ServicesFinancial InclusionHelping the Underprivileged
Significant	<ul style="list-style-type: none">Sustainable Supply Chain ManagementSafeguarding Human RightsGreen Leasing and Real Estate ManagementNature & BiodiversityHealth promotion and life security

Significant Impact

CS Issues behind Significant Impacts

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Sustainability Impact Pathway of Cathay's Impact Valuation

Cause of Impact	Material Issue	Output Metric	IRIS Catalog of Metrics	Impact on well-being	Type of Major Capital	Impact Item	Type of Impact	Monetary (NT\$)	Impact Rating	Impact Stakeholders
<div>Supply Chain</div>	Sustainable Supply Chain Management	Payment to Suppliers	PI5478	Procurement drives industry supply-demand relationships	Finance and Integrity Capital	Social Externality: Boosting Supply Chain Value	Positive (+)	16,842,893,843	●●●●○○○○	Society
				Procurement creates employment opportunities in the supply chain	Human capital	Social Externality: Income of Supply Chain Employees	Positive (+)	2,386,790,639	●●●○○○○○	External employees
				Environmental impacts of GHG emissions during supply chain manufacturing	Natural capital	Environmental Externality: Supply Chain GHG Emissions	Negative (-)	119,882,804	●●○○○○○○	Environment
				Environmental impacts of air pollutants during supply chain manufacturing	Natural capital	Environmental Externality: Supply Chain Air Pollutants	Negative (-)	419,818,004	●●○○○○○○	Environment
<div>Business Operations</div>	Business Performance	Operating Profit	FP1301	Increase financial capital stock for investor returns	Finance and Integrity Capital	Gross Value added (GVA): Operating Profit	Positive (+)	51,513,817,000	●●●●●○○○	Investors
		Public Expenses	FP5261	Support government expansion of infrastructure and social welfare	Finance and Integrity Capital	Gross Value added (GVA): Public Expense	Positive (+)	11,259,552,000	●●●●○○○○	Society
		Depreciation and amortization	FP9573	Develop industry tech for supplier revenue	Finance and Integrity Capital	Gross Value added (GVA): Depreciation and amortization	Positive (+)	8,635,961,000	●●●○○○○○	Suppliers
	Environmental Impact of Operations	GHG Emissions	OI1479	Rising GHG concentrations contribute to global warming	Natural capital	Environmental Externality: Operational GHG Emissions	Negative (-)	103,336,494	●●○○○○○○	Environment
		Renewable Energy (onsite self-use PV system)	OI2496	Decreasing GHG concentrations mitigates global warming	Natural capital	Environmental Externality: Environmental Benefits of Using Renewable Energy	Positive (+)	9,856,879	●○○○○○○○	Environment
		Renewable Energy (Purchased)	OI3324	Decreasing GHG concentrations mitigates global warming	Natural capital					Environment

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Cause of Impact	Material Issue	Output Metric	IRIS Catalog of Metrics	Impact on well-being	Type of Major Capital	Impact Item	Type of Impact	Monetary (NT\$)	Impact Rating	Impact Stakeholders
 Business Operations	Environmental Impact of Operations	Depletion of Water Resources	OI0263	Change in water resource stores causes stress on local communities	Natural capital	Environmental Externality: Operational Water Resource Depletion	Negative (-)	6,499	●○○○○○○○	Environment
		Fuel Usage (Gasoline/Diesel)	OI1496	Fuel use causes air pollution, leading to health and ecological impacts	Natural capital	Environmental Externality: Operational Air Pollution	Negative (-)	5,904,235	●○○○○○○○	Environment
		Waste Management	OI6192	Incineration and landfills cause air pollution and GHG emissions	Natural capital	Environmental Externality: Operational Waste Management	Negative (-)	2,312,206	●○○○○○○○	Environment
		Reduce Paper Usage	-	Digitalization of services reduces the environmental impacts of paper use	Natural capital	Environmental Externality: Reduction in Paper Use	Positive (+)	9,118,084	●○○○○○○○	Environment
	Attracting and Retaining Talents	Employee Compensation & Benefits	OI4724	Compensation that allows for quality of life, well-being, and purchasing power	Human capital	Social Externality: Salaries Above Living Wage	Positive (+)	27,159,893,811	●●●●○○○	Internal employees
						Social Externality: Salaries Below Living Wage	Negative (-)	16,852,663	●○○○○○○○	Internal employees
		Employee Benefit Programs	OI2742	Paid leave and family-friendly culture foster work-life balance	Human capital	Social Externality: Family-friendly culture and support	Positive (+)	281,092,945	●●○○○○○	Internal employees
	Talent and Skill Development	Employee Training & Development	OI7877	Training enhances professional skills and employability	Human capital	Social Externality: Future benefits of employee training	Positive (+)	6,545,972,992	●●●○○○○	Internal employees
		Internal Job-Filling	OI6995	Internal promotion and job transfers increase income	Human capital	Social Externality: Internal Job-Filling	Positive (+)	1,776,564,748	●●●○○○○	Internal employees
		Gender Pay Ratio	OI1855	High-paying positions create segregation due to gender differences	Human capital	Social Externality: Equal Opportunity	Negative (-)	3,498,739,279	●●●○○○○	Internal employees
	Inclusive Workplace	Workplace Sexual Harassment	OI9077	Physical and emotional damage, leading to future medical costs and loss of well-being	Human capital	Social Externality: Sexual Harassment	Negative (-)	12,247,859	●○○○○○○○	Internal employees

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Cause of Impact	Material Issue	Output Metric	IRIS Catalog of Metrics	Impact on well-being	Type of Major Capital	Impact Item	Type of Impact	Monetary (NT\$)	Impact Rating	Impact Stakeholders
<div>Business Operations</div>	Employee health and well-being	Number of Employees with Health Risks	OI4061	Cardiovascular disease risks and medical expenses due to workload	Human capital	Social Externality: Employee Health Risks	Negative (-)	85,281,589	●○○○○○○○	Internal employees
		Number of Employees with Improved Health	OI4061	Health promotion improving lifestyle and health status	Human capital	Social Externality: Employee Health Promotion	Positive (+)	2,119,366	●○○○○○○○	Internal employees
		Occupational Accidents	OI3757 OI6525	Physical and emotional impact and cost of medical resources	Human capital	Social Externality: Occupational Accidents	Negative (-)	6,803,000	●○○○○○○○	Internal employees
	Youth empowerment, female empowerment, helping the underprivileged	Social Investment	OI7421	Improving community relations and quality of life	Social and Relationship Capital	Social Externality: Value of Social Investment	Positive (+)	420,121,138	●●○○○○○○○	Society
<div>Products and Services</div>	Responsible finances/ carbon emissions in financial assets	Industry Investment and Financing	II8480	Industry investment and lending drives industry supply-demand relationships	Intellectual Capital	Social Externality: Enhancing Industry Chain Value	Positive (+)	13,307,758,856,001	●●●●●●●●●	Society
				Investment & lending creates job opportunities along industry chain	Human capital	Social Externality: Income of Industry Chain Employees	Positive (+)	1,771,814,995,244	●●●●●●●●●	External employees
				Workers losing their freedom and suffering physical and mental health impacts due to forced labor	Human capital	Social Externality: Industry Chain Human Rights Risks – Forced Labor	Negative (-)	49,551,447,711	●●●●○○○○○	External employees
				Future income loss from child laborers unable to receive quality education	Human capital	Social Externality: Industry Chain Human Rights Risks – Child Labor	Negative (-)	42,934,472,991	●●●●○○○○○	External employees
				Environmental impact of GHG emissions resulting from industry chain supply and demand	Natural capital	Environmental Externality: Industry Chain GHG Emissions	Negative (-)	1,056,710,276,511	●●●●●●●●●	Environment
				Environmental impact of air pollution resulting from industry chain supply and demand	Natural capital	Environmental Externality: Industry Chain Air Pollutants	Negative (-)			

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Cause of Impact	Material Issue	Output Metric	IRIS Catalog of Metrics	Impact on well-being	Type of Major Capital	Impact Item	Type of Impact	Monetary (NT\$)	Impact Rating	Impact Stakeholders
 Products and Services	Sustainable Financial Products	Low-carbon Investing	II8480	Low-carbon investments avoid environmental impacts from GHG emissions	Natural capital	Environmental Externality: Environmental Benefits of Low-carbon Investments	Positive (+)	7,403,794,204	●●●○○○○○	Environment
	Health promotion and life security	No. of policies	PI8785	Provide economic protection in the face of unexpected events and offer security and peace of mind for individuals and families	Social and Relationship Capital	Social Externality: Insurance payouts	Positive (+)	182,012,846,411	●●●●●○○○	Customers
	Financial Inclusion	Charitable Trust Donations	OI1619	Resources for underprivileged groups, improving quality of life	Social and Relationship Capital	Social Externality: Charitable Trust Donations	Positive (+)	185,414,016	●○○○○○○○	Society
		Microinsurance Donations		Ensure basic protection to underprivileged groups to lessen their burden	Social and Relationship Capital	Social Externality: Microinsurance Donations	Positive (+)	16,408,247	●○○○○○○○	Society

Note 1: IRIS (Impact Reporting & Investment Standards) is developed by the Global Impact Investing Network (GIIN), and provides a standardized framework of metrics for measuring the social, environmental, and economic performance of companies, thereby enhancing the comparability of impact investments.

Note 2: Impact Valuation Methodology draws on the Impact-Weighted Accounts (IWA) from Harvard Business School and the impact statement approach of the Value Balancing Alliance (VBA).

Note 3: Gross Value added (GVA) assesses the difference between the intermediate inputs and the final outputs of a company's operations, considering both the original inputs and public expenditures and highlighting the economic activities' benefits for various stakeholders.

Note 4: Externality refers to the positive or negative effects of Cathay FHC's operational activities on human well-being through interactions with various types of capital. These impacts are not directly reflected in the company's profits or costs. Environmental externalities consider the social costs of carbon, health costs, and ecosystem damages arising from GHG emissions, air pollution, waste, and water resource usage. Social externalities examine the effects of wage quality, career development, equal opportunities, and health and well-being on employees and society.

Note 5: Input-Output Model is for supply chain procurement and industry investment and financing. It calculates the social and environmental externalities, including the economic benefits derived from industry chain supply-demand effects, job creation, wage income, environmental footprints, and human rights risks. References include the OECD Input-Output Tables (2018), EXIOBASE 2, UNICEF, and Walk Free databases.

Note 6: Value coefficients are adjusted for regional economic conditions, based on the per capita Gross National Income (GNI) measured by Purchasing Power Parity (PPP). This adjustment also considers inflation and exchange rates, aligning the time boundaries to the 2021 currency value baseline. Methodologies referenced include OECD (2012) and PwC UK (2015).

Level of Impact	Monetary Value (NT\$ 1M)
●○○○○○○○	0~1
●●○○○○○○	1~10
●●●○○○○○	10~100
●●●●○○○○	100~1,000
●●●●●○○○	1,000~10,000
●●●●●●○○	10,000~100,000
●●●●●●●○	100,000~1,000,000
●●●●●●●●	>1,000,000

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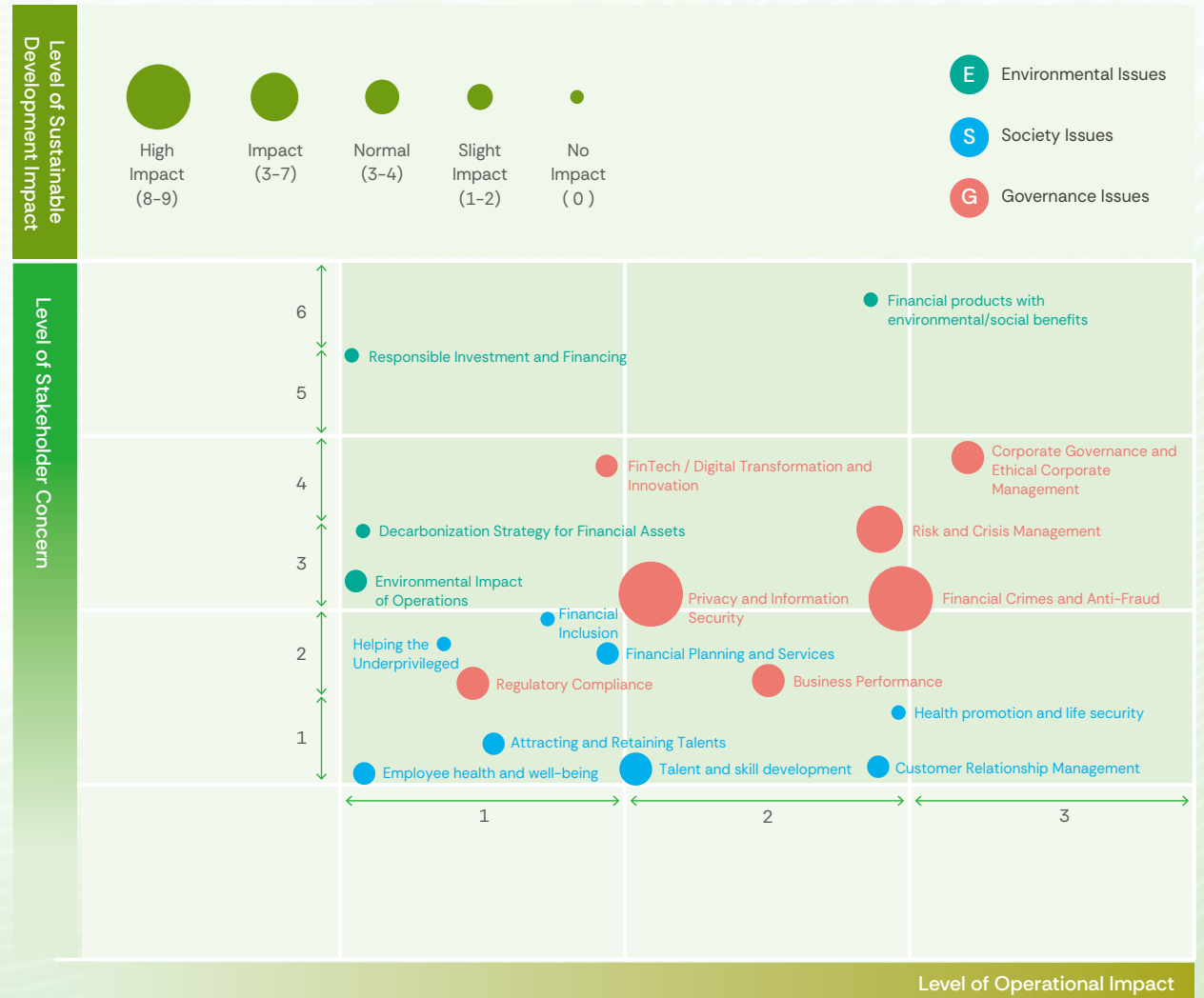
Impact Assessment Results of Material Issues

With the results of identification and impact assessment, we further deliberated our sustainability strategy with senior managers and the sustainability team. Based on double materiality, we confirmed and prioritized 19 material CS issues according to "Level of Operational Impact," "Level of Stakeholder Concern," and "Level of Sustainable Development Impact," and then created a Material Issue Matrix. Compared to the previous year, three new material topics have been added for 2024: "Financial Crimes and Anti-Fraud," "Financial Inclusion," and "Helping the Underprivileged." Meanwhile, the topics "Inclusive Workplace" and "Youth Empowerment," which were considered material in the previous year, have been reclassified as non-material topics.

• Cathay's Material Issues and Prioritization

Sustainability	Cathay's Material Issues	Priority
G Governance	Corporate Governance and Ethical Corporate Management	1
G Governance	Business Performance	2
G Governance	FinTech/Digital Transformation and Innovation	3
G Governance	Privacy and Information Security	4
S Society	Talent and Skill Development	5
E Environment	Environmental Impact of Operations	6
G Governance	Risk and Crisis Management	7
G Governance	Financial Crimes and Anti-Fraud	8
E Environment	Financial products with environmental/social benefits	9
E Environment	Responsible Investment and Financing	10
S Society	Health promotion and life security	11
E Environment	Decarbonization Strategy for Financial Assets	12
G Governance	Regulatory Compliance	13
S Society	Financial Planning and Services	14
S Society	Financial Inclusion	15
S Society	Employee health and well-being	16
S Society	Helping the Underprivileged	17
S Society	Customer Relationship Management	18
S Society	Attracting and Retaining Talents	19

• Cathay's Materiality Matrix



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Material Issue Boundaries and Management Policy

The organizational boundary of this report encompasses Cathay FHC and its key subsidiaries: Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE. Core disclosures focus primarily on operations in Taiwan. In accordance with disclosure requirements, the report also includes relevant information related to key investment and credit subjects, suppliers, customers, as well as communities and the broader public beyond the value chain. Disclose contents of material issues that correspond to the GRI Standard; set corresponding short- and long-term goals and disclose them within this report.

Material Issues	GRI Standards	Type of Impact	Value Chain					Management Guidelines
			Cathay FHC & Subsidiaries	Customers	Suppliers	Investors	Society and the General Public	
Corporate Governance and Ethical Corporate Management	Self-identified Material Issue	<ul style="list-style-type: none">• Economic/Positive: Increased net income after tax enhances financial capital for investors• Economic/Positive: Tax payments and other fees paid to the government help support infrastructure and social welfare• Economic/Negative: Improper use of funds may impact financial markets	●					6.1 Corporate Governance
Risk and Crisis Management	Self-identified Material Issue	<ul style="list-style-type: none">• Economic/Negative: Improper use of funds may impact financial markets• Economic/Negative: Misuse of data or privacy breaches may harm the rights of employees and customers• Environmental/Negative: Investments, loans, or financial products and services may contribute to climate or ecological impact by supporting high-emission or high pollution industries• People (Human Rights)/Negative: Procurement or investment/lending activities may lead to human rights violations related to labor conditions (e.g., child labor, forced labor, discrimination, harassment, or excessive working hours)• People (Human Rights)/Negative: Cathay's own operations may result in human rights violations related to labor conditions (e.g., child labor, forced labor, discrimination, harassment, or excessive working hours)	●	○				6.2 Risk Management
Business Performance	GRI 201: Economic Performance	<ul style="list-style-type: none">• Economic/Positive: Product and service innovation contributes to the development of the financial industry• Economic/Positive: Tax payments and other fees paid to the government help support infrastructure and social welfare• Economic/Positive: Increased net income after tax enhances financial capital for investors• Economic/Negative: Improper use of funds may impact financial markets	●	○		○		About Cathay FHC

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Material Issues	GRI Standards	Type of Impact	Value Chain					Management Guidelines
			Cathay FHC & Subsidiaries	Customers	Suppliers	Investors	Society and the General Public	
Regulatory Compliance	GRI 2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> • Economic/Positive: Tax payments and other fees paid to the government help support infrastructure and social welfare • People (Human Rights)/Negative: Cathay's own operations may result in human rights violations related to labor conditions (e.g., child labor, forced labor, discrimination, harassment, or excessive working hours) • People (Human Rights)/Negative: Misuse of data or privacy breaches may harm the rights of employees and customers 	●	○	○			6.3 Ethical Corporate Management
FinTech/Digital Transformation and Innovation	Self-identified Material Issue	<ul style="list-style-type: none"> • Economic/Positive: Product and service innovation contributes to the development of the financial industry • People (Human Rights)/Positive: Providing diverse learning channels and open educational resources to cultivate financial professionals and enhance employability • People (Human Rights)/Negative: Misuse of data or privacy breaches may harm the rights of employees and customers 	●	○				3.2 Financial Health
Privacy and Information Security	GRI 418: Customer Privacy	<ul style="list-style-type: none"> • People (Human Rights)/Negative: Misuse of data or privacy breaches may harm the rights of employees and customers 	●	○				6.5 Service Quality & Customer Rights
Financial Crimes and Anti-Fraud	Self-identified Material Issue	<ul style="list-style-type: none"> • Economic/Negative: Improper use of funds may impact financial markets 	●	○			○	3.2 Financial Health
Financial products with environmental/social benefits	GRI 201: Economic Performance 2016	<ul style="list-style-type: none"> • Economic/Positive: Product and service innovation contributes to the development of the financial industry • Environmental/Positive: Supporting industries in sustainable or green transitions through investments, lending, and financial products and services • Environmental/Negative: Investments, loans, or financial products and services may contribute to climate or ecological impact by supporting high-emission or high pollution industries 	●	○			○	2.1 Low-Carbon Economy

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Material Issues	GRI Standards	Type of Impact	Value Chain					Management Guidelines
			Cathay FHC & Subsidiaries	Customers	Suppliers	Investors	Society and the General Public	
Responsible Investment and Financing	GRI 201: Economic Performance 2016	<ul style="list-style-type: none"> Environmental/Positive: Supporting industries in sustainable or green transitions through investments, lending, and financial products and services Environmental/Negative: Investments, loans, or financial products and services may contribute to climate or ecological impact by supporting high-emission or high pollution industries People (Human Rights)/Negative: Procurement or investment/lending activities may lead to human rights violations related to labor conditions (e.g., child labor, forced labor, discrimination, harassment, or excessive working hours) 	●	○		○	○	2.1 Low-Carbon Economy; 5 Sustainable Finance; 6.2.5 Task Force on Climate-Related Financial Disclosures (TCFD)
Decarbonization Strategy for Financial Assets	GRI 201: Economic Performance 2016	<ul style="list-style-type: none"> Environmental/Positive: Supporting industries in sustainable or green transitions through investments, lending, and financial products and services Environmental/Negative: Investments, loans, or financial products and services may contribute to climate or ecological impact by supporting high-emission or high pollution industries 	●	○		○		2.1 Low-Carbon Economy
Environmental Impact of Operations	GRI 305: Emissions	<ul style="list-style-type: none"> Environmental/Positive: Participating in domestic and international initiatives or organizations to promote sustainability awareness among industries and stakeholders Environmental/Negative: Energy and resource consumption at operational sites 	●		○			2.2 Environmental Sustainability
Health promotion and life security	GRI 416: Customer Health and Safety	<ul style="list-style-type: none"> People (Human Rights)/Positive: Providing affordable products or services to underserved or disadvantaged groups (e.g., financial inclusion products and services) People (Human Rights)/Positive: Allocating resources to improve the living environment or quality of life for communities or disadvantaged groups 	●	○			○	3.1 Health Promotion
Talent and Skill Development	GRI 404: Training and Education	<ul style="list-style-type: none"> People (Human Rights)/Positive: Providing diverse learning channels and open educational resources to cultivate financial professionals and enhance employability 	●					4.1 Workplace Empowerment
Employee health and well-being	GRI 403: Occupational Health and Safety	<ul style="list-style-type: none"> People (Human Rights)/Positive: Health promotion on supporting work-life balance People (Human Rights)/Positive: Creating employment opportunities to boost household purchasing power People (Human Rights)/Negative: Work-related stress may pose health risks to employees (e.g., cardiovascular disease) 	●					3.1 Health Promotion

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Material Issues	GRI Standards	Type of Impact	Value Chain					Management Guidelines
			Cathay FHC & Subsidiaries	Customers	Suppliers	Investors	Society and the General Public	
Attracting and Retaining Talents	GRI 401: Employment	<ul style="list-style-type: none"> People (Human Rights)/Positive: Providing fair employee compensation to support a decent quality of life People (Human Rights)/Negative: Cathay’s own operations may result in human rights violations related to labor conditions (e.g., child labor, forced labor, discrimination, harassment, or excessive working hours) 	●					4.1 Workplace Empowerment
Customer Relationship Management	GRI 418: Customer Privacy	<ul style="list-style-type: none"> People (Human Rights)/Positive: Providing affordable products or services to underserved or disadvantaged groups (e.g., financial inclusion products and services) People (Human Rights)/Negative: Misuse of data or privacy breaches may harm the rights of employees and customers 	●	○				6.5 Service Quality & Customer Rights
Financial Planning and Services	GRI 416: Customer Health and Safety	<ul style="list-style-type: none"> People (Human Rights)/Positive: Providing affordable products or services to underserved or disadvantaged groups (e.g., financial inclusion products and services) People (Human Rights)/Negative: Misuse of data or privacy breaches may harm the rights of employees and customers 	●	○			○	3.2 Financial Health
Financial Inclusion	GRI 201: Economic Performance 2016	<ul style="list-style-type: none"> People (Human Rights)/Positive: Providing affordable products or services to underserved or disadvantaged groups (e.g., financial inclusion products and services) 	●	○			○	3.2 Financial Health
Helping the Underpr-ivileged	Self-identified Material Issue	<ul style="list-style-type: none"> People (Human Rights)/Positive: Providing affordable products or services to underserved or disadvantaged groups (e.g., financial inclusion products and services) People (Human Rights)/Positive: Allocating resources to improve the living environment or quality of life for communities or disadvantaged groups 	●	○			○	4.2 Social Empowerment

Involvement: ● Direct impact ○ Impact from business ties

Note: All material topic impacts identified for the year were actual impacts.

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Material Issues	Risks	Description	Risk Mitigation Measures	Likelihood of Occurrence ¹	Severity ²	Duration of Impact ³
Risk and Crisis Management	Political & Economic Risks	Political and economic instability in the countries or regions where Cathay's investments are located may pose risks to the overall economy, financial markets, central bank policies, supply chains, and operations	<ol style="list-style-type: none"> Country Risk Management: <ul style="list-style-type: none"> Established Country Risk Management mechanisms to regularly monitor credit ratings and risks of sovereign bonds; keep pace with evolving political and economic risks around the world; decentralize international business operations; minimize risks from concentrated business activities; and strengthen country risk management. Participate in external political seminars or forums to improve and enhance professional knowledge in the political field through increased cross-disciplinary exchange opportunities. Business Continuity Management: <ul style="list-style-type: none"> Established group-wide BCM mechanism and organized tabletop exercises for war scenarios to strengthen operational resilience. 	3	3	Short, medium, and long term
	Power & Energy Risks	Increased power and energy demand or reduced/abnormal supply can pose risks of power outages or electricity price hikes, affecting Cathay, its customers, and its investment targets.	<ol style="list-style-type: none"> Follow the "Business Continuity Management Guidelines" and "BCM Implementation Guidelines" to conduct regular business impact analysis and risk assessments. Based on the results, revise or develop new emergency response measures for various risk sources, inventory backup resource needs, and business recovery procedures to ensure the rapid resumption of services and continuous operations. Use uninterruptible power systems (UPS) for critical operational facilities or equipment and perform regular maintenance to ensure normal operations during temporary power outages. Implement and comply with the ISO 22301 business continuity management system. Actively promote energy-saving measures to mitigate the adverse impact of electricity price increases on operations. Engage with investee companies to understand their strategies and plans for procuring green energy to monitor the progress of the company's green energy transition. 	3	3	Short, medium, and long term
	Suspension of Digital Services	Reliance on the internet means increased risk from disruptions in critical telecommunications infrastructure, networks, and digital payments. Disruptions may result from power outages, blackouts, or natural disasters	<ol style="list-style-type: none"> Follow the "Business Continuity Management Guidelines" and "BCM Implementation Guidelines" to regularly conduct business impact analysis and risk assessments. Develop emergency response measures, inventory backup resource needs, and business recovery procedures to ensure the rapid resumption of services and continuous operations. Implement response measures according to the "Emergency Response Procedures for Information System Interruptions and Major Impact Events" during disasters. Conduct regular maintenance and backup drills for power systems. Develop backup plans before implementing power-related projects and use different telecommunications networks for important external services to provide mutual backup. 	3	3	Short, medium, and long term

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Material Issues	Risks	Description	Risk Mitigation Measures	Likelihood of Occurrence ¹	Severity ²	Duration of Impact ³
FinTech/Digital Transformation and Innovation	AI Risk	With the rapid advancement of AI technologies and the emergence of various application models, the combination of different algorithms and technologies may lead to more sophisticated and difficult-to-detect forms of fraud and cyberattacks, such as those involving deepfakes or generative AI. The application of AI also presents challenges in safeguarding sensitive data and ensuring model security and confidentiality. As AI tools are increasingly used to support decision-making, issues such as AI hallucinations and bias recognition must be addressed to mitigate potential risks.	<p>To strengthen AI governance, the Cathay FHC has adopted a framework based on six key dimensions, establishing a unified structure across both institutional and technical aspects to enhance group-wide AI oversight.</p> <p>① Strategy: Establish an AI governance framework, initiate an industry-wide AI Technology Working Group to collaborate on regulatory technologies and standards, and set forth the Six Governance Principles.</p> <p>② Organization: Established the Data and AI Governance Committee to approve strategies and technical standards, and formed the Technology Application Review Committee to oversee the review and management of cloud and AI technology applications.</p> <p>③ Legal & Regulatory: Develop responsible AI (RAI) practices and manage the development, application, and risk oversight of AI services. Group-wide policies and key management guidelines will continue to be promoted and refined.</p> <p>④ Process: Based on AI guidelines, Cathay has developed a risk assessment methodology that evaluates three key dimensions: decision-making autonomy, output uncertainty, and application impact. Risk levels are used to determine the appropriate level of review and technical validation.</p> <p>⑤ Technology: Develop responsible AI (RAI) tools, build an AI evaluation platform, enhance testing mechanisms, and establish methodologies for large language model (LLM) question-and-answer sets.</p> <p>⑥ Application: Maintain an up-to-date inventory of AI models across the Group to effectively monitor and manage AI application scenarios.</p>	--	2	Short, medium, and long term
Privacy and Information Security	Information Security Risks	Internal information systems may be compromised due to insufficient control of information security frameworks and network privacy mechanisms, leading to sensitive data and customer information leaks. This can result in litigation, fines, and operational disruptions.	<p>① Regularly review and implement measures from the group's information security blueprint to enhance protection against security threats.</p> <p>② Continue to strengthen employee and customer information security awareness through training and promotional programs.</p> <p>③ Enhance the continuous operation capability of information services.</p> <p>④ Implement and maintain effective international certifications such as ISO 27001 and BS 10012 to ensure the effectiveness of management systems.</p> <p>⑤ Collect and analyze information and risks on external information security threats and conduct vulnerability remediation; Work with external entities to keep abreast of information security risks.</p> <p>⑥ Conduct regular cybersecurity drills to enhance emergency response capabilities for information security incidents.</p>	2	3	Short, medium, and long term
Financial products with environmental/social benefits	Changing consumer preferences for investment or financial products	As consumer awareness of sustainability increases, if Cathay cannot offer products that meet customer needs or invest in companies with poor climate adaptation strategies, consumer engagement may drop, leading to decreased revenues	Collaborate with the government and academia to expand innovative applications of the group's climate and nature data	5	2	Short, medium, and long term
Responsible Investment and Financing	Risks associated with promoting green finance and insurance products	If Cathay fails to adequately assess the risks associated with promoting green financing and investment, it may result in Cathay bearing the risk of customer defaults.	<p>① Validate strategic ambitions and assess financial impacts with scenario analysis</p> <p>② Establish ESG audit processes and industry exclusion and restriction policies</p>	5	2	Medium to long term

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Material Issues	Risks	Description	Risk Mitigation Measures	Likelihood of Occurrence ¹	Severity ²	Duration of Impact ³
Decarbo- nization Strategy for Financial Assets	Transition risks from policy and regulatory uncertainty	Ambiguities in climate policy (both domestic and foreign), may make it difficult for Cathay's investment targets to respond appropriately or transition in time, potentially leading to a decline in Cathay's revenues.	<ol style="list-style-type: none"> 1 Validate strategic ambitions and assess financial impacts with scenario analysis 2 Encourage investees and borrowers to undergo low-carbon transformation through engagement strategies 3 Establish ESG audit processes and industry risk management mechanisms 	5	2	Medium to long term
	Increased credit and market risks from carbon-intensive investment portfolios	With the increase in global carbon reduction regulations, carbon-intensive industries face transformation pressures, which may incur increased financial stress or higher default risks. This, in turn, can result in reduced returns on Cathay's investment portfolios.	<ol style="list-style-type: none"> 1 Validate strategic ambitions and assess financial impacts with scenario analysis 2 Establish ESG audit processes and industry exclusion and restriction policies 	5	2	Medium to long term
Environm- ental Impact of Operations	Extreme weather and climate events pose risks to the physical operations of Cathay, investees and borrowers, and insured companies	Climate-related disasters such as typhoons, floods, and extreme temperatures can cause significant financial, personnel, and operational losses to Cathay's operations, investment subjects, and insured companies. These impacts may also lead to increased payouts for medical and accident insurance, ultimately reducing Cathay's earnings.	<ol style="list-style-type: none"> 1 Provide corporate catastrophe services 2 Consider the potential impact of climate risk factors such as floods, mudslides, and earthquakes on the safety of our assets when selecting business and investment locations; Regularly inspect properties and step up safety inspections and repairs. Maintain and refine our BCM strategy to include natural disaster scenarios, contingency measures, business continuity plan (BCP), and scheduled drills to increase our resilience to climate change. 	5	2	Short, medium, and long term
Employee health and well- being	Social Isolation and Loneliness	The COVID-19 pandemic has had a lasting impact on interpersonal relationships. Prolonged isolation deepened social disconnection, and post-pandemic socio-economic recovery—shaped by urbanization and shifts in social structures—has further exacerbated the effects of social isolation and loneliness. The World Health Organization has formally recognized loneliness as an urgent public health issue. The combined effects of mental health challenges and physical illness are expected to have significant social consequences.	<ol style="list-style-type: none"> 1 Conduct surveys to understand employee needs and offer wellness seminars to help managers recognize potential mental health issues. 2 Provide career counseling services to support workplace adjustment and stress management. 3 Launch an online “Mood Thermometer” to detect early warning signs and offer timely psychological support or referrals. 4 Partner with licensed counselors to assist high-risk individuals and handle cases involving reports of misconduct or harm. 	--	2	Short to medium term
Attracting and Retaining Talents	Talent cultivation & retention	High employee turnover results in insufficient expertise, which, coupled with the company's need to face new economic developments, significantly impacts the demand for and progress in nurturing technological innovation talent, resulting in a further impact on the company	<ol style="list-style-type: none"> 1 Employee Reskilling & Upskilling: Execute Cathay FHC's Upskill & Reskill program and 360-degree feedback system to ensure employees are aware of their strengths and weaknesses for their current positions, career development pathways, and necessary skills for future development in Cathay. 2 Active Leadership Pipeline: Regularly convene meetings to review talent development structures, remuneration, and benefits to ensure Cathay is competitive in attracting and retaining talents. 3 DEI Workplace: Promote diversity, equity, and inclusivity (DEI) in the workplace & bolster employee data engineering. 	2	2	Short, medium, and long term

Note 1: Disclosure reflects the most recent assessment results in line with the Company's actual practices. 5: Likely to occur/emerge within 1 year; 4: Likely to occur/emerge within 1–3 years; 3: Likely to occur/emerge within 3–5 years; 2: Likely to occur/emerge within 5–10 years; 1: Likely to occur/emerge after 10 years. “AI Risk” and “Social Isolation and Loneliness” have been identified as emerging risks. As trends in emerging risks continue to evolve, the likelihood of occurrence remains under assessment.

Note 2: Disclosure reflects the most recent assessment results in line with the Company's actual practices. 5: Extreme; 4: Critical; 3: Major; 2: Moderate; 1: Negligible.

Note 3: Disclosure reflects the most recent assessment results in line with the Company's actual practices. Time frames for climate-related risks: Short-term means likely to occur within 1 year; Mid-term means likely to occur in 1–3 years; and Long-term means likely to occur after three years or more. For non-climate-related risks: Short-term means likely to occur within 1 year; Mid-term means likely to occur in 1–5 years; and Long-term means likely to occur after six years or more.

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Climate

2.1 Low-Carbon Economy

2.2 Environmental Sustainability



In 2024, with the closing of COP29 in Azerbaijan's capital Baku, countries around the world proposed ambitious measures. Unfortunately, this has not led to a reduction in global carbon emissions. According to the Climate Action Tracker: Warming Projections Global Update report published by the United Nations(UN), aggregate efforts of decarbonization policies are still setting the world on a path toward 3° C of warming. We are racing against time: extreme climate has been disastrous for our world, threatening lives and leading to economic losses. Previous efforts to limit global warming to 1.5 ° C is gradually dropping off. As a pioneer of sustainable finance in Taiwan, Cathay FHC regularly reviews progress toward net-zero goals by setting science-based decarbonization targets; engage in-depth with investee companies to promote sustainability and low-carbon transitions by participating in international organizations and initiatives; and continue to expand the influences of sustainable financial services and to collaborate with various stakeholders to tackle global environmental challenges such as climate change and biodiversity loss.

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2.1 Low-Carbon Economy

Low-Carbon Economy - Achievements



Climate Change Strategies

- Cathay SITE: Asia Asset Management 2024 Best of the Best Awards – Best Climate Change Strategy



Climate Initiative - CDP Commercial Bank Project

- CUB became the first financial institution in Asia to collaborate with the CDP, inviting customers to complete the CDP survey, introducing them to the importance of net zero emissions and environmental management, and improving the quality of their carbon disclosure. In 2024, a total of 121 companies completed the questionnaire and received a CDP environmental disclosure rating.



Green Finance

- Reached NT\$375.7 billion in low-carbon investing & financing, an 87.85% growth from 2022
- Credit facilities to renewable energies now account for 99.79% of all credits to the electricity generation industry
- Launched Asia's only "sustainability-linked payroll services" and benefited over 3,000 employees
- Reached NT\$80 billion in cumulative sustainability-linked loans

Low-Carbon Economy - Strategy Blueprint

Code for Goals & Progress in 2024: ✓ Completed / Missed

Action Plan	Metrics	2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals	
		Ambition	Outcome	2025	2026	2027	2035	
Strategy 1 Net Zero Emissions in Financial Assets by 2050								
Set science-based targets (SBT): Set a pathway to reduce emissions through an emission- and impact-based investment and lending portfolio	Proprietary Investments: Portfolio temperature of listed equities & bonds	S1+S2	2.82°C	✓ 2.40°C	2.75°C	2.68°C	2.61°C (Note1)	(Note1)
		S1+S2+S3	2.9°C	Missed (Note2)	2.85°C	2.79°C	2.73°C (Note1)	(Note1)
	Asset Management: Portfolio temperature of listed equities & bonds	S1+S2	2.85°C	✓ 2.18°C	2.78°C	2.71°C	2.64 (Note1)	(Note1)
		S1+S2+S3	2.93°C	✓ 2.66°C	2.87°C	2.81°C	2.75 (Note1)	(Note1)
	% reduction in emission intensity of electricity generation project finance (compared to 2019)	Decrease by 23%	✓ Decrease by 100%	Decrease by 28%	Decrease by 33%	Decrease by 38%	(Note1)	(Note1)
	% reduction in emission intensity of commercial real estate corporate loans (compared to 2019)	Decrease by 28%	Missed (Note2)	Decrease by 34%	Decrease by 39%	Decrease by 44%	(Note1)	(Note1)
	% reduction in emission intensity of long-term corporate loans to the electricity generation (compared to 2019)	Decrease by 23%	Missed (Note2)	Decrease by 27%	Decrease by 32%	Decrease by 36%	Decrease by 69%	
	% reduction in emission intensity of long-term corporate loans to the commercial real estate related (compared to 2019)	Decrease by 27%	Missed (Note2)	Decrease by 33%	Decrease by 38%	Decrease by 42%	Decrease by 73%	

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Action Plan	Metrics	2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
1. Coal-exit action: • Phase out coal-fired power financing; prioritize the promotion of natural gas and renewable energy financing; set a “zero-coal financing” goal • Divest from the coal energy industry and value chain that are not implementing active transitions 2. Develop investment/financing transition plan: monitor high climate-risk industries and gradually reduce the carbon footprint of investments and financing • Oversee and monitor unconventional oil & natural gas industries	Cease new investments to companies operating within the coal mining, coal freight-rail, coal support services, and coal power generation sectors that are not actively transitioning and have a CSR of above a certain threshold	CSR threshold: 30%	✔ No new investments	CSR threshold: 20%	CSR threshold: 20%	CSR threshold: 20%	CSR threshold: • 5% for OECD countries • 20% for non-OECD countries
	Set a “Phase out coal financing” goal to achieve zero coal lending by the end of Q1 2027	Set a “Phase out coal financing” goal to achieve zero coal lending by the end of Q1 2027	✔ In progress			Coal lending phase-out	-
	Cease new investments to unconventional oil and natural gas companies that are not actively transitioning and have a CSR of above a certain threshold	CSR threshold: 50%	✔ No new investments	CSR threshold: 30%	CSR threshold: 30%	CSR threshold: 30%	CSR threshold: • 20% for OECD countries • 30% for non-OECD countries
Strategy ② Leader in Climate Engagement Actions							
Continue to increase participation in international organizations and initiatives, bring together international investors to make an impact	No. of international organizations/initiatives & climate/nature-related engagements	Participate in at least 10 organizations/initiatives, 3 engagements, and 2 nature-related engagement initiatives; and analyze feasibility of joining other organizations/initiatives	✔ Participated in 13 organizations/initiatives, 3 engagements, and 2 nature-related engagement initiatives	Participate in at least 10 organizations/initiatives, 3 engagements, and 2 nature-related engagement initiatives; and analyze feasibility of joining other organizations/initiatives			
Communicate and prompt investees and borrowers to disclose carbon inventory results, set more concrete mid- and long-term carbon reduction goals, or join international carbon reduction organizations such as SBT/RE100	Proprietary Assets: Share of financed emissions from domestic listed companies under stewardship	45%	✔ 64%	50%	50%	52%	55%
	Asset Management: Share of equity holdings in domestic carbon-intensive listed companies under stewardship	New goal set in 2025		50%	50%	50%	80%
	Share of other long-term corporate loan portfolio by loan value within the fossil fuel, electrical and electronic equipment, general manufacturing, and semiconductor sectors setting SBTi validated targets	35%	✔ 61%	40%	45%	48%	60%

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Action Plan	Metrics	2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Strategy ③ Comprehensive Climate Finance Solutions Provider							
	% increase & amount in low-carbon investments (compared to 2020) ^(Note 3)	30% growth & NT\$227 billion	✔ 86% growth ✔ NT\$325.1 billion	80% growth & NT\$314 billion	100% growth & NT\$349 billion	105% growth & NT\$358 billion	110% growth & NT\$366 billion
1. Green Capital: Increase low-carbon investments							
2. Green Products: • Offer green loans and sustainability-linked loans (SLLs)	% increase in sustainable lending & total outstanding loan balance (compared to 2023)	10% growth & NT\$69.8 billion in 2024	✔ 17% growth & NT\$74.5 billion in 2024	20% growth & NT\$76.1 billion in 2024	30% growth & NT\$82.5 billion in 2024	38% growth & NT\$87.6 billion in 2024	60% growth & NT\$101.5 billion in 2024
• Develop low-carbon fund products		Continue to develop products for low-carbon/climate-related funds					
• Offer green insurance (renewable energy industry insurance/solar energy/off-shore wind/green vehicle insurance)							
• Issue green bonds and provide green warrants and structured products	% increase in insured amount for green insurance (compared to 2022) ^(Note 3)	10% growth	✔ 93% growth	100% growth	104% growth	108% growth	120% growth
3. Green Services: • Corporate Catastrophe Services: Utilize typhoon and flood simulation software along with on-site assessments in high-risk areas to provide corporate clients with disaster loss evaluations and improvement strategies	% increase in no. of corporate catastrophe services (compared to 2022)	10% growth	✔ 11% growth	15% growth	18% growth	21% growth	30% growth
	Cumulative no. of corporate catastrophe services (from 2012)	685	✔ 686	820	960	1,105	1,550
	Cumulative no. of green bond underwriting cases (from 2020) ^(Note 3)	14	✔ 20	21	23	26	30

Note 1: Cathay is expecting to review SBTs and will update targets accordingly

Note 2: For more information, please refer to [SBT Targets & Progress for Decarbonization in Financial Assets in 2.1.1](#)

Note 3: Cathay completed the mid- and long-term targets set for 2024 ahead of time and has, therefore, reviewed and developed more ambitious targets for 2025.

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2.1.1 Net Zero Emissions in Financial Assets by 2050

Cathay FHC has committed to net-zero emissions for financial assets by 2050 and pledged to the Science Based Targets initiative (SBTi) for a net-zero carbon target, which was verified in 2022 with the approval of Near-Term Science-based Targets. By annually monitoring high-risk climate factors and reviewing the financed emissions of Cathay investment and financing portfolios, we will adjust decarbonization targets every five years to ensure the long-term goal of achieving net-zero emissions for financial assets.

|| SBT Targets & Progress for Decarbonization in Financial Assets



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Note 1: Investment portfolio temperature and credit asset emissions intensity are both experiencing fluctuations in the short-term. Cathay will continue to make adjustments to meet 2026/2035 targets.

Note 2: Cathay FHC's SBTs cover investment/financing assets across Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE.

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Monitor Financed Emissions

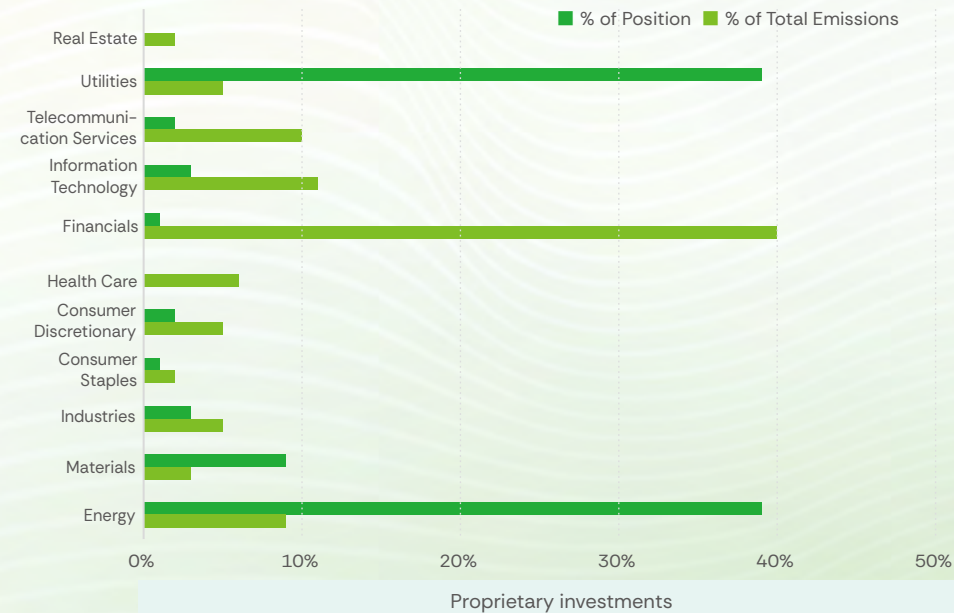
Cathay is deeply aware of the critical role that financial institutions play in the global net-zero mission. As such, Cathay is actively monitoring and containing financed emission to achieve the long-term goal of net zero emissions for financial assets by 2050. Since 2018, Cathay has voluntarily conducted carbon footprint assessments for financial assets, referencing methodologies from SBTi and PCAF. Cathay has continued to expand portfolio assessment scopes each year and has established an annual monitoring mechanism to regularly review and analyze the carbon emissions of each subsidiary's investment and lending portfolios, ensuring that asset allocation aligns with internal decarbonization targets. For full details on the carbon emissions of Cathay FHC's investment and lending portfolios, see Table 2 in Appendix.

Financed Emissions from Investment Portfolios

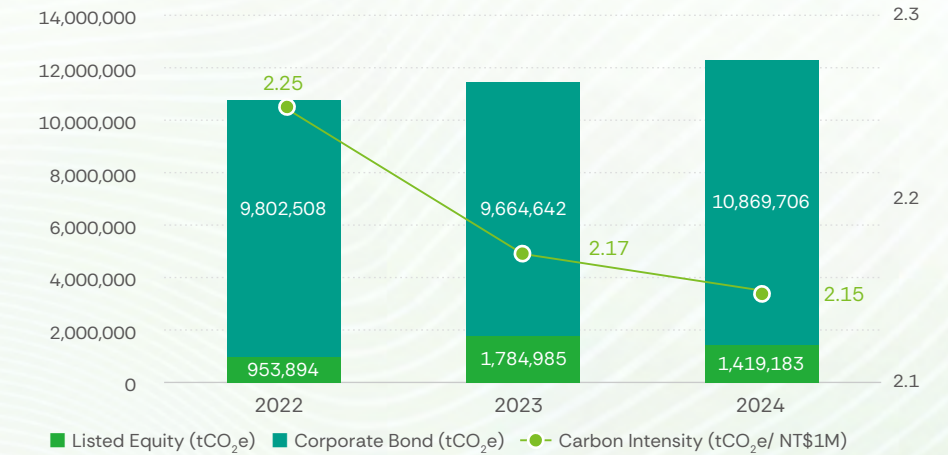
Financed Emissions from Listed Equities & Bonds

In 2024, Cathay's financed emissions from listed equity and corporate bond investments totaled 12.29 million tCO₂e, with 90% from proprietary assets and 10% from assets under management. While the total emissions increased compared to the previous year, the overall emissions intensity decreased by 1%. Approximately 73% of emissions were concentrated in the energy and utilities sectors. To accelerate low-carbon transitions in carbon-intensive industries and mitigate climate risks in assets, Cathay has adopted more aggressive approaches to manage investments and financing and engage investees and borrowers.

Financed Emissions from Listed Equities & Bonds by Industry



2022-2024 Financed Emissions from Listed Equities & Bonds



Note 1: Includes both Scope 1 and Scope 2 emissions of investment targets.

Note 2: The table above covers both proprietary assets and assets under management. Proprietary investments cover investments of Cathay Life, CUB, Cathay Century Insurance, Cathay Securities; and investment assets under management cover investments of Cathay SITE.



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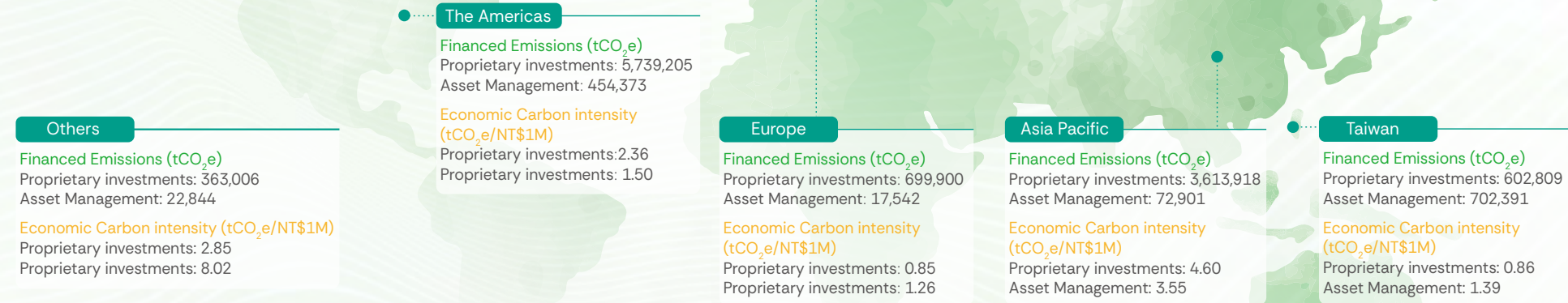
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Financed Emissions from Listed Equities & Bonds by Region



Financed Emissions from Other Investments

In 2024, Cathay completed a comprehensive assessment of all PCAF Asset Classes in investment. Aside from listed equity and corporate bonds, Cathay calculated financed emissions from unlisted equity, sovereign bonds, project finance, and commercial real estate, in line with PCAF guidelines. The total emissions reached 7.9 million tCO₂e (excluding LULUCF), with an emissions intensity of 7.58 tCO₂e per million.

2024	Proprietary investments		Asset Management	
	Financed Emissions (tCO ₂ e)	Economic Carbon intensity (tCO ₂ e/NT\$1M)	Financed Emissions (tCO ₂ e)	Economic Carbon intensity (tCO ₂ e/NT\$1M)
Unlisted Equity	59,518	1.39	0	0
Sovereign debt-excluding LULUCF	5,795,419	8.09	2,042,231	7.48
Sovereign debt-Including LULUCF	5,694,947	8.55	1,845,441	6.76
Project finance	0	0	0	0
Commercial real estate	5,614	0.56	0	0

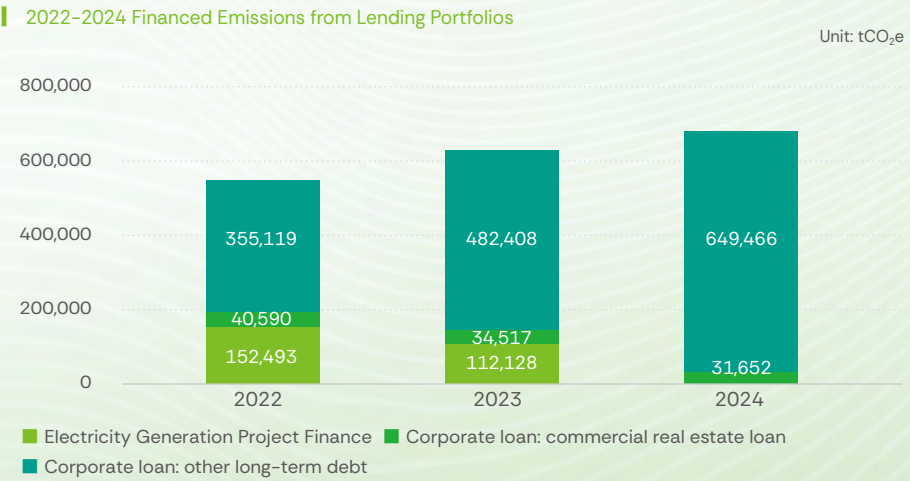
Note 1: Includes both Scope 1 and Scope 2 emissions of investment targets, but only Scope 1 emissions for investments in sovereign bonds.

Note 2: Proprietary investments cover investments of Cathay Life, CUB, Cathay Century, and Cathay Securities; and investment assets under management cover investments of Cathay SITE.

Note 3: LULUCF refers to Land Use, Land-Use Change, and Forestry (LULUCF).

Financed Emissions from Lending Portfolios

In 2024, Cathay completed a comprehensive assessment of all credit assets, including electricity generation project finance, commercial real estate loans, and long-term corporate loans. The total emissions reached 680,000 tCO₂e, with 250,000 tCO₂e carbon emission avoidance from financing for renewable energy.



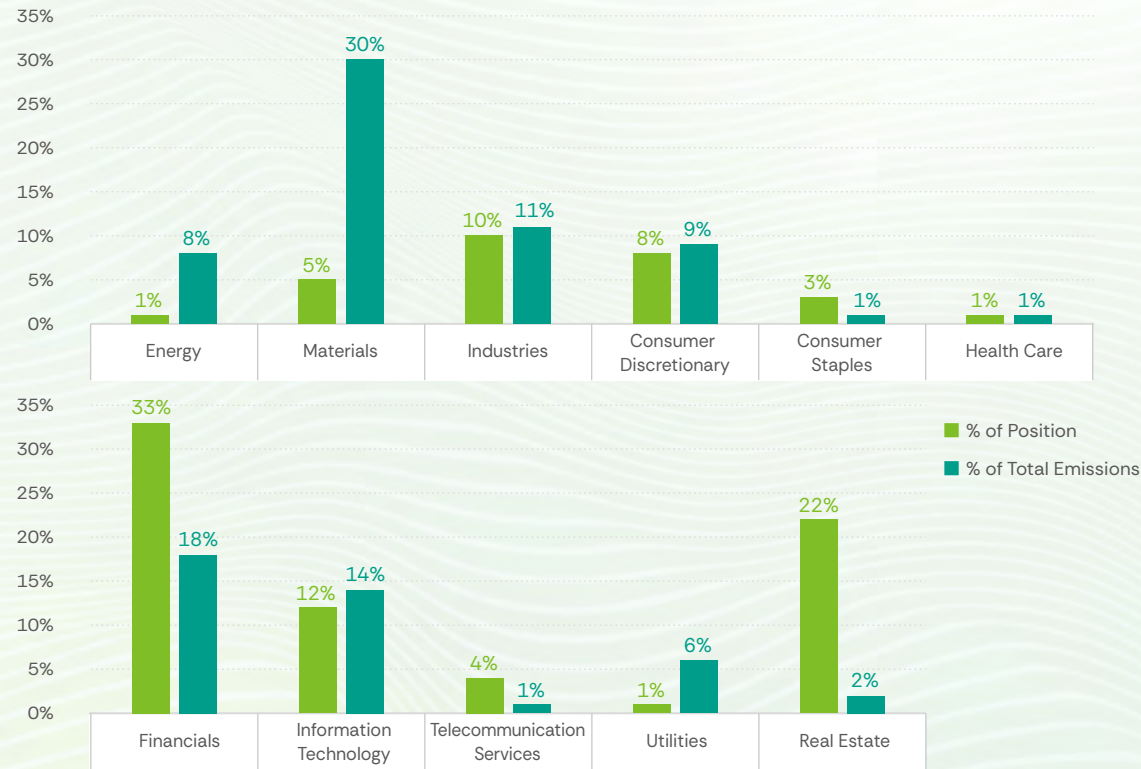
Note 1: Includes both Scope 1 and Scope 2 emissions of financing targets.

Note 2: 2022 and 2023 figures cover only CUB's credit positions, while 2024 figures cover credit positions across CUB and Cathay Life.

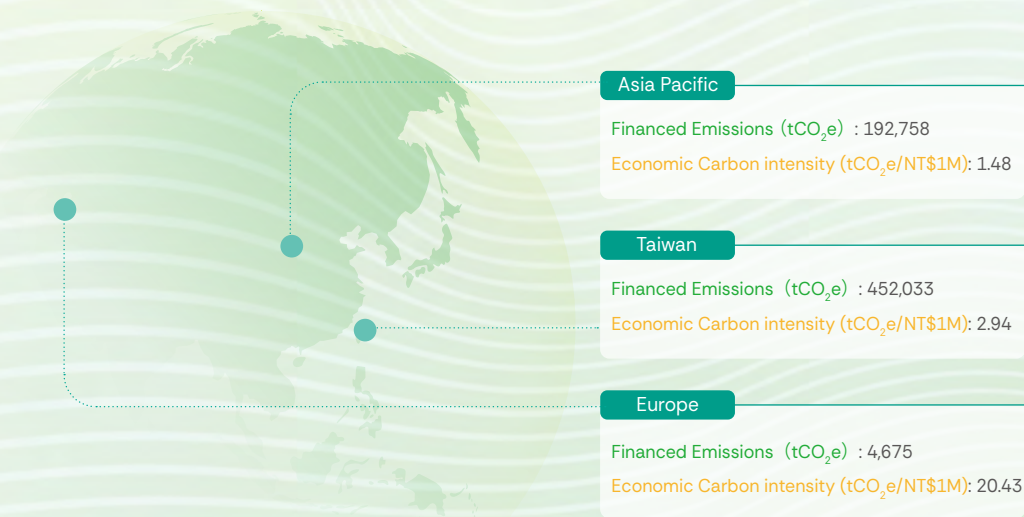
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Financed Emissions from Long-term Corporate Loans by Industry



Financed Emissions from Long-term Corporate Loans by Region



Monitor & Control High-risk Climate Factors

In 2018, Cathay FHC became a TCFD signatory and, since then, has continued to strengthen climate management through practices such as risk assessment, scenario analysis, carbon reduction strategies, and information disclosure. To ensure prudent control of climate risks in Cathay investments/lending, Cathay and subsidiaries now consider climate sensitivity when marking sensitive industries. For more information, please refer to [section 6.2.5](#) and Cathay FHC's "Climate and Natural Report 2024."

Cathay further established a Climate Risk Appetite Statement and referenced data from external institutions to determine investment risk limits on sectors likely to be affected by climate factors. Additionally, we regularly monitor changes in risk exposure to ensure climate risk factors are considered in investment/financing decisions. To mitigate climate change, Cathay FHC has set ambitious decarbonization strategies and targets for coal, unconventional oil, and natural gases industries with the hopes of strengthening their operational resilience and propelling them into a sustainable, low-carbon future.

Strategy for Coal Divestment from Investment & Loans

Cathay FHC has established strategies and goals for coal divestment. These strategies and goals are applied to all subsidiaries. The scope of business covered by these includes investment and lending. Investment covers active investment strategies, passive investment strategies, and externally managed assets, with a primary focus on listed equities and corporate bonds. Lending primarily focuses on corporate loans. Phased commitments for Cathay's investment business include no new investments to enterprises with a certain revenue threshold from the coal industry and without an active transition plan starting from 2023. Such enterprises include those involved in coal mining, coal rail freight, coal support services, and coal-fired power companies. In addition, Cathay is gradually lowering the revenue threshold to further accelerate decarbonization transformation internally. For lending businesses, Cathay has established a goal and timeline for zero coal lending – aiming to achieve zero coal lending by the end of Q1 2027. For more details, please refer to the Cathay Financial Holdings and Subsidiaries' Management Guidelines for Coal and Unconventional Oil & Natural Gas Industries. Cathay Century has also established strategies for underwriting coal and unconventional oil and gas. For more details, please refer to the Cathay Century Insurance Underwriting Policy for Coal and Unconventional Oil & Gas.

Management Criteria

Under the Guidelines, Cathay FHC and subsidiaries will add no new investments to coal mining, coal rail freight, coal support services, and coal-fired power enterprises with more than 30% revenue from coal industry and without an active transition plan. Cathay Life will also add no new investments to coal mining, coal rail freight, coal support services, and coal-fired power enterprises with coal expansion projects or more than 30% revenue from coal industry and without an active transition plan. Starting from 2025, the revenue threshold will be lowered to 20%. For more details, please refer to the Cathay Financial Holdings and Subsidiaries' Management Guidelines for Coal and Unconventional Oil & Natural Gas Industries.

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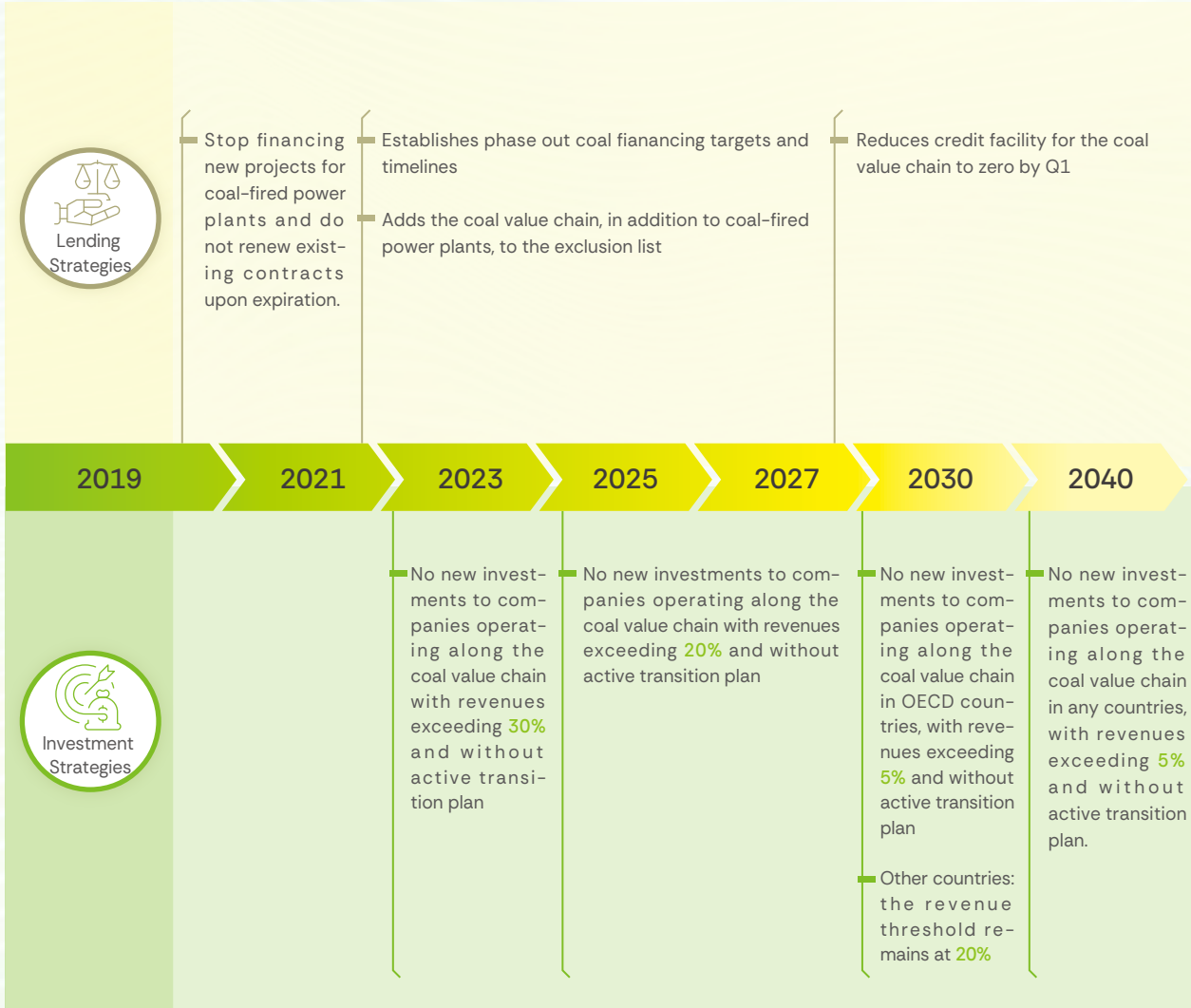
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• Figure: Cathay’s Trajectory for Coal Divestment

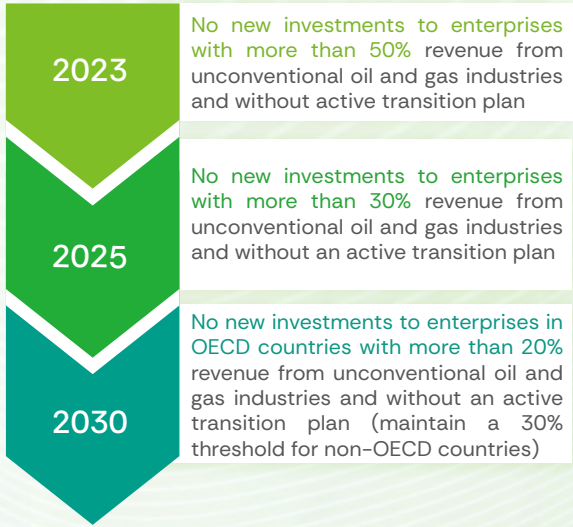


Note: The coal value chain here includes the industries in coal mining, coal rail freight, coal support services, and coal power generation.

To accelerate the transition away from coal-fired energy, Cathay is actively engaging with corporations to encourage their phasing out of coal as well. In 2021, Cathay joined the Asian Utilities Engagement Program (AUEP) launched by the Asia Investor Group on Climate Change (AIGCC) to work with international investors in urging coal-fired power companies to pursue low-carbon transitions. For more information, please refer to [2.1.2 Climate & Nature Engagement Strategies](#).

• Strategy for Unconventional Oil & Gas Divestment

Cathay has established group-wide management guidelines governing unconventional oil and natural gas investments, which cover enterprises involved in tar sands, shale oil. The scope of business covered by these guidelines includes active investment strategies, passive investment strategies, and externally managed assets, with a primary focus on listed equities and corporate bonds. Cathay Century has also established strategies for underwriting coal and unconventional oil and gas. For more details, please refer to the Cathay Century Insurance Underwriting Policy for Coal and Unconventional Oil & Gas..



|| Monitor & Control High-risk Nature Factors

To strengthen nature-related risk control, Cathay established the Cathay FHC & Subsidiaries Management Guidelines for Industries Impacting Biodiversity in 2024, establishing control measures for investments and lending. For more information on biodiversity risk identification and assessment results, please refer to [Cathay FHC’s “Climate and Nature Report 2024.”](#)

- **Lending Business:** Subsidiaries will not provide loans to enterprises involved in logging activities in tropical rainforests.
- **Investment Business:** Subsidiaries are urged to incorporate monitoring mechanisms for enterprises whose business activities significantly impact biodiversity.

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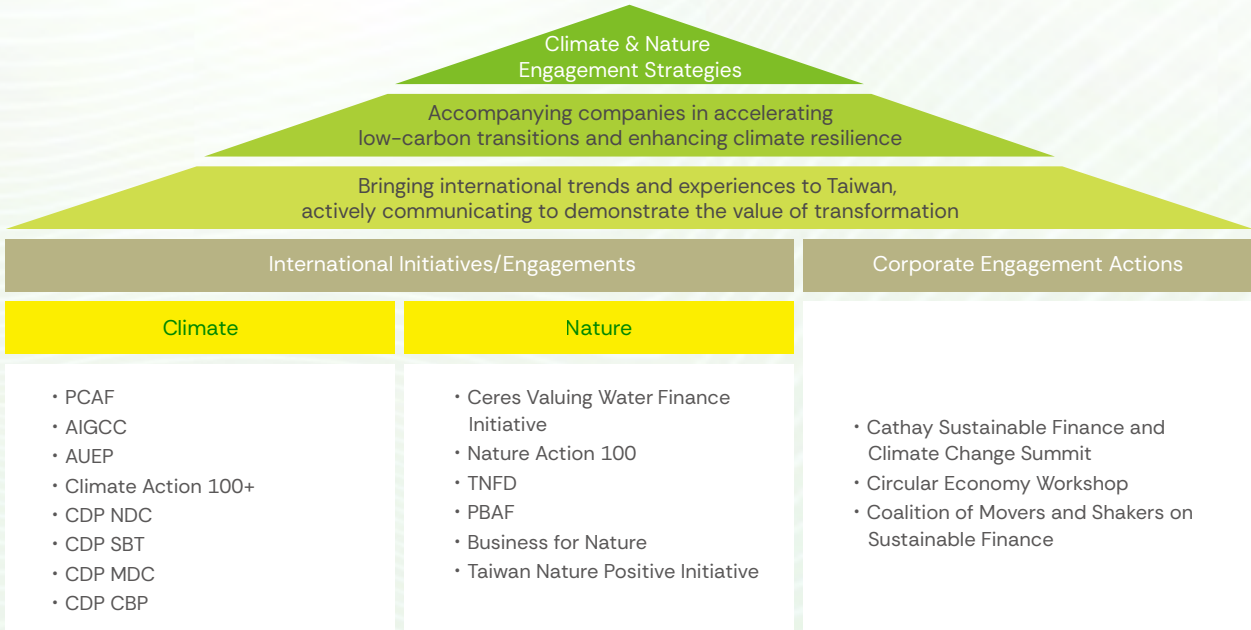
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2.1.2 Engagement Strategies for Climate & Nature

Cathay FHC is Taiwan's first financial institution to engage with corporations on climate issues and is among Asia's most progressive financial groups. Cathay have long participated in domestic and global climate and nature initiatives, gaining international experiences to bring back to Taiwan and actively communicating and cooperating with stakeholders along the finance value chain in the hopes of encouraging corporations to take tangible actions to strengthen climate and nature resilience. For more information on Cathay FHC's participation in global climate and nature initiatives and resulting achievements in 2024, please refer to [Sustainability Story II](#).

Climate Initiatives/Engagements

In the face of systemic risks brought on by climate change, Cathay FHC is actively participating in various international climate initiatives and engagement activities, connecting with international organizations and international investors to urge investees and borrowers to learn more about the serious impacts of climate risks and assist them in tackling these risks.



Asia Investor Group on Climate Change (AIGCC)

Cathay's Role

An important climate action platform in Asia, AIGCC currently includes seven working groups to explore climate, nature, just transition, and other topics. The AIGCC aims to work with investors to accelerate global climate action and progress. Cathay FHC joined AIGCC in 2016. Subsequently, Cathay Life and Cathay SITE both joined in 2024. Furthermore, Cathay FHC's CIO currently serves as AIGCC's chair and the Board Committee member, providing her views and suggestions on the group's projects and encouraging asian investors to commit to net-zero emissions. Learn more about [AIGCC](#).

Achievements in 2024

Cathay FHC continues to support and assist with AIGCC affairs and participates in six AIGCC working groups that convene quarterly, working with international investors to perfect climate action.

Asian Utilities Engagement Program (AUEP)

Cathay's Role

AUEP was launched by AIGCC to engage eight public utility companies in Asia. Cathay FHC joined in 2021, working together with international investors to encourage public utility companies to strengthen management over climate risks and opportunities and take more initiative over coal divestment, energy transition, and other climate issues. Learn more about [AUEP](#).

Achievements in 2024

One company engaged by Cathay Life has committed against developing new coal-fired power plants and will be focusing on growing renewable energy. In addition, said company will adjust its ten-year power-supply plan to ensure 75% of additional energy capacities derive from renewable sources and support Taiwan's Nationally Determined Contribution.

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<div>CDP Non-Disclosure Campaign (CDP NDC)</div> <div>Cathay's Role</div> <p>As the first Taiwan financial institution to join the CDP, Cathay has long communicated with investee companies via mail and telephone and assisted them in responding to CDP surveys for greater transparency in climate management. Cathay's CIO was also invited to share her thoughts on the CDP NDC website. Learn more about CDP NDC.</p> <div>Achievements in 2024</div> <ul style="list-style-type: none"> • In 2024, Cathay successfully engaged 11 companies. Our engagement success rate was 25%, higher than the international average of 19.8%. • In 2024, Cathay Life's water security questionnaire for engagement with a chemicals company was listed in the 2024 CDP Non-Disclosure Campaign Results Report as a case study. 	<div>CDP Commercial Bank Project (CDP CBP)</div> <div>Cathay's Role</div> <p>CUB became the first financial institution in Asia to collaborate with the CDP on this project in 2023, inviting customers to complete the CDP survey, introducing them to the importance of net zero emissions and environmental management, and improving the quality of their carbon disclosure.</p> <div>Achievements in 2024</div> <ul style="list-style-type: none"> • In 2024, CUB invited 150 corporations to participate in the project. A total of 121 corporations completed the survey and received a CDP environmental disclosure rating • Survey completion rate was over 80%, far higher than the global supply chain average of 50% • 110 corporations were first-time participants
<div>CDP Science-Based Targets Campaign (CDP SBT)</div> <div>Cathay's Role</div> <p>Every year, Cathay FHC works with the CDP to call for the world's most influential companies to set carbon emission goals that align with the 1.5°C warming scenario and achieve net zero emissions from the value chain by 2050.</p> <div>Achievements in 2024</div> <p>Between 2023 and 2024, Cathay successfully engaged with 70 businesses, resulting in them committing to SBT goals and 21 of these goals being approved by SBTi.</p>	<div>Climate Action 100+ (CA100+)</div> <div>Cathay's Role</div> <ul style="list-style-type: none"> • As the world's largest investor engagement initiative for climate change, CA100+ aims to ensure that 100+ of the world's biggest corporate greenhouse gas (GHG) emitters take the necessary actions to align with the goals of the Paris Agreement. Cathay FHC, Cathay Life, and Cathay SITE have joined as signatories, making Cathay FHC the first financial group from Taiwan to become a part of CA100+. The three companies now engage one-on-one with three Taiwan companies selected by the initiative. Furthermore, Cathay FHC's CIO was invited to serve on the CA100+ Asia Advisory Group in 2018 and continues to attend quarterly meetings in the capacity to offer suggestions on CA100+'s strategies. • While engaging corporations, Cathay will do a deep dive into the target corporation's climate progress, including practices in international benchmark practices and their efforts in climate action. Cathay's senior executives have communicated with corporate managers personally several times to explain their peers' net zero measures, CA100+ Net-Zero Company Benchmark assessment results, and investor expectations to urge corporations to strengthen net zero action. In addition, Cathay also explores the challenges of net zero transition and response measures with corporations to search for viable solutions. Learn more about Climate Action 100+. <div>Achievements in 2024</div> <p>For more information on progress made with three Taiwan corporations, please refer to our progress on CA100+ engagement.</p>
<div>CDP Municipal Disclosure Campaign (CDP MDC)</div> <div>Cathay's Role</div> <p>In 2023, Cathay FHC became the first and only financial institution to join the CDP MDC, collaborating with institutional investors to urge local governments and public institutions to disclose environmental information to secure funding and assist their communities with climate adaptation. Learn more about CDP MDC.</p> <div>Achievements in 2024</div> <p>The CDP MDC successfully engaged with 11 local governments in North America, inspiring them to disclose environmental data to the CDP.</p>	

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• Progress on CA100+ Engagement

In 2024, Company F, a petrochemical sector investee, provided limited disclosure on its sustainability and decarbonization progress, and remained relatively passive in its communication with investors. As a result, the planned engagement for 2024 was suspended. Considering the high degree of uncertainty in the global petrochemical industry outlook and the time companies may require to respond to evolving challenges, Cathay decided to defer the originally scheduled 2024 engagement with Company F to 2025. Moving forward, Cathay will seek opportunities to encourage the company to strengthen its actions on climate and carbon neutrality targets, while improving the depth and quality of engagement. Depending on future progress, Cathay will also consider additional measures, including potential escalation.



In 2024, Cathay Life engaged twice with Company C, a steel industry investee. Despite facing challenges in sustainability and decarbonization due to the nature of its industry, Company C has been actively developing strategies and testing technologies. It also engaged in meaningful discussions with investors on areas for improvement under the CA100+ Net-Zero Company Benchmark, with its score improving from 37.5% to 43.5%, surpassing the sector average of 37.9%. In addition, Company C was featured as a case study in CA100+'s Progress Update 2024 Report. Cathay Life will continue its engagement with Company C, monitoring its climate progress and decarbonization plans, and supporting its efforts to enhance climate-related actions and disclosures.



Cathay Life also engaged three times with Company H, an electronics sector investee, in 2024 (including one meeting initiated by Company H), mainly focusing on sharing international best practices on the CA100+ Net-Zero Company Benchmark and discussing areas for improvement. Company H's score improved slightly from 29% to 31% in 2024, slightly above the industry average of 30%. While the improvement was modest, the company demonstrated a proactive and responsive attitude. Cathay Life will continue to monitor its climate progress and support further enhancements in its climate actions.



• Nature-Related Initiatives/Engagements

According to the "Global Risks Report 2025" released by the World Economic Forum, "biodiversity loss and ecosystem collapse" has risen to the second-highest risk over the next decade, up one spot from 2024. This indicates the growing impact of this issue, positioning it as one of the key sustainability priorities for businesses, alongside climate risks. Furthermore, the global consensus on biodiversity conservation and the sustainable use of natural resources continues to strengthen, posing greater challenges for companies. Since 2018, Cathay FHC has actively participated in international initiatives, supporting institutional partners in researching nature-related capital issues and incorporating these into engagement activities, thereby reaffirming our ongoing commitment to biodiversity.

International Initiatives/ Engagements

Cathay's Role



Ceres Valuing Water Finance
Initiative (VWFI)

Cathay FHC and Cathay Life became a founding member of Ceres Valuing Water Finance Task Force in 2020, working with other members to develop suggestions to corporations on water management action plans and to the initiative for future developments. Ceres VWFI was formally established in 2022 to engage 72 companies with a high water footprint. The goal is to get these companies to recognize and evaluate water risks and take action. In 2024, Cathay sponsored Ceres' research into water management in high-tech and semiconductor industries and assisted Ceres and its research partner in learning more about water stewardship in high-tech industries. [Learn more about VWFI.](#)

International Initiatives/ Engagements

Cathay's Role



Taskforce on Nature-related
Financial Disclosures (TNFD)

In 2022, Cathay joined the TNFD Forum and disclosed nature-related information in compliance with the TNFD framework. In 2023, Cathay became a TNFD Adopter. For more information on nature-related risk analysis and management information, please refer to [Cathay FHC's 2024 Climate & Nature Report](#). [Learn more about TNFD.](#)

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International Initiatives/ Engagements

Cathay's Role



The Partnership for Biodiversity
Accounting Financials (PBAF)

In 2022, Cathay FHC became the first corporation in Taiwan to join PBAF, strengthening Cathay FHC's management of biodiversity issues and more effectively managing our nature capital. Learn more about [PBAF](#).



Taiwan Nature Positive Initiative
(TNPI)

Cathay FHC joined TNPI in 2022 to support and assist Taiwan corporations with improving their resilience and ability to respond to nature-related risks. The platform was initiated by the Business Council for Sustainable Development of the Republic of China (BCSD Taiwan) and aims to encourage participation in nature and biodiversity conservation as well as the cultivation of related professionals. Learn more about [TNPI](#).



Business for Nature (BfN)

In 2023, Cathay FHC officially joined the COP15 Business Advocacy Campaign. The campaign urges governments worldwide to take immediate policy actions to reverse nearly a decade of nature loss. It has garnered support from over 1,500 companies and financial institutions across 86 countries, representing a combined revenue exceeding USD 7.5 trillion. Learn more about [this initiative](#).



Nature Action 100 (NA100)

Cathay Life became among the first financial institutions to join NA100, with the hope of collaborating with 230 international institutional investors in engaging with 100 food, chemicals, forestry, and pharmaceutical companies of systemic importance to the reversal of nature and biodiversity loss by 2030. In 2024, Cathay Life and Company P explained to Company N, as its investor engagement team, NA100 and related case studies on nature-related issues, sharing and exploring views. Learn more about [NA100](#).

|| Coalition of Movers and Shakers on Sustainable Finance

As a member of the FSC's Coalition of Movers and Shakers on Sustainable Finance, Cathay FHC committed to, by 2025, engaging over 50% of its major investees and borrowers in Taiwan that are considered carbon-intensive companies and urging engagement candidates to set net zero emission goals before 2050. Companies that have fulfilled agreed-upon goals must commit to establishing and achieving more ambitious goals and practices. In 2024, engaged with 19 major investees and borrowers in Taiwan that are considered carbon-intensive companies:

Item	No. of companies/ percentage
No. of major investees and borrowers considered as carbon-intensive companies (A)	66
No. of companies Cathay intended to engage with (B)	34
No. of companies engaged in 2023 (C)	19
Number of companies engaged in 2024 that have established carbon reduction goals for 2050 (D)	13
Percentage of companies engaged (C/B)	56%
Percentage of engaged companies that have established carbon reduction goals for 2050 (D/C)	68%

Note 1: The baseline for 2024 goals is the financed emissions from investees and borrowers at the end of 2023.

Note 2: Major investees and borrowers are considered carbon-intensive if they are among the top 60% in terms of financed emissions. Cathay then selects and commits to engaging more than half (34 companies) of companies in the top 60%.

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• Financial Industry Net-Zero Working Platform

To advance sustainable finance, the FSC and the Taiwan Financial Services Roundtable (TFSR) have established the "Platform for Net Zero Promotion for the Financial Industry," bringing together members of the Coalition of Movers and Shakers on Sustainable Finance to lead various working groups. Among them, Cathay FHC serves as the convener of the "Funds and Statistics Workstreams," responsible for promoting the calculation and disclosure of Scope 3 financed emissions among financial institutions, as well as assisting in identifying potential targets for stronger engagement. In 2024, the platform hosted a training session on "Scope 3 Financed Emissions Accounting for the Financial Sector," and by February 2025, it had organized two "Net Zero Transition Seminars."

Scope 3 Financed Emissions Accounting for the Financial Sector - Training



Actions

Experts provided in-depth insights into the importance of financed emissions accounting and methodologies and walked financial institutions through real-life case studies to introduce concepts for calculating financed emissions.

- In-person attendees: 72
- Online attendees: 447



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Achievements



Net Zero Transition Seminar - Petrochemical Sector

The seminar covered trends and challenges in low-carbon transitions, including policy developments in the petrochemical sector. Representatives from the petrochemical industry, financial institutions, and consulting experts were invited to offer diverse perspectives on the challenges and solutions for the sector's net-zero transition.

- Participants: 66



主辦單位: 金融業淨零推動工作平台



Net Zero Transition Seminar - Aviation Sector

The seminar discussed transition trends, policies, and challenges facing the aviation industry, with industry representatives sharing their experiences in transitioning corporations. CUB's Chief Risk Officer also joined as a panelist, engaging with representatives from the aviation and petrochemical sectors to explore how the finance sector can support industries in their transition.

- Participants: 67



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2.1.3 Comprehensive Climate Finance Solutions Provider

Cathay is supporting industries in their sustainability transitions through investments into leading renewable energy projects and various green financial products, including green insurances, green time deposits, green loans, SLLs, sustainability bonds, etc. For figures on Cathay FHC’s low-carbon investing and lending as well as historical performances of green products and services, please refer to [Table 6 in the Appendix](#), respectively.

Low-Carbon Investment & Financing

Percentage of Renewable Energy Loans

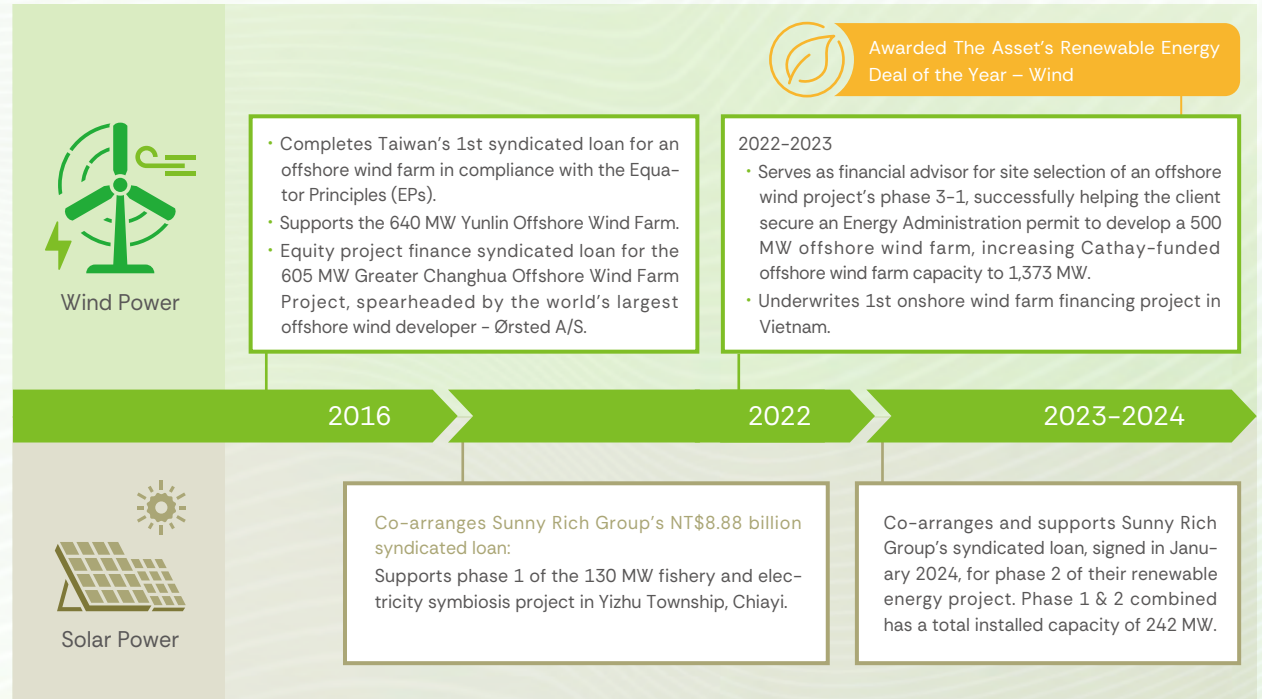
CUB reached its 2025 goal for renewable energy loans to account for 85% of loans to the electricity generation industry in 2022. In 2024, only one credit facility for coal-fired power plants remains, bringing CUB’s percentage of renewable energy loans to 99.79%.

As of Dec. 31, 2024 (Unit: %)	Percentage of available credits for renewable energies to the electricity generation industry
2021	77.53
2022	87.56
2023	93.33
2024	99.79

Investments in Renewable Energy Industries

CUB provided loans for 39 solar power stations in Taiwan in 2024, with a total installed capacity of 14 MW. As of the end of 2024, loans have been approved for 2,800 solar power stations in Taiwan and abroad, with a total installed capacity of 1,059 MW and annual carbon reduction benefits of 612,000 metric tons^{Note}.

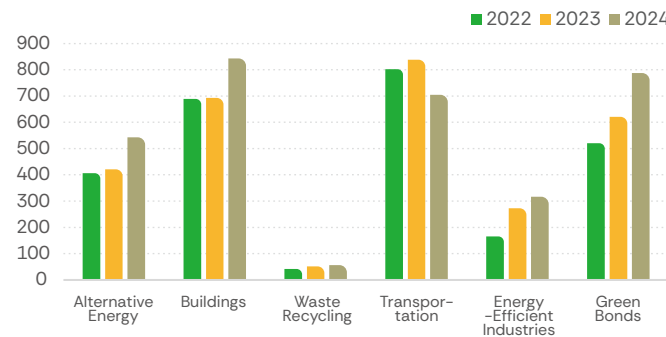
Note: Calculated based on Taiwan’s 2024 average capacity factor of solar power of 13.35% as announced by Taipower and the 2023 electricity emissions factor of 0.494 kgCO₂e/kWh as announced by the Energy Administration.



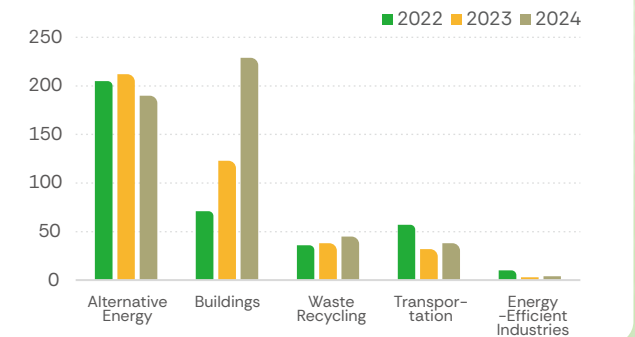
Low Carbon Investment and Lending

Cathay has established a group-wide definition for low carbon industries, referencing our experience from the Low Carbon Registry (LCI) of Global Investor Coalition on Climate Change (GIC), to facilitate low-carbon industries development. As of December 2024, Cathay’s total investment in low carbon investment reached NT\$325 billion, please refer to [Appendix 7.2 Table 1](#) for the detailed amount.

Low Carbon Investment



Low Carbon Lending



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|| Green Time Deposit Program

In July 2022, CUB launched the Green Time Deposit Program to support the government's Green Finance Action Plans 2.0 and 3.0. In compliance with international norms of green finance, the project works with third-party advisors for an inaugural issuance of an assurance report in September 2023 on the use of funds. As of the end of 2024, over 49 companies across transportation, electronics, chemical engineering, retail, machine tool, and construction industries have carried out the Green Time Deposit Program, undertaking a total of NT\$38.84 billion. Funds from the Program have been invested in the development of renewable energy industries, such as financing solar power plants, wind farms, and fishery and electricity symbiosis.



Achievements of the Green Time Deposit Program in 2024

- Carried out by over **49** companies
- Undertook over NT\$ **38.84** billion

|| Sustainability-linked Loans (SLL)

CUB is pushing for sustainability-linked loans, customizing KPIs (Key Performance Indicators) and SPTs (Sustainability Performance Targets) for corporate clients to assess their sustainability progress, and then providing loans accordingly. As of the end of 2024, CUB's approved facility amount was NT\$80 billion, which is provided to nearly 70 corporate clients across Taiwan, Hong Kong, the Philippines, Singapore, Malaysia, and Australia and covers industries such as electronic components, non-electronic manufacturing, real estate, retail, F&B, financial institutions, transportation, public utilities, etc.

• 2024 Sustainability-Linked Loan Milestones

AUGUST

CUB Manila Branch and the Taipei Economic and Cultural Office in the Philippines co-host the "Taiwanese Businessmen in Philippines: Case Studies in Net Zero & Decarbonization Seminar" to support Taiwan businesses in the Philippines with sustainable development, attracting over 30 businesses of various sectors and financial institutions. CUB branch manager presented on low-carbon transition and funding requirements, shared experiences with sustainable financing in the Philippines, and invited Delta Electronics and J&V Energy Technology to share their experiences in increasing energy efficiency and adopting renewable energy solutions.



→ Photo: Group photo of the speakers on the day of the seminar.

DECEMBER

To commend outstanding staff and teams in advancing sustainable finance, CUB held its second contest for "Best Overseas Sustainable Finance Project and Branch." After fierce competition and evaluation, the Hong Kong Branch was named Best Branch of the Year, while both the Hong Kong and Singapore branches won Best SLL of the Year.



→ Photo: During the final round of the contest, judges at the HQ join online to listen to presentations and interact with contestants.

NOVEMBER

CUB Hong Kong Branch receives six awards from the "2024 Hong Kong Green and Sustainable Finance Awards" organized by the Hong Kong Quality Assurance Agency (HKQAA). Awards include one "Outstanding Award for Green and Sustainable Loan Structuring Advisor," two "Leadership Awards for Green and Sustainable Finance Development," and two "Strategist Awards for Green and Sustainable Finance Development," which also made CUB the only Taiwan bank to receive the awards for three consecutive years. CUB Executive VP Michael Wen was a keynote speaker at the concurrent forum, where he shared CUB's experiences in green and sustainable finance.



→ Photo: Then CUB HK Branch CEO Kai Yuen Kan (first right) and Corporate Finance VP Chen Hui (first left) with HKQAA CEO P.C. Chan at the awards ceremony.



→ Photo: CUB Executive VP Michael Wen speaking at the "HKQAA 35th Anniversary Forum" as a keynote speaker

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Case Study

Case Study: In 2024, CUB successfully secured the role of lead arranger for an SLL provided to a utility group, while also acting as the Facility Agent and Lead Sustainability Coordinator and Advisor. This marks the bank's third SLL with the group and the first time the branch has served as both lead arranger and agent in an SLL project.

A few years ago, CUB first engaged with the group by participating in a syndicated loan for one of its affiliates. Since then, CUB has actively communicated sustainable financing opportunities, introducing third-party experts to assess the group's ESG policies and recommend terms for sustainability-linked financing. This led to the group's inaugural SLL, arranged by the bank. Given the stable margins and cash flow of utility businesses, they are sought-after clients among financial institutions. CUB's ability to secure a pivotal role in this highly competitive project reflects the bank's reliable history in delivering diversified sustainable finance solutions and maintaining close relations.

The counterparty of the SLL primarily provides water purification and environmental engineering services and develops water infrastructure in rural areas, which highlights the green and social benefits of the SLL. Looking ahead, with infrastructure demand in Southeast Asia remaining strong, CUB is promoting similar financing structures to potential clients, aiming to replicate and expand the success of this SLL project.

Green Bonds

Company	Green Bond Underwriting in 2024
Cathay United Bank (CUB)	<p>In 2024, CUB underwrote four green bonds to support corporations with sustainable transitions, underwriting a total of NT\$5.6 billion.</p> <ul style="list-style-type: none">• In March and May, CUB participated in the underwriting of TSMC's green bonds listed on the Taipei Exchange. The bond issuance volume is NT\$43.4 billion, with terms to maturity ranging between five to ten years. Funds from the sale of green bonds will be used to obtain green building certifications for TSMC facilities, large uninterrupted power supply systems, and local exhaust gas treatment facilities, and wastewater treatment facilities to increase energy efficiency.• In July, CUB underwrote green bonds issued by First Abu Dhabi Bank. The proceeds will finance or refinance eligible projects defined under the bank's Sustainable Finance Framework, including renewable energy, energy efficiency, green buildings, pollution prevention, clean transportation, wastewater management, climate change adaptation, biodiversity, and circular economy initiatives.• In September, CUB participated in the underwriting of green bonds issued by ABN AMRO Bank. The proceeds will finance green building projects for both residential and commercial real estate as well as renewable energy projects.• In October, CUB underwrote green bonds issued by Shinhan Bank. The proceeds will finance green building loans and projects.
Cathay Securities	<p>In 2024, Cathay Securities participated in the underwriting of seven green bonds issued by TSMC, Taipower, NTC, and Far Eastern New Century to support environmental protection and green corporations, underwriting a total of NT\$1.48 billion.</p>

Green Insurance

Cathay Century has long remained committed to its long-term development strategy: promoting insurance products to address environmental issues and offering businesses and society the financial security required for net zero and energy transitions.

Renewable Energy Industry Insurance	Public Bicycle Insurance
<p>Cathay Century has been offering insurance products targeting the development and operations of green industries since 2010. In 2016, Cathay Century became the first company of its kind in Taiwan to offer insurance for offshore wind turbines, helping the renewable energy sector strengthen its competitiveness and professionalism. In 2020, Cathay Century founded the Energy Infrastructure Team to develop solar power projects and offshore/onshore wind farms. In 2024, Cathay Century underwrote an additional NT\$141.1 billion in insurance policies for related projects.</p>	<p>In June 2018, Cathay Century launched Taiwan's first "Public Bicycle Accident Insurance" and "Public Bicycle Third-party Liability Insurance." As of 2024, 12 cities and counties across Taiwan – Taipei City, New Taipei City, Taoyuan City, Miaoli County, Hsinchu City, Hsinchu County, Chiayi City, Chiayi County, Tainan City, Kaohsiung City, Pingtung County, and Taitung County, providing coverage for over 290 million bike rides and mitigating risks for public bicycle users.</p>

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Green Funds

The Cathay Sustainable Development PE fund invests 100% in key industries driving sustainable development in Taiwan, covering areas such as the circular economy, renewable energy, and government-promoted 5+2 innovative industries (e.g., IoT, smart machinery, and new agriculture).

The fund has a total committed capital of NT\$8 billion, with NT\$6.7 billion in paid-in capital as of 2024. Investments include solar and wind power, related supply chains, energy storage, electric vehicles, IoT, circular economy, and new agriculture.

Impacts of the Cathay Sustainable Development PE Fund

Wind Energy	In 2020, the fund and the Caisse de dépôt et placement du Québec (Quebec Deposit and Investment Fund, CDPQ) inked an agreement with Ørsted A/S to acquire 50% shares in the 605MW Greater Changhua Offshore Wind Farm and participate in its development to supply clean energy to over 650,000 households in Taiwan. Annual power generation is estimated to reach 1950 GWh.
Solar Power	Estimated to generate 100 GWh annually.
Waste Resin & Waste Paint Residue Treatment	Processes up to 1,425 metric tons and 17,100 metric tons monthly and annually, respectively.
Waste Rubber Treatment	Processes up to 4,200 metric tons annually.
Recycled Oil	Generates up to 36,000 metric tons of steam annually.

Sunshine Green Benefit Debt STO

In 2023, Cathay Securities was granted approval to start a Security Token Offering (STO) and launched Taiwan's first Sunshine Green Benefit Debt STO in collaboration with GRINNODOT. With support from Cathay's blockchain team, Cathay Securities was able to provide alternative financing sources, helping companies issue 3,000 tokens and raising NT\$30 million. In addition to earning fixed returns, investors are also granted priority to green power, in the hopes for attracting more companies to engage in innovative investments while supporting investors in their net-zero transition and creating win-win scenarios. [Learn More about Sunshine Green Benefit Debt STO](#)

New Sustainable Finance Products Launched in 2024

Sustainability-Linked Payroll Services

In 2024, CUB launched Asia's first "sustainability-linked payroll service," helping corporate clients set sustainability goals with measurable indicators such as GHG emissions control, decarbonization results, power management, energy consumption, and waste reduction. Clients that meet their targets are rewarded with preferential financial services (e.g. favorable deposit rates, increased interbank transfer allowances, reduced transaction fees, etc.), thereby encouraging more businesses invest in sustainability.

Insurance Policy Linked with 100% Green Bonds

In 2024, Cathay Life collaborated with Crédit Agricole CIB and other financial institutions to launch its first eight-year investment-linked green bond product with annual dividends – the Cathay Life Investment-linked Insurance. Denominated in New Taiwanese Dollar but linked to New Zealand Dollar investments, the product is available to people aged between 15 and 75. All funds raised from the bond are earmarked for green investment projects.

To generate more positive environmental impacts, Cathay Life and Crédit Agricole CIB collaborated with Taiwan's GoodPoint Exchange in 2024 to launch the Taiwan Greenery Project, which aims to cultivate over 1,000 trees.

When specific Cathay Life products reach the equivalent of NZ\$100,000 in investments, Crédit Agricole CIB will support local Taiwanese organizations in adopting one tree endemic to Taiwan (sea hibiscus, thatch screwpine, beach cabbage, Indian beech, Oldham silverberry, and bead tree). Crédit Agricole CIB has also pledged that the total funding for this initiative will be no less than the equivalent cost of nurturing 1,000 trees, as part of its commitment to the conservation of trees along the coast of Nan'ao in Yilan.



2024 Sustainability-Linked Payroll Services

- 6 corporate clients
- over 3,000 employees



[Learn more about sustainability-linked payroll services](#)



[Learn more about Cathay Life's Insurance Policy Linked with 100% Green Bonds & the Taiwan Greenery Project](#)

Note: Green bonds are bonds recognized by the TPEx as green bonds.

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Corporate Catastrophe Services

Solar Photovoltaic (PV) Client Care Program

Cathay Century believes that ex-ante prevention is key to minimizing the financial impact of disasters on businesses and is thus committed to promoting loss control awareness. With two core goals in mind – “strengthening corporate loss control awareness” and “helping reduce workplace environmental risks,” Cathay Century supports the overall financial health of corporate clients in this initiative that also aligns with Cathay’s sustainability focus of “health.” In 2024, Cathay Century launched the Solar PV Client Care Program, providing solar power clients with enhanced risk resilience through various measures. Before the typhoon season, Cathay Century will provide a “Solar PV Site Safety Checklist” and short, real-life instructional videos through the program for clients to use for routine inspections. Additionally, large-scale clients receive “on-site risk assessment services,” where Cathay’s experts help identify potential risks on site.




Annual Loss Control Seminars

Cathay Century is leveraging its core function – loss control – to offer enterprise customers knowledge on risk prevention and management as well as professional assessments to help reduce catastrophe frequency and scale. In 2024, Cathay Century held three loss control seminars, sharing trends such as “Sustainable Supply Chain Management for Corporations,” “Information Security Risks in the Supply Chain,” and “Asset Risk Management for Corporations.”



Corporate Loss-Control Consulting

Cathay Century has applied natural disaster models since 2020 to help companies control risks and reduce operational loss from natural disasters. The models simulate scenarios of loss and damages from climate change, and help Cathay Century offer suggestions to enterprise customers for greater resilience against natural disasters.

Risk	Action	Achievements
 Natural Disasters (Typhoons, Floods & Earthquakes)	Cathay Century conducts on-site risk surveys and models fitting for Taiwan’s natural disasters during ex-ante disaster prevention planning to produce an assessment plan.	<ul style="list-style-type: none">Between 2012 and 2024, Cathay Century compiled 378 risk assessment reports on typhoons, floods, and earthquakes to help corporate clients and internal underwriting units.Cathay Century provided 183 risk assessment data sets from internal underwriting units to enterprise customers inquiring about typhoon, flood, and earthquake insurance, providing a total of 561 data sets.
 Rainstorms & Floods	Considering the risks of flooding from heavy rainfall caused by extreme weather, Cathay Century is helping corporate clients evaluate surrounding water drainage systems and vulnerable areas. Evaluations can serve as the basis for preliminary steps to upgrade factory flood alerts and water drainage systems, thereby reducing flood risks, claims, and scale of potential losses.	From 2013 to 2024, 18 service cases were completed.
 Solar Power Risks	Cathay Century conducted on-site surveys and collected information to assess risks and provide suggestions on defending solar farms against typhoons.	From 2015 to 2024, 107 solar facility risk assessments were conducted.

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2.2 Environmental Sustainability

As Taiwan’s first financial institution to join RE100 and the sixth in Asia’s financial sector to have its science-based targets (SBTs) validated, Cathay is committed to achieving net-zero operations across all global sites by 2050 by making steady progress through the purchase of renewable energy certificates and carbon credits, as well as installing solar panels on proprietary buildings. In 2024, four Cathay HQs and 23 sites were certified carbon neutral in accordance with the international PAS 2060 Standard for Carbon Neutrality. Additionally, the performance evaluations of Cathay FHC and subsidiary presidents are linked to decarbonization results. Cathay has also introduced an internal carbon pricing mechanism and organized electricity saving competitions to encourage employees to transform their behaviors and work together towards net-zero operations. For more information on Cathay FHC’s 2024 GHG inventory and progress in Green Operations, please refer to [Tables 7 and 8 respectively in the Appendix](#).

Environmental Sustainability – Achievements



In 2024, the headquarters of Cathay Financial Holdings, Cathay Life, Cathay United Bank, and Cathay Century, along with 23 sites of CUB, Cathay Securities, and Cathay SITE, successfully obtained PAS 2060 organizational carbon neutrality verification in accordance with international carbon neutrality standards.



Cathay Life’s Wuri Building achieved a Level 1+ (Near-Zero Building Label) for energy efficiency and was awarded the Diamond-level Green Building Label. Through green electricity integration measures, it became the first officially certified “Net Zero” carbon building in Taiwan, leading the industry in sustainable construction.



Cathay FHC supported the Taiwan Renewable Electricity Market Briefing by RE100 for the second consecutive year and was invited to share insights on green leasing and green finance trends and practices at the RE100 Taiwan Members Meeting.

Environmental Sustainability – Strategy Blueprint

Code for Goals & Progress in 2024: ✔ Completed / ✗ Missed

Action Plan	Metrics	2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Strategy ❶ 2050 Net Zero Operations - Green Energy: Business locations in Taiwan will use 100% renewable energy by 2030, and business locations worldwide will use 100% renewable energy by 2050							
1. 100% Use of Renewable Energy at All Business Locations: Determine optimal allocation of types and volume of renewable energy, make inquiries to procure renewable energy from different sources, and set a renewable energy procurement strategy for each business location	Fulfilling the RE100 commitment: Percentage of renewable energy in total electricity consumption at Taiwan locations	22.7%	✔ 26.12%	100% use of renewable energy at Cathay FHC, Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE HQ	(Note 1)	(Note 1)	100%
	No. of EMS and % of total electricity consumption managed by EMS (compared to 2022) for better energy conservation	Compared to 2022, 39.4% of total electricity consumption was managed through the energy management system.	✔ Compared to 2022, 47.3% of total electricity consumption was managed through the energy management system.	Compared to 2022, 54.8% of total electricity consumption was managed through the energy management system.	Compared to 2022, 57.4% of total electricity consumption was managed through the energy management system.	Compared to 2022, 62.4% of total electricity consumption was managed through the energy management system.	Compared to 2022, 65% of total electricity consumption was managed through the energy management system.
2. Digital Management of Energy Data: Manage electricity use for grey and green energy and optimize energy allocation							

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Action Plan	Metrics	2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
1. 100% Use of Renewable Energy at All Business Locations: Determine optimal allocation of types and volume of renewable energy, make inquiries to procure renewable energy from different sources, and set a renewable energy procurement strategy for each business location	Installed solar capacity on proprietary buildings and % increase (compared to 2020)	<ul style="list-style-type: none">• Cathay Life: 2,000kW & 1,000% from 2020• CUB: 366.645kW & 454% from 2020	<ul style="list-style-type: none">• Cathay Life: 2,054.89kW & 1,027% from 2020• CUB: 395.135kW & 489.6% from 2020	<ul style="list-style-type: none">• Cathay Life: 5,000kW & 2,500% from 2020• CUB: 403.99kW & 500% from 2020	<ul style="list-style-type: none">• Cathay Life: 5,500kW & 2,750% from 2020• CUB: 449.80kW & 557% from 2020	<ul style="list-style-type: none">• Cathay Life: 6,000kW & 3,000% from 2020• CUB: 458.376kW & 568% from 2020	<ul style="list-style-type: none">• Cathay Life: 7,500kW & 3,750% from 2020• CUB: 499.465 kW & 618% from 2020
2. Digital Management of Energy Data: Manage electricity use for grey and green energy and optimize energy allocation	Adopt carbon pricing mechanisms to encourage employees	Continue with the Electricity Saving Competition as part of our internal carbon fee mechanism, and roll out the mechanism across the entire group	In 2024, continued with the Electricity Saving Competition as part of our internal carbon fee mechanism, and rolled out the mechanism across the entire group	Continue with the Electricity Saving Competition as part of our internal carbon fee mechanism, and roll out the mechanism across the entire group			
Strategy ② 2050 Net Zero Operations - Green Operation: Mobilize operations, digitalize services, and share workspaces in order to incorporate sharing and circulation into planning and creation of a low-carbon workplace							
1. Workplace Transformation: Renovate office space to create a flexible, shared working complex; increase productivity with measures such as working from home (WFH)	In line with the 1.5° C scenario, annual emissions reduction rate and cumulative reduction compared to 2020	4.2% annual reduction, with an 11.7% cumulative reduction compared to 2020	4.2% annual reduction, with a 22.49% cumulative reduction compared to 2020	4.2% annual reduction, with a 21% cumulative reduction compared to 2020	4.2% annual reduction, with a 25.2% cumulative reduction compared to 2020	4.2% annual reduction, with a 29.4% cumulative reduction compared to 2020	4.2% annual reduction, with a 42% cumulative reduction compared to 2020
	Performances of Cathay FHC & Subsidiary Presidents linked to decarbonization outcomes						
2. Digitalize operations/services to reduce carbon footprint	Conduct Scope 3 (operations) GHG inventory	Conduct Scope 3 (operations) GHG inventory	Conducted Scope 3 (operations) GHG inventory	Conduct Scope 3 (operations) GHG inventory			

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Action Plan	Metrics	2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
1. Workplace Transformation: Renovate office space to create a flexible, shared working complex; increase productivity with measures such as working from home (WFH) 2. Digitalize operations/services to reduce carbon footprint	% of eligible employees transitioned to the Virtual Desktop Infrastructure Office Application (VDI OA) under the VDI OA project	Cathay Life completed initial roll-out, converting devices for 15% of eligible employees	✔ 15% complete	• Cathay Life: est. 30% • CUB: est. 20%	• Cathay Life: est. 50% • CUB: est. 40%	• Cathay Life: est. 60% • CUB: To be determined according to progress	• Cathay Life: est. 90% • CUB: To be determined according to progress
	No. of innovative new work-places (compared to 2020) introduced at Cathay life, CUB & Cathay Century	25	21 <small>(Note 2)</small>	31	36	40	57
	Reduce carbon footprint by digitalizing services at Cathay Life, CUB, and Cathay Century and commit to verifying carbon footprints for 100% of main products	Completed carbon footprint verification for 66.7% of main products	✔ Completed carbon footprint verification for 75% of main products	Completed carbon footprint verification for 77.8% of main products	Completed carbon footprint verification for 88.9% of main products	Completed carbon footprint verification for 88.9% of main products	Completed carbon footprint verification for 100% of main products
	Per capita water consumption	12.67 cubic meters	16.28 cubic meters <small>(Note 3)</small>	12.5cubic meters	<small>(Note 3)</small>	<small>(Note 3)</small>	<small>(Note 3)</small>
	Per capita waste	25.6 kg	26.73 kg <small>(Note 4)</small>	25.3kg	<small>(Note 4)</small>	<small>(Note 4)</small>	<small>(Note 4)</small>
	• Receive recognition from the Ministry of Environment as an Outstanding Enterprise in Green Procurement • % increase & amount in green procurement	• Receive recognition from the Ministry of Environment as an Outstanding Enterprise in Green Procurement • 3% annual growth since 2023	✔ NT\$1.065 billion; 88% growth from 2023	• Receive recognition from the Ministry of Environment as an Outstanding Enterprise in Green Procurement • 3% annual growth since 2023			• Receive recognition from the Ministry of Environment as an Outstanding Enterprise in Green Procurement • NT\$700 million in green procurement
✔ Offer EV cab services to employees on company business							

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Action Plan	Metrics	2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Strategy ③ 2050 Net Zero Operations - Green Real Estate: Furnish an ecosystem of low-carbon buildings and drive industry participation in the energy transition							
1. Green Landlord Project: Bring in renewable energy to support customers with their transition efforts and offer accessible and local renewable energy	Secure Green Building Certification (TW) or LEED (US) certification for all new buildings after 2023	Secure Green Building Certification (TW) or LEED (US) certification for all new buildings after 2023	✔ Certifications obtained for all	Secure Green Building Certification (TW) or LEED (US) certification for all new buildings after 2023			
	All green retrofitted branches in 2030 complies 100% with environmentally friendly standards, with a certain percentage of CUB branches meeting environmentally friendly standards	25% of branch offices underwent environmentally friendly renovations	✔ 29.7% of branch offices underwent environmentally friendly renovations	30% of branch offices underwent environmentally friendly renovations	35% of branch offices underwent environmentally friendly renovations	38% of branch offices underwent environmentally friendly renovations	45% of branch offices underwent environmentally friendly renovations
	2. Create Low-Carbon Buildings: Furnish more low-carbon buildings by reducing carbon through onsite self-use PV systems, procuring green energy, or constructing more green buildings	Promote green leasing practices in commercial buildings across Taiwan’s six special municipalities: Cumulative no. of buildings with green leases & kWh in green energy provided	Green leasing offered at a cumulative total of 28 buildings	✔ Green leasing offered at a cumulative total of 35 buildings	≥ 15,000 MWh/year	Continue to encourage commercial buildings in the six special municipalities to adopt green leasing practices	Continue to encourage commercial buildings in the six special municipalities to adopt green leasing practices

Note 1: Rolling adjustments will be made according to actual progress

Note 2: Goal missed due to changes in branch operations. The mid-term goal is also expected to be updated accordingly in subsequent years

Note 3: Starting in 2024, water consumption from vacant buildings is now included in water consumption data, leading to missed per capita water use goals; the goal will be reviewed and adjusted in subsequent years

Note 4: Goal missed for per capita waste generation due to an increase in operation sites and changes to mobile working policies; the goal will be reviewed and adjusted in subsequent years

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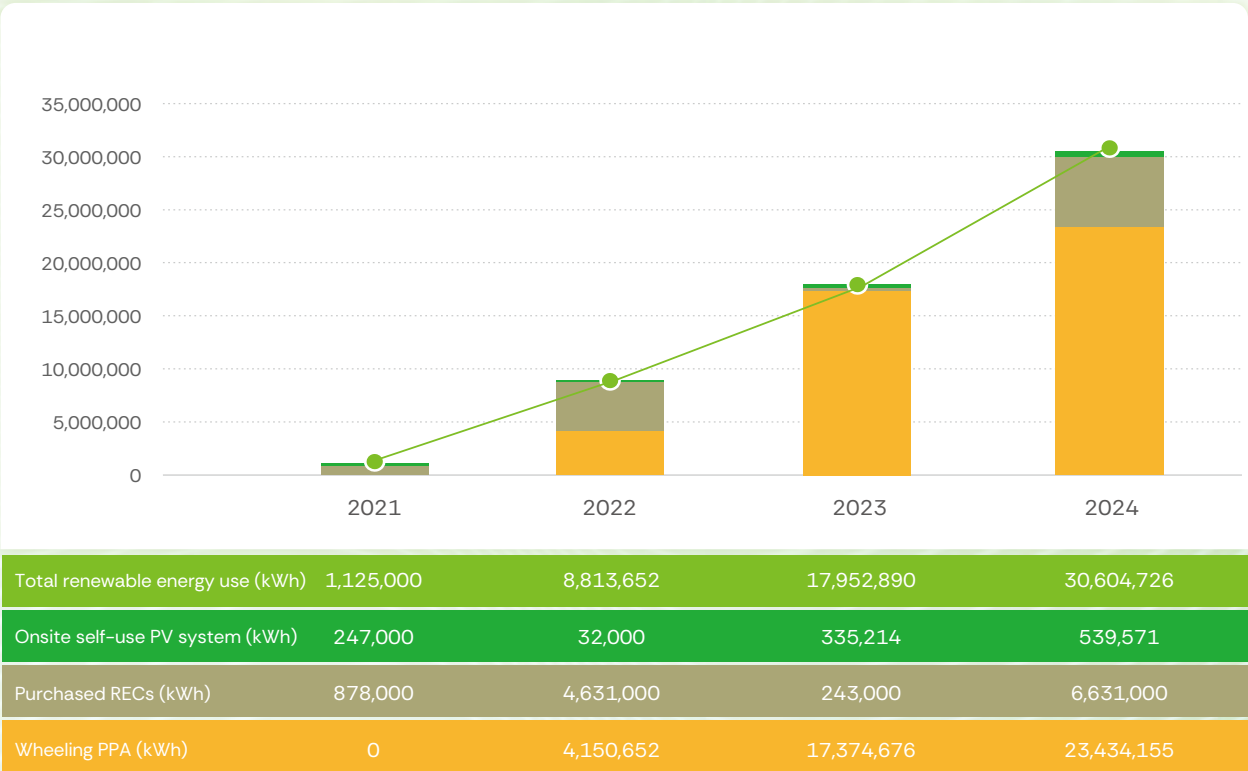
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2.2.1 Green Energy

|| Increase renewable energy use

Cathay FHC continues to increase renewable energy usage by purchasing Renewable Energy Certificates (RECs) and signing Power Purchase Agreements (PPAs). In 2024, Cathay FHC's total renewable energy use reached 30,600 MWh, accounting for 26.12% of the group's domestic energy use. Over the past three years, Cathay has met all annual goals for renewable energy use^(Note). Subsidiaries are also increasing their share of renewable energy by installing rooftop solar photovoltaic systems at proprietary buildings. For example, in 2024, CUB added three new solar-powered branches (Sanchong, Zhonggang, and Taichung), bringing the total to 11 branches since 2013, with a combined installed capacity of approximately 395.135 kW and annual power generation of around 477 MWh – the equivalent of reducing 235.6 metric tons of carbon emissions. The bank plans to add three more solar-powered branches in 2025, bringing total installed solar capacity to 494.4 kW. In 2024, Cathay Life also added solar systems at four more buildings (Neipu Service Center (Pingtung), Huanbei Building (Fengyuan), Landmark Life Plaza (Bade), and Peipei (Tucheng)), with individual installed capacities of 36.45 kW, 19.14 kW, 998.76 kW, and 486.92 kW, respectively, bringing its cumulative installed capacity to 2,054.89 kW by the end of 2024.

Note: The KPI of Cathay FHC and its subsidiaries' Presidents was linked to the renewable energy target.



|| Supporting the Renewable Electricity Market

Since 2022, Cathay has supported RE100's Taiwan Renewable Electricity Market Briefing of Taiwan and has been invited to share our green transition initiatives at the Taiwan Members Meetings. At the 2024 RE100 Members' Meeting, executives from Cathay Life and CUB shared insights on green leasing and green finance trends, as well as Cathay's experience in advancing these initiatives, receiving positive feedback from participating companies.



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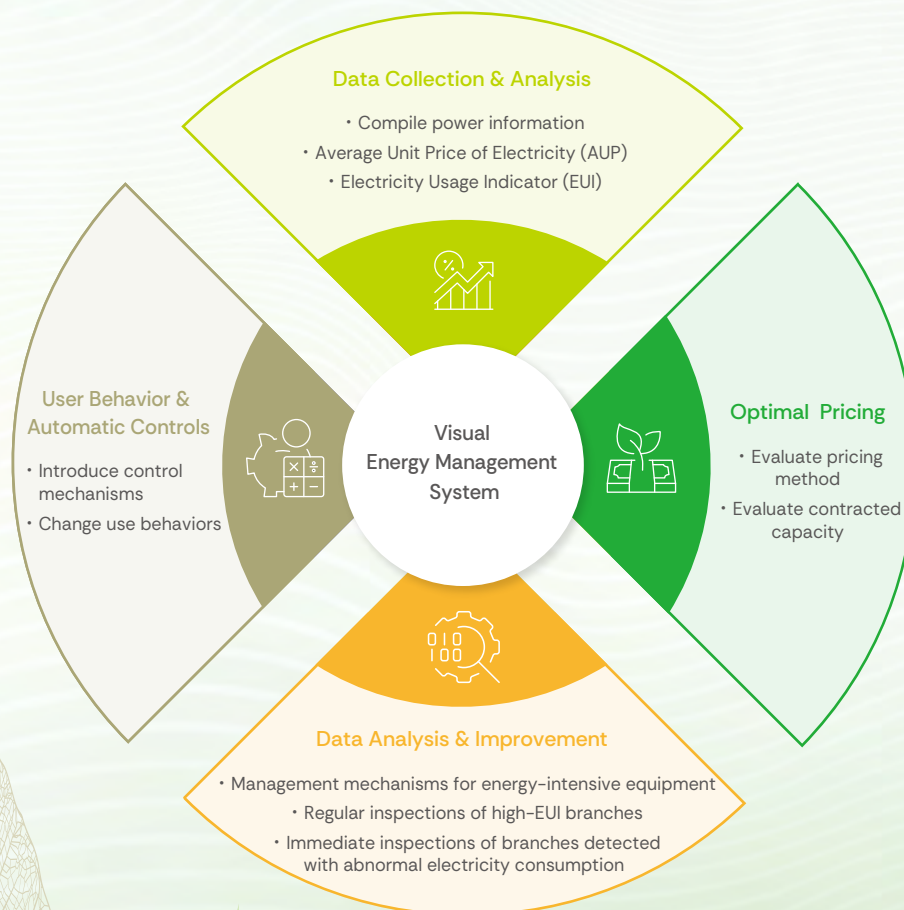
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|| Establishing an Energy Management Mechanism

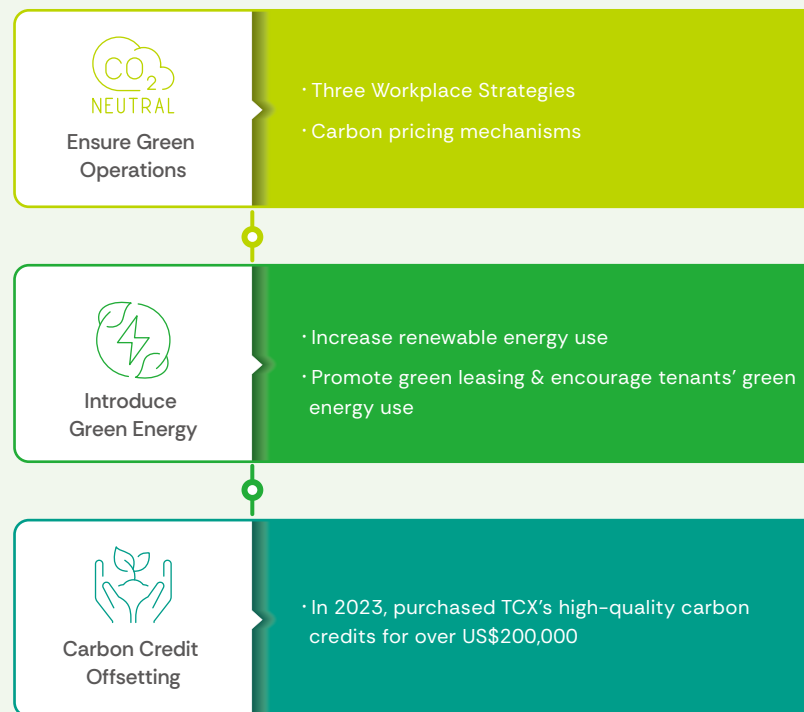
CUB implemented a cloud-based energy management system (EMS), installed centralized control panels, and promoted hybrid work models to manage energy use across branches. In 2024, CUB installed EMS to seven new locations. Between 2020 and 2024, the bank increased the EMS coverage rate to over 90% of branches, managing 61% of total electricity consumption. The cloud system enables real-time monitoring of electricity usage at each site, supports behavior adjustments to optimize energy use to thereby control operating costs. This contributes to energy conservation awareness and facilitates the replacement of energy-intensive equipment. Cathay Life also launched an EMS program, rolling out EMS into 15 new locations in 2024. At Cathay Life, 45% of total electricity consumption is now covered by EMS, with a target to manage at least 60% by 2025.



Feature: Cathay and PAS 2060 Standard for Carbon Neutrality

Cathay commits to net zero emissions by 2050. To such ends, Cathay purchased over US\$200,000 of initial carbon credits in 2023, purchasing a quarter of all carbon credits available in the initial release. Additionally, CUB has developed "Trust Services for Carbon Credit Prices" and integrated receiving, payment, and clearing mechanisms, acting as a clearing house to help bolster Taiwan's carbon credit trading system. In 2024, Cathay took stock of this year's progress in carbon management and developed a carbon management strategy of "Decarbonize First, Renewable Energy Next, and Carbon Credit Offset Last." In addition, the headquarters of Cathay Financial Holdings, Cathay Life, Cathay United Bank, and Cathay Century, along with 23 sites of CUB, Cathay Securities, and Cathay SITE, successfully obtained PAS 2060 organizational carbon neutrality verification in accordance with international carbon neutrality standards, achieving major breakthroughs for Cathay's journey to net zero. In the future, Cathay will continue to adhere to carbon management strategies to gradually achieve net zero.

[Learn more about Cathay and PAS 2060 Standard for Carbon Neutrality.](#)



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Feature: Carbon Pricing Mechanism

• Cathay's Group-Wide Internal Carbon Pricing (ICP) Strategy

To accelerate decarbonization, Cathay has incorporated an ICP program into our climate blueprint in 2022, identifying strategies to support our target to reach net zero by 2050. By adopting ICP, Cathay factors climate considerations into decision-making and risk assessments to thereby develop diverse decarbonization strategies across different scopes. The mechanism enhances energy efficiency and encourages behavioral change within the organization to deliver energy savings and emissions reductions as well as effectively bring down operational costs and financial risks. A uniform internal carbon pricing level exceeding US\$100 has been set for Scope 2 emissions and will be gradually increased. The mechanism will also help serve as a stress-testing tool that guides Cathay in offering low-carbon financial products and services. This integrated approach allows Cathay to capitalize on opportunities from the low-carbon transition by combining green operations with product carbon footprint management, allowing Cathay to collaborate with clients for decarbonization.

• ICP Applications Across Operations

Cathay FHC and subsidiaries generate over 90% of the operational carbon emissions from purchased electricity (Scope 2). To reflect the cost of operational carbon and raise employees' awareness of carbon costs, Cathay has set a Scope 2 carbon price of over US\$100 – subject to gradual increase. Specific guidelines will be tailored to each subsidiary's business characteristics, operational scope, and organizational structure. Achievements in 2024 are as follows:

• Adopting Shadow Carbon Pricing in Stress Tests for Prudent Financial Management

To capitalize on low-carbon investment opportunities and assess the impact of carbon pricing on investee companies and clients, Cathay integrates a range of carbon price scenarios under different climate pathways into the investment and financing risk management framework. These assessments provide valuable insights to inform Cathay's lending and investment decisions. Stress testing parameters are set to reflect the company's tolerance for climate transition risks, serving as the basis for our Climate Risk Appetite Statement. The parameters are also integrated into internal risk assessment and management processes, allowing Cathay to adjust investment and credit asset strategies when necessary – for example, formulating coal divestment strategies and adopting other asset decarbonization strategies.

Cathay Life

Cathay Life leveraged ICP to promote energy conservation and decarbonization campaigns, contributing savings from decarbonization to each unit's decarbonization funds and the company's Zero-Carbon Operation Transition Plan. Savings are calculated by multiplying the carbon price by the metric tons of carbon reduced from the same time last year.

Cathay Century

In 2024, Cathay Century launched an Electricity Saving Competition linked to ICP. Units achieving a 6%–9% reduction in electricity use received Energy Benchmark Awards, and units with reductions of 10% or more received Energy Excellence Awards. Cumulative electricity savings reached 57,222 kWh, equivalent to 28.2 metric tons in carbon reduction.



Cathay United Bank (CUB)

CUB adopted ICP tools in 2023 to drive GHG reductions across operations. The internal carbon price is adjusted annually based on renewable energy costs and the electricity emission factor published by the Energy Administration. For 2024, the internal price is set at NT\$12,323/MT. An internal carbon fee system was also developed for a gradual roll-out. In 2024, CUB's Electricity Saving Competition achieved power savings of approximately 1011MWh, equivalent to 499.4 MTCO₂e reduced in carbon emissions.

Starting in 2025, a "base fee" will be collected from each unit for the use of non-renewable energies. From 2026, an "additional fee" will apply to energy consumption above allocated energy limits. Funds collected will be used to purchase renewable energy and implement energy-saving measures.



Cathay FHC and CUB energy saving competition provided monetary award based on the energy saving performance.

(For more information, please refer to [6.2.5 Climate and Nature-related Financial Disclosures](#) and [Cathay FHC's Climate and Natural Report 2024](#))

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2.2.2 Green Operations

To achieve net-zero emissions, Cathay Financial Holdings has set a target to reduce its absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions to 25% of its 2020 emission level (60,243.66 tCO₂e) by 2030. This reduction target covers 100% of emissions from its operational sites and was approved by the Science Based Targets initiative (SBTi) in 2022. To further accelerate the low-carbon transition, Cathay voluntarily strengthened this reduction goal in 2024, setting a more ambitious target of a 42% reduction in domestic emissions by 2030.

|| Three Workplace Strategies

Three Workplace Strategies	
Digitalize Services	Mobilize Operations
<p>Actions:</p> <ul style="list-style-type: none">• Carbon Label: ISO 14067 carbon footprint verification for main products• Digitalization for Paperless Operations: Electronic insurance policies, remote enrollment services, auditing individual printer use, installing dual screens, and digitalizing administrative processes <p>2024 Achievements:</p> <p>1 Carbon Labels: CUB:</p> <ul style="list-style-type: none">• 2021: Secures ISO 14067 Carbon Footprint Verification for “Unsecured Consumer Loans” (first Taiwan bank to secure the Ministry of Environment Carbon Label & Carbon Reduction Label for this service)• 2023: Secures Carbon Footprint Verification for “Small Deposits/Payments via ATMs” and “Residential Mortgage Services” (first Taiwan bank to secure the Ministry of Environment Carbon Label & Carbon Reduction Label for this service)• 2024: Secures Carbon Footprint Verification & Ministry of Environment Carbon Label for “Online Credit Card Application Services” <p>Cathay Century:</p> <ul style="list-style-type: none">• 2019: Establishes “Product Category Rules for Carbon Footprints”• 2020: Becomes first and only property insurance provider to secure Carbon Labels• 2021: Receives Carbon Reduction Label from the Ministry of Environment• 2024: Finalizes the expanded “Product Category Rules for Carbon Footprints 2.0” for property insurance services, revising declarations under the Ministry of Environment Carbon Label (which does not require declarations for specific insurance types) to thereby expand the scope of verified products <p>Cathay Securities:</p> <ul style="list-style-type: none">• Secured ISO 14067 Carbon Footprint Verification for online services in February 2025 <p>2 Digitalization for Paperless Operations:</p> <ul style="list-style-type: none">• Cathay Life, CUB, Cathay Century, and Cathay Securities leveraged mobile and digitalized services as well as paperless policies internally to save 500 million sheets of paper in 2024.	<p>Actions:</p> <ul style="list-style-type: none">• Project WFH 2.0: Convert network equipment to Virtual Desktop Infrastructure Office Automation (VDI OA) and store data in off-site data centers <p>2024 Achievements:</p> <ul style="list-style-type: none">• Cathay Life: Transitioned 15% of employees in 2024
Share Workspaces	
<p>Actions:</p> <ul style="list-style-type: none">• Adopt hybrid work model and create an innovative workplace <p>2024 Achievements:</p> <ul style="list-style-type: none">• Completed 21 renovation projects in the workplace (Cathay Life & Cathay Century)	

Carbon Labels (as of 2024)			
ISO 14067 Accreditation	Ministry of Environment Carbon Label	Ministry of Environment Carbon Reduction Label	PAS2060 Carbon Neutrality Accreditation
6	4	3	6

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Water Management

In recent years, climate change has indirectly impacted water cycles and rainfall patterns, making water one of the critical challenges to the modern world. As such, Cathay FHC established a per capita water consumption goal for 2024 of 12.67 metric tons. Cathay FHC has instituted the following measures to achieve its target:

Water Conservation



- Installed water-efficient products with automatic sensors
- Uses certified water-efficient faucets & toilets

Water Management



- Cathay FHC adopted ISO 46001 Water Efficiency Management Systems and received BSI verification
- Installed water meters to cooling towers

Goal-setting & Advocacy



- Set water-saving targets
- Distributed water conservation flyers

Reduced waste

The financial services sector produces only domestic waste and general recyclables and does not produce toxic waste. Cathay FHC commits to reducing per capita waste to 25.6kg by 2024 and is taking the following measures to reduce waste within its scope of operations and generate positive impacts on the environment:

Inventory & Reduce Use

- Regularly review waste spreadsheets for more insight into the collection of waste-related data and make necessary recycling changes as soon as possible
- Organize incentive programs to discourage the use of disposable tableware and encourage employees to bring their own reusable cups and utensils when buying beverages or eating out
- Cathay has installed waste sorting bins at office sites and will strengthen internal advocacy to encourage employees to sort waste.



Recycling & Reuse

- CUB has been a part of the ASUS Foundation's Recycling Computer, Project of Hope since 2017. Under the project, old computers (system units, monitors, and laptops) are donated to the ASUS Foundation, refurbished, and then donated to underprivileged communities or remote areas. The project extends the product's lifecycle by preventing & reducing waste, recycling, and reusing the product, thereby ensuring sustainable consumption and production. As of the end of 2024, 19,322 computers have been donated.
- Since collaborating with the ASUS Foundation on The Second Life for Computers program in 2020, Cathay Century has donated 642 desktop computers and 255 monitors as of 2024.
- Cathay Life and CUB prioritize leasing over purchasing for many equipment such as furniture for the former and company cars, multi-function printers, currency-counting machines, bill-binding machines, and binding machines for the latter.



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Sustainable Procurement

Cathay FHC maintains rigorous control over sustainability issues throughout the procurement process. Cathay FHC works with over 1,000 service providers, equipment suppliers, and construction subcontractors. To reduce negative social and environmental impacts from suppliers, Cathay FHC became the first financial institution in the world to incorporate ISO 20400 Sustainable Procurement Guidance; manage the supply chain in compliance with our "Sustainable Procurement Guidelines"; and develop a "Cathay FHC Sustainable Procurement Policy." As of the end of 2024, all Cathay suppliers have signed Cathay's Declaration of Sustainability Values.

Objectives

Cathay firmly believes in enforcing green procurement into its Procurement Management Regulations and prioritizes products with eco-friendly, green energy, and water conservation labels. Cathay FHC has adopted the ISO 20400 – Sustainable Procurement Guidelines since 2018 to help mitigate risks from poor supply chain management and ensure sustainable development in the group's finance, environmental efforts, and goodwill. Cathay FHC also managed supplier practices and provided training based on sustainable procurement demands to exert the company's influence and spread the ideals of sustainable development. Cathay FHC hopes to bring suppliers' attention to significant sustainability issues.

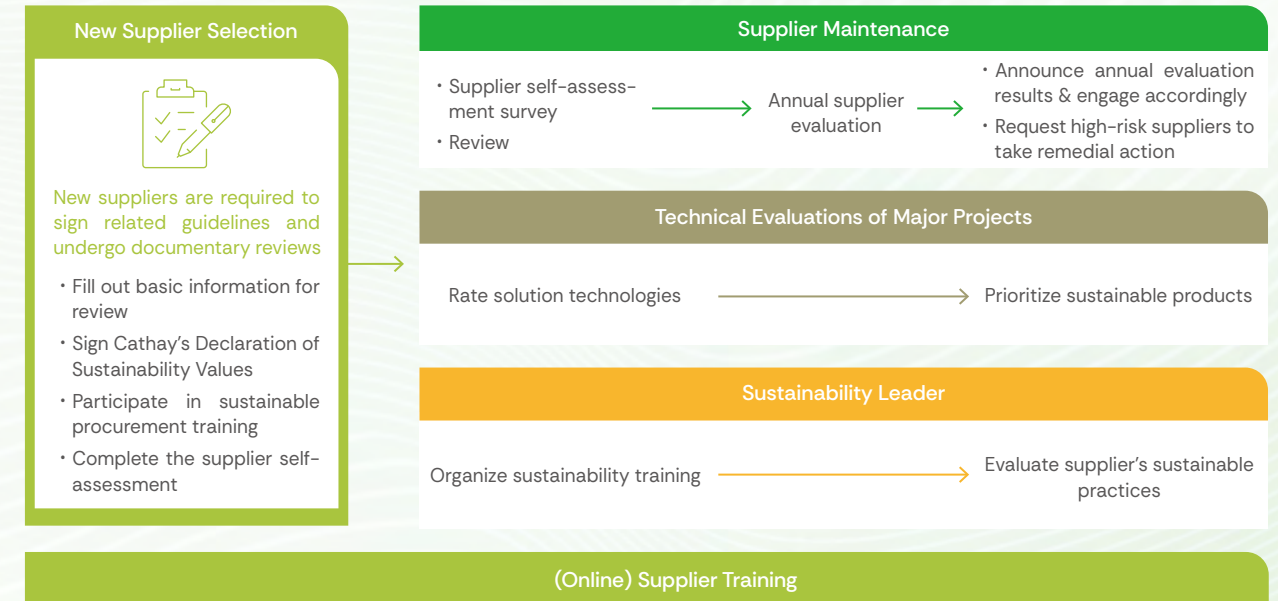


Caption: Cathay FHC's 2024 Sustainability Supplier Conference

Impacts

Cost reduction is usually the number one priority for procurement in most companies. This overlooks potential risks, e.g., environmental or human rights risks from suppliers. Cathay FHC adopted ISO 20400 – Sustainable Procurement Guidelines to assess suppliers across seven core subjects – organizational governance, labor practices, human rights, the environment, fair operating practices, consumer issues, and community involvement and development. We hope that clear policies and procedures can reduce sustainability risks in the procurement process and generate positive impacts on the economy and society.

Sustainable Supplier Management



Results

2024 Highlights from Green Supply Chain Management			
Green Procurement	Cathay's Declaration of Sustainability Values	Sustainable Procurement Advocacy	Supplier Conference
<ul style="list-style-type: none">• NT\$1.065 billion	<ul style="list-style-type: none">• 100% of suppliers signed Cathay's Declaration of Sustainability Values	<ul style="list-style-type: none">• Provided training for suppliers to continue raising supplier awareness of sustainability issues, with 100% of suppliers completing training in 2024	<ul style="list-style-type: none">• Organized an in-person supplier conference in 2024 where Cathay explored sustainability issues with suppliers, supported the Ministry of Environment's "Private Enterprises and Organizations Green Procurement Program," and encouraged suppliers to apply for green certificates
Cathay FHC's Sustainability Supplier Conference			

Note: For sustainable procurement between 2022 and 2024, please refer to [Table 9 in the Appendix](#).

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2.2.3 Green Real Estate

Cathay FHC is committed to developing a low-carbon real estate ecosystem through our Green Leasing Program, which helps SME tenants access renewable energy and is set to expand in phases to all Cathay-owned buildings across Taiwan by 2030. Cathay has also committed to complying with green building standards for any renovations, operations, maintenance, design, and construction of proprietary buildings. In addition to the goal of acquiring more green building certificates, Cathay also aims to ensure 45% of bank branches comply with green retrofitting standards by 2030.

• Green Landlord

Purchase and distribute renewable energies for tenants to simplify the process and work with tenants to use renewable energies and strive for net zero emissions

• Development & Acquisition

Control real estate development and operational risks in compliance with the "Responsible Property Investment and Management Policy"

• Design & Construction

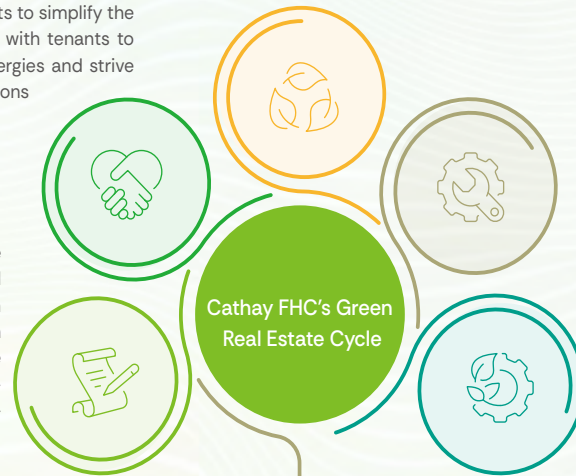
Comply with green building standards for building developed in 2016 or later, and include solar panels as one of the assessment items

• O&M Management

Introduce an information management system to strengthen building management efficiency, and replace energy-intensive equipment on a rolling basis to increase energy use efficiency

• Renovation

Roll out green retrofitting and repurpose areas to reduce energy consumption



|| Low-Carbon Architecture

Cathay Life established the "Responsible Property Investment and Management Policy" to enhance the company's returns from real estate and control investment and operational risks. Starting in 2016, Cathay required architects commissioned to design buildings invested in or developed by the company to comply with green building standards. All our properties meet the designated green standards for energy/resource consumption, greenery coverage, and waste management. Beginning in 2023, all new buildings that have acquired a building permit have also acquired the Green Building Label or the U.S. LEED certification. In 2024, Cathay Life acquired five Green Building Labels/U.S. LEED certification.

|| Green Branches

CUB now considers sustainability when renovating and refurbishing branches. This includes an assessment checklist of green construction materials that are now checked while reviewing designs to ensure that over 60% of the total area utilizes green construction materials; redesigning spaces to reduce energy use; covering outside spaces with greenery; and installing EV charging stations. For example, the outside walls of Mingcheng Branch are coated with thermal-insulation paint to reduce reliance on air conditioning. The Branch is also equipped with a system to water outside landscapes with recycled air conditioning wastewater. CUB's Xinshu Branch collects, filters, and stores rainwater for watering its garden and flushing urinals. At the Ruihu Branch, more than 65% of the outdoor area is covered in greenery and there are spaces allocated for YouBike stations. In 2024, CUB completed renovations for eight branches, 100% of which were renovated in compliance with eco-friendly designs. As of now, 29.7% of CUB branches have completed renovations.

CUB's Green Branch Efforts in 2024		
Green Energy	Green Operations	Green Real Estate
<ul style="list-style-type: none"> 11 solar-powered branches across Taiwan Installed solar capacity and annual solar power generation at 395.135 kW and 477 MWh, respectively, reducing 235.6 metric tons of carbon emissions 	<ul style="list-style-type: none"> 100% LED lighting deployment Passed ISO 14001 & ISO 50001 certification Secured ISO 14067 Carbon Footprint Verification & Ministry of Environment Carbon Label for "Online Credit Card Application Services" HQ and three green branches certified carbon neutral according to PAS2060 	<ul style="list-style-type: none"> Green retrofitted eight branches in 2024, with 29.7% of CUB branches now fully green retrofitted

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Feature: Smart & Green Landlord

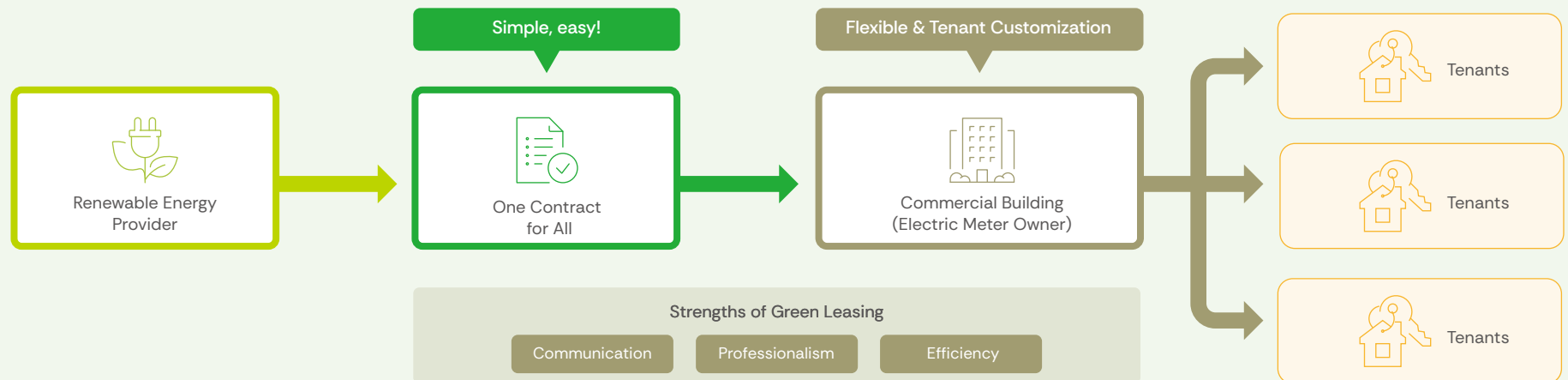
Currently, in Taiwan, renewable energy supply lags behind demand, and most companies are tenants in larger buildings and, therefore, multiple users under a single electricity account number. As building tenants, these companies have to initiate three-party agreements with landlords and energy providers. To simplify this complicated process, Cathay Life collaborated with the MOEA in 2022 to offer the Green Leasing Program 2.0. Under this program, Cathay Life purchases renewable energy on behalf of its tenants and then allocates renewable energy according to each tenant's annual RE100 targets, streamlining the process for acquiring renewable energy. In 2024, the company held one information session to promote the Green Leasing Program and successfully engaged with 24 companies (80 leased units^{Note}), inspiring them to join the program.

Note: One customer with multiple leased units is still considered one customer

In response to changing workplaces in domestic and international businesses, Cathay Life – adhering to three major principles of "Green," "Human-centered," and "Technology-driven" – is pioneering change to help corporate tenants with energy conservation, decarbonization, employee well-being, and data management when leasing office spaces. In 2024, Cathay Life formally launched an innovative office service – hub – at its Cathay Songjiang Tower in Zhongshan District, Taipei.



Cathay's Renewable Energy Procurement Process as a Green Landlord



2024 Green Landlord Achievements

- Welcomed **24** companies to the project & offered access to renewable energy
- Supplied **17,000** MWh in renewable energy to customers
- Organized **1** information session on green leasing
- 20+ Taiwan Green Building Labels & U.S. LEED certificates
- Achieved highest 5-star rating in the GRESB Real Estate Assessment & 4-star rating in the Real Estate Development Benchmark



[WBCSD praises Cathay's Green Leasing Program & Cathay Life's Corporate Green Leasing Program](#)

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Feature: Smart & Green Landlord

• Designing Energy-Efficient & Low-Carbon Buildings

In addition to built-in building designs for energy conservation and decarbonization, Cathay Life has also adopted Green Leasing Programs to introduce renewable energy in office buildings and support tenants in reaching their RE100 goals with ease.

• Supporting Corporate Tenants with Employee Well-being

Cathay Life is committed to creating a human-centered workplace by offering amenities for dining, relaxation, and fitness to ensure a shared service space for employees of corporate tenants in their work and everyday life. Environmental sensors are also installed to monitor conditions (e.g., air quality, temperature, and humidity) in real time, helping businesses safeguard the physical and mental well-being of their employees.

• Supporting Building Data Management

By integrating digital hardware and software solutions, energy consumption data (electricity usage) is collected and displayed in real time through a digital platform, offering tenants easy access to energy usage.

Corporate Green Leasing Program



Provide governance data required for various ESG metrics, e.g., energy efficiency, air quality data, water data, etc.



Provide tenants with an energy-efficient office environment and provide green energy to meet their decarbonization needs



Provide tenants with leisure space for both dining and health services, offering tenants' employees a space to de-stress and increasing work efficiency.

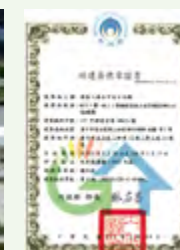


Feature: Taiwan's 1st Commercial Net-Zero Building

As the largest landlord in Taiwan, Cathay Life supports the government's goal to achieve Net Zero by 2050. To such ends, Cathay Life has listed green building certificates and the Taiwan Building Energy-Efficiency Rating System (TBERS) as guidelines for real estate development and management. During development, green building assessments will be adopted to assess development plans. After completion, buildings will acquire green building certificates. Lastly, while in use, Cathay Life will continue to enhance energy use efficiency. While leading by example on proprietary properties, Cathay Life is also sharing experiences with investment properties and working with tenants to transform their use of real estate and energy, leading the future for Taiwan's commercial real estate.

The Wuri Building, for example, is a commercial office building owned by Cathay Life for self use. The building was designed as a green building, featuring built-in solar PV equipment, insulated glass, and window rainwater harvesting systems to minimize its energy consumption and environmental impacts. Environmental protection and energy conservation technologies are applied to the building, through and through, earning the Wuri Building a Level 1+ rating (Near-Zero Building Label) for energy efficiency and a Diamond-level Green Building Label. In addition, Cathay Life established renewable energy measures, pioneering the industry to become the first officially certified "Net Zero" carbon building in Taiwan, propelling Cathay further toward RE100 goals.

In the future, Cathay Life will continue to follow the three-step plan of "Energy Conservation First, Renewable Energy Next, and Carbon Offset Last." The insurance subsidiary will also roll out this principle to all assets and services, replicating its success to drive accelerated transitions in Taiwan's construction industry. In doing so, Cathay Life fulfills its corporate responsibility to sustainability and contributes to the building of a low-carbon, healthy, and smart city of the future.



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2.2.4 Environmental Protection Campaigns

Cathay continues to advance environmental conservation efforts by participating in environmental initiatives and organizing activities such as mountain cleanups, beach cleanups, and environmental education events, combining nature conservation with stakeholder engagement to amplify environmental impacts. In 2024, we marked our ninth consecutive year supporting Earth Hour, joining forces with affiliated companies to expand the environmental influence of the financial sector. During the year, subsidiaries hosted 15 beach cleanups, one mountain cleanup combined with an environmental education event, and one tree-planting event. Cathay SITE launched the Nature Care from Us project, supporting the rescue and conservation of stranded sea turtles. Additionally, Cathay Life advanced employee environmental education, with cumulative participation exceeding 120,000 hours in 2024, strengthening sustainability awareness among 30,000 employees.

Feature: Cathay SITE Saves Stranded Sea Turtles with the "Nature Care from Us" Project

The survival of Taiwan's sea turtles is currently threatened. Cathay SITE, through environmental assessments conducted during offshore wind farm investment research, identified that extreme weather and human activities are intensifying threats to sea turtles, driving mortality rates as high as 80%. This alarming loss of life signals broader ecological risks. In response, Cathay SITE officially launched the "Nature Care from Us" project in 2024, partnering with the Taiwan Cetacean Society to support the rescue and conservation of stranded sea turtles.

By adopting turtle rehabilitation pools operated by the association, the initiative has successfully aided in rescuing stranded turtles, while inviting employee volunteers and other stakeholders to participate in subsequent releases. Additionally, Cathay SITE has raised public awareness on marine conservation through turtle-naming campaigns, educational seminars, and promotional films.



Problem/Challenge

- In the past five years, the percentage of stranded cetaceans and sea turtles in North Taiwan was 34.6% and 46.5%, respectively, which has severely impacted the ecosystem.



Cathay's Actions

- Adopting turtle rehabilitation pools
- Hosting turtle naming events & lectures
- Releasing project promo film
- Participating turtle release events



Expected Outcomes

- Increase employee participation & concern for ecological conservation
- Raise public awareness of sea turtle rescue
- Galvanize internal/external forces to promote ecological sustainability by inviting stakeholders to participate in volunteering and wild release events



Sea Turtle Rescues in 2024

- 1st adopted sea turtle successfully recovered & returned to ocean



[Project Video of "Nature Care from Us"](#)



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Feature: Cathay's Environmental Conservation Campaigns in 2024

Miaoli

- 262 employees participated in Cathay Life's beach cleanup at the Longfong Coast in Miaoli



Kinmen

- 117 employees participated in Cathay Life's beach cleanup at the Citi Causeway coast in Kinmen

Taichung

- 80 employees participated in CUB's beach cleanup and environmental education event at the Da'an Coast and Flying Cow Ranch in Taichung



Chiayi

- 50 employees participated in Cathay Life's beach cleanup at the Budai Coast in Chiayi



Kaohsiung

- 40 employees participated in CUB's event for environmental education and removing invasive species at the Chouchai Wetland Park in Kaohsiung
- 115 employees participated in Cathay Life's beach cleanup at Cijin Seashore Park and the Mituo Coast



New Taipei City

- CUB adopted the Bali North Seawall Beach. In addition, 295 employees participated in CUB's four beach cleanups at Shalun Beach, Fulong Beach, Wanli Beach, and Yehliu Geopark
- 15 employees participated in Cathay Securities' event, planting 100 beach cabbages and five-stamens China laurel saplings across Shalun Beach in Tamsui

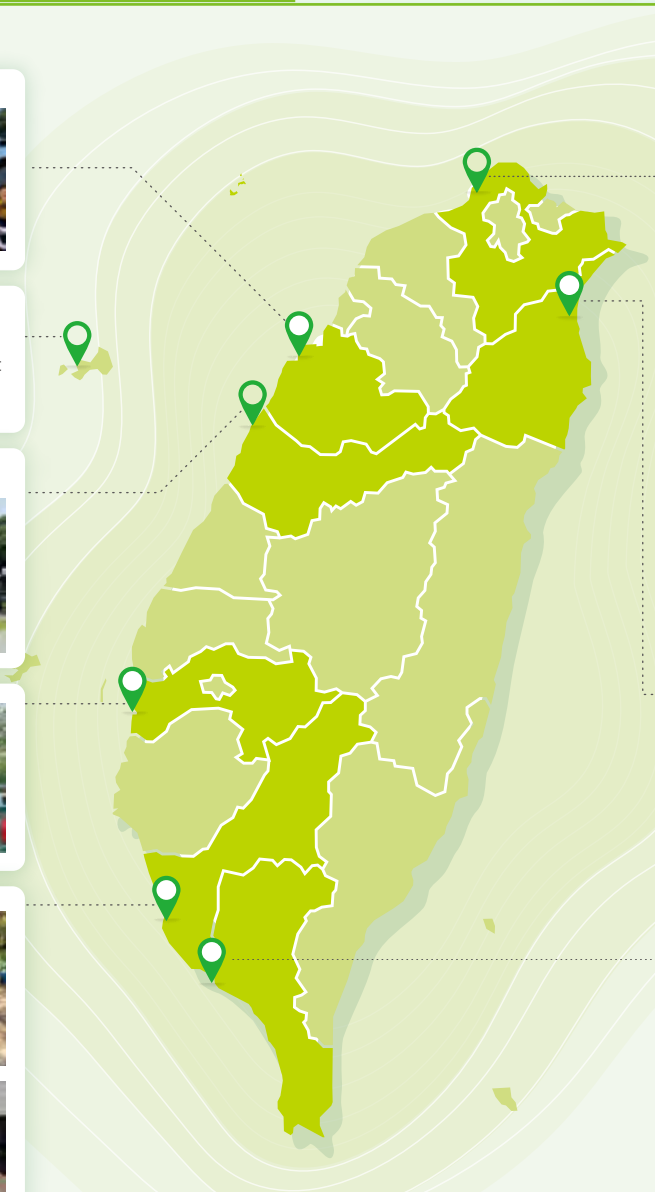


Yilan

- 250 employees participated in Cathay Life's beach cleanup at Wai'ao Beach in Yilan

Pingtung

- 397 employees participated in Cathay Life's four beach cleanups at Zhenhai Park in Donggang Township, Pingtung



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Health

3.1 Health Promotion

3.2 Financial Health



In 2024, Cathay Life published its first-ever Annual Report on Policyholders' Health, drawing insights from health data of its eight million policyholders. Analysis pointed to three major health advantages among Cathay Life policyholders:

- "Longer Life Expectancy": Policyholders lived, on average, three years longer than the national average;
- "Superior Health Management": Avoidable mortality rate was lower among policyholders than the national rate of 167.4, indicating that policyholders received preventative care or timely treatment;
- "Better Treatment Outcomes": The five-year cancer survival rate of policyholders is drastically better than the national average.

In 2024, Cathay developed its new health proposition – "Empower Your Health" – which consists of four dimensions: "organization, products, channels, and platforms." Centered around FitBack, a platform aimed to strengthen Cathay's health ecosystem, the initiative has given rise to the "Wellness Lab," the medical consulting team "Health Expert," and an array of spillover measures. The aim of the initiative is to improve policyholders' health and wellbeing and drive innovation in health promotion by developing a comprehensive health promotion system through products, services, and Cathay's digital platforms.



Download the 2024 Cathay Life Annual Report
on Policyholders' Health here



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3.1 Health Promotion

Health Promotion – Achievements




New Health Proposition: "Empower Your Health"

- With the introduction of the new health proposition of "Empower Your Health" in 2024, Cathay Life will be embedding spillover measures in all future health insurances, transforming them into spillover policies
- Centered around the FitBack platform, the initiative aims to strengthen Cathay's health ecosystem. As of the end of 2024, FitBack boasted 1.25 million members.



First Annual Report on Policyholders' Health

- In 2024, Cathay Life published its first Annual Report on Policyholders' Health. Drawing insights from health data of its eight million policyholders, the report showed that Cathay policyholders had longer life expectancy, superior health management, and better treatment outcomes.



Health Promotion & Charity

- The "Every Step Counts" walking campaign converted FitBack app users' steps toward health goals into contributions for rural education, environmental conservation, and renewable energy development.
- In 2024, over 273,000 participants logged 72 billion steps, supporting five charity projects with a total donation of NT\$19.7 million.

Health Promotion: Strategy Blueprint

Code for Goals & Progress in 2024:  Completed /  Missed

Action Plan	Metrics	Goals & Progress in 2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Strategy ❶ Expand the ecosystem of promoting physical and mental health: raise awareness for physical and mental wellbeing, as well as accident prevention; foster the ability to monitor and manage their own health among the public; reiterate the value of ex-ante “prevention” and ex-post “reimbursement”; and exert our influence for the general wellbeing of all humanity.							
Promote the FitBack App (including spillover-effect products): introduce diverse health missions through cross-industry collaborations to create a health ecosystem, and utilize spillover-effect insurance to provide additional coverage or premium discounts.	Health promotion project participants (No. of members)	1.2 million members	✔️ 1.245 million	≥ 1.4 million	≥ 1.6 million	≥ 1.8 million	≥ 2.4 million
	Number of members supported in health management, and cumulative number of health management interactions per month	≥ 900,000 members & ≥ 14.64 million services	✔️ 934,000 members & 16.07 million services	≥ 1.05 million members & ≥ 15.93 million services	≥ 1.2 million members & ≥ 17.34 million services	≥ 1.35 million members & ≥ 19.19 million services	≥ 1.8 million members & ≥ 24.31 million services
Increase health insurance coverage for citizens: Continue to care for and communicate with customers with insufficient coverage	No. of new policyholders with full health insurance coverage (daily hospital indemnity ≥ NT\$2,000) in the calendar year	95,000 people	✔️ 129,000 people	100,000	100,000	120,000	60% of new policyholders sign on for full health insurance coverage in the calendar year

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Action Plan	Metrics	Goals & Progress in 2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
1.Traffic Safety Project: Raise student and public awareness of traffic safety and loss control through accident-free loss control campaigns and the Zero-Accident Academy website.	Cumulative number of Accident-Free promotional events	450	✔️ 453	500	560	620	800
	Level of student awareness under the Accident-Free Rider Project & Correct student response rate for the Accident-Free Bicycles Project	≥ 82.5% awareness & ≥ 72.5% correct response rate	✔️ 91% awareness & 80% correct response rate	≥ 85% awareness & ≥ 75% correct response rate	≥ 86% awareness & ≥ 76% correct response rate	≥ 87% awareness & ≥ 77% correct response rate	≥ 90% awareness & ≥ 80% correct response rate
	No. of people reached with anti-drug programs	≥ 2.2 million	✔️ 2.63 million	≥ 3 million	≥ 3.4 million	≥ 3.8 million	≥ 5 million
Strategy ❷ Enhance age-friendly services and create a safety net to support healthy and sustainable lifestyles for older people. By 2030, enable older adults to live healthy and dignified lives through financial products and services, and create an age-friendly safety net that promotes the overall health of older policyholders.							
1.Age-Friendly Services: Pool resources from Cathay and other industries to promote care for older adults	Coverage rate of A&H insurance policies among customers aged 55 and above	25%	✔️ 28%	25%	27%	28%	30%
2.Prioritize Coverage: Introduce products tailored to older adults and meet the health insurance needs of the elderly	No. of older adults reached by Cathay partnership with NGOs and schools to promote older adult care services and enhanced social support	1,100 older adults	✔️ 5,623 older adults	1,200 older adults	1,300 older adults	1,400 older adults	Work with cross-industry partners to offer diverse physical and mental health services to satisfy the needs of older adults
3.Promoting Geriatric Health: Provide health promotion services to help older adults manage their health and prevent diseases	Percentage of sales agents and office staff that have obtained health expertise certification (Dementia Friends)	• Sales Agents: 60% • Office Staff: 45%	• Sales Agents: ✔️ 66.6% • Office Staff: ✔️ 69.5%	• Sales Agents: 60% • Office Staff: 60%	• Sales Agents: 65% • Office Staff: 65%	• Sales Agents: 69% • Office Staff: 69%	• Sales Agents: 80% • Office Staff: 80%
Strategy ❸ Care for the physical and mental well-being of employees and become their biggest supporters							
Employee Health Services Plan: Offer diverse health-promotion activities, stress monitoring and employee assistance program (EAP), and occupational safety measures	Percentage of employees with a healthy BMI with the help of Cathay’s health promotion activities	Over 50%	✔️ 50%	NA ^(Note)	≥ 51%	NA ^(Note)	≥ 53%
	Percentage of employees that benefited from the employee emotional support programs	80%	✔️ 90%	80%	80%	82%	85%
	Maintain a valid ISO 45001 accreditation	Ensure CUB and Cathay Life maintain validity of ISO 45001	✔️ Ensure Cathay Life and CUB maintain validity of ISO 45001	Ensure Cathay Life and CUB maintain validity of ISO 45001			Ensure Cathay FHC, Cathay Life, CUB, Cathay Century, Cathay Securities and Cathay SITE obtain ISO 45001 certifications
	Cancer screening rate among general employees	75%	✔️ 94%	NA ^(Note)	80%	NA ^(Note)	85%

Note: Employee health checks are conducted once every two years, and are therefore tracked every even year

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3.1.1 Expanding the Health Ecosystem

|| Leveraging Technology for Health Management

• FitBack App

Cathay Life launched the health promotion platform FitBack app, leveraging data and digital technologies to safeguard user health. With the application, users can enjoy discounted premiums for spillover policies by completing health missions as well as discounts from Cathay's partners (e.g., President Chain Store Corporation, ITRI, Great Tree Pharmacy, etc.). As of the end of 2024, FitBack boasts around 1.25 million users. To ensure better health for policyholders, Cathay launched the "SIX" Health Services on FitBack app to better align with user health promotion and preventative care needs. For past achievements of the FitBack App, please refer to [Table 22 in the Appendix](#).

Note: The SIX Health Services are Eat Well, Move Well, Sleep Well, Good Mood, Good Tests, and Good Care.



Fitback App Achievements in 2024

- Reached **1.25** million registered users
- Accrued a total of **1.71** trillion steps

SIX Health Services: Good Tests & Good Mood

Good Tests: Cognitive Function Testing

To give users insight into their brain health and prevent dementia, Cathay launched "Cognitive Function Testing" services with ITRI in 2023. Users can play games such as "Train Your Brain" ^(Note), "What is Your Brain Age?" ^(Note), and "Brain Gym Exercises" to earn points and rewards.

Note: Train Your Brain is a two-minute interactive gamified exercise offered to FitBack app users every week. What is Your Brain Age is a 15-minute testing service provided to Cathay Life's spillover policyholders each month.

Cathay's "Cognitive Function Testing" services were accessed one million times in 2024



Cognitive Function Testing launched in collaboration with ITRI

Good Mood: Meditation Missions

To provide policyholders with diverse services and advocate for mental health, Cathay Life and Couchspace launched mindfulness meditation lessons for five topics ^(Note) to help policyholders find their inner peace.

Note: The five topics include Mindful Breathing, Neuro-Linguistic Programming, Emotional Awareness, Muscle Relaxation, and Sleep Meditation.



Mindfulness health missions on FitBack

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• Every Step Counts

Cathay Life has hosted "Every Step Counts" since 2022 to convert steps into support for sustainability. With the "Every Step Counts" campaign, Cathay Life will make donations when FitBack users complete certain step goals. The donations are used to fund rural education, environmental conservation, and renewable energy development, transforming user steps into tangible acts of charity. In 2024, over 273,000 participants logged 72 billion steps. Since 2022, participants have logged 164.5 billion steps over the course of three years. Throughout the program's lifetime, Cathay has donated up to 19.7 million to five charity projects, including "Green Energy" and "Rural Development."

Note: For outcomes of Every Step Counts, please refer to [Cathay Sustainability Story IV](#).

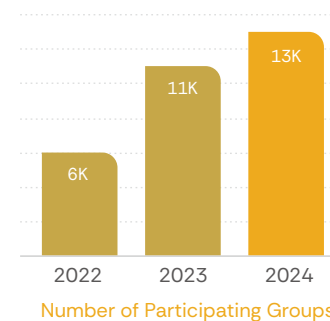
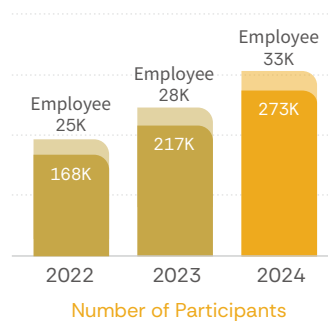
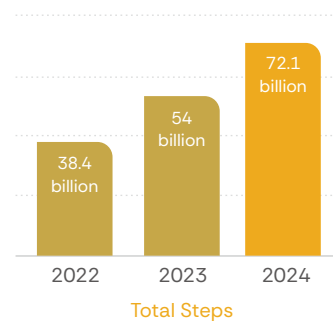
2024 Every Step Counts Achievements



Donations from Every Step Counts

- Reached NT\$ **19.7** million
- Supported **five** charity projects

2022-2024 Every Step Counts Achievements



→ The cumulative total steps, number of participants, and number of Participating Groups have all increased year by year

• FitBack Corporate Edition

To introduce healthy lifestyles to workplaces, Cathay Life launched a corporate edition of the FitBack App in 2023, offering corporate employees health solutions and becoming a partner to corporations looking to promote health in their workplaces.

Note: The Number of businesses is counted by separate tax ID numbers.



FitBack Corporate as of the end of 2024

- **60** corporate clients
- Reached **58,000** corporate employees

• Diverse Spillover Policies

Cathay Life has always strived to support policyholders toward healthier lifestyles. As such, Cathay has continued to develop diverse spillover policies for catastrophic illnesses, hospitalization, cancer, long-term care, dementia, and life insurance, and leverages the FitBack App to embed itself into policyholders' lives. With the introduction of the new health proposition of "Empower Your Health" in 2024, Cathay Life will be embedding spillover measures in all future health insurances, transforming them into spillover policies.



Spillover Policies in 2024

- **427,000** spillover policies sold



[Cathay Life's Spillover Policy Section](#)

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|| Health Expert – Guardians of Health

Under the Health Expert initiative, Cathay leverages exclusive resources within the group to transform sales teams into champions for healthier lifestyles. Cathay Healthcare Management and Cathay General Hospital co-launched a “Cathay Health Expert certificate” to educate sales peers on four fields – “Health Data, Precision Medicine, Fat Loss & Sugar Management, and Geriatric Care.” To date, thousands of sales agents have undergone training and become “Health Experts.” Moving forward, Cathay aims to train at least a thousand Health Experts each year to further popularize and apply health information, demonstrating Cathay’s industry-leading belief in offering differentiated services.

|| Promote Risk Education on Campuses

• Anti-Drug Campaigns - “From Awareness to Saying No!” Stay Away from Drugs!

To ensure “drug-free campuses,” the Ministry of Education has commissioned Cathay Life to provide student group insurances across the nation for eight consecutive years, collaborating across the public and private sectors to promote school sustainability projects. In 2024, Cathay and the K-12 Education Administration co-hosted a board game workshop spotlighting “Path of Destiny.” The board game features real-life stories of drug abuse, assists teachers in educating students on the dangers of drug addiction, and helps students understand the impacts of different figures (e.g., peers and parents) in their lives.

Action	Project	Efforts	Achievements
 Anti-Drug Gaming	Air Force – PaGamO Online Anti-Drug Mission	Invited professors from National Taiwan Normal University and National Chung Cheng University to design 440 questions and explanations, which were reviewed and approved by the K-12 Education Administration of the Ministry of Education. The game aims to increase learning motivation and drug awareness in students by inviting them to tackle anti-drug games.	Cathay has organized 60 anti-drug campaigns since 2019 for a cumulative total of 2.362 million participants.
	Army—Volunteers Organize On-Campus Anti-Drug E-Sports Events	Almost 6,000 Cathay volunteers visited schools across Taiwan and organized anti-drug gaming competitions for individual classrooms.	Since 2019, Cathay has reached 1,428 schools with over 4,000 small anti-drug gaming competitions for individual classrooms, engaging over 220,000 participants.
 Anti-Drug Board Games	Situational Board Game – Path of Destiny Workshop	Cathay collaborated with the social enterprise Play School and hosted ten “Path of Destiny” workshops across Taiwan. For the workshops, Cathay assisted with training workshop instructors on the rules and tips of the game and how to effectively leverage the board game to educate students on the risks of drugs and develop sound decision-making.	• 98% of participants believed that the board game stimulates thinking in children • 99% agreed that it helps in promoting drug awareness in schools and social welfare institutions • 100% were willing to use the board game as a teaching tool in educational activities and home visit cases




Health Expert Highlights

- Cultivated **1,023** Health Expert associates
- **344** seminars to share new health info

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• Traffic Safety Project

Cathay Century provides online and offline resources (articles, videos, and interactive games) to raise safety awareness for two main goals – “Zero Traffic Accidents” and “Enhancing Risk Prevention & Awareness.” To such ends, Cathay Century has worked on campuses to help schools identify high-risk areas for traffic safety, develop risk maps, host workshops, and simulate dangerous traffic scenarios to strengthen students’ risk awareness and build a robust traffic safety net on campus.

Traffic Safety Initiatives	Efforts	2024 Achievements
Campus Traffic Risk Map	<p>In 2024, Cathay Century continued to collaborate with National Chung Cheng University and Nanhua University on the “Back Home to Chiayi Safely” Campus Traffic Risks Map. The initiative uses WebVR technology, integrates resources from the industry, academia, and government, and hosts short video competitions on campus traffic risks maps.</p>	<p>12 teams (26 participants) competed in the short video competition.</p> 
Accident-Free Riders Project – Promoting Traffic Safety on Campuses	<ul style="list-style-type: none">Under the project, Cathay Century trains lecturers for different branches and continues to collaborate with Cathay Life’s campus network to raise traffic safety awareness in students by offering traffic safety seminars to colleges, universities, high schools, and vocational schools across Taiwan.In 2024, Cathay Century and the Ministry of Education co-organized an exhibition to advocate against drugs and frauds as well as to promote traffic safety. Cathay was the only corporation invited to participate as a champion for traffic safety and exhibited with the theme “Zero-Accident Academy.”	<ul style="list-style-type: none">Organized 17 campus traffic safety seminars, engaging over 1,550 participants.A total of 255 events were held between 2015 and 2024, reaching over 25,000 students. When asked about how much they identified with the traffic safety information, students gave a score of over 91.During the exhibition, 3,800 visitors engaged with Cathay’s interactive experience and 96% believed the pavilion raised awareness in traffic awareness. 
Accident-Free Bicycles Project	<ul style="list-style-type: none">Junior high school and primary school students were the target audience for this project. Cathay Century utilized Cathay Life’s school network service to expand the project’s reach and used augmented reality (AR) technology to teach essential concepts about cycling safety.	<ul style="list-style-type: none">Organized 26 campus traffic safety seminars, engaging over 790 participants.A total of 198 traffic safety seminars were held between 2020 and 2024, reaching over 6,100 students and teachers, with a satisfaction score of 97. 
Zero-Accident Academy	<ul style="list-style-type: none">In 2024, the Zero-Accident Academy and Cathay’s “Alpha” chatbot co-hosted a “Follow Me: Zero Accidents” raffle event for participants that answered related questions correctly to raise awareness for residential safety.In 2024, Cathay Century filmed five short videos on various electrical fires – the leading causes of fire disasters in Taiwan – to educate viewers on loss control.	<ul style="list-style-type: none">The Zero-Accident website has accumulated over 2.8 million views between 2014 and 2024.25,000 persons participated in the “Follow Me: Zero Accidents” trivia contest.Over 11,000 viewers watched Cathay’s five short videos titled “Residential Fires.”

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3.1.2 Building a Senior Health Safety Net

As Taiwan enters a super-aged society, demand for long-term care continues to rise. In the meantime, low birth rates are creating an increasing number of families with zero caregivers, posing significant challenges to society. Cathay is, therefore, actively promoting innovative products and services to help mitigate the gap in insurance for older adults and satisfy growing demands for long-term care.

|| Insurance for the Elderly

Cathay Life offers a range of insurance products designed for the elderly, incorporating the concept of spillover insurance to promote health. Coverage includes life insurance, long-term care, hospitalization, surgery, cancer, accidents, and certain illnesses and injuries, tailored to meet the varying challenges associated with physical aging and familial care.

Type of Care	Project Description
 Retirement	Cathay Life launched the “Mei-Li-Kang-Ai” USD Interest Sensitive Whole Life Insurance in 2024. This policy offers high multiple death benefit coverage, assisting elderly policyholders with effective estate planning and wealth transfer. Additionally, if the insured undergoes one of five specified advanced cancer treatments—such as targeted therapy—they may receive a large portion of the insurance payout in advance to help cover the high cost of treatment. At the same time, the policy builds a reserve for post-cancer advanced medical care.
 Long-term Elderly Care	In 2023, Cathay Life introduced Save for Old Age Long-Term Care Insurance and raised the maximum coverage age to 75.
 Healthcare	As the elderly population faces physical aging, such as hearing loss, vision decline, or joint degeneration, the demand for surgery and medical devices increases. Cathay Life has introduced exclusive spillover insurance policies that provide coverage for hospital indemnity and surgery, along with medical device support.

Type of Care	Project Description
 Cancer	Cathay launched a lump-sum payment cancer insurance tailored for older adults providing lump-sum benefits to policyholder immediately upon cancer diagnosis. The lump-sum payment allows policyholders to activate a cancer care account for expenses during the critical treatment period.
 Accidents	Older adults are more susceptible to falls and fractures due to factors such as slower reaction times, deteriorating vision and hearing, and reduced mobility. In 2024, Cathay Life introduced an exclusive accident insurance for individuals aged 55 and above, providing four key protections: accidental death, accidental disability, accidental hospitalization, and accidental fractures to help seniors safeguard themselves and their loved ones in the event of an accident.
 Specific Critical Illness Care	Middle-aged and elderly customers who experience cardiovascular diseases often require better medical care in the future, and their ability to work and earn may decline. Therefore, in 2024, Cathay Life launched an exclusive specific critical illness insurance for older adults, targeting five high-risk heart and cerebrovascular conditions. This coverage provides a lump-sum living benefit and up to ten recurring living subsidies, helping older adults improve their quality of medical care and daily life after diagnosis.

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|| Long-term Care for Older Adults

Cathay Life provides insurance education and healthcare information through the online platform “Splendid Life,” offering tailored, age-friendly services for older adults. Offline, Cathay Life introduced easy-to-read, senior-friendly brochures to ensure clear and accessible communication. Additionally, a dedicated senior service hotline was established and staffed by a specialized customer service team trained to communicate patiently and clearly at a slower pace. The team prioritizes addressing the needs of older adults and presents relevant information about “added services for older adults” to help customers gain a comprehensive understanding of their coverage.

Splendid Life - Reducing the Burden on Caregivers

As of 2024, the initiative has garnered 1.876 million views

- Cathay shares insurance and medical resources through articles, videos, real-life cases, and interactive games/quizzes.
- Safeguard Wellbeing for the Elderly - focuses on the four common age-related diseases: fractures, dementia, disability, and cancer. It provides educational information and care resources, explaining the causes of these diseases, preventative measures, and post-illness care through graphics and text. Cathay Life also collaborates with partners from other industries to offer specialized healthcare services to its policyholders.



Industry Partnerships for Health Promotion – Cathay's Happy Farm & University Social Responsibility for Older Adults

- **Cathay Happy Farm:** Leveraging resources from community development associations, social welfare organizations, and university social responsibility (USR) programs, Cathay has established Happy Farms in Gongliao in New Taipei City, Yuli in Hualien, Changbin in Taitung, Dongshi in Chiayi, and Nandi in Changhua. Together with Cathay volunteers, we actively care for local seniors and revitalize communities. For detailed outcomes of the social impact generated by Cathay Happy Farms, please refer to [4.2 Social Empowerment](#).
- **University Social Responsibility for Older Adults:** In collaboration with the University of Taipei, Cathay Life has built a comprehensive protection network for older adults to “care for their physical, mental, and financial health.” Ten “Health Tour Seminars for Older Adults” were held across various counties and cities in Taiwan, attracting over 350 older adults. The seminars provided knowledge on daily healthcare, home exercises, and promoted fraud awareness, supporting seniors in achieving a healthy, fulfilling lifestyle across physical, mental, and financial dimensions.

3.1.3 Supporting Employee Wellbeing

GRI : 403-1、403-2、403-3、403-4、403-5、403-6、403-7、403-9

|| Policy and Regulations on Occupational Safety and Health Management

To achieve the goal of “zero disasters, zero accidents,” Cathay FHC emphasizes active prevention and continuously improves safety and health measures in the workplace. Employees, contractors and individual contractors working within the framework of Cathay FHC and its subsidiaries are required to comply with the outlined policy and guidelines. Cathay FHC and its subsidiaries have established operational guidelines such as “Safety and Health Work Guidelines,” “Occupational Safety and Health Management Program,” and “Occupational Safety and Health Management Guidelines.” Cathay Life and CUB have implemented the ISO 45001 occupational safety and health management system. Our other subsidiaries also follow the Plan-Do-Check-Act (PDCA) approach in occupational safety and health management. The “Management Guidelines for Contractor Safety and Health” is also in place for contractors. Contractors entering Cathay’s workplace are required to fill out a form for joint prevention of occupational accidents and comply with relevant regulations. Fines are imposed on violators, and in severe cases, contracts may be terminated to ensure workplace safety.

Cathay FHC’s Policy on Occupational Safety and Health

01. Uphold “zero harassment and discrimination, zero accidents, and zero disasters” as the paramount objective
02. Provide a safe work environment for our employees and stakeholders, actively prevent the occurrence of accidents, and continue to improve workplace health and safety
03. Create a safe work environment to facilitate the physical and mental wellbeing of our employees
04. Implement risk management assessment mechanism to continuously improve health and safety performance
05. Set goals and actions with regular performance monitoring
06. Strengthen health and safety awareness and capabilities while ensuring employee consultation and participation



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Occupational Safety and Health Governance

Cathay FHC has tasked the Corporate Sustainability Committee under the board to oversee OSH strategies and developments. Specifically, there are OSH units in place at Cathay FHC and each subsidiary for OSH planning and implementation. The board requires semi-annual OSH reporting to ensure annual progress and outcomes.

Item	Actions
Adoption of ISO 45001 – Occupational Health and Safety Management System	Cathay Life and CUB have implemented ISO 45001, an occupational health and safety management system, with the company presidents serving as management representatives. This adoption is intended to establish, implement, review, and evaluate the occupational health and safety management system regularly. Meanwhile, other Cathay subsidiaries have adopted the PDCA model for continuous improvement.
Employee Wellbeing and Occupational Safety as Cathay FHC’s Important Sustainable Goal	<p>Within the “health” focus area in Cathay’s sustainability strategy blueprint, we have made employee wellbeing and occupational safety a priority and set quantifiable short-, mid- and long-term goals.</p> <p>For detailed quantifiable health promotion strategies within the blueprint, please refer to P.73.</p>
Performance-Based Remuneration Linked to Occupational Safety and Employee Wellbeing Targets	The remuneration of department managers and executive VPs in occupational safety and health-related departments is linked to employee wellbeing and occupational safety targets. These targets include employee engagement and the effectiveness of weight-loss programs, maternity health and protection, and occupational safety penalties. Cathay plans to further tie these targets to the CEO’s performance-based remuneration.
Regular Review and Reporting	Cathay FHC and its subsidiaries have set up an Occupational Safety and Health Committee in compliance with regulatory requirements. The 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. In addition, the committee provides the board with a semi-annual review report on occupational health and safety issues and implementation status, as well as a self-assessment of regulatory compliance.
Employee Communication	Cathay FHC conducts Labor-Management Meeting in compliance with the “Guidelines for Implementing Labor-Management Meeting.” Representatives from both sides fully communicate on material issues, including occupational safety and health issues, through reports and proposal discussions. Subsequent actions are taken based on meeting consensus.

OHS Risk Assessment and Management Measures for Occupational Safety

To safeguard employees’ physical and mental well-being and reduce the likelihood of occupational accidents, Cathay FHC and all subsidiaries regularly identify occupational health and safety hazards and conduct risk assessments. Occupational safety risks are evaluated alongside other risks to ensure that appropriate preventive measures are incorporated. In addition, in accordance with Article 18 of the Occupational Safety and Health Act: when laborers discover there is a concern of a threat of imminent danger while executing their duties, under conditions in which the safety of other workers is not jeopardized, they may terminate work of their own accord and withdraw to safe locations, and immediately report to their direct supervisors without penalties.

Management Measures	Overview
Policy on Occupational Safety and Health	Approved by the board; all employees and contractors have and must comply with the policy.
Adoption of ISO 22301 – Business Continuity Management Systems (BCMS)	In 2021, Cathay FHC, Cathay Life, and CUB adopted ISO 22301 – Business Continuity Management Systems (BCMS). To establish a robust business continuity management mechanism, a Business Continuity Management Committee, comprising the company president, chief risk officer, and department heads, has been formed. The committee inspects operational procedures, contingency plans, business recovery protocols, and remote backup mechanisms, to perfect business continuity.
Establish Scenario-Based Contingency Plans	In response to potential accidents or emergencies, each unit should have an emergency response plan tailored to the specifics of their business, workplace environmental hazards, and risky operations. Each unit must conduct at least one drill per year to enhance its response capabilities. Drills should cover various scenarios including fire prevention, typhoon readiness, anti-robbery measures, and riot control, among other disasters. Additionally, a comprehensive incident reporting process should be established.
Conduct Regular Workplace Inspections	The “Occupational Safety and Health Management Guidelines” require that occupational safety and health management professionals are responsible for ensuring that workplaces and contractors undergo regular inspections to maintain workplace and job site safety.
Incident Investigation Protocol	Cathay and its subsidiaries have dedicated departments that regularly analyze and report statistics on occupational accidents. In the event of an employee requiring surgery or experiencing permanent disability due to an occupational accident, health professionals will monitor and manage their condition. The employee’s ability to perform their current role will also be assessed.

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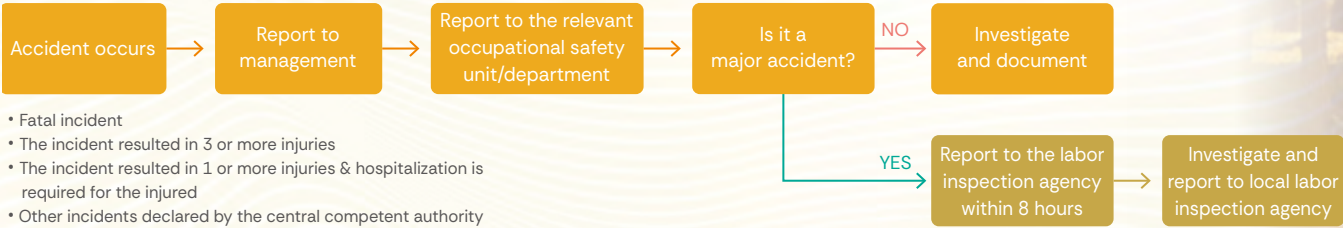
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Cathay FHC Investigation Procedure for Occupational Safety & Health Incidents






Occupational Safety and Health Risk Management Outcomes

In 2024, there were no fatalities among employees and non-employee workers caused by occupational incidents. Occupational injuries were largely caused by traffic accidents during commutes and falls in office environments. Cathay compensates occupational incidents with sick leave and other compensations. In addition, the company will address any frequent incidents with appropriate response measures. For example, Cathay has strengthened traffic safety campaigns and offered rewards for zero occupational incidents and voluntary motorcycle maintenance to tackle motorcycle accidents. Highly visible warning signs were posted in stairwells and on ramps where slips and falls are more likely to occur. Also, training efforts were strengthened through the display of various reminder signs to raise employee awareness.

Note: For Cathay FHC's statistics on occupational accidents, please refer to [Table 20](#) in the Appendix.

Beyond occupational accidents, Cathay has also launched a series of measures to address occupational health risks characteristic to the financial sector. The measures are compiled in the table below.


Risk Issues		Health-Related Programs & Achievements	
 Mental Wellbeing		• Cathay administers an employee mental health evaluation questionnaire every year. In 2024, 90% of our employees completed the survey. The results indicate that there are no significant risk factors to the mental wellbeing of Cathay employees	
		• In 2024, Cathay FHC's Employee Assistance Program (EAP) provided 772 consultations	
 Health & Fitness		• Offered free health checkups to employees every two years to monitor their health, which includes body fat percentage, blood sugar, blood pressure, and cholesterol levels	
		• Aimed to achieve a 75% cancer screening rate among the group's general staff in 2024 and surpassed the target with a 94% screening rate	
 Occupational Safety		• 100% of all new hires received health check-ups	
		• Partnered with physicians and nurses to provide on-site health services for employees	
		• Held annual road runs, walks, hikes, and weight-loss competitions. In 2024, Cathay FHC, Cathay Life, CUB, Cathay Securities, and Cathay Century, and Cathay SITE all received the Sports Enterprise certification from the Sports Administration	
		• Offered regular employee safety and health training: In 2024, Cathay offered a total of 70,930 hours of occupational safety and health training to employees and ensured all suppliers signed the Occupational Safety Disclaimer for Cathay Contractors to confirm contractors have completed occupational safety and health training.	
		• Conducted evacuation drills. In 2024, all Cathay subsidiaries held evacuation drills	
		→ Fire Drills: Cathay Life, CUB, Cathay Futures, and Cathay SITE hold fire drills every six months, while Cathay Century, Cathay Securities, and Cathay Venture hold annual fire drills	
		→ Riot Drills: CUB hold annual riot drills	
		→ Typhoon Drills: Nine CUB branches hold annual typhoon drills	
		→ Emergency Response Drills: CUB and Cathay Futures hold emergency response drills every six months, while Cathay Life, Cathay SITE, and Cathay Securities hold annual emergency response drills	
		• Conducted regular workplace safety audits and contractor safety assessments. In 2024, all internal audits were conducted per regulations and no significant failures were found.	
		→ In-house medical facilities are available. Ensured AED and other first-aid equipment are in place per regulations and provided regular training to first-aid personnel	
		→ Assessed workplace environment factors, such as lighting and carbon dioxide concentration, every six months	

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3.2 Financial Health

Financial Health – Achievements




GAIA: An Industry-leading Technical Framework for Generative AI

- Developed three focus areas – AI Ready, AI Native & AI Empower – by adopting the strategy of AI as a Service (AlaaS)
- Promoted group-wide AI governance with GAIA, an industry-leading technical framework for generative AI developed by Cathay.



Financial Inclusion for All

- The only financial institution to receive outstanding ratings for the Treating Customers Fairly Assessment for six consecutive years through proactively offering digital services and real care to create a warm and accessible service environment
- Earned Level AAA certification – the highest possible conformance level for digital accessibility services – for three accessible digital functions



Industry Leader in Over-the-Counter Fraud Intervention by Amount

- In 2024, CUB successfully prevented the highest amount of fraud at over-the-counter transactions, ranking first in the industry. The bank's early-warning detection rate for credit card fraud consistently leads the industry.
- 4,528 fraud cases were successfully prevented at over-the-counter transactions, with 7,817 employees receiving recognition for their efforts. The cumulative amount of fraud prevented reached NT\$3.04 billion

Financial Health – Strategy Blueprint

Code for Goals & Progress in 2024:  Completed  Missed

Action Plan	Metrics	Goals & Progress in 2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Strategy ① Become the Best Custodian of Client Assets: Provide diverse financial planning and management tools and help the public make sound financial decisions to ensure a sense of security and happiness in the face of social changes.							
Value customer risk awareness, financial autonomy, and satisfaction. The service begins with the client's financial decision-making journey. Cathay helps clients assess their financial health and provides planning tools and financial calculation services. The goal is to encourage the adoption of ESG-focused investment products and foster long-term investment habits. This approach helps clients to steadily accumulate wealth, build financial resilience, and ultimately gain the confidence to continue entrusting their assets to Cathay.	No. of financial health assessments	150,000	✔ 209,000	300,000	350,000	400,000	450,000
	No. of people benefitting from financial planning tools	870,000	594,000 ^(Note 1)	700,000	800,000	900,000	Enhance customer experience on Cathay's wealth management platform to provide greater consistency and improve user satisfaction
	Customer satisfaction in financial services	≥ 80%	✔ 82%	≥ 80%	≥ 80%	≥ 80%	≥ 90%

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Action Plan	Metrics	Goals & Progress in 2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Value customer risk awareness, financial autonomy, and satisfaction. The service begins with the client's financial decision-making journey. Cathay helps clients assess their financial health and provides planning tools and financial calculation services. The goal is to encourage the adoption of ESG-focused investment products and foster long-term investment habits. This approach helps clients to steadily accumulate wealth, build financial resilience, and ultimately gain the confidence to continue entrusting their assets to Cathay.	Percentage of total accumulated insurance premium to supplement the ideal retirement amount for citizens under 65	4%	✔ 4.96%	6%	8%	10%	16%
	No. of CUB customers enjoying related services & investment scale	≥ 21,000 customers & ≥ NT\$6.4 billion	✔ 24,600 customers & NT\$10.37 billion	≥ 22,000 customers & ≥ NT\$7 billion	≥ 23,000 customers & ≥ NT\$7.4 billion	≥ 24,000 customers & ≥ NT\$7.7 billion	≥ 26,000 customers & ≥ NT\$9 billion
	No. of Cathay SITE customers enjoying related services & fund size	≥ 1.26 million customers & ≥ NT\$261 billion	✔ 1.63 million customers & NT\$380.1 billion	≥ 1.79 million customers & ≥ NT\$434 billion	≥ 1.97 million customers & ≥ NT\$464.4 billion	≥ 2.17 million customers & ≥ NT\$478.3 billion	≥ 2.89 million customers & ≥ NT\$522.7 billion
	No. of CUB and Cathay Securities customers using dollar-cost averaging (DCA) for investment and financial management	≥ 554,000	✔ 672,400	≥ 632,000	≥ 691,000	≥ 731,000	≥ 830,000
	No. of fund transactions through Cathay SITE using DCA	≥ 102,000	✔ 141,600	≥ 157,300	≥ 173,000	≥ 190,300	≥ 253,200
	Customer satisfaction of Cathay Century's diverse policies and coverages to help businesses and individuals prevent asset and financial loss	≥ 90%	✔ 98%	≥ 90%			
	CUB's AUM from elderly customers	≥ NT\$470 billion	✔ NT\$547.1 billion	≥ NT\$590 billion	≥ NT\$650 billion	≥ NT\$720 billion	≥ NT\$960 billion

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Action Plan	Metrics	Goals & Progress in 2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Implement know-your-customer (KYC) and vulnerability assessments for elderly clients, enforce various fraud detection, prevention and blocking measures, and actively protect client assets. Develop various trust products and integrate internal and external resources to help clients protect their assets and transactions.	Percentage of elderly customers contacted post-sales via telephone for financial product purchases	100%	✔ 100%	100%	100%	100%	100%
	No. of people reached by Cathay's anti-fraud education and awareness initiatives to reduce customer's risk of fraud	60 million	✔ 66.08 million	69 million	77 million	81 million	92 million
	No. of new "innovative fraud prevention" projects launched independently or with the public sector	≥ 3	✔ 6	≥ 3	≥ 2	≥ 2	≥ 2
	CUB's annual cost for strengthening fraud deterrence	≥ 30 million	✔ 37.91 million	≥ 30 million	≥ 30 million	≥ 30 million	≥ 30 million
	Percentage decrease of failed intervention for million-dollar frauds from the previous year	New goal set in 2025		5% fewer average monthly number of failed & unreported million-dollar frauds than the previous year	5% fewer average monthly number of failed & unreported million-dollar frauds than the previous year	5% fewer average monthly number of failed & unreported million-dollar frauds than the previous year	5% fewer average monthly number of failed & unreported million-dollar frauds than the previous year
	Percentage of successful 3DS fraud prevention as part of Cathay efforts to strengthen online credit card fraud prevention	New goal set in 2025		>45%/year	>45%/year	>45%/year	>45%/year
	No. of people enjoying trust products and services in the calendar year	≥ 32,000	✔ 38,400	≥ 40,000	≥ 43,000	≥ 46,000	≥ 55,000

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		Ambition	Outcome	2025	2026	2027	2030
Strategy ② Benchmark Company for Financial Inclusion in Taiwan: Leverage AI to provide equitable and friendly financial services, promoting their usability and accessibility; support various communities to strengthen financial inclusion; and educate the public to raise financial literacy.							
Continue to develop financial inclusion products and lower investment thresholds by promoting digital platforms, thereby increasing the accessibility and affordability of financial services.	No. of innovative financial inclusion products or services offered	≥ 6	✔10	≥ 8 in the calendar year	≥ 8 in the calendar year	≥ 8 in the calendar year	≥ 48 cumulatively
	Loan amount and no. of SMEs supported as part of Cathay's efforts to assist SME operations and development	Loan amount: ≥ 318 billion	Loan amount: ✔342.5 billion	Loan amount: ≥ 337 billion	Loan amount: ≥ 337.5 billion	Loan amount: ≥ 338 billion	Loan amount: ≥ 340 billion
		No. of SMEs: ≥ 7,400	No. of SMEs: 7,089 ^(Note 2)	No. of SMEs: ≥ 5,700	No. of SMEs: ≥ 5,710	No. of SMEs: ≥ 5,720	No. of SMEs: ≥ 5,750
	No. of new preferential loan accounts and additional loan amount in the calendar year as part of Cathay efforts to meet the diverse financing needs of small businesses	No. of new accounts: 9	No. of new accounts: 6 ^(Note 2)	No. of new accounts: 10	No. of new accounts: 12	No. of new accounts: 12	No. of new accounts: 15
		Additional loan amount: NT\$23.81 million	Additional loan amount: ✔NT\$78 million	Additional loan amount: NT\$100 million	Additional loan amount: NT\$120 million	Additional loan amount: NT\$120 million	Additional loan amount: NT\$150 million
	No. of new preferential loan accounts and additional loan amount as part of Cathay efforts to support and provide financing capital to social enterprises	No. of new accounts: 1	✔No. of new accounts: 2	No. of new accounts: 1	No. of new accounts: 1	No. of new accounts: 1	No. of new accounts: 1
		Additional loan amount: NT\$1.92 million	Additional loan amount: ✔NT\$5.88 million	Additional loan amount: NT\$1.92 million	Additional loan amount: NT\$1.92 million	Additional loan amount: NT\$1.92 million	Additional loan amount: NT\$1.92 million
	Growth rate in number of policyholders protected by the Restaurant & Dining SME Owner's Insurance as part of Cathay's efforts to offer small businesses various insurance products to protect owners against unexpected losses	15%	✔15%	20%	25%	30%	50%
	No. of people enjoying microinsurances or low-cost insurances	≥ 90,000	✔179,000	≥ 90,000	≥ 95,000	≥ 100,000	≥ 120,000
	No. of youths and small investors investing in funds through DCA, with a monthly deduction of NY\$6,000 or less	≥ 58,000	✔85,900	≥ 82,500	≥ 93,100	≥ 103,800	≥ 136,000
	No. of automatic contributions into Cathay ETFs for DCA	≥ 1.5 million	✔2.15 million	810,000	830,000	850,000	927,000

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Action Plan	Metrics	Goals & Progress in 2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Cathay prioritizes the digital experience for customers, leveraging technological innovation and enhancing intelligent assistance features to improve the usability of financial services. In addition, Cathay is expanding the accessibility of financial services through financial services stations.	Commercial insurance usage rate and mobile insurance application rates	Usage rate: 100%	Usage rate: 98% ^(Note 3)	Usage rate: 98%	Usage rate: 98%	Usage rate: 98%	Usage rate: 99%
		Application rate: 90%	✔ Application rate: 96.6%	Application rate: 90%			
	Digital banking services usage rate	>90%	✔ >90%	>90%			
	Percentage of life insurance policies enrolled via digital/mobile devices	99%	✔ 99%	99%			
	Percentage of individual clients using digital securities accounts as a metric for digital platform optimization	Maintain at 95%	✔ 99.4%	Maintain at 95%			
	Customer satisfaction with digital services	≥ 80%	✔ 80%	≥ 80%			
	Chatbot's issue resolution rate within one second	≥ 90%	✔ 98.5%	≥ 90%			
	No. of townships covered by Cathay financial services stations & No. of services provided	165 townships	✔ 185 townships	195 townships	205 townships	209 townships	215 townships
		140,000 services	✔ 153,000 services	170,000 services	200,000 services	230,000 services	350,000 services

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Action Plan	Metrics	Goals & Progress in 2024		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
	Percentage of participants reporting improved financial literacy through Cathay's financial education	≥ 80%	✔ ≥ 90%	≥ 80%	≥ 80%	≥ 80%	≥ 80%
Continuously promote financial education through various channels and advocate financial literacy for the general public. Establish accurate financial knowledge to prevent loss of wealth due to lack of understanding and to improve quality of life.	Continue financial education outreach to financially underserved groups and rural schools	<ul style="list-style-type: none">No. of persons reached: 2.08 millionNo. of financial education videos for youths: 10No. of financial education courses in rural schools: 10No. of trust promotion courses or seminars: 5	<ul style="list-style-type: none">No. of persons reached: 6.09 million ✔No. of financial education videos for youths: 38 ✔No. of financial education courses in rural schools: 12 ✔No. of trust promotion courses or seminars: 14 ✔	No. of persons reached: 3.28 million	No. of persons reached: 3.8 million	No. of persons reached: 3.98 million	No. of persons reached: ≥ 6.10 million

Note 1: Indicators and tracking have been adapted to align with changes in data analysis policies set by external organizations, resulting in a deviation from original targets. As such, targets for subsequent years have also been changed accordingly.

Note 2: Targets missed as a result of the conclusion of "Program C of the SME Relief Lending under the CBC's Special Accommodation Facility." With the conclusion of the program, loans under the program are coming into maturation and being repaid accordingly.

Note 3: Target missed as certain accounts require custom pricing and quotes, which are not available on the platform. Future annual goals have been adjusted accordingly.

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3.2.1 Trusted Financial Services for Our Customers

Cathay has integrated the group's core competencies to deepen financial inclusion and drive digital transformation, connecting professional resources across sectors to deliver comprehensive and trustworthy financial services. In partnership with customers, Cathay aims to build high-quality financial planning solutions, enhance financial resilience, and safeguard our customers' "financial health."

|| Trust for Happiness and Security

• Professional Trust Team

To support the "Trust 2.0" promotion plan launched by the FSC and promote financial inclusion through trusts, CUB has continued to develop diverse and innovative trust products and services. Various trust products have been designed for different customer segments according to the principles of "different service scenarios, diverse products, and modularized contracts." For younger customers, CUB offers insurance claims trusts, children's trusts, and asset management services. For older adults, CUB launched micro-discretionary trusts, retirement trusts, specialized elderly and disability trusts, prepaid care trusts, and testamentary trusts. CUB's trust offering can assist the Taiwanese public with planning ahead, taking care of themselves, safeguarding their families' financial security, and financial legacies.



• Mutual Promotion of Insurance Claims Trust

CUB and Cathay Life co-launched a "Mutual Promotion of Insurance Claims Trust" service, which is now Taiwan's first on-stop innovative financial service for "enrollment, trusts, and insurance endorsements." The service integrates the group's resources to promote the concept of trusts as insurance, raising public awareness in financial health to secure their assets and ensure transactional security.

• CPBL Anti-Gambling Trust

CUB established the "CPBL Anti-Gambling Trust" and the "CPBL Player Signing Bonus Trust" in 2009. The establishment of the trusts and a savings mechanism to ensure a secure retirement protect players' financial security and create a better working environment in Taiwan professional baseball community. While the trust is valid, players hoping to withdraw their funds require their professional association's approval to ensure compliant fund use. After their retirement, the funds will be returned in full to ensure quality of life in retirement. Furthermore, for 12 consecutive years, CUB has partnered with the Taiwan Professional Baseball Players Association (TPBPA) on the TPBPA Giving Back Train, visiting over a hundred institutions and schools and engaging with young baseball players. In 2024, the CPBL Anti-Gambling Fund Trust held a principal amount of NT\$174 million.



|| Easy Investment Management

• More Flexibility in Asset Allocation

In 2017, Cathay Securities launched a service allowing customers to make regular investment contributions to Taiwanese stocks. Since then, Cathay Securities has remained committed to empowering customers in their investment and asset growth by continuously optimizing services to satisfy user demands. For example:

- 1 Industry-first "My Day Contributions" function allows customers to select a specific date in the month to make contributions to their investment funds, increasing flexibility in asset allocation.
- 2 Cathay Securities reduced the threshold for U.S. stock investments, allowing as little as US\$10 in regular contributions to U.S. stocks
- 3 Launched the "Smart Contributions" function to enable customers to respond to market fluctuations
- 4 Launched the "Dividend Reinvestment" function, which calculates and automatically reinvests the dividends received into the original stock to enhance the effects of compounding interest. The function is "intuitive" and increases "allocation" to help investors grow with agility.

Note: For details on Cathay Securities' digital investment services, please refer to [5.5.3 Sustainable Financial Products and Services](#).



Cathay Securities App in 2024

- **446,000** app users make regular contributions
- Regular contributions exceeded NT\$ **64.07** billion, putting Cathay Securities' market share at **40%**
- **68%** year-on-year growth in regular contributions
- Nearly **160,000** users capitalize on the app's dividend reinvestment function

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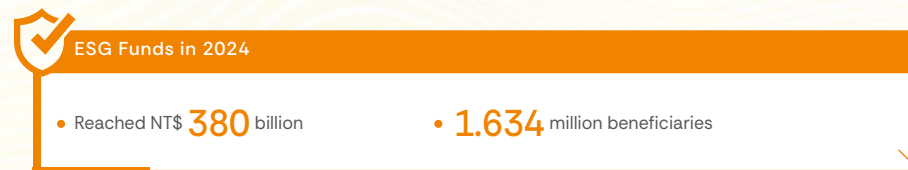
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• Comprehensive Expert on Financial Management

Cathay SITE is committed to advancing financial inclusion and continues to focus on sustainability by making its green financial products more accessible to the public. The company enables broader participation in sustainable investing and helps clients build diversified portfolios through a range of funds and ETFs, supporting financial goals across different life stages. Cathay SITE also promotes long-term investment habits, offering systematic investment plans to help financially vulnerable groups steadily accumulate wealth. As of the end of 2024, the company's total assets under management reached NT\$2.23 trillion, with 81,521 individuals participating in regular mutual fund investment plans.

Note: For detailed product information and fund disclaimers, please refer to [Appendix 7.12](#).



• Retirement Investment Products

① As one of the core asset management institutions supporting the Financial Supervisory Commission's "Taiwan Retirement Target Date Fund Program," Cathay SITE offers the Cathay Target Date Fund Series (2029 / 2039 / 2049) to help investors plan their retirement goals early. As of the end of 2024, the total AUM of these funds reached NT\$13.8 billion, representing a 23% increase compared to 2023 — a testament to strong investor confidence.

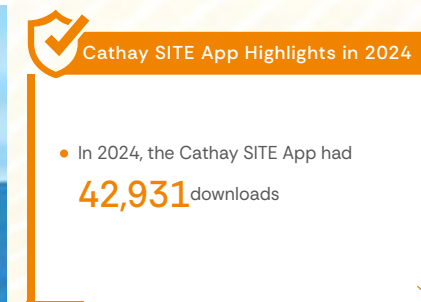
Investors simply select a target retirement year — for example, in 5, 15, or 25 years — and the fund automatically adjusts its asset allocation over time based on age-appropriate risk tolerance.

② Cathay Retirement Calculator: In 2024, Cathay SITE enhanced its "Cathay Retirement Calculator(泰享退)" retirement planning platform. The website features a streamlined retirement calculator that simplifies the process — users only need to input basic information such as gender, age, and expected retirement age. The system automatically references big data, including Taiwan's average life expectancy and household income and expenditure surveys from the Directorate-General of Budget, Accounting and Statistics, to estimate the user's current retirement readiness rate. The platform also provides an overview of popular Cathay SITE funds and ETFs. By selecting a preferred product, the system calculates the recommended monthly investment amount based on the simulation results, helping users choose suitable funds and offering a one-stop solution for closing retirement funding gaps and achieving long-term financial goals.



• Cathay SITE Launches New App to Enhance Investor Services

In 2024, Cathay SITE launched the brand-new Cathay SITE App, offering an integrated platform for both mutual fund and ETF services, enabling investors to access all investment information in one place. The app allows users to check key data such as NAVs and returns at any time, while also providing personalized services — including account information inquiries, profile updates, transaction alerts, NAV price notifications, and dividend history. To further enhance the user experience, the app is equipped with the intelligent chatbot "Alpha", which offers 24/7 real-time assistance to answer a wide range of investor questions, delivering a more convenient and seamless digital investment experience.

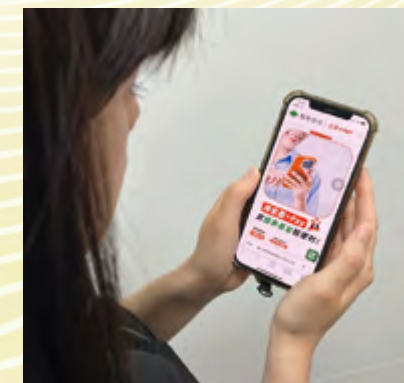


About the Cathay SITE App's Fund Section

Regular Investments, Flexible Contributions	Doubledown Investments	Easy Deduction	Investment Made Easy
Great for regular investors who wish to increase or decrease contributions when the market is down or up.	Great for profit-seeking investors looking for quick returns	Great for investors looking to compound interests	Great for new investors as it automatically designs an investment portfolio according to risk preference and investment goals and allows investors to check profit/losses with the click of a button.

• Fund Purchases with Electronic Payments

Following its 2023 partnership with Easy Wallet to introduce a new service enabling fund purchases via e-payment accounts, Cathay SITE expanded its digital finance ecosystem in 2024 by collaborating with PlusPay+. After completing account setup and identity verification through Easy Wallet or PlusPay+, users can subscribe to designated funds and link any bank account for recurring investments, enjoying a more convenient and accessible small-amount investment experience — bringing wealth management closer to everyday life.



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• Convenient and Inclusive Financial Services Stations

In 2020, Cathay and PX Mart worked in collaboration to launch CUB financial services stations offering four types of services: processing bank account applications, digital service promotion and consultations, credit card applications, rewards and offers, as well as automated machine consultation and training. The operating hours of service stations were also extended to 9 p.m. From the pilot phase, Cathay observed the varied financial needs of different communities and post-launch, expanded into areas with fewer branches. Initially, customers would stop by the stations out of convenience to ask questions, but this gradually shifted to actively seeking out these services for in-depth consultations, supporting financial inclusion.



Cathay's Financial Services Stations in 2024

- Reached **185** townships across Taiwan and its outlying islands
- Service stations cover **40** areas designated by the Banking Bureau as "needing more financial branches"
- Provided service to over **150,000** people

3.2.2 Integrating Digital Financial Services

|| Digital: Integrate the Group's Resources & Enhance Customer's Digital Experience

To provide consistent service processes across the group, Cathay launched the ONE Chatbot Service Platform in 2024. With nearly two million monthly users, the platform will further incorporate AI to develop innovative services in the future. Additionally, the "CaaS Cathay Ecosystem Service Platform" is built on the core concept of Cathay as a Service (CaaS), creating a business gateway where potential partner enterprises and merchants can connect to Cathay's digital services via the platform. In 2024, the group launched the industry-first "Integrated Financial Service Plan for Stores", offering SMEs an integrated financial solution (including services like contracted credit card stores, corporate group insurances, and commercial insurances).

Digital Service Highlights from Millions of Users

Cathay Life	Cathay United Bank (CUB)	Cathay Century	Cathay Securities	Cathay SITE
"FitBack App" supported over 1.25 million users maintain healthy lifestyles For more about the FitBack App, please refer to 3.1.1 Expanding the Health Ecosystem	Digital finance app CUBE serviced 7.6 million digital users and received over 43 million logins per month.	• 0 breakpoints in the digital process from enrollment to claims. • 1st to launch a pilot service for "discounted premiums with points and vouchers."	1st to launch the "Dividend Reinvestment" feature for regular contributors.	Launched application to enable investors to check fund investments or ETF dividends at any time.

Note: Cathay boasts over 9.35 million digital users

|| Data: Accelerating Processes & Efficiencies, Enhancing Risk Control, and Preventing Fraud

• Smart Claims

Developed by Cathay Century, "Smart Claim" is an all-in-one smart management platform for all insurance types. It introduces AI technologies into data analytics to drastically optimize claims process and risk decision-making. Additionally, it can identify suspicious claim patterns and track potential fraud networks, improving precision in fraud prevention. Since its launch, Smart Claim has successfully intervened over 700 high-risk cases, preventing fraudulent claims totaling more than NT\$23 million.

• Cathay Shield

"Cathay Shield" was created by CUB as a dual-alert mechanism leveraging both anti-fraud technologies and at-the-counter awareness. In addition to using AI to create a fraud detection module, CUB also launched a "Card Security Lock" feature on the CUBE App to prevent card fraud; strengthened real-time reporting with the police; and enhanced the KYC process. These efforts have successfully protected over NT\$1.28 billion in assets for CUB customers, leading the industry in fraud prevention.

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|| Technology: Leading the Future of Financial Innovations with AI

• AI Governance & Technical Framework

To promote AI governance across the group, Cathay FHC has developed three focus areas – AI Ready, AI Native & AI Empower – by adopting the strategy of AI as a Service (AlaaS) and led the industry by developing GAIA, an industry-leading technical framework. The four core components of GAIA are “Cathay’s Exclusive Financial Knowledge Base,” “A Corporate-level AI Model Center,” “Self-Developed Multi-Level Security Technologies,” and “Empowering the Group’s AI Citizenship.”



• Cathay FHC Data Lakehouse

Cathay FHC continues to strengthen group-wide risk management, improve financial technology operations, and enhance data management efficiency. As the industry’s first FHC to be authorized for “cloud-based data” services, the group has built the “Cathay FHC Data Lakehouse Platform.” Developed to propel Cathay FHC to further efficiency and digital resilience, this platform will serve five key application scenarios: group operations management, development of new finance ecosystems, group-wide risk management and joint defense, development of digital platforms, and research and adoption of emerging technologies.

|| People: Mindset Key to Transition & Empower with Digital, Data, and Technologies



Digital Employee Experience (DEX)

Cathay FHC embraces the “Place for All” philosophy and has created the Cathay Inclusivity Town – an inclusive, flexible, and diverse workplace environment. In addition, Cathay FHC is leading the industry by developing the Digital Employee Experience (DEX), integrating technological innovation with a humanistic spirit to build a sustainable “human-centered” workplace. In 2024, Cathay FHC was the only Taiwan company to be selected by Forbes as a “World’s Best Employers.”

For details on employee care initiatives, please refer to [4.1 Workforce Empowerment](#).



Next-Gen Cloud Talent Program

To support the group’s digital transformation, Cathay launched the “Next-Gen Cloud Program,” recruiting trainees of varying competencies from 30 different departments. This program combines systematic courses, hands-on projects, and professional accreditation to accelerate the cultivation of cloud experts within Cathay FHC. The goal is to train 200 cloud data experts within three years, strengthening Cathay’s fintech talent pool.



AI Citizen Program

Confronted with the global AI trend, Cathay Life initiated the “AI Citizen Program,” which has recruited colleagues from 54 departments including product actuarial and insurance operations for AI seed positions over the last four years. The program consists of nine months of training and 50 AI training sessions/workshops. Over 300 data talents have been cultivated, with AI seed employees covering over 20% of each department. After completing the program, these employees become AI technology leaders, driving digital transformation in the insurance sector.



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3.2.3 Inclusive Financial Products and Services

Cathay has established the Financial Inclusion Policy to strengthen efforts in promoting the accessibility of financial services. Under the oversight of the Board of Directors, the ESG Strategy Committee and Responsible Products and Services Working Group oversee planning and implementation. In addition to offering financial products and services such as insurance, bonds, and loans, Cathay also collaborates with social welfare organizations and other partners to enhance the accessibility, usability, and affordability of financial services, with the aim of achieving financial inclusion.

|| Inclusive Financial Products and Services

Area	Products	Target Group	Description	Customer Reach	Transactional Amounts
 Loans	Microfinance	Those in need of funds but with limited access	<p>CUB was the first in the industry to launch the fully automated online service Flexible Loan in 2019. This innovative online service allows customers to apply for, drawdown, and repay small personal loans all in one convenient location – the CUBE App, with loan approval in as little as five minutes. The service has been very well received by customers.</p> <p>At CUB, our customers are our top priority. With this philosophy in mind, CUB is committed to providing innovative financial services that offer flexibility and digital empowerment. We hope that the CUBE App can provide our customers, whether they are young entrepreneurs or looking to start a family, with highly personalized and diverse loan services.</p>	76,714 circular product accounts by end of 2024.	NT\$10.99 billion disbursed in loans through circular products by end of 2024.
	Preferential Loans for Social Enterprises	Social Enterprises	To aid social enterprises in flexibly utilizing their business models to address social issues and expand their social impact towards sustainable goals, CUB has been collaborating with the Taipei City Government since 2017 to promote Preferential Loans for Social Enterprises. In partnership with the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (Taiwan SMEG), the bank provides direct guarantees and low-interest loans to eligible businesses. To encourage businesses to strive for sustainability, the program supports businesses engaged in promoting ESG education, ESG event planning, donation matching, and other philanthropic endeavors.	18 social enterprise loans by end of 2024.	NT\$89.88 million in social enterprise loans by end of 2024.
	Microfinance preferential loans	Microfinance Institution (MFI)	To support financial inclusion and demonstrate commitment and resolve to corporate sustainability, CUB provided financing support to six microfinancial institutions, including Cambodia's largest microfinancial institution Amret PLC. CUB aims to support their expansion of loans to MSMEs, and become a supporting force in the MSME's growth.	Loans to six microfinancial institutions by end of 2024.	US\$58.18 million in MFI loans by end of 2024.
 Insurance	Small Amount Whole Life Insurance	Elderly people, economically underserved	<p>In 2017, Cathay led the industry by launching Small Amount Whole Life Insurance, raising the upper age limit for coverage to 83 years (compared to the usual maximum of 74 years for standard life insurance products). This product also relaxed underwriting health condition restrictions and lowered the minimum insured amount. These changes enabled individuals in advanced ages, economic disadvantage, or poor health to afford basic lifelong life insurance protection at an affordable price.</p> <p>(For example, a 60-year-old female would only need to pay NT\$11 per day for an insurance policy with NT\$100,000 in coverage and a 20-year payment term.)</p>	246,000 policyholders with in-force contracts by end of 2024.	NT\$90.5 billion in personal risk protection and 271,000 policies by end of 2024.

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Area	Products	Target Group	Description	Customer Reach	Transactional Amounts
<div>  <div>Insurance</div> </div>	Microinsurance	Economically underserved, Indigenous people, farmers/ fishermen, social welfare/ charitable groups, people with disabilities	<ul style="list-style-type: none"> Since 2009, Cathay Life and Cathay Century have led the industry in promoting microinsurance, actively collaborating with local governments and social welfare groups to provide basic protection to vulnerable populations. In 2023, Cathay Life became the first to launch a online enrollment services for microinsurances, offering more convenient services to economically underprivileged or other persons. In 2024, Cathay Life and Cathay Century received seven major awards in the FSC’s insurance competition. Cathay Life won three awards in the microinsurance category: “First Place in the Insurance Company Group,” “Mental and Physical Care Award,” and the “Sprint Award.” Cathay Century was honored with the “Outstanding Business Performance Award” for its active efforts in safeguarding underprivileged communities. 	As of the end of 2024, the number of people insured by effective micro insurance policies of Cathay Life and Cathay Century was 217 thousand people. (Cathay Life: 168 thousand;Cathay Century : 49 thousand) ; as well as 4,059 active policies.	Cathay Life: NT\$57.775 billion in insured amount for in-force microinsurance contracts by end of 2024. Cathay Century: NT\$14.337 billion, in insured amount for in-force microinsurance contracts by end of 2024.
	Elderly-Friendly Products	Elderly people, economically underserved	Cathay Life has observed that with the continuous increase in average life expectancy and rising medical costs, many elderly people face difficulties in finding insurance products that meet their needs. In response, Cathay Life has introduced industry-first insurance products tailored for the elderly, covering cancer, hospital indemnity, surgery, long-term care, and accidents, and extending insurable age up to 75 or 80 years old (whereas most standard medical insurance products have a maximum coverage age of 65-70 years). Additionally, the products are designed with simplified terms, relaxed underwriting health conditions, and lower minimum insured amounts, making medical insurance accessible to seniors with limited budgets. For example, a 60-year-old man would only need to pay NT\$16 per day for a long-term care insurance policy exclusive for the elderly with a coverage amount of NT\$5,000 and a 20-year payment term.	140,000 new policyholders by end of 2024.	166,000 policies sold by end of 2024.
	Crop Insurance	Farmers	<ul style="list-style-type: none"> As extreme weather patterns intensify, the risks to agricultural crop yields have also increased. Cathay Century leverages its core competencies to help different groups weather climate change risks. In 2016, it introduced the first Mango Crop Insurance (government disaster relief-linked), which covers mango losses due to typhoons, torrential rains, frost, heat (Foehn winds), and prolonged rain. Subsequent products introduced include Mango Crop Insurance (regional harvesting) and Parametric Guava Crop Insurance (for wind speed of typhoon and rainfall), which are tailored to the specific characteristics of different crops as well as climate and harvest variations. For instance, in 2017, the Mango Crop Insurance (regional harvesting) determined claims based on regional harvest volumes. If the actual harvest volume falls below the guaranteed level, compensation is made available, providing farmers with flexible indemnity conditions that better match the real circumstances of cultivation. In addition, to provide precision claims service for its crop insurance products, Cathay Century integrated an automated digital service, introduced instant claims processing, and adjusted the loss cost ratio to mitigate the financial impact of typhoons and torrential rains. In 2022, Cathay Century’s Guava Crop Insurance began using instant claims processing. This innovative approach has enabled us to initiate claims processing immediately when natural disasters such as torrential rains occur. We also proactively reached out to affected farmers via text messages, intending to complete claims payments as quickly as possible to help them replant and restore production levels. In addition, Cathay Century actively participates in agricultural seminars where we share our knowledge and expertise to help farmers increase their insurance and risk management awareness and gain valuable market insights. By regularly reviewing our insurance products and adjusting our policies, we strive to provide farmers with the most comprehensive coverage possible. 	154 claims paid out through the Mango Crop Insurance (government disaster relief-linked) in 2024.	NT\$4,4491 million paid out in compensation through the Mango Crop Insurance in 2024.
				112 claims paid out through the Parametric Guava Crop Insurance (for wind speed of typhoon and rainfall) in 2024.	NT\$215,800 paid out in compensation through the Parametric Guava Crop Insurance (for wind speed of typhoon and rainfall) in 2024.

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|| Non-financial Support for Persons Who Do Not Fully Benefit from Inclusive Financial Products or Services

Cathay is committed to raising financial literacy and financial health awareness among certain communities. Through diverse education on financial management, Cathay hopes to provide more people with financial knowledge and strengthen their ability in financial management. With proactive efforts to educate and share financial information, Cathay aims to enable the general public to make informed financial decisions, thereby promoting overall financial stability and improving quality of life in Taiwan. For more information on financial education and anti-fraud initiatives, please refer to [3.2.3 Diverse Financial Education](#) & [4.2 Social Empowerment](#).

Non-Financial Support	Target Group	Details	Social Impact Items (Quantitative)
 Financial or Digital Literacy Training	Youth and Pupils in remote areas	Elevated Tree Program – CUB Financial Education For two consecutive years, CUB has also assembled volunteer instructor teams and organized 12 financial literacy sessions for rural students, providing the necessary knowledge and tools to make informed financial decisions and developing sound financial values. In 2023, the bank held the first Sustainable Finance Exploration Camp. Schools sponsored by the Elevated Tree Program were invited to participate in the camp that guided students on visits to CUB branches to better understand the financial sector.	In 2024, “Tutor CUB – Online & In-Person,” benefited a total of 258 students. In post-program self-assessment surveys, participants reported an average score of 4.8 out of 5 on financial literacy awareness, reflecting strong improvements in confidence and understanding.
	Elderly and Pupils in remote areas	Diverse Social Prosperity Program Providing quality financial education to underserved communities, Cathay Securities launched the “Diverse Social Prosperity Program” in 2023, piloting in Nanzhuang Township, Miaoli County, and achieving positive feedback and outcomes. In 2024, the program expanded with the “Financial Education Together GO” initiative, reaching remote areas and universities to offer financial literacy and fraud prevention awareness activities for indigenous elders, senior citizens, and youth students. Additionally, continuing its support since 2020 for the Taitung Ningpu Elementary School football team, Cathay once again sponsored graduating students to participate in the “Graduation! Take Your Textbooks on a Journey” experiential learning program. This initiative enables students to explore the world with their textbook knowledge, while also providing financial education, fraud prevention training, and a customer service experience for one day.	In 2024, a total of 40 financial education sessions and 1 experiential learning event were held, impacting 1,218 participants.
	Elderly requiring long-term care	Micro-Heart Program Starting in 2023, Cathay Century launched the Micro-Heart Program, collaborating with long-term care institutions and community hubs to care for older adults requiring long-term care. The program aims to foster daily disaster prevention awareness, strengthen risk prevention awareness, and achieve age-inclusive damage prevention, thus upholding financial inclusion.	80 older adults
	Youths	Summer Campus Dream Market – Student Advocacy for Anti-Fraud Since 2017, Cathay Life has organized the “Dream Direct Sales Camp” to help young students learn about financial and insurance knowledge, while encouraging them to obtain related certifications. In 2024, the program notably collaborated with criminal investigation units and police departments across the country to jointly promote fraud prevention education, enhancing job-seeking safety and fraud awareness among the younger generation.	17 sessions & 797 participants

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Non-Financial Support	Target Group	Details	Social Impact Items (Quantitative)
<div>  <div>Financial or Digital Literacy Training</div> </div>	Youths	<div> <div>Financial Literacy Mini Courses for High School Students</div> <div>Financial Literacy Mini Courses for High School Students</div> </div> <p>Cathay has partnered with Spark Taiwan and the Taiwan Financial Literacy Association to offer “High School Financial Literacy Courses” since 2021. Taught by Cathay executives and colleagues, the Courses cover topics such as financial management, investment, the finance sector, and sustainability, aiming to help high school students develop financial concepts at an early age and inspire their interest in joining the financial industry.</p>	46 campus courses and 616 hours offered in the 2023 school year to 13,101 students
	Youths and Elderly	<div> <div>Cathay SITE's Age-Inclusive Foundational Finance Seminars</div> <div>Cathay SITE is committed to promoting financial literacy across all generations. Through its Foundational Finance Seminars for Gen Y, the company helps young people build sound investment and financial planning mindsets while developing skills in asset management and market analysis. Cathay SITE also aims to become a “retirement planning expert” and spotlights the financial needs of older adults. For older adults, Cathay SITE organizes lectures on financial planning for retirement, helping older investors develop the right financial mindset and raising their awareness against fraud. The subsidiary continues to expand its social impact through online livestreams and offline events.</div> </div>	<div> <div>1</div> <div>Foundational Finance Seminars for Gen Y</div> <ul style="list-style-type: none"> Organized more than 20 seminars Reached more than 1,300 persons </div> <div> <div>2</div> <div>Financial Management Seminars for Retirees</div> <ul style="list-style-type: none"> Organized 5 seminars in 2024 A cumulative reach of 2,600 persons </div>
<div>  <div>Incentives for Offering Savings Accounts</div> </div>	Remote populations	<div> <div>Cathay's financial services stations</div> <div>In 2020, CUB partnered with PX Mart to launch “Financial Service Stations,” extending service hours to 9 p.m. and offering account opening, digital banking, and credit card services. With 185 stations reaching remote areas across Taiwan and its outlying islands, the service addresses financial needs in these remote areas and has successfully attracted customers to actively seek financial advice.</div> </div>	<ul style="list-style-type: none"> Reached 185 townships across Taiwan and its outlying islands Service stations cover 40 areas designated by the Banking Bureau as “needing more financial branches” Provided service to over 150,000 persons
<div>  <div>Business Management Tools or Training</div> </div>	Underserved women, including female entrepreneurs	<div> <div>Academy for Women Entrepreneurs (AWE)</div> <div>Cathay supports the Academy for Women Entrepreneurs (AWE) program, providing business management tools and training to female entrepreneurs with limited resources – specifically those within their first five years of business with fewer than 10 employees. Trainings cover general business skills, promotional strategies, financial and commercial planning, among other areas, propelling Taiwan’s women entrepreneurs onto the global stage. In 2024, Cathay FHC CIO Sophia Cheng served as an AWE Accelerator instructor, strengthening participants’ financial knowledge and offering business development opportunities. Cathay FHC also sponsored the “AWE Demo Day & Pitch Competition,” fostering investment partnerships, with President Chuan-Yen Hu of Cathay Private Equity serving as a judge to provide expert advice and support women entrepreneurs in their growth. Moving forward, Cathay will continue to help build Taiwan’ s ecosystem for women entrepreneurship and drive more innovation and growth.</div> </div>	Benefited 20 women by enhancing their financial tools and knowledge

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3.2.4 Diverse Financial Education

Reducing the risks of financial crimes requires not only basic financial knowledge but also enhanced risk identification and prevention capabilities. With increasingly sophisticated and ever-evolving fraud tactics, even a small oversight can lead to significant financial losses. Cathay FHC and its subsidiaries leverage various channels to improve the public's financial literacy and fraud detection abilities, enabling individuals to identify potential threats and maintain sound financial health in an ever-changing financial landscape.

|| Enhancing Financial Literacy and Financial Management Mindsets

Through a combination of online and offline activities, including lectures, videos, podcasts, and other diverse channels, Cathay promotes investment and financial education to different communities with the aim of helping individuals of all generations cultivate correct financial mindsets and investment capabilities.

Promoting Financial Education			
Financial Knowledge/Management Seminars		Videos/Podcast	
<p>① Cathay Securities Financial Education Seminars:</p> <ul style="list-style-type: none">• 40 seminars• 1,218 participants• Topics included basic information on futures, foundational investment and financial management concepts, and anti-fraud education. <p>② Achievements of Cathay SITE's Finance Seminars:</p> <ul style="list-style-type: none">• 52 seminars• 5,995 attendees <p>③ Achievements of Cathay SITE's Foundational Finance Seminars for Gen Y:</p> <ul style="list-style-type: none">• More than 20 seminars• Reached over 1,300 persons		<p>• In 2024, Cathay Life uploaded 21 animated shorts in the Insurance for Beginners series on its Youtube channel, reaching 576,000 views.</p> <p>• In 2024, Cathay Life uploaded one financial management video in the Glad to Know series on its Youtube channel, reaching 117,000 views.</p> <p>• In 2024, Cathay Century uploaded five shorts on electric fires, reaching 11,000 views.</p> <p>• In 2024, Cathay SITE uploaded 22 financial management videos and 52 podcasts, reaching 547,800 views.</p> <p>• In 2024, CUB continued to release videos on financial literacy and shorts.</p>	
Website/Social Media		Financial Health Assessment Activities	
<p>• In 2024, Cathay SITE's Retirement Calculator was accessed 17,000 times.</p> <p>• As of the end of 2024, Cathay SITE reached 49,000 followers on its official Facebook page and 250,000 followers on its official LINE account.</p> <p>• Cathay Century's online education platform, the "Zero-Accident Academy," promotes traffic safety awareness and has won the "Best Innovation Award – Gold Award" and the "Best Partnership Award – Excellence Award," recognizing it as a top performer in the property insurance industry. Note: For more details on the Zero-Accident Academy and resulting achievements, please refer to 3.1.1 Expanding the Health Ecosystem.</p>		<p>• CUB, in collaboration with a Taiwanese team, launched the 3D animation series "Finance Academy" – a financial training program to help the public assess their financial health. In 2024, over 200,000 participants took part in the financial health assessment.</p>	



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Building Fraud Prevention & Risk Awareness

According to the 2024 "Anti-Fraud Behavior Survey Report" released by CUB, 31% of respondents reported being victims of fraud. There were no significant differences in the age, education level, or region. This underscores the importance of increasing the public's ability to recognize and understand different types of fraud. As such, Cathay FHC and its subsidiaries have established internal mechanisms and engage in external advocacy and educational activities to reduce the likelihood of fraud.

In 2024, CUB successfully prevented the highest amount of fraud at over-the-counter transactions, ranking first in the industry. The bank's early-warning detection rate for credit card fraud consistently leads the industry.

Item	Results from 2024
01 Online Platforms	<ul style="list-style-type: none">Handled/removed 27 fraud websites & social media platforms
02 Credit Card Transactions	<ul style="list-style-type: none">Successfully intervened in NT\$996 million in potential fraudsBlocked 2,396 fraudulent cardsSuccessfully intercepted 81,784 fraudulent transactionsAverage fraud detection rate was 37% higher than industry peers, with an 18% annual growth
03 Deposit and Savings Transactions	<ul style="list-style-type: none">4,528 fraud cases were successfully prevented at over-the-counter transactions, with 7,817 employees receiving recognition for their efforts. The cumulative amount of fraud prevented reached NT\$3.04 billionInitiated controls for 57,865 accounts with suspicious activities, blocking NT\$1.58 billion in suspicious funds
04 Education and Advocacy	<ul style="list-style-type: none">Over 65 million exposures to anti-fraud educational and advocacy activities in 2024

Fraud Prevention Efforts

Initiatives	Efforts
Established a joint anti-fraud defense mechanism	CUB's anti-fraud taskforce established the Cathay Shield, a joint defense mechanism across four dimensions: knowledge, technology, care, and alliances.
Supported public/private sector advocacy efforts	<ul style="list-style-type: none">In 2024, CUB published the "Anti-Fraud Behavior Survey Report" and collaborated with the Criminal Investigation Bureau to enhance public fraud awareness, with over 65 million exposures to Cathay's anti-fraud advocacy efforts.In 2024, CUB participated in four advocacy activities organized by the Trust Association of R.O.C., promoting the use of trusts to safeguard assets and reduce fraud risks.In 2024, Cathay Life collaborated with the Criminal Investigation Bureau to promote anti-fraud measures across 106 police stations in 19 counties and cities nationwide.
Created an anti-fraud section on official websites	<ul style="list-style-type: none">Cathay Century launched an "Anti-Fraud Section" on its official website to share fraud prevention information and common types of frauds.Cathay SITE launched a section for anti-fraud services with the Alpha chatbot.
Promoted anti-fraud financial education	<ul style="list-style-type: none">Recognizing Fraud: Cathay Securities held 40 financial education seminars between 2023 and 2024 to over 1,218 participants.In 2024, CUB began promoting fraud awareness among rural elementary school students.Cathay Life places great emphasis on fraud prevention by mobilizing volunteers to engage with communities. Through the "Fraud Defense Squad" board game, they raise awareness from recognizing fraud to actively preventing it, ensuring policyholders have access to timely anti-fraud resources. In 2024, a total of 92 sessions were held, with 5,101 participants.

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4.1 Workplace Empowerment

Empowerment 4.2 Social Empowerment



As climate risks intensify and the pace of energy transition accelerates, human resources have become the most critical driving force behind sustainable corporate transformation. According to The Green Skills Report by Economist Impact, all future job roles will require green skills, including soft skills (e.g., environmental awareness), cross-sectoral skills (such as sustainability reporting), and sector-specific green skills. The report also urges businesses to adopt a dynamic mindset by building continuous learning models or implementing more flexible and sustained empowerment tools to effectively respond to the impact of the global green transition on the labor market. At the same time, social washing and the authenticity of corporate commitment to the "S" (Social) aspect of ESG are gaining greater scrutiny. Stakeholders are closely scrutinizing companies' human rights practices, including how they treat employees, supply chain workers, and business partners. In response to the challenges posed by the transition to a low-carbon economy, Cathay FHC has adopted four key empowerment pillars: upskilling, reskilling, building leadership pipelines, and fostering a diverse and inclusive workplace. These initiatives aim to equip employees with adaptability and problem-solving capabilities, thereby enabling a diverse talent pool to reach its full potential and generate solutions that create shared value for society and the environment.

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4.1 Workplace Empowerment GRI：401-1、401-2、401-3、404-2、404-3

Workplace Empowerment - Achievements



HR Asia - Best Companies to Work for in Asia 2024

Cathay FHC was listed in HR Asia – Best Companies to Work for in Asia for the sixth consecutive year and won three new categories for 2024, namely the Diversity, Equity & Inclusion Awards 2024, Most Caring Company Awards 2024 and Sustainable Workplace Awards 2024.



Forbes World's Best Employers 2024

Cathay FHC is the only company in Taiwan to be ranked among the top 100 companies in the Forbes World's Best Employers 2024 list and is the highest-ranked Taiwanese company in history.



2024 Yourator Best Employer Brand Awards

Cathay FHC received the DailyView Employer Positive Influence Award for its outstanding performance in terms of attractive compensation and benefits, comprehensive career development opportunities for employees, and high online recommendation ratings. Cathay FHC has established an excellent brand image among online users.

Workplace Empowerment - Strategy Blueprint

Code for Goals & Progress in 2024:  Completed /  Missed

Action Plan	Metrics	2024 Targets & Outcomes		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Strategy ① Employee Reskilling - Identify future human resource needs, as well as the professional knowledge and skills to adapt to future trends.							
1. Promote reskilling programs to increase employee participation in digital capacity training	Digital training: In 2024, aim for a completion rate of 50% in digital skills training programs	50%	✔ AI literacy 84.2%	50% AI literacy online course M365 courses	50%	50%	50%
	Annual digital capacity training completion rate	80%	✔ Agility 94% ✔ Data Analysis 88.1%	80% Agility Data analysis AI Literacy	80%	80%	80%
2. Cultivate managers and employees with diversified digital work management capabilities and mindset; equip employees with digital skills	Sustainability training : Completion rate of foundational ESG online courses	90%	✔ 95.7%	90%	90%	90%	90%
	Sustainability training: Three-hour ESG Sustainable Finance course with a target 100% completion rate (general staff and/or senior management are required to take the course based on specific company re-quirements)	100%	✔ 100%	100%	100%	100%	100%

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Action Plan	Metrics	2024 Targets & Outcomes		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Strategy ② Employee Upskilling - Provide training materials that meet the different development needs of employees to ensure continuous improvement of their skills.							
1. Provide educational materials appropriate to each occupation/job level to enhance employee skill sets and continue to incorporate physical and digital learning resources to meet diverse learning needs	Satisfaction score for questions related to educational training in the employee engagement survey	4 (out of 5)	✔ 4.31 (out of 5)	4 (out of 5)	4 (out of 5)	4 (out of 5)	4 (out of 5)
2. Provide training programs at different levels to cultivate talent for the group's operational needs.							
3. Organize diverse educational events to create a platform for sharing learning achievements.	Percentage of employees scoring a 4 or higher on a 360-degree performance assessment	85%	✔ 96.4%	85%	85%	85%	85%
Strategy ③ Build a Leadership Pipeline - Deepen the depth of the leadership and management talent pipeline and strengthen the cultivation of the talent pool at all levels to ensure the sustainable development of the organization.							
Regularly review talent pools at all levels of the group, plan and implement training programs for each level to meet human resource needs for the group's operations	High-performance talent bench retention rate	80%	✔ 98%	80%	80%	80%	80%
	High-performance young talent bench retention rate	50%	✔ 96%	50%	50%	50%	50%

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Action Plan	Metrics	2024 Targets & Outcomes		Short-Term Goals	Mid-Term Goals			Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030	
Strategy ④ Create a Inclusive Workplace - Guided by the core belief of creating a “Place for All,” Cathay FHC is committed to building a respectful, inclusive, and welcoming environment. By offering diverse resources, the company helps individuals find a sense of belonging, thereby creating value for individuals, the organization, and society.								
1. Wholeness@Cathay: Implement support programs that address employees’ work-life balance	Retention rate of employees taking parental leave	80%	✔ 89.1%	80%	80%	80%	80%	
	2. Generations@Cathay: Centering on the concept of “Cross,” Cathay facilitates cross-generational dialogues to deepen mutual understanding of generational values. Activities are organized to encourage co-creation across generations and promote better communication and collaboration.	• Female employees: 60%	• Female employees: 69.2% ✔	• Female employees: 50%±5%	• Female employees: 50%±5%	• Female employees: 50%±5%	• Female employees: 50%±5%	
• Female Managers: 40%		• Female Managers: 53.5% ✔	• Female managers: 50%±5%	• Female managers: 50%±5%	• Female managers: 50%±5%	• Female managers: 50%±5%		
• Female entry-level managers: 45%		• Female entry-level managers: 56.5% ✔	• Female entry-level managers: 50%±5%	• Female entry-level managers: 50%±5%	• Female entry-level managers: 50%±5%	• Female entry-level managers: 50%±5%		
• Female mid- to senior-level managers: 25%		• Female mid- to senior-level managers: 31.8% ✔	• Female mid- to senior-level managers: 30%±5%	• Female mid- to senior-level managers: 30%±5%	• Female mid- to senior-level managers: 30%±5%	• Female mid- to senior-level managers: 30%±5%		
• Women in STEM: 35%		• Women in STEM: 47% ✔	• Women in STEM: 40%±5%	• Women in STEM: 40%±5%	• Women in STEM: 450%±5%	• Women in STEM: 40%±5%		
3. Aging@Cathay: In preparation for an aging society, Cathay is proactively advancing initiatives based on ReNEW strategies –Re-skilling, Needs, Engagement, and Workforce.	Inclusive Workplace online courses completion rate	90%	✔ 96.7%	90%	90%	90%	90%	

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4.1.1 Workforce Demographics and Pledge

|| Workforce Demographics

Cathay is a Taiwan-based company that prioritizes local recruitment. The local hiring rate is approximately 99%. The company also hires local employees at its overseas operations. Cathay complies with all applicable labor laws and regulations in each jurisdiction in which it operates. It has never employed child labor. In Taiwan, the employment of foreign nationals is carried out in accordance with relevant labor legislation, including the Employment Service Act and the Regulations on the Permission and Administration of the Employment of Foreign Workers. Cathay also supports indigenous peoples and persons with disabilities and their right to employment. Its offices are equipped with accessible facilities. Indigenous employees enjoy "Indigenous Holiday Leave", which provides them with an additional day of leave on the special holidays of the tribe to which they belong. Cathay also promotes the inclusion of different cultures through newsletters, seminars, and other events.

In 2024, Cathay FHC and its subsidiaries had 45,396 full time employees, including 31,222 female employees and 2,174 female employees in STEM roles. Employees represent 15 different nationalities across Taiwan, mainland China, Southeast Asia, North America, and Europe. The workforce includes 292 full-time indigenous employees, 433 full-time employees with disabilities, as well as 239 non-employee indigenous workers and 76 non-employee workers with disabilities, reflecting the diversity and inclusiveness of the Cathay family.

Note 1: STEM stands for Science, Technology, Engineering and Mathematics. Cathay's data include information on employees in digital, data, information, information security, actuarial science, risk management, and finance-related functions.

Note 2: For statistics on disabled, indigenous and foreign employees, please refer to [Table 11-1](#) and [11-2 in the Appendix](#).

|| Human Rights Pledge

At Cathay, we value the unique perspectives that our employees bring to the table and are committed to creating a workplace that embraces diversity, equity, and inclusion. Cathay FHC has established the "Cathay FHC Human Rights Policy" with reference to key international human rights norms such as the United Nations Universal Declaration of Human Rights to ensure that no individual is treated differently or discriminated against based on gender, sexual orientation, race, socio-economic status, age, marital and family status, language, religion, political affiliation, nationality, appearance, physical or mental disability or any other reason. Cathay regularly assesses the level of human rights risks in all its operations and, based on the results, formulates mitigation measures and strengthens compensatory measures to work towards zero human rights risks in the workplace. In addition, Cathay supports gender equality and complies with labor laws, ensuring that salary standards do not vary based on gender. The company is committed to achieving gender pay equity and equal pay for equal work, striving to narrow the gender pay gap. For information on human rights risks and management related to various stakeholders, please refer to [6.2.6 Management of Human Rights Risks](#).

4.1.2 Talent Cultivation and Development

A company's learning culture is not only essential for employees' professional growth but also directly impacts the resilience of the organization, including its capacity for innovation, digital transformation, and sustainable development. In pursuit of its vision to become a "FinTech company," Cathay is creating a work environment that attracts and retains talent through four focus areas:



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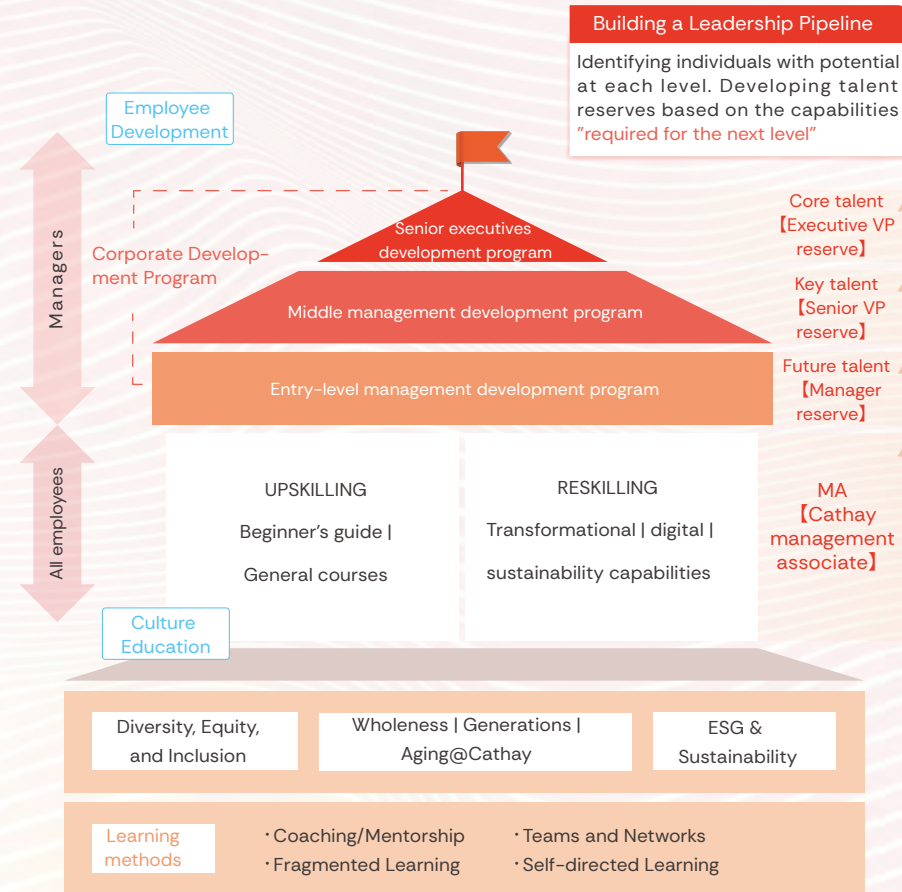
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Upskilling

Cathay FHC provides tailored development resources based on the needs of employees at different stages of their careers. A range of learning roadmaps, development guides and individual development plans (IDPs) are designed to ensure that all employees, regardless of seniority or tenure, can pursue continuous learning and growth. By integrating internal and external resources across the group, Cathay has established a broad general education base, professional training programs, and digital literacy courses. Employees are also encouraged to engage in cross-disciplinary learning and exchange, with platforms provided for knowledge sharing, fostering a collaborative organizational culture. Additionally, the company launches an annual learning theme, incorporating gamification and competition elements to enrich the learning experience.

Personalized Competency Training Program by Job Level

Cathay FHC has established a General Competency Training Program for all employee levels, defining the essential skills required for each position. The Capabilities of Transformation and Digital Literacy have been designated as critical competencies to support the group’s digital transformation, and a customized, systematic learning roadmap has been developed accordingly. At the beginning of each year, every employee receives a customized Annual Individual Development Plan Report, which combines their personality traits, annual goals, and 360-degree competency feedback. For new hire training, courses in data analytics, sustainability, diversity and inclusion are mandatory, with a course completion rate of 100%. Additionally, a New to Excellent Leader Training Program has been launched for newly appointed managers, integrating practical exercises and cross-departmental exchanges to strengthen management and decision-making skills. This program helps employees transition into managerial roles, achieving an 89% completion rate and an average satisfaction score of 9.48 out of 10.

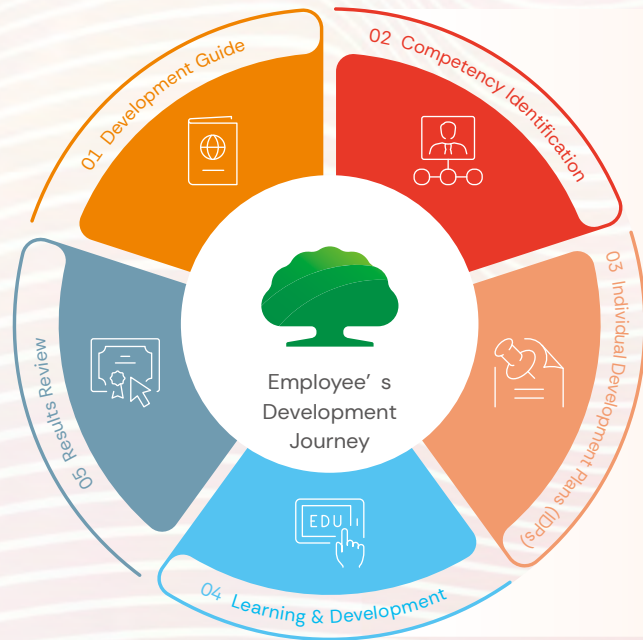
	Staff	Entry-level Management	Middle Management	Senior Executives
General Competency	<ul style="list-style-type: none"> Teamwork Problem Analysis and Solution Work Management 	<ul style="list-style-type: none"> Build Partnerships Mentor and Develop Talent Build a Successful Team Planning and Organizational Skills 	<ul style="list-style-type: none"> Build Partnerships Mentor and Develop Talent Facilitate Change and Innovation Operational Decision-Making Abilities 	<ul style="list-style-type: none"> Impact Lead Change and Innovation Set Strategic Direction Establish Network
The Three Capabilities of Transformation	 Learning, Agility, Communication			
Digital Literacy	 Technology, Data Application, Digital Communication			

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• Integrating Training and Development into the Performance Evaluation

Cathay FHC conducts annual performance evaluations in accordance with the Employee Performance Management and Development Guidelines to ensure that work objectives and career development plans are clearly communicated. In 2024, 100% of Cathay’ s full-time employees underwent performance evaluations. For employees with unsatisfactory performance, an Employee Performance Improvement Guidance Plan is developed to provide targeted support. Employees who have concerns about their evaluation results may file an appeal. In such cases, the Admin Department convenes a performance review appeals meeting, with the appellant and their department- or division-level reviewing supervisors participating in the review. In 2024, Cathay FHC handled one performance evaluation appeal case, which was reviewed together with the appellant, department-level supervisors, and HR department supervisors. In addition, Cathay FHC implements a 360-degree competency feedback mechanism for all full-time employees to assess their skills and set future development goals to improve overall job performance.



Mechanisms for Performance Evaluation	
Management by Objectives & Individual Development Plans (IDPs)	Each department will formulate specific action plans and targets according to Cathay's annual development strategy; management and employees will formulate clear and measurable personal job goals and IDPs, followed by discussion meetings.
Performance Management and Development (PMD) & Agile Conversations	Progress against annual goals is discussed during mid-year performance management to help employees better understand their work progress and make timely adjustments. In addition to mid-year performance reviews, managers will also check in with employees through regular dialogues and agile feedback, and continuously monitor progress toward goals.
Year-End Review	Review progress toward individual/unit annual goals through performance reviews and year-end evaluations, and monitor implementation of IDPs.
Multidimensional Performance Appraisal	Diverse feedback is provided across six key dimensions (learning ability, agility, communication, teamwork, problem analysis & resolution, and work management), allowing employees to gain insight into their own capabilities and plan skills and learning goals for future career development based on 360-degree feedback from managers, peers, and direct reports. This also links to Individual Development Plans (IDPs), closing skills gaps and increasing productivity.

- 01 Development Guide**
Understand the required competency standards, key behaviors, and corresponding learning resources for employees at each level
- 02 Competency Identification**
Understand employees’ own performance through self-assessment, support, and 360-degree feedback
- 03 Individual Development Plans (IDPs)**
Determine development items by aligning job requirements with personal needs, and systematically work toward personal learning and development goals
- 04 Learning & Development**
Choose the most suitable learning resources and development methods
- 05 Results Review**
Evaluate learning outcomes and continuously adjust the development plan



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Reskilling

In response to the rapid evolution of digital technologies and the fast-changing industry environment—including the potential transformation of workflows and workforce demands brought by AI technologies, and the ever-evolving sustainability issues that now extend far beyond early concerns about climate change or tasks limited to specific departments. In recent years, the group has focused on cultivating “AI literacy” and “ESG sustainability mindset” as key development areas. In 2024, the group launched the groupwide Generative AI course (GenAI), covering topics such as an introduction to ChatGPT, the fundamentals of generative AI theory, and hands-on practice. The course helps employees build a foundational understanding and apply GenAI tools in their daily work. CUB also subsidized employees to use AI platforms for practicing language skills while studying foreign languages. In addition, the group continues to host Power BI data analysis workshops, digital empowerment seminars, and robotic process automation (RPA) digital tool bootcamps to strengthen employees’ practical skills in data analytics and technology. On the sustainability front, the group organized five ESG micro-courses in 2024, covering topics such as global climate change risks, carbon credits and trading, and greenwashing, helping employees understand sustainability trends and Cathay’s initiatives. Three diversity, equity, and inclusion micro-courses were also offered to raise awareness of unconscious bias and to promote a core mindset of diversity and inclusion across the organization.

AI Literacy

GenAI Training for

Group

- The online course completion rate reached **84.2%**
- Equip employees with fundamental AI knowledge and skills.

GenAI Training

Cathay Life

- **100%** of FTEs participating in the program
- Reported **88%** satisfaction, **90%** recognition, and **83%** willingness to apply AI in practice.

Sustainability

ESG Courses

Group

- 5 foundational ESG courses with average completion rate of **91.7%** across the group
- ESG courses reached **100%** completion rate

Sustainability Mindset

Cathay Life

- Sustainability training is mandatory for all employees
- The internal CS online discussion forum and internal news series “Cathay Sustainability Talk” are designed for sharing insights into Cathay Life’s sustainability initiatives and progress
- **735** employees participated in challenge stations at Cathay’s 2024 Sustainability Fair

Comprehensive Sustainable Finance Training

CUB

- Tailored ESG training by role level, covering key topics such as climate change, sustainable finance, and responsible investment. By the end of 2024, the program had accumulated **12,450** participants
- Partnered with the Taiwan Institute for Sustainable Energy (TAISE) to launch the Chartered Sustainable Finance Manager (CSFM) program, with 87 employees participating, over half were departmental supervisory level or above. The certification exam pass rate reached **99%**.
- Launched a digital course titled “Understanding Climate Change” and initiated a “You Learn, We Donate” campaign. For every employee who completed the course, the company donated NT\$10 to nonprofit organizations, with a total of **NT\$120,000** in 2024.

The Power of Data

Power Bi Data Analytics Workshop

Group

- The group-wide online course completion rate reached **86.5%**
- No. of completions: **28** people
- Completed the development of **6** Power BI dashboards

Digital Skills Seminars

Group

- **3** seminars were held
- Cumulative attendance: **1,047** people

Agile Certified Practitioner training

Cathay Life

As of 2024:

- **91** cumulative Agile Certified Practitioner (ACP) seed talents
- Cathay ACP transition coverage rate reached **26.1%**
- **208** cumulative employees have obtained PMI-ACP

Data Talent Development Program

Cathay Life

- Data Analyst Course: **322** people completed the program, totaling **41** topics
- Data Manager Course: attended by **191** people cumulatively

RPA Programming Sessions

Cathay Life

As of 2024:

- **1,981** cumulative participants
- **747** RPA processes developed
- **73** cumulative people obtained RPA certification
- **88%** RPA application reach across departments
- Operation efficiency increased by **90%**

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Reskill Case Study - Cathay Life's Agency 2.0 (AG 2.0) Sales Force Transformation Plan

In response to an aging workforce and the wave of digital transformation, Cathay Life began preparing as early as 2012. Partnering with McKinsey at the time, the company identified that many high-performing employees were approaching retirement, and the incoming talent was insufficient to fill the gap. As a result, the AG 2.0 Task Force was established the following year to strengthen the sales force and management capabilities, and to address issues related to an aging workforce and business continuity. This major organizational transformation, spanning more than a decade and involving more than 10,000 employees, began with reforms in talent development. Over the years, the company has continued to develop the professional and digital skills of its employees, while also introducing digital tools to support customer acquisition and improve the customer experience, ultimately increasing customer satisfaction.

Coaching and Mentorship

Teams and Networks

Digital Transformation Plan

Goal: Improve job performance of sales agents to enhance company performance

2024 Overall Customer
Satisfaction Survey **98.9%**

The Net Promoter Score (NPS), based on a third-party consultant survey, reached 43.1 in 2024, up from 35.1 in 2023.

No. of in-force life insurance
policies **48.511 million**

99% of customers enroll in life insurance products via mobile insurance application

Outreach group: All sales agents

2024 AG Plan Net Promoter Score (NPS)



New talent
development
57.7



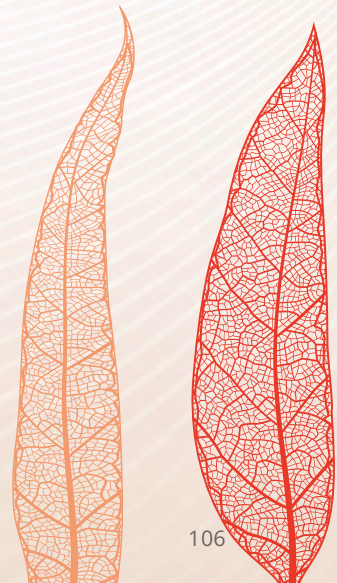
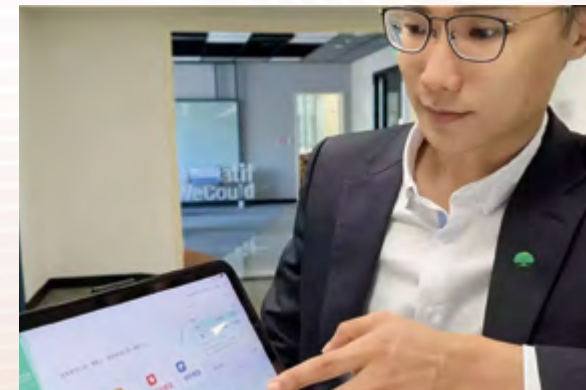
Tiered
courses
59.1



Managerial
competencies
58.1

Looking back at its earlier business model, Cathay Life identified that its previous approach was overly focused on performance and lacked a systematic training program for new recruits. This led to difficulties in talent retention. In response, the company restructured its recruitment process and strengthened training mechanisms at every stage. From the initial recruitment briefings – such as the Opportunity (OPP) and Career Information Workshop (CIW) – new hires are offered Fast-track Foundational Courses(FFC) and Post Fundamental Course(PFC) after onboarding. Subsequently, training is tailored based on employee tiers, ensuring that agents at different career stages receive appropriate and relevant coursework to enhance their competencies and professional image. The curriculum design involves interviewing top-performing agents to turn their experience into training material. Selected “seed sales agents” share these insights, passing them on to the second and third generations of seed agents, creating a shift from “qualitative” improvements to scalable “growth.” A mentor system has also been introduced in managerial training, enabling experienced managers with the necessary know-how to help trainees integrate what they have learned into their day-to-day operations.

Since 2021, Cathay Life has introduced a new digital tool – the “New Agent Platform(NAP)” The platform enables agents to complete traditionally complex processes such as new policy applications, claims, and policy services with a tablet. NAP is also closely aligned with the company’s age-friendly strategy, offering retirement calculators and enhanced insurance protection and estate planning services. This platform delivers a more professional and compassionate insurance experience. During the initial rollout of the NAP, Cathay Life prioritized clear communication, offering training sessions and events to address employees’ questions and ease the transition. This helped employees unfamiliar with digital tools understand the benefits of digitization and automation. On the other hand, starting in 2024, the NAP integrated AI technology to develop “AI Coach,” enabling sales agents to engage in training simulations anytime and anywhere without being restricted by time or location. Supervisors can also use the simulation results to help employees strengthen areas of weakness. In a rapidly evolving technological landscape, Cathay Life firmly believes that building strong human relationships remains fundamental. The company upholds the philosophy that “Happiness is giving happiness,” whether in relationships with policyholders or among colleagues.



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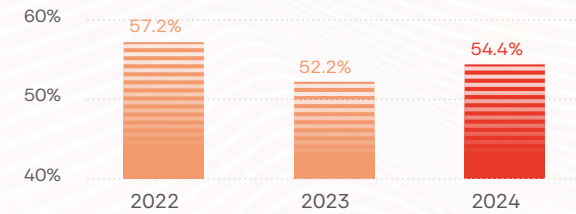
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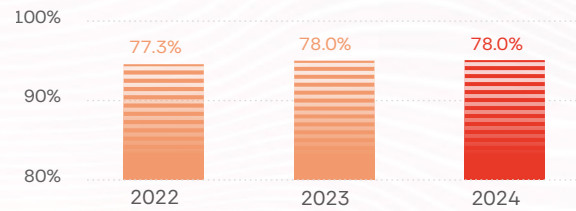
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• AG 2.0 implementation outcome - professional designation mentoring program

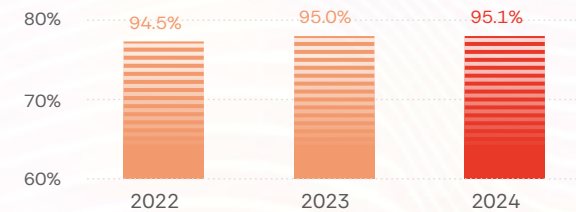
① Professional Advisor (PA) passing rate



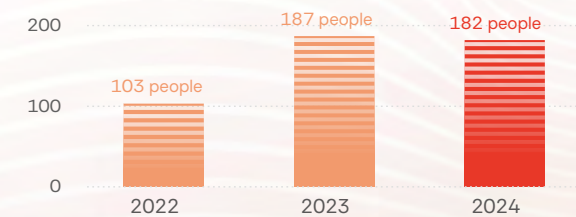
② Investment Product Advisor (IPA) holding rate



③ Foreign Currency Policy (FCP) holding rate



④ No. of employees certified for professional financial designations (AFP, CFP, RFA, Senior Financial Planning Consultant)



Note: The professional financial designations are as follows: Associate Financial Planner (AFP), Certified Financial Planner* (CFP*), and Retirement Financial Advisor (RFA).

|| Leadership Pipeline

Cathay FHC regularly reviews its talent pool across all job levels to plan development programs. Talent development meetings are conducted to identify key talent development needs for the implementation of training programs and succession plans at each level. This approach promotes shared growth for both the organization and its people. In 2024, the focus is on "building a leadership pipeline" by strengthening mechanisms, leveraging data for precise talent management, and enhancing managers' data application capacity in talent development. The program also emphasizes the role of managers as development coaches - planning and tracking key development experiences through talent reviews - fulfilling the talent development goal of "prioritize talent utilization."

For more on Cathay's leadership pipeline strategy, please refer to [Cathay Sustainability Story IV](#).

Talent Pool/Pipeline	Project	Key Actions	2024 Outcome/Highlight
Young Talent	Group/Global Management Associate (GMA)	<ul style="list-style-type: none">A 2.5-year rotation-based development program to cultivate strategic planning talents with high-level strategic vision and cross-disciplinary thinking.Guidance by senior staff and 1-on-1 coaching by HR to help participants focus on key learning objectives during rotations.Dialogue and engagement with senior executives to enhance strategic mindset.	Over the history of the program, 55% of participants who have completed the GMA program and assessment have been promoted to managerial positions or higher.
Entry-Level Talent Pool /Managerial Pipeline	Future talent cultivation	<ul style="list-style-type: none">A one-to-two-year development program aimed at building the right mindset and capabilities for entry into managerial roles. Phase 1 focuses on themes such as "Mindset," "Mission," "Interpersonal Skills," and "Leadership," and includes two workshops and 11 courses.Direct supervisors of participants serve as development coaches, using real cases to enhance the mentoring experience. A total of four coaching exchange sessions were held.	2024 retention rate of the entry-level talent pool was 98.5%. Phase 1 outcome: training satisfaction rate averaged 4.7 out of 5, with each course rated above 4.5.
Middle Management Talent Pool / Senior VP Pipeline	Key talent cultivation	<ul style="list-style-type: none">Conducted in-depth assessment of leadership bench strength across the group. Adopted a "prioritize talent utilization" approach to define development paths for each talent pool candidate.	2024 retention rate of the mid-level talent pool was 99.0%.

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2024 Group-Wide Learning Activities — Back to School



Cathay FHC is committed to fostering a learner-centered environment and cultivating a learning-oriented organizational culture. Each year, the company launches themed learning initiatives that incorporate gamification and competition to enhance engagement. These initiatives include keynote sessions, tiered training programs, and flexible learning pathways tailored to the annual theme. By integrating blended learning models, Cathay ensures that learning remains personalized and adaptable.



Annual Learning Initiative — Back to School

【Core curriculum】 Customized Recommendations

Integrating the Hahow for Business learning platform, data analytics were used to identify individual skill gaps and capacity development, as well as learning behaviors. Personalized course recommendations were delivered to meet each employee's learning needs.

- 1 recommended professional competency course/month, for a total of 8 courses/person; plus 6 curated topical courses/month, for a total of 48 courses
- Total group-wide learning hours via Hahow reached 236,727 hours, with 11,470 hours completed by Cathay FHC – the highest in the past four years.

【Core curriculum】 ESG with Futures

Centered on the theme Fostering a Healthy and Inclusive Workplace: Redefining Learning and Work Skills, the series featured external experts discussing topics such as parenting, eldercare, learning in the AI era, and workplace communication.

- Organized 4 seminars
- Average satisfaction score: 9.2
- Average attendance: 707 people

【Core curriculum】 Co-learning Seminars

Staff members served as instructors, sharing their knowledge and experience. In 2024, topics included leisure and lifestyle, professional skills, financial literacy, AI, and social media management. The Tai-Xiang Award was held to recognize the top instructor.

- Organized 10 seminars
- Average satisfaction score: 9.2
- Average attendance: 762 people

【Annual book fair】 Digital Library

Curated books on sustainability, diversity, inclusion, and AI were made available for staff to read. Employees were also encouraged to submit reflections. The Cathay BookTalk initiative was launched in 2024, where a 10-minute animation was created as a book summary.

- 4 themed books recommended monthly, totaling 36 books for the year
- No. of submissions: 1,093
- E-book and e-magazine digital reads: 101,397
- 3 animated book summaries released through the new Cathay BookTalk series, with 2,363 total views and average satisfaction rating: 9.3

【Graduation】 Learning Showcase

The year concluded with an online graduation ceremony. Employees created personalized digital diplomas to commemorate their journey. The ceremony included remarks from the principal, recognition of the top instructor of the year, graduation speeches, certificate presentations, and group performance of the graduation song.

- Satisfaction rating: 9.1
- Participants: 455

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4.1.3 Building an Inclusive Workplace—Cathay Town of Inclusion

Cathay FHC is committed to its core belief in creating a “Place for All” – an environment that values individual differences and fosters inclusion. By offering diverse resources, Cathay empowers every employee to feel a true sense of belonging. Anchored in the two strategic pillars, Embracing Diversity and Being Your Authentic Self, the company has launched three key initiatives, Wholeness@Cathay , Generations@Cathay , and Aging@Cathay , to build the Cathay Town of Inclusion.

Rooted in a people-first philosophy, the initiative emphasizes the sustainable development of both careers and personal well-being, while actively promoting work-life balance. It pays particular attention to easing the challenges of managing multiple roles across different life stages – especially those related to family caregiving. The ultimate goal is to cultivate a culture of holistic support, retain exceptional talent, and empower employees to realize their full potential.



|| Advancing Diversity and Inclusion Awareness — Focus on Ability, Not Academic Background

Cathay FHC begins by identifying and eliminating unconscious bias as a foundation for promoting diversity and inclusion. By strengthening feedback collection, communication, and awareness efforts, the company fosters a culture where employees recognize and respect individual differences and unique values. Beginning in 2023, diversity and inclusion topics were integrated into both virtual and in-person internal learning sessions, covering areas such as conceptual overviews, identifying unconscious bias, and understanding cross-cultural and intergenerational dynamics in daily life. In 2024, the company hosted three micro-courses and seminars, inviting external experts and employees to speak on topics such as parenting, elder care, workplace communication, and unconscious bias.

To further embed a sustainable culture of diversity and inclusion, key to attracting and developing talent, Cathay FHC participated in the 2024 Talent Attract matchmaking campaign. The initiative breaks away from traditional recruitment criteria such as academic background, job experience, or gender, and instead focuses solely on candidates’ ability to analyze and solve problems, enabling diverse talent to realize their full potential at Cathay.

|| Workplace Support Initiative—Career FlexiPacing

Cathay is building on its remote work infrastructure by providing supportive measures, such as flexible working hours and locations. These measures enable employees with caregiving responsibilities to avoid choosing between work and family. The company will further extend this support to eldercare, demonstrating its full commitment to helping employees balance work and family life. Employees on parental leave may also access Employee Assistance Programs (EAP), including professional counseling and online learning resources that provide practical guidance on parenting, financial planning, and skills refresher courses prior to returning to work. These resources help shorten the adjustment period and facilitate a smoother return to the workplace. Additionally, Cathay has designed and implemented a statutory paid annual leave system in accordance with the law, with corresponding leave days based on years of service clearly outlined in internal policies. Through a combination of policy, HR system monitoring, and regular tracking, the company ensures employees fully enjoy their statutory leave entitlements. Employees can view their annual leave usage in the HR system. If they have unused leave at the end of the year, they can choose to carry it over to the following year or convert it to a cash payout.

Note: For data on parental leave and family care, please refer to [Tables 18](#) and [19](#) in the Appendix.

Employee Support and Benefits		
Family and Parenting Support	Flex shift	<ul style="list-style-type: none">• 7 days of family care leave, as well as the statutory pregnancy checkup accompaniment leave and paternity Leave• Paid childcare leave: Cathay offers six months of paid childcare leave, available for both primary and secondary caregiversⓔ • Pregnancy checkup Leave: 10 daysⓔ • Miscarriage Leave: Employees who have served for less than six months are also eligible for fully paid leave.
	Parenting Benefits	<ul style="list-style-type: none">ⓑ • Maternity program: Establishment of Cathay Maternity Club and comprehensive support for pregnant employees, including workplace risk assessments. During the parenting stage, a variety of themed “Mommy Classes” are held to provide parenting knowledgeⓑ • Pre- and post-pregnancy questionnaires, gifts for moms and dadsⓑ • Childcare services: Cathay has partnered with local daycare facilities to offer employees convenient access to childcare optionsⓔ • Maternity allowance: Financial assistance provided to female employees and employee spouses upon childbirthⓔ • Education subsidies for employees’ childrenⓑ • Regularly hosts employee-exclusive parent-child events and family day activities
Healthcare	Diverse healthcare resources	<ul style="list-style-type: none">ⓔ • Menstrual/Sick Leave: Fully paid leave for five days every year.ⓑ • Regular health screenings and health support/subsidy programs for employeesⓔ • Group insurance coverage for employees and their families (parents, spouses, and children)ⓑ • Hold regular health promotion activitiesⓑ • On-site massage services available to staff

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Employee Support and Benefits

Workplace Flexibility	Flexible Work Models	(B) • Remote work: Employees may flexibly shift to remote work based on business needs and individual preferences.
		(B) • Flexwork: In addition to remote work, employees can choose their preferred workspaces in the open office. In addition, “personal focus spaces” are provided so that employees who prefer to work independently can have a quiet, undisturbed environment.
		(B) • Flex shift: Employees can flexibly choose their working hours according to their needs and business requirements, with 2–4 flexible shifts available. They can also coordinate further flexible arrangements with their managers based on mobile workplace arrangements.
Financial & Asset Management	Financial Services Discounts and Allowances	(B) • Preferential fund subscription, premium discount, preferential interbank withdrawal/transfer fee, preferential interest rate for salary account deposits, and preferential loans for purchasing housing from Cathay Real Estate
		(B) • Salary, retirement, and stock options benefits: Regular salary adjustments, stock trust plans, and legally reserving 10% of the shares for employee subscriptions when cash capital increases are made
Recreation and Lifestyle Support	Encouraging Recreation, Social Connection, and Learning	(E) • Wedding bonus and bereavement pay
		(B) • Travel subsidies and airport transfer discounts
		(B) • Subsidies for employee clubs, movie screenings, singing contests, and fun competitions
		(E) • Paid time off for volunteer activities
		(E) • Learning leave: one day of leave granted upon completion of a designated number of courses via the company's online learning platform

(E) : “Enhanced” indicates that the leave or subsidy exceeds legal requirements

(B) : “Benefits” provided by the company

Retention Mechanisms

Cathay FHC reviews market salary benchmarks annually to maintain competitive compensation. The company regularly evaluates the salaries of all full-time office staff members, with an average salary adjustment of approximately 4% over the past five years. During the last four cash capital increases (2016, 2018, 2019, and 2022), the company reserved 10% of the shares. These shares are allocated based on factors such as employee job levels, performance, and years of service, inviting colleagues to participate in the company's operations and share in the fruits of their labor. In 2022, the employee subscription rate reached 90%. In addition, Cathay also introduced an Employee Share Ownership Trust (ESOT) program in 2022, allocating incentive funds and encouraging employees to make regular monthly investments through the trust to provide additional retirement security.

Note: For salaries of full-time staff (non-managerial positions) in 2024, please refer to [Table 16 in the Appendix](#).

To support employees' career development and mental well-being, the company encourages the active use of the Employee Assistance Program (EAP) during employment. The EAP provides services such as psychological counseling, legal and financial consulting, health guidance, and managerial support. These services help employees manage stress, plan for the future, and confidently navigate life and career transitions. Cathay conducts exit interviews with retiring or departing employees to understand their reasons for leaving and their plans after leaving the company. These interviews also provide an opportunity to assess continued career engagement with the company and gather feedback on internal policies and management practices for ongoing improvement. Additionally, the company provides support tailored to the nature of an employee's departure. This support includes job search leave, compensation during the notice period, and retirement benefits. Cathay proactively offers employment counseling and coordinates with government agencies to connect employees with reemployment resources if needed, thereby enhancing their long-term employability.

Career Sustainability for the Aging@Cathay

Over 30% of Cathay's employees are over the age of 50. In anticipation of an aging society, Cathay has taken proactive steps to support employees approaching retirement age in planning the next phase of their careers. In addition to providing training resources aligned with the company's workforce development roadmap (see [Section 4.1.2 Talent Cultivation and Development](#) for upskilling and reskilling related content), Cathay has implemented initiatives such as knowledge transfer programs and retirement financial planning support. These efforts aim to enhance talent continuity within the organization and ensure sustainable workforce development.

Retirement Talent Transfer Mechanisms:

- Depending on their experience and willingness, employees near retirement may be invited to serve as organizational coaches or mentors. This fosters knowledge transfer and long-term organizational sustainability.
- Platforms are in place to maintain connections with retired employees and encourage knowledge exchange. Cathay Life, for instance, has established the Longevity Club. The club offers retirees a dedicated online portal, invites them to participate in corporate events such as family day and hiking outings, and provides seasonal gifts to sustain relationships and show appreciation.

Financial Planning Support before Retirement:

- The company regularly grants long-service awards in recognition of employees' long-term dedication.
- Employees who join the Employee Share Ownership Trust (ESOT) contribute a fixed monthly amount, matched 100% by the company. This initiative allows employees to share in the company's operating performance and long-term growth.
- The Employee Assistance Program (EAP) offers financial planning consultations to help employees manage their personal finances effectively, both during their employment and during retirement transitions.
- The company contributes no less than 6% of an employee's monthly insurance salary to their personal retirement pension account managed by the Bureau of Labor Insurance.

Note: The aforementioned group-level resources are available to full-time employees, with certain programs also extended to contract staff and interns.





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Employee Engagement Survey

Every year, Cathay FHC conducts an Employee Engagement Survey and examines employee expectations through quantitative feedback, sample interviews, focus questionnaires, etc. The five dimensions of the survey are corporate sustainability (CS), organizational commitment, employee satisfaction, leadership management, and job recognition. Covering Cathay FHC and its subsidiaries, the 2024 survey achieved a response rate of 87.4%. The overall employee engagement score reached 4.26 (on a scale of 5), the highest in 5 years, and achieving the target of maintaining satisfaction above 4 points for three consecutive years. In response to the engagement survey findings and ongoing digital and AI-driven workplace transformations, as well as to further enhance employee engagement and happiness, Cathay will continue to strengthen leadership capabilities, foster a diverse and inclusive workplace culture, and provide employees with resources that support personal and professional development.

Note: For past results of the Employee Engagement Survey, please refer to [Table 21 in the Appendix](#).

Indicators	Topic	Question	Score
 Job satisfaction	Organizational Commitment	Are you proud to be part of Cathay and willing to go the extra mile to make Cathay better?	4.31
	Leadership Management	Do you have the tools and resources needed to complete your work?	4.24
 Purpose	Overall Recognition	Do you believe that your work is meaningful and can find opportunities for learning and growth from your work?	4.31
	Corporate Sustainability	Do you think Cathay's commitment to sustainability helps you identify with Cathay?	4.35
 Happiness	Employee Happiness	Are you satisfied with the current benefits and various employee activities organized by the company?	4.30
 Stress		Do you think that the various health promotion activities organized by the company or the group contribute to your physical and mental health?	

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2024 Employee Engagement Survey Results Distribution		
Gender	Men	4.28
	Women	4.16
Position	Staff	4.16
	Managerial and above	4.41
Age	Under 30	4.24
	30-39	4.14
	40-49	4.15
	50-59	4.22
	Over 60	4.34
Location	Taiwan	4.20
	Overseas	4.17

Employee Communication Channels

Cathay FHC is committed to building an inclusive communication culture that embraces equal, transparent and friendly interactions. Communication mechanisms are categorized into four levels – organizational, departmental, individual and other – based on the communication participants. Initiatives such as Cathay FHC Town Hall Meetings at the organizational level and one-on-one meetings at the departmental level are implemented to bridge power gaps and ensure that dialogue remains open and respectful, regardless of hierarchy, tenure or professional background. In 2024, Cathay held 25 labor-management meetings, using both the meetings and union engagements to discuss key topics including revisions to the Work Rules, adjustments to allowances, shift arrangements, extended work hours management, and guidelines for rewards and disciplinary actions. In 2024, Cathay FHC resolved five labor disputes, resulting in fines totaling NT\$320,000. The cases were handled in accordance with regulations, with improved operational processes and effectively resolved.

To prevent workplace discrimination and harassment, Cathay instituted the “Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace” and set up a dedicated sexual harassment mailbox and the Sexual Harassment Grievance and Investigation Committee to investigate reported instances of sexual harassment. In 2024, nine cases involving sexual harassment or violations of gender equality were reported. When a case is substantiated, the accused is subject to disciplinary action in accordance with company policy. At the same time, the complainant is provided with psychological counseling and other necessary support. Additionally, the company strengthens sexual harassment prevention training for all employees to help eliminate incidents of gender equality violation and sexual harassment.

Level	Mechanism	Projected Outcome
Organizational	Town hall meetings, staff meetings	Bridge communication differentials, allowing employees to directly address senior management with questions and engage in dialogue.
Departmental	One-on-ones	The company remains committed to aligning departmental and individual goals, helping employees assess their current development and achieve their long-term career aspirations.
Individual	Cross-departmental engagement activities	Aim to enhance cross-departmental engagement by eliminating communication barriers imposed by organizational hierarchies and departmental structures.
Other	Internal instant messaging channel	The two-way instant messaging channel allows every employee to send messages, ask questions, or provide feedback in real-time.

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4.2 Social Empowerment


Social Empowerment - Achievements



- Organized the Taiwan Climate Action Expo (TWCAE) and Cathay Climate Change Youth Forum, reaching more than 50,000 participants from the general public for enhanced climate awareness.
- Participated in Taiwan's largest education exhibition, the International Education Innovation Expo, and the Lead for Taiwan International Critical Thinking Education Forum, reaching over 50,000 teachers, students, and parents.



- Provided long-term support for women's basketball and table tennis development, empowering 83 female athletes to excel in their sports careers.
- Supported the Academy for Women Entrepreneurs (AWE), an initiative by the American Institute in Taiwan (AIT) and the Small and Medium Enterprise and Startup Administration (SMESA), benefiting 20 female entrepreneurs.



- Elevated Tree Program - Tutor CUB financial education program, 72 volunteers engaged with 258 students from rural areas.
- Established five accessible Cathay Happy Farms and improved the physical and mental well-being of 140 older adults.

Social Empowerment - Strategy Blueprint

Code for Goals & Progress in 2024: ✓ Completed / Missed

Action Plan	Metrics	2024 Targets & Outcomes		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Strategy 1 Youth Empowerment - Future Leaders							
Youth x Flipped Classroom: Enrich learning through the integration of innovative learning resources by partnering with social enterprises to raise awareness of life and environmental issues and reduce the education gap in rural areas.	Cumulative number of rural students empowered	50,400 cumulative	✔️ 68,019 cumulative	75,100 cumulative	99,800 cumulative	124,85 cumulative	200,000 cumulative
Youth x Sustainability: Partner with diverse cross-industry players, including the government, charity groups, and social enterprises to hold events that empower youths to monitor sustainable issues and prompt them to take action	Cumulative number of youth empowered since 2023	6,500 cumulative	✔️ 8,860 cumulative	9,500 cumulative	12,500 cumulative	15,500 cumulative	24,500 cumulative
	Cumulative number of schools and sessions delivered since 2023	<ul style="list-style-type: none">50 cumulative schools1,300 cumulative courses	<ul style="list-style-type: none">65 cumulative schools ✔️1,801 cumulative courses ✔️	<ul style="list-style-type: none">70 cumulative schools1,800 cumulative courses	<ul style="list-style-type: none">90 cumulative schools2,300 cumulative courses	<ul style="list-style-type: none">110 cumulative schools2,800 cumulative courses	<ul style="list-style-type: none">170 cumulative schools4,300 cumulative courses
	Survey on youth's willingness to take action and future intentions (willingness to act)	> 70%	✔️ 87%	> 70%	> 70%	> 70%	> 70%

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Action Plan	Metrics	2024 Targets & Outcomes		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Youth x Sustainability: Partner with diverse cross-industry players, including the government, charity groups, and social enterprises to hold events that empower youths to monitor sustainable issues and prompt them to take action	Cumulative number of innovation proposals submitted since 2022	150 accumulative	✓ 218 accumulative	200 accumulative	250 accumulative	300 accumulative	500 accumulative
	No. of sustainability lecturers/advisors	At least 10–15 people year	✓ 16 People	Invite 8–10 Cathay employees and external experts to serve as advisors/lecturers and provide empowerment courses.	Invite 8–10 Cathay employees and external experts to serve as advisors/lecturers and provide empowerment courses.	Invite 8–10 Cathay employees and external experts to serve as advisors/lecturers and provide empowerment courses.	Invite 1–3 previously empowered youth to join the sustainability advisory/lecturer team.
Youth x Employability: Help students explore career paths early by offering internship programs, career matching, and exposure to the financial industry; cultivate diverse skill sets including programming for banking	Satisfaction score with CIP/CAP & 7+1 internship programs/activities	> 4	✓ 4.5	> 4	> 4	> 4	> 4
	Recommendation score for courses/programs	> 3.5	✓ 4.7	> 3.5	> 3.5	> 3.5	> 4
	Intent to pursue a career in finance	> 3.5	✓ 4.5	> 3.5	> 3.5	> 3.5	> 4
	Financial Empowerment Internship Program	50%	✓ 97.6%	60%	70%	70%	80%
Strategy ② Women Empowerment - New Role Models							
Independence: Build a positive collaboration model for women entrepreneurs, support charities led by female entrepreneurs, set up a cooperative network for em-powering women, help women achieve economic independence, and build a sense of achievement	Empowerment lectures by female public figures & feature events held (including but not limited to financial literacy, women corporate procurement or other collaboration projects)	At least 1 empowerment lecture and 1 feature event	✓ 1 empowerment lecture and 3 feature events were held	At least 1 empowerment lecture and 1 feature event	At least 1 empowerment lecture and 2 feature events	At least 1 empowerment lecture and 2 feature events	At least 2 empowerment lectures and 2 feature events
Self-realization: Provide long-term support for domestic athletes, as well as comprehensive practice facilities, dormitories, and benefits to establish a complete support system	No. of female basketball and table tennis coaches and athletes supported	• Coaching staff : 18 • Female athletes : 89	• Women's basketball: 9 coaching staff ✓ • Women's table tennis: 9 coaching staff ✓ • Women's basketball: 40 • Women's table tennis: 43 ^(Note 1)	• Coaching staff : 18 • Female athletes : 89			• Construct one international-standard table tennis venue • Continue supporting women's basketball and table tennis to bring pride to the company, women's sports, and Taiwan

Note 1 : The goal was not achieved due to a player's retirement.

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Action Plan	Metrics	2024 Targets & Outcomes		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Use major company events, such as annual conferences and themed forums, to create an evaluation mechanism for inviting female experts or representatives in relevant fields to serve as keynote speakers or panelists—providing a platform for diverse expressions of women power.	Cumulative number of women empowered through participation	600	✓ 600	900	1,200	1,650	3,000
Strategy ③ Supporting the Underprivileged - Social Safety Net							
Self-Affirmation: Provide scholarships and solicit creative project proposals. Deliver foundational financial education via live online sessions and organize in-person financial literacy camps to ensure equal access to quality education for youth and children.	Volunteer participation & service hours	Cathay's Dream Come True Program : <ul style="list-style-type: none">• 30 volunteers• 90 hours Elevated Tree Program : <ul style="list-style-type: none">• 50 volunteers• 400 hours	Cathay's Dream Come True Program : <ul style="list-style-type: none">• approx. 30 volunteers ✓• approx. 90 hours ✓ Elevated Tree Program : <ul style="list-style-type: none">• 72 volunteers ✓• 613 hours ✓	Cathay's Dream Come True Program : <ul style="list-style-type: none">• 34 volunteers• 102 hours Elevated Tree Program : <ul style="list-style-type: none">• 50 volunteers• 400 hours	Cathay's Dream Come True Program : <ul style="list-style-type: none">• 38 volunteers• 114 hours Elevated Tree Program : <ul style="list-style-type: none">• 50 volunteers• 400 hours	Cathay's Dream Come True Program : <ul style="list-style-type: none">• 40 volunteers• 120 hours Elevated Tree Program : <ul style="list-style-type: none">• 50 volunteers• 400 hours	Combine and leverage Cathay's various resources (e.g. channels, tools, volunteers) and influence to help rural students.
	No. of rural schools benefited	• Cathay's Dream Come True Program : 15–20 elementary schools	• Cathay Dream Come True Program : 24 schools ✓ • Elevated Tree Program : 12 schools (cumulative 27 rural schools) ✓	• Cathay's Dream Come True Program : 15–20 elementary schools	• Cathay's Dream Come True Program : 15–20 elementary schools	• Cathay's Dream Come True Program : 15–20 elementary schools	
	Self-evaluation questionnaire on students' financial literacy level	Elevated Tree Program : above 3	Elevated Tree Program : ✓ 4.8	Elevated Tree Program : above 3	Elevated Tree Program : above 3	Elevated Tree Program : above 3	

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Action Plan	Metrics	2024 Targets & Outcomes		Short-Term Goals	Mid-Term Goals		Long-Term Goals
		Ambition	Outcome	2025	2026	2027	2030
Community Involvement: Assist older adults and underprivileged groups through volunteer events and inspire the public to cherish what they have; cultivate a sense of belonging to the company by providing differential care to different underprivileged groups	Volunteer headcount	• Happy Farm & Mixed Disabled Art Group : 160 people • Fun Club : 123 people	• Happy Farm & Mixed Disabled Arts Group : 135 people • Fun Club : 100 people ^(Note2)	• Happy Farm & Mixed Disabled Arts Group : 200 people • Fun Club : 123 people	• Happy Farm & Mixed Disabled Arts Group : 250 people • Fun Club : 123 people	• Happy Farm & Mixed Disabled Arts Group : 250 people • Fun Club : 123 people	
	Volunteer service hours	• Happy Farm & Mixed Disabled Arts Group combined volunteer service hours : 320 hours • Fun Club volunteer service hours : 306 hours	• Happy Farm & Mixed Disabled Arts Group combined volunteer service hours : 443 hours ✓ • Fun Club volunteer service hours : 400 hours ✓	• Happy Farm & Mixed Disabled Arts Group combined volunteer service hours : 400 hours • Fun Club volunteer service hours : 306 hours	• Happy Farm & Mixed Disabled Arts Group combined volunteer service hours : 500 hours • Fun Club volunteer service hours : 306 hours	• Happy Farm & Mixed Disabled Arts Group combined volunteer service hours : 500 hours • Fun Club volunteer service hours : 306 hours	Take the initiative and collaborate with industry, government, and academia to develop diverse service models
	Beneficiaries of Mixed Disabled Arts Group (online & offline)	2,000	✓ Offline 2,000	2,000	2,000	2,000	
	Self-awareness scores of beneficiaries (Seniors/Audiences)	Happy Farm & Mixed Disabled Arts Group : > 4	✓ > 4	Happy Farm & Mixed Di-sabled Arts Group : > 4	Happy Farm & Mixed Di-sabled Arts Group : > 4	Happy Farm & Mixed Di-sabled Arts Group : > 4	
Promote social equity through featured events for financially underserved populations lacking access to securities services. These include, but are not limited to, financial education, procurement from the underprivileged, and in-kind donations.		At least 2 sessions per year.	✓ 8 sessions	At least 2 sessions per year.	At least 2 sessions per year.	At least 3 sessions per year.	At least 4 sessions per year.

Note 2: In 2024, Cathay sponsored seven fewer performances by the Mixed Disabled Arts Group compared to 2023, primarily due to a large designated donation received in 2023. On average, seven to eight shows are sponsored annually. Because performances are typically held during school hours at elementary, middle, or reformatory schools often limit the number of volunteers allowed on-site for student safety. While this has restricted the number of shows and volunteer participants, the performances remain highly motivational. To strengthen students' financial literacy, the program has also integrated anti-fraud awareness and financial education, which has resulted in increased volunteer hours despite fewer performances.

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4.2.1 Youth Empowerment

Cathay is committed to driving positive change for the next generation. In collaboration with the government, non-profits, social enterprises, and industry peers, Cathay promotes initiatives such as “flipped classroom,” “sustainability competence,” and “employability” to equip children and youth with the knowledge, mindset, and skills needed for the future. These efforts aim to encourage real-world action in addressing social and environmental challenges, accelerate talent development and transformation, and bridge the gap between education and practical application.

|| Youth x Flipped Classroom

2024 Impact Overview		
Action	Achievements	Impact
<ul style="list-style-type: none">• Sponsored the Teach for Taiwan (TFT)• Sponsored the Formosa 3D Movie Tour• Organized the Community Empowerment Base Program• Organized the Cathay National Children’s Drawing Contest	<ul style="list-style-type: none">• Organized 189 events• Trained 99 impactful teachers to serve in elementary schools with high teacher demand across Taiwan• Reached 158 schools and over 74,000 students; As of the end of 2024, 29 students benefited from financial education courses under the Community Empowerment Base Program.	<p>These initiatives enhanced the learning environment and development opportunities for children, ultimately contributing to improved education quality in Taiwan.</p> <p>For example, in the 9th cohort of the TFT program, students taught by TFT fellows had an overall 70% pass rate in remedial education screening tests. Significant improvement was observed in non-cognitive abilities, particularly in students’ intrinsic motivation.</p>

Note: The report’s data cover all social impact program outcomes, while the stories focus on concrete actions.

• Teach for Taiwan (TFT)

Since 2016, Cathay Charity Group has supported the Teach for Taiwan (TFT) program by recruiting young people with a passion for education, providing them with training, and dispatching them to remote areas to serve as full-time teachers for two years. Working in collaboration with schools and communities, these efforts aim to improve education quality. Cathay actively integrates its group resources to support the TFT program and encourages TFT teachers to apply for the Cathay Dream Come True Program to further assist in the growth and development of students. In 2024, Cathay collaborated with the TFT Feel Festival, inviting students from Zhutian Elementary School in Pingtung to compose and perform a song alongside Golden Melody Award-winning singer 9m88, fostering students’ confidence in the arts. Additionally, Cathay Century promoted the “Accident-Free School Project” through board game-based lessons, dispatching 27 volunteers and training 66 TFT teachers as seed instructors to enhance students’ awareness of safety. To strengthen connections between the corporate and education sectors, Cathay launched a “Talent Exchange Program.” In 2024, three Cathay employees joined TFT, and one TFT alum joined Cathay, demonstrating ongoing efforts to promote educational equity.



I’ve learned how important it is to start with the user’s needs. In the future, when I’m speaking (in a corporate setting), I’ll pay more attention to whether the audience really needs the information, whether they’ve learned anything, and how to adapt.

” Lin Wei-Wen (7th TFT cohort alum; formerly worked in CUB Education Development Department; joined the TFT program through the Cathay x TFT Talent Exchange Program)

• Formosa 3D Movie Tour

Since 2022, Cathay FHC has actively participated in the Formosa 3D Mobile Cinema Island Tour Project initiated by the Digital New Media 3D Association. Through a 3D mobile cinema tour, the project brings Taiwan’s diverse ocean landscapes, cultural heritage, and life stories to rural areas. By harnessing the power of visual storytelling, the initiative helps bridge the digital divide in remote communities. Cathay also mobilizes its employees as volunteers to accompany children in exploring diverse topics, broadening their horizons, and inspiring a passion for protecting Taiwan’s land and oceans. In response to the growing issue of drug abuse on school campuses, Cathay FHC has also included a special segment in each tour – the Forest Classroom, featuring anti-drug educational films and an anti-drug exercise routine. By blending education with entertainment, the program deepens children’s understanding of the dangers of drugs, strengthens anti-drug awareness, and safeguards the health and safety of the next generation.



Through the “Formosa 3D Mobile Cinema Tour,” we were able to witness the beauty of Taiwan – not just the scenic landscapes, but also the spirit of craftsmanship. With a dedicated team of directors and filmmakers, these thoughtfully produced films travel to remote areas aboard the 3D mobile cinema truck. Seeing the children put on their 3D glasses, responding with excitement, wonder, and laughter, it brought happiness to the children and a long-lost emotional connection for myself.

” Cathay volunteer

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• Cathay National Children's Drawing Contest

To promote art education, Cathay FHC and its subsidiaries organize the Cathay National Children's Drawing Contest, the largest and longest-running children's art competition in Taiwan, now in its 49th year. In recent years, the contest has received more than 50,000 entries annually. In 2024, the theme was aligned with one of Cathay's three focus areas of sustainability – health – under the title "I Love a Healthy Life". The theme symbolizes overcoming the pandemic and embracing wellness, inviting elementary and kindergarten students to illustrate their visions of a happy and healthy future. In addition, the 2024 event was expanded to include two outdoor sketching events and an award ceremony. In cooperation with the Criminal Investigation Bureau, 120 Cathay volunteers were mobilized to promote anti-drug and anti-fraud awareness, attracting over 6,000 participants to jointly promote artistic expression and healthy living.

|| Youth x Sustainability

Impact Overview		
Action	Achievements	Impact
• Organized the Taiwan Climate Action Expo (TWCAE) and Cathay Climate Change Youth Forum	• More than 20 attendances by senior executives, taking on roles as speakers and judges	Impact Investment Campus Roadshow
• Sponsored the Taiwan Can – Sustainable Energy Creative Competition	• 73 climate-related creative proposals were collected	• 87% of youth are willing to take action and practice impact investing
• Sponsored the Lead For Taiwan – Promoting Critical Thinking	• Critical thinking education trained 99 university student instructors and in-system teachers	Lead For Taiwan – Promoting Critical Thinking
• Sponsored the ZA Share International Education Innovation Expo	• More than 100,000 students, parents, teachers, and the general public reached	• 64% of students said they were better able to articulate ideas in a structured way after the event
• Sponsored the Impact Investment Campus Roadshow		• 77% reported improved ability to analyze problems
		• 65% said they became more motivated to champion social issues

• Taiwan Climate Action Expo (TWCAE) and Cathay Climate Change Youth Forum

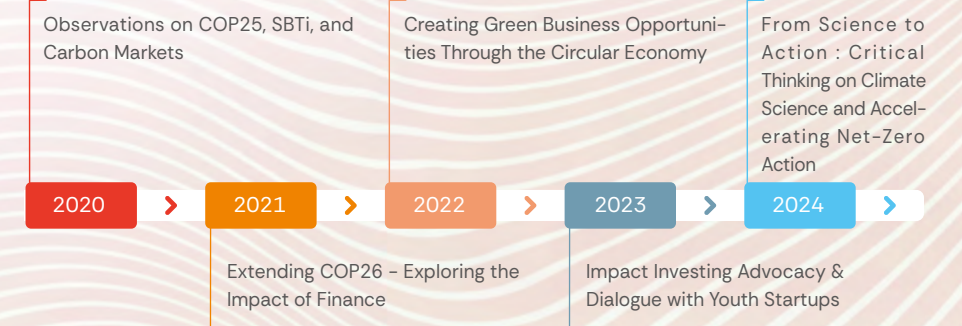
Climate and environmental issues are core values that today's youth care deeply about. Since 2020, Cathay has hosted the Cathay Climate Change Youth Forum for five consecutive years to help young people think critically and explore a wide range of possible climate actions. The forum provides a platform for climate dialogue between youth and various stakeholders. It was also held in collaboration with the Ministry of Education's Climate Change Innovation Competition, which aims to provide practical experience and resources to help turn youth creativity into action.

To amplify its impact and drive climate action, Cathay has co-organized the Taiwan Climate Action Expo (TWCAE) with the International Climate Development Institute (ICDI) since 2022. The Cathay Climate Change Youth Forum has also been integrated into the Expo, enhancing the diversity and inclusiveness of the event. During the Expo, Cathay also hosted the Cathay ESG Insights exhibition to share sustainable finance trends. In addition, Cathay partnered with Lead for Taiwan (LFT) to hold a Youth Climate Action Salon, where young speakers lead peers in independent reflection on the meaning of climate action.

In 2024, the 5th Cathay Climate Change Youth Forum adopted the theme, "From Science to Action: Critical Thinking on Climate Science and Accelerating Net-Zero Action." This year's forum focused on strengthening youth critical thinking and building climate science literacy. The Science Media Center Taiwan was invited to share the latest developments in climate science to encourage science-based approaches to climate action.



Annual Themes of the Cathay Climate Change Youth Forum



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• Lead for Taiwan International Critical Thinking Education Forum and 2024 International Education Innovation Expo

In partnership with Lead for Taiwan (LFT) since 2022, Cathay FHC has supported efforts to promote widespread critical thinking education. Through a six-month instructor training program, university students conduct case studies on sustainability issues and learn critical thinking teaching methods. Upon completion, they become instructors who teach critical thinking courses in high schools. This initiative helps both college student instructors and high school students develop independent thinking and problem-solving skills.

Cathay FHC actively promotes innovative education in areas such as sustainability and critical thinking. In 2024, it partnered with LFT to host Taiwan's first international forum on critical thinking education, titled "Light Up Critical Thinking Generation". The event brought together 28 speakers from 6 countries who explored the definition of critical thinking, case studies, and the role of critical thinking in the age of AI. The forum also expanded to topics of financial literacy and critical thinking, featuring insights from Cathay FHC CIO Sophia Cheng, Executive Vice President Selina Weng, and Dean Fang Yuan-yi of the College of Sustainability and Innovation at Chinese Culture University, who analyzed how critical thinking shapes cross-generational talent from a financial perspective. Cathay also participated in the 2024 International Education Innovation Expo, organized by Za Share, which explored topics such as sustainable education and innovation in education technology. These activities aim to encourage young people to stay curious, keep asking questions and seek fundamental answers through inquiry.



- The brainstorming sessions with the students allow different voices to be heard; we can work outside the traditional classroom setting, hear a variety of voices, and see new possibilities.
- Participating in the LFT Instructor Training Program allows me to engage with society earlier, where I can gain further insight into the multi-dimensionality of a variety of issues. I hope more people can join LFT to explore their self-worth through change.

” Instructor from the 7th training camp

• Impact Investment Campus Roadshow

Cathay FHC, in collaboration with the Taiwan Impact Investment Association (TIIA), organized the Cathay FHC—Impact Investment Campus Roadshow. In 2024, the roadshow visited six universities across northern, central, and southern Taiwan. Senior executives from Cathay's subsidiaries went on campus to share insights centered on Impact Investment and SDGs implementations. They discussed trends, tools, and real-life cases of impact investing, while also sharing their perspectives on sustainability, financial practices, and career experiences. The initiative aimed to enhance students' sustainability mindset and workplace readiness.



- Cathay FHC provided insights to help us better understand business models and financial investments.
- I learned how to bring capital into sustainable initiatives with social values and how to care for such issues. It also allowed me to see and hear other perspectives from the frontline.

” Participant

|| Youth x Employability

Impact Overview		
Action	Achievements	Impact
<ul style="list-style-type: none"> • Sponsored the High School Financial Literacy Courses • Sponsored the Unity Good Corporate Sustainability MA project • Sponsored the Dentsulso-bar's The Code, Rise Up Tai-wan • Organized the CIP / CAP / CSP Internship Program • Organized the Programming language class (Cathay IT Talent Incubation Program) • Organized the Financial Empowerment Internship Program 	<ul style="list-style-type: none"> • Organized/participated in a series of courses across five major areas: career exploration, programming, financial literacy, sustainability knowledge, and financial practice. • Mobilized 30 employee volunteers and instructors • Empowered more than 130,000 high schoolers, college students, and young adults, 84 of whom joined Cathay 	<ul style="list-style-type: none"> • Through structured project-based learning, youth developed essential workplace capabilities and skills, and many went on to contribute their strengths in related professional roles.

Note: The report's data cover all social impact program outcomes, while the stories focus on concrete actions.

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• High School Financial Literacy Courses

To promote inclusive finance and enhance financial literacy education among high school students, Cathay collaborated with the Taiwan Financial Literacy Education Association (TFLA), the Taipei City Department of Education, and local high schools in Taipei to launch the High School Financial Literacy Mini Courses. Executives and employees from Cathay FHC, Cathay Life, and Cathay SITE served as instructors, delivering courses at various high schools in Taipei. The curriculum covers topics such as industry knowledge and career preparation, integrating themes such as fraud prevention, AI, sustainable finance, and impact investing into the lessons. This approach broadens the scope and practical value of the curriculum, helping students gain early insight into the financial industry and inspiring them to explore potential career paths.



- Every high schooler should take this course once.
- A big thanks to the instructors for enhancing my financial literacy.
- The course helps me better understand the financial industry and steer my future career pathway

” Participant feedback

• Future Sustainability Talent – Corporate Sustainability MA Project and Dentsu Isobar’s The Code, Rise Up Taiwan

To enhance sustainability awareness among younger generations and bridge the gap between academia and industry in terms of concepts and capabilities. In 2024, Cathay FHC sponsored the “Corporate Sustainability MA Program” organized by Unity Sustainability Services. Cathay FHC also sponsored Dentsu Isobar’s “The Code, Rise Up Taiwan.” Both programs aim to cultivate future sustainability talent. As part of the Corporate Sustainability MA Program, Cathay recruited 44 university students from 30 departments across 19 universities in Taiwan, spanning fields such as business, humanities, environmental studies, and science and engineering. Over the course of an eight-week sustainability curriculum, all participants earned a Youth Sustainability Planner certification. The program was further supported by mentorship from industry professionals, hands-on practice, aptitude testing, and internships to nurture cross-disciplinary talent with sustainability expertise. In parallel, Cathay and its subsidiaries participated in Dentsu Isobar’s The Code, Rise Up Taiwan proposal competition, mentoring students in initiatives aligned with Cathay’s core sustainability goals—fostering sustainability capabilities among youth.

- The exchange with the different instructors is extremely helpful for the proposal; the process is intense but structured, and I was able to learn a lot.
- Discussions with different instructors help me identify different perspectives from varying roles, which helps me improve my proposal.

” The Code, Rise Up Taiwan brand workshop participant

• Programming Language Class

As digital transformation reshapes financial services, talent development is shifting toward in-depth cultivation and long-term investment. In response, the group and its subsidiaries have jointly launched a Java talent development program to recruit and train individuals without an IT-related academic background. Through a 15-week professional training course covering foundational topics such as JavaScript, HTML, and SQL, as well as advanced technologies like Spring Boot and Angular, the program lowers the barrier for non-technical talent to transition into the IT field. High-performing participants are offered formal employment to inject new energy into the group’s IT workforce.

I was able to quickly build foundational knowledge in SQL, front-end (Java/Spring Boot), and back-end (JS/Angular) in a short period of time. In the later stages of the program, we worked on a hands-on project that integrated everything we had learned earlier, even extending into self-directed learning. Being able to turn my personal ideas and creativity into something tangible through programming was incredibly rewarding. That moment of successful completion was truly a great sense of achievement. I believe this was the phase where I grew the fastest throughout the entire program. I feel very fortunate to have had the opportunity to participate in this program and successfully join Cathay!

” Programming language class participant

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4.2.2 Women Empowerment

Cathay is committed to empowering women through various initiatives, encouraging their active participation in society, breaking gender stereotypes and realizing their potential in leadership roles to broaden their impact. The goal is to empower every woman to be confident and independent in both work and life, achieving self-fulfillment while contributing to the creation of a diverse, just and inclusive society.

Impact Overview		
Action	Achievements	Impact
<ul style="list-style-type: none">• Cathay Securities supports female entrepreneurs and their products and services.• Supporting Women's Basketball and Table Tennis• Supporting the Academy for Women Entrepreneurs (AWE) Mentorship• Sponsored the Women in Science & Technology Convention (WiST)	<ul style="list-style-type: none">• Reached 21 female athletes• Reached 83 female athletes• Sponsored the Women in Science & Technology Convention (WiST), benefiting 215 participants	Empower women entrepreneurs by strengthening financial knowledge and expanding business opportunities

Note: The report's data cover all social impact program outcomes, while the stories focus on concrete actions.

• Academy for Women Entrepreneurs (AWE) program

Cathay participated in the Academy for Women Entrepreneurs (AWE) program launched by the American Institute in Taiwan (AIT) and the Small and Medium Enterprise and Startup Administration (SMESA) of the Ministry of Economic Affairs. The program focuses on women entrepreneurs with businesses established for less than five years and with fewer than ten employees. It provides business management tools and training covering general business skills, marketing strategies, finance, and business planning to help Taiwanese women entrepreneurs in emerging markets broaden their international perspectives.

In 2024, Cathay FHC's Chief Investment Officer, Sophia Cheng served as a trainer and mentor for the accelerator training program, guiding women entrepreneurs in applying financial tools and knowledge to enhance business opportunities and strengthen their competitiveness. To further support the development of women entrepreneurs in Taiwan, AWE held a "Demo Day and Pitch Competition," where participants presented their accelerator training results through full English presentations. The event invited domestic and international venture capitalists, angel investors, accelerator mentors, and outstanding alumni to engage in networking and guidance, creating more investment and collaboration. Hu Chuan-Yen, also served as a judge in the competition, offering expert advice to support the growth of outstanding women entrepreneurs. Moving forward, Cathay FHC will continue to invest in building a strong ecosystem for women entrepreneurship in Taiwan, fostering greater innovation and growth.



• Supporting Women's Table Tennis/Basketball

Cathay Life has long been committed to supporting women's basketball and table tennis, upholding the values of diversity, equality, and inclusion. The company is dedicated to creating a professional and supportive environment where female athletes can thrive. The Cathay Life Tigers won an impressive 31 consecutive titles in the Women's Super Basketball League (WSBL) and finished as runners-up in the inaugural Women's Basketball League Asia (WBLA). On the other hand, members of the Cathay Women's Table Tennis Team Chen Szu-Yu and Chien Tung-Chuan proudly represented Taiwan at the 2024 Paris Olympics, gaining international recognition for their perseverance and determination. Looking ahead, Cathay will continue to strengthen its athlete development programs and support female athletes in achieving greater success.



• Women in Science & Technology Convention (WiST)

Cathay Financial Holdings has long been committed to supporting women in the technology sector. For four consecutive years, the company has participated in the Women in Science and Technology Convention (WiST), organized by the Society of Taiwan Women in Science and Technology, to advocate for greater diversity and inclusion in STEM fields. Cathay also actively promotes the development of female leadership and the creation of a fair and inclusive workplace. In 2024, Sophia Cheng, CIO of Cathay FHC, served as a speaker and presented on How to Balance Work, Home, and Charity, sharing insights on how women can navigate and balance multiple roles. The event reached a total of 215 female STEM professionals and scholars, with the hope of inspiring more female leaders to make an impact and excel in their respective professional fields.



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4.2.3 Supporting the Underprivileged

Cathay focuses on two core themes – “self-affirmation” and “social engagement” to address societal needs by integrating the group’s volunteer network and diverse resources. The company supports groups affected by educational inequality, lack of elderly care and companionship, economic disadvantage, and unfair treatment. Cathay aims to help individuals from different backgrounds build self-confidence, develop practical skills, and realize their potential to improve their quality of life.

|| Self-Affirmation

Impact Overview		
Action	Achievements	Impact
<ul style="list-style-type: none">Organized the Cathay Dream Come True ProgramOrganized the Cathay Youth Excellence ScholarshipOrganized the Financially Underprivileged Empowerment ProgramOrganized the Elevated Tree Program – CUB Financial Education	<ul style="list-style-type: none">Awarded NT\$12.94 million for the Cathay Dream Come True Program and the Cathay Youth Excellence ScholarshipHosted 67 events with the participation of 155 employee volunteersReached 2,095 students from 42 (school sessions) schools51 creative proposals collected	<ul style="list-style-type: none">Leverage Cathay’s resources to continuously strive to improve learning environments and educational resources to ensure that all young people receive an equal and quality educationIn 2024, the Elevated Tree Program’s financial education initiative, Tutor CUB, received an average rating of 4.8 out of 5 for improving participating students’ understanding of financial literacy.

Note: The report’s data cover all social impact program outcomes, while the stories focus on concrete actions.

• Cathay Youth Excellence Scholarship

The Cathay Charity Group has been providing scholarships to students from low-income families since 1980. In 2016, in response to social trends, the program was transformed into the Cathay Youth Excellence Scholarship, reflecting the company’s commitment to empowering young people. The goal is to become a strong support system for young people to overcome life’s challenges, make a difference, and address social and environmental issues. The Cathay Youth Excellence Scholarship offers three categories. The Distinctive Award supports students who propose ESG-related public welfare projects or research with an altruistic spirit and potential for positive social impact. The Outstanding Students Award supports high school students from financially disadvantaged backgrounds who demonstrate exceptional academic performance. The Documentary Excellence Award encourages 2024 award recipients to document and share their inspiring journeys toward achieving their dreams.



Thank you to Cathay for the recognition. Through the Youth Excellence Scholarship, our team’s vision has gained broader visibility. By giving discarded and broken appliances a second life, we can promote the sustainable concept of shifting from “broken = throw away” to “broken = repair.” This helps reduce non-recyclable waste and contributes to creating a greener world.

” Award recipient from National Tsing Hua University – Fix and Chat

• Cathay Dream Come True Program

Cathay Charity Foundation is deeply committed to children’s education and has promoted the Cathay Dream Come True Program for 11 consecutive years. The program encourages children to actively pursue their dreams and grow through action. It provides resources and support to help students develop self-directed learning, problem-solving abilities, and resilience through project proposals, planning, and implementation. The program adopts a proposal-based model, offering one-year funding to elementary schools in remote/non-rural schools that lack educational resources, or schools with high concentrations of underprivileged students. Depending on the proposal, schools can receive up to NT\$200,000 in support to help students realize their dreams through concrete actions. Additionally, the Cathay Dream Come True Documentary Award encourages teachers to document their students’ journey in pursuing dreams. These videos showcase their efforts and breakthroughs, inspiring more children to take on challenges with confidence and a sense of accomplishment.



Persistence doesn’t guarantee success, but brings steady improvement!

” Participant from Shuiwei Elementary School, Changjua County

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• Inclusive Society Co-Prosperity Program

To ensure that underserved populations have access to quality financial education, Cathay Securities launched the “Inclusive Society Co-Prosperity Program” in 2023, with Nanzhuang Township in Miaoli County as a pilot site. Following positive feedback and results, the initiative expanded in 2024 with the “Financial Education Together GO” campaign, delivering financial literacy and anti-fraud awareness programs to indigenous elders, senior citizens, and youth across remote communities and university campuses.

Building on its ongoing support for the Pitilidan no Salinpo Elementary School soccer team in Taitung since 2020, Cathay once again sponsored graduating students in 2024 to join the “Graduation! Take Your Textbooks on a Trip” experiential learning program. In addition to hands-on learning that connects classroom knowledge with real-world experiences, students received training on financial literacy, fraud prevention, and a one-day customer service roleplay experience. In 2024, Cathay Securities held 40 financial education sessions and one experiential learning activity, reaching a total of 1,218 participants.

• Elevated Tree Program – CUB Financial Education

In many remote areas, many children are being raised by grandparents due to parents working long hours away from home. This often results in a lack of financial literacy, which affects children’s future financial management skills. To help children in rural communities develop financial literacy from an early age, CUB mobilized employees to apply their professional skills and engage through its volunteer system to support financial education for rural elementary school students. Since 2021, the bank has pioneered online livestream financial education programs, overcoming time and geographic barriers to provide remote education each year. In 2024, CUB held a Sustainable Finance Exploration Camp and invited students from Daxi Elementary School in Taitung, one of the schools supported by the Elevated Tree Program, to travel north to participate. The program combined fun financial lessons with interactive anti-fraud games, making financial education more engaging and relatable. As of the end of 2024, 258 students benefited from financial education courses under the Tutor CUB Financial Education.



|| Social Engagement

Impact Overview		
Action	Achievements	Impact
• Established the Cathay Happy Farm	• 5 accessible Happy Farms established	Encouragement of participation in social engagement by older adults and people with disabilities
• Promoted the Fun Club	• 200 staff members volunteered	
• Sponsored the Mixed Disabled Arts Group	• 2,100 older adults and the underprivileged reached	
• Organized the Cathaysec Dream Works Dream Come True Program		

Note: The report’s data cover all social impact program outcomes, while the stories focus on concrete actions.

• Cathay Happy Farm

In response to the challenges of an aging population and the gap between urban and rural resources, the Cathay Charity Foundation launched the Happy Farm initiative. The program has established interactive farm spaces in New Taipei, Hualien, Taitung, Chiayi and Changhua, encouraging older adults to maintain their physical and mental well-being through agricultural activities. The program also fosters stronger community ties by providing fresh produce for school lunches and supporting local social welfare organizations and schools. In collaboration with the Wenzhi Community in Chiayi, the initiative also engages seniors in growing black soybeans and producing soy sauce. By aligning with local industry development, the project enhances productivity and promotes intergenerational interaction, enabling older adults to continue contributing within familiar environments, thereby fostering an inclusive and mutually supportive society.



• Fun Club Audiobook Recommendations

Cathay SITE’s employee-initiated volunteer group, the “Fun Club,” partnered with the Taiwan Digital Talking Book Association to promote digital accessibility. In this initiative, Cathay employees volunteered to format and proofread digital audiobooks. In 2024, a total of five proofreading sessions were held, engaging 100 employee volunteers who collectively contributed 400 hours of service.

• Mixed Disabled Arts Group

The Cathay Charity Foundation supports the Mixed Disabled Arts Group in bringing public performances to juvenile correctional facilities and junior and senior high schools across Taiwan. Through their performances, the group shares powerful stories of perseverance while providing a platform for individuals with disabilities to showcase their talents. In 2024, the foundation partnered with the group to visit campuses and communities, including Ming Yang High School in Kaohsiung, Neipu Junior High School in Pingtung, Shihkuang Senior High School in Nantou, Yuli High School in Hualien, Nan’ao High School in Yilan, Fangliao High School in Pingtung, and National Chengchi University in Taipei. These artistic initiatives aim to inspire the younger generation to face challenges with courage and to promote the values of diversity and inclusion.

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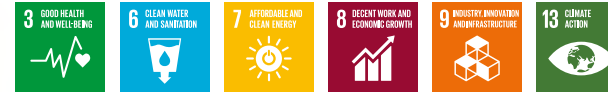
5.1 Sustainable Finance Management Framework

5.2 Responsible Investment/Lending

5.3 Stewardship and Engagement

5.4 Sustainable Insurance

5.5 Highlights in Sustainable Finance Performance



According to PwC's Global Investor Survey 2024, climate change and adaptation have become a top priority for investors, with 71% of investors believing that companies should integrate ESG and sustainability principles into their operational strategies. For Taiwan's financial industry, PwC believes that "green" will remain a key theme with strong development prospects in 2024. Financial institutions play a critical role in guiding companies toward green transformation through investment and financing, helping to drive society's overall progress toward net-zero emissions.

Therefore, in addition to continuously strengthening its ESG risk management mechanisms, Cathay actively promotes sustainability-related investment and financing, as well as impact investing, to amplify its positive impact. The company also adopts active ownership practices, such as engagement and proxy voting, to deepen corporate awareness of ESG risks and support sustainable business transformation. In 2024, Cathay FHC also joined the Asian Venture Philanthropy Network (AVPN) and the Global Impact Investing Network (GIIN) to enhance international collaboration and drive impact investing initiatives, working with stakeholders to promote sustainable development for the environment and society.



Patent Technologies for Sustainable Investment Management

Cathay SITE has developed three patented technologies, including a carbon pricing risk scenario analysis, an eight-step engagement process management tool, and a sustainability data integration and search system, to comprehensively enhance the efficiency of sustainable investment decision-making and the effectiveness of corporate engagement.



TWSIA Grand Slam

Cathay FHC demonstrated the strength of its group-wide commitment to sustainability by achieving a grand slam at the Taiwan Sustainable Investment Awards (TWSIA), winning five Institutional Impact Awards and three Gold Awards for the Impactful Case Study Award.



Better Institutional Investor Stewardship Disclosure List

Four of Cathay's key subsidiaries – Cathay Life, CUB, Cathay Century and Cathay Securities – were named to the Taiwan Stock Exchange's Better Institutional Investor Stewardship Disclosure 2024 List. Among them, Cathay Life stands out as the only company in Taiwan to receive this honor five times.

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5.1 Sustainable Finance Management Framework

To fully implement responsible investment and lending practices, Cathay FHC has adopted a governance-driven approach by establishing dedicated professional teams and continuously strengthening decision-making capabilities through training. This ensures that ESG principles are effectively integrated into business operations. Guided by policies and standards, designated personnel are responsible for overseeing implementation to ensure the successful execution of responsible investment and lending. In addition to Cathay FHC’s overarching sustainable finance policies and guidelines, each subsidiary has developed its own internal management policies, procedures and codes of conduct. Together, these provide a comprehensive framework for responsible investment and lending.

5.1.1 Structure and Oversight

Cathay Financial Holdings has established a Responsible Investment Working Group, operating under the ESG Strategy Committee (formerly the Corporate Sustainability Committee). The working group is led by the Chief Investment Officer of Cathay FHC and includes senior executives responsible for investment and lending from five key subsidiaries—comprising a total of five members. Since 2022, the Investment Stewardship Team has served as the coordinating body for execution, staffed by three dedicated members. At the subsidiary level, each company’s president leads its respective Corporate Sustainability Committee or CS Team, with its own Responsible Investment Working Group. A total of 12 dedicated members are jointly responsible for ensuring the effective implementation of responsible investment and lending practices.

• Strengthen ESG Expertise

To enhance the sustainability knowledge and expertise of its teams, the group provides a range of training programs, seminars, and lectures. These include initiatives such as the corporate sustainability (cs) quarterly meeting, courses on sustainable finance and climate risk management, climate risk analysis, practical ESG risk management, and MSCI ESG training. These efforts support investment teams in making more comprehensive ESG investing and lending policies. In 2024, employees from Cathay Life, Cathay United Bank(CUB), Cathay SITE, Cathay Century, and Cathay Securities each received an average of 3 hours of ESG training.

5.1.2 Responsible Investment/Lending Guidelines

In addition to following the sustainable finance policies and guidelines set by Cathay FHC, each subsidiary also adheres to its own internally established management policies, procedures, and codes of conduct related to responsible investment and lending. Relevant performance and outcomes are disclosed regularly through sustainability reports and stewardship reports.

Company	Internal Policy or Management Guidelines	Disclosure	
Cathay FHC	<ul style="list-style-type: none"> Responsible Investment and Lending Policy Investment and Lending Exclusion Policy Engagement Policy ESG and Climate Risk Management Guidelines Management Regulations for Industry Risks Management Guidelines for Coal and Unconventional Oil & Natural Gas Industries Management Guidelines for Industries Impacting Biodiversity 	<ul style="list-style-type: none"> Sustainability Report Climate and Natural Report 	
Cathay Life	<ul style="list-style-type: none"> Cathay life Investment Management Procedures Cathay life Investment Policy Cathay life Responsible Lending Policy Cathay life Real Estate Responsible Investment and Management Policy 	<ul style="list-style-type: none"> Sustainability Report Responsible Investment and Stewardship Report Engagement Report Voting results disclosure 	
Cathay SITE	<ul style="list-style-type: none"> ESG Investment and Risk Management Policy Corporate Sustainability Principles ESG Investment and Risk Management Overview 	<ul style="list-style-type: none"> Sustainability Report Investment Stewardship Report 	
Cathay United Bank (CUB)	<ul style="list-style-type: none"> Guidelines Governing ESG and Climate Risk Management Equator Principles Implementation Guidelines Environmental, Social and Governance (ESG) Rules for Financial Trading 	<ul style="list-style-type: none"> Sustainability Report Climate and Natural Report Investment Stewardship Report 	<ul style="list-style-type: none"> Shareholders’ meeting voting results disclosure Engagement Report
Cathay Century	<ul style="list-style-type: none"> Cathay Century Insurance’s Investment Policy Cathay Century Insurance ESG and Climate Risks Management Principles 	<ul style="list-style-type: none"> Sustainability Report Climate-related Financial Disclosures Investment Stewardship Report 	<ul style="list-style-type: none"> Engagement Report Voting results disclosure
Cathay Securities	<ul style="list-style-type: none"> Responsible Investment and Engagement Policy Regulations Standards ESG and Climate Risk Management Guidelines ESG and Climate Risk Management Guidelines ESG and Climate Investment Risk Management Regulations 	<ul style="list-style-type: none"> Sustainability Report Climate and Natural Risk Management Report Investment Stewardship Report 	

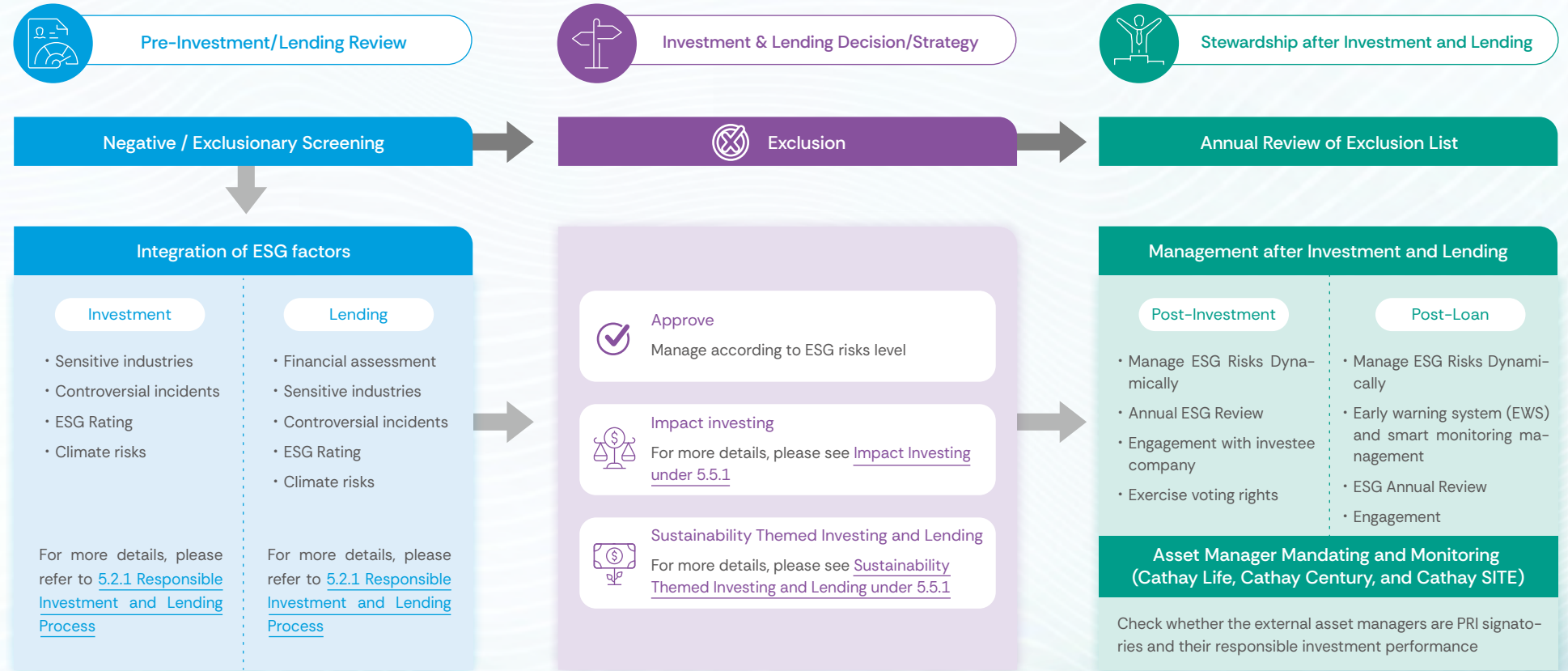
Note: In addition to the subsidiaries listed above, Cathay Venture also adheres to the Responsible Investment and Engagement Regulations.

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• Responsible Investment and Lending Framework

Cathay's sustainable investment and financing practices follow the definition set by the Global Sustainable Investment Alliance (GSIA). The company has established the "Cathay Financial Holdings and Subsidiaries Responsible Investment and Lending Policy," which covers both investment and lending activities. Lending primarily focuses on corporate financing, while investments mainly involve listed/OTC-traded stocks and bond investment. The policy also applies to the majority of active investment and passive investment strategies, and externally managed investment.



Note1: Follows the dark gray arrow if the investment/lending target is on the exclusion list.

Note2: Follows the light gray arrow if the investment/lending target is not on the exclusion list.

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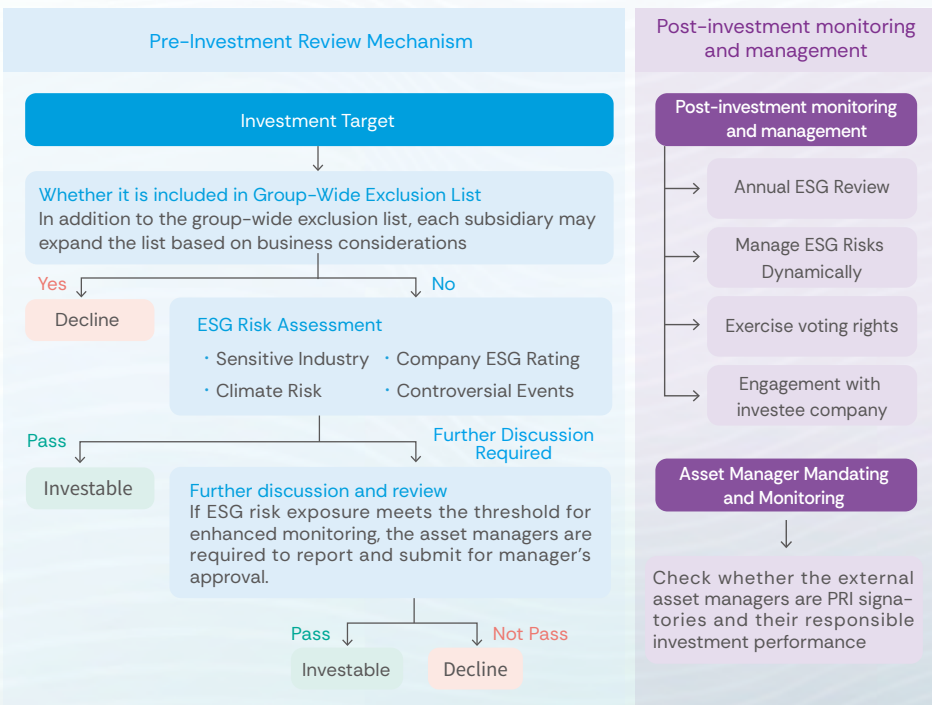
5.2 Responsible Investment/Lending

Cathay adheres to the UN Principles for Responsible Investment (PRI) and the Principles for Responsible Banking (PRB), and is a signatory to the Equator Principles (EPs). By establishing a comprehensive framework for responsible investment and lending, Cathay aims to generate stable and positive impacts on society. Please refer to [Cathay FHC website PRI/PRB/PSI Implementation Overview](#).

5.2.1 Responsible Investment and Lending Process

• Responsible Investment Process

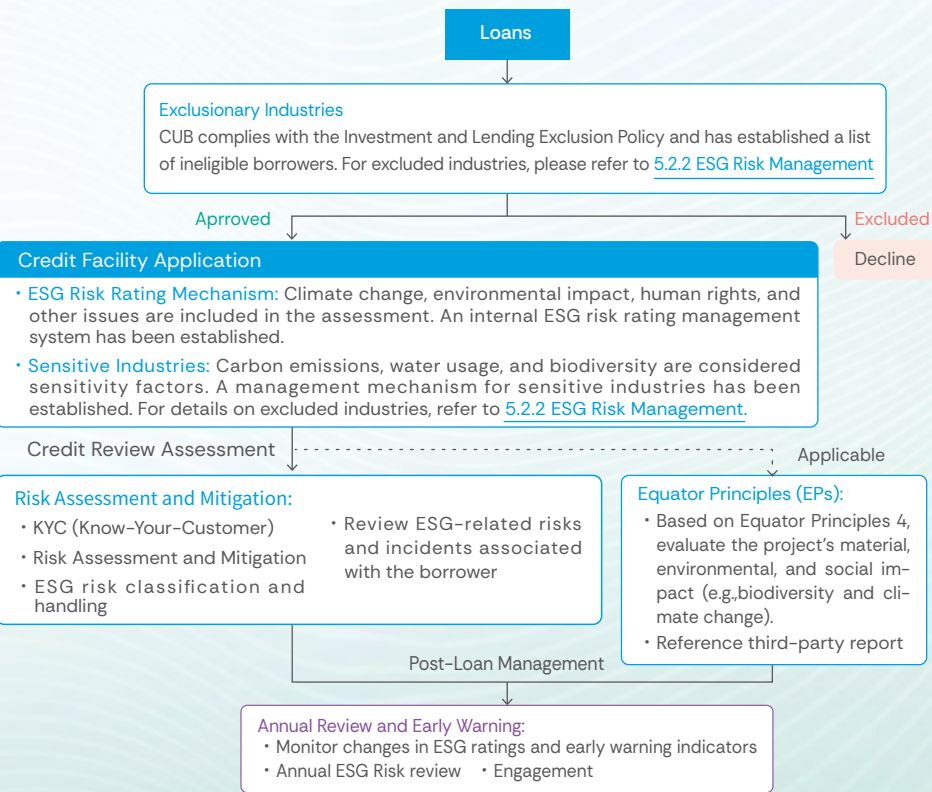
Cathay has established a comprehensive pre-investment review and post-investment monitoring mechanism that integrates ESG factors. Before investing, we assess whether the target is on the group's exclusion list – if it is, we do not proceed with the investment. If it is not excluded, an ESG risk review is conducted. If the target does not pass this review, further discussion and evaluation is required. After investment, Cathay regularly reviews the investment target's annual ESG performance and dynamically manages ESG risks. We also encourage continuous improvement in ESG performance through measures such as proxy voting and engagement with investee companies.



Note: Due to operational differences between subsidiaries, the responsible investment process flowchart is tailored to each subsidiary.

• Responsible Lending Process

CUB is committed to mitigating climate and ESG risks. The bank integrates responsible lending practices into its core business and actively supports the Paris Agreement. Climate risks are integrated into the lending process and aligned with the ESG management framework to strengthen risk management around responsible lending. This strengthens CUB's ability to respond to ESG and climate risks. In addition, CUB became the first bank in Taiwan to adopt the Equator Principles (EPs) in 2015, and in 2018, CUB was the first in Taiwan to announce the voluntary adoption of the UN Principles for Responsible Banking (PRB). In February 2021, CUB became the first bank in Taiwan to have its PRB implementation assured by an independent accounting firm. CUB continues to engage partners across its value chain to jointly promote sustainable environmental and social development.



Note: The flow chart is applicable to the responsible lending activities of CUB.

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Responsible Investment/Lending Approaches and Corresponding Asset Classes

Cathay FHC references the Global Sustainable Investment Alliance (GSIA)'s eight sustainable investment strategies, namely negative/exclusionary screening, positive/best-in-class screening, norms-based screening, ESG integration, sustainability-themed investing, impact/community investing, corporate engagement and shareholder action. These strategies are categorized in the asset mapping table under four main areas: pre-investment review mechanism, ESG management by external managers, post-investment monitoring and management, and creating sustainable value.

Asset Class		Listed Equities	Corporate Bonds	Government Bonds	Real Estate	Lending	Other	Corresponding Page No.
Responsible Investment and Lending Approaches								
Pre-investment review mechanism	Exclusion	●	●	●		●		P.129
	Sensitive industries	●	●			●		P.129,130
	ESG Integration and Risk Review	●	●	●		●		P.130-132
ESG Management by External Managers	Asset Manager Mandating and Monitoring						● (Mandated assets)	P.134
Post-Investment Monitoring and Management	Annual ESG Review	●	●	●		●		P.134
	Engagement	●				●		P.135-139
	Voting	●						P.139-143
Creating Sustainable Value	Sustainability Themed investing and lending	●	●	●	●	●		P.146
	Impact investing		●	●			● (Funds/Private Equity)	P.147,148

Responsible Investment and Lending Scope

Within Cathay's responsible investment and lending asset scope, only assets that cannot be subject to responsible investment or lending practices (e.g. cash) are excluded. In addition, Cathay applies different levels of management to different asset types, taking into account the characteristics of each asset class, using strategies such as exclusion, ESG integration, and sustainability-themed investment to ensure comprehensive oversight.



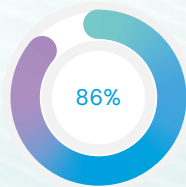
AUM **\$10.3** trillion



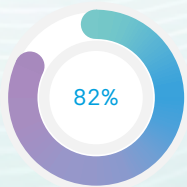
Corporate lending
Under ESG management



Equity and bonds
Screened by exclusion policy
Subject to ESG integration mechanism



Funds & mandated assets^{Note}
Under ESG management



Real Estate
Under ESG management

Note: In 2024, the proportion of ETF assets adopting full replication strategy increased. These are not subject to the exclusion policy or other ESG management mechanisms.

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5.2.2 ESG Risk Management

|| Group-Wide and Subsidiary-Specific Exclusion and Sensitive Industries List

Cathay FHC has established the “Cathay Financial Holdings and Its Subsidiaries Investment and Lending Exclusion Policy” to define exclusion criteria for investment and lending activities. Additionally, the “Cathay Financial Holdings Management Regulations for Industry Risks” further specify thresholds for sensitive industries. In addition, Cathay has implemented a coal divestment policy targeting sensitive sectors that have not demonstrated a proactive transition plan. This policy covers companies involved in “coal industry,” “coal railroad transportation,” “coal ancillary services,” and “coal-fired electricity generation.” Over time, Cathay is also progressively lowering revenue thresholds for coal-related businesses that are subject to a no-new-investment policy. In parallel, Cathay has established investment management guidelines for unconventional oil and gas, encompassing tar sands, and shale oil. For further details on divestment strategies, please refer to the [Climate chapter](#). In addition, subsidiaries are required to comply with the group’s exclusion lists and exposure limits for sensitive sectors. Furthermore, depending on their individual business operations, subsidiaries may expand their own exclusion lists or adopt enhanced due diligence measures for sensitive industries. The Group’s Investment and Lending Exclusion Policy is reviewed annually and adjusted based on the latest available information. In 2024, three companies were removed from the exclusion list after they were found to no longer be involved in controversial activities or weapons manufacturing, while three new companies involved in the production of controversial weapons were added. With respect to controversial countries, one country was added and another was removed from the exclusion list.

• Group-Wide and Subsidiary-Specific Exclusion and Sensitive Industries List

Group-Wide and Subsidiary-Specific Exclusion and Sensitive Industries List

Group Exclusion List for Investment and Lending	
Scope	Controversial weapons, adult entertainment, controversial activities, controversial countries
Applicable Subsidiaries	Cathay Life, CUB, Cathay Century, Cathay SITE, Cathay Securities, Cathay Venture



Group List of Sensitive Industries	
Scope	Mining, fossil fuel power generation and coal-related, oil and natural gas, agriculture/forestry/fishery and animal husbandry, construction materials (including cement), aviation, food and beverage manufacturing, chemical feedstock, fertilizers, nitrogen compounds, plastics/rubber, feedstock, and synthetic fiber manufacturing.
Applicable Subsidiaries	Cathay Life, CUB, Cathay Century, Cathay SITE ^{Note 1} , Cathay Securities, Cathay Venture

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Subsidiary-Specific Expansion of Exclusion and Sensitive Industry Lists

Excluded Industries for Investment/Lending by Subsidiary	
Applicable Subsidiaries	Scope
Cathay Life Designated as part of the exclusion list ^{Note 2}	Gambling, coal-related industries (coal mining, Coal Freight, coal services, Coal Power), Oil & Gas, industrial gases, construction materials, aluminum, steel, airlines, unconventional oil and gas, Agriculture, Food, and Forest Products(Palm Oil/Timber/Beef/Soybean)
Cathay United Bank (CUB)	Human rights violations, mining, coal-fired/nuclear power generation, coal-related sectors (including coal trading, coal rail transport, and coal-derived products), upstream oil and gas extraction, tobacco industry, gambling and betting, tropical rainforest logging, gillnet production and gillnetting, weapons and ammunition.
Cathay Century	Tobacco production, pure gaming, nuclear proliferation, ammunition and land mine manufacturers, tropical rain forest logging.



Sensitive Industries by Subsidiary	
Applicable Subsidiaries	Scope
Cathay Life ^{Note 3} Designated as a part of the watchlist	Gambling industry, coal-related industries (coal-fired power generation, mining, transport, and services), oil and gas, industrial gases, construction materials, aluminum, steel, aviation, unconventional oil and gas, agricultural commodities (palm oil, timber, beef, soy)
Cathay United Bank (CUB)	leather, textile manufacturing, non-metallic mineral product manufacturing, electronics, electronic components, machinery manufacturing, utilities, transportation and warehousing, telecommunications
Cathay Securities ^{Note 4}	Controversial weapons, adult entertainment, controversial activities
Cathay SITE	Uses carbon intensity as a control metric to manage the carbon footprint of investment positions

Note 1: Applicable to proprietary funds managed by Cathay SITE

Note 2: No new investments

Note 3: Cathay Life categorizes sensitive industries based on the degree of negative impact that a company's environmental, social, and ethical risks may pose to society. These are classified into two groups: an exclusion list and a watch list.

Note 4: For industries listed on the watchlist under Cathay FHC's Investment and Lending Exclusion Policy, such as controversial weapons and adult entertainment, investment decisions must comply with the ESG and Climate Investment Risk Management Regulations.

Integration of ESG Factors into Risk Assessment

Cathay comprehensively integrates ESG factors into the investment decision-making process, categorizing ESG factors into ten themes and a total of 33 ESG Key Issues based on the three main ESG dimensions.

Environmental (E)	Social (S)	Governance (G)
Climate Change	Human capital	Corporate governance Corporate Behavior
Natural capital	Product Liability	
Pollution and waste	Stakeholder Opposition	
Environmental opportunities	Social opportunities	



10 themes encompassing 33 key issues

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|| Integration of ESG Factors and Risk Assessment Mechanism/Workflow

To reduce overall portfolio risk, Cathay subsidiaries integrate ESG factors into their investment and financing decision-making processes to identify relevant risks and opportunities, and regularly monitor the ESG performance of investee companies after investment.

Subsidiaries	Subsidiary-Specific Integration of ESG Factors and Risk Assessment Mechanism/Workflow	
Cathay Life	<p>ESG integration in investment decisions: Established “ESG Risk Review Procedures” and assesses the ESG performance of investee companies when investing in equities and bonds. Uses a “comply or explain” mechanism with internal reporting and discussion.</p> <ul style="list-style-type: none"> • Exclusion of controversial investment targets • Careful evaluation of ESG performance of investment targets 	
Cathay SITE	<p>Establish an ESG database within the investment management system to help investment managers and researchers analyze and identify risks and opportunities and adjust investment strategy accordingly. Cathay SITE prohibits investments in companies involved in major controversies. Companies with relatively lower levels of controversy are placed on a high-priority watch list. Additionally, a dedicated ESG high-priority watchlist has been created for Cathay SITE. This list includes companies with low ESG ratings, companies involved in controversial incidents, companies with high carbon emissions, companies operating in coal-related industries, and companies with weak corporate governance. An ESG assessment report detailing the investment rationale and transition plans must be completed prior to investing in targets on this ESG high watchlist, and the investment must be approved following an internal review.</p>	
Cathay Securities	Pre-investment ESG Risk Assessment	<p>Cathay Securities conducts pre-investment ESG risk assessments in accordance with the group-wide “Investment and Lending Exclusion Policy” and its own “Responsible Investment and Engagement Policy Operating Procedures.” Investments in countries with significant controversy or in industries with high environmental, social, or ethical risks are placed on an exclusion list.</p> <p>An ESG assessment is required for expected long-term investments (held over one year) in industries on the Sensitive Industry List under Cathay Securities’ “Management Regulations for Industry Risks.” The target company must have at least one ESG score above a specified benchmark from either internal or external ratings, otherwise the investment position will be reduced, limited or prohibited. If it does not meet the benchmark, but the investment is still deemed necessary, an ESG and climate risk assessment report must be submitted explaining the rationale and mitigation actions.</p>
	Post-investment ESG Risk Management	<p>An ESG and climate risk assessment results must be submitted. For unsettled positions not meeting internal and external ESG rating thresholds, business units are required to review the climate exposure of these holdings semiannually. They must report exposure levels and describe any risk mitigation, control, or offsetting strategies in the following month. These reviews are approved by department heads and forwarded to the Risk Management Department, under the oversight of the Risk Management Committee.</p>
	ESG Rating Benchmark	<p>The ESG rating benchmark includes, but is not limited to, ratings or scores from institutions such as Bloomberg, S&P, or the Science Based Targets initiative (SBTi), with data sourced from Bloomberg’s database. Due to differences in rating methodologies and target coverage, companies ranked above the 20th–25th percentile are used as the baseline.</p>

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Subsidiaries		Subsidiary-Specific Integration of ESG Factors and Risk Assessment Mechanism/Workflow
Cathay United Bank (CUB)	Investment Evaluation Principles	<p>Incorporates exclusion lists, ESG performance, climate risks, sustainable-themed investments, and sustainable economic activities into investment assessment</p> <ul style="list-style-type: none">• Exclusion: defined as the exclusion of prohibited countries, industries, and companies.• Conduct additional ESG risk assessment if ESG rating is poor ^{Note 1}.• For targets in sensitive industries, due diligence includes reviewing climate risk and biodiversity factors, such as carbon disclosure, decarbonization strategies and targets, projected warming scenarios, water footprint, water management policies, and biodiversity policy, etc• Identify sustainable investment themes and evaluate sustainable economic activities before investing.
	Ongoing Monitoring of ESG Performance	<p>Regular monitoring of investee company's ESG performance, climate risk, sensitive sector exposure, analysis of sustainable investment themes, and sustainable economic activities.</p>
Cathay Century	Pre-investment evaluation—Verifies whether target is on an exclusion list	<p>Check whether the target company is on the exclusion list and only invest after reviewing its ESG risk profile.</p> <ul style="list-style-type: none">• Verify if it's listed on the group-wide exclusion list• Verify if it's listed on Cathay Century's list of sensitive industries• Exclude coal-related sectors (coal-fired power, coal mining, coal railway transportation, and coal ancillary services)• Cathay Century ESG risk assessment form
	Post-Investment Monitoring	<p>Regularly monitor investee companies' MSCI ESG Ratings and associated controversies.</p>

Note 1: For corporate lending, ESG risk assessments are conducted using a tiered ESG risk classification system. Borrowers must submit an ESG risk management plan that includes information on carbon emissions, emission reduction targets and strategies, and water management policies, among other things. These measures help Cathay evaluate the effectiveness of risk mitigation efforts.

Investment and Financing Human Rights Risk Assessment

Cathay FHC refers to the "United Nations Global Compact", the "United Nations Guiding Principles on Business and Human Rights", and the International Labor Organization's (ILO) labor standards to assess whether its investees violate international human rights standards. In addition, Cathay assesses whether investees are involved in human rights-related controversies, including but not limited to human rights concerns, negative impacts on local communities, or labor-related issues, to determine the human rights risk of investment targets.

In 2024, 83% of Cathay's investment portfolio underwent human rights due diligence, with 0.2% of assessed investments identified as having human rights risks. For those cases, Cathay implemented mitigation measures per its risk identification protocol, including, but not limited to, engagement and the issuance of ESG risk assessment reports. As a result, 100% of investment positions identified as having human rights risks were covered by mitigation actions.

In terms of lending, CUB conducted in human rights due diligence for 90% of 2024 lending. Key risk factors reviewed included labor relations, occupational safety, forced or voluntary work suspension. Clients involved in relevant controversies were classified as human rights risk financing cases. In 2024, 2.9% of the total lending portfolio is considered to have human rights risks. For such cases, business units are required to complete an ESG and climate risk checklist outlining any ESG incidents and risk management plans, including risk mitigation measures and monitoring actions. As of 2024, 100% of these risk cases had mitigating actions in place.

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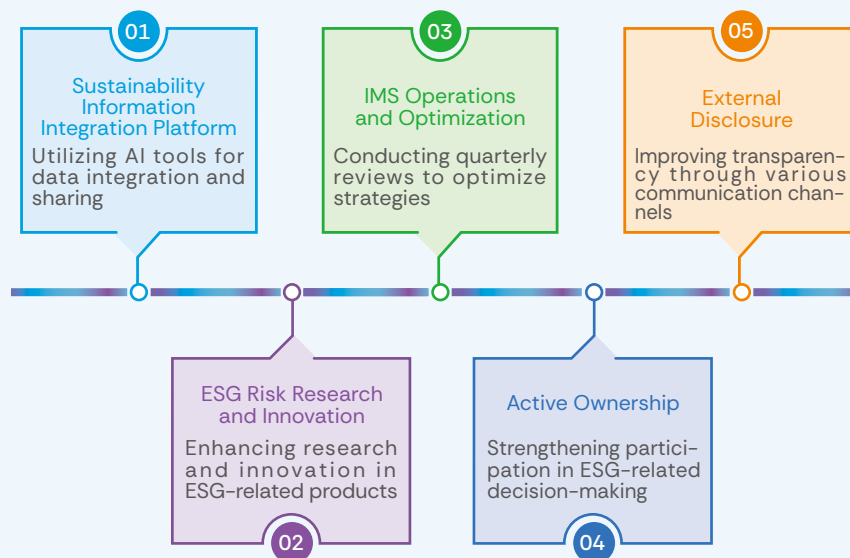
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Column - Integrated ESG Platform

Cathay SITE—SustainInfo Hub—SustainInfo Information Integration Platform

- Integrated Access to Leading Domestic and Global Databases:**
 Includes data from MSCI ESG, Bloomberg, ISS, Global Coal Exit List (GCEL), CDP, Climate Action 100+, SBTi, CMoney, the Taiwan Sustainability Review, and various research reports. These resources enable the investment research team to easily access investment targets' sustainability performance and related analytical insights.
- Diverse Functional Modules:**
 Features include company ESG overview, portfolio ESG overview, investment holdings analysis, risk alert signals, climate risk monitoring, biodiversity risk monitoring, SDG review tool, and carbon pricing risk scenario analysis.
- Engagement Scoring Mechanism:**
 Please refer to [5.3.1 Engagement Focus and Process](#)

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Cathay Life—Internal ESG Management System and Tool

- Real-Time ESG Rating Monitoring:**
 Enables real-time tracking of ESG ratings for investment targets and incorporates the Climate Value at Risk (CVaR) metric to provide insights into climate risks.
- Carbon Emissions Tracking:**
 Collects historical carbon emissions data from investee companies to assess progress toward net zero targets, RE100 renewable energy commitments, and SBTi goals.
- Taiwan Carbon Fee Calculator:**
 Assists the investment team in comprehensively evaluating the impact of carbon fee costs as part of the investment decision-making process.

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ESG Annual Review Results


Investment ESG Review Results

In 2024, Cathay conducted a comprehensive review of all equity investments in listed companies, corporate bonds, financial bonds, and government bonds. A total of 1,027 cases were flagged for potential risks and brought forward for discussion. Among them, nine cases were confirmed to carry potential risks and consequently required elevated approval authority. Additionally, 546 cases were removed from the investment buy list based on a combined assessment of the fundamentals and ESG performance.

ESG Review of Corporate Lending

Item	2024 (Unit: Cases)
Rejected or Reviewed by the Credit Committee	1
Loan application rejected due to ESG events	0

Equator Principles (EPs) Cases

Category	Item	2024 (Unit: Cases)
 <div>EPs Case</div>	Cases that meet the disclosure standards set out in EPs (Financial Close – Loans can be issued)	3
	Category A projects	0
	Category B projects	3
	Category C projects	0

Note: Category A projects have potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented; Category B projects have potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures; and Category C projects have minimal or no adverse environmental and social risks and/or impacts.

ESG Management Mechanism for Other Asset Classes

Funds and ETFs

To ensure that Cathay Life’s invested funds and ETFs are all issued by counterparties or asset management firms that share the same values as Cathay’s responsible investment approaches, we have taken the following steps to gain insight into their ESG policies and actions:

- 1 Verify that the counterparty is a PRI signatory or a signatory to the home country’s stewardship code, or review the counterparty’s ESG implementation status every year.
- 2 Evaluate the fund and investment manager’s ESG performance every year.

Real Estate

Since 2016, Cathay Life has demonstrated its commitment to environmental stewardship by requiring all architects commissioned company-developed buildings to comply with green building standards. Starting in 2023, all new buildings granted construction permits have also obtained either the Green Building Label or U.S. LEED certification. Cathay remains dedicated to promoting sustainable urban development.

Externally Managed Assets

Cathay Life and Cathay Century have established “outsourced investment management measures” to ensure that the external manager(s) implement responsible investment during the mandate period. 100% positions of the mandated assets from Cathay Life and Cathay Century are fully entrusted to managers who are PRI signatories or signatories to the home country’s stewardship code.

Management Guidelines for Investment Managers	
Cathay Life	Cathay Century
<ul style="list-style-type: none"> Review whether the investment manager is a PRI signatory/ signatory to their home country’s stewardship code The contract clearly outlines that ESG and climate factors should be integrated into the investment process The investment manager must adhere to the exclusion list and sensitive industry guidelines The investment manager must provide an annual report detailing ESG integration actions Review the manager’s ESG implementation status 	<ul style="list-style-type: none"> When entering into investment mandates, consideration is given to whether the target entities comply with environmental protection, corporate integrity and social responsibility obligations and implement measures for anti-money laundering and countering the financing of terrorism Verify that outsourced investment managers are signatories to stewardship code Monitor outsourced investment managers to avoid investing in companies or industries on the exclusion lists or related to sensitive industries Require outsourced investment managers to regularly disclose and provide an overview of their ESG-related actions in investment review reports

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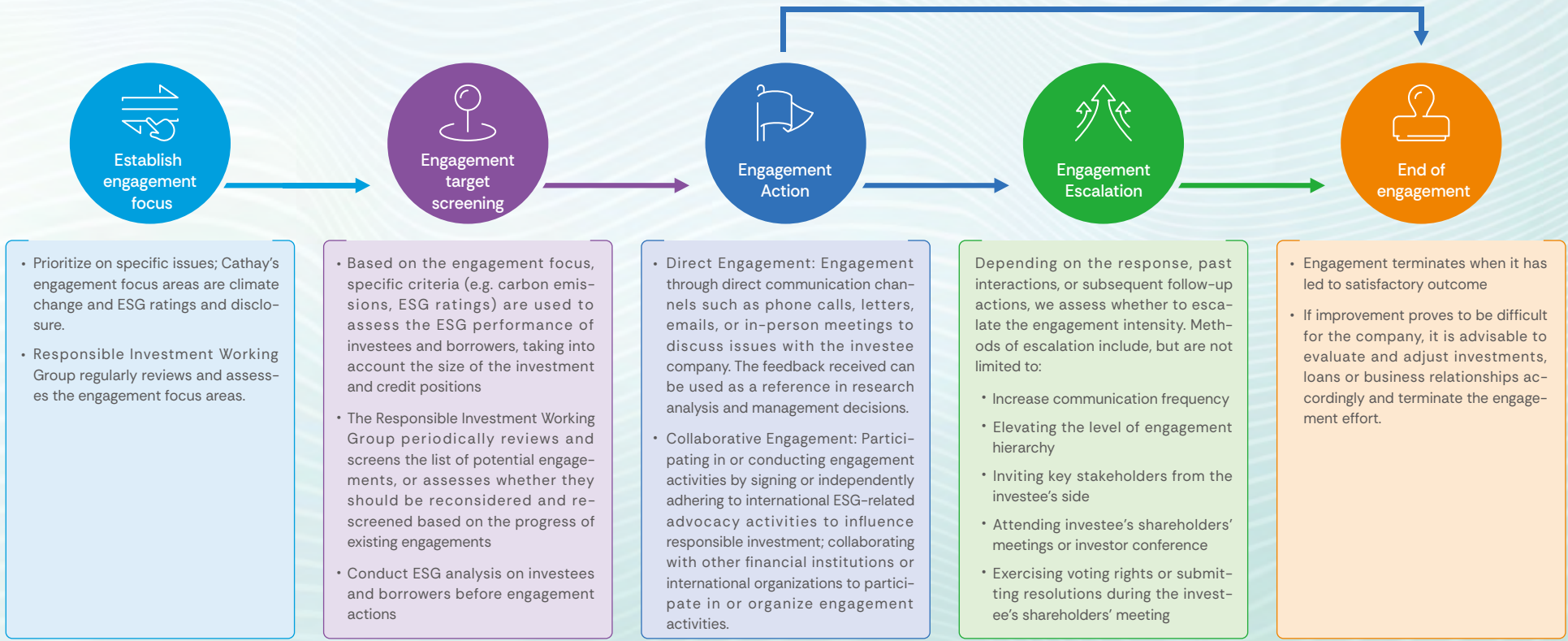
5.3 Stewardship and Engagement

Cathay believes that in addition to integrating ESG factors into the investment process, the practice of active ownership is equally important. Therefore, Cathay actively engages with investee companies through dialogue, engagement and voting. These efforts aim to encourage companies to enhance their ESG awareness and transparency, improve their ESG management practices, and strengthen long-term competitiveness and corporate value. In addition, the exercise of active ownership can have a positive impact on the investment portfolio, enhance its resilience, generate greater environmental and social benefits, and help reduce financial risks.

Cathay FHC and its subsidiaries, including Cathay Life, Cathay SITE, Cathay Century, CUB and Cathay Securities, are all signatories to the Taiwan Stewardship Principles for Institutional Investors. Cathay engages with the senior management of investee companies by participating in conference calls, seminars, investor conferences, and shareholder meetings. In 2024, representatives from Cathay’s subsidiaries engaged with 2,404 companies for a total of 8,023 times. The subsidiaries publish annual stewardship reports to disclose their practices and progress in responsible investment and stewardship. Please refer to [the websites of Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE](#).

5.3.1 Engagement Focus and Process

Cathay has established the “Cathay Financial Holdings Engagement Policy” and the “Cathay Financial Holdings Engagement Guidelines.” Cathay also formally integrates corporate engagement and shareholder action into its investment and lending processes. Engagement efforts focus on two core issues: “climate change” and “ESG ratings and disclosure.” Cathay evaluates each investee company involved in these issues by assessing the materiality of the issues and the size of the investment position to determine whether the company should be included as an engagement target. Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE all conduct engagement activities with their investees. Please refer to Cathay FHC’s engagement process below. For detailed information on Cathay FHC’s 2024 climate and nature engagement initiatives, please refer to [2.1.2 Engagement Strategies for Climate & Nature](#).



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Column - Cathay SITE's CathayQE

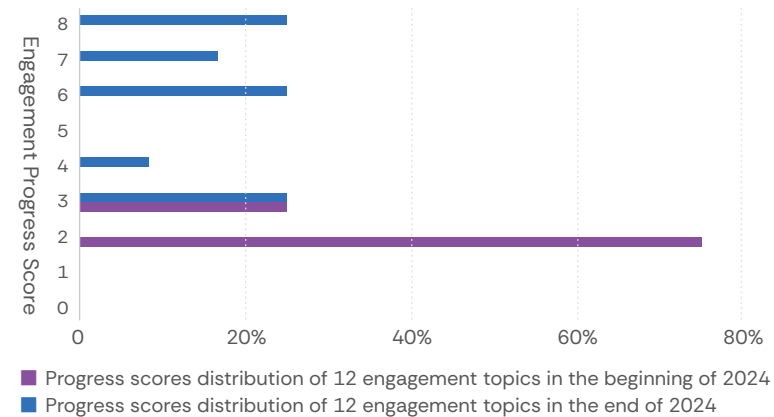
• Cathay SITE Engagement Progress Management Mechanism

Starting in 2023, Cathay SITE has developed CathayQE (Cathay Quantitative Engagement) – a set of quantitative indicators for tracking engagement. This framework is issue-based and sets specific engagement targets, such as achieving net-zero emissions or improving a company's ESG rating. At the beginning of the engagement, each company's response to the engagement topic is assessed and assigned a progress score from 1 to 8. A follow-up assessment is conducted at the end of the engagement. Using CathayQE's quantitative indicators, the team can track progress on individual engagement topics and also assess the overall effectiveness of the engagement. These measurable results enhance the management of engagement performance. This engagement progress management mechanism was granted Taiwan Utility Model Patent No. M665056 in 2024.

• CathayQE Results for 2024

In 2024, a total of 12 engagement topics were addressed. As shown in the chart below, although most topics started with a preliminary progress score of 2–3 at the beginning of the year, all topics showed positive development, with 25% achieving their intended goals by year-end. The average progress score rose from 2.25 at the beginning of the year to 5.75, meaning that each topic advanced by more than three levels on average. Overall, the engagement efforts in 2024 showed significant positive progress. Cathay SITE will continue to push investee companies towards the target of an 8-point final score. As an institutional investor, it aims to promote net-zero transformation across industries, the economy and society to advance sustainable development.

2024 Quantitative Engagement Results



Note: n= Total Number of Engagement Topics

n=12

5.3.2 Engagement Outcome and Case Study

In 2024, Cathay engaged with 182 companies on 23 material ESG issues, resulting in a total of 395 engagement activities. The companies engaged were primarily from the information technology, consumer discretionary, and raw materials sectors. The most frequently discussed topics were ESG disclosure, other (environmental risk and opportunity identification and assessment), and carbon emissions. The engagements demonstrated overall positive progress.

Item	Cathay's Two Main Engagement Themes	
	Theme 1: Climate Change	Theme 2: ESG Rating and Disclosure
Objective	Influence target companies to adopt low-carbon transition strategies and concrete climate actions	Influence target companies to improve ESG-related management and disclosure
Engaged Companies (Domestic and International), 2024 ^{Note1}	120 ^{Note2}	174 ^{Note2}
Engagement Theme	Includes carbon emissions, product carbon footprint, and climate change vulnerability	Includes ESG-related management mechanisms and disclosure, ESG rating, and engagement based on the nature of the business or issue materiality.

Note 1: Cathay defines engagement approaches based on standards set by international organizations such as the PRI. Engagement involves in-depth communication on ESG issues via phone calls, E-mails, meetings, and speaking up in shareholder meeting. Substantive engagement actions can improve ESG practices of investee companies. Actions such as merely requesting ESG data, sending ESG questionnaires, or attending shareholder meetings or investor conferences without further interaction are not included in the engagement tally.

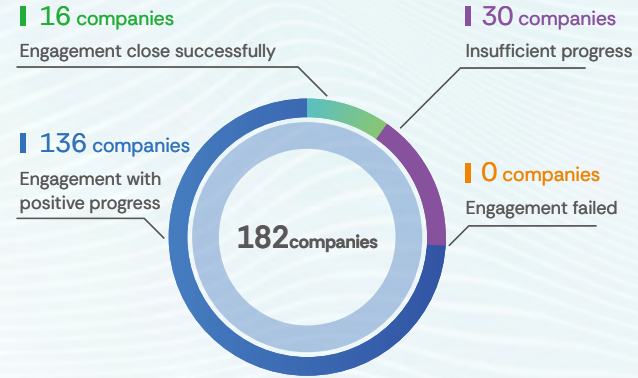
Note 2: Engagement topics may address both Theme 1 (Climate Change) and Theme 2 (ESG Ratings and Disclosure) simultaneously.

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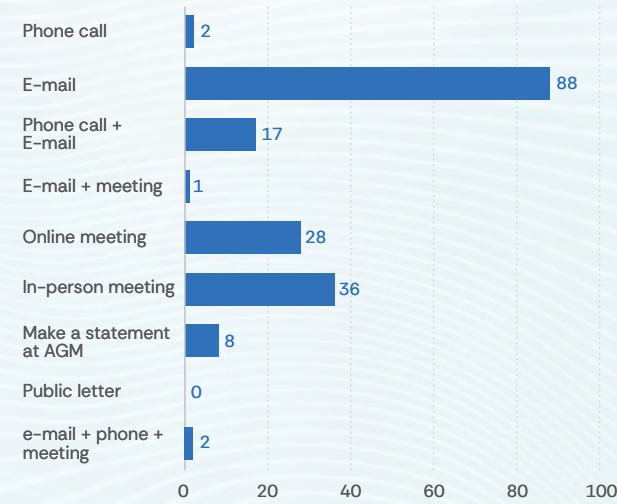
Breakdown of Engagement Activities

2024 Engagement Outcomes



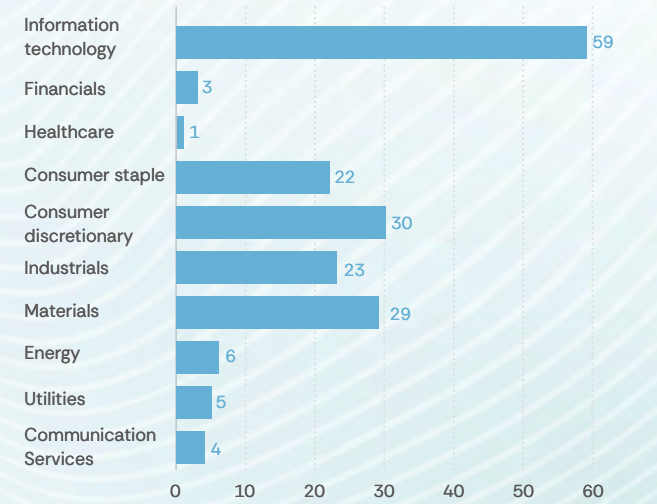
2024 Breakdown of engagement approaches

unit: company

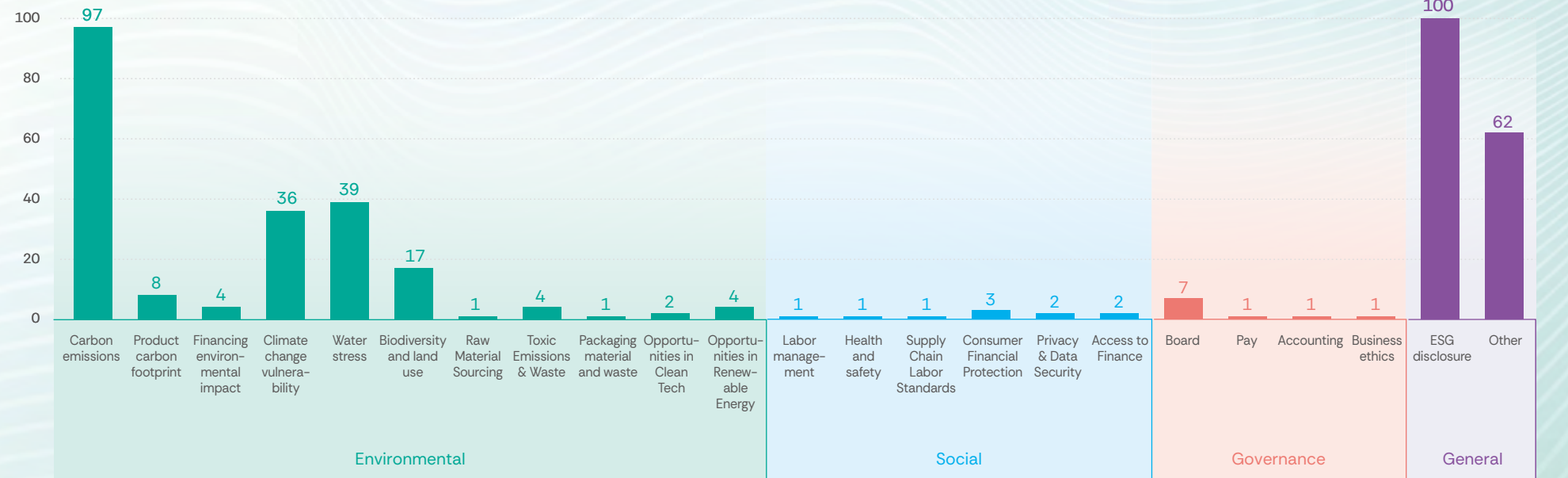


2024 Breakdown of engagements by sector

unit: company



2024 Breakdown of engagement themes



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Case Study - Business Transformation Collaboration

Subsidiaries	Background	2024 Engagement Outcome
Cathay SITE	Building on the initiative outcome in 2023, Cathay SITE has actively encouraged the investee to adopt internal carbon pricing strategies, link executive compensation to the achievement of ESG performance metrics, and have their suppliers provide products using 100% renewable energy.	<ul style="list-style-type: none">As of August 2024, the investee's 32 major suppliers have committed to using 100% renewable energy for manufacturing the company's product.The investee has invested in green energy through investment funds and joint ventures in both Taiwan and Mainland China, while aiming to secure 8,200 GWh of green electricity annually by 2027. Green energy made up 80% of its total energy consumption in 2023.Launched a pilot program for internal carbon pricing, with plans to expand it globally within a year.Chairman and senior executives' compensation is linked to ESG performance metrics.
Cathay United Bank (CUB) Circular Economy Workshop	<p>CUB collaborated for the second time with President Chain Store Corporation, a leading player in Taiwan's retail industry, to co-host the "Circular Economy Workshop." More than a dozen companies from President Chain Store's supply chain, including raw materials, food processing, and fresh food production, were invited to participate in the event. The workshop featured CUB's Low Carbon Economy Task Force, which shared insights on trends and current developments in low carbon transition and sustainable finance. Through group discussions, participants exchanged ideas and explored potential collaborations. President Chain Store Corporation also presented practical case studies on circular economy initiatives and sustainable farming to help suppliers build mutual understanding and consensus. The initiative aimed to foster upstream supply chain collaboration on low-carbon transformation, process improvement, energy transition, and waste valorization in manufacturing through exchange and sharing of insights. The goal was to amplify sustainability impact through leading by example.</p> 	<ul style="list-style-type: none">13 companies participated (covering the full food supply chain, including raw materials, processing, packaging, and retail)100% of participants agreed that the circular economy supports decarbonization transformation
CUB ESG Forum - Toward Net Zero Emissions & Sustainability	<p>CUB partnered with the Carbon Disclosure Project (CDP) and the Metal Industries Research & Development Center to host the CUB ESG Forum. Focusing on the needs of small and medium-sized enterprises (SMEs), the forum shared CDP's insights on climate and natural risks, as well as key considerations for SMEs in environmental disclosure. In addition, the Metal Industries Research & Development Center presented applications of carbon inventory and reduction technologies in the metals industry. The event was well attended by companies united in the goal of moving towards net-zero transformation.</p> 	<ul style="list-style-type: none">Awards were presented to 16 outstanding companies that completed the CDP questionnaire, including the "Best Climate Action Award," "Best Carbon Disclosure Award," and "Carbon Disclosure Pioneer Award."83 in-person attendanceThe forum received over 1,785 views on YouTube.

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Case Study – Sustainability Capacity Building

Subsidiaries	Name	Overview	Achievements
Cathay Securities	Quarterly ESG Thematic Forum	In response to capital market trends, Cathay Securities hosts a quarterly thematic forum and invites asset management institutions to participate. The forums are held online and feature integrated research insights from the ESG team along with analysis of investment trends in various industries.	79 participants attended the four forums
Cathay United Bank (CUB)	2024 Sustainability Practice Seminar – CBAM and Carbon Credit	To enhance the ability of CUB's corporate banking team to navigate the challenges, competition, and opportunities of the sustainability era, and to stay ahead of net-zero transition trends across industries, a series of sustainability practice seminars was launched in 2024. External experts were invited to provide insights into the latest sustainability developments, as well as in-depth analysis and case studies on decarbonization technologies relevant to various sectors. Key topics included "Carbon Reduction Strategies for Taiwanese Corporations – Carbon Border Adjustment Mechanism (CBAM) and Anti-Greenwashing Regulations" and "The Development of Taiwan's Carbon Credit Trading Market and Emerging Business Opportunities for the Banking Sector". These seminars aimed to deepen the sustainability mindset and knowledge of front-line bank staff and senior officers, strengthen client engagement capabilities, and assist corporate clients in setting net-zero commitments and sustainability goals.	 A total of 197 participants attended the two sessions, held both online and in person.

Note: Please refer to the investment stewardship reports of the individual subsidiaries for more details on the cases of engagement.

5.3.3 Exercise voting rights

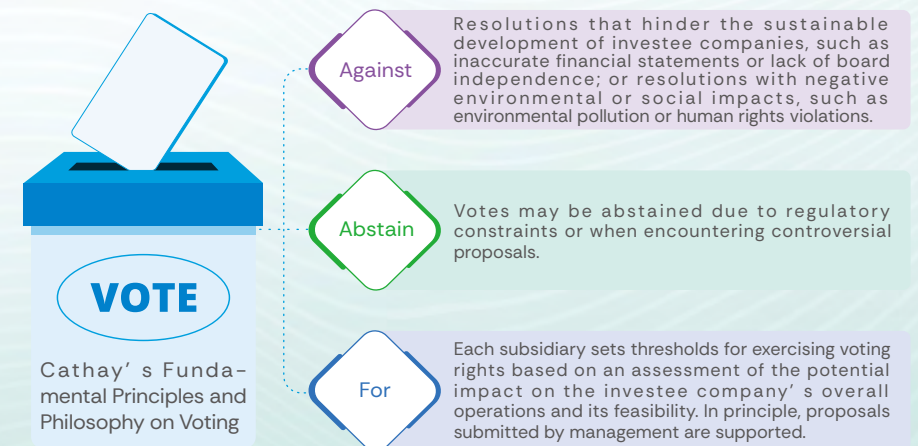
Cathay believes that the actions and decisions of an investee company not only affect investment returns, but also have social and environmental impacts. As responsible investors, financial institutions should assess the impact of a resolution and support companies that prioritize governance, social and environmental measures to implement fiduciary governance and protect the public interest.

Cathay FHC and its subsidiaries have established clear voting or proxy voting policies, which apply to their investments in listed companies. These policies apply to active investment and passive investment strategies. Cathay and its subsidiaries actively participate in voting on shareholder meeting resolutions and exercise their voting rights with prudence and responsibility. For detailed policy information and voting results over the years, please refer to the official websites of the subsidiaries: [Cathay Life](#), [CUB](#), [Cathay Century](#), [Cathay Securities](#) and [Cathay SITE](#).

Core Principles for Exercising Voting Rights Across the Group

• Guiding Principles and Philosophy

When exercising voting rights, each subsidiary takes a comprehensive approach by considering the potential impact of the investee company on overall operational performance and the appropriateness of each resolution. Reasonable voting standards are established and resolutions are thoroughly evaluated by internal teams. In principle, resolutions that align with the company's long-term value and sustainability objectives are supported. Conversely, resolutions associated with issues such as inaccurate financial reporting, lack of board independence, pollution, or human rights violations should be opposed or abstained from. In addition, to promote long-term value creation and positive environmental and social impact, subsidiaries are expected to actively engage with investee companies prior to voting, exercise shareholder responsibility and ensure that voting decisions reflect the principles of sustainable development.



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• Definition of ESG Resolutions



Environmental

Climate change, water, biodiversity, carbon emissions, waste management, toxic substances, deforestation, recycling and reuse, renewable energy, etc.



Social

Human rights, gender equality, racial equality, animal welfare, food safety, health, charitable donations, DEI (equal employment opportunity, anti-discrimination, workplace harassment, gender pay gap, etc.), EEO-1 report (Employer Information Report) , information security, and personal privacy.



Governance

Directors and supervisors, remuneration, capital-related matters, financial reporting, operational management, Reorganization and Mergers, and exercising right of disgorgement.

• Voting Guidelines for ESG Factors

Cathay Life carefully evaluates the resolutions of the investee companies when making voting decisions, aiming to guide the investee company in implementing corporate governance and taking more concrete environmental and social actions.

Environmental and Social Resolutions

Cathay Life assesses resolutions based on the following considerations:

- | | |
|---|---|
| 1 Enhance the company's ability to create long-term value | 4 Make a substantial contribution to addressing social inequalities |
| 2 Mitigate material environmental and social risks to the company | 5 Align with kunming-montreal global biodiversity framework |
| 3 Align with the carbon reduction goals of the Paris Agreement | 6 Align with SDG 6 Clean Water and Sanitation |

In general, Cathay Life supports

- 1 resolutions requiring companies to set targets that are consistent with the carbon reduction goals of the Paris Agreement.
- 2 resolutions to disclose the financial risks of climate change and how companies identify and manage such risks.
- 3 resolutions requesting companies to publish assessments of their operational impacts on biodiversity and natural resources.

In addition, where appropriate:

- 1 requiring companies to provide assessments of the impact of their operations on human rights.
- 2 publishing resolutions that promote DEI initiatives.
- 3 disclosure of political lobbying activities and expenditures, among other social resolutions.

Governance

Cathay Life considers the overall ESG performance of investee companies. For resolutions that are deemed to be inconsistent with corporate governance principles or detrimental to shareholders' interests, they will be voted against. Examples of major types of resolutions and considerations for dissent are as follows:

- 1 **Board Structure Integrity:** Corporate governance lies at the heart of ESG, with the board of directors serving as the highest governing body. We scrutinize board members' independence, tenure, and concurrent roles. Additionally, for companies inadequately addressing climate and environmental risks in their operations or value chain, we may abstain or oppose the election of incumbent directors or management resolutions to uphold climate accountability.
- 2 **Reasonable Compensation and Benefits:** Compensation and benefits play a critical role in attracting and retaining the talent necessary to drive sustainable shareholder value. We evaluate whether compensation plans are aligned with long-term sustainable value drivers and pre-defined performance standards. Remuneration resolutions that lack such alignment may receive a dissenting vote from Cathay.
- 3 **Fairness in Financial Reporting and Auditing:** The completeness and accuracy of financial statements depend on the independence and effectiveness of external auditors. We investigate instances where auditors lack independence or if non-audit fees account for an excessively high proportion of total audit fees, Cathay may oppose resolutions related to the appointment of auditors.
- 4 **Appropriate Earnings Distribution:** In general, Cathay supports the distribution of dividends from profits or from capital and statutory reserves in the form of cash or stock dividends. However, if the payout ratio is not in the best interests of shareholders (e.g., persistently low without adequate explanation) or is detrimental to the company's financial condition for sustainable operations (e.g., excessively high relative to the company's financial condition), we will vote against it.

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• Considerations for Voting on Shareholder Resolutions

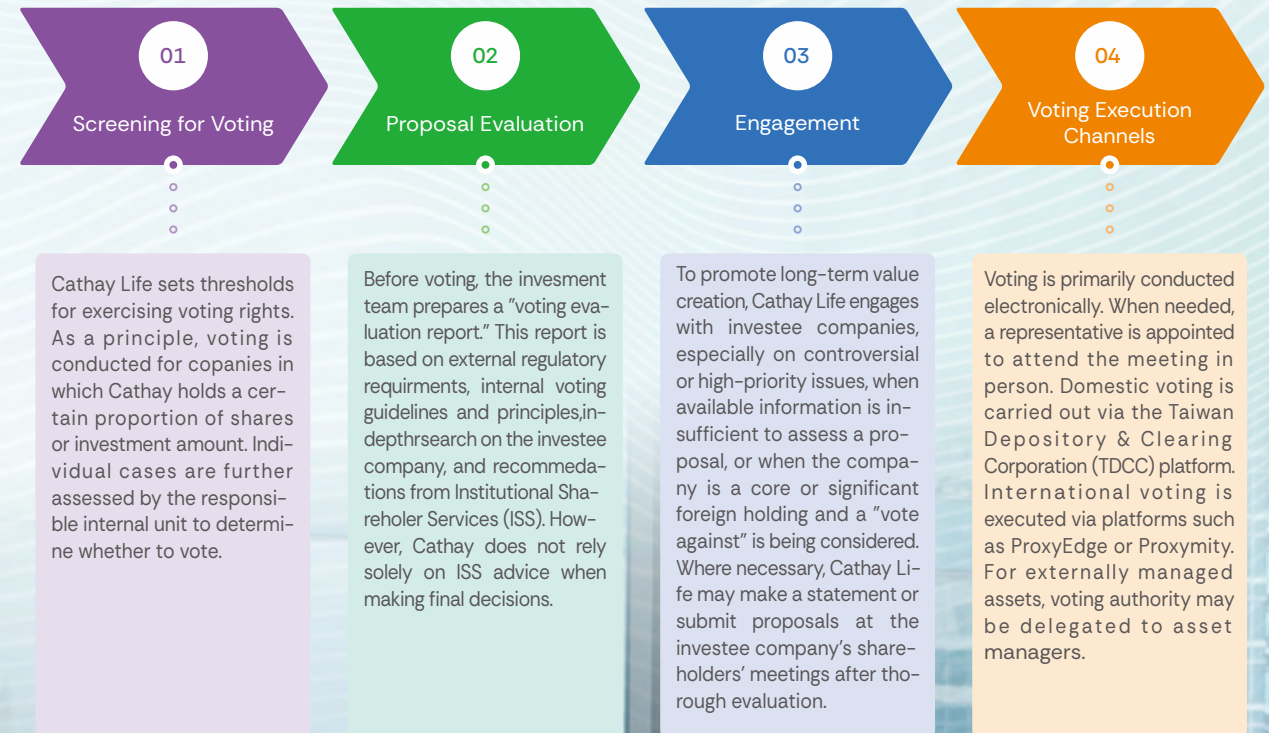
In general, shareholder resolutions are an effective way for shareholders to communicate their views to company management. Many shareholders bring such resolutions to shareholder meetings to encourage the company's progress on ESG issues. As a result, current sustainability-related resolutions are largely driven by shareholder initiatives. In addition, some companies seek shareholder feedback on their environmental, social actions or future plans through resolutions to obtain shareholder approval. Cathay Life carefully evaluates the rationale behind such resolutions before making voting decisions, with the aim of enhancing the long-term value of the investee company.

|| Exercise Voting Rights and Process

Cathay Life supports companies that are committed to sustainable development. Therefore, it attends shareholder meetings, exercises voting rights, and expresses opinions on resolutions presented at investee companies' shareholder meetings. For more information, please refer to [Cathay Life's 2024 Investment Stewardship Report](#).

• Managing Proxy Voting by Investment Advisers

- 1 If delegating voting rights to a proxy voting advisory institution, alignment with Cathay Life's voting principles will be required for their voting recommendations.
Cathay Life's Stewardship Principles stipulate that it may engage other professional service organizations to act as proxies. However, this is subject to agreements or supervision by Cathay Life to ensure that the delegated service organizations act in accordance with the company's requirements. Therefore, if it is necessary to delegate voting rights to a proxy advisory institution in the future, Cathay Life will carefully evaluate the depth and breadth of the institution's research on proxy resolutions, the suitability of its voting policies and select a proxy advisory institution that is consistent with Cathay Life's needs and voting philosophy. Cathay Life will also require that their voting recommendations be consistent with Cathay Life's proxy voting policies to ensure that the spirit of responsible corporate governance is upheld.
- 2 Currently, 100% of shareholder voting rights are exercised solely by Cathay's investment team during shareholders' meetings, and there is no delegation of voting rights to proxy voting advisory institutions.



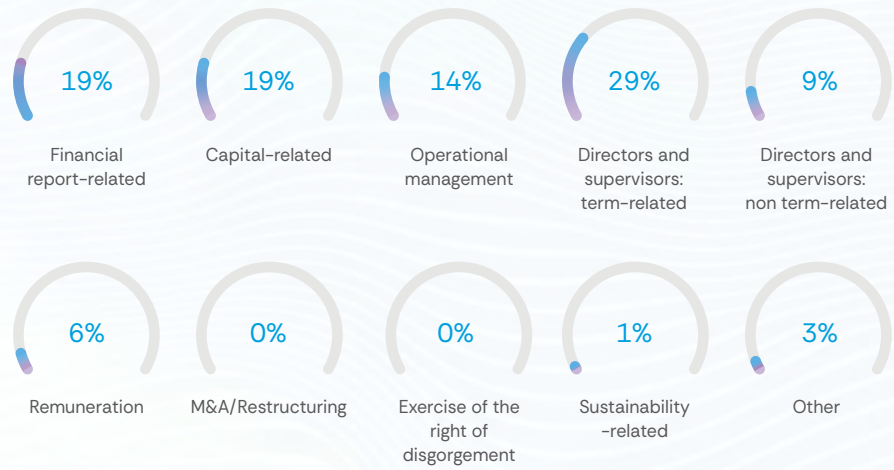
Note: For more information, please refer to the investment stewardship reports of the individual subsidiaries.

Voting Outcome

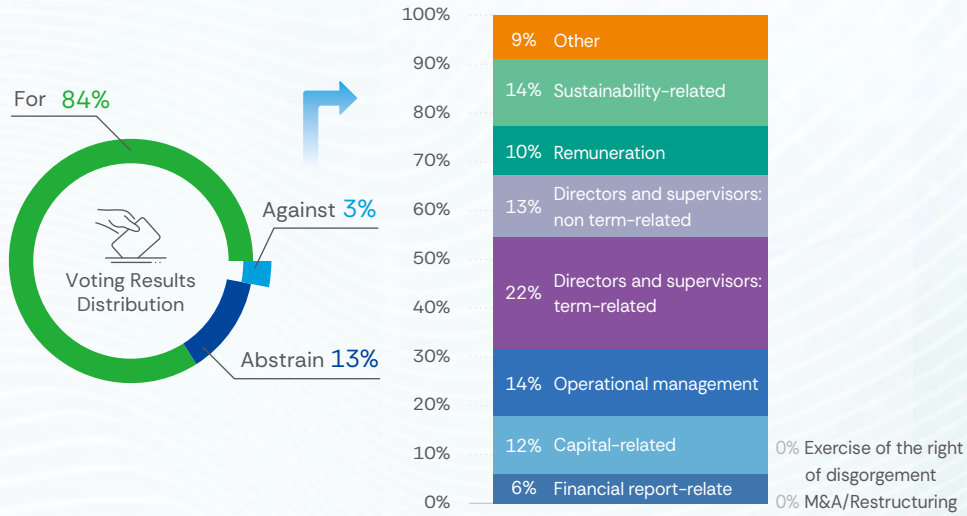
In 2024, Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE participated in 818 shareholder meetings, voting on a total of 6,626 resolutions encompassing governance, environmental, and social matters. Of these, 84% were affirmative votes, 3% were negative votes, and 13% abstained.

Note: Under Article 146-1 of the Insurance Act, insurance companies are prohibited from voting in the election of directors or supervisors of domestic investee companies. Therefore, resolutions relating to the election of directors and supervisors will be dealt with by abstention.

Distribution of Resolutions



Distribution of negative votes



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Voting Case Studies

Subsidiaries	Resolution	Background	Voting
Cathay Life	Request for disclosure of Scope 3 GHG emissions	Company A is a global leader in e-commerce and retail. While it has disclosed its Scope 1 and Scope 2 greenhouse gas (GHG) emissions, it has yet to fully report its Scope 3 emissions. For retailers, Scope 3 emissions often account for the majority of their total emissions. As a result, shareholders have submitted a resolution urging Company A to improve transparency and provide more detailed disclosure of its Scope 3 emissions data.	<p>Cathay Life supports the shareholder resolution requesting Company A to disclose its Scope 3 GHG emissions for the following reasons:</p> <ul style="list-style-type: none">• The disclosure will help the company better respond to increasingly stringent global environmental regulations, such as the EU's Corporate Sustainability Reporting Directive (CSRD) and Canada's California Air Resources Board Mandatory Reporting Regulation (MRR).• Company A's current disclosure only covers certain Scope 3 emissions related to its platform, which fails to fully reflect the environmental impact of its operations.• Company A has not yet achieved Science-Based Targets initiative (SBTi) validation.• Competitors such as Company W have already disclosed more comprehensive Scope 3 emissions data, indicating industry expectation and prioritization for information transparency.
Cathay Life	Request for the company to seek third-party verification of artificial sweetener safety	Company P is a globally recognized food company. In 2023, the World Health Organization (WHO) issued guidelines warning of the potential carcinogenicity of certain non-sugar sweeteners (NSS), such as aspartame. In response, some shareholders request that the company conduct a more comprehensive safety assessment of the NSS used in its products.	<p>Cathay Life supports the shareholder resolution requesting Company P to seek third-party verification of the safety of artificial sweeteners for the following reasons:</p> <ul style="list-style-type: none">• To respond to public health concerns raised by WHO regarding the potential health risks of aspartame.• To fulfill shareholder responsibilities and strengthen risk management and transparency: As investors, we are concerned about how Company P manages potential health risks. Independent third-party verification would enhance transparency in the company's approach to health risk management and demonstrate greater accountability to shareholders.
Cathay Life	Advisory Vote on Executive Compensation	This proposal involved an advisory vote on executive compensation, allowing shareholders to express their support or opposition to the company's executive pay program as designed by the Compensation Committee. This includes remuneration, equity awards, and performance measurement standards for senior executives.	<p>Cathay Life voted against Company A's executive compensation proposal for the following reasons:</p> <ul style="list-style-type: none">• Misalignment between pay and performance: Company A has an incentive-based compensation plan that grants bonuses based on company performance; however, there is a significant disconnect between the compensation structure and actual performance outcomes. The proposal inadequately reflects the linkage between executive pay and long-term value creation.• Lack of rigor in incentive plan targets: Although the annual incentive plan is based on predefined financial targets, they lack sufficient challenge and rigor. This weakens the plan's effectiveness as a performance-driven incentive.

Note: For more information, please refer to the voting disclosure report of each subsidiary.



Column - Cathay Joins the Asian Corporate Governance Association (ACGA) in 2024

To enhance Cathay's engagement capabilities and better align with international standards in corporate governance and social responsibility, the company joined the Asian Corporate Governance Association (ACGA) in 2024. Founded in 1999, ACGA is an independent, non-profit organization dedicated to promoting effective corporate governance practices across Asia through collaboration with investors, businesses, and regulatory bodies. Its core work focuses on research, advocacy, and education. The association has 99 members across 18 markets, 64% of which are asset management firms, collectively managing over US\$40 trillion in AUM.

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5.4 Sustainable Insurance

To lead the industry's sustainable transition and deepen its alignment with international trends, Cathay Life became the first financial institution in Asia to voluntarily adopt the Principles for Sustainable Insurance (PSI), focusing its strategy on climate, health and empowerment. Cathay Century has also voluntarily adopted the PSI and integrated its principles into its internal systems and operations.

Note: For Cathay's implementation of Principles for Sustainable Insurance (PSI), please refer to [Cathay FHC website](#).

|| Insurance ESG Integration Management Process



- Integrate ESG risks into product design considerations; use insurance to provide a basic safety net for different groups, extending coverage from reimbursement to promoting the importance of prevention
- Cathay Life has established an external advisory team to gain insight into ESG trends, while the internal data collection team provides feedback to the product design team
- Cathay Century has established an ESG review process for insurance product development, and new products are reviewed against the ESG Issue CHECKLIST



- Integrate ESG considerations into the underwriting process, such as environmental, construction approach, risk planning and customer protection issues, etc
- Cathay Life has developed models and systems that evaluate ESG-related risks. These model and systems assign a risk score to each policy, and if the score exceeds a certain threshold, automated warnings are sent out to underwriters to review the policy
- Cathay Century has implemented a risk assessment mechanism to identify and assess potential ESG-related risks in eight sensitive industries. The underwriting process considers the insured's level of ESG participation. Depending on the level of participation, some insurance products may be offered at an increased or decreased premium

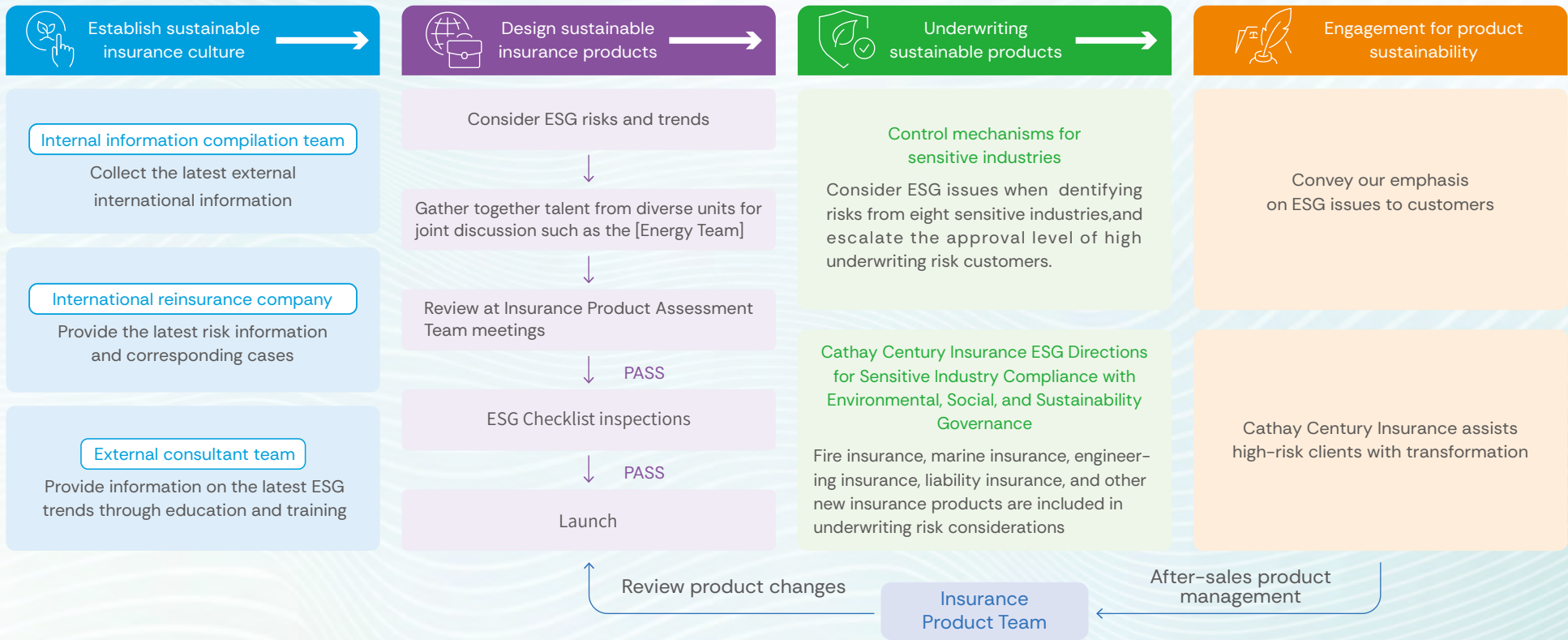


- Cathay Life implements comprehensive fraud risk management to ensure the company is effectively diversifying risks
- At Cathay Century, our claims personnel are responsible for managing moral hazard and fraud risks during the claims handling process. To address these risks, they conduct real-time monitoring for anti-money laundering and information security-related activities and have established relevant internal control mechanisms
- Initiate an expedited claims process for environmental and social catastrophes, and actively condolence, provide counseling services, premium reductions, and financial assistance
- Enhance digital services to help customers keep track of claims progress and other insurance-related tasks

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• Cathay Century integrates ESG considerations into product lifecycle



In line with PSI and government targets for sustainable finance, Cathay Century incorporates ESG considerations throughout the product lifecycle. To promote sustainable insurance products and culture, the company cultivates employee awareness through various channels and embeds sustainability into product design. All insurance products must pass an ESG checklist before launching, and regular reviews are conducted to ensure product compliance. When underwriting corporate clients, Cathay Century also considers sensitive industry issues and helps high-risk clients with sustainability transition.

ESG Checklist for Product Development

- | | |
|---|---|
| 01. Climate change and pricing risks | 04. Alignment with governance considerations |
| 02. Alignment with environmental considerations | 05. Whether the product serve vulnerable groups identified by the group |
| 03. Alignment with social considerations | 06. Alignment with market trends (e.g., silver economy, online enrollment, digital services, green industries, government policies) |



In 2024, **100%** of newly submitted products passed the ESG checklist.

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5.5 Highlights in Sustainable Finance Performance

Sustainable finance has become a major global financial market trend, guiding capital toward companies with strong ESG performance, while accelerating the economy’s transition toward sustainable development. As a leader in sustainable finance, Cathay continues to strengthen its commitment to responsible investment and lending. On the investment side, Cathay actively promotes the implementation of sustainable themed investing, sustainability-related bonds, and impact investing. On the lending side, Cathay offers a diverse range of financial products and services such as sustainable lending, renewable energy loans, and social impact loans. Through these efforts, Cathay aims to enhance the positive impact of capital on the environment and society and realize shared prosperity through sustainability.

5.5.1 Responsible Investment Achievements

|| Sustainability themed investing and lending

Cathay has identified five key sustainable investment themes: low carbon, infrastructure, aging society and health, community and inclusive finance and water resources. These sectors have a significant impact on climate, economic stability and social well-being, and offer long-term, stable investment opportunities that align with financial institutions’ social responsibilities. Through strategic investments in these areas, financial institutions not only help drive industrial innovation and transformation, but also support sustainable economic development, leveraging core financial capabilities to create shared value for society and business. As of December 2024, Cathay’s total investment in sustainable themes reached NT\$1.7 trillion, while total lending amounted to NT\$134.5 billion.

Note: Please refer to [Appendix 7.2 Table 1](#) for sustainability themed investing and lending amount. The investment targets in the five themes may overlap, and duplicates have been excluded from the total amount.

Sustainability-Themed Investment/Lending and the Corresponding SDGs					
Theme	Actions	Corresponding SDGs	2024 (NT\$100 million)		
			Investment	Lending	
Low Carbon	Referencing the Global Investor Coalition on Climate Change (GIC) and its Low Carbon Registry (LCI), Cathay has established a group-wide definition for low-carbon industries. Investments in low-carbon and green energy sectors include: alternative energy (excluding nuclear, fossil fuels, natural gas, and thermal power), green buildings, waste recycling, transportation, energy saving industry, green bonds, and natural carbon sinks.	 	3,251	506	
Infrastructure	Referring to the relevant regulations set by the government, Cathay has defined an infrastructure-related investment scope, including transportation facilities, facilities of public utilities, social housing and elderly residence projects, environmental remediation facilities, low carbon transition infrastructure, infrastructure construction and software, etc.		9,176	756	
Aging Society and Health	Informed by definitions from Taiwan’s National Development Council and the Principles for Responsible Investment (PRI), Cathay outlines the aging society and health investment scope to encompass: aging society and health services (e.g., medical institutions, life insurance companies, transportation services), related product sector (e.g., pharmaceuticals, biotechnology), and supporting facilities (e.g., senior housing).		5,697	479	
Community and Inclusive Finance	This theme includes investments in companies that provide microfinance/inclusive financial services, financial technology services, microfinance institutions, and vocational education/professional skills training.	 	56	72	
Water resources	Climate change has made water access a critical issue, which is now posing a threat to both human health and the ecosystem. In response, Cathay has taken steps to address this issue by establishing a water resource-related investment scope, including water treatment, water supply and wastewater treatment.	 	135	16	

Note: Please see the following for correction on Cathay FHC’s thematic investments in 2023; investments in “Aging Society and Health” reached NT\$490.3 billion, with NT\$43.7 billion in credit; for “Water Resources”, investments totaled NT\$6.7 billion, with NT\$1.1 billion in credit; investments in “Community and Inclusive Finance” category amounted to NT\$2.4 billion, with NT\$4.0 billion in credit.

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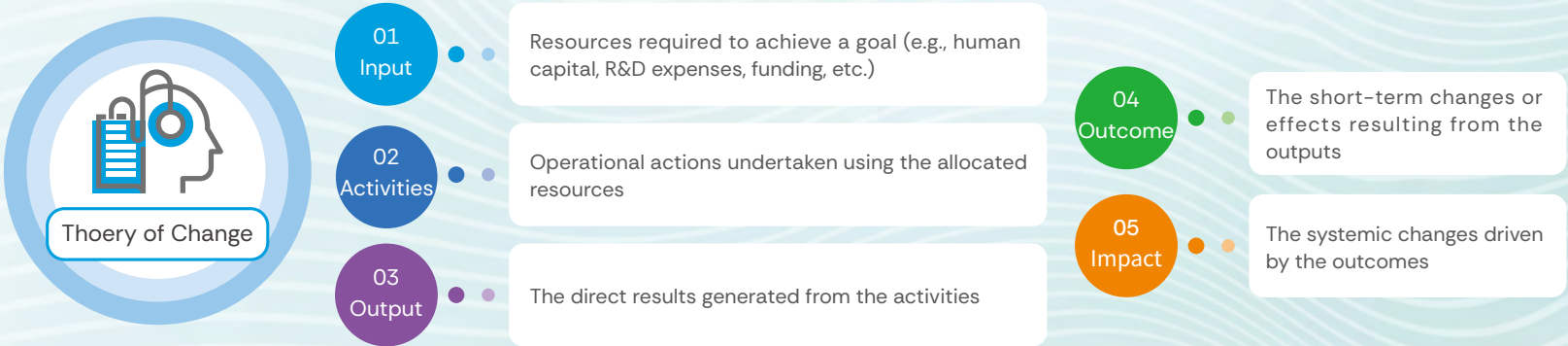
GSSSB Investments

Green, social, sustainability, and sustainability-linked bonds (GSSSBs) are bonds issued with proceeds specifically earmarked for sustainability-related purposes. These bonds can be issued by national and local governments, as well as corporations, and allow for more precise tracking of funds to designated sustainability areas, thereby accelerating progress in these areas. Cathay defines GSSSBs based on criteria provided by Bloomberg and the Taipei Exchange (TPEX). In 2024, Cathay invested NT\$147.2 billion in GSSSB. The definitions and corresponding investment amounts are shown below.

Asset	Definitions		Cumulative total investment as of 2024 (NT\$ 100 million)
	Defined by Bloomberg	Defined by TPEX	
Green Bond	Indicates the issuer states that the net proceeds of the instrument include environmental projects or activities.	Green bonds are bonds whose proceeds are used exclusively for green investment projects. To qualify as a green bond, issuers must meet the criteria set out in the Taipei Exchange Operation Directions for Sustainable Bonds to be accredited for eligibility. The bond must also be registered for OTC trading on the Taipei Exchange.	788
Social Bond	Indicates the issuer states that the net proceeds of the instrument include social projects or activities.	Social bonds are bonds whose proceeds are used exclusively for social projects. To qualify as a social bond, issuers must meet the criteria set out in the Taipei Exchange Operation Directions for Sustainable Bonds to be accredited for social bond eligibility. The bond must also be registered for over-the-counter (OTC) trading on the Taipei Exchange.	130
Sustainability Bond	Indicates the issuer states that the net proceeds of the instrument include environmental and social projects or activities.	Sustainability bonds refer to bonds whose proceeds are used exclusively for a combination of both green projects and social projects. To qualify as a sustainability bond, issuers must meet the criteria set out in the Taipei Exchange Operation Directions for Sustainable Bonds to be accredited for eligibility. The bond must also be registered for over-the-counter (OTC) trading on the Taipei Exchange.	468
Sustainability-Linked Bond, SLB	Indicates that issuer states that the instrument includes issuer predefined forward-looking performance-based organizational sustainability targets.	Sustainability-linked bonds (SLBs) are bonds whose principal and interest payment terms are linked to the sustainability performance targets (SPTs) of the issuers; to qualify as an SLB, issuers must meet the criteria set out in the Taipei Exchange Operation Directions for Sustainable Bonds to be accredited for eligibility. The bond must also be registered for OTC trading on the Taipei Exchange.	86

Impact investing

To enhance its positive social and environmental impact, Cathay Life in 2024 adopted the Global Impact Investing Network (GIIN) framework to guide its definition of impact investing. Cathay Life incorporates four key pillars – “intentionality, impact measurement, range of asset classes and financial return” – as critical factors in its investment decision-making process, aligned with broader social and environmental objectives. To evaluate investment outcomes, Cathay Life has established an impact assessment framework based on international standards, covering allocations across multiple asset classes, including sustainability bonds and private equity. The framework integrates the Theory of Change and IRIS+ metrics, with a focus on achieving tangible and positive contributions to society and the environment. (For more information, please refer to the [2024 Cathay Life Insurance Sustainability Report](#))



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Impact investing encourages companies to adopt more sustainable business models that integrate social and environmental goals into their corporate strategies to improve efficiency and competitiveness. Target companies or projects for impact investing typically address social or environmental challenges, such as providing education and training, access to clean water, improving public health, mitigating and adapting to climate change, and protecting ecosystems. Amid accelerating global trends toward net zero and ESG integration, Cathay Life continues to invest in green and social initiatives. Through these efforts, the company advances its impact investing strategy, with a cumulative investment amount of NT\$ 965 billion in related projects as of 2024. Please refer to the table on the right for details.

Asset	Overview	Cumulative total investment as of 2024 (NT\$ 100 million)
Green Bonds	Investments primarily focus on projects related to renewable energy, energy efficiency, clean transportation, green buildings, and wastewater management.	483
Social Bonds	These investments support initiatives that improve the lives of underprivileged populations, provide affordable housing to address housing issues, and develop basic services. They aim to generate measurable positive social impacts for governments or businesses.	60
Sustainability Bonds	In addition to direct investments in green and social bonds, Cathay Life also invests in sustainability bonds that simultaneously fund projects that encompass a mix green and social considerations. This encourages comprehensive corporate engagement in social and environmental improvement	360
Other	Encompasses investments in equity funds and private equity with a focus on generating positive social and environmental impacts to make a positive impact.	62



Column - Cathay Joins AVPN and GIIN to Advance Impact Initiatives



Cathay has long been committed to public welfare initiatives, leveraging group resources to promote inclusive social and environmental development. As part of Cathay's core sustainability strategy, "empowerment," Cathay integrates venture philanthropy with impact investing to support and encourage innovative solutions. In 2024, Cathay FHC became a member of the Asian Venture Philanthropy Network (AVPN) and the Global Impact Investing Network (GIIN), reinforcing its dedication to impact investing and enabling individuals, communities, and organizations to play a more influential role in addressing social and environmental challenges.



Impact Initiatives

Asian Venture Philanthropy Network (AVPN)

AVPN is the largest platform in Asia for social investors, bringing together over 600 diverse capital providers and resource partners across 33 markets. AVPN aims to mobilize capital from social investors in Asia to achieve the United Nations Sustainable Development Goals (SDGs). The platform helps members build connections, deepen learning, take action, and demonstrate social impact.

Global Impact Investing Network (GIIN)

Founded in the US in 2009, GIIN is one of the world's largest communities of impact investors, with around 450 members across 50 countries. The GIIN works to scale and improve the effectiveness of impact investing by building essential infrastructure, supporting industry activities, and promoting training and research, thereby fostering the growth of the global impact investing ecosystem.

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5.5.2 Responsible Lending Achievements

CUB focuses on its core services and leverages capital to drive industrial and social transformation. The bank aims to promote environmental and economic prosperity by providing more accessible digital services and improving the quality of its financial products.

Green Financial Products and Services

Green Financial Products and Services		Indicators	2022	2023	2024
Environmental Investment and Financing	Financing		\$38.1 billion	\$41.3 billion	\$51.4 billion
	Investment		\$19.4 billion	\$25.7 billion	\$30.1 billion
Renewable Energy Loans	Share of renewable energy in electricity supply-related corporate lending		87.56%	93.33%	99.79%
Sustainable Loans	Green Corporate Loans	Loan balance	\$25.244 billion	\$28.08 billion	\$25 billion
		% of green loans to total corporate loans	3.64%	3.69%	2.95%
	Green Consumer Loans	Loan balance	\$652 million	\$567 million	\$1,196 million
		% of green loans to total consumer loans	0.05%	0.04%	0.06%
	Sustainability-linked Loans (SLL)	Loan balance	\$16.927 billion	\$33.036 billion	\$49.513 billion
		% of green loans to total corporate loans	2.44%	4.34%	5.85%
Green Time Deposit	Green Time Deposit balance		\$4.905 billion	\$2.394 billion	\$1.007 billion

Responsible Lending Progress

Objective		Monitor & Tracking	2024 Progress Update
High emissions industry loan	"Zero Coal Financing" ^(Note 1) achieve zero coal lending by the end of Q1 2027.	Quarterly tracking	The revolving credit for zero coal generation loans would reset to zero at the end of 2022 and would not be renewed after the buffer period. Medium to long-term quota will be phased out and no new loans will be approved.
Sustainable loans ^(Note2)	Sustainable loan to exceed \$100 billion by 2030	Quarterly tracking	As of the end of 2024, the sustainable loan balance had reached \$74.513 billion.

Note 1: upstream/midstream/downstream coal industry chain includes coal-related mining, manufacturing, wholesale and retail; all are listed on the bank's exclusion list.

Note 2: includes sustainability-linked loans and green loans, which are defined in accordance with the "Principles Governing Corporate Banking Sustainable Loans."

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|| Social Loans

Starting in 2024, CUB began expanding its offering of social loans through its overseas branches. These loans, through indirect provision of financial services, are targeted toward underserved populations in developing countries who lack access to basic services such as transportation, medicine, housing, or financial services, or who require support to improve basic education, skills, or socioeconomic status. Funding is strictly allocated to one or more designated social projects. In addition, CUB has established cash flow control mechanisms and requires borrowers to submit regular reports on fund usage to ensure that all proceeds are applied exclusively to the financing or refinancing of the specified projects.

5.5.3 Sustainable Finance Products and Services

|| Cathay Securities App – One-Stop Digital Investment Service

By combining digital services with ESG principles, Cathay encourages investors to adopt sustainable investment practices. Building on its 2020 collaboration with National Taipei University (NTPU) to provide ESG research services for institutional investors, Cathay Securities introduced ESG-driven stock selection tools for individual investors via its mobile app in 2021. In 2022, it became the first in the industry to launch a dedicated “Sustainability Section” on the Cathay Securities app, enabling users to view ESG ratings for their Taiwan stock holdings. By 2024, the platform had attracted over 500,000 users and recorded over 2 million clicks. Cathay continues to optimize its services annually, striving to deliver digital financial tools that best meet the customer needs.



|| Sustainability Funds

• Cathay SITE – Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF

By the end of 2024, the fund's AUM reached NT\$376.3 billion. The COVID-19 crisis in 2020 has underscored the importance of corporate responsibility towards employees and supply chain management. To address this, Cathay SITE has partnered with MSCI to offer investors the opportunity to invest sustainably on an international scale. Our investment approach uses a dividend yield-weighted stock selection methodology designed to deliver consistent returns in line with investor expectations. The fund's performance has broken several records on the Taiwan Stock Exchange since its IPO.



2024 Achievements – Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF

- 2024 Asia Asset Management 2024 BEST OF THE BEST AWARDS—Most Active ETF Award
- 2024 Smartfunds Taiwan ETF Awards (with technical guidance from Morningstar) – Domestic Prototype Index Equity ETF Award
- 2024 Taipei Foundation of Finance – The 27th TFF-Bloomberg Best Fund Awards: “Golden Diamond Award” for Three-Year Performance in ESG Index Stock ETFs (General Category)

• Cathay US ESG Fund

By the end of 2024, the fund's AUM reached NT\$3.75 billion. The fund uses ESG ratings provided by MSCI for US companies and allocates at least 70% of its investments to companies rated A or higher. The fund not only focuses on top-performing ESG stocks in the US market but also excludes controversial industries such as weapons, tobacco, cannabis, and adult entertainment. By investing in companies with stronger ESG performance, the fund aims to enhance the stability of its portfolio while encouraging corporate social responsibility.

Target Group	Achievements
Those in need of funds but with limited access	<ul style="list-style-type: none">• A total of US\$33.5 million in approved loans for 2024.• All approved loans in 2024 were fully disbursed. The loans were intended for equipment upgrades for rural medical institutions and student loans for children from low- to middle-income households.

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Sustainable Governance



6.1 Corporate Governance

6.2 Risk Management

6.3 Ethical Corporate Management

6.4 Information Security

6.5 Service Quality & Customer Rights

Cathay believes that in the face of increasing uncertainties, risks, and external pressures, it is essential to continuously review and evaluate our sustainability strategy. Doing so enables us to develop a more resilient and systematic sustainability plan that can adapt to rapid global changes. The MSCI Sustainability and Climate Trends to Watch report also highlights the critical role of boards of directors in driving corporate sustainability. In addition to complying with ethical standards and regulatory requirements, we proactively develop response strategies addressing climate change, nature, and human rights, ensuring that risk mitigation and impact reduction are overseen and managed from the top down.



Strengthened Sustainable Governance

- Outsourced services to enhance independence and operational efficiency
- Together with its subsidiaries, Cathay Life and CUB participated in the CG6014 (2023) Corporate Governance Evaluation for the fourth time and once again received the highest "Excellence" certification.
- Obtained the Grade A certification by the Taiwan Intellectual Property Management System for the third time



Robust Risk Governance

Appointed a Chief Climate Officer to oversee and coordinate climate-related issues across the group



Bolstered Risk Response Capabilities

Became first in industry to introduce ISO 27001:2022 - Information Security Management System Accreditation

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Material Sustainability Goals

Material Issues	2024 Achievements	Short-term Goals	Mid-term Goals		Long-term Goals
		2025	2026	2027	2030
Corporate Governance and Ethical Corporate Management	<ul style="list-style-type: none"> Together with subsidiaries "Cathay Life Insurance" and "Cathay United Bank," participated in the "Corporate Governance System Evaluation" organized by the Taiwan Corporate Governance Association and once again received the Excellence certification. Strengthen diversity of continuing education fields for the board of directors Stay current with best practices in international corporate governance and continuously enhance Cathay's corporate governance system, including the operations of our board of directors 	<ul style="list-style-type: none"> Elected the ninth board and strengthened the board's professionalism, independence, and diversity Participated in the third external performance evaluation of the board Focused on international best practices in corporate governance to enhance the operation of corporate governance systems. 			<ul style="list-style-type: none"> Focused on international best practices in corporate governance to enhance the operation of corporate governance systems. Actively participate in various corporate governance ratings organized by domestic and overseas institutions to foster a strong corporate governance culture Maintained Grade A certification by the Taiwan Intellectual Property Management System
Risk and Crisis Management	<ul style="list-style-type: none"> Political and economic risks have been classified as major risks for the group and integrated into the Country Risk Management framework Completed climate scenario analysis for investments and financing, as well as climate strategy resilience validation 	<ul style="list-style-type: none"> Continuously enhancing geopolitical risk management by deepening the integration of geopolitical and group-wide risk management mechanisms to strengthen operational resilience Enhance Cathay's risk management strategies and mechanisms to align with IFRS 17 and the ICS oversight standards 			<ul style="list-style-type: none"> Continue to enhance Cathay's risk control framework and ensure strategy consistency across Cathay and its subsidiaries Leverage innovative information technologies and data analysis tools to integrate the group's risk information Monitor international climate and nature-related trends and regulatory developments to optimize risk management and quantitative analysis capabilities
	<ul style="list-style-type: none"> Successfully completed the validity renewal review of the ISO 22301 - Business Continuity Management System (BCMS) certification 	<ul style="list-style-type: none"> Continue to advance Cathay's business continuity management (e.g., response in extreme scenarios) and conduct realistic simulation drills to strengthen emergency response capabilities 			<ul style="list-style-type: none"> Enhance the execution of operational impact analysis and compliance risk assessment and review the comprehensiveness of the Business Continuity Plan Perform regular on-site exercise scenarios to test the effectiveness of the Business Continuity Plan
Regulatory Compliance	<ul style="list-style-type: none"> Completed the establishment of governance frameworks and management mechanisms for cloud outsourcing and AI Completed revisions to Regulations Management Guidelines and optimized internal control system management 	<ul style="list-style-type: none"> Strengthening compliance management of digital transitions, cloud, AI development, and financial ecosystems 			<ul style="list-style-type: none"> Strengthen our compliance culture by promoting the core values of integrity, accountability, and innovation, including developing a compliance governance structure that addresses behavioral risks and establishing a platform to share best practices for managing digital internal controls

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Material Issues	2024 Achievements	Short-term Goals	Mid-term Goals		Long-term Goals
		2025	2026	2027	2030
Regulatory Compliance	<ul style="list-style-type: none">Implemented data technology and risk models to complete Phase 1 of the Group's Anti-Money Laundering (AML)/ Combating the Financing of Terrorism (CFT) joint defense moduleEnsured all subsidiaries comply with the group's risk appetite for money laundering (ML) & financial terrorism (FT)	<ul style="list-style-type: none">In reference to the "National ML/TF/PF Risk Assessment Report" released in December 2024, the group is reviewing whether to adjust relevant AML/CFT risk indicatorsAll subsidiaries complied with the group's risk appetite for money laundering (ML) & financial terrorism (FT)	<ul style="list-style-type: none">Improve a risk-based Cathay AML/CFT risk management and improve its effectiveness. The actions include developing an AML/CFT joint risk defense mechanism using digital technology enhancement, and ensuring that no subsidiaries exceed Cathay's ML/FT risk appetite.		
	<ul style="list-style-type: none">Conducted six diverse regulatory compliance training sessions, covering foundational knowledge, targeted content for different audiences, business-related topics, and emerging technologiesContinued to develop RegTech (Regulatory Technology) capabilities through group-wide projects and the cultivation of seed talent	<ul style="list-style-type: none">Professional talent development to cultivate compliance (including AML/CFT) professionals	<ul style="list-style-type: none">Expand Cathay FHC's compliance (including AML/CFT) talent pool		
FinTech/Digital Transformation and Innovation	<ul style="list-style-type: none">Achieve a customer satisfaction rating of 80% or higher with digital services in 2024	<ul style="list-style-type: none">Achieve 80% or higher in customer satisfaction with digital services	<ul style="list-style-type: none">Achieve 80% or higher in customer satisfaction with digital services		
Privacy and Information Security	<ul style="list-style-type: none">Implemented and achieved international certification for the BS 10012 Personal Information Management SystemsAchieved a 100% completion rate for company-wide personal data protection awareness training	<ul style="list-style-type: none">Continue to improve the management framework for personal information management; conduct regular exercises of personal information breach scenarios to facilitate prompt response and mitigate losses resulting from the breachOrganize training to strengthen literacy and awareness of confidential information protection.	<ul style="list-style-type: none">Continue to conduct scenario-based breach exercises and promote the importance of personal information protection to ensure the effectiveness of our management measuresStrengthen personal information protection mechanisms for cloud and emerging technologies to ensure general personal information protection is appropriate and adequateContinue to optimize Cathay FHC's personal information protection management mechanisms to bolster the group's capacity for joint defense		
	<ul style="list-style-type: none">Implement a risk management mechanism for the information supply chainImprove cloud information security framework and management protocolIntroduce a Zero Trust ArchitectureStrengthen the intensity of information security incident drills	<ul style="list-style-type: none">Expand ISMS (information security management system) certification scope – (cloud operations)Strengthen zero trust maturityIntroduce automated attack simulation mechanisms to verify the effectiveness of information security defensesEnhance cloud security monitoring mechanisms	<ul style="list-style-type: none">Expand ISMS certification scope – (additional cloud units)Strengthened Zero Trust maturityImplemented automated attack simulation mechanisms to validate the effectiveness of cybersecurity defensesEnhance multi-cloud monitoring and cloud-and-on-premises correlation analysis	<ul style="list-style-type: none">Establish an integrated threat intelligence investigation and analysis platform	

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		2025	2026	2027	2030
Customer Relationship Management	<p>【Cathay Life】</p> <ul style="list-style-type: none">• rNPS: 43.1, an increase from 35.1 in 2023.• Customer growth across all age groups from 2023, with strongest growth in core policyholders aged 31–40 and senior policyholders aged 51–60	<p>【Cathay Life】</p> <p>rNPS ≥ 20</p>	<p>【Cathay Life】</p> <p>rNPS ≥ 20</p>		<p>【Cathay Life】</p> <p>rNPS ≥ 20</p>
	<p>【CUB】</p> <ul style="list-style-type: none">• Customer Service Center tNPS: 67.1, an all-time high• CUBE App rNPS: 37.2, with over 50% of users recommending the app; satisfaction rates for brand preference, service quality, and experience all near 90%	<p>【CUB】</p> <ul style="list-style-type: none">• Customer Service Center: Maintain tNPS at 60 or above or lower the ratio of 0–6 detractors• Digital Platform: Top main competitors from peers in rNPS ranking	<p>【CUB】</p> <ul style="list-style-type: none">• Customer Service Center: Maintain tNPS at 60 or above or lower the ratio of 0–6 detractors• Digital Platform: Top main competitors from peers in rNPS ranking		<p>【CUB】</p> <ul style="list-style-type: none">• Customer Service Center: Maintain tNPS at 60 or above or lower the ratio of 0–6 detractors• Digital Platform: Top main competitors from peers in rNPS ranking
	<p>【Cathay Century】</p> <p>Overall average tNPS: 69</p> <ul style="list-style-type: none">• Online tNPS: 41 (+2 vs. 2023)• Offline tNPS: 89 (+2 vs. 2023)	<p>【Cathay Century】</p> <p>Improve NPS from the previous period or lower the ratio of 0–6 detractors</p>	<p>【Cathay Century】</p> <p>Improve NPS from the previous period or lower the ratio of 0–6 detractors</p>		<p>【Cathay Century】</p> <p>Improve NPS from the previous period or lower the ratio of 0–6 detractors</p>
	<p>【Cathay Securities】</p> <p>All 2024 tNPS scores exceeded 60</p>	<p>【Cathay Securities】</p> <p>Score 60 or more on NPS for services rendered for Taiwanese stocks</p>	<p>【Cathay Securities】</p> <p>Score 60 or more on NPS for services rendered for Taiwanese stocks</p> <p>Lower the ratio of 0–6 detractors</p>		<p>【Cathay Securities】</p> <p>Score 60 or more on NPS for services rendered for Taiwanese stocks</p> <p>Lower the ratio of 0–6 detractors</p>
	<p>【Cathay SITE】</p> <p>rNPS: 73 in 2024</p>	<p>【Cathay SITE】</p> <p>Score 40 in rNPS & continue to advance effectiveness of online Q&A services</p>	<p>【Cathay SITE】</p> <p>Score 40 in rNPS & continue to advance effectiveness of online Q&A services</p>		<p>【Cathay SITE】</p> <p>Score 40 in rNPS & continue to advance effectiveness of online Q&A services</p>

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6.1 Corporate Governance

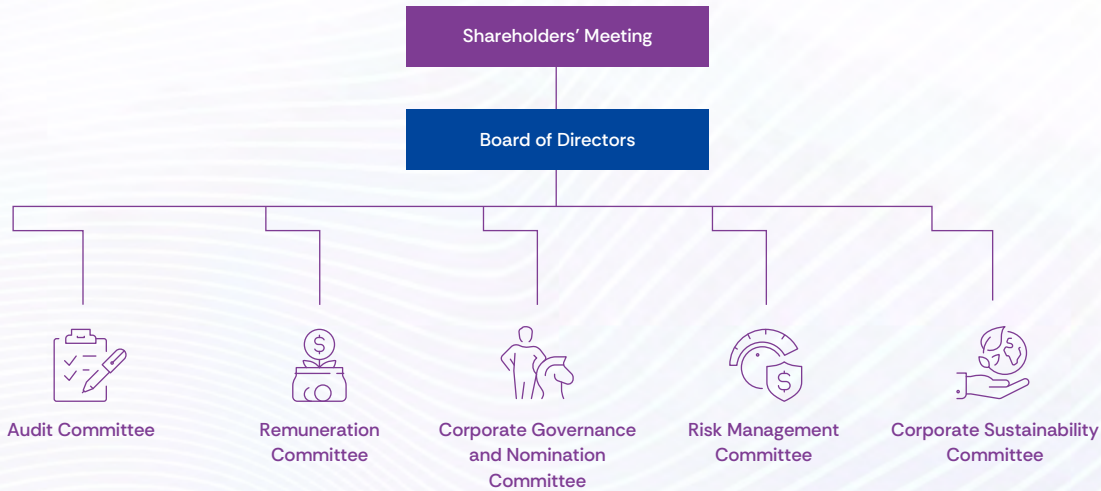
GRI : 2-9、2-10、2-11、2-15、2-17、2-18、2-19、2-20、2-21

Cathay FHC is committed to fostering a corporate culture of integrity and transparency. To this end, we work closely with external professional institutions to continuously improve our corporate governance system. In today's rapidly changing business environment, we strive to adhere to international best practices in corporate governance, which we continue to implement to enhance its effectiveness. Cathay FHC is a constituent stock of the TWSE Corporate Governance 100 Index as a Corporate Governance Benchmark. For an overview of Cathay FHC's corporate governance, please also refer to the [Cathay FHC Annual Report](#).

6.1.1 Board of Directors - Structure and Operation

At Cathay FHC, the board of directors serves as the highest decision-making body, with the chairman acting as its head. The chairman's role is to oversee the company's overall management operation and does not hold any senior leadership management positions. In 2024, the board of directors convened eight times, achieving an attendance rate of 99%, thereby exceeding the minimum requirement of 80% as set forth in the Company's Corporate Governance Best Practice Principles. The average tenure of board members stood at 10.8 years, while that of independent directors averaged 5.9 years. At Cathay FHC, the board of directors has established five functional committees: the Audit Committee, the Remuneration Committee, the Corporate Governance and Nomination Committee, the Risk Management Committee, and the Corporate Sustainability Committee.

The Corporate Governance Best Practice Principles were amended in 2024 to include additional provisions. These amendments stipulate that all members of the board and its functional committees must maintain an annual attendance rate of no less than 80%. Additionally, beginning with the ninth board term, each director is required to complete a minimum of three hours of continuing education within the first year of their tenure to ensure the fulfillment of their fiduciary responsibilities and the ongoing enhancement of board competencies. The board has also resolved that a Corporate Sustainability Committee has been formally established under the board, effective January 1, 2025, to further elevate the board's role in driving sustainability governance..



Committee Composition and Duties	Audit Committee	Remuneration Committee	Corporate Governance and Nomination Committee	Risk Management Committee	Corporate Sustainability Committee
	<ul style="list-style-type: none">Comprised of five independent directors <p>Establishes or reviews the internal control system and assesses its effectiveness; determines the fair presentation of Cathay's financial statements; oversees the procedures for major financial and business transactions; reviews directors' conflicts of interest; and appoints/dismisses the CPAs</p>	<ul style="list-style-type: none">Comprised of three independent directors <p>Enhances the director and senior management performance and remuneration policy/system; establishes remuneration for directors and senior management</p>	<ul style="list-style-type: none">Comprised of three directors, two of which are independent directors <p>Nominates Cathay director candidates and reviews their qualifications; evaluates the operation of the board rules and Corporate Governance Best Practice Principles; and establishes the organizational structure for the functional committees</p>	<ul style="list-style-type: none">Comprised of three directors, two of whom are independent directors, with one of the independent directors serving as chairperson <p>Responsible for reviewing the Risk Management Policy, relevant guidelines, risk appetite, and other risk management-related tasks</p>	<ul style="list-style-type: none">Comprised of three directors (at least one independent director) <p>Responsible for reviewing sustainability-related policies and strategic directions, Sustainability Reports, and other major sustainability-related resolutions.</p>
2024 Operations Overview	<ul style="list-style-type: none">The committee met six times in 2024. The attendance rate was 100%	<ul style="list-style-type: none">The committee met five times in 2024. The attendance rate was 100%	<ul style="list-style-type: none">The committee met three times in 2024. The attendance rate was 100%	<ul style="list-style-type: none">The committee met four times in 2024. The attendance rate was 100%	<ul style="list-style-type: none">Established on January 1, 2025

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|| Board of Directors Recusals

At Cathay FHC, "Regulations on Board Meeting Procedures" clearly state that any conflicts of interest with a director or the institution he/she represents must be disclosed during board meetings. If deemed harmful to Cathay's interests, the director must rescue him/herself from the discussion and abstain from voting. Furthermore, the director is prohibited from conducting proxy voting on behalf of other directors. If a director's spouse, second-degree relative, or a company that maintains a managerial or direct reporting relationship with the director has a conflict of interest concerning the proposal before the board, the conflict of interest will also be deemed to exist for the director. Furthermore, Cathay follows the guidelines set out in the "Corporate Governance Best Practice Principles" and "Code of Conduct for Responsible Persons Assuming Part-Time Roles" to manage part-time roles and jobs undertaken by directors. The guidelines stipulate that when Cathay directors assume part-time roles, they should ensure the effective performance of their duties for both full-time and part-time roles. There should be no conflict of interest or violation of the internal control and checks and balances mechanism of Cathay FHC, its investee companies and subsidiaries to ensure the rights and interests of our shareholders. For an overview of the implementation of proposal recusals due to conflict of interest, positions held on other boards of directors and their shareholdings, please refer to [2024 Cathay FHC Annual Report](#) page 7-11 and page 47-48.

6.1.2 Board of Directors - Professionalism, Independence and Diversity

To continuously improve corporate governance practices, Cathay FHC prioritizes the professionalism, independence, and diversity of its board of directors. To this end, we have established the Corporate Governance and Nomination Committee to oversee the nomination and eligibility review of directors. To implement shareholder activism, the company has explicitly incorporated the "Candidate Nomination System" into its Articles of Incorporation. Under this system, shareholders holding 1% or more of the company's total issued shares may submit nominations for director candidates in writing. Except under the following circumstances, the company is obligated to include the nominee in the list of director candidates: 1. the nomination is submitted outside the publicly announced nomination period; 2. the shareholder does not meet the 1% ownership threshold during the share transfer suspension period; 3. the number of nominees exceeds the number of seats available for election; 4. the nomination lacks required details such as the nominee's name, educational background, or professional experience. The company shall disclose the list of nominated director candidates and their qualifications at least 40 days prior to the annual general meeting or 25 days prior to a special shareholders' meeting. This allows shareholders sufficient time to review relevant information, such as education and experiences, to make informed voting decisions at the shareholders' meeting.

If shareholders holding more than 1% of the total issued shares of the company do not propose a list of director candidates, all the board candidates are nominated through the "Corporate Governance and Nomination Committee". The nominees must possess the required expertise in finance, business, and management, and reflect diversity in terms of basic composition, industry experience, and professional knowledge/skills. The overall composition of the board must also align with the company's operational needs, including capabilities in business judgment, strategic management, crisis handling, and global market insight. For information on the implementation of Cathay FHC's Board Diversity Policy, please refer to the [2024 Cathay FHC Annual Report](#), p.21-24.

Note: The 9th Board of Directors was elected at the shareholders' meeting held on June 13, 2025. Please refer to [Cathay Financial Holdings website](#) for the list of board members



Professionalism

Cathay FHC's "Corporate Governance Best Practice Principles" clearly outlines the knowledge, skills and qualities that the board members must possess to fulfill their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities: ability to make operational judgments, ability to perform accounting and financial analysis, ability to conduct management administration ((including ability to conduct management subsidiaries), ability to handle crisis management, knowledge of the industry, an international market perspective, leadership, ability to make policy decisions, and risk management knowledge and skills. Furthermore, directors actively participate in continuing education courses on risk management, corporate governance, corporate sustainability, Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), and information security. In 2024, the directors completed an average of 13.6 hours of continuing education.



Independence

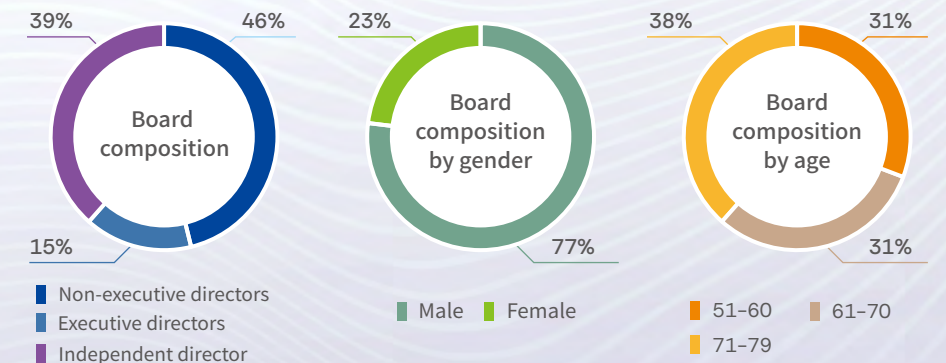
- Cathay FHC has established "Guidelines for the Scope of Duties of Independent Directors" that stipulates the following: "If an independent director has any objection or reservation, it should be recorded in the minutes of the board meeting." "Cathay cannot hinder, refuse or prevent an independent director from performing his/her duties" and "In performing his/her duties, if an independent director deems it necessary, he/she may request the board to assign relevant personnel or directly engage experts to assist; Cathay will be responsible for all costs incurred." The above measures are in place to ensure that independent directors perform their duties while effectively enhancing the board's operation and the company's business performance.

- At Cathay FHC, the board is comprised of 13 members, five of which are independent directors, which exceeds 1/3 of the total seats.



Diversity

The board of directors at Cathay FHC includes members from diverse backgrounds, spanning various industries and academic disciplines, each bringing a unique set of skills and expertise. To strengthen corporate governance and facilitate sound board development, the "board member diversification" policy in the "Corporate Governance Best Practice Principles" states that the board composition should be determined by considering the operational structure, business development direction, future trends, and other needs. It is advisable to assess aspects of diversity, including but not limited to basic compositions (e.g., gender, age, nationality, and race), professional experience (e.g., financial holding, banking, insurance, securities, industry and technology), and professional knowledge and skills (e.g., business, finance, accounting, law, marketing, and digital technology).



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6.1.3 Board Performance Evaluation

To enhance the effectiveness of board operations, Cathay Financial Holdings has established both the "Board of Directors Performance Evaluation Policy" and the "Board of Directors and Functional Committee Performance Evaluation Method." These policies provide a structured framework for evaluating the performance of the board and its functional committees. The evaluation criteria incorporate key sustainability-related indicators, including regulatory compliance, corporate governance, risk control, corporate sustainability, and social responsibility. This ensures that the board and its functional committees effectively fulfill their responsibilities across governance, business operations, and corporate sustainability. Performance evaluations are conducted annually. Members of the board and the functional committees, along with the agenda working group, are evaluated for their performance based on established indicators. The results are consolidated by the agenda working group and submitted to the board for review.

|| Aspects of Performance Evaluation

Board of Directors	Functional Committees (including the Audit Committee, the Remuneration Committee, the Corporate Governance and Nomination Committee, and the Risk Management Committee)	Board Member
<ul style="list-style-type: none"> Level of participation in the company's operations Strengthen the board's ability to make effective decisions Board of directors composition and structure Election of directors and continuing education Internal control 	<ul style="list-style-type: none"> Level of participation in the company's operations Level of understanding of the duties and responsibilities of the functional committees Strengthen the functional committees' ability to make effective decisions Functional committees' composition and member election Internal control 	<ul style="list-style-type: none"> A clear understanding of the organization's mission and goals A clear understanding of the role and responsibilities of a director Level of participation in the company's operations Internal management and communication Director's knowledge, expertise and continuing education Oversight of the company's financial operations status Oversight of the company's internal audit and control, risk management, and compliance functions Company credit rating Fulfill corporate sustainability responsibilities

|| Results of Performance Evaluation

Internal Evaluation

- In 2024, the results of the internal performance evaluation of Cathay FHC's board and functional committees showed that the performance "exceeded expectations."
- The individual performance evaluations of board members in 2024 were all rated as "meets expectations."



External Evaluation

In 2019 and 2022, Cathay FHC engaged the Taiwan Institute of Ethical Business and Forensics to evaluate the performance of its board of directors for the years 2018 and 2021. Following the institute's recommendations for improvement, Cathay implemented measures to enhance the performance of its board.

Note: For detailed results of the execution of board and functional committee performance evaluation, please [click on the link](#).

6.1.4 Remuneration Structure for Directors and Senior Management

|| Remunerator for Directors

To improve corporate governance and enhance long-term operating performance, Cathay has established the "Guidelines for Directors' Remuneration," which sets out remuneration standards such as a director's variable and fixed compensation, as well as the cost of transportation. According to Cathay FHC guidelines, the directors receive variable compensation based on outlined standards. However, independent and external directors only receive fixed compensation without variable compensation. To improve operational risk management, Cathay FHC has established "Guidelines for Evaluation of Directors' Performance," which includes various indicators for evaluating the performance of the board of directors, such as their level of participation in the company's operations, oversight of financial operations, internal audit and control, risk management, and compliance. Those who do not meet the annual evaluation standards will not receive any variable compensation as directors. The fixed compensation for directors is determined based on their level of participation in the company's operations and contribution value and is benchmarked against industry peers. The remuneration committee and the board of directors approve the fixed compensation. In addition, to ensure fair and reasonable compensation for the directors, the remuneration committee and the board evaluate the feasibility of "Guidelines for Directors' Remuneration" once every three years.



Remunerator
for Directors

- Established based on the "Guidelines for Directors' Remuneration." The remuneration committee takes into account the level of the director's participation in the company's operation and their contribution value, and benchmarks their remuneration against industry peers.
- The fairness of the "Guidelines for Directors' Remuneration" is evaluated once every three years, and is submitted to the remuneration committee and the board for approval.
- In the director performance management development (PMD) process, directors are evaluated based on indicators such as internal audit and control, risk management, and compliance. Those who do not pass are ineligible to receive any variable compensation as directors.



Remuneration
for Senior
Management

- Remuneration is established based on the "Guidelines for Remuneration of Senior Management", taking into consideration of roles and responsibilities, performance, and expertise, and is benchmarked against market value.
- As an example, the variable compensation of the Cathay FHC President is tied to a range of important performance indicators. These include financial returns, relative financial metrics, operational indicators on strategic developments, corporate sustainability indicators, and internal control & compliance metrics. There is a three-year spread-out period for long-term incentives instead of paid out in full in the year of earnings.
- Cathay conducts an annual remuneration competitiveness analysis and evaluates each senior manager's fixed compensation individually. Additionally, we review the "Guidelines for Remuneration of Senior Management" every three years and submit them to the remuneration committee and board for approval.

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Remuneration for Senior Management

In order to create long-term value for shareholders, align remuneration with roles and responsibilities, and attract and motivate top talent, Cathay FHC has established the "Manager Remuneration Payment Guidelines." These guidelines clearly stipulate the items and standards of managers' salaries and rewards. Fixed remuneration for managers is determined based on job responsibilities, performance, and capabilities, and with reference to external remuneration benchmarks. Variable remuneration is linked to the company's annual operating performance and individual performance achievement, and is determined in accordance with the standards set out in the "Manager Remuneration Payment Guidelines" and approved by the Remuneration Committee and the board of directors. To ensure fair and reasonable compensation for managers, Cathay conducts an annual remuneration competitiveness analysis and evaluates each senior manager's fixed compensation individually. Additionally, we review the "Manager Remuneration Payment Guidelines" every three years and submit them to the remuneration committee and board for approval.

In order to improve the corporate governance system, effectively urge managers to fulfill their duties, enhance the company's operating strength, and serve as a reference for managers' salaries, position adjustments and bonus issuance, the "Manager Performance Management Development Guidelines" were established. Managers' performance indicators include the company's/department's annual strategic key goals, job responsibilities (such as internal control implementation results and compliance implementation results), and other annual key tasks (such as corporate sustainability indicators) to ensure that managers' performance goals are closely linked to company strategies.

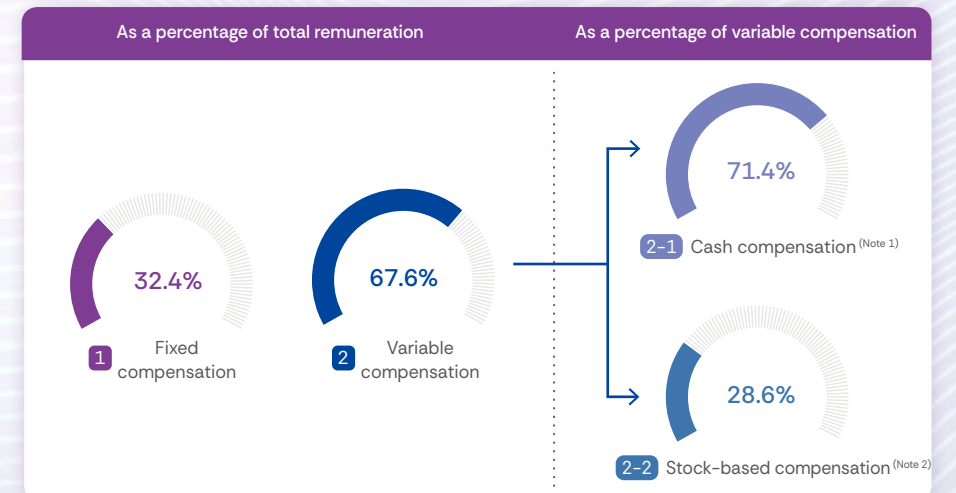
Cathay FHC President Remuneration Structure

As an example, the variable compensation of the Cathay FHC President is tied to performance in financial metrics, relative financial metrics, operational indicators on strategic developments, internal control and compliance, and corporate sustainability indicators. To further strengthen the company's long-term performance, a portion of the variable compensation for the Cathay FHC President is deferred. The long-term incentives structure involves the payout of the variable compensation over three years rather than in full in the year of earnings. If there are occurrences of aggravated circumstances, such as intentional or material faults, professional activity leading to material risks for the company, or unethical actions during the deferred period, the remuneration committee and the board of directors have the authority to cancel the long-term incentives. The company operates primarily in Taiwan. In 2024, the total annual compensation of the highest-paid individual within the organization was 42.1 times the median of the total annual compensation of all other employees (excluding the highest-paid individual), and 33.2 times the average. Additionally, the year-over-year percentage increase in total compensation for the highest-paid individual was 2.5 times that of the median percentage increase for other employees.

Cathay FHC President's Performance Indicators

Weight	Important Business Metrics	Details
50%	Financial returns	Return on equity (ROE), after-tax EPS of common stock, etc.
	Relative financial metrics	Changes in shareholding ratio by foreign investors (relative to other financial institutions)
	Other important financial metrics	Capital adequacy ratio, risk management, etc.
50%	Operational indicators on strategic developments	Data and information transition, AI governance, green fintech development, corporate and brand identity, etc.
	Corporate sustainability indicators	Operations environmental impact, talent and skill development, corporate governance, privacy and information security, etc.
	Internal control & compliance metrics	Internal control & compliance implementation results

Cathay FHC President Remuneration Structure in 2024



Note 1: Refers to the cash bonus for FY2024

Note 2: Refers to stocks that have fully vested in FY2024

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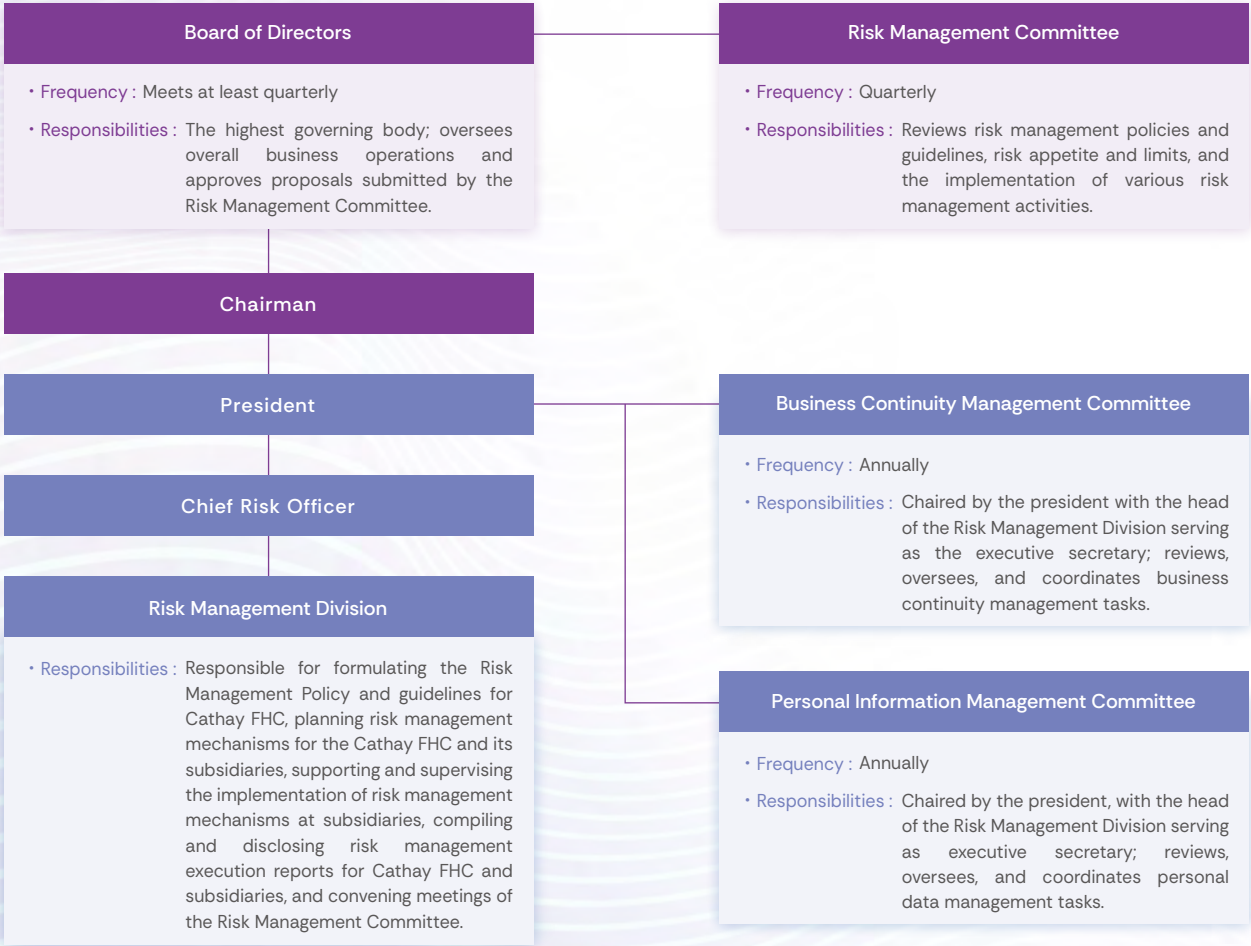
6.2 Risk Management

GRI : 2-12、2-25、2-26、201-2

6.2.1 Risk Management Framework and Policy

At Cathay FHC, the board serves as the ultimate governing body for our risk management framework and is responsible for overseeing the company’s operational management. The Risk Management Committee, a functional committee under the board of directors, is composed of at least three directors appointed by the board, with a majority being independent directors. An independent director serves as the chair. All members possess professional knowledge and expertise in risk management and corporate governance, enabling effective oversight of risk management mechanisms.

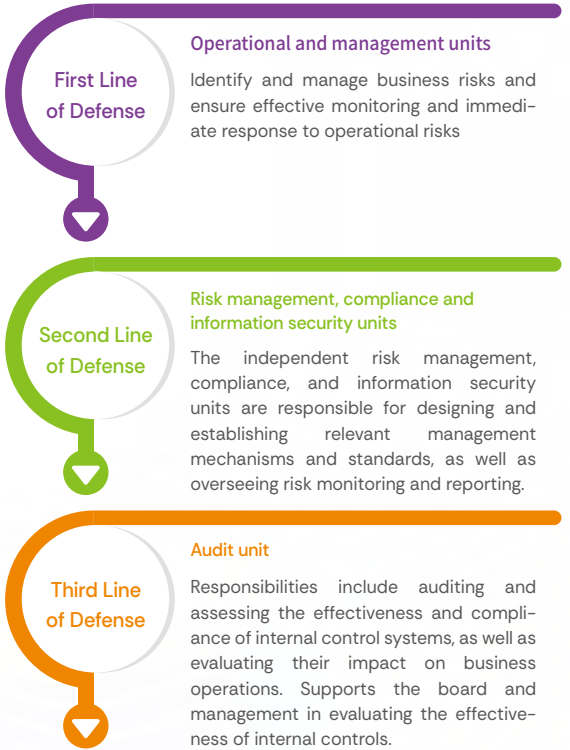
• Risk Management



Enterprise Risk Management Framework (ERMF)

Cathay FHC has established its Risk Management Policy in accordance with the Enterprise Risk Management Framework (ERMF). The company has also developed specific risk management guidelines and metrics for risk. In response to changes in the external operating environment, Cathay conducts scenario analyses and stress testing to assess potential impacts. The results of risk management implementation efforts are regularly reported to the Risk Management Committee and the board to ensure effective oversight of the group’s risk management activities. The company adopts a Three Lines of Defense internal control mechanism, under which responsibilities for identifying, measuring, and controlling risks are assigned according to the level of authority across the organization, with control measures and response strategies formulated accordingly.

• The Three Lines of Defense



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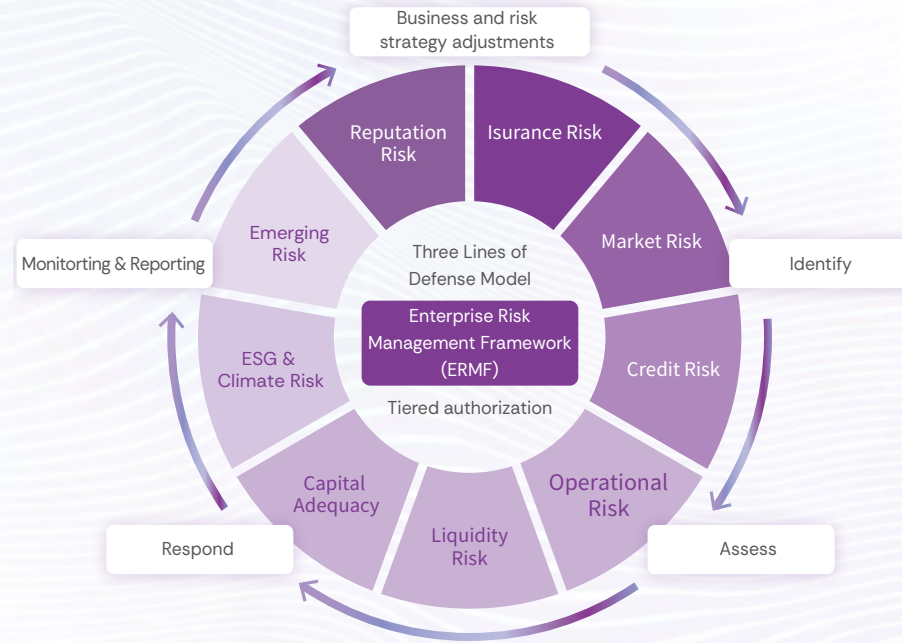
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Enterprise Risk Management Policy and Response

Based on the Risk Management Policy, Cathay FHC has established management measures specific to the risk categories. To enhance the effectiveness of our risk management process, Cathay has established "Regulations for Reporting Operational Risk Events," "Regulations for Reporting Emergency Credit Risk Events," and "Regulations Governing the Handling of Major Incidents." The corresponding reporting systems are also in place. When a risk event occurs, it is mandatory for all units or subsidiaries to promptly notify the Risk Management Division to initiate a management case. Regular progress reports are required from each unit or subsidiary to review the status of risk events and the implementation of improvement plans. These progress reports are then submitted to the Risk Management Division.

Risk Category	Risk Management Strategies
Market Risk	Cathay FHC and its subsidiaries have established a prudent investment decision-making process. This process includes setting market value-at-risk (VaR) limits, market risk factor limits, and market risk stress VaR limits. It also includes exception management procedures. Cathay regularly reviews risk factor limits, assesses position risk, and performs stress tests to implement market risk management.
Credit Risk	Cathay FHC and its subsidiaries have established a stringent credit policy and process, as well as collateral, overdue loans, asset evaluation, and provisioning. Additionally, Cathay regulates group concentration limits, industry risk limits, and country risk limits to effectively diversify credit risks.

Risk Category	Risk Management Strategies
Liquidity Risk	In addition to maintaining the legally required liquidity reserves, the company uses quantitative tools, such as liquidity indicators, to manage its capital effectively in accordance with the principles of liquidity, safety, and profitability, thereby mitigating liquidity risk. Cathay's subsidiaries have also established a contingency capital response mechanism in the event of significant emergency events that may result in a liquidity problem.
Operational Risk	Cathay FHC manages operational risk by establishing independent operational processes and IT systems for each business function across the front, middle, and back offices. Cathay FHC strengthens its ability to identify the root causes of risk by collecting and analyzing operational risk loss events. The company also continuously monitors the effectiveness of control measures to ensure effective risk management. Additionally, Cathay FHC and its subsidiaries have implemented business continuity management mechanisms in line with international standards to enhance the group's operational resilience and ensure continuity under various risk scenarios.
Insurance Risk	Cathay FHC and its insurance subsidiary have established a comprehensive insurance risk management framework and system. The risks associated with insurance products are managed, and risk mitigation measures are implemented, under the guiding principles of business strategy and profit targets. To reduce potential losses from unexpected changes, the post-sale experience of insurance products is also regularly tracked and evaluated.
Capital Adequacy Management	Cathay FHC and its subsidiaries comply with regulatory requirements by regularly calculating capital adequacy ratios. In addition, ad hoc capital adequacy simulations are conducted based on merger and acquisition plans or the investment needs of individual subsidiaries. These efforts help ensure the maintenance of an appropriate level of capital adequacy and provide a basis for proactive capital planning and funding strategies.
Emerging Risk	Cathay FHC conducts annual emerging risk identification and assessment based on external research in response to the increasingly complex global financial environment and the growing number and likelihood of issues such as technological advancement and an aging population. Strategies and control measures are subsequently developed to address these risks.
ESG and Climate Risk	To fulfill its Corporate Sustainability Principles and address the potential significant impact of extreme climate events on business development, Cathay FHC and its subsidiaries manage ESG risks in their investment and financing activities by leveraging both internal and external ESG data. Cathay also assesses the financial impact of climate change on the company.
Reputation Risk	To minimize negative stakeholder perceptions in the event of a major incident, the company will handle matters in accordance with relevant internal regulations and take preventive measures to minimize damage.

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Risk Management Process

Management Level	Explanation
 Risk Identification	<p>Cathay FHC classifies its primary sources of risk into several categories, including market risk, credit risk, operational risk, liquidity risk, insurance risk, capital adequacy management, emerging risks, ESG and climate risks, and reputation risk. For each risk type, the Risk Management Division establishes specific management guidelines and corresponding compliance protocols, with regular reporting to the Risk Management Committee and the board of directors. Below are the methods for risk identification:</p> <ol style="list-style-type: none">Impact and Likelihood Assessment: Cathay FHC identifies and evaluates risks based on qualitative and quantitative assessments of their potential impact and likelihood of occurrence. This process helps prioritize key risks and assess their potential impact on business operations, forming the basis for corresponding mitigation measures.Stress Testing and Sensitivity Analysis: Cathay regularly conducts stress testing for risks such as market and credit risk using various sensitivity scenarios. Additionally, Cathay reviews its risk appetite annually and reports the findings to the Risk Management Committee and the board. Based on this risk appetite, Cathay FHC sets limits and thresholds for different risk types and continuously monitors key risk indicators. When these indicators approach or exceed predefined levels, the company develops and implements the corresponding risk mitigation measures.
 Risk Monitoring	<p>Cathay FHC conducts monthly monitoring of group-wide exposures and risk indicators. On a quarterly basis, the outcomes of risk management activities are reported to the Risk Management Committee and the board to ensure effective oversight and control of the group's overall risk level. For example:</p> <ul style="list-style-type: none">Market risk: regularly assesses and monitors value-at-risk (VaR) and conducts sensitivity testing of positions to strengthen market risk managementCredit risk: periodically reviews concentration limits across the group—such as by country, industry, or corporate group—to effectively monitor and manage concentration risk
 Process Review	<p>Cathay FHC has established an effective internal control system, where the internal audit unit incorporates compliance activities into its audit procedures. At a minimum, a general business audit is conducted annually, and a special audit focused on finance, risk management, and regulatory compliance is carried out at least twice a year for both Cathay FHC and its subsidiaries.</p>

Risk Management Culture

Cathay FHC promotes a robust risk management culture by providing risk-related training to enhance employees' risk awareness. Additionally, the company integrates risk management into the product and service development process and reinforces its risk culture through different mechanisms.

Mechanism	Implementation
Training and awareness promotion	<ul style="list-style-type: none">To enhance the Group's overall risk awareness and management capabilities, Cathay Financial Holdings has arranged risk management training for its Board members, including both executive and non-executive directors, to help them stay informed of risk trends and strengthen their governance functions. In addition, all employees of Cathay Financial Holdings and its subsidiaries are required to complete general risk management training. In 2024, the completion rate reached 100%, reinforcing employees' understanding and application of risk identification and management in daily operations.Cathay FHC publishes a monthly periodical on regulation, risk, and audit, and shares resources and industry examples relevant to compliance, risk management, information security and audit issues.
Product and service development process	<p>Cathay FHC places significant emphasis on the potential risks during new product development. Relevant management mechanisms are established both before and after the product launch, ensuring compliance with regulatory standards and adherence to the principles of treating customers fairly. This approach aims to mitigate financial, regulatory, and operational risks. For example, in the case of life insurance products developed by Cathay Life:</p> <ul style="list-style-type: none">Financial Risk : Each year, profit standards and sales limits for products are set based on the company's overall risk appetite. Before product launch, profitability is assessed to ensure it meets these standards. Afterward, sales volume and claims experience are continuously tracked to ensure that expected profitability is achieved.Regulatory Risk : In accordance with the "Regulations Governing Pre-sale Procedures for Insurance Products" and the "Guidelines for the Review of Life Insurance Products" issued by regulatory authorities, products are submitted to the Insurance Product Review Committee (convened by senior executives) for review before being submitted for regulatory approval. Qualified product signatories, including actuaries, risk managers, legal advisors, underwriters, claims, policy administration, and investment personnel, review the product for legal compliance.Operational Risk : Before the sale of any insurance product, senior executives convene the Insurance Product Management Committee meeting to ensure the appropriateness of various aspects such as information disclosure, actuarial data alignment and verification, information system setup and testing, risk control mechanisms, reinsurance arrangements, and sales channel training. Additionally, post-sale, the Insurance Product Management Committee meets every six months to review compliance with relevant regulations, consumer rights protection, asset-liability adequacy, and sales quota tracking, thereby reducing the likelihood of operational risk occurrence.

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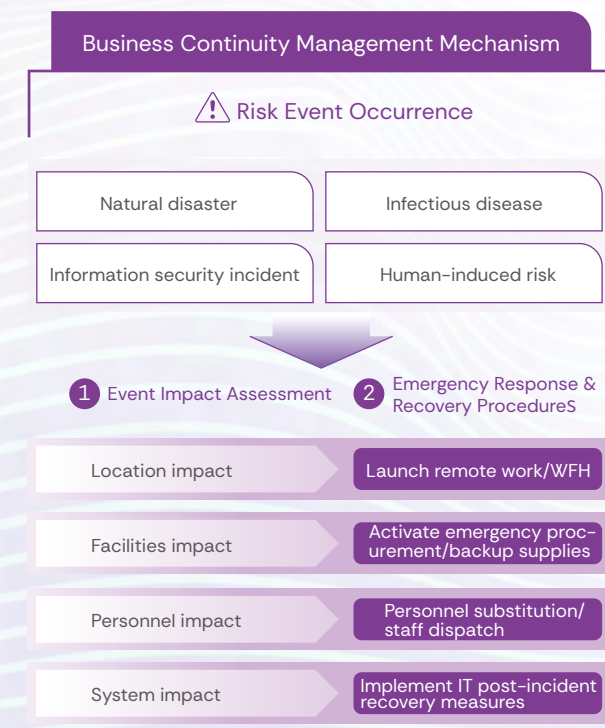
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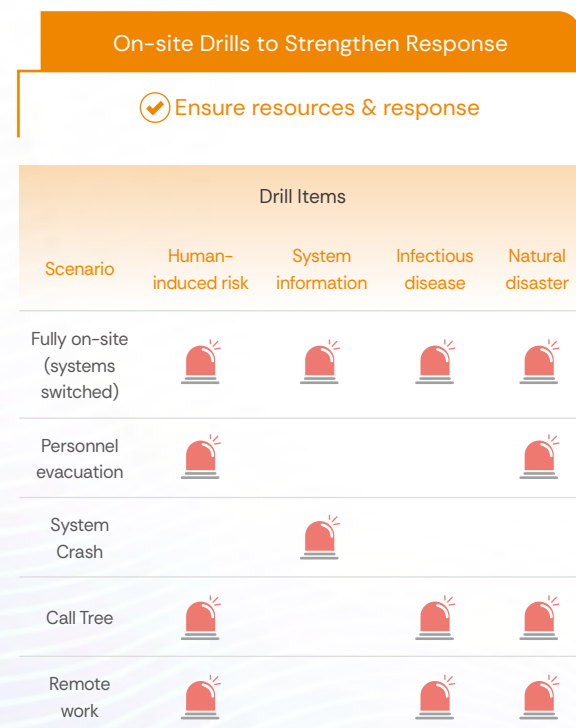
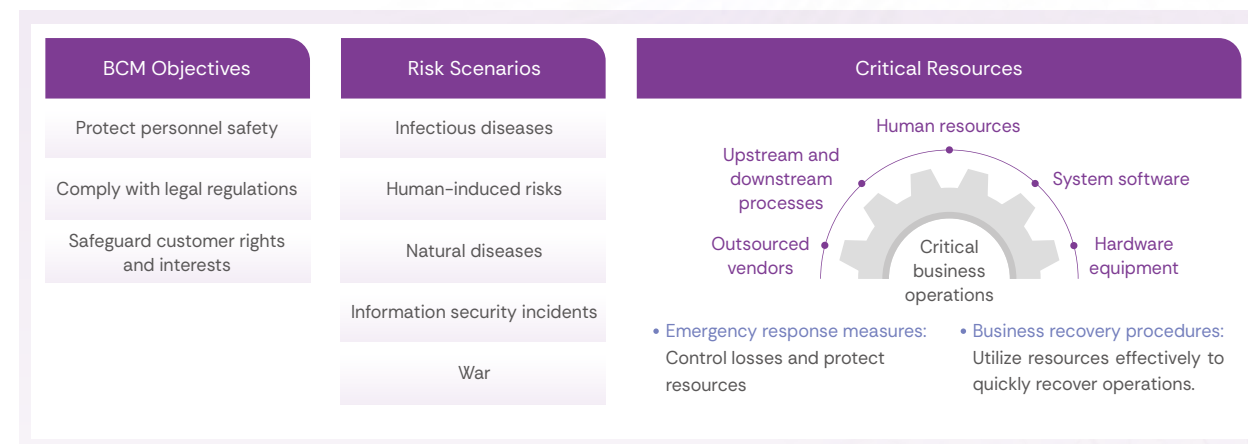
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6.2.2 Business Continuity Management

Cathay takes a group-wide perspective in developing its business continuity management (BCM) strategy. We must strengthen our emergency response capabilities in the face of major business disruption events to ensure uninterrupted critical operations. Customer rights are a top priority, and Cathay spares no effort to maintain operational continuity. Cathay FHC has implemented the "Business Continuity Management Guidelines" and "Business Continuity Management Strategy" to establish a comprehensive management system across the entire group. To ensure effective communication during emergencies, the system is supported by a complete reporting mechanism. In the event of a natural disaster or other emergency, Cathay FHC will activate the appropriate emergency response procedures and business recovery measures based on the severity of the incident and its reporting levels. In addition, regular multi-hazard drills are conducted for different scenarios each year to ensure that critical business operations remain uninterrupted and that backup mechanisms are effective in the event of a sudden disaster or force majeure.



Business Continuity Management Mechanism



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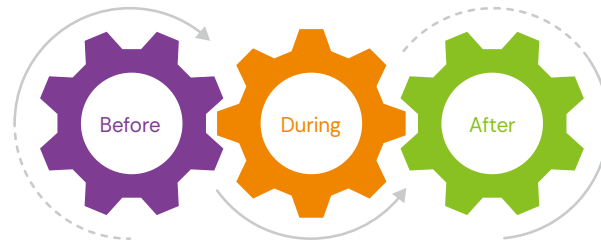
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Business Continuity Management Mechanisms and Emergency Response Drills

01

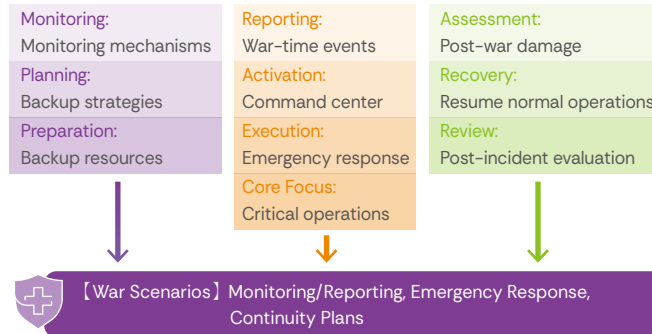
Enhanced
Contingency
Measures for
Extreme
Scenarios

In response to potential disruptions caused by geopolitical risks and extreme climate events—such as infrastructure damage or financial market volatility—Cathay FHC continues to strengthen its group-wide business continuity management (BCM) framework. This framework encompasses key resources including personnel, systems and data, facilities and supplies, as well as financial and liquidity resilience. Key measures include: establishing a wartime backup delegate list for critical business functions; implementing cold backup via overseas cloud infrastructure to ensure data security; identifying evacuation sites and securing emergency supplies; and monitoring cash reserves and liquidity risk to ensure stable funding operations.



02

Emergency
Response
Mechanisms
for Extreme
Scenarios



03

Emergency
Response
Drills

Cathay devises and conducts annual drills for various risk scenarios based on their likelihood and potential impact. These exercises help ensure continuity and the effectiveness of backup systems across critical operations during emergencies or disasters.

In 2024, Cathay FHC and its main subsidiaries conducted drills that simulated geopolitical conflicts and operational disruptions. These exercises aimed to verify the integrity of the group's emergency response system and ensure the smooth coordination of decision-making and communication processes. The exercises also aimed to enhance the group's overall emergency response capabilities, resource deployment, and cross-functional coordination.

6.2.3 Material Risk Management

Each year, Cathay FHC identifies and assesses material risks using both qualitative and quantitative methods, referencing leading practices from leading institutions and industry peers. This process evaluates the potential impact and likelihood of risks that may affect the company in the future and establishes a prioritized list of material risks. Through risk correlation analysis, the company also identifies secondary risks associated with material risks to help prevent potential chain reactions. Based on the comprehensive assessment for the year, the identified material risks are "Political and Economic Risks" and "Climate Transition Risks." Cathay FHC and its subsidiaries will continue to strengthen their risk response and management efforts, and report progress regularly to the Risk Management Committee and the board of directors.

Material Risk Assessment Results and Mitigating Actions

Risk Category	Political and Economic Risks	Climate Transition Risks
Description	Economic risks arising from political changes in countries or regions where the company conducts investment or business	Risks related to policy, regulatory, technological, and market changes during the transition to a low-carbon economy, which could lead to financial losses for businesses
Impact	<ul style="list-style-type: none">Investment performance may suffer due to sovereign defaults or stock market crashes in high-risk countriesPolitical unrest or conflict may lead to business disruption or barriers to cross-border transactions; geopolitical risks may delay business expansion or require changes in market strategies	<ul style="list-style-type: none">Exposure to high-risk industries may affect investment performance, requiring asset reallocationCarbon-intensive companies/sectors may face increased operational pressure and rising credit risk
Mitigating actions	<ul style="list-style-type: none">Strengthen market risk management by continuously monitoring political and economic developments, using derivatives for hedging, and setting stop-loss mechanismsEstablish business continuity management mechanisms and strategies, with oversight by a designated committeeCollaborate with government, academia, and industry to enhance political and economic risk analysis and intelligence capabilities	<ul style="list-style-type: none">Implement existing sensitive industry management mechanisms to analyze and manage climate risks, with regular monitoring of investment and financing exposure concentrationConduct climate scenario analysis for investment, financing, and specific business activities, referencing domestic and international climate change scenarios to assess impacts on business, strategy, and financeImplement existing exclusion and restriction policies for the coal value chain and unconventional oil and gas in investment, financing, and insurance

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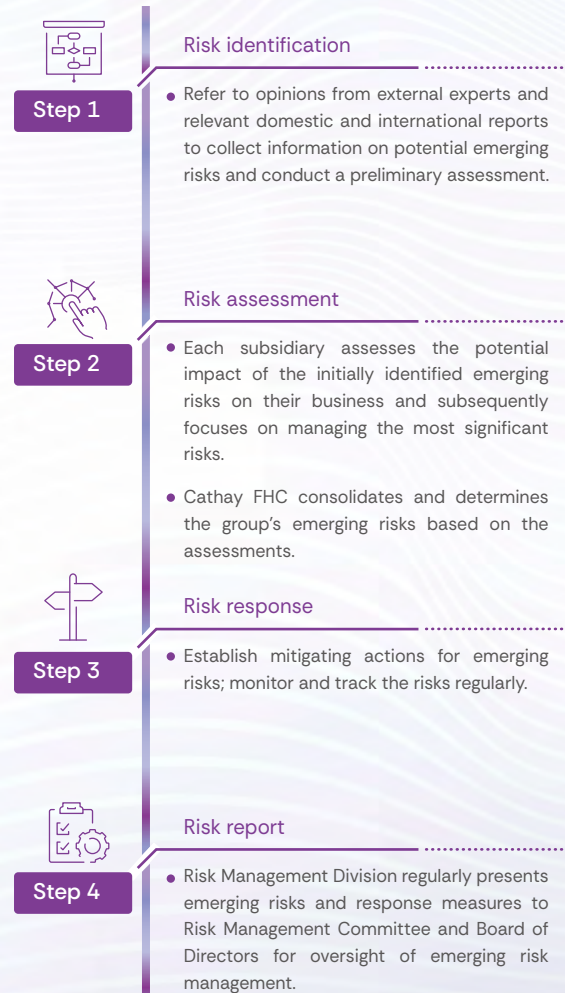
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6.2.4 Emerging Risk Management

Cathay FHC analyzes emerging risk factors of concern both domestically and internationally, and collaborating with its subsidiaries to assess potential business impacts and develop corresponding risk management measures. The emerging risks identified this year are: “Artificial Intelligence (AI) Risk” and “Social Isolation and Loneliness.”

• Risk Identification Process



|| Emerging Risk Assessment Results

Risk Category	Artificial Intelligence (AI) Risk	Social Isolation and Loneliness
Description	With the advancement of AI technologies and the emergence of various application models, the convergence of different models and techniques is expected to result in more sophisticated and harder-to-detect fraud and cyberattacks through deepfakes or generative AI. As AI technologies are applied, the operation of AI models may involve sensitive data, posing challenges to model security and data confidentiality. When leveraging AI for decision-making, risks such as AI hallucination and bias recognition must be carefully managed. These potential risks may further impact the Company's reputation and operations.	Following the COVID-19 pandemic, society has undergone rapid transformation, including accelerated urbanization and changes in family structures, resulting in weakened social support networks for individuals. The World Health Organization (WHO) has identified “loneliness” as an emerging public health crisis, highlighting its close association with mental health issues, increased risk of chronic diseases, and premature death. Rising social isolation and deteriorating mental health may gradually impact business operations and insurance risk exposure.
Impact	<ul style="list-style-type: none">External malicious attacks may lead to the leakage of sensitive information, such as trade secrets or critical personal data, resulting in loss of competitiveness and erosion of customer trust.Operating costs may increase due to the need to prevent external attacks and comply with regulatory requirements for AI system development and deployment.If AI models contain data bias, computational errors, or generate inappropriate recommendations, they may result in poor decision-making, potentially harming business development, customer experience, and overall operations.	<ul style="list-style-type: none">If Cathay employees experience performance issues due to social isolation or mental health challenges, it may lead to reduced productivity, increased sick leave, higher turnover, and greater talent attrition risk. This could also result in higher healthcare expenditures and negatively affect overall workplace morale.If Cathay's insurance policyholders experience health deterioration due to loneliness or stress, it may lead to an increase in claims or greater uncertainty in policy pricing and risk assessments.
Mitigation Actions	<ul style="list-style-type: none">AI model application: Gradual implementation of AI models and establishment of relevant management mechanisms.Mitigation of malicious behavior: Conduct regular reviews of AI-related applications (e.g., services that leverage facial recognition) to ensure accuracy and security.AI governance: Develop a comprehensive AI governance framework that covers strategy, organization, legal compliance, processes, technology, and applications.	<ul style="list-style-type: none">Employee management: Use surveys to understand employee needs, identify mental health issues early, and provide psychological support or case-specific assistance.Insurance: Spillover-effect insurance policies incorporate group fitness goals to encourage collective efforts toward physical and mental well-being.

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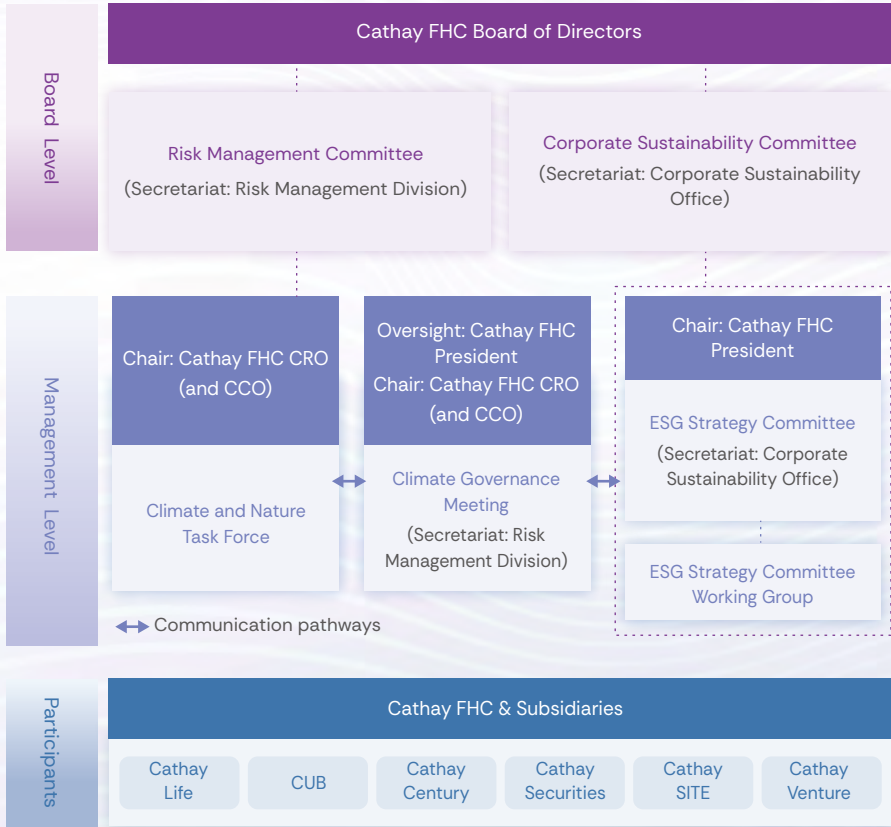
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6.2.5 Climate and Nature-Related Financial Disclosures

In June 2018, Cathay became a TCFD supporter and established Cathay’s Climate and Nature Task Force under the purview of Cathay’s Chief Risk Officer(CRO) for discussion, coordination, and management of climate and nature-related risks. For a complete overview of Cathay’s TCFD efforts, please see [Cathay FHC’s 2024 Climate and Nature Report](#).

|| Governance

To enhance board effectiveness and implement sustainable governance, Cathay FHC has established two board-level committees: the Corporate Sustainability Committee and the Risk Management Committee. The committees are responsible for reviewing and overseeing the implementation and management of ESG and climate policies, systems, strategies, and plans. In addition, quarterly Climate Governance Meetings are convened for senior executives to discuss and build consensus on key climate and nature-related issues, thereby enhancing our responsiveness and resilience. In 2024, Cathay led the industry in appointing a Chief Climate Officer(CCO), a role held concurrently by the Chief Risk Officer(CRO), to formulate climate strategy and implement climate risk management.



Organization Name	Chairperson	Frequency	Responsibilities
Board of Directors	Chairman	Meets at least quarterly	The highest decision-making body on climate issues; oversees overall business operations and approves proposals submitted by the Risk Management Committee.
Risk Management Committee	Independent director	Quarterly	Functional committee under the purview of the board, responsible for reviewing the Risk Management Policy, relevant guidelines, risk appetite, and other risk management-related tasks.
Corporate Sustainability Committee		Meets at least twice a year	Functional committee under the purview of the Board, responsible for reviewing sustainable development policies, systems, strategic direction, and annual plans.

Organization Name	Chairperson	Frequency	Responsibilities
Climate Governance Meeting	Cathay FHC CRO (and CCO)	Quarterly	The meeting centers around climate and nature issues, seeking alignment and consensus among senior executives. The CRO (who also serves as CCO) of Cathay FHC serves as the chairman, with oversight from the President of Cathay FHC regarding the committee’s activities.
ESG Strategy Committee	Cathay FHC President	Quarterly	The ESG Strategy Committee operates under the supervision of the Corporate Sustainability Committee. Chaired by the President of Cathay FHC, senior executives lead working groups to implement the group’s sustainability strategies and actions.
Climate and Nature Task Force	Cathay FHC CRO (and CCO)	Monthly	Responsible for discussions and collaborations regarding climate and nature risk management, and primarily consists of Cathay FHC senior executives. The task force coordinates the expertise and resources of the subsidiaries, with the CRO serving as the chairman.
ESG Strategy Committee Working Group	All senior executives	Convene ad hoc meetings as needed	<p>The ESG Strategy Committee has established six working groups. An overview of their responsibilities with a strong climate and nature focus is as follows:</p> <ul style="list-style-type: none">• Responsible Investment Working Group: Promotes the integration of ESG considerations into investment and lending processes, investor relations, and information disclosure• Responsible Products and Services Working Group: Assesses risks and opportunities of ESG products and services, develops strategies and ESG-related products and services, including the development of green financial products and services• Green Operation Working Group: Focuses on environmental policy and management mechanisms, daily environmental operational management of business locations, supply chain management, and participation in green initiatives

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Strategy

In 2021, Cathay FHC identified “climate” as one of the three main pillars of its group sustainability strategy, and set climate goals based on two main aspects: low-carbon economy and environmental sustainability. In 2022, the group reached a consensus and developed a sustainability strategy blueprint to further strengthen these pillars and establish a direction for sustainable development. For more information, please refer to [CH2 Climate](#).

• Identification of Material Climate/Nature Risks and Opportunities

Cathay FHC identified six major climate risks and five major climate opportunities by screening and ranking climate- and nature-related risks and opportunities. The company assessed the period of impact, impact level and duration, relevance to conventional risks, and potential financial implications. These insights serve as the foundation for developing response strategies and guiding risk management efforts.

Priority	Category	Risk	Impact on Cathay			Duration of Impact			Corresponding Conventional Risks				Potential Financial Impact
			Investment and Lending	Insurance	Operations	Short	Mid	Long	Market	Credit	Insurance	Operations	
1	Transition	Market	Changing consumer preferences										Not offering products that meet customer demands or investing in companies that lack effective climate adaptation strategies may reduce consumer engagement, leading to decreased revenues
2	Transition	Policy & Regulations	Policy and Regulatory Uncertainty										Policy changes may lead to increased risk management and compliance costs.
3	Transition	Technology	Green Asset/Product Risks										Inadequately assessing the risks associated with green finance and insurance products could lead to increased exposure to client defaults and higher claims
4	Transition	Market	Risks from carbon-intensive investments										High-emission industries may face increased financial pressure or heightened default risks due to regulatory requirements and carbon pricing or carbon tax policies, potentially leading to reduced returns in investment portfolios
5	Acute/Chronic	Acute/Chronic	Climate-related Physical Risks										Climate-related disasters such as typhoons, floods, and extreme temperatures can cause significant financial, personnel, and operational losses to our operations, investment subjects, and insured companies, negatively impacting profitability
6	Physical/Transition	Nature-related Physical/Transition Risk											If investees or insured companies face the degradation of ecosystem services or are required to bear nature-related transition costs, it may lead to a decline in investment, financing, and insurance returns.

Note: Short-term means likely to occur within 1 year; Mid-term means likely to occur in 1-3 years; and Long-term means likely to occur after three years or more.

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Priority	Type	Opportunity	Impact on Cathay			Duration of Impact			Potential Financial Impact
			Investment and Lending	Insurance	Operations	Short	Mid	Long	
1	Products & Services	Innovative Green Services			●	●	●	●	Develop innovative green services in the strive towards net-zero operations, while simultaneously fulfilling the diverse needs of our customers, increasing engagement
2	Resilience	Management that is Committed to Sustainability			●		●	●	Establishing mechanisms to fulfill our sustainability commitments ensures that these pledges are met, thereby increasing client engagement and trust.
3	Resilience	Advocacy and Engagement Initiatives	●		●		●	●	Leverage our financial influence through advocacy and engagement initiatives to raise client climate awareness, collectively bolstering sustainability and a positive brand image
4	Market/Products & Services	Carbon-Related Opportunities and Services			●		●	●	Develop carbon-related opportunities and services to expand the scope of our services and increase revenue
5	Products & Services	Climate Innovation and Nature-Related Financial Products and Services	●	●		●	●	●	Expand portfolio to include climate innovation and nature-related investment opportunities, insurance products/services, and funds, which will diversify the range of products available and enhance profitability

Note: Short-term means likely to occur within 1 year; Mid-term means likely to occur in 1-3 years; and Long-term means likely to occur after three years or more.

• Scenario Analysis Overview

Cathay FHC conducts climate scenario analyses covering various parts of its value chain, including downstream customers, tenants, and operational sites. A summary is provided in the table below:

Business Scope	Value Chain	Scenario Overview	Category	Analysis Time Frame ^{Note 1}	Scope	Frequency	Scenario
Financial Assets	Downstream/ Clients	A. Tighter Regulations and Natural Disasters Impacting Investment and Lending Positions	Physical – acute and chronic Transition – policy and regulations	Short-term (1 year), 2030, 2050	Global	Annually	NGFS、IPCC
Products and Services	Downstream/ Clients	B. Climate Change Impact on Typhoon and Flood Insurance Claims	Physical – acute	Near future, mid-century, end of the century	Taiwan	Annually	RCP 2.6、4.5、6.0、8.5
Cathay's Operations	Operational sites	C. Impact of Flooding and Landslides on Owner-Occupied /Investment Properties under Climate Change	Physical – acute and chronic	2030, 2050, 2080	Taiwan	Annually	IPCC AR6 SSP1-2.6、2-4.5、3-7.0、5-8.5
Investment Property	Downstream/ tenants						

Note 1: "Near future" is defined as before 2035; "mid-century" is defined as from 2046 to 2065; "end of the century" is defined as from 2081 to 2100
Note 2: Limitations of scenario analysis data and models: data gaps, uncertainty in assumptions, challenges related to time horizons, and model limitations.
Note 3: Full scenario names: RCPs: Representative Concentration Pathways
NGFs: Network for Greening the Financial System
SSP: Shared Socioeconomic Pathway

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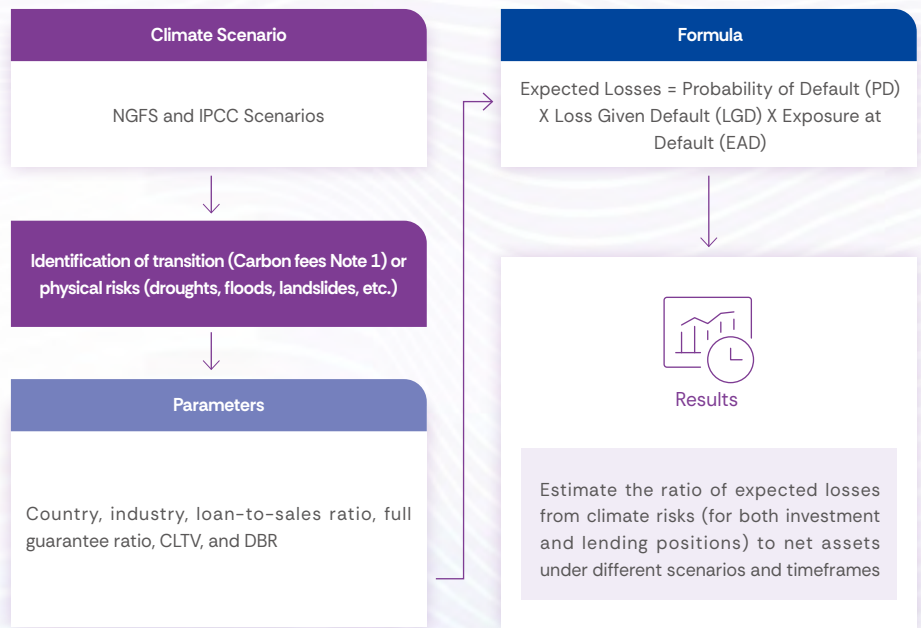
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A. Tighter Regulations and Natural Disasters Impacting Investment and Lending Positions

Background

Cathay FHC conducts scenario analysis of climate change based on the “Plan for Climate Change Scenario Analysis of Domestic Banks,” utilizing scenarios from the NGFS and IPCC to consider both transition and physical risks. Cathay FHC classifies domestic and international investment/lending positions by industries and administrative areas into different risk categories. The analysis evaluates the expected losses in the short-term, 2030, and 2050 under the “orderly” and “disorderly” to inform asset strategies and planning.

Analysis Procedure

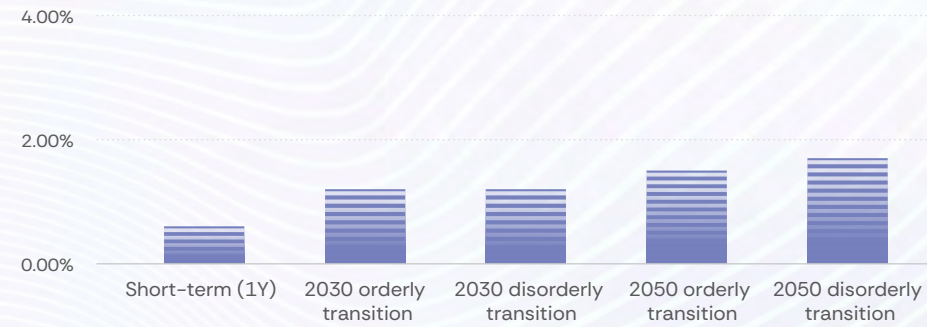


Note 1: Carbon fees taken from corresponding NGFS scenario and time horizon.
 Note 2: CLTV: Current loan-to-value ratio; DBR: Debt burden ratio.

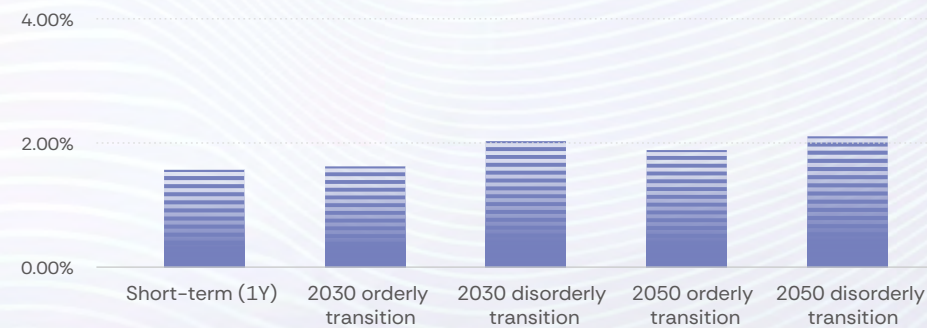
Analysis Results

For various scenarios and periods, the expected credit losses in investment and lending positions due to climate risk as a percentage of net assets average 0.6–1.7% and 1.4–1.9%, respectively.

Investment Position – Expected Credit Loss to Net Equity Ratio



Lending Position – Expected Credit Loss to Net Equity Ratio



Risk Response Measures

Cathay FHC and subsidiaries have policies in place to address such risks. We also regularly review and adjust standards, actively engage with other corporations, and strengthen and ensure climate risk resilience across group-wide investment and lending positions. For more information, please refer to Cathay FHC’ [2024 Climate and Nature Report](#).

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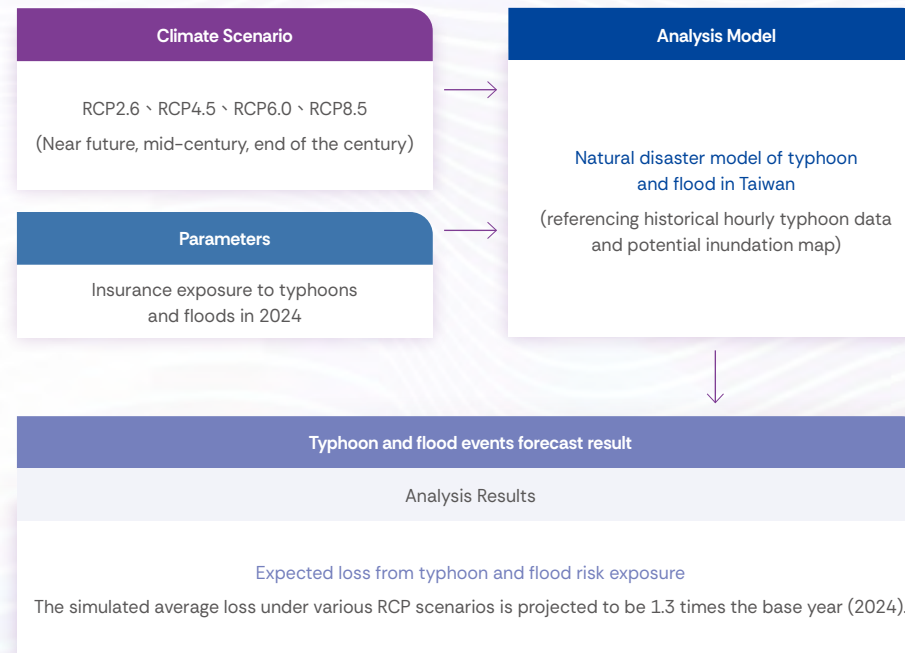
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B. Climate Change Impact on Typhoon and Flood Insurance Claims

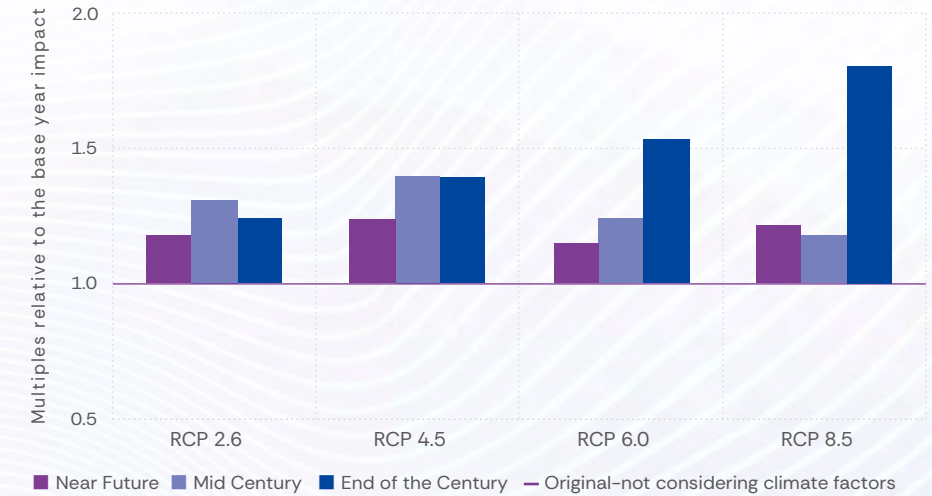
• Background

Cathay Century Insurance expects climate change to increase the incidence of damage to its insured portfolio, resulting in a corresponding increase in claims costs. Cathay uses RCP2.6, RCP4.5, RCP6.0, and the most severe RCP8.5 scenarios proposed in the IPCC AR5 to conduct loss prediction using Taiwan NATCAT Model for typhoons and floods. The analysis aims to find out the potential losses from position risk exposures in the near future (~2035), mid-century (2046~2065), and end of the century (2081~2100). The results should help us to better adjust our solvency level and asset allocation..

• Analysis Procedure



Simulated Average Loss Multipliers for Different Scenarios



• Analysis Results

The simulated average loss under various scenarios is projected to be 1.3 times the base year (2024). Based on the stress test results, the impact of climate risk remains manageable.

• Risk Response Measures

Cathay Century Insurance regularly reviews the expected changes in typhoon and flood losses under various climate change scenarios as a reference for long-term planning of future underwriting and reinsurance considerations; at the same time, stress tests are conducted to incorporate climate change factors to examine the impact of typhoon and flood on the company's solvency level under various scenarios to ensure manageable risks.

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C. Impact of Flooding and Landslides on Owner-Occupied / Investment Properties under Climate Change

• Background

To assess the impact of climate change on real estate, Cathay Life conducted climate scenario analysis using the IPCC AR6 scenarios SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5. The analysis leveraged hazard and vulnerability parameters from the Climate Physical Risk Information Integration Platform for the Financial Industry to estimate potential losses from flooding and landslides. Given the availability of relevant parameters, the scope of analysis focused primarily on real estate assets in Taiwan. Properties were categorized as either owner-occupied or investment-held. For owner-occupied properties, the analysis assessed flood risk only, with loss estimates based on the cost of post-disaster recovery. For investment properties, both flood and landslide risks were evaluated, with losses estimated based on the decline in property value caused by these two types of disasters.

• Analysis Procedure

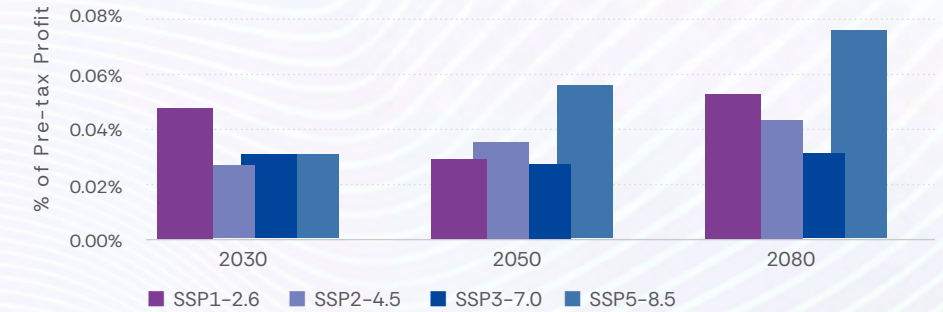


Source: Climate Physical Risk Information Integration Platform.

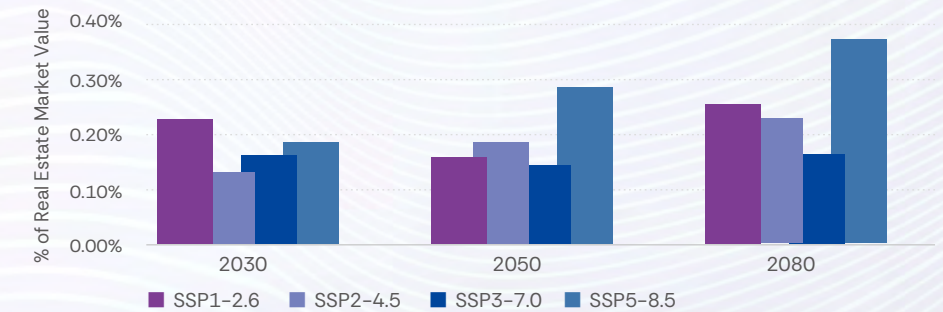
• Analysis Results

Under the SSP5-8.5 scenario in 2080, climate change is projected to cause the greatest loss to real estate assets. For self-owned real estate, the damage loss is estimated to account for 0.08% of pre-tax net profit. For investment properties, the property value loss is estimated to account for 0.37% of total market value.

Physical risk for owner-occupied properties – flood



Physical risk for investment properties – flood and landslide



• Risk Response Measures

We consider the potential impact of climate risk factors such as floods, mudslides, and earthquakes on the safety of our assets when selecting business and investment locations. We also regularly inspect our properties and step up safety inspections and repairs. Starting in 2020, Cathay FHC and its primary subsidiaries have implemented a Business Continuity Management system that covers all business continuity priorities. This system includes physical risk adaptation plans such as natural disaster scenarios, backup and recovery business continuity plans (BCPs), and regular drills. In the event that owner-occupied properties are affected by disaster events, the company will initiate prompt reporting and response measures, establish an emergency response team or activate business recovery procedures as needed, thereby enhancing resilience to climate change. In addition, insurance coverage is secured for high-value real estate assets to transfer risk and minimize potential losses.

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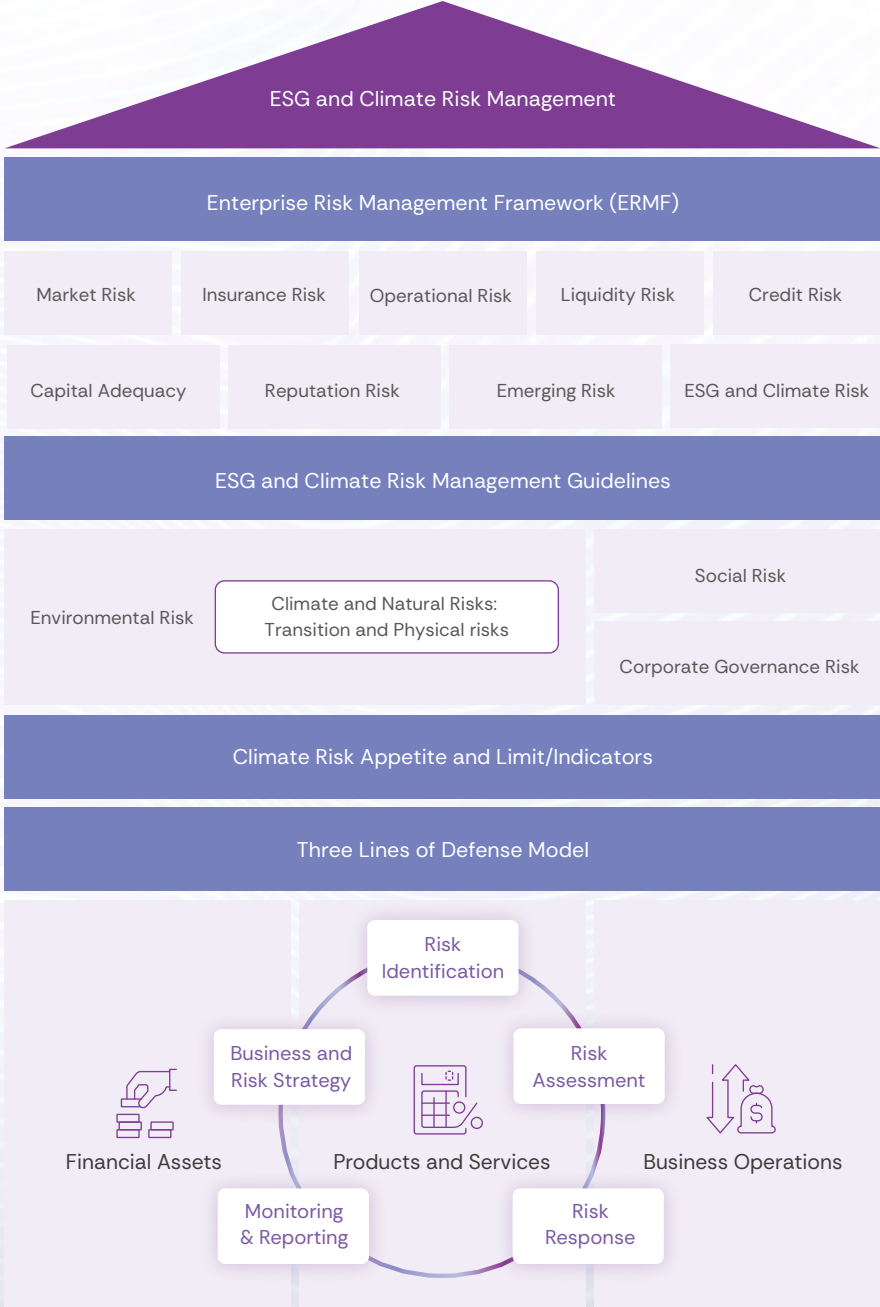
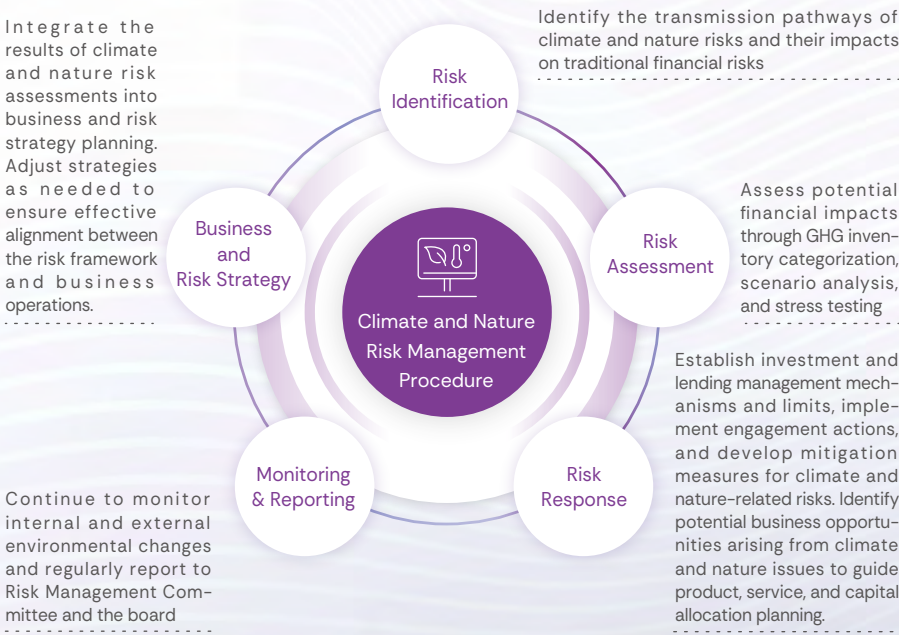
Risk Management

• ESG and Climate Risk Management Framework

Cathay FHC adheres to the Enterprise Risk Management Framework (ERMF) to establish the Risk Management Policy, which governs various key risks. It sets guidelines for managing market, insurance, operational, liquidity, credit, capital adequacy, reputation, emerging, ESG, and climate risks, while controlling industry concentration risks. Cathay identifies, measures, and analyzes climate-related risks through the Three Lines of Defense Model based on the responsibilities of each line. The assessment includes the impact on business operations, products and services, financial assets, etc., and develops control measures and response strategies.

• ESG and Climate Risk Management Foundations and Actions

Cathay FHC has established a Climate Risk Appetite Statement to reflect its risk tolerance in managing climate-related risks. The Statement was compiled in reference to information from external agencies and sets limits on industries sensitive to ESG risks such as climate change, natural capital, and human rights. The goal is to set concentration risk limits and regularly monitor any changes in risk exposure. In addition to climate risk management, Cathay is also developing business continuity management (BCM). The company has received certification for ISO 22301 – Business Continuity Management to strengthen emergency response against serious emergencies such as natural disasters.



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• Overview of Climate-Related Risk Management Practices

Category		Market and Credit Risk		Insurance Risk		Operational Risk	
Business Scope		Financial Assets		Insurance products		Business Operations	
Time Scope		Short- to long- term		Mid- to long- term		Mid- to long- term	
Value Chain Impact		Downstream (client)		Downstream (client)		Company operations, upstream (supplier)	
Climate Risks	Transition	Policy and regulations	●	●	●		
		Technology	●				
		Market	●				
	Physical	Reputation	●	●	●		
		Acute	●	●	●		
		Chronic	●	●	●		
Management Policies		• ESG and Climate Risk Management Guidelines • Responsible Investment and Lending Policy/ Investment and Lending Exclusion Policy		• ESG and Climate Risk Management Guidelines • Environmental and Energy Policy		• Environmental and Energy Policy • Cathay's Declaration of Sustainability Values • Sustainable Procurement Policy	

Note: Policies and regulations include current regulations, emerging regulations, and legal risks.

• Metrics and Targets

Cathay refers to international methodologies such as Partnership for Carbon Accounting Financials (PCAF) and Science Based Targets (SBT) for carbon accounting and formulation of relevant metrics and targets. For detailed information, please refer to [CH2 Climate](#).

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6.2.6 Management of Human Rights Risks

To ensure human rights protection, Cathay complies with relevant human rights regulations of respective business locations and refers to best practices outlined in various international frameworks. We have established the "Cathay FHC Human Rights Policy" and a human rights risk assessment workflow. We manage human rights risks by conducting stakeholder impact assessments, and establishing mitigation measures and compensation mechanisms.

Human Rights Governance and Management

Cathay strictly complies with labor-related laws and regulations in the regions where it operates and has established the "Cathay FHC Human Rights Policy", which follows the internationally recognized human rights policies and principles outlined in the International Bill of Human Rights. In addition, the "Cathay FHC Sustainable Procurement Policy" and the "Corporate Social Responsibility Code of Practice for Suppliers" require suppliers to adhere to the same standards. All human rights management policies are disclosed on the [official Cathay FHC website](#).

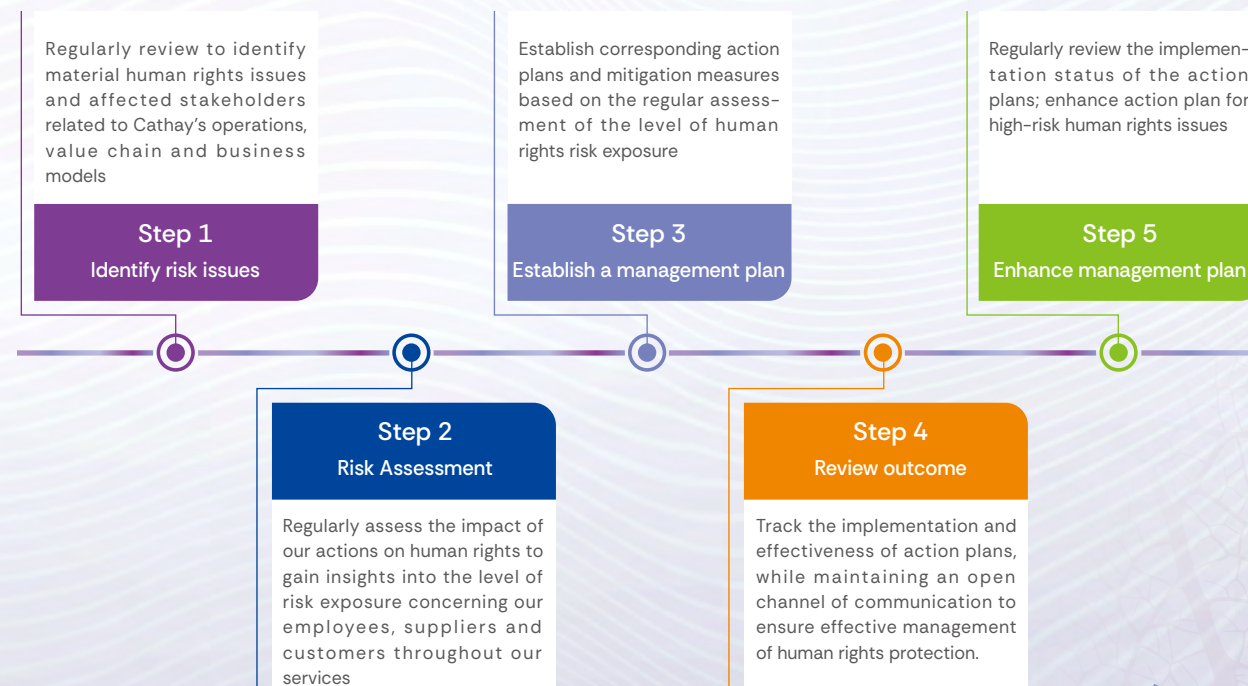


The ESG Strategy Committee Oversees Stakeholder Human Rights Risk Due Diligence and Management



Human Rights Due Diligence Workflow

Cathay regularly conducts human rights risk assessments for key stakeholder groups. The company carries out impact evaluations and implements improvements for high-risk issues. Risk topics are identified and assessed based on international human rights frameworks, the company's strategic development, and external trends. Cathay also engages with stakeholders, including the ESG Strategy Committee, employees, and external advisors, to gather perspectives. Each human rights issue is then systematically reviewed and rated according to its risk level. High-risk groups are identified and managed accordingly.



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Risk Issues	At-Risk Groups	Risk Assessment Method	Mitigation Measures	Results of Mitigation Measures	Remediation Mechanisms and Resources
 Forced labor/ work hours	<ul style="list-style-type: none"> Employees Female Indigenous people Immigrant workers Employees with disability/disabilities Interns 	<ul style="list-style-type: none"> Employees who work over 45 hours of overtime in a single month are identified as high-risk and are monitored and tracked through the system, with identified headcounts recorded. 	<ul style="list-style-type: none"> Promote and implement a daily/monthly overtime limit 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
 Occupational Safety and Health	<ul style="list-style-type: none"> Employees with disability/disabilities Interns 	<ul style="list-style-type: none"> Cathay FHC offers company-wide free health check-ups every two years; Employee health risks analysis performed based on health check-up results 	<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 Opportunities		<ul style="list-style-type: none"> Discrimination/workplace misconduct: monitored via employee complaints and annual employee feedback Child labor: verify applicant age using CVs and application information Freedom of association: Guarantee employees the freedom to participate in the clubs and associations of their choice Collective bargaining: Cathay FHC conducts Labor-Management Meetings in compliance with the "Guidelines for Implementing Labor-Management Meeting." 	<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 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"> The Code of Conduct for Employee training coverage was 100% with a 100% completion rate; Held unconscious bias workshop in 2024. 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"> Establish reporting and complaint response mechanism. Ensure access to follow-up consultation services for the victim After committee review, disciplinary action will be taken against the offending employee

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Risk Issues	At-Risk Groups	Risk Assessment Method	Mitigation Measures	Results of Mitigation Measures	Remediation Mechanisms and Resources
 Customer Rights	Corporate finance and consumer finance clients	<ul style="list-style-type: none"> Improve Net Promoter Score (NPS) to measure brand loyalty and customer recommendation Regular monitoring of fair treatment practices 	<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 Information Protection	Corporate finance and consumer finance clients	<ul style="list-style-type: none"> Annual tracking of data breach and violation cases Track regulatory enforcement actions for personal information breaches each year 	<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
 Labor Rights	Lending clients and their supply chains	<ul style="list-style-type: none"> Cathay assesses whether clients or their intended use of funds are associated with restricted industries, companies, or activities that are excluded from financing before lending During the proposal stage of corporate loans, clients' ESG risks are assessed using an ESG and climate risk checklist. Cases involving human rights risks are also regularly tracked and reported Equator Principles (EPs) responsible team evaluates financing requests to determine if they fall under the scope of the EPs, based on the amount and other relevant details. Projects subject to the EPs require ongoing annual monitoring by both the business unit and the responsible team to ensure the client 	<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	<ul style="list-style-type: none"> Before investing, each subsidiary must verify that the target is not listed on the exclusion list Assess whether the investees violate international human rights standards; whether investees are involved in human rights-related controversies, including but not limited to human rights concerns, negative impacts on local communities, or labor-related issues, to determine human rights risk of investees 	<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 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 	<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 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 	<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 based on the management needs and strategic decisions of each subsidiary

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Risk Issues	At-Risk Groups	Risk Assessment Method		Mitigation Measures	Results of Mitigation Measures	Remediation Mechanisms and Resources
 Occupational Safety and Health	Supplier employees	<ul style="list-style-type: none">News monitoringEnsure all suppliers sign Cathay's Declaration of Sustainability Values		<ul style="list-style-type: none">Establish Cathay FHC Sustainable Procurement Policy and implement ISO 20400 – Sustainable Procurement GuidelinesImplement the management of sustainability self-evaluation for suppliers	<ul style="list-style-type: none">All Cathay suppliers have completed the sustainability trainingAs 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 listThe 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
 Personal Information Protection				<ul style="list-style-type: none">Require suppliers to sign Cathay's Declaration of Sustainability ValuesConduct sustainability training for supplier (including the human rights pledge)Hold annual supplier conference		
 Diversity, Inclusion and Equal Opportunities	Joint venture employees	<ul style="list-style-type: none">Conduct surveys to assess the implementation of human rights by JV.Ensure all JVs sign Cathay's Declaration of Sustainability Values		<ul style="list-style-type: none">Strengthen engagement with JVs through the use of the Cathay Overseas NetworkRequire 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

• 2024 Human Rights Impacts and Remedial/Corrective Measures

Based on the characteristics of the financial industry and event statistics for 2024, Cathay FHC identified three main risks: personal data breaches, overtime, discrimination and harassment, and implemented corresponding remedial and corrective measures for each.

Human Rights Impact	Description	Remedial Measures	Corrective Measures
Personal Data Breaches	<ul style="list-style-type: none">In 2024, there were 18 reported cases of data breaches. A total of 199 customers were affectedCustomer complaints revealed that these were caused by individual oversights by financial consultants or sales agents during information communication and email delivery	<ul style="list-style-type: none">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 dataContinue employee education and strengthen awareness campaignsOngoing enhancement and monitoring of the use of customers' personal information
Overtime	<ul style="list-style-type: none">One incident at Cathay Life in 2024 where overtime pay was not granted as requiredOn 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 regulationsFor 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 hoursReview excessive overtime hours and manpower allocation every quarter

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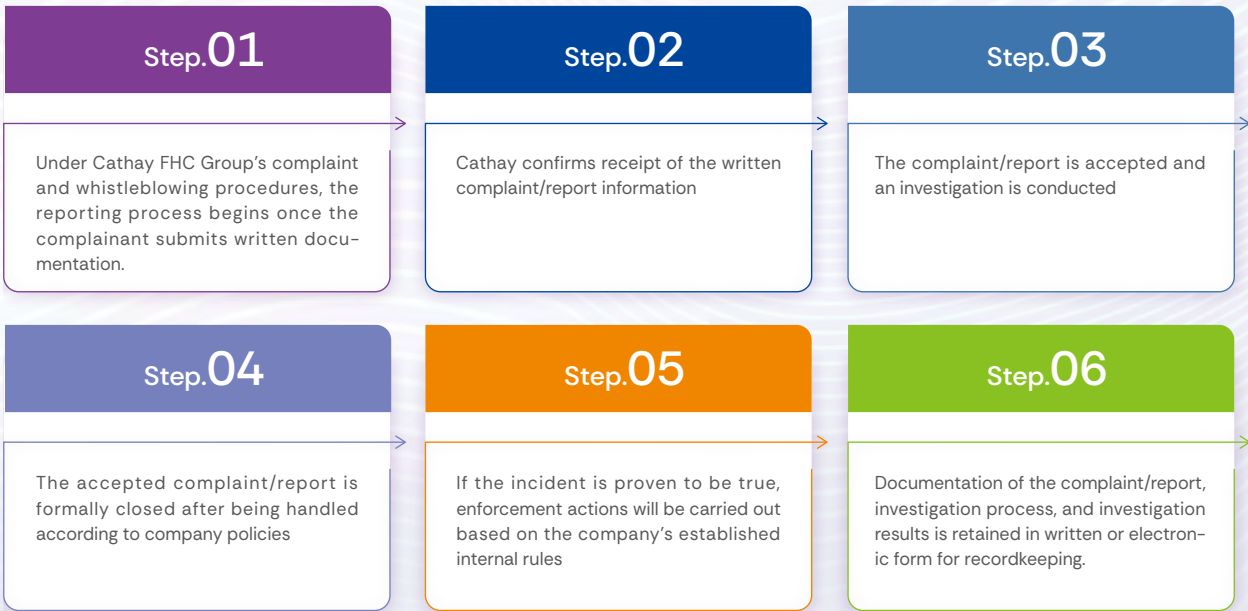
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Human Rights Impact	Description	Remedial Measures	Corrective Measures
Discrimination and Harassment (including sexual and non-sexual harassment)	<ul style="list-style-type: none">In 2024, 1 sexual harassment case was reported at Cathay FHC, and 8 cases 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. These measures may include job reassignment or dismissalContinue 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	<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 factorsThe 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

• Complaint Filing Mechanism and Reporting Channels

To foster an ethical and transparent corporate culture and facilitate a sound management framework, Cathay has established clear complaint and reporting channels. This is to ensure that we fully implement Cathay's Code of Ethics and adhere to our guidelines for ethical corporate management. We also want to ensure the legal rights of those who report incidents and any relevant persons. At Cathay FHC, we believe that the foundation of our competitiveness lies in the dedication and commitment of our employees. As an employer, we recognize our responsibility to provide for our employees' welfare. This is why we ensure that our compensation packages are benchmarked against market value, and we offer a comprehensive set of benefits to ensure that all our employees' needs are taken care of. To better understand employee needs, Cathay has set up an internal communication platform. Employees can log in to share their feedback or submit their recommendation in writing via mail or email to the Human Resources Department.

• Complaint/Reporting Procedures



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6.3 Ethical Corporate Management

GRI：2-23、2-24、2-27、2-28、416-2、418-1；SASB：FN-CB-510a.1、FN-CB-510a.2、FN-AC-510a.1、FN-AC-510a.2

6.3.1 Ethical Corporate Management

To reinforce a corporate culture of integrity, Cathay FHC has established the “Policy and Code of Operation Integrity”, the “Procedures and Guidelines of Integrity Management Operation”, and the Code of Conduct for Employee.” These policies require employees to comply with internal regulations, prohibit unethical behavior, and ensure participation in public affairs is conducted lawfully. Cathay has long been actively involved in various industry associations. Cathay FHC President Lee Chang-Keng currently serves as the Managing Director of the Bankers Association of the Republic of China and as a Director of the Bankers Association of Taipei, among other roles. Cathay Life President Shan-Chi Liu is the Managing Supervisor of the Life Insurance Association of the Republic of China. Cathay United Bank Chairman Andrew Ming-Jian Kuo serves as a Supervisor of the Bankers Association of the Republic of China. Through these roles, Cathay actively promotes collaboration between the industry and the government and contributes to the development of relevant policies. For details on Cathay FHC and its subsidiaries’ participation in industry associations, please refer [Table 33 in the Appendix](#).

Cathay FHC has adopted an ethical corporate management policy and has incorporated compliance actions into the Code of Conduct for Employee. Cathay adheres the following management mechanism to review the implementation status of ethical corporate governance:

Management Mechanism	Results	Management Mechanism	Results
<div>Integrity Management Framework and Structure</div>	<div>Related Policies</div> <ul style="list-style-type: none"> In accordance with the “Policy and Code of Operation Integrity”, Cathay has formulated concrete integrity practices and anti-corruption measures. These include operational procedures, conduct guidelines, and training, implemented through the “Procedures and Guidelines of Integrity Management Operation.” Directors, managers, employees, and actual controllers of the company must not directly or indirectly offer, promise, request, or accept any improper benefits or engage in any unethical, illegal, or disloyal conduct during business activities to gain or maintain benefits. Reported cases of unethical conduct are investigated thoroughly by the Audit Unit. Verified cases are handled in coordination with the Admin Department in accordance with company disciplinary rules. Compliance with laws such as the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, and the Act on Recusal of Public Servants Due to Conflicts of Interest, as well as regulations for listed companies or other related regulations, is a fundamental prerequisite for implementing integrity practices. 	<div>Whistleblower Mechanism & Reporting Channels</div>	<p>We have established clear reporting channels following our “Code of Conduct for Reporting Unethical or Dishonest Cases” and the group’s reporting mechanism. We have also established a response protocol to ensure that all reports are thoroughly investigated, and that the legal rights of whistleblowers and any other relevant personnel are protected throughout the process. We are committed to protecting the identity of whistleblowers and any other individuals involved in the investigation to prevent any potential retaliation or unfair treatment.</p> <p>Reporting Channels by Case Type:</p> <ol style="list-style-type: none"> Cases involving crimes, fraud, or illegal acts can be reported via mail, email, or phone. For details, please refer to the “Whistleblowing System – Channels and Methods” section on the Cathay FHC website. For sexual harassment or other violations of gender equality principles, Cathay has set up a dedicated sexual harassment mailbox and the Sexual Harassment Grievance and Investigation Committee to investigate reported instances of sexual harassment. For other matters not listed above, employees may report to the HR department.
	<div>Responsible Unit</div> <p>The Sustainable Governance Task Force under Cathay’s ESG Strategy Committee promotes group-wide ethical corporate management, anti-corruption, anti-bribery, and compliance efforts. It reports its implementation status to the board of directors at least once a year. The board fulfills its fiduciary duty by overseeing the company’s efforts to prevent unethical conduct and ensure enforcement of the ethical corporate management policy. The Audit Unit includes compliance with integrity practices in its audit scope and regularly reports on remediation progress to the board.</p>		<div>Linking Compliance /codes of conduct to Performance Review</div> <p>The internal control implementation and compliance implementation results are included in the performance evaluation criteria for managers and employees. These are linked to variable compensation to ensure the effective operation of our risk management system.</p>
			<div>Disciplinary actions in case of breach</div> <p>Cathay FHC encourages both internal and external parties to report unethical or improper conduct. Reports and handling follow the “Procedure for Handling Cases of Reporting Unethical or Dishonest Conduct.” Verified violations are used as a basis for decisions on salary adjustments, promotions, or bonus distribution.</p>

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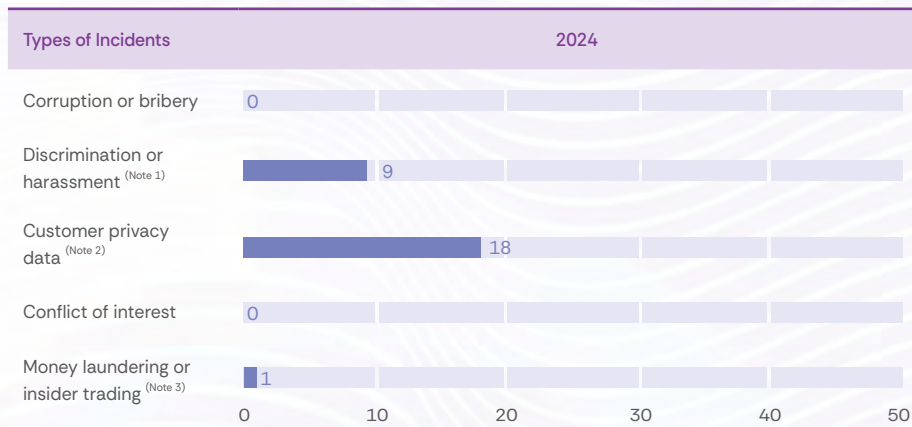
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Management Mechanism	Results
Conduct regular self-evaluations and review for unethical risk behavior	Conduct an annual ethical management risk assessment; items evaluated include offering or accepting improper benefits (offering/accepting bribes), illegal political contributions, unethical charitable contributions, violation of recusals, violation of stakeholder interests, violation of intellectual property rights and information confidentiality, etc. If the review identifies existing or potential unethical behavior, corrective and remedial action must be taken immediately. In 2024, the company conducted the risk assessment for unethical conduct for 2023 and reported the results to the board. The risk assessment for 2024 has been conducted in Q1 of 2025.
Training	Employee ethics and code of conduct training is a required annual course. The training lasts one hour. The training completion rate for 2024 was 100%.

Breaches of the Code of Conduct/ethics



Note 1: For details on the handling process and improvement measures for discrimination or harassment incidents, please refer to 4.1 Workplace Empowerment.

Note 2: For details on the handling process and improvement measures for customer privacy violations, please refer to 6.5 Service Quality & Customer Rights.

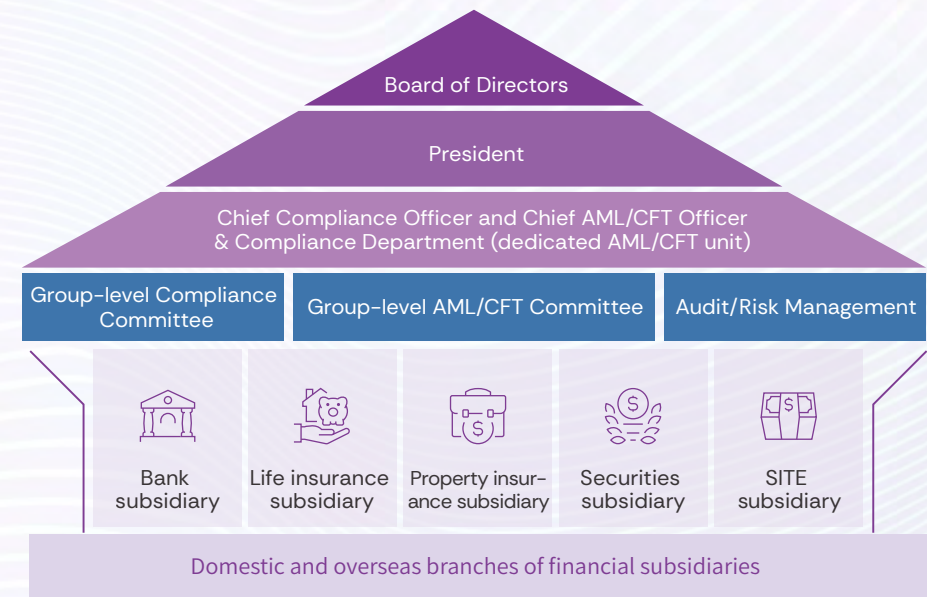
Note 3: In 2024, a fund manager at Cathay SITE, a subsidiary of Cathay FHC, was found to have used insider information obtained during the term of serving as a discretionary investment manager (resigned in November 2023) to buy and sell the same stock using another person's account, without reporting the transaction to the company as required. The Financial Supervisory Commission issued an official penalty pursuant to Chin-Kuan-Cheng-Tou-Fa-Tzu Circular No. 1120365880, dated April 18, 2024. In response, Cathay SITE has taken proactive steps to strengthen internal controls, implemented multiple improvement measures, enhanced personnel and process management, and reinforced compliance awareness.

Note 4: In 2024, Cathay FHC reported zero convictions of corruption or bribery. No penalties were imposed, and no fines were incurred.

6.3.2 Compliance

Strengthening Corporate Compliance Culture

At Cathay FHC, we prioritize compliance management and strive to deepen our compliance culture across the group. To achieve this, we monitor domestic and overseas financial regulatory changes and take appropriate measures to ensure that all of our businesses are fully compliant with regulatory requirements. Group compliance and AML/CFT are managed as a whole at the group level and implemented by level and region. The board of directors appoints the chief compliance officer / chief AML officer to manage the group's compliance matters; the CCO reported on compliance matters to the board of directors and the Audit Committee twice in 2024.



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Systematic Management of Compliance Risks

At Cathay FHC, compliance is a key aspect of our internal control implementation, with risk management at the core. We adopt a dynamic management model and prioritize prevention over response to maintain a proactive approach to compliance. In addition to promoting compliance with international regulations, we supervise our key subsidiaries to implement compliance risk management measures. We also leverage a compliance digital management platform and new technologies to strengthen the Group’s internal control management.

Strategy	Execution
Group Compliance Management Mechanism and Effective Improvement	<ul style="list-style-type: none">Cathay regularly conducts compliance performance reports, compliance self-evaluations and self-inspections, the results of which are included in the performance evaluation of senior management. We also convene a group compliance officer committee twice a year to strengthen the group’s internal control and inter-company communication. At Cathay, we have established a reporting and management channel for major external compliance events. The events include significant regulatory violations and risk warning indicators for potential compliance rating downgrade by the financial regulator. The reporting mechanism helps the board and senior management to gain timely insight into relevant risk warnings for evaluation and formulate response improvement measures for implementation.We have established the mechanisms for reviewing penalties imposed on our competitors and the group, and the review standards for compliance performance across the group and at the subsidiary level to ensure proper regulatory performance supervision. The major penalties imposed on subsidiaries and improvement measures in 2024 are as follows. For full details.
Group Mid-to Long-Term Compliance Focus	<ul style="list-style-type: none">Oversee implementation of compliance risk management by subsidiaries based on the risk characteristics of the industry; actively promote the group’s compliance alignment with international standards, while keeping abreast of international regulatory trends to strengthen compliance management for the group’s overseas businesses.Support the group’s digital transformation by promoting regulatory compliance across digital scenarios and manage corresponding compliance strategies; Completed revisions to Cathay’s Regulations Management Guidelines and optimized internal control system; Continued to refine key risk management processes and launched a dedicated project to inventory critical regulations and further enhance internal control management.
Reporting System	<ul style="list-style-type: none">We have established a group-wide whistleblowing program to strengthen our internal control. The reporting channels are published on our official website and provide details on the reporting method, requirements, channels, response measures, documentation, whistleblower protection, and enforcement actions.In 2024, the group received seven non-compliance complaints. Five cases involved domestic subsidiaries—one of which was substantiated. The respondent in that case was referred to HR for disciplinary action, and a formal response was provided to the whistleblower. The remaining four domestic cases were found to be unsubstantiated and have been closed. Two cases involved overseas branches, both of which were also found to be unsubstantiated and have been closed.

Major Penalties and Remediation Measures in 2024

Subsidiaries	CUB	Cathay SITE
Reason	<ul style="list-style-type: none">CUB was fined NT\$8 millionFor the following: failure to implement a proper verification mechanism for magnetic stripe data reconstruction, inadequate controls over tax collection stamp chop handling and credit card payment procedures, and insufficient supervision of employee compliance with the code of conduct.	<ul style="list-style-type: none">Cathay SITE was fined NT\$1.2 millionFor the following: inadequate prevention of conflicts of interest, failure to assess investment credit risks, lack of comprehensive monitoring of exposure and losses, insufficient supporting documentation from offerees, ineffective oversight of discretionary account managers’ personal trading activities, and ineffective internal control design and implementation.
Remediation	Completed remediation measures include: reviewing teller workflows, enhancing audit procedures, increasing capital allocation for operational risks, adding self-inspection items, strengthening third-party collection controls, improving training and awareness programs, and revising internal operating procedures.	Completed remediation measures include: reviewing conflict-of-interest controls for senior research staff, adjusting investment system controls, strengthening system-based safeguards, revising subscription declarations and adding due diligence questionnaires, and enhancing internal management mechanisms and procedures.

Note: As of April 2025, one additional major penalty case remains under internal review and will be disclosed in full in Cathay FHC’s Sustainability Report 2025.

	2022	2023	2024
No. of Major Penalty ^(note)	2	1	2
Penalty Amount (NT\$)	14 million	12 million	9.2 million

Note: Major penalties refer to cases handled in compliance with Article 2 of FSC’s Regulations Governing Public Disclosure by the Financial Supervisory Commission of Material Enforcement Actions for Violations of Financial Legislation.

Strengthening AML/CFT/PF System

AML/CFL are top priorities on an international level. We adopt a "risk-based" approach to establish a group-wide management mechanism for AML/CFL. We also have an information-sharing system in place with Cathay FHC's operations as its core. We aim to remain compliant with financial regulations while continuing to grow our business. To achieve this, we regularly update and refine our risk assessment methodologies, leveraging technology and data analytic tools to enhance the effectiveness of our AML/CFL management actions.

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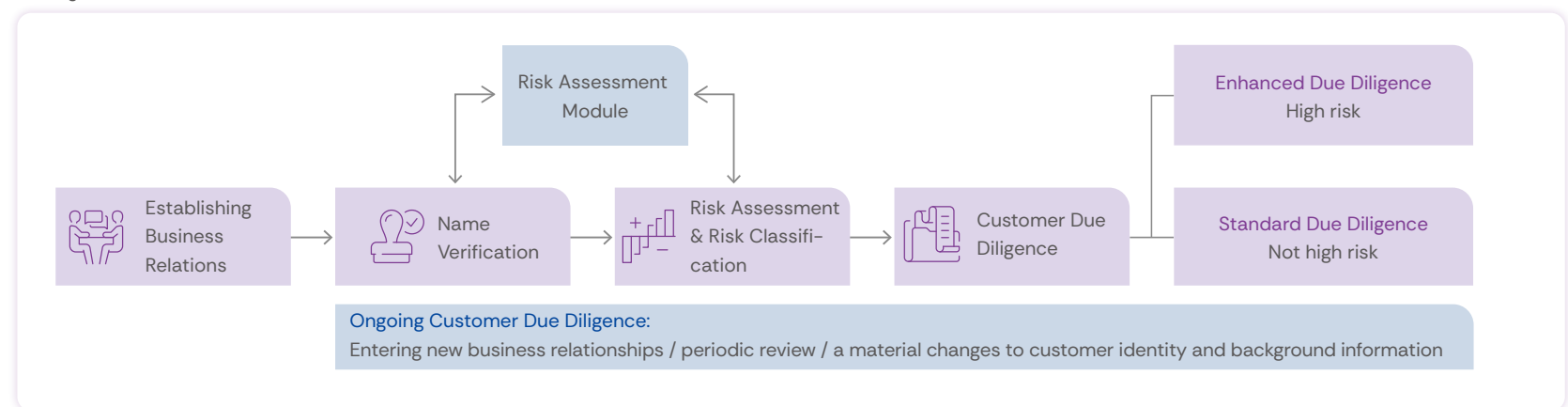
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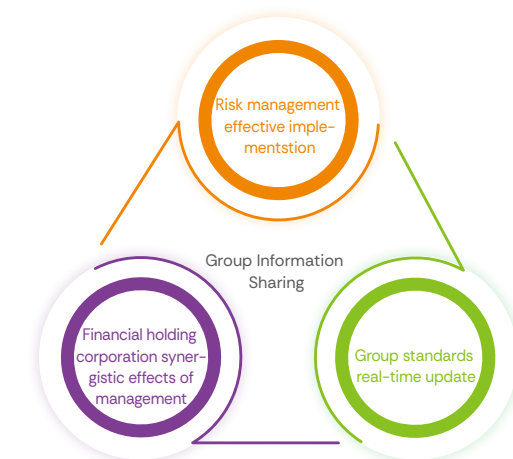
Management Mechanism and Effectiveness Improvement

Execution

- 1 We established the "AML/CFT Management Guidelines," group-level risk methodologies, risk factors, and risk alert mechanisms and monitoring indicators.
- 2 For existing business relationships, customers undergo periodic reviews in accordance with internal and external regulations, with transactions continuously monitored. In high-risk situations, enhanced measures are taken to verify customer identity and the purpose of the relationship. Self-inspection and internal audit items have been implemented into relevant SOPs. Cathay Subsidiaries' Customer Due Diligence Framework:



- 3 Hold group-level AML/CFT meetings at least every six months; assist key subsidiaries by assigning dedicated staff to various projects.
- 4 「Virtual Assets Service Providers (VASP) Program: In support of the latest National Money Laundering, Terrorist Financing and Proliferation Financing Risk Assessment Report, Cathay added VASP assessment to respond to potential emerging risks. Third-party advisors have been commissioned to assist with perfecting response measures and adjust the group's policies. We aim to support subsidiaries in assessing VASPs as customers and carefully evaluating risks and mitigation measures.
- 5 Group AML/CFT information sharing:
 - Establish group-level information sharing regulations and platform based on best practices recommended by the Financial Action Task Force (FATF) and the Bankers Association.
 - Emphasize an inter-subsidiary risk management approach and share a variety of information among subsidiaries to create a group-wide defense mechanism. The information includes a group-level list, suspicious transaction categories, suspicious customer/transaction information, inter-subsidiary risk data exchange, etc.



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Strategy	Execution
Group Mid- to Long-Term Development Focus	<p>Cathay AML Joint Risk Defense project:</p> <p>① In recent years, the impact of digital technology and the emergence of mobile devices have transformed the roles, profiles, and behaviors of financial market participants. The convenience and diversity of financial services have also led to complexity in regulating financial services. Leveraging digital technology effectively against risks, optimizing oversight, and effectively managing resources are important aspects of the group's overall efforts in anti-money laundering and countering the financing of terrorism.</p> <p>② Recognizing the shift from traditional operations to digital and mobile-assisted processes during the group's digital transformation, Cathay initiated a cross-functional initiative in 2022 to enhance the ability of employees to swiftly analyze and understand customer risk. This effort integrates expertise across AML and CFT compliance, data analytics, algorithm modeling, risk forecasting, and visual experience design, and explores the establishment of a centralized AML/CFT Risk Coordination Center. Moving forward, the group will continuously refine data models in response to evolving regulatory landscapes and emerging technologies. By strengthening its integrated risk defense mechanisms, Cathay aims to enhance oversight, improve risk management, and maximize group-wide synergies.</p> <p>③ Over the past two years, Cathay has launched the Cathay AML Joint Risk Defense project under this framework, with specific subsidiaries having optimized and introduced data on suspicious transaction patterns into visual dashboards. With the project, Cathay also developed a group-wide AML/CFT business management platform that could be applied to Cathay FHC's KYC, customer affiliation networks, group-wide digital security, and cross-industry affiliation diagrams, aiming to strengthen the group's AML efforts.</p>

|| Promoting Diverse Compliance Training and Cultivating Technology Compliance/AML Talent

To promote compliance awareness among employees and cultivate technology compliance/AML talent, Cathay FHC offers a wide range of compliance/AML training in line with the latest technological developments. These programs cover topics such as regulatory compliance fundamentals, fraud prevention best practices, AML and financial crime case studies, AI and FinTech policies and industry trends, insurance fraud (including forensic technology and claims practices), and fair trade common practice. The company continues to advance its development of compliance and AML talent through project-based training that integrates digital technology with best practices, helping to build a strong pipeline of cross-disciplinary professionals in "Digital × Compliance/AML."

Cathay FHC compliance training hours in 2024		
General compliance courses 416 sessions (total 873,095.3 hours)	Compliance courses for new recruits 114 sessions (total 8,585.5 hours)	Group AML/CFT training courses 143 sessions (total 67,505.4 hours)
Group compliance sharing club courses 6 sessions (total 955.5 hours)	Senior executive compliance courses 67 sessions (total 912.3 hours)	Director (supervisor) compliance courses 117 sessions (total 521.6 hours)

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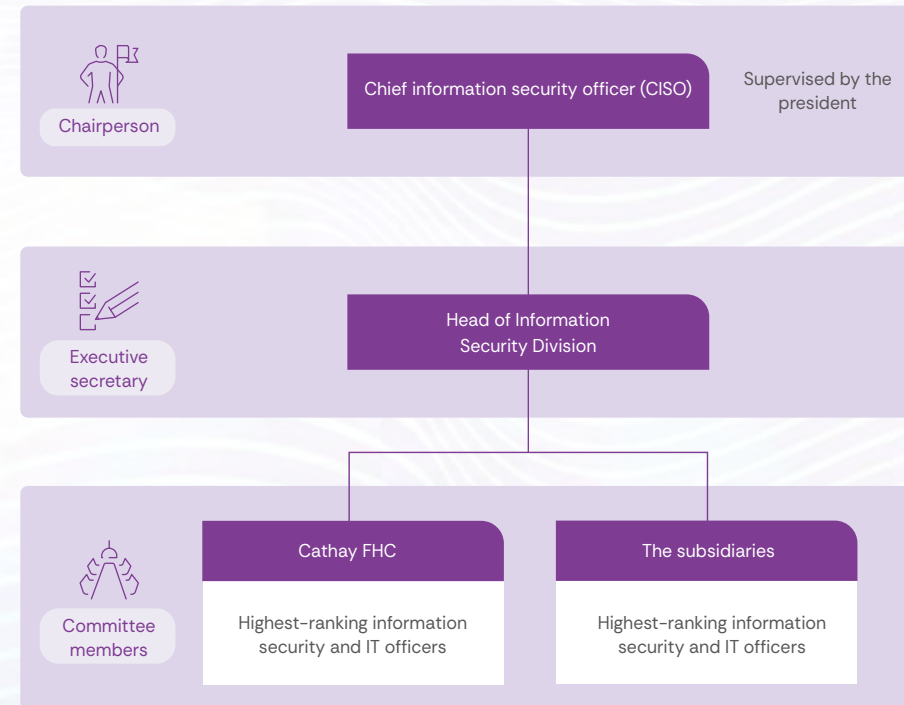
6.4 Information Security

SASB : FN-CB-230a.1 、FN-CB-230a.2

6.4.1 Information Security Governance

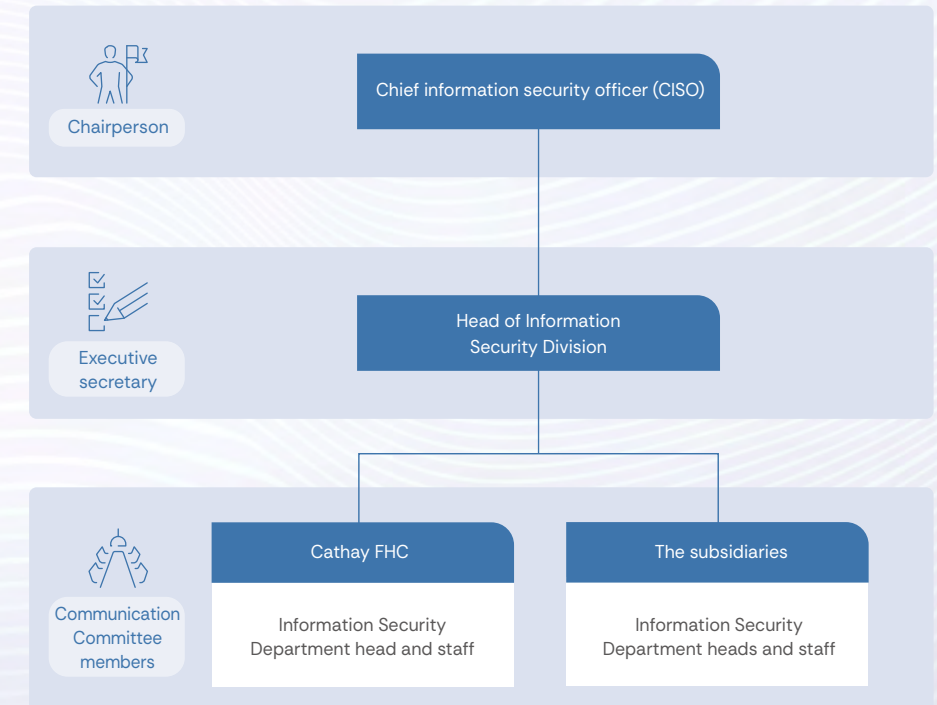
Cathay FHC and its subsidiaries have established chief information security officers or information security units, in compliance with regulations, to plan, monitor, and carry out information security management as well as report on information security in the last year to the Board of Directors. Cathay FHC has established a cross-subsidiary Information Security Committee, chaired by the Chief Information Security Officer (CISO) and attended by the President, who provides strategic guidance. The committee is responsible for formulating the group's information security policies and promoting related management systems. Meetings are held biannually, and an annual report on the previous year's overall information security performance is submitted to the board.

• Information Security Committee



Board member Mr. Feng-Chiang Miao, former Chairman of the MITAC-SYNNEX Group, brings extensive experience in IT research and manufacturing, software development, systems integration, and cybersecurity. His background supports Cathay's efforts in managing and advancing its information security practices. Additionally, to strengthen cross-company communication and ensure consistent information security management across the group and its subsidiaries, Cathay FHC has established an Information Security Communication Committee, which meets monthly to enhance oversight and drive continuous improvement in cybersecurity quality.

• Information Security Communication



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Strengthening Cyber Resilience

Measures	Action Plans																														
Formulate Information Security Policies	<ul style="list-style-type: none">Cathay FHC and its subsidiaries have all formulated "Information Security Policies" approved by the board. We regularly review our policies each year to ensure the confidentiality, integrity, accessibility, and compliance of information assets.																														
Establish a 24/7 Security Operation Center (SOC)	<ul style="list-style-type: none">In 2020, Cathay FHC established the Security Operation Center (SOC) to provide 24/7 services. The SOC monitors and enables immediate action against information security risks, conducting associative analysis of cyber-security equipment, network equipment, and operating system logs to alert and identify information security incidences, abnormal connections, and other actions as well as develop tracking and response mechanisms to enforce measures to control and manage information security risks.																														
Information Security Incident Response and Business Continuity Planning	<ul style="list-style-type: none">A cross-company Cybersecurity Emergency Response Team has been established by integrating resources across Cathay Financial Holdings and its subsidiaries. The team assists with incident response efforts and uses established reporting mechanisms and emergency procedures to monitor the status of cybersecurity incidents in real time across the Group.The cybersecurity incident business continuity plan is supported by annual scenario-based simulation drills. These exercises help employees become familiar with response procedures and enable swift action in the event of a cybersecurity incident.The business continuity and incident response exercises are supported by resources including personnel, systems, equipment, facilities, and vendors. External cybersecurity consultants and response teams are engaged to provide expert advice and professional emergency support based on their extensive experience in incident management.																														
Internal Audits of Information Security Processes	<ul style="list-style-type: none">The scope of Cathay Financial Holdings' Information Security Management System (ISMS) certification covers information-related departments. An internal audit of the ISMS is conducted annually to ensure that the Group's policies, procedures, and practices comply with standards (such as ISO/IEC 27001). Based on audit findings, follow-up actions and continuous improvements are implemented to ensure the effective operation of cybersecurity control measures.																														
Adoption of ISO 27001 - Information Security Management (ISM) System	<ul style="list-style-type: none">As of the end of 2023, a total of 98.8% of IT systems at Cathay FHC hold ISO 27001 certificates. The certification process has been an opportunity for us to perfect information security governance frameworks and ISM systems and bolster early warning, reporting, and IR processes to deliver secure financial services.In 2023, Cathay FHC obtained ISO 27001:2022 certification. In 2024, the scope of certification was expanded to include the Qingpu Data Center, alongside continued enhancements to its information security management mechanisms.Key subsidiaries under Cathay FHC have all received international ISO 27001 accreditation and continue to hold valid certificates. Details of certificates, including versions and expiration dates, obtained by subsidiaries are as follows: <table><tr><th>Company</th><th>Cathay FHC</th><th>Cathay United Bank (CUB)</th><th>Cathay Life</th><th>Cathay Century</th></tr><tr><td>Version</td><td>2022</td><td>2022</td><td>2022</td><td>2022</td></tr><tr><td>Expiration Date</td><td>2023 / 10 / 04 ~2026 / 10 / 03</td><td>2023 / 11 / 26 ~2025 / 10 / 31</td><td>2025 / 02 / 27 ~ 2028 / 02 / 26</td><td>2023 / 01 / 16 ~2025 / 10 / 31</td></tr></table> <table><tr><th>Company</th><th>Cathay Securities</th><th>Cathay Futures</th><th>Cathay Securities Investment Trust</th><th>Cathay SITE</th></tr><tr><td>Version</td><td>2022</td><td>2022</td><td>2022</td><td>2013</td></tr><tr><td>Expiration Date</td><td>2025 / 04 / 11 ~ 2028 / 04 / 10</td><td>2025 / 04 / 01 ~ 2028 / 03 / 31</td><td>2025 / 03 / 27 ~ 2028 / 03 / 26</td><td>2022 / 07 / 19 ~ 2025 / 0 / 18</td></tr></table>	Company	Cathay FHC	Cathay United Bank (CUB)	Cathay Life	Cathay Century	Version	2022	2022	2022	2022	Expiration Date	2023 / 10 / 04 ~2026 / 10 / 03	2023 / 11 / 26 ~2025 / 10 / 31	2025 / 02 / 27 ~ 2028 / 02 / 26	2023 / 01 / 16 ~2025 / 10 / 31	Company	Cathay Securities	Cathay Futures	Cathay Securities Investment Trust	Cathay SITE	Version	2022	2022	2022	2013	Expiration Date	2025 / 04 / 11 ~ 2028 / 04 / 10	2025 / 04 / 01 ~ 2028 / 03 / 31	2025 / 03 / 27 ~ 2028 / 03 / 26	2022 / 07 / 19 ~ 2025 / 0 / 18
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Expiration Date	2025 / 04 / 11 ~ 2028 / 04 / 10	2025 / 04 / 01 ~ 2028 / 03 / 31	2025 / 03 / 27 ~ 2028 / 03 / 26	2022 / 07 / 19 ~ 2025 / 0 / 18																											
Enhancing Group Cloud Governance and Security	<ul style="list-style-type: none">Support digital transformation projects by incorporating Cathay FHC's cloud security and governance requirements																														

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6.4.2 Information Security Management & Training

Cathay fosters a culture of information security awareness among its employees to ensure the implementation of robust information security management and control in the context of digital transformation. For a complete overview of information security training in previous years, please refer to Table 30 in the Appendix.

 "Security by Design" Strategy	<ul style="list-style-type: none">Information security, from a business perspective, is taken into account as a factor of consideration during the early stages of service or business model designsInformation security personnel become involved when projects are still in the nascent stages to provide safety designs from a business perspective and enable project members to learn and understand topics of concern in information securityPromote the inclusion of information security standards and system architecture reviews in the cloud project by the Change Advisory Board (CAB)
 Information Security Training	<ul style="list-style-type: none">All employees are required to complete at least 3 hours of Information Security Training. In 2024, 100% of employees at all subsidiaries fulfilled the requirementEmployees in information security units are required to complete at least 15 hours of professional information security training.
 Social Engineering Drill	<ul style="list-style-type: none">Cathay conducts regular social engineering drills to continuously raise employee awareness and prevent malicious software from infiltrating through social tacticsInformation security awareness is reinforced by discouraging employees from clicking on suspicious emails, and a dedicated "Suspicious Email (Social Engineering) Reporting Channel" has been established to further enhance cybersecurity awareness

6.4.3 Verification of Information Security Mechanisms & Cyber- attack Management

When network attacks, malware, and other major information security incidents are detected, Cathay FHC and subsidiaries will initiate the Information Security Incident Reporting & Emergency Response Mechanism. Each company's information security emergency response team will respond to the incident in compliance with the "Major Information Security Incident Reporting & Emergency Response Management Guidelines for Cathay FHC & Subsidiaries." Cathay FHC will then compile material information security incidents (from all subsidiaries) for reporting to the Information Security Committee. In 2024, there were zero cases of major information security incidents. For information leaks, please refer to 6.5.4 Personal Information Protection.

Measures	Action Plans
Cyber-attack Drills	<ul style="list-style-type: none">Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE commission experts as white hat hackers to conduct annual cyber-attack drillsWhite hat hackers expose loopholes and scenarios, including connection status management, access control testing, and authorization escalation & bypass where IT systems are vulnerable to cyber-attacks by attempting to hack into the system
Information Security Assessments for Computer Systems	<ul style="list-style-type: none">Cathay FHC and subsidiaries commission thirty-party vendors to conduct information security assessments for computer systems, evaluating items such as information framework, network activity, vulnerability assessment, penetration testing, security settings, and compliance. The assessment allows us to monitor system safety and institute changes. In 2024, we were able to resolve 100% of material risks identified from information security assessments
Threat Intelligence Sharing & Analysis Mechanism	<ul style="list-style-type: none">"Group Information & Threat Intelligence Sharing Mechanism" established to report and share material cyber threat intelligence for mitigation and protectionSigned the "Memorandum of Understanding on National Cyber-security Protection & Intelligence Sharing" with the MOJ Investigation Bureau and "MOU to Jointly Combat Fraud & Safeguard Information Security" with the Criminal Investigation Bureau to strengthen the scope and depth of information security protection at Cathay FHC and establish a public-private information security cooperation framework to develop a cooperative protection mechanism
Detection and Takedown of External Fraud Incidents	<ul style="list-style-type: none">A 24/7 detection and takedown mechanism has been established to identify and shut down impersonation or fraudulent tactics (such as websites, apps, and social media platforms) from outside the organization. This measure is designed to safeguard the interests of our customers and mitigate potential risks.

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6.5 Service Quality & Customer Rights

6.5.1 Treating Customers Fairly

Cathay upholds a “customer-centric” philosophy and is committed to fostering a culture of fair treatment by providing friendly, needs-based services that seamlessly integrate into customers’ daily lives. The group has established comprehensive complaint channels and dedicated units to handle customer complaints, adhering to the principle of “proactive handling and attentive care.” A designated team is responsible for regularly reporting implementation progress to the board of directors, thereby enhancing oversight and guidance to ensure the fair treatment mechanism operates effectively and reliably. For more information on customer service management and complaint channels of Cathay Financial Holdings’ subsidiaries, please refer to the official websites of the following entities: [Cathay Life Insurance](#), [Cathay United Bank](#), [Cathay Century Insurance](#), [Cathay Securities](#), and [Cathay SITE](#).

|| Customer Service Initiatives and Achievements in 2024

Initiative	Subsidiaries	Description	Achievements
Promoting Financial Inclusion and Knowledge	Cathay Life	<ul style="list-style-type: none">Launched a newly revamped “Accessible Financial Services” section on the official websiteIntroduced claims documentation and process instructions in 9 languagesInvited employees with disabilities to share insights on friendly service best practices	Website obtained the highest accessibility conformance level (AAA)
	Cathay United Bank	Launched Taiwan’s first visually impaired-friendly “CUBE Debit Touch Card,” featuring rounded corners and tactile markings to help visually impaired users easily identify the card.	
	Cathay Securities	Each branch has added service counters for older adults and installed accessibility facilities to provide dedicated services for the elderly and vulnerable groups.	
	Cathay Century	Launched Alpha Q&A feature to share insights related to Treating Customers Fairly and insurance	
Fraud Prevention Awareness	Cathay Century	<ul style="list-style-type: none">Established a “Anti-Fraud Section” on the website featuring common scams and prevention tipsHeld the in-house iCARE Service Awards in the form of a workshop for the first time in 2024, focusing on fraud prevention and reporting	
	Cathay Securities	<ul style="list-style-type: none">Digital anti-fraud flyer campaign reached 1.98 million peopleHeld 23 in-person financial literacy sessions for children in remote areas and college students	Received the 2024 TWSE Award for Securities Firms with Outstanding Anti-Fraud Programs
	Cathay Life	Launched a dedicated SMS short code “68168” to send important messages that help customers block fraud attempts	
	Cathay Life	Online Service Counter: offering product consultation, online policy enrollment, policy services, and multi-party video appointments	Became first in industry to receive FSC approval.
Developing Digital Financial Services	CUB	Added a 24/7 credit card loss-reporting hotline and dedicated webpage	
	Cathay Life	Obtained dual certification for ISO 9001 Quality Management System and ISO 10002 Customer Complaint Management System	
Customer Service Quality Management System Implementation	Cathay Life	Obtained dual certification for ISO 9001 Quality Management System and ISO 10002 Customer Complaint Management System	
	Cathay Securities	Introduced ISO 10002 Guidelines for complaints handling in organizations	

Note: For more on Cathay’s efforts in promoting financial inclusion services/awareness, see [CH3.2.3 Inclusive Financial Products and Services](#) and [CH3.2.4 Diverse Financial Education](#). For more on Cathay’s digital financial products and services, see [CH3.2.2 Integrated Digital Financial Services](#).

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6.5.2 Service Quality & Customer Satisfaction

Cathay places customer rights protection and fair treatment at the core of its principles. The company has established a Service Quality Committee that is responsible for formulating group-wide service guidelines, providing employee training, and regularly reviewing service strategies with its subsidiaries. Each subsidiary has a dedicated Service Quality Team responsible for planning, promoting, and tracking service quality improvements. 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. These efforts help identify directions for optimizing service quality. For customer satisfaction results from 2020 to 2024, please refer to [Appendix Table 32](#).

Subsidiaries	2024 Customer Satisfaction Performance
Cathay FHC	Evaluate the customer experience of the Cathay CUBE Rewards App to understand user engagement and satisfaction; Insights are used to refine the group-wide member management and rewards point strategy.
Cathay Life	Satisfaction across all three dimensions (brand, products, and services) improved compared to the previous year, indicating that recent optimization efforts have been effective. The “brand” dimension had the highest contribution, showing that insurance brand scale and trustworthiness remain customers’ top priority. Meanwhile, the contribution from products and services is gradually increasing, suggesting that customers are placing growing importance on product relevance and service experience.
Cathay United Bank	Customer Service Center satisfaction in 2024 met targets and reached its highest level in recent years. Cathay United Bank remains committed to providing attentive, high-quality service and will continue collecting feedback from all customer touchpoints to better understand real needs and maintain high service standards.
Cathay Century	Continues to review various customer service processes, focusing on enhancing service quality and experience to improve overall customer satisfaction
Cathay Securities	Monitor all online and offline service touchpoints to collect customer feedback. After gaining insight into customer feedback and expectations, provide the feedback to the relevant units to optimize service and continue to enhance customer satisfaction.
Cathay SITE	Leverage external institution surveys to gain insight into customer demand for products and services. Integrate customer feedback and digital service trends to optimize online and offline services, thereby enhancing customer loyalty and retention.

6.5.3 Optimize Service Experiences

In addition to customer satisfaction surveys, Cathay has adopted the Net Promoter Score (NPS) to assess customer loyalty and likelihood to recommend its services. By analyzing survey results, customer feedback, and suggestions, the company evaluates the customer experience at various service touchpoints, identifies unmet needs, and continuously improves service processes and quality.

Subsidiaries	NPS Operating Mechanism	2024 NPS Scores & Key Breakthroughs
Cathay FHC	<ul style="list-style-type: none"> Analyzes satisfaction levels at 12 key stages of the customer journey for general and VIP customers; also, cross-analyzes customer background data to inform company-wide membership engagement strategies. 	<ul style="list-style-type: none"> In 2024, Cathay FHC’s overall relationship NPS (rNPS) averaged 34.48. Among Cathay Life’s VIP customers, the rNPS was 54, with 55.7% of VIP customers and 51.5% of general customers identified as promoters. Satisfaction scores across the 12 key stages of the customer journey ranged from 78 to 83, showing improvement from the 2023 range of 65 to 79.
Cathay Life	<ul style="list-style-type: none"> rNPS: Third-party consulting firms commissioned to conduct end-of-year surveys. tNPS: 18 online/offline service touchpoints mapped in a customer journey map; staff can monitor NPS changes in real time via dashboards. Service quality improvements are supervised quarterly by a senior executive VP. 	<ul style="list-style-type: none"> rNPS: 43.1, an increase from 35.1 in 2023. Customer growth across all age groups from 2023, with strongest growth in core policyholders aged 31–40 and senior policyholders aged 51–60
Cathay United Bank	<ul style="list-style-type: none"> Daily tNPS surveys conducted by the Customer Service Center; survey feedback, call reason, and product linkage are analyzed with monthly reports submitted. Built the Digital Platform NPS Mechanism; NPS, customer interviews, and usability testing are integrated to optimize platform experience and comprehensively identify NPS impact factors. 	<ul style="list-style-type: none"> Customer Service Center tNPS: 67.1, an all-time high CUBE App rNPS: 37.2, with over 50% of users recommending the app; satisfaction rates for brand preference, service quality, and experience all near 90%, with VIP customer satisfaction exceeding that of general users in all three dimensions.

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Subsidiaries	NPS Operating Mechanism	2024 NPS Scores & Key Breakthroughs
Cathay Century	30 online/offline touchpoints established. Customer feedback tracked daily through NPS scores and visual dashboards. Cross-department meetings held quarterly to identify core issues and solutions.	Overall average tNPS: 69 • Online tNPS: 41 (+2 vs. 2023) • Offline tNPS: 89 (+2 vs. 2023)
Cathay Securities	<ul style="list-style-type: none">Reviewed customer service journey and set up 10 online/offline tNPS touchpoints. NPS surveys sent the day after a service is completed.Customer service proactively follows up on feedback, working cross-departmentally to improve service.	In 2024, all tNPS touchpoint scores exceeded 60 points, with an average of 70.7, a 6.2-point increase from the previous year.
Cathay SITE	Customer satisfaction and NPS surveys allow for a review of the brand, products, and other factors from the customer's perspective. This enables the dynamic prioritization of optimization efforts.	An external survey was conducted in 2024. Customers provided strong positive feedback, with the rNPS score reaching 73.

Note: tNPS (Transactional NPS) measures customer feedback immediately after a specific product or service experience; rNPS (Relationship NPS) measures overall customer satisfaction and perception of the brand at regular intervals.

6.5.4 Personal Information Protection

|| Personal Information Protection and Organization

Cathay FHC places great importance on protecting customer privacy and personal data. Cathay FHC and its main subsidiaries, including Cathay Life, CUB, Cathay Century Insurance, and Cathay Securities, have established a “Personal Data Management Policy” and a “Personal Data File Security Maintenance Plan and Personal Data Handling Procedures after Business Termination.” These policies demonstrate the Group’s commitment to data protection compliance and robust governance practices. All employees and vendors are strictly required to adhere to these requirements, working together to safeguard data security and protect the rights of data subjects.

Cathay FHC has established the “Personal Information Management Committee” to incorporate personal data protection into the company’s existing risk management framework. The president serves as the chairperson, overseeing and managing Cathay’s enforcement of personal information management and risk control. The Risk Management Division serves as the personal information management unit responsible for planning, overseeing, and enforcing committee decisions and reviewing and improving the group’s personal information management. Cathay FHC has established an internal audit unit that reports directly to the board of directors and is responsible for overseeing and executing audit operations for the company and its subsidiaries. Target audits are conducted at least semiannually, covering areas such as finance, risk management, regulatory compliance, and personal information protection. In addition, internal control self-assessments are conducted at least once a year, with the audit unit reviewing the results to ensure that all employees are effectively implementing the relevant control measures.

|| Customer Personal Data Management Mechanism

Cathay FHC and its main subsidiaries manage personal data in accordance with the Personal Data Protection Act and the lifecycle of personal data (collection, processing, and use). Before collecting personal data, customers are clearly informed of the purpose of collection, how the data will be used, and who it may be shared with. The data collected is limited to what is necessary for the specified purpose, and specific personal data will only be shared with third-party partners providing products or services after obtaining the customer’s consent. Regarding data retention, unless otherwise stipulated by law or contract, personal data will be deleted or no longer processed once the original purpose is no longer applicable or the retention period has expired. Relevant logs and supporting records are retained for a minimum of five years.

In terms of data protection, measures include firewalls, SSL encryption, OTP identity verification, login behavior detection, watermark alerts, Data Loss Prevention (DLP) mechanisms for detection and management, as well as endpoint protection strategies.

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|| Management Mechanism and Global Compliance

To strengthen personal data management mechanisms and ensure compliance with the EU General Data Protection Regulation (GDPR), Cathay FHC and its main subsidiaries have implemented and obtained certification for the international standards BS 10012:2017 Personal Information Management System and ISO 27001 certification for information security management systems. By adopting the internationally recognized P-D-C-A (Plan-Do-Check-Act) management cycle and undergoing annual audits conducted by third-party professional verification bodies, Cathay ensures the appropriateness of its data protection processes, control measures, and vendor management practices. This approach also ensures continued compliance with relevant personal data protection laws and ongoing enhancement of its management systems.

|| Exercise of Customer Rights

Cathay FHC and its main subsidiaries have established the “Cathay FHC Data Subject Rights Management Regulations” and designated channels for submitting complaints and requests. These channels are intended to facilitate submissions from customers and employees. Customer rights protections are clearly stated on the Cathay FHC website under the sections: “Mandatory Disclosure Regarding Use of Personal Data,” “Cathay FHC Privacy Policy,” and “Customer Privacy Protection Measures.” These policies are updated regularly in line with changes in laws and technological developments. Additionally, customer service hotlines and a feedback section are available to assist with inquiries and receive customer feedback.

|| Robust Training on Personal Information Protection

To ensure employees have a clear understanding of personal information laws and regulations, their scope of responsibilities, and mechanisms, processes, and measures related to personal information protection, Cathay FHC and its subsidiaries organize annual, company-wide awareness programs and training on personal information protection. In 2024, all employees at Cathay FHC and its subsidiaries have received training on personal information protection.

In addition to the penalties stipulated under the Personal Data Protection Act for violations, Cathay FHC has also clearly defined in its Personal Information Management Regulations that employees who breach these rules and cause harm to the company or customer interests will be referred to the personnel management unit for disciplinary action. This reflects the company's commitment and zero-tolerance stance toward personal data protection and customer privacy.

Note: The 100% training completion rate excludes employees unavailable due to business responsibilities or leave status (e.g., business travel, parental leave, or maternity leave).

|| Incident Management and Drills for Personal Data Breaches

To manage personal data breach incidents and ensure effective reporting and responses, Cathay FHC and its main subsidiaries have established the “Regulations Governing Personal Data Breaches at Cathay FHC,” along with related emergency response procedures. A cross-functional emergency response team has been formed to minimize the impact of data breaches on the company and reduce potential harm to affected individuals. The team conducts regular simulated drills to validate the effectiveness of internal procedures, identify gaps in personal data protection measures, and continuously enhance data protection practices.

|| Personal Information Protection Incidents

Cathay FHC and its main subsidiaries handle customer data with the utmost care. We had 18 data breaches events in 2024, in which 100% of data breaches events was involved with personally identifiable information. 199 customers were affected by such violation. Most cases were initiated by customer complaints through various channels. Upon investigation, the causes were found to be due to individual oversights by financial consultants or sales agents, such as miscommunication or errors in mailing. All incidents have been properly handled and resolved with the understanding of the affected individuals. Cathay FHC will continue to promote employee training and strengthen internal advocacy to ensure all personnel fully understand the importance of personal data protection. Efforts will also continue to enhance and monitor the use of customer data, improve relevant protective measures, and supervise third-party partners to properly manage customer information in order to reduce the occurrence of data breaches.

Note: The number of individuals affected does not include those impacted by data breaches involving insurance brokerage firms.

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7.1 About this Report

GRI : 2-2、2-3、2-4

Cathay FHC maintains principles of prudent operations, delivering consistent growth with the three major operation branches of insurance, banking, and asset management as it strives to become a leading financial institution in the Asia-Pacific region.

|| Reporting Period

Cathay FHC has published non-financial reports annually since 2011. The Sustainability Report 2024 published in July 2025 discloses Cathay FHC's economic, environmental (E), social (S), and governance (G) performance in 2024 (January 1 ~ December 31) as part of Cathay FHC's efforts to help stakeholders and the public understand the group's efforts in various issues. The Chinese and English versions of Cathay FHC's historical Sustainability Reports are available for download on the company's official website in the corporate sustainability section. The latest report was published in July 2024. The next report is slated to be published in July 2026.

|| Reporting Scope

The scope of this report mainly covers the business activities and services of Cathay FHC and main subsidiaries (Cathay Life, CUB, Cathay Century, Cathay Securities (incl. Cathay Futures), and Cathay SITE). Figures in the report are compiled based on internationally recognized standard metrics and, where applicable, extend to the performance of certain overseas branches. Information on social welfare or philanthropic efforts also covers subsidiaries as well as their charitable foundations (CUB Foundation and Cathay Charity Foundation). Footnotes will be provided for any quantitative metrics with specific implications.

|| Reporting Principles

This report follows the Global Reporting Initiative (GRI) 2021 Standards and maps to the UN Sustainable Development Goals (SDGs). It also references the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," the Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE/TPEX Listed Companies, ISO 26000 Guidance on Social Responsibility, the UN Global Compact, the Sustainability Accounting Standards Board (SASB) Standards, and the TCFD framework. In addition, it adopts the International Sustainability Standards Board (ISSB) IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. Any restatements of information are explained in the relevant chapters. Financial performance data were audited by Deloitte & Touche Taiwan and disclosed in the shareholders' meeting annual report, while non-financial data derive from industry association filings, regulatory submissions, or third-party-verified management systems. The SASB Index is available on [the Cathay FHC website](#).

|| General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)

To help stakeholders understand Cathay FHC's sustainability-related risks and opportunities – and how these relate to resource use and interactions throughout the entire value chain – the Group evaluates their potential short-, medium-, and long-term financial impacts, providing investors with more precise decision-making information. Cathay FHC identifies 19 material topics and aligns them with the IFRS S1 core disclosure pillars of governance, strategy, risk management, and metrics & targets. A scoring scale assesses the completeness of disclosures for each topic (impact, management approach, targets). Higher percentages denote greater completeness, and results are colour-coded; red or blue highlights areas needing improvement. For the detailed scoring matrix, please refer to [Section 7.8 "Scoring Scale for Disclosure of Sustainability-related Risks and Opportunities"](#).

• Legend



Results

Overview of results performance of action items



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Audit and Assurance

Cathay FHC engaged BSI Taiwan to conduct verification of this report in accordance with the GRI Standards 2021 version and the AA1000AS v3 assurance standard (Type 2, High level of assurance). The independent assurance statement issued by BSI Taiwan is disclosed in the appendix of this report.

Cathay FHC also engaged PwC Taiwan to perform limited assurance on selected sustainability performance indicators and their corresponding alignment with the SDGs, as presented in the report prepared in accordance with the GRI Standards. The assurance engagement was conducted in accordance with the standards issued by the Accounting Research and Development Foundation (ARDF), specifically: Statement of Assurance Engagements (TWSAE) No. 3000 – Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and TWSAE No. 3410 – Assurance Engagements on Greenhouse Gas Statements. PwC Taiwan’s limited assurance report is attached in the appendix of this report.

	Basis	Verification/Assurance Agency
<div>Sustainability Data</div>	AA1000 AS v3 – Type 2 high-level assurance	BSI Taiwan
	TWSAE 3000 “Audit and Review of Nonfinancial Information” and TWSAE 3410 “Assurance Engagements on Greenhouse Gas Statements”	PwC Taiwan
<div>Financial Data</div>	Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants & Generally Accepted Auditing Standards	Deloitte & Touche Taiwan
<div>Environmental Data</div>	ISO 14064-1:2018 – Greenhouse Gases	BSI Taiwan

Company	Cathay Financial Holdings Co., Ltd.	Mailbox	cscathay@cathayholdings.com.tw
Date of Incorporation	December 31, 2001	Telephone	+886-2-27087698
Brand Motto	BETTER TOGETHER	Full-time Employees	45,396
Core Values	Integrity, Accountability, and Innovation	Total Assets	NT\$ 13.77 trillion
HQ Address	No. 296, Sec. 4, Ren'ai Rd., Da'an Dist., Taipei City	Capital	NT\$ 162.03 billion
Responsible Unit	Corporate Sustainability Office	Corporate Sustainability Webpage	https://www.cathayholdings.com/holdings/esg

Statement on MSCI Climate VaR (CVaR) data usage: MSCI CVaR data used herein include but are not limited to information (hereinafter referred to as related information) obtained by MSCI ESG Research LLC. and affiliated companies (hereinafter referred jointly as related parties) from sources deemed by related parties as reliable, yet related parties do not guarantee or assure the originality, accuracy and/ or integrity of any data herein and expressly denies any explicit or implicit guarantees, including applicability or applicability for specific purposes. Related information herein is for internal purposes only and shall not be replicated or re-disclosed in any form or be used as the basis of, or for the composition of any financial instruments, products, or indices. Furthermore, any information herein shall not serve as the basis for any decisions to buy or sell any marketable securities. No related parties shall be liable for any data-related errors or omissions herein or any direct, indirect, special, punitive, consequential, or other damages (including loss of profits) even when informed by the user of potential losses.

7.2 ESG Performance Data

Sustainable Finance Performance Data

Table 1 Themed Investing/Lending

Unit: NT\$100M	2021		2022		2023		2024	
	Investment	Lending	Investment ^(note 2)	Lending	Investment	Lending	Investment	Lending
Low Carbon	2,076	314	2,624	379	2,897	408	3,251	506
Alternative Energy	235	172	406	205	421	212	543	190
Buildings	767	44	689	71	693	123	843	229
Waste Recycling	50	48	42	36	51	38	56	45
Transportation	707	40	802	57	838	32	705	38
Energy-Efficient Industries	121	9	165	10	273	3	317	4
Green Bonds	196	0	520	0	621	0	788	0
Natural Carbon Sinks	-	-	0	0	0	0	0	0
Infrastructure	7,377	711	8,207	781	8,415	702	9,176	756
Transportation Facilities	605	67	751	68	793	52	626	56
Facilities of Public Utilities	5,863	447	6,458	441	6,717	403	7,786	410
Social Housing & Elderly Residence Projects	0	149	0	237	0	201	0	239
Environmental Remediation Facilities	48	48	39	33	54	41	55	43
Low Carbon Transition Infrastructure	861	0	867	0	823	0	698	0
Infrastructure Construction and Software	-	-	92	2	28	5	12	8

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Unit: NT\$100M	2021		2022		2023		2024	
	Investment	Lending	Investment ^(note 2)	Lending	Investment	Lending	Investment	Lending
Aging Society and Health	4,119	352	4,548	448	4,903	437	5,697	479
Health Services	1,123	30	1,249	25	1,319	21	1,311	22
Supported Living Services	0	2	0	2	0	2	0	2
Financial Management	1,234	1	1,235	4	1,320	7	1,780	3
Sports Service	0	29	0	35	0	33	2	21
Pharmaceuticals, Biotechnology and Health Product	1,292	37	1,490	39	1,653	22	1,833	24
Medical and Rehabilitation Equipment	2,677	19	342	25	396	29	363	35
Sales of Pharmaceutical and Medical Goods	86	33	103	37	86	51	297	53
Sporting Goods	117	52	129	52	129	76	111	80
Facilities Supply	0	149	0	230	0	197	0	239
Community and Inclusive Finance	37	45	30	52	24	40	56	72
Financial Inclusion	34	11	28	33	24	29	56	57
Education	3	33	2	20	0	11	0	14
Water resources	78	9	61	12	67	11	135	16

*Note 1: “-” indicates that the data was not collected for the given year.

*Note 2: Investment data in 2022 has been revised.

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• Table 2 Investment and Lending Portfolio Financed Emissions^(Note 1)

	2021		2022		2023		2024				
	Scope 1+2 (tCO ₂ e)	Economic Carbon Intensity Unit: (tCO ₂ e/NT\$1M)	Scope 1+2 (tCO ₂ e)	Economic Carbon Intensity Unit: (tCO ₂ e/NT\$1M)	Scope 1+2 (tCO ₂ e)	Economic Carbon Intensity Unit: (tCO ₂ e/NT\$1M)	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 1+2 (tCO ₂ e)	Economic Carbon Intensity Unit: (tCO ₂ e/NT\$1M)	Data Quality Score
Proprietary Investments											
Listed Equities	1,059,599	1.52	545,086	1.07	909,560	1.4	311,221	348,626	659,847	0.96	2.22
Corporate Bonds	10,207,824	2.95	9,213,947	2.40	9,061,570	2.29	8,987,098	1,371,893	10,358,991	2.48	2.37
Total	11,267,423	2.71	9,759,033	2.25	9,971,130	2.17	9,298,319	1,720,519	11,018,838	2.26	2.35
Investment Assets under Investment Mandates											
Listed Equities	311,296	1.61	408,808	1.43	875,425	2.12	381,284	378,052	759,336	1.30	2.28
Corporate Bonds	961,146	6.34	588,561	2.80	603,072	2.34	414,994	95,721	510,715	1.95	1.99
Total	1,272,443	3.69	997,369	1.32	1,478,497	2.21	796,278	473,773	1,270,051	1.50	2.17

	2021	2022	2023	2024		
	Scope 1+2 (tCO ₂ e)	Scope 1+2 (tCO ₂ e)	Scope 1+2 (tCO ₂ e)	Scope 1+2 (tCO ₂ e)	Emission Intensity ^(note 3)	Data Quality Score
	Credit Assets					
Electricity Generation Project Finance	171,883	152,493	112,128	0	0	3.65
Commercial Real Estate Loans	29,282	40,590	34,517	31,652	65.16	
Business Loans	432,660	355,119	482,408	649,466	2.29	
Total	633,825	548,202	629,053	681,118		

Note 1: Financed emissions from investment and lending portfolios originate from the Scope 1 and Scope 2 emissions of the investees and borrowers.

Note 2: Proprietary investments cover investments of Cathay Life, CUB, Cathay Century Insurance, Cathay Securities; assets under management cover investments of Cathay SITE; and credit assets cover lending portfolios of Cathay Life and CUB.

Note 3: Listed equities and corporate bonds, and Business Loans are calculated based on economic carbon intensity (tCO₂e/NT\$1M); electricity generation project financing is based on physical carbon intensity (tCO₂e/MWh); and commercial real estate loans are based on physical carbon intensity (kgCO₂e/m²).

Note 4: The definitions of the aforementioned asset classes are based on the required asset coverage set forth in the Financial Sector Science-Based Targets Guidance (Version 1.1).

Note 5: The carbon emissions data coverage rate is 100%. For assets without reported emissions data, Cathay Group estimates emissions using methodologies recommended by PCAF. These include: estimating emissions based on energy usage intensity (EUI) of the building type, or physical and economic activity, or obtained from MSCI database and Bloomberg classified by industry to calculate estimated industry specific emissions factors or the distribution factor estimated based on the closest annual financial information or accounting financial information.

Note 6: The scope of the above Business Loans excludes short-term loans and SME (small and medium enterprise) loans.

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		Proprietary Investments (listed equities & bonds)		Investment Assets under Investment Mandates (listed equities & bonds)		Credit Assets (business loans)	
		Emissions Unit: (tCO ₂ e)	Economic Carbon Intensity Unit: (tCO ₂ eNT\$1M)	Emissions Unit: (tCO ₂ e)	Economic Carbon Intensity Unit: (tCO ₂ eNT\$1M)	Emissions Unit: (tCO ₂ e)	Economic Carbon Intensity Unit: (tCO ₂ eNT\$1M)
Industry	Energy	4,299,307	9.37	285,090	7.81	52,389	16.69
	Materials	988,770	6.76	357,555	15.61	198,056	15.72
	Industrials	378,358	1.62	93,868	2.14	69,498	2.50
	Consumer discretionary	63,556	0.54	72,235	1.95	58,917	2.65
	Consumer staple	219,174	0.89	14,836	0.51	8,017	1.10
	Healthcare	38,778	0.13	5,529	0.12	3,434	0.84
	Financials	107,290	0.05	7,246	0.05	119,365	1.27
	Information Technology	347,984	0.63	295,961	0.73	88,035	2.48
	Communication Services	227,417	0.45	35,650	0.55	4,087	0.34
	Utilities	4,331,111	16.71	101,613	12.67	36,822	11.50
Region	Real Estate	17,093	0.20	468	0.34	10,846	0.18
	Taiwan	602,809	0.86	702,391	1.39	452,033	2.94
	Asia Pacific	3,613,918	4.60	72,901	3.55	192,758	1.48
	Americas	5,739,205	2.36	454,373	1.50	0	0
	Europe	699,900	0.85	17,542	1.26	4,675	20.43
	Other	363,006	2.85	22,844	8.02	0	0

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• **Table 3** Financed Emissions from Investment and Lending Portfolios held by Cathay Life – Based on the Taiwan FSC’s Manual for Determining Scope 3 Emissions in Investment and Lending Portfolios for Insurance Companies

Item	Investment / Lending Portfolio	Listed Equities and Corporate Bonds	Business Loans / Unlisted Equities	Project Investment and Finance	Commercial Real Estate Investment and Loan	Mortgages	Motor vehicle loans	Sovereign Bonds Excl. LULUCF	Total
Financed Emissions (Unit: tCO ₂ e)	Investment Portfolio	10,828,690	59,167	–	5,428	–	–	4,602,060	15,495,345
	Lending Portfolio	–	5,738	0 ^(Note3)	464	37,720	–	–	43,922
	Total	10,828,690	64,905	–	5,892	37,720	–	4,602,060	15,539,267
Data Quality Score	Investment Portfolio	2.34	3.96	–	4.00	–	–	4.04	2.53
	Lending Portfolio	–	5.00	3.00	2.27	4.00	–	–	3.85

Note 1: Financed emissions include Scope 1 and Scope 2 emissions; for sovereign bonds, only Scope 1 emissions are considered.

Note 2: For sovereign bonds including LULUCF, the financed emissions amount to 4,600,215 tCO₂e, with a data quality score of 4.04.

Note 3: All project finance listed pertains to renewable energy lending. Financed emissions are calculated based on physical activity data. Since renewable energy projects have a zero emissions factor, both Scope 1 and Scope 2 emissions are zero. Separately, 39,723 tCO₂e of avoided emissions are estimated for these projects.

Note 4: A dash (–) in the table indicates that the asset class is not included.

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• Table 4 Financed Emissions from Investment and Lending Portfolios held by CUB – Based on the Taiwan FSC’s Manual for Determining Scope 3 Emissions in Investment and Lending Portfolios for Banks

As of December 31, 2024 Asset Type Distribution			Absolute Emissions ^{Note 1}			Emission Intensity ^{Note 2}		Data Quality Score
			Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 1+2 (tCO ₂ e)	Economic Emission Intensity	Physical Emission Intensity	
Investment	Listed / Unlisted Equities		1,655	15,854	17,509	0.57	-	2.77
	Corporate Bonds		76,641	68,144	144,785	0.62	-	2.45
	Sovereign Debt (Investment)	Excl. LULUCF	1,150,490	-	1,150,490	6.81	-	4.04
		Incl. LULUCF	1,070,600	-	1,070,600	6.33	-	
Total	Excl. LULUCF		1,228,786	83,998	1,312,783	3.03	-	3.09
	Incl. LULUCF		1,148,896	83,998	1,232,894	2.84	-	-
Lending	Sovereign Debt (Lending)	Excl. LULUCF	-	-	17,757	15.82	-	1.00
		Incl. LULUCF	-	-	23,317	20.77	-	
	Corporate Finance	Business Loans	1,499,763	597,481	2,097,244	2.80	-	3.81
		Project Finance ^{Note 3}	-	-	0	0.00	-	3.00
		Commercial Real Estate Loans	-	-	31,881	0.45	71.68	3.96
	Consumer Finance	Mortgages	-	-	120,961	0.21	21.87	4.00
		Motor Vehicle Loans	-	-	-	-	-	-
	Total	Excl. LULUCF	-	-	2,267,843	1.59	-	3.88
		Incl. LULUCF	-	-	2,273,403	1.59	-	
Total	Excl. LULUCF		-	-	3,580,626	1.92	-	3.70
	Incl. LULUCF		-	-	3,506,297	1.88	-	

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As of December 31, 2024 Industry Sector Distribution ^{Note 4}	Credit Assets - Business Loans				
	Absolute Emissions ^{Note 1}			Data Quality Score	Economic Emission Intensity (tCO ₂ e/NT\$1M)
	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 1+2 (tCO ₂ e)		
Energy	220,185	25,470	245,655	3.99	23.98
Materials	804,203	233,708	1,037,911	3.31	17.68
Industrials	173,802	28,804	202,606	3.79	2.81
Consumer discretionary	76,007	73,627	149,634	3.82	1.55
Consumer staple	63,251	24,561	87,812	3.94	3.71
Healthcare	2,666	4,350	7,017	3.8	0.95
Financials	85,670	14,467	100,137	4.25	0.56
Information Technology	19,084	165,229	184,313	2.83	1.73
Communication Services	703	5,408	6,111	3.96	0.34
Utilities	48,125	4,854	52,979	4.15	10.43
Real Estate	6,066	17,004	23,070	4.1	0.13
Total	1,499,763	597,481	2,097,244	3.81	2.8

Note 1: Absolute emissions refer to Category 3 financed emissions as defined by the Bankers Association. These are Scope 1 and Scope 2 emissions attributable to investees and borrowers.

Note 2: Economic emission intensity unit: tCO₂e/NT\$1M; Physical emissions intensity unit: kgCO₂e/m² (for commercial real estate loans and mortgages).

Note 3: Cathay United Bank's project finance for coal-fired power generation matured in September 2024; financed emissions from this asset class are zero.

Note 4: Industries are classified using the two-digit industry group level under the Global Industry Classification Standard (GICS).

Note 5: Scope 1 and Scope 2 figures are rounded to the nearest whole number in the table, which may lead to discrepancies between the displayed subtotals and their actual sum. Slight differences may also appear when comparing horizontal and vertical totals.

• Table 5 High Emitters in Domestic Main Investment and Lending Positions (Numbers & Industries)

High Emitters in Domestic Main Investment and Lending Positions (Numbers & Industries)		
Industry Category	Number of Companies	Emissions Unit: (tCO ₂ e)
Energy	7	109,105
Materials	43	608,395
Industrials	5	87,345
Consumer discretionary	4	26,968
Consumer staple	6	49,895
Information Technology	18	364,771
Communication Services	2	35,445
Utilities	1	6,614

Note 1: Domestic carbon-intensive investees and borrowers are defined as domestic listed companies with at least 60% portfolio emissions. This definition applies to our proprietary investment assets and credit assets. The inventory is performed according to the Taiwan FSC's manual for determining scope 3 emissions in investment and lending portfolios for banks.

• Table 6 Green Products and Services

Year	2022	2023	2024
Globally financed installed capacity (MW) – solar power stations	889	1,045	1,059
Globally financed installed capacity (MW) – offshore wind energy	1,373	1,373	1,373
The insured amount of renewable energy insurance policies (Solar Power, Offshore Wind Power, Land Wind Power) (NT\$100M)	1,830	2,111	3,522
Cumulative insured amount from Public Bicycle Accident Insurance (NT\$10K)	2,792	4,186	6,429
No. of Public Bicycle Accident Insurance policies (Unit:10K)	11,820	18,854	30,320

• Table 7 GHG Emissions

Unit: tCO ₂ e	2022		2023		2024	
Direct Emissions (Scope 1)	Taiwan	3,971.91	Taiwan	4,031.19	Taiwan	5,660.61
	Overseas	830.54	Overseas	1,424.78	Overseas	980.28
Indirect Emissions (Scope 2) – Market-based	Taiwan	48,521.37	Taiwan	44,879.34	Taiwan	41,033.53
	Overseas	6,423.35	Overseas	7,037.61	Overseas	6,068.86
Indirect Emissions (Scope 2) – Location-based	Taiwan	52,882.81	Taiwan	53,600.09	Taiwan	55,284.29
	Overseas	6,423.35	Overseas	7,037.61	Overseas	6,068.86
Direct Emissions (Scope 1) + Indirect Emissions (Scope 2) – Market-based	Taiwan	52,493.28	Taiwan	48,910.53	Taiwan	46,694.13
	Overseas	7,253.89	Overseas	8,105.63	Overseas	7,049.14
Direct Emissions (Scope 1) + Indirect Emissions (Scope 2) – Location-based	Taiwan	56,854.72	Taiwan	57,631.28	Taiwan	60,944.90
	Overseas	7,253.89	Overseas	8,462.39	Overseas	7,049.14
Emission Intensity (tCO ₂ e / per person)	1.29		1.09		1.04	
Emission Intensity (tCO ₂ e / per NT\$1M revenue)	0.17		0.19		0.15	
Other Indirect Emissions (Scope 3) – Purchased Products & Services	143,941.89		170,689.12		208,738.63	
Other Indirect Emissions (Scope 3) – Capital Goods	32,261.77		47,520.06		38,987.20	
Other Indirect Emissions (Scope 3) – Fuel- And Energy-Related Activities	8,949.37		8,946.54		7,800.93	
Other Indirect Emissions (Scope 3) – Upstream Transportation and Distribution	11,511.57		12,734.08		11,540.3	

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Unit: tCO ₂ e	2022	2023	2024
Other Indirect Emissions (Scope 3) - Waste Generated in Operations	396.92	454.65	446.89
Other Indirect Emissions (Scope 3) - Business Travel	9,478.62	9,190.99	11,964.57
Other Indirect Emissions (Scope 3) - Employee Commuting	25,750.71	30,146.82	28,164.31
Other Indirect Emissions (Scope 3) - Upstream Leased Assets	6,293.43	5,722.50	6,586.69
Other Indirect Emissions (Scope 3) - Downstream Transportation and Distribution	3,987.36	4,105.33	4,272.09
Other Indirect Emissions (Scope 3) - Processing of Sold Products		N/A	
Other Indirect Emissions (Scope 3) - Use of Sold Products		N/A	
Other Indirect Emissions (Scope 3) - End-Of-Life Treatment of Sold Products	283.63	1,768.64	796.39
Other Indirect Emissions (Scope 3) - Franchises		N/A	

Note 1: We adopted the new version of ISO 14064-1:2018 standards in 2018. We commissioned BSI to conduct external third-party audits in 2020.

Note 2: The GHG inventory is based on operational control. The scope of the inventory is 100% and Scope 2 is calculated using both market-based and location-based approaches. The per capita emission intensity (tCO₂e/person) is calculated using a market-based approach.

Note 3: Scope 2 consists of emissions associated with electricity use. The Bureau of Energy has adjusted the historical electricity emission factor; the current calculation uses the updated factor, which is 0.495 (2022), 0.495 (2023), and 0.474 (2024) kg CO₂e/kWh. The GHG inventory is based on the reference information from GWP AR5 and the emissions factor announced by Taiwan's Ministry of Environment on February 5, 2024.

Note 4: The number of employees at the locations in the scope of the inventory is 46,157(2022), 44,748(2023), and 44,952 (2024).

Note 5: In 2020, Cathay reviewed and adjusted the scope of the report based on our business needs and the management of Scope 1 and Scope 2 emissions. We use 2020 as the base year for setting emission reduction targets.

Note 6: Scopes 1 and 2 are calculated in accordance with ISO 14064 guidelines, with the reporting boundary aligned to financial reporting boundaries. Scope 3 emissions are calculated according to the minimum boundary of the GHG Protocol Scope 3 Value Chain Standard. The calculation only covers domestic emission and the figures are not verified. Specifically, Cathay FHC no longer engages in "Processing of Sold Products," "Use of Sold Products and Services," and "Franchises," hence these categories are not applicable.

Note 7: Categories 1, 2, and 12 of Scope 3 were found to contain some entry errors during internal verification. While these do not constitute material changes, the figures for both 2022 and 2023 have been updated accordingly to maintain comparability.

Note 8: Emission intensity per capita (tCO₂e/employee) covers only domestic operations, while economic emission intensity (tCO₂e/NT\$1M in revenue) includes both domestic and overseas operations.

Note 9: Figures for economic emission intensity (tCO₂e/NT\$1M in revenue) for 2022 and 2023 were previously misstated in the 2023 Sustainability Report and have been corrected in this disclosure.

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Table 8 Green Operations

Unit: tCO ₂ e		2022		2023		2024	
Fossil fuel consumption (Taiwan + Overseas; MWh)		4,713		9,325		4,817	
Total nonrenewable energy consumption (Gray energy)	Taiwan (MWh)	104,141	Taiwan	90,665	Taiwan	86,545	
	Overseas	9,686	Overseas	11,271	Overseas	10,167	
Renewable energy consumption	Onsite self-use PV system (kWh)	32,000		335,214		539,571	
	REC (kWh)	4,631,000		243,000		6,631,000	
	Wheeling PPA (kWh)	4,150,652		17,374,676		23,434,155	
	Total (kWh)	8,813,652		17,952,890		30,604,726	
Total energy use (Taiwan+ Overseas)	(MWh)	127,354		129,214		132,134	
	(GJ)	458,474		465,170		475,682	
Per capita electric power consumption (kWh/person)		2,278.52		2,427.33		2,606.12	
Cumulative installed capacity of Solar PV (kW)		6,950		7,235		8,900	
Water withdrawal (cubic meters)		608,228		655,060		731,639	
Water discharge (cubic meters)		608,228		655,060		731,639	

Unit: tCO ₂ e		2022		2023		2024	
Per capita water consumption (cubic meters)		13.34		14.62		16.28	
Total waste (metric tons)		1,977.93		2,153.04		2,002.55	
Recycled waste (metric tons)		790.39		904.78		801.05	
General waste (metric tons)		1,187.54		1,248.26		1,201.50	
Per capita waste (kilogram/person)		26.04		27.89		26.73	

Note 1: Solar PV capacity includes FIT and onsite self-use PV system. Cathay Life's solar PV capacity also includes Cathay-owned properties that lease space to power companies for solar PV installation.

Note 2: Water withdrawal and consumption increased in 2024 because Cathay FHC started including figures from vacant buildings as well.

Table 9 Sustainable Procurement

	2021	2022	2023	2024
Green Procurement (NT\$100M)	3.02	4.76	5.66	10.65

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|| Data on Human Resources Factors

Human capital data cover Cathay Financial Holdings and its major subsidiaries (Cathay Life Insurance, Cathay United Bank, Cathay Century Insurance, Cathay Securities (including Cathay Futures), Cathay SITE, and Cathay Venture), including expatriates assigned to overseas branches and offices, as well as locally hired staff at those overseas locations. Any deviation from this scope is explained in the respective footnotes.

• Table 10 Full-Time Employee Data GRI : 2-7

• Table 10-1 Full-Time Employees - by Age & Region As of December 31, 2024

Unit: people		No. of People	As a Percentage of All FTEs (%)	
Taiwan	Male	< 30	2,561	5.64%
		30-49	8,696	19.15%
		≥ 50	2,532	5.58%
	Female	< 30	3,656	8.05%
		30-49	15,589	34.34%
		≥ 50	11,652	25.67%
Overseas	Male	< 30	45	0.10%
		30-49	248	0.55%
		≥ 50	92	0.20%
	Female	< 30	62	0.14%
		30-49	225	0.50%
		≥ 50	38	0.08%
Total		45,396	100%	

• Table 10-2 Full-Time Employees - by Position & Region As of December 31, 2024

Number of Full-Time Employees/Office Staff & Field Personnel (Unit: People)		No. of People	As a Percentage of All FTEs (%)	
Taiwan	Male	General Staff	11,730	25.84%
		Entry-level Management	1,704	3.75%
		Middle Management	278	0.61%
		Senior Executives	77	0.17%
	Female	General Staff	28,478	62.74%
		Entry-level Management	2,242	4.94%
		Middle Management	148	0.33%
		Senior Executives	29	0.06%
Overseas	Male	General Staff	327	0.72%
		Entry-level Management	34	0.07%
		Middle Management	19	0.04%
		Senior Executives	5	0.01%
	Female	General Staff	312	0.69%
		Entry-level Management	13	0.03%
		Middle Management	0	0.00%
		Senior Executives	0	0.00%
Total		45,396	100%	

Note : Cathay Financial Holdings and its subsidiaries do not employ temporary workers, workers with no guaranteed hours, or part-time employees. Therefore, all permanent employees are included in the 100% disclosure scope of this report.

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• Table 10-3 Non-employee Workers GRI : 2-8

Statistics on Non-employee Workers (Unit: persons)			No. of People
Taiwan	Male	Contracted and commissioned personnel	9,804
		Interns	96
		Dispatched workers	159
	Female	Contracted and commissioned personnel	25,908
		Interns	161
		Dispatched workers	404
Overseas	Male	Dispatched workers	0
		Interns	0
		Other	8
	Female	Dispatched workers	0
		Interns	6
		Other	4

Note: Most non-employee workers are insurance agents under a contractor relationship only; Dispatched workers mainly serve in roles such as corporate drivers, data entry clerks, and administrative support staff.

• Table 11 Inclusive Workplace

• Table 11-1 Inclusive Workplace - Employee with Disabilities

Unit: people		Employees with Disabilities (no. of employees/%)
2021	No. of Employees	450
	As a Percentage of All FTEs (%)	1.0%
2022	No. of Employees	437
	As a Percentage of All FTEs (%)	0.9%
2023	No. of Employees	453
	As a Percentage of All FTEs (%)	1.0%
2024	No. of Employees	433
	As a Percentage of All FTEs (%)	1.0%

• Table 11-2 Inclusive Workplace - Employee Nationality Distribution

Unit: people	General Staff	As a Percentage of All FTEs (%)	Managers	As a Percentage of All Managers (%)
Taiwan (excl. indigenous peoples)	40,053	98.06%	4,512	99.19%
Indigenous peoples	279	0.68%	13	0.29%
China (incl. Hong Kong, Macau)	152	0.37%	13	0.29%
Vietnam	135	0.33%	3	0.07%
Singapore	124	0.30%	4	0.09%
Malaysia	31	0.08%	1	0.02%
The Philippines	26	0.06%	0	0.00%
Laos	19	0.05%	0	0.00%
Myanmar	15	0.04%	0	0.00%
Indonesia	6	0.01%	1	0.02%
Thailand	2	0.00%	0	0.00%
India	1	0.00%	0	0.00%
Canada	1	0.00%	0	0.00%
U.S.	2	0.00%	1	0.02%
U.K.	1	0.00%	0	0.00%
The Netherlands	0	0.00%	1	0.02%

Note: Data in this table are for full-time employees only.

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• Table 12 New Employee Statistics GRI : 401-1

As of December 31, 2024

Number of FTEs/Office Staff & Field Personnel (Unit: People)			2023	2024
Total no. of new hires			5,582	6,123
Percentage of new hires			12.3%	13.5%
Average Recruiting Cost Per New Hire (NT\$)			6,354	5,943
2024 No. of FTEs/Office Staff & Field Personnel (Unit: People)			No. of People	As a Percentage of All FTEs (%)
Gender	Taiwan	Male	2,105	4.64%
		Female	3,905	8.60%
	Overseas	Male	53	0.12%
		Female	60	0.13%
Age	Taiwan	<30	2,691	5.93%
		30~49	2,420	5.33%
		≥ 50	899	1.98%
	Overseas	<30	40	0.09%
		30~49	61	0.13%
		≥ 50	12	0.03%
Position level	Taiwan	General Staff	5,954	13.11%
		Entry-level Management	53	0.12%
		Middle Management	3	0.01%
		Senior Executives	0	0.00%
	Overseas	General Staff	112	0.25%
		Entry-level Management	1	0.00%
		Middle Management	0	0.00%
		Senior Executives	0	0.00%
	Total		6,123	13.5%

Note : The table includes only full-time employees. Non-employee workers are not included due to difficulties in data collection.

• Table 13 Employee Turnover Statistics GRI : 401-1

As of December 31, 2024

Number of FTEs/Office Staff & Field Personnel (Unit: People)			2023	2024
Overall turnover rate			9.9%	9.2%
Voluntary departure rate (excl. retirement)			8.0%	7.2%
Number of FTEs/Office Staff & Field Personnel (Unit: People)			No. of Departures	As a Percentage of All FTEs (%)
Gender	Taiwan	Male	1,373	3.02%
		Female	2,736	6.03%
	Overseas	Male	31	0.07%
		Female	46	0.10%
Age	Taiwan	<30	1,154	2.54%
		30–49	1,715	3.78%
		≥ 50	1,240	2.73%
	Overseas	<30	15	0.03%
		30–49	52	0.12%
		≥ 50	10	0.02%
Position Level	Taiwan	General Staff	4,006	8.83%
		Entry-level Management	88	0.19%
		Middle Management	12	0.03%
		Senior Executives	3	0.01%
	Overseas	General Staff	72	0.16%
		Entry-level Management	5	0.01%
		Middle Management	0	0.00%
		Senior Executives	0	0.00%
Total			4,186	9.2%

Note : The table includes only full-time employees. Non-employee workers are not included due to difficulties in data collection.

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• Table 14 Statistics on Female Employees

As of December 31, 2024

Statistics on Female Managers/Staff	2023 (%)	2024 (%)	2025 Goal (%)
Female Employees as a % of All Employees	69.1%	68.8%	50% (±5%)
Female Managers as a % of All Managers	53.5%	53.5%	50% (±5%)
Female Entry-level Managers as a % of All Managers	56.5%	56.5%	50% (±5%)
Female Senior Executives as a % of All Managers	29.6%	31.8%	30% (±5%)
Female Manager in Sales as a % of All Managers	56.7%	56.3%	-
Female Employees in STEM as a % of all STEM Employees	46.8%	46.8%	40% (±5%)

Note: Senior executive positions include individuals at the level of Senior VP or above. There are no senior executive positions for field personnel.

• Table 15 Compensation Comparison by Gender (Male to Female)

	2021	2022	2023	2024
Senior Executives	100 : 91	100 : 85	100 : 91	100 : 84
Middle Management	100 : 101	100 : 101	100 : 104	100 : 100
Entry-level Management	100 : 106	100 : 76	100 : 104	100 : 106
General Staff	100 : 91	100 : 91	100 : 84	100 : 88

• Table 16 Full-time of Non-Manual Employees Salary Information

	2021	2022	2023	2024
Weighted average number of non-manual FTEs (people)	20,311	20,316	20,454	21,084
Mean compensation of non-manual FTEs (NT\$1K)	1,320	1,327	1,443	1,680
Median compensation of non-manual FTEs (NT\$1K)	1,088	1,107	1,179	1,298

Note 1: Average and median salary growth for full-time of non-manual employees in 2024 compared to the previous year: Average salary increased by 16.4%; Median salary increased by 10.1%.

Note 2: The figures in the table are compiled in accordance with the relevant regulations stipulated in the "Reporting Guidelines for Salary Information of Non-Manual Full-Time Employees" and "FAQs" issued by the TWSE.

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• Table 17 Human Capital Investment

• Table 17-1 Employee Training

As of December 31, 2024

	Target Group	2021	2022	2023	2024
Total training time (hours)	Male employees	2,347,247	2,471,826	2,248,495	2,624,885
	Female employees	6,653,060	6,999,174	6,503,519	6,954,241
	Management level	934,605	967,666	937,419	776,108
	General staff	8,065,702	8,503,334	7,814,600	8,802,690
	Statutory training	840,438	939,961	2,346,403	3,814,213
	Non-statutory training	8,159,869	8,531,039	6,405,610	5,764,588
	Total (hours)	9,000,307	9,471,000	8,752,015	9,578,801
Average training time per person (hours)	Male employees	164	175	161	312
	Female employees	206	219	208	545
	Management level	191	201	200	171
	General staff	193	206	192	216
	Statutory training	18	20	52	84
	Non-statutory training	175	185	141	127
	Total (hours)	193	205	193	211
No. of employees (people)		46,626	46,091	45,303	45,396
Training cost per person (NT\$)		11,856	9,802	12,068	14,371
OHS training (hours)		50,067	57,781	67,778	70,930
Total online training (hours)		5,599,062	6,113,821	5,572,752	6,402,845
Online training per person (hours)		120	133	123	141

Note 1: Cathay FHC’s training hours include the number of hours subsidiary employees spend on internal and external training activities. These include external courses, conferences, forums, internal platforms (such as the Cathay e-Learning Platform), other online training programs, and morning sharing sessions between business units.

Note 2: Training hours are categorized by gender, management/non-managerial roles, and regulatory requirements. The total/average training hours are calculated separately for each category.

• Table 17-2 Effectiveness of Human Capital Investment

	2021	2022	2023	2024
Human capital ROI ^(Note 1)	11.06	5.68	4.33	5.05
Overall satisfaction with employee education and training (out of 5) ^(Note 2)	4.10	4.10	4.20	4.31
Retention rate of key talents ^(Note 3)	98%	99%	98%	99%
% of open positions filled by internal candidates	82%	73%	69%	71%

Note 1: Human Capital ROI = (Return – Operating expense – (Salary cost + Benefits cost)) / (Salary cost + Benefits cost)

Note 2: Satisfaction score for questions related to training in the employee engagement survey

Note 3: The key talents are those who are above (inclusive) of the internal Junior management at the end of 2024,and have a performance of 4 or above (inclusive) in 2023

• Table 18 Parental Leave Statistics

As of December 31, 2024

	Female	Male	Total
No. of Employees Who Took Parental Leave in 2024	2,199	1,121	3,320
No. of Parental Leave Applications in 2024	476	88	564
No. of Employees Expected to be Reinstated from Parental Leave in 2024 (A)	486	83	569
No. of Employees Reinstated from Parental Leave in 2024 (B)	341	54	395
Reinstatement Rate (B/A)	70.2%	65.1%	69.4%
No. of Employees Reinstated from Parental Leave in 2023 (C)	374	56	430
No. of Employees Reinstated from Parental Leave in 2023 who Remain within Cathay Employment after 12 Months (D)	337	46	383
Retention Rate (D/C)	90.1%	82.1%	89.1%

Note 1: For each child under the age of three, employees who have completed six months of service may request unpaid parental leave until the child reaches the age of three, up to a maximum of two years. If an employee is raising two or more children at the same time, the periods of parental leave should be combined, with the combined duration limited to two years for the youngest child, calculated according to the maternity benefit application guidelines.

Note 2: Reinstatement rate = (number of reinstated employees / number of employees expected to be reinstated) * 100%.

Note 3: The table above includes sales agents who are contractors or those who have a labor contract with Cathay.

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• Table 19 Family Care/Maternity/Paternity Leave Statistics

	2021		2022		2023		2024	
	Male	Female	Male	Female	Male	Female	Male	Female
Family Care Leave (accrued applicants)	1,481	421	2,309	448	3,309	926	3,015	675
Maternity/Paternity Leave (applicants/days)	37,030	2,289	31,981	2,594	36,905	2,470	31,281	2,182
Menstrual leave (days)	25,685	-	29,550	-	34,524	-	35,631	-

• Table 20 Occupational Accidents and Absence Statistics

	Employees				Dispatched workers		
	2021	2022	2023	2024	2022	2023	2024
Occupational Injury (ppl)	73	76	134	123	1	7	4
Occupational Fatality (ppl)	0	0	0	0	0	0	0
Disabling Injury Frequency Rate (FR)	0.72	0.83	1.49	1.35	0.75	4.87	2.06
Disabling Injury Severity Rate (SR)	8.77	17.69	33.4	20.97	8.98	38.99	5.49
Lost Days	128,979	156,701	137,407	131,868	1,518	2,059	2,282
Absence Rate (office staff) (%)	0.88%	1.37%	1.22%	1.17%	0.91%	1.15%	1.25%
Total Time Worked (days)	-	91,813,272	90,229,632	90,428,832	1,336,632	1,436,232	1,458,144
Total Recorded Occupational Injury Rate	-	1.66	0.3	0.27	1.5	0.97	0.55

Note 1: Contractors/Commercial vendors are not included due to difficulties in data collection. Among non-employee workers, Cathay only manages and tracks dispatched workers.

Note 2: Disabling injury frequency rate (FR) = Number of cases * (10 to the power of 6) / Total working time (year).

Note 3: Disabling injury severity rate (SR)= Number of days lost * (10 to the power of 6) / Total working time (year).

Note 4: Lost Days = sick leave + occupational injury leave; number of workdays required = number of workdays (special leave not deducted) = number of employees at the end of the year * number of workdays announced by the Directorate-General of Personnel Administration.

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• Table 21 Employee Engagement Survey Results

	2021	2022	2023	2024
Engagement Level	4.12	4.08	4.16	4.20
Proportion of employees with an engagement score of 4 or higher (out of 5)	83.0%	80.5%	83.0%	84.1%
Data Coverage	78%	85.3%	87.7%	87.4%

|| Data on Social Factors

• Table 22 FitBack App Promotion Results

	2021	2022	2023	2024
Cumulative Participants (10,000 ppl)	40	62	102	125
Cumulative Steps (100M steps)	5,666	8,490	12,300	17,131

• Table 23 Financial Planning Results

	2021	2022	2023	2024
Regular investment contribution amount through Cathay Securities APP (NT\$100M)	149.3	232.2	380.74	640.7
Amount of property principal in the Disability & Retirement Trust (for elderly and disabled people) (NT\$100M)	24.93	26.76	24.51	26.19
Effective beneficiaries of the Disability & Retirement Trust (for elderly and disabled people)(people)	317	297	296	302

	2021	2022	2023	2024
CPBL Anti-Gambling Trust principal (NT\$100M)	1.59	1.65	1.62	1.74
Active players who have established current CPBL Anti-Gambling Trusts (people)	253	252	243	236

• Table 24 Financial Innovation Promotion Results

	2021	2022	2023	2024
Utilization rate of mobile insurance application (%)	99.1	99.3	99.5	99.5
Utilization rate of mobile claims (%)	93.2	92.6	92.2	91.6
Utilization rate of mobile premium payment (%)	70.4	78.9	65.5	67.0
Utilization rate of mobile policyholder service (%)	80.9	86.6	86.9	86.3
Utilization rate of electronic insurance policy (%)	93.8	81.8	52.4	67.4
No. of electronic documents (10K cases)	263.1	272.3	280.5	288.8
Number of insurance technology patents ^(Note 1)	128	143	185	241
CUB digital user accounts (10K accounts)	577	651	713	763

Note 1: Does not include extinguished utility model patent.

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• Table 25 Financial Inclusion Promotion Outcomes

		2021	2022	2023	2024
Cumulative small amount whole life insurance policies (cases)		240,814	257,663	267,113	270,986
Amount of microinsurance policies in force for the current year (NT\$100M)		606.10	672.93	474.59	721.12
No. of microinsurance policyholders in the current year (10K ppl)		18.37	19.96	13.31	21.68
Cumulative microinsurance claims (cases)		1,095	1,321	1,601	1,813
Amount of property principal in CUB's Charitable Trust (NT\$100M)		378.02	378.89	377.49	378.97
Charitable trust donation amount (NT\$100M)		1.95	2.83	1.85	2.55
Cumulative insured amount for crop insurance (NT\$10K)		7,371	7,987	9,520	10,555
No. of ATMs designed for the visually impaired (ATMs)		70	268	651	867
Financial Inclusion Loans	Cumulative balance of loans to microfinance institutions (US\$1M) ^(Note 1)	43.8	74.2	41.4	58.2
	Total balance of loans to SMEs (NT\$100M) ^(Note 2)	2,702	3,042	3,240	3,352
	Total balance of loans to small enterprises (NT\$100M) ^(Note 3)	1,032	1,088	1,280	1,469
	Total number of loans to small enterprises (loans) ^(Note 3)	9,117	8,738	8,275	8,037
	Cumulative preferential loans to social enterprises (NT\$10K)	7,460	8,100	8,400	8,988
	No. of companies receiving preferential loans for social enterprises (companies)	14	15	16	18
	Balance of microfinance loans (NT\$100M)	1,182.6	1,362.50	1,431.50	1,545.00
	Balance of microfinance loans to customers aged 35 and under (at the time of application) (NT\$100M)	266.1	360.7	400.7	441.20

Note 1: Cathay's branches in Singapore and Cambodia have loan clients that are microfinance institutions (MFIs), as defined in the World Bank's publications. We have adjusted the 2020-2021 data accordingly while using the same statistical benchmark for 2022.

Note 2: The Ministry of Economic Affairs defines small and medium enterprises (SMEs) as businesses whose paid-in capital is no more than NT\$100 million, or which hire fewer than 200 regular employees.

Note 3: Small enterprises are defined as institutional customers and their related institutions whose total revenue is NT\$500 million or less. We began including data from overseas branches in 2022.

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• Table 26 Charity Activities

	2021	2022	2023	2024
Cash donations (A) (NT\$)	534,166,986	381,646,496	353,390,031	323,278,365
Time contributed (B) (NT\$)	33,613,963	42,252,671	36,360,354	48,682,066
Supplies donation (C) (NT\$)	10,173,972	23,143,907	17,197,122	16,951,038
Management expenses (D) (NT\$)	20,025,535	32,709,637	13,173,520	29,782,056
Total charity expenses (A+B+C+D) (NT\$100M)	5.98	4.80	4.20	4.19
Business promotion (%)	35.6	52.1	75.2	57.5
Community engagement (%)	33.9	46.8	20.2	38.6
Charity donations (%)	30.5	1.1	4.7	3.9

• Table 27 Volunteer Participation

	2021	2022	2023	2024
Volunteer Hours (hr.)	57,497	71,709	65,304	78,330
No. of Accrued Volunteers (persons)	10,689	11,898	10,954	12,033

• Table 28 Artistic and Cultural Activities

	2021	2022	2023	2024
Monetary support (NT\$)	33,104,865	45,728,574	48,050,019	49,150,201



For more information, please refer to <https://www.cathayholdings.com/holdings/esg/empowerment/charity#Art>

• Table 29 Personal Information Security Implementation Results

	2021	2022	2023	2024
PIP training completion rate (%)	100	100	100	100
No. of information breach incidents (cases) ^(Note 1)	11	10	14	18
Personal data breaches to total information breaches (%) ^{(Note 1) (Note 2)}	100	100	100	100
No. of customers affected by personal data breaches (customers) ^(Note 1)	6,520	120	61	199
Percentage of customers who have agreed to the mutual use of their data among Cathay's subsidiaries (%) ^(Note 3)	18	16	17	19

Note 1: Cathay started to disclose relevant data in 2021. Data in "No. of information breach incidents," "Personal data breaches to total information breaches," and the "No. of customers affected by personal data breaches" include data for Cathay Life, CUB, Cathay Century, Cathay Securities, and Cathay SITE.

Note 2: All 18 cases in 2024 were investigations initiated by Cathay. For details, please refer to Appendix Table 31 of our Sustainability Report 2024.

Note 3: The denominator for the calculation is the total number of customers after aggregation by subsidiary.

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• Table 30 Information Security Implementation Results

	2021	2022	2023	2024
Completion Rate for Information Security Training (%)	100	100	100	100
No. of Information Security Violation Incidents (cases)	0	0	0	0

• Table 31 Personal Data Incidents in 2024

Subsidiaries	Cases Reported by the Central Competent Authority	Investigation Initiated by Cathay
Cathay FHC	0	0
Cathay Life	0	10
Cathay United Bank	0	6
Cathay Century	0	2
Cathay Securities	0	0
Cathay SITE	0	0
Total	0	18

Note: "Personal data incidents" refers to complaints that have been verified and involve violations of the "Personal Data Protection Act" or laws, orders, administrative rules and interpretations of laws issued by competent authorities related to the protection of personal data.

• Table 32 Customer Satisfaction

Company	2021 Satisfaction Rate (%)	2022 Satisfaction Rate (%)	2023 Satisfaction Rate (%)	2024 Satisfaction Rate (%)	2024 Satisfaction Target (%)	Definition of Satisfaction	2024 Satisfaction Rate - Total Score
Cathay Life	98.5	97.8	98.8	98.9	90	On a scale of 1-5, a score of 3 or above indicates satisfaction	98.09
CUB	92.6	92.5	92.3	93.0	90	On a scale of 1-5, a score of 4 or above indicates satisfaction	
Cathay Century	97.8	96.7	96.6	96.8	90	On a scale of 1-6, a score of 4 or above indicates satisfaction	
Cathay Securities	89.8	91.7	91.2	95.7	90	On a scale of 1-10, a score of 9 or above indicates satisfaction	
Cathay SITE	90.9	89.5	92.0	92.8	88	On a scale of 1-100, a score of 88 or above indicates satisfaction	

Note: The reporting scope covers 100% of total operating revenue, weighted by each subsidiaries' share of consolidated revenue.

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• Table 33 Cathay FHC & Subsidiarie’s Participation in Domestic/Overseas Associations

GRI : 2-28

Association	Cathay's Role
Asia Investor Group on Climate Change (AIGCC)	Cathay FHC: Chair
Life Insurance Association of the Republic of China	Cathay Life: Honorary Chairman, Managing Director, Director, Managing Supervisor, etc.
Life Insurance Management Institute of the Republic of China	Cathay Life: Managing Director
Chinese National Association of Industry and Commerce, Taiwan	Cathay FHC: Executive Director
Taiwan Stock Affairs Association	Cathay FHC: Supervisor
Business Council for Sustainable Development of the Republic of China (BCSD Taiwan)	Cathay FHC: Director
Chinese East Asia Economic Association	CUB: Director
Trust Association of R.O.C.	CUB: Director
Risk Management Society of Taiwan	Cathay FHC: Vice Chairman
Pension Fund Association, R.O.C.	Cathay SITE: Managing Director
The Non-Life Underwriters Society of The Republic of China	Cathay Century: Director
Non-Life Insurance Association of the Republic of China	Cathay Century: Vice Chairman & Director
Chinese National Futures Association	Cathay Futures: Director & Managing Supervisor
The Actuarial Institute of Chinese Taipei, AICT	Cathay Life & Cathay Century: Director & Supervisor
The Bankers Association of the R.O.C.	Cathay FHC: Managing Director; CUB: Supervisor

Association	Cathay's Role
Securities Investment Trust & Consulting Association of the R.O.C.	Cathay SITE: Director
Chinese Insurance Service Association	Cathay Century: Director
The Bankers Association of Taipei	Cathay FHC: Director
The Society of Taiwan Women in Science and Technology (TWiST)	Cathay FHC: Director
Asia Pacific Industrial Analysis Association	Cathay FHC: Director
Taiwan Mergers & Acquisitions and Private Equity Council	Cathay FHC: Director
Taiwan Financial Services Roundtable	Cathay Life: Director
Taiwan Impact Investing Association (TIIA)	Cathay FHC: Vice Chairman
Taiwan Sustainable Finance and Enterprise Impact Association (TSFIA)	Cathay SITE: Vice Chairman
Asian Corporate Governance Association (ACGA), Asian Venture Philanthropy Network (AVPN), CDP, Climate Group (RE 100), FIDO Alliance, Global Impact Investing Network (GIIN), Partnership for Carbon Accounting Financials (PCAF), World Economic Forum (WEF), Sino-Indonesia Cultural and Economic Association, Taiwan Corporate Governance Association, The Institute of Internal Auditors Taiwan, Chinese Professional Management Association, Financial Governance and Regulatory Compliance Society of the Republic of China, Computer Audit Association, Chinese Excellent Management Association, Independent Director Association Taiwan, Taiwan Administrative Law Association, Taiwan Medical Altruism Society, Taiwan Insurance Law Association, Taiwan Contact Center Development Association, Taiwan Wind Energy Association, Taiwan Chain Stores and Franchise Association, Taiwan Institute of Directors, Life Insurance Marketing and Research Association, Life Office Management Association, The Institute of Internal Auditors, International Insurance Society (IIS), Data Science Association, Taiwan Service Appraisal Association, and Taiwan FinTech Association	
	Member

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7.3 GRI Index

Reporting Disclosure	Reporting below complies with GRI Standards on the reporting period from January 1, 2024, to December 31, 2024
Standard: GRI 1	GRI 1: Foundation 2021

GRI Standards / Other Sources	Disclosure	Chapter / Page	Reason for Exclusion
GRI 2 : General Disclosures 2021	2-1 Organizational details	About Cathay FHC – Overview of Operations	—
	2-2 Entities included in the organization’s sustainability reporting	7.1 About this Report	—
	2-3 Reporting period, frequency and contact point	7.1 About this Report	—
	2-4 Restatements of information	7.1 About this Report	—
	2-5 External assurance	7.10 Summary of Subject Matter Assured 7.11 Independent Assurance Statement	—
	2-6 Activities, value chain and other business relationships	About Cathay FHC – Overview of Operations	—
	2-7 Employees	7.2 ESG Performance Data: Table 10 Full-Time Employee Data	—
	2-8 Workers who are not employees	7.2 ESG Performance Data: Table 10-3 Non-employee Workers	—
	2-9 Governance structure and composition	6.1 Corporate Governance	—
	2-10 Nomination and selection of the highest governance body	6.1 Corporate Governance	—
	2-11 Chair of the highest governance body	6.1 Corporate Governance	—
	2-12 Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Governance and Management 1.3 Stakeholder Engagement and Materiality Analysis	—
	2-13 Delegation of responsibility for managing impacts	1.1 Sustainable Governance and Management	—
	2-14 Role of the highest governance body in sustainability reporting	1.1 Sustainable Governance and Management	—
	2-15 Conflicts of interest	6.1 Corporate Governance	—

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GRI Standards / Other Sources		Disclosure	Chapter / Page	Reason for Exclusion
GRI 2 : General Disclosures 2021	2-16 Communication of critical concerns		1.1 Sustainable Governance and Management	—
			1.3 Stakeholder Engagement and Materiality Analysis	
			6.2 Risk Management	
			6.3 Ethical Corporate Management	
GRI 2 : General Disclosures 2021	2-17 Collective knowledge of the highest governance body		6.1 Corporate Governance	—
	2-18 Evaluation of the performance of the highest governance body		6.1 Corporate Governance	—
	2-19 Remuneration policies		6.1 Corporate Governance	—
GRI Standards / Other Sources		Disclosure	Chapter / Page	Reason for Exclusion
GRI 2 : General Disclosures 2021	2-20 Process to determine remuneration		6.1 Corporate Governance	—
	2-21 Annual total compensation ratio		6.1 Corporate Governance	—
	2-22 Statement on sustainable development strategy		Message from the Chairman	—
	2-23 Policy commitments		6.3 Ethical Corporate Management	—
	2-24 Embedding policy commitments		6.3 Ethical Corporate Management	—
	2-25 Processes to remediate negative impacts		6.2 Risk Management	—
	2-26 Mechanisms for seeking advice and raising concerns		6.2 Risk Management	—
	2-27 Compliance with laws and regulations		6.3 Ethical Corporate Management 4.1.3 Building an Inclusive Workplace—Cathay Inclusivity Town	—
	2-28 Membership associations		6.3 Ethical Corporate Management	—
	2-29 Approach to stakeholder engagement		1.3 Stakeholder Engagement and Materiality Analysis	—
GRI 2 : General Disclosures 2021	2-30 Collective bargaining agreements		In September 2024, Cathay Financial Holdings officially established the “Cathay Financial Holdings Co., Ltd. Corporate Union.” The number of active founding members from current employees accounted for 4% of the total workforce (excluding employees at senior vice president level and above). Subsidiaries including Cathay Life Insurance, Cathay United Bank, Cathay Century Insurance, and Cathay SITE have also established labor unions.	—
Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics		1.3 Stakeholder Engagement and Materiality Analysis	—
	3-2 List of material topics		1.3 Stakeholder Engagement and Materiality Analysis	—

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Economic Performance			
GRI Standards	Disclosure	Chapter / Page	Notes
GRI 3: Material Topics 2021	3-3 Management of material topic	1.3 Stakeholder Engagement and Materiality Analysis	—
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About Cathay FHC – Overview of Operations	—
	201-2 Financial implications and other risks and opportunities due to climate change	6.2 Risk Management	—
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topic	1.3 Stakeholder Engagement and Materiality Analysis	—
GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	7.2 ESG Performance Data Table 7 GHG Emissions	—
	305-2 Energy indirect (Scope 2) GHG emissions	7.2 ESG Performance Data Table 7 GHG Emissions	—
	305-3 Other indirect (Scope 3) GHG emissions	7.2 ESG Performance Data Table 2 Investment and Lending Portfolio Financed Emissions, Table 7 GHG Emissions	—
	305-4 GHG emissions intensity	7.2 ESG Performance Data Table 2 Investment and Lending Portfolio Financed Emissions, Table 7 GHG Emissions	—
Employment			
GRI Standards	Disclosure	Chapter / Page	Notes
GRI 3: Material Topics 2021	3-3 Management of material topic	1.3 Stakeholder Engagement and Materiality Analysis	—
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	7.2 ESG Performance Data Table 12 Gender/Age Distribution of New Employees Table 13 Employee Departure Distribution by Gender/Age	—
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1 Workplace Empowerment	—
	401-3 Parental leave	4.1 Workplace Empowerment 7.2 ESG Performance Data Table 18 Parental Leave Statistics & Table 19 Family Care/Maternity/Paternity Leave Statistics	—

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Occupational Health and Safety			
GRI Standards	Disclosure	Chapter / Page	Notes
GRI 3: Material Topics 2021	3-3 Management of material topic	1.3 Stakeholder Engagement and Materiality Analysis	—
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3.1 Health Promotion	—
	403-2 Hazard identification, risk assessment, and incident investigation		—
	403-3 Occupational health services		—
	403-4 Worker participation, consultation, and communication on occupational health and safety		—
	403-5 Worker training on occupational health and safety		—
	403-6 Promotion of worker health		—
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		—
	403-9 Work-related injuries		—
Training and Education			
GRI Standards	Disclosure	Chapter / Page	Notes
GRI 3: Material Topics 2021	3-3 Management of material topic	1.3 Stakeholder Engagement and Materiality Analysis	—
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	7.2 ESG Performance Data: Table 17-1 Employee Training	—
	404-2 Programs for upgrading employee skills and transition assistance programs	4.1 Workplace Empowerment	—
	404-3 Percentage of employees receiving regular performance and career development reviews	4.1 Workplace Empowerment	—
Customer Health and Safety			
GRI Standards	Disclosure	Chapter / Page	Notes
GRI 3: Material Topics 2021	3-3 Management of material topic	1.3 Stakeholder Engagement and Materiality Analysis	—
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	6.3 Ethical Corporate Management	Cathay FHC had no incidents of non-compliance concerning the health and safety impacts of products and services in 2024.

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Customer Privacy			
GRI Standards	Disclosure	Chapter / Page	Notes
GRI 3: Material Topics 2021	3-3 Management of material topic	1.3 Stakeholder Engagement and Materiality Analysis	—
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.3 Ethical Corporate Management	—

7.4 Index of Global Reporting Initiative (GRI) G4 Specific Standard Disclosures for the Financial Services Sector

Aspect	Indicator	Chapter / Section
Product Portfolio	FS1 Policies with specific environmental and social components applied to business lines	5.2 Responsible Investment / Lending
	FS2 Procedures for assessing and screening environmental and social risks in business lines	5.2 Responsible Investment / Lending
	FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	5.2 Responsible Investment / Lending
	FS4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	4.1 Workplace Empowerment / 5.1 Sustainable Finance Management Framework
	FS5 Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities	2.1 Low-Carbon Economy / 5.2 Responsible Investment/Lending
	FS6 Percentage of the portfolio for business lines by specific region, size ~(e.g. micro/SME/large) and by sector	3.2 Financial Health
	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	3.2 Financial Health
	FS8 Monetary value of products and services designed to deliver specific environmental benefit for each business line broken down by purpose	2.1 Low-Carbon Economy
Audit	FS9 Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	2.1 Low-Carbon Economy / 3.2 Financial Health
Active Ownership	FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	2.1 Low-Carbon Economy
	FS11 Percentage of assets subject to positive and negative environmental or social screening	2.1 Low-Carbon Economy
	FS12 Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting	5.2 Responsible Investment / Lending
Local Communities	FS13 Access points in low-populated or economically disadvantaged areas by type	3.2 Financial Health
	FS14 Initiatives to improve access to financial services for disadvantaged people	3.2 Financial Health
Product and Service Labeling	FS15 Policies for the fair design and sale of financial products and services	6.5 Service Quality & Customer Rights
	FS16 Initiatives to enhance financial literacy by type of beneficiary	3.2 Financial Health

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7.5 United Nations Global Compact (UNGC) Index

Category	UNGC Principle Topic	Corresponding Section	Page
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	4.1 Workplace Empowerment	99
	Make sure that they are not complicit in human rights abuses		
	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining		
Labour Standards	Eliminate all forms of forced and compulsory labour	2.1 Low-Carbon Economy	37
	Effectively abolish of child labour		
	Eliminate discrimination in respect of employ-ment and occupation		
Environment	Businesses should support a precautionary approach to environmental challenges	2.1 Low-Carbon Economy	37
	Undertake initiatives to promote greater environmental responsibility	2.1 Low-Carbon Economy	37
Anti-Corruption	Encourage the development and diffusion of environmentally friendly technologies	2.1 Low-Carbon Economy	37
	Businesses should work against corruption in all its forms, including extortion and bribery	6.3 Ethical Corporate Management	178

7.6 Index of ISO 26000 Social Responsibility Guidelines

Category	Corresponding Section	Page
Organizational Governance	1.1 Sustainable Governance & Management, 6.1 Corporate Governance	14/155
Human Rights	4.1 Workplace Empowerment, 6.2 Risk Management	99/159
Labour Practices	4.1 Workplace Empowerment	99
Environment	2.2 Environmental Sustainability	56
Fair Operating Practices	6.5 Service Quality & Customer Rights	186
Consumer Issues	6.5 Service Quality & Customer Rights	186
Community Involvement and Development	4.2 Social Empowerment	113

7.7 Taiwan Stock Exchange (TWSE) Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Category	Articles	Principles	Chapter / Section	Page
General	Article 3	In the sustainability report, the company shall disclose its identified material economic, environmental and social topics and impacts, topic-specific disclosure, and its reporting requirements.	1.3 Stakeholder Engagement and Materiality Analysis	20
Environment	Article 4-1	<ul style="list-style-type: none"> Listed companies shall disclose climate-related information in a dedicated chapter. For companies whose paid-in capital reaches NT\$10 billion or more as of the end of the most recent fiscal year, individual (standalone) company data shall be disclosed starting from 2023, and consolidated parent-subsidiary group data shall be disclosed starting from 2025. Disclosures must include Scope 1 and Scope 2 greenhouse gas (GHG) inventories. Listed companies shall conduct assurance of Scope 1 and Scope 2 GHG emissions in accordance with the following timeline: For those with paid-in capital of NT\$10 billion or more as of the end of the most recent fiscal year, assurance for standalone company data shall be completed starting from 2024, and assurance for consolidated group GHG Scope 1 and 2 emissions shall be completed starting from 2027. Listed companies shall disclose their carbon reduction targets, strategies, and concrete action plans (including those of subsidiaries under the consolidated financial report) in accordance with the following schedule: Companies with paid-in capital of NT\$10 billion or more as of the end of the most recent fiscal year shall complete such disclosures starting from 2025. 	CH2 Climate, 7.2 ESG Performance Data: Table 7 GHG Emissions, 7.11 Independent Assurance Statement	36/200/228
Society	Article 4 Subparagraph 1-3	<ul style="list-style-type: none"> Number of data breaches, percentage involving personally identifiable information, and number of account holders affected. Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities. Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services. Products and services designed by individual operating units to create benefits for the environment or society. 	6.5 Service Quality & Customer Rights 3.2 Financial Health 4.2 Social Empowerment 2.1 Low-Carbon Economy	186 82 113 37
Employees	Article 4-2	The sustainability report shall disclose the average and median salary of full-time employees who do not hold managerial positions, as well as the year-over-year changes in both figures.	7.2 ESG Performance Data: Table 16 Full-time Non-Managerial Employees Salary Information	206

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• Climate-Related Information of TWSE/TPEX Listed Companies

Disclosure	Implementation
1. Describe the governance and oversight of climate-related risks and opportunities by the Board of Directors and management	6.2 Risk Management / Cathay FHC's 2024 Climate and Nature Report
2. Describe how the identified climate-related risks and opportunities affect the company's business, strategy, and financial planning over the short, medium, and long term	6.2 Risk Management / Cathay FHC's 2024 Climate and Nature Report
3. Disclose the financial impacts of extreme weather events and transition activities	6.2 Risk Management / Cathay FHC's 2024 Climate and Nature Report
4. Describe how climate-related risk identification, assessment, and management processes are integrated into the organization's overall risk management system	6.2 Risk Management / Cathay FHC's 2024 Climate and Nature Report
5. If scenario analysis is used to assess resilience to climate change risks, disclose the scenarios, parameters, assumptions, analytical factors, and the resulting key financial impacts	6.2 Risk Management / Cathay FHC's 2024 Climate and Nature Report
6. If the entity has developed a transition plan to manage climate-related risks, describe the plan and the metrics and targets used to identify, assess, and manage physical and transition risks	Cathay FHC's 2024 Climate and Nature Report
7. If internal carbon pricing is used as a planning tool, disclose the basis for setting the carbon price	2.2 Environmental Sustainability / Cathay FHC's 2024 Climate and Nature Report
8. If climate-related targets have been set, disclose: the activities covered by the targets, GHG emissions scope to which the targets apply, the timeframe over which the target applies, and the progress made against the target each year. If carbon offsets or renewable energy certificates (RECs) are used to meet the targets, disclose the amount and source of carbon credits or number of RECs used.	2.2 Environmental Sustainability / Cathay FHC's 2024 Climate and Nature Report
9. The entity's greenhouse gas (GHG) inventory and the status of assurance obtained, along with the emission reduction targets, strategies, and specific action plans	2.2 Environmental Sustainability / 7.2 ESG Performance Data Table 2 Investment and Lending Portfolio Financed Emissions, Table 7 GHG Emissions / Cathay FHC's 2024 Climate and Nature Report

• GHG Emissions Inventory and Assurance Information

Item	2023	2024
Scope 1: Direct GHG emissions	Please refer to Section 7.2 ESG Performance Data Table 2 Investment and Lending Portfolio Financed Emissions, Table 7 GHG Emissions for 2023–2024 operational emissions data.	
Scope 2: Energy indirect GHG emissions		
Scope 3: Other indirect GHG emissions		
Total emissions		
GHG emissions intensity		
Assurance provider	Please refer to Section 7.1 About this Report, 7.2 ESG Performance Data Table 2 Investment and Lending Portfolio Financed Emissions, Table 7 GHG Emissions, and 7.11 Independent Assurance Statement for the 2023–2024 GHG verification information	
Data coverage		
Scope of assurance		
Assurance standards applied		
Description of assurance findings		












































































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7.8 Disclosure Level of Sustainability-related Risks and Opportunitie

Cathay FHC identifies 19 material topics and maps them to the core disclosure elements of IFRS S1 — governance, strategy, risk management, and metrics and targets. A scoring scale has been developed to assess the extent to which each topic’s impact, management approach, and target setting are aligned with these core elements. A higher percentage indicates a higher level of completeness in information disclosed in the sustainability report. The results are visually presented using color-coded graphics, with red and blue denoting areas requiring improvement. Further explanations are provided below.

	IFRS [®]	Governance	Strategy	Risk Management	Metrics and Targets
Material Issues					
		≥ 75%	50%-75%	25-50%	≤ 25%

Material Issues	Chapter / Section	Governance	Strategy	Risk Management	Metrics & Ambition
Corporate Governance	6.1 Corporate Governance				
Risk and Crisis Management	6.2 Risk Management				
Business Performance	About Cathay FHC				
Regulatory Compliance	6.3 Ethical Corporate Management				
FinTech/Digital Transformation and Innovation	3.2 Financial Health				
Privacy and Information Security	6.5 Service Quality & Customer Rights				
Financial Crimes and Anti-Fraud	3.2 Financial Health				
Financial products with environmental/social benefits	2.1 Low-Carbon Economy				
Responsible Investment and Financing	2.1 Low-Carbon Economy; 5 Sustainable Finance; 6.2.5 Climate and Nature-Related Financial Disclosures				
Decarbonization Strategy for Financial Assets	2.1 Low-Carbon Economy				
Environmental Impact of Operations	2.2 Environmental Sustainability				
Health Promotion and Life Security	3.1 Health Promotion				
Talent and Skill Development	4.1 Workplace Empowerment				
Employee Health and Well-being	3.1 Health Promotion				
Attracting and Retaining Talents	4.1 Workplace Empowerment				
Customer Relationship Management	6.5 Service Quality & Customer Rights				
Financial Planning and Services	3.2 Financial Health				
Financial Inclusion	3.2 Financial Health				
Helping the Underprivileged	4.2 Social Empowerment				

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7.9 TCFD Index

Aspect	TCFD Recommended Disclosures	Chapter / Section
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	6.1.1 Board of Directors – Structure and Operation 6.2.5 Climate and Nature-Related Financial Disclosures_Governance
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	6.2.5 Climate and Nature-Related Financial Disclosures_Governance
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short-, mid-, and long- term.	1.3.2 Materiality Analysis_Material Issues and Risk Management 6.2.5 Climate and Nature-related Financial Disclosures_Strategy_Identification of Material Climate/Nature Risks and Opportunities
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	1.3.2 Materiality Analysis_Sustainability Impact Pathway of Cathay's Impact Valuation, Material Issues and Risk Management 2.1 Low-Carbon Economy_Strategy Blueprint 2.2 Environmental Sustainability_Strategy Blueprint 6.2.5 Climate and Nature-related Financial Disclosures_Strategy_Identification of Material Climate/Nature Risks and Opportunities
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	6.2.5 Climate and Nature-related Financial Disclosures_Strategy_Scenario Analysis Overview
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	5.1.2 Responsible Investment/Lending Guidelines 5.2.1 Responsible Investment/Lending Process 6.2.5 Climate and Nature-related Financial Disclosures_Risk Management_Climate and Nature Risk Management Procedure
	b. Describe the organization's processes for managing climate-related risks.	5.2.2 ESG Risk Management 6.2.5 Climate and Nature-related Financial Disclosures_Risk Management_Climate and Nature Risk Management Procedure
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	6.2.1 Risk Management Framework and Policy_Risk Management Policy 6.2.5 Climate and Nature-related Financial Disclosures_Risk Management_ESG and Climate Risk Management Framework, The Fundamentals and Actions of ESG and Climate Risk Management, Overview of Climate-Related Risk Management Practices
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2.1 Low-Carbon Economy_Strategy Blueprint 2.2 Environmental Sustainability_Strategy Blueprint
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	7.2 ESG Performance Data_Sustainable Finance Performance Data, Environmental Factors Data
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2.1 Low-Carbon Economy_Strategy Blueprint 2.2 Environmental Sustainability_Strategy Blueprint

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7.10 Summary of Subject Matter Information and SDGs Correspondence Statements

GRI : 2-5

No.	Subject Matter Information	Applicable Criteria	Page	Rules ^(Note)	UN's Sustainable Development Goals	UN SDG Target
1		The total number of the group's data breaches events in 2024 was calculated according to the Cathay FHC and Subsidiaries Information Security Incident Reporting and Emergency Response Management Guidelines, as well as the Cathay FHC Regulations for the Management of Personal Information Infringement Incidents.	CH6 P189	Article 4, Appendix 1-3, Item ①		
2	We had 18 data breaches events in 2024, in which 100% of data breaches events was involved with personally identifiable information. 199 customers were affected by such violation.	The total number of the group's data breaches events which was involved with personally identifiable information divided by the total number of the group's data breaches events in 2024 was calculated according to the Cathay FHC and Subsidiaries Information Security Incident Reporting and Emergency Response Management Guidelines, as well as the Cathay FHC Regulations for the Management of Personal Information Infringement Incidents.	CH6 P189	Article 4, Appendix 1- 3, Item ①	16 Peace, Justice and Strong Institutions	16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.
3		The total number of the customers were affected by the group's data breaches events in 2024 was calculated according to the Cathay FHC and Subsidiaries Information Security Incident Reporting and Emergency Response Management Guidelines, as well as the Cathay FHC Regulations for the Management of Personal Information Infringement Incidents.	CH6 P189	Article 4, Appendix 1-3, Item ①		
4	As of the end of 2024, the outstanding amount of loans to small business was NT\$146.9 billion and the total number of small business loans was 8,037.	The total number of loans and the outstanding amount of loans of CUB and its overseas branches to small business as of December 31, 2024. Pursuant to the Corporate Customer Segmentation and Management Guidelines of CUB and its overseas branches, small business customers are corporate customers and affiliated accounts with consolidated annual revenue of NT\$500 million and under.	CH7 P210 Table 25 Financial Innovation Promotion Results	Article 4, Appendix 1-3, Item ②	1 No Poverty 8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastruc-ture	1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions. 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. 9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.
5	As of the end of 2024, 258 students benefited from financial education courses under the CUB Financial Education.	Total number of students that participated in courses under CUB Financial Education in 2024.	CH4 P123	Article 4, Appendix 1-3, Item ②	4 Quality Education	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.
6	As of the end of 2024, 29 students benefited from financial education courses under the Community Empowerment Base Program.	Total number of students that participated in financial education programs and under the Cathay Charity Foundation's Community Empowerment Hub Program in 2024.	CH4 P117	Article 4, Appendix 1-3, Item ②	4 Quality Education	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes
7	As of the end of 2024, 3 cases reached Financial Close in accordance with EPs.	Total number of CUB's financing projects that reach financial close according to the CUB's "Rules Governing Project Finance of Equator Principles" in 2024.	CH5 P134	Article 4, Appendix 1-3, Item ②	8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead. 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

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8	CUB provided loans for 39 solar power stations in Taiwan in 2024, with a total installed capacity of 14 MW	1. Solar power stations: Total number of CUB-financed stations approved by the Bureau of Energy in 2024. 2. Domestic financed capacity: The sum of installed capacities from the lower of the projects with approval documents issued by the Bureau of Energy or Taipower Electricity Purchase Contract and financed by CUB head office and all domestic branches in 2024.	CH2 P51	Article 4, Appendix 1-3, Item ㉔	7 Affordable and Clean Energy	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.
9	As of the end of 2024, the insured amount of renewable energy insurance policies (Solar Power, Offshore Wind Power, Land Wind Power) was NT\$352.2 billion.	The total insured amount of renewable energy engineering and equipment insurance cases undertaken by Cathay Century in 2024. The insured amount is the total policy amount in force as of the end of 2024, including the original insured amount of the policies and the adjusted insured amount by the end of 2024.	CH7 P199 Table 6 Green Products and Services	Article 4, Appendix 1-3, Item ㉔	7 Affordable and Clean Energy	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.
10	As of the end of 2024, the property principal in the Disability & Retirement Trust (for elderly and disabled people) reached NT\$2.619 billion, and the number of effective beneficiaries was 302.	As of December 31, 2024, the number of people who benefited from the Disability & Retirement Trust, and the property principal of the Disability & Retirement Trust, according to “the Charitable Trust Statistics for 2024 Q4” published by the Trust Association of R.O.C.	CH7 P209 Table 23 Financial Planning Results	Article 4, Appendix 1-3, Item ㉔	1 No Poverty	1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
11	As of the end of 2024, the number of people insured by effective micro insurance policies of Cathay Life and Cathay Century was 217 thousand people.	As of December 31, 2024, the total number of people insured by effective micro insurance policies of Cathay Life and Cathay Century, according to the Implementation Status of Micro Insurance offered by Cathay Life published by the Taiwan Insurance Institute and the Implementation Status of Micro Insurance offered by Cathay Century published by the Non-Life Insurance Association of the Republic of China in December 2024.	CH3 P93	Article 4, Appendix 1-3, Item ㉔	8 Decent Work and Economic Growth	8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
12	As of the end of 2024, the amount of property principal in the Charitable Trust was NT\$37.897 billion.	As of December 31, 2024, the balance of trust assets of CUB’ s charitable trust according to the “Charitable Trust Statistics for 2024 Q4” published by the Trust Association of R.O.C.	CH7 P210 Table 25 Financial Inclusion Promotion Outcomes	Article 4, Appendix 1-3, Item ㉔	8 Decent Work and Economic Growth	8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.
13	In 2024, the ratios of annual salaries (male: female) for each employee category: Senior executives: 100:84 Middle management: 100:100 Entry-level management: 100:106 General staff: 100:88	“Employee” is defined as individuals who provide services to the company under the supervision of the company (regardless of their nationality). They only cover employees of Cathay Financial Holding and its subsidiaries in Taiwan, dispatches assigned to overseas branches and offices, and local hires in overseas branches and office. They do not include those who only have contractual relations with the company, business outsourcing, or manpower dispatchers; nor do they include directors and supervisors. The scope of statistics only covers full-time employees in 2024. Definitions: “Senior executives” is equivalent to vice presidents of Cathay FHC (including) or above “Middle management” is equivalent to senior managers of Cathay FHC (including). “Entry-level management” is equivalent to managers of Cathay FHC (including). “General Staff” refer to employees who do not bear the administrative responsibility for managing other employees or business units, including project managers who do not manage other employees. Annual salaries= basic salary and remuneration. The annual salaries ratio for male to female refers to the ratio calculated on the basis of the average annual salaries of male as 100, for example, 100:88 (that is, 100 for male and 88 for female).	CH7 P206 Table 15 Compensa-tion Compari-son by Gender (Male to Female)	-	1 No Poverty	1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.
					5 Gender Equality	5.1 End all forms of discrimination against all women and girls everywhere.

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No.	Subject Matter Information	Applicable Criteria	Page	Rules ^(Note)	UN's Sustainable Development Goals	UN SDG Target
14	In 2024, we employed 45,396 full-time employees, on boarded 6,123 new hires, and parted ways with 4,186 employees.	The total number of full-time employees of Cathay Financial Holding and its subsidiaries in Taiwan, dispatches assigned to overseas branches and offices, local hires who are full-time employees as of December 31, 2024 in overseas branches, and the total number of new hires and departures that are full-time employees.	CH7 P203 Table 10 Full-Time Employee Data, P205 Table 12 New Employee Statistics P205 Table 13 Employee Turnover Statistics	-	-	-
15	<p>[Science-Based Targets] Table 2 Investment and Lending Portfolio Financed Emissions</p> <ul style="list-style-type: none">• Total financed emissions and data quality score from proprietary investment asset portfolios in 2024 were 11,018,838 tCO₂e and 2.35 respectively.• Financed emissions from proprietary investment asset portfolios by industry in 2024.• Total financed emissions and data quality score of various lending portfolios in 2024 were 681,118 tCO₂e and 3.65 respectively.• Financed emissions from business loans by industry in 2024.	<p>Cathay Financial Holdings and its subsidiaries referenced the Partnership for Carbon Accounting Financials (PCAF) to establish its "Portfolio Financial Carbon Emissions Calculation Criteria" and to compile and disclose financed emissions for various asset classes by Cathay Group's "Science-Based Targets".</p> <ul style="list-style-type: none">• Financed emissions from investment and lending portfolios: The financed emissions in metric tons of CO₂ equivalent (tCO₂e) for Scope 1 and Scope 2 categories related to the investment and lending portfolio held by the group. The group strives to use the "latest obtainable emissions data or estimation data". This includes:<ol style="list-style-type: none">1. The latest emissions data resources for Scope 1 and Scope 2 including: MSCI database, PCAF database, emissions data directly obtained from companies, Architecture and Building Research Institute, Ministry of the Interior, Bloomberg, national enterprise websites, government-released carbon emissions data, Taiwan Economic Journal (TEJ) database, or other publicly available third-party statistics.2. Estimation data based on the methodology recommended by PCAF, using emissions data calculated from Energy Usage Intensity (EUI) of the building type, or physical and economic activity, or obtained from MSCI database and Bloomberg classified by industry to calculate estimated industry specific emissions factors or the distribution factor estimated based on the closest annual financial information or accounting financial information.• Scope of Financed Emissions of Investment Portfolios: Cathay Group conducted an inventory of listed equities and corporate bonds held as part of proprietary investments assets on December 31, 2024. The scope includes the following accounts: "Financial Assets at Fair Value through Profit or Loss (FVTPL)", "Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)", "Financial Assets at Amortized Cost (AC)" and Equity Method for both self-managed and outsourced investment portfolios held by Cathay Life, Cathay Securities, Cathay Century Insurance, and CUB.• Scope of Financed Emissions of Lending Portfolios: As of December 31, 2024, business loans (excluding short-term loans and loans to SMEs), project finance (all of which are renewable energy loans) and commercial real estate loans provided by CUB and Cathay Life.• Data quality score: Calculated by Cathay FHC with PCAF-recommended methodology and includes data quality scores provided by MSCI database and PCAF database. A weighted average is calculated based on investment and lending position values.• Industry classification disclosure: The classification is based on the 11 economic sectors at level one of the Global Industry Classification Standard (GICS) structure.	CH7 P195-196 Table 2 Investment and Lending Portfolio Financed Emissions	-	13 Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

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No.	Subject Matter Information	Applicable Criteria	Page	Rules ^(Note)	UN's Sustainable Development Goals	UN SDG Target
16	<p>[Disclosure of Cathay Life's Investment and Lending Portfolios (PCAF)]</p> <p>Table 3 Financed Emissions from Investment and Lending Portfolios held by Cathay Life – Based on the Taiwan FSC's Manual for Determining Scope 3 Emissions in Investment and Lending Portfolios for Insurance Companies</p> <p>In 2024, the financed emissions from investment portfolios and lending portfolios were 15,495,345 tCO₂e and 43,922 tCO₂e, respectively; the data quality score for investment portfolios and lending portfolios were 2.53 and 3.85, respectively.</p> <p>In 2024, the data quality score for listed equities and corporate bonds was 2.34; the data quality score for sovereign bonds, including LULUCF, was 4.04; the data quality score for sovereign bonds, excluding LULUCF, was 4.04.</p>	<p>In reference to Partnership for Carbon Accounting Financials (PCAF) standards, Cathay Life formulated the Taiwan FSC's Manual for Determining Scope 3 Emissions in Investment and Lending Portfolios for Insurance Companies to calculate and disclose financed emissions for each credit asset category.</p> <ul style="list-style-type: none"> Financed emissions from investment and lending portfolios: The financed emissions in metric tons of CO₂ equivalent (tCO₂e) for Scope 1 and Scope 2 categories (for sovereign bonds, only Scope 1 is calculated) related to the investment and lending portfolios held by Cathay Life. Cathay Life strives to use the "latest obtainable emissions data or estimation data". This includes: <ol style="list-style-type: none"> The latest emissions data resource for Scope 1 and Scope 2 including: MSCI database, PCAF database, emissions data directly obtained from investment and lending companies, the journals of Energy Administration, Ministry of Economic Affairs and Building Research Institute, Ministry of the Interior. Estimation data based on the methodology recommended by PCAF, using emissions data calculated from MSCI database classified by industry to calculate estimated industry specific emissions factors. Scope of Financed Emissions of Investment Portfolios: As of December 31, 2024, conducted an inventory of listed equities, corporate bonds, unlisted equities, commercial real estate investments and sovereign bonds held as part of proprietary investments assets. The scope includes the following accounts: "Financial Assets at Fair Value through Profit or Loss (FVTPL)", "Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)", "Financial Assets at Amortized Cost (AC)" and Equity Method for both self-managed and outsourced investment portfolios. Scope of Financed Emissions of Lending Portfolios: As of December 31, 2024, business loans, project finance (all of which are renewable energy loans), commercial real estate loans and mortgages provided by Cathay Life. Data quality score: Calculated with PCAF-recommended methodology and includes data quality scores provided by MSCI database and PCAF database. A weighted average is calculated based on investment and lending position values. Industry classification disclosure: The classification is based on the level fourth of the Global Industry Classification Standard (GICS) structure. 	<p>CH7 P197-199</p> <p>Table 3 Financed Emissions from Investment and Lending Portfolios held by Cathay Life – Based on the Taiwan FSC's Manual for Determining Scope 3 Emissions in Investment and Lending Portfolios for Insurance Companies</p> <p>Table 4 Financed Emissions from Investment and Lending Portfolios held by CUB – Based on PCAF and the Taiwan FSC's Manual for Determining Scope 3 Emissions in Investment and Lending Portfolios for Banks</p>	-	13 Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

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16	<p>[Disclosure of CUB's Investment and Lending Portfolios (PCAF)] Table 4 Financed Emissions from Investment and Lending Portfolios held by CUB – Based on the Taiwan FSC's Manual for Determining Scope 3 Emissions in Investment and Lending Portfolios for Banks</p> <ul style="list-style-type: none"> Total financed emissions from investment portfolios, including LULUCF, in 2024 were 1,232,894 tCO₂e Total financed emissions from investment portfolios, excluding LULUCF, in 2024 were 1,312,783 tCO₂e. Data quality score of investment portfolios in 2024 was 3.09. Total financed emissions from lending portfolios, including LULUCF, in 2024 were 2,273,403 tCO₂e. Total financed emissions from lending portfolios, excluding LULUCF, in 2024 were 2,267,843 tCO₂e. Data quality score of lending portfolios in 2024 was 3.88. Total financed emissions of business loans by industry in 2024. 	<p>In reference to Partnership for Carbon Accounting Financials (PCAF) standards, CUB formulated the Taiwan FSC's manual for determining scope 3 emissions in investment and lending portfolios for banks to calculate and disclose financed emissions for each credit asset category.</p> <ul style="list-style-type: none"> Financed emissions from investment and lending portfolios: The financed emissions in metric tons of CO₂ equivalent (tCO₂e) for Scope 1 and Scope 2 categories related to the investment and lending portfolios held by CUB. CUB strives to use the "latest obtainable emissions data or estimation data". This includes: <ol style="list-style-type: none"> The latest emissions data resources for Scope 1 and Scope 2 including: MSCI database, PCAF database, emissions data directly obtained from investment and lending companies, Architecture and Building Research Institute, Ministry of the Interior, Bloomberg, national enterprise websites, government-released carbon emissions data, Taiwan Economic Journal (TEJ) database, or other publicly available third-party statistics. Estimation data based on the methodology recommended by PCAF, using emissions data calculated from Energy Use Intensity (EUI) of the building type, or physical and economic activity, or obtained from MSCI database and Bloomberg classified by industry to calculate estimated industry specific emissions factors or the distribution factor estimated based on the closest annual financial information or accounting financial information. Scope of Financed Emissions of Investment Portfolios: As of December 31, 2024, conducted an inventory of listed equities, corporate bonds, unlisted equities and sovereign bonds held as part of proprietary investments assets. The scope includes the following accounts: "Financial Assets at Fair Value through Profit or Loss (FVTPL)", "Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)", "Financial Assets at Amortized Cost (AC)" and Equity Method for self-managed investment portfolios. Scope of Financed Emissions of Lending Portfolios: As of December 31, 2024, business loans, project finance (all of which are renewable energy loans), commercial real estate loans, mortgages and sovereign loans provided by CUB. Data quality score: Calculated with PCAF-recommended methodology and includes data quality scores provided by MSCI database and PCAF database. A weighted average is calculated based on investment and lending position values. Industry classification disclosure: The classification is based on the 11 economic sectors at level one of the Global Industry Classification Standard (GICS) structure. 	<p>CH7 P197-199 Table 3 Financed Emissions from Investment and Lending Portfolios held by Cathay Life – Based on the Taiwan FSC's Manual for Determining Scope 3 Emissions in Investment and Lending Portfolios for Insurance Companies Table 4 Financed Emissions from Investment and Lending Portfolios held by CUB – Based on PCAF and the Taiwan FSC's Manual for Determining Scope 3 Emissions in Investment and Lending Portfolios for Banks</p>	-	13 Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
17	<p>In 2024, the average number of full-time non-managerial employees was 21,084, the mean salary of full-time non-managerial employees was NT\$1,680 thousands, and the median salary of full-time non-managerial employees was NT\$1,298 thousands.</p>	<p>The 2024 Cathay groups' information of full-time non-managerial staff salary is calculated according to "Notes on Reporting of Full-time Non-managerial Employees Salary Information" and "FAQ" published by Taiwan Stock Exchange Corporation.</p>	<p>CH7 P206 Table 16 Full-time of Non-Managerial Employees Salary Information</p>	-	8 Decent Work and Economic Growth	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Note: Refers to the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."



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ISO 14001:2015



ISO 50001:2018



ISO 20400:2017



ISO 14064-1:2018(Domestic)



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05 Sustainable Finance

06 Sustainable Governance

07 Appendix

7.12 Product Disclaimer: Cathay Taiwan Select ESG Sustainability High Yield ETF

1. Cathay ESG High Yield (note: fund distribution may be derived from equalization reserve and does not guarantee returns or dividend payouts) is the abbreviation for the Cathay Taiwan Select ESG Sustainability High Yield ETF (securities code: 00878). For more information regarding the ESG features of 00878, investors should refer to the fund prospectus or investor guide to review all fund objectives and characteristics, or visit the Cathay SITE official website: <https://cathaysite.tw/J3DobPN>. The fund's distributable income may include: cash dividends from investments before the ex-dividend date (excluding that date), after-tax interest income, distributions from fund units held, and equalization reserve. After deducting relevant fees and expenses, the remainder constitutes the distributable income. If additional income sources meet condition (A), the fund manager may decide to include them in distributions. (A) If the distributable income is increased by realized capital gains minus capital losses (both realized and unrealized) and relevant fund expenses, then the fund's NAV per unit on the valuation date for income distribution must exceed the issuance price as defined in Article 5, Paragraph 2 of the trust agreement. Additionally, the NAV per unit after deducting that period's distribution must not fall below the issuance price. (B) Once the fund manager has resolved to distribute the fund's distributable income, distributions shall be made no later than the 45th business day (inclusive) following each February, May, August, and November. The suspension of distributions, changes to the unitholder registry, and the record date for distribution shall be announced by the fund manager in advance. The manager may adjust the amount of distribution before payment if deemed necessary. The timing and amount of dividend (or distribution) payments made by the companies held in the Fund's portfolio are determined by each individual company (e.g., some may concentrate distributions once or twice a year). As a result, the Fund's per-unit distribution amount for each period is determined based primarily on a conservative estimate of future dividends, derived from tracking the long-term dividend distribution records of its portfolio companies, and further adjusted for applicable tax considerations.

2. Investors entering the market at different times may experience different investment returns. Past performance is not indicative of future results.

3. Before subscribing to the Cathay Retirement Investment Plan series, investors should understand that the Series includes both Class P and Class A beneficiary units. Class P beneficiary units carry lower management fees and enjoy discounted subscription fees offered by distributors. However, they are subject to a restriction requiring successful monthly systematic investment plan (SIP) contributions for a continuous period of at least 24 months. If the investor cancels the SIP, redeems the fund (partial redemptions not permitted), or if any monthly deduction fails, the SIP will be deemed discontinued. In such cases, the investor must reimburse the fee difference between Class P and Class A units incurred during the holding period. The distributor may also collect the original subscription fee that would have applied, and the investor's Class P units will be converted into Class A units. Class A beneficiary units are not subject to the 24-month SIP requirement but carry higher management fees compared to Class P units. Investors should make their own investment decisions and choose between P-class or A-class fund units based on their individual financial planning needs. Under the Cathay Retirement Investment Plan Series, conversions between P-class fund units are not permitted. P-class fund units under the Cathay Retirement Investment Plan Series are exclusively available through FundRich. Systematic investment in P-class fund units is unrelated to the monthly voluntary pension contributions under the Labor Pension Act. Investors are using their own funds to invest on a regular basis and are solely responsible for any gains or losses. These investments do not come with any tax benefits.

4. Investors may only subscribe to funds via an e-payment account through Cathay SITE's official fund trading platform. At present, redemptions to e-payment accounts are not supported; redemptions must be made to a personal bank account designated with Cathay SITE. E-payment service providers act solely as intermediaries for fund transfers and do not engage in the operation or management of fund products or services.

【Cathay SITE – Independently Operated and Managed】

Notice: The fund(s) offered by the Company have been approved or registered with the Financial Supervisory Commission (FSC); however, such approval does not imply risk-free investments. Past performance of the fund manager does not guarantee minimum investment returns. Except for exercising its duty as a prudent manager, the Company is not responsible for the fund's gains or losses and does not guarantee a minimum return. Investors should carefully review the fund prospectus before making any investment. Investors may obtain the full or simplified prospectus from the Company or its distribution agents, or download it directly from the Company website (www.cathayholdings.com/funds) or the TWSE MOPS. Information on all applicable fees and charges borne by the fund is disclosed in the prospectus and can also be found on TWSE MOPS. Forecasts of economic trends mentioned in this document do not necessarily reflect the performance of the fund. For investment risks, please refer to the fund prospectus. Fund distributions do not represent actual returns and past distributions are not indicative of future payouts. The net asset value (NAV) of the fund may fluctuate due to market factors. Fund distributions may be paid out of the fund's equalization reserve. Any portion of distributions paid from the equalization reserve may result in a reduction of the original investment principal. Information regarding the components of each fund distribution will be disclosed on the Cathay SITE website. The fund may not be redeemed prior to its listing date (exclusive), and the fund manager will not accept redemption requests for fund units before then.

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Cathay Financial Holdings