

Cathay Financial Holdings and Subsidiaries'

Management Guidelines for Industries Impacting Biodiversity

Formulated on June 5, 2024
Responsible Unit: Corporate Sustainability Office

Article 1 (Purpose and Basis)

Cathay Financial Holdings (hereinafter referred to as “CFH”), recognizing the importance of biodiversity, joined the Taskforce on Natural-related Financial Disclosures (TNFD) and The Partnership for Biodiversity Accounting Financials (PBAF) in 2022. Starting in 2023, CFH also engaged with various domestic and international initiatives and alliances, such as Business for Nature, to leverage the influence of financial institutions in supporting the Kunming-Montreal Global Biodiversity Framework. These Management Guidelines (hereinafter referred to as “Guidelines”) are established based on the "Cathay Financial Holdings and Subsidiaries' Responsible Investment and Lending Policy."

Article 2 (Scope of Application)

These guidelines apply to CFH and its subsidiaries, including: Cathay Life Insurance (Cathay Life), Cathay United Bank (CUB), Cathay Century Insurance (Cathay Century), Cathay Securities Corporation (Cathay Securities), Cathay Securities Investment Trust (Cathay SITE), and Cathay Venture Inc. (Cathay Venture).

Article 3 (Monitoring and Management Principles)

1. Lending Business: Subsidiaries will not provide loans to enterprises involved in logging activities in tropical rainforests¹ as part of their operational activities.
2. Investment Business: Enterprises with business activities that have a significant impact on biodiversity should be incorporated into the subsidiaries' investment control mechanisms

Article 4 (Disclosure)

CFH shall disclose the management measures for industries impacting biodiversity in its annual sustainability report.

Article 5 (Formulation, Revision, Enforcement, and Repeal)

The formulation, revision or repeal of these Guidelines shall be approved by the President. These Guidelines are effective on the date of enforcement. The revision or repeal of these Guidelines shall take effect on the date of revision or repeal.

¹ The industries associated with tropical rainforest logging are those companies classified under BICS code 18101310 and Directorate-General of Budget, Accounting, and Statistics code 0200.