

2022 Goals Attainment of Material Issues

Material Issues	Key Performance Indicators	Short-term (2022) Goals	Goals Attainment	Explanation
Corporate Governance	Improve the composition, operations, and supervision function of the Board of Directors	<ul style="list-style-type: none"> Completed the election of the 8th-term board of directors in accordance with the law, and continued to increase board diversity. Completed the second external Board Performance Evaluation and optimized mechanisms for Board operations. 	V	
	Participate in an external Corporate Governance Evaluation	<ul style="list-style-type: none"> Cathay FHC, Cathay Life, and Corporate Governance Evaluation jointly improved their corporate governance performance through corporate governance evaluations. 	V	
Risk Management	Improve the Group's risk management system and control mechanisms	<ul style="list-style-type: none"> Continue to implement the market risk value system upgrade project, establish a group-level data platform, and improve product analysis and stress test scenarios to improve risk management capabilities. Analyze the risk of material events, evaluate the potential impact of company assets, and immediately determine the risk. 	V	
	Refine the group's risk map	<ul style="list-style-type: none"> Promote ISO 22301 Business Continuity Management certification to ensure that Cathay has well-rounded business continuity management mechanisms, and periodically conduct drills to ensure feasibility and further strengthen the resilience of business operations. 	V	
	Strengthen climate risk management mechanisms	<ul style="list-style-type: none"> Convene climate governance meetings on a quarterly basis to strengthen cooperation and communication between business units on climate issues. Participate in the projects of banking/life insurance/property insurance associations to continue improving Cathay's climate risk management mechanisms. 	V	

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Information Security	Organize information security training and e-mail social engineering drills	<ul style="list-style-type: none"> The training completion rate for Cathay FHC and its subsidiaries reaches 100% and we complete social engineering rehearsals for emails. 	V	
	Establish FHC-level information security incident emergency response team	<ul style="list-style-type: none"> Organize regular drills. 	V	
	Implement computer information security assessment	<ul style="list-style-type: none"> Complete assessment. 	V	
	Security Operation Center (SOC) service	<ul style="list-style-type: none"> Cathay FHC and its subsidiaries continue to use SOC mechanisms to monitor information security risks. 	V	
Ethics and Compliance	Build a sound group-level compliance governance and performance management based on risk-based approach	<ul style="list-style-type: none"> Improve the Cathay's front-line compliance enforcement results 	V	
		<ul style="list-style-type: none"> Improve the compliance digital management system 		
	Build a sound group-level AML/CFT compliance governance and performance management based on risk-based approach	<ul style="list-style-type: none"> Strengthen the application of digital technologies in Cathay's AML/CFT management 	V	
		<ul style="list-style-type: none"> Number of subsidiaries that exceeded the Cathay's ML/TF risk appetite: 0 		
Data and Privacy	Cultivate and enrich the group's compliance talent and internationalization	<ul style="list-style-type: none"> Gain a full range of compliance (including AML/CFT) talent through training projects 	V	
	Completion rate of the "personal information protection training"	<ul style="list-style-type: none"> 100% 	V	
	Implement "personal information infringement	<ul style="list-style-type: none"> Organized as scheduled. 	V	

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	exercise" at regular intervals (once every two years)			
	Introduction and set up of exclusive C-Mail for the Group Ensure that email data are not stored on local devices and enhance personal data monitoring	<ul style="list-style-type: none"> Implemented by Cathay Securities and Cathay SITE. 	V	
ESG Investment and Lending Policy	Growth of low-carbon investment amount	<ul style="list-style-type: none"> Cathay Life set the goal to achieve 20% growth by 2025 and 40% growth by 2030. Continue to make low-carbon investments to assist the transition to a low-carbon economy. 	V	
	Management of coal investments and loans	<ul style="list-style-type: none"> Cathay United Bank suspended new loans for coal-fired power generation projects in 2019, and established the policy of "zero coal-fired power generation loans" in 2021, reducing the balance of loans in industries with high carbon emissions. Cathay Life participated in the Asian Utilities Engagement Program of the AIGCC, and encouraged companies to implement carbon reduction mechanisms to achieve the net zero emissions scenario of the Paris Agreement. 	V	
Diverse Protection	Number of new products offered for the elderly	<ul style="list-style-type: none"> Offer 10 products of protection or saving types to meet the needs of elderly people, optimize services for the elderly and friendly measures, create an image of providing services to the elderly, and provide citizens with complete protection through "Services x Products." 	V	
	Number of new health promoted insurance products	<ul style="list-style-type: none"> Offer 2 or more products with spill-over effect, expand the influence of prevention of such kind of insurance policy, promote citizens to manage health, and deeply embed health-promoting concepts in the society. 	V	

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	Shaping Cathay's risk awareness	<ul style="list-style-type: none"> Organize at least 1 large-scale loss control seminar each year to raise the risk awareness of corporate customers and strengthen their risk management ability. 	X	Due to the impact of the Covid-19, 2 loss control seminars were expected to be held in 2022, were all suspended.
	Promotion of safety risk prevention	<ul style="list-style-type: none"> Organize Accident-Free Riders loss control promotion events, including 50 Accident-Free Riders, Accident-free Bicycles, and Accident-free School events. 	V	
Financial Planning	Promotion of trust products for the elderly	<ul style="list-style-type: none"> For citizens at the age of 55 and above, we are promoting micro retirement trusts that can be applied for in advance, do not have a threshold, and has a low contract signing fee of only NT\$999, thus providing citizens with more convenient services to help them protect their asset safety after retirement. 	V	
	Promotion of investment in a regular savings plan	<ul style="list-style-type: none"> Lower the threshold for investing in a regular savings plan (only NT\$500 required to invest in a fund), and encourage long-term holdings by waiving the processing fee after investing in a regular savings plan for three full years. Respond to social issues of an aging society, low interest rates, and insufficient pensions. 	V	
	Expand robo investment services to a wider range of products	<ul style="list-style-type: none"> [Provide conservative investors with protection so they will have peace of mind] Extend characteristics of robo investment services: "Smart processing" and Cathay Life jointly offered the market's first unit link (UL) product that combines AI selected products into long-term products with low entry thresholds. Continue to provide policy holders with rebalance services to rapidly respond to market fluctuations after insurance enrollment, giving 	V	

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		consideration to both investment and life insurance coverage.		
Customer Relationship Management	Overall customer relationship management of Cathay Life	<ul style="list-style-type: none"> R-NPS reaches 20 points 	V	
	Overall customer relationship management of CUB	<ul style="list-style-type: none"> NPS improved compared with the previous period, or ratio of 0-6 detractors decreased. 	V	
	Overall customer relationship management of Cathay Century	<ul style="list-style-type: none"> NPS improved compared with the previous period, or ratio of 0-6 detractors decreased. 	X	Due to the impact of the 111 epidemic prevention insurance incident, customers had a relatively unfavorable perception of the company last year, resulting in a decline in NPS scores. However, the company still actively maintains service quality in all aspects and maintains good customer relationships.
	Overall customer relationship management of Cathay Securities	<ul style="list-style-type: none"> NPS improved compared with the previous period, or ratio of 0-6 point detractors decreased 	V	

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	Overall customer relationship management of Cathay SITE	<ul style="list-style-type: none"> Keep the NPS score higher than the average score of the top five competitors Improve online Q&A service performance and optimize the online service interface 	V	
Talent Development	Online learning hours	<ul style="list-style-type: none"> Employee online learning reached 1.2 million hours 	V	
Attracting Talents	Employees engagement survey	<ul style="list-style-type: none"> Average engagement score reaches 4 points and above Response rate reaches 80% and above 	V	
	Key talent retention	<ul style="list-style-type: none"> Retention rate reaches 90% and above 	V	
	Compensation	<ul style="list-style-type: none"> Selection into the Taiwan High Compensation 100 Index 	V	
Occupational Health and Safety	Employee mental health survey	<ul style="list-style-type: none"> Response rate reaches 70% and above 	V	
	Occupational safety management	<ul style="list-style-type: none"> Maintain ISO 45001 Occupational health and safety management systems certification 	V	
	Maternal healthcare	<ul style="list-style-type: none"> According to the Maternity Healthcare Protection Program, maternity protection rate ≥ 85 	V	
ESG Products and Services	Installed capacity of the solar power plants financed by CUB	<ul style="list-style-type: none"> Continue to develop solar power projects in Taiwan with an emphasis on combined fish farming and solar power projects. 	V	
	Installed capacity of the offshore wind farms financed by CUB	<ul style="list-style-type: none"> Serve as the financial advisor for one Taiwan offshore wind project and actively support policies through different roles and methods to contribute to environmental protection and sustainable development in Taiwan. 	V	
Climate Initiatives	We have joined the RE100 and committed to using 100% renewable energy	<ul style="list-style-type: none"> We implemented the zero carbon operation transformation plan in 2021, and planned renewable energy purchase, workplace transformation, and operations carbon data management. 	V	
	Cathay has committed Science Based Target (SBT)	<ul style="list-style-type: none"> Hold an engagement activity according to engagement strategies. 	V	
	Participate in global climate	<ul style="list-style-type: none"> Engage directly according to engagement strategies 	V	

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	engagement initiatives and engage investees directly.	<ul style="list-style-type: none"> Participate in CDP Non-Disclosure Campaign and engage at least 40 investees as a lead investor. Participate in Climate Action 100+ 		