

# Cathay FHC 2021 Occupational Safety and Health Management Report

## 1. Cathay Occupational Safety and Health Management Policy and Guidelines

Cathay FHC and its subsidiaries uphold the core values of "Integrity, Accountability, and Innovation." Besides abiding by the basic principle of being customer oriented and providing satisfactory products and services, we uphold the philosophy of respecting and caring for the safety and health of employees, customers, suppliers, and contractors, in order to provide employees and stakeholders with a safe work environment. We not only proactively prevent incidents from occurring, but also continue to improve workplace safety and health, and pursue the ultimate goal of "zero disasters and zero accidents." We are committed to implementing the following policies, which are applicable to employees, contractors, and individual contractors of Cathay FHC and its subsidiaries.

- Create a safe workplace that will benefit employees' physical and mental health and development
- Implement risk management and assessment mechanisms to continue improving occupational safety and health performance
- Set related goals, formulate action plans, and periodically track results
- Improve understanding and abilities in occupational safety and health, and ensure that workers receive counseling
- Comply with laws and regulations and ISO45001 Management Systems, and continue to optimize the occupational safety and health system

Cathay FHC's largest subsidiaries Cathay Life and Cathay United Bank have both implemented ISO 45001 Occupational Safety and Health Management System, in which the president represents management in establishing, implementing, periodically reviewing, and evaluating the occupational safety and health management system. Other subsidiaries manage occupational safety and health according to the spirit of PDCA. Cathay FHC and its subsidiaries established the Safety and Health Work Guidelines, Occupational Safety and Health Management Program, and Occupational Safety and Health Management Guidelines. Occupational safety and health management methods are all disclosed on the official website of Cathay FHC to clearly communicate Cathay's emphasis and commitment to occupational safety and health management.

Policy and Declaration	Subjects	Policy Content
<b>Cathay FHC's Declaration of Sustainability Values</b>	Employees, Cathay FHC and its subsidiaries, suppliers, joint ventures, and other business partners	<ul style="list-style-type: none"> <li>● Cathay FHC (including Cathay FHC and its subsidiaries) referenced international regulations such as the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and UN Global Compact, as well as the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies, and incorporated international principles of responsible investment and lending into related codes of conduct, human rights declaration, occupational safety and health and environment policies, and public welfare policy according to the Company's businesses and overall business activities.</li> </ul>

<b>Safety and Health Work Guidelines</b>	Employees, Cathay FHC and its subsidiaries, and contractors (including individuals) of Cathay FHC and its subsidiaries	<ul style="list-style-type: none"> <li>● Occupational safety and health management and the authority of managers at each level.</li> <li>● Maintenance and inspection of machinery, equipment, or tools.</li> <li>● Standards for work safety and health.</li> <li>● Education and training.</li> <li>● Health guidance and management measures.</li> <li>● First aid and rescue.</li> <li>● Preparation, maintenance, and usage of protective equipment.</li> <li>● Notification and report of accidents.</li> <li>● Other matters related to safety and health.</li> </ul>
<b>Occupational Safety and Health Management Plan</b>		
<b>Occupational Safety and Health Management Guidelines</b>		

## 2. Cathay's Occupational Safety and Health Risk Assessment Program

Cathay manages occupational safety and health risks according to the occupational safety and health policy to protect employees' physical and mental health, and also provide a safe work environment. Risk and opportunity assessment personnel of each unit compile a "Detailed List for Occupational Safety and Health Hazard Identification" through the identification process below, and did not find any high risks in the identification process in 2021. Pursuant to the Occupational Safety and Health Management Guidelines, the Occupational Safety and Health Department establishes the occupational safety and health management plan and occupational safety and health managers urge contractors to periodically conduct inspections to maintain workplace safety; internal inspections were conducted according to regulations in 2021 and no major deficiencies were found.

### ● Cathay's 2021 OHS risk identification and assessment

1. Identify all operations and activities
2. Occupational safety and health hazard identification and risk assessment
3. The effectiveness of measures that were planned must be considered when assessing other risks
4. Risks of occupational safety related prevention plans may be taken into consideration
5. Cathay FHC formulates emergency response plans for potential incidents and emergencies (departments formulate emergency response plans based on their business characteristics, hazards in the workplace environment, and unsafe conduct). Drills are conducted at least once a year to improve handling techniques and efficiency. The purpose of drills is to prevent fires, prevent typhoons, prevent robbery, and prevent violence. We also established a complete incident reporting process. Cathay FHC and its largest subsidiaries Cathay Life and Cathay United Bank all implemented ISO 22301 Business Continuity Management Systems in 2021, and the president, chief risk officer, and heads of each department and office jointly established a Business Continuity Management Committee, which examines if the Company's business process, emergency response plans, business recovery

procedures, and remote backup mechanisms are complete. It establishes sound BCM mechanisms and also creates a safe work environment, ensuring the safety of personnel in the workplace when an emergency occurs, not only increasing Cathay's resilience when facing emergencies, but also reducing casualties and asset losses.

● **Cathay's 2021 OHS risk identification results**

Risk issues	Stakeholders that are affected	Action plans	2022 Goals
<p><b>Stress-management &amp; Mental Health</b></p>	<p>Employee</p>	<ul style="list-style-type: none"> <li>● Cathay identifies the stress among employees through a mental assessment survey and plan a series of activities based on the result of the survey.</li> <li>● Cathay provides a mental health counseling mechanism (via telephone, email, face-to-face, words of encouragement) and relief services, such as stress-relief rooms and massages, for all employees.</li> <li>● Cathay introduces the Employee Assistance Program (EAP), which provides employees with a comprehensive support system by offering professional consultation services that address various needs around the clock. Employees' stress can be effectively alleviated as they seek advice on marriage, family, finances and laws.</li> <li>● Cathay provides employees with stress management courses which cultivate employees' awareness to physical and psychological phenomena of stress.</li> <li>● Cathay conducts a quarterly survey to identify employees with 44 hours of overtime in a month and cross-examines whether their 10-year cardiovascular risk score assessed in their health report is greater than or equal to 20. If so, they are considered as having a high risk of becoming ill due to an abnormal workload. Employees with a significantly high risk of overwork will be scheduled for an</li> </ul>	<ul style="list-style-type: none"> <li>● Employee mental health survey response rate reached 70% and above</li> </ul>

		<p>interview with the physician and health counsellor, or work adjustments will be made by Human Resources Department and unit supervisors.</p>	
<p><b>Ergonomic Workplace</b></p>	<p>Employee</p>	<ul style="list-style-type: none"> <li>● A comprehensive survey of skeletal muscle injuries is conducted to evaluate employees' skeletal muscle injuries and manage the risk by level. High-risk employees (with a risk of or diagnosed skeletal muscle injuries) are screened and requested to learn online about correct sitting postures. After 6 months, those requiring further consultations with medical personnel are screened.</li> <li>● Cathay keeps improving workplace equipment, including assistive devices and replacement chairs.</li> <li>● About 300 AED devices have been installed at the workplace to protect employees' life, with the number far higher than that of other peers in financial industry in Taiwan.</li> <li>● Every 2,500 employees are attended by a therapist. A physician is stationed at the office twice every week for two hours at a time; visual consultation is also available for employees across Taiwan.</li> <li>● OHS training provided to employees to raise awareness and reduce operational health &amp; safety incidents.</li> </ul>	<ul style="list-style-type: none"> <li>● Periodically conduct skeletal muscle injury survey and care for high risk employees</li> </ul>
<p><b>Fitness Facilities or Contributions to External Fitness Programs</b></p>	<p>Employee</p>	<ul style="list-style-type: none"> <li>● Cathay promotes the cooperation between sports clubs, such as swimming and fitness clubs, sports centers, and swimming pools. Sports clubs are guided by external coaches or mentors.</li> <li>● Cathay provides sports classes across Taiwan for employee.</li> <li>● Cathay holds running, walking, and hiking activities.</li> <li>● Cathay developed a walking app to encourage, promote, and</li> </ul>	<ul style="list-style-type: none"> <li>● Organize employees weight loss activities</li> </ul>

		record employees' walking activities.	
<b>Health/ Nutrition Provisions</b>	Employee	<ul style="list-style-type: none"> <li>● Cathay holds health and nutrition seminars of 30 to 40 hours annually.</li> <li>● Cathay organizes weight-management activities and sports classes of 20 to 30 hours annually.</li> </ul>	
<b>Workplace Safety</b>	Employee/Contractor	<ul style="list-style-type: none"> <li>● Arrange for employees to receive qualified first-aid training and provide first-aid supplies in the workplace.</li> <li>● Employee safety and health education and training. Occupational safety training and promotion participants reached 560 and totaled 686 hours in 2021.</li> <li>● Conduct evacuation drills once a year.</li> <li>● In accordance with the "Construction Contractor Safety and Health Management Guidelines," contractors fill out the notice on joint prevention of occupational accidents and comply with relevant laws and regulations.</li> <li>● OHS criteria introduced in procurement and contractual requirements. Cathay FHC and its subsidiaries not only provide hazard notices and convene consultative organization meetings for contractor management, but also irregularly conduct occupational safety inspections of construction sites to ensure occupational safety and health. We added a CSR clause to contracts and require that vendors comply with the relevant laws and regulations on environmental protection, labor conditions, labor safety and health, and labor human rights etc., taking action to require vendors to jointly fulfill their corporate social responsibility,</li> </ul>	<ul style="list-style-type: none"> <li>● Maintain ISO 45001 Occupational health and safety management systems certification</li> </ul>
<b>Workplace Environment</b>	Employee/Contractor	<p><b>Illumination</b></p> <ul style="list-style-type: none"> <li>● Cathay carries out indoor illumination testing every 6 months and reports the results to the committee. Lighting that does not meet the standards are corrected immediately.</li> <li>● The monitoring report and the monitoring plan are available on the</li> </ul>	<ul style="list-style-type: none"> <li>● Maintain ISO 45001 Occupational health and safety management systems certification</li> <li>● Regularly conduct</li> </ul>

		<p>Occupational Safety Department's website.</p> <p><b>Indoor Air Quality</b></p> <ul style="list-style-type: none"> <li>● Cathay carries out CO2 testing every 6 months.</li> <li>● Cathay publishes the monitoring report and plan on the Occupational Safety Department's website.</li> </ul> <p><b>Humidity &amp; Temperature</b></p> <ul style="list-style-type: none"> <li>● Cathay provides a good and comfortable work environment. It maintains the office temperature at 26°C and humidity at 61%. The settings are adjusted according to the season to avoid harming employee health.</li> </ul> <p><b>Noise</b></p> <ul style="list-style-type: none"> <li>● Because of the characteristics of financial industry, there is no noise issue in the working environment of Cathay FHC and its subsidiaries.</li> </ul>	<p>office lighting tests, air quality tests, and report to the Occupational Safety Committee</p>
<p><b>Covid-19</b></p>	<p>Employee/Contractor</p>	<ul style="list-style-type: none"> <li>● Internal/External reporting mechanisms: Companies announce notices and set up contacts for reporting the pandemic situation (including overseas institutions), and establish SOPs for handling employees who are diagnosed with COVID-19. Pandemic prevention measures are reported on a weekly basis and tracked.</li> <li>● People who enter public areas are to have temperatures measured. Personnel are required to wear masks in the workplace.</li> <li>● An inventory of pandemic prevention supplies is periodically taken, and the supplies are distributed to front-line personnel and internal units.</li> </ul>	

		<ul style="list-style-type: none"><li>● Designated a meeting room for external visitors, and set up a mail and food delivery area.</li><li>● Provided employees with safety goggles, professional protective face shields, and masks, and also stepped up workplace disinfection to ensure workplace safety and allow employees to provide services with peace of mind.</li><li>● When deemed necessary based on the level of the pandemic situation, physical trainings and education may be moved to online sessions after gaining approval.</li><li>● Flexible shifts: We designed 2-4 shifts for employees to work flexible hours based on the level of the pandemic situation.</li><li>● Remote-working, work from home: We reviewed necessary equipment for plans to be implemented based on the level of the pandemic situation.</li><li>● Providing Quarantine Leave</li><li>● Overseas travel/business trip controls: Employees must select [overseas/domestic] when they take leave, and must report their leave to an executive vice president of their department or above if they are traveling overseas. In principle, employees must work from home during the statutory self-health monitoring period after returning to Taiwan. However, if they must go to the workplace for business, they must obtain a negative COVID-19 RT-PCR test to be allowed into the workplace.</li><li>● Controls for expatriates returning to Taiwan: After discussion with the local manager of each company, expatriates will return to Taiwan in batches without affecting operations. In principle, employees must work from home during the statutory self-health monitoring period after returning to Taiwan. However, if they must</li></ul>	
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		go to the workplace for business, they must obtain a negative COVID-19 RTPCR test to be allowed into the workplace.	
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**3. Cathay's Mechanisms for Supervising Occupational Safety and Health Risks and Implementation Results of Related Projects**

Cathay FHC and its subsidiaries strive to create a safe and healthy work environment due to their emphasis on workplace safety and employee health. Cathay regularly organizes physical health examinations and conducts questionnaire surveys on mental health and stress to monitor employee health. We launch weight loss/exercise projects every year for the promotion of employee health. Cathay FHC and its subsidiaries have established an Occupational Safety and Health Committee as required by law to create a safe workplace. Occupational issues are reported to the Administration Collaboration Meeting of Cathay FHC every month for real-time inspection of the progress on implementation of relevant strategies and projects. Results of the workplace and employee health and safety projects implemented by Cathay in 2021 are as follows.

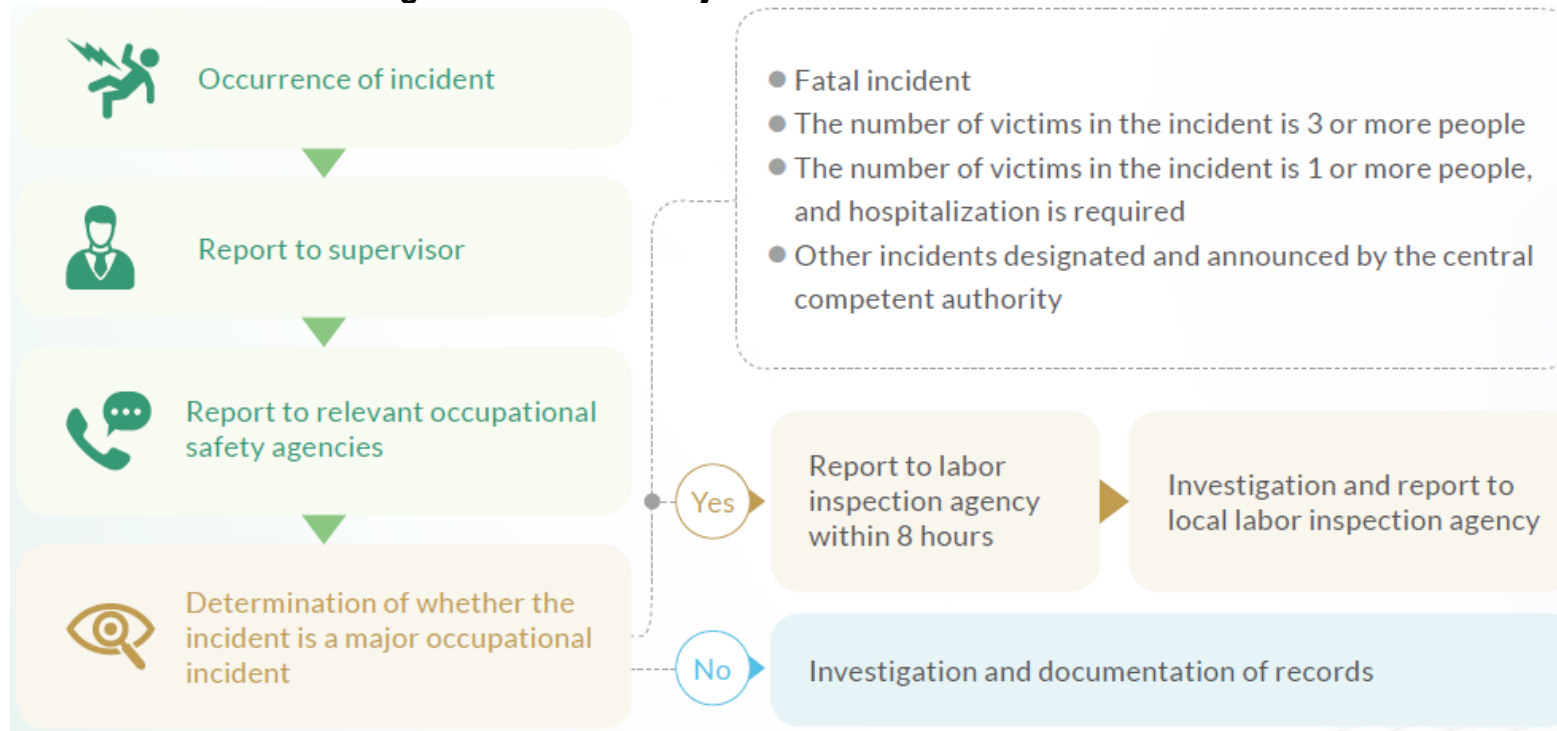
<b>Risk issues</b>	<b>Stakeholders that are affected</b>	<b>Health risk assessment mechanism/indicator</b>	<b>Implementation results of workplace and employee health and safety projects in 2021</b>
<b>Stress-management &amp; Mental Health</b>	Employee	<ul style="list-style-type: none"> <li>● Cathay values employees' physical and mental health, and conducts questionnaire surveys on employees' mental health and stress every year to track their mental health condition</li> <li>● Cathay continues to care for employees' mental health by providing counseling and active care services every year</li> </ul>	<ul style="list-style-type: none"> <li>● Cathay FHC conducted a questionnaire survey on the mental health and stress of its employees in 2021. The response rate was 81.5% in 2021, which shows that there are no major risk factors to employees' mental health.</li> <li>● Cathay FHC launched the Employee Assistance Program (EAP) in 2021, which provided 371 counseling sessions</li> </ul>
<b>Fitness Facilities or Contributions to External Fitness Programs</b>	Employee	<ul style="list-style-type: none"> <li>● Cathay attaches importance to employee health and has created an atmosphere of exercise, organizing employee road runs, hiking, mountain climbing, and weight loss contests every year</li> </ul>	<ul style="list-style-type: none"> <li>● Cathay FHC initiated large-scale work-from-home to protect employees' health. The Weight Loss Contest has been held for seven consecutive years since 2015. Over 72,000 employees have participated in the event as of 2021, and lost a total of 129,410 kg in weight (total weight loss in 2021 was 10,658 kg). Based on BMI before and after the event, employees with a healthy BMI increased by 9.5%.</li> </ul>
<b>Health/ Nutrition Provisions</b>	Employee	<ul style="list-style-type: none"> <li>● Periodically organize free employee medical check-ups and track obese employees and employees with high blood pressure, high blood sugar, and high blood cholesterol</li> </ul>	<ul style="list-style-type: none"> <li>● Organized employee medical check-ups once every three years, and over 30,000 employees participated in medical check-ups</li> </ul>



			<p>in 2021</p> <ul style="list-style-type: none"> <li>● Cathay FHC and its subsidiaries strongly support a healthy workplace, promote exercise, sponsor external sports events, and organize numerous internal sports events for employees. Cathay SITE received the Exercise Enterprise Certification from the Sports Administration, Ministry of Education in 2021. Cathay Securities placed third in iSports in hopes of creating a healthy workplace for employees to find a balance between their body, heart, and soul.</li> </ul>
<b>Workplace Safety</b>	Employee/Contractor	<ul style="list-style-type: none"> <li>● Cathay attaches importance to the safety of the workplace environment, and installed first aid supplies, such as AED, and provided training to first aid personnel in accordance with the law</li> <li>● Periodically inspect lighting and air quality to maintain the quality of the workplace environment</li> <li>● Regularly organize employee occupational safety education and training and on-site disaster prevention drills</li> </ul>	<ul style="list-style-type: none"> <li>● First-aid personnel receive qualified first-aid training and first-aid supplies and AED are available in the workplace</li> <li>● 100% of new employees completed medical check-ups</li> <li>● Arranged for doctors and nurses to provide on-site health services to employees</li> <li>● Operating environment tests, such as lighting and CO<sub>2</sub> concentration, are regularly performed</li> <li>● Completion of employee safety and health education and training reached 100% in 2021</li> <li>● Conducted one evacuation drill in 2021</li> </ul>

#### 4. Procedures to investigate work-related injuries, ill health, diseases and incidents.

##### ● Procedures to investigate work-related injuries and incidents



##### ● Procedures to investigate work-related Covid-19

Internal/External reporting mechanisms: Companies announce notices and set up contacts for reporting the pandemic situation (including overseas institutions), and establish SOPs for handling employees who are diagnosed with COVID-19. Pandemic prevention measures are reported on a weekly basis and tracked.

#### 5. Cathay's OHS Governance

Occupational safety and health is an extremely important issue of "health" in Cathay's three focus areas for sustainability "climate, health, and empowerment." Cathay values the health of employees and contractors, and strives to create a happy workplace for physical and mental health and safety. Cathay FHC's largest subsidiaries Cathay Life and Cathay United Bank have both implemented ISO 45001 Occupational Safety and Health Management System, in which the president represents management in establishing, implementing, periodically reviewing, and evaluating the occupational safety and health management system. The remuneration of the supervisor and VP of the unit responsible for occupational safety and health is linked to workplace safety and employee health goals, such as participation and results of the employee weight loss project, number of workplace maternity projects, and fines related to workplace safety. We plan to link these KPI to the CEO's remuneration in the future, so that Cathay will achieve better governance and attach greater importance to workplace health and safety.

Cathay FHC and its subsidiaries have established an Occupational Safety and Health Committee as required by law. Occupational issues are reported to the Administration Collaboration Meeting of Cathay FHC every month for real-time inspection of the progress implementing relevant strategies and projects. With regard to employee communication, Cathay FHC has multiple channels for employee communication, and organizes employee-employer meetings in accordance with the Guidelines for Implementing Employee-Employer Communication. Both sides elect representatives to report on, fully discuss, and propose resolutions to major employee-employer issues (including occupational safety and health issues), which are carried out accordingly. A total of 27 employee-employer meetings were held in 2021.

Cathay FHC and its subsidiaries report the implementation status of occupational safety and health issues along with compliance self-evaluations and audit reports to the Board of Directors every six months. Occupational safety issues have drawn great attention and are an important aspect of "health" in Cathay's three focus areas for sustainability. Hence, the CS Committee under the Board of Directors will examine occupational safety issues and implementation status, and report the Committee's major resolutions and implementation status to the Board of Directors every six months starting in 2022.