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

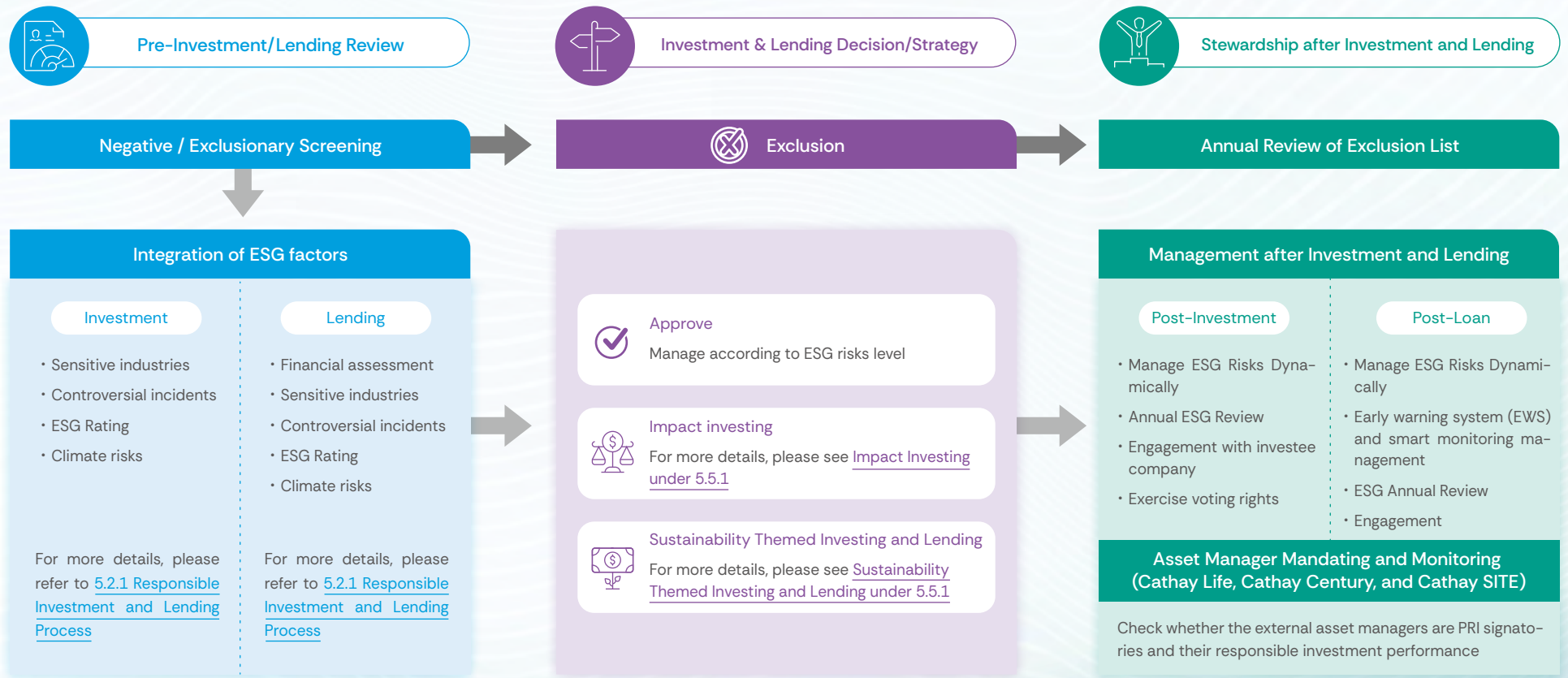
Note: In addition to the subsidiaries listed above, Cathay Venture also adheres to the Responsible Investment and Engagement Regulations.

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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.